NEW STATEHOOD AND NEW CHALLENGES

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The geopolitical and ideological shifts of the early 20th century (World War I, the 1917 Russian revolution, collapse of the Russian, Ottoman and Austro-Hungarian empires) brought grim ordeals to Armenia – the Genocide and loss of Western Armenia. The shocks of the late 20th century caused by the defeat of the USSR in the Cold War also had a negative impact on the Armenian society, taking a heavy toll on the economy, social/demographic conditions and especially on the science and technology.

However, in spite of the losses, this time Armenia was able to achieve part of its national goals. This was made possible thanks to the civilizational resources and the potential built up in the Second Republic. Armenia won the Artsakh war that it has been forced into, and established the Third and the Nagorno-Karabakh Republics. Apparently, all these processes still require a more thorough comprehension by the Armenian analysts' community, whereas we will attempt to systemize the process of building the new Armenian statehood and uncover some key patterns of this process.

The Milestones on the Pathway

It is known that in 1991 the Republic of Armenia (RoA) and the Nagorno-Karabakh Republic (NKR) gained *de jure* statuses of independent nations in full compliance with the international norms and procedures. However, it appears that in the context of building a new, "non-Soviet" society and new forms of Armenian statehood – the Third Republic and NKR – this stage of our history must

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be dated back from February 20, 1988, when the Nagorno-Karabakh Autonomous Oblast (NKAO) adopted a resolution to secede from Azerbaijan and join Armenia, and a massive rally in support of this resolution took place at the Theatre Square of Yerevan city. The first one among many subsequent rallies. It can be stated rather safely that since those days the Soviet power in Armenia began to decline steadily and irreversibly, and the society started to function in a different mode.

A retrospective analysis of the events that were happening on the background of Perestroika and collapse of the USSR shows that in a complicated and arduous situation like that, actions of the Armenian society and its elite were quite adequate and faultless. *Elite*, in this case refers not only the members of "Karabakh Committee" in Yerevan and "Krunk" in Stepanakert, but also their close associates. Undoubtedly, they played a crucial organizational and governing role in the developments, and subsequently formed the core for the governments of both republics. However, it would be no exaggeration to state that in this period a total mobilization of spiritual, intellectual and other resources of virtually all segments of the Armenian society took place. Often the most crucial actions were carried out by people who could hardly be considered representatives of elite by any formal criteria. Under such circumstances the notion of *elite* must be interpreted in a considerably wider sense than it is commonly accepted in the special literature.

If one tries to systemize content-wise the milestones passed by our society in this period, then the following somewhat conditional scheme can be conceived of:

1. Formation of a national socio-political movement, dismantling the Soviet single-party system of governance, *de facto* and *de jure* secession of Armenia from the USSR as a result of the latter's collapse[1] (1988-1991).

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[1] It has to be emphasized that despite some equivocal moments in Armenia's "de-Sovietization" process, there was no other real and more constructive alternative to these actions. Hence, these actions have to be deemed quite adequate in relation to both the concrete, specifically "Armenian situation", and the realities arisen in the USSR and "Socialist bloc" in general. At the same time, evidently the stories claiming that the "Soviets" collapsed because of the Karabakh movement are baseless, although it was an important element of the empire's downfall.

2. Organizing armed resistance to the Azerbaijani aggression that was accompanied by acts of genocide. Initially the resistance was spontaneous, but then it took the form of self-organized volunteer groups and later that of a regular army (the foundations for which were laid in 1990-1991 after formation of the Defense Commission of the Armenian SSR Supreme Soviet and establishment of the Defense Committee, which later was restructured into the RoA Ministry of Defense). This phase ended with liberation of Artsakh, military/political victory over Azerbaijan and signing a ceasefire agreement (at request of the Azerbaijani party) in Bishkek (1989 – 1994)[1].

3. Phase of building up the nation state in format of two Armenian republics: the RoA and NKR (1990[2] – to date).

Each of these phases needs a thorough study to expose the nature and mechanisms of mistakes that were made then and should be avoided now and in future, as well as to extract the useful things that would allow making better judgments in the current complicated situation and planning the future in a more intelligent manner. It has to be noted once again that unfortunately this complex work has not been accomplished yet, and it is the serious fault of both our historians and analysts' community.

Below we shall try to present our views relative to some key aspects of the recent history.

Premises for Victory

The victory in the Artsakh standoff is sometimes attributed exclusively to the people's sense of righteousness of the cause, patriotism, courage and enthusiasm. Undeniably, no victory is possible without these factors. At the same time, these facets have been developed and strengthened by some other objective circum-

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[1] Certainly, the situation since 1994 can be called peace only with great reservations: the military actions have transformed into kind of a "trench war", accompanied by skirmishes and raids, against the backdrop of an intense informational, psychological and diplomatic warfare.

[2] Free elections took place and a multi-party Supreme Soviet of Armenian SSR, as well as a Government with real and wide powers was established already in 1990, i.e. before the 1991 formal secession of the republic from the USSR.

stances. In this context a few main factors in the given stage of our history are to be highlighted.

1. Unlike the other post-Soviet republics of the region, Armenia has deeper historical traditions and experience of national state governance and self-organization. Even in the periods of our history when the state attributes were lost, the Armenian national elite maintained in one or another form (church and religious structures, autonomous principalities of Syunik, Artsakh and the like, Armenian communities abroad or just separate groups of politicians, creative personalities, intellectuals, entrepreneurs) the controllability if not of the whole national society, then at least its main segments[1]. This was done specifically in terms of national values, ideas and national aspirations.

2. In the brief period of the First Republic (1918-1920), and later in much longer one of the Second Republic (1920-1991) national political elite of a new type was formed despite the tremendous losses caused by the Genocide and Bolshevik repressions. Remarkably, despite the ideological antagonism between representatives of the First and Second republics, in general they both exerted much efforts toward maintaining and developing the national ideas and aspirations. The founders and adherents of the national ideological concepts of the First Republic (Garegin Ter-Harutyunyan, a.k.a. Nzhdeh; Drastamat Kanayan, a.k.a. Dro, and many others) continued their activities mostly in Diaspora, and they had a rather large contribution in preserving the Armeniancy. In Armenian SSR a new constellation of statesmen arose (Al. Myasnikyan, A. Khanjian, Ya. Zarobyan, K. Demirchyan) that managed to maintain (sometimes in nimbly concealed forms) the national aspirations of the Armenian society directed towards recognition of the Genocide and the fact of loss of Western Armenia, reunification of Artsakh, Nakhijevan and Javakhk to the Armenian SSR. High level of national political culture

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[1] In this context the assertions that Armenian statehood ceased to exist after 16th century seem unfitting. It is also incorrect to call the transformation of the Second Republic into the Third one as "gaining independence" (for more details see the interesting article "May – month of victories: historical text and context – a picture in entirety" in Golos Armenii http://www.golosarmenii.am by late *Levon Mikhail Mikaelyan*).

was characteristic to NKAO as well, where the struggle[1] to reunite with Armenian SSR was led primarily by representatives of the Communist Party and administrative elite (R. Kocharyan, S. Sargsyan).

3. The Armenian society fully utilize the potential of growth being incorporated in USSR during all 70 years. By the end of 1980s the Republic outranked its regional neighbors (and not only those) in education, science and technology, as well as in industrial development. A number of scientific and technological institutions, schools of thought and directions were established in Armenia led by world-renowned top scholars (I. Orbeli, V. Hambardzumyan, A. Alikhanyan, A. Shahinyan, S. Mergelyan, A. Iosifyan, A. Nalbandyan, etc.). The existence of a "critical mass of intellectuals" with high social status rather positively influenced the spiritual and ideological condition of the nation as a whole[2] It is quite natural that the "Karabakh Committee" created in 1988 was dominated by representatives of this very segment of society (I. Muradyan, V. Manukyan, R. Ghazaryan, A. Manucharyan, L. Ter-Petrosyan, etc.)

4. Despite the ideological restrictions, the Second Republic was kind of a "free cultural zone" in the USSR. Many renowned writers (A. Isahakyan, P. Sevak, S. Kaputikyan, etc.), painters (M. Saryan, Y. Kochar, Minas, etc.) and composers (T. Mansuryan, A. Babajanyan, etc.) actively worked in Armenia, especially in the post-WWII period, which also had a favorable effect on the general atmosphere in the society. It is no mere chance that there were many representatives of creative intelligentsia among the volunteer troops at the beginning of the Artsakh war.

5. Armenian society always had a high esteem for the military arts (see for example [1]). The military culture especially developed during the World Wars I and II. For example, an impressive "Armenian officers group" consisting of marshals (I. Baghramyan, fleet admiral I. Isakov, A. Babajanyan, S Khudyakov-Khanpheryants), many generals and high-ranking commanders arose

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[1] During all the years of Soviet rule this struggle always continued in Artsakh in one or another form.
[2] Unfortunately, this crucial factor of scientific area development is still neglected in the Third Republic.

during the Great Patriotic War. Over 100 soldiers and officers were awarded the Gold Star medal of the Hero of the Soviet Union. This circumstance greatly influenced the psychological attitudes of the whole Armenian society. In addition, the centuries-long traditions and skills of irregular armed resistance were amazingly preserved among the people, and brilliantly emerged during the Artsakh war. This very combination of knowledge and operational art of the Armenian commissioned officers (G. Dalibaltayan, N.Ter-Grigoryan, Kh. Ivanyan. S. Ohanyan, A. Ter-Tadevosyan, I. Ghukasov, etc.) and tactical prowess of volunteer troop commanders (S. Babayan, L. Azgaldyan, A. Ghulyan and many others) allowed achieving incontestable superiority over a strong and well equipped adversary.

The mentioned facts suggest that Armenia was able not only avoid the worst scenarios, but win a war over an adversary that was overwhelmingly superior in numbers and military equipment. Exactly because Armenia dominated in organizational, military-political, spiritual, intellectual and technological aspects. Owing to these resources our society was able to survive in 1988-1994 in harsh conditions of the USSR's breakdown and collapse of economy aggravated by effects of the catastrophic Spitak earthquake, blockade of transport and energy routes, etc.

However, after winning the war and gaining sovereignty, once outside the imperial realm, Armenia had to face numerous new challenges. One of these challenges is the so much desired existing trend of state sovereignty erosion, caused by globalization (in wider interpretation of this term).

Transformation of Sovereignty

According to the Western European historiography tradition, the sovereign nation states as the society's main political organization form appeared in the 17th century, after the end of the Thirty Years' War in Europe. It was in this period when the main conflicting European powers concluded peace treaties in cities of Osnabrück and Münster in Westphalia (Saxony) in 1648, which signified the beginning of a new era in international relations based on the concept of the

"nation state." For our context it is critical to note that these treaties marked one more significant circumstance: after the Peace of Westphalia the Holy Roman Empire that used to claim the role of major political and military powerhouse in Europe, almost totally lost any chance to intervene in the affairs of the European states[1]. *Hence, it can be stated with some reservations that the Peace of Westphalia and development of the "nation state" concept instigated the fall of the local European "unipolar system" of that epoch and establishment of the "multipolar European order."*

In the post-Westphalia period the nation states underwent substantial reforms and transformations by many formal and content criteria. The character of their interrelations changed, too. However, in all cases and at all times the following simple (even trivial) pattern is observed: emergence of great powerhouses in Europe that aspired political hegemony, as a rule, diminished the role of other nation states. This was the case with Napoleonic conquests, and in the First Cold War era: countries of both "Socialist bloc" and "free world" would "transfer" a substantial part of their powers (especially in the area of foreign relations and defense) to Moscow and Washington, respectively, often against their own will. To maintain the ideological and political "discipline" in the "Socialist bloc" the Soviets often resorted to military/punitive actions, as it occurred in Hungary and Czechoslovakia in 1956 and 1968, respectively (see, e.g. [2]). For such direct and blatant encroachments on sovereignty of other states Moscow was universally condemned by the global community (as well as by part of the own society), which however, changed almost nothing in those given situations.

Washington also kept a vigilant eye on loyalty of the numerous allies-vassals that were geographically spread all over the world. However, the USA used more subtle management technologies that were not only sounder in the political viewpoint, but also allowed the Western ideologists to carry out targeted propaganda about the advantages of the "free world" and criticize the Soviets for breaking the "sacred principles of sovereignty." Nevertheless, even the Americans were not always able to act using "soft power" alone and stay within

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[1] The Holy Roman Empire was formally dissolved in 1806.

the bounds of decency. For example, using the excuse to "protect American citizens," the US invaded Grenada in 1983 and Panama in 1989, and forcibly overthrew the "left-wing" governments in these countries.

The First Cold War resulted in breakdown of not only the bipolar system and "Socialist bloc," but also in demise of the naïve and square illusion that the downfall of the "evil empire" would lead to establishment of national and "truly sovereign" states. The unipolar world order brought about absolutely different realities. The former "Socialist bloc" and Baltic countries rushed hand in hand to the EU and NATO. As a result of NATO aggression, the only country that was sovereign in essence, Yugoslavia (an active member of Non-Aligned Movement that was gaining momentum in the Cold War era), was partitioned into small and apparently not so self-sufficient states under aegis of the EU.

One way or another, the Soviet Union's republics and countries of "people's democracy" gained attributes of sovereignty as a result of the system's collapse, although the actual political status for many of them hardly differed from the previous one. The main difference was that the governance center moved from Moscow to Washington, DC. In political studies and analytical literature some of these countries are called *proxy*; not quite a prestigious definition which can be interpreted as "governed by a mandate" or "a country with external governance." In this regard it seems pertinent to quote Benjamin Disraeli: "Colonies do not cease to be colonies because they are independent…"

Nonetheless, it would be naïve to think that dependence of the weak states on stronger ones was typical only for the former "Socialist bloc" and ex-Soviet countries. Despite the numerous laws and declarations about equality of the EU countries, a certain hierarchy of sovereignties is being consistently built up with Germany and France at the top. These trends especially intensified in relation to economic difficulties in Greece, Portugal and Ireland (see, for example [3]).

As for the period after the Cold War, the following has to be noted. It is quite natural that the term "globalization", which contains a hefty dose of geopolitical and civilizational expansion, was coined exactly in this period when the unipolar system began to materialize. The political language has changed corre-

spondingly: for example, C. Rice, US Secretary of State in George W. Bush administration, took the liberty of speaking to the effect that national states are nothing but a "satanic idea." Meanwhile, as it was already mentioned, a large part of the Cold War-era American propaganda consisted of materials with special focus on absence of sovereignty in the "Socialist bloc" countries and Soviet republics, and their "vassal dependence" from Moscow was a favorite topic to discuss. It can be now stated that the period of unipolar system was the least favorable one for all nation states.

If truth be told, both "Russian Bolsheviks" of early 20th century and "American Imperialists" of 21st century liked to prophesize about the end of the "nation state." In particular, based on the so-called "neo-capitalist theories", some contemporary representatives of the Russian school of thought in political studies assume that the victory of ideas of universal prosperity and moral values of the society is imminent. The adherents of this approach believe that in case of such development the uniqueness of nations and national ideologies would be in harmony with the global development vector and would facilitate achieving pan-human goals. Without precluding the possibility of such scenario, let us note that it is a product of the ideological and moral, although somewhat utopian and romantic Russian culture of philosophical thought [4, 5]. Of course, such developments are more than desirable and attractive. Then again unfortunately, the idea of universal well-being is too reminiscent of the "bright future" perspective, which at the time was called "communism" by well-known ideologists and was greatly discredited during its practical implementation. And after all, the realities of the modern world do not suggest a tiniest bit of optimism about that, and even if such harmonious world order is possible, then certainly not in the foreseeable future.

Above all, it is absolutely beyond doubt that when the designers of unipolar world carried out actual politics not only for devaluation of the "sovereignty" concept, but also for establishing a global community with certain and not too attractive standards, their dreams were definitely not about "bright future" for the whole humankind. It is natural that this period was marked by appearance of numerous books and publications about inevitable end of the state *per se*, among
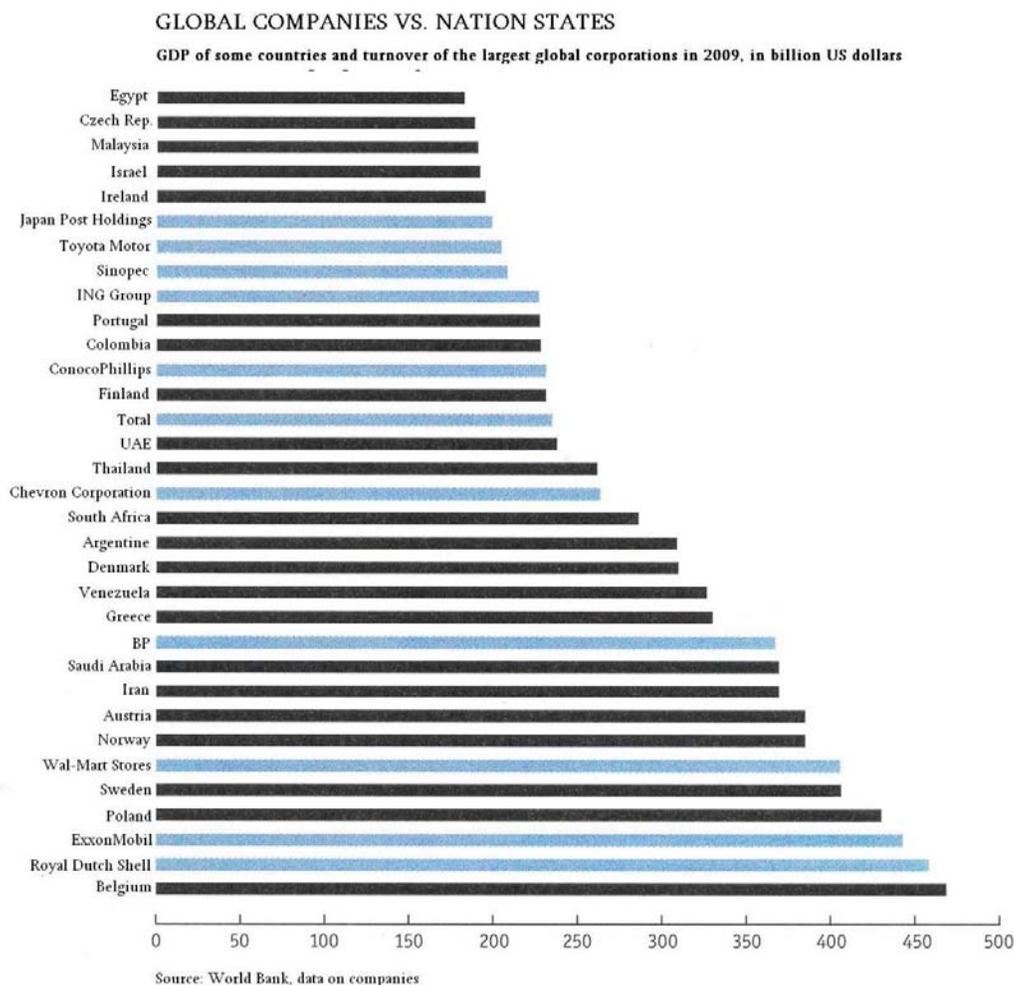
which we would like to single out the fundamental monograph of Martin van Creveld [6, see also 7]. In these works the accepted theoretical basis is that establishment of global political, legal, economic and informational framework (in other words: globalization), as well as the increasing role of transnational corporations (TNC), countless international organizations and NGOs inevitably diminishes the sovereignty of the state. These authors contend that in future the state will outsource more and more of its functions to various commercial and non-government structures. Such ideas correspond well to the spirit and realities of "post-democracy" era [8-15]. Danilo Zolo, a renowned sociologist, notes that such challenges fundamentally "change the relations between what used to be called *'civil society'* and centralized structures of state power."[1]

In this regard it is worth to specially emphasize that all concepts of "end of the state" are based more or less on objective factors and reflect the existing trends. The reality of these phenomena is presented below using some facts about the role of transnational corporations, which many view as "the main culprits for the end of the state."

It is thought that the British East India Company and Dutch West India Company established in early 17th century were the predecessors of *TNC*. Some researchers go further and argue that the Order of the Knights Templar, involved in transnational banking business since 1135, was the first *TNC* [10]. In any case, according to the UN data there are over 65,000 *TNCs*, which control more than 850,000 affiliated foreign companies around the world and employ over 74 million people. Today, 52 of the 100 top economies of the world are transnational corporations and only 48 are states. As seen in Fig. 1, a number of *TNCs* (*Royal Dutch Shell, Exxon Mobil, BP, Chevron Corporation,* etc.) have more revenues than the GDPs of such developed countries as Poland, Sweden, Norway, Argentina, etc. [15].

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[1] *Дзола Д.,* Авторитарный популизм,
http://2010.gpf-yaroslav.ru/layout/set/print/viewpoint/Danilo - Dzolo - Avtoritarnyj-pop.

GLOBAL COMPANIES VS. NATION STATES

GDP of some countries and turnover of the largest global corporations in 2009, in billion US dollars

Country/Company	Value
Egypt	
Czech Rep.	
Malaysia	
Israel	
Ireland	
Japan Post Holdings	
Toyota Motor	
Sinopec	
ING Group	
Portugal	
Colombia	
ConocoPhillips	
Finland	
Total	
UAE	
Thailand	
Chevron Corporation	
South Africa	
Argentine	
Denmark	
Venezuela	
Greece	
BP	
Saudi Arabia	
Iran	
Austria	
Norway	
Wal-Mart Stores	
Sweden	
Poland	
ExxonMobil	
Royal Dutch Shell	
Belgium	

Source: World Bank, data on companies

Such corporations control over 70% of the world trade, of which 40% is that between various *TNCs*. It has to be also mentioned that revenues of top 500 TNCs had already reached $21.9 trillion in 2004, which was about 61% of the world's GDP [16]. The US companies dominate among the top 500 transnational corporations. In 2000 there were 185 *TNCs* in the USA, whereas in Japan they numbered 108, in Germany and UK – 34 each, in France – 32 and 11 in Netherlands.

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At the same time, there are a lot of opponents to "desovereignization" and "end" of the states. Among them there are many representatives of creative elite, who believe that devaluation of sovereignty will lead to degeneration of nations and loss of their authenticity/uniqueness. Unsurprisingly, among the proponents of the "statehood" concept are those who criticize the modern world order, including not only the participants of mass "anti-globalization" movement, but also representatives of the world's intellectual elite.

The experts' community of think tanks advocates the nation state from a different perspective. In particular, the analysts of the United States Department of Defense forecast that despite all the transformations, the national sovereign states in the foreseeable future will remain the main actors in the international relations and the most effective instruments of governance[1]. The military experts opine that actions of networked terrorist organizations like Al Qaida are one of the main challenges for the nation states. Being a radical Islam version of "substitute" for state, this organization is also a *TNC* or *NGO* of sorts, and it has declared jihad not only on the USA, but also another very conditional state – the "global Zionism." It is possible to face and adequately respond to such challenges only by mobilizing all national resources, i.e. only if the nation state is maintained and developed[2]. Many "civil" think tanks and especially European politicians have a similar viewpoint[3], as they are traditionally more state-oriented than their American colleagues [17].

The economic crisis in 2009 brought more weighty arguments for the "state proponents" because it showed that without state intervention it is virtually impossible to overcome systemic shocks. The crisis made many high-ranking economists and politicians to view more critically the dogmas of ultra-liberal economy[4], an integral part of which are the *TNCs*. The conclusions made from

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[1] http://www.globalsecurity.org/military/library/report/2008/joe2008_jfcom.htm.

[2] At the same time the strengthening of defense and law enforcement agencies creates other types of risks, which deserve separate discussion. It should be also noted that the problem of "denationalization" exists in the armed forces, as currently they delegate a number of their functions to private security agencies and other types of companies.

[3] "Globalization against the System of National Statehood" (interview with Serge Trifkovic, the former Advisor to President of Yugoslavia), http://www.rodon.org/society-101230101034.

[4] *Roubini N., Is Capitalism Doomed? Karl Marx was right that globalization, financial intermediation, and income redistribution could lead capitalism to self-destruct.*

the crisis led to serious changes in economic policies of the Republicans, compelling them to introduce in practice more state-oriented economic principles. Obviously, all these efforts will take much time to produce results, but it appears that the process has commenced…

What most radically strengthened both actual and theoretical "positions" of the nation state was the formation and practically inevitable establishment of the multi-polar world order (or, in words of some analysts, the non-polar world order), which in its essence is reminiscent of post-Westphalia world [18]. The logic of the early 21st century multi-polarity, especially in terms of its non-polar interpretation, implies existence of at least several military and political alliances, as well as large "free" geopolitical actors outside any alliances. The role of the latter today is already assumed by Iran to some extent, despite its attraction to Shanghai Cooperation Organization (SCO). Under economic globalization the relations between the countries are less "rigid" than, say, in the bipolar system. For instance, the current relations between the USA and EU countries within their most well-established organization, NATO, are far from being serene. Moreover, some representatives of European countries were heard bringing arguments for creation of pan-European armed forces outside the NATO. Members of new military/political organizations, such as SCO and Collective Security Treaty Organization (CSTO) have even a higher "degree of freedom." This situation is caused by the desire of each state to function and maneuver between the poles of power, with as much as possible consideration of the own national interests, something that would not always be doable in case of being rigidly attached to a single military and political alliance.

Conducting a multi-vector policy requires effective state governance. The requirements to the state's organizational dimension are even higher when there are serious problems in the area of national security. All these circumstances are present for Armenia:

- Due to the problems caused by the political status of NKR, Armenia is in a military/political confrontation with Azerbaijan. This conflict actually proceeds in a "trench war" mode.

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- Because of the processes particularly related to the international recognition of the Armenian Genocide, Armenia's relations with Azerbaijan's ally Turkey remain unregulated and often escalate into political confrontation. Turkey imposes blockade on Armenia's communications, i.e. the relations with this country can be described as "no war, no peace."
- The mentioned factors imply conduction of a multi-vector policy both with the strategic ally Russia (CSTO) and the West (USA, NATO, EU), and this is not too comfortable from the diplomacy perspective.

Domestic challenges are another problem which cannot be solved without an effective state. Armenia plunged into an extremely difficult situation twice: in October 1999, after the murder of political leaders in the Parliament, and in March 2008, after the attempt of the radical opposition to stage a "color revolution." Undoubtedly, handling these crises would have been impossible without effective and vigorous measures taken by the state structures.

Strengthening the Armenian statehood is a pressing need not only because of the external and internal threats. Consolidation of Diaspora around the national interests, even with consideration of the fact that a network-centric organizational system is optimal in the given circumstances, also implies existence of an ideological center, which must and can be only the strong Armenian state. If nothing else, there is simply no other alternative yet.

The above-mentioned factors basically force Armenia into having an effective state with maximally mobilized resources and highest possible level of sovereignty. This is the clear-cut logic of our national security.

As it is known, in a multi-polar system the globalization process takes a multi-vector form [19]. However, this does not stop the processes of world-wide economic integration, development of global information space, as well as increasing influence of corporations, which gladly and with benefit for themselves take up the functions that were previously the state's responsibility. All these factors objectively contribute to transformation of the traditional state structure, which in turn changes the prior ideas about sovereignty.

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Characteristically, both now and before the state institutes and business structures clash in one or another form almost in all countries[1]. This is a permanent process with seesaw success depending on the environment and trends in the world that strengthen or weaken the foundations of the state [20]. However, regardless of this struggle's outcome, militarily and economically more powerful states, i.e. the modern empires, have a higher degree of sovereignty by default. Out of their own national interests these new type empires, as it has always been the case, seek to limit the independence of other entities and subdue them as much as possible. Some researchers argue with irony in this regard that "if you do not have nuclear weapons, modern anti-aircraft warfare systems and tactical weaponry, then you may… swiftly join the "humanitarian coalition"[2], or else with the same swiftness you may get hit by them with a hefty portion of Tomahawks and other super-modern arguments"[3].

Returning to the assessment of prospects for sovereign states in modern age of globalization, in our opinion Alexander Kustarev's[4] conciliatory concept is reasonable, according to which "one school sees sovereignty as a "solid mass", while another one perceives it as a "basket" <…> meanwhile, both ideas could be synthesized, if one appreciated sovereignty as both a "right" and a "resource"." This seems to be the most adequate approach in the current realities. It can be argued that sovereignty is not an end in itself, if more optimal alternative mechanisms are available to utilize the national potential and fulfill the national aspirations. Such situation can be seen in the European Union, where in the current period the European states waive some of their sovereign rights in favor of economic integration and to rule out recurrence of mutually destructive wars that swept the continent in the first half of the 20th century. Currently EU is the top economy of the world and despite the diminished sovereignty of some of its members, there is no threat of internecine wars in the foreseeable future.

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[1] Elements of such clash are clearly visible in the internal economic policies of the President Obama's administration.

[2] This is reference to the military coalition of European nations formed in spring 2011 against Colonel Gaddafi's regime in Libya.

[3] *Фокин И.,* Государство. Что дальше? http://www.rodon.org/society-110622135153

[4] *Кустарев А.,* Государственный суверенитет в условиях глобализации, http://www.polit.ru/research/2006/10/30/kustarev.html.

At the same time devaluation of the sovereignty principle has considerably lowered the military potential of the EU (markedly, defense functions for the EU are in effect carried out by the USA) and with that the geopolitical significance of Europe as a whole has diminished, too. This circumstance may well play against the Europeans in the future.

It has to be noted that one or another country's degree of sovereignty is not a purely theoretical category based on selective facts. It is can be quantitatively estimated in a quite accurate manner, as proven by the indices calculated for the *Failed States Index* rating list.

The Indicator of Sovereignty in the Failed States Index Rating List

Regularly published ratings for one or other indicator (right down to determining the degree of "happiness" among various nations) are not something to be always accepted unconditionally [21]. However, there are "high rating" organizations that are trusted by the experts' community. In particular, the *Foreign Policy*[1] magazine and *Fund for Peace*[2], two quite reputable organizations, regularly compile and publish the *Failed States Index* (see also [22-24]). Using a special *Conflict Assessment System Tool* the experts analyze the situations in countries over a year to estimate the index. In other words, the *Failed States Index* allows getting a rather adequate idea regarding the statehood development level of one or another country, including Armenia. It also has to be noted that the failed states, *inter alia*, play a special role in the globalization processes and military strategy.

To expose the existing trends with regards to Armenia and neighboring countries, the *Failed States Index* data published in 2006 and 2010[3] are presented and compared below. The following indicators are used in calculating the *indices* (indicator numbers correspond to those in columns of *Tables 1* and *2*):

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[1] www.foreignpolicy.com.

[2] www.fundforpeace.org.

[3] http://www.fundforpeace.org/web/index.php?option=comcontent&task=view&id=104&itenid=324, http://www.fundforpeace.org/global/?q=fsi, http://gtmarket.ru/news/state/2011/06/20/2980.

Table 1

Failed States Index data for the countries of the region published in 2006 and 2011

Country	Year	Rank	Indicators												
			1	2	3	4	5	6	7	8	9	10	11	12	13
Armenia	2006	89	6.0	7.1	5.0	7.0	6.0	5.1	7.0	6.5	6.0	4.5	5.8	5.5	71.5
	2011	101	5.5	6.6	6.0	6.6	6.2	5.3	6.6	5.0	6.5	5.2	7.0	5.8	72.3
Turkey	2006	82	7.2	6.1	7.3	5.0	8.6	4.1	6.1	5.7	5.0	6.4	6.9	6.0	74.4
	2011	104	5.9	6.0	8.3	4.5	7.4	5.5	5.9	5.7	5.2	4.0	7.5	5.6	71.5
Azerbaijan	2006	61	6.0	8.1	7.3	5.0	7.5	5.9	8.1	6.5	6.0	7.0	7.5	7.0	81.9
	2011	63	5.8	7.9	7.5	5.4	6.9	5.5	7.7	5.7	7.2	7.0	7.8	7.5	81.9
Iran	2006	53	6.5	8.7	6.9	5.0	7.5	3.0	8.1	6.1	9.1	8.0	8.8	6.3	84.0
	2011	35	6.1	7.9	8.5	6.7	7.0	5.4	9.1	5.6	9.0	8.6	9.2	7.0	90.2
Georgia	2006	60	6.0	6.8	7.4	6.1	7.0	5.5	7.7	6.3	5.6	8.1	7.1	8.6	82.2
	2011	47	5.8	7.5	8.0	5.5	6.9	6.0	8.4	6.0	6.9	7.9	9.0	8.5	86.4

Table 2

Pattern of the positive (in this case with the minus sign) and negative (with the plus sign) trends for the ranks and respective indicators for the countries of the region between 2006 and 2011 in the Failed States Index rating list.

Country	Rank	1	2	3	4	5	6	7	8	9	10	11	12	13
Armenia	- 12	-0.5	-0.5	+1.0	-0.4	+0.2	-0.4	-0.4	-1.5	+0.5	+0.7	+1.2	+0.3	+0.8
Turkey	- 22	-1.3	-0.1	+1.0	-0.5	-1.2	+1.4	-0.2	0.0	+0.2	-2.4	+0.6	-0.4	-2.9
Azerbaijan	- 2	-0.2	-0.2	+0.2	+0.4	-0.6	-0.4	-0.4	-0.8	+1.2	0.0	+0.3	+0.5	0.0
Iran	+18	-0.4	-0.8	+1.6	+1.7	-0.5	+2.4	+1.0	-0.5	-0.1	+0.6	+0.4	+0.7	+6.2
Georgia	+ 13	-0.2	+0.7	+0.6	-0.6	-0.1	+0.5	+0.7	-0.3	+1.3	-0.2	+1.9	-0.1	+4.2

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Social Indicators

1. Mounting demographic pressures.
2. Massive displacement of refugees, creating severe humanitarian emergencies.
3. Widespread vengeance-seeking group grievance.
4. Chronic and sustained human flight.

Economic Indicators

5. Uneven economic development along group lines.
6. Severe economic decline.

Political Indicators

7. Criminalization and/or delegitimization of the state.
8. Deterioration of public services.
9. Suspension or arbitrary application of law; widespread human rights abuses.
10. Security apparatus operating as a "state within a state".
11. Rise of factionalized elites.
12. Intervention of external political agents (this can be conditionally viewed as a measure of sovereignty)

Aggregate Indicator

13. Sum of the mentioned 12 indicators.

According to the methodology of calculations stemming from the nature of the indicators, the higher the score of a country, the more it is a failed state. In the recent years usually the Scandinavian countries (Finland, Norway) get the lowest scores and incidentally, they are at top positions not only in the *Failed States Index* but also in many other rating lists. We shall confine this study to analysis of the *Failed States Index* indicators for the states of our region. Note that there is no full numerical correspondence between the 2006 and 2011 data, since the former encompasses data calculated for 146 countries, whereas in 2011 those for 177 countries are available. Such inconsistency in this specific case does not distort the results and permits making quantitative conclusions.

Data presented in *Table 1* show that Armenia along with Turkey are the regional leaders of the rating (it has to be noted that in 2010 Armenia was ahead of Turkey in this rating list, and this circumstance should be perceived as a kind of a challenge). By the "soundness of the state" criteria Armenia outperforms not only Azerbaijan and Georgia, but also the "regional superpower" Iran.

The comparative trends presented in the *Table 2* are also quite illustrative. Rankings of Iran and Georgia worsened more in the last five years than those of other regional countries (by 18 and 13 points, respectively). Armenia's rank number went down by 12 (which as it has already been mentioned, is a positive trend) whereas Azerbaijan improved its position by just 2 points. Turkey has the best result by this criterion, having improved its standing by 22 points.

Data in *Table 2* indicate that Armenia's total score has somewhat worsened over the last five years (by 0.8 points in the total score per indicator *#13*). In our opinion it is related, in particular, to the actions of the radical opposition that sparked riots during the attempt to stage a "color revolution" in March 2008 (the indicator *#3* – existence of vengeance-seeking group grievance – increased by whole point). The response of the authorities to these actions is most likely reflected in indicators *#10* and *#11*, security apparatus operating as a "state within a state" and rise of factionalized elites, respectively.

Another significantly negative change in the last five years for Armenia is the growth of the indicators *#5* and *#6* – *uneven economic development along group lines* and *severe economic decline*, which apparently is an anticipated outcome in the light of the economic problems in the Republic.

Today it can be often heard in the mass media that Georgia is the most democratic country in the region. Yet according to the rating list (column #9, the "human rights") in 2006 Armenia's corresponding indicator was just slightly inferior to that of Georgia, and in 2011 our Republic actually fared better by 0.4 points by this indicator, too.

At the same time, by the real level of sovereignty Armenia outperforms Azerbaijan, Iran, Georgia and only slightly falls short of Turkey's level. This factor is reflected in column #12 of the *Failed States Index* rating list ("Intervention

of external political actors"). As seen in Tables 1 and 2, the difference between respective indicators for Armenia and Azerbaijan is 1.2 points, whereas the extraordinarily high index for Georgia – 8.5, indicates that in certain sense this republic can be characterized by the term *proxy* (see above), i.e. in fact it functions under external governance.

The theses and facts presented herein can be summarized as follows. Armenia won the Artsakh war mainly thanks to the resources available in the organizational, military-political, spiritual and intellectual areas. Considerable portion of these resources were lost to geopolitical cataclysms and due to the global process of devaluation of the state as a whole. However, in spite of this, Armenia retained a sufficient measure of strength to have top standings in the region by the criteria of the nation state's capacity and sovereignty.

Nevertheless, regional leadership alone obviously is not satisfactory for the Armenian society. In order to implement more ambitious projects it is necessary to solve many difficult problems, without which no forward movement is possible. In particular, creation of an optimal and competitive ideological framework is an objective of strategic importance. Establishing such framework in a right manner implies a multitude of prerequisites, one of which is the adequate comprehension of global trends in the fields of ideology and globalization.

August, 2011.

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