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Մարդկային զարգացման  
միջազգային կենտրոն  
International Center for  
Human Development

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# Policy Brief

## Համառոտագիր

**Աջակցություն քաղաքացիական  
հասարակության զարգացման  
քաղաքականության, կարգավորման և  
ինստիտուցիոնալ բարեփոխումներին  
Հայաստանում**

**Supporting Policy, Regulatory and  
Institutional Reforms for Civil Society  
Development in Armenia**

Սույն հրապարակումը հնարավոր է դարձել իրականացնել Քառուկերփարթ ինթերնեշնլի Հայաստանյան ներկայացուցչության կողմից իրականացվող Քաղաքացիական հասարակության և տեղական ինքնակառավարման աջակցության ծրագրի, և Ամերիկայի Միացյալ Նահանգների բնակչության առատաձեռն աջակցության շնորհիվ՝ ԱՄՆ Միջազգային Չարգացման Գործակալության No AID-111-LA-10-00001 համագործակցության պայմանագրի DFD-A-00-09-00141-00 պայմանագրի շրջանակներում Մարդկային զարգացման կենտրոնի միջոցով: Սույնի բովանդակությունը, արտահայտված տեսակետերը և կարծիքները պատկանում են հեղինակներին՝ Մարդկային զարգացման միջազգային կենտրոնի պատասխանատվության տակ, և հնարավոր է, որ չհամընկնեն Քառուկերփարթ ինթերնեշնլի Հայաստանյան ներկայացուցչության, ԱՄՆ Միջազգային Չարգացման Գործակալության և ԱՄՆ կառավարության տեսակետերի հետ:

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# Regulation issues in the context of development of Armenian civil society institutes



International  
Center for  
Human  
Development

a Think Tank

## **The imperative of reviewing the current legislation**

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Democratization process in Armenia is marked with clear phases of social transformation, specifically review of Soviet legacy, introduction of western values and institutes, and finally, formation of local values and institutions in the result of the clash of the previous processes. Our society is stepping into yet another transformation phase: the chaotic logic of evolvement is to be replaced by the imperative of development, which requires a qualitatively different environment and toolbox of policy, regulation and intervention. At the borderline of transformation phases it is critical to wrap up the outcomes of the previous phases and clarify the nature of probable challenges.

Among the major achievements of the previous phase one can highlight the establishment of a new social structure, institutionalization of non-governmental and non-commercial organizations. The second outcome is perhaps the clarification of the missions of these organizations and consequent diversification. Finally, awareness of development issues and subsequent differences, voicing the major concerns and demanding adequate solutions is the third achievement.

Non-governmental organizations advocating for the protection of the rights of different social groups, as well as protection of human rights, organizations providing services to communities and socially vulnerable groups, analytical centers and think tanks, creative and trade unions, all have a common developmental goal, namely to protect their members and/or beneficiaries in a possibly active and effective way.

Two key preconditions for development can be outlined: institutional capacities and financial sustainability. The first precondition has been met over the last decade, whereas the second is a top priority on the agenda at the very moment. In this regards legislative regulation of the civil society institutions faces two major challenges: to define the transparency and accountability principles for these institutions, while securing such rules of a game which will provide an opportunity for them to continue their activities without any impediments, and specifically to promote the establishment of financially self-sustainable institutions.

## **How can this be achieved?**

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Technical approaches to the issue vary: either to regulate the activities of the non-governmental, non-commercial organizations by common, comprehensive and possibly liberal and flexible fundamental principles, or taking into account the idiosyncrasies of civil society organizations (CSO) and differing perceptions of development needs, to try to regulate their activities through a number of different laws. Perhaps the second approach seems more appealing at first sight, because it is expected that separate laws will be drafted taking a minute look at the specificities of each type of CSO. However, the clandestine trap is in the very details, which instead of promoting development will actually define restrictive rules that most probably will soon transform into limitations, because in the Armenian reality one of the axes of a democratic system, the rule of law,

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is yet too far from perfection. The best legislative solutions may turn into obstacles impeding development, in case these are not enacted, and this is, alas, a practice we witness quite often.

As many agree the current legislation regulating the activities of the CSOs is rather liberal. Therefore, in contrast to the second approach, a common law may define the basic rules of the game, while defining additional rights and opportunities and adequate transparency and accountability commitments, and securing such flexibility which will let the players put forward new legislative proposals when it is time to review the existing rules.

For instance, non-governmental organizations dealing with social issues may be granted a legal opportunity to acquire a special status of a public benefit organization, which implies that there will be state orders and subsidiaries, certainly with subsequent additional transparency and accountability commitments and mechanisms. Think tanks will have a chance to form endowment funds in order to secure financial stability; whereas creative unions will not be restricted by the tight deadlines for implementation of projects imposed by the current law on non-governmental organizations, and thus will be able to implement long-term projects with more tangible outcomes. Once again, such privileges imply willingness to comply with additional transparency and accountability commitments.

*The paper is elaborated based on the opinions passed by the participants of the discussion "Regulatory Environment of the Civil Society Development in Armenia", which took place on July 4, 2011. The roundtable discussion was attended by independent analysts, government officials, and representatives of the civil society and international organizations.*

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