

Armenia's Domestic and Foreign Policy in the Post-War Period: New Challenges and Perspectives

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This article explores the changes in Armenia's domestic policy after the Second Karabakh War at the political, social and economic levels, and the impact of such changes on Armenia's foreign policy, especially with regard to its relationship with Azerbaijan. It further examines the perspective of post-conflict Armenian domestic politics and analyses prospects for reforming Armenia's foreign policy with the aim of stabilizing the contested relationship with neighbouring Azerbaijan. After the conflict, Armenia has experienced serious political turmoil that affected not only domestic socio-economic conditions but also the country's strategic position in the South Caucasus. Armenian dissatisfaction with the trilateral statement signed on 10 November 2020 led the country to a political crisis and early parliamentary elections that have brought new challenges for Armenia's domestic politics. With the balance of power in the region shifting in favour of Azerbaijan, Armenia's foreign policy has been challenged, which brings into focus the need for analysing the interaction of the country's foreign and domestic policies owing to their implicitly intertwined relationship. In the post-war period, Armenia has experienced critical phases that have opened spaces for considerable change and reform in its domestic policy, but these have not, however, brought a significant response from the political leadership or influenced the foreign policy of the country in a substantial way.

Keywords: post-war Armenia, domestic policy, foreign policy, political crisis, economic crisis



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Introduction

The Second Karabakh War (a.k.a. the 44 Day War) ended with a clear political outcome. Azerbaijan won, while Armenia has been left to deal with its internal political crisis and a bitter defeat. The Russian-brokered Trilateral Statement ensured that Azerbaijan not only retrieved control of a significant part of its Karabakh region but also forced Armenia to hand over all of the remaining occupied districts it held surrounding that region.¹ Armenian protests and demonstrations following the 10 November Trilateral Statement caused a serious domestic crisis in the country that led to early parliamentary elections and worsening of the already impoverished socio-economic conditions. Immediately after the signing of the statement, Armenians expressed their dissatisfaction with the decision by storming the Armenian parliament and demanding the resignation of Prime Minister Nikol Pashinyan.² After months of constant social tension and public pressure on the government, as well as Pashinyan's standoff with the armed forces, the prime minister agreed to hold an early general election in June 2021. This was an attempt to defuse the political crisis in the country.³ The end result of the elections was that Prime Minister Pashinyan won and secured his premiership.

The Armenian economy has suffered significantly owing to last year's war with Azerbaijan and also because of the global health crisis caused by the COVID-19 outbreak. These joint, severe shocks have negatively impacted on the country's economic environment, which witnessed a sharp economic contraction, increased poverty, and fiscal deterioration in 2020.⁴ However, easing restrictions at home and securing Pashinyan's premiership have seen Armenia's economy recovering, albeit at a very slow pace. If there are further delays in the vaccine rollout and political tensions continue to disturb the country's healing process, even this slight positive tendency in economic recovery can quickly

1 Kremlin.ru, "Statement by President of the Republic of Azerbaijan, Prime Minister of the Republic of Armenia and President of the Russian Federation", 10 November 2020, available at: <http://en.kremlin.ru/events/president/news/copy/64384> (accessed: 25 August 2021).

2 Synovitz, R., "Azerbaijan celebrates 'victory,' Armenia in crisis after Nagorno-Karabakh deal", *Al Jazeera*, 10 November 2020, available at: <https://www.rferl.org/a/azerbaijan-celebrates-victory-armenia-in-crisis-after-nagorno-karabakh-deal/30941120.html> (accessed: 25 August 2021).

3 "Embattled Armenian PM announces early parliamentary elections in June", RFE/RL, 18 March 2021, available at: <https://www.rferl.org/a/armenia-pashinian-early-parliamentary-elections-called/31157523.html> (accessed: 25 August 2021).

4 "The World Bank in Armenia", The World Bank, 5 April 2021, available at: <https://www.worldbank.org/en/country/armenia/overview> (accessed 28 August 2021).

be reversed.⁵ When it comes to post-war changes at the societal level, Armenian citizens were profoundly disappointed by Armenia's military losses and their frustration was publicly expressed through a series of street protests that further deepened the country's crisis. Moreover, Armenians have perceived the "loss of territories" that they occupied over recent decades as a loss of a significant part of their national identity,⁶ which has made the recent defeat very painful for society. The public was, in particular, disappointed with the prime minister and demanded his resignation during protests that followed the Trilateral Statement. After winning the early parliamentary election, however, Prime Minister Pashinyan has managed to defuse, to a certain extent, the alarming social and political crisis. However, the government still needs to address new and remaining challenges in order to overcome deep social and political divisions and distress in the country.

The post-war and post-election periods have brought a new set of foreign policy issues that now face Armenia. Moreover, Pashinyan will have to start peace negotiations with Azerbaijan, which could prove to be the most difficult, but nevertheless an essential, foreign policy task.⁷ In addition, Clause 9 of the Trilateral Statement that implies the unblocking of all economic and transport connections in the region might present a significant challenge for Armenia, especially in terms of the realization of the Zangezur Corridor, a transportation route that should link the western part of Azerbaijan with its Nakhchivan Autonomous Republic via the "Syunik" region of Armenia (this is historically referred to as "Zangezur region" in Azerbaijan).⁸

Armenia's foreign policy has applied an ineffective multi-vectoral foreign policy ever since the country's independence. In fact, Armenia's

5 "Armenia Economic Outlook", *FocusEconomics*, 7 September 2021, available at: <https://www.focus-economics.com/countries/armenia#:~:text=Armenia%20Economic%20Growth,19%2Dinduced%20downturn%20in%202020.&text=Our%20panelists%20see%20GDP%20growth,%2C%20and%205.6%25%20in%202022> (Accessed: 19 September 2021).

6 Gamaghelyan, P., "Rethinking the Nagorno-Karabakh Conflict: Identity, politics, scholarship", *International Negotiation*, 18 May 2009, available at: https://brill.com/view/journals/inet/15/1/article-p33_3.xml (accessed: 28 August 2021).

7 Tashjian, Y., "Pashinyan's foreign policy challenges", *The Armenian Weekly*, 13 July 2021, available at: <https://armenianweekly.com/2021/07/13/pashinyans-foreign-policy-challenges/> (accessed: 28 August 2021).

8 Huseynov, V., "'Zangezur Corridor' Closer to Realization as Armenia Readies to Normalize Relations With Turkey and Azerbaijan", *Jamestown Foundation*, 19 October 2021, available at: <https://jamestown.org/program/zangazur-corridor-closer-to-realization-as-armenia-readies-to-normalize-relations-with-turkey-and-azerbaijan/> (accessed: 3 December 2021).

multi-vectorism actually depicts shallow multilateral cooperation and insubstantial membership of the country in international organizations. The core of the contemporary Armenian foreign policy has been uni-vectoral: bandwagoning with Russia.⁹ Thus, Armenia needs a more proactive foreign policy that can replace ineffective, generic multi-vectorism with meaningful, in-depth bilateral cooperation that corresponds better with Armenia's current interests and capabilities. However, the current situation in the country is not promising enough, especially since the leadership has still not recognised the need for, in the first place, reforming its domestic policy; that would impact its foreign policy as well. On the other hand, there is a possibility of changing the course of the country's foreign policy by implementation of the Trilateral Statement, which can bring a positive tendency in the economic sphere of the country. The proposed transportation routes and unblocking of economic channels in the region might lead to the opening of the country to further peace negotiations, development of a more free and market-oriented economy, and a less isolationist position of the political leadership towards neighbouring countries.

In the post-war period, Armenia has gone through volatile political and socio-economic phases that, at first, seemed to provide a promising window of opportunity for comprehensive reform of the country's domestic as well as foreign policies that would be more suitable for the new reality. However, with Pashinyan consolidating his political power and still not managing domestic socio-economic issues, as well as maintaining the obsolete foreign policy agenda, Armenia can hardly expect any dramatic changes or reforms in a timely manner. But there is still hope that, gradually, Armenia will recognize the necessity to reconsider its domestic and foreign policies in order to better adjust to the post-war state of affairs in the region.

Post-Conflict Political Crisis

While Azerbaijan celebrated its victory, Armenia faced a harsh political crisis immediately after signing the Trilateral Statement. Armenians were not satisfied with the outcome of a war that left them defeated and

9 Kopalyan, N., "Why is Armenia terrible at foreign policy? The failure of multi-vectorism and the need for a new doctrine", *EVN Report*, 27 June 2021, available at: <https://www.evnreport.com/politics/why-is-armenia-terrible-at-foreign-policy-the-failure-of-multi-vectorism-and-the-need-for-a-new-doctrine> (accessed: 29 August 2021).

without effective power over the territories of Azerbaijan that Armenia's armed forces had illegally occupied for almost three decades. The Armenian prime minister, N. Pashinyan, decided to sign the Trilateral Statement in order to stop the advancing Azerbaijani military forces after they liberated the strategically important city of Shusha. According to Pashinyan, this decision was "inexpressibly painful" but necessary to end the war.¹⁰ However, such a decision was a costly political move that has led the country into a deep political crisis and undermined the political legitimacy of the leading political figure in the country – the prime minister.

Nikol Pashinyan had come to power in 2018 following a street revolution that overthrew a corrupt government. However, the popularity of Pashinyan's cabinet that resulted from a non-violent transition of power has experienced a continual decline over the years.¹¹ The Armenian government headed by N. Pashinyan has made a number of political miscalculations that have led the country into an overwhelming political crisis. Pashinyan wanted to execute a nationalist-oriented domestic policy and thought that he would manage to entrench the Armenian presence in the illegally occupied territories of Azerbaijan with hard-line political rhetoric that implied the annexation of the territories it held to the Armenian main territory.¹² However, such populist domestic politics with strong nationalist elements only provoked Azerbaijan, made the Yerevan–Moscow relationship more complicated and was one of the causes of a new, bloody war in the region. In the post-war period, Armenia has been weakened and forced to reconsider its radicalised domestic politics. The grave Armenian defeat in the Second Karabakh War activated a severe upsurge of social discontent and spiralling of pre-existing political issues that transferred into a series of street protests and calls for resignation of the prime minister.

A few dozen military officers from Ministry of Defence and General Staff also demanded that Pashinyan resign. However, the prime minister responded by accusing the military of attempting a coup against him.

10 Synovitz, R., "Analysis: Nagorno-Karabakh War transforms the legacy of Azerbaijani President Aliyev," *RFE/RL*, 17 December 2020, available at: <https://www.rferl.org/a/nagorno-karabakh-legacy-azerbaijani-president-aliyev/31006302.html> (accessed: 29 August 2021).

11 Giragosian, R., "Armenia's post-war political crisis", *LibMod*, 9 March 2021, available at: <https://libmod.de/en/armenias-post-war-political-crisis-giragosian/> (accessed: 30 August 2021).

12 Kucera, J., "Pashinyan calls for unification between Armenia and Karabakh", *Eurasianet*, 6 August 2019, available at: <https://eurasianet.org/pashinyan-calls-for-unification-between-armenia-and-karabakh> (accessed: 30 August 2021).

Shortly after, the opposition joined the army in demanding that Pashinyan step down.¹³ Such serious political turmoil required critical political measures and the prime minister eventually decided to announce early parliamentary elections. Pashinyan managed to get re-elected and secure his position as a leading political figure in Armenia. The most pressing political issue that the Armenian society has been faced with in the post-conflict period is that there has been no clear or viable political substitute for the long-standing prime minister. Recent elections have shown a diffuse and contested opposition without visionary political agendas that prepared the way for a landslide win for Pashinyan's Civil Contract Party. The first president of Armenia, Levon Ter-Petrosyan, suggested to former presidents Robert Kocharyan and Serzh Sargsyan forming a united alliance for the elections, however, both rejected the offer and decided to try their luck with their own parties and blocs.¹⁴ The Civil Contract Party won almost 54% of the vote, which brought a decisive victory to Pashinyan and enabled his party "to maintain the two-thirds majority it currently holds in parliament."¹⁵ Pashinyan managed to win in each part of the country, which was even more impressive than the public opinion polls anticipated. However, this conclusive victory was more a result of the choice of a lesser evil. The former president, Robert Kocharyan, emerged as Pashinyan's strongest challenger in the June 2021 parliamentary elections.¹⁶ However, many Armenians who were against Pashinyan were more afraid of, or reluctant to support, Kocharyan's Armenia Alliance because that would imply the return of the old regime, infamous for its corrupt and authoritarian rule.¹⁷ Beside Civil Contract and Armenia Alliance, only the I Have Honor Alliance that included former president Serzh Sargsyan's Republican Party won seats in the parliament. However, in the election, the I Have Honor Alliance won only 5.22% of the popular vote, thereby earning seven

13 "Armenia's PM calls snap election amid standoff with military", *DW News*, 18 March 2021, available at: <https://www.dw.com/en/armenias-pm-calls-snap-election-amid-standoff-with-military/a-56917397> (accessed: 31 August 2021).

14 Sargsyan, L. and Manougian, H., "Armenia's June 2021 parliamentary election: The essential primer", *EVN Report*, 3 June 2021, available at: <https://www.evnreport.com/elections/armenia-s-june-2021-parliamentary-election-the-essential-primer> (accessed: 11 November 2021).

15 Kucera, J. and Mejlumyan, A., "Armenia's Pashinyan wins reelection in landslide", *Eurasianet*, 21 June 2021, available at: <https://eurasianet.org/armenias-pashinyan-wins-reelection-in-landslide> (accessed: 2 September 2021).

16 Ani Mejlumyan, "Armenia's ex-president seeks to lead again", *Eurasianet*, 17 June 2021, Available at: <https://eurasianet.org/armenias-ex-president-seeks-to-lead-again> (Accessed: 2 September 2021).

17 Kucera and Mejlumyan, *op. cit.*

seats in the National Assembly. Even if the two alliances were to decide to join forces, it would not be sufficient to overcome Pashinyan's party and form a government. However, the re-elected prime minister, even after a convincing election win, will have a difficult time to answer and resolve the many remaining and new challenges regarding Armenia's domestic and foreign policies.

Although Pashinyan has managed to calm the political unrest that was raging throughout the country for months after the end of the conflict, domestic policy still requires reform in order to respond to the changing domestic political and socio-economic environment. Complex challenges arising from post-war insecurity and the persistent health crisis caused by COVID-19 as well as a lack of strong institutional mechanisms will require prompt political action and the implementation of suitable policy reforms. However, Pashinyan, encouraged by the recent election victory, might indulge in irresponsible politics that imply the possibility of engaging in political retribution and personal revenge, which could lead the country into a deeper crisis and diminish the political authority of the current government.¹⁸ There is a risk that the prime minister could act impulsively and present a serious threat to the legitimacy of the newly appointed government, given his previous erratic behaviour; but he might also refocus domestic policy on the socio-economic issues that require urgent resolution, thereby setting a path to much-needed reform of the country.

Socio-Economic Uncertainties in the Post-Conflict Period

Prior to the COVID-19 pandemic, the Armenian economy recorded a continued but moderate advance that contributed to the establishment of a market-oriented environment in the country. Economic growth was steady, averaging 6.8% during the period 2017–2019.¹⁹ However, the devastating effects of the health crisis, heavy military losses, and political post-conflict uncertainty saw the Armenian economy shrink by 7.6% in 2020. Moreover, service sectors such as trade and tourism were affected even more, contracting by 10% in the same year. The budget deficit jumped from 0.8% of GDP in 2019 to 5.1% in 2020, which

18 Giragosian, R., "Armenia's post-election challenges", *New Europe*, 28 June 2021, available at: <https://www.neweurope.eu/article/armenias-post-election-challenges/> (accessed: 7 September 2021).

19 "The World Bank in Armenia", *op.cit.*

was mostly the result of increased government spending on COVID-preventative measures and the military.²⁰ The government's response to the pandemic was not effective enough to prevent a further rise in poverty. Although the poverty rate in Armenia has been continuously increasing since 2016, 2020 nevertheless recorded the highest jump in the four-year period. In 2019, the poverty rate in Armenia was 44%.²¹ However, in 2020, the poverty rate rose by 7% to reach over 51%, which placed many Armenian households in the seriously vulnerable category.²²

A surge of social disappointment overwhelmed Armenia immediately after the government signed the Trilateral Statement. In addition to the unsuccessful military operations during the war, other social factors also contributed to the rising social dissatisfaction in Armenia. In March 2020, the Armenian government introduced a state of emergency as a mean to alleviate the effects of the COVID-19 crisis; this “involved restrictions on privacy rights and freedom of movement and assembly.”²³ However, a 6-month long lockdown, increased rate of poverty, and social frustration caused an alarming rise in social tension. In the post-conflict period, Armenians have been facing numerous challenges ranging from increased rates of impoverishment and unemployment to the prolonged health crisis and political uncertainties regarding domestic as well as foreign policy.

The early parliamentary elections were one political means for alleviating a serious political crisis that had been tormenting the country ever since the Trilateral Statement was signed. However, some experts believe that economic issues were prioritized over other, in particular political, concerns in the elections.²⁴ It is most likely that the outcome of the war triggered the election, but the Armenian electorate was more concerned about the recovery of the economy rather than defeat and political issues in the post-conflict period.

20 *Ibid.*

21 “Armenia poverty rate 1999–2021”, *Macrotrends*, available at: <https://www.macrotrends.net/countries/ARM/armenia/poverty-rate> (accessed: 12 September 2021).

22 *Ibid.*

23 “Armenia: Events of 2020”, *Human Rights Watch: World Report 2021*, available at: <https://www.hrw.org/world-report/2021/country-chapters/armenia> (accessed: 12 September 2021).

24 “Post-election Armenia: Envisioning the future of Armenian–Azerbaijani relations”, *Caucasus Edition*, 8 July 2021, available at: <https://caucasusedition.net/post-election-armenia-envisioning-the-future-of-armenian-azerbaijani-relations/> (accessed: 12 September 2021).

Even though the post-election period has brought a certain level of political consolidation, many challenges, in particular socio-economic issues, have continued to torment Armenian citizens. Armenian society needs long-lasting peace, increased economic development, and alleviation of widespread poverty as well as an efficient domestic policy that can overcome the challenges induced by the COVID-19 pandemic and military losses. In order for Armenia to start refocusing and implementing a more sustainable domestic policy, Prime Minister Nikol Pashinyan has to refrain from populist rhetoric and erratic political moves that can only prolong the political crisis and cause the socio-economic development status of the country to regress.

Foreign Policy Challenges and Perspectives in Post-Conflict Armenia

The end of the Second Karabakh War has brought a shift in the regional balance of power that has placed Armenia in an unfavourable position and made it even more dependent on Russia. Once the conflict ended, Armenia had to face the harsh reality that it was no longer capable of controlling the formerly occupied lands of Azerbaijan. Moreover, the country had to re-evaluate its relations with neighbouring countries and cautiously plan its future foreign policy toward Russia. Ever since it became an independent country, Armenia has perceived Russia as its only feasible security provider, a belief that has been confirmed by Armenia's membership in several Russia-led regional projects and Moscow–Yerevan military cooperation that includes the existence of a Russian military base in Armenia.²⁵ Armenia is a member of the Russia-led Eurasian Economic Union and the Collective Security Treaty Organization, an intergovernmental military alliance in Eurasia that also includes Belarus and three ex-Soviet republics in Central Asia.²⁶ However, post-conflict Armenia will have to adjust its foreign policy to a set of new regional challenges and put more effort into developing peaceful and more sustainable relations with Azerbaijan while concurrently balancing its interests with still-dominant Moscow's influence in the country.

25 Sukiasyan, N., "Appeasement and autonomy, Armenian–Russian relations from revolution to war", *Institute for Security Studies*, 1 February 2021, available at: <https://www.iss.europa.eu/content/appeasement-and-autonomy> (accessed: 20 September 2021).

26 Giragosian, R., "Paradox of power: Russia, Armenia, and Europe after the Velvet Revolution", *European Council on Foreign Relations*, Policy Brief, 7 August 2019, available at: https://ecfr.eu/publication/russia_armenia_and_europe_after_the_velvet_revolution/ (accessed: 19 September 2021).

Pashinyan thought that he would manage to entrench the continuing Armenian presence in the previously occupied lands through his unchanged domestic and foreign policy that supported the idea of a unified main territory and Karabakh region (together with the occupied surrounding districts). In the post-war period, Armenia has been weakened militarily and economically, which has forced the country to reconsider its radicalised domestic politics and accept the fact that it has become even more dependent on Russian assistance. The Armenian leadership played a risky game of trying to make the country more autonomous from the Kremlin, but, instead, defeat in the war has left very little room for manoeuvre with Russia. Russia remains the only feasible security ally for Armenia, although their relationship can hardly be defined as one of allies, but rather as one in which Russia is the dominant power dictating the main tendencies of bilateral relations with Armenia. However, in future, Armenia will have to turn more to Azerbaijan to establish better neighbourly relations as Russia is interested in pursuing its own goals in the region that do not always align with Armenian interests. Armenia's continuing isolation from its neighbours, especially Azerbaijan and Turkey, is not viable in the long term because such secluded relations only hurt Armenian society and lead to the country's greater economic impoverishment.

A set of new challenges that correspond to the post-war regional dynamics in the South Caucasus require thorough reform of Armenia's foreign policy. More efficient balancing between Russia and the West, continuing negotiations with Azerbaijan on a potential peace deal, and full implementation of the 10 November Trilateral Statement, especially in terms of opening all communication and road channels to regional networks, are the post-war foreign policy challenges that Armenia needs to address in a timely manner.²⁷ Post-conflict Armenia is in an unsettling situation due to the fact that it has to remain loyal to the Kremlin but, concurrently, is seeking Western support and investment.²⁸ The government cannot risk further aggravating Russia as it is still Armenia's major security ally. Instead, it should continue to cautiously develop more sustainable bilateral relationships with some Western countries, especially France, which remains its main

²⁷ Tashjian, *op. cit.*

²⁸ *Ibid.*

European ally. Pashinyan's multi-vectoral approach in foreign policy has proved to be ineffective since it has only involved insubstantial, superficial membership in different international organizations and bandwagoning with Russia. Kopalyan argues that Armenia has been pursuing the "quantity" of multilateralism while neglecting the much-needed "quality" of bilateralism.²⁹ The process of policymaking has to shift toward establishing more sustainable and suitable foreign policy goals that correspond better with Armenia's current position.

The reconciliation process between Armenia and Azerbaijan will be one of the most challenging tasks for the post-election Armenian government. Post-war issues ranging from demining and exchange of detainees, to finding missing persons, through to access to farmland still pose serious threats to a sustainable appeasement process between the two countries.³⁰ Although Armenia held early parliamentary elections in which the electorate had an opportunity to choose among different political candidates and blocs, nothing significant has yet changed, especially owing to the fact that the prime minister who led Armenia in the Second Karabakh War has been re-elected. If the prime minister continues to pursue the same non-visionary foreign policy that is multi-vectoral only in name, future reconciliation and regional stability are likely to fail. Another challenge that can undermine the future rapprochement between Armenia and Azerbaijan relates to the implementation of the Zangezur Corridor project. This highly contentious project might become the major trigger for future tension in the region. Armenia is obliged to respect the 10 November Trilateral Statement that includes opening all economic and transport links in the region. According to the statement, Armenia must allow unobstructed movement of persons, vehicles, and cargo along the transportation route that connects the western regions of the Republic of Azerbaijan with the Nakhchivan Autonomous Republic and passes through Armenian territory.³¹ Implementation of the Zangezur project will require full cooperation and assistance from the Armenian government. It is still uncertain whether the Armenian

²⁹ Kopalyan, *op. cit.*

³⁰ "Post-war prospects for Nagorno-Karabakh", *International Crisis Group*, Europe Report No. 264, 9 June 2021, available at: <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-conflict/264-post-war-prospects-nagorno-karabakh> (accessed: 18 September 2021).

³¹ Kremlin.ru, "Statement by President of the Republic of Azerbaijan, Prime Minister of the Republic of Armenia and President of the Russian Federation", *op. cit.*

government will be fully cooperative in facilitating the fulfilment of the commitments laid out in the Trilateral Statement, especially those relating to the transit corridors.

Conclusion

The foreign policy of a country is determined by its domestic policy and vice versa. Armenia is not an exception in this regard. Thus, in order to understand Armenia's foreign policy steps, its domestic political establishment under Nikol Pashinyan must first be analysed.³² This interplay of foreign and domestic affairs is important in the case of Armenia because it reveals the causes of certain political tendencies and also the opportunities for change at national and regional levels. The main political figure in Armenia remains the prime minister, who has the power to dictate the main political agenda in the country's domestic and foreign policy.

Nikol Pashinyan has been a leading political figure since 2018, when he led a street revolution that overthrew Serj Sargsyan's government.³³ However, the Second Karabakh War, devastating military defeat, and the political crisis that followed have called into question the ability of the prime minister to run the country. A nationalist-oriented domestic policy with a touch of populism together with an obsolete, non-visionary foreign policy that has pursued unrealistic domestic political goals regarding their country's [now former] conflict with Azerbaijan have caused a deep political crisis in Armenia. Such irresponsible and miscalculated political behaviour has affected the country's socio-economic environment and deepened poverty, inequality, and unemployment.

The early parliamentary elections confirmed that Pashinyan remains the major political figure in Armenia without any viable political alternative. In the post-election period the prime minister has a chance to reform domestic policy. It might still be too early to predict the course

32 Bektemirova, N., "Interaction of foreign and domestic factors in the international political process: The case of Russia", *Strategic Analysis*, 39 (5), pp. 541–547, 2015, available at: <https://www.tandfonline.com/doi/abs/10.1080/09700161.2015.1069980?journalCode=rsan20> (accessed: 19 September 2021).

33 Bohlen, C., "Armenia's postwar crisis: What to know", *Council on Foreign Relations*, 25 March 2021, available at: <https://www.cfr.org/in-brief/armenias-postwar-crisis-what-know> (accessed: 19 September 2021).

of Armenia's domestic policy, however, at this point, it seems that the Armenian government is not keen on reforming its domestic or foreign policy, but rather on stalling the implementation of mandatory clauses from the Trilateral Statement as well as maintaining the status quo for as long as possible. A domestic policy that is more effective and adjusted to the current position of the country can also be positively reflected in the country's foreign policy. Pashinyan has to make economic recovery and development prime goals of his domestic policy, alongside restraint from the erratic political decisions that have proved to be harmful for the country. Moreover, the prime minister has to continue implementing the Trilateral Statement that implies a sustainable reconciliation with Azerbaijan. Additionally, projects such as the Zangezur Corridor can bring the two nations closer together if the Armenian leadership accepts and recognizes the economic potential of the proposed highway and railway connections with Azerbaijan. The reconciliation process would require the full cooperation of the Armenian government and the adjustment of its foreign policy to the changed post-conflict dynamic in the South Caucasus.