Protests continue in Armenia

Andrea Peters 30 June 2015

Small-scale protests continue in the Armenian capital of Yerevan, after a week in which crowds of several thousand took to the streets to demand that the government halt a 16 percent increase in electricity costs. Some demonstrators remain camped out on the city's main thoroughfare, defying police orders to disperse, while others have moved over to nearby Freedom Square.

On Saturday, President Serzh Sargsyan announced a suspension of the price hike for consumers and said that the government would cover the increased costs amidst an audit of the energy provider, Electric Networks of Armenia (ENA). Sargsyan's announcement marks a temporary reversal of course for his administration, which had refused to accede to protesters' demands since the demonstrations first broke out on June 19. The aim of the audit, which will take three to six months, is to defuse popular anger in the short term and give the government time to prepare for further clashes with the population.

The proposed electricity price hike would have raised prices for consumers by 6.93 dram, increasing daytime rates to 48.78 dram (10 cents) and nighttime rates to 38.78 dram (8 cents) per kilowatt hour. In 2013, Armenia's median monthly salary was \$342—the lowest of all the Caucasus countries and three time below the global average.

Those still out on Yerevan's streets insist that the suspension is not enough and want a permanent reversal of the rate increase. Other demands are unclear. On Sunday, Armenian Prime Minister Hovik Abrahamyan accused those remaining behind the barricades on Bagramyan Street of seeking "the creation of instability in the country" and wanting to push "our citizens towards a confrontation" on the basis of "unclear and futile ambitions."

Last Tuesday, police unleashed water cannons on peaceful demonstrators, injuring 20, and arrested 237 people, including journalists covering the events, in an effort to clamp down on the situation. Their efforts failed, and the crowds continued to grow. According to the Russian online news source *Gazeta.ru*, representatives from Armenia's intelligentsia circulated among the predominantly youthful protestors in an expression of solidarity. Smaller scale demonstrations occurred in Gyumri, where the Russian military has a major base, and Vanadzor, which is about 64 kilometers to the east of Gyumri.

Even as it issued an apology for the detention of media representatives, promising not to use water cannons and offering to meet with protest leaders, the government at first flatly rejected the demonstrators' demands, which the head of the Armenian police described as "unacceptable." As concern grew over what was being dubbed in the media as a possible "Electric Maidan," Sargsyan backed away from his initial hard line position.

The small land-locked country of 3.2 million, strategically located in the southern Caucasus and bordered by Turkey, Georgia, Azerbaijan and Iran, has an official poverty rate of upwards of 30 percent. Armenia's economy, devastated in the aftermath of the 2008 world economic crisis, is heavily reliant on remittances from Armenians living abroad, particularly in Russia. Over the past year, these financial transfers have collapsed by 56 percent, a result of the economic crisis hitting Russia. In early June, the International Monetary Fund predicted a zero percent growth rate for Armenia in 2015.

As tensions grew in Yerevan this past week, Moscow became increasingly concerned that the protests over the rate hike would take on an anti-Russian coloration. Much of Armenia's energy resources are controlled by Russian-owned firms. ENA, which had wanted an even larger hike of 40 percent, is a subsidiary of the Russian company Inter RAO. The possibility of Armenia

nationalizing ENA has been raised as a demand in the present confrontation with the population. Inter RAO has denied rumors that it has plans to sell ENA.

Armenia is a key strategic ally of the Kremlin and a member of the Eurasian Economic Union (EEU)—an economic alliance that includes some post-Soviet states and was established under Moscow's domination. It was former Ukrainian President Viktor Yanukovych's decision last year to sign a deal with the EEU and reject closer ties with the European Union that set off street protests in Kiev, culminating in the US-backed far-right putsch which resulted in his ouster.

Armenia is the site of one of Russia's major military bases, under the command of Moscow's southern Caucasus defense forces. Last week, officials of the two countries were meeting in Yerevan to discuss various infrastructure and financial arrangements for the facility, which is protected by a treaty agreement through 2044.

A June 29 article in *Asia Times* noted, "If Armenia is brought into the western orbit, Russia gets practically shut out of South Caucasus [sic], given the ambivalence in Moscow's equations with Baku and the unfriendly policies of the pro-Western government in Tbilisi. Equally, Armenia shares a border with Iran and a prowestern government in Yerevan and the consequent shift in the balance of forces impacts regional politics. Of course, if a regime change such as in Georgia in 2003 were to repeat in Armenia, it has security implications for Russia's North Caucasus, which is a restive region threatened by extremist Islamist groups, some which enjoy external support."

Some Russian media commentators have speculated as to whether the protests could turn into another "color revolution," and government officials have accused the United States of having a hand in the electricity hike protests in Yerevan. Igor Morozov, a member of the Russian Federation Council's committee on foreign affairs, expressed alarm that Armenia is going the way of Ukraine. "Armenia is close to an armed government coup. This will happen if the president of the country, Serzh Sargsya, does not learn the lessons of the Ukrainian Maidan and does not draw the corresponding conclusions."

In a form of gross hypocrisy, Washington and Brussels both voiced objections to the use of violence against protesters in Yerevan. Over the past decade, the United States has carried out a vast militarization of its police force, which regularly terrorizes protesters—as witnessed in Ferguson, Missouri last year—and brutalizes and kills innocent people. The European Union is currently carrying out an act of economic sociocide in Greece, demanding the imposition of austerity measures that will savage the population. Meanwhile in Ukraine, the Western-backed regime of President Petro Poroshenko has implemented massive hikes in utility prices, devastating the living standards of the already impoverished population.



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