

THE DEVELOPMENTAL VALUE OF DUAL CITIZENSHIP

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Abstract

Introduction

State-society relations are central to the citizenship discourse. Any discussions and debates on dual citizenship will fail to advance progressively if they are decoupled from questions of Armenian statehood. Clearly articulated and explicitly stated vision of the future of Armenian statehood should be driving public policies and positions on dual citizenship. Peter Evans distinguishes between developmental state, semi-developmental state and predatory state.¹ Developmental states are able to penetrate the society effectively to extract resources from the society without jeopardizing their organizational independence. Predatory states, in contrast, are choking the market and the society, fracturing and suffocating the developmental potential of the society. Zimbabwe is cited as an example of a predatory state by Peter Evans. On a similar note, Migdal situates the state within the society, highlighting the power of the societal forces in shaping the statehood.² Such dynamic approach to state-society relations is also echoed by Theda Skocpol, which also reminds us of the dynamic relationship between the state apparatus and the societal forces.

Dual citizenship strikes at the heart of such discussions. It contains tools and institutions which are bound to change the relationship between the state (i.e. the administrative state) and the society. The experience with dual citizenship in other countries, as well as the relevant academic literature highlight the possibility, and the need of *managing* dual citizenship in order for the state to capitalize on its promises while minimizing its negative side-effects. Dual citizenship, if managed effectively, can be used as an instrument to harness the developmental dimension of the Armenian statehood. Therefore, the developmental value of dual citizenship is not given. Instead, it is in need of careful cultivation, management and administration.

Provided that dual citizenship arrangements are accepted, then the following societal changes are possible. Dual citizenship arrangements will necessitate a major restructuring of governmental institutions and policy initiatives in various issue areas. The scope of such change may range from a creation of new governmental institutions to modifying the existing ones. Moreover, depending on the degree of management of the dual citizenship (DC) arrangements by the state, the resultant changes within the public administration system can be either limited to the center or also be spread out to the local levels of government. Either outcome will be highly consequential for the quality of democratization that may follow the introduction of the dual citizenship arrangements. On a more specific note, the following aspects of state-society relationships will be most directly affected.

First, the enrichment and dramatic complexity of the political culture will be a direct outcome at the societal level. Dual citizenship arrangements will translate into the inclusion of individuals with different types of political socialization into the political forums within Armenia. Considering that the United States and Russia constitute the largest immigration sites, the political cultures of these two countries will quite likely be brought into the Armenian context. However,

¹ Peter Evans, “embeddedness” look up in your dissertation, may be

² Migdal,

here a distinction should be made between relatively recent and older waves of immigration. The effect of the recent immigrants on the political culture in Armenia more likely will be limited in comparison to the older immigrants, whose political habits are deeply rooted. The challenge to the post-Soviet legacy of subservient and deferential citizen will be the most consequential political change.

Second, the experience of other cultures illustrates that dual citizenship arrangements tend to result in more diverse economic players within the country. Foreign direct investment levels potentially can increase, because dual citizenship will be a strong facilitator of inter-personal networks that are already in existence. China's biggest boost in foreign direct investors is from the Chinese expatriates abroad.³

Third, the institutionalization of DC arrangements can also assist the state in the provision of public goods and social services. Dual citizenship arrangements can provide a formal link to Diaspora community to Armenia and thereby offset the retrenching welfare state.

The first section of this paper examines the notion of citizenship focusing on its evolution over the past century. The dual citizenship is then investigated against the backdrop of this conceptual analysis. The second section focuses on the domestic considerations in dual citizenship discourse, placing a particular emphasis on the retrenchment of Armenian welfare state. This section is followed by a discussion of international and global issues that factor into the dual citizenship discussions. Globalization and the notion of 'market citizenship' will be the focal points in this section. The subsequent analysis will provide some empirical material concerning the remittances, their distribution and the current social policy costs of the government. The paper will conclude with a policy discussion that will focus on some possible scenarios of political and economic development if dual citizenship arrangements are embraced.

1. Citizenship Models: the Communist and the Consumer

Citizenship, defined as a bundle of rights and responsibilities, has undergone major changes over the years within the context of industrialized democracies. The degree of state engagement in providing for public goods and social benefits for its citizens has varied greatly, so did the degree of political protection and general assurance of political rights. Marshall's analysis of citizenship rights is one of the most comprehensive accounts of such a change across eighteenth to twentieth century Britain.⁴ Here the development of civil rights, including the legal status and the protection of the citizens before the law is the first category.⁵ Political participation and suffrage is the second category of rights as identified by Marshall, followed by the social rights, which refers to the state being able to guarantee a standard of living, including but not limited to the right of employment and health care.⁶ Civil rights are considered negative because they specify actions which the state cannot take vis-à-vis its citizens, thereby guaranteeing certain level of civil liberties. Political participation rights assume a political space provided by the state in order for the citizens to take an active stance towards state governance. The social rights push the boundaries of citizenship by increasing the expectations of social protection provided by the state for its citizens.

All three areas of citizenship prescribe a different level of state involvement within the society. They also hint at dramatically different types of statehood. The minimum guarantee of civic

³ Yossi Shain and Martin Sherman (2001) "Diasporic Transnational Financial Flows and Their Impact on National Identity" *Nationalism and ethnic Politics* 74 (4): 1-36, 8.

⁴ Marshall, T. H. (1949/1992) "Citizenship and Social Class", in T. H. Marshall and T. Bottomore (eds.), *Citizenship and Social Class* (London, Pluto Press)

⁵ Brett Bowden (2003) "The Perils of Global Citizenship" *Citizenship Studies* 7 (3): 349-362; 351.

⁶ Ibid.

liberties assumes a citizenry which will not act unless its civic liberties are threatened. In the second category the citizenry takes a more proactive role in expecting outlets of political participation. This model assumes a much deeper engagement between the state and its citizens. And lastly, social rights assume a highly involved welfare state and one which assumes a proactive role in shielding the citizen against market fluctuations.

Bowden points towards Bryan Turner who has challenged this particular categorization of citizenship.⁷ Turner has provided a historical examination of citizenship in Germany, France, Holland, England and the United States, identifying two variables which he argued have most direct impact on citizenship. The first one relates to the citizenry, focusing as to how ‘passive’ or ‘active’ they are in influencing the state. The second variable focuses on the level and quality of interaction between the public and private spheres of the society and individual life. By combining the two variables, and integrating them with Peter Evan’s framework of state-society relationships, four ideal types of citizenship are produced in this work:

		Citizenry	
		Passive	Active
Dominant Spheres of the State	Private	1. Conservative citizenship <ul style="list-style-type: none"> • Passive citizenry • Uninvolved state 	2. Transitional citizenship <ul style="list-style-type: none"> • Active citizenry • Uninvolved state
	Public	3. Patriarchal citizenship <ul style="list-style-type: none"> • Passive citizenry • Involved state 	4. Liberalized citizenship <ul style="list-style-type: none"> • Active citizenry • Involved state

Table 1: Citizenship models

The first type of citizenship, the conservative citizenship, originates when the citizenry is politically apathetic and the state is weakly involved in the providing social and political rights to its citizenry. In such cases the market structures may be quite involved in social policy delivery, but the quality of the democratic engagement and the social capital⁸ within the society may be quite weak. The second quadrant represents a case where the citizenry is actively engaged but the state is highly uninvolved. The social policies are delivered through the market forces, and not the state. I have termed this pattern of citizenship as transitional, assuming that active citizenry may sooner or later translate into more proactive developmental state. However, active citizenry can coexist peacefully with an uninvolved state, provided that the state and the society have arrived at a consensus concerning the limits and areas of the state responsibility. Patriarchal citizenship (the third quadrant) also stands out with a passive citizenry, but here the state is taking an active role in the provision of certain political and/or social rights. The liberalized citizenship is the democratic dream characterized by proactive citizenry and involved, and preferably a responsive statehood.

Understanding and recognizing where Armenia is headed and/or should be headed in terms of these above-highlighted state-society relationships is crucial before one engages in discussions on dual citizenship. For instance, if the state intends to assume an expansive role in the provision of

⁷ Turner, Bryan S. (1990) “Outline of a theory of citizenship”, *Sociology*, 24 (2): 189-217, 189

⁸ Robert Putnam, “Bowling Alone” cite the article from “Brown on problems of democracy in industrialized countries

political and social rights, then dual citizenship arrangements may be complicated considering that the state will be unable to provide for massive social protection to large number of people. At the same time, approaching the dual citizenship issue more creatively, one can utilize dual citizenship in order to bring in greater resources into the country, which may ease the burden of social policy delivery by the state, while at the same time injecting a healthy doze of civil society revitalization.

All four models of citizenship rest on the duo of the state and its society, and the social contract that exist between them. Introducing the dual citizenship into the equation of state-society relationships disturbs the balance and breaks the social contract between the nation-state and the society. Dual citizenship can potentially (1) generate new claimants on the already limited resources for public goods and social policy outcomes, but it can also generate more sources of financial flow to support the very social policy of the post-Communist Armenia. (2) Dual citizenship can potentially generate more public pressure on the state, which, if unmatched by an institutional growth of the state, may translate into a backlash. In a way, dual citizenship contributes to the increase of expectations from the public (accentuated by the inclusion of politically more active and demanding citizens), which the government may be challenged in addressing. This gap of rising expectations and stagnant capacities can be problematic. (3) Ideally, the newly found public energy can be utilized effectively by a responsive government.

2. Dual Citizenship Debates: the nation-state versus the ‘trans-nation’-state

All of these scenarios discussed above reflect the ongoing debates concerning the dual citizenship and the state sovereignty. The supporters of the doom and gloom argument point out that dual citizenship challenges the national sovereignty. They remind us that traditionally the legal boundaries of citizenship mirrored the geographical borders of the state. The state was perceived to be the sole provider of public goods to its citizens, and the political loyalty of the citizens to the state was given both domestically as well as internationally. The state was able to draw the geographical and the institutional contours of citizenship. Internationally, the monopoly of state over the political loyalty of its citizens and geographical borders was firmly supported. The concept of ‘sovereignty’ defined as non-intervention of states into the internal matters of another state reflects the strong emphasis on the institutional supremacy of the state.

However, they argue, the forces of globalization have been undermining state power, and such processes accelerated during the second half of the 20th century. The rise of the global economy and transnational political action have undermined state power and challenged its monopoly over the political loyalty of its citizens. The global flow of capital, the mobility of transnational corporations and labor, and the growing number of political and economic regions (such as the European Union, North Atlantic Free Trade Agreement, among others) have decoupled the institution of state from its national origins.⁹ Some analysts claim that purely national economies have disappeared, citing the growing interdependence between states within the increasingly global world economy.

The rise of global companies and their ability in employment generation in developing world was a particular blow to the state monopoly over the political loyalty of its citizens, which is the heart of the national citizenship. Private actors, domestic or international, are providing various public goods thereby undermining the developmental value of the states. Such situations result in loss of state accountability. The state, particularly in the developing world, has little control over transnational actors and possesses few instruments to protect the rights of its citizens – another cornerstone of the citizenship. Ikeda argues that the growing role of transnational corporations has

⁹ Tomas Hammar, *Democracy and the Nation-State* (Avebury: Sydney, 1990).

created the 'market citizenship' which transformed national citizens into corporate subjects.¹⁰ Ikeda asserts that the role of the nation-state as the central actor of economic development is undermined by global corporations, and the national citizenship has been diluted through neo-liberal policies. Ikeda then proceeds to propose the community development as an alternative to market citizenship.

This fear over the loss of state sovereignty largely underpins the resistance of many states to embrace dual citizenship models, although this resistance has slowly given way to more entrepreneurial attitudes towards dual citizenship. In this latter approach the citizenship is perceived as a vehicle of harnessing financial flows and transferring knowledge and technology into the home country, which I will discuss later in the paper.

In the 20th century nation-states had built-in resistance towards dual citizenship arrangements for variety of reasons. The concerns for state sovereignty, non-intervention and the monopoly of public loyalty by the state are the major themes that are prevalent among the critics of DC arrangements. In the case of Armenia allowing the citizens of other states to take part in its political life provides threats to the sovereignty of the Armenian state. Related concern over dual citizenship rests with the issue of divided loyalty of dual citizens.¹¹ If such instances of dual citizenship are embraced worldwide, then the institution of statehood will be extremely weakened and its legitimacy in the eyes of public highly compromised, some fear. The concerns for military services are frequently cited as an example to illustrate the value of undivided political loyalty to a state. On a more specific note, by allowing dual citizens to vote or be elected in public offices, the Armenian state makes itself vulnerable to foreign strategic interests and loses full control over its domestic affairs, so the argument goes. As a response to such fears Martin and Aleinikoff argue that "through thoughtful management governments can address the concerns that typically feed resistance, including fears that dual citizens will shop for justice, vote or hold elected office in two nations and thus divide their loyalties between their original and adopted countries".¹²

Similarly, the ability of dual citizens to shop for better economic environments and moving once there is an economic downturn in one of the countries of his/her citizenship can potentially create pressures on the nation-state. More, using such double ties dual citizen also have access to broader range of services, which, again, can play against the economic interests of a particular country. For instance, access to banks abroad or having accounts in banks in two countries of citizenship can potentially create a capital flight and make the nation-state susceptible to short-term investments. Here Martin and Aleinikoff are also reassuring pointing out that any such shifts in residencies or capital flight are more a function of wealth and determination than of dual nationality. The economic globalization and technological advances make it much easier for citizens to access alternative political and economic environments without necessarily changing citizenship or even place of residence. Ironically, the dual citizenship, being a function of global forces, can also be made irrelevant by the same forces.

Such practical matters are very frequently negotiated and managed bi-laterally between two states, which recognize the dual citizenship of each others' citizens. Specifically, states frequently exempt dual citizens to serve in the army if the person has already served elsewhere. Taxation and tax evasion are also important concerns for practical purposes, because DC arrangements create the opportunity of safe-heavens for money laundering and other types of criminal activities.¹³ In

¹⁰ Satoshi Ikeda, (2004) "Citizenship, and Corporate Subjects: Cycles of Political Participation/Exclusion in the Modern World-System", *Citizenship Studies* 8 (4): 333-347.

¹¹ Stephen H. Legomsky, "Dual Nationality and Military Service: Strategy Number Two" (2002)

¹² David A. Martin and T. Alexander Aleinikoff (2002) "Double Ties: Why Nations Should Learn to Love Dual Nationality" *Foreign Policy* November/December: 81.

¹³ Ibid.

particular, dual citizenship may also facilitate capital flight from developing countries into developed ones, which can be very consequential particularly for the already strained Armenian economy.

The proponents of dual citizenship arrangements highlight globalization arguing that it has already challenged the relevance of territorially defined nationalism by offering new and unique spaces of political action and national identity.¹⁴ In this perspective the unity of national state and national society are unstuck.¹⁵ In a global context the political life is no longer territorially confined. The local is infused with rapidly multiplying transnational networks, which link people in complex and new ways and result in de-territorializing their citizenship.¹⁶ Dual citizenship in this context is an institutional instrument for a nation-state to adjust within a global environment and even reinvent itself, thereby avoiding irrelevance. Brodie argues that local events are shaped at a distance, and deprive the national state of the illusion of control. The state is unable to protect its citizens, partly due to the global saliency of policy issues.¹⁷

The fusion of the local and global is best captured by Diaspora assistance in rural areas within Armenia. For example, Children of Armenia Fund (COAF) is a US headquartered non-governmental organization (NGO) which has been started in 2000 by American-Armenian philanthropist and humanitarian Garo H. Armen. COAF recently launched the Cluster Model for Rural Development in Armenia in Karakert village of Armavir province, with an intention of replicating this success story into other villages. In Karakert COAF has invested over one million USD with an intention of improving the living conditions of the population. The program brought in a 14.5 km long water pipe line, and one school and two kindergartens were reconstructed. A furniture shop has opened up which resulted in 102 jobs, increasing the income levels within the village by 4%. The provision of medical services in the village has also increased by 75%.¹⁸ The project is supported by an inter-organizational network that consists from COAF as well as national and international agencies that possess varied skill-set and expertise.

This is an excellent case when the public goods are provided by global non-state actors, as opposed to by the nation-state. Such a network provides a unique space of action and civic engagement. Essentially it carried out governance capacities in areas which the government leaves behind. Dual citizenship arrangements would institutionalize such initiatives, and, if managed correctly, could strengthen the Armenian state, making it a 'trans'-nation-state, which I discuss below.

According to Portes, many sending nations consider their expatriate communities as a source of investments, entrepreneurial initiatives, markets for home companies and even political representation abroad.¹⁹ And it is on such grounds that they have granted them dual citizenship.²⁰ Regardless of one's position in these debates on dual citizenship, it is hard to deny the tremendous significance of diasporic resources, which many countries enjoy, including Armenia. Shain and Sherman assert that diasporic engagements in home countries have ranged from state and nation-building processes to promoting foreign direct investment and supporting self-determination

¹⁴ Janine Brodie (2004) "Introduction: Globalization and Citizenship Beyond the Nation State" *Citizenship Studies* 8 (4): 323-332, 324.

¹⁵ U. Beck (2000) *What is Globalization?* (London, Polity Press): 23.

¹⁶ Janine Brodie (2004) "Introduction: Globalization and Citizenship Beyond the Nation State" *Citizenship Studies* 8 (4): 323-332, 325.

¹⁷ *Ibid.*, 325.

¹⁸ <http://www.coafkids.org/about/about.php>; <http://www.armeniadiaspora.com/ADC/news.asp?id=666>

¹⁹ A. Portes, 'Conclusion: towards a new world – the origins and effects of transnational activities', *Ethnic and Racial Studies*, 22(2): 463-77.

²⁰ Per Gustafson, "Globalization, multiculturalism and individualism: the Swedish debate on dual citizenship" *Journal of Ethnic and Migration Studies* Vol. 28, No. 3 (2002) : 463-481.

movements.²¹ Here the dual citizenship is viewed as an instrument that can reinvigorate the statehood in a global context. Such accounts accept dual citizenship with an objective of strengthening the nation-state. In a way, some argue, we should be speaking of the “trans-nation”-state,²² which is administratively more agile, flexible, entrepreneurial and highly global. India and Ireland are frequently cited as examples of such a state to illustrate the developmental value of dual citizenship arrangements.

The case of India is particularly instructive. India is weakly comparable with Armenia in terms of the marked differences in the size of their economies, their population size and the degree of ethnic pluralism within their societies. However, both countries share a legacy of state-dominated economy, as well as current turnaround towards economic liberalization and the expansion of market forces vis-à-vis the state. Interestingly, both countries have a vast Diasporic community abroad, although India’s share of around 20 million immigrants dwarfs the Armenian immigration. Despite these differences, India’s experience with managing their diasporic relationships can be quite instructive for Armenia.

According to Biswas, serious attempts of economically integrating Indian-Americans have coincided with the liberalization reforms of 1990s that were sweeping India at the time. However, Non-Resident Indian category was first discussed in 1973, with a specific objective of capitalizing on the economic successes of Indian expatriates overseas hoping to generate more investments within India and to address the industrial needs of the country more effectively.²³ In 1999 the government has introduced “Persons with Indian Origin Card” which allowed the expatriate communities to purchase these cards for \$1000. The cards enabled them to visit India without a visa, own property in India, buy government-issued bonds and apply to Universities in India for a period of 20 years. One of the most recent initiatives has been the introduction of the Overseas Citizenship of India. It falls short of granting full dual citizenship, but it does provide range of benefits to the expatriate community. Introduced in 2006, Overseas Citizenship of India allows the expatriate community to visit India without a visa and without checking with the police during longer stays. Overseas Citizenship also enables the Diasporic communities to invest freely in residential or commercial property granting them parity under Indian tax laws.²⁴ Overseas Citizenship fell short of granting the expatriates voting rights, running for a public office or buying an agricultural land.

The Indian case illustrates two lessons. First, it exposes the entrepreneurial spirit of the Indian statehood in approaching its relationships with its Diaspora community. Last year Indian Diaspora has sent \$21.7 billion, which was up from \$13 billion just five years ago.²⁵ The Overseas Citizenship will facilitate the flow of remittances. More importantly, by providing investment incentives to the expatriates India is able to harness the FDI levels within the country. Second, Indian case also shows that the governments tend to be less inclined to relax the regulations within the political sphere for the expatriate communities than those within the social and the economic sectors of the state.

²¹ Yossi Shain and Martin Sherman (2001) “Diasporic Transnational Financial Flows and Their Impact on National Identity” *Nationalism and ethnic Politics* 74 (4): 1-36, 7.

²² Michel S. Laguerre (1999) “State, Diaspora, and Transnational Politics: Haiti Reconceptualized,” *Millennium: Journal of International Studies* 28 (3): 633-351, 646; Shampa Biswas (2005) “Globalization and the Nation Beyond: The Indian-American Diaspora and the Rethinking of Territory, Citizenship and Democracy” *New Political Science* 27 (1): 43-67

²³ Shampa Biswas (2005) “Globalization and the Nation Beyond: The Indian-American Diaspora and the Rethinking of Territory, Citizenship and Democracy” *New Political Science* 27 (1): 43-67, 57

²⁴ Prithi Yelaja, “India woos expatriates with new form of dual citizenship” *Toronto Star* January 16, 2006

²⁵ *Ibid*

3. International Consideration and the Global Context of Dual Citizenship Issues

In a comparative study of dual citizenship policies in Europe Howard points out the lack of harmonization of such policies within the older members of the EU. This same study also shows that older members are more relaxed about their dual citizenship laws than the new and formerly Communist states of Eastern Europe, which are more restrictive. Howard also argues that the previous experience with liberalism seems to be associated with more relaxed policies of dual citizenship. This same study also registered the importance of citizenship as a measure of state sovereignty, to which even the European countries cling quite strongly.²⁶ The liberalization of citizenship policies has been a lengthy process but also a steady trend around the world.

Any discussions on Armenia's citizenship policies need to factor the external environment of the country into consideration. Armenia's size of the economy as well as its market size is miniscule relative to some of its immediate and more distant neighbors. Armenia is facing a globally competitive environment when trying to attract investment capital. The globalization of liberalism worldwide has strengthened the bargaining power of the multi-national corporations (MNCs), vis-à-vis that of the nation-state.²⁷ In this respect, liberalization of citizenship rights will enable Armenia to capitalize on the resources, (financial, organizational, and skills-based) which the Diasporic communities have to offer. This developmental value of dual citizenship can be realized through appropriate policies and administrative reforms.

The Armenian state has already embraced the neo-liberal policies and continues to be extensively engaged with the International Monetary Fund and the World Bank. Such commitment to neo-liberal policies would be strengthened by liberalization of citizenship policies, even if such liberalization remains limited to the socio-economic sphere of the country. Moreover, transnational corporations are also emerging as important actors of global governance in many regions because of their resources and abilities in job creation and social protection. By delivering large number of public goods MNC are coming to command the allegiance of the citizens, which as discussed earlier, gives rise to 'market citizenship'. In sum, the depth of engagement between the state and the society in social provision that was characteristic to Soviet states, has been diminishing. The emergent liberal state is slowly shedding large number of its functions, to be discussed in the next section. This factor, combined with the growing role of MNCs and international institutions weakened the allegiance of the citizens to the state. The number of actors, globally and nationally, claiming accountability and trying to command the loyalty of the citizens is increasing. Therefore, the diminishing depth of the state-society relationship and state citizenship is paralleled with increasing breadth of transnational citizenship. The withdrawal of the state is contrasted to the growing number of transnational actors carrying out governance functions in various states, and in most cases at fairly superficial levels.

In this context, the dual citizenship policies would help to formalize already existing transnational linkages while boosting more efficient utilization of such linkages. Dual citizenship would strengthen the institutional position of the state as it would allow the state to manage the existing transnational relationships between the Armenian society and abroad.

4. Domestic Considerations

The dual citizenship policies are most consequential for the retrenchment of the post-Soviet welfare state in Armenia. According to the United States Agency for International Development

²⁶ Marc Morjé Howard (2005) "Variation in Dual Citizenship Policies in the Countries of the EU" *International Migration Review* 39 (3): 697-720.

²⁷ The "bargaining framework" from the IIPE book

(USAID), with the collapse of the Soviet Union basic social protection programs have disappeared in Armenia. Assistance to the economically marginalized groups has been drastically reduced, and the current payments fail to meet the minimum living standards of \$34 per person per month. USAID also highlights that 17% of Armenian population live in extreme poverty, but the large fiscal deficit of the state complicates the challenge of addressing such social issues. And although currently Armenia maintains certain types of social provisions for such groups as the unemployed and the pensioners, its generous welfare state has been retrenched in the post-Communist era. Taking these factors into consideration, one can claim that the 'social contract' between the state and certain social groups of Armenia is fractured. The provision of social rights by the Armenian state is challenged, and the economically vulnerable population is left without a buffer against the market forces. Put differently, the social dimension of Armenian citizenship has been dramatically weakened in the aftermath of the Soviet collapse.

Marshall defines social citizenship as a 'universal right to real income which is not proportionate to the market value of the claimant'.²⁸ Wagner argues that social rights expand the boundaries of citizenship from those who own property to those who pay taxes from their earnings.²⁹ Ironically, the retrenchment of the welfare state is not unique to the post-Communist world. It has been sweeping the industrialized world as well,³⁰ which some associate with the ascendance of the global capitalism and global capital in particular. Within the industrialized world the weakening of the welfare state has been paralleled with the greater involvement of the non-state actors in the social policy provision.³¹ The rise of public-private partnerships has also been an associated development,³² which along with the non-state sector involvement calls for an organizational strengthening and institutional development of the civil society organizations.

Armenia, while facing different set of challenges than countries in industrialized world, is not likely to recover its pre-independence levels of welfare provision. Regardless of the levels of financial support for social programs, the international environment of the Armenian state remains inhospitable to large governmental spending in social provisions. Dual citizenship would allow to mobilize and to enhance the existing contributions in social development through non-governmental means, both locally as well as globally.

The implications of the retrenched welfare state on the quality of citizenship in Armenia are unequivocal. The retrenchment of the welfare state strains and erodes an important link between the Armenian state and its citizen, thereby challenging the legitimacy of citizenship based solely on national origin. In the aftermath of the Soviet collapse, the Armenian state ceased to be the sole provider of public goods to its citizens, and this governance gap is filled by variety of Diaspora organizations. Therefore, it is increasingly harder for the Armenian state to claim monopoly over the political loyalty and legitimacy over its citizens. By providing governance the Diaspora organizations have *de facto* emerged as new sources of authority and legitimacy among the public.

In terms of the state-society relationships and the resultant citizenship model, Armenia is representative of the first quadrant due to low levels of state involvement in social provision, weak private sector and poorly developed civil society. Having an active citizenry, with a strong private sector and a civil society, is a prerequisite for a liberalized mode of state-society relationships and

²⁸ TH Marshall (1950) *Citizenship and Social Class*. London, Cambridge University Press, 47.

²⁹ Antonin Wagner (2004) "Redefining citizenship for the 21st century: from the National Welfare State to the UN Global Compact" *International Journal of Social Welfare* 13: 278-286, 280.

³⁰ Paul Pierson (1995) *Dismantling the Welfare State? Reagan, Thatcher and the Politics of Retrenchment* (Cambridge University Press: New York, NY)

³¹ Lester Solomon

³² Cite from the literature review section of your dissertation

citizenship in Armenia. Dual citizenship arrangement would facilitate this transition in many respects, which will be discussed in the remainder of this paper.

5. Policy Recommendations: Molding and Managing the Dual Citizenship

Diaspora-Armenia relationships have been thoroughly treated by Tom Samuelian et. al., who examine the low level of institutionalization of Diaspora-Armenia relationships. According to the survey reported in Samuelian manuscript the majority within the Diaspora maintain personal and family ties to Armenia and prefer the private route as opposed to public institutions. Specifically, 86.4% of the respondents of the survey are connected through family and friends, 77.7% through the Internet, which according to Samuelian are not supported by any intermediating institutions. Social and cultural organizations (63%), newspapers (54%) and the church (48%) are the only institutional ties available.³³ The institutional vacuum of Armenia-Diaspora links is felt on both sides of this relationship.

While the civil society within the Diaspora communities is somewhat organizationally more evolved than the civil society in Armenia, it is still highly fragmented, and built around distinct issues and individuals. The lack of an institutional sustainability of the civil society is a major shortcoming within the Diaspora. In Armenia as well a vibrant civil society and a rich associational life has failed to develop in the post-Communist era, which turned out to be quite characteristic to almost all of the formerly Communist states.³⁴ The non-profit sector has been largely donor-driven, with only two-third of the registered NGOs being active, as the USAID reports.³⁵ Associational life has remained limited to narrow friendship networks, which so far have failed to add up to a social capital.³⁶

Concurrent to these trends, transnational non-state actors, such as international developmental and humanitarian organizations, Diaspora NGOs and individuals have been actively involved in Armenia when trying to develop projects in different sectors, ranging from agricultural development, forestation and health care provision among others. As discussed earlier, these projects, some of which have been developed in remote rural areas, have filled in the governance vacuum as created by the post-Communist state. Unfortunately, some of the governance vacuum in social policy filled by Diaspora organizations is still organizationally fragmented and lacks coherence and institutionalization. While the significance of these projects is enormous and the number of people served through such projects is quite significant, people within and outside Armenia are yet to capitalize on their relationship with the Diaspora. The weakness of the civil society is quite symptomatic of the inefficient utilization of Diaspora's financial, institutional, skill-based and knowledge-based resources, and the resultant inefficiency of the relationship between Armenian state and the Diaspora.

Three arguments transpire which are central to this research. First, the core developmental value of dual citizenship arrangements is to enhance the relationship between the Armenian state and the Diaspora. Dual citizenship arrangements if managed effectively can strengthen the Armenian state-building institutionally, administratively and financially. Second, the careful

³³ Thomas J. Samuelian, Aram Hajian, Hakob Martirosian and Tamar Hajian (2003) "Research 4. Diaspora-Homeland Issue Paper." Armenia 2020 and Arak-29 Foundation.

³⁴ Howard, Marc M. "The Weakness of Postcommunist Civil Society." *Journal of Democracy* 13.1 (2002): 157-169.

³⁵ Anna Ohanyan (2003) "The Governance Potential of NGOs and Multi-Sectoral Partnerships in Armenian Public Sector: Lessons Learned from Microcredit NGOs of Bosnia and Herzegovina" *Armenian Journal of Public Policy* 1 (1): 125-144.

³⁶ Robert Putnam, *Making Democracy Work; Bowling Alone*.

management and efficient design of the appropriate institutions is a prerequisite for the developmental value of DC arrangements to be realized. Third, an efficient management of DC arrangement will fail to escape the civil society route.

Liberalizing Armenia's citizenship rights will entail the transition of the state-society relationships from conservative (passive/private) to liberalized (active/public) dual citizenship policies. The appropriate policies of liberalizing citizenship rights will be packaged in a way to address the following three dimensions of Armenian state and the Diaspora: (1) civil society within Armenia; (2) civil society within Diaspora; (3) public institutions in Armenia. Suzanne Mettler has argued very effectively that governing institutions and public policies can generate civic engagement, shape social status and civic life.³⁷ Drawing from that theoretical framework, I argue that a dual citizenship law can catalyze and activate the dormant civil society within Diaspora and Armenia, generating a greater demand for an institutional and administrative evolution of the Armenian state. The Liberalized mode of state-society relations and DC arrangements is more flexible and more responsive to the current demands of the global economy, in which Armenia has to integrate more deeply. Liberalized citizenship reflects an administratively sophisticated and a savvy state, supported by proactive citizenry.

Network development is the specific mechanism, which the DC law can utilize in order to realize its developmental potential. Creating a DC law with a specific objective of network development in mind will help to produce a legal framework which is more in tune with Armenian and Diaspora realities; the denser the networks, the higher the developmental potential of Diaspora-Armenia relationships. Moreover, such networks have to be strong both horizontally (within the civil society) as well as vertically (between the civil society and the Armenian public institutions).³⁸ The development of networks should be applied at the level of civil society in Armenia, within Diaspora, and within the Armenian public institutions. More specific patterns of network development, which the DC law can activate, are as follows:

Public-private partnerships: this entails bringing the public institutions, the private sector (within and outside of Armenia) and the civil society organizations together. By relaxing regulations of citizenship will enable Diaspora to take on a greater role within the economic and social sectors. The DC law may enable the state to be a partner to some of the ongoing social development projects of Diaspora communities in Armenia. The private and public sectors bring drastically different resources to the table.³⁹ In such partnerships the state will help to create more far-reaching policies and institutions, which the individual Diaspora projects have failed to create. These partnerships between the private enterprises, the civil society and public institutions can be mobilized to advance the welfare of specific communities.⁴⁰

Relaxing the visa regulations of Diaspora members to Armenia, facilitating their acquisition of commercial property and providing tax breaks for investments or other incentives for remote

³⁷ Suzanne Mettler (2005) *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (Oxford University Press: New York, NY); Suzanne Mettler (1998) *Dividing Citizens: Gender and Federalism in New Deal Public Policy* (Cornell University Press: Ithaca, New York)

³⁸ Anna Ohanyan "Civilizing the Civil Society: Framework of Tri-Sectoral Civil Society Engagement and Negotiation Culture in Armenia" Unpublished Manuscript.

³⁹ Anna Ohanyan (1999) "The Politics of Microcredit" *United Nations Foundation: UN Vision Project*. Anna Ohanyan (2003) "The Governance Potential of NGOs and Multi-Sectoral Partnerships in Armenian Public Sector: Lessons Learned from Microcredit NGOs of Bosnia and Herzegovina" *Armenian Journal of Public Policy* 1 (1): 125-144.

⁴⁰ Antonin Wagner (2004) "Redefining citizenship for the 21st century: from the National Welfare State to the UN Global Compact" *International Journal of Social Welfare* 13: 278-286, 281.

rural areas are only few of the possibilities of realizing the developmental potential of the DC arrangements through building public-private partnerships.

Public Administration Reform and Decentralization: Rural development has persisted as one of the most formidable challenges for the Armenian state. Therefore, by institutionalizing and formalizing Diaspora links to remote rural areas the Armenian state would be ‘outsourcing’ some of its governance functions to Diaspora groups, which can include private enterprises and civil society groups. Creating some sort of an arrangement for the local levels of government to collect the taxes from the foreign investments and individuals would also add to the developmental value of DC arrangements. Relaxing the regulations of property acquisition regulations and even giving the Diaspora members a voice in local elections may create a renewed demand for a more entrepreneurial functioning of local governments.

Associational democracy: Many students of democratization single out associations as an ultimate measure of strength of a democracy.⁴¹ In this framework associations are forums for active citizenship, which can add to the betterment of a community, thereby building the legitimacy of the government. Others also talk of advocacy democracy, which assumes a politically active and civically engaged citizenship, which keeps the government in check and persists in trying to access policy-making within the government.

Dual citizenship measures can facilitate the creation of associations of Diaspora-based individuals, which could also give them access to the policy-making processes at the local levels of government. The above-mentioned Samuelian study recorded that only one in five of the respondents maintain ties to Armenia through business associates, schools and political parties. Facilitating the formation of associations by Diaspora members and providing channels of their integration to various communities in Armenia would be another way to strengthen the developmental potential of DC arrangements. This is somewhat reminiscent of the Hometown Associations which are groups of emigrants from the same town that pull together their resources and invest in infrastructure or other projects in their home town or region of the sending country.⁴²

The dual citizenship laws would have to ease the formation of associations in Armenia by Diaspora communities. Finding ways of integrating such associations to the local levels of government would facilitate community development and harness the civic engagement at the local levels.

Conclusion

The issue of dual citizenship is generally perceived as a purely a legal matter. However, its implications are largely economic, social and political. The dismantling of the welfare state can be offset by the provision of financial and organizational resources by the Diaspora. The shrinking state capacities in guaranteeing social rights to its citizens can be compensated by ‘outsourcing’ some of such capacities to transnationally based networks of private enterprises, voluntary organizations and public institutions in Armenia. Such network development will emerge as essential institutional to support in managing the DC arrangements if introduced in Armenia. Such network development will most likely reshape and restructure the role of the government, particularly at the local levels of

⁴¹ Cohen J. and Rogers J. (1992) “Secondary Associations and Democratic Governance.” *Politics and Society* 20 (4): 393-472; Hirst P. (1994) *Associative Democracy: New Forms of Economic and Social Governance*. London, Polity Press; Antonin Wagner (2004) “Redefining citizenship for the 21st century: from the National Welfare State to the UN Global Compact” *International Journal of Social Welfare* 13: 278-286, 281.

⁴² Victoria Minoian and Lev Freinkman () “Diaspora’s Contribution to Armenia’s Economic Development: What drives the First Movers and how their efforts could be scaled up?” The World Bank.

administration, which therefore, may require a public administration reform. This is an issue in need of careful consideration, which, unfortunately, has not been treated in this paper.

The network development will enable a greater inclusion of old and new Diaspora into the policy-making forums. This signifies the inclusion of a cohort of citizens, most of whom probably have had a longer experience with democracy than the locals. The integration of such citizens from various countries will complicate the mosaic of the political culture in Armenia. More diverse interest groups will emerge, most of which are more likely to be more demanding of the government than the locals. Such increasing complexity will generate a renewed demand for institutional responsiveness of the government, thereby producing a push for the advancement of the administrative capacities of the state, which hopefully will develop the governmental structures institutionally.

In short, DC law is associated with political, social and economic dimensions of Armenian development. Clear guidelines of assessing the developmental value of DC law with a focus on the political, economic and social dimensions of it are prerequisite for a more responsive, flexible and creative step to be taken on dual citizenship.