ARMENIA-DIASPORAN RELATIONS: 20 YEARS SINCE INDEPENDENCE
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This is the first report from PFA’s State of the Nation series. These reports aim to provide assessment of developments of critical importance taking place in Armenia and the Diaspora within PFA’s areas of interest and expertise and offer policy recommendations.

This report is a product of a collaborative effort of a group of PFA members and outside experts. The views expressed in it do not necessarily represent those of every PFA member. The group wishes to thank Viken Attarian, Onnig Beylerian, Razmik Panossian, Rouben Shougarian and an anonymous reviewer for their insightful comments during the external review process. Neither the authors of this report nor its reviewers have received any compensation for their contribution to the report.

Prominent individuals and public figures depicted on the cover of this report have been selected solely based on their contributions to strengthening the ties between Armenia and its world-wide Diaspora. The inclusion of their images on the cover of this report does not—in any manner whatsoever—indicate and/or represent their endorsement, agreement, or affiliation with this report or with Policy Forum Armenia.

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Mission Statement

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Operational Objectives

PFA has a hybrid mission. It primarily operates as a think tank, since its output comprises of expert assessments and analysis using latest social science research methodologies and benefits from scholarly exchange. In addition, to the extent that the PFA advocates for, and has impact on, the social change in Armenia and the Diaspora, it also functions as an advocacy organization.

Vision

We strive to build Armenia as a country and society where:

Government is transparent and fully trusted by its subjects; Its main objective is the current and future well-being of citizens and nationals abroad; Its members are equally accountable before the law in the same manner as any other citizen of the country and have no direct commercial interests.

Judiciary is free, fair, and incorruptible.

Legislature is competent and respectable.

Civil service is the most respected form of employment, because it provides an opportunity to serve the country and people, and is highly professional.

Society has high standards of living; It is well educated, tolerant, and humane.

Economy is at the frontier of progress and innovation, building upon the human capital of the Nation as a whole; It offers equal opportunities for everyone; It does not tolerate unfair competition and redistributes through efficient and fair taxation.

Environment and responsible management of natural resources are essential to the survival of the State, and are key elements of well-being of future generations.

Human rights are the most sacred set of values.

Citizens of Armenia - Armenians, Yezidis, Greeks, Kurds, Russians, and others alike - are the most valuable asset of the State.

Armed Forces are by far the strongest in the region by spirit and dedication of its men and women, by its advanced armament, and by significance of its mission to protect life, history, and culture.

Diaspora and Armenia form a single entity, the Nation. Its stake in Armenia and Armenia's development are recognized and encouraged; Its potential is fully internalized; Its members have dual Armenian citizenship.

History is of essence. Future is where we aim.
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I. INTRODUCTION AND MOTIVATION

The Armenian Diaspora is one of the most resilient and perhaps best organized in the world. At times it has adjusted to circumstances without giving in to assimilation and has become institutionalized through benevolent, cultural, and political organizations. In its various centers from Buenos Aires to Washington, Paris, Moscow, Beirut, and Sidney, the Diaspora has been an active force in advocating on behalf of the Armenian nation, gaining recognition among other national Diasporas for the effectiveness of their effort.¹

The Armenian Diaspora’s survival and rise as a phoenix out of ashes of the Genocide has provided a strong impetus and a desire of the new generations of Armenians to succeed. The push for the international recognition of the Genocide has also helped consolidate much of the Armenian world outside of Soviet Armenia, by giving the Diaspora a meaningful, tangible unifying idea, second only to the idea of having an independent homeland again.

The opportunity of an independent homeland did eventually avail itself in the wake of the Soviet Union, comprising only a portion of the historic Armenia that was supposed to be made part of Armenia according to the ill-fated treaty of Sevres in 1920. Echoing the sentiments of many in the Diaspora, Gevorkyan and Grigorian (2005) wrote:

Seventy years after establishment of the first Republic in 1918, Armenia became independent again in 1991 – a dream come true not only for some in Armenia, but also those in the Diaspora. And now, seventy years later, Armenians around the world are faced with the same challenge of building a strong homeland, capable of weathering external political and economic shocks and unifying the nation.

By 1991, the Diaspora had come to play an active role in various reconstruction and humanitarian projects in Armenia. The Diaspora’s interest and consistent presence brought optimism and hopes of a revival for the young state. In terms of economic reforms and democratic change, the Diaspora came to be viewed as the primary “push factor” determined and expected to turn Armenia into post-Soviet success within a short period of time.

While the promise and the hope continue, many questions have arisen around the practical implementation of various efforts to ensure economic, social, and political viability. Twenty years after Armenia’s independence and despite all its efforts, the Diaspora is yet to see a meaningful change in Armenia, one tied to, and be driven by, a modern developmental vision. There is no shortage of anecdotal evidence about disappointment and frustration about this. Another difficulty has arisen within the Diaspora itself. While focusing most of its

¹ For definitions of Diaspora see Tölölyan (1996).
efforts on Armenia and the Genocide recognition, the Diaspora lost momentum to review and reform its own institutions. This had made it unprepared for challenges that came later. The events in and around Armenia of 2008-09 dealt a critical blow to morale both in Armenia and the Diaspora, creating additional dividing lines between the two halves of the nation.

There have been recent attempts to analyse the reasons behind this growing rift between Armenia and the Diaspora. In response to the outcry with the signing of the Armenian-Turkish protocols, the French-Armenian observer Denis Donikian writes:

> Today, this Diaspora has just received a cold shower. That is, since independence, this power for solidarity that it has represented seems to have turned to be a lost cause. By not asking for any political counterweight in exchange, the financial contributors of the Diaspora have become the cuckolds of Armenia. Not only is their assistance partially or even completely diverted (...), but it is always unilateral (...). One is forced to admit that the Armenian Diaspora, not having a voice on the internal political stage of the country, could not monetize its financial assistance into forcing the Armenian State to develop a real social policy. This demonstrates the level of political contempt assigned to the Diaspora Armenians which is profoundly humiliating in view of the financial interest it represents. ... It is therefore not surprising that today the Diaspora feels cheated.... Today, the Diaspora pays the price of having managed the suspect liabilities of the Armenian State too complacently. ²

This Report takes the view that while the signing of the Armenia-Turkish protocols (see below) certainly inflamed tensions, the seeds of this divide between Armenia and the Diaspora were sown much earlier, as far back as 1989. Since then, with its periodic ups and downs, the relationship has trended down.

The Report looks into the reasons behind this outcome, highlighting both the areas of collaboration and sources of tension between Armenia and the Diaspora since independence. The analysis goes beyond an assessment of the current state of affairs, by acknowledging problems and proposing elements of an alternative, more institutional engagement between Armenia and its Diaspora. The Report argues for bringing the relationship between the two halves of the nation closer to its true potential. While we acknowledge improvements, where they exist, we do not consider them sufficient if they fall short of potential or commonly perceived international best practices. For these reasons, the glass, at the moment, appears to be only half full.

The time is ripe for a change. The crisis wedging itself between Armenia and the Diaspora has only made the needs for accelerating the process of institutionalizing a structure

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capable of using the Diaspora’s human and financial capital as leverage in Armenia only stronger. In echoing a similar sentiment, a Canadian-Armenian Internet portal Keghart.com writes in a recent editorial:

Diaspora Armenians are demanding that their political leaders present a new blueprint for our future as a nation. And...the government of Armenia should realize that authoritarian rule and “let’s play pretend-democracy” won’t do.³

The Report attempts to leave very few stones unturned. It goes beyond slogans and takes very little for granted. Given its rather limited scope, it undoubtedly misses important details that would be instrumental for understanding the dynamics between Armenia and its Diaspora. While generally conscious about leaving loose ends, we make no apologies for raising more questions than we can actually answer. This is a multidisciplinary study that uses a combination of political science, history, religion, economics, and law to merely scratch the surface of otherwise deep and complex processes that have been unfolding since Armenia’s independence.

In addition to published sources and articles, commentaries, and blogs from the Internet, we also base our analysis on (mostly informal) conversations with various individuals—political and business leaders, activists, and civil servants—often standing on both sides of the many dividing lines that appear to be part of the Armenian reality today.

* * *

The Report is structured in the following way. Chapter II provides a brief historical overview of relations between the Diaspora and the homeland as a prelude for more thorough discussions in the remainder of the Report. Chapter III examines the de facto relationship between Armenia and the Diaspora and offers some insights behind the difference between the official rhetoric (on both sides) and actions. Chapter IV offers a comprehensive review of Diaspora’s engagement in Armenia on three critical dimensions: economic development, governance and public sector reform, and civil society strengthening. While acknowledging the enormous effort required and the sacrifices made to support Armenia during early years of independence, the review is critical to what has been achieved on these important dimensions and provides reasons behind these outcomes. Chapter V concludes by making a case for collective action on the side of the Diaspora. It argues that, while institutionally challenging to achieve, unified positions coming from the Diaspora on some fundamental issues—if calibrated properly and with the focus on right values and objectives—could help better address the developmental and geopolitical challenges faced by the nation.

II. ARMENIA-DIASPORA RELATIONS: A HISTORICAL EXCURSE

At least twice as many Armenians live in the Diaspora as in Armenia. This historical fact has had profound political, economic, social, and cultural consequences for the relationship between the two entities. Hence, understanding the Diaspora—its history, composition, motives, and operational modes—is essential for understanding the nation in its current form and the dynamics between its two segments, Diaspora and the Republic of Armenia. In this Report, however, we limit ourselves to a short historical excurse while encouraging the reader to refer to the works of prominent students of history of the subject. This journey, in our view, will be sufficient to build our case as it relates to the state of affairs between the Diaspora and Armenia since the start of the independence movement in Armenia.

A. Before Independence

Armenian communities outside of Armenia proper existed for centuries and stretched from Singapore to Venice, from Esfahan to Amsterdam. These communities had significant impact on both the global economy (e.g., merchant communities in Iran and India), and the Armenian world, in terms of identity maintenance, political mobilization, and knowledge transfer. However, it is the Genocide of 1915 and the dispersion of Armenians from their historic homeland in the Ottoman Empire that is often recognised as the beginning point of the contemporary Armenian Diaspora. The partial Armenian exodus from Eastern Armenia after the Soviet takeover in 1920 also contributed—albeit to a much lesser degree—to the “diasporization” of the Armenians in the 20th century. This “diasporization” received renewed vigour towards the latter part of the 20th century, as the Soviet Union’s deterioration and the subsequent struggles of an infant nation ravaged by the effects of war and economic turmoil contributed to a new exodus towards North America and Europe.

The interwar period (1920-1945) was characterized by a process of “parallel” rebuilding. In Soviet Armenia a devastated country was being built, socio-economic structures reshaped (based on Soviet principles and practices), and a new socialist Armenian identity developed. In the Diaspora, communities of Genocide survivors were in complete socio-economic and psychological disarray, having recently arrived in host countries and in desperate need of the basic structures for collective survival. It took over a decade for the new communities to organize, build institutions (e.g., churches, schools, economic enterprises, etc.) and eventually begin to leave refugee camps. This was particularly the case in Lebanon, Syria, and Greece, where survivors had concentrated. In this period the interaction between the Diaspora and Soviet Armenia was limited.

In the post World War II period, and partially because of the demographic impact of the war, the Soviet Union embarked on a repatriation drive through which hundreds of

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4 While estimates vary, it is commonly cited that approximately 6 million Armenians live in the Diaspora vs. approximately 3 million in Armenia.
thousands of people of different nationalities were repatriated to their historic homelands. Armenians were no exception. Between 1947 and 1949 nearly 100,000 Armenians, many of them Genocide survivors from the Middle East, moved to Soviet Armenia (Panossian, 1998). Not only they guaranteed the status of Armenia as a (Soviet) Republic (as it was severely depopulated after the WWII), but also introduced a new dimension of Western Armenian (and Diaspora) identity into Armenia.

During the Cold War the interaction between Soviet Armenia and the Diaspora was largely—but not exclusively—divided along ideological lines. Thus, members of the Armenian Revolutionary Federation (Dashnaksutyun, hereafter, ARF-D) did not consider Soviet Armenia as the legitimate heir of the Armenian nation and limited their formal contacts accordingly. Others in the Diaspora, however, accepted Soviet Armenia as homeland and maintained cultural ties with it. Yet, overall, despite the Cold War divide, instances of cooperation between Armenia and the Diaspora were not uncommon. By mid-1950s, there were already some Diasporan students studying at universities in Armenia, who were then critical in preserving the link between Diaspora and Armenia upon their return to their host countries. In 1964, a Soviet government agency—Committee for Cultural Relations with Diaspora Armenians (spyurkahayutian het meshakuitayin kapi komite)—was established for liaising with the various Armenian communities outside of the Soviet Union.

During this period, the Diaspora was divided into two large sections: the communities living outside of Armenia but within the confines of the Soviet Union (known as the “internal Diaspora”), and the communities living in the Middle East, Europe, and the Americas (known as the “external Diaspora”). The “real” Diaspora was often considered the “external” component. The glue that helped keep these communities together and preserve their national identity included community organizations, traditional political parties, and the church. Some Armenian communities in the Soviet Union had some church structures connected to the Holy See of Etchmiadzin (one of two Sees of the Armenian Apostolic Church), but unlike the “external” Diaspora they had no political structures for community mobilization. In the latter case these structures were run by political parties in exile with their own set of schools, cultural and athletic clubs, and youth movements.5

5 Despite the uniformity of rhetoric aimed at the Diaspora, there exist certain asymmetries in the way official Yerevan has treated external and internal Diaspora. There are various historic, economic, and geopolitical reasons for this. First of all, internal Diaspora is largely a new phenomenon. These communities are not as organized as those in the traditional Diaspora. While for the latter organizing was the way for the preservation of its national identity, for members of the internal Diaspora this came through their direct contact with Armenia, hence weaker demand for organizing. Second, internal Diaspora communities find themselves in more familiar reality throughout the Soviet Union than Armenians in the Middle East. Finally, while the traditional Diaspora was mostly a product of violent removal from the homeland, Armenians in Russia and other CIS countries were there mostly by choice, more often motivated by economic and professional opportunities. Lack of community organizations and culture of civil activism also reduced the ability of internal Diaspora to lobby on behalf of Armenia and the nation in their respective host countries.
For much of the past century, Middle Eastern countries, such as, Lebanon, Syria, Egypt, and Iran, were considered the center of gravity for the Armenian Diaspora. In the early- to mid-1970s, however, that center of gravity started to gradually shift from the Middle East to North America due mostly to the mass migration of Armenians from the conflicts of the Middle East (e.g., the Lebanese civil war and the Islamic revolution in Iran). This was also around the time that the Armenian-American community grew in stature and wealth, matured politically, and thus started funding or participating actively in the political lives of the host nation. The influx of the new arrivals from the Middle East gave a renewed impetus to the activities of the existing communities in North America as the focus shifted to lobbying as part of their political agenda. Initially these activities mostly focused on Genocide recognition. However, with the independence of Armenia in 1991, they also started advocating for humanitarian and economic assistance to the new republic.

The Karabakh Movement

The period between 1988 and 1991—the start of the Karabakh movement, the December 1988 earthquake, and Armenia’s declaration of independence—brought new dynamics into Armenia-Diaspora relations. In the Diaspora, the traditional agenda focusing on identity preservation and Genocide recognition had remained, but it was augmented by a new concern for the survival and well-being of a new emerging state. The independence movement and the devastating earthquake in northern Armenia directed some of the Diaspora’s efforts toward Armenia. Whereas before 1988 the prevalent thinking in Armenia was that the republic sustained and supported the Diaspora (culturally and in terms of identity), after 1988 the roles were reversed: the Diaspora began supporting and sustaining a wounded republic in crisis, ravaged by war and earthquake.

However, there was another parallel reversal of roles at this time in the domain of nationalist politics. Almost overnight, the torch of nationalism was passed on from the Diaspora to the homeland in 1988. While there were outbursts of nationalism in 1965 and the subsequent creation of an underground political movement in Armenia, the Diaspora was largely freer to practice nationalist ideologies and ideals and was, therefore, in many ways the standard-bearer in this respect. This was about to change along with the awakening of the independence movement in Armenia and developments in Karabakh. Initially, the traditional Diaspora political parties criticized the national movement in Armenia, stressing the significance of maintaining close ties with Russia. This came as a major disappointment for many in Armenia (see below). This was inconsistent with anything they had seen or heard before and was the first sign of disconnect between Diaspora and Armenia. While there was really no steamy honeymoon to talk about from the early days on independence, the relationship was going to become much more formal shortly afterwards.
B. De jure Relations after Independence

Since independence, the Armenian government has formed some structures and initiated programs as part of its effort to engage formally with the Diaspora.

The Ministry of Foreign Affairs was initially given the mandate for liaising with the Diaspora, and until recently was the primary, and at times only, channel for interactions between Armenia and the Diaspora. While this was never the Ministry’s top priority, it initiated—directly or indirectly—various public pan-Armenian events held in Armenia, including athletic events, conferences, and seminars. Other formal mechanisms to bring Diaspora closer included the “Hayastan” All-Armenia Fund, which was initiated in 1992 to help channel Diaspora financial contributions to development projects in Armenia. Intellectual and academic exchange was generally limited but efforts to establish avenues for exchange included a Department of Armenian Diaspora and Communities set up within the Institute of History of the National Academy of Sciences and the Diaspora Department of the Ministry of Education and Science.

The need for stronger ties with the Diaspora was also formally affirmed in relevant documents. For instance, the National Security Strategy of Armenia mentions the role of the Diaspora in the economic and cultural spheres as well as foreign relations. The Strategy also mentions the Diaspora as a means for assisting Armenia in its path to democratization. It recognizes that weakening of relations between Armenia and the Diaspora presents a security threat to Armenia. Specifically, the Strategy states:

The wide range of issues comprising Armenia-Diaspora relations presents a significant component of the National Security Strategy of the Republic of Armenia. ... In order to consolidate relations with its Diaspora, the Republic of Armenia focuses its efforts on preventing the assimilation and loss of lingual and cultural identity among the Armenians living abroad. Additionally, Armenia embraces all systemic demonstrations of Diaspora involvement in the solution of vital problems facing Armenia and Nagorno Karabakh. The integration of the Armenian nation offers a serious degree of economic and cultural potential, especially as a means to promote trade, tourism, preservation, development and publicizing of the cultural heritage. The preservation and intensification of ties with the Diaspora also creates a unique bridge between Armenia and the international community, as Armenian community organizations worldwide support the development of bilateral ties with different countries, and foster Armenia’s global integration and consolidation of democracy.7

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6 The first Armenia-Diaspora conference took place in 1999 under the auspices of the then Prime Minister Vazgen Sargsyan and was received cordially in the Diaspora.

More recently, a legislative initiative was introduced in an attempt to institute dual citizenship for Diaspora Armenians (See Box 1). The issue remains controversial without much progress on the ground. Almost three years following the adoption of the resolution in Armenia’s Parliament, the procedures for application and other governing acts have not been made public. Surprisingly, this initiative was received with limited, if any, enthusiasm by the Diaspora.

**Box 1. Dual Citizenship**

On February 26, 2007, Armenia’s Parliament adopted (by a vote of 66 to 5 with 1 abstention) amendments to the country’s citizenship laws, establishing dual citizenship. It was signed into law in March 2007.

The legislation was supported by two of the three factions comprising Armenia’s ruling coalition: the ARF-D and the Republican Party. It was widely reported that the Republican party initially opposed the measure but in the end reluctantly voted for it. The third coalition partner, United Labor Party (ULP), voted against it, ostensibly due to disagreements on eligibility standards for dual citizens to serve as Prime Minister and cabinet members. Other parliamentary groups, such as the Justice bloc, Orinats Yerkir Party, the National Unity Party, a number of independent deputies, and some Republican Party members, did not attend the vote.

Voting rights, military service, and taxation have long been viewed as the three most controversial aspects of dual citizenship. Upon the passage of the legislation, the then Parliament Speaker Tigran Torossian announced that the vote was made possible by a political understanding reached earlier between the Cabinet and Republican Party on dual citizens’ voting rights. Under the legislation, in order to be able to vote, a dual citizen must be a registered resident of Armenia, with other derivative registration requirements, including the registration with military commissions in Armenia. Dual citizens may participate in elections, but are not eligible to run for the Parliament and the Presidency, unless they establish residency for five and ten years, respectively. Dual citizens are exempt from Armenian military service if they have served 12 months in the armed forces (or 18 months in the alternative service) in the country of their primary citizenship.

Under the law, individuals of Armenian descent aged 18 and higher, who have resided permanently in Armenia for three years, speak Armenian, and are familiar with the nation’s Constitution, are eligible for Armenian citizenship. The law does not permit absentee voting. In fact, casting votes outside of Armenia, previously allowed by the law has been discontinued as part of the legislative package to introduce dual citizenship. The requirements of three years’ permanent residency in Armenia and voting solely within Armenia were described as a compromise, allowing Diaspora Armenians the right to vote. The latter provision is particularly controversial.

To the extent that dual citizenship actually leads to greater economic and political participation by Diaspora Armenians, it was seen by some as a potential factor in development, anti-corruption

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However, if the initial responses from the Diaspora in the months following passage of the legislation were any indication, the Diaspora thus far has not indicated any strong desire to take advantage of the dual citizenship opportunity.\textsuperscript{10} Besides, the application process has not yet been fully established. While application forms are available on the websites of the various Armenian embassies, the full package of relevant regulations needed to establish the application process has not been approved by the Armenian Parliament.

In 2008, after the disputed presidential election, the Ministry of Diaspora Affairs was created to replace the Diaspora department at the Ministry of Foreign Affairs, entrusted with maintaining and strengthening Armenia’s ties with the Diaspora.

### III. De facto Relations After Independence

While as discussed above it has been a declared objective of the government of Armenia to enhance Armenia-Diaspora relations, the actual state of affairs between Diaspora and Armenia leaves much to be desired. Although there has been a consistent deviation of action from stated objectives on both sides, it appears that the asymmetry of treatment may have started in the Diaspora. The argument goes back to the early days of Armenia’s independence movement.

#### A. The Diaspora’s De Facto Attitude

Although it has been part of the vision of all traditional Diaspora political parties (i.e., ARF-D, the Ramgavar Liberal Democratic Party, and the Hunchakian Social Democratic Party) to have a free and independent Armenia, the Karabakh Movement came as a surprise to them. Some commentators maintain that the political parties were in a difficult situation: they were scrambling to find an explanation to offer to the public on the momentous events that had received the world’s attention but in which they had no role (Libaridian, 1999).

However, instead of doing what some would have considered intuitive (i.e., joining forces with the independence movement in Armenia), the traditional parties issued a joint communiqué on October 1, 1988, in direct opposition to the steps taken by homeland Armenians involved in the Karabakh Movement. These parties, Masih and Krikorian (1999) contend, felt that the overriding national interests demanded extreme caution and that precipitous action could lead to disaster. The final paragraph of the communiqué stated:

\textsuperscript{10} As of summer of 2008, Armenian authorities indicated that only approximately 1,000 foreign nationals had applied for Armenian citizenship. Most of the applicants are believed to be from Russia, Georgia, and Iran. The situation is not expected to have changed by much since.
We call upon our valiant brethren in Armenia and Karabakh to forgo such extreme acts as work stoppages, student strikes, and some radical calls and expressions which unsettle the law and order of the public life in the homeland and subject to heavy losses the economic, productive, educational, and cultural life as well as the good standing of our nation in its relation with the higher Soviet bodies and also with the other Soviet republics. These zealous attitudes also provide the fodder for the ulterior motives of the enemies of our people. Above all, we should safeguard the unity of our people, wherein lies our strength, and we should pursue our ultimate interests with farsightedness and determination.\textsuperscript{11}

Armenians in Armenia reacted with consternation and felt betrayed by the Diaspora political parties. The National Self-Determination Union, led by Soviet era dissident Parouyr Hayrikian, wrote the following in response to the communiqué:

\begin{quote}
Your silence was insulting; but your words were even more so... what a disappointment to see [that what you had produced] was a rehash of appeals received from the ‘Soviet Union.’ This is when we said, ‘As if our pain wasn’t enough, now you have become a pain yourself.’ What can we do? You merely accelerated [the process of] our assessment of your [position]. As if there was no other way you could have made your existence felt in Armenia.\textsuperscript{12}
\end{quote}

Many people in Armenia felt that the three political parties, having been detached from the developments in Armenia for decades, had lost touch with the reality of life in Soviet Armenia and misunderstood the nature of developments there. Masih and Krikorian (1999) write:

\begin{quote}
This declaration came as a blow to the people of Armenia who were actively engaged in what they saw as a struggle for human rights and democracy and planted the seed of suspicion towards the Diaspora which would eventually lead to serious conflict in the years after independence.
\end{quote}

The political parties’ position was not shared by all Diaspora Armenians, however. Many of them held rallies throughout the United States in support of Armenia (Najarian, 1999). This may have been one of the first rifts between the leadership of Diaspora organizations and their grassroots constituency. Indeed, this would repeat itself 18 years later.

With the crisis in, and eventual collapse of, the Soviet Union, a new wave of exodus from Armenia swelled the ranks of Armenian communities in Europe and North America. This gave the Diaspora a first-hand exposure to some of the hardships endured by Armenian citizens following the debilitating earthquake in Northern Armenia, the pogroms in Sumgait

\textsuperscript{11} Text of communiqué reprinted in Libaridian (1991).
\textsuperscript{12} Ibid.
and Baku, economic meltdown, and a full-fledged military conflict waged with minimal resources. Nevertheless, the Diaspora remained largely uninformed about the developments in Armenia, which was still coping with the repercussions of a devastating earthquake and a bloody war. This has changed during the second half of 1990s, when economic conditions improved (albeit only slightly), travel became easier, and information became more easily attainable.

The 1988 earthquake saw an outpouring of support and drew the attention and contributions of a large and diverse cross-section of Armenians in the Diaspora. This was a true show of unity one that crossed boundaries, generations, and ideologies. Although just as important from Armenia’s perspective, it appears that Diaspora’ involvement in another one of Armenia’s challenges of the end of the 20th century—the Karabakh war—was less pronounced. Box 2 discusses the extent of this involvement.

Box 2. Contribution of Diaspora to the War Effort in Karabakh

Circumstances in Armenia and Karabakh in 1988 marked a turning point in relations between Armenia and its Diaspora. A broad cross-section of Armenians around the world were both shocked and mobilized by the events unfolding in Armenia. Diaspora Armenians responded to these events (and to calls by many prominent Armenians) by providing various forms of support to Armenia including humanitarian, financial, advocacy (for pro-Armenia legislation and policies within their host countries), and other forms (which in some cases included fighting alongside combat volunteers from Armenia proper and Karabakh).

A small proportion of those Diasporans, who delivered assistance to Armenia following the earthquake, remained actively engaged in providing support to Armenia for what was becoming a large-scale war in Karabakh. The Diaspora leadership—while initially opposed to Armenia’s independence movement—was supportive of the reunification of Karabakh, generally framing the conflict with Azerbaijan within the larger narrative of Armenians under siege by Turks and in defence of the historical homeland.

A number of channels that were established in response to the earthquake from the Diaspora to Armenia remained in place during the Karabakh war and were used for providing financial support as well as supplies for the Armenian fighting units. Conversations with former combatants indicate that the most active channel for direct support from Diaspora to the war effort came through the ARF-D. This included Diaspora volunteer fighters, who were not members of the ARF-D but used the channels that ARF-D had established on the ground to engage. Starting in 1991, an unknown number of ARF-D members from the Middle East, veterans of the Lebanese Civil War, trained volunteers from Armenia for combat in the Karabakh war. Diaspora combatants—who mostly came from the Middle East, the United States, and France—can be divided into two groups: (1) those who fought for a short tour of one week to two months and (2) those who fought for longer periods (up

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to a number of years). While reliable figures for the former group are unavailable to date, the latter one consisted of 80-100 volunteers, an estimated 50-60 percent of whom came to Armenia/Karabakh using the ARF-D channel. Sarkissian (2010) provides some additional details of assistance provided by ARF-D during the war.

While being an important sign of solidarity for native Armenia and Karabakh combatants, the scale of this effort admittedly is small compared to the potential of the Diaspora and given the importance of the war in Karabakh for Armenia’s national security. Considering the balance of power between Armenia and Azerbaijan, and the former’s inability to mobilize additional resources, a stronger effort on the Diaspora’s side may have reduced the duration of the war and the extent of casualties.

With the Internet revolution, the late-1990s witnessed a proliferation of Armenian on-line portals and virtual groups, allowing better exchange of information. Organizations were created to get Diaspora youth intimately acquainted with Armenia and its people. Birthright Armenia, for instance, provides the means to travel to Armenia to take part in volunteer programs of organizations like the Armenian Youth Federation, Armenian Student Association, Armenian Volunteer Corps, and numerous other programs.

Despite improved availability of information, and three Armenia-Diaspora conferences later, few things have changed in terms of the Diaspora’s attitude toward the people of Armenia and their aspirations. The best testament to that was the reaction of Diaspora organizations to the events following the highly controversial presidential election of February 2008.

**Events of 2008**

Unlike the events of 1988, when information was restricted, Diaspora leaders were well informed of what was happening in Armenia on and after February 19, 2008. Following the presidential election, hundreds of thousands of people in Armenia protested the election results in the strongest show of dissent since late 1980s. Parallel rallies with thousands in support of the demonstrations in Yerevan were held in several cities outside of Armenia (Washington, Moscow, Los Angeles, etc.). Despite this overwhelming show of protest both in and out of Armenia and the authorities’ strong-arm tactics to crush the opposition led by Armenia’s first present, Levon Ter-Petrossian, the AGBU Magazine and ArmeniaNow.com (with institutional/financial ties with AGBU and the Armenian Assembly of America) were among only a handful of sources providing unbiased reporting on what was unfolding in Yerevan.

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14 The Internet usage in Armenia, however, remains very low, with penetration rates below those in Tajikistan and Uzbekistan (See [http://www.internetworldstats.com/stats3.htm#asia](http://www.internetworldstats.com/stats3.htm#asia)).
Unfortunately, much like in 1988, the traditional Diaspora organizations chose a different way of responding to these developments. The March 18, 2008 joint statement of the leading organizations of the Armenian community in the United States read:\(^{15}\)

> We join with all Armenians in reaffirming our people’s common commitment to the security of Armenia and Artsakh in a challenging and often dangerous region, and to cooperate toward our shared aim of strengthening an open and democratic Armenian homeland, based upon the rule of law, social and economic justice, freedom of expression and the media, and equal opportunity for all.\(^{16}\)

The joint statement repeated the same pattern of the statement made in 1988: it was disconnected from reality and appear to offer tacit support to the authorities in carrying on with the status quo. The statement neither made mention of the egregious human rights violations by the authorities at the time, nor did it offer the slightest inclination of support to those whose fundamental rights were being violated. In effect, the position of leading Diaspora organizations seemed to be that of an apathetic neighbour: minding their own business while Armenian civil society was being stripped to its core.

A few Diaspora organizations did actually voice concern over the authorities’ human rights violations and infringements on democratic freedoms, but the balance was not even. Some found themselves further divided.\(^{17}\) Much better positioned traditional Diaspora organizations as well as the Church (see Appendix to this Report) were engaged in damage control by suppressing any possible dissent in the Diaspora. According to a lobbyist who wished to remain anonymous, these efforts were led by then Foreign Minister Oskanian and his aides, who made sure the language of Diaspora organizations’ communication with their membership and the rest of the world is consistent with that of official Yerevan in its blame of the opposition for the events of March 1-2, 2008.

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\(^{15}\) Signatories of the statement include Armenian National Committee of America, Armenian Assembly of America, Armenian General Benevolent Union, the Diocese of the Armenian Church of America (Eastern/Western) and the Prelacy of the Armenian Apostolic Church of America (Eastern/Western).


\(^{17}\) The 2008 elections resulted in deepening of divisions within the ranks of the Armenian Democratic Liberal Party (Ramkavar) and the Social Democratic (Hnchak) party. Thus, on January 22, 2008, Armenia’s branch of the Ramkavar Party—though not yet a legally registered party—announced that it would not support any of the nine candidates running in the election. In contrast, the Northern American branch of the Ramkavar party announced its support of opposition led by Ter-Petrossian, all while the party’s Central Committee was quick to congratulate Serge Sargsyan shortly after the election. The Hnchak party in general had a friendlier stance toward the opposition in Yerevan. Since March 2008, the party has been an active supporter and member of Ter-Petrossian’s Armenian National Congress (ANC). In December 2009, however, its support of ANC was shaken by a major split from within the party.
Policy Forum Armenia (PFA) was among those few organizations who voiced their concern over events unveiling in Armenia in February-March 2008. It produced a comprehensive report on the election outcome and its aftermath (PFA, 2008a). The Report conjectured that “Serge Sargsyan’s ignoring the sizable post-election demonstrations in Yerevan may have been encouraged, among other factors, by the congratulatory messages he received from certain Diaspora leaders.” Furthermore, it is not difficult to see that one Diaspora party in particular may have had a role to play in the way events unfolded subsequently. ARF-D’s joining the coalition—hastily put together by Sargsyan just a day before March 1—may have given him and his predecessor the upper hand in maintaining his grip on power.

B. Armenia’s De Facto Attitude

Official Yerevan’s actions have not always lived up to its purported intentions with respect to the Diaspora. While cordial and inclusive in rhetoric, Yerevan has at times been dismissive of the Diaspora component in its decision-making. In the interview given to Paris-based Haratch Daily, Professor Krikor Beledian expressed a sentiment that the fact that the department of the Armenian government that deals with the Diaspora [has until recently been] housed in the Ministry of Foreign Affairs shows well how official Yerevan’s real feelings toward the Diaspora are. Political scientist Onnig Beylerian from Canada expressed a similar sentiment during his presentation on recent developments in post-2008 election Armenia.

Having a regional structure with three sub-divisions (CIS and Europe, Middle East, and the Americas), the Diaspora Department within the Ministry largely failed in building institutional bridges with Diaspora. None of the other agencies involved (including the Armenian Development Agency, charged with investment promotion in Armenia) have made any tangible progress in this direction. No serious effort by any state agency has been made to date to analyse the reasons behind this outcome.

Despite the establishment of “Hayastan” All-Armenia Fund during his tenure, Ter-Petrossian was not an avid proponent of the Diaspora’s role in Armenia. This somewhat lackadaisical

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21 Ter-Petrossian’s attitude toward the Diaspora may have been rooted in the Diaspora’s apathetic attitude to the Karabakh movement, as discussed above, and to his subsequent efforts as president of Armenia in the early days of independence.
stance was largely to be blamed for Armenia’s unwillingness and inability to establish strong institutional links with the Diaspora. His confrontation with ARF-D leadership that culminated in an allegedly uncovered assassination attempt on Ter-Petrosyan led to a ban ordered by the latter on ARF-D’s activities in Armenia in December 1994.\textsuperscript{22}

Little has changed in this regard since Ter-Petrosyan left office in 1998. For the past ten years the Diaspora was misled by Kocharyan’s promises to build bridges. To the extent this reflects intentions to engage the Diaspora in governing Armenia, there was no appointment of a new Diaspora Armenian (who was not in the government until 1998) to a senior government position by Kocharyan.\textsuperscript{23} While Ter-Petrosyan never believed in the Diaspora’s role as a source of meaningful developmental assistance to Armenia, he nevertheless employed Diaspora professionals in his government. In contrast, Kocharyan offered little apart from lip service in this regard but was successful in harnessing the Diaspora’s political support throughout most of his tenure.\textsuperscript{24}

Serge Sargsyan’s attitude towards the Diaspora was evident in his remarks during a meeting in New York where he stated: “Our Diaspora needs encouragement, so they can continue helping the ‘revived Armenian Republic,’ which in turn would help them stay Armenian through the generations.”\textsuperscript{25} While indeed pragmatic, this may appear too business-like and not “brotherly” enough for some in the Diaspora.

Minister of Diaspora Affairs Hranush Hakobyan made the following remarks during a fact-finding visit she made to the Diaspora on the eve of the recent tour as part of Serge Sargsyan’s entourage to various Diaspora communities: “The government of Armenia was attempting to forge a free and open society where social justice and human rights would reign.” Minister Hakobyan’s sincerity is challenged by her administration’s rather abysmal human rights record of two years. Given Armenia’s reality, such sloganeering produces cynicism and disbelief among even the most informed and is reminiscent of Soviet era propagandistic claims.\textsuperscript{26}

\textsuperscript{22} This conflict was rooted both in the role the ARF-D played in the Karabakh war as well as the threat the party represented for him politically in Armenia (see Sarkissian, 2010). The ban was later lifted by the Ministry of Justice on February 9, 1998, following Ter-Petrosyan’s resignation on February 3.

\textsuperscript{23} Under President Ter-Petrosyan a number of Diaspora Armenians were invited to work in the new government, including Gerard (Jirair) Libaridian, Raffi Hovannisian, Sebouh Tashjian, and Vardan Oskanian, among others.

\textsuperscript{24} In fact, Kocharian effectively prevented Armenia’s first and US-born foreign affairs minister, Raffi Hovannisian, from running for elected office by refusing to grant him Armenian citizenship.

\textsuperscript{25} “More than 700 Turn out to Honour President Sargisian in New York,” \textit{Armenian Mirror-Spectator}, October 4, 2008.

\textsuperscript{26} “Armenia Looks at the Diaspora with Misunderstanding and Some Times Skepticism,” interview with Richard Giragosian, \textit{Hetq.am}, available from \url{http://hetq.am/en/politics/24176/}.\textsuperscript{22}
There could be several reasons for this cynicism. First and foremost, it is difficult to hide that despite the rhetoric not much has changed in terms of developing a formal strategy for engaging the (old) Diaspora in the political and economic matters of Armenia. In addition, the government’s treatment—effectively an alienation—of its own citizens residing abroad (among other things by the ban on casting their votes in Armenia’s embassies) speaks volumes about the willingness of official Yerevan to deal with constituencies outside of its effective control.

Armenia-Turkish Protocols

Perhaps the most telling example of the divergence between aspirations and opinions of the Diaspora, on one side, and Armenia’s realpolitik, on the other side, was the October 10, 2009 signing of the Armenia-Turkish protocols: “Protocol on the establishment of diplomatic relations” and the “Protocol on the development of bilateral relations”. The period between the announcement (August 31, 2009) and signing witnessed stronger-than-expected demonstrations in the Diaspora and milder-than-expected resistance in Armenia, all this against the backdrop of massive propaganda from Yerevan and some circles in the Diaspora supporting the protocols. The manner in which this was handled by official Yerevan has likely produced yet another divide between the Diaspora and the official establishment in Armenia.

Thus, in the week prior to the signing of the protocols, Serge Sargsyan embarked on a five-city tour to present his case that the protocols (by then already fait accompli) were in the best interest of the Armenian people in and outside of Armenia. This whirlwind tour did not achieve its objective; rather, it gave those parties opposed to protocols an opportunity to express their discontent through formal meetings and demonstrations. The major grievance that opponents of the protocols have is the inclusion of a provision agreeing to the establishment of a sub-committee for the joint examination of historical differences between the two countries, a point many argue is tantamount to questioning whether the Ottoman Empire committed genocide against its Armenian citizens in 1915.

27 Paris, New York, Los Angeles, Beirut, and Rostov-on-Don.

28 The signing of the protocols may have also intensified the internal divisions between the Ramkavar and Hnchak parties. The Northern American branch of Ramkavar party supported the protocols, with party’s Armenia branch—Armenakan Ramkavar Party, established in 2009—went further and called upon the government to take a more aggressive stance to accelerate the ratification of the protocols by Turkey (December 2009). In contrast, Central Committee of the Ramkavar party expressed its opposition to the protocols. The Hncaks too have expressed opposition to the protocols, raising further questions about their alliance with the ANC that largely favoured signing the protocols.
Box 3. Armenia-Turkey Protocols

In a highly anticipatory atmosphere, on October 10, 2009, the foreign ministers of Armenia and Turkey signed a set of protocols to normalize relations between the two countries. The signing ceremony took place in Zurich in the presence of the foreign ministers of France, Russia, and the US and only after a three-hour delay when the Armenian delegation raised objections about the statement the Turkish delegation was scheduled to read after the signing ceremony. The statement, which was later disclosed by the Turkish Foreign Ministry, stated that the normalization of relations and the opening of the border between the two countries was contingent on an Armenian withdrawal from Nagorno-Karabakh (an Armenian-populated enclave technically considered to be Azerbaijani territory) over which Yerevan and Baku fought a bloody war in 1988-1994 and which is currently under Armenian control.

While in the past the issue of normalizing bilateral relations was completely separated from the issue of Nagorno-Karabakh, Turkish statements have led many observers to wonder whether the protocols would ever be ratified by the Turkish parliament.

Regardless of the opposition within and outside Armenia and Turkey, the protocols have been signed, now awaiting ratification by their respective parliaments. However, given the most recent developments (including the qualifiers raised by the Constitutional Court of Armenia and the delays in Turkish parliament) it is quite conceivable that both Ankara and Yerevan will end up postponing the ratification and putting the protocols on the backburner, citing each other’s lack of commitment to the normalization process. The challenge facing both sides is how to present this signing as a ‘victory’ to their respective publics, without making it look as if they have conceded too much to the other side.

While relations between Armenia and Turkey are entering a new phase, it is still difficult to access the cons and pros of what took place. There were no serious analyses of what the protocols include and exclude, as well as a proper risk assessment of what they really entail for Armenia’s security, sovereignty, and development. In addition, there appears to be no consensus on where the “football diplomacy” was initiated and whether this rapprochement is playing any role in diverting attention away from the Nagorno-Karabakh negotiations. One thing is clear: before any gains can be realized, damage to the relations between Armenia and Diaspora has been done.

C. Why Such a Disconnect?

Since 1991, Armenia and the Diaspora have had ample opportunities to deal with each other at different levels. Two decades of intense relations has provided sufficient time to dispel idealized images of the other. Diaspora Armenians have learned that Armenia is a real place, with real people, and real problems. As such, priorities by Diaspora lobbying organizations in the West and elsewhere have shifted.

The Diaspora landscape appears to be dominated by a plurality of interests and voices. There remains a lack of common objectives and tactics of reaching those goals. In addition
to the lack of a forward-looking vision, the following objective factors limit the potential for the alignment of interests, strategy, and tactics.

First, the Diaspora has undergone transformations in character and make-up since its formation in the early 20th century: fleeing Genocide; coming from the Middle East in the second half of the century; breaking through the bounds of the Soviet Union in the post-independence era; and undergoing assimilation and integration of identities. However, it largely remains a heterogeneous entity, making it difficult to form common objectives and agenda. And while Armenia has been at times able to emerge as the center for the Diaspora’s attention, it only happened “in times of peril or threat.”

Second, various lobbying and social organizations in the Diaspora—while working for Genocide recognition and increasing aid to Armenia—sometimes have the tendency to advance their own (partisan) agenda that are not always in line with the priorities of the people of Armenia or Diaspora as a whole.

Third, Diaspora communities are influenced by the national interests of their adopted homelands and by their experiences there, a factor that is likely to be treated by the inherently suspicious regime in Yerevan as a “security threat.”

Fourth, there exists a problem of allegiances, with some Diaspora groups aligning themselves with the governing regime in Yerevan regardless of their record, while others align themselves with interests of people of Armenia, recognizing—explicitly or implicitly—that the incentives of a government may not always be aligned with the best interests of the people of Armenia and the nation as a whole.

Fifth, institutional and organizational underdevelopment in the Diaspora remains a major roadblock. Box 4 below describes in detail of the scale and the form these have in Diaspora reality.

Sixth, given that there is no legally binding political and/or economic relationship between the Diaspora and the government of Armenia, it is conceivable that Yerevan would like to reap the benefits of having a world-wide Diaspora without having to deal with the responsibilities that come with it. Indeed, while benefiting from Diaspora lobbying efforts, successive governments in Armenia have done little to recognize and respond to the


30 For example, until its departure from the coalition in 2009, the ARF-D’s rhetoric on events in Armenia had been very closely related to official Yerevan’s line, perhaps more so than that of any other major Diaspora groups and organizations. This was evident after March 1-2, 2008 events in Yerevan. The strong propaganda machine of ARF-D had continued to vehemently oppose any change in mood in the Diaspora vis-à-vis the leadership in Yerevan, despite the tragic nature of events in which the latter were implicated.
Diaspora’s needs apart from engaging in high profile, but ultimately superficial, public relations events. It is relatively straightforward to see why then the mode of relationship favored by Yerevan was with prominent individuals as opposed to organizations. The former—some would argue—are easier to “come to an understanding” with.

Seventh, the Diaspora as a whole continues to demonstrate a very poor understanding of the realities on the ground in Armenia and their perceptions of Armenia’s needs have little to do with today’s changing world. In an emotionally charged but a powerful and sobering article, the French-Armenian observer Denis Donikian writes:

> When Serge Sarkissian instituted himself at the head of the country under fraudulent conditions which we knew about, when he threw his opponents in jail, when he continues to incarcerate Diasporans who have fought for Karabakh, and even denies them Armenian citizenship, the representatives of this same Diaspora were never so furious and menacing as they are today, when it is “their” Genocide that is at stake. As if the dead were more alive for them than the actual living. By not supporting the democratic opposition which has been screaming all year-long against the absurdities and deafness of the Sarkissian regime, by leaving to their fate a countryside that has been willingly abandoned, by not denouncing firmly the white genocide of economic emigration, the Diaspora should have expected to one day receive back the “fair” change for its coin.

Whatever the reasons for the observed disconnect are, it appears that the Diaspora missed an opportunity to line up its vision, values, and aspirations with those of the people of Armenia. It has failed to produce a credible warning to the government of Armenia as to the limits of what can and cannot be tolerated in terms of human rights abuses and economic mismanagement. Furthermore, complacency and turning a blind eye on developments in Armenia had an effect of encouraging the abuses that have undermined the prospects for development and effectively tearing the socio-political fabric of the Armenian society. A substantial change to the status quo, as noted by some, would have to start from recognition of their own failures at the level of parties both in Armenia and Diaspora and lead to the transfer of power to a more able governing body as an outcome of that. One lesson based on the past 24 months of engagement is clear: ignoring the aspirations of the people of Armenia for a better governed society and replacing it with the elusive benefits of short-term “stability” or, much worse, with personal gains for a well-connected few will backfire, as it did on March 1-2, 2008. Failing to understand this and to take actions to

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31 Those Diaspora Armenians who have visited Armenia for extended periods of time have a much better sense of the hardship on the ground and the reasons behind the hardship.


address the underlying problems will have grave consequences for the country and the nation as a whole.

Box 4. Factors Behind the Organizational Underdevelopment in the Diaspora

Not unlike other diasporas, the Armenian Diaspora is structured in such a way that allows organizations a central role in running the affairs of the communities they operate in. The way the organizations themselves function thus becomes critical to the performance of the communities. The events of the recent two years have shown, however, that there is a growing disconnect between the voice of the communities and the main Diaspora organisations that represent them. Specifically, concerns were raised about the organizations’ ability to properly transmit signals coming from the communities and represent them during the nation-wide discourses. This box offers some potential factors behind this outcome.

While we acknowledge that it takes time to adapt to rapidly changing environment and factors often outside of one’s control, we nevertheless see the following problems that, if addressed, would go a long way in improving the efficiency of traditional Diaspora organizations.

- **Resource availability:** Most grassroots Diaspora organizations face shortage of financial and human resources. Lack of sustainable income sources, professional human resource and trained leadership, as well as modern organizational approaches and methodologies impact the operation of these organizations. The core processes—such as human resource management, information and knowledge management, strategic planning, and public relations—remain outdated and may require revisions to be effective.

- **Operational model:** The operational model of Diaspora groups is almost always very centralized. Key decisions are often made by the top alone, without consulting the rank and file. While strong centralization could be—and under some conditions certainly is—the most effective way to get the job done, it leaves the risk of control of the center being hijacked by special interests that could use the power in their hands to advance a different agenda. Centralized structures also are not ideal for encouraging new thinking and generating new approaches.

- **Representativeness:** While many among the Diaspora live in democratic countries, democracy is seldom practiced in the Diaspora structures. This may at least partially explain why a sizeable number of Armenians have opted to remain outside the community organizations and become passive and silent members of the Diaspora. Dissent—both from inside and outside of the organizations—is suppressed and at times results in the sidelining of the whistleblowers. While partisan views are commonly rejected by most who stand on the other side of the line, independent positions are viewed with suspicion by all sides.

- **Entry:** Start-up groups and organizations are rare (at least partly reflecting the hostile environment and concentration of power and finance within certain groups), and those that are not related to any of the major traditional groups or wealthy Diaspora individuals almost never survive. As a result, new thinking does not filter through and old institutions largely remain unchallenged, feeling no pressure to restructure.

- **Forward-looking thinking:** Most Diaspora knowledge centers are focused on the past. With
one or two exceptions, there is no Diaspora research institution that concerns itself with forward-looking developmental issues of importance for Armenia and the Diaspora. Millions are directed by Diaspora benefactors to finance chaired professorships in history and related fields, with little, if any, funding earmarked to studying challenges of the future. This creates a huge vacuum leaving much of Diaspora’s sizable human capital scattered and uninvolved. While arguably difficult to quantify, we believe that the intellectual input into the community affairs has declined since the 60’s and 70’s. Much of the serious mistakes committed by the Diaspora in its relations with Armenia—as discussed further in this Report—perhaps could have been avoided if there was a think tank capable of offering professional and independent analysis of events and offered alternative modes for engagement for the Diaspora.

Perhaps the only positive by-product of this state of affairs of the Diaspora organizations is that it has pushed many Diasporans to build their own ties with Armenia following the independence as a way of staying involved, finding this more rewarding.

All in all, while indeed facing a dynamic environment with constantly changing external conditions and constraints, the Diaspora organizations are in need of a serious reassessment of their role, mission, and vision to survive and remain relevant for their communities. Alternatively, they will be facing an uphill battle for attracting young and professional Diasporans to join their rank and file, those whose ideals of patriotism and nation-building are different and standards are higher.

**IV. THE DIASPORA’S CONTRIBUTION TO ARMENIA**

When Armenia regained independence in 1991, there was a great deal of excitement and anticipation in Armenia and the Diaspora communities over the impending reunion of Armenians in Armenia and all the benefits that the natural synergies could bring. The conventional view of the Diaspora was of a savior capable of delivering a much needed economic and emotional revival. In reality, however, the Diaspora was not united in ideals and vision (Masih and Krikorian, 1999), which may have contributed to promises remaining unrealized. Before we discuss some of the factors behind this outcome, we offer a review of the record of Diaspora engagement with Armenia on three critical directions: economic development, governance and public sector reform, and civil society strengthening.

While admittedly representing only a portion of world-wide activities undertaken by the Diaspora (the balance largely comprising of Genocide recognition and local Diaspora community-building efforts), these directions are nevertheless indicative of the Diaspora’s focus on, and commitment to, a developed Armenia; one with efficient and lawful leadership and a vibrant civil society. The discussion below also illustrates the institutional, cultural, and ideological barriers faced by the Diaspora in its relations with Armenia.
A. Economic Development

Many diaspora populations have worked to develop the economies of their homelands and have made noticeable contributions in terms of long-term economic growth (e.g., EIU, 1999-2002). Studies of countries with large diasporas indicate a strong and direct relationship between a closer, targeted diaspora involvement and development in the native country. Studies of Greek, Jewish, Chinese, Mexican, and other diasporas have shown that these communities can have a very significant impact on the economic development of the native country. Many of these economies have and continue to benefit from the economic assistance of their respective diasporas, which often take forms of transfers of human and physical capital through various institutional and financial mechanisms.34

The Diaspora’s mobilization in support of Armenia initially took place on two levels: (1) through organized fundraising aimed at specific humanitarian and developmental projects, and (2) through personal remittances. In the wake of the devastating earthquake of December 1988, $900 million was raised for humanitarian relief in Armenia through the 14 largest Armenian Diaspora organizations (Manaseryan, 2004) to aid a population already ravaged by war, poverty, and the various difficulties stemming from the collapse of the Soviet Union. Much of the assistance was concentrated on social sector, health and education, technical assistance, and religious and cultural projects.

Despite this initial burst of humanitarian assistance, donor fatigue soon set in (Tchilingirian, 1999) and it became clear that the Diaspora’s giving was increasingly reliant on large individual donations, rather than broad-based contributions. In addition, the funds were seen as ineffectual, whereby “the act of giving seems to be more important than the actual effect” (Freinkman, 2001).35 While projects financed by this humanitarian assistance helped the country to survive during the early years of independence, it soon became clear that something else would be required to put Armenia on a path of self-sustained development.

Following the 1994 ceasefire in the Karabakh war, direct investment in Armenia’s economy was presented by policy circles as the desired alternative to humanitarian assistance. The large and affluent Armenian Diaspora was the major hope in this regard. Indeed, research on Diaspora investments in Armenia in the late 90’s showed that more than 30 percent of Diaspora Armenians surveyed were interested in investing in Armenia (Gillespie, Riddle, and

34 For instance, Israel has free-trade agreements with the USA, Mexico, and Canada (under NAFTA) and the European Union. Another country with large Diaspora, Greece, has dedicated special areas near its frontiers that are up for sale to Diaspora Greeks. This measure serves the purpose of re-energizing economic activity in the area: the land is being sold solely to establish a business or a primary residence. Chinese Diaspora plays an active role in country’s economic processes by generating FDI, setting up joint ventures, developing trade links, and promoting export of domestic companies.

35 It appears, however, that much of the soft money has subsequently dried up, as many in the Diaspora have been turned off by a massive build-up of wealth by oligarchs and well-connected few and have disengaged as a result.
co-authors, 1999). Diaspora Armenians believed that they were better able to understand and meet the needs of fellow Armenians than an average non-Diaspora investor, and as such they were more likely to succeed. Strong altruistic feelings and the psychological satisfaction of helping Armenia dovetailed with initial interests from the Diaspora to invest.

Twenty years later, these high hopes of Armenian investments have yet to materialize, however. The frustrating experience of some Diaspora investors and the limited public knowledge of success stories have negatively influenced potential investors. Direct investment from the Diaspora remains relatively low compared to other Diaspora-to-homeland investments: while high as percentage within total (69 percent of total investment in Armenia in 2004), this figure is quite low in nominal (dollar) terms.

Although successful organizationally, individual project-driven entities funded by the Diaspora have not been able to alleviate widespread poverty, mitigate emigration and promote long-term sustainable development in Armenia (Ishkanian, 2005). There have been attempts to consolidate financial assistance but virtually all of them have failed. The most well known effort to establish an institutional investment instrument for Diaspora funding—Armenia Small and Medium Enterprise Fund, spearheaded by the International Finance Corporation, a private lending arm of the World Bank—failed to materialize in the early 2000s, mostly due to concerns on the side of wealthy individuals in the Diaspora about governance-related problems in Armenia. More recent developments have been equally disheartening in this regard. According to anecdotal evidence, attempts by the Armenian-American billionaire Kirk Kirkorian to set up a large investment fund in Armenia were thwarted by the previous administration in Armenia. In addition, recent fundraising performances of “Hayastan” All-Armenian Fund have deteriorated, which is another sign of a widening gap between Diaspora and Armenia.

All in all, not only has the Diaspora not been able to play a catalytic role in attracting other, non-Diaspora, investments to Armenia (as expected by Gevorkyan and Grigorian, 2005), it is

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36 While the Armenian government has recently announced plans to set up a Pan-Armenian Bank, we remain skeptical whether the bank will receive the necessary support from the Diaspora (given the profound tensions present between Diaspora and official Yerevan) to become a truly pan-Armenian. In addition, the job announcement for the position of CEO of the Bank has been posted since November 2008 (see http://www.ashxatanq.net/vacancy/info/71409/) but to the best of our knowledge the position has not been filled. Slightly preceding this effort was one by a group of current PFA members to spearhead the concept of the Diaspora Fund for Development. The concept was well received by some Diaspora groups and was presented at a seminar at the World Bank Institute in Washington, DC in September 2005 but was abandoned due to governance-related concerns expressed by a key potential institutional player.

yet to raise any sizable amount of development-intensive money itself to channel to Armenia. In contrast to this outcome, Box 5 presents the experience of the Jewish Diaspora in assembling sizable amounts of financial resources to assist struggling Israel in the early years of its founding.

Box 5. The Jewish Diaspora and Israel’s Economic Development in Early Years of Independence

In July 1950, the Israeli Knesset passed the “Law of Return”, which stated that "every Jew has the right to come to this country as an olah (new immigrant)." In 1939 the British Mandate Authority had estimated that about 445,000 out of 1.5 million residents of the Mandate were Jews. Israeli officials estimated that as of May 15, 1948, about 650,000 Jews lived in the area scheduled to become Israel under the November 1947 UN partition proposal. Between May 1948 and December 31, 1951, approximately 684,000 Jewish immigrants entered the new state, thus providing a Jewish majority in the region for the first time in the modern era. The largest single group of immigrants consisted of Jews from Eastern Europe; more than 300,000 people came from refugee and displaced persons camps. Some 300,000 of those were Sephardic Jews. Aside from 120,000 highly educated Iraqi Jews and 10,000 Egyptian Jews, the majority of new immigrants (55,000 Turkish Jews, 40,000 Iranian Jews, 55,000 Yemeni Jews, and thousands more from Jewish enclaves in Afghanistan, the Caucasus, and southwest India) were poorly educated, impoverished, and culturally very different from the country's dominant European culture. The total addition to Israel's population during the first twelve years of statehood was about 1.2 million.

In 1989-94, a new influx of well-educated and skilled Jewish immigrants from the former USSR (resulting in a population increase of 12 percent) coupled with the opening of new markets at the end of the Cold War, energized Israel’s economy. The financial capital needed to deal with this influx was drawn either from the high level of domestic savings, foreign loans and grants, and Israeli Development Bonds.

On September 3, 1950, David Ben-Gurion, Israel’s first Prime Minister, met with a group of 50 American and Israeli leaders in Jerusalem’s King David Hotel to raise capital. They ultimately decided to bring the idea of Israel Bonds to the American public; in October 1950, Golda Meir met with American Jewish leaders in Washington, DC to lay plans for launching Israel’s first bond issue in the United States.

The Development Corporation for Israel (originally founded as the American Finance and Development Corporation for Israel) was created in February 1951 to offer the securities in the United States. The Knesset, acting on the proposal from the September 1950 conference, adopted a law authorizing the flotation of Israel’s first bond issue, known as the Israel Independence Issue. This action was significant, for it was the first time Israel had asked for a public loan instead of a philanthropic gift.

In May of 1951, on the third anniversary of Israel’s statehood, Ben-Gurion launched the Israel Bond sales drive in the United States at a rally in Madison Square Garden. A coast-to-coast tour that followed led to an overwhelming result: $52.6 million in bond sales generated for Israel. This

38 This box builds on Gevorkyan and Grigorian (2005).
apparent success of the bonds program enabled Israel to accelerate its development program. Golda Meir, in making a tribute to the Israel Bond organization once said, "you have a stake in every drop of water we pour into our land, in every mile of road built, in every kilowatt of power, in every field, in every factory." When asked about what collateral she could offer, she said the only collateral she had was the children and future of the State of Israel. Currently Israeli bonds are used to finance major public sector projects such as desalination, construction of housing, and communications infrastructure. The bonds can be redeemed upon maturity or before that, upon bondholder's visit to Israel in person.

Despite limited investments, remittances to Armenia, almost three-quarters of which originate in Russia, have thrived. They mostly finance subsistence consumption and in some cases investment in real estate, at times reaching 20 percent of GDP in total volume (Central Bank of Armenia, 2006). These transfers, however, brought both microeconomic as well as macroeconomic problems and rendered Armenia’s economy heavily dependent on external flows. On the macroeconomic side, as shown by IMF researchers Chami, Barajas, and coauthors (2009), remittances may have exacerbated problems of economic management and government inefficiencies by reducing incentives to improve economic management and provide better public services.39 They have also complicated exchange rate management by placing increasing pressure on the Armenian currency to appreciate. This in turn, negatively impacts competitiveness, exports, and trade balance, as seen in the two years prior to the currency devaluation in early-March 2009. According to another IMF study, on the microeconomic side, remittances have reduced incentives to work and study, and have increased the likelihood of further emigration from Armenia (Grigorian and Melkonyan, 2007).

**Indirect Economic Assistance**

In addition to direct assistance, the Diaspora has also contributed to the formation of a flow of bilateral economic assistance, particularly through US foreign assistance appropriations. This assistance, which was intended to “support(s) democratic and social reform to enhance regional stability and the development of the infrastructure and institutions necessary to become a free-market, democratic nation,” peaked at an unprecedented $172 million in 1993, helping Armenia to cope with the implications of an economic blockade, a devastating earthquake, and ravaging war, and build institutions. Since this time, the funding has been channelled primarily through the United States Agency for International Development.40 However, as shown on Figure 1, funding has been tapering off in recent years. The previous two US administrations have drastically reduced their proposals for aid to Armenia, only to be slightly increased by Congress.

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39 This study looked at 111 countries between 1990 and 2000, and researchers found that high remittances often lead to greater corruption and irresponsible economic policies.

40 More information about the specifics of the US support to Armenia, including the areas of focus, is available from the State department’s website at [http://www.state.gov/p/eur/rls/fs/104145.htm](http://www.state.gov/p/eur/rls/fs/104145.htm).
Diaspora lobbying efforts in Washington may have also had some impact on the previous US administration’s decision to grant Armenia a $236 million package from the Millennium Challenge Account, but this link is difficult to establish. This assistance was made conditional upon “continuing to implement democratic reforms” 41 in Armenia and was suspended following the events of March 1-2, 2008. The total amount was subsequently reduced by $64 million.

While this downward trend in U.S. assistance undoubtedly reflects the overall shift in Washington’s attitude away from Armenia and its prioritization of foreign aid, it may also reflect (1) the preferences of Diaspora lobbying groups, which appear to place more emphasis on Genocide recognition than assistance to Armenia, (2) the perceived need for that assistance on the ground in Armenia, given the Armenian budget’s improved capacity to provide goods and services, and (3) the declining influence of Diaspora lobbying groups.42

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What Seems to Be the Problem?

Below are some factors contributing to what we perceive as a lower-than-expected outcome in terms of economic engagement:

First of all, general lack of political will and state capture in Armenia have prevented a true economic integration between the two halves of the nation, enough for it to no longer be taken seriously as an objective by the Diaspora. As Richard Giragosian noted, “[the] system of corruption that has plagued Armenia since independence has also been a serious barrier to harnessing Diaspora potential but also has surfaced as an obstacle for the Diaspora to find its feet in Armenia and in its economy.” Vahram Nercissiantz, president’s chief economic adviser, had this to say recently about the degree of state capture in Armenia:

Businessmen holding state positions have turned into oligarchs who have avoided paying sufficient taxes by abusing their state positions, distorted markets with unequal conditions, breached the rules of competition, impeded or prevented small and medium-sized business’ entry into manufacturing and thereby sharply deepened social polarization in the republic.

Second, the Diaspora’s development agenda in Armenia remains weak or non-existent (Gevorkyan and Grigorian, 2005). For example, the 3rd Diaspora Conference held in Yerevan on September 18-20, 2006 was meant to discuss issues of economic development, but failed to address the underlying causes of Armenia’s economic and social problems: poor governance and corruption. Without a comprehensive development vision and a unified commitment to address the root cause of identified problems, it is difficult to progress; a sentiment echoed by other analysts.

Third, and related to this, the Diaspora has largely ignored the realm of developing independent and credible public policy advice. Thus, the intellectual capacity of the Diaspora—that would have been able to offer guidance in terms of meaningful and

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43 State capture obtains when a small number of firms (or such entities as the military) is able to shape the rules of the game to its advantage through massive illicit and non-transparent provision of private benefits to officials and politicians. Examples of such behaviour include the ability to control legislative votes, to obtain favourable executive decrees and court decisions. A relatively new concept, the main proponents being World Bank researchers, it echoes that of ‘crony capitalism’ and covers cases where high-level corruption is pervasive (www.Answers.com).


effective policy choices—remains scattered and unsupported by any institutional Diaspora players. Brick-and-mortar-type projects remain the main target of the Diaspora’s economic development agenda.

Fourth, the established relationship between Armenia and Diaspora is concentrated and typically includes large influential businessmen and groups, usually those with proven commitment of no-involvement in local politics and economic power-sharing. This relationship is typically built on personal contacts and preferences of the members of the Armenian ruling elite as opposed to being institutionalized. This pattern neither generates sufficient amount of investment nor can be expected to have any sizable impact on investment climate and related institutions.

Finally, while willing to get involved and accept limited returns to investment, a typical Diaspora investor driven by idealistic motivation is also likely to be less tolerant of corruption and administrative abuses and may demonstrate a higher propensity to disengage when faced by these adverse conditions.

* * *

Despite 20 years of active engagement on the development and social front, Armenia’s economy remains fragile. Efforts by the international financial community have not gone deep enough to eliminate the fundamental problems of the economy. In its current form—with its structure and severe problems with competitiveness—the Armenian economy has few prospects for the future. The control of economic activity by powerful business interests remains the most critical bottleneck for Armenia’s development. Unless these governance-related issues are addressed on a clear, consistent basis, there remains very little hope for progress. In addition, the quality of Armenia’s development decision-making—underpinned by a serious lack of capacity and substandard leadership in education and science, economic development and trade, public finance, and financial sector development—presents a major challenge going forward and must be addressed. Upon addressing these two sets of critical challenges—governance and capacity—strategies could be developed to offer new institutional mechanisms of channelling financial and human capital to Armenia. Barring that, breathing enthusiasm into the body of Armenia-Diaspora and reenergising economic cooperation will be next to impossible.

As countries in the world brace themselves for immense policy challenges in the aftermath of the global economic crisis (specifically, related to unwinding of unprecedented fiscal and monetary stimulus packages), Armenia appears to have little room to manoeuvre to be able to even sustain things at the current levels. Its anti-crisis efforts largely comprised of channelling (mostly to government connected enterprises and sectors) of the proceeds of
foreign loans and devaluing the exchange rate (when it was already late).\textsuperscript{47} Armenia is quickly approaching its borrowing limits with multilateral financial institutions to finance its sizable deficits. Its debt burden—compared to its capacity to repay—is deteriorating quickly leaving further fiscal consolidation (i.e., reduction of already low social and developmental spending, at the expense of growth) as the only feasible alternative.

However, instead of addressing the core of the problem, officials in Yerevan have decided to play \textit{Russian roulette}, dragging the entire nation into a game with little promise of an upside and a clear risk of shifting the focus away from what should have been the first-best policy option, reforming governance and reducing state capture in Armenia. The message of the World Bank’s Managing Director delivered during her recent visit to Armenia must have fell on deaf ears in Yerevan and in the Diaspora.\textsuperscript{48}

Before hinging too much hope on opening of the border with Turkey, supporters of the protocols should first attempt to internalize two things: (1) what in general drives growth and development around the world (see Rodrik, Subramanian, and Trebbi (2002) for an excellent paper by economists from Harvard, Chicago, and IMF) and (2) why is it that small open economies the size of Armenia’s—such as Albania, Kyrgyz Republic, and Moldova, each with similar initial conditions and access to much larger markets than Turkey—have not advanced much in the recent past.

The Armenian economy, too, is not going anywhere with the quality of leadership it has—with or without open borders. Armenia could benefit from an open border with Turkey, but only if it addresses fundamental problems plaguing the competitiveness of its economy and preventing its entrepreneurs from reaching the full potential of their talent and hard work. Opening the border will not achieve these objectives, and instead could make them worse for a wide range of import-substituting entrepreneurs that already find themselves on the margins following the devastating impact of the global recession. A recent report produced by the World Bank’s Independent Evaluations Group offers some insight into when trade liberalization works and when it does not.\textsuperscript{49} We turn to the most critical determinants of that below.

\textsuperscript{47} PFA (2008b), a report issued by the Policy Forum Armenia in the onset of the global crisis, offered the Armenian government a set of detailed recommendation in the areas of fiscal, monetary, and structural policies to help reduce the impact of the world financial crisis on Armenia’s economy.


B. Governance and Public Service Reform

Where the corrupt are in charge, honesty will be outlawed. Where the mediocre are in charge, excellence will be suppressed. Which is why to adopt a passive stance towards the corrupt and the mediocre is to condemn the nation to the death of a thousand cuts.

Ara Baliozian

Describing events that took place in 2006, a more or less tranquil year by Armenia’s turbulent standards, the Human Rights Watch’s “World Report 2007” (HRW, 2007) provided this assessment of Armenian government’s record of human rights:

The Armenian government has done little to address serious human rights violations. Threats to media freedom in Armenia continued in 2006, as more journalists faced harassment and attacks, and broadcast media lack pluralism and remain largely pro-government. Torture and ill-treatment remain serious problems in places of detention and the military. Human rights defenders did not report harassment in 2006, but the ombudsperson was dismissed in January apparently for criticizing the government, a move that raises questions about the government’s commitment to the independence of that institution.

Later, following the tragic events in March 2008, the U.S. State Department’s “2008 Human Rights Report: Armenia” has this to say about the conditions on the ground in Armenia:

The government’s human rights record deteriorated significantly during the year, with authorities and their agents committing numerous human rights abuses, particularly in connection with the presidential elections and the government’s suppression of demonstrations that followed. Authorities denied citizens the right to change their government freely and citizens were subject to arrest, detention, and imprisonment for their political activities. Authorities used force, at times lethal, to disperse political demonstrations. Authorities used harassment and intrusive application of bureaucratic measures to intimidate and retaliate against government opponents. Police beat pretrial detainees and failed to provide due process in some cases. The National Security Service (NSS) and the national police force acted with impunity for alleged human rights abuses. Authorities imposed arbitrary restrictions on freedom of assembly and the press, particularly through harsh measures imposed during the state of emergency.50

Finally, the Heritage Foundation and the Wall Street Journal’s Index of Economic Freedom (HF&WSJ, 2010) offers this summary description for Armenia’s Freedom from Corruption indicator (with an index of 29 out of 100, which indicates most free):

Corruption is perceived as widespread on all levels and in all sectors. Demands for bribes by government officials are routine. Government-connected businesses hold monopolies on the importation of numerous vital products. Armenia ranks 109th out of 179 countries in Transparency International’s Corruption Perceptions Index for 2008, a decline from 2007.

Box 6 below offers some quantitative estimates of what corruption is costing Armenia and its citizens.

**Box 6. Corruption in Armenia**

Corruption is defined as the misuse of the public office for private/personal gain. Corruption in public procurement imposes extensive economic and social costs, and while it hurts society as a whole, its costs are borne disproportionately by the poor. Its economic costs include losses in economic efficiency arising from the waste or misallocation of resources, declining competitiveness, and high transaction costs. It imposes social costs through the proliferation of non-transparent and unregulated patronage networks. These networks weaken the rule of law and government authority, reduce government accountability, and erode the effectiveness of government institutions and public service provision. Indeed, empirical researchers often find that corruption is the leading cause for poverty, underdevelopment, and problems in health and education across countries in the developing world.

While the Diaspora is aware that there is corruption in Armenia, this perception is typically limited to the existence of cronyism and small-scale shakedowns by government officials. The Diaspora has very limited knowledge of the mechanisms of the grand corruption in general, and the anatomy of the recurrent corruption in Armenia in particular. This section sheds some light on these mechanisms and offers some back-of-the-envelop calculations of the associated losses.

Modern public financial management systems in many countries are implemented through computerized processes of various degrees and expenditures/disbursements result from awarded contracts for the public service, i.e., through the existing systems of public procurement. In developed countries these systems are transparent, regularly tested/audited, and have wide coverage. Public procurement in the developing world accounts for a significant percentage of public expenditure and these systems are widely believed to be the main source of leakage from government budgets. Armenia is no different. Here, corruption in public procurement translates itself through:

a. **Direct bribery** (i.e., kickbacks from supplies to public officials);

b. **Kickback brokers** (i.e., kickback from suppliers to middlemen or middle-companies, local agents of international firms, acting on behalf of public officials);

c. **Front companies** (i.e., awarding of contracts to companies owned or controlled by government officials. These companies are awarded large contracts, either because of rigged bids (see below) or because all bidders are colluding so that the designated front company wins. Since there is no true competition, the prices for goods and services are exorbitant);

   d. **Bid rigging** (i.e., manipulation of the bidding process by government officials to ensure that it is ultimately awarded to a designated bidder. This manipulation could include a pre-
designed scheme, like selective short listing of suppliers, single sourcing through complex justification, restrictive specification, unrealistic delivery schedules, etc.);
e. **Official-owned enterprises** (i.e., participation in a bid process and award of contracts to companies owned by public officials).

Public Procurement accounts over 60 percent of public expenditure of Armenia’s budget. According to the World Bank Country Procurement Assessment Report (CPAR) published in May 2004, the sectors with the largest budgets (i.e., defence, health, and education) utilized non-competitive procurement methods (single source and/or quotations) for over 80 percent of their purchases. For comparison, in a good public procurement practice, single source/selective procurement method levels do not surpass 5 percent of the total procurement budget. It has been established through international good practices that non-competitive procurement methods present a minimum of 25–30 percent opportunity loss as compared to competitive procurement methods.

The 2005 Public Procurement Law of Armenia establishes two procurement processes: open and restrictive, with various methods including selective and single source procurement. In treating the two processes of open and restrictive equally, the Law does not establish the open competitive process as the preferred method. Thus, it provides equal access to procuring entities to utilize the restrictive methods, albeit under certain conditions, thus opening the door to inherent abuses.

The limited data available on GRA’s procurement website (see www.procurement.am) indicate that these methods are still in use for over 65 percent of all the procurement-allocated budgets. It is also interesting to note that till early 2008, this site had more contract-related detailed data than in the present, despite the fact that the new administration vows to make the fight against corruption a priority. At a minimum, for each awarded contract, the site should contain: bid announcement date, venue for advertisement, bid submission date, the procurement method utilized, the number of bids received, their respective prices, the name and coordinates of the winning bid, the amount and date of the awarded contract, the number of extensions (if any) with their relevant dates, the amount of extensions and the final contract amount.

Estimations provided in the table below offer some insights into the extent of procurement-related opportunity losses in Armenia.

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<tbody>
<tr>
<td>Total budgeted expenditures</td>
<td>$630</td>
<td>$1,600</td>
<td>$2,500</td>
</tr>
<tr>
<td>Estimated procurement expenditures</td>
<td>$380</td>
<td>$960</td>
<td>$1,500</td>
</tr>
<tr>
<td>Estimated level of single source/selective procurement</td>
<td>$200</td>
<td>$680</td>
<td>$900</td>
</tr>
<tr>
<td>Opportunity loss (25-30 percent)</td>
<td>$50-60</td>
<td>$170-200</td>
<td>$225-270</td>
</tr>
</tbody>
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Note: The following exchange rates were used for conversion: US$1=AMD 533 in 2004, US$1=AMD 365 in 2007, and US$1=AMD 305 in 2008.

These losses coming from the use-of-funds side are obviously large for the economy of the size of Armenia, and compared to the financial flows that the country receives in official assistance, including through Diaspora-led/facilitated efforts.
The situation in terms of losses for the public coffers as well as the economic efficiency is even
gloomier when one also factors deficiencies coming from the collection-of-funds side. Pointing to
corruption and problems in tax administration, an International Monetary Fund working paper
(Davoodi and Grigorian, 2007) shows that the government of Armenia had consistently under-
collected 6.5 percent of GDP in taxes. The authors state that in 2006 alone, the shortfall in tax
collection (mostly due to under-collection in corporate profit tax) accounts for $400 million. Some of
these funds eventually end up in the pockets of senior government officials, who either indirectly
own or provide protection for the most lucrative businesses (often with monopoly power) in
Armenia.

It is difficult to image that these descriptions of the governance and corruption landscape in
Armenia would fit the ideals that any Armenian—both inside and outside of its borders—
had held prior to Armenia’s independence. Notwithstanding this, as we argue below, the
response from the Diaspora to these systemic governance problems and the state of
corruption in Armenia has been muted.

A potential reason for this is that there is a perception that “any criticism of the Armenian
government, no matter who they were, no matter how authoritarian, was helping the
enemy and weakening Armenia.”51 We do not necessarily subscribe to this view as it goes
against the experience of the past two decades (and beyond). For example, when ARF-D
was in opposition to Levon Ter-Petrosian’s administration, it did not get branded as
unpatriotic.52

Others argue that no mechanisms exist for engagement on these issues. This, too, is only
partially true since some mechanisms for direct engagement do exist, even if they are
underutilized. All three traditional Diaspora parties have presence on the ground in Armenia
and ability to—more or less—influence political mood and at times even decisions in the
National Assembly and the executive branch (e.g., ARF-D). The actual record of
engagement, however, leaves much to be desired. There exists a view that being too close
to the power center in Yerevan may have obstructed the vision of Armenia-based leaders of
tradition parties leading to a near collision course with the parties’ leaders outside of
Armenia that are seen as both more ideological and accountable to the grassroots Diaspora
membership.53

51 “Armenia Looks at the Diaspora with Misunderstanding and Sometimes Scepticism,” Interview with the
Director of the Armenian Centre of National and International Studies Richard Giragosian published by

52 Incidentally, ARF-D also opposed Soviet Armenian leadership, which back then probably made less sense
than now because Armenia did not have independence policy-making capacity then (and it does now).

53 While these allegations/views would be difficult to prove, having a foot on the ground in Yerevan may not
have always been effective. The holders of this view argue, that at least in one case (of ARF-D), the party’s
Armenia-based leadership has for years been part of Armenia’s corrupt ruling elite, leading ministries/areas
that are either notorious for their corruption (e.g., Education) or have received significant amounts of state
(continued)
However, the problem appears to be not in the mechanisms to influence the decision making in Yerevan, but in the set of values that form the foundations of the relationship as well as the concepts of what is important and is not for Armenia. More often than not, the commitment to democracy and freedoms in Armenia are replaced by notions of stability and tranquility as important for Armenia’s national security. While certainly important considerations, it is our view that there does not have to be a trade-off between these two sets of critical factors: the sanctity of human rights and the need for stability in Armenia.

The right balance, however, may only be struck when the Diaspora is fully engaged—both institutionally and at the level of civil society groups—and has the ability to independently assess the needs and desires of the people in Armenia. The solutions to the classic principal-agent problem, where the incentives of the “management” (in this case of the official Yerevan) may not be fully lined up with the incentives of the “owners” (in this case of Armenia’s citizens and the Diaspora) can teach us a lot. For now, it appears that the current form of engagement leaves too much power in the hands of the “management” suggesting more active engagement of “owners” and transparency as effective measures to improve the situation.

Active engagement between diasporas and their homelands is not uncommon. Similar to engagement modes on the economic and developmental front discussed above, various models of engagement abound, including political. Box 7 provides an overview of some of these models with potential implications for the Diaspora’s role in Armenia’s affairs.

**Box 7. Political Engagement of Other Nations in Their Respective Homelands**

The involvement of various diasporas in the political process of their respective homelands is a mobilizing pattern which has become increasingly prevalent within transnational politics. Ranging from systematic communal representation to individual agency in the political process of Armenia, countries have developed various models for interlacing their respective diasporas into the socio-political fabric of their homelands.

While 115 countries to date have given their nationals abroad the right to vote, a total of eleven countries have gone so far as to provide diasporans the opportunity to directly partake in their national legislatures. In Europe, France, Italy, Portugal and Croatia have all developed systems of providing their respective diasporas with parliamentary representation, each adopting a specific scheme for their election. In France, twelve legislative seats are reserved for diasporans chosen by the High Council of French Citizens Abroad. These 150 members are themselves directly elected by voters abroad. Italy reserves twelve House of Representatives seats and six Senate seats for

and donor funding but had little, if any, progress to show for it (e.g., Agriculture and Social Security). Their presence in the Armenian parliament and on regional-level leadership posts too has been notable. The only critical piece of legislation pushed through by the ARF-D fraction in the parliament, the Law on Dual Citizenship, saw a significant horse-trading and cost the sizable army of Armenian citizens residing abroad their right to vote at Armenia’s embassies abroad.
diasporans, distributing representation over four electoral districts abroad: one representing Europe, another South America, a third North and Central America, and the fourth Africa, Asia, Oceania and Antarctica. Croatia reserved six seats for diasporan representatives in the parliament. Portugal reserves a total of four parliamentary seats for diasporans: two for those residing in Europe, and two for those throughout the rest of the world.

In the Americas, Ecuador, Colombia, and Panama similarly provide their diasporas with parliamentary representation, with Panama and Ecuador each reserving six seats for nationals living abroad, and Colombia reserving one. In Africa, Algeria, Angola, Cape Verde and Mozambique have adopted a similar approach in including nationals abroad in the political processes of their respective homelands, reserving eight, three, six, and two seats of their national legislatures for diasporans, respectively.

Another method of including diaspora in the political processes is institutional representation. This means giving diaspora-based organizations, usually called "Councils," an opportunity to be heard on matters of interest to them as residents abroad. These Councils tend to be divided into three groups: association-based Councils, Councils of citizens or immigrants, or a combination of both.

The active recruitment of professionals from foreign countries is a tried and true method of incorporating diasporas with the socio-political fabric of their respective homelands. For example, Vaira Vike-Freiberga, who had fled Latvia in 1945 to escape Soviet occupation, became that country's first female president in 1999. Similarly, Valdas Adamkus of Lithuania, who had fled to Germany during World War II, became President in 1998. These are only two of many examples in which professionals from abroad have repatriated in order to have an active role in the political, economic and social discourse of their respective homelands.

Dual citizenship, which effectively gives diasporans the right to vote, is the most ubiquitous model of mobilizing diasporans. More than half of the countries around the world have adopted some form of legislation granting dual citizenship rights in an effort to encourage expatriates to participate in national events. Only thirty-nine countries prohibit dual citizenship rights. The hallmark of dual citizenship rights is the right to vote, the scope and efficacy of which depends on the particular form of dual citizenship adopted. Israel's Law of Return, for example, grants citizenship to ethnic Jews and those of Jewish ancestry who migrate to Israel. Germany, similarly, automatically provides emigrants of German extraction from the former Soviet territories with citizenship. By comparison, Greece has adopted a more conservative approach, whereby it exempts ethnic Greek immigrants from the eight year residency requirement for citizenship.

Countries that include some form of diasporan representation in their federal government show a desire to encourage nationals abroad to keep an active role in their homeland’s political and economic climate, current events and cultural development. This involvement also allows diasporans to contribute valuable insight from afar to the relatively insular political discourse within their home country, thereby enriching and increasing the political and economic capacity of their respective governments. While the method, scope and efficacy of such involvement depend on the particular approach adopted by individual nations, all of the schemes discussed above share one focal objective: the preservation of the diasporas link to its homeland.
What Can Be Done?

In response to a question by the Dubai-based Azad-Hye article, “What is the most effective way to support Armenia?”, the Canadian-Armenian writer and literary critic Ara Baliozian responded: “By refusing to support the corrupt.” 54 This view assumes—directly or indirectly—that Armenia’s corrupt can be readily identified and that they benefited from Diaspora assistance disproportionately more than the general population. Indeed, this position is supported by independent students of Armenia’s governance landscape. In a recent interview, Professor Christoph Stefes of the University of Colorado, who studies governance and corruption in Armenia, noted:

For Armenia, change could come from above – probably, only from above, taking into account the weakness of Armenia’s civil society and political opposition. If the political leadership was ready to fight corruption, it would have the ability to do so. However, this system of corruption has in many ways empowered and enriched elected government officials and top-level bureaucrats. Without outside prodding, the Armenian leadership has few incentives to change anything radical in how the government conducts business.55

Not only has the Diaspora not done the necessary prodding (to attempt to reduce the extent of state capture and abuse of human rights in Armenia), they effectively encouraged the status quo imposed by the center.56 Very few in the Diaspora have voiced their concern openly over Yerevan’s abuse of human rights and principles of democracy. 57 This includes cases when the allegations of misconduct and abuse are so appalling that they could not have escaped the public eye in most countries where Diaspora Armenians reside.58

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56 A good example of this is what took place within 6 or so months following a widely criticized presidential election and bloody massacre of March 1-2, 2008. On September 24, 2008, “a veritable who is who of the Armenian community, representing almost every political, social, and religious affiliation, eagerly awaited the arrival of the president [Sargsyan]” at a reception in New York city.”56 One is left to wonder what kind of signal this sends to the leadership in Yerevan.
58 When Tzitzernak, a Diaspora blogger, posted a translated portions of an article published on a Russian website about alleged assets of Robert Kocharyan and Serge Sargsyan—which included most of Armenia’s lucrative businesses—no public outcry followed. “Banditocracy does not even begin to describe...” Available at: http://tzitzernak2.blogspot.com/. Original article is reprinted by Armenia Today and is available at: http://armtoday.info/default.asp?Lang=_Ru&NewsID=20968&SectionID=33&RegionID=0&Date=02/10/2010&PagePosition=1.
Armenian communities around the world should watch with caution the relationship their leaders have with Armenia’s leadership and make sure this relationship is at arm’s length. If they were to be seen as credible in their pursuit of justice and democracy in Armenia, the Diaspora organizations should have tentative milestones and targets—however defined—for accessing the performance of Armenia’s leadership. Otherwise, not only will they lose credibility by allowing themselves to be consistently sidetracked by Yerevan’s rosy rhetoric (which has been readily forthcoming in the past 12 years without much to show for it), but also undermining the position of the people in the Diaspora who would like to see genuine changes in Armenia but rely on their leadership to deliver their message for them.

Armenia’s institutions are not expected to start functioning with the standards of transparency, integrity, and accountability of their Western European or North American counterparts overnight. Indeed, Armenia is a young country in need of mature institutions that will take time to build. The Diaspora should take this opportunity to lead Yerevan toward these objectives. So far it appears that the regime in Armenia gets away with what would not have been acceptable by standards of pretty much any of the host countries where there is Armenian Diaspora presence. Allegations of large scale corruption and election fraud are presented by some in the Diaspora as something to be expected. This position is counterproductive and made things only worse on the ground. Armenia has the necessary human capital (within its own borders and in the Diaspora) and institutional foundations to be a well-governed with a stable and secure economy. Continued complacency towards the country’s leadership and failures to reiterate what is acceptable and what is not (bearing high standards of acceptability in mind) will further reduce official Yerevan’s incentives to reform.

With the attitude of large segments in Armenia’s population being openly anti-government, Diaspora leaders should realize that giving the government a blank check will turn the opinion of regular Armenian citizens against them. The view that Diaspora money has fuelled corruption and strengthened the position of the government is very strong in Armenia. The lost trust can only be regained by reserving the policies of the past and effectively communicating the new vision to the people of Armenia. Failing to do so in a timely fashion will lead to further deepening of an already significant rift between the two halves.

Traditional Diaspora organizations, including the Church, have unfortunately not met the highest standards of transparency and accountability themselves. Diaspora civil society organizations should demand accountability from their own community leaders. The sub-standard state of affairs over the past 20 years (see Box 8) has produced no resignation from a board position in traditional Armenian parties and organizations and indicates the rigidity of the Armenian Diaspora and its inability to respond to changing needs. The

Diaspora has had periods of “stock-taking...and full scale re-thinking” in the past that had profound implications on the way institutions were run and national business was conducted (Tölölyan, 2000). This might be a good time for similar reassessment.

Box 8. Perceived Leadership Problems and Corruption in the Past

“For over a thousand years our writers from Khotenatsi, Raffi, Baronian and Odian to Shahnour, Zarian, and Massikian have exposed their [bosses’, bishops’, and benefactors’] dirt to no effect” says Ara Baliozian, a Canadian-Armenian writer and literary critic. Indeed, Armenian intellectuals have long been pointing out to lack of adequate leadership and corruption among the Armenian communities as a key factor for nation-wide setbacks of all kinds. But while intellectuals and some statesmen have devoted their work and lives to exposing these problems, the society overall has not—as it appears—come out against problems of integrity, lack of vision, and corruption among their leaders strongly enough to uproot or minimize them. Far from arguing that these phenomena are specific to the Armenian world, we nevertheless present a sampling of quotes on the topic below mostly drawn from prominent intellectuals and statesmen of the past one-and-a-half century to help bring this critical issue to public’s scrutiny again.

- “We are like sheep without a shepherd...We have no leaders. What we have are merchants and clergymen. Merchants are trash. As for the clergy: they have always been against individual freedom.” RAFFI (1835-1888), novelist.
- “You have not come here to solve problems faced by the nation, but to dig a hole for each other or to make the existing one even deeper. Instead, at this critical juncture one needs to forget partisan disputes and bickering and think solely about addressing the nation’s insurmountable problems, jointly and with a unified spirit.” ANDRANIK OZANIAN (1865-1927), military commander (general), national hero (Statement by Andranik Ozanian at the 6th National Congress, October 7, 1917).
- “What about Armenian parties? Life is an endless renewal. Where there is no renewal there will be spiritual paralysis and a slow death. ...Always talking good about themselves and bad about others is both ridiculous and unfair.” GAREGIN NJDEH, (1888-1955), statesmen, military leader, political thinker (“Open Letters to Armenian Intelligentsia”, Beirut, 1929).
- Having returned from the US to Armenia to fight as a volunteer, writer VAHAN TOTOVENTS (1894-1938) “expresses his deep aversion for the Armenian leaders in the Caucasus, their factional politicking, and the reigning corruption,” (Nichanian, 2002; p. 253).
- We Armenians are products of the tribal mentality of Turks and Kurds, and this tribal mentality remains stubbornly rooted even among our leaders and elites.” NIGOL AGHBALIAN (1873-1947), statesman, literary scholar, educator.
- “The Armenian Diaspora is losing its character. Our language, our literature, and our

60 Unless otherwise noted, these citations can be found at http://baliozian.blogspot.com/.
traditions are degenerating. Even our religious leaders have abandoned their calling and turned into cunning wheeler-dealers. Our publications thrive on meaningless controversies. I see charlatanism and cheap chauvinism everywhere but not a single trace of self-sacrifice and dedication to principles and ideals. What’s happening to us? Where are we heading?

SHAVARSH MISSAKIAN (1884-1957), author, editor, critic.

- “A familiar figure in our collective existence is the prosperous and arrogant community leader who, by obstructing the path of all those who wish to reform and improve our conditions, perpetuates a status quo whose sole aim is his own personal profit and aggrandizement.” LEVON PASHALIAN (1868-1943), author, editor.

- “What kind of people are we? What kind of leadership is this? Instead of compassion, mutual contempt. Instead of reason blind instinct. Instead of common sense, fanaticism. They speak of the cross and nail us to it again as they speak.” ANTRANIK ZAROUKIAN (1912-1989), poet, novelist, critic, editor.

C. Civil Society Strengthening

An ordinary citizen of Armenia has few reasons to like her government. Each vote she has cast since 1991 has been bought, stolen, or otherwise rigged; she has been shut out, lied to, and coerced to give bribes in exchange for substandard public services despite the country’s public/foreign debt that was contracted to pay for these services. With an ongoing economic crisis and crackdown on civil liberties this picture is likely to continue to worsen.

Armenia’s civil society in recent years has also been weakened by the outmigration of highly skilled individuals. The International Organization of Migration (2002) 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. In fact, Armenia has become one of the top population-exporting countries in the world measured as a percent of pre-emigration population.

However, efforts by Armenia’s civil society to address this issue have been largely ignored by the Diaspora, which considers these plights, on average, political rather than social. At

62 This section draws on Ishkanian (2008), pp. 137 - 140.

63 It is especially relevant given that since the break-up of the Soviet Union, Armenia’s budgetary spending on education has declined to among the lowest in the developing world (as a share of the overall fiscal envelope and GDP).

64 Official statistics report that 18.4 percent of 1989 population emigrated between 1989 and 2004. The population of Armenia was 3.2 million in 2004 (World Bank, 2006). However, the official population statistics are likely to be overstated allegedly due to national security-related concerns and the opportunities for election manipulation. For an unofficial estimate of the Armenian population see U.S. Department of State (2002) and IWPR (2000).
the level of individual exchange, early days of independence saw a small wave of repatriation to Armenia. Some of these repatriates brought with them experience of living and working in developed countries, which offered various alternatives to the new country. But given the dire economic situation in Armenia, the continuing conflict in Karabakh, and the many daily difficulties, the inflow of people remained limited. While an uncertain number of Diaspora repatriates still live in Armenia, few have been able to bring about sustained change in the country. Others who tried to engage from the outside have been even less fortunate. The experience of George and Carolann Najarian, who won their hard-fought battle having spent years and countless dollars in the Armenian judicial system, is noteworthy here.65

Yet, challenges faced by individual Diaspora Armenians on the way to their (full or partial) integration in Armenia have not received any institutional support by the Diaspora. A more recent tragic end of a philanthropist and businessman Nazareth Berberian, who was found brutally tortured and dead in a ditch outside of Yerevan,66 is an example that more often than not, the individual problems of Diasporans—who faced an institutionalized crime and corruption in Armenia—are sadly their own. The individual efforts of the Najarans, Berberian family friends and others are yet to become an institutional force to help the (often more powerless) local citizens of Armenia fight corruption and abuse on the ground.

Touching on the issue of institutional involvement, the majority of the organisations have not engaged in any type of civil society strengthening or democracy building projects. By and large, these organisations have shied away from engaging in activities or making statements which may be perceived by Armenian authorities as political or politically motivated. As such, they have embraced a very technical, apolitical approach to their relief and development work, which addresses the consequences of poverty but not the causes or the implications of the growing socio-economic inequality and polarisation. This approach has been met with approval by the authorities who would prefer it if local Armenian NGOs would also embrace such an apolitical stance instead of focusing on issues which are seen as political.67

67 Of the few Diaspora organizations which have engaged in civil society strengthening, the largest one is the Armenian Assembly of America’s NGO Resource and Training Centre (NGOC). The NGOC has supported the development of a particular model of civil society in Armenia and was instrumental in shaping the discourses, models, and patterns. The NGOC’s opening in 1994 played a significant role in the development of Armenia’s NGO sector and although since 2005 the NGOC has been a locally registered NGO, it is important to note that the bulk of its work in the area occurred when it was a Diaspora initiative. The second organisation created and run by Diaspora Armenians is the Junior Achievement of Armenia (JAA). In addition to providing economics training, JAA has also supported a civics education programme in Armenia’s schools, bringing over 150,000 students through its courses. Although both the JAA and AAA NGOC were created and run (at least initially in the case of NGOC) by Diaspora Armenians, a significant portion of their funding has come from USAID. NGOC was created with a USAID grant, while JAA lists USAID as a ‘primary source of funding.’

(continued)
The decision of the European Court of Human Rights (ECHR) of a violation of Article 10 of the European Convention of Human Rights (freedom of expression) Armenia’s licensing body’s refusal to issue a broadcasting license to A1+ television station too did not raise any discontent in the Diaspora. None of the Diaspora organizations issued a statement urging the authorities in Yerevan to reinstate the fundamental right of the citizens of Armenia to have access to independent source of news. Partially also as a result of this tacit approval, Armenia’s parliament voted overwhelmingly to pass a bill according to which no tenders for licensing of TV channels will be held until July 2010, in efforts to circumvent the ECHR judgment. Local civil society has all but lost its chance to get its voice heard through elections, since the election system has failed at least in the most recent presidential election.\(^6^8\) Thus, much like Armenia’s economy, civil society in Armenia requires urgent attention.

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Civil society building was the subject of a recent volume of the *Armenian Review*.\(^6^9\) While academics are now focusing on the importance of having a vibrant civil society in Armenia, leadership in the Diaspora has paid little attention to this critical element. One indicator of this is the fact that most public meetings by leaders of the Diaspora in Armenia are held exclusively with state representatives in Yerevan and rarely ever with civil society groups.\(^7^0\)

Whether this is an intentional neglect or an oversight, building a strong and free civil society in Armenia should be a key policy objective. Armenia’s recent past may offer some clues as to why this is important. One likely reason for Armenia withstanding the challenges posed by the war in Karabakh, the 1988 earthquake, and economic collapse of historic proportions in the early 1990s was the will of its people. Its strong and free citizenry—empowered by the independence movement—consciously endured those challenges but also forced the government to put the right priorities on tasks on hand. In fact, it could be argued that the victory in Karabakh was won by the sacrifice of Armenia’s population—its civil society: its volunteer fighters and field commanders—well before the government had the ability to put up formal lines of defence. It is difficult to imagine a government that is so detached from its people can singlehandedly, without public support, overcome challenges of the magnitude facing Armenia. Strong Armenia is first and foremost a strong, free, and engaged


\(^7^0\) See Professor Tölölyan’s remarks on the issue in http://www.gomidas.org/forum/af3c.htm.
citizenry. Thus strengthening civil society—empowering it institutionally, making it feel part of the process and enhancing its ownership of the current and future—should be a key direction for Diaspora’s efforts going forward.

D. Food for Thought

The Diaspora’s role in promoting sustainable economic development in Armenia leaves much to be desired. While significant during early years of independence, Diaspora economic assistance and involvement have gradually lost their scale and scope, and in their current forms may have reduced incentives of those in power in Yerevan to undertake meaningful reform. In terms of the other two dimensions—governance and public sector reform and civil society strengthening—the Diaspora has failed the test. We consider it beyond the scope of this study to argue why good governance, democracy, and the rule of law are critical for Armenia’s development: there exists an entire body of literature arguing for the primacy of these factors for development and we will spare that discussion here. Yet, the Diaspora’s failure to articulate the importance of these factors and their complacency may have contributed to the decline of Armenia’s institutional quality and through these the potential for development.

Luckily, the events of the past two years have increased the awareness of the link between these factors and development, if only by way of offering painful lessons. This could be the long awaited push factor behind a meaningful change in the Diaspora. The pull factor, too—a growing number of students of mainstream social science, economic development, law, and politics, that are demanding a new level of a national discourse—appears to be growing in significance.

It now becomes important to direct these factors (and energy) in a way that creates a meaningful change in terms of setting up the nation’s priorities and articulating them. With incentive-compatibility problems appearing to be in place (as eluded to above), it is unlikely that the change will come from official Yerevan. Indeed, it is freedom from Yerevan’s censorship that may make the Diaspora an ideal source for change.71

However, the Diaspora is not without its own problems. Too fractured and vulnerable—due to ideological differences and historic rivalries—it is likely to become a subject of interferences from various outside forces and be difficult to consolidate in any meaningful way. The ongoing saga for the right to be present at a meeting with the US Secretary Clinton would not be the first time when Diaspora groups have been subjected to “divide and conquer” strategy from the outside (Aftandilian, 2006). In addition, as discussed above, the Diaspora has a record of making poor choices when it comes to issues of importance. Often it has allowed itself to be led by rhetoric as opposed to real actions, which has impacted its

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71 As argued by Professor Beledian in his joint interview given to Haratch, that change may—among other things—be a necessary condition for survival for some traditional Diaspora structures.
credibility in the eyes of people of Armenia. Too much of what is important for Armenia’s development was left to officials in Yerevan, who neither had checks and balances nor much by way of incentives to deliver real results. The Diaspora’s mind and its battle, it appears, was elsewhere. Unless this changes, and the Diaspora finds a way not only to reassess and find out what is important but to also come up with effective ways to communicate that to those in power in Yerevan, what we have now will look pretty rosy a couple of years down the road.

The geopolitical threats against Armenia are real. The current conditions and relations between Armenia and the Diaspora may result in Armenia paying dearly in what some already expect to be the second Karabakh war (Muradyan, 2009). Without its people inside and outside its borders—their human, financial, and political capital—Armenia’s future is uncertain in a turbulent region at the crossroads of so many competing powers. The citizen’s of Armenia have paid handsomely for the government’s short-sighted and ineffective policies of the past decade or so by effectively losing the peace while having won the war. As painful as it may be, these developments need to be fully internalized and operationalized to become the driving force behind the change that has been overdue.

V. STRENGTHENING ARMENIA-DIASPORA RELATIONS: A WAY FORWARD

“What’s done is done. What we must do now is assess the damage and figure out how to avoid the next catastrophe.”

Raffi (1835-1888)

In a series of essays published in 2007 and 2009, a Yerevan-based columnist Marine Petrossian discusses her concept of the “United States of Armenia.” She begins by saying that unlike the United States of America, where people are united with the idea of future opportunity credibly provided by the country, those in the Armenian world are united by the memory of the (mostly tragic) past. The newly created Armenian Republic attempted to break that association with that past in 1991. However, this strategy has failed—she continues—for prior to being able to lay the old history to rest a “new history” needs to be created, an opportunity we had, but have largely lost.

The successive administrations in Armenia since independence have effectively stripped the nation of the rewards for its victories: the modern-day examples of audacity, perseverance, and success of unseen proportions. Something that could have empowered and served the foundation for the “new history,” has been turned into a liability of major proportions. The Diaspora did not seem to mind that: the “old history” was still too strong in their minds and hearts and they were not about to let that be replaced by something else. An opportunity given to the nation by its best—the Leonids, Montes, Shahens, and Tatouls of the world and countless others, who still carry the wounds of the Karabakh war and the memories of the short but epic reconstruction that followed—was effectively allowed to be lost by politicians in Armenia and largely unsuspecting-but-effectively-complicit Diaspora.
But Petrossian is still hopeful. Her “United States of Armenia” is build around the aspiration of “every Armenian around the world taking out the coin of the golden dream from underneath their mattresses to contribute to building of a new country” from a fresh start offered by a not-so-distant victorious past. All that needs to be ensured, she believes, is for the coin not to roll into the mud and forever vanish, as it has on occasions in recent past.

A. Challenges of Diaspora Organization

Despite frequent statements by Armenian politicians regarding intentions to tap into the Diaspora’s potential, this has not gone beyond rhetoric and the Diaspora has been largely unable to effectively contribute to Armenia’s political, economic, and social development.²² Twenty or so years of assistance of all kinds by and large have not translated into sustainable development and progressive policymaking in Yerevan.

The real wealth of the Diaspora resides in its expertise and global networks. If governed well, these are the ingredients Armenia will need to ensure sustained development. These, in our view, can only be unlocked through an adroit set of incentives designed to facilitate the Diaspora’s participation in Armenia’s political process and institution building.²³ Similar to the rights enjoyed by stakeholders in a well-governed corporation, the Diaspora should be given the right of representation in the Armenian polity, if it is expected to play any serious role in its economic development and national security. Without an ability to effectively monitor the outcomes of its own participation, it is hard to see how the Diaspora can qualitatively improve the reality on the ground.

At this juncture, however, neither Armenia nor the Diaspora has done any serious thinking on the benefits of this stronger integration. While on Armenia’s side, reasons behind this is mostly related to the lack of political will, on the Diaspora’s side issues are twofold. First, the Diaspora lacks vision for Armenia and has disagreements as to what is important for Armenia’s development and national security. Internal bickering and taking consistently unpopular positions have made it irrelevant to major events and trends taking place in Armenia, particularly to the quest of people of Armenia to be well-governed. To date, it has set no mechanisms for mobilizing (physical or human) resources and monitoring of

²² To date Armenia does not have an immigration policy despite frequent declarations about a repatriation policy. Procedures too have not been devised—both legally and institutionally—to handle Armenian refugees from the outside. The recent poorly handled situation with the Armenian refugees from Iraq is a testament to that. Sadly, there also did not seem to be an outcry about this important issue from Diaspora organizations.

²³ Examples of Diaspora’s active participation in Armenia’s political process and institution building would include, but not be limited to, representation in the National Assembly, government consultative bodies, and the professional civil service. Given Armenia’s record on this issue, the Diaspora can also help monitor and report on elections at all levels.

²⁴ Charitably giving to the Hayastan All-Armenia Fund is excluded.
activity on the ground, and has not produced an evaluation of its multi-year effort of involvement in Armenia.

Second, there appear to be institutional challenges within the Diaspora. It remains fragmented, with little, if any, forward-looking policy-oriented thinking taking place. Diaspora has little experience with forming ties beyond individual communities, seldom venturing to form sustained transnational ties among themselves. Such ties would have created a minimum level of international organization capable of expressing pan-Diaspora views of major events and developments affecting Armenia and the Diaspora. Traditional Armenian political parties in the Diaspora and the Church have tried to fill some of the vacuum, but they have been unable to reach out to significant number of Armenians across the globe.

Nevertheless, many in the Diaspora remain committed to building stronger ties between the Diaspora and Armenia. Political, economic, and cultural ties with the country would—as the argument goes—strengthen Diaspora Armenians’ sense of identity and belonging. And while true integration requires trust and years of meticulous work, it is time for the nation to take steps in this direction to avoid new dividing lines down the road with potentially devastating and irreversible consequences. It is high time for Armenia as a nation to reap the fruits of its sacrifices and hard work invested by generations of Armenians who lived and toiled in foreign lands.

B. A Call for a Collective Action

Throughout the modern history, and despite the calamities the nation has been through, Armenians have shown remarkable abilities to consolidate and effectively safeguard their future. From the battle of Sardarabad, to the defense of Zangezur, and the Karabakh war, Armenians have come together on hot button issues to support each other across borders. Yet, achieving similar levels of consolidation in tranquil times have proven increasingly challenging.

Similar to the classic collective action problem of economics or political science (e.g., Olson, 1965), here too failure to act collectively carries the risk of foregoing solutions that are otherwise optimal/efficient from the nation’s point of view. As Mancur Olson—one of the most influential economists of the 21st century—demonstrated in his book The Logic of Collective Action: Public Goods and the Theory of Groups, it does not have to be the case that if everyone in a group has interests in common, then they will act collectively to achieve them.

In an age of globalization and transnationalism, when physical borders are less significant and networks are becoming as important as any other ingredient of economic development and national security, Armenians around the world have a clear comparative advantage. With some innovative thinking, liabilities can be turned into assets and the nation can again be as united as it wants to be. Indeed, a new blueprint for the nation’s future mentioned
earlier in the Report would factor in the full range of opportunities offered by the 21st century. The good news is that the key to this blueprint does not have to be complicated.

The problem of collective action, commonly known as the “free rider” problem, is solved when both the benefits and costs of taking the action are internalized. The search for ways to act collectively in the Armenian context should start from the search for the common ground—a set of principles and objectives that most, if not all, institutional bodies of the Armenian world could agree on. Subsequently, a transnational organization can be brought forth to help collect the benefits of the unified action but also internalize the costs involved. The search for these principles and of the right institutional structure could begin in academic circles, taking the form of public debates to help refine and solidify the underlying assumptions and approaches. The human capital necessary to initiate this process and take it further too needs to be identified. Conceptually, however, the fundamental logic behind the formation of the organization would be simple: to make the organization large enough (by finding a wide enough common ground among the sides involved) so that the incentives of the organization mimic the incentives of the nation as a whole.

While the exact objectives of a trans-Armenian institution could be a subject to debate, and questions remain about its operational aspects, some basic principles and structure for such an organization can perhaps already be identified:

- **Representation**: Diaspora organization should be geographically representative, and transcend ideological boundaries. To guarantee a wide participation among the stakeholders involved, the fundamental objectives of the institution should be the most common denominator of positions among key stakeholders and should embody the principles of fairness, justice, and universal human rights standards;

- **Clarity of mission**: The organization and its constituent bodies should have clear and achievable aims;

- **Independence**: The organization should strive to be independent from interference of individuals, political parties, and other institutions of the Armenian world as well as from any foreign influence;

- **Governance**: The organization and its elected officials and officers should be accountable and transparent;

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75 The range of questions that requires careful examination includes but is not limited to the following: What will be the relationship between the new organization and the traditional parties? What will be the basis of legitimacy of this new structure? Who will be involved in managing it?
• **Operations:** The organization should offer a forum for a true discourse. It should have clear processes for designing and adopting policy positions consistent with its mission and ethical policies.

Box 9 below provides some details of the legal and operational structure of a Diaspora organization.

**Box 9. Elements of Structure of a Transnational Diaspora Organization**

Given the size of the Diaspora and the scope of its reach, such a Diaspora organization could consist of six institutions: plenary assembly, governing board, permanent secretariat, steering committee, policy council, and budget and finance commission.

The *plenary assembly* meets every four years where representatives from Armenian communities around the world discuss central matters and decide upon major orientations. The plenary assembly appoints top officials and leading officers and sets the policies of the organization. The meeting of the plenary assembly should normally precede the periodic Armenia-Diaspora conference where representatives of the Diaspora and Armenia meet to review common programs and establish new orientations.

The *governing board* consists of representatives from Armenian communities and organizations elected at the plenary assembly. It is presided by a Chairman, meets once a year and acts on behalf of the plenary assembly when it is adjourned until the next meeting.

The *permanent secretariat* implements the decisions of the governing board. It is headed by a full-time General Secretary who leads a team of officials, officers and staff charged with the implementation of policies and programs. The General Secretary and officials are accountable before the governing board and ultimately the plenary assembly. The General Secretary is the first official of the Armenian Diaspora and spokesperson of the Diaspora’s views and positions.

The *steering committee* is comprised of elected leaders of Armenian communities and institutions that have a proven record in matters of policy, governance, finance and administration. It acts on behalf of the governing board when it is adjourned until the next meeting. The steering committee meets on a quarterly basis. An audit and ethics committee reports to the Chairman of the governing board through the steering committee.

The *policy council of the Diaspora* is an advisory body that provides policy recommendations to the Diaspora and Armenia. It is comprised by personalities known for their objectivity, and impartiality who collectively possess critical knowledge in economics, public policy, finance, and law.

Finally the *budget and finance commission* oversees the budget and finances of the organization. The commission consists of elected representatives from Armenian communities and is led by a chairman, who acts as the chief financial officer of the organization.

Undoubtedly, to be most effective, the push toward closer engagement through the creation of such an organization should come from Armenia, the custodian of cultural and
religious values, where *de jure* foundations of properly functioning institutions exist. The following two factors are critical, however, if Yerevan is to lead the way for the formatting of such a transnational organization: (1) strong political will to support the process and (2) well-functioning democratic institutions in Armenia. Absence of these factors, however, should not prevent the Diaspora communities from moving toward forming a trans-national structure outside of Yerevan’s jurisdiction, keeping the window open for Yerevan to have an observer status within the organization.

* * *

To earn trust of the Diaspora and be seen as credible in their actions to bring the two halves together, the government of Armenia needs to take real steps to improve governance and reduce the state capture. The wholesale corruption in Armenia has names and addresses known virtually by everyone, making it conceptually easy and politically popular to eradicate it. Furthermore, the government needs to improve its communication with the Diaspora refraining from offering too much propaganda and instead offer more in terms of real and credible action. To show institutional intent, the government could commission a strategy for developing of Armenia-Diaspora relations. The primary objective of this strategy should be to help ease the way for Diaspora involvement in Armenia’s economic and political life and propose a set of measurable indicators of progress in this regard.

In their dealing with official Yerevan, Diaspora organizations should articulate the need for more effective and stronger ties with Armenia, including, as mentioned above, through involvement in Armenia’s economic and political life. The largely disengaged status quo only benefits those among Armenia’s leadership that have own personal interests above those of the country and the nation. Each major Diaspora organization should undertake a thorough assessment of recent developments as a prerequisite to embarking on a change to reflect the time and the needs of the nation. Failure to do so will lead to further disengagement of individual Diasporans and entire communities from Armenian issues, with potentially sizable damage to Armenia’s developmental prospects as well as national security. A search should be underway constantly for more innovative modes of engagement both with Armenia as well as with other Armenian communities world-wide. The 20 past years will not all go in vain if the Diaspora learns the lessons now and puts the necessary emphasize on what is important and what is not.

Maintaining and strengthening the Armenian identity in a globalized world and Armenia’s statehood will almost certainly require innovative approaches going forward. The elements of the roadmap provided in the chapter—and in fact our views offered throughout the Report—are not the ultimate wisdom on this subject. They aim to encourage stakeholders to think about a collective action toward a better, more efficient set of outcomes and for the good of the Armenian nation as a whole.
Appendix: Armenia-Diaspora Relations: the Role of the Church

Commenting on a recent article in the Austrian newspaper Diepress.com, Archimandrite Vahan Hovakimyan of the Austrian-Armenian community said, "[t]he problem of preservation of national identity is urgent for Armenians across the globe and the Church can help its situation."76 Indeed the Armenian Apostolic Church has always understood itself as the wellspring and repository of both Christianity and Armenian Culture for the Armenian people, especially in the Diaspora. The awareness of this function has been engrained in both the clergy and laity, particularly in view of the absence of an Armenian state throughout much of the past 1700 years. Many have noted that the Armenian Church has been the only national institution to have endured in the face of statelessness, migrations, territorial divisions, and oppressive regimes, and has been the guarantor of the nation's security and survival (Nersoyan, 1996).

Today, however, an independent Armenian state exists, with ministries of Culture, Education, Youth Affairs, and now a ministry of the Diaspora. Since independence, what relations has the Armenian Church had with the Republic of Armenia? How has its role in the Diaspora been affected by the new Republic?

It is our contention that the Armenian Church under the Mother See of Etchmiadzin has interpreted its historic role as protector of the Armenian nation to mean guaranteeing the security and stability of the Republic of Armenia, even at the cost of democratic principles and political freedoms. As such, it has effectively become an ex-officio member of the ruling coalition of the Armenian government. Consequently, the division in the Diasporan Armenian Church between Etchmiadzin and Antelias has deepened and become more politicized. Before independence, the churches in the Diaspora under the control of Antelias were under the direct political influence of the ARF-D, while the churches under the control of Etchmiadzin were not under the direct influence of any one political party. Today, we see that the Antelias-ARF-D axis is not alone in the politico-religious life of Diasporan Armenians: a new axis has appeared among the churches under Etchmiadzin in the Diaspora whose political pole is centered in the government of the Republic of Armenia.

The Armenian Apostolic Church has played an inestimable role in maintaining Armenian identity, language and culture for Diasporan Armenians. Curiously, however, Armenian identity in the Diaspora has always been to some degree disjoined from the Christian mission of the Church, as observed by J.R. McCollum: "[I]n terms of Armenian identity, the Armenian Apostolic Church is essential to the negotiation of cultural identity outside of their historic homeland of Armenia, even amongst Armenians who do not actively perform the Divine Liturgy" (McCollum, 2004). The Armenian Church in the Diaspora has been an important venue for feeling, being, and becoming Armenian, whether in the pews or during the coffee hour after services.

The Armenian Church has also been the nexus of interaction for succeeding generations of Diasporans, including the latest wave coming from newly independent Armenia. It is a natural magnet for Armenians who have recently left their own homeland and are in search of the familiar as they adjust to new circumstances. In this role, the Church for the past century has been the common ground for Armenians from all over the world: Turkey, the Middle East, Iran, and most recently Armenia. Unfortunately, it cannot be said that the Church has always been able to mediate between these groups, who often remain segregated in cliques. Nevertheless, the Church is still the place where these disparate groups socialize, cooperate, and worship.

Despite being a home away from the homeland, the power of assimilation is formidable and evident even among families that are a part of the Armenian Church in the Diaspora. Alongside lobbying for Genocide recognition, the struggle against assimilation has been a powerful rallying force in the Diaspora, and the Armenian Church has been a focal point in this struggle by hosting Armenian camps, schools, scout troops, sports events, cultural programs, and social events designed to keep Armenians "Armenian." Commendably, many Armenian Church Dioceses in the Diaspora have offered new programs, such as pilgrimages, missions and service trips that take advantage of the rich religious history and resources in the newly independent Republic of Armenia in order to invigorate its youth in their faith, culture, language, and identity.77 The Armenian Church in the Diaspora has also tried to strengthen ties with the homeland through sister parish programs, whereby a parish in the Diaspora becomes associated with a church in Armenia, mainly through financial support.

These are functions that should be expected of the Armenian Church in the Diaspora: providing a social context for Armenian immigrants, fighting assimilation, participating in the international struggle for Genocide recognition, and forging ties with newly independent Armenia. What was unexpected after independence, however, especially from the North American dioceses, were the political stances taken during the two major political crises in post-independent Armenia: the aftermath of the presidential election of 2008, and the Turkish-Armenian protocol controversy.

The Armenian Church sees itself as a democratic institution. As Bishop Mikayel Ajapahyan (the Primate of the Shirak Diocese) put it, "The strength of the Armenian church lies in its very real ties with the people and its democratic foundations...."78 This is reflected in the structures and canons of the Armenian Church, especially the Diasporan Armenian Churches which have flourished in the Western liberal democracies of North America and Europe.


This self-identification as a democratic institution caused all the more surprise when a Joint Letter was composed by the Eastern/Western Dioceses (Etchmiadzin) and Prelacy (Antelias) of the Armenian Church in the aftermath of the 2008 Armenian presidential election. The letter’s co-signatories included the Armenian Assembly, Armenian General Benevolent Union, and the Armenian National Committee. The letter expressed solidarity with both the Armenian state and the people, condemned violent acts, assaults and looting, and urged all parties to work together peacefully within Armenia's civic and legal structures.79 Ironically, it was an open letter composed in Armenia and addressed to Armenian Americans that revealed the contradictions embedded in the Joint Statement:

...we do not understand how these noble principles [of rule of law, social and economic justice, and democracy] could be justly served with simultaneously 'cooperating with the newly-elected President and the government,' when we have all witnessed how, for the past 10 years, the latter have trampled those same principles.80

Many individuals in America were distressed that the Armenian Dioceses and Prelacy of North America had made such a statement without consulting with its parishes or assemblies, and furthermore that they had breached their own protocols on Church-State separation.81 To others, it was puzzling how an entire Diocese could be a co-signatory of any document with temporal secular organizations, as if the Armenian Apostolic Church was merely another organization among many in the Diaspora. However, the overall public response to the Joint Statement was muted and without lasting effect. This implied either sympathy with the view taken by the Church, or more likely general apathy toward the issue.

A reprise of these events took place recently after the Armenian government signed the Turkish-Armenian protocols in October 2009. In another joint statement by the Armenian Assembly, Armenian General Benevolent Union, the Knights of Vartan, and the Eastern/Western Dioceses of the Armenian Church voiced support of official Yerevan's efforts of establishing ties with Turkey through the protocols.82 Again, some noted that the Armenian Dioceses of North America, this time only those under the authority of Etchmiadzin, were crossing the bounds of their mandate and entering into international

79 Joint Statement of the Armenian Assembly of America, the Armenian General Benevolent Union, the Armenian National Committee of America, the Diocese of the Armenian Church of America (Eastern/Western) and the Prelacy of the Armenian Apostolic Church of America (Eastern/Western) on Recent Events in Armenia, March 2008.

80 An Open Letter to the Armenian Americans, A1+, March 27, 2008.

81 By becoming a co-signatory in this Joint Letter, the Eastern Diocese of North America broke a long standing tradition, established under Primate Torkom Manoogian, of never being a signatory to a document that it did not itself draft.

political affairs, as well as misrepresenting those members of the Diocese that did not agree with the political strategy of Armenia. It is notable that the Armenian National Committee and the Diasporan churches under Antelias did not participate in this joint statement.

The position of the Diaspora churches under Antelias has been more closely aligned with ARF-D’s, in some cases supporting official Yerevan’s position and in other cases criticizing it. The implications of the subservience of Antelias churches to the ARF-D in the Diasporan political arena are significant: the ARF-D, until recently a coalition member, has extensive influence in the Diaspora through not only their regional chapters, but also through the network of Armenian churches under Antelias. Considering the important role the church plays in the Diaspora vis-à-vis inculcation and socialization into Armenian-hood, this is a significant source of influence for the ARF-D worldwide and affects perceptions of a large segment of the Diaspora about Armenia.

For the Diasporan churches under Etchmiadzin, however, these recent actions by the North American Dioceses mark a departure from the traditional and coveted "democratic" principles, and they denote a new pattern of Church-State relations. In these recent events, the North American Diasporan churches under Etchmiadzin have shown a relationship much like the one that exists between the ARF-D and Antelias. How did this come about?

In many ways, the Armenian Church has led a double life over the past two centuries, especially during the time between the Genocide and Armenian Independence. In Western Armenia, under the National Constitution of the Ottoman regime, the Armenian Church was empowered with authority to summon local councils of lay and clergy of each Christian community for local self-government and for ensuring free exercise of religion (Nersoyan, 1996). According to Archbishop Nersoyan, "The National Constitution identified the Church with the entire Armenian Christian ethnic community." In so doing, the Church was endowed with significant representative authority and responsibility in the Ottoman Empire. Under the National Constitution, the lay and the ordained together decided matters pertaining to civil order, parish organization, and community governance. While it is true that the purpose of the National Constitution was to more easily control the Armenian minority in the Empire, a side effect of it was that the transition from the National Constitution to the present democratic Diocesan structures that exist in the West was a relatively straightforward one.

In Eastern Armenia, however, under Tsarist polozhenie and then continuing with the Communist regimes, the "Russians considered the ecclesiastical difference between the Armenian and the Russian Churches in dogma, ritual, language, and customs as the basis for the separate existence and independent administration of the Armenian Church... They did not admit the Church to be an intermediary between the state and ethnic community as a whole" (Nersoyan, 1996). The result was a radical departure in administrative style and attitude toward the laity between the Eastern and Western Armenians. Under Russian rule, the laity were removed from Church administrative matters, and the clergy were removed from societal organizations and became beholden to Russian authorities. The bifurcation
between the two deepened with time. Western liberal democratic influences helped to
further shape the administrative style of the Dioceses outside of Soviet Armenia, where lay
participation and "democratic" processes were more widely practiced. Meanwhile, during
the Communist regime, the clergy that were left after the Stalinist purges were forced to
tow the government line on all political and national issues to the point where it became a
fundamental tenet of church life.83

This contrast, which had developed more or less unnoticed over the past century, is visible
today now that the Iron Curtain separating the Diaspora and Etchmiadzin has been drawn.
Twenty years after independence, significant differences between the Diaspora and
Etchmiadzin in organization, administration, and even in the relationship between clergy
and laity, are beginning to surface.84

A major difference in the attitude toward the relationship between Church and State has
become apparent over the past two years. In the West, a general separation is observed
and considered to be progressive. In Armenia, the attitude is quite different on both sides of
the fence. Not only has Etchmiadzin been vocal in the political arena, voicing support and
approbation of certain political figures over others, but the Armenian government has also
been active in the religious arena. For example, the Armenian government directly
intervened and promoted Garegin I as successor to Vasken I, even though Garegin II (then
the Primate of the Araratian Diocese) was the clear front-runner.85 It did so again in the
election of Garegin II. Within months of his enthronement of Catholicos of All Armenians,
Garegin II signed a "Memorandum of Understanding" between the Government of Armenia
and the Armenian Church86 granting it special privileges vis-à-vis other religious
organizations operating in Armenia. More recently, Prime Minister Tigran Sargsyan has said,
"[t]he concept that the church should be separate from the state is now obsolete. We,
people, are the church, so how can we draw a borderline between a human being and a
Christian being." As an example of the special status the Armenian government is ready to
grant the Armenian Church, the legislature has been deliberating over stricter laws

83 "Church-Society-Republic : Why can't they communicate with each other?", A. Aramyan. Available at:

84 One significant difference between the Diaspora and Etchmiadzin is the vision of parish life. In the US
Diaspora, for example, the parish is run as a community organization with elected councils, by-laws,
organizations, its own budget and facilities. Under the current model in Armenia, the parish has little - if any -
input in any of these matters, which are all tightly controlled via a top-down administrative structure. This is a
critical issue as more and more priests raised in Armenia and trained in Etchmiadzin are exported to the
Diaspora at large to fill in a large number of clerical vacancies. How will the parishes/priests adjust to their
new partners? It is unclear which structure - the community-run or the top-down - will prevail in the Diaspora.

85 It is not unprecedented in Armenian Church history that secular influences have born upon the Catholicosal
elections, as Archbishop T. Nersoyan has noted. But, it was a significant event in the modern "democratic"
Armenian Republic.

86 "A Historical Day in the Mother See of Holy Etchmiadzin," Press Release, Mother See of Holy Etchmiadzin,
March 2000, groong@usc.edu.
regarding the operation of religious groups in Armenia that many regard as heavily favoring the Armenian Apostolic Church and reducing overall religious freedom. Such actions and expressions of alliance between the Church and State would be considered "unholy" in the Diaspora.

The Church, for its part, has also been active in politics: the second-highest ranking bishop in Armenia, His Grace Archbishop Navasard Gjoyan, openly canvassed for candidate Sargsyan during the 2007-8 presidential campaign without reprimand, and therefore with implicit consent, from the Mother See. The Catholicos of All Armenians, His Holiness Garegin II, himself effectively took sides with the government after they used force on the demonstrators on March 1, 2008, in his public address on that evening. On neither occasion did the Diaspora comment on these new developments in the policy of their Mother See in Etchmiadzin, again due to ignorance or apathy.

The pattern of pro-government propagandizing on the part of Etchmiadzin that has been observed in Armenia has spilled over even into the Diaspora. While tens of thousands of protestors were gathered at the Opera protesting the presidential election of 2008, a communiqué from Etchmiadzin's foreign press secretary offered a "perspective from Armenia" to the Diaspora, ostensibly to help them understand the post-election upheavals in "democratic" Armenia. While the communiqué acknowledged election fraud, it reassured the Diaspora that Armenia was on the right track toward a truly democratic state, and it emphasized the need for unity and acceptance of the election results because "stability for our state is a high priority" in our dangerous geopolitical reality. Acceptance of the fraudulent election, according to the communiqué, was a matter of national security. The letter's implicit intent was to convince Diasporans, utilizing Etchmiadzin's venerable and prestigious position, that the fraudulent elections were a minor setback in the process of democratization in Armenia. Any mention of the ethical or moral repercussions of a fraudulent election and its impact on national security was, ironically, absent.

Interestingly, the same rationalization for the acceptance of the un-democratic elections found their way into the Joint Statement made in the Diaspora in March 2008, where a "commitment to the security of Armenia and Artsakh in a challenging and often dangerous region" was reaffirmed to be a priority. While this does not directly point to Etchmiadzin's influence over the Diasporan Dioceses, it does show the general alignment of Etchmiadzin and the Dioceses of North America with the current Armenian Government. This alignment, however, was not universal among all the Dioceses under Etchmiadzin: notably, the Canadian and non-North American Dioceses did not participate in the Joint Statement.

This axis reared its head again in October 2009, when the Turkish-Armenian protocols were being promoted by Serge Sargsyan in the Diaspora. As Sargsyan embarked on his trip, the Supreme Spiritual Council - the highest religious body of the Armenian Church - sent him off with their blessings and welcomed the process to establish diplomatic ties "free of preconditions between Armenia and Turkey." Few in the Diaspora seemed to give a second thought as to why Etchmiadzin should make an official statement about a purely political trip by Serge Sargsyan, as if Etchmiadzin had a particular stake in the matter. Notably, the Supreme Spiritual Council exhorted the Armenian nation to rally around Sargsyan and the Protocols in order "to avoid nation-damaging polarization, and united together, to face the challenges before our people." Clearly, the Spiritual Council's statement was meant to pave the way for Sargsyan during his tour of the Diaspora. More importantly, it reinforced the current overriding political dogma of Etchmiadzin: unity of the Armenian nation in support of the Armenian Government, even at the expense of democracy and political freedoms.

One day later, the Eastern and Western Dioceses of the USA, the AGBU, and the Knights of Vartan issued their own Joint Statement, echoing the exhortations and hopes of Etchmiadzin and welcoming the diplomatic strategy of Sargsyan government that would allow diplomatic relations without preconditions. Again, no one in Diasporan circles questioned why the Eastern and Western Dioceses would comment on these new political developments in this way, or why they became co-signatories with secular organizations. The statement also warned the Diaspora that "attacking the protocols and the best intentions of the President of the Republic of Armenia based on ... mischaracterizations, misguides the public opinion and does not serve the best interests of the Armenian people." Thus, this Joint Statement repeated the political line put forward by Etchmiadzin, which was squarely for the benefit of the Sargsyan government's Turkish rapprochement policy. The ARF-D and the churches under its influence did not participate in this Joint Statement, as they had before in March 2008. Perhaps not by coincidence, Serge Sargsyan met with vocal opposition in every community he visited on his world tour. And thus, a new Armenian religio-political reality came into existence. Today, two distinct religio-political axes are in operation in the Armenian nation: the 50 year old ARF-D-Antelias axis has been joined by the Yerevan (in the form of the coalition government in power)-Etchmiadzin axis.

After independence, the Diaspora may have expected Etchmiadzin to continue and expand its traditional roles of being the spiritual and cultural guardians of the Armenian nation. But today, Diaspora’s expectations and Etchmiadzin’s interpretation of its mission in the 21st century seem to be at odds. Twenty years after independence, instead of a Mother See that emphasizes the principles of democracy and separation of Church and State to which the

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91 Joint Statement of Major Armenian-American Institutions Welcoming the President of Armenia, October 1, 2009.
Diaspora had grown accustomed, the Diaspora is encountering a new reality that is openly and exclusively aligned with the current regime in power in Armenia, prioritizes stability above political freedom, and issues exhortations to the Diaspora to do the same for the sake of national unity. In evangelizing its mission abroad, like a mirror image of the ARF-D-Antelias symbiosis, Etchmiadzin has shown that it can be effective in the Diaspora as a political agent for the government of Armenia.
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