

Armenia

by Alexander Iskandaryan

Capital: Yerevan
Population: 3.1 million
GNI/capita, PPP: US\$5,410

Source: The data above was provided by The World Bank, *World Development Indicators 2011*.

Nations in Transit Ratings and Averaged Scores

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Electoral Process	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75
Independent Media	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00
Governance*	4.50	4.75	4.75	n/a						
National Democratic Governance	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.75
Judicial Framework and Independence	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50
Democracy Score	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39	5.43

* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

The first years following Armenia's independence from the USSR in 1991 were extremely turbulent. War with neighboring Azerbaijan over the Armenian-populated region of Nagorno-Karabakh, a transportation blockade that left landlocked Armenia with just two open borders (one with war-torn Georgia and the other with Iran), and an energy crisis all contributed to the country's economic collapse in the early 1990s. By the time a ceasefire agreement was signed in 1994, over a quarter of Armenia's population had emigrated due to poverty, and over 10 percent of the remaining population were refugees from Azerbaijan. In the mid-nineties, Armenia began to recover economically as it restored and developed energy production. However, the unresolved territorial conflict and blockade by Azerbaijan and Turkey remain to this day.

The abrupt economic restructuring and decline of living standards in the newly growing post-Soviet economy have caused social frustration and political apathy. Excessive overlap between political and economic interests in Armenia has depleted public trust in political elites, as has their record of rigged elections and corrupt administrative practices. Results of every national election since 1995 have been challenged by the opposition, which is personality-driven and passive between elections. Polarization between parties deepened after mass protests following the 2008 presidential election were dispersed by police and army forces, leaving ten dead and up to two hundred wounded. After six years of record economic performance, the global economic crisis hit Armenia in 2009, leading to a sharp decrease in growth.

The country's economy started growing again in 2010. The year saw no major political upheavals, but measures to address the lingering political fallout of the 2008 post-election unrest were slow and incomplete. Legislative reform moved forward in key areas including electoral process, media, and civil society, with higher societal involvement than in previous years. The opposition failed to gather wide public support, but tensions within the coalition were reported throughout the year.

National Democratic Governance. Armenia's legislation provides for democracy and rule of law, but in reality a small group of elites continues to dominate the political and economic spheres. Political competition remains weak, with incumbent authorities having an unfair advantage over newcomers. Recovery from the global recession led to moderate economic growth in 2010. There was no progress in the conflict over Nagorno-Karabakh or reconciliation with Turkey. *Owing to a lack of visible progress in democratic governance in 2010, Armenia's national democratic governance rating remains unchanged at 5.75.*

Electoral Process. Despite adequate electoral legislation, Armenia has a record of tarnished elections and trust in electoral institutions and procedures remains low. In 2010, the Electoral Code underwent revisions in line with recommendations by the Parliamentary Assembly of the Council of Europe (PACE), but alternative revisions were not duly considered by the ruling coalition. *Owing to the insufficiently democratic process of revising the Electoral Code, Armenia's electoral process rating remains unchanged at 5.75.*

Civil Society. Armenian nongovernmental organizations (NGOs) operate in a generally favorable legislative climate and are respected in society. Controversial draft amendments to the Law on Public Organizations were revised in 2010 under pressure from civil society organizations, and submitted to parliament at the end of the year. Meanwhile, draft legislation on freedom of assembly received support from most international advisers, but concerns remained about the president's ability to prevent public gatherings in the event of "credible information" that an assembly could be violent or otherwise disruptive. Despite some increase in the level of public advocacy and outreach by civil society organizations, the impact of such actors remains limited. *Armenia's civil society rating remains unchanged at 3.75.*

Independent Media. Media were more proactive in exposing societal problems in 2010, and the abuse of journalists decreased slightly during the year. Online news sources are increasingly diverse and operate freely; however, the reach of print media remains limited. New amendments to the heavily criticized Law on Television and Radio require broadcast media outlets to compete for digital broadcasting licenses, placing strict limits on the number of stations allowed to broadcast from Yerevan and the regions. Numerous independent media outlets were denied licenses, as was A1+ Television, which has submitted more than ten tenders for broadcasting rights since the station was closed in 2002. *The digitalization project ultimately reduced diversity of broadcast media, the public's main source of information; thus, despite the growing reach of online information sources, Armenia's independent media rating remains unchanged at 6.00.*

Local Democratic Governance. Armenia's local self-government is clearly defined by legislation, instituting representative and executive bodies in all communities. However, in practice local self-government bodies are weak, nontransparent, and heavily dependent both politically and financially on regional governors, which are in turn appointed by the central government. The centralized control of local self-governance bodies was underscored in 2010 when the regional Ararat governor resigned, allegedly following instructions from the presidential administration. Citizen trust and involvement in local governance remained low throughout the year. *Owing to the lack of tangible improvement in local governance in 2010, and the continued informal control of local bodies by the central government, Armenia's local democratic governance rating declines from 5.50 to 5.75.*

Judicial Framework and Independence. The court system remains vulnerable to pressure from the executive branch and frequently engages in corrupt practices. Cases of abuse by army and police officers came under public scrutiny in 2010, but investigations and trials yielded limited results: nine persons believed to have been arrested on political grounds (in connection with the March 2008 post-election unrest, for example) remained in custody at year's end. *Armenia's judicial framework and independence rating remains unchanged at 5.50.*

Corruption. Corruption remains a major impediment to Armenia's democratic development. In November, Prime Minister Sargsyan initiated a series of top-level dismissals in the government, focusing on the ministries of agriculture, finance, education, and health. *Due to the lack of strong and systematic effort to eradicate corruption at all levels, Armenia's corruption rating remains unchanged at 5.50.*

Outlook for 2011. No dramatic changes are expected in Armenia in 2011. Political groups will prepare for the 2012 parliamentary election, and tensions within various segments of the ruling coalition may intensify. The non-parliamentary opposition will continue rallying and attempt to gather momentum before the election. Attempts to resolve the conflict over Nagorno-Karabakh will likely continue to stagnate. Economic growth will likely increase as Armenia recovers from the global recession. The media and civil society are expected to increasingly engage the public in campaigning for causes, as demonstrated in 2010.

MAIN REPORT

National Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75	5.75

Armenia's political system operates on the basis of consensus among elite groups that control economic and political resources. Society has little leverage over legislative processes or political decision-making; consequently, trust in governing institutions is very low. Results of every national election since 1995 have been challenged by the opposition, which is personality-driven and passive between elections. Post-election unrest is a regular occurrence, though the events of 2008 represented a dramatic escalation in both the scale of protests and the brutality of the government's response.

With the next national election not due until 2012, the political opposition continued to lose momentum. Led by the Armenian National Congress (ANC), the non-parliamentary opposition had been the driving force behind the mass protests of 2008, but it had little room to maneuver in 2010. Planned public protests were repeatedly banned by authorities under the controversial Law on Assemblies, which is currently under revision. Several demonstrations resulted in brawls with the police and short-term detention of activists.

Within parliament, opposition parties were weak and unable to reach consensus on key issues. Out of 131 parliamentary seats, the two current opposition parties, Heritage and Dashnaksutyun, held just 7 and 16 seats, respectively. As Dashnaksutyun only left the ruling coalition in 2009 as a protest against Armenia-Turkey rapprochement, the two parties found little common ground or opportunity for meaningful cooperation. Meanwhile, tensions were reported inside the ruling coalition—both within the dominant Republican Party of Armenia, and between the Republican Party and the second largest coalition member, Prosperous Armenia—indicating some degree of political competition within the establishment.

Throughout the year, Armenia struggled to recover from the global economic recession, which was reflected in a 14.2 percent drop in GDP in 2009. Faced with a large budget deficit and mounting foreign debts, the national government began pressuring businesses to declare their incomes. As a result, the size of Armenia's shadow economy decreased from an estimated 51.7 percent of GDP in 2007¹ to 35–40 percent in 2010.² A second significant policy response was the government's intervention in the economy, offering loans to businesses and buying stakes in some companies strongly hit by the crisis.³ By the end of the year, Armenia's economy had grown by 2.1 percent. Armenia's standing with the international agency Fitch Ratings improved in 2010,⁴ and the country also rose to 43rd place among 183 countries in the World Bank's "Doing Business" 2010 list.⁵

While economic recovery measures saw some success, key foreign policy projects stalled. Negotiations between Armenia and Azerbaijan on the breakaway Armenian-populated region of Nagorno-Karabakh continued in 2010 under the framework of the Organization for Security and Co-operation in Europe (OSCE) Minsk Group, without tangible progress. Border incidents led to casualties and captures, including civilians. In October, Armenian President Serzh Sargsyan and Azerbaijani President Ilham Aliyev met in Astrakhan with mediation provided by Russian President Dmitry Medvedev, and the parties agreed on an exchange of captives and bodies; the first exchanges were conducted in November.

In January the Constitutional Court approved the 2009 Armenia-Turkey Protocols on establishing diplomatic ties and opening the borders. However, Turkey's Prime Minister Recep Tayyip Erdoğan repeatedly made public statements linking reconciliation between the countries with the conflict over Nagorno-Karabakh, which Armenia objected to; by spring, the process was frozen again.⁶

Armenia's army includes approximately 47,000 military personnel. Defense expenditures were reduced more than other budget line at the peak of the economic recession, but returned to their original levels in the course of 2010. By the end of the year, they had reached about US\$380 million, or 14.5 percent of total budget expenditures. Meanwhile, just 5.9 percent of the budget went to healthcare, and less than 30 percent went to social welfare. Cases of abuse in the army, including non-combat deaths, were exposed and widely debated for the first time in the country in 2010, although the problem has existed since the 1990s. A number of officers were fired and demoted, and one was prosecuted as a result.⁷ A hotline for complaints against abuse in the army was launched in December.

In August 2010, the 25-year agreement made in 1995 for the presence of a Russian military base in Armenia was extended for another 24 years, until 2044. This sparked strong reactions from actors, including opposition figures, who have objected to Armenia's dependence on Russia in the military realm.⁸

The delimitation of the Armenia-Georgia land border continued during the year, with working groups from both countries engaging in consultations.

Electoral Process

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75	5.75

Although no general elections took place in 2010, a parliamentary by-election held on January 10 drew considerable media attention and highlighted perennial weaknesses of electoral process in Armenia, including low public participation, serious election day irregularities, and unresolved post-election disputes. Well-known ANC opposition activist and editor of *Haykakan Zhamanak*, Nikol Pashinyan—still in jail for his involvement in the 2008 protests—ran against Ara Simonyan of the National Unity Party for the parliamentary seat formerly occupied by wealthy businessman Khachatur Sukiasyan. Simonyan was considered the pro-

government candidate, although he himself rejected this characterization. Despite extensive, door-to-door campaigning on Pashinyan's behalf, voter turnout was below 25 percent. Simonyan was pronounced the winner, having officially won 58.9 percent of votes against Pashinyan's 38.8 percent.⁹ In addition to rigged voter lists and rigged vote counting, reported election day irregularities included the beating of Pashinyan's team members and interruption of voting for several hours in one of the precincts. Journalists also said they were prevented from covering the election, and one claimed he had been beaten.¹⁰ Recounts were made in several precincts after complaints from contestants, and results from two precincts were declared void. The final results were announced on January 14, still in favor of Simonyan.¹¹ An investigation into the other violations was started but soon dropped. Pashinyan himself brought a case before the Constitutional Court claiming that the electoral results in precinct N10 were invalid, but the claim was rejected in April.¹²

Proposed amendments to Armenia's electoral code were a subject of discussion throughout the year. In response to pressure from the Parliamentary Assembly of the Council of Europe (PACE),¹³ the ruling coalition submitted a draft law amending the electoral code to the Venice Commission for assessment in June. Parliamentary factions of the Dashnaksutyun and Heritage opposition parties rejected the government's draft and sent the Venice Commission an 11-point document of their own. The ANC, which is not represented in parliament, came up with its own 7-point plan of electoral reform, which it submitted in September to a fact-finding delegation from the Venice Commission, the Council of Europe, and the OSCE. Opposition representatives urged European experts to help ensure that the alternative electoral reform package would be considered by the coalition.¹⁴

The amendments proposed by the ruling coalition envisaged the formation of Electoral Commissions (ECs) on a "professional" basis rather than composed of political party representatives. In accordance with the new procedure, the Ombudsman, the Chair of the Chamber of Advocates, and the Chair of the Cassation Court would each nominate five professional candidates to the CEC, seven of whom would be approved by the president. District ECs would be nominated by the CEC. Precinct ECs would have one presidentially appointed member, one member from each of the five party factions in parliament, and one member appointed by the district EC.

In the alternative proposal by Heritage and Dashnaksutyun, pro-government and opposition groups in parliament would get equal representation in ECs at all levels. Dashnaksutyun and Heritage also proposed that all 131 parliament seats be competed for on a party-list basis. The coalition insisted that political parties had failed to reach out to remote villages, and therefore the system should remain mixed, with 41 seats distributed in single-mandate constituencies.

Another disputed aspect of the amendment concerned the representation of women. In the opposition's proposal, the representation of women on electoral lists must be at least 30 percent, and a resigning woman MP must be replaced by the next female candidate on the list. The coalition argued that quotas for women would not work because women hardly ever run in elections in villages or local self-

government; however, current trends do not corroborate this view, as 23 percent of members of local councils elected in the second half of 2010 and 9 percent of community heads elected over that period were women.¹⁵

The government draft proposed using evaporating ink for stamping voter passports: the stamp disappears two days after the vote thus contributing to the secrecy of the ballot. Meanwhile the opposition proposal envisaged scanning and archiving the passports of all who participated in voting, videotaping voting and the counting of ballots, and publishing all election-related documents. The coalition posted its draft online, inviting readers to email any comments to the Parliament's Standing Committee on State and Legal Affairs before November 11, 2010.¹⁶ The draft was still under discussion at year's end.

Amid the heated debate surrounding the proposed amendments, experts have cautioned that a sound electoral code cannot guarantee the legitimacy and proper conduct of elections. Polls conducted in Armenia in the early nineties were not disputed although electoral legislation at that time was even more flawed than now. Ending the cycle of flawed and contested elections depends more than anything upon the political will of Armenia's ruling authorities.

Civil Society

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	3.75

The activities of Armenia's nongovernmental organizations (NGOs) are regulated by the Law on Public Organizations, the Charity Law, and the Law on Foundations. Unlike foundations, public organizations are prohibited from engaging in direct income-generating activities. NGO advocacy for an endowment law was launched in 2009, but these efforts produced no results in 2010. Armenia's legal framework does not provide tax exemptions for NGOs.

During the 2009–10 parliamentary session, controversial draft amendments to the Law on Public Organizations were blocked through the efforts of civil society organizations. The provisions that raised concerns included the establishment of a controlling body at the Ministry of Justice to monitor NGO activity and the requirement that public organizations publish annual financial reports in the local press. Under NGO pressure, the law was revised four times. In the summer, the government proposed a revised draft with some concessions to the NGO community. Among other things, the new draft prescribed electronic rather than hardcopy publication of financial reports. Hearings began in parliament on September 23, with over 100 NGO representatives present, and the revised draft was submitted to parliament on November 25. Still, NGO activists continued to insist that the government withdraw the draft law and ensure public participation in its drafting.

There were 4,049 NGOs registered in Armenia as of August 2010, including 3,379 public organizations and 670 foundations.¹⁷ According to the 2009 NGO

Sustainability Index published by USAID in July 2010,¹⁸ only 10–15 percent of registered NGOs are consistently active, and only a small number are mission-driven and operate independent of international donor funding. The economic recession prompted NGOs to diversify their funding sources, create partnerships, improve their strategic planning, and engage in capacity building. There was greater cooperation between the NGO sector and the government in 2009 and 2010, especially in the regions. The public image of NGOs remained positive during the year, and advocacy on civil society issues with government and business interests visibly increased.¹⁹

One of the most successful civil society campaigns in 2010 concerned the government's February decision to take down the Summer Hall of Moscow Cinema in order to rebuild a church demolished in the 1930s. The project drew protests by NGOs, including the Union of Architects. A Facebook group of 6,500 advocated against the project (while a group of 500 lobbied for it). By March, the initiative group had collected 23,500 signatures on a petition to the authorities, and, as a result, the project was suspended.

In spring 2010, the Minister of Education and Science, Armen Ashotyan, put forward an initiative to open schools in Armenia with the primary curriculum taught in a foreign language. The initiative was prompted by the project of a Diaspora Armenian businessman Ruben Vardanyan to open an international school in Armenia. This would require amendments to the Law on Education and the Law on Language, as both prescribe schooling in Armenian only for Armenian citizens; schooling in other languages is only available to ethnic minorities and foreign citizens. The controversial project sparked wide public debate and several rallies. Many actors were concerned that amendments could impair the newly achieved status of Armenian as the state language and endanger national culture; others hailed it as an opportunity for Armenian youth to get international-quality education. A bill to amend both laws was passed by parliament in December; changes to the original draft reduced the planned number of foreign-language schools and limited instruction in a foreign language to students in 7th grade and above.

Other civil society initiatives in 2010 spanned a wide array of issues including environmental protection, human rights, abuses in the army, gender issues, domestic violence, health, culture, economic issues (e.g., taxes, rising gas prices, wages, maternity allowance), etc. Armenia-Turkey rapprochement continued on the level of civil society, despite the failure of the official process.

Following the May 2009 Joint Declaration of the Prague Eastern Partnership Summit, 150 Armenian NGOs formed a National Eastern Partnership Platform. The first meeting of the National Platform was held in June 2010. However, a conflict broke out between the newly elected National Platform leadership and the Eastern Partnership (EP) Working Group in Armenia, stalling the country's involvement in the Eastern Partnership project.

At year's end, parliament continued to revise the latest draft legislation on freedom of assembly. Assessments by experts from the Venice Commission and OSCE/ODIHR were positive overall, but emphasize the need for clearer wording

in the stipulated conditions for prohibiting a protest and the use of “special means” by police. The latest draft stipulates that authorities may prohibit a public event based on “credible information” regarding potential violence or a threat to state security, public order, health, or morals. The draft would also allow municipalities to suggest alternative venues for gatherings, a practice already common during 2010 (according to the ANC, they were denied permission to assemble in Liberty Square in Yerevan on approximately 30 occasions during the year).²⁰ Legislation on freedom of assembly has received particular attention following the dramatic events—and numerous arrests—of 2008.

Independent Media

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00	6.00

Armenia’s print media are pluralistic, with a growing online community serving as the main arena for a free flow of opinion and information. However, broadcast media, especially television, are subject to significant pressure from government and economic interests.

Broadcasting legislation has been in the center of public attention since 2008, when the European Court of Human Rights ruled that the opposition-oriented A1+ television station, denied access to broadcasting since 2002, should have the opportunity to compete for a license. In an apparent response to the ruling, the government instituted a two-year moratorium on TV license competitions in September 2008. In 2010, additional amendments to the Law on Television and Radio proposed in connection with the planned digitalization of broadcasting were heavily criticized by the Armenian media community and international organizations for not ensuring open, fair, and transparent licensing.²¹ The legislation adopted on June 10 enables the National Commission on Television and Radio to revoke licenses without any justification and impose broadcasting restrictions, and also specifies that only one digital television license will be issued for each region outside the capital.

On July 20, a competition for 25 digital licenses was announced, with results made public in December. The bids of both A1+ and Gala TV, a regional station that regularly criticizes the government, were rejected; also rejected was the bid of ALM, a TV station operated by a media holding company owned by controversial television pundit Tigran Karapetyan, the leader of an extra-parliamentary political party. Wide protests ensued, from viewers as well as local and international organizations.²² The National Commission on Television and Radio claimed the bid from A1+ had included fake letters of financial support from nonexistent European companies; A1+ denied the charge and planned to appeal the regulator’s decision.

In May, amendments to Armenia’s administrative and penal codes decriminalized defamation. Monetary fines, which are often hefty, are now the maximum punishment for this offense. There were also fewer cases of abuse against

journalists in 2010 than in the previous two years.²³ Data from September 2010 lists 8 cases of physical violence against journalists, 7 involving forcible expulsion of reporters from electoral precincts or rallies, 14 instances of pressure on journalists and media, and 14 cases of violation of the right to seek and impart information.²⁴ Freelance photojournalist Gagik Shamshyan was beaten twice in 2010—once in an electoral precinct on January 10, and once in front of the General Prosecutor’s office, reportedly by a police agent. During an opposition rally on May 31, *Haykakan Zhamanak* reporter Ani Gevorkyan was arrested for slapping the face of a policeman; she was released on June 3 under pressure from domestic and international media organizations. Opposition member and editor-in-chief of *Haykakan Zhamanak*, Nikol Pashinyan, was sentenced in January to four years imprisonment for inciting mass disorder during post-election protests in 2008. After publishing a series of editorials from prison on corruption in the Armenian penal system, Pashinyan was beaten in custody, held in solitary confinement, and then transferred to Artik, a ‘strict-regime’ prison.²⁵

Internet penetration has grown dramatically since 2008, when just 6.5 percent of Armenians had online access. In 2009, internet penetration reached 11 percent.²⁶ Based partly on data from social networking sites, experts estimate that by the end of 2010, there were 600,000–700,000 Internet users in Armenia in 2010, representing 20–23 percent of the population.²⁷ In September, the Public Services Regulatory Commission of Armenia put the number of users at 1.4 million;²⁸ however, that figure included owners of internet-enabled mobile phones, who did not necessarily go online.

Use of online media grew an estimated 75 percent in 2010, while newspaper circulation went down. *News.am*, established in 2009, reported 30,000 readers on some days—ten times the circulation of an average daily newspaper in Armenia. Beginning in late 2009, some newspapers reported having more visitors to their websites than print copies sold.²⁹ Blogging was also reportedly on the rise, with the most popular blog read by a reported 1,200 people daily, more than many newspapers.³⁰

In general, the media appeared more proactive in 2010, raising public awareness of issues related to environmental protection, corruption, poverty, and human rights. Meanwhile, cases of abuse in the army and mistreatment of children in schools were exposed with video footage captured with mobile phones, uploaded to YouTube.com, and accessed by thousands of viewers, leading to public campaigns and inducing authorities to take action.

Increased risk-taking on the part of journalists was reflected in a growing number of legal cases involving media. *Haykakan Zhamanak* daily was fined US\$9,600 for a report alleging that the son of former president Robert Kocharyan had been arrested after a drunken spree in Dubai. *Hay* radio station sued Heritage MP Stepan Safaryan for calling its broadcast with a ruling party official “a concert booked by the presidential administration,” but the station lost its case. The rector of the Yerevan Institute of Humanities sued *Hetq* online investigative weekly in September 2010 for a story exposing corruption in the institute, but he withdrew

his claim in October. The Municipality of Ijevan won a defamation case against *Hetq* in a retrial; *Hetq* was ordered to publish a refutation and compensate the municipality US\$2,500 in attorney fees. *Hetq* planned to appeal the decision.

Local Democratic Governance

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50	5.75

Armenia is subdivided into 10 regions and 915 communities (a reduction from 930 in 2009). Regional governors administer the regions, while self-government bodies manage the communities. Each community has a representative body called the Council of Aldermen, with 5 to 15 members, and an executive body (municipality) led by the Community Head (equivalent to a mayor). Aldermen and Community Heads are elected via public ballot for 3-year terms. Community Heads are accountable to the Council of Aldermen, which can approve laws, although implementation procedures are often lacking. While Aldermen and Community Heads are nominally independent, in practice the centrally-appointed regional governors have significant political and financial influence over local leaders. Little authority is left to local governance bodies, which often lack transparency, accountability, a clear understanding of the division of powers, and adequate human resources. Despite constitutional amendments in 2005 that consolidated the independence of local self-governance bodies, no improvements have been visible in practice.

Considered a threat to centralized governance, community initiatives were eradicated in Armenia during the Soviet years. Once independent, the country faced the task of completely reinventing local self-governance in the 1990s. Although Armenia has introduced a constitutional and legislative framework for local self-government, practical implementation is hampered by over-centralized administrative control and the disproportionate influence of economic elites. Self-government bodies take their cues from regional administrations, which, in turn, impose central government or local business interests. Often, voters are bribed or pressured into electing economic elites as community leaders. For this reason, the media sometimes refer to the country's leading businesspeople, many of whom hold seats in parliament or regional administrations, as "feudal lords." Government promises and efforts to eradicate corrupt local officials have yet to yield results.

Because of the overwhelming advantages granted to businesspeople or ruling party nominees, opposition candidates rarely run in elections to local self-government positions. A 2008 unwritten agreement between members of the ruling coalition also reserves the governorship of some key regions for the two largest coalition parties, ensuring the central government's control over the regions.

Women's involvement in local governance is still inadequate. In local elections held throughout Armenia in July-December 2010, 14 women and 46 men were

elected members of local councils, and 3 women and 29 men were elected heads of communities.³¹ The only female governor in Armenia, Lida Nanyan, a non-partisan official appointed by the Republican Party, resigned in May from her post of governor of Shirak region, which she had held since 2007. Earlier in the year, the media had reported a conflict between Nanyan and the influential mayor of Gyumri, the capital of Shirak region and Armenia's second largest city. The new nominee for the post was Ashot Giziryan, the former head of the Penitentiary Department of the Ministry of Justice.

In July, the governor of Ararat region, Vardges Hovakimyan, resigned from his post as well. In an interview with RFE/RL, Hovakimyan said that his resignation had been “coordinated with the presidential administration”—he was told to resign, and he did. At the time, Hovakimyan's son was hospitalized with injuries he sustained ten days earlier; according to Hovakimyan, his son was attacked while leaving a restaurant belonging to the local head of the police, who Hovakimyan believes organized the beating. The police reported the incident as a fight in which both young men involved were hurt.³² The governor's post was filled by Deputy Minister of Emergency Situations and Head of the Armenian Rescue Service, Edik Barseghyan—also a former governor of Syunik region—who had recently joined the Republican Party (the Ararat governor post is reserved for the ruling party under the coalition agreement).

In December, Yerevan's first elected mayor, Gagik Beglaryan, resigned after allegedly assaulting presidential aide Aram Kandayan for not allowing Beglaryan's wife to sit next to President Sargsyan at a concert in Yerevan. The presidential press secretary confirmed only that an incident had occurred.³³ The assault was not investigated and media reports on the details relied on rumors. On December 17, the Yerevan Council of Aldermen elected Karen Karapetyan, CEO of the Russian-Armenian gas operator ArmRosGazprom, as the new mayor of Yerevan.

Judicial Framework and Independence

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50	5.50

Attempts at judicial reform since 2007 have not succeeded in lessening the dependence of the prosecutor's office and court system on the executive branch.³⁴ The one exception to this pattern may be the Constitutional Court, which made two rulings during the year that ran contrary to the national government's interests.³⁵

Throughout the year, local and international organizations advocated for the release of Armenia's political prisoners, particularly those tried in connection with the post-election unrest of 2008. At the start of the year, 15 persons believed to have been jailed for political reasons remained in custody. The jail terms of two of these ended in 2010 and four were released early, but nine remained in custody at the end of 2010. The prison term of Nikol Pashinyan was reduced in March 2010 from 7 to 3.5 years. In November, Pashinyan reported being beaten in his prison cell by

masked persons, but prison authorities denied the allegation; the investigation was ongoing at year's end.

OSCE experts who attended the post-March 2008 trials also made recommendations for reform of the criminal code. During the year, amendments to the code were drafted and debated, and a working group was set up to draft a new code. Draft legislation on freedom of assembly received support from most international advisers, but concerns remained about the president's ability to prevent public gatherings in the event of "credible information" that an assembly could be violent or otherwise disruptive. In May, the prosecutor general convened a working group to review cases from 2008–10 affecting journalists, including those involving interference with journalists' professional activities. However, investigations of cases involving the beatings of leading journalists (among them Edik Bagdasaryan, Arghishti Kiviryan, and Nver Mnatsakanyan) did not lead to any results.

Law enforcement practices came under increased media and international scrutiny in 2010. In September, a UN Working Group investigating arbitrary arrest and detention in Armenia noted serious problems, including detention of individuals without warrants, ill-treatment and beatings at police stations, and confessions obtained under duress.³⁶ On April 13, 24-year-old Vahan Khalafyan was brought to the Charentsavan police station on a charge of larceny. Later the same day, Khalafyan was taken to a hospital with fatal wounds that, according to police reports, he inflicted himself using a kitchen knife taken from a cabinet at the police station. Two deep knife wounds were found on Khalafyan's body, but his fingerprints were not found on the knife. The investigation concluded that Khalafyan committed suicide after being subjected to torture and degrading treatment; Khalafyan's attorney and family insisted that he was murdered by the police officers. In November, one officer charged in the case was sentenced to 8 years in jail for "overstepping the boundaries of his official authority," and another officer received 2 years probation for "abusing authority."

Ombudsman Armen Harutyunyan insisted that the police must take responsibility for Khalafyan's death, saying: "It does not matter what versions [of the story] exist. The problem is that this is not the first case when a citizen is taken to the police and dies there." The Ombudsman admitted that torture and degrading treatment were a recurrent issue in Armenian law enforcement bodies.³⁷ Law enforcement reforms were launched in April under recommendations by the EU, the OSCE, and the Council of Europe. The reforms, which will be finalized by the end of 2011, are intended to increase transparency and reduce corruption within the police, and will include such steps as increasing salaries and introducing e-payments and a hotline for reporting police abuse.

A video posted on YouTube on September 11, 2010, also drew attention to degrading treatment and beating of military conscripts. The Ministry of Defense reacted by condemning the video as a fabrication aimed at undermining the authority of the army. However, under public pressure, the officer filmed in the video was arrested and charged with abuse. A hotline for reporting abuse in the army was opened in November 2010.

In December, the Minister of Justice, Gevorg Danielyan, was dismissed from his post and replaced with a professional lawyer, GTZ legal consultant Hrayr Tovmasyan, who had not previously held any government jobs. The move was seen by some as part of a new government initiative to gradually replace oligarchs in the ruling elites with professional administrators.

Corruption

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50	5.50

Corruption is deeply ingrained in Armenian society. According to a 2010 survey by the Caucasus Research Resource Center (CRRC), 82 percent of people consider corruption a serious problem hindering their well-being.³⁸ Approximately 21 percent of survey respondents admitted they were ready to accept a bribe, and 58 percent expressed a willingness to pay one. As in the 2008 and 2009 surveys, the most popular justifications for accepting a theoretical bribe were “I need the money” (47 percent) and “everybody does it” (36 percent). An overwhelming majority (71 percent) of those who would give a bribe chose the reason “because there is no other way I can obtain the service.” Over half of the respondents said they themselves could do nothing to combat corruption, and only 31 percent believed that government efforts to combat corruption were at all effective.

Armenians perceive high-ranking officials as more corrupt than mid- and low-ranking ones; a possible reason is that 73 percent base their perceptions of corruption in the country on media reports, which focus more on high corruption, while just 30 percent rely on personal experience, which is more likely to involve petty corruption.³⁹ This reflects both the active role of the media in exposing corruption and the public’s general lack of trust in ruling elites.

Shortly after his appointment in 2008, Prime Minister Tigran Sargsyan (no relation to President Sargsyan) described widespread government corruption as Armenia’s “number one problem” and pledged to crack down on it.⁴⁰ However, subsequent attempts to address the problem under the 2009 Anticorruption Strategy were inconsistent and only affected certain industries. By 2010, public utilities and communication services were perceived to be almost free from bribery, while healthcare, customs authorities and traffic police were still considered by the population to be among most corrupt sectors in the country. Allegations of corruption and incompetence within the State Revenue Committee appear frequently in the media, but—despite Prime Minister Sargsyan’s severe criticism of corrupt and incompetent behavior by the head of the revenue committee, Gagik Khachatryan—no high-level investigations of committee employees were initiated in 2010.

Petty corruption within Armenia’s healthcare system is reportedly widespread, with doctors and other medical staff regularly demanding bribes. Many healthcare professions claim they do not earn a living wage. In March 2010, a decision was

made to raise the price of medical services to reflect their real cost and eliminate the practice of bribes. The average doctor's salary would rise to US\$1,000 per month as a result of this change.⁴¹ The 2010 CRRC survey shows a changing awareness of corruption within the medical profession. In 2009, 47 percent of respondents labeled the practice of tipping doctors to get special care as corrupt; in 2010, 58 percent of respondents voiced this opinion.⁴² At year's end, the proposed increases to medical costs had not yet been made.

In November, Prime Minister Sargsyan initiated a series of top-level dismissals in the government, focusing on the ministries of agriculture, finance, education, and health. Based on the findings of the National Assembly's Control Chamber, a body which monitors government spending, Sargsyan accused these departments of chronic corruption and mismanagement and ordered ministers to present structural and personnel solutions to the reported problems within a short timeframe.⁴³ In several cases, the prime minister demanded specific resignations (under Armenian law, civil servants cannot be fired without the consent of the state Civil Service Council). Two deputy ministers of health resigned soon after the prime minister's November lambasting; in December, Minister of Agriculture Gerasim Alaverdyan was dismissed, and during the same month, the head of the State Social Welfare Service at the Ministry of Labor and Social Issues Vazgen Khachikyan was also laid off. The Oversight Service reportedly discovered major fraud in the social welfare service, including pensions that were paid to over fifty thousand phony accounts⁴⁴.

On the civil society level, anticorruption work is carried out by Advocacy and Assistance Centers (AACs) funded and established through the USAID Mobilizing Action Against Corruption Activity. AACs offer victims of corruption free legal support through administrative channels, taking cases to court or referring them to the public prosecutor. An AAC opened in Yerevan in autumn 2010, and ten AACs operate in the provinces of Armenia. Since 2008, the AACs have handled more than 1,300 cases related to corruption in a variety of sectors, including healthcare, public services, and traffic police. The AACs conduct public awareness activities and promote the adoption of anti-corruption reforms in coordination with the government. According to the CRRC survey, citizens' awareness of this service remains very low (14 percent), although this represents an increase of almost 100 percent since 2008.⁴⁵

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