Change or continuity? Exploring post-revolution state-building in Ukraine and Armenia

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Abstract

The paper focuses on the post-Maidan and post-Velvet Revolution state-building in Ukraine and Armenia. Examining the cases of Ukraine and Armenia, the qualitative, comparative analysis presented in this paper uncovers some of the similarities and differences between the two post-Soviet revolutions in terms of their political and economic implications. The study suggests that, while the revolutions have given a strong impetus to political and economic reforms in oligarchy-driven and corruption-stricken Ukrainian and Armenian societies, the path to ultimate success involves overcoming the authoritarian legacy and developing democratic institutions. The analysis of the relationship between domestic change and foreign policy shows that in contrast to Ukraine, where the “choice for Europe” was the core rationale behind the Euromaidan, the domestic change in Armenia has not led to foreign policy shifts. Nevertheless, this study avoids reductionist explanations of external drivers of change. Rather, it treats the domestic actors as the key agents to transform the economic and political landscapes of the two post-Soviet countries.

Keywords: Ukraine, Armenia, “Velvet Revolution”, Maidan Revolution, state-building, democracy consolidation

Introduction

The 2014 Maidan Revolution in Ukraine and the 2018 “Velvet Revolution” in Armenia have considerably renewed scientific interest in post-soviet revolution studies, including in post-revolution state-building trajectories. This paper represents an attempt to uncover some of the similarities and differences between the two post-Soviet revolutions in terms of their domestic and foreign policy implications.

The case studies of Ukraine and Armenia provide insights into the challenges and opportunities of economic and political reforms in the European Union–Russia contested neighbourhood, amid the complex interplay between the Kremlin’s “authoritarian resistance” and the constrained actorness of Brussels’s state-building and conflict resolution (Ambrosio, 2016; Kuzio, 2017; Mass, 2019). The

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study enquires into the various dynamics behind domestic change in Eastern Partnership countries. It suggests that the core challenges facing the post-revolution state-building trajectories of Ukraine and Armenia range from lingering authoritarian legacy to the constraining conditions emanating from troubled neighbourhoods.

The question remains as to whether increasingly popular Ukrainian and Armenian political leaders Volodymyr Zelensky’s and Nikol Pashinyan governments’ “game changing” agendas will lead to significant economic and political transformations, thus making the two countries more immune to adverse external influences.

Overall, the paper addresses the following research question: What are the core political (including foreign policy) and economic outcomes of Ukraine’s and Armenia’s post-revolution state-building trajectories?

The paper uses policy analysis combined with process-tracing to examine the evolution in the post-revolution state-building in Ukraine and Armenia. The study builds its empirical argumentation by analysing a broad variety of sources, including the newspaper articles, observations from political speeches, official documents and interviews.

The paper will proceed as follows: First, the foreign policy implications of the revolutions will be briefly discussed. In the second section some features of economic reforms will be examined. The third and final sections will focus on political transformations, including the challenges of democracy consolidation. The conclusion discusses the main findings.

1. Foreign policy implications of the revolutions

While the European Union’s “transformative power” has been the main rationale behind domestic change and reforms in Eastern Partnership countries, quite often the EU’s development and region-building policies have been faced with Russian “authoritarian resistance” and “region-spoiling” measures (Ambrosio, 2016; Delcour and Wolczuk, 2016). In other words, while the EU has been seeking greater engagement with the region to transform it into an area of prosperity, democracy and stability, Russia would fiercely resist to the Europeanization in its “near neighborhood” (Ademmer, Delcour and Wolczuk, 2016; Terzyan, 2017).

Therefore, to account for the depth and sustainability of domestic changes, it is essential to explore their implications for post-Maidan Ukraine’s and post-Velvet Revolution Armenia’s relations with the EU and Russia.
Remarkably, in contrast to Ukraine, where the “choice for Europe” was the core rationale behind the Maidan Revolution, the Armenian society has not offered much resistance to country’s integration into the Russian-dominated Eurasian Economic Union (EAEU). While post-revolution Ukraine’s president Piotr Poroshenko promptly signed the Association Agreement in June 2014, his Armenian counterpart Nikol Pashinyan was quick to confirm Armenia’s further commitment to the Eurasian integration. He ruled out the possibility of foreign policy U-turns while stressing the necessity of further rapprochement with Armenia’s ‘strategic ally’ Russia (Terzyan, 2019a, p. 128).

It is noteworthy, that during Serzh Sargsyan’s presidency from 2008 to 2018, there was a tendency in Armenian political discourse to treat Russia as pivotal security partner, indispensable ally, major great power, ‘a greater involvement of which in the region will benefit Armenia’ (Terzyan, 2017, p. 187). There has been a broad consensus among the representatives of Armenian political elite that the acute threats posed to Armenia by neighbouring Azerbaijan and Turkey prompt to put heavy reliance on security alliance with Russia (Terzyan, 2017, p. 192). Meanwhile, the persistence of the long-standing troubled neighbourhood further reinforces the perception of Russia as irreplaceable security ally. That said, at this point Armenia’s centrality in the Russia-led socio-political order seems bound to continue.

By contrast, the post-revolution Ukrainian leadership has resorted to fundamental othering of Russia and treated the European Union and NATO as country’s closest allies. Notably, the former Ukrainian president Poroshenko tended to attribute Russian Empire’s and Soviet Union’s images to modern Russia and treat it as irremediably imperialistic and coercive. (Radio Liberty, 2017). Not surprisingly, Poroshenko would stress the necessity of “breaking all the fetters that connect Ukraine with Russian Empire to make independence irreversible… make Ukraine great and strong, without any prospect of returning to the Russian influence” (Poroshenko, 2018a). Poroshenko’s foreign policy concept was simple - “Away from Moscow! Europe now!” (Poroshenko, 2018b). Remarkably, the othering of Russia has been accompanied by the claims that the most effective way of standing up to the Kremlin’s aggression is the “consolidation of democratic nations,” coming down to Ukraine’s quest for EU and NATO membership (Poroshenko, 2015).

While Poroshenko’s successor Volodymyr Zelensky’s ‘game-changing’ agenda is expected to trickle down to the troubled relations with Russia, arguably any substantial new developments in the relationship will mostly depend on how ready Moscow is to deal with the new Ukrainian authorities (Dreyfus, 2019).

In contrast to Poroshenko, Pashinyan has not tended to frequently appeal to the enemy images of Azerbaijan and Turkey. Yet the perception of the neighbors as hostile, belligerent and destructive
has largely remained unchanged in Armenia’s political discourse (Terzyan 2018a, p. 166). This comes as no surprise, given that the relations with neighbors have not gotten any better since the “Velvet Revolution.” Moreover, Pashinyan’s emphasis on Nagorno Karabakh’s inclusion in the negotiations with Azerbaijan, as well as his comment that “Artsakh is Armenia, and that is it” has been met with Azerbaijani leadership’s rejection and the assertion that “Nagorno-Karabakh is Azerbaijan” and that “Azerbaijan will restore its territorial integrity. Responsibility for the consequences lies with the Armenian side” (Asbarez, 2019). In effect, the prevailing hostilities do not spark optimism, as there seems to be no sign of a breakthrough in the long-standing confrontation.

Meanwhile, the lessons of failed Armenian-Turkish rapprochements suggest that there can be no significant development in Armenia-Turkish relations until at least the de-escalation of the Nagorno Karabakh conflict. This assumption is based on Azerbaijan’s vast opposition to Armenian-Turkish rapprochement, which proved instrumental in thwarting it (Terzyan, 2016, p. 171). Turkey is well aware of Azerbaijan’s approach to the “Armenian issue” and is highly unlikely to take any step that would upset their strategic ties.

In sum, unlike Ukraine, domestic change in Armenia has not trickled down to its foreign policy landscape, leaving the country with “the same friends and same foes.”

2. Some features of economic reforms in Ukraine and Armenia

Given that both Maidan and the “Velvet Revolution” were significantly fuelled by dysfunctional economies and lack of economic opportunities, the economic reforms were put at the heart of both Poroshenko’s and Pashinyan’s agendas.

It is worth to note that during the first post-Maidan years, Ukraine suffered an economic slump, fraught with 12 percent decline in GDP (International Business Times, 2015) and country’s external debt growth from 78.6 percent to 131.5 percent of GDP (Fedorenko, 2017). While the Ukrainian economy returned to growth in 2017, the dire economic situation led to a drop in living standards, exacerbating disparities and deepening inequality (Stratfor, 2018).

Studies show, that the core economic reforms undertaken since the 2014 Maidan Revolution include: reforming energy tariffs and social assistance, enhancing the transparency of public procurement, and simplifying business regulations, as well as setting up anti-corruption agencies and asset disclosure for public officials. Other critical reforms include restructuring the banking sector, implementing a health reform package and pension reforms (World Bank, 2019).
Clearly, Ukraine’s subscription to the Association Agreement with the EU has opened up huge opportunities for country’s large-scale economic reforms. It includes a comprehensive agenda for bilateral cooperation and contains binding, rules-based provisions aiming at the export of EU rules and values (Petrov and Elsuwege, 2016).

Some observers note that Ukraine performed best in implementing reforms when it faced precise demands from the EU (Fedorneko, 2017). More specifically, there have been considerable accomplishments in implementing energy-related reforms. Notably, Poroshenko’s government placed a special emphasis on reforming the gas sector, as a critical step to build resilience against Russian “energy weapon” and made crucial strides in cutting subsidies on natural gas – previously misused by Ukrainian elites to ensure electoral support. The Ukrainian government’s refusal to raise energy prices – which had been kept artificially low since the Soviet era – prompted the International Monetary Fund to freeze aid in April 2017 (Forbes, 2019). Finally, in October 2018 Ukraine announced that it had secured a new $3.9 billion stand-by aid agreement with the IMF, but the government had to raise household gas prices by nearly 25% to meet the IMF’s stipulations (Forbes, 2019). Even though the liberalization of energy prices and energy tariff increases would spark public discontent, the reforms were essential for fighting against systemic corruption in Russian-dominated gas sector.

The EU has been supporting Ukrainian government’s efforts to reforming country’s gas sector focusing specifically on reinforcing Ukrainian gas storage system and developing a business model for the new transmission system operator (European Neighbours, 2018). The bilateral energy partnership arrived at a major accomplishment in June 2019, when the Verkhovna Rada of Ukraine ratified the renewed energy Annex XXVII to the Association Agreement between Ukraine and the European Union. This envisages EU energy rules transfer to Ukraine, with the view to the latter’s integration into the EU’s internal energy markets (Government Portal, 2019).

Nevertheless, well-informed observers note that, despite remarkable natural gas and electricity reforms having been undertaken, Ukraine still has significant work to do, in order to secure its energy future (Bayramov and Marusyk, 2019). There has been little progress on the transformation and modernization of Ukrainian energy systems, aggravated by Ukrainian elites’ selective implementation of the European rules. Not surprisingly, the EU report on the implementation of the Association Agreement, would regard the lingering oligopolistic market structure as an obstruction to the implementation of particularly electricity reforms (European Commission, 2019, p. 18). The question remains if Zelensky’s government has the capacity and political will to fully implement the EU-backed energy reforms (Bayramov and Marusyk, 2019).
Remarkably, former Armenian president Serzh Sargsyan would candidly admit that one of the determining factors in Armenia’s decision to join the Eurasian Economic Union instead of signing the Association Agreement with the European Union was heavy energy dependence on Russia. That said, making a “civilizational choice,” would condemn Armenian consumers to pay thrice more for Russian gas (Terzyan, 2018b, p. 238).

It is worth to note that in 2013 Armenia ceded control over all its natural gas infrastructure to the Russian energy firm Gazprom, in payment for a $300 million debt to Gazprom, which it incurred as a result of secretly subsidizing the Russian gas price from 2011-2013. In return for writing off the debt, Gazprom was also granted 30-year exclusive rights in the Armenian energy market (Azatutyun, 2014). This has made extremely vulnerable to Gazprom’s “energy weapon” which has been used multiple times by the Kremlin to exert political influence over Armenia. Namely, Gazprom increased gas prices for Armenia by 50 percent and alluded to further hikes if in case Armenia refused to join the Russia-dominated Eurasian Economic Union in the fall of 2013 (Terzyan, 2019b, p. 127). In an attempt to hold Gazprom accountable, Pashinyan’s government launched an investigation in Gazprom Armenia and which led to finding a series of irregularities and even to accusing it of tax evasion and corruption. In response Gazprom determined to increase gas prices in 2019, thus showing the consequences of fighting against its monopoly (Terzyan, 2019b, p. 127). That said, by using Gazprom’s energy weapon and increasing gas prices for Armenia, Russia strived to thwart the repetition of Ukrainian-style gas reforms in Armenia.

In terms of broader economic reforms, it is noteworthy that the Association Agreement (AA) with the EU has played a crucial role in fostering reforms in Ukraine. As a result of provisional application of the AA/DCFTA the EU has become Ukraine's largest trade partner by far, representing 42% of total Ukrainian external trade (European Commission, 2018, p. 12). Moreover, Ukraine has improved its business environment in recent years. According to the World Bank's Doing Business survey, Ukraine ranked 71th in 2018, which was an improvement from 76th in 2018, and 142nd in 2010 (European Commission, 2019, p. 12).

Remarkably, since 2014, the EU and the European Financial Institutions have mobilized a package of more than €15 billion in grants and loans to support the reform process, with strong conditionality on continued progress (EEAS, 2019a). The Ukrainian government has achieved considerable accomplishments in the EU approximation in the areas of trade, customs, SPS, intellectual property, and social policy (European Commission, 2018).

Besides, Ukraine has marked accomplishments in public procurement reforms, introducing a higher level of transparency on budget transactions and beneficiaries of procurements. In December
2015, the Verkhovna Rada adopted the law ‘On Public Procurement’, and a Public Procurement Reform Strategy (Roadmap) was adopted in February 2016 to harmonize legislation with the EU acquis (European Parliament, 2017, pp. 20-21). Besides, Ukraine has introduced new functionalities in the public e-procurement system "ProZorro", such as framework agreements, as well as implemented the pilot Centralised Procurement Body at national level (European Commission, 2019, p. 17).

While the AA/DCFTA applications have produced tangible results in Ukraine, one of the intriguing questions regarding the EU –Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) inaugurated in 2017, is whether and to what extent its provisions would contribute to Armenia’s economic development under the conditions of limited EU conditionality.

While there has been a tendency for Pashinyan’s discourse to revolve around “economic revolution” (Civilnet, 2019), its feasibility within the Russian-dominated Eurasian Economic Union remains in question. Notably, articles 4 and of the treaty on the EAEU obligates member states to create common market of goods, labour and services and have their economic policies complied with the goals and principles of the EAEU (Treaty on the EAEU 2014, art. 4, 5). According to article 25, there is a common regime of trade of goods with third parties (Treaty on the EAEU 2014, art. 25). Thus, Armenia is considerably constrained to independently establish trade and broader economic relations with non-member countries. Moreover, the fact that Russia’s tariff levels have been imposed on EAEU member states, suggests that consumer goods, machinery and equipment imported from non-EAEU countries are bound to become more expensive and potentially unaffordable (Jam-news, 2019).

Pashinyan has placed a pronounced emphasis on foreign investments as the cornerstone of country’s economic growth that would drive productive job creation and export competitiveness. He has pledged to ensure an ‘open door’ policy towards foreign investors by providing a growth-friendly tax code based on investors wills and needs, as well as unbiased and much less restrictive regulatory environment for doing business (Armenian Weekly, 2019a). Indeed, much needs to be done to reinforce government’s promises and pledges of fundamental reforms, with trickle-down effects on country’s dysfunctional economy.

Well acknowledging the dire constraints to economic recovery, Pashinyan’s pre-revolution promises of imminent changes have been replaced with so-called “2050 economic vision” - anticipating 15-fold GDP growth by 2050 (Eurasianet, 2019). Arguably, the promises of a bright future aim at keeping the flame of post-revolution enthusiasm alight in the face of possible economic slowdown and setbacks.
Both Armenian and Ukrainian governments have prioritized tax reforms and strived to simplify tax systems. More specifically, Poroshenko proposed the "new philosophy" in taxation to simplify tax for small businesses and attract investors. The Ukrainian government’s decision to shift the corporate tax burden from company profits to distributions has been welcomed by investors from Europe (Lomas, 2018).

Overall, the tax system reforms in Ukraine include: implementation of a cap and eventual removal of agricultural subsidies; implementation of a centralized database of locally set tax rates (land and property taxes); introduction of uniform reporting on profit for corporations; elimination of 18 percent tax on dividends paid by those that do not pay profit tax; elimination of 15 percent tax on interest paid on syndicated loans, etc. These reforms, among other accomplishments, have led to the elimination of an export tax on grains and oilseeds as well as that of 29 different permits and licenses mainly in agriculture, coupled with improvement of land property rights (Atlas Network, 2018).

As for similar reforms in Armenia, it is noteworthy that the Armenian Parliament approved a tax code overhaul package in June, 2019 that would introduce a flat personal income tax rate, cut corporate taxes and provide preferential tax rates for start-ups and small businesses (Armenian Weekly, 2019b). The government has viewed the amended tax code as a critical factor in boosting country’s economic productivity and simplifying business operations while encouraging job creation. The initiative aims to “turn Armenia into a more competitive export-oriented economy” not least by encouraging the growth of small and medium enterprises across the country (Armenian Weekly, 2019b). It decreases the corporate tax rate from 20 percent to 18 percent, and even exempts small enterprises with an annual income under 24 million AMD ($50,000) registered outside of Yerevan from all corporate taxes (Armenian Weekly, 2019b).

Along with the reforms, mentioned above, both Ukrainian and Armenian governments have intensified efforts at overhauling vitally important health care systems. The main health care reforms in Ukraine include the introduction of the government-guaranteed package of health care services, implementation of the e-Health system and the Affordable Medicines program (Government Portal, 2018).

As for the Armenian health care reforms, the government has proposed an ambitious program for implementing a mandatory, universal health insurance system in the country. The, program, that has run into considerable resistance so far would cost around $525 million per year, and target the treatment of cardiovascular diseases including surgeries, as well as treatments for cancer including surgery, radiation, and chemotherapy (Mejlumyan, 2019).

Even though it is premature to jump to far reaching conclusions, both Ukrainian and Armenian governments have showed determination in reforming countries’ inherently flawed health care systems.
Overall, the implementation of fundamental economic reforms has a great deal to do with the governments’ ability to overcome bureaucratic resistance to change, eliminate systemic corruption and diminish major oligarchs’ residual influence in both Armenia and in Ukraine. Systemic corruption, permeating every section of society and government has long condemned Ukraine and Armenia to underdevelopment, poor governance and inability to implement reforms. Thus, the success of both Volodymyr Zelensky’s and Nikol Pashinyan’s economic reform agendas significantly depends on the broader anti-corruption efforts.

3. Overcoming the authoritarian legacy?

One of the intriguing questions revolving around post-revolution state-building in Ukraine and Armenia is whether and to what extent the domestic changes will lead to eradicate their entrenched authoritarian and corrupt practices.

Poroshenko’s government significantly reduced the corruption, particularly in the gas, banking, and government procurement sectors (New Eastern Europe, 2019). As a sign of moving the fight against corruption to the highest possible policy agenda, the Ukrainian government introduced the National Anti-Corruption Bureau and the Specialized AntiCorruption Prosecutor’s Office NABU as well as Specialized Anti-Corruption Prosecutor’s Office (SAPO) established in 2015 with the participation of civil society and donor countries (OECD, 2017). Yet, the effectiveness of these institutions has been questioned by several observers, pointing to insufficiency of anti-corruption measures amidst unrelenting efforts by power groups to retain their outsized influence over the law enforcement and justice (Gressel, 2019). As a result, Poroshenko’s steady decline as a political powerhouse significantly owed to his failure to defeat systemic corruption.

Meanwhile, Volodymyr Zelensky’s promises of defeating rampant corruption resonated with the Ukrainian voters, who placed a great deal of faith in his ‘game-changing’ agenda. The Rada’s first day was marked with the adoption of important pieces of anti-corruption legislation, including the removal immunity from prosecution for MPs and the proposal to provide the National Anti-Corruption Bureau of Ukraine (NABU) with the right to undertake autonomous surveillance (Emerson and Remzov, 2019). Moreover, Zelensky’s anti-corruption efforts resulted in investigations and subsequent arrests of some of President Poroshenko's associates, including Oleg Hladkovsky, a top Defense official; a People’s Front party MP and the former head of the Rada's defence committee Serhii Pashinsky; ex-deputy minister for the occupied territories Yuri Hrymchak; and Poroshenko Bloc MP Yaroslav Dubnevych, etc. Furthermore, Zelensky put the High Anti-Corruption Court into
action, that passed a bill reinstating criminal liability for the illicit enrichment of officials (Minakov and Rojansky, 2019).

Similarly, the post-revolution government in Armenia criminalized illicit enrichment and intensified its anti-corruption campaigns (Emerging Europe, 2020). The government pushed for a series of high-profile trials against former senior officials, most notably ex-president Robert Kocharyan, former high-ranking officials Manvel Grigoryan, Aram Harutyunyan, Seyran Ohanyan and others. This extended to former defence minister and outstanding former ruling Republican Party member, Vigen Sargsyan, who was charged with “abuse of power,” as well as to former Chief of Police Alik Sargsyan - charged with covering up illegal post-election crackdown on opposition protesters in Yerevan in 2008 and with destroying evidence of the “overthrow of the constitutional order” led by then President Kocharyan (Giragosian, 2019, p. 5). However, these arrests and investigations have not yet led to court rulings. Essentially, both Pashinyan’s and Zelensky’s fight against corruption has so far focused on punishing former governments’ members or associates. The question remains as to if the anti-corruption measures will move beyond selective prosecution of former officials to the unequivocal application of “zero tolerance for corruption” principle.

This in turn comes down to the furtherance of democratic reforms, leading to the advancement of good governance practices and eradication of the systemic corruption in both countries. Both Zelensky and Pashinyan have placed a special emphasis on defeating judicial corruption. While Poroshenko would previously hail the judicial reform as “the mother of all reforms” there was not much to reinforce government’s pledges of fundamental reforms (Jarabik and De Waal, 2018).

In an effort to rectify this, in autumn 2019, President Zelensky embarked on judicial reforms. More specifically, he dismissed the High Qualification Council of Judges (the body responsible for attestation and selection of judges), announced plans to reload the Higher Council of Judges (the highest self-governance body of judges) and halved the number of Supreme Court judges (Sologoup, 2020). Remarkably, while the Venice Commission, an advisory body of the Council of Europe, praised Zelensky’s government’s judicial reform, it expressed concern over certain aspects of the reform, pertaining to “important issues of the rule of law” in Ukraine (Euronews, 2020). The Commission criticized the situation, where the politicians are seen to get too much power to determine whether the sitting judges remain in their position or not (Euronews, 2020). Similarly, the judicial corruption is one of the most harrowing challenges facing Pashinyan’s government. Following the controversial release of second President Robert Kocharyan in May 2019, Pashinyan contended that the judiciary is a remnant of the former corrupt system which would cook up conspiracies against the Armenian people (Emerging Europe, 2020). As a result, he called for a mandatory “vetting” of all judges to the all the
courts in the country because of their ties to the previous regime (Asbarez, 2019b). The tension between Pashinyan’s government and the “remnants” of the former regime reached a point, where the Armenian parliament adopted a bill on holding a referendum on suspending the powers of a majority members of the Constitutional Court. Pashinyan would largely treat the current Constitutional Court as an impediment to completing the revolution in Armenia. More specifically, it was regarded as an instrument that prevented the people from exercising their right to form a government in the country in the 1996, 1998, 2003, 2008, 2013 presidential elections (Pashinyan, 2020). Notably, Parliamentary Assembly of the Council of Europe (PACE) co-rapporteurs for the monitoring of Armenia, called on Armenian political players to refrain from actions and statements that could be perceived as exerting pressure on the judiciary (Asbarez, 2020). Essentially, Pashinyan threw his weight behind changing the Constitutional Court, contending that the latter represents the corrupt regime of Serzh Sargsyan, rather than the people of Armenia. Furthermore, he regarded the opponents of the referendum as “anti-state” forces (Eurasianet, 2020). Overall, the judicial reform remains as big challenge in both countries, as its success is critical to breaking with the authoritarian legacies.

It is noteworthy that Ukraine is the 126 least corrupt nation out of 180 countries, according to the 2019 Corruption Perceptions Index reported by Transparency International (Trading Economics, 2020). Meanwhile, Armenia has considerably improved its position in an annual survey of corruption perceptions around the world conducted by Transparency International. It ranked 77th out of 180 countries and territories evaluated in the Berlin-based watchdog’s 2019 Corruption Perceptions Index (Azatutyun, 2020).

Essentially, political elite’s robust commitment to eradicating systemic corruption is indispensable. Although political will may not be sufficient, it is a necessary condition to combat corruption. The case of Romania demonstrates that the political will to defeat corruption may well make up the absence of a tradition of the rule of law and democracy. More specifically, the European Union pressure, along with the electoral pressure and the political will of the domestic political elite combined to ensure the establishment of the rule of law and defeating corruption in the Romanian judiciary between 1997 and 2006 (Ritsei, 2010).

Clearly, a major impediment to democratic state building, including fight against corruption in Armenia and Ukraine lies with prevailing “post-Soviet informality” (Aliyev, 2015). The use of informal networks and connections in exchanges of favours, gift-giving and other types of informal activities have been deeply ingrained in both Ukrainian and Armenian societies. Hence, the state apparatus, as well as education, healthcare, judiciary and law enforcement have long been dominated by informality. As a matter of fact, countries with long histories of informal illiberal practices and
corruption often face tremendous challenges in eradicating these blights. The culture of informality and corruption permeating every section of society takes a long time to fade away. Studies show that Ukrainian citizens tend to “condemn” high-level corruption” yet “regard petty corruption as a justifiable evil” (Lough and Dubrovskiy, 2018, p. 2). Therefore, both governments, as well as civil society organizations have a critical role in eradicating the informality and culture of corruption in both societies, not least through promoting liberal values and good governance practices.

Admittedly, one of the major challenges posed to democratic reforms in Ukraine and Armenia is the residual influence of major oligarchs. By taking over the key economic assets and media in these countries, oligarchs have been equipped with tools for exerting considerable influence over the incumbents. Studies show that during Poroshenko’s presidency the sharing out of monopolies among leading business groups would continue, along with slow progress on de-monopolization (Lough and Dubrovskiy, 2018, p. 22).

Not surprisingly the EU has been giving great weight to defeating oligarchy, stressing that there could be no meaningful progress on the implementation of the Association Agreement if the oligarchy keeps exerting tremendous influence over the Ukrainian economy, politics and media (European Parliament, 2018). While Zelensky’s government’s reform agenda provides grounds for optimism, the process of deoligarchisation considerably depends on broader economic, political and legal reforms, that would shrink the “oligarchic spaces.”

As for Armenia, as a result of the “Velvet Revolution,” oligarchs are no longer overrepresented in Armenian government. Yet, it is premature to contend that there are no oligarchs in Armenia, given that their huge influence over the Armenian economy may well translate into political power. Both Ukrainian and Armenian governments well acknowledge the depth of oligarchic influence in the two countries and would avoid resorting to shock therapy. Thus, a gradualist approach to diminishing the oligarchic influence seems more reasonable.

In terms of broader rule of law reforms, there is much room for significant improvements in both Ukraine’s and Armenia’s law enforcement authorities. The Maidan Revolution has given a strong impetus to overcoming the post-communist policing legacy, plagued by corruption and authoritarian malpractices, and thus opened a space for democratic policing (Friesendorf, 2019).

Kirsten Madison, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs notes that the police reform has become the most significant in the transformation of the law enforcement agencies in Ukraine (Unian, 2018). The fact that Ukrainian patrol police, the KORD special forces unit, and the State Border Guard Service are implementing advanced Western standards
prompted Madison to posit that police reform is one of the most striking elements of what modern Ukraine might look like (Unian, 2018).

A well-informed observer argues that in the case of Ukraine the keys to a successful and sustainable police reform in certain parts of the police have been: first, insulation of new police institutions from politicization and patrimonial staffing to ensure their independence and impartiality; and second, institutional design which mandates transparency mechanisms, accountability procedures and civilian oversight in the staffing, promotion and activity reporting of police (Pehlman, 2019).

Even though there have not been considerable strides in reshaping and restructuring the policing in Armenia, Pashinyan’s emphasis on fundamental law enforcement reforms provides grounds for optimism. Admittedly, the promotion of reform-minded law enforcement officials along with consistent fight against systemic corruption is instrumental in achieving a breakthrough in law enforcement reforms.

An integral part of law enforcement reforms is reforming the KGB successors - the Security Service of Ukraine (SBU) and National Security Service (NSS) of Armenia that appear to have retained considerable law enforcement functions and thus remain subject to undue politicization. Evidently, both SBU and NSS are more than intelligence agencies, and it has not been uncommon for them to be misused to coerce opposition in Ukraine and Armenia (Gressel, 2019, pp. 12-13).

Overall, along with above-mentioned economic reforms, the fundamental transformations of law enforcement agencies and former KGB services are indispensable to post-revolution democratic state-building in Ukraine and Armenia.

4. **Expanding the democratic space: Towards a vibrant civil society**

It is hard to underestimate the importance of the institutional foundations of democracy consolidation, with effective, well-established democratic institutions and robust civil society organizations.

Essentially, the nation - building in both countries has not been sufficiently institutionalized. Rather, it depends on personal decisions and performance of a few individuals. Both Nikol Pashinyan and Volodymyr Zelensky capitalized on their huge popularity and through snap elections significantly consolidated their power. They both are largely treated as “saviours” capable of leading to major economic and political breakthroughs. Meanwhile, the accumulation of so much power in the hands of charismatic leaders is fraught with power abuses in the absence of powerful political opposition.
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There has been a strong tendency both in Pashinyan’s and Zelensky’s discourses to style their regimes as “people’s government” or “people’s servant” that introduce a new form hyper-democratic interaction between state and society. More specifically, Pashinyan’s discourse regarding the “people’s government” has reached a point where there seems to be a blurred line between state and society. Given huge public support for Pashinyan’s government manifested in its landslide parliamentary victory in December 2018, Pashinyan and his proxies even contend that any step against their government is a step against the Armenian people, as they represent “people’s government” (Factor, 2018). Pashinyan suggests that he embodies the will of the people and that Parliament’s legitimacy is based on that will: "In Armenia, there is no coalition government. In Armenia, there is no parliamentary majority. In Armenia, the ultimate power directly belongs to the people and the people carry out direct rule. This is the key meaning of the revolution that took place in Armenia" (Armenian Weekly, 2018).

Similarly, the Ukrainian President tends to distance himself from his predecessors and other presidents due to his resolve to bring people to power “who will serve the people” (Zelensky, 2019).

Inna Sovsun, a member of the Ukrainian opposition party Holos (Voice) notes that the centralization of power remains a significant problem as it is unclear who the next president will be (Euronews, 2020). Meanwhile, the success of democratic reforms in both countries significantly depends on their shift from charismatic leadshhips to functional democratic institutions, that translate leaders’ visions into policies sustained by appropriate structures, rules, and procedures. Therefore, the depth and sustainability of reforms considerably depends on the Ukrainian and Armenian governments’ will and ability to reinforce the institutional foundations of state-building.

To make all these happen, it is essential for Ukrainian and Armenian civil societies to boost their actorness and become agents of democracy. Way (2014) notes that the demonstrations leading the revolution “showed the Orange Revolution was not a one-time fairy tale, but a feature of Ukraine. Civil society exists” (Way, 2014, p. 41). Nevertheless, he suggests that it would be misleading to treat the successful actions by protesters or even civil society representatives per se as s shift in a robust or “emerging” civil society (Way, 2014, p. 41). Thus, the question remains as to if protests are organized by well-established and institutionalized organizations, or do groups emerge spontaneously out of the protests themselves?

In this regard some observers note that civil society organizations and activists need to move beyond the victory in the street and pursue victory in town halls and elections, with the growing realization that “the Maidan” now needs to be in people’s minds and behavior rather than in downtown Kyiv (Smagliy, 2017; Diuk, 2014, p. 89).
Indeed, it is impossible to underestimate the contribution of the civil society groups to post-Maidan reform process. The largest and most influential reform network – the Reanimation Package of Reforms (RPR) has brought together NGOs, reform groups and experts, who form, develop and promote a reform agenda, targeting anti-corruption, judiciary and economic transformations (Smagliy, 2017). Not surprisingly, the the EU reports would emphasize Ukrainian civil society’s positive role in in the promotion and monitoring of reforms, focusing specifically on the areas of human rights, anti-corruption, healthcare, energy, decentralization (European Commission, 2019, pp. 5-6).

While civil society coalitions in Ukraine have been one of the driving forces behind country’s economic and political transformation, the absence of an umbrella organization or clearly reform-oriented movement in Armenia, seems to leave the fate of the societal coalition that brought Nikol Pashinyan to power uncertain.

Studies show that despite the growing number of civil society organizations (there are more than 4,000 registered civil society organizations, mainly non-governmental organizations (NGO), absolute majority of them are inactive with little to no potential to represent certain interest groups (Gevorgyan, 2017). Paturyan and Bagiyan (2017) note that the low trust and negative public perceptions towards NGOs in Armenia significantly owe to lack of communication with public (Paturyan and Bagiyan, 2017). As a result, NGOs would be largely perceived as project implementers or office workers that are detached from local constituencies and simply strive to attract donor funding (Gevorgyan, 2017).

While the mounting activism of civil society organizations sparks optimism, further development of their institutional capacities and networks is essential for boosting their actorness in both countries. That said, civil society organizations need to overcome their own limitations to influence policy making and push the reform agendas of the Armenian and Ukrainian governments forward.

**Conclusion**

This paper contributes to existing literature on the post-revolution state-building in post-soviet societies by examining the cases of Ukraine and Armenia. Based on the previous discussion, there are a few main concluding observations to make regarding post-revolution trajectories of Ukraine and Armenia.
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First, and in terms of foreign policy implications of the revolutions, in contrast to Ukraine, where the “choice for Europe” was the core rationale behind the revolution, the domestic change in Armenia has not led to foreign policy shifts, leaving the country’s centrality in the Russia-led socio-political order intact. The persistence of troubled relations with neighbouring Azerbaijan and Turkey further reinforces Russia’s treatment as irreplaceable security ally. Meanwhile, the post-revolution state-building in Ukraine has been accompanied by substantial othering of Russia with a growing emphasis on country’s profound approximation towards Europe.

Second, in terms of economic reforms, it is noteworthy that both Ukrainian and Armenian governments’ have made considerable strides in improving business environments and implementing tax reforms. The Ukrainian government has achieved significant accomplishments in terms of building country’s energy resilience against Russia. Even though the Ukrainian government still needs to complete a great deal of reforms to get its gas and electricity systems transformed and modernized, the dynamics of country’s energy sector Europeanization provide grounds for optimism. Meanwhile, Armenia remains immensely vulnerable to the Russian “energy weapon.” Gazprom’s dominance over Armenia’s energy sector, along with country’s full-scale integration into Eurasian energy market devastatingly impair new government’s ability to implement game-changing reforms. Overall, the implementation of fundamental economic reforms has a great deal to do with the governments’ ability to overcome bureaucratic resistance to change, eliminate systemic corruption and diminish major oligarchs’ considerable influence in both Ukraine and Armenia.

The third observation relates to broader political reforms both in Ukraine and Armenia. One of the top priorities for both countries involves reinforcing the institutional foundations of state-building with consistent development of democratic institutions. Both Nikol Pashinyan and Volodymyr Zelensky are largely treated as “saviours” capable of producing major economic and political breakthroughs. Meanwhile, the sustainability of democratic reforms in both countries significantly depends on their shift from charismatic leaderships to functional democratic institutions, that translate leaders’ visions into policies sustained by appropriate structures, rules, and procedures. Clearly, it is impossible to downgrade the importance of a vibrant civil society, as a powerful agent of democracy. While the mounting activism of civil society organizations sparks optimism, further development of their institutional capacities and networks is essential for boosting their actorness in both countries. That said, civil society organizations need to overcome their own limitations to influence policy making and push the reform agendas of the Armenian and Ukrainian governments forward.

Last but not least, there is much room for judicial and law enforcement reforms in both countries. While the Ukrainian leadership has taken considerable strides in overcoming the post-
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communist policing legacy, and thus opened a space for democratic policing, the successful transformation of the Security Service of Ukraine (the KGB successor) remains a critical part of broader law enforcement reforms. Focusing chiefly on judicial reforms, the Armenian government has so far paid less attention to reshaping and restructuring the policing in Armenia. Clearly, the promotion of reform-minded law enforcement officials along with consistent fight against systemic corruption is instrumental in achieving a breakthrough in law enforcement reforms.

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