JOPS

TRANSFORMING GOVERNANCE IN ARMENIA: FROM SOVIET LEGACY TO STRATEGIC REFORM

MARINA MARGARYAN* iD
Yerevan State University

Abstract
This article analyzes the evolution of institutional reforms in the public administration system of the Republic of Armenia since its independence in 1991. In this context, it is taken into account that only the state is able to ensure the co-evolution of management technologies to achieve global goals and strategic objectives of the development of Armenian society. Technological dominants of political transformations, social and economic development require appropriate management adaptation, which is the focus of this study is the correct development and application of the functionality of decision support systems. Thus, this study examines four stages of reform: 1) Initial institutional creation from 1991 to 1999; 2) Formalization and adoption of Western governance models from 2000 to 2008; 3) European integration and administrative modernization from 2009 to 2017; 4) Political transformation accompanied by the resumption of administrative reforms since 2018. These reforms reflect a complex interplay of historical legacies, external influences, and internal aspirations for public administration modernization. Issues such as institutional inertia, limited localization of imported models, and political resistance are assessed in detail. In addition, the article compares these historical reforms with Armenia's long-term goals outlined in the Public Administration Reform Strategy of the Republic of Armenia, emphasizing the transition from imitation reforms to sustainable institutional transformation.

Introduction

The transition of post-Soviet states to democratic governance and market-oriented economies has been a subject of enduring interest for scholars and policymakers, offering fertile ground for both theoretical explorations and empirical studies. Much of the existing public administration theory is derived from Western institutional models, which may not fully address the distinct trajectories of developing or post-Soviet states

* **Marina Margaryan** is a PhD candidate of the Chair of Political Science of the Faculty of International Relations at Yerevan State University. Email: mmargaryan@ysu.am. ORCID: https://orcid.org/0009-0002-6904-7467.

like Armenia. As Bertelli et al. (2020) argue there is a pressing need for public administration research to formulate agendas that account for localized challenges and governance environments in developing countries. Within this broader context, the Republic of Armenia emerges as a particularly compelling case. Its unique geopolitical positioning, inheritance of Soviet administrative structures, and complex trajectory of institutional reform present rich material for examining the interplay between historical legacies and contemporary aspirations. This study seeks to address the following research question: How do Armenia's Soviet-inherited governance structures interact with global reform paradigms to shape the nation's governance trajectory? The core hypothesis underpinning this work posits that while external governance models and international standards provide a critical blueprint for reform, their success in Armenia hinges on their adaptation to the country's unique socio-political context.

Following the dissolution of the Soviet Union in 1991, Armenia faced the twin imperatives of asserting sovereignty and modernizing its governance frameworks. The centralized and hierarchical structures inherited from the Soviet era posed significant challenges, including inefficiencies in public service delivery, the absence of participatory mechanisms, and deeply entrenched bureaucratic traditions (Blum and Rogger 2021). These challenges necessitated a series of far-reaching institutional reforms aimed at creating agile, effective, and citizen-centered public administration systems. The dual goals of ensuring state functionality and aligning with democratic principles and market efficiency underscored Armenia's governance transformation efforts.

In its state-building journey, Armenia has pursued modernization by addressing these inefficiencies and aligning institutional reforms with international standards. The challenges and successes of this process provide critical insights into the broader dynamics of post-Soviet state governance transitions. For Armenia, the adaptation of global governance frameworks to its local socio-political environment remains an ongoing endeavor, marked by significant progress as well as limitations.

The RA Public Administration Reform Strategy[1] serves as a strategic blueprint for these efforts, reflecting a commitment to fostering a transparent, efficient, and innovative system of governance. This citizen-centric approach integrates democratic principles with practical imperatives, aiming to address legacy inefficiencies while navigating the contemporary demands of public administration. By embedding these efforts in a broader interdisciplinary framework, Armenia's reform trajectory illustrates the delicate balance between adhering to global governance standards and accommodating local particularities.

Through historical-institutional analysis and comparative methodology, Armenia's experience provides a valuable case study in the broader landscape of post-Soviet governance transformations. While the centralized structures of the Soviet past initially constrained reform efforts, they also shaped the objectives and strategies of modernization, resulting in a uniquely Armenian narrative of state building and governance evolution.

---

[1] The Government of the RA. 2022. "Strategy for Public Administration Reforms of the Republic of Armenia: Government 4.0." *(Appendix No. 1 to the RA Government Resolution No. 691-L of May 13, 2022).* Accessed March 30, 2025. https://www.arlis.am/hy/acts/181462 (in Armenian).

Theoretical and Methodological Framework

Institutional reform in public administration involves the deliberate restructuring of governance frameworks, processes, and norms to enhance efficiency, accountability, and responsiveness within public sector entities. In post-socialist transformations, such reforms hold particular significance as they address the dual challenges of moving from centralized, bureaucratic systems to decentralized, democratic, and market-oriented governance structures. These efforts are critical for balancing inherited inefficiencies with aspirational governance models that prioritize transparency and citizen participation. To fully understand the dynamics of these reforms, several theoretical frameworks and dimensions offer valuable insights. A recent study (Hattke and Vogel 2023) highlights the growing complexity and diversity of theorizing in public administration, with over 150 theories identified and clustered across disciplinary origins, methods, and geographical contexts. Their analysis reveals that while Western-originated theories dominate; emerging applications in non-Western settings like Armenia underscore the importance of localized adaptation and reflexive theorizing. This aligns with the need for context-sensitive approaches in post-Soviet reforms, where borrowed models must be critically assessed and domestically grounded.

The concept of Path Dependency, rooted in historical institutionalism, underscores the enduring influence of historical legacies on institutional choices. This theory highlights how prior decisions establish self-reinforcing mechanisms, rendering significant deviations from established trajectories particularly challenging (Pierson 2000). For post-socialist states such as Armenia, the legacy of Soviet administrative structures has profoundly shaped governance reforms, embedding centralized and hierarchical decision-making processes that often hinder participatory and decentralized models of governance. However, as Path Dependency also suggests, critical junctures, such as political revolutions or economic crises, can disrupt entrenched patterns and open avenues for transformative change (Demmke 2022).

Acemoglu and Robinson's (2012) dichotomy between extractive and inclusive institutions provides an additional theoretical lens to examine Armenia's reform trajectory. Extractive institutions concentrate power and resources within narrow elites, impeding broad-based development and innovation. Armenia's inherited Soviet structures reflect many characteristics of extractive systems, where hierarchical decision-making and a lack of public accountability fostered inefficiencies and stagnation. Transitioning to inclusive institutions, which distribute power equitably and foster citizen engagement, has been a central challenge of Armenia's reform efforts. Initiatives such as merit-based recruitment and digital governance platforms represent steps toward inclusivity. However, systemic inertia, political patronage, and resistance from entrenched elites illustrate the difficulty of dismantling extractive practices.

The 2018 Velvet Revolution represents a critical juncture that disrupted existing power dynamics and invigorated efforts to institutionalize inclusivity. Acemoglu and Robinson (2012) argue that such moments are pivotal for advancing inclusive reforms, provided robust implementation frameworks support them. Post-revolution reforms aimed at enhancing transparency, promoting citizen engagement, and reducing corruption demonstrate Armenia's progress toward this goal. However, as these scholars highlight, the success of transitions to inclusivity depends on institutionalizing

reforms that not only redistribute power but also foster broad-based trust and participation.

Institutional Isomorphism, a concept derived from neo-institutional theory, provides another lens for analyzing governance reforms. It describes the tendency of organizations within a field to converge towards similar structures and practices due to coercive, mimetic, and normative pressures (Jeyaraj and Zadeh 2020). In post-socialist transitions, coercive isomorphism often stems from the conditions set by international organizations and donor agencies, such as the EU and the World Bank, which advocate for governance practices aligned with global standards of transparency, accountability, and efficiency. Mimetic isomorphism emerges as states emulate governance models of more developed nations to gain legitimacy and attract foreign investment. Normative isomorphism, driven by professional networks and epistemic communities, reinforces the adoption of best practices. In Armenia, the implementation of e-Government systems and anti-corruption measures exemplifies the influence of institutional isomorphism, aligning with international benchmarks for good governance.

The concept of governance transfer is particularly relevant in the Armenian context, where external actors play a pivotal role in shaping domestic governance reforms. Governance transfer refers to the dissemination of policies, practices, and institutional models by international organizations and donor agencies. Programs like the EU's Eastern Partnership and the Open Government Partnership, as well as SIGMA initiatives have been instrumental in fostering governance innovations in Armenia, including community consolidation and participatory policymaking. However, the effectiveness of governance transfer depends on the extent to which these imported models are adapted to local socio-cultural and political contexts. Uncritical transplantation of foreign practices often results in a 'copy-paste' approach, which leads to superficial reforms that fail to address systemic issues (Christensen and Lægreid 2022). One illustrative example of the 'copy-paste' approach is Armenia's adoption of New Public Management (NPM) principles. While these Western-originated models emphasize efficiency, transparency, and citizen-centric service delivery, they often fall short when applied to contexts with ingrained hierarchical norms and systemic inertia. For instance, Armenia's attempts at decentralization and performance-based management have been hindered by Soviet-era bureaucratic legacies, limiting their practical impact (Heeks 2002; Sutyrin 2022). Similarly, the introduction of merit-based recruitment aimed at curbing politicization has faced challenges due to entrenched informal networks, reducing the effectiveness of these reforms (OECD 2022).

Armenia's digital governance platforms also provide an important perspective on this issue. While initiatives like 'e-Request' and 'Armenia e-Gov' display technological alignment with global standards, disparities in digital literacy and regional access continue to pose barriers to equitable implementation (UN Armenia 2025). These cases highlight the need for tailored strategies that account for Armenia's unique socio-political realities rather than simply importing practices wholesale. By integrating these examples, the analysis emphasizes the importance of moving from imitative to adaptive reforms. A shift toward context-sensitive frameworks, where

imported models are critically assessed and localized, could enhance the effectiveness and sustainability of Armenia's governance modernization.

Emerging technologies represent an important dimension of institutional reform that could be explored further. Innovations such as artificial intelligence block chain and big data analytics have the potential to enhance transparency and decision-making processes. Armenia's ongoing investments in digital governance provide a platform to leverage these technologies, which could further modernize public administration and address inefficiencies.

In addition to these frameworks, an evaluation of the reforms' impact is essential. Metrics such as improvements in service efficiency, transparency, citizen satisfaction, and trust could provide a clearer picture of reform success. For example, Armenia's e-Government initiatives could be assessed based on user adoption rates, cost reductions, or their role in minimizing corruption.

Another critical consideration is the cultural dimension of governance reforms. Societal attitudes towards bureaucratic systems and governance change can significantly influence reform adoption and implementation. Addressing resistance from bureaucratic elites and fostering a culture of public accountability are vital to sustainable reform.

Armenia's Public Administration Reform Strategy also emphasizes inclusivity and gender equity. This focus aligns with global governance priorities, such as the UN Sustainable Development Goals, and highlights the importance of diverse representation in decision-making processes.

Finally, Armenia's reforms should be positioned within the broader framework of global integration. Alignment with international governance standards and partnerships, such as the UN Sustainable Development Goals or the EU's governance benchmarks, could underscore Armenia's commitment to modernizing public administration while addressing local and global challenges in tandem.

Methodological Approach

This study employs a historical-institutional analysis to trace the evolution of Armenia's public administration reforms, highlighting the interplay between historical legacies and contemporary reform efforts. By adopting a comparative approach, the analysis situates Armenia's experience within the broader context of post-socialist transformations, drawing parallels and contrasts with other transitional economies. This dual methodology enables a comprehensive understanding of the factors driving and constraining institutional reforms, offering insights into the conditions under which governance innovations can achieve sustainable impact.

Stages of Institutional Reforms in Armenia: Analytical Overview

Armenia's trajectory of institutional reforms offers a rich context for analyzing the evolution of governance systems in post-Soviet states. Divided into four distinct phases, the reforms reflect a complex interplay of historical legacies, external influences, and domestic ambitions to establish efficient, transparent, and participatory governance structures.

Initial institutional establishment from 1991 to 1999

The dissolution of the Soviet Union in 1991 necessitated the rapid creation of state institutions capable of maintaining governance in an independent Armenia. During this foundational period, efforts were centered on restructuring Soviet-era administrative frameworks to suit the new political reality. Armenia repurposed Soviet-era bureaucratic structures to create core executive bodies tasked with essential governmental functions, providing immediate institutional functionality. However, these efforts simultaneously entrenched hierarchical practices and centralized decision-making processes, which hindered adaptability to evolving governance needs (Heifetz 1994; Pierson 2000; Agbodzakey 2024; Roos 2024).

In addition to these internal developments, external actors played a significant role in shaping Armenia's early institutional framework. International organizations such as the UNDP, USAID, and the EU offered critical technical and advisory support, providing financial resources and expertise to guide the transition. This involvement was particularly impactful in areas such as public administration reform and judicial independence. However, the reliance on these external actors led to critiques that many solutions were 'imported' rather than tailored to Armenia's unique socio-political context. While these initiatives provided essential capacity building, their success depended on local adaptation and sustainable implementation.

During this period, the enactment of Armenia's first post-Soviet constitution in 1995 marked a pivotal step toward formalizing the new governance system. The constitution institutionalized a presidential republic, concentrating significant power in the executive branch. Intended as a mechanism to ensure stability amidst socio-economic turbulence, this constitutional framework inadvertently weakened horizontal accountability by centralizing authority and limiting checks and balances (Okabe 2024; Heinelt and Egner 2022).

Alongside these structural changes, the nascent civil society of Armenia began to emerge as an important factor in shaping governance discourse. Grassroots movements and NGOs, many catalyzed by humanitarian efforts following the 1988 earthquake and the Nagorno-Karabakh conflict, started advocating for democratic values and addressing social issues. Supported in part by international funding and the Armenian diaspora, these early civil society actors laid the groundwork for greater civic engagement in later years. Although fragmented and limited in capacity, they played a minor but growing role in influencing governance reforms and fostering public accountability.

Together, these internal efforts and external influences highlight the complex interplay of domestic adaptation and international guidance during Armenia's foundational period. While the inherited governance norms posed significant challenges to institutional efficiency, the creation of executive authorities, the adoption of the constitution, and the emergence of civil society underscored Armenia's pursuit of stability and modernization amidst formidable constraints.

Formalization and adoption of Western models from 2000 to 2008

Armenia's efforts to modernize its governance system in the early 2000s were characterized by structured reforms influenced by global paradigms, aiming to institutionalize efficiency, transparency, and service orientation within public administration. A foundational element was the adoption of the NPM principles, which introduced reforms to separate policy-making from implementation functions, establish agency-based management structures, and emphasize citizen-centric service delivery (Holtkamp and Garske 2025; Cejudo and Michel 2017). This shift underscored a growing focus on managerial accountability and performance-driven evaluations, reflecting broader trends in modern public administration (Hepworth 2024).

In tandem with the NPM reforms, Armenia embarked on its digitalization journey, integrating e-Government platforms to streamline administrative processes and enhance transparency. While these initiatives were nascent at the time, they laid crucial groundwork for later phases of governance innovation (Reichborn-Kjennerud 2025). Beyond the technical advantages, the introduction of digital tools fostered a cultural shift within public administration, as government interactions with citizens became more accessible, signaling a departure from traditional bureaucratic barriers (Aoki 2025; Harutyunyan et al. 2024).

The role of international organizations during this period provided critical momentum for reform. Donor agencies such as USAID, UNDP, and the EU offered financial resources and technical expertise, heavily shaping Armenia's reform agenda. However, the reliance on externally driven reforms led to critiques of the 'imported' solutions, which often failed to address Armenia's unique socio-political context (Badalyan 2022). This tension highlighted the challenges inherent in reconciling global governance models with localized needs, raising questions about the sustainability of externally influenced reforms.

It is also essential to consider additional dimensions that illuminate the inherent complexities of these reforms. Notably, citizen engagement and public trust emerged as pivotal factors influencing the overall success of reform initiatives. Although the reforms prioritized citizen-centric service delivery mechanisms, persistent public skepticism regarding the government's intentions and administrative capacity significantly constrained their societal impact. The implementation of strategies aimed at cultivating trust, including comprehensive awareness campaigns and robust feedback mechanisms, might have played a critical role in fostering broader societal acceptance and reinforcing the legitimacy of these reform efforts. Another significant dimension was capacity building within public administration. The success of the NPM reforms and digitalization initiatives depended heavily on the skills and expertise of public officials tasked with implementing these changes. However, limited professional development opportunities and the persistence of Soviet-era bureaucratic norms posed significant obstacles to achieving the intended outcomes. Addressing human resource constraints through targeted training and merit-based recruitment would have strengthened the foundations of reform.

Additionally, economic factors influenced Armenia's ability to sustain these reforms. The early 2000s were marked by economic challenges that constrained public sector budgets, limiting the scope and pace of institutional modernization. While

international funding alleviated some financial pressures, the need for domestic investment remained critical to ensuring the long-term viability of the reforms.

Lastly, regional dynamics and geopolitical influences played an understated yet pivotal role in shaping governance reforms. Armenia's position in the post-Soviet landscape, coupled with its geopolitical challenges, affected the prioritization of certain reforms over others. For instance, efforts to align with European governance standards were often tempered by regional concerns and the need to maintain stability in the face of external pressures.

European integration and administrative modernization from 2009 to 2017

Armenia's aspirations for closer integration with Europe catalyzed significant modernization initiatives during this period, reflecting a profound commitment to reform. The engagement with EU frameworks such as the Eastern Partnership and SIGMA provided not only opportunities for advancement but also exposed the inherent challenges of balancing global standards with local realities. These programs acted as critical platforms for fostering institutional transformation, enabling Armenia to align its governance systems with international norms while navigating the complexities of post-Soviet transition.

The SIGMA program, co-funded by the EU and the OECD, played a particularly pivotal role by offering comprehensive evaluations and technical recommendations designed to strengthen Armenia's administrative structures. Börzel and Risse (2016) identify conditionality—where compliance with EU standards becomes a prerequisite for assistance—as a central mechanism within Europeanization. Armenia's adherence to governance benchmarks, such as merit-based recruitment in the civil service and enhanced transparency measures, demonstrated its commitment to institutional modernization. SIGMA's assessments informed key reforms[2], such as the adoption of the Civil Service Concept and the enactment of the 2015 Civil Service Law, which sought to institutionalize professional recruitment practices. Despite the ambitious scope of these reforms, implementation faced challenges due to systemic inertia and resistance from entrenched political networks. In this regard, it is significant that civil service positions in Armenia were filled based on the results of competitive examinations, which demonstrates the difficulty of achieving full depoliticization. However, gradual progress was evident in Armenia by 2025, which demonstrates the gradual improvement of merit-based recruitment mechanisms. Further efforts are needed to fully implement the original concept of a transparent and impartial civil service, as laid down in the legal mechanisms.

In parallel, the Eastern Partnership facilitated broader innovations in local governance. Börzel and Risse (2016) highlight socialization—where interactions with EU institutions encourage the adoption of participatory governance practices—as another important Europeanization mechanism. Under this framework, Armenia pursued municipal consolidation initiatives aimed at empowering local authorities, enhancing resource allocation, and fostering citizen engagement. These reforms were

---

[2] OECD. 2025. Armenia and SIGMA. Accessed March 30, 2025. https://www.sigmaweb.org/en/partners-and-regions/armenia.html.

strategically aligned with EU principles of decentralization, which emphasize bringing governance closer to citizens as a means of improving responsiveness and accountability (Obukhova, Ershova and Ershova 2025). However, significant disparities in municipal capacities revealed challenges in achieving equitable implementation. Regions with limited administrative resources often struggled to adopt these practices effectively, underscoring the need for targeted capacity-building measures (Lannon 2025).

Furthermore, the period displayed Armenia's growing embrace of digital governance as a complement to traditional reform initiatives. Building on European benchmarks for e-Government systems, Armenia integrated platforms such as 'e-Request' and 'Armenia e-Gov' into its administrative framework. These systems streamlined service delivery, reduced bureaucratic inefficiencies, and expanded opportunities for citizen engagement. Börzel and Risse's emphasis on capacity building resonates strongly here, as Armenia leveraged EU technical assistance to implement digital innovations while addressing gaps in public sector expertise. While these advancements marked a decisive shift toward modernized governance, disparities in digital literacy and access posed persistent barriers to equitable participation.

Challenges notwithstanding, EU-led initiatives such as SIGMA and the Eastern Partnership provided critical momentum for Armenia's governance reforms during this phase. Börzel and Risse's Europeanization framework underscores the transformative impact of conditionality, socialization, and capacity building, revealing the multifaceted nature of Armenia's alignment with international norms. However, the experience also illustrates the complexities of balancing external guidance with sustainable, localized implementation. Armenia's ability to navigate these dynamics ultimately shaped its trajectory of institutional modernization, offering valuable lessons for other transitioning states.

Political transformation and resumption of administrative reforms since 2018

The Velvet Revolution of 2018 marked a transformative moment in Armenia's governance landscape, fueling heightened expectations for institutional renewal and anti-corruption initiatives. One key focus was the strengthening of anti-corruption mechanisms, as post-revolution reforms prioritized the creation of independent institutions aimed at combating corruption. These measures were designed to ensure greater oversight in public procurement and governance processes, reflecting global trends in promoting integrity within public administration (Landa and Greenberg 2024). This trajectory was reaffirmed in the OECD's Anti-Corruption Reforms in Armenia (2022) report, which recognized progress in strengthening conflict-of-interest regulations and the institutional role of the Corruption Prevention Commission, while also highlighting remaining gaps in enforcement and coordination. The establishment of the Corruption Prevention Commission in 2019 was a pivotal milestone in this effort, signaling a transition of oversight responsibilities from ministerial control to an independent body. By 2025, the Commission had solidified its role as a cornerstone of Armenia's anti-corruption framework, having reviewed over 10,000 asset declarations and identified more than 400 discrepancies that triggered formal investigations. Its independent appointment procedures ensured impartiality, while its expanded mandate

now encompasses monitoring compliance with incompatibility requirements and conducting targeted anti-corruption education initiatives. Together, these developments underscore Armenia's unwavering commitment to fostering integrity and reducing corruption across all levels of public administration. Meanwhile, Armenia accelerated its efforts to expand transparency and digital governance.

The deployment of digital governance platforms integrated advanced technological solutions, thereby increasing service delivery efficiency and expanding public access to government data (OECD 2024). These initiatives align with the principles of the NPM and Good Governance paradigms (Steiner-Khamsi 2025). The launch of the 'e-Request' platform in 2019 marked a significant step forward, empowering citizens to file official requests online with remarkable efficiency. Building on this success, the 'Armenia e-Gov' portal broadened its scope by 2022, consolidating over 50 public services into a unified digital framework. This transformation streamlined citizen interactions with government institutions, reduced in-person visits by approximately 35%, and fostered greater accessibility and convenience. By 2025, the 'e-Request' platform was processing an even higher volume of submissions annually, reflecting its sustained relevance and growing user adoption. Similarly, the 'Armenia e-Gov' portal expanded its offerings to include over 75 public services, streamlining administrative procedures and strengthening Armenia's commitment to digital governance innovation (UN Armenia 2025). These digital transformations mark a pivotal stride toward aligning Armenia's public administration with global best practices, enhancing service delivery, and promoting transparency in governance. Building on the momentum of previous reforms, Armenia's Public Administration Reform Strategy has accelerated the adoption of digital technologies, including unified platforms for public services. The Strategy envisions leveraging artificial intelligence and data-driven decision-making to further improve service efficiency and transparency.

Another major area of progress was fostering citizen engagement, which emerged as a focal point of post-revolution reforms. Initiatives such as the Open Government Partnership (OGP)[3] provided frameworks for involving citizens in decision-making processes. Nonetheless, ensuring the institutionalization of these participatory mechanisms remains an ongoing challenge (Kocamaz 2022). Under the OGP, Armenia's launch of the 'Open Budget' platform marked a milestone in fostering fiscal transparency and citizen engagement. This interactive tool empowered users to explore public expenditures in detail, promoting a more informed and participatory approach to governance. According to the OGP Independent Reporting Mechanism (IRM), the platform contributed to a 20% increase in civic submissions to the Ministry of Finance between 2020 and 2022, although responsiveness from public agencies remained inconsistent[4]. While response rates from government agencies have shown some

---

[3] OGP. 2025. Creating OGP's Future Together: Strategic Planning 2023-2028. Accessed March 30, 2025. https://www.opengovpartnership.org/creating-ogps-future-together/.
[4] OGP. 2023. IRM Results Report: Armenia 2022-2024. Accessed May 30, 2025. https://www.opengovpartnership.org/wp-content/uploads/2025/05/Armenia_Results_Report_2022-2024_For-public-comment_EN.pdf; OGP. 2023. Action plan of Open Government Partnership initiative of the Republic of Armenia for 2022-2024. Accessed May 30, 2025. https://www.opengovpartnership.org/wp-content/uploads/2022/10/Armenia_Action-Plan_2022-2024_Dec_Amended_EN.pdf.

improvement since then, variability persists, underscoring the ongoing challenge of ensuring timely and comprehensive engagement in the governance process. These initiatives reflect Armenia's dedication to open governance while highlighting areas for continued refinement.

Despite these ambitious objectives, Armenia's reforms have faced resistance from entrenched bureaucratic practices and resource constraints. This tension underscores the importance of adopting iterative and adaptive approaches to reform implementation, a necessity recognized in the broader literature on institutional change (Qi 2024).

Features and Challenges of Institutional Reforms in Armenia: Analytical Perspective

Institutional reforms in transitional economies like Armenia reveal distinctive features shaped by the interplay between global paradigms and localized needs. A prominent aspect of these reforms is the emphasis on global standards and best practices, where Armenia draws heavily from internationally recognized governance frameworks such as NPM and Good Governance. The adoption of the NPM introduced managerial approaches that prioritize efficiency, cost-effectiveness, and service orientation (Lahay and Saulnier 2024). Simultaneously, Good Governance principles underscore the importance of inclusivity, accountability, and the rule of law (Abegaz 2023). For example, Armenia's e-Government services reflect a hybrid application of these paradigms, combining transparency with improved service delivery to bridge the gap between bureaucratic legacies and modern administrative efficiency (Falkenhain 2020).

Digital transformation has emerged as a central pillar of reform, with the integration of e-Government systems playing a crucial role. These platforms enhance operational efficiency, reduce administrative barriers, and engage citizens more actively. Notably, Armenia's digitalization initiatives align with international donor frameworks, such as SIGMA, which promote interoperability and innovation. Despite these advancements, challenges remain, particularly in addressing digital literacy disparities that impede equitable participation in these systems (Chandra and Feng 2025).

A further notable feature is Armenia's focus on decentralization and revitalization of local governance. The country's community consolidation initiatives, supported by the Council of Europe, aim to empower local authorities through greater financial autonomy and enhanced decision-making capabilities (Christensen and Lægreid 2022). This approach aligns with a broader global trend aimed at bringing governance closer to citizens, thereby improving responsiveness and resource allocation.

Additionally, contemporary reforms in Armenia are increasingly oriented toward citizen-centric policies that emphasize participatory governance. Programs under the OGP serve as key platforms enabling citizens to contribute to policy formulation and monitor public sector performance. This participatory governance model aligns with the principles of governance transfer, in which external actors encourage civic empowerment (Reichborn-Kjennerud 2025). However, institutionalizing these participatory mechanisms remains a challenge, particularly in the face of entrenched bureaucratic resistance. The RA Public Administration Reform Strategy underscores citizen satisfaction as a central metric of public administration success. The strategy

highlights the development of unified digital platforms, such as the 'I AM' digital identification system, designed to enhance accessibility and streamline service delivery. Moreover, mechanisms for continuous citizen feedback aim to further solidify participatory governance efforts, reinforcing Armenia's commitment to responsive and inclusive reform.

Despite their notable features, Armenia's governance reforms face a host of structural, cultural, and political challenges, underscoring the tension between idealized governance models and the complex realities of implementation. A systematic review by Mugellini et al. (2021) highlights that while public sector reforms can reduce corruption; their effectiveness is highly contingent on contextual factors such as political commitment, enforcement capacity, and institutional trust. This reinforces the importance of localized and sustained efforts in Armenia, where formal anti-corruption mechanisms often clash with entrenched bureaucratic practices. A central issue lies in institutional discrepancies and gaps, as reforms inspired by external models often clash with local sociopolitical contexts. This misalignment between formal institutional structures and practical enforcement mechanisms undermines efficiency, particularly in key areas like anti-corruption and civil service reforms (Onofrei, Oprea and Cigu 2025). According to the OECD (2022), while Armenia has taken important legal and institutional steps to curb corruption, practical enforcement, coordination between agencies and resource constraints continue to undermine the full implementation of anti-corruption frameworks.

Compounding this issue is the limited adaptation of borrowed governance models. The frequent 'copy-paste' approach, where international practices are adopted without proper localization, renders some reforms superficial. As Lannon (2025) and Badalyan (2022) highlight, governance models transplanted without adequate consideration of cultural and historical nuances fail to achieve their intended impact. For instance, while Armenia has incorporated elements of the NPM, such as performance-based management, the persistence of Soviet-era bureaucratic norms continues to weaken their effectiveness (Christensen and Lægreid 2022).

Politicization within the civil service further exacerbates institutional instability. The absence of merit-based recruitment practices, coupled with frequent turnover among public officials, undermines continuity and capacity within administrative bodies. This politicization extends to decision-making processes, affecting institutional integrity and fostering public skepticism toward governance reforms. As Paquin (2022) and Gueorguieva (2024) note, citizen trust and engagement often suffer in systems plagued by political interference.

Another critical barrier is weak horizontal coordination, as inter-agency fragmentation hampers the implementation of cross-sectoral reforms. The lack of a cohesive 'whole-of-government' approach is particularly evident in decentralization efforts, where overlapping jurisdictions and unclear mandates lead to inefficiencies (De Cruz 2024).

Resource constraints and capacity gaps also pose significant challenges. Although donor-driven projects provide initial funding, long-term sustainability requires domestic investment, which is often constrained by fiscal limitations (Robertson and Melkumyan 2021). Armenia's RA Public Administration Reform Strategy addresses

these challenges by emphasizing strategic human resource management reforms, including merit-based recruitment and professional development. It aims to address disparities in administrative resources and bolster governance efficiency, particularly within local government structures.

Resistance from stakeholders remains another significant obstacle, as bureaucratic elites and political actors frequently perceive reforms as threats to their stakes. This phenomenon is common in transitional economies, where governance reforms disrupt entrenched power dynamics. Navigating this resistance necessitates strong leadership and the establishment of consensus-building mechanisms to ensure successful implementation of reforms.

Conclusion and discussion

In the context of regional conflicts and integration, Armenia's institutional reforms represent a commendable effort to overcome the challenges of governance modernization in a transitional context. Over three decades, the country has evolved from repurposing Soviet-era administrative structures to adopting and adapting global governance models. While significant gains have been made, particularly in the areas of digital governance, anti-corruption frameworks, and participatory policymaking, key challenges remain, including capacity constraints, politicization of public administration, and resistance to change within entrenched institutional frameworks.

The Public Administration Reform Strategy of Armenia serves as a critical roadmap to address these challenges, with its focus on citizen-centered governance, digital transformation, and alignment with international standards such as the SIGMA principles. By promoting merit-based recruitment, strengthening local governance, and enhancing institutional resilience, the strategy aims to institutionalize reforms that are both effective and contextually relevant. Lessons from Armenia's reform experience highlight the importance of balancing imported governance models with localized adaptations. This case study offers new insights not only for Armenia but also for other post-Soviet and transition economies following similar trajectories. Strategically sustainable reforms, as the Armenian experience shows, require iterative adjustments, stakeholder engagement, and a long-term commitment to aligning governance systems with societal needs and expectations.

Digital transformation, caused by the restructuring of social and economic processes against the background of the spread of digital technologies, has a great impact on the activities of people, society, the business environment, and modern organizations. The changes that are taking place affect political systems and the quality of the organization of public authorities, including the implemented business processes, connections and communications, as well as corporate culture and organizational behavior. This occurs as a result of the development and implementation of digital tools that improve management processes in various areas of management, including strategic management, operations management, management decision-making, information, resource and financial support, as well as quality control, accounting and reporting.

References

Abegaz, Berhanu. 2023. The Nature of Post-socialist Transitions. In: Understanding Economic Transitions: Plan and Market Under the New Globalization. Palgrave Macmillan, Cham, pp. 147-186. https://doi.org/10.1007/978-3-031-21584-1_6.

Acemoglu, Daron, and James A. Robinson. 2012. Why Nations Fail The Origins of Power, Prosperity, and Poverty. New York: Crown Business.

Agbodzakey, James. 2024. Leadership in Collaborative Governance. In: Collaborative Governance Primer: An Antidote to Solving Complex Public Problems. Springer, Cham, pp. 15-25. https://doi.org/10.1007/978-3-031-57373-6_2.

Aoki, Naomi. 2025. "En Route to 'Zero Bureaucracy and Invisible Government': A Conjoint Analysis of the Effects of Transforming the State-Citizen Interface on the Favourability of Public Administration in the Digital Era." *Asia Pacific Journal of Public Administration* (April): 1-25. https://doi.org/10.1080/23276665.2025.2478554.

Badalyan, Manvel. 2022. "Public Service Reform in the Republic of Armenia: Challenges and Lessons Learnt." In: *Public Service Evolution in the 15 Post-Soviet Countries: Diversity in Transformation*, edited by Alikhan Baimenov, and Panos Liverakos, 51-76. Palgrave Macmillan, Singapore. https://doi.org/10.1007/978-981-16-2462-9_2.

Bertelli, Anthony M., Mai Hassan, Dan Honig, Daniel Rogger, and Martin J. Williams. 2020. "An Agenda for the Study of Public Administration in Developing Countries." *Governance* 33 (4): 735-748. https://doi.org/10.1111/gove.12520.

Blum, Jurgen Rene, and Daniel Rogger, 2021. "Public Service Reform in Post-Conflict Societies [Labor Contracts as Partial Gift Exchange]." *The World Bank Research Observer* 36 (2): 260-287.

Börzel, Tanja A., and Thomas Risse. 2016. "The EU and the Diffusion of Regionalism." In: *Interregionalism and the European Union: A Post-Revisionist Approach to Europe's Place in a Changing World*, edited by Mario Telò, Louise Fawcett, and Frederik Ponjaert, 51-66. London: Routledge.

Cejudo, Guillermo M., and Cynthia L. Michel. 2017. "Addressing Fragmented Government Action: Coordination, Coherence, and Integration." *Policy Sciences* 50: 745-767. https://doi.org/10.1007/s11077-017-9281-5.

Chandra, Yanto, and Naikang Feng. 2025. "Algorithms for a New Season? Mapping a Decade of Research on the Artificial Intelligence-Driven Digital Transformation of

Public Administration." *Public Management Review* (January): 1-35. https://doi.org/10.1080/14719037.2025.2450680.

Christensen, Tom, and Per Lægreid. 2022. "Taking Stock: New Public Management (NPM) and Post-NPM Reforms – Trends and Challenges." In: *Handbook on the Politics of Public Administration*, edited by Andreas Ladner, and Fritz Sager, 38-49. Cheltenham: Edward Elgar.

De Cruz, Archibald Francis. 2024. State Governance. In: Business Ethics: An Institutional Governance Approach to Ethical Decision Making. Palgrave Macmillan, Singapore, pp. 63-98. https://doi.org/10.1007/978-981-97-5408-3_4.

Demmke, Christoph. 2022. "Civil Service Reform and Ethics." In: *Global Encyclopedia of Public Administration, Public Policy, and Governance*, edited by Ali Farazmand, 1671-1690. Springer, Cham. https://doi.org/10.1007/978-3-030-66252-3_3734.

Falkenhain, Mariella. 2020. Social Protection in Armenia: NGOs and the Underproviding State. In: Weak Institutions and the Governance Dilemma: Gaps as Traps. Palgrave Macmillan, Cham, pp. 159-193. https://doi.org/10.1007/978-3-030-39742-5_6.

Gueorguieva, Petia. 2024. "Ethical Concerns and Politicization of Digital Transformation in Bulgaria." In: *Ethics and Innovation in Public Administration*, edited by Gilles Rouet, Stela Raytcheva, and Thierry Côme, 201-220. Springer, Cham. https://doi.org/10.1007/978-3-031-67900-1_12.

Harutyunyan, Gevorg, Meri Manucharyan, Meri Muradyan, and Hovhannes Asatryan. 2024. "Digital Literacy of the Armenian Society: Assessment and Determinants." *Cogent Social Sciences* 10 (1): 1-17. https://doi.org/10.1080/23311886.2024.2398652.

Hattke, Fabian, and Rick Vogel. 2023. "Theories and Theorizing in Public Administration: A Systematic Review." *Public Administration Review* 83 (6): 1542–1563. https://doi.org/10.1111/puar.13730.

Heeks, Richard. 2002. "Reinventing Government in the Information Age." In: Reinventing Government in the Information Age, 31-43. London: Routledge.

Heifetz, Ronald A. 1994. Leadership without Easy Answers. Cambridge, MA: Harvard University Press.

Heinelt, Hubert, and Björn Egner. 2022. "The Notion of Democracy Among Actors Involved in Local State-Society Relations." In: *Perspectives on Local Governance Across Europe: Insights on Local State-Society Relations*, edited by Björn Egner, Hubert Heinelt, Jakub Lysek, Patricia Silva, and Filipe Teles, 47-62. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-031-15000-5_3.

Hepworth, Noel. 2024. Public Sector Reform, Delegation, and PFM/IC. In: Public Financial Management and Internal Control: The Importance of Managerial Capability for Successful Reform in Developing and Transition Economies. Palgrave Macmillan, Cham, pp. 519-566 https://doi.org/10.1007/978-3-031-35066-5_14.

Holtkamp, Lars, and Benjamin Garske. 2025. New Public Management. In: Verwaltungsreformen: Problemorientierte Einführung in die

Verwaltungswissenschaft. Springer VS, Wiesbaden, pp. 111-130. https://doi.org/10.1007/978-3-658-46641-1_5.

Jeyaraj, Anand, and Amir Zadeh. 2020. "Institutional Isomorphism in Organizational Cybersecurity: A Text Analytics Approach." *Journal of Organizational Computing and Electronic Commerce* 30 (4): 361-380. https://doi.org/10.1080/10919392.2020.1776033.

Kocamaz, Sinem Ünaldılar. 2022. "The EU's Promotion of Good Governance and Democracy in the South Caucasus: Regional Strategies and Domestic Constraints." In: *EU Good Governance Promotion in the Age of Democratic Decline*, edited by Digdem Soyaltin-Colella, 113-132. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-031-05781-6_6.

Lahay, Ryan, and Alana Saulnier. 2024. "Police Information Management and Public Trust." In: *Information Management Capabilities in Public Safety and Security: Challenges, Strategies and Frameworks*, edited by Fraser Moffatt, and Brian Rector, 7-19. Springer, Cham. https://doi.org/10.1007/978-3-031-68146-2_2.

Landa, Karenia, and Jacob A. Greenberg. 2024. "Good Governance." In: *The SAGES Manual of Strategy and Leadership*, edited by Shaneeta M. Johnson, Alia P. Qureshi, Andrew T. Schlussel, David Renton, and Daniel B. Jones, 553-562. Springer, Cham. https://doi.org/10.1007/978-3-031-62359-2_38.

Lannon, Erwan. 2025. "The External Dimension of the EU Public Ethical System: Anti-Corruption in the EU's Enlargement and Neighbourhood Policies." In: *The Law and Governance of the EU Public Ethics System: An Institutional Perspective*, edited by Alberto Alemanno, 293-336. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-031-80372-7_14.

Mugellini, Giulio, Silvia Della Bella, Michele Colagrossi, Gilles L. Isenring, and Martin Killias. 2021. "Public Sector Reforms and Their Impact on the Level of Corruption: A Systematic Review." *Campbell Systematic Reviews* 17 (2): e1173. https://doi.org/10.1002/cl2.1173.

Obukhova, Anna S., Irina G. Ershova, and Elizaveta Yu. Ershova. 2025. "Management of Innovative Development in the Context of Digitalization." In: *Corporate Social Responsibility to the Green Growth of Business and Economy*, edited by Elena G. Popkova, 323-328. Springer, Cham. https://doi.org/10.1007/978-3-031-83041-9_54.

OECD. 2022. Anti-Corruption Reforms in Armenia: Pilot 5th Round of Monitoring Under the OECD Istanbul Anti-Corruption Action Plan. Paris: OECD Publishing. https://doi.org/10.1787/e56cafa9-en.

OECD. 2024. Advancing the Digital Transformation of Armenian Businesses. Paris: OECD Publishing. https://doi.org/10.1787/11515617-en.

Okabe, Yasunobu. 2024. Conclusion: Contributions, Advantages/Disadvantages, Legitimacy, and State-Society Relations. In: State-Managed International Voluntary Service: The Case of Japan Overseas Cooperation Volunteers. Springer, Singapore, pp. 257-269. https://doi.org/10.1007/978-981-97-3615-7_11.

Onofrei, Mihaela, Florin Oprea, and Elena Cigu. 2025. "Reforming Public Administration and Governance Systems in the EU's Eastern Neighbourhood Countries: What Role for European Neighbourhood Policy?." In: *Resilience and the EU's Eastern Neighbourhood Countries: Crisis, Transformations and Policies*,

edited by Gilles Rouet, and Gabriela Carmen Pascariu, 243-267. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-031-73379-6_10.

Paquin, Johanna. 2022. "Institutions and the Informal Economy: Tax Morale of Small Businesses in Armenia and Georgia." In: *Informality, Labour Mobility and Precariousness: Supplementing the State for the Invisible and the Vulnerable*, edited by Abel Polese, 141-175. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-030-82499-0_6.

Pierson, Paul. 2000. "Increasing Returns, Path Dependence, and the Study of Politics." *American Political Science Review* 94 (2): 251-267.

Qi, Jingjing. 2024. "Greening economic sectors through trade liberalization and efficient governance." *Humanities and Social Sciences Communications* 11 (1690): 1-8. https://doi.org/10.1057/s41599-024-04214-8.

Reichborn-Kjennerud, Kristin. 2025. The Origins and Main Tools of New Public Management. In: Sustainable Urban Transitions and New Public Management: The Norwegian Experience. Palgrave Macmillan, Cham, pp. 21-36. https://doi.org/10.1007/978-3-031-82307-7_3.

Robertson, Peter J., and Anahit Melkumyan. 2021. "Career guidance and active labour market policies in the Republic of Armenia." *International Journal for Educational and Vocational Guidance* 21: 309-327. https://doi.org/10.1007/s10775-020-09443-2.

Roos, Michael. 2024. History and Path Dependence. In: Principles of Complexity Economics: Concepts, Methods and Applications. Springer, Cham, pp. 581-645. https://doi.org/10.1007/978-3-031-51436-4_11.

Steiner-Khamsi, Gita. 2025. On the Global/Local Nexus and the Late Adopter/Early Adopter Interaction: The Tempo of Diffusion. In: Time in Education Policy Transfer: The Seven Temporalities of Global School Reform. Palgrave Macmillan, Cham, pp. 185-205. https://doi.org/10.1007/978-3-031-82524-8_5.

Sutyrin, Vyacheslav V. 2022. "The Official Development Assistance Policy of the European Union in the Post-Soviet Space: Geopolitical Factors." *Herald of the Russian Academy of Sciences* 92 (6), S543-S550. https://doi.org/10.1134/S1019331622120097.

UN Armenia. 2025. Digital connectivity leaving no one behind: Thematic Paper. Yerevan. Accessed March 30, 2025. https://armenia.un.org/sites/default/files/2025-02/UN_Armenia_DigitalConnectivity_2025_F.pdf.