

Armenia

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Capital: Yerevan
Population: 3.1 million
GNI/capita: US\$6,310

Source: The data above was provided by The World Bank, *World Bank Indicators 2010*.

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75
Civil Society	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75
Independent Media	4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00
Governance*	4.50	4.50	4.75	4.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75
Local Democratic Governance	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50
Judicial Framework and Independence	5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50
Democracy Score	4.83	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39

* 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

Armenia's move for independence was triggered in 1988 by wide public support for a secessionist movement in Nagorno-Karabakh, an Armenian-populated region in adjacent Azerbaijan. By the time the Soviet Union disintegrated in 1991, the territorial conflict had turned to war, leading to a blockade, energy crisis, and the overall collapse of Armenia's economy. Created during the war, Armenia's political system was centralized around the president, with war veterans involved in politics and business. By the 1994 ceasefire, national consolidation decreased, the authorities were losing popularity, and over a fourth of Armenia's population emigrated due to poverty. Tarnished elections, the 1998 forced resignation of the president, the 1999 shooting in Parliament, and postelectoral unrest in 2008 have all contributed to the reduced legitimacy of the government. The results of every national election since 1995 have been denied by the opposition, which is personality driven and passive between elections. The constitution was democratized in 2005 by amendments that continue to be implemented. Radical market reforms enabled rapid economic growth that reached 13 percent per annum in 2003–07 but subsided by 2008 due to the global economic recession. However, the growing job market concentrated in agriculture, the food industry, construction, services, and tourism cannot satisfy the social expectations of an urbanized, educated populace. Widespread corruption and the merger of politics and economics have led to social pessimism, and the conflict over Nagorno-Karabakh remains unresolved.

In March 2008, the excessive use of force in an attempt to disperse a postelection rally left 10 people dead and close to 200 wounded, leaving the Armenian society in a state of shock and polarization. By the end of 2009, 15 people arrested in connection with the unrest remained in custody. The government coalition survived the year, despite the departure of one party in protest against rapprochement with Turkey, while the political opposition became marginalized and disintegrated. The global economic crisis hit Armenia's economy, leading to a 16.3 percent drop in GDP that affected businesses and jobs. Armenian-Turkish rapprochement was launched by the government but triggered a controversial reaction from the media and intellectuals. The European Union Eastern Partnership project opened new prospects for strengthening Armenia's ties with Europe.

National Democratic Governance. Armenia's legislation provides for democracy and rule of law, but executive authorities continue to dominate in governance. The global economic crisis hit the country's economy in 2009, leading to a decrease after six years of rapid growth. Polarization of the society as a result of the 2008 postelection unrest gradually subsided and transformed into public apathy.

Armenia and Turkey signed protocols that may lead to the opening of borders. *The negative aftermath of the 2008 political crisis and global economic recession was offset somewhat by the moderate success in regional politics, thus Armenia's national democratic governance rating remains at 5.75.*

Electoral Process. Armenia has a progressive legislative framework for the conduct of elections. The first election for the Council of Aldermen of the capital city Yerevan was held in 2009. It was assessed by international observers as broadly in compliance with the general principles of the Council of Europe. However, the poll was marred with undemocratic practices and a lack of public trust in the electoral process. *Owing to the lack of progress in the conduct of elections, Armenia's electoral process rating remains at 5.75.*

Civil Society. The legal and political environment for nongovernmental organization (NGO) activity in Armenia is generally favorable. The 2009 amendments to the Law on Public Organizations aim to increase transparency but were criticized for potentially complicating NGO activity. Civil society organizations were increasingly active in 2009, playing an important role in forming public opinion, engaging more with public offices, and participating in international cooperation, including European integration and rapprochement with Turkey. *Since NGOs remain concentrated in the capital and major cities, and are still largely dependent on foreign funding for their sustainability, Armenia's civil society rating remains at 3.75.*

Independent Media. Armenia's legislation provides a sound framework for freedom of expression. The media environment improved in 2009, as compared to 2008 when direct censorship was exercised by the government for 20 days following postelection unrest. The transition to digital broadcast media was approved by the government in 2009, raising concerns over the lack of independence of media regulatory bodies and suspension of tenders for new licenses. Self-regulation by media, including in the areas of ethics and standards, was insufficient. Cases of intimidation and attacks against journalists were also reported in 2009. *Owing to the limited reach of print media and few genuinely independent outlets, which exist for the most part only online, Armenia's independent media rating remains at 6.00.*

Local Democratic Governance. Starting in 2009, municipal elections were also held in the capital city, Yerevan. Local government activities, however, are hampered by low citizen incentives, unclear division of responsibilities, poor funding, and overcentralized administrative control. The local elections in 2009 were competitive, but marred by violations. *The Council of Alderman in the capital Yerevan were elected for the first time in 2009; while the elections were competitive, they were also marred by violations, thus Armenia's local democratic governance rating remains at 5.50.*

Judicial Framework and Independence. The Constitution of Armenia provides for an independent judiciary, but in practice, courts are vulnerable to pressure from

executive powers. The investigation into the March 2008 postelection unrest and casualties was not finalized in 2009. Constitutional amendments to the articles on mass disorders and usurpation of power were in line with recommendations by the Parliamentary Assembly of the Council of Europe (PACE). A general amnesty was held in 2009, leading to the release from custody of 35 people held in connection with the March 2008 events, yet 15 still remained in custody at year's end. *Owing to the incomplete implementation of PACE resolutions in 2009, Armenia's rating for judicial framework and independence remains at 5.50.*

Corruption. The perception of corruption in Armenia slightly improved in 2009, but corruption still remains a major deterrent to the country's democratic development. Based on a new anticorruption strategy for 2009–12, the government continued its campaign against corruption, combining legislative measures and the reform of public services. Although the campaign has revealed abuses at various levels in the public administration, officials were not adequately punished. *Given that the anticorruption campaign failed to reach high-level public officials in 2009, Armenia's corruption rating remains at 5.50.*

Outlook for 2010. Armenia will continue to work toward neutralizing the consequences of the global economic crisis. In the event that relations with Turkey are not normalized and the border with Turkey does not open, Armenia can expect poorer economic prospects. Rapprochement with Europe will continue in the framework of the Eastern Partnership project. The unresolved conflict over the breakaway region Nagorno-Karabakh is likely to stagnate while stakeholders continue to make optimistic statements regarding progress in negotiations. In domestic politics, the main challenge for Armenia is the creation of a level playing field in politics and the emergence of a viable opposition, which was marginalized and nonfunctional at the end of 2009. Given the absence of national elections in 2010, this goal will probably not be achieved during the coming year.

MAIN REPORT

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.00	5.00	5.25	5.25	5.75	5.75

Armenia's political system operates on the basis of consensus among elite groups that control political and economic resources. In this environment, social protests are not channeled into politics except during elections, such as the turbulent postelection events of March 2008 that polarized Armenia and strained the country's political system into 2009. The Armenian National Congress (ANC), led by Armenia's first president, Levon Ter-Petrossian, served as a channel for public discontent in the 2008 pre-election season but failed to accede to power, causing public apathy and the subsidence of political activity through the rest of the year. The opposition, including but not limited to the ANC, gradually lost momentum and, by mid-2009, had lost most of its influence in the electoral field. The low legitimacy of the opposition further decreased the legitimacy of the government in general, a trend since the mid 1990s.

Elected in 2007, before the ANC led by Ter-Petrossian formed as a political force, the current Armenian Parliament does not work via political parties but mostly via business groups. Most members of Parliament (MPs) vote and lobby in favor of the large businesses they lead or represent, rather than according to party affiliation. Adoption of laws requires consensus among various MPs who may or may not belong to the same party. The Parliament does not ensure political representation, although the constitution prescribes the independence of the legislature. Debates are open and covered by the media, draft and approved legislation is available to the public, and the Web site of the Parliament is functional.

Armenia's constitution and legal statutes provide a framework for democratic development and rule of law. In 2009, amendments were proposed to the Law on Freedom of Conscience and on Religious Organizations, Law on Media, and Law on NGOs, raising wide, public concerns. The Venice Commission commented that although the amendments to the Law on Freedom of Conscience "take some important steps to improve the precision and the range of human rights guarantees as required by international commitments," they may impose some limitations on the activities of religious groups and require redrafting.¹

Meanwhile, the global economic crisis touched almost every sphere of public life and further aggravated the country's atmosphere of insecurity and pessimism. Armenia's GDP growth rate had stayed above 13 percent in 2003–07, but dropped to 6.8 percent in 2008. The 16 percent economic drop from January to December 2009 showed the vulnerability of Armenia's economy, with its small size, narrow base, and strong dependence on transfers from labor migrants abroad. When the

Armenian Central Bank stopped supporting the national currency in March 2009, the rate of the Armenian dram against the U.S. dollar went down by 20 percent, causing public panic.

By August, Fitch Ratings downgraded Armenia's standing after the country received over US\$1.1 billion in emergency loans from the International Monetary Fund, the World Bank, and other foreign sources. "Despite a strong policy response supported by the international community, the severity of the shock has materially weakened Armenia's credit fundamentals and medium-term prospects. Unlocking Armenia's economic potential and restoring strong and sustained growth necessary to reduce poverty and raise incomes will be much harder as a result of the crisis," reported Fitch.² The Heritage Foundation Index of Economic Freedom ranked Armenia 38 out of 183 countries surveyed in 2009.

Armenian-Turkish rapprochement, a process that could potentially lead to the opening of the Armenian-Turkish border, which has been sealed since 1993, was a foreign policy development that changed Armenia's domestic politics in 2009. When the first results of the Swiss-mediated, Armenian-Turkish negotiations were made public on April 22, the news led to turmoil in the media, a new configuration in Parliament, and grave changes in the political discourse. Fears and bitter historical memories overwhelmed the country. The Dashnaksutyun Party stepped out of the ruling coalition in late April in protest against normalizing relations with Turkey as long as it continues to deny the 1915 massacres as genocide. On one hand, this party has traditionally been nationalist-oriented, and anti-Turkish sentiment is rather high in its electorate, especially in the Armenian Diaspora, from which Dashnaksutyun gets some of its support. On the other hand, the opposition niche was, by that time, almost vacant and Dashnaksutyun could gamble to fill it by relying on nationalistic rhetoric. Whether or not this was a deliberate strategy, it failed and Dashnaksutyun did not unite other opposition groups or become a key opposition actor by year's end.

After Armenian-Turkish protocols on normalization of relations and opening of borders were announced on August 31 and signed by the ministers for foreign affairs on October 10, a new outburst of emotion took hold of the country. Still, given the political apathy and current lack of elections, the wave did not transform into a political movement. The final blow to the political opposition was dealt in 2009 by internal disputes leading to the loss of popularity of Heritage, the only opposition party in Parliament apart from Dashnaksutyun. Its leader, Raffi Hovhannisian, announced on September 12 that he was leaving politics and giving up his mandate. Although he changed his mind by September 30, the Heritage faction in Parliament was disoriented and weakened.

Armenia's border with Azerbaijan remained sealed in 2009, as a result of the conflict over the breakaway region Nagorno-Karabakh. Negotiations between Armenia and Azerbaijan continued without significant results, although the nations' presidents met several times in 2009. Armenian-Turkish rapprochement had a strong impact on the peace process, causing apprehension and concerns in both Armenia and Azerbaijan. A set of principles for conflict resolution (known as the Madrid Principles) were published in 2009. Armenia's army remained grossly

out of proportion to the population (over 40,000 from a population of only 3 million). In 2009, military needs accounted for 15.7 percent of Armenia's budget, a slight decrease compared to 16.4 percent in 2008.³ The constitution and several laws prescribe civilian oversight of the military by the Parliament and civil society groups, but no significant steps to improve practices were made in 2009.

Armenia's government controlled the entire territory of the country during 2009 except for a small exclave, Artsvashen, which has been under Azerbaijani occupation since the Nagorno-Karabakh War (1988–1994). The ongoing process of delineating borders with Georgia led to a brief, adverse reaction in the Armenian media; some publications intimated that some Armenian territories would be moved into Georgia's borders.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.50	5.50	5.50	5.75	5.75	5.75	5.75	5.50	5.75	5.75

Armenia's constitution and election code create a sound framework for equal, universal suffrage. However, the country has a record of flawed elections with contested results starting in 1996. The struggle over votes in elections at all levels is genuine, sometimes leading to unrest and violent incidents; the 2008 presidential election, for example, was marred by especially violent postelectoral events that once again revealed the low public trust in elections.

National elections were not held in 2009, therefore the most prominent electoral event during the year was the May 31 election of the Council of Aldermen of Yerevan, Armenia's capital city. This poll had special importance as one-third of Armenia's population resides in Yerevan. Moreover, this was the first significant multiparty vote since the 2008 disputed presidential election, and the first ever election of the mayor of Yerevan. Previously, the mayor was appointed by the president, whereas the heads of other municipalities were elected. The 2009 election was held under the new Law on Local Self-Government in Yerevan, adopted in December 2008 after review by the Council of Europe. The new law stipulates the election of a Council of Aldermen based on party lists, with the leader of the party that wins at least 40 percent of the votes becoming mayor.

Six political parties, three in the ruling coalition (Republican Party, Prosperous Armenia, and Orinats Yerkir) and three in the opposition (People's Party, Labor Socialist Party, and Dashnaksutyun, which had just left the coalition), plus one opposition bloc, the ANC, competed in the election, with 771,500 voters eligible to go to the polls. The incumbent mayor, Gagik Beglaryan, was appointed by the president on March 4, just prior to the election, boosting his advantage as both ruling party nominee and incumbent.

The participation of the ANC, led by Levon Ter-Petrossian, the runner-up in the 2008 presidential race, introduced a national policy agenda into a campaign that was otherwise focused on local and economic issues. ANC's campaign slogan

was “Let us change Armenia starting from Yerevan;” its strategy consisted in discrediting the election by pointing out corruption, pressure on voters, bribery, and manipulation of voter lists. In contrast, the campaign of the Republican Party was distinctly nonpolitical, focused on everyday life, construction, city infrastructure, and planning. Overall, voters were not given much choice of electoral platforms; as in previous elections on the national and local level, campaigning was personality-rather than issue-oriented.

According to official reports, over half of the eligible voters (407,700) came to the polls, and the Republican Party won with 47.4 percent of the vote. Prosperous Armenia followed with 22.7 percent; the ANC came in third with 17.4 percent; and Orinats Yerkir fourth with 5.2 percent. Dashnaksutyun failed to pass the threshold with 4.6 percent.⁴

Claims of extensive irregularities were brought forward by the opposition and various domestic observers and NGOs, including Transparency International, It’s Your Choice, and the Helsinki Committee. The ANC gave up all seats on the Council of Aldermen in protest against the irregularities. The representative of the Dashnaksutyun Party in the Central Electoral Commission refused to sign the final protocol of the election. A statement released by Dashnaksutyun referred to numerous irregularities, bribery, and abuse of administrative resources, and the party called on the authorities to annul election results in the precincts where irregularities were especially blatant. The Office of the Prosecutor General demanded a recount of votes in eight precincts, most of them located in the Malatia-Sebastia district of Yerevan. A recount was conducted, revealing fake ballots, cases of ballot stuffing, and other irregularities in some precincts, but nothing that affected the overall results of the election. A claim filed by the ANC to the Constitutional Court demanding the annulment of the election results was considered, but deemed unfounded.

The recommendations of the Council of Europe Congress of Local and Regional Authorities stated that “the overall organization of the elections on May 31, 2009 has been broadly carried out in compliance with the general principles of the Council of Europe, as well as European and international principles for democratic elections,” but listed a number of concerns, including lack of public trust in electoral processes, absence of a normal competitive climate between political parties, few or no visual signs of an ongoing campaign, little recognizable difference between the programs and policies of candidates, and a scarcity of concrete city projects.⁵

The outcome of the election was predictable, but the number of votes won by Beglaryan was high, even given his administrative resources. One possible reason could have been voter fatigue from the previous year’s abortive political struggle and subsequent inclination for a down-to-earth program. Another possible explanation was that Levon Ter-Petrossian’s electorate was much more passive this go-round, as was Ter-Petrossian himself—the hopes for his victory being rather low. In the presidential election, ANC received only half the number of votes that it received in Yerevan.

The mayoral election was competitive, but the campaign, which included bribery and pressure, still did not meet democratic standards. Scandals and

clashes broke out during the campaign and voting. Some of the violent incidents involved activists from two coalition parties, Republican and Prosperous Armenia, and indicated competitiveness inside as well as outside the establishment. The Republican Party became even stronger in 2009, or as some described it, the de facto “government pretending to be a party.” Voter apathy was high, sliding within a single year from open protests to psychological withdrawal.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75

Civil society in Armenia is relatively well developed by post-Soviet standards. Its activity is regulated by three statutes: Law on Public Organizations, Charity Law, and Law on Foundations. Of the nearly 4,000 nongovernmental organizations (NGOs), including over 3,200 public organizations, and over 600 foundations registered in Armenia in 2009, less than a quarter are active.⁶ The majority of NGOs are concentrated in the capital Yerevan and in the northern part of Armenia, which has several large cities. This is a result of both greater staffing and funding opportunities in major cities, and also of the centralized NGO registration procedure conducted by the Ministry of Justice.

NGOs are especially active in the spheres of human rights, public policy, charity and social work, media, environment, youth, gender, health, and family issues. The social status of many civil society actors in Armenia is high; activists are interviewed by newspapers, invited to speak on television (though some national stations limit airtime given to government critics), and have a strong impact on public opinion. In 2009, NGOs were actively involved in discussing legislative changes and policy developments, including the Armenian-Turkish rapprochement.

While it is typical for NGOs and media in post-Soviet countries to fulfill some of the functions normally performed by political parties, in Armenia the zero-sum nature of opposition politics and the low legitimacy of political parties creates additional incentives for politically active persons to engage in NGO activity rather than in politics.

Authorities sometimes perceive NGOs as hostile actors or political competitors, but members of leading NGOs are protected by their reputation in society and in the West. The government does not openly interfere with NGO activity; however, in 2009, Open Society Institute (OSI) Armenia reported cases where hotels were discouraged from renting premises to civic sector events. In 2008, a group of 80 Armenian NGOs established a collaborative network with Parliament; in 2008–09, the government signed service agreement contracts with civil society organizations that allowed them to take over on specific services previously provided by municipal authorities. The relative success of these efforts encouraged local and regional government interest in civil society cooperation. However, the Public Chamber, established in 2008, has remained nonfunctional.

Human rights concerns were raised in connection with several NGO actors in 2009. Arshaluys Hakobyan of the Armenian Helsinki Association was forcibly expelled from a polling station during the Yerevan mayoral election in May and arrested in June on charges of assaulting officers who had delivered a police summons. He was released from custody in October but is still awaiting trial. Environmental activist Mariam Sukhudyán was alternately charged with slander, falsely reporting a crime, and slander again after she publicized a case of alleged sexual harassment at a school. The investigation into the May 2008 attack on Armenian Helsinki Association Chairman Mikael Danielyan was halted in 2009 reportedly for lack of criminal intent.

According to the United States Agency for International Development (USAID) *NGO Sustainability Index* published in June 2009, the development of Armenian NGOs remains halfway between early and mid-transition.⁷ Most NGOs continue to rely on foreign donor support, which has an impact on their agendas and personnel recruitment policies. Support for NGOs from local businesses is scarce; however, a new fund established by businessman and head of Prosperous Armenia coalition party, Gagik Tsarukyan, supported some NGO activity in 2009. The government provides some support to NGOs through grants or redistributed foreign funding. Support for NGOs is insufficient, especially in the provinces, where competition for foreign funding grew in 2009 as a result of the global economic crisis. New opportunities may be created by the European Union's Eastern Partnership project, which intends to support civil society activities in Armenia and has already established a Civil Society Forum in which Armenian NGOs participate. Competition for funding serves as an incentive for NGOs to improve management skills and strive for local sustainability.

NGOs enjoy almost no preferential taxation. Separate agreements grant value-added tax (VAT) exemption to large international organizations and, for some, also to the activities they support in Armenia. However, this involves time consuming formalities with the Ministry of Finance for every VAT-free purchase. Armenian legislation does not offer any tax incentives for businesses to engage in charity: only 0.25 percent of company pretax income donated to charity organizations is exempt from the profit tax. Eurasia Partnership Foundation Armenia proposed the concept of endowments as a tool for providing financial sustainability to civil society and facilitating individual and corporate giving. A Draft Endowment Law was prepared by EPF's contractor, Grant Thornton Amyot LLC, and submitted to public scrutiny in 2009.

Draft amendments to the Law on Public Organizations were approved by the government in September 2009. The amendments were initiated by members of several large NGOs in a move to increase control over their executive bodies. This drew protests from many smaller groups. The provisions that raised concerns oblige public organizations to publish their annual financial data in local press outlets with a circulation of at least 1,000 copies, impose a registration procedure instead of informing the Ministry of Justice about changes of the head of the organization's executive body, and change the obligatory period to convene a general meeting

from two years to four years.⁸ Over 90 NGOs protested the amendments, arguing that they were not subjected to wide public discussion prior to adoption and may unnecessarily complicate the activity of civic sector organizations. The Ministry of Justice later proposed creating a free Web site for the publication of NGO financial reports.

There are few illiberal NGOs, including extremists, nationalists, or xenophobic groups in Armenia. Rapprochement with Turkey in 2009 triggered nationalistic discourses in the Armenian media, and some NGOs, especially those active in the rapprochement, were censured in the media as agents of foreign influence detrimental to national traditions, or as businesses established for the purpose of generating income without regard to the needs of society.

Apart from officially registered NGOs, Armenia has many traditional forms of citizen associations formed on an ad hoc basis for practical activities, such as renovating buildings or creating mutual support funds in local communities. These traditional groupings do not rely on external funding, are not institutional, and participants are not aware that they are engaging in civil society activities. Yet, institutionalization of some of these grassroots associations would likely enrich the gamut of Armenia's NGOs and increase public trust in the positive role of civil society.

The free activity of trade unions is foreseen by legislation; in reality, trade union activity remained low in 2009, and labor protection is a grave concern in Armenia. The Union of Consumers has become more active in recent years but is not strong enough to adequately protect consumer rights in the country.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.75	4.75	5.00	5.25	5.50	5.50	5.75	5.75	6.00	6.00

Armenia's legislation provides a sound framework for freedom of expression. Reform of the country's media laws began in 1993, passing through several stages, including the adoption of a Law on Mass Media and creation of legislation on television and radio, and continued in 2009.

In November, the government approved the concept of transition to digital television and radio; the concept must be submitted for public debate and the Ministry of Economics must prepare an implementation plan and develop a package of legislative changes to start implementation in 2010 and be completed by 2015. The two main concerns in connection with the digitalization project are the independence of media regulatory bodies and current suspension of tenders for new licenses. An amendment to the Law on Television and Radio, adopted by Parliament in September 2008, suspended the holding of tenders for broadcast licenses until July 2010 on account of the digitalization project. Six media organizations, including the Yerevan Press Club, announced that the amendment was aimed at "preserving and strengthening the currently practiced total control over broadcasters."⁹ This view was shared by interna-

tional agencies, including Article 19, an international NGO campaigning for free expression, and the Organization for Security and Cooperation in Europe (OSCE) Representative on Freedom of the Media, Miklos Haraszti.

The Law on Television and Radio was amended again on April 28; the Parliamentary Assembly of the Council of Europe (PACE) welcomed the new amendments “which were elaborated in close consultation with the Council of Europe and are aimed at ensuring the independence of the media regulatory bodies in Armenia.” It pointed out, however, that to be fully independent, the National Television and Radio Commission and the Public Television and Radio Council must have all members appointed through a politically neutral procedure, their composition reflect the Armenian society, and serving politicians be barred from membership on these bodies. The PACE stressed, once again, that the technical implications of the introduction of digital broadcasting in Armenia should not be used to unduly delay the holding of tenders for licenses.¹⁰

Unlike in 2008, when the government exercised direct censorship for 20 days following postelection unrest, in 2009, government pressure on media was exercised chiefly through discouraging companies from placing advertisements in disobedient media, primarily broadcasters. Except for the public television, Armenia’s broadcasters (around 50 television stations, about 40 of them local) are privately owned by individuals or companies. Of these, only Gala TV, broadcasting in Armenia’s second largest city of Gyumri, is openly pro-opposition. Gala TV was subjected to direct pressure in 2007–08 but survived with public donations, creating an important precedent for media freedom. Other stations, in some cases de facto supporting a particular political party (which contradicts the Law on Television and Radio), generally oblige authorities.

Armenia’s print media are pluralistic, but not strong. Since the print press relies on political patronage, reporting is biased, leading to a diminished information sphere, poor journalism, and small print runs (1,000–10,000)—which also accounts for lack of government pressure and little interest from advertisers. There are few politically neutral print outlets that can sustain themselves through advertising.

The impact of online publications in Armenia grew in 2009 as the number of Internet users doubled from an estimated 6 percent in 2008. This increase was due to mobile Internet access, higher competition for Internet services, and increased computer literacy among the population. Major print media have online versions, and a number of Internet-only media were launched in 2009.

Two problems that plagued Armenian media in 2009 reveal the disjointed state of the industry and explain, to some extent, the media’s inability to regulate itself and create institutions needed for its sustainability and independence. First, the nonexistence of strong, independent, audience research agencies impedes media sustainability, leaving already discouraged advertisers with unreliable data. Secondly, the market research competitors AGB Nielsen and TeleMediaControl have installed viewing meters in Armenian households, generating data that is inconsistent between the two ratings companies and further decreasing advertiser trust. Additionally, advertising agents are reported to frequently demand kickbacks.

Media ethics are also a concern in Armenia, where slander and libel have become increasingly common. Studies of intolerance in the country's media show a high instance of insults, derision, and labeling.¹¹ Several attempts have been made by media organizations and journalists to create self-regulatory mechanisms, but most do not follow any ethical rules of conduct and violate international standards of professional journalism in their daily work. As a remedy, the Venice Commission stressed the need to decriminalize defamation and insult in the criminal code of Armenia (Articles 135 and 136) and establish legal frameworks and protection for individuals in civil courts through monetary restitution of moral damages. However, given the weakness of self-regulatory bodies, legal, punitive measures may become new tools for control over the media.

From 2007 to 2009, media and human rights organizations reported a total of 65 criminally punishable acts aimed at preventing the professional activity of journalists. Of these offenses, 11 were committed during the 2009 Yerevan mayoral election. These included cases of intimidation, physical prevention, damage to property, and 10 attacks on journalists. Perpetrators were punished in only 3 cases, with several attacks still under investigation.¹² Journalist Edik Baghdasaryan was assaulted in 2008 following his investigative reports that exposed corruption in Armenia's mining industry. In June 2009, the Kentron and Nork-Marash District Court of Yerevan sentenced the one identifiable assailant in the case to five years imprisonment for assault and battery.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50	5.50	5.50

Considered a major 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. Armenia has a constitutional and legislative framework for local self-government, but practical implementation is hampered by low citizen incentives, poor funding, and overcentralized administrative control.

Armenia is divided into 930 communities comprising 10 regions. Regional governors administer the regions, while self-government bodies manage the communities. Each community has a representative body, composed of 5 to 15 individuals called the Council of Aldermen, and an executive body (municipality) led by the community head (equivalent to mayor). Members of the Council of Aldermen and community heads are elected by citizens via direct universal suffrage for three-year terms. Community heads are accountable to the Council of Aldermen, which can approve laws, although implementation procedures are often lacking. Regional governments have strong control over most aspects of local governance, and very little authority is left to self-government bodies. There is dual subordination to regional and central government and unclear division of responsibilities.

Measures were taken in 2008–09 to harmonize self-governance practices and by-laws with the 2005 constitutional amendments, giving local bodies more control over tax collection and local budgets. The Law on Financial Equalization prescribes the allocation of equalization grants to municipality budgets, but the mechanism is poorly developed. Amendments to the Equalization Law were proposed by the OSI Local Government and Public Service Reform Initiative, and redrafted in 2009 to ensure synchronization with the new Law on Self-Government in Yerevan. USAID provides support for the development of local government in Armenia through training and technical assistance.

Yerevan is designated as a community, but until 2009 its mayor was appointed by the president (contrary to the 2005 constitutional amendments). This new status for the capital city is based on the 2008 Law on Local Self-Government in Yerevan, which establishes the legislative body of Yerevan and the Council of Aldermen (composed of 65 members elected by proportional ballot and led by the mayor). The Council of Aldermen has the power to hold a no-confidence vote, dismiss the mayor, and elect a new mayor by a majority vote. The Council of Aldermen was elected in Yerevan for the first time on May 31. The incumbent mayor, nominated by the president earlier in the year, retained his post as he was number one on the list of the Republican Party, which won over half the seats in the Council of Aldermen.

The political opposition is not represented on the newly elected Council of Aldermen of Yerevan. Opposition parties participated in the election as the bloc ANC, which passed the threshold but rejected its mandates immediately after the election. The active participation of the ANC in the mayoral election was admittedly an effort to ascend to central power. “Levon Ter-Petrossian is prepared to serve as mayor as long as it takes to reinstate constitutional order in Armenia,” stated the ANC leader’s press secretary during the spring campaign, adding that election to the Council of Aldermen was, for ANC, the continuation of the 2008 presidential poll.¹³ After Ter-Petrossian failed to win the mayoral election in late May, the ANC lost interest in local governance. The Heritage Party boycotted the Yerevan mayoral election after a failed endeavor to bloc with the ANC. The next elections in five other communities are scheduled for January 2010.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.00	5.00	5.00	5.00	5.25	5.00	5.00	5.25	5.50	5.50

The constitution of Armenia provides for an independent judiciary, but in practice courts are vulnerable to pressure from the executive authorities and lack independence. Throughout 2009, the country’s judicial framework continued to be revised in accordance with constitutional amendments adopted in 2005. A new judicial code came into force in January 2008, which instituted the General Jurisdiction Courts, specialized Civil Courts, and Criminal Courts. An Administrative Court,

instituted and first convened in 2008, handles litigations between citizens, and the state and is intended to better protect citizen rights. The fact that the new system is partially based on case law is expected to make it more transparent and give it more independence from executive powers. It is the role of the Court of Cassation to ensure the implementation of case law by Courts of Appeal throughout the country. A judicial school, instituted in 2008, partly compensates for the poor legal training of judges that remained a major concern in 2009.

The handling of cases brought in connection with the 2008 postelection unrest became a crucial test for Armenia's judiciary, revealing its weaknesses and lack of genuine independence from executive powers. The work of an independent, expert group to establish the facts in relation to the March 2008 events was suspended in May 2009, due to tension between its members and the politicizing of its work by both sides. Moreover, the investigation by the prosecutor general into the 10 deaths that occurred that day did not lead to any concrete results by the end of 2009.

On June 19, the National Assembly adopted a general amnesty covering nearly 2,000 people, including 500 to be released from custody. The amnesty covered, *inter alia*, most people deprived of their liberty in relation to the events of March 2008, especially, those who were not charged with violent crimes or who were not sentenced to prison terms of more than five years; in the remaining cases, the sentences yet to be served were reduced by half. The amnesty was implemented by September 30, and 35 out of 51 opposition activists jailed in connection with the unrest were released from custody.

Nikol Pashinian, editor of an opposition newspaper and spokesperson for Levon Ter-Petrossian, handed himself in to the police in July and was charged under Articles 316 (violence with regard to a public official) and 225 (mass disorder) in relation to the March 2008 unrest. His trial was ongoing at year's end. Another fugitive, businessman Khachatur Sukiassian who financed Ter-Petrossian's campaign, handed himself in on August 2, 2009; he was also arrested but not charged and released from custody in September. In 2009, the PACE continued to follow up on Armenia's implementation of Resolutions 1609 and 1620, adopted in 2008 in the aftermath of the unrest, which demanded an independent, transparent, and credible inquiry and due process for detained persons.

In January, the PACE adopted Resolution 1643 on the implementation of Assembly Resolutions 1609 and 1620, and, in June, Resolution 1677 on the functioning of democratic institutions in Armenia. The PACE stated that it remained dissatisfied with the detainee situation but approved of recent initiatives by the authorities. In particular, it welcomed the March adoption of amendments to Articles 225 (mass disorders) and 300 (usurpation of power) of the Criminal Code of Armenia, which, in the opinion of the Venice Commission, marks a general improvement by reducing the articles' scope for interpretation and abuse. However, it noted that these changes did not have any impact on the cases of people convicted solely on the basis of police testimony.

In 2009, the Armenian Ministry of Justice developed and circulated a draft Law on the Introduction of Changes and Amendments to the Judicial Code aimed

at harmonizing it with international standards. The draft was sent to various institutions and courts and submitted to the OSCE for legal expertise. Reforms in the Prosecutor's Office implemented in 2009 established investigative bodies that are intended to look into corruption at all levels of government.

In October, the Datalex public information system was introduced and is expected to enhance public control over legislative and judiciary powers by increasing the transparency of their work. Operated via information booths and monitors located in the Yerevan courts, Ministry of Justice, Ombudsman's Office, and regional courts, Datalex will provide information on legislative process, legal cases, court decrees, and final forensic acts, with the exclusion of classified criminal cases. The booths can also be used to pay taxes and browse governmental websites.

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50

Throughout Armenia's independence, corruption has been perceived by citizens as having an overall negative impact on their lives. According to a survey published by the Caucasus Research Resource Center (CRRC) in 2009, 86 percent of Armenians named corruption as a very serious problem.¹⁴ In public perceptions, corruption permeates Armenian society, starting at primary school and involving every sector of the economy and public service. By CRRC data, the level of corruption is perceived as especially high in the electoral system (66 percent), police (66 percent), healthcare (61 percent), and education (58 percent).

All Armenian governments have been under strong domestic and international pressure to reduce corruption, but all have grossly failed to achieve tangible change. Transparency International's Corruption Perceptions Index for Armenia worsened again in 2009, falling from 2.9 to 2.7, with Armenia ranking 120–125 amongst 180 countries surveyed in 2009 (down from 109–114 in 2008).

In 2008, the Armenian government devised and implemented measures against corruption, demonstrating its awareness of this critical problem plaguing the country. The first government campaign against corruption in 2003–07 served only to improve the legislative framework for anticorruption activity but failed to impact practices or perceptions. In the 2007 Global Integrity Index, Armenia scored 82 points on a scale of 100 for its anticorruption legislation, sharply contrasting with its 34 point score for law enforcement.

In September 2009, the government adopted its new Anticorruption Strategy and 2009–12 Implementation Action Plan. The five-chapter strategy is aimed at Armenia's implementation of commitments under international anticorruption agreements and treaties. Its first draft was produced in January and submitted for consultations and review to a number of agencies, including the OSCE, USAID, EC Consulting Group, Council of Europe, and Transparency International.

However, many independent experts do not believe that the government's anticorruption activities are efficient. According to Transparency International-Armenia Head Amalia Kostanyan, the strategy has many flaws, most importantly, too little emphasis on exposing political corruption. In its comments, the Transparency International Anticorruption Center (TIAC) noted that the strategy placed too much focus on the code of conduct for parliamentarians and not enough on the conduct of free and fair elections, or efforts to abolish the merger of politics and economics and abuse of administrative, financial, and information resources.¹⁵ Kostanyan identified the main cause of corruption in the country as the oligarchic concentration of political and economic interests in the hands of bureaucrats.

The TIAC position correlates with CRRC data in which 45 percent of respondents see corruption as more severe among high-ranking public officials, whereas only 9 percent believe it is most prevalent among low-ranking officials. However, in the same CRRC survey, 91 percent of respondents affirmed that they did not pay bribes in 2008, and the perceived level of corruption in Armenia slightly diminished: 30 percent of respondents believed corruption had decreased relative to the year before, while 17 percent believed it had increased. The number of people who believe corruption is a serious problem in Armenia also decreased compared to previous years.

The CRRC survey also indicates that corruption in Armenia is a profound societal and cultural problem: while 95 percent of respondents agreed that paying a judge was a form of corruption, only 37 percent considered the use of an office car by a government employee for private purposes to be a corrupt act. Moreover, just over half admitted they would pay a bribe if asked, and only 72 percent stated they would not take a bribe if offered. This shows that, among other measures, an education effort is required in order to eradicate corruption in Armenia; in the government anticorruption Strategy, the job of education is mainly entrusted to civil society.

In 2009, the Control Chamber of Armenia exposed major cases of financial abuse at the Ministries of Finance, Justice, Sport and Youth, Civil Management, Culture, the Social Fund, and regional and local administrations, revealing violations of over US\$20 million. The most blatant violations were at the Ministry of Health at over US\$2 million. Abuses at the Ministry of Culture involved large sums spent on the construction and reconstruction of monuments that were not in fact carried out. The architect and head of the construction company were charged and sentenced to jail terms, but punishment of officials was purely decorative: the Deputy Minister of Culture, Gaghik Gyurjan, was dismissed from his job and soon appointed director of the Erebuni Museum in Yerevan. As in 2008, the government anticorruption campaign failed to reach senior officials and major businesspeople during the year.

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