

## ARMENIA

# End of Transition? Nationalization of Sustainable Development

## Goals

Dr. Aharon Adibekian<sup>1</sup>, Dr. Svetlana Aslanyan  
Center for the Development of Civil Society

After the collapse of the Soviet Union Armenia entered on a path of transition, a never-ending transition, from authoritarianism to democratization, lasting 26 years. Nevertheless, Armenia has followed the path to democracy and a market economy and more recently to regional integration in the Eurasian Economic Union under the leadership of Russia. And now the government seeks to liberalize socioeconomic and political activities, respect for human rights and gender equality.

In terms of the Sustainable Development Goals (SDGs) in 2008 the government adopted the Sustainable Development Programme (SDP) for 2009-2012, which is essentially a reorganized version of the programme on overcoming poverty and reducing corruption. More importantly, National Progress Report Armenia 2015, issued in October 2015 “provides preliminary suggestions about SDG prioritization, based on the results of stakeholder discussions, the analysis of progress towards MDG implementation, the priorities defined in strategy documents of the Government, as well as the social and economic realities of Armenia”. The National Progress Report states that in order to identify priorities for the next global sustainable development agenda the UN Country Team formed a Post-2015 Task Force in partnership with government, co-chaired by the First Deputy Minister of Territorial Administration, and the UNFPA Assistant Representative. In addition, the National Council on Sustainable Development, in cooperation with international and national organizations, produced the Rio+20 National

Assessment Report (2012) and the Post- Rio+20 Strategy Plan (2015) that offer concept notes and action plans on key directions for sustainable development. The National Progress Report states that the key challenge for the government and society more broadly in implementing the 2030 Agenda for Sustainable Development is to build a strong and resilient economy, “while continuing policy and institutional reforms essential for recovery and long-term development.” However, it goes on to say that “two external factors have put Armenia’s future economic recovery at risk, and thus have had a significant negative impact on the progress of poverty reduction”. This especially relates to the global financial crisis in 2008, as well as the economic sanctions against Russia and the consequent economic downturn in Russia – a major economic and trade partner of Armenia. We would like to add three other very important factors, both of which severely impact economic development:

- Armenia is recognized as a landlocked country entirely enclosed by land, which does not have access to the sea, severely limiting its trade potential;
- Over 25 years the country has been totally blockaded by two of its neighbor’s, Turkey and Azerbaijan, greatly restricting transport;
- The ongoing conflict between Azerbaijan and Nagorno- Karabakh, continues to create uncertainty and a reluctance of international community to invest in the country.

<sup>1</sup> Independent Sociological Research Center “Sociometr”

The timing of the preparation of this Social Watch report coincided with the parliamentary elections and the formation of a new government, which created objective difficulties. The new government has not yet been formed, but is expected to continue the work begun by the previous government, as it is necessary to build a strong economy, and create relevant conditions for institutional reforms.

## Nationalization of the Sustainable Development Goals (SDGs)

The current government, like its predecessor, seeks to liberalize socioeconomic and political activities, respect for human rights and gender equality. The main objectives of Sustainable Development Goals adopted by the UN have been reflected in all programs of the Armenian government since 2000, in particular:

- Ensuring a sustainable and rapid pace of economic development
- Implementing socially targeted and profitable policies for active and vulnerable groups of the population (including the indigent)

Over the past 15 years, the poverty rate has fallen from 51 percent to 26.5 percent, but the unemployment rate is unchanged, which remains one of the main factors driving labor migration: almost one in four families (23%) in Armenia has members outside the country, of which 20 percent are in Russia and 3 percent in Europe.

Despite a certain increase in per capita income, the current level allows families to cover only the costs of food and some utilities, since the state's minimum wage and various allowances do not take into account needs for medical care, education, vacation time or cultural activities. Therefore, in implementing the SDGs, in addition to raising incomes for those receiving social benefits, the Strategic Programme for the Long-term Development of Armenia for 2014-2025 aims to institute affordable health care and decent education, as well as protect the environment and adopt more rational use of natural resources.

## A national strategy to achieve the SDGs

In February 2017 an Inter-Agency Committee on Sustainable Development Goals (SDGs) was established by the Prime Minister (N 155-A), who will also chair the National Council on Sustainable Development under which the Inter-Agency Committee will function. The Committee, which will coordinate and implement the nationalization process of the SDGs, has established four working subgroups: (1) Social – covering SDGs 1, 2, 3, and 17; (2) Economic – covering SDGs 7, 8, 9, 12 and 17; (3). Environmental – covering SDGs 6, 11, 13, 14, 15 and 17; and (4) Legal and Democratic Equality – covering SDGs 4, 5, 10, 16 and 17.

According to Bradley Busetto, UN Resident Coordinator and UNDP Resident Representative in Armenia, the UN led the re-activation of the National Council for Sustainable Development, which is the key coordinating body for sustainable development, including on the issues related to the MDGs and the SDGs, after a period of dormancy. The Council – and therefore the government - demonstrated its strong commitment to nationalizing the 2030 Agenda by adopting a national framework on the SDGs and mainstreaming the SDGs in the existing National Strategy for Sustainable Development for 2014-2025.<sup>2</sup>

## Prioritizing economic growth and industry

The new government has already announced its active participation in the sphere of industry and the economy and industry. The appointment of Mr. Karen Karapetyan as Prime Minister on 13 September 2016 indicated a determination to make relevant changes in government policy which should lead to economic growth. To date, there are several promising signs:

*At the national level*, municipal authorities, which are responsible for local infrastructures, schools, medical institutions and other facilities, interact more effectively. Subsidies from the central authorities, as a rule, are insufficient, therefore local companies,

---

<sup>2</sup> Armenia Resident Coordinator's Annual Letter, 2015; available at: <http://www.am.undp.org/>

charitable organizations and individual sponsors also contribute financially. At the national level, the government avoids direct involvement in joint projects with the private sector, limiting itself to the use of tax instruments (such as tax and customs privileges) in the most important businesses for the republic.

*At a transnational level* with the direct participation of local companies:

- a long-term programme is being implemented for the construction of the Georgia-Armenia-Iran highway (largely due to EU investments);
- the gas supply of settlements is expanding (through "Gazprom" Russia); and
- new lines are being introduced to export electricity from Armenia to Georgia and Iran.

The role of the Armenian diaspora is also significant. Charitable foundations and individual benefactors finance the construction and repair of roads, hospitals, schools and, cultural facilities.

### Engaging civil society

Under the Office of the President, there is a Public Council consisting of NGO leaders, designed to provide feedback between the highest authority and civil society. The same function for the National Assembly, the government and individual ministries is performed by the NGO Networking Community. The reports of the Council and the Networking Community indicate a certain fruitfulness of their efforts, but for an objective assessment of the effectiveness of their activities, special monitoring is necessary. Nevertheless, it seems that although these committees are formal in nature, there does seem to have been active meetings and discussions with civil society organizations, certainly with regard to both the Rio+20 National Assessment Report (2012) and the Post-Rio+20 Strategy Plan (2015). For the most part CSOS have adequate access to information about these decision-making processes and their outcomes, but very limited opportunities to contribute to those processes and outcomes. In terms of the 2030 Agenda, the plans for which are only just getting underway, the government held a public information-sharing roundtable on 6 May

2016. On 7 March 2017 the first Working Meeting of the Inter-Agency Committee on the Sustainable Development Goals was held, co-hosted by the Prime Minister's Office and UN Armenia Office. The Committee urged all interested NGOs to express their interest in participating in the above mentioned sub-groups. The call for participation was sent to NGO Network and other interested groups.

We consider this as a very positive factor and we hope that both positive and negative development of former cooperation will be taken into account

To this connection, we would like to mention, that the CDCS plan to work in closely with and in the subgroup 4-Legal and Democratic Equality (SDGs 4, 5, 10, 16, 17).

### Implementing necessary reforms

Today, in Armenia both the government and civil society came to conclusion that to achieve the SDGs, especially ending poverty in all of its forms, it is necessary to build a strong economy, and create relevant conditions for institutional reforms. And providing these were not only pre-election promises, citizens of Armenia really hope and expect major changes.

Prime Minister Karapetyan, shortly after his appointment, issued a new Programme of the Government of the Republic of Armenia in October 2016. Its preamble states that the challenges facing the country require immediate implementation of reforms through the use and engagement of the whole population. These reforms, according to the new law on foreign investments, must ensure all citizens enjoy protection; dignity; increased standard of living; life in a just society; and optimism towards the future.<sup>3</sup>

According to UNDP sources, during the two-day event UNDP officials, social entrepreneurs, impact business leaders, representatives of the government and academia held interactive thematic discussions exploring the potential of leveraging impact

<sup>3</sup> See Annex to Decision of the Government of the Republic of Armenia No 1060-A of 18 October 2016, at <http://www.gov.am/en/other-programs/>

investment, social enterprise and impact business to achieve the SDGs by 2030 and push global development to a new qualitative level. The participants of the Summit also attended the TEDxSalon event, with Prime Minister Karapetyan as a key speaker.<sup>4</sup>

#### Achieving the SDGs requires multiple steps

Progress towards achieving the SDGs require multiple steps, including:

- Reforming the tax system so as to eliminate loopholes, ensure tax compliance, and more fairly distribute the cumulative social wealth.
- Promoting small and medium size businesses. Today the government has set a minimum goal of development of small business but this will only be possible with the establishment of large businesses.
- In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.
- Supporting farmers in their collective efforts in supplying means of agricultural production, marketing of products and crop insurance against natural disasters.
- Establishing viable enterprises in the primary sector (with state participation, since private business is not capable of setting up large plants). Genuine economic recovery requires restoring large-scale industry, which will allow the country to create full-time, secure jobs in the primary sector, and will lead to jobs in the secondary and the tertiary sectors.
- Increasing salaries of civil servants, state pensions and allowances.
- Controlling the prices of the main life-support products, including electricity, gas and water.

For Armenia, which is one of the Least Developed Countries, the principle of common but differentiated responsibilities, which informs both the 2030 Agenda for

Sustainable Development and the Addis Adaba Action Agenda on Financing for Development, must be taken seriously by the international community. Rich countries should be bound by these agreements to live up to their commitments not only to provide .07 percent of GDP to official development assistance (ODA) but also to help less developed/ poor countries to develop their own economies, to invest in job creation and educational opportunities in order to eradicate poverty and to stop the massive levels of out-migration.

In addition, however difficult it may be diplomatically, the world community has both the power and the responsibility to bring about the removal of the transport blockade of country.

#### Outreach a priority, globally and nationally

The UN has launched a global advocacy and communications campaign to promote public awareness about the SDGs. In November, the UN in cooperation with the American University of Armenia organized the first national Model UN competition in Armenia that brought together about 100 students aged 16-25 years from 11 universities and nine high schools, and involved also the entire diplomatic corps in the country. To popularize the SDGs, the UN Communications Group organized a series of public outreach events throughout Yerevan engaging citizens in areas of high public exposure in interactive games, photo-taking and quizzes on the SDGs.<sup>5</sup> To the question, “Is implementation of Agenda 2030 part of the national or subnational parliamentary or political debate?” our answer is not yet. While the appointment of the new Prime Minister in September 2016 promises to make the policy changes needed for economic growth, it is still early days for the new government.

---

<sup>4</sup> <http://www.am.undp.org/content/armenia/en/home/presscenter/pressreleases/2017/03/22/impact-investment-for-development-summit-2017>

---

<sup>5</sup> Armenian Resident Coordinator's Annual Letter, 2015; <http://www.am.undp.org/>