

CIVICUS
Civil Society Index



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Armenian Civil Society: from Transition to Consolidation

Analytical Country Report

FOREWORD

This report is the result of a comprehensive assessment of Armenia's civil society, which is one of the primary actors in Armenia's evolving democratic and rule of law reform trajectory. The *Analytical Country Report* is one of the main outcomes of the CIVICUS Civil Society Index (CSI) implementation in Armenia. It will serve as a reference point for civil society actors in the country and for all stakeholders, including local and central government, media, businesses, as well as international development partners who continue to support Armenia in furthering its democratic consolidation, social cohesion and economic viability.

Civil Society plays a key role in strengthening democracy and rule of law, both of which are undeniably significant pillars of sustainable development. A strong civil society and the human potential embedded in its many voluntary structures and associations are a precondition to a strong participatory society. The intellectual and social capital generated by, about, and as a result of a vibrant civil society is increasingly more crucial in determining the way forward for many countries and the global community as a whole.

The implementation of the CSI project was a joint endeavor of actors and organizations in Armenia striving to maintain a vital link between the state and citizen through an engaged civil society. It is an attempt to assess and analyse civil society in terms of the quantity and quality of the socio-political and cultural environment it operates in, the values for which it stands for, the way it governs itself, and finally, the mechanics and ultimately the impact of its interaction with and on citizens.

Counterpart International/Armenia's pride of accomplishment, as the National Implementing Team of the CIVICUS CSI, is matched only by its deep gratitude to the many professionals, volunteers, and activists who joined us as part of this important effort. The Advisory Committee and the Honorary Council supported this project wholeheartedly and unequivocally by providing sound feedback, constructive criticism, and generous encouragement.

In the process, CIVICUS has become a trusted partner and collaborator, whose invaluable support and input are embedded in every page of this publication.

In keeping with the tradition that is CSI and the *Analytical Country Report*, this publication is a invitation to citizens, CSOs, and other stakeholders to stand up and champion the cause of a vibrant civil society—one that values its irreplaceable role in a free and democratic Armenia.

In partnership,



Alex Sardar
Vice President
Civil Society Programs
Counterpart International

ACKNOWLEDGEMENT

Counterpart International Armenia thanks the wide range of organisations that have been involved in the implementation of the CIVICUS CSI in Armenia. These include diverse civil society organisations, central and local government, media, academia, business and international organisations operating in the country.

We would like to express our sincerest gratitude to all members of the CSI project's Advisory Committee for their timely and valuable input, their guidance and assistance in the process of measuring the strengths and weaknesses and identifying gaps and opportunities of Armenian civil society, as well as serving as "Ambassadors" of the project. A full list of the Advisory Committee members can be found in Appendix 4.

We also would like to extend our appreciation to the group of heads of International organisations in Armenia comprising the Honorary Council of the project for their interest in the civil society of Armenia, their effective cooperation in the framework of this initiative, and their support and financial assistance in the implementation of those separate components of the project in which they were interested and which were in line with their mission and goal (see Annex 5).

Our gratitude goes to our partner organizations that were with us through the whole process of the implementation of the CSI in Armenia: Civic Development and Partnership Foundation (CDPF), NGO Center/northern branch, Partnership and Teaching NGO, Professionals for Civil Society (PFCS) NGO and the Caucasus Research and Resource Centers (CRRC).

Special thanks to Gabrielle Kaprielian for her contribution to the project as an editor of the texts and director of audiovisual materials produced in the framework of this initiative.

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Our special gratitude goes to the organisations and agencies who provided financial support for the publication of five case studies in the framework of this project: UN Volunteers, UN Global Compact, Antares Holding and USAID/Armenia, and to the OSCE office in Armenia for their financial support of the publication of the Analytical Country Report and Policy Brief.

The CSI implementation in Armenia would not be possible without the financial support of USAID in Armenia. This cooperation was crucial to achieving the ultimate goal: civil society development through shared knowledge, evidence-based strategies and enhanced capacities. We express our deepest gratitude to USAID Armenia for their continuous support in strengthening civil society in Armenia so that democracy and prosperity can triumph in the country.

TABLE OF CONTENTS

FOREWORD	1
ACKNOWLEDGEMENT	1
TABLE OF CONTENTS.....	3
LIST OF ACRONYMS	5
EXECUTIVE SUMMARY	6
I. THE CIVIL SOCIETY INDEX PROJECT AND APPROACH.....	8
1. PROJECT BACKGROUND	8
2. PROJECT APPROACH.....	9
3. CSI IMPLEMENTATION	11
4. LIMITATIONS OF CSI STUDY	12
II CIVIL SOCIETY IN ARMENIA	14
1. CONCEPT OF CIVIL SOCIETY	14
2. HISTORY OF CIVIL SOCIETY IN ARMENIA	15
3. MAPPING CIVIL SOCIETY	18
III. ANALYSIS OF ARMENIAN CIVIL SOCIETY.....	21
1. CIVIC ENGAGEMENT	21
1.1 Extent of socially-based engagement	21
1.2 Depth of socially-based engagement.....	23
1.3 Diversity of socially-based engagement.....	23
1.4 Extent of political engagement	24
1.5 Depth of political engagement.....	25
1.6 Diversity of political engagement.....	26
Conclusion	26
2. LEVEL OF ORGANISATION	26
2.1 Internal governance	27
2.2 Infrastructure	27
2.3 Sectoral communication	28
2.4 Human resources	29
2.5 Financial and technological resources.....	29
2.6 International linkages	30
Conclusion	31
3. PRACTICE OF VALUES.....	31
3.1 Democratic decision-making governance	32
3.2 Labour regulations	32
3.3 Code of conduct and transparency.....	33
3.4 Environmental standards	34
3.5 Perception of values in civil society as a whole	34
Conclusion	36
4. PERCEPTION OF IMPACT	36
4.1/4.4 Responsiveness - internal perception versus external perception	37
4.2/4.5 Social impact - internal perception versus external perception.....	38

4.3/4.6 Policy impact (internal perception versus external perception)	38
4.7 Impact of Civil Society on Attitudes	39
Conclusion	40
5. ENVIRONMENT	41
5.1 Socio-economic context	41
5.2 Socio-political context	44
5.3 Socio-cultural context	45
Conclusion	46
IV. STRENGTHS AND WEAKNESSES OF CIVIL SOCIETY IN ARMENIA	48
V. RECOMMENDATIONS	51
VI. CONCLUSION	53
APPENDICES	55
BIBLIOGRAPHY	65

LIST OF ACRONYMS

AC	Advisory Committee
ACFC	Advisory Committee on the Framework Convention
BCI	Basic Capabilities Index
CPI	Counterpart International Armenia
CRRC	Caucasus Research Resource Center
CS	Civil Society
CSI	Civil Society Index
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
ETF	European Trainings Foundation
GDP	Gross Domestic Product
GNI	Gross National Income
GONGO	Government operated non-governmental organisation
IDA	International Development Association
NIT	National Implementation Team
OSCE	Organisation for Security and Co-operation in Europe
SFA	Social Force Analysis
SME	Small and Medium Enterprises
UNDP	United Nations Development Program
UNPFA	United Nations Population Fund
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

The Civil Society Index (CSI) is an action research project implemented by and for civil society actors worldwide. It is based on a comprehensive methodology developed by CIVICUS: World Alliance for Citizens Participation (hereafter CIVICUS). It aims to assess the state of civil society and to create a knowledge base for strengthening civil society. The CSI for Armenia was conducted by Counterpart International/Armenia (CPI) with the guidance and support of the CIVICUS team. The assessment of civil society (CS) is carried out with respect to five dimensions, with a total of 27 sub-dimensions that are configured from 67 separate indicators. A wide range of research methods and analytical tools are used in this assessment. The research relies on a variety of primary and secondary sources, including a set of three surveys, five case studies, focus group discussions and regional consultation conducted in the framework of the project, as well as diverse secondary data sources.

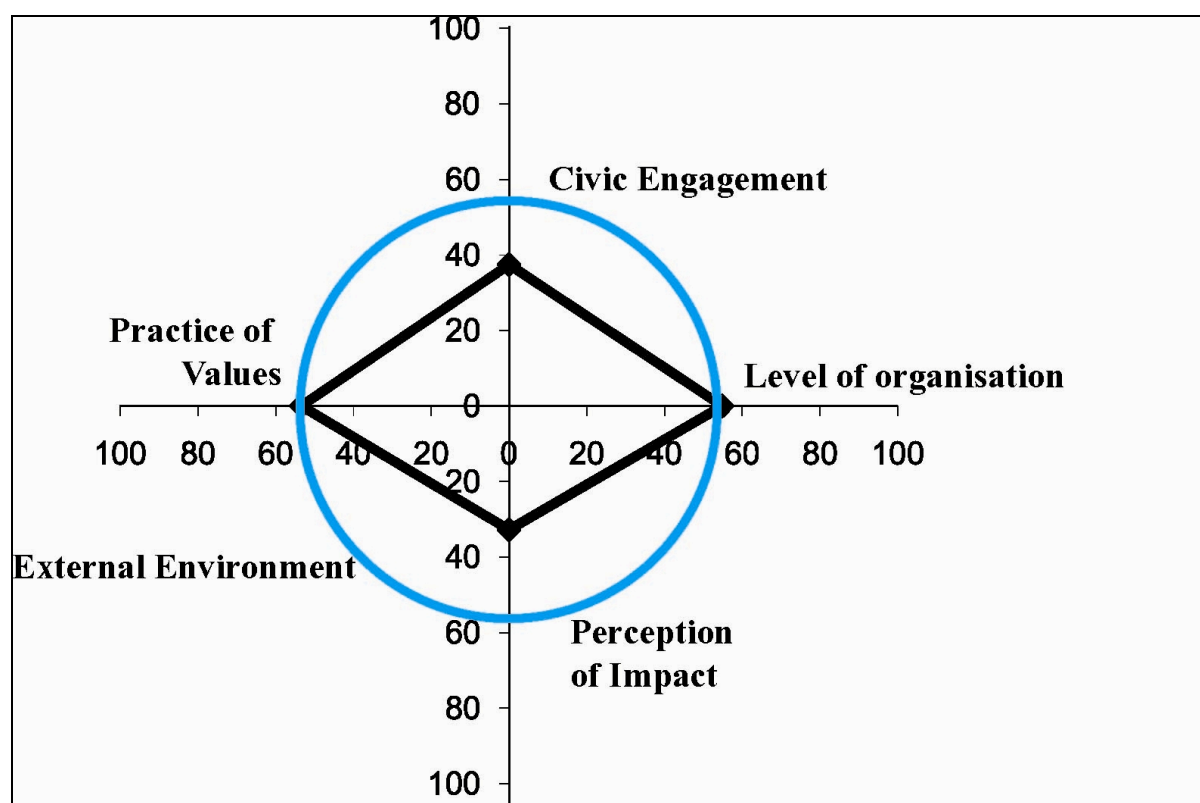
Civil society as a manifestation of non-formal and self-organised associational life has been a feature of the Armenian nation throughout the centuries. In the pre-Soviet social organisation of Armenian communities, kinship ties, informal social networks and a sense of communal affiliation had an important regulatory function and the extended family was the primary unit. During the Soviet rule, the socialist system framed the so-called ‘public organisations’ that mostly served the state and the Communist ideology, rather than public needs and interests. In its recognisably modern form, based on the commonly accepted Western notion of civil society as a democratization agent, civil society in Armenia emerged only after the 1980s, predominantly shaped by foreign influx. The infusion of donor funds led to the exponential growth of organised and goal-oriented NGOs, formed to promote values of democracy and human rights. As a side effect, the civil society discourse in Armenia has usually used a narrower definition, equating civil society with professionalized advocacy or service delivery NGOs. The CSI uses a broad definition of civil society as “the arena, outside of the family, the state, and the market, which is created by individual and collective actions, organisations and institutions to advance shared interests” and offers a previously unavailable opportunity to put the whole gamut of Armenian civil society organisations (CSO) under scrutiny.

The CSI assessment combines multiple indicators, using the same or comparable metrics, to provide a visual display of five key dimensions:

1. Civic Engagement: The extent to which individuals engage in social and political-related initiatives.
2. Level of Organisation: The degree of institutionalisation that characterises civil society.
3. Practice of values: The extent to which civil society practices some core values.
4. Perceived Impact: The extent to which civil society is able to impact the social and policy arena, according to internal and external perceptions.
5. External Environment: The above four dimensions are analysed in the context of ‘external environment’, which includes the socioeconomic, political and cultural variables within which civil society operates.

The five dimensions are plotted in a Civil Society Diamond diagram. The Armenian Civil Society Diamond (Figure 1) shows that the five dimensions share a moderate level of development and are relatively well balanced. The **Level of Organisation**, **Practice of Values** and **External Environment** dimensions show similar levels of development, while the **Civic Engagement** and **Perception of Impact** dimensions lag somewhat.

Figure 1: Civil Society Diamond for Armenia



The **Civic Engagement** dimension of Armenian civil society exhibits noticeable limitations, due mostly to a weak extent of citizen participation. Those who are engaged, however, participate frequently and extensively and civil society today is composed of diverse social groups. The **Level of Organisation** dimension reveals a limited level of CS institutionalisation, particularly in the area of sustainability of human resources. On the positive side, CSOs have for the most part established formal management systems, membership in support networks, growth in number of federations, and inter-sectoral communications between civil society organisations on issues of common concern is strong. The **Practice of Values** dimension reveals a considerable level of internalisation and promotion of values in Armenian civil society; CSOs for the most part have developed standards or codes of behaviour regarding internal democratic governance. However, as generally perceived, they have not gone far beyond these formalised self-regulatory mechanisms, meaning the internal practice of these standards and codes remains weak. This reported limitation is balanced by civil society's strength as a predominantly non-violent and tolerant sector. **Perception of Impact** is the dimension that scored the lowest in Armenia. It appears that the relatively high level of CS organisation and the favourable external environment have not translated into a vibrant Civil Society that makes a strong impact. Despite the efforts and responsiveness of Armenian CSOs in reacting to social needs and influencing the course of public policy, impact is not always discernable. The **External Environment** within which the Armenian civil society operates continues to be hindered by corruption and by a lack of adherence to rule of law. A positive trend is that the previously undeveloped state-civil society and private sector-civil society linkages have started to evolve, forming an environment more conducive to the development of CS in Armenia.

I THE CIVIL SOCIETY INDEX PROJECT AND APPROACH

Civil society is playing an increasingly important role in governance and development around the world. In most countries, however, knowledge about the state and shape of civil society is limited. Moreover, opportunities for civil society stakeholders to come together to collectively discuss, reflect and act on the strengths, weaknesses, challenges and opportunities also remain limited.

The Civil Society Index (CSI), a participatory action-research project assessing the state of civil society in countries around the world, contributes to redressing these limitations. It aims at creating a knowledge base and momentum for civil society strengthening. The CSI is initiated and implemented by, and for, civil society organisations at the country level, in partnership with CIVICUS *World Alliance for Citizen Participation* (CIVICUS). The CSI implementation actively involves and disseminates its findings to a broad range of stakeholders including civil society, government, the media, donors, academics, and the public at large.

The following key steps in CSI implementation take place at the country level:

1. **Assessment:** CSI uses an innovative mix of participatory research methods, data sources, and case studies to comprehensively assess the state of civil society using five dimensions: Civic Engagement, Level of Organisation, Practice of Values, Perception of Impact and the Environmental Context
2. **Collective Reflection:** implementation involves structured dialogue among diverse civil society stakeholders that enables the identification of civil society's specific strengths and weaknesses
3. **Joint Action:** the actors involved use a participatory and consultative process to develop and implement a concrete action agenda to strengthen civil society in a country.

The following four sections provide a background of the CSI, its key principles and approaches, as well as a snapshot of the methodology used in the generation of this report in Armenia and its limitations.

1. PROJECT BACKGROUND

The CSI first emerged as a concept over a decade ago as a follow-up to the 1997 *New Civic Atlas* publication by CIVICUS, which contained profiles of civil society in 60 countries around the world (Heinrich and Naidoo, 2001). The first version of the CSI methodology, developed by CIVICUS with the help of Helmut Anheier, was unveiled in 1999. An initial pilot of the tool was carried out in 2000 in 13 countries.¹ The pilot implementation process and results were evaluated. This evaluation informed a revision of the methodology. Subsequently, CIVICUS successfully implemented the first complete phase of the CSI between 2003 and 2006 in 53 countries worldwide. This implementation directly involved more than 7,000 civil society stakeholders (Heinrich 2008).

Intent on continuing to improve the research-action orientation of the tool, CIVICUS worked with the Centre for Social Investment at the University of Heidelberg, as well as with partners and other stakeholders, to rigorously evaluate and revise the CSI methodology for a

¹ The pilot countries were Belarus, Canada, Croatia, Estonia, Indonesia, Mexico, New Zealand, Pakistan, Romania, South Africa, Ukraine, Uruguay, and Wales.

second time before the start of this current phase of CSI. With this new and streamlined methodology in place, CIVICUS launched the new phase of the CSI in 2008 and selected its country partners, including both previous and new implementers, from all over the globe to participate in the project. Table 1 below includes a list of implementing countries in the current phase of the CSI.

TABLE I.1.1: List of CSI implementing countries 2008-2010²

1. Albania	14. Ghana	28. Niger
2. Argentina	15. Italy	29. Philippines
3. Armenia	16. Japan	30. Russia
4. Bahrain	17. Jordan	31. Serbia
5. Belarus	18. Kazakhstan	32. Slovenia
6. Bulgaria	19. Kosovo	33. South Korea
7. Burkina Faso	20. Lebanon	34. Sudan
8. Chile	21. Liberia	35. Togo
9. Croatia	22. Macedonia	36. Turkey
10. Cyprus	23. Madagascar	37. Uganda
11. Djibouti	24. Mali	38. Ukraine
12. Democratic Republic of Congo	25. Malta	39. Uruguay
13. Georgia	26. Mexico	40. Venezuela
	27. Nicaragua	41. Zambia

2. PROJECT APPROACH

The current CSI project approach continues to marry assessment and evidence with reflections and action. This approach provides an important reference point for all work carried out within the framework of the CSI. As such, CSI does not produce knowledge for its own sake but instead seeks to directly apply the knowledge generated to stimulate strategies that enhance the effectiveness and role of civil society. With this in mind, the CSI's fundamental methodological bedrocks, which have greatly influenced the implementation that this report is based upon, include the following:³

Inclusiveness: The CSI framework strives to incorporate a variety of theoretical viewpoints, as well as being inclusive in terms of civil society indicators, actors and processes included in the project.

Universality: Since the CSI is a global project, its methodology seeks to accommodate national variations in context and concepts within its framework.

Comparability: The CSI aims not to rank, but instead to comparatively measure different aspects of civil society worldwide. The possibility for comparisons exists both between different countries or regions within one phase of CSI implementation and between phases.

² Note that this list was accurate as of the publication of this Analytical Country Report, but may have changed slightly since the publication, due to countries being added or dropped during the implementation cycle.

³ For in-depth explanations of these principles, please see Mati, Silva and Anderson (2010), *Assessing and Strengthening Civil Society Worldwide: An updated programme description of the CIVICUS Civil Society Index Phase 2008-2010*. CIVICUS, Johannesburg.

Versatility: The CSI is specifically designed to achieve an appropriate balance between international comparability and national flexibility in the implementation of the project.

Dialogue: One of the key elements of the CSI is its participatory approach, involving a wide range of stakeholders who collectively own and run the project in their respective countries.

Capacity Development: Country partners are firstly trained on the CSI methodology during a three day regional workshop. After the training, partners are supported through the implementation cycle by the CSI team at CIVICUS. Partners participating in the project also gain substantial skills in research, training and facilitation in implementing the CSI in-country.

Networking: The participatory and inclusive nature of the different CSI tools (e.g. focus groups, the Advisory Committee, the National Workshops) should create new spaces where very diverse actors can discover synergies and forge new alliances, including at a cross-sectoral level. Some countries in the last phase have also participated in regional conferences to discuss the CSI findings as well as cross-national civil society issues.

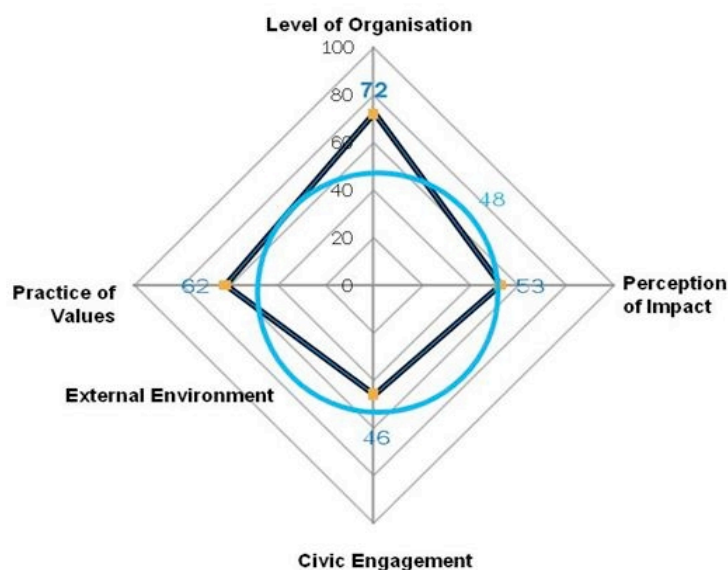
Change: The principal aim of the CSI is to generate information that is of practical use to civil society practitioners and other primary stakeholders. Therefore, the CSI framework seeks to identify aspects of civil society that can be changed and to generate information and knowledge relevant to action-oriented goals.

With the above-mentioned foundations, the CSI methodology uses a combination of participatory and scientific research methods to generate an assessment of the state of civil society at the national level. The CSI measures the following core dimensions:

- (1) Civic Engagement
- (2) Level of Organisation
- (3) Practice of Values
- (4) Perceived Impact
- (5) External Environment

These dimensions are illustrated visually through the Civil Society Diamond (see Figure I.2.1 below), which is one of the most essential and well-known components of the CSI project. To form the Civil Society Diamond, 67 quantitative indicators are aggregated into 27 sub-dimensions, which are then assembled into the five final dimensions along a 0-100 percentage scale. The Diamond's size seeks to portray an empirical picture of the state of civil society, the conditions that support or inhibit civil society's development, as well as the consequences of civil society's activities for society at large. The context or environment is represented visually by a circle around the axes of the Civil Society Diamond, and is not regarded as part of the state of civil society but rather as something external that still remains a crucial element for its wellbeing.

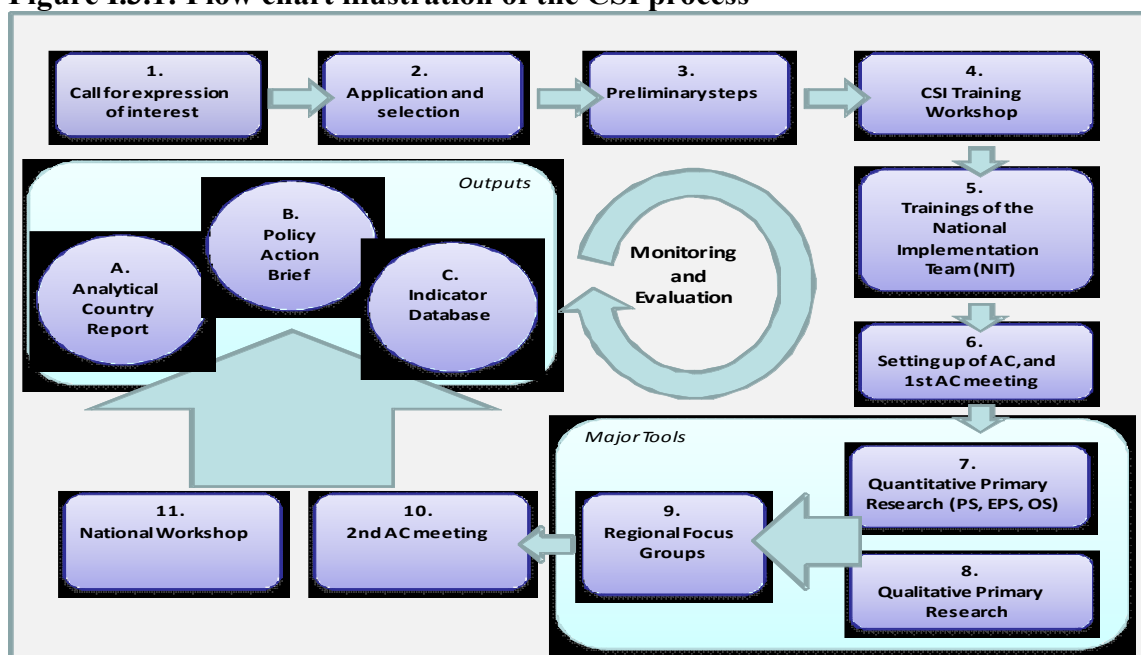
Figure I.2.1: The Civil Society Index Diamond



3. CSI IMPLEMENTATION

There are several key CSI programme implementation activities as well as several structures involved, as summarized by the figure below:⁴

Figure I.3.1: Flow chart illustration of the CSI process



The major tools and elements of the CSI implementation at the national level include:

- Multiple surveys, including: (i) a **Population Survey**, gathering the views of citizens on civil society and gauging their involvement in groups and associations; (ii) an **Organisational Survey** measuring the meso-level of civil society and defining

⁴ For a detailed discussion on each of these steps in the process, please see Mati et al. (cited in footnote 3).

characteristics of CSOs; and (iii) an **External Perceptions Survey** aiming at measuring the perception that stakeholders, experts and policy makers in key sectors have of civil society's impact

- Tailored **case studies** that focus on issues of importance to the specific civil society country context.
- Advisory Committee (AC) meetings made up of civil society experts to advise on the project and its implementation at the country level
- Regional and thematic focus groups where civil society stakeholders reflect and share views on civil society's role in society

Following this in-depth research and the extensive collection of information, the findings are presented and debated at a National Workshop, which brings together a large group of civil society and non-civil society stakeholders and allows interested parties to discuss and develop strategies for addressing identified priority issues.

This Analytical Country Report is one of the major outputs of the CSI implementation process in Armenia, and presents highlights from the research conducted, including summaries of civil society's strengths and weaknesses as well as recommendations for strengthening civil society in the country.

4. LIMITATIONS OF CSI STUDY

While the CSI framework and assessment is encompassing and far-reaching, its implementation is subject to limitations, as with every research initiative. In the case of Armenia, the first problem was with the practical application of the CSI definition. The broad definition suggested by CIVICUS was adopted with no modification for the study in Armenia. The CSI inclusive approach, which went beyond the previously "NGOised" definition of civil society in Armenia, was chosen as a signal to the sector that, in fact, the space for civil society is wider and more diverse. However, there are concerns that individual interpretations about the scope of civil society have affected the response schemes of Armenians. This limitation was addressed, to the extent possible, by reminding respondents about the CSI working definition. As another facet of this limitation, the literature regarding civil society in Armenia is scarce, again for the most part confined to the examination of formal non-governmental organisations.

One of the opportunities provided by CIVICUS, but not seized during this phase of project implementation in Armenia, is the use of additional questions in an attempt to adapt the CSI questionnaire to the country context. Furthermore, post-survey administration analysis found that some questions were not relevant in the Armenian context. Consequently, certain quantitative data were unable to fully capture the exact landscape of the civil society sector in the country. In this respect the case studies, focus group discussions and Advisory Council meetings conducted as qualitative counterparts to the research were vital in validating the obtained information and clarifying the misconceptions. An assessment of "words versus actions" is another area that has not been examined through this study. The surveys conducted in the framework of CSI were based only on the assertions and explanations of the surveyed, with no comparison of what they say with what they actually do.

These limitations, however, do not significantly impact the validity of the overall research outcomes. CIVICUS CSI implementation in Armenia uncovered a depth of information on

the state of civil society in the country and generated a knowledge base upon which to build the future undertakings of the third sector.

II CIVIL SOCIETY IN ARMENIA

1. CONCEPT OF CIVIL SOCIETY

Recognising the heterogeneity of views in the conception of civil society, the CSI methodology, developed by CIVICUS, utilises a bridging approach so as to be theoretically sound and empirically relevant and inclusive. Thus, for the purposes of this project civil society is defined as:

The arena, outside of the family, the state, and the market – which is created by individual and collective actions, organisations and institutions to advance shared interests.

CSI's definition uses the term 'arena' to describe the particular realm or space in a society where people come together to debate, discuss, associate and seek to influence broader society, as distinct from other arenas in society, such as the market, state or family. This conceptualisation embraces a broad range of actions taken by both individuals and groups as part of the civil society. In this respect, and different from most other civil society concepts, the CSI has two interesting features. Firstly, it aims to go beyond the usual focus on formal and institutionalised CSOs, and to take account of informal coalitions and groups. Second, while civil society is sometimes perceived as a sphere in which positive activities and values reign, the CSI methodology seeks to include also negative manifestations of civil society in the assessment. The concept therefore covers not only charitable associations or environmental organisations, but also groups such as skinheads and aggressive sports fans. The CSI assesses not only the extent to which CSOs support democracy and tolerance, but also the extent to which they themselves are intolerant or even violent.

In the first Advisory Committee (AC) meeting CSI's broad definition was discussed, and it was decided to adopt it without modification. Therefore, no CSO types were eliminated from the original list proposed by CIVICUS, except for the case of burial societies, which were eliminated because such societies do not exist in the Armenian context. (For a list of CSO types included in this study, see Table I.1.2 below). With such a conceptual approach, this research offers a previously unavailable opportunity to put the whole gamut of Armenian civil society under scrutiny; the civil society discourse in Armenia usually employs a narrower definition, covering only those organisations which have the legal form of civic association, chiefly NGOs and foundations. As Ishkhanyan (2008: 18) observes:

The infusion of donor funds and the focus on civil society strengthening throughout the 1990s led to an unprecedented and exponential growth of NGOs in Armenia. Although donors have recently attempted to expand the definition to include more actors than just NGOs, in practice civil society has often been equated with the development and growth of professionalised advocacy or service delivery NGOs, committed to pursuing a normative liberal agenda. This narrowing of the definition of civil society has been referred to as the "NGOisation" of civil society.

Yet, aside from officially registered entities, Armenia has many traditional citizen associations formed on an ad hoc basis for practical activities, such as the renovation of common spaces in high-rise buildings or the creation of mutual support funds in local communities. Associations of this kind exist throughout the country; they are not institutional, and the actors are not aware that they are engaging in civil society activities (Iskandaryan, 2009). The CSI definition and approach allowed for presenting the holistic picture of civil society in all its forms and manifestations.

TABLE I.1.2: Types of CSOs Included in the Study

1. Farmer/Fisherman group or cooperative
2. Traders or Business Association
3. Professional Association (doctors, teachers, etc.)
4. Trade Union or Labour Union
5. Neighbourhood/ Village committee
6. Religious or Spiritual group
7. Political group, movement or party
8. Cultural group or association (e.g. arts, music, theatre, film)
9. Co-operative, credit or savings group
10. Education group (e.g. parent-teacher association, school committee)
11. Health group / Social service association (e.g. association for the disabled)
12. Sports association
13. Youth group
14. Women's group
15. NGO / civic group / human rights organisation (e.g. Rotary Club, Red Cross, Amnesty International)
16. Ethnic-based community group
17. Environmental or conservational organisation
18. Hobby organisation (e.g. stamp collecting club)

2. HISTORY OF CIVIL SOCIETY IN ARMENIA

Civil society's history in Armenia can be considered either short or long, depending on the point of view adopted. In its recognisably modern form under the commonly accepted Western notion of civil society as a democratisation agent, the emergence of civil society is a recent phenomenon; such a civil society gained importance in Armenia only in the late 1980s. Yet, if viewed as an associational, communal life outside of the state, civil society arguably has a long history in Armenia.

Civil society, as a manifestation of non-formal and self-organised associational life, has been a vital element of the Armenian nation throughout the centuries. Throughout the various periods of domination and oppression and after the loss of statehood, the Armenian people demonstrated an alternative form of self-organisation, developing a strong survival system of voluntarism within the church and community (See for example, Aslanyan et al., 2007 and Sargsyan, 2008). The importance of 'human relations' has been traditionally cherished in Armenia. As such, "kinship ties and a sense of communal affiliation performed an important regulatory function," and the patriarchal family was the primary unit of pre-Soviet social organisation in Armenian communities (Matossian, 1962).

During the Soviet rule of Armenia from 1922 to 1991, the development of the civil society sector in Armenia was affected by the prevailing institutional structure of the socialist system. The existing formal organisations and associations, such as the political party, the trade unions, the public organisations and the Young Communist League, were controlled by the authoritarian state, while any independent civic associations or activities were seen as a threat to the power of the state (Babajanyan, 2005). The Soviet era 'public' organisations mostly served the state and the party, with their missions and activities sustaining Communist ideology, rather than addressing public needs through voluntary initiatives (Blue and Ghazaryan, 2004). This contributed to the decline of formal associational civil society in Armenia. Still, there is evidence that both associational and communal forms of civil society

existed in the Soviet Armenia. Civic life was concentrated in informal social networks and solidarity groups. In the absence of effective state support, mutual assistance has become a crucial resource upon which many households can draw to survive the transition in Armenia (Babajanian, 2005).

Modern day Armenian civil society is traceable to the late 1980s, when, according to Ishkhanyan, "...Armenians believed in the ideals of civil society and the possibilities of democratizing the Soviet system. This idealism brought hundreds of thousands of people into the streets of the Yerevan ... and made social and political activists out of many apathetic Soviet citizens" (Ishkhanyan, 2008: 8). This began with *perestroika* in 1988, when community action independent of the state was allowed, and the development of modern social movements within Armenian society began. The movements had been very important in shaping and influencing government policy at that time. For example, average citizens were able to impact public policy in 1989, when hundreds of thousands of people participated in an epic environmental movement. People went on strike, held demonstrations, wrote and presented petitions and complaints and occupied buildings and roads to protest against the operation of hazardous industrial enterprises in the country. In fact, the movements claim to have been so powerful that they resulted in the shutting down of several heavily polluting industrial facilities (Aslanyan et al., 2007). These protests, gaining momentum with the population consolidating around a national idea, aimed to seek Armenia's independence from the USSR. Social groups and non-governmental organisations overwhelmingly proclaimed their support for these ideas. The Armenian state announced the decision to secede from the Soviet Union in 1991. Civil society started a rapid but chaotic self-organisation, without any essential support from the State or the private sector (UNDP, 1999).

Another critical actor in the development of the Armenian civil society was the Armenian Diaspora community.⁵ The Diaspora's interest and consistent involvement after the 1988 earthquake and the Karabakh war gave hope for the revival of the young state. The Diaspora came to be viewed as the primary "push factor" determined and expected to turn Armenia into a post-Soviet success in a short period of time. By 1991, the Armenian Diaspora had come to play an active role in various reconstruction and humanitarian projects in Armenia (Policy Forum Armenia, 2010).

The mushrooming of non-governmental organisations in Armenia was thus associated with several developments: a) the 1988 earthquake that gave rise to a number of charitable funds and unions; b) the Karabakh movement, with unions of compatriots established; c) the struggle for independence, which created social, civic and national unions; d) cuts of redundant manpower, causing the formation of unions of craftsmen and; e) the acquisition of state independence with the establishment of new cultural, religious, youth and women's organisations (UNDP, 1999). CSOs of this phase were established rather spontaneously in response to urgent issues, and lacked pre-defined missions, strategic plans or organisational structure. They were mainly concerned with ecology, the consequences of the 1988 earthquake, refugee influx and the displacement and misery resulting from the Nagorno-Karabakh conflict.⁶ As such they were involved mostly in programmes providing

⁵ At least twice as many Armenians live in the Diaspora as in Armenia. While estimates vary, it is commonly cited that that 6 million Armenians live in the Diaspora vs. 3 million in Armenia.

⁶ The Nagorno-Karabakh War was an armed conflict that took place from February 1988 to May 1994 between the majority ethnic Armenians of Nagorno-Karabakh backed by the Republic of Armenia, and the Republic of Azerbaijan. For more information, please consult: <http://www.nkrusa.org/>

humanitarian aid distribution and in-kind support for victims of war and earthquake (Blue et al., 2004).

Since the 1990s, the structure of civil society in Armenia has been constructed with foreign aid. The number of NGOs grew during the gradual transition to democracy. They were more organised and goal-oriented, created to address increasing societal concerns such as unemployment and social and health needs. They promoted the values of democracy and human rights and modelled themselves along similar Western organisations (Blue et al., 2004). In an environment where resource allocation, delineation of public and private space, and personal and communal interests had become increasingly muddled in the post-1991 independence years, civil society organisations started to play an important role in counterbalancing Armenian citizens' socio-political interests.

The trajectory of CSO development in the country has mirrored, for the most part, the democratic reform process with one distinction: the availability of financial support for various types of non-profit organisations from international donors and private foundations, primarily diaspora groups, has created a rich funding environment. The impact of CSOs in the light of available resources, however, does not match the expected outcome. This is not to say that they have had no impact, but rather that their ability to influence public policy and opinion has been limited and contained.

Certain factors have contributed to this development. First, the Soviet experience has had its effect. Specifically, according to Howard (2003: 109),

The mandatory participation in state-controlled organisations, the development and persistence of vibrant private networks, and the tremendous disappointment with developments since the collapse of communism have left most post-communist citizens with a lasting aversion to public activities.

The Armenian civil society sector still suffers from the Soviet legacy of “public organisations” and its socio-psychological baggage which has contributed to the lack of public trust and support for such organisations (Aslanyan et al., 2007). For example, in 2007 only 18% of the Armenian population trusted local NGOs (Gutbrod, 2008). Non-profit organisations are therefore often portrayed in the media as commercial organisations that consume grants without providing any real benefit to the general public (USAID, 2007). Another lasting result of the paternalistic nature of the Soviet era has been the limited citizen participation in community organisations. Citizens still see the State as responsible for the overall well being of society (Aslanyan et al., 2007).

The Policy Forum Armenia (2010: 42) identifies yet another reason behind weak CS impact, stating:

“Armenia’s civil society in recent years has also been weakened by the outmigration of highly skilled individuals. The International Organisation of Migration noted that the share of migrants with higher education is double that of the national average. In fact, Armenia has become one of the top population-exporting countries in the world measured as a percent of pre-emigration population.”

Furthermore, despite the significant contributions of foreign aid, some negative developments have largely undermined the legitimacy and vibrancy of Armenian civil society. First, some authorities and ruling political parties in the country have created their own “pocket” non-governmental organisations to secure foreign funding. Second, due to limited funding and

severe competition, many CSOs started to chase grants whether or not they supported their organisation's mission and objectives. Subsequently, CSOs were sometimes perceived as promoters of foreign agendas, rather than those of the country (Aslanyan et al., 2007). Not surprisingly, an estrangement of certain types of organisations towards society resulted; the weak development of CSO 'constituencies' and a lack of transparency and public accountability were still cited as drawbacks for the sector back in 2004 (See for example, Blue et al., 2004). This situation has been further aggravated by the fact that the Armenian civil society has relied mainly on international donor funding, not caring much about diversifying their income sources or developing an action-plan and long-term strategy for that purpose. They inadvertently chased donor grants only.

These shortcomings are somewhat counterbalanced by the ordinary community members' active participation in the life of their communities, taking part in various local initiatives and communal projects, especially in rural regions. The most common form of such participation is reported to be the contribution of voluntary labour in community infrastructure and environmental maintenance initiatives. In particular, residents participate in cleaning canals, rehabilitating roads and systems for both potable and irrigation water, collecting rubbish, planting trees and improving school areas. Many residents often take part in these initiatives even if they do not personally benefit from the initiatives, mostly as a sign of solidarity with their co-villagers. On the other hand, personalized relations, unwritten rules, favouritism and misuse of public positions all persist in post-Soviet Armenian civil society. Participation in formal organisations is not perceived as a viable means for obtaining benefits and getting things done. Formal groups often need to rely on informal channels and intermediaries in order to be successful in obtaining those goods and services (Babajanyan, 2008).

3. MAPPING CIVIL SOCIETY

As a part of the CSI methodology, the Armenian NIT brought together ten representatives of Counterpart Armenia and its partner organisations involved in advocacy and policy work, to conduct the social force analysis (SFA). The SFA exercise created two visual 'maps' of influential actors in the country in order to 1) identify and discuss the relationships between civil society actors and other influential actors within society at large, and 2) identify and discuss relationships among influential civil society groups within civil society (Figures II.3.1 and II.3.2)

The current map of the Armenian society is not balanced, showing a very strong State interlinked with the for-profit sector and a small, weakly organised civil society. The President's administration, the ruling coalition parties and business consortiums stand as the most powerful and influential actors of the society. The new Prime Minister, individually, is included in this list of influential actors as a change agent who is shaping the new and more transparent and open system for government agencies to work with their constituents. The Armenian Diaspora is identified as another large and influential entity: the Russian Diaspora has major business interests and investments, the American Diaspora has political (Genocide and Karabakh issues) agendas, and the wealthy individual Diaspora philanthropists have mixed political and economic interests mostly supporting social and development projects usually going in line with Government programmes. The least powerful forces include the civil society sector.

Civil society is the least influential among the three sectors with business and government viewing investments in civil society as a waste of resources and time. The role of the civil

society is peripheral; it has limited impact, a small constituency base, and suffers a low level of trust in society. These factors limit its capacity to represent organised interests and become a powerful societal actor. Within this marginal civil society the most influential agents are international NGOs and the local CSOs they support, civic entities represented by former politicians and state officials.

Figure II.3.1: Map of the Armenian Society

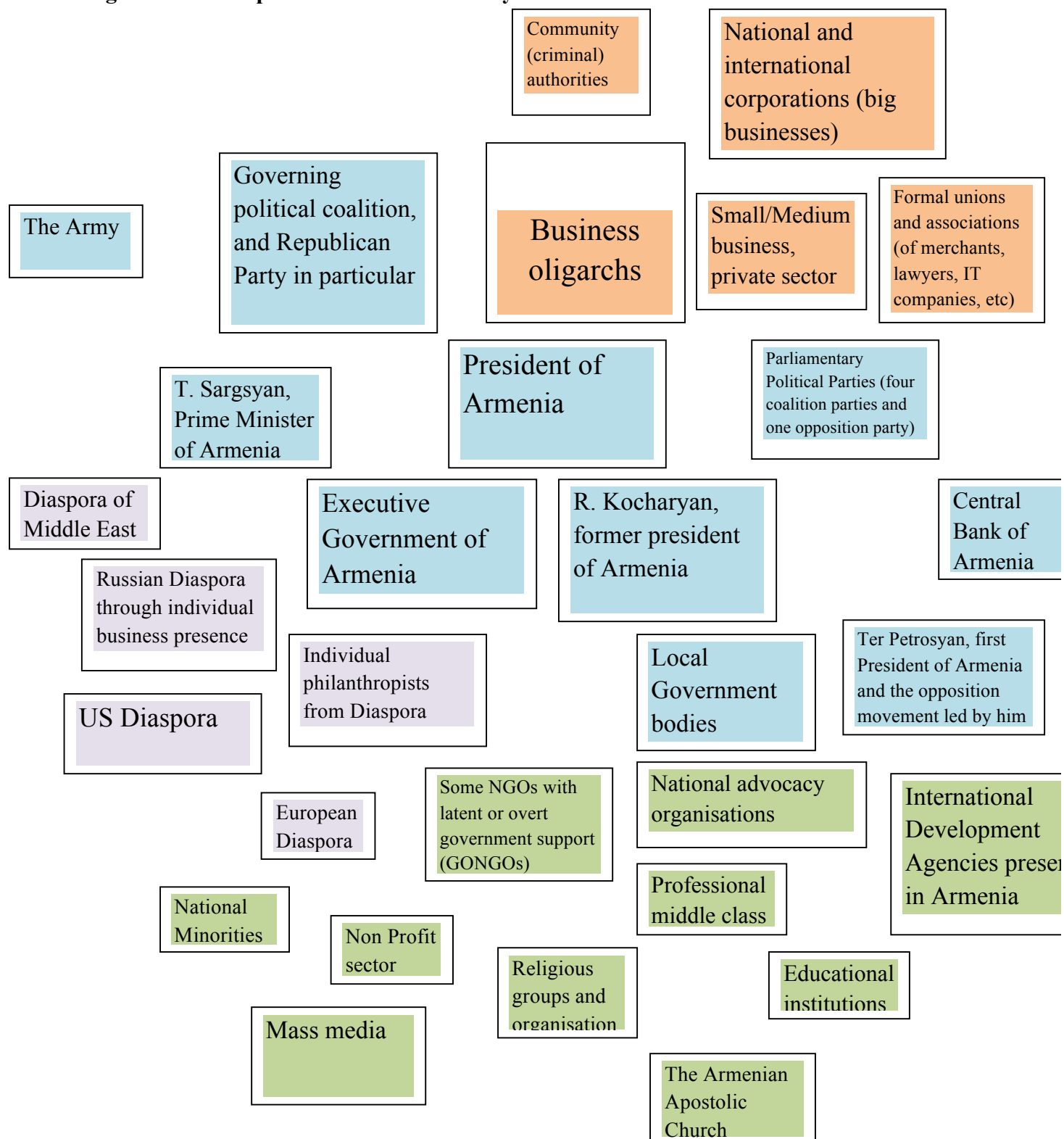
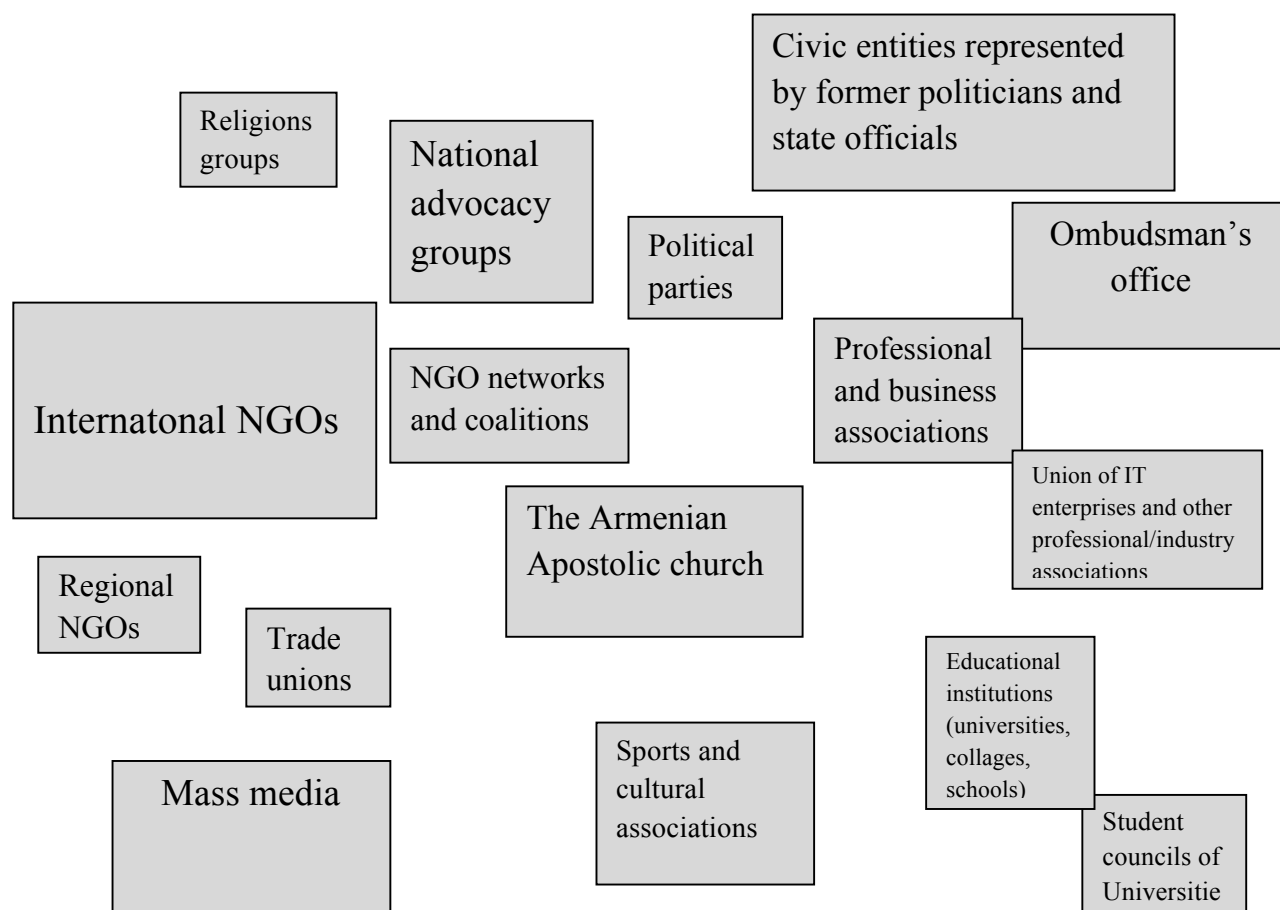


Figure II.3.2: Map of the Armenian Civil Society

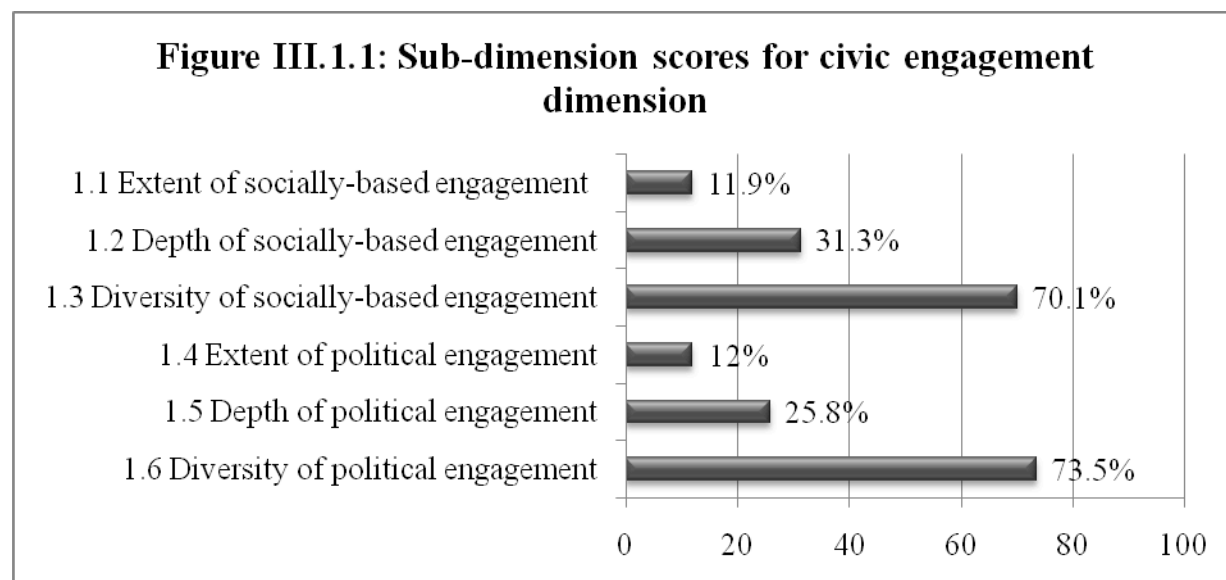


III ANALYSIS OF ARMENIAN CIVIL SOCIETY

This section presents the main findings of the CIVICUS Civil Society Index (CSI) project and includes an analysis of the individual indicators, sub-dimensions, and dimensions. It incorporates information gathered from the CSI primary quantitative research tools (population survey, organisational survey, and the external perceptions survey), qualitative data from the case studies and focus group discussions as well as secondary data. The structure of the section follows CSI's framework along its five dimensions: *Civic Engagement, Level of Organisation, Internal Practice of Values, Perceived Impact of Civil Society and External Environment*. Each dimension includes a graphic that summarises the statistics for each of the sub-dimensions, ranging from 0 to 100. Findings for each sub-dimension are then examined in more detail. A separate table provides the scores for the individual indicators for each sub-dimension.

1. CIVIC ENGAGEMENT

This section describes and analyses the overall size, strength and vibrancy of civil society in terms of: 1) the extent of socially-based engagement; 2) depth of socially-based engagement; 3) diversity of socially-based engagement; 4) extent of political engagement; 5) depth of political engagement; and 6) diversity of political engagement. The overall score for the dimension is 37.4%. The graph below presents the scores for the six sub-dimensions within the Civic Engagement dimension. Armenia scores especially low on the extent of social and political engagement. When engaged, however, Armenian society more frequently and extensively participates in civil society activities, as shown by the indicator measuring the depth of engagement. Diversity of political engagement, measured by the distribution of participation by various social groups in civic and political activities, scores the highest.



1.1 Extent of socially-based engagement

This sub-dimension analyses the level of citizen participation in socially based activities of Armenian civil society. TABLE III.1.1 summarises the respective indicator scores.

TABLE III.1.1: Extent of socially-based engagement

Indicator	Score in %
1.1.1 Social membership	11.7
1.1.2 Social volunteering	8.2
1.1.3 Community engagement	15.9

1.1.1 Social membership⁷: The type of memberships found most are in church or religious organisations (5.5%) and in art, music, or educational organisations (4.5%). Sport or recreational organisations and consumer organisations have lower membership rates (3.5% and 0.2% respectively). The overall score for social membership (11.7%) is significantly higher than a figure obtained in the 2003-2006 phase of CIVICUS CSI implementation in Armenia (2-3%). One of the reasons for the increase in the membership rates might be the increased trust of non-governmental organisations. Another is the recent exit of weaker non-profit organisations due to a decrease in foreign funding, leaving stronger organisations, more focused on their mission and public agenda, operating in the field (USAID 2008). Thus, the previously reported divergence of the agenda of the Armenian civil society from the real needs and demands of the general population has been partially resolved, triggering increased levels of civic participation.

1.1.2 Social volunteering: Volunteerism in Armenia has manifested itself in various forms, from the so-called “compulsory, coercive volunteering” with the former Soviet government, which mostly required that citizens provide free services to public projects, to “natural, freewill volunteering” such as after the 1988 Spitak earthquake and during the Karabakh conflict in the early 1990s, when thousands of people voluntarily assisted earthquake victims, refugees and other vulnerable groups (Tadevosyan and Hakobyan, 2010).

The Armenia Democracy and Governance Indicators survey of 2005 found that 66.7% of Armenian citizens were engaged in charitable or volunteer activity (USAID, 2005). CSI data from the 2003-2006 implementation phase showed that 80% of the country’s population was involved in volunteer work (Aslanyan et al., 2007: 29).

In light of all these data, a seemingly inconsistent finding was recorded by the current implementation phase of the CIVICUS CSI population survey, which reported that only 8.2% of the survey respondents do voluntary work for at least one socially based civil society organisation. Such a low level of volunteer engagement revealed by the study may be explained by the fact that the measurement of volunteering is done through the examination of formal volunteering that takes place through organisations only, while instances of informal volunteering go unreported. Indeed, CIVICUS CSI data for the 2003-2006 phase shows that high percentages of voluntary engagement in Armenia are on account of informal volunteering: assistance to neighbours, friends, co-workers, refugees, and people living with disabilities (Aslanyan et al., 2007: 29). This finding shows that informal, unmanaged volunteering is the dominant form of volunteering in Armenian culture, with formal volunteering through organisations still underdeveloped (Tadevosyan and Hakobyan, 2010a).

1.1.3 Community engagement: The 15.9% score for community engagement indicates a rather low level of citizen participation in communal activities. Such low civic involvement may be partially attributed to the fact that CIVICUS population survey uses a limited range

⁷ These include membership in church or religious organisations; sports or recreational organisations; art, music, or educational organisations; consumer organisations.

of community actions (people spending time socially at sports clubs or voluntary or service organisations) as a measure for this indicator. As such, this study is unable to report what the result would be if the community engagement was conceptualized in broader terms as a voluntary collective action for the benefit of the community. A great number of Armenians readily participate in activities such as attending community meetings or events to discuss and address community concerns. For example, the CIVICUS CSI Community sample survey (phase 2003-2006) found that 64% of the respondents had participated in discussions of issues arising within their community (Aslanyan et al., 2007). Moreover, there is evidence that ordinary community members actively participate in the life of their communities by making cash or in-kind contributions and providing voluntary labour for various communal initiatives. On the other hand, the level of participation of local community members in the decision-making, with regard to the formulation and design of local policies and programmes and resource allocation, is usually low (Babajanyan, 2009).

1.2 Depth of socially-based engagement

This sub-dimension analyses the depth of people's participation in civil society activities through socially-based CSOs. The section assesses how frequently and extensively people engage in civil society activities. The principal finding is that those who engage in socially-based activities in Armenia do so intensely. This is especially evident from the community engagement indicator, which shows that 64.7% of those who do engage in community activities do so at least once or twice a month. The average score for the sub-dimension is 31.3% but there is a huge variance among the indicator scores as TABLE III.1.2 below shows.

TABLE III.1.2: Depth of socially-based engagement

Indicator	Score in %
1.2.1 Social membership 2	14.8
1.2.2 Social volunteering 2	14.5
1.2.3 Community engagement 2	64.7

While few of the sampled Armenians are members of more than one socially-based CSO (14.8%) and a similar number (14.5%) do voluntary work in more than one organisation of a social nature, both the focus groups discussions and the case study found that volunteers are extremely dedicated and contribute a significant amount of time to CSO efforts. The depth of community engagement, measured by the percentage of citizens spending time socially at sports clubs and voluntary or service organisations at least once or twice a month, is higher in Armenia. The respective score for the indicator of 64.7% indicates that when engaged in community activities, Armenians do so weekly or nearly every week. Furthermore, during the past few years, a number of initiatives have been launched both by the Armenian Ministry of Sports and Youth Affairs and international organisations to foster community engagement in Armenia. The effectiveness of such initiatives in setting a pattern of collective community engagement remains to be seen.

1.3 Diversity of socially-based engagement

This sub-dimension examines the distributions of the gender, socio-economic background, ethnicity, and geographical region of those participating in civil society in conjunction with the extent and depth of socially-based engagement. The sub-dimension received a score of 70.1%, indicating a relatively high level of diversity in civic participation in the traditionally marginalised social groups.

Women (86%) and ethnic minorities (90.5%) are the groups that participate most. This finding is not surprising considering that women in Armenia have always been pivotal in various realms of social life, historically accepting the tasks of gathering and educating the orphans, caring for the sick, providing shelter to the poor and assisting the indigent (The Armenian Prelacy, 2009). The participation levels of ethnic minorities in Armenia are also high. However, lack of coordination and support between various organisations of ethnic minorities makes any coordinated effort for lobbying interests of ethnic minorities impossible (Selimyan, 2004). Furthermore, as the Council of Europe (2006: 23) observed:

Although Armenia has developed its legal and institutional framework for the protection of national minorities, the financial difficulties affecting many fields of relevance to the protection of national minorities have an impact on the effective implementation of the measures adopted by the authorities.

Financial constraints also limit the ability of impoverished citizens to participate in the social life of the country. Not surprisingly, people belonging to the lower class participate at the lowest rate (36.5%); harsh socio-economic conditions have left many Armenian citizens with little time or inclination for social activism.

1.4 Extent of political engagement

This sub-dimension looks at the extent of various forms of citizen participation in Armenian civil society, which seeks to advance interests of a political nature. The average score for the sub-dimension is 12.0%. TABLE III.1.4 summarises the respective indicator scores.

TABLE III.1.3: Extent of political engagement

Indicator	Score in %
1.4.1 Political membership	8.5
1.4.2 Political volunteering	9.5
1.4.3 Individual activism	17.9

1.4.1 Political membership: The CIVICUS CSI population survey data reported that only 8.5% of the Armenian population are members of a CSO of a political nature.⁸ The largest membership is found in political parties (4.6% of the sampled Armenian population). Despite being the highest membership level, however, this figure still demonstrates a low level of political engagement. This can be explained by at least three interconnected reasons:

1) The public has a low level of confidence in Armenian political parties. The CSI Population Survey shows that 80.9% of the respondents do not trust political parties. The survey also demonstrates that there is a statistically significant difference⁹ between members (37.4% confidence) and non-members (16.4% confidence) of political parties in terms of the level of confidence they extend towards those parties.

2) There is a disconnection between political parties and the public. According to the USAID Armenia Political Party Assessment (2005a), many political parties do not actively recruit members and prefer to keep their ranks small. Most Armenian political parties lack a broad reach or deep contacts in Armenian society. With a few exceptions, most political parties and

⁸ These include labour unions, political parties, environmental organisations, professional associations and humanitarian or charitable organisations.

⁹ Level of significance: 0.01

party leaders do not regularly consult with the general public. Most parties in Armenia do not have close ties to key civil society groups such as issue-based advocacy groups or groups that provide social services (USAID, 2005a: 13).

3) There is a low sense of political efficacy. According to the Citizens' Awareness and Participation in Armenia survey (2004), 64% of Armenians agree that people like them have little or no influence over the way things are run in Armenia. Thirty-six percent of respondents think there is no way to influence government officials (IFES, 2004: 23).

1.4.2 Political volunteering: Only 9.5% of the CIVICUS CSI population survey respondents are volunteering for at least one political organisation. One of the case studies completed for the CSI project, "Culture of volunteerism in Armenia," revealed three obstacles that make volunteering less attractive and that narrow down the pool of volunteers available to Armenian CSOs:

Legal uncertainties and regulatory deficiency often discourage employers from recruiting volunteers and people from engaging in volunteer activities. Secondly, Armenian non-profit organisations rely heavily on volunteers, but many of them do a poor job of managing them. Finally, inadequate CSO effort in understanding and capitalizing on the particular motivational drivers behind volunteers is another potential obstacle that prevents the Armenian CSOs from attracting volunteers into their organisations. (Tadevosyan and Hakobyan, 2010a)

1.4.3. Individual activism: This indicator, which measures the extent to which people engage in political activities, reported an overall score of 17.9%. The USAID Armenia Democracy and Governance Indicators Survey (2005) also shows that 68.9% of Armenians have never participated in a political activity other than voting (USAID, 2005b: 29-30). Another finding of the CSI survey suggests that the low level of political activism is a conscious choice of Armenians. Of those surveyed, 72.3% reported that they would never sign a petition, 85.9% would never join in boycotts, and 70.7% would never attend peaceful demonstrations.

1.5 Depth of political engagement

This sub-dimension analyses the depth of people's participation in civil society activities and in CSOs that are considered to be political in nature. The section assesses how frequently or extensively people engage in these civil society activities. The averaged score for the sub-dimension is 25.8%. TABLE III.1.4 summarises the respective indicator scores.

TABLE III.1.4: Depth of political engagement

Indicator	Score in %
1.5.1 Political membership 2	20.4
1.5.2 Political volunteering 2	28.8
1.5.3 Individual activism 2	28.1

The figures obtained support the trend uncovered by the study: participation in civil society activities in Armenia is fairly deep but not extensive. Again the findings show that CSOs must capitalise on recruiting new participants and members in their activities, given the inclination of Armenians to stay engaged once involved. Furthermore, CSOs should engage

their volunteers in long-term, regular commitments, rather than ad-hoc projects, in order to create a stable and productive environment and, thus, benefit from the more meaningful effects of volunteerism.

1.6 Diversity of political engagement

This sub-dimension examines the diversity of those participating in civil society organisations of a political nature in terms of gender, socio-economic background, ethnicity, and geographical region by comparing the levels within civil society with those in society at large. Armenia received an average score of 73.5% for the sub-dimension.

As is the case with the diversity of social engagement, women and ethnic minority groups have higher levels of political participation (93% and 90.5% respectively). This can be explained as a result of the number of quota schemes established to foster women's participation in the political life of Armenia. For instance, the recent quota introduced during the last parliamentary elections (May 12, 2007), mandated that at least 15 percent of political parties' candidates must be women. Women are making better progress also at the local levels (Itano, 2007). Still, Armenian women have not yet achieved gender balance in high-level decision-making bodies. Many female candidates are low on the lists and are almost certain to not be elected to parliament. Furthermore, there is a female dominance in the sector, with at least 80 percent of non-profit organisations in Armenia led by women, but still, their ability to influence decision-making in political, economic and social life is limited (UNPFA, 2009).

Conclusion

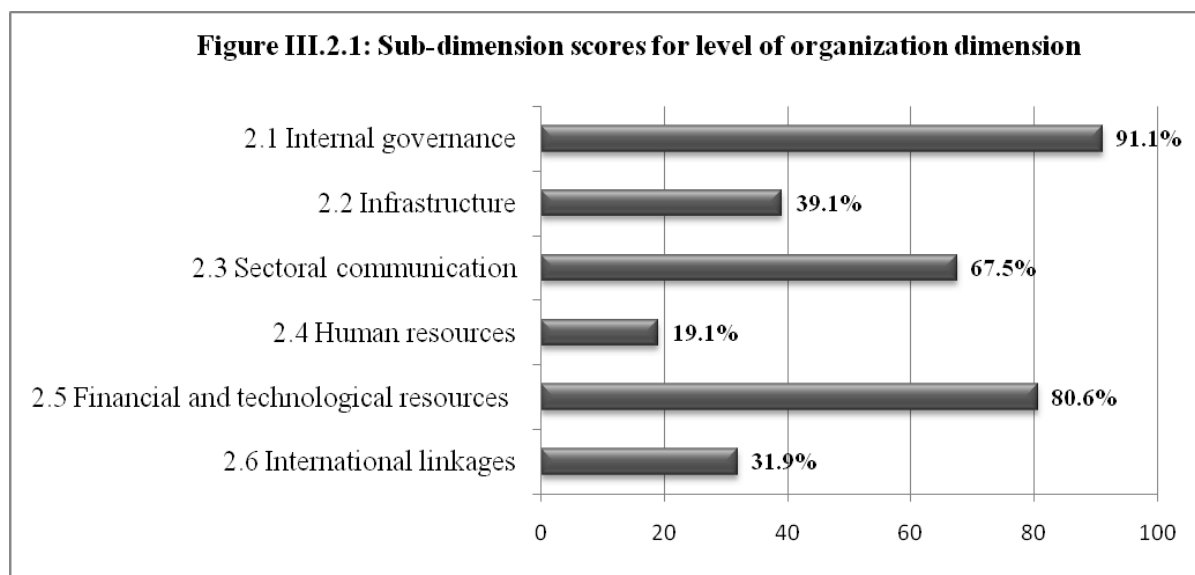
The analysis of the civic engagement dimension shows low scores and many limitations. Nonetheless, identified strengths should be duly acknowledged and potential opportunities utilised. Membership in CSOs is low, yet when Armenians are engaged, they participate extensively in civil society activities. The overall levels of formal volunteering are limited, yet those who are involved demonstrate a strong level of commitment to their volunteer work and the percentage of informal-only volunteers is high. Participation in community activities is low, yet those who participate in their communities do so rather frequently. Furthermore, the traditionally marginalised groups - women, ethnic minorities, people living in remote areas and in small villages and those belonging to lower classes - on the whole seem not to be excluded from civic participation. Indeed, Armenia's civil society today is characterized by participants from diverse social groups.

The sector's achievements are predominantly due to the support of a small segment of the Armenian population. The sector faces the challenge of scaling up its efforts in extending their outreach and rallying greater support and higher levels of citizen participation in their activities.

2. LEVEL OF ORGANIZATION

This section describes and analyses the overall level of organisation within civil society, features of the infrastructure for civil society, its stability, as well as its capacity for collective action. It is composed of the following sub-dimensions: 1) internal governance; 2) infrastructure; 3) sectoral communication; 4) human resources; 5) financial and technological resources and 6) international linkages. The findings mainly derive from the CIVICUS CSI

Organisational Survey, which was conducted with a selected sample of 113 civil society organisations based on the following criteria: regional coverage, diversity, types and characteristics of the selected organisations. The overall score for the dimension is 54.9%, indicating an average level of organisation in Armenian civil society organisations. The graph below presents the scores for the six sub-dimensions within the Level of Organisation dimension.



2.1 Internal governance

The internal governance sub-dimension is assessed by the percentage of CSOs that have formal governance and management systems, such as a board of directors or a formal steering committee. The findings of the organisational survey demonstrate that 91.1% of CSOs have either a board of directors or a steering committee. According to the AC members, this percentage is less than expected, since Armenian law requires civil society organisations to have such a board. The concern, as viewed by AC members, should therefore not be whether CSOs have boards, but rather whether these boards are in fact functional. AC members raised concerns that many CSOs create boards or report to have boards either to show they abide by the law or to attract foreign grants. In reality, the functioning of many such boards does not go beyond these formalities. This concern is supported by the USAID NGO Sustainability Index for Central and Eastern Europe and Eurasia (2008), which concludes that the boards of public organisations continue to be poorly integrated into the organisations and do not contribute to improved accountability and impact (USAID, 2008: 54).

Nevertheless, a positive trend is observed by the USAID NGO Sustainability Index for Central and Eastern Europe and Eurasia (2008: 54), which suggests that although many non-profit organisations continue to be driven by a single charismatic leader, more of them, especially youth-led groups, are adopting a more inclusive approach toward management and leadership within the organisation and across coalitions.

2.2 Infrastructure

This sub-dimension is measured by the percentage of CSOs that are formal members of any federation, umbrella group or support network. The respective percentage for Armenian CSOs is 39.1%. Moreover, 11.5% of these CSOs belong to more than one federation or umbrella group. The figures reflect a positive shift for the sector. Data from the previous CIVICUS CSI implementation in Armenia found that only 20% of Armenian CSOs are part of an umbrella organisation (Aslanyan et al., 2007: 33). This shift may have been partly stimulated by some grant programmes run by international donors in Armenia that define an eligibility requirement for organisations to operate in a network. Encouragingly enough, the USAID NGO Sustainability Index for Central and Eastern Europe and Eurasia (2008: 57) notes that coalition initiatives in Armenia are increasingly driven by nonprofits, rather than dictated by donors. However, their sustainability still depends greatly on donor funding.

2.3 Sectoral communication

This sub-dimension explores networking, information-sharing and alliance-building to assess the extent of linkages and productive relations among civil society actors. The findings of the organisational survey reveal a significant level of interactions and information exchanges on the part of Armenian CSOs. Of the CSOs surveyed, 70.9% have held meetings with other organisations working on similar issues and 64% have exchanged information (e.g., documents, reports, data) with another organisation within the three month period prior to the survey.

The number of NGO coalitions has increased and in many cases such cooperation has yielded successes. For example, the draft Law on Lobbying, which, if approved would permit the government to exert unprecedented control over NGOs, was removed from Parliament's agenda due to the consolidated efforts of NGOs.¹⁰ In 2007, NGO coalitions successfully lobbied for the continuation of Radio Free Europe/Radio Liberty transmissions in Armenia. NGOs jointly and actively participated in the last elections held in Armenia, in many instances providing legal assistance to remedy violations of electoral rights (USAID, 2008).

At least eight coalitions formed and began operating as a result of a USAID-supported grants programme for election outreach and advocacy campaigns. Of these eight coalitions, three transformed into permanent networks, including an anti-corruption advocacy network, a network focused on legal reforms to facilitate NGO sector sustainability, and an election observation and reform network in the southern provinces of Armenia, which parlayed a major election observation programme into a permanent network of electoral and governance reform activists. At the end of 2008, a group of sixty organisations began formalising a network to collaborate with the National Assembly. The network started working with parliamentary standing committees on organising public hearings and developing policies.

Cross-sectoral cooperation is also developing. In particular, the Armenian government has committed to expanding the practice of social contracting and two Armenian state institutions have adopted codes of participatory cooperation with public organisations, intended to formally institutionalise the involvement of CSOs in the functioning of these bodies. Currently, efforts are being made by Armenian CSOs for the adoption of a similar code that would be implemented government-wide (Tadevosyan and Hakobyan, 2010b).

¹⁰ The draft law stipulated that a person or organisation must be registered as a lobbyist before being heard by lawmakers; leading CSOs to fear that they would lose their voice in matters of public concern, if the law was passed (for more information please see Harutyunyan, 2006).

2.4 Human resources

As shown by the organisational survey, only 19.1% of Armenian CSOs have a sustainable human resource base, measured here by the ratio of volunteers to paid employees. Predominantly, Armenian CSOs are volunteer-driven, with volunteers making up the nucleus of most organisations. Data from the CSI Organisational Survey indicate that volunteers make up more than one quarter of the personnel in 78.8% of Armenian CSOs. Moreover, the case study covering the civic engagement dimension of the current implementation phase of the CIVICUS CSI project reaffirms that volunteer input is a defining factor in an Armenian non-profit sector which relies extensively on volunteer efforts. Yet volunteer input, however valuable it is, presents problems of its own. Volunteers often lack the necessary work experience to ensure adequate quality of CSO human resources. On the other hand, those Armenian CSOs who do employ qualified personnel are continually exposed to insufficient financial resources and instability of projects. Since many organisations are not sustainable and survive from grant to grant, they find it difficult to retain professional qualified staff in ongoing positions.

As for the CSO human resource management practices, the USAID Sustainability Index for Central and Eastern Europe and Eurasia (2007) notes that there is progress in NGO staffing. Following donor requirements, a number of NGOs now have clearly defined staff responsibilities and regularly evaluate their staffs (USAID, 2007: 52).

2.5 Financial and technological resources

This dimension measures the percentage of organisations that have a stable financial and technological resource basis. The averaged score for the sub-dimension is 80.6 %. TABLE III.2.1 shows the respective indicator scores.

TABLE III.2.1: Financial and technological resources

Indicator	Score in %
2.5.1 Financial sustainability	88.5
2.5.2 Technological resources	72.6

The Organisational Survey showed that 88.5% of Armenian CSOs do have a stable financial resource basis. However, the analysis of the Organisational Survey's quantitative data demonstrates that financial stability does not always translate into financial sustainability and security. In this respect, as we observed in one of the case studies that explores the level of financial sustainability of Armenian CSOs, three of the CSI Organisational Survey's findings are particularly noteworthy:

First, 4.4% of the CSOs that were shown to be financially stable institutions by the CSI Organisational Survey also reported that they had neither revenues nor expenses during the past year. Thus, while the CSI analysis for these CSOs showed them to have a stable financial resource base it was stable at zero, which is obviously not sustainable. Second, the revenues of twenty-four (21.2%) of the surveyed CSOs decreased in 2008 as compared to 2007. Their expenses also decreased, likely as a result of the revenue cuts. Thus, they were shown to have a steady resource base only because of curtailed spending. Third, a significant percentage of the interviewed CSOs, despite having stably secured their budgets

in 2007 and 2008, either totally or extensively relied on foreign donors.¹¹ Such extensive dependency on a single source of revenue, even if stably secured, jeopardises the independent functioning and long-term security of an organisation, which becomes more susceptible to donor priority shifts, reduced resources or unavailability of donor funds” (Tadevosyan and Hakobyan, 2010b).

This case study conceptualised financial sustainability as the ability of a civil society organisation to secure sufficient resources for its operations without excessive dependence on any single funding source. The study supported the hypothesis that financial sustainability, as defined by the case study, is still one of the sector’s major challenges. The study also identified two new trends in CSO efforts to build financial sustainability. First, Armenian CSOs have started to focus their fundraising efforts on diversifying; they are seeking funding from other sources such as individual donations, corporations, government agencies, membership fees and, in a few instances, for-profit ventures. Second, cooperation between state bodies and non-profits in Armenia has entered into a qualitatively new stage of development: social contracting, as a model of social welfare secured through public funding and CSO input, is taking shape in Armenia. The government is committed to expanding the practice, which has led to high expectations that government funding and social contracting will become important ways to ensure a financially sustainable non-profit sector in Armenia.

These findings are in line with those of the USAID NGO Sustainability Index for Central and Eastern Europe and Eurasia (2008), which reports that Armenian NGOs now actively seek more private funding as well as support from international donors who have not always had a strong presence in Armenia. Local businesses and individuals have simultaneously increased their support for NGOs during 2008. The Armenian government continues to provide small-scale funding to NGOs and there are new, although limited, opportunities for NGOs to receive funding from local self-governing bodies (USAID, 2008).

An assessment of technological resources (telephone lines, fax machines, computers and Internet access) within civil society reveals that 72.6% of the surveyed CSOs have a regular access to the defined resources. When taken separately, however, it turns out that this score is mostly attributable to the telephone lines and computers that are available to the vast majority of the surveyed organisations - 68.1% and 74.3% respectively. Yet, 62.8% of the surveyed CSOs do not have access to fax services and another 54% does not have access to the Internet either regularly or at all. This concern is also observed by another study, which states that though most organisations have the equipment they need to operate, access to the Internet is unreliable throughout the country (USAID, 2008: 54).

2.6 International linkages

Armenia received a score of 31.9% for the sub-dimension. This score represents the ratio of INGOs in Armenia to the total number of INGOs worldwide. This score was calculated with data from the Union of International Association’s Yearbook of International Organisations (2008/2009).¹² Generally speaking, the degree of participation of Armenian CSOs in international arenas and networks is limited. Still, a distinction should be made between being a member in an international network and attending/participating in global events. This

¹¹ The sole source of revenue for 18.6% of CSOs in the organisational survey was reported to be external donor funding. Another 21.3% of interviewed CSOs secured the greatest part of their budget (from 60 to 90%) via external funding.

¹² Counterpart International Armenia and CIVICUS: World Alliance For Citizen Participation would like to thank the Union of International Associations for their collaboration with the CSI project in providing this data.

study is unable to provide quantitative data as to the level of participation in international events. Still, the general conviction among AC members and focus group participants was that the Armenian CSOs typically enjoy lower rates of formal membership in international organisations, but they are more active in communicating with international donors and participating in international meetings and encounters. Still, international linkages are usually maintained and strengthened by large, capital-based CSOs, rather than smaller, regional ones.

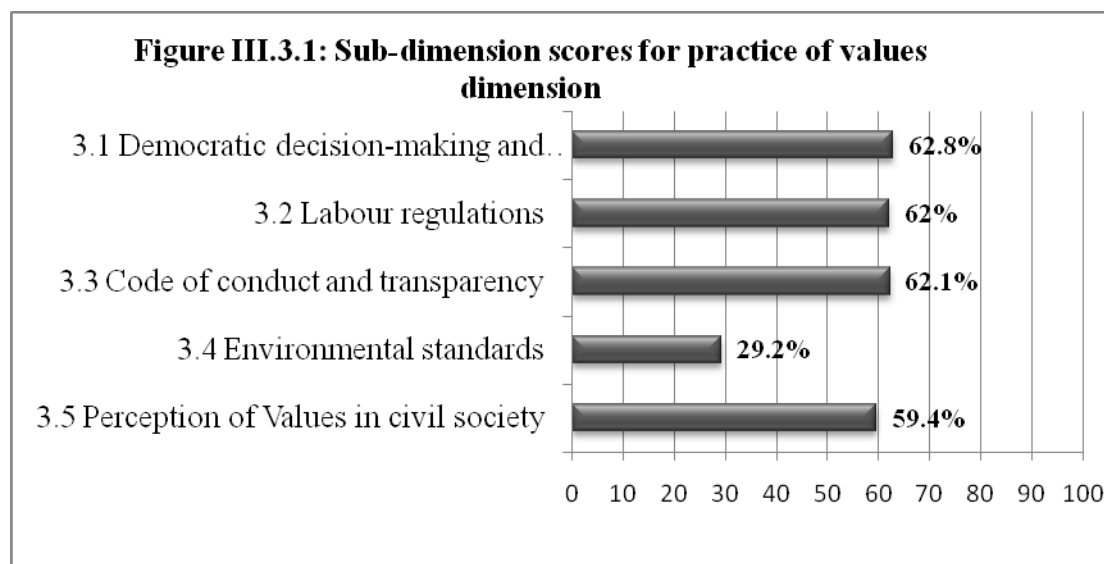
Conclusion

Armenia's civil society sector still does not have a sufficient level of institutionalisation and organisation. However, progress is evident. CSOs have for the most part established a formal management system, which is important in developing organisations' internal democratic governance. To achieve true internal democratic governance, however, CSOs will still have to effectively integrate these formal structures into their regular operations, and they will only achieve a truly improved impact through their strict observance. Membership in support networks or federations, although still low, has increased considerably in the past few years. Inter-sectoral communications between civil society organisations on issues of common concern is strong, as attested to by the significant percentage of CSOs (67.5%) that have held meetings and have exchanged information with other organisations. Moreover, cross-sectoral cooperative efforts have also ostensibly increased, with state bodies and non-profit organisations expanding the scope of available mechanisms for cooperation.

Although the CSI study shows that the vast majority of Armenian CSOs are financially sustainable institutions, there are concerns that this snapshot of civil society activity does not paint an entirely accurate picture. In fact, most Armenian CSOs do not yet have the internal capacity to operate sustainably without their traditional reliance on foreign donor organisations. Not surprisingly, only a minority of Armenian CSOs has reached a level of financial capacity whereby they can afford to have regular paid staff. Yet on the positive side, Armenian CSOs are attempting to change the *status quo*, and are therefore starting to focus fundraising efforts on diversifying their resource base.

3. PRACTICE OF VALUES

This section describes and analyses the values practiced by civil society in terms of 1) democratic decision making and governance; 2) labour regulations; 3) code of conduct and transparency; 4) environmental standards and 5) perception of values in civil society as a whole. The aggregated score for the dimension is 55.1%. The graph below presents the scores for the five sub-dimensions within the Practice of Values dimension. The environmental standards sub-dimension stands out as one of the most problematic areas with a score of 29.2%.



3.1 Democratic decision-making governance

CIVICUS CSI assesses the level of democratic decision-making within organisations by examining the scale of decision-making power among the members, staff, leaders and boards of CSOs. Decisions made by self-appointed leaders or the board are treated as less democratic practices than decisions made by elected leaders, elected boards, members and staff. The organisational survey of 113 Armenian CSOs reported that elected boards make key decisions in 43.4% of sampled CSOs. Elected leaders make key decisions in another 12.4% of CSOs. Members and staff are reported to have little control over decision-making, as members make decisions in only 5.3% and staff in 1.8% of CSOs.

While 62.8% of sampled Armenian CSOs reported being democratic in their decision-making practices, there was a general conviction among AC members that not many CSOs are democratic internally. AC consultative meetings raised the issue of individual leadership. The “one-man show” is still a classic pattern of internal governance for many CSOs, where the activities, procedures and even the very existence of organisations are dependent on a single leader. Another problem that arises is that leaders of such organisations tend to have very long terms at the head of the organisation, thus limiting the opportunities for rotating leadership. This is especially typical of political parties, where leaders who have suffered a number of political defeats are “re-elected” over and over again as political party leaders not because of their professional merits, but rather because they are the ones who sustain their organisations either financially or in terms of personal connections and patronage. One AC member also talked about a form of “corporate culture” in Armenia, typical of only a few CSOs, whereby the employees of the organisations are forced to help their leaders in their private affairs in order to be ‘eligible’ for the positions they hold in CSOs.

3.2 Labour regulations

This dimension measures the percentage of organisations that have publicly available written policies regarding 1) equal opportunities; 2) members of labour unions; 3) labour rights training and 4) labour standards. The overall score for the sub-dimension is 62.0%. TABLE III.3.1 summarises the respective indicator scores.

TABLE III.3.1 Labour regulations

Indicator	Score in %
3.2.1 Equal opportunities	43.2
3.2.2 Members of labour unions	98.5
3.3.3 Labour rights trainings	49.5
3.3.4 Labour standards	56.6

Despite CSOs reporting that they have internal policies and codes, AC members expressed concern that very few of these organisational policies and codes are clearly defined or thorough. Moreover, according to AC members, even if these ‘self-regulatory’ policies are effectively in place, they mostly remain on paper, and are not always observed to ensure a higher standard of internal practices.

3.3 Code of conduct and transparency

This dimension measures the existence of a publicly available code of conduct for CSO staff as well as CSO financial transparency. The overall score for the sub-dimension is 62.1%. TABLE III.3.2 summarises the respective indicator scores.

TABLE III.3.2 Code of conduct and transparency

Indicator	Score in %
3.3.1 Publicly available code of conduct for CSO staff	54.9
3.3.2 Transparency	69.2

3.3.1 Publicly available code of conduct for CSO staff: There has been discussion of the need for common codes of conduct and ethics in the Armenian civil society sector and Armenian non-profit organisations have developed a unified code of ethics in certain cases. However, these preliminary efforts have not translated into widespread adoption of the final code and, according to the USAID NGO Sustainability Index Report, the will to implement such a code remains weak (USAID, 2007). The CIVICUS CSI Organisational Survey reported that 54.9% of sampled organisations have such a code of conduct for their staff that is publicly available. Another 18.6% of CSOs have thought of adopting such a code for the future, while 24.8% have never thought of developing one.

3.3.2 Transparency: To measure the financial transparency of CSOs, the CIVICUS Civil Society Index assesses the proportion of CSOs publicly reporting their financial information. In Armenia, 69.2% of surveyed CSOs reported that financial information of their organisation is publicly available. Moreover, the case study on the status of CSO accountability in Armenia, conducted during the CIVICUS CSI current implementation phase, shows that CSOs that get funding from international donor organisations prepare proper narrative and financial reports of their activities. Yet, alongside highly sophisticated upward reporting, Armenian CSOs still lack the necessary skills, resources and even rationale to provide their beneficiaries with exhaustive financial reporting. In particular, the case study revealed the following problems with Armenian CSO downward reporting that might, *inter alia*, undermine CSO transparency and public accountability:

- CSOs report downward on planned activities, but rarely on finances or the quality of their work.
- CSOs report downward as they do upward, but not as regularly and consistently.

- CSOs report mostly through face-to-face meetings, not through reports specifically intended for beneficiaries.
- CSOs report to direct beneficiaries, but not to broader constituencies through a wide distribution of information (Tadevosyan and Hakobyan, 2010c).

AC members were also sceptical of most Armenian CSOs being transparent in their activities. In particular, religious organisations and sport federations were mentioned among those types of CSOs that are closed and rarely prepare public reports. CSOs that participated in focus group discussions were self-critical, admitting that they have not assured and practiced the necessary fiscal transparency to earn increased credibility and trustworthiness.

Thus, transparency and financial reporting still remain a problematic area for Armenian CSOs. The task is further complicated by the fact that non-profits in Armenia “operate in a regulatory vacuum and an environment in which accountability is not regularly demanded by members and beneficiaries” (USAID, 2008). Moreover, as the case study shows, although donor organisations operating in Armenia have considerable input in the promotion of CSO accountability through their rigid demands, they are more flexible in their requirements of CSO downward accountability. Donor organisations have not yet put in place specific procedures or policies that would require CSO accountability to their own beneficiaries.

3.4 Environmental standards

The sub-dimension measures the percentage of CSOs with a publicly available policy for environmental standards. Only 29.2% of surveyed CSOs do have such a code. Moreover, 53.8% of Armenian CSOs have never thought of adopting one. As viewed by the members of the Advisory Committee, the real percentage of Armenian CSOs that have devised a policy for environmental standards is far too low, and the percentage of CSOs that truly care for environmental standards is even lower.

3.5 Perception of values in civil society as a whole

This sub-dimension measures perception of values in civil society regarding 1) perceived non-violence; 2) perceived internal democracy in CSOs; 3) perceived level of corruption; 4) perceived intolerance; 5) perceived weight of intolerant groups and 6) perceived promotion on non-violence and peace. The averaged score for the section is 51.2%. TABLE III.3.3 summarises the respective indicator scores.

TABLE III.3.3 Perception of values in civil society

Indicator	Score in %
3.5.1 Perceived non-violence	76.8
3.5.2 Perceived internal democracy in CSOs	43.5
3.5.3 Perceived level of corruption	13.6
3.5.4 Perceived intolerance	82.2
3.5.5 Perceived weight of intolerant groups	93.4
3.5.6 Perceived promotion on non-violence and peace	46.8

3.5.1 Perceived non-violence: The indicator measures the existence or absence of forces within civil society that use violence (aggression, hostility, brutality and or fighting) to forward their interests. According to 76.8% of the Armenian civil society organisations polled, there are no forces within civil society that use violence. Out of those who do report

that such forces exist within the Armenian civil society (23.2%), 27.8% consider that use of violence is extremely rare and 33.3% consider that such forces are isolated groups, occasionally resorting to violence. Thus, Armenian civil society perceives itself to be a predominantly non-violent sector.

3.5.2 Perceived internal democracy in CSOs: The indicator measures the perceived role of civil society in promoting democratic decision-making within their own organisations and groups. The Organisational Survey demonstrated that 12% of the interviewed organisations view CSOs' role in promoting democracy to be significant while another 31.5% consider their role to be moderate. The combined score for the indicator (43.5%) reflects a rather insufficient level of internal democratic procedures within Armenian CSOs. AC members expressed the opinion that Armenian CSOs are consistent and often effective in promoting democracy. Counterintuitively, these CSOs themselves do not always adhere to the democratic values they preach.

3.5.3 Perceived level of corruption: The indicator measures the perception of corrupt practices within civil society as perceived by civil society representatives themselves. Only 13.6% of the Organisational Survey representatives think that instances of corrupt practices within Armenian civil society are very rare. Another 32% believe that instances of corrupt practices are occasional. The majority of the interviewed (54.3%) think that such practices are frequent or very frequent. Thus many CSO representatives themselves admit to instances corrupt practices within CSOs.

The general population is more positive about the levels of corruption within the Armenian civil society than the non-profit sector itself. According to the "Perceptions of the Role of Armenian Civil Society in Countering Corruption" study (Paturyan, 2009), most respondents think that the non-profit sector is free from corruption, specifically, 53.6% think that corruption in the non-profit sector is very rare and 24.2% think that it is somewhat rare. Thus there is a general perception that non-governmental organisations are free from corruption and capable of combating it (Paturyan, 2009). This discrepancy between the perceived level of CS corruption by civil society and the Armenian population may perhaps be resolved by establishing what practices are corrupt. According to AC members, corruption in the form of bribery is, in fact, not very common among Armenian CSOs. Yet the situation is worse when it comes to corruption in its broader sense, as misuse of influence and clientelism are perceived by AC members to be more common than bribery. The AC also noted cases of false documentation for the purposes of attracting foreign grants as forms of corruption.

3.5.4/3.5.5 Perceived intolerance and weight of intolerant groups: The indicator measures the perception of the presence of explicitly racist, discriminatory or intolerant forces within civil society. The overall score for the indicator is 82.2% of which 61.1% think there are no such forces within Armenian civil society and 21.1% think that these forces are very rare.

The perceived weight of racist, discriminatory or intolerant forces received an overall score of 93.4%. Of these, 67% think that such forces, if any, are completely isolated groups; 26.4% think they are marginal actors in Armenian civil society and only 1.9% considers them to dominate civil society. AC members also agreed that violence within Armenian civil society is rare: cooperation and self-organisation are more typical of the sector than conflict and intolerance.

3.5.6 Perceived promotion of non-violence and peace: The indicator measures the perception of civil society's current role in promoting non-violence and peace in the country. The score for the indicator is 46.8%, demonstrating that civil society organisations in Armenia are not active promoters of the values they are believed to adhere to. Only 16.2% of the surveyed CSO representatives think that Armenian civil society has a significant role in promoting non-violence and peace and 30.6% think it has a moderate role.

Conclusion

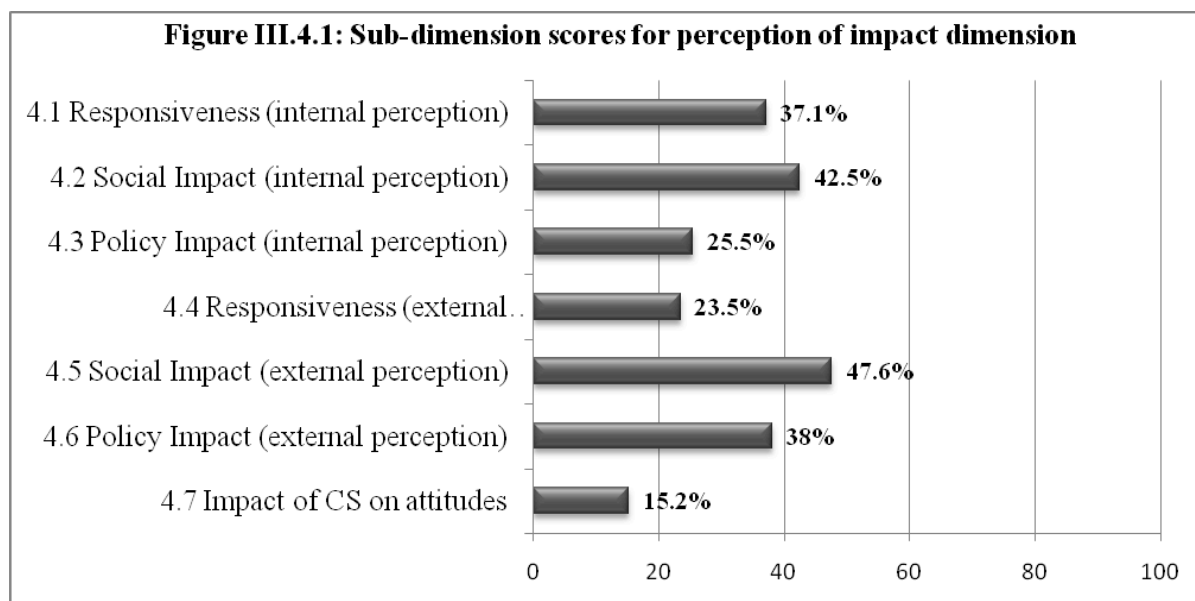
The overall score for the Practice of Values dimension is 53.4%, which reflects a considerable level of internalisation and promotion of values in Armenian civil society. The findings show that Armenian civil society organisations have for the most part developed standards or codes of behaviour regarding internal democratic governance. However, it is generally perceived that they have not gone far beyond these formalised self-regulatory mechanisms, and the internal practice of these standards and codes remains weak. Counterintuitively, Armenian CSOs, although not effective in practicing democratic values within the civil society arena, are perceived to be more active and successful in promoting these values at the societal level. CSOs should embed the values they promote into their own culture and act accordingly, so as to more effectively push for democratic governance in other sectors of society.

The reported limitations are balanced by civil society's strength as a predominantly non-violent and tolerant sector. The use of violence such as aggression, hostility, brutality and/or fighting among civil society actors to forward their interests is extremely rare and is denounced. Corruption within civil society does not seem to be widespread either. The presence and weight of racism, discrimination or intolerant forces among civil society groups is perceived to be uncommon: cooperation and self-organisation are more typical of the sector than conflict and intolerance.

4. PERCEPTION OF IMPACT

This section describes and analyses the extent to which civil society is active and successful in fulfilling several essential functions. The following four sub-dimensions are examined: 1) responsiveness of civil society; 2) social impact; 3) policy impact and 4) impact of CS on attitudes. The section presents data and information from two viewpoints: 1) CSOs' internal perceptions of the impact of civil society from civil society representatives identified through the Organisational Survey and 2) external experts' perceptions of the impact of civil society through the external stakeholders' opinion survey.¹³ The overall score for the dimension is 32.8%. The graph below presents the scores for the four sub-dimensions within the Perception of Impact dimension. It can be noted that the internal perception of civil society impact does not differ much from that of external perception with policy impact the one exception. The external perception of the impact of civil society organisations on policy is considerably higher than the perception of the CSOs themselves.

¹³ The External Perception Survey targeted 113 external stakeholders, with the following breakdown: legislative branch – 19%, executive branch – 15.9%, judiciary branch – 9.5%, private sector – 9.5%, media – 15.9%, academia – 9.5%, international governmental organisations – 7.9%, donor organisations – 9.5%, other – 3.2%.



4.1/4.4 Responsiveness - internal perception versus external perception

During the first AC meeting held in Armenia as part of the framework of the CIVICUS CSI project, the two most significant concerns for the Armenian population were identified and validated by AC members: corruption and limitations on freedom of expression. This indicator measures the perception of civil society impact on the identified concerns both by civil society organisations themselves and as perceived by external stakeholders.

Internal responsiveness received a score of 37.1% – this is how civil society rates itself in terms of its immediacy and operability when addressing pressing social issues, identified as corruption and limitations on freedom of expression, in the country. Only 26.9% of the surveyed CSOs think that civil society in Armenia has either some tangible or a high level of impact when it comes to corruption elimination. According to CSOs, the other priority social concern has a more significant level of support and impact among existing civil society actors: 47.3% of the surveyed CSOs think that civil society has either some tangible or a high level of impact over limitations on freedom of expression.

Overall, the score for external perception of CSO responsiveness is lower than that reported by CSOs themselves, 23.5%. Only 16.4% of external stakeholders consider that CSOs have either some tangible or a high level of impact on corruption elimination and 30.4% of the external opinion survey participants think that CSOs have influence in eliminating the limitations on freedom of expression.

The perception of the Armenian population of NGO's capability to combat corruption is presented by the Armenian Corruption Survey of Households (2008).¹⁴ Interestingly, there is a general positive perception by the general population of the not-for-profit sector as capable of combating corruption in Armenia: more respondents agreed (46%) rather than disagreed

¹⁴ The survey included 1,549 respondents representing the voting-age population in all administrative regions (Marzes) in Armenia. The questionnaire included about 80 questions on general corruption perceptions, personal experience, corruption related individual behavioral patterns, perceptions of government's anticorruption actions, and other issues. For more information, please visit <http://www.crrc.am/index.php/en/159>

(38%) that non-profit organisations are capable of combating corruption in Armenia. Yet a sweeping majority of respondents (87%) could not name any organisation active in the domain of fighting corruption. Moreover, 40% reported that they would not approach an NGO-run anti-corruption centre to get assistance if victimized by corruption, with 32% perceiving non-profit organisations to be weak in their ability to combat corruption and the other 8% not trusting the centres (USAID, 2008: 7).

Thus, with certain differences in the perception scales, the Armenian CS sector is not viewed as having a strong effect or influence on reacting to and solving pressing social concerns. The reality is that most CSOs are not seen to derive their power and legitimacy from the grassroots, and the distrust towards them as well as their weak institutionalization level undermine their efforts and efficacy in such endeavours.

4.2/4.5 Social impact - internal perception versus external perception

As for the social impact of CSOs, the internal and external perceptions do not vary much. A greater number (47.6%) of external stakeholder perceptions survey respondents think that civil society has a tangible or high level of social impact than do CSOs survey respondents (42.5%). Nevertheless, Armenian civil society is perceived as not exerting sufficient impact in resolving social needs. According to an external stakeholder, in many instances the activities of civil society organisations do not lead to tangible impact not because of the resistance of the government, but due to the short-term-goal-oriented projects of the CSOs. CSOs target *ad hoc* activities, which do not always match the strategic goals of the organisations. Another concern raised by an expert on civil society was that CSO organisational capacity is still being developed, and that this continues to inhibit the effectiveness of the implemented initiatives. Another suggested hindrance to the CSO capacity to bring about social change is the polarisation of civil society organisations, which are often clustered around either state structures or the opposing political parties.

For now, as estimated by CSOs themselves, education is the field in which civil society has achieved the most impact, receiving a score of 32.7%. Lower on the list are support for the poor and the marginalised (15.9%); social development (10.6%), employment (6.2%) and healthcare (5.3%). According to 37.8% of the surveyed CSO representatives, civil society has either a tangible or a high level of impact in these selected fields.

External stakeholders also believe education to be the field in which civil society has the greatest impact, with the score for this group being very close to that of internal estimations. According to external perceptions, the second field in which CSOs have been the most influential is social development (27%), followed by the support of the poor and the marginalised (12.7%) and humanitarian relief (9.5%). In general, 46.1% of the surveyed external stakeholders reported that civil society has a tangible or a high level of impact on the social context.

4.3/4.6 Policy impact (internal perception versus external perception)

Policy impact is the dimension where external perception on civil society influence is considerably higher (38%) than the civil society self-perception of impact (25.5%). According to the external stakeholder perceptions survey, civil society has been most active in dealing with election-related issues (25.4%); human rights issues (17.5%); educational concerns (15.9%) and environmental issues (8%). Of the stakeholders, 26.9% also reported

that as a result of CSO activism, their proposed policies were approved and another 53.8% reported that the proposed policies are under discussion.

The rating is different when civil society itself assesses the fields in which it has been most active. According to internal perception, civil society has been most active in education (5.3%), followed by environmental protection (4.5%). Election-related issues scored 0.9%; while no civil society representative mentioned human rights as a field in which Armenian civil society has been active. Of the surveyed CSOs 35.2% reported that their organisation had pushed for a policy to be approved in the last two years, with 63.9% of these reporting that the policy was approved and with 33.3% reporting that the policy is under discussion.

AC members attributed considerable significance to both community- and national-level CSO efforts in actively responding to social needs and injustices. According to AC members, the CSO self-perception of their impact and responsiveness is even lower than that of external perception because internal communication within the civil society sector is far too weak. When a CSO achieves policy change or other impact, international donor organisations are the first to be informed about it, while their counterpart civil society organisations are often the last informed. AC members perceived the culture of information exchange and sharing to be in an emerging stage among Armenian CSOs. The non-profit sector has not been able to establish ties with the media, which would make it a useful tool to publicize CSO activities. Another structural weakness is that state-civil society relations in Armenia are not yet institutionalized and are personalized. Often, impact in a given policy area is a result of personal ties a CSO has established, rather than of systematic advocacy, a strong support base or any of the other factors that might seem conducive to impact.

The case study on the “Impact of environmental organisations on policy change in Armenia” (2010) found that, over the past few years, Armenian environmental organisations have accumulated sufficient skills for initiating campaigns against environmentally hazardous policies. This increased the public’s awareness of environmental issues and threats and their exposure to public campaigns that often result in policy change. Many examples support this statement. Some are high profile campaigns, significant since they reached unprecedented successes and have influenced the government to the point of changing its previous decision and accept the proposed alternative. Other smaller victories that do not result in actual policy changes still bring about one-time changes. Whatever the scale of influence, the Armenian environmental organisations do impact policy. The study also identified several typical traits that were detrimental to the success of the environmentalists’ campaigns and which can serve as warnings to other groups of CSOs that would effectively push for policy changes. Armenian environmental organisations’ campaigns were most successful when 1) local support was mobilised to back up the campaign; 2) alternative solutions were proposed by campaigners; 3) the campaigns were rendered truly pan-Armenian by engaging Diaspora Armenians (Tadevosyan and Hakobyan, 2010d).

4.7 Impact of Civil Society on Attitudes

This sub dimension measures civil society’s impact on attitudes by looking at the difference in trust, tolerance and public spiritedness between active members of civil society and all other inactive and non-members of society, as along with trust in civil society. The mean score for the sector is 15.2%, indicating that Armenian civil society has a low level of impact on attitudes. TABLE III.4.1 summarises the respective indicator scores.

TABLE III.4.1: Impact of civil society on attitudes

Indicator	Score in %
4.7.1 Difference in trust	9.7
4.7.2 Difference in tolerance	11.6
4.7.3 Difference in public spiritedness	0.0
4.7.4 Trust in civil society	39.6

The table above shows that there is little difference between civil society members and non-members in feelings of such socio-cultural norms and attitudes as interpersonal trust and tolerance. In case of one such norm, public spiritedness, there is no difference whatsoever. This means that membership in Armenian civil society does not translate into enhanced social capital – both civil society members and non-members are almost equally distrustful and intolerant, sharing a low level of public spiritedness.

The analysis shows that the level of trust towards non-profit organisations has increased considerably in the last few years. Data from a study conducted in 2007 showed that only 18 percent of the Armenian population trusted local NGOs (Hans, 2007).¹⁵ Non-profit organisations were often portrayed in the media as commercial organisations that consume grants without providing any real benefit to the general public. While organisations involved in political or human rights are often perceived by the public to be supported by foreign funding and to serve foreign interests (USAID, 2007).

In 2008, one study found that non-profits in Armenia were no longer viewed as “grant-eating” organisations (USAID, 2008). According to the CSI population survey findings, 39.6% of the Armenian population has a high level of trust in CSOs.¹⁶ However low, this percentage points to a positive shift in the levels of the population’s trust of civil society. When disaggregating the data, it appears that the most trusted type of CSOs is the church, with 78% of the Armenian population having a great deal or quite a lot of confidence in it. This is followed by charitable or humanitarian organisations (59.0%); women’s organisations (49%); environmental organisations (47.7%); political parties (19.1%) and labour unions (18.7%).

Conclusion

Perception of impact is one of the two dimensions that scored comparatively low – 32.8%. (The other dimension that scored low is the civic engagement dimension with a score of 37.4 %.) Armenian civil society organisations were quite self-critical when evaluating their impact. The External Perceptions Survey yielded a better assessment of CSO impact. During the AC meeting it was noted that the impact of civil society seems to be somewhat underestimated by the CSI assessment results, since Armenian civil society is rather responsive and since considerable efforts are being made to react to social needs and to

¹⁵ A full study on all types of Armenian civil society organisations has never been conducted. Data received from the 2009 CIVICUS CSI organisational survey may be compared with previous studies that measure the level of the population's trust towards Armenian NGOs only. Thus part of this ‘considerable’ increase may also be attributed to differences in the studies' methodologies and samples.

¹⁶ The level of the population's trust in CSOs (environmental organisations, women’s organisations, charitable or humanitarian organisations, churches, labour unions and political parties) is measured by CIVICUS CSI population survey on a 4-point scale, with 1 indicating a great deal of trust and 4 indicating none at all. The mean level of trust is computed, with less than 2.5 points indicating a high level of trust and more than 1.5 points indicating a low level of trust.

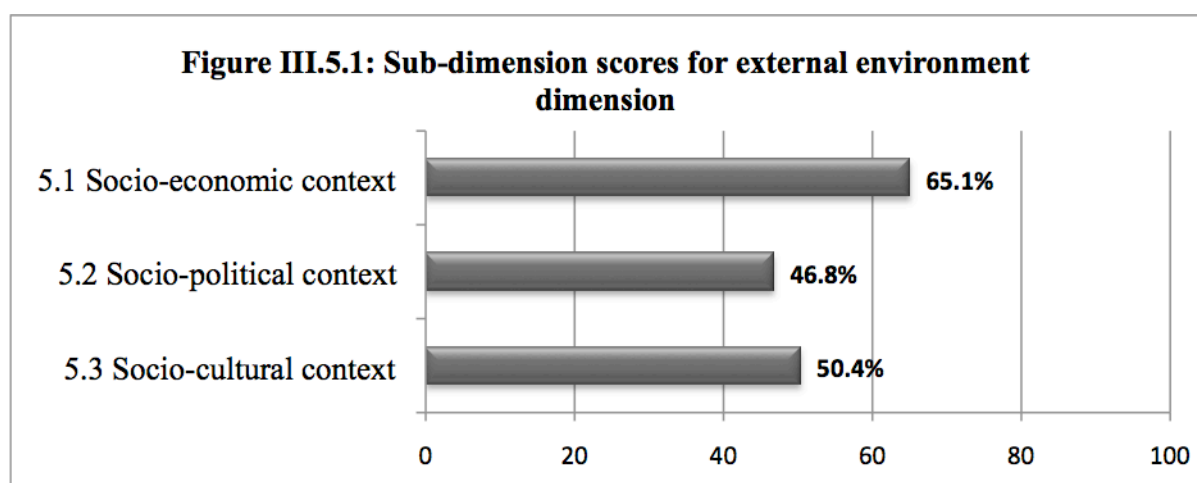
influence the course of public policy. Activity is increasing, yet impact is not always discernable. That said, the study acknowledges the following limitations that hamper impact: CSOs are clustered either around state structures or the opposition; the organisational capacity of CSOs is still poor and CSOs are mostly engaged in short-term activities, not always in line with their strategic goals.

The rise of civil society actors in Armenia with genuine dedication to the promotion of democracy is of the utmost importance. Another remedy proposed by an external stakeholder is the emergence of more sector-specific CSOs, which would act as specialised brokers in a given field, such as consumer rights protection, freedom of information and civil service development, with a decline in the number of CSOs with abstract mandates, such as the “promotion of justice and democracy” and that can lack strategic impact because they target *ad hoc* outputs.

The study also revealed that Armenian civil society has a low impact on attitudes. There is little difference between the attitudes of people who actively participate in civil society activities and those who do not; low levels of interpersonal trust and tolerance characterise both groups. This problem can possibly be explained by a previous finding, which showed that Armenian CSOs have not internalised the values they preach. This reinforces the need for CSOs to live up to the principles they promote, to gain legitimacy and to effectively impact public attitudes.

5. ENVIRONMENT

This dimension assesses the external environment in which civil society exists and functions. The section describes and analyses the overall environment, focusing on the following sub-dimensions: 1) socio-economic context; 2) socio-political context; and 3) socio-cultural context. The overall score for the dimension is 54.1%, showing an environment moderately conducive to the promotion and development of the third sector in Armenia. The graph below presents the scores for the three sub-dimensions within the Environment dimension.



5.1 Socio-economic context

This sub-dimension assesses the social and economic situation in the country and its impacts on the effective functioning of civil society. The Armenian socio-economic environment

scored 65.1%, pointing to comparatively favourable social and economic conditions for the effective functioning of civil society in Armenia.

Over the past two decades Armenia has emerged from Soviet rule and a severe economic crisis to become a “Caucasian tiger.” Indeed, the continuous and remarkable economic growth rates of the country reminded many analysts of the economic upswing experienced by South-East Asian countries (Saumya, 2006). As reported by the World Bank’s International Development Association, since the collapse of the Soviet Union, Armenia’s economic transformation has been profound. From the late 1990s to 2007, Gross Domestic Product (GDP) expanded by double digits, and Armenia now ranks as a lower middle-income country. As a result of sustained growth, ambitious reforms, and an external influx of capital and remittances, poverty rates plunged from over 55% of the population at the start of the transition to about 25% today (World Bank IDA, 2009).

To assess the socio-economic context, CIVICUS determined four socio-economic indicators that may effect the functioning of civil society: 1) level of human capabilities, measured by the Basic Capabilities Index (BCI), 2) corruption, measured by Transparency International’s Corruption Perception Index 3) inequality, measured by the Gini coefficient and 4) economic context, measured by the ratio of external debt to Gross National Income (GNI), according to World Bank Development Indicators. TABLE III.5.1 presents the condensed information for the respective indicators in the Armenian context.

TABLE III.5.1 Socio-economic context

Indicator	Score in %
5.1.1 Basic Capabilities Index ¹⁷	95.6 ¹⁸
5.1.2 Corruption Perception Index	29 ¹⁹
5.1.3 GINI coefficient	66.2 ²⁰
5.1.4 External debt/GDP	69.5 ²¹

5.1.1 Basic Capabilities Index for Armenia: According to this Index, Armenia is in the medium category with 95.6 percentage points. Thus, Armenia is very close to the acceptable level of 98-99+ points, implying that the country is near to covering the minimum essential conditions that mark the starting-point of a better well-being.

¹⁷ The Basic Capabilities Index (BCI) is comprised of three criteria covering health and basic educational provision. Accordingly, the highest possible BCI score is reached when all women are assisted when giving birth, no child leaves school before successfully completing the fifth grade, and infant mortality is reduced to its lowest possible of less than five deaths for every one thousand children born alive (Social Watch, 2008).

¹⁸ The original data is scaled from 0-100. No changes were made to the scores.

¹⁹ The original data is scaled from 0-10. Therefore, scores were multiplied by 10 to create a 0-100 scale for the CSI Diamond.

²⁰ The original data is scaled from 0-100, where a value of 0 represents absolute equality, and a value of 100 - absolute inequality. CSI reversed the scores by subtracting the score from 100 (100-x) to create a scale of 0-100, where 0 represents absolute inequality and 100 represents absolute equality.

²¹ External debt over GNI gives a result that is interpreted as follows: the higher the score, the bigger the debt as compared income and therefore the worse the economic context. This ratio has unlimited possibilities of answers with no set maximum score. Therefore, to fit the CSI diamond’s scale of 0-100, CSI recoded these scores by capping the scores at 100, where any score over 101 was changed to 100. Each score was subtracted from 100 (100-x) in order to reverse the scale to fit the desired direction, namely, the higher the score, the more favourable the economic context for civil society development.

5.1.2 Corruption: Corruption in Armenia is a serious problem. Armenia's rating according to the Transparency International Corruption Perception Index in 2008 was 2.9 on a scale of 0 (highly corrupt) to 10 (no corruption); the Heritage Foundation also points out that corruption in Armenia is perceived to be widespread in such critical areas as the judiciary, tax and customs operations, health, education, and law enforcement (Transparency International, 2008; Heritage Foundation, 2009). Corruption was identified as a key social concern by CSI's AC members. These observations are in line with the perceptions of Armenians; of which 63% consider corruption to be a serious problem and another 23% think that it is a somewhat serious problem for Armenia. Moreover, 51% of Armenians agree with the statement that corruption is a fact of life in Armenia (USAID, 2008: 11).

All these surveys and indices show that corruption is firmly rooted in Armenia. The corrupt environment in which Armenian civil society operates greatly jeopardises its effective functioning. Another finding of the corruption survey of Armenian households (2008) shows that a long time will be needed to eliminate corrupt practices: the majority of Armenians (53%) report that they are likely to continue to pay bribes because they believe there is no other way to get things done or because they need to speed up processes and procedures (USAID, 2008: 2).

Following the political crisis in March 2008,²² the government strongly emphasised its measures to combat corruption in an effort to reunify a population that had been polarised by violent post-election developments. Government strategy for combating corruption in 2008–2012 was adopted, combining legislative measures and reforms of public services with an emphasis on tax and customs bodies. The results of the anti-corruption campaign remain to be seen, and the consistency of government measures is still not obvious (Iskandaryan 2009).

5.1.3 Inequality: Inequality in Armenia decreased as measured by a reduction in the Gini coefficient from 0.395 in 2004 to 0.369 in 2006 to 0.338 in 2007, on a scale where zero represents perfect equality and one represents absolute inequality (World Bank, 2007-2008). Still, the website of Fund for Peace declares that the country is plagued by economic inequality and polarisation, claiming that the top 10% of the population controls 41.3% of the wealth while the bottom 10% controls only 1.6% (Fund for Peace, 2006). The urban - rural divide is also significant, with more economic activity and higher income levels and lower unemployment rates in Yerevan than in rural areas, where poverty persists (USAID, 2007).

5.1.4 Economic context: The ratio of external debt to Gross National Income in Armenia is scored 69.5%, which is interpreted as an indication of a better economic context: the higher the score the lower the debt to income ratio. According to AC members, however, such economic indicators should not be viewed as signs of a better economic environment and, in fact, cannot reflect the reality that Armenian society faces. More often than not, the advantages of growing economic figures and indicators remain the exclusive privilege of a small group of wealthy elite, which further expands the inequality gap. Another problem is that the continued economic expansion that Armenia witnessed is uncertain. Increased exports are constrained by closed borders and restricted access to markets. Dependence on remittances further threatens the sustainable growth of the country's economy. In fact, with the current economic crisis, remittances dropped by over 30% from 2008 to 2009, seriously affecting the purchasing power of the population. It is not surprising that Armenia was among the countries that were gravely hit by the world's financial crisis: in 2009, the

²² For more details see the socio-political context in Armenia.

economy dropped month by month, culminating in 18.5% after the first seven months, one of the most extreme downturns in the world (Avagyan, 2009). Thus, the seemingly positive macroeconomic picture is actually distorted by the major problems in economy that are not always captured or visible through economic indices.

5.2 Socio-political context

This sub-dimension describes and analyses the basic features of the political system in the country and its impact on civil society. To assess the socio-political context, the CIVICUS Civil Society Index determined five indicators that may effect the functioning of civil society: 1) political rights and freedoms, 2) rule of law and personal freedoms, 3) associational and organisational rights, 4) experience of legal framework and 5) state effectiveness. The overall score for the sector is 46.8%. TABLE III.5.2 presents the condensed information for the respective indicators in the Armenian context.

TABLE III.5.2 Socio-political context

Indicator	Score in %
5.2.1 Political rights and freedoms	35 ²³
5.2.2 Rule of law and personal freedoms	47.9 ²⁴
5.2.3 Associational and organisational rights	41.6 ²⁵

5.2.1 Political rights and freedoms: This subsection is measured through the Freedom House Index of Political Rights based on the degree of freedom in 1) the electoral process, 2) political pluralism and participation, and 3) the functioning of government.

In 2009, Armenia's political rights rating declined because of the lack of an environment conducive to the opposition's ability to successfully compete for political power in the 2008 presidential election, as well as the violent dispersal of opposition protesters in the aftermath of the voting. As USAID Armenia Political Party Assessment (2005a) observes, although the legal framework is generally adequate for multi-party competition, it is not enforced. Parties are not developed in a democratic sense nor do they compete on an even playing field. Also, the judiciary is not independent and so, for all intents and purposes, there is no legal remedy for a wronged party. CIVICUS CSI AC members also reported that the Armenian system is not open to the rise and fall of competing parties or to that of the leaders of those parties. The competition is not natural, but rather predetermined due to connections, bribery and political patronage.

5.2.2 Rule of law and personal freedoms: This indicator is assessed using the Freedom House Index of Political Rights and Civil Liberties and is based on scores for 1) rule of law, 2) personal autonomy and individual rights, and 3) freedom of expression and belief.

The constitution of Armenia provides for an independent judiciary, but in practice the judicial branch is subject to political pressure from the executive branch and suffers from

²³ The original data is scaled from 0-40. A proportional formula was used to change the range to 0-100 for the Diamond.

²⁴ Scores for Rule of Law, Personal Autonomy and Individual Rights, and Freedom of Expression and Belief were added into one score. The range of possible answers therefore became 0-48 (each of the 3 indicators had a range of 0-16). A proportional formula was used to change the scale to 0-100 for the Diamond.

²⁵ The original data is scaled from 0-12. A proportional formula was used to change the range to 0-100 For the Diamond.

considerable corruption (Freedom House, 2008). Freedom of expression is guaranteed in the Armenian Constitution and the government does not interfere conspicuously with the activities of nongovernmental organisations (Freedom House, 2008). However, the Civilitas Foundation reports that the absence of a politically and financially independent media remains the main impediment to development as a free and credible institution in Armenia, with the government maintaining its tight grip on virtually all domestic broadcasters. The far more diverse print media continues to display political bias and partisanship. There have also been more instances of violence against journalists (The Civilitas Foundation, 2009).

5.2.3 Experience of Legal Framework: This subsection measures the subjective experience of Armenia's legal framework by civil society organisations. The majority of Armenian CSOs (65.6%) consider that the country's regulations and laws for civil society are either moderately or fully enabling. The USAID NGO Sustainability Index for Central and Eastern Europe (2008) attributes their score of 3.9 to the legal environment regulating the activities of Armenian civil society. This means that the legal environment is in its mid-transition period (USAID, 2008: 17).

While the CSO registration process still needs to be streamlined, five thousand non-governmental organisations registered in Armenia are evidence of a legislative framework that mostly facilitates new applications; offices in the regions that can issue required stamps have opened so that new organisations can register locally (USAID, 2007: 51), lessening the inconvenience of potentially time-consuming bureaucratic hurdles that could discourage groups from ever applying.

Two major issues hinder CSO functioning in Armenia: The Law on Public Organisations outlaws the right to conduct direct economic activities, whether or not they serve the organisation's goals or whether they are in line with international best practices. Tax and fiscal frameworks are also constraining: the legislative framework does not provide for tax policy mitigations or tax privileges, such as exemptions to indirect income-generating activities. Armenian CSOs are taxed as businesses, another restrictive approach inconsistent with good practice (Tadevosyan and Hakobyan, 2010b).

5.3 Socio-cultural context

This sub-section describes and analyses the extent to which socio-cultural norms and attitudes are conducive to or detrimental to civil society. These include: a) interpersonal trust; b) tolerance and c) public spiritedness. The overall score for the sector is 50.4%. TABLE III.5.3 summarises the respective indicator scores.

TABLE III.5.3: Indicators assessing the socio-cultural context

Indicator	Score in %
5.3.1 Trust	17.8
5.3.2 Tolerance	42.7
5.3.3 Public spiritedness	90.7

5.3.1 Interpersonal trust: Interpersonal trust is the sub-dimension that scored the lowest: only 17.8% of the Armenian population considers that most people can be trusted. The rest of the population is of the opinion that one should be very careful when dealing with other members of the society. The concern of Armenians being too distrustful of one another seems to be a pervasive issue that has a strong hold within the Armenian society. This concern was

raised during all four focus group discussions, as well as the Advisory Council's meetings. According to the raised views, distrust towards each other has become a common way of life, and even an issue of survival.

5.3.2 Tolerance: The sub-section is measured by the percentage of the Armenian population that is tolerant towards other members of the society, including people of a different race, religion, or ethnicity, immigrants/foreign workers, people with HIV/AIDS, and homosexuals. Only 42.7% of the Armenian population is tolerant towards such groups. The Armenian society appears to be least tolerant of drug addicts: 96.1% of the population survey participants would not like to have them as neighbours. Low on the list are heavy drinkers and homosexuals, with 91.4% and 91.1% of respondents respectively not willing to live next to such members of society. On the other hand, Armenians are more tolerant towards and would not oppose to living next to people who speak a different language (87%), national minorities (Ezdis, Kurds) (77.6%), immigrants/foreign workers (75.9%), people of a different race (65.3%) and unmarried couples living together (61.4%).

5.3.3 Public spiritedness: Public spiritedness is the cultural value that scored the highest: 90.7% of the Armenian population is motivated by or exhibits devotion to the public welfare. The vast majority of the Armenian population considers that avoiding a fare on public transport, cheating on taxes, claiming illegitimate government benefits and accepting a bribe in the course of their duties are all actions that can never be justified.²⁶ However encouraging such high levels of public spiritedness might seem, there appears to be a striking discrepancy between what people report to think and how they actually act. Thus, for example, however unjustifiable accepting or giving bribes might be considered, the majority of Armenians (53%) also report that they are likely to continue to pay bribes, as found out by a corruption survey of households (USAID, 2008: 2). It is not surprising that the corruption levels in Armenia remain so high: the Armenians do clearly realize how inexcusable such actions are but are still not public-spirited enough to abstain from such practices.

Conclusion

Despite the amazingly high levels of economic growth and the subsequent natural decline in poverty rates, there has been a less impressive change in the distribution of individual incomes, and income growth has not been the same for all segments of society and in all regions of Armenia. This proves that the 'business as usual' approach to growth and development has not proved adequate in the Armenian context: people living in rural areas and the poor have benefited less from the 'normal' processes of economic growth. The world economic crisis also exposed the economy's structural weaknesses, demonstrated by the drastic decline in almost all macroeconomic indicators. Moreover, widespread corruption is yet another socio-economic limitation to the development and functioning of Armenian civil society.

The socio-political context is less conducive to the effective functioning of Armenian civil society than the socio-economic environment. The main problem is the lack of enforcement of existing laws and regulations, which are, *per se*, mostly in line with international standards. Above all, political patronage and clientelism are deeply entrenched patterns of relations that have to be eliminated. However, there is particular evidence of the increasing

²⁶ To measure this, a ten-point scale was used where ten showed an action that is never justifiable and one – an action that is always justifiable. The mean score for all four actions was 9.

influence of the non-profit community, as evidenced by the organised and successful campaigns led by CSOs against policies that they deem impermissible. CSOs should continue their active role and be *proactive* as watch-dog organisations, monitoring the public policy processes and providing necessary feedback to government officials, especially through the framework of social-partnership schemes advocated for and in some cases instituted by CS.

The analysis of the socio-cultural context reveals concerns about the weak levels of social capital among Armenians, including specifically low levels of interpersonal trust and tolerance. Thus, the socio-cultural context is restrictive to the functioning of civil society. This problem can also be attributed to CSO members, who were found to be almost as intolerant and distrustful as other members of the public at large. CSOs should seek different ways to integrate tolerance and trust-building measures into their own organisations, and then extend these values to a wider societal level.

IV STRENGTHS AND WEAKNESSES OF CIVIL SOCIETY IN ARMENIA

This section captures the main strengths and weaknesses of civil society in Armenia, based on data collected throughout this study. Four Regional Focus Group Discussions (totalling 72 participants) and the CSI National Workshop (totalling 84 participants) form the basis for this section.²⁷ The strengths and weaknesses revealed during two AC meetings, as well as CSI quantitative data are also considered in this section. Weaknesses obviously prevail and yet many of them demonstrate a positive pattern of development.

Civic Engagement

Weaknesses

- Low extent and (to a lesser degree) depth of civic participation;
- Low level of trust towards CS;
- Poor publicity: CSOs are not effective in presenting, ‘selling’ and publicizing their activities;
- Low level of formal volunteering;
- Weak accountability towards beneficiaries.

Strengths

- Diverse civic participation (the traditionally or supposedly marginalized groups, i.e. women, ethnic minorities, people living in remote areas and in small villages and those belonging to lower classes are not excluded from civic participation);
- Increased rates of civic participation in recent years;
- Increased interest and trust towards CSOs;
- Engaged and responsive CS;
- Ability to mobilize people around ideas and issues;
- Augmented levels of volunteerism/High levels of informal volunteering in Armenia.

Level of Organisation

Weaknesses

- Weak internal governance and poor integration of formal management structures;
- Financially unsustainable institutions;
- Insufficient human resources predominantly due to the issue of financial sustainability (organisations are not financially sustainable enough to afford regular paid staff);
- High turnover of human capital from the sector (again closely related to the issue of financial insecurity);
- Weak intersectoral cooperation and communication;
- Underdeveloped international linkages;
- Leader-oriented decision-making with limited opportunities for rotating leadership;
- Lack of strategic planning.

Strengths

- Formal internal governance mechanisms in place;
- Strong fund-raising capacity;
- Committed and dedicated volunteer base;

²⁷ More information is available on this area in the Policy Action Brief.

- Successful, though sporadic examples of coalition-building between CSOs;
- Developed technological resources, measured as access to phone, fax and computer/Internet (though predominantly in urban areas);
- Interest of international players and the subsequent financial influx and technical assistance to the region.

Practice of Values

Weaknesses

- Lack of knowledge and recognition of democratic values among general population;
- Low level of civic education and attitudes;
- Low level of civic consciousness;
- Low sense of ownership by the society;
- No uniform code of conduct for CSOs;
- Low practice of internal democratic governance and decision-making;
- Low level of transparency;
- Low level of accountability;
- Lack of practice of written codes;
- Clientelism: misuse of influence, authority and status.

Strengths

- A predominantly non-violent CS sector;
- Realization of the importance of inclusive and democratic internal decision-making;
- Intention and willingness to be perceived as transparent;
- CSO commitment and dedication to propagated causes;
- Beneficiary involvement and participation as an ongoing practice in the decision-making, design and activities of CSOs;
- Availability of written standards and codes of behaviour.

Perception of Impact

Weaknesses

- Low level of impact on public attitudes and the promotion of democratic values;
- Lack of long-term strategy;
- Short-term impact;
- Low level of cooperation with the state;
- Underdeveloped and personalized state-civil society relations;
- Low level of information flow between state and CS sector;
- Amalgamation of the state and business interests;
- Reactive, rather than proactive measures

Strengths

- Examples/success stories of impact due to intersectoral cooperation;
- Concurrence of business and CSO interests in particular areas;
- Exemplary, though sporadic practices and instances of impact by certain groups of CSOs;
- One-off victories (though rarely resulting in structural changes).

External Environment

Weaknesses

- Lack of income generation mechanisms and incentives for philanthropic giving ensured by legislation;
- Politicization and the subsequent polarization of CSOs which results in a low level of trust by government agencies and business organisations towards the sector;
- Lack of rule of law;
- High level of corruption;
- Lack of political will to support civil society advancement;
- Public indifference and disenchantment;
- Poverty/social vulnerability, unequal distribution of resources;
- Rare practices of social partnership, cooperation with the media;
- Lack of Corporate Social Responsibility (CSR) regulation and culture;
- Underdeveloped Small and Medium Enterprise (SME) sector;
- Low level of social capital (interpersonal trust, tolerance and public spiritedness);
- Inconsistency of international donors due to their political agendas;
- Decreased number of international donors.

Strengths

- Generally favourable and supportive legislation;
- Individuals committed to democratic values and civic promotion;
- Frequent manifestations of charitable-giving and philanthropy from Armenian corporations;
- A newly adopted government strategy and measures undertaken for combating corruption;
- Support of international organisations.

V RECOMMENDATIONS

This section presents recommendations to address the limitations of the Armenian civil society identified through this study.²⁸ A plurality of suggestions is directed to the Armenian civil society. The recommendations are organised along the five dimensions assessed by the study:

Civic engagement

- ✓ **Raising public spiritedness and ensuring CS visibility** through civic education, a good communications strategy and enhanced networking.
- ✓ **Building credibility and trust** to more proactively attract citizen participation and sponsorship. CSOs should embrace organisational practices that promote accountability to local constituencies, consistently report downward to their beneficiaries as they do upward to those who fund them and present an inclusive account on all aspects of their activities.
- ✓ **Utilizing the full potential of the volunteer resource base**, reaching out to the often unutilised informal-only volunteers and introducing them also to formal volunteering.

Level of Organisation

- ✓ **Developing CSO institutional capacity** through trainings, information-sharing and knowledge transfer among CSO members. Special courses provided by educational institutions on non-profit management, strategic planning, project management, fundraising, public relations and communication, for example, would also develop the organisational capacity of Armenian CSOs.
- ✓ **Building grounds for a financially sustainable civil society** by establishing and fostering partnerships as soon as possible, with all types of potential funding providers, advocating for a more secure and supportive legislative environment for CSO fundraising efforts and expanding the current practice of government funding to CSOs, rendering the recently emergent experiments with social contracting into a sustainable practice.
- ✓ **Developing cooperation mechanisms** so that communication and cooperation become the new form of interaction within the Armenian civil society.

Practice of values

- ✓ **Building social capital:** CSOs should take up the work of bridging diverse groups in society and create an atmosphere of collaboration, confidence and mutual responsibility.
- ✓ **Addressing CSO transparency and internal democracy:** CSOs should internalize the norms they claim to value so that they are both practiced and perceived to be practiced by important social actors, including the state and the private sector.

Perception of impact

- ✓ **Addressing the strategic flaws:** the short-term, goal-oriented projects and ad-hoc initiatives of many Armenian CSOs should be expanded into coordinated policies that match the long-term strategic goals of the organisations; reactive measures should be complemented with proactive strategic policies to prevent the anticipated dangerous practices.

²⁸ More information is available on this area in the Policy Action Brief.

- ✓ **Acting in coalitions and presenting viable alternatives:** to engage in policy processes more effectively, CSOs should create joint, rather than standalone initiatives and do so with the firm support of the population. Presenting viable alternatives to the contested projects has proven to help CSOs to succeed.
- ✓ **Capitalizing on the role of the Armenian Diaspora,** involving Diaspora Armenians in CSO campaigns early on and in a planned fashion, given the influence and pressure the Armenian Diaspora can exert.

External environment

- ✓ **Redressing the entrenched flaws in the public governance system:** to succeed, state funding distribution should not be guided by partisan interests and an adequate level of transparency should be guaranteed. Above all, political patronage, clientelism and corruption have to be eliminated to show that the intentions of the state are genuine and that social integration possible. In this respect the role of watchdog organisations in defending the effectiveness and integrity of the state should be emphasized.
- ✓ **Defining corporate social responsibility as a new focus for action:** promoting CSR in the country, starting by informing, communicating and publicizing CSR activities. To accelerate this process, CSOs should look for different ways of cooperating with businesses instead of solely seeking to get financial support from them. CSOs should lobby more intensely for a legislative environment that creates additional motivations for business organisations to engage in corporate giving in a more systemic and strategic fashion.

VI CONCLUSION

The CSI implementation in Armenia was driven by the intention to gain comprehensive feedback from the local communities and evidence-based information on the state of civil society in Armenia. Additionally, the recommendations developed during the assessment process were hoped to allow for long term planning of CSOs, governmental agencies, the media and other stakeholders. The CSI participatory development tool engaged a wide array of civil society actors and other sectors' representatives in consultations, generated a shared understanding of the current state of affairs, fostered discussion and provided grounds for reflection. This conclusion seeks to draw together the highlights of and the recommendations from the CSI project in Armenia.

As the CSI Diamond demonstrates, civic participation and CS impact in Armenia emerge as the dimensions with the greatest need for improvement. The level of organisation, practice of values and external environment are assessed as relatively conducive to the functioning of civil society. Yet, the underlying causes for low scores are interdependent and affect all of the dimensions of CS operation.

The Civic Engagement dimension score raises concerns over the extent of citizen participation in Armenia. Within this limited participation, however, higher depth and diversity describe the country's social space. Another important highlight is the reliance on informal channels and means, as people do not perceive participation in formal organisations to be a viable means for getting things done. Thus, on the one hand the Armenian people tend to engage in informal, unmanaged civic activities. On the other hand, if engaged they become consistent and active participants of formal civic organisations. These are two important foundations that should be built upon. If a properly devised strategic approach is employed by civil society organisations in channelling and engaging Armenian citizens, a higher rate of civic engagement can be achieved with people of diverse backgrounds and skills.

Beside the necessity for eliminating the general apathy of the wider population and for increasing the relevance of responsible citizenry, the attraction of human capital is crucial for civil society organisations in their own endeavours. A narrow constituency base and subsequently weak legitimacy have been reported as hindrances that limit the scope of Armenian CS impact on policies. Generally, perception of impact suggests that civil society's performance leaves much room for improvement due to a number of factors – a short-term-goal-oriented approach, a lack of strategic thinking, a clusterization around state or opposition groups and a poor organisational capacity. When it comes to impacting attitudes and promoting values such as interpersonal trust and tolerance, it appears that the Armenian CS has extremely low influence, no impact at all and in certain instances. There is little difference between people who actively participate in civil society activities and those who do not – low levels of interpersonal trust and tolerance characterise both groups. This finding points to another causal explanation for low impact: CSOs do not act according to the values they preach, which keeps them from pushing into other sectors of society.

The Practice of Values dimension reveals faint indications of civil society's ability to incorporate internally practices such as tolerance, trust and democratic internal governance. Many Armenian civil society organisations have developed standards or codes of behaviour regarding internal democratic governance. However, de facto, these formalised self-regulatory mechanisms have not been transformed into regular operations. The reported limitations are balanced by civil society's strength as a predominantly non-violent and

tolerant sector. The use of violence such as aggression, hostility, brutality and/or fighting among civil society actors to forward their interests is extremely rare and always denounced. Corruption within civil society is not widespread either. The presence and weight of racism, discrimination or intolerant forces among civil society groups is perceived to be uncommon: cooperation and self-organisation are more typical of the sector than conflict and intolerance.

The unsustainable human resource base is one of the basic limitations of growth in the Level of Organisation dimension. Solutions to the human resource limits are required, and they will affect growth along all five dimensions assessed. First, CSO mismanagement of hiring and engaging staff members needs to be reconsidered in order to attract newcomers and not to frustrate the veterans. Second, financial sustainability, another weakness of the CS level of organisation, should be built up through diversification efforts, as this will then allow CSOs hire and maintain professional human capital and mitigate the consequences of high turnover rates from the sector. As a positive development, membership in support networks or federations is growing and inter-sectoral communications between the Armenian civil society organisations on issues of common concern is strong.

The environment within which the Armenian civil society operates continues to be hindered by a lack of adherence to rule of law and by corruption. As a positive trend the state is not seen as actively blocking the development of the civil society and there is a willingness to expand state – civil society collaboration initiatives, especially those related to the provision of social services. To succeed, the distribution of state funding should not be guided by partisan interests and should require an adequate level of transparency to the process. Above all, political patronage, clientelism and corruption have to be eliminated to show that the intentions of the state are genuine and that social integration possible. Private sector-civil linkages are still underdeveloped; however, recent developments indicate an increasingly promising environment for collaborative efforts. Finally, weak social capital should become one of the key items on the CS agenda, acting as a tight network built around commitment to propagating values such as interpersonal trust and tolerance.

APPENDICES

Appendix I: CSI Data Indicator Matrix for Armenia

Dimension Sub-Dimension and Indicators	Scores %
1) Dimension: Civic Engagement	37.4
1.1 Extent of socially-based engagement	11.9
1.1.1 Social membership 1	11.7
1.1.2 Social volunteering 1	8.2
1.1.3 Community engagement 1	15.9
1.2 Depth of socially-based engagement	31.3
1.2.1 Social membership 2	14.8
1.2.2 Social volunteering 2	14.5
1.2.3 Community engagement 2	64.7
1.3 Diversity of socially-based engagement	70.1
1.3.1 Diversity of socially-based engagement	70.1
1.4 Extent of political engagement	12.0
1.4.1 Political membership 1	8.5
1.4.2 Political volunteering 1	9.5
1.4.3 Individual activism 1	17.9
1.5 Depth of political engagement	25.8
1.5.1 Political membership 2	20.4
1.5.2 Political volunteering 2	28.8
1.5.3 Individual activism 2	28.1
1.6 Diversity of political engagement	73.5
1.6.1 Diversity of political engagement	73.5
2) Dimension: Level of Organisation	54.9
2.1 Internal governance	91.1
2.1.1 Management	91.1
2.2 Infrastructure	39.1
2.2.1 Support organizations	39.1
2.3 Sectoral communication	67.5
2.3.1 Peer-to-peer communication 1	70.9
2.3.2 Peer-to-peer communication 2	64.0
2.4 Human resources	19.1
2.4.1 Sustainability of HR	19.1
2.5 Financial and technological resources	80.6
2.5.1 Financial sustainability	88.5
2.5.2 Technological resources	72.6

2.6 International linkages	31.9
2.6.1 International linkages	31.9
3) Dimension: Practice of Values	55.1
3.1 Democratic decision-making governance	62.8
3.1.1 Decision-making	62.8
3.2 Labour regulations	62.0
3.2.1 Equal opportunities	43.2
3.2.2 Members of labour unions	98.5
3.2.3 Labour rights trainings	49.5
3.2.4 Publicly available policy for labour standards	56.6
3.3 Code of conduct and transparency	62.1
3.3.1 Publicly available code of conduct	54.9
3.3.2 Transparency	69.2
3.4 Environmental standards	29.2
3.4.1 Environmental standards	29.2
3.5 Perception of values in civil society as a whole	59.4
3.5.1 Perceived non-violence	76.8
3.5.2 Perceived internal democracy	43.5
3.5.3 Perceived levels of corruption	13.6
3.5.4 Perceived intolerance	82.2
3.5.5 Perceived weight of intolerant groups	93.4
3.5.6 Perceived promotion on non-violence and peace	46.8
4) Dimension: Perception of Impact	32.8
4.1 Responsiveness (internal perception)	37.1
4.1.1 Impact on social concern 1	26.9
4.1.2 Impact on social concern 2	47.2
4.2 Social Impact (internal perception)	42.5
4.2.1 General social impact	37.8
4.2.2 Social impact of own organization	47.2
4.3 Policy Impact (internal perception)	25.5
4.3.1 General policy impact	18.3
4.3.2 Policy activity of own organization	35.2
4.3.3 Policy impact of own organization	23.0
4.4 Responsiveness (external perception)	23.5
4.4.1 Impact on social concern 1	16.4
4.4.2 Impact on social concern 2	30.6

4.5 Social Impact (external perception)	47.6
4.5.1 Social impact selected concerns	47.6
4.5.2 Social impact general	47.6
4.6 Policy Impact (external perception)	38.0
4.6.1 Policy impact specific fields 1-2	47.3
4.6.2 Policy impact general	28.6
4.7 Impact of CS on attitudes	15.2
4.7.1 Difference in trust between civil society members and non-members	9.7
4.7.2 Difference in tolerance levels between civil society members and non-members	11.6
4.7.3 Difference in public spiritedness between civil society members and non-members	0.0
4.7.4 Trust in civil society	39.6
5) Contextual Dimension: Environment	54.1
5.1 Socio-economic context	65.1
5.1.1 Basic Capabilities Index	95.6
5.1.2 Corruption	29.0
5.1.3 Inequality	66.2
5.1.4 Economic context	69.5
5.2 Socio-political context	46.8
5.2.1 Political rights and freedoms	35.0
5.2.2 Rule of law and personal freedoms	47.9
5.2.3 Associational and organizational rights	41.6
5.2.4 Experience of legal framework	65.6
5.2.5 State effectiveness	43.8
5.3 Socio-cultural context	50.4
5.3.1 Trust	17.8
5.3.2 Tolerance	42.7
5.3.3 Public spiritedness	90.7

APPENDIX 2. CASE STUDY SUMMARIES

Civic Engagement: “Culture of Volunteerism in Armenia”

By: Mane Tadevosyan, Lusine Hakobyan

Full Study can be found at: <http://www.advocacy.am/en/?nid=347>

Armenians have often witnessed how valuable and irreplaceable volunteer input can be. At times of crises and day-to-day mutual support is a defining characteristic for Armenians. However, presently, large-scale, yet scattershot and irregular volunteering describes the volunteer contributions of Armenians. Formal organisations have not yet channelled and succeeded in taking full advantage of the wider volunteer resource base that exists in Armenia. This case study focuses on formal volunteering in Armenia with organisations from the non-profit sector, and suggests that Armenian CSOs do not utilize the full capacity of volunteer resources in the country. The study aims to explore three focus areas - the regulatory environment, motivations behind volunteerism and volunteer management practices - to explain the under-utilization of volunteers.

A legal framework is essential for regulating, and in effect shaping, volunteerism in any country. The regulatory environment in Armenia fails to support volunteerism simply because there is no clearly recognised legal status for volunteers. On the one hand, the legislation in place fails to provide potential volunteers with sufficient incentives to volunteer. On the other hand, legal uncertainties and regulatory deficiency often discourage employers from recruiting volunteers and people from engaging in volunteer activities. Thus, although it is only one part of the institutional context that shapes volunteering, the Armenian legal environment should provide an enabling and protective arena for volunteering promotion.

The examination of the motivational factors behind volunteerism in Armenia shows that volunteer activity attracts Armenians primarily as a ‘feel good’ exercise, as a venue to help others and gain self-fulfilment. The recognition and appreciation ceremonies then should revitalize the importance of volunteer contribution to Armenia. Self-interested motives are no less important, however. So volunteers should be alerted to the practical benefits that formal volunteering leads to. Whatever the particular motivations of volunteers, each motivation should require a different approach to volunteer engagement. Understanding and capitalizing on the motivational drivers behind volunteerism is another way to increase the number of volunteers, and to improve their morale and effectiveness.

Volunteer mismanagement practices further discourage potential volunteers from engaging in such activity. Armenian nonprofits rely heavily on volunteers, but many of them do a poor job of managing those volunteers. As a result, many potential volunteers do not even know about volunteering opportunities. Many others who volunteer once do not donate their time again. This results in not only depreciated value and reduced levels of volunteering, but also in lost CSO labour and productivity. To remedy the situation, the Armenian nonprofits should advance a more strategic approach to the management of the often-overlooked resource pool.

Level of Organisation: “Financial Sustainability of Armenian CSOs – from Dependency to Autonomy”

By: Mane Tadevosyan, Lusine Hakobyan

Full Study can be found at: <http://www.advocacy.am/en/?nid=347>

Projections about the intrinsic stability and efficiency of Armenian civil society usually revolve around the issue of financial sustainability - the most important issue facing the sector today. This study suggests that a sustainable approach to CSO financing is one that strikes a balance between externally and internally generated resources in order for a CSO to meet its expenses while maintaining the freedom to determine its priorities and projects. For the purposes of this study, financial sustainability is defined as the ability of a civil society organisation to secure sufficient resources for its operations without excessive dependence on any single funding source. The case study hypothesizes that Armenian CSOs are not financially sustainable institutions. The study also reveals the obstacles to and opportunities for CSO fundraising and sustainability-building efforts presented by the environment that Armenian CSOs operate in. In particular, the foci of this study are: the recently emerging effort to strengthen government-CSO collaboration and the consequent opportunities for social contracting as well as the legal barriers to CSO fundraising endeavours.

The study supports the hypothesis and demonstrates that Armenian CSOs are not financially sustainable institutions as long as they maintain the current model of significant external funding by mainly international donors. The study holds that the only mechanism for CSOs to be able to engage any funding without the risk of being co-opted is to attract and rely on a diversified pool of revenues generated both externally and internally. Encouragingly enough, a new trend is uncovered by this study that Armenian CSOs themselves are concerned about their financial dependence. As a result, they have started to focus their fundraising efforts on diversifying their resource base.

On another positive note, cooperation between state bodies and non-profits in Armenia has entered into a new stage of development, expanding the scope of available mechanisms for cooperation. The Armenian government and CSOs now recognise the importance of having continuous dialogue and longer-term strategies for cooperation. Social contracting, as a model for social welfare secured through public funding and CSO input, is already taking shape in Armenia. The government commitment to expand the practice, the numerous (although still inconsistent and sporadic) cases of cooperation, as well as the potential success of these existing cases of cooperation, lead to high expectations for government funding and social contracting in Armenia as another way to ensure a financially sustainable non-profit sector.

Building a truly sustainable non-profit sector is a multidimensional challenge. In the Armenian context, the regulatory environment fails to establish a secure and supportive environment for NGO fundraising efforts by preventing direct income generation and refusing to implement tax mitigation for indirect income-generating activities. The taxation of income from economic activities related to the non-profit's mission is another restrictive approach inconsistent with good practice. In the last five years comprehensive reform packages have been developed by various Armenian NGOs in an attempt to affect the regulatory environment governing their operations. Armenian CSOs have to advocate in a more proactive and participatory way for the establishment of a legislative framework that supports the long-term growth of their organisations.

Practice of Values: “Status of CSO Accountability in Armenia”

By: Mane Tadevosyan, Lusine Hakobyan

Full Study can be found at: <http://www.advocacy.am/en/?nid=347>

The stakes of strengthening civil society legitimacy and accountability are high: having the trust and support of the local constituency are critical in the creation and implementation of shared plans and objectives. Meanwhile, legitimacy and accountability have become one of the central issues for Armenian civil society, which has repeatedly been labelled as a donor driven sector that is not very responsive to beneficiaries. This study hypothesizes that Armenian CSOs are more accountable upward, to donor organisations, than downward, to their own beneficiaries and constituencies. The study draws on three categories of accountability mechanisms to test the hypothesis – reports, performance assessments and evaluations and stakeholder participation.

The hypothesis is rejected for one of the accountability mechanisms discussed - stakeholder participation. The study shows that CSOs involve their beneficiaries throughout all the project stages and give them notable leverage in influencing, directing and even controlling the operations and programmes of Armenian CSOs. Yet alongside highly meticulous upward reporting and donor assessments, CSOs do not report as consistently to their beneficiaries and do not involve them as systematically in the evaluations of their projects.

The study suggests ways of fostering CSO accountability and strengthening their legitimacy. It recommends Armenian CSOs to present their beneficiaries with an inclusive account on all aspects of their activities through reports that are intended and structured specifically for that target group. CSOs should also consider the timing of their constituency evaluations, capitalizing on not only ex-post, but also mid-term evaluations to capture the opportunity of redressing possible errors during the implementation of the actual project. Finally, the promotion of accountability in the Armenian context would be well secured if donor organisations required CSOs to exercise broader downward accountability to their constituencies and public at large.

Perception of Impact: “The Impact of Armenian Environmental Organisations on Policy Change in Armenia”

By: Mane Tadevosyan, Lusine Hakobyan

Full Study can be found at: <http://www.advocacy.am/en/?nid=347>

Influencing policy is an important part of the development and rationale for many CSO actions. This case study seeks to examine the effectiveness of this environmental coalition in influencing public policy and addressing the environmental challenges facing Armenia. The study hypothesizes that Armenia’s environmental coalition is effective in its efforts to influence policy change. For the purposes of this study, effectiveness is measured through 1) the level of engagement of the Armenian ecological coalition in addressing/solving environmental challenges and 2) its ability to effect policy change. The study uses the recent major ecological campaigns identified by both government representatives and environmental organisations to uncover the topic of the study. The study suggests how the effectiveness of environmental organisations can be further improved so that they can play a

greater role in solving the ecological problems facing Armenia. It also attempts to draw out how other civil society organisations can learn from the experience of ecological organisations and achieve wider success in their policy areas.

Over the past few years, Armenian environmental organisations have accumulated sufficient skills and know-how for initiating campaigns against environmentally hazardous policies, increasing the public's exposure to and awareness of environmental issues and threats and of leading public campaigns. In this quest, the environmental organisations have managed to overcome certain obstacles that had paralyzed their effective operations before. Many environmental organisations have shifted from 'staying separate' to starting cohesive and joint work toward common goals. Further, they have developed the advocacy skills that contributed to their effective functioning. Environmental organisations' strategies for policy change now more often target all of the relevant decision-making layers. Additionally, two external factors shape the ability of Armenian environmental coalition to influence environmental policy – the Armenian Diaspora as an important and influential player in domestic decision-making of the Republic of Armenia and the involvement of an international network of environmental CSOs, mobilized by the Armenian environmental coalition around the issues deemed perilous. As this study shows, the synergy of all these factors serves as a catalyst of success for Armenian environmentalists' campaigns.

Possibly the major lesson that all Armenian civil society organisations can draw from the experience of the environmental organisations is that the trust and support of the grassroots is crucial when influencing policy. It is not surprising that the campaigns of environmentalists were most successful if and when they were backed up by firm sponsorship of the public. Further, the Armenian Diaspora has always proven to be a strong figure in the social and political life of Armenia. This is a powerful player that should not be left out. Public communication and mobilization campaigns should therefore be used widely to guarantee the strength and breadth of public pressure on policymakers for the desired policy changes. Presenting viable alternatives to the contested projects has proven to be another instrument that helps environmental campaigns to succeed. Finally, history has shown that when acting alone, the impact of Armenian CSOs is limited in scope and scale. The practice of Armenian environmental organisations to engage in policy influence through joint, rather than standalone initiatives, has to be duplicated if Armenian CSOs are to engage in policy processes more effectively.

External Environment: “Corporate Social Responsibility – A New Framework for Action”

By: Mane Tadevosyan, Lusine Hakobyan

Full Study can be found at: <http://www.advocacy.am/en/?nid=347>

Operating in ethically, socially and environmentally responsible ways has become an imperative in today's business world. This case study is designed to explore the level of commitment of Armenia's largest companies to socially responsible behaviour and the role of Armenian CSOs in facilitating and enhancing the impact of CSR practices in the business community. This study hypothesizes that 1) examples of socially responsible corporate behaviour by large companies in Armenia are rare and that 2) for-profit – civil society relations are not used to their full potential in the implementation of CSR initiatives in Armenia.

The findings of the study show that practical examples of socially responsible corporate behaviour from Armenia's largest companies are frequent but they are mostly "stand-alone" activities, not embedded into the companies' core strategies. This can possibly be explained by the finding that some Armenian companies do not recognise or even recognise but ignore the relationship of CSR to business benefits. Many of the Armenian corporations view CSR as a one-way obligation rather than something that provides tangible benefits and a lasting competitive advantage to their organisations. To succeed, CSR practices must be a reflection of a clearer understanding among Armenian corporations that social responsibility emanates from the core values and objectives of the companies.

Furthermore, CSR initiatives in Armenia do not benefit from the involvement of civil society organisations. Civil society organisations do not proactively seek the partnership of business organisations, while the private sector remains sceptical about the capacities and trustworthiness of many CSOs. Armenian corporations often do not realize the potential benefits that for-profit – CSO partnerships could bring them. Improved corporate image and reputation, better acceptance and trust from the community and minimized costs as a result of combined efforts for a common cause are among the practical benefits that many corporations seem to overlook. Consequently, more often than not they choose to engage in non-systematic sponsorship of non-profit organisations. These single, short-term transactions should be expanded into long-term strategic collaboration on particular projects. For now, the study reinforces the necessity but current lack of networking and the concerted support needed to enhance the capacity of responding to social responsibility challenges. Fostering long-term collaboration between businesses and CSOs will maximize gains and minimize costs on both sides. This collaboration can contribute to the effectiveness of CSR practice in Armenia, and act as an impetus for sustainable development and the common welfare of Armenian society.

APPENDIX 3. LIST OF NATIONAL IMPLEMENTATION TEAM MEMBERS

- Lusine Hakobyan, national coordinator
- Mane Tadevosyan, researcher
- Alex Sardar, CS expert
- Arsen Stepanyan, CS expert

APPENDIX 4. LIST OF ADVISORY COMMITTEE MEMBERS

- Amiryan David, Open Society Foundations Armenia
- Aslanyan Svetlana, Center for Development of Civil Society
- Babayan Arsen, Ministry of Justice
- Danielyan Arman, Civil Society Institute
- Darbinyan Samvel, Municipality of Vanadzor
- Edilyan Zhirayr, Tatevik Margaryan, Civic Development and Partnership Foundation (CDPF)
- Elchyan Vika, Civilitas Foundation
- Ghukasyan Andrias, Radio Hay
- Hakobyan Arpine, NGOC/Northern Branch
- Harutyunyan Khosrov, Christian-Democratic party of Armenia
- Kirakosyan Artak, Civil Society Institute
- Krikyan Ruben, Jinishian Memorial Foundation
- Manasyan Heghine, Caucasus Research and Resource Centers (CRRC)
- Manukyan Gegham, Yerkir Media
- Martirosyan Armen, Antares Holding
- Minasyan Eliza, Jinishian Memorial Foundation
- Minasyan Larisa, Open Society Foundations Armenia
- Mkhitaryan Marina, Eurasia Partnership Foundation Armenia
- Mkrtchyan Aram, Orange Armenia
- Ohanyan Garik, Ministry of Justice
- Pepanyan Nune, Professionals for Civil Society (PFCS)
- Sargsyan Nver, International Labor Organization Armenian Representation
- Shakaryan Artak, Eurasia Partnership Foundation Armenia
- Ter-Gabrielyan Gevorg, Eurasia Partnership Foundation Armenia
- Torozyan Artashes, Partnership and Teaching NGO (GUM)

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- Baghdassarian Ruzanna, National Programme Officer, OSCE
- Bakunts Alla, Democratic Governance Portfolio Analyst, UNDP
- De Luzenberger Raul, Head of Delegation, European Commission to Armenia
- Gercheva Dafina, Resident Coordinator, UN
- Kapinos Sergey, Ambassador, Head of the OSCE office
- Lonsdale Charles, Ambassador, United Kingdom
- Martirosyan Anahit, Program Manager, USAID
- Radke Frank, Consul, Embassy of the Federal Republic of German
- Sultanyan Naira, Political Officer, Embassy of the United Kingdom
- Vidal Consuelo, Resident Coordinator, UN
- Yovanovich Marie, Ambassador, United States of America
- Zehe Silvia, Special Representative of the Secretary General, Council of Europe

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