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*Armenia's Legislative Election: Outcome and Implications  
for U.S. Interests*

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**Abstract.** This report discusses the campaign and results of Armenia's May 12, 2007, legislative election and examines implications for Armenian and U.S. interests. Many observers viewed the election as marking some democratization progress. The Republican Party of Armenia increased its number of seats to a near-majority and termed the results as a mandate on its policies. The party leader, Prime Minister Serzh Sargisyan, was widely seen as gaining stature as a possible candidate in the upcoming 2008 presidential election.

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## CRS Report for Congress

# Armenia's Legislative Election: Outcome and Implications for U.S. Interests

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### Summary

This report discusses the campaign and results of Armenia's May 12, 2007, legislative election and examines implications for Armenian and U.S. interests. Many observers viewed the election as marking some democratization progress. The Republican Party of Armenia increased its number of seats to a near-majority and termed the results as a mandate on its policies. The party leader, Prime Minister Serzh Sargisyan, was widely seen as gaining stature as a possible candidate in the upcoming 2008 presidential election. This report may be updated. Related reports include CRS Report RL33453, *Armenia, Azerbaijan, and Georgia: Political Developments and Implications for U.S. Interests*, by Jim Nichol.

### Background

Since becoming independent in 1991, Armenia has made unsteady progress toward democratization, according to many international observers. These observers — including international organizations such as the Council of Europe (COE), the Organization for Security and Cooperation in Europe (OSCE), and the European Union (EU), and some governments including the United States — had viewed Armenia's previous legislative and presidential elections in 2003 as not free and fair.<sup>1</sup> These observers cautioned the Armenian government that the conduct of the May 2007 legislative election would be taken into account in future relations.

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<sup>1</sup> In the May 2003 legislative election, 75 of 131 deputies were elected by party lists and the rest by constituencies. In the party list voting, six out of 21 parties running passed a 5% vote hurdle and won seats. In both votes, the Republican Party of Armenia (then led by the late Andranik Margaryan) won 33 seats, the Rule of Law Party won 19, the Armenian Revolutionary Federation won 12, and the United Labor Party won 6. Among the opposition, the Justice bloc won 14 (led by Stepan Demirchyan) and the National Unity Movement won 9. Party independents won 37 seats. In the February 2003 presidential election, none of the nine candidates received the required 50% plus one of the vote, forcing a run-off on March 5 between incumbent President Robert Kocharyan and Demirchyan. Kocharyan won with 67.5% of the vote.

Significant events in the run-up to the May 2007 legislative race included constitutional amendments approved in November 2005 which strengthened the role of the legislature, including giving it responsibility for appointing some judicial and media regulatory personnel and a voice in appointing a prime minister.<sup>2</sup> Amendments to the election law increased the legislative term from four to five years and restricted voting by citizens who were outside the country at the time of elections. In May 2006, the Rule of Law Party left the ruling government coalition and joined the opposition, leaving the remaining coalition members — the Republican Party of Armenia and the Armenian Revolutionary Federation — in a strengthened position. A new party formed in 2004, the Prosperous Armenia Party, led by businessman Gagik Tsarukyan, seemed to gain substantial popularity. In March 2007, Prime Minister Margoyan died, and President Kocharyan appointed then-Defense Minister Serzh Sargsisyan as the new prime minister. Sargsisyan's leadership of the Republican Party of Armenia placed him at the forefront of the party's campaign for seats.

## The Campaign

The Central Electoral Commission (CEC) of Armenia followed an inclusive policy and registered 23 parties and one electoral bloc (Impeachment) on April 4 for the proportional part of the legislative election. In the constituency races, the CEC registered 119 candidates. In seven constituencies, candidates ran unopposed. Campaigning began on April 8 and ended on May 10. The Pan-Armenian National Movement (the party of former president Levon Ter-Petrossyan) dropped out in late April and called for other opposition parties to follow suit to reduce the number of such parties competing for votes. Another formerly prominent party, the National Democratic Union headed by Vazgen Manukyan, refused to take part in what it claimed would be a fraudulent election.

The political campaign was mostly calm. Exceptions included explosions at offices of the Prosperous Armenia Party on April 11, the arrest of two members of the opposition Civic Disobedience Movement on money laundering charges on May 7, and the use of police force against marchers from the Impeachment bloc on May 9, which resulted in some injuries. Armenian media reported that Kocharyan accused Artur Baghdasaryan, the head of the Rule of Law Party, of "betrayal" for allegedly discussing with a British diplomat how the West might critique the election. Under the electoral law, the parties and candidates received free air time for campaign messages. Except for these opportunities, the main public and private television channels mostly covered pro-government party campaigning, and private billboard companies mostly sold space to these parties. The public radio station appeared editorially balanced. Positive or neutral reports dominated in the media, according to OSCE/COE/EU election observers. Most campaigning appeared to stress personalities rather than programs, according to

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<sup>2</sup> COE. European Commission for Democracy Through Law (Venice Commission). *Final Opinion on Constitutional Reform in the Republic of Armenia*, October 22, 2005. The COE's Parliamentary Assembly (PACE) hailed the revised constitution as offering "a new foundation for developing the democratic functioning of Armenia's institutions," if it is "effectively implemented." *Honoring of Obligations and Commitments by Armenia*, January 23, 2007.

many observers. To the extent issues were discussed, the focus was largely on domestic concerns such as rural development, pensions, education, jobs, and healthcare.<sup>3</sup>

## Results and Assessments

The CEC reported that almost 1.4 million of 2.3 million eligible voters turned out (about 60%). The Republican Party of Armenia gained more seats than it won in the last legislative election. The Prosperous Armenia Party failed to get as many votes as expected. It also was surprising that the United Labor Party failed to gain seats. The opposition parties (Rule of Law and Heritage) won 16 seats, fewer than the opposition held in the previous legislature, although parties considered oppositionist received about one-fourth of the total popular vote. While hailing the election as “free, fair, and transparent,” Kocharyan on May 14 reportedly pledged that “shortcomings and violations, which took place during the elections, will be thoroughly studied in order to take necessary measures and re-establish legality,” a pledge reiterated to the OSCE by Sarkisyan on May 22.<sup>4</sup>

Election Results				
Party	Proportional Votes	Prop. Seats	Constituency Seats	Total Seats
RPA	458,258	41	23	64
PAP	204,483	18	7	25
ARF	177,907	16	0	16
RL*	95,324	8	1	9
HP*	81,048	7	0	7
Dashink	32,943	0	1	1
Others**	--	0	9	9
<i>Total Seats</i>	--	90	41	131
*Opposition Parties				
**Independent candidates sponsored by civic associations				
<i>Legend:</i> RPA: Republican Party of Armenia; PAP: Prosperous Armenia Party; ARF: Armenian Revolutionary Federation (Dashnaksutyun); RL: Rule of Law (Orinats Yerkir) Party; HP: Heritage Party.				

According to the preliminary conclusions made by observers from the OSCE, COE, and the EU, the legislative elections “demonstrated improvement and were conducted largely in accordance with ... international standards for democratic elections.” They praised an inclusive candidate registration process, dynamic campaigning in a permissive environment, extensive media coverage, and a calm atmosphere in polling places. However, they raised some concerns over pro-government party domination of electoral commissions, the low number of candidates in constituency races, and inaccurate campaign finance disclosures. Observers also reported a few instances of voters apparently using fraudulent passports for identification, of vote-buying, and of individuals voting more than once. In a follow-on assessment, the OSCE/COE/EU observers raised more concerns that vote-counting problems could harm public confidence in the results.<sup>5</sup>

<sup>3</sup> OSCE/ODIHR. Election Observation Mission. *Interim Report*, No. 3, April 18 - May 2, 2007; No. 2, March 29 - April 17, 2007; No. 1, March 21 - March 28, 2007; *Needs Assessment Mission Report*, January 30 - February 2, 2007.

<sup>4</sup> *Mediamax*, May 14, 2007; *Noyan Tapan*, May 22, 2007.

<sup>5</sup> OSCE. ODIHR. *Parliamentary Elections, Republic of Armenia, 12 May 2007: Statement of Preliminary Findings and Conclusions*, May 13, 2007; *Post-Election Interim Report*, No. 1, May (continued...)

The inability of opposition parties to form a coalition like the former Justice Bloc in 2003 harmed their chances by splitting the vote. The failure of some formerly prominent opposition parties to win seats raises questions of their future viability. These include the People's Party of Armenia (led by Demirchyan, the runner-up in the 2003 presidential election), the National Unity Party (led by Artashes Geghamyan), and the Republic Party (led by Aram Sargisyan). While the pro-government Republican Party of Armenia and Prosperous Armenia Party argued that the losing parties sealed their own marginalization because they were not attractive to the electorate, the losing parties responded that they were outspent and hurt by voter apathy and electoral fraud.<sup>6</sup>

At a rally on May 18, the two opposition parties that won seats in the legislature (Rule of Law and Heritage) joined the Impeachment bloc and other opposition parties to call on the Constitutional Court to void the election. The Pan-Armenian National Movement, which had dropped out the race, issued a statement alleging that sophisticated methods had been used to rig the vote. Addressing such accusations, CEC spokesperson Tsovinar Khachatryan reportedly gave assurances that the vote count and results were "normal." She stated that the CEC had received only seven complaints, and that recounts had resulted in "no essential changes in the results."<sup>7</sup> Armenian media reported on May 21 that four cases had resulted in criminal charges, but only one involved the falsification of the election results by polling place workers. The Impeachment bloc and other opposition parties held more rallies on May 25 and June 1 to demand a new election.

## Implications for Armenia

Since President Kocharyan is constitutionally limited to two terms, the parties showing well in the legislative election are expected to be best poised to put forth their candidates for a presidential election in 2008. The Republican Party of Armenia's strong showing places Prime Minister Sargisyan as the front runner for president if he chooses to run.<sup>8</sup> According to analyst Emil Danielyan, opposition parties may counter by appealing to the cynicism of many Armenians about the electoral results and by urging them to support alternative presidential candidates.<sup>9</sup> Some observers suggest that the opposition parties may again fail to cooperate and instead put forward multiple presidential candidates, fracturing the opposition vote.

The election also may be more significant than previous ones because the legislature has been given enhanced constitutional powers, according to some observers. In calling for the election of pro-government legislators, Kocharyan warned on May 10 that "it is

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<sup>5</sup> (...continued)

22, 2007. The observers tentatively concluded that the final tally of the proportional vote did not "appear to affect the election outcome as calculated in the preliminary results," but that a lack of transparency prevented a similar conclusion for the constituency vote.

<sup>6</sup> Natalia Leshchenko, "Election 2007: Armenia Passes Electoral Test as 'Managed Democracy,'" *Global Insight*, May 14, 2007.

<sup>7</sup> *Eurasia Insight*, May 18, 2007.

<sup>8</sup> Sargisyan stated in late April 2007 that "if the political force that I am going into the elections with, the Republican Party of Armenia, receives solid support, naturally I will run" for president. *CEDR*, April 27, 2007, Doc. No. CEP-21006.

<sup>9</sup> *Eurasia Insight*, May 15, 2007.

important that the new parliament and the president cooperate and that these two state institutions do not confront each other,” or otherwise the country's citizens will suffer. Since the Republican Party of Armenia increased its number of seats to a near-majority in the legislature and the opposition parties lost seats, it is unlikely that the domestic and foreign policies of the government will change greatly, according to many observers.<sup>10</sup> There conceivably could be some changes in some policies, however, as the Republican Party of Armenia seeks to form a coalition government. Reasons for the Republican Party of Armenia to seek a coalition rather than form a one-party government include increasing its legislative support and influence in the run-up to the presidential race. Other spurs to forming such a coalition may include the plans by the Rule of Law and Heritage parties to use their presence in the legislature to challenge government policies, rather than to repeat the failed past opposition strategy of boycotting the legislature. Such plans may reinforce Kocharyan's reported view that these parties are not “constructive” opposition parties and that they need to be countered by a legislative coalition.<sup>11</sup>

Some observers warn that Kocharyan, as a lame-duck president, may become less influential in Armenian politics and that he and Sargisyan could come to clash on personnel and policy issues in coming months. Other observers suggest that both leaders — who are comrades-in-arms of the conflict over Azerbaijan's breakaway region of Nagorno Karabakh — will cooperate to achieve their future political goals, which conceivably might include a position for Kocharyan in a political party or a potential Sargisyan administration. Kocharyan and Sargisyan may cooperate in negotiations with Azerbaijan to settle the Nagorno Karabakh conflict, possibly because a Sargisyan administration might have responsibility for implementing a potential settlement. Another possible clash between Sargisyan and Tsarukyan may be mitigated to some degree through power-sharing negotiations on forming a coalition government.

Russia appeared interested in the outcome of the election by stressing its good relations with the existing Armenian government. During the height of campaigning in April, the Russian Minister of Foreign Affairs, the First Deputy Prime Minister, and other high-level officials visited Armenia. A group of election observers from the Commonwealth of Independent States judged the election as “free and fair.”<sup>12</sup> European institutions such as the OSCE, COE and the EU appeared poised to accept the electoral outcome as being sufficiently progressive to bolster their assistance and other ties to Armenia, according to some initial statements. The EU Council President, German Chancellor Anela Merkel, seemed to typify this stance when she stated that the elections were “on the whole, conducted fairly, freely and largely in accordance with the international commitments which Armenia had entered into,” and that she was “very much in favor of intensifying cooperation with Armenia. This would breathe new life into the European Neighborhood Policy and the Action Plan agreed under it.”<sup>13</sup>

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<sup>10</sup> The constitution specifies that the government resigns when the new legislature convenes. The prime minister is appointed by the president after consultation with the legislature, and the appointee should enjoy the confidence of a majority (or the largest number) of the deputies, providing for party influence.

<sup>11</sup> *ITAR-TASS*, May 17, 2007; *Eurasia Insight*, May 11, 2007.

<sup>12</sup> *CEDR*, May 14, 2007, Doc. No. CEP-4012.

<sup>13</sup> EU. Common Foreign and Security Policy Statements. *EU Presidency Statement on the* (continued...)

## Implications for U.S. Interests

The Bush Administration generally viewed the Armenian legislative election as marking progress in democratization. The U.S. State Department reported on May 14 that “all and all, [the Armenian election was] an improvement over past elections; though certainly if you look at what the observers said, it did not fully meet international standards.” While praising the electoral progress, the State Department also urged the Armenian government to “aggressively investigate allegations that are there of electoral wrongdoing and prosecute people in accordance with Armenian law.”<sup>14</sup>

Armenia’s election may rank it with Georgia as making progress in democratization in the South Caucasus region, according to some observers. Under this view, democratization facilitates cooperation, so a more democratic Armenia might be able to deepen ties with nearby NATO members in the wider Black Sea region. In the Caspian Sea region, it might serve as an exemplar to local democracy advocates.

Progress in elections is one condition for continued Millennium Challenge Account assistance (MCA; set up in 2004 to support countries that are dedicated to democratization and the creation of market economies). When Armenia and the United States concluded a “compact” for \$235.65 million in MCA assistance in March 2006, Armenia’s low standing on “political rights” as scored by the MCA was raised as a problem that needed to be addressed. Following the latest election, Armenia’s previous “failing” score on political rights may be higher (if initial election assessments do not fundamentally change), bolstering its qualifications as an MCA “co-partner in development,” according to some observers.<sup>15</sup>

**Congressional Concerns.** Many in Congress have supported democratization efforts in Armenia as indicated by hearings and legislation, including by backing \$225 million in cumulative budgeted foreign assistance for democratization (about 13 percent of all aid to Armenia) from FY1992 through FY2006. After the most recent election, Representatives Frank Pallone and Joe Knollenberg — co-chairs of the Congressional Armenia Caucus — sent a letter on May 18, 2007, to President Kocharyan and Prime Minister Sargsisyan congratulating Armenia on its “free and fair election cycle.” On the House floor, Representative Pallone hailed the “first positive assessment of an election” in Armenia since its independence and stated that it would enhance U.S.-Armenia ties and Armenia’s international reputation. He also stated that the election demonstrated the effectiveness of U.S. democratization aid and called on Millennium Challenge to “fully fund its compact with Armenia in an expeditious manner.”<sup>16</sup>

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<sup>13</sup> (...continued)

*Parliamentary Elections in Armenia*, May 13, 2007.

<sup>14</sup> U.S. Department of State. *Daily Press Briefing*, May 14, 2007; U.S. Embassy. *Statement on Armenia's May 12 Parliamentary Elections*, May 14, 2007.

<sup>15</sup> Millennium Challenge Corporation. *MCC Board Approves Armenia Compact but Expresses Concern Regarding Irregularities in the November Referendum*, December 19, 2005.

<sup>16</sup> *Congressional Record*, May 21, 2007, pp. H5517-8.