

MAIN DEPENDENCIES OF THE REPUBLIC OF ARMENIA ON THE RUSSIAN FEDERATION: THREATS AND SOLUTIONS



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YEREVAN
2025

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CONTENTS

PREAMBLE	4
ECONOMIC THREATS	6
THREATS RELATED TO FOOD PRODUCTS.....	13
THREATS RELATED TO INFRASTRUCTURE	17
THREATS TO THE ENERGY SECTOR	22
THREATS TO INFORMATION SECURITY	28
PHYSICAL THREATS	31
MILITARY AND POLITICAL THREATS	35
TERRORISM THREATS	38
DEMOGRAPHIC THREATS	39
RECOMMENDATIONS	44
CONCLUDING REMARKS	49
REFERENCES.....	50
NOTE.....	55

PREAMBLE

The complex of unilateral dependencies has always been characteristic of the relations between the Republic of Armenia and the Russian Federation. These dependencies have had both objective and subjective reasons. However, until two years ago, they were not generally assessed as a challenge or threat, as Armenia's domestic and foreign policy was adjusted to, and according to some opinions, coordinated with Russian interests. The situation changed dramatically after the 44-day war in 2020, the subsequent military attacks by Azerbaijan in May 2021 and September 2022 leading to the occupation of the sovereign territories of the Republic of Armenia, the illegal blockade of the Lachin corridor, and the forced displacement of the Armenians of Nagorno-Karabakh, when Russia effectively refused to fulfill its contractual obligations in ensuring the security of the Republic of Armenia and peacekeeping and security-related obligations in Nagorno-Karabakh.

Based on these realities and the conclusion drawn thereby, it can be stated that the concept of delegating the political and military-political responsibility for ensuring Armenia's security to Russia was flawed.

Currently, Armenia is trying to find internal resources and other external directions to strengthen its security, which does not coincide with the Russian authorities' ideas about the nature of Armenia's foreign and domestic policy.

Accordingly, unilateral dependence on Russia in economic, cultural, and other spheres is transforming into a challenge limiting Armenia's degree of independence, which can rapidly be instrumentalized into means of hybrid warfare against Armenia.

In order to formulate adequate responses to this challenge, Russia's capabilities to exert pressure in various spheres should be analyzed and ways

to relieve that pressure should be identified. Military, economic, demographic, energy and infrastructure-related and other threats are significant issues for Armenia. Unless there is a realization of the need to provide comprehensive solutions to these problems and unless an adequate system of solutions is put in place, the priorities of ensuring sovereignty and strengthening statehood for the Republic of Armenia will be permanently jeopardized. Therefore, this paper not only provides a thorough examination of the channels of pressure exerted by Russia on Armenia and Armenia's chances to neutralize them, but also offers practical mechanisms for using these opportunities.

ECONOMIC THREATS

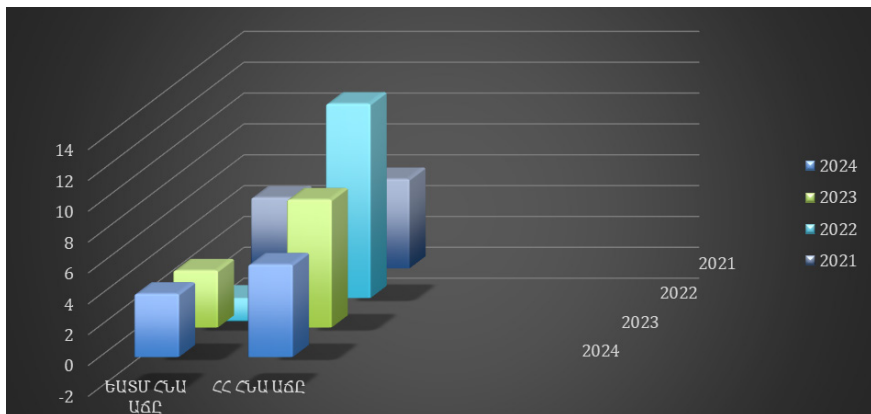
Armenia's economic dependence on Russia is significantly related to its membership in the Eurasian Economic Union (EAEU). Since trading in the EAEU market is much easier due to the fewer and simpler customs procedures, as well as the existence of numerous backdoors to circumvent quality and other requirements in some EAEU countries, businesses prefer to buy or sell goods in the EAEU market.

In 2023, Armenia's trade with EAEU member states amounted to USD 7 billion 616 million, which is 43 percent more compared to 2022. Exports amounted to USD 3 billion 609 million, and imports amounted to USD 4 billion 7 million. Compared to 2015, trade turnover with the EAEU countries increased more than 6 times.

At the same time, Armenia's GDP growth of 8.3% is more than double the average indicator of 3.7 for the EAEU countries. And in 2022 it was 12.6%, while the average growth in the EAEU was negative. A big difference is expected in 2024 as well - 2.8% in the EAEU and 5.5-6% in the Republic of Armenia. This picture is interesting in two respects. First, such indicators in Armenia are directly dependent on the commodity turnover in the EAEU, which means that the general threat by Russia to remove Armenia from the EAEU has certain grounds, although more problematic is the issue of causing major damage to the Armenian economy through the requirement to comply with standards. On the other hand, the average indicators of the EAEU would be slightly lower if Armenia's indicators were not included. However, there is a more prominent reason why Armenia, a member of the EAEU, is important to Russia. No state has yet left the EAEU since it was established. And the organization is constantly presented and advertised by Russia as a self-sufficient economic union equivalent to the European Union. The development of this organization

is placed at the heart of Russian integration projects as a basis for Russian economic leadership in the region. Accordingly, the withdrawal of the currently only member state from the South Caucasus region contradicts Russia's notions of regional imperial dominance, both in terms of image and in terms of consolidating and expanding leadership. These factors point to the other side of the coin, namely, the important role of Armenia in the EAEU. It is noteworthy that talk about the removal of Armenia usually occurs within the logic of «punishment» in response to certain possible actions by Armenia (for example, leaving the CSTO, etc.). However, the execution of the threat could hit back the EAEU itself, in the form of an even further decrease in average indicators.

Figure 1. Dynamics of Armenia's economic growth and its correlation with the average GDP of the EAEU in 2021-2024



As noted, Armenia's economic policy heavily relies on funds generated as a result of trade in the EAEU market. And the threats arising from activities carried out within the framework of the EAEU may be of great concern to the economic sector of Armenia. The main aspect of these threats is the demand to comply with existing standards. Many of the EAEU regulations refer to specific standards, but do not take into account the significant differences in the markets of different member states. Accordingly, in addition to examples

of circumventing these regulations, in some cases other states “turn a blind eye” to a given state’s practice of non-compliance with certain standards. However, when there is a need to exert pressure, Russia occasionally imposes requirements to follow these standards, which can lead to major challenges in Armenia’s economic sector. To put it simply, a misconception of connivance is formed among businesses, making them believe that there is no need for quality improvement, reforms, or progress, while at an opportune time it turns into a tool for speculation. An example is the requirement to obtain certificates of compliance during the customs clearance process for certain goods (including household appliances) imported into the Republic of Armenia in April 2023. These regulations had been in place for years, but, as in many other cases, had not been given importance or attention. As a result of suddenly “remembering” about this requirement, there was a state of shock in that sector for 4 days. As a result of negotiations initiated by the Republic of Armenia, this requirement was temporarily lifted after 4 days and has not been applied to this day. This issue becomes much more acute in matters of export from the Republic of Armenia.

The obvious solution to confronting this threat is the termination of EAEU membership, which will allow to avoid speculations, but, as it has already been noted, in the present conditions it is fraught with other problems. The main alternative solution is to improve the quality of products produced in Armenia, with a view to meeting high standards. In this process, the capabilities of the state can be used to establish new connections and relationships, in the context of close cooperation with international partners, study of international experience, and access to leading technologies. Our businesses should take the following actions: work more intensively with other markets, use the Turkish market for import and export, as well as transit in the event of a possible opening of the border with Turkey, etc.

In addition to the mentioned global threat, Russia may use Armenia’s membership in the EAEU to create other threats, namely in connection with to

the Lars checkpoint. For various, mainly political reasons, all remaining roads from Armenia to the EAEU are closed. The only land connection between Armenia and the EAEU is through the Lars checkpoint, where even the slightest problem has a significant impact on the Armenian economy. And Russia does create such problems from time to time. They range from physical obstacles (road repairs, delays and queues, incomplete operation of checkpoints, weather conditions) to procedural ones (prohibition of cargo passage for various fictitious reasons, corruption and other illegal requirements). This has a particularly strong impact on the export of agricultural products. A large portion of agricultural production (17 percent as of 2024) is exported, the vast majority of which goes to Russia. Problems related to exports lead to a decrease in interest in the sector among business entities. There are certainly many factors influencing the agricultural sector, but issues related to Russian exports are among the most significant. These problems were among the factors that resulted in the agricultural sector's modest share of 0.4% in Armenia's overall economic growth of 12.6% in 2022. And in 2023, we had a decline in this sector amounting to 0.3%. In 2024 alone, several cases of the presence of forbidden substances in food exported from Armenia were recorded in Russia. For example, according to Rosselkhoz nadzor, a batch of strawberries inspected on August 16 contained a dangerous pesticide, which is why the import of strawberries into Russia was banned.

But threats in this sector contain other issues besides official or legislative issues. As an example, we can recall the case of attempts to link the death of Russian businessman Oleg Gusov with the Armenian Jermuk (sparkling water brand), when his relatives filed a 1.5 billion ruble lawsuit against the Jermuk Group company.

Another way is creating problems with the sales of Armenian products internally. More than once, businesses in different parts of Russia have refused to accept Armenian products (even though they had previously

always used Armenian food products), citing orders from certain circles. For example, in July 2020, the Food City and Tvoy Dom retail chains refused to accept Armenian food products, citing instructions from their owners (Russian citizens of Azerbaijani origin).

At the end of 2023, rehabilitation works were completed at the Upper Lars checkpoint, as a result of which the capacity of the customs checkpoint was increased from 1,115 to 2,500-3,000 vehicles per day.

Technically, this made it possible to completely avoid the accumulation of cargo coming to and going from Armenia. But at the same time, for the above and other subjective reasons, Armenian cargo continues to regularly have problems crossing the checkpoint. Unlike cargo departing from Armenia, the number of cargo departing from Turkey to Russia has increased dramatically. In 2022, this increase was 62 percent compared to 2021.



Upper Lars checkpoint

During the first 3 months after the rehabilitation works were completed, that number increased by another 20 percent. The same goes for cargo transportation from Russia to Turkey. It is not surprising that in 2022-2023, Russia overtook China to become Turkey's main import destination, with a total volume of USD 58.8 billion and 45.6 billion, respectively. And in 2024, it was slightly behind China, mainly due to sanctions. One of the most important factors accounting for such indicators is the modernization of the Upper Lars checkpoint. We can state that Turkey has mainly benefited from the rehabilitation of the Upper Lars checkpoint.

Another important way to reduce threats to exports from Armenia is diversification. This refers especially to the export of agricultural and light industry products. It is worth noting that in order to sharply increase exports, particularly to the EU and the Persian Gulf countries, significant qualitative reforms are needed. These changes involve significant financial and time costs and technical and economic reforms. As it has already been mentioned, this objective requires strategic planning by the state and mobilization of the public through clear goal setting and raising the public awareness about the implementation of planned steps.

Due to climate conditions and geographical location, there could theoretically be a high demand for Armenian products in the Persian Gulf countries, which is evidenced by the interest in Armenian products at various exhibitions and conferences in the UAE, Saudi Arabia, and other Persian Gulf countries. Taking into account the climate conditions of the Gulf countries and the naturally high demand for agricultural products, this direction of export of Armenian products may become a certain alternative to the EAEU market in the short term if Iran's Chabahar Port becomes fully operational.

It should be noted that in the event Armenia leaves the EAEU, this will in no way imply a complete withdrawal from the EAEU market. Trade cooperation with Kazakhstan, Belarus, and Kyrgyzstan will continue in a

bilateral format. The effectiveness of cooperation with Russia may also not be affected, depending on the situation, possible agreements on leaving the EAEU, regional and global developments, and other factors. We can recall examples of states that have withdrawn from Russian integration projects, in particular, Uzbekistan or Azerbaijan, which, as a result of comprehensive efforts, have reached bilateral cooperation agreements with Russia that are beneficial to them. “AXIT” (“Armenian Exit”) from the EAEU may be both tough and in the context of mutually acceptable agreements.

THREATS RELATED TO FOOD PRODUCTS

Another threat is the import of food products from Russia. The threat related to the supply of food products to Armenia is a relatively new problem. Recently, the Russian Foreign Ministry spokesperson noted that “Armenia buys 90 percent of its grain from Russia, the latter feeds Armenia and ensures its food security.” This can be taken as the first manifestation of a threat to food security.

In Table 1, we can see the absolute quantities of four primary food products imported into Armenia and the shares of their imports from the Russian Federation in the total import volume.

Table 1. Quantities of four imported food products and their share of imports from Russia

Import One thousand tons	2018	2019	2020	2021	2022	2023	2024 01.01 - 01.07
POULTRY MEAT	32.9	43.6	36.5	38.5	38.4	39.0	21.16
From Russia	4.9	5.0	7.75	5.8	9.5	9.83	
Share, %	14.9	11.5	21.2	15.1	24.7	25.2	
WHEAT	325.8	250.3	354.2	330.4	365.1	343.6	133.18
From Russia	294.8	221.7	250.8	269.8	365.0	343.5	
Share, %	90.5	88.5	70.8	81.7	99.9	99.9	
VEGETABLE OIL	26.4	26.2	28.3	27.7	34.4	33.9	14.41
From Russia	25.3	25.4	27.5	24.7	32.0	31.9	
Share, %	95.8	96.9	97.2	89.8	93.0	94.0	
SUGAR	82.0	55.8	73.8	74.8	76.5	44.2	15.01
From Russia	4.9	14.1	32.2	27.0	1.06	36.2	
Share, %	6.0	25.3	43.6	36.1	1.4	81.9	

As we can see, wheat and vegetable oil have been almost entirely imported from Russia in the last 2 years, and the percentage of sugar imports reached 81.9 in 2023, while in previous years it was incomparably lower. The fourth food product by import volume is poultry, the share of which was 25.2 percent in 2023. The share of imports of other products from the Russian Federation to Armenia is smaller.

It is obvious that there are wide opportunities for Russia to influence Armenia through the quantity, quality, price, supply of the aforementioned products, and through other means. Opportunities for managing this threat fall into two directions: promotion of local production and diversification of imports.

Thus, the local production capabilities of wheat and sugar are extremely limited, and the main way to solve this problem is to diversify import directions, while in the case of poultry meat and vegetable oil, there is the potential to meet the demand within the Republic of Armenia.



Wheat production in Armenia only meets 20 percent of domestic demand. Although most of the available arable land is unused, the problems with wheat cultivation are not limited to this. The acquisition or cultivation of high-yielding varieties is a necessary condition if an objective is set to meet a significant part of the demand through wheat grown in the Republic of Armenia. On the other hand, import diversification can also be considered. Ukraine, Kazakhstan, India, Romania, and neighboring Iran could be the wheat and other grain markets to use to reduce imports from Russia. The mentioned countries are leading grain exporters. For example, in Ukraine, about 77 million tons of grain were harvested in 2024.

Ukraine is one of the leaders on the Eurasian continent by this indicator, and exports in many directions. Moreover, the price of Ukrainian wheat is comparable to that of Russian wheat. In the summer of 2024, the average export price of one ton of Ukrainian wheat was about 174.5 USD, while Armenia purchased Russian wheat for 164.5 USD per ton during the same period. Transporting wheat from Ukraine and Romania across the Black Sea could be a solution to logistical problems, given that, unlike the first year of the Russian-Ukrainian war, most of Ukraine's Black Sea ports currently operate at full capacity. Iran also has extensive experience in exporting grain. In 2023, Iran produced more than 23 million tons of grain. The main destinations for grain exports from Iran are Oman, the UAE, Turkey, Azerbaijan, and Tajikistan. In case of imports from other destinations, the only problem that may arise in getting a competitive price is the issue of EAEU regulations. However, for the purposes of risk management and ensuring diversification in this market, the Armenian government may try to temporarily subsidize the price difference.

The possibility of directly importing wheat from Turkey should also be considered and further studied.

A similar example is sugar production. Although a sugar factory has been built in Artik, the capacity to grow and process sugar beets in Armenia is

very limited. Nevertheless, other import routes also exist. For example, neighboring Iran, which has a sugar deficit, imports from Brazil, the UAE, India, Belgium, and China. Brazil is the largest producer of sugar in the world, followed by India. In terms of price, Russia is behind Brazil and India. At the same time, the export price of first-class sugar from Russia is about 680 USD per ton, while in the case of Brazil and India it is about 530 USD. In sugar imports, as with grain, the issue of imports regulations from third countries into the EAEU remains problematic. However, with systematic work in all the above areas, it is possible to drastically reduce sugar imports from Russia.

The only obstacle to increasing the level of self-sufficiency as regards poultry meat is the lack of feed grains. In 2006-2008, the Ministry of Agriculture of the Republic of Armenia attempted to develop corn production locally with state support, but the results obtained in our climate conditions were not financially feasible (low yields and high costs per unit). Therefore, it is necessary to carry out selection work and obtain well-adapted varieties and hybrids. Iran could also be a key destination for corn imports. If political issues are resolved, corn could also be imported from Turkey.

Another option for solving the poultry meat problem is to import it from other directions. The main obstacle in this regard is the EAEU customs duties. An 80 percent customs duty is imposed on the import of fresh or frozen poultry meat from third countries into the EAEU, which effectively makes it impossible to have a competitive price. Therefore, the termination of EAEU membership will in itself mean diversification of the country's own market. In other words, Armenia that is not a member of the EAEU will be able to govern the pricing process in its own market, in particular, set reasonable customs duties when importing poultry meat from other directions.

Resources for local production of vegetable oil are extremely limited, but the opportunities for soybean oil production should not be overlooked. In the 1980s and 1990s, breeders from the National Academy of Sciences obtained

high-yielding soybean varieties, the cultivation practices of which have sunk into oblivion. Nevertheless, there are still studies that discuss the possibilities and importance of increasing the production of feed grains.

In general, the main instrument of Russia's influence over Armenia is economic threats. They may be used to deteriorate the socio-economic situation, increase marginalization in the political field, deepen demographic problems, and form challenging situations in other directions, if they are deemed necessary in the Russian Federation. Enhanced manageability of economic threats from the Russian Federation through increasing the capabilities of the Republic of Armenia and diversifying partners could have a breakthrough significance in the relations between the Republic of Armenia and the Russian Federation, in terms of balancing hierarchical tendencies.

THREATS RELATED TO INFRASTRUCTURE

In 2008, a concession agreement for temporary management was signed between the Republic of Armenia and South Caucasus Railway CJSC (SCR). According to that agreement, the Armenian Railways were transferred to the management of the aforementioned CJSC for a period of 30 years, which, 10 years before the expiration date, can be extended for another 10 years at the request of the parties. Accordingly, the contract is valid until 2038. South Caucasus Railway CJSC is a subsidiary of Russian Railways OJSC, an organization managed by the Russian government. In fact, the Armenian railway network is entirely managed by the Russian Federation. This is not only a threat in terms of exerting pressure and building influence, but it also inhibits development opportunities in other directions. The implementation of the Crossroads of Peace project proposed by the Republic of Armenia is

just one example. The real or fake positions of not only geopolitical centers, but also regional states (Turkey and Azerbaijan) on this issue show that the possibilities for the implementation of the Crossroads of Peace project are severely limited, including due to the lack of complete control by Armenia over transport links on its own sovereign territory.

The implementation of this project is, in fact, directly related to the South Caucasus Railway, or, to put it in other words, the transport links under Russian control. In our assessment, the Crossroads of Peace project cannot become a reality in its current form unless the managing authority of Armenia's railway network is changed.

The activities of the South Caucasus Railway are harmful not only in terms of inhibiting alternative development opportunities. During 2008-2024, although according to official data, the South Caucasus Railway made investments worth AMD 144.3 billion in Armenia, there is body of evidence indicating its failure to fulfill its contractual obligations regarding investments and committing numerous other violations. Below we will discuss the most interesting of these facts.

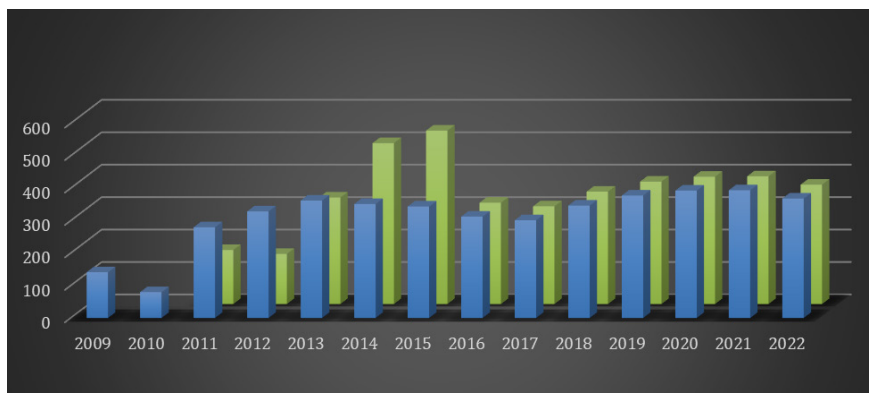


South Caucasus Railway CJSC

First of all, it is worth noting that railway transportation in the Republic of Armenia is considered “scheduled unprofitable”, and to compensate for this, the Government of the Republic of Armenia subsidizes the losses incurred by the South Caucasus Railway on an annual basis. Starting in 2016, the subsidy amount shall be 30 percent of the loss. That amount and the concession fee paid by South Caucasus Railway formed an equal amount in 2016-2022 (Figure 2). In 2023, the Republic of Armenia also subsidized the amount of 332 million AMD, which was equal to the concession fee.

In the list of expenses, SCR includes costs not foreseen by the agreement (for example, freight costs), which inflate the losses incurred by the company. In addition, SCR presents the costs incurred for rolling stock as an investment, while according to Article 11(1) of the contract, the rolling stock was sold by the Republic of Armenia and is the property of SCR, therefore, their maintenance should not be included in the investments provided for by the agreement. There are also abuses and unreliable information in the calculations of expenses incurred in different years for car fuel, employees’ professional uniforms, advertising, and other needs.

Figure 2. The ratio of the concession fees paid to the RA state budget by the South Caucasus Railway and the subsidies provided by Armenia in 2009-2022.



In addition to financial issues, there are other violations of the concession agreement by the South Caucasus Railway. First of all, it is worth noting that there has been no development of the railway network in Armenia. Moreover, two of the development arrangements have had a significant impact on the development of overall infrastructure in the Republic of Armenia.

1. South Caucasus Railway did not construct the 31.2 km long Vanadzor-Fioletovo railway, which would have allowed the Yerevan-Tbilisi railway line to be shortened by 112 km. Even in the current poor conditions of the railway network, the construction of this section would make it possible to significantly reduce passenger and cargo transportation time. Apparently, the suspension of this development by SCR is due to the fact that it goes against its own interests. Such a reduction in the road length could reduce the amount paid for freight transportation, which in turn would reduce its income.

2. In another case, due to inaction on the part of the SCR, the project to build a railway from the Charbakh station of the Yerevan metro to the Zvartnots airport was actually suspended. In this case, too, Armenia has suffered and continues to suffer irreversible time, energy, and financial losses for years. The construction of the Charbakh - Zvartnots railway, in turn, did not assume high profitability, which probably served as the basis for SCR not to implement the project.

As we can see, in both cases the Russian organization was guided by its own interests, ignoring the state interests of the Republic of Armenia.

The management of the Armenian railway network by the SCR and the continuous violations are a crucial lever in the hands of the Russian Federation. Some of the regulations mentioned in the agreement directly threaten the security of the Republic of Armenia. Thus, according to Article 10(1) of the Agreement, SCR has the right to provide the railway assets and land plots

to a third party without the consent of the Republic of Armenia, although it cannot transfer its rights and obligations (Article 19, Part 5). There is a risk that the third party may be a hostile internal or external actor. In this case, Armenia may consider terminating the agreement on the grounds of failure to fulfill obligations. However, a study should be conducted into how the sector will operate in this scenario after the agreement is terminated. In addition to institutional threats, there are also risks related to the circumstance that SCR operates domestic passenger and freight transportation using old, physically worn-out rolling stock, and the very low speed of the rolling stock due to the wear and tear of the railroad tracks. These factors may lead to deliberate delays, accidents, and cancellations of supply of vital products to Armenia, such as wheat, primary food products, fuel, etc. The creation of problems in passenger transportation by SCR on direct instructions from the Russian Federation is also worrying.

THREATS TO THE ENERGY SECTOR

Armenia's dependence on Russia in the energy sector is systemic and multi-layered, formed over decades and encompassing the entire energy complex. In turn, energy is of fundamental importance in the socio-economic life of Armenia. Every price change or disruptions in this sector immediately affect all spheres of socio-economic life.

Energy sources constitute the first layer of dependencies.

Table 2. Total volumes of natural gas imported to Armenia and volumes of natural gas imported to Armenia from Russia in 2021-2023

Year	TOTAL: million m ³	RUSSIA: million m ³	RUSSIA: percent
2021	2793.8	2449.2	84.66
2022	2971.4	2599.6	87.49
2023	2730.8	2360.4	86.44

Although the data on the other energy source imported to Armenia (uranium) is confidential, it can be assumed that regardless of the quantity, 100 percent of the import takes place from Russia.

The aforementioned information on energy sources, combined with data on electricity production in the Republic of Armenia (see below), shows that about 66 percent of the electricity produced in the Republic of Armenia constitutes a direct dependence on the Russian Federation. This should be considered a priority issue. Without reducing this number, it will be impossible to imagine the further institutional process of Armenia's foreign policy diversification.

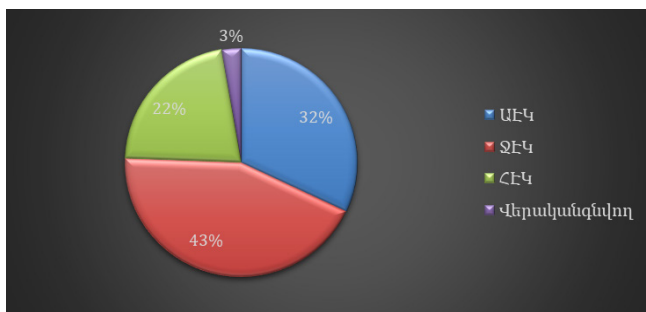


Figure 3. Electricity generation sources in Armenia in 2021

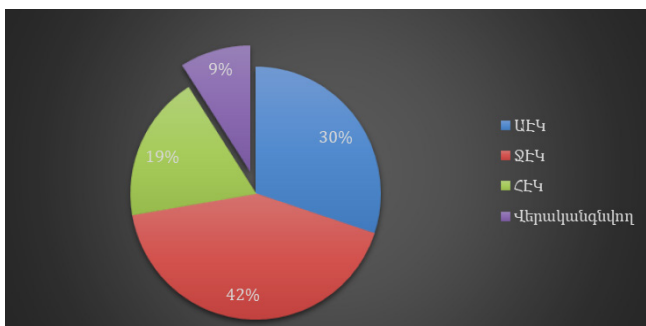


Figure 4. Electricity generation sources in Armenia in 2022

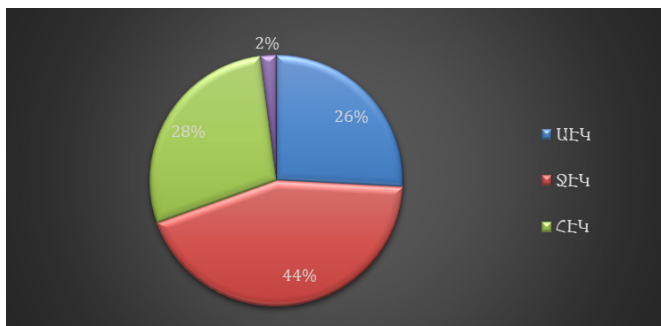


Figure 5. Electricity generation sources in Armenia in 2023

Russian assets and concessions in the energy system of the Republic of Armenia are also a significant dependency. The ownership of the fifth energy block of the Hrazdan Thermal Power Plant, Gazprom Armenia, and the Electric Networks of Armenia by Russian oligarchic or state capital is a strategic vulnerability for Armenia, especially considering the information available at least in the public domain about the catastrophic mismanagement and corruption in these enterprises. In the event of a dramatic escalation in Armenian-Russian relations, it is necessary to have a clearly developed scenario regarding the termination of the Agreement of December 2, 2013 on Cooperation between the Government of the Republic of Armenia and the Government of the Russian Federation in the Field of Supplies of Natural Gas, Oil Products, and Unprocessed Natural Diamonds to the Republic of Armenia. Armenia should develop scenarios to regain control of the facilities of the Electric Networks of Armenia, Gazprom Armenia, and the Hrazdan Thermal Power Plant. In our opinion, the best solutions would be the model of state ownership transferred to private sector management, or the model of ownership by legal entities and individuals operating in the territory of the Republic of Armenia.

Another major dependency is related to the Armenian Nuclear Power Plant, which has been handed over to Russian concession management.

The very fact that the nuclear power plant is managed by a foreign, and especially Russian, company is problematic. Armenia needs to build the required capacities as quickly as possible to take control of the management of the nuclear power plant. Besides, as already mentioned, the nuclear power plant's fuel, namely, the UO₂ enriched with U235, is most likely imported from Russia only. The technical justification for this is the specific fuel needed for the reactor of the nuclear power plant, which is produced only in the Russian Federation. However, we should take into account the circumstance that the same VVER-440 reactor in Ukraine has recently been refurbished and

adjusted to operate with American fuel. This means that in the short term it is possible to ensure the operation of the Armenian Nuclear Power Plant with other fuels. And the longer-term solution is to replace the outdated nuclear power plant with an NPP operating with new, modern technologies. The analysis of Government’s public statements suggests that a reference is made to American modular reactors.



Armenian Nuclear Power Plant

The energy dependence in the transportation sector is also quite significant. As we can see in Table 3, the absolute majority of the means of transport in Armenia use hydrocarbon fuel, which in turn is mainly imported from Russia.

Table 3. Transport fuel ratio in 2021/2022

YEAR	PETROL/DIESEL	NATURAL GAS/LIQUEFIED GAS	ELECTRICITY
2021	52.2%	46.9%	0.9%
2022	52.1%	46.9%	1.0%
2023	60.4%	38.7%	0.8%

Table 4. Total volumes of petrol and diesel fuel imported into Armenia in 2021-2023 and volumes of petrol and diesel fuel imported into Armenia from Russia

YEAR	TOTAL: TONS	RUSSIA: TONS	RUSSIA: PERCENT
2021	226394.3	170163.7	75.16
2022	224891.1	212754.3	94.6
2023	219155.6	198744	90.68

Table 5. Total volumes of liquefied gas imported to Armenia in 2021-2023 and volumes of liquefied gas imported to Armenia from Russia

YEAR	TOTAL: TONS	RUSSIA: TONS	RUSSIA: PERCENT
2021	34963.6	19715.3	26.8%
2022	90257.6	81502.6	90.3%
2023	126069.1	129761.1	96.1%

Although, as we see in Tables 4 and 5, the dependence on petrol and liquefied gas imports is also huge, it should be taken into account that the transportation of petrol and liquefied gas and the creation of new supply routes are incomparably easier than in the case of natural gas. This means that in a crisis situation, organizing alternative supplies of petrol and liquefied gas will be much easier than in the case of natural gas. Here, it is also necessary to emphasize the need to develop ways and scenarios for importing petrol and liquefied gas from countries that are not members of the EAEU. It is interesting that in 2021, the majority of liquefied gas imports took place from Iran and Iraq, which means that it is theoretically possible to import this fuel from other countries with competitive prices. Until then, we believe that the Government should take regulatory measures to reduce the attractiveness of natural gas as a transportation fuel and increase the attractiveness of petrol

and liquefied gas. As the fastest measure, the excise tax may be lifted for petrol and liquefied gas, and a proportional increase in the tax burden on natural gas used for transportation needs could be undertaken.

There is a similar problem in the heating sector (see Table 5). Although in recent years there has been a steady decline in the demand for natural gas in the heating sector, this tendency should also be encouraged, as natural gas still remains the primary source of heating.

Table 6. Heating fuel ratio in 2021/2022

YEAR	GAS	ELECTRICITY	OTHER
2021	72.7%	18.8%	8.5%
2022	67.3%	18.6%	14.1%
2023	66.4%	20.1%	13.5%

To mitigate dependencies, it is necessary to address the issues of effective management and use of existing resources. Losses are unprofitable dependencies in the energy sector. Therefore, additional attention should be paid to energy conservation (especially in the heating sector) and reduction of losses. In fact, this is homework that entails minimal risks.

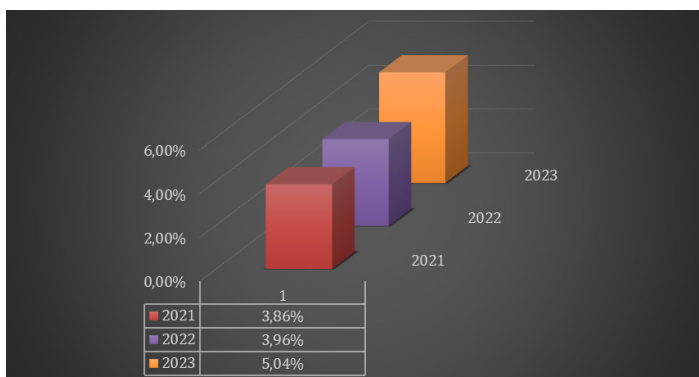


Figure 7. Gas losses announced by Gazprom-Armenia for 2021-2023

THREATS TO INFORMATION SECURITY

The fact that a significant part of the Armenian population speaks Russian as their only foreign language is fertile ground for Russian hybrid attacks. It is not surprising that for years Russia has tried to enhance the role of the Russian language in the territory of Armenia, for which funding has been provided to governmental and non-governmental institutions to offer free Russian language courses in all parts of the Republic of Armenia. Besides, after many years of struggle, Russia not only gained the right to have schools in Armenia specialized in the Russian language, but also propagated its desire to establish Russian as the second state language throughout the entire period of independence. To achieve the aforementioned goals, a number of techniques, official and, especially, unofficial channels, are used, such as appeals and statements by representatives of the alleged Russian agent network operating in the territory of Armenia, actions containing elements of ideological terrorism (for example, spreading ideas such as “knowledge of Western languages is a direct path to the LGBT community” or “Russian is being driven out of schools in Armenia with the help of money coming from the West”), saturation of the media domain with Russian-influenced media outlets, etc. According to a survey conducted in 2024 as part of the Media Consumption and Freedom of Expression in Armenia annual research with the support of the United States Agency for International Development (USAID), 88 percent of 1,106 respondents speak Russian, while only 33 percent speak English. It is worth noting that these languages are followed by French, German, and Turkish, with 4, 3, and 1 percentage points, respectively.

The obvious way to counter this threat is to increase the level of proficiency in other foreign languages, as well as ensure at least an equal

level of instruction of Russian and English languages at the general education level. Some efforts are already being made in this direction. However, with the exception of English, the opportunities for studying other languages are very limited. High efficiency could be attained if state-level support was provided in the regions for the instruction of English, French, German, Chinese, Korean, and Persian languages. After the 44-day war, the teaching of Turkish and Azerbaijani has become a little more active, but this is also within the framework of initiatives among the public. Note that starting from the academic year of 2024, the instruction of Russian in secondary schools in the Republic of Armenia is no longer considered by law to have priority over other foreign languages, which is another, but a very limited step in terms of confronting this threat. At the same time, due to the traditionally high number of Russian language specialists in schools and the shortage of specialists in other languages, the number of Russian language class hours continue to be the largest in almost all general education schools. In order to change the situation in the education system, as well as to encourage overall language proficiency in the country, a national strategy for the popularization of foreign languages, especially English, should be developed and implemented.

Russia is extremely active, especially in the Armenian media field. According to data from 2024, Russian channels rank 4th in the list of the most consumed channels in Armenia, with 18 percentage points. As a source of media consumption, Russian TV channels, along with other sources, have 47 percent reach, and Russian news websites have 34 percent reach. If we add to these numbers the news outlets that are of Armenian origin, but operate with Russian capital and, in fact, rebroadcast Russian propaganda, it becomes apparent that a significant segment of the public is subject to a direct information security threat.

The apparent attacks on the Armenian authorities by the Russian media have caused some reactions in recent years. In particular, discussions have taken place, as a result of which the Russian side has undertaken to eliminate contractual violations, several popular Russian TV programs were temporarily blocked on the RA public multiplex, etc. However, in other cases, when the attacks are disguised and the goal is to have a psychological effect on the population of Armenia, there is no adequate or inadequate countermeasure.



Virtual threats are not limited to institutional opportunities. Another fundamental tool for spreading Russian influence is working with expert circles. Using different circles' ideological views or the desire for a material gain, the Russian Federation conducts hybrid operations through the recruitment of certain representatives of the Armenian expert community and uses them for their own needs. Among them are qualified specialists, scientists, former officials, etc. Among those allegedly recruited people are those who face problems in the Republic of Armenia related to the illicit enrichment or illegalities discovered during their political activity. Over time these people often settle in Russia, but they do not stop their actions in relation to Armenia. For this purpose, they use information and communication tools,

personal connections and relationships, part of their accumulated funds, etc. In fact, Russia has formed a cascading system of threats in this field over the decades.

Communications and telecommunications companies operating in Armenia are also among the information threats. For many years, the main shareholders of all three mobile operators in Armenia were Russian organizations: Beeline-Armentel, MTS-Viva Cell, and MegaFon. In recent years, all Russian companies have left the mobile communications sector in Armenia, but Rostelecom, which owns a huge database, operates in the field of providing cable Internet services.

PHYSICAL THREATS

One of the main threats is the direct threat to the sovereignty, statehood, and territorial integrity of the Republic of Armenia. Since Armenia and Russia do not share a common border, the likelihood of a direct strike is quite small. But there are other types of physical threats that, in the context of hybrid attacks, pose a challenge to Armenia. Two of them are clearly used against Armenia.

The first type of physical threat is Azerbaijani provocations on the borders of Armenia, and the highest degree of threat is Azerbaijani military intervention. In this scenario, we are dealing with matching interests between Russia and Azerbaijan. Theoretically, Azerbaijan can still strike with missiles and drones the military equipment that Armenia has acquired not from Russia in recent years. This would meet the interests of both Azerbaijan and Russia. Most likely, such a development could take place within the framework of an agreement reached by Russia and Azerbaijan on some issue.



Armenia-Azerbaijan border

In addition to the constant threat of using force against Armenia, Azerbaijan also sometimes strikes in separate areas within the borders of Armenia. The largest provocation took place on September 13-14, 2022. The main goal, namely opening a corridor to Nakhichevan by force and later handing it over to the control of Russian special services, was not achieved. But that goal still remains on Moscow's agenda, as evidenced by statements from various officials and experts affiliated with the authorities.

It is worth noting that the presence of European Union patrols on the borders of Armenia has significantly limited the possibility of concealing unilateral aggressive actions by Azerbaijan. Azerbaijan's intervention is limited by several other factors, the first being the international situation and the positions of the main power centers, namely, France, EU agencies, the US Department of State, and Iran. Another factor is the uncertainty of the outcome of such an attempt, since the capabilities of the Republic of Armenia to independently defend its own territory are significantly more enhanced in early 2025 compared to the situation in 2022. In addition, in the event the Azerbaijan-Nakhichevan extraterritorial land connection is established by force, there may be unpredictable consequences in terms of broader international reaction and possible limitations on the use of that road.



EU monitoring mission in Armenia

One of the factors is Azerbaijan's current policy towards Armenia, namely, constantly generating a threatening situation through pressure, but not yet resorting to force. However, Azerbaijan's Russian-backed attempt to invade Syunik region still remains a significant threat to Armenia's security. This threat will grow as long as the Russian border guard service has a de facto temporary presence on the Armenia-Iran border. This is a primary hotbed of Russian military deployment in Armenia, which, under certain circumstances, could turn into a direct physical threat to the Republic of Armenia.

Another type of physical threat used by Russia is incitement of internal instability. The network of agents created within the state for years is used for this purpose. Representatives of political forces that previously held power in Armenia, who are perceived as representatives of the so-called "fifth column", are considered as a tool for this type of hybrid action. To avoid problems related to the low level of public trust, the latter occasionally act through other persons. Several attempts to create internal instability have had some success. Clashes with police have occurred, resulting in injuries to police and citizens.

The threat of inciting internal instability remains one of the most prominent physical threats. Russia still possesses sufficient resources through which it can cause instability in the political domain.

In addition, Russia uses another method to incite internal instability and increase uncertainty: mass transportation to Armenia of ethnic Armenians residing in Russia, holding Russian or Armenian citizenship, and having undergone sustained ideological training (brainwashing). Often these people are under the direct influence of Russian media, with specific ideas about Armenia, and a clearly expressed anti-government, and in many cases, anti-statehood stance. Even a small number of such people can lead to increased internal uncertainties and chaos.

Another physical threat is the temporary presence of Russian border guards on the Armenia-Turkey and Armenia-Iran borders.

The temporary Russian presence on the border with Turkey also raises concerns. Although only the Armenian special services are deployed at the Margara checkpoint, since the opening of the border is not in line with Russia's geopolitical and regional interests, we cannot rule out that provocations may occur in other sections of the border during the possible opening of the Armenia-Turkey border or in the preparatory stages. The focus of these provocations may be formation of pessimistic expectations regarding the successful outcome of the process, negative public reaction, and an atmosphere of distrust between the parties. Of exceptional importance in resolving this issue is the Charter on Strategic Partnership signed between Armenia and the United States on January 14, 2025, within the framework of which there is an agreement to build the capacities of the Armenian Border Guard Service with the assistance of the American side. The complete protection and control of the Armenia-Turkey and Armenia-Iran borders exclusively by the Armenian Border Guard Service in the shortest possible time frame is in Armenia's long-term interests.

Although we mentioned that the likelihood of a direct strike is small, it should be taken into account that if Moscow assesses the situation as extremely unfavorable, Russia may dare to go for a direct strike by using its forces in the Russian 102nd military base temporarily stationed in Armenia. Nevertheless, we consider that the likelihood of this development is still small. This conclusion is based on the circumstance that the Russian armed forces in Armenia have neither broad public support nor logistical support, as, for example, in Sevastopol, where the Russian military presence played an important role during the annexation of Crimea.

MILITARY AND POLITICAL THREATS

The main military and political threat is the dependence of the Armenian armed forces on Russia. In this regard, it is noteworthy that the personnel in the Armenian army mainly speak only Russian, and are representatives of the Russian school. Russia exercises significant soft power in the army, and the Armenian army still possesses a large amount of Russian weapons and military technology.

Interruptions of supplies to the Armenian Armed Forces by Russia are actions that can at any time undermine the effectiveness of the Armenian Armed Forces in carrying out their functions.

For years, the mid-level and senior officers of the Armenian Armed Forces were trained in Russia. Therefore, mastering Russian was sufficient to ensure career growth in the armed forces, and interest in other languages was optional. This reality has led to a situation where access to the state-of-the-art technologies in the Armenian army for mid- and high-level officers is linked to access to Russian equivalent technologies or Russian-language

literature. Therefore, another fundamental tool of Russian influence is direct or mediated interactions with the personnel of the Armenian army. The need for extensive English language training in the army, testing English language proficiency when appointing to new positions, and organizing the retraining of mid-level and senior officers in English-language educational institutions may be a crucial step in reducing Russian influence.



RA Armed Forces

Although the main directions of acquisition of military equipment have changed, the presence of a large number of previously acquired equipment allows Russia to have serious leverage in terms of the maintenance of weapons, their operation in combat conditions, the supply of ammunition and other components, and other related means. The main way to manage this problem is to accelerate army transformation, combine the acquisition of weapons operating with other standards with the continuous capacity building of the personnel servicing these weapons. To this end, the expansion of international cooperation mechanisms is crucial.

The existence of joint Armenian-Russian military formations (for example, joint air defense forces) is also a military and political threat. It is known that at least once in recent years, the mentioned military unit has actually failed to fulfill the combat task assigned by the RA Ministry of Defense, based on the absence of an order from Moscow. Such situations significantly affect the combat readiness of the army, the effectiveness of planning and conducting military operations. Moreover, the Armenian armed forces may face major challenges if an attempt is made to withdraw from agreements on joint forces. These difficulties have several reasons. The technical aspect of the problem is that during the period of formation and operation of the joint forces, the technical equipment and operational planning of the given units of the Armenian Armed Forces were integrated and combined with the Russian units, which means that in order to operate individually, at some point it will be necessary to start replenishing with military equipment and developing plans again during a set period of time. In addition, the military equipment of these units is exclusively Russian, which means that there will be a need to turn again to the Russian side for their maintenance and operation, with an uncertain prospect of receiving their response, or to completely revise the combat readiness plan of the given unit. No less important factor is the unilateral violation of agreements on the formation and operation of joint military units, which may have various implications, including financial ones.

Notwithstanding these circumstances, the mentioned units should be disbanded, at least in the long term, and through the implementation of successive steps.

Certain actions are already being taken to neutralize this threat. New non-Russian military equipment acquired by the Armenian Armed Forces is mainly not used by joint military units. Rather, new military units are being formed, operating exclusively under the jurisdiction of the Republic of Armenia. We believe that the best way to neutralize the dependency is to form new

military units in parallel with all joint military units, which over time will make the joint military units redundant and useless for the Armenian Army. In this case, there will no longer be a need to unilaterally terminate the agreements. They can be disbanded since there will be no possibility of performing any real or covert function.

TERRORISM THREATS

In parallel, there is another threat considered in the logic of a direct strike: the assassination of the representatives of the leadership of the Republic of Armenia, particularly the prime minister. The well-known example of a terrorist attack against the political leadership in the history of the Republic of Armenia in recent decades (October 27, 1999) gives grounds to assume that there may be situations in which the policy pursued by the RA authorities will be assessed as a threat, and the assassination of decision-makers will be deemed as the shortest way to eliminate the threat. In the case of Russia, this scenario is somewhat plausible, taking into account what happened to Alexei Navalny, Yevgeny Prigozhin, Sergei Skripal, Boris Nemtsov and many other actors critical of the policies of the Russian authorities, as well as the circumstance that armed groups have been regularly discovered in Armenia in recent years. Noteworthy is the case of the recently discovered armed group, which, according to a statement released by the National Security Service, underwent its harmonization in the Russian city of Rostov (remarkably, one of the training camps of the Russian military intelligence service special forces is located in that city). According to our information, the participants in the 1998 assassination attempt on Eduard Shevardnadze were also trained in the same camp. The opportunities of adequately responding to the aforementioned challenge are linked to ensuring the continuous growth of the effectiveness

of intelligence, counterintelligence, and other legal activities. This process should be accompanied by the development of a system to ensure the security of very important officials, for which purpose the technological capacities of developed countries should be studied and borrowed. It is also important to form a list of at least the first 15 officials in Armenia to whom executive power will be legally transferred (Night Watch Protocol), making the assassinations of individual officials somewhat meaningless. We consider this the main guarantee of the physical security of the Armenian authorities, in which case it will not lead to changes in the political vector unlike the case of assassination of individual officials on October 27, 1999.

DEMOGRAPHIC THREATS

Russia's influence through demographic manipulation is being used throughout the post-Soviet geographical space. For years, Russia has been building the foundations for increasing its influence in Ukraine through the demographic factor. No wonder in January-February 2022, before the invasion of Ukraine, some circles in Russia believed that they had a large army of supporters in Ukraine (in their opinion, those with Russian passports were their supporters) who would welcome the Russian troops.

Russia's influence in demographic terms has several directions. The first direction is labor migration, which began with the independence of the Republic of Armenia. Every year, tens of thousands of Armenian citizens travel to Russia to perform seasonal and other types of work. A significant portion of their income is sent to relatives in Armenia in the form of international transfers. In recent years, due to various reasons, labor migration from Armenia to the Russian Federation has decreased. At the same time, remittances from Russia to Armenia increased sharply in 2022, amounting to 1,396.9 million

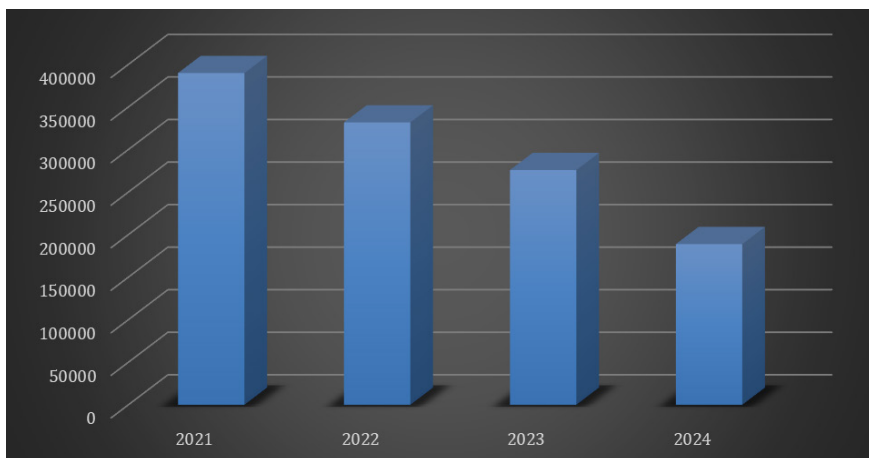
USD, which is about 89 percent more than in 2021. However, in 2023, the transfers decreased again, reaching the “normal” value of 734.7 million USD. Most likely, the increase recorded in 2022 is due to transfers made to immigrants from Russia to Armenia as a result of the war. These indicators show that the impact of remittances from Russia on Armenia’s gross domestic product is not really significant. In addition, the volume of remittances in the GDP structure is clearly decreasing. In 2013-2014 it amounted to about 18 percent, while in 2023 foreign private remittances in the GDP structure of the Republic of Armenia amounted to only 7.2 percent. However, Russia often uses this factor as well to exert pressure on Armenia. In particular, on March 26, 2024, Russian President’s spokesman Dmitry Peskov referred to “several billion dollars in annual transfers to Armenia.”

The next direction of influence through demographic tools is increasing the number of people holding Russian passports in Armenia. Since 2006, Russia has been implementing the “return of compatriots” program, within the framework of which those who have a passport or birth certificate from the former USSR have the right to obtain a Russian passport through a simplified procedure. In 2023, a new amendment was made to the law on obtaining a Russian passport through a simplified procedure. Currently, people who have relatives permanently residing in the territory of the former USSR can also obtain a Russian passport through a simplified procedure. The main goal of the program was stated to be “repatriation,” and between 2006 and 2018, approximately 826,000 people settled in Russia within the framework of this program.

However, a large number of passport recipients left Russia again, returning to their countries of origin, but retaining their Russian passports in order to receive higher pensions or other benefits in the future. In Armenia, 16,436 people renounced their citizenship in 2012-2017, almost all of them continuing to live in Armenia with Russian passports. Moreover, the number of Armenians getting Russian citizenship has increased every year.

The picture has not changed since 2018. In 2018-2024, 11,830 male citizens renounced their RA citizenship in order to avoid military service, the vast majority of whom got Russian citizenship.

Figure 8. Dynamics of departure of labor migrants from Armenia to the Russian Federation in 2021-2024



Although there is concern about their involvement in the Russian-Ukrainian war, since almost all of them continue to live in Armenia, the risk is assessed to be very small. In addition, many of the Russian citizens arriving in Armenia are also ethnic Armenians and on that basis receive permanent residence permits or citizenship in Armenia. In particular, out of 2,137 Russian citizens who received residence permits in Armenia in 2023, 1,177 received them on the basis of being Armenian by nationality.

The fact that Armenian residents hold Russian passports is another lever of influence. Many of them actively participate in the domestic political life of Armenia. Given their financial, social, and other types of dependence on Russia, this segment tends to want the expansion of Russian influence, advancing Russian interests, which is widely exploited by Russia.

Another direction of demographic threats is the immigration of Russian citizens to Armenia. It increased particularly in the fall of 2022, following the announcement of partial mobilization in Russia. Thus, in 2021, the difference in the number of Russian citizens arriving and departing from Armenia was 16,120, while in 2022 it was 75,149. Although this number decreased later, the immigration of Russian citizens continues at a certain pace to this day. In particular, the difference in the number of Russian citizens arriving in Armenia and departing from Armenia between January and August 2024 was 18,797 people.

It is not difficult to notice that the number of Russian citizens in Armenia is steadily growing. On the one hand, it is understandable that among the immigrants there are many qualified specialists who are leaving Russia due to repression, the risk of deprivation of liberty, and conscription into the army to fight in Ukraine. On the other hand, one of the threats of Russian influence in Armenia may be the deployment of representatives of special services among such people, who, disguised as businessmen or workers, can incite and participate in riots at the right time, and try to influence the domestic political processes in Armenia in other ways.



The challenge related to the influence of Russian citizens residing in Armenia is problematic, especially in the long term, as some of them are involved in business life, ensuring their substantive participation in the domestic economic life of the Republic of Armenia. In the example of the relocation of ethnic Armenians living in Russia, the mentioned people may be sent to Armenia to implement long-term, destructive economic and security-related programs, and act according to instructions received from Russia in times of uncertainty. For example, physically fit men can participate in street riots and illegal acts of violence against the law enforcement system.

In order to confront the last group of threats, continuous enhancement of the capacities of the RA special services should be ensured. The realization of this goal implies, inter alia, close and fruitful work with international partners. In this regard, the Charter on Strategic Partnership signed between the Republic of Armenia and the United States on January 14, 2025 can be actively used. Among other matters, it provides for the American side's support for the development of relevant services in the Republic of Armenia.

RECOMMENDATIONS

1. Increase the pace of economic diversification and intensify work with other markets, promote the continuous growth of quality standards of local products, making this the first absolute priority of Armenia's foreign policy.

2. Make the normalization of relations with Turkey and the opening of the Armenia-Turkey border the second absolute priority of Armenia's foreign policy, and in the event of a possible opening, use the Turkish market to promote import and export, as well as transit.

3. Initiate significant qualitative reforms in the market in order to promote exports in new directions. In this regard, do state strategic planning and mobilize society through clear goal setting and informing the latter about the implementation of planned steps (improving the quality of strategic communications), developing standards and roadmaps for their implementation.

4. Consider and, if necessary, prepare for the diversification of grain import directions: Ukraine, Kazakhstan, India, Iran. Work on the use of possible import mechanisms from or through Turkey.

5. Consider and prepare alternative sugar import routes for use if necessary. These directions may include Iran, Brazil, the UAE, India, Belgium, China, etc.

6. In order to meet the demand for poultry meat, promote breeding efforts aimed at obtaining well-adapted varieties and hybrids of feed grains.

7. Include and consider the issue of satisfying the demand for poultry meat in Armenia through imports from third-party markets as a positive development in the context of the termination of EAEU membership.

8. Promote opportunities for soybean cultivation and soybean oil production.

9. The problems related to the South Caucasus Railway probably constitute the field where there is a severe lack of alternative solutions. However, the possible implementation of the Crossroads of Peace project may generate interest in the railway network of Armenia. International lobbying for the rehabilitation of the Armenian railway network would be effective, which would involve a short-term transfer of management of the Armenian railways to an international private company. In parallel, there is a need for a local operator under state sponsorship, and the training of its staff, equipping with technological means, and implementation of other necessary measures can be carried out with state participation, based on an agreement on some compensation mechanism in the future. A possible way of stimulating the interest of international partners may be the Armenian railway becoming part of the infrastructure of the Middle Corridor project.

10. The Agreement of December 2, 2013 on Cooperation between the Government of the Republic of Armenia and the Government of the Russian Federation in the Field of Supplies of Natural Gas, Oil Products, and Unprocessed Natural Diamonds to the Republic of Armenia essentially ensures a monopoly for Gazprom. An action plan that will change this situation should be developed and opportunities should be created to ensure natural gas supplies from Iran, the Gulf countries, and other possible sources.

11. Calculate the possibility and pricing of importing natural gas from Azerbaijan or Central Asia through the territory of Azerbaijan, in the event of a peace treaty and normalization of relations, as well as assess the material and political capacity of Azerbaijan as an alternative supplier of fuel.

12. Considering that petrol and liquefied gas are fuels that require much simpler logistical infrastructure, we believe that the use of special mechanisms

by the state to make these types of fuel more attractive for transport should be considered. For example, such a tool could be the elimination of the excise tax on petrol.

13. Promote the transition of housing stock and institutions from natural gas heating systems to other heating methods: electric boilers, solar heaters, etc. Improve and dramatically increase the population's access to government-implemented green energy programs, increase their attractiveness, and organize information campaigns.

14. Energy efficiency should be the absolute priority of sectoral policy in Armenia. The less hydrocarbon-based energy is consumed in Armenia, the less Armenia's external dependence will be in terms of absolute numbers. In this regard, it is also important to streamline public spending and programs in the field of energy efficiency and implement public campaigns around the services provided.

15. Traditionally, the main problem with solar energy has been its lack of guaranteed capacity. However, hydrocumulative solutions are possible, especially in mountainous conditions.

16. In the event of a sharp escalation of Armenian-Russian relations, it is necessary to have a clearly developed scenario regarding the termination of the Agreement of December 2, 2013 on Cooperation between the Government of the Republic of Armenia and the Government of the Russian Federation in the Field of Supplies of Natural Gas, Oil Products, and Unprocessed Natural Diamonds to the Republic of Armenia. Scenarios should be developed to return the facilities of the Electric Networks of Armenia, Gazprom Armenia, and the Hrazdan Thermal Power Plant to Armenian control. In our opinion, the best solutions would be the model of state ownership transferred to private sector management, or the model of ownership by legal entities and individuals operating in the territory of the Republic of Armenia.

17. Review the concession management agreement for the Armenian Nuclear Power Plant, plan for the use of alternative fuels, and accelerate the construction of new nuclear power plants.

18. Accelerate the pace of army transformation, within the framework of which, in parallel with the acquisition of new weapons, continuous capacity building of the personnel servicing this weaponry should be ensured. To this end, it is important to expand international cooperation mechanisms.

19. In order to manage the possible negative consequences of the Russian presence on the Armenia-Iran and Armenia-Turkey borders, it is necessary to promote and develop the process of capacity building of the RA Border Guard Service with the assistance of the American side within the framework of the Charter on Strategic Partnership Commission signed between Armenia and the United States on January 14, 2025.

20. Ensure state-level support in the regions of the Republic of Armenia for the dissemination of English, French, German, Chinese, Korean, Persian, as well as Turkish and Azerbaijani languages. However, in a global sense, the way to solve the language problem is to develop and adopt a National Strategy for the Popularization of the English language in the Republic of Armenia.

21. Urgently introduce and expand English language training in the army, include the entire personnel of the armed forces in this process, and develop a system of mandatory English language testing in assigning positions and in further promotions in the army.

22. In order to overcome the dependence arising from the existence of Armenian-Russian joint military units, new military units under the exclusive jurisdiction of the Republic of Armenia should be formed in all related professional fields, resulting in the joint military units becoming redundant over time and being removed from the operational system of the Armed Forces of the Republic of Armenia.

23. Ensure the continuous increase in the efficiency of intelligence, counterintelligence, and law enforcement agencies. This process should be accompanied by the development of a system to ensure the security of very important officials, for which the technological capacities of developed countries should be studied and borrowed. It is also important to form a list of at least the first 15 officials in Armenia to whom power will be legally transferred (Night Watch Protocol), thereby reducing the chances of influencing the political line of the state through the assassination of officials in the Republic of Armenia.

24. Substantially change the demographic strategy, paying special attention to programs for rapid population growth in border regions, especially in the Syunik and Gegharkunik regions. At a minimum, develop targeted social programs for the aforementioned regions to promote childbirth, provide tax benefits, and direct migration flows.

25. In the context of managing demographic issues, continuously build the capacities of the RA special services, especially in managing migration flows. In this regard, new opportunities have opened up with the signing of the Charter on Strategic Partnership between the Republic of Armenia and the United States on January 14, 2025.

CONCLUDING REMARKS

The existing multilayered system of dependencies and threats may create the impression of a desperate state. However, the successes achieved by Armenia in recent years, especially in reducing dependencies in the field of purchasing weapons from Russia, eliminating the temporary Russian presence at border and passport control points, and diversifying foreign policy, prove that with a combination of political will, capacities, and knowledge, it is possible to overcome instruments of deterrence/dependence formed over decades. We consider that the main asset of this work is inventorizing existing problems and contributing to shifting the discourse around these problems into the “political problem, political problem solution” formula.

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