

BRIDGING SUSTAINABLE DEVELOPMENT AND GOOD GOVERNANCE ISSUES IN ARMENIA: OBSERVATIONS ON THE INTERRELATIONSHIP OF DOMESTIC AND INTERNATIONAL MEASUREMENTS

NARINE ASRYAN* 
Yerevan State University

Abstract

This article analyzes the challenges of achieving the Sustainable Development Goals and good governance in Armenia, based on international assessments. In this regard, the interdependent nature of sustainable development, economic prosperity, social justice, the environment and other factors and their significant impact on domestic viability and global progress are considered. The article examines the interdependence of good governance mechanisms and sustainable development outcomes, as well as the importance of policy coherence and stakeholder engagement. In this context, Armenia's public administration system needs to strengthen its resilience in order to effectively achieve its sustainable development goals. In this context, the relevance of the study stems from the growing importance of the interconnectedness between sustainable development mechanisms and good governance in Armenia. It involves a comparative analysis of the interdependence between the internal and external dimensions of environmental, economic, climatic, and social factors as they shape governance processes within Armenia's local, national, and international agendas. Beyond the integration of environmental and social development issues into the vast majority of the Armenian government's policy documents, sustainable development has become a feature of key sectors, including construction, the energy industry, manufacturing, and the financial sector. Sustainable development extends beyond the realms of scientific and technical innovation and the political-strategic discourse within Armenian society.

Keywords: *good governance, sustainable development goals, governance indicators, stakeholder participation, institutional reforms.*

Introduction

The sustainable development with its triple bottom line of economic prosperity, social equity and environmental integrity, needs strong governance structures to foster its realization. Good governance key principles, like transparency, accountability,

* Narine Asryan is a PhD in Political Science of Chair of Public Administration of the Faculty of International Relations at Yerevan State University. Email: narine.asryan@ysu.am. Orcid: <https://orcid.org/0000-0003-0589-8174>.



participation, and the rule of law, serve as drivers for achieving sustainable development goals (SDGs). This study explores the close relationship between sustainable development and good governance, acknowledging their interdependent nature and significant impact on global progress. It investigates how good governance enhances sustainable development outcomes in different fields and at various levels. Moreover, it examines the challenges and prospects of aligning SDGs with governance frameworks, emphasizing the importance of policy coherence and stakeholder engagement.

This paper investigates the dynamic interplay between sustainable development and good governance, using insights from global practices but situating them in specific Armenian realities. With its multidimensional goals of economic progress, social equity, and environmental protection, sustainable development requires robust government systems that can address complex challenges and foster inclusive growth. Furthermore, the study examines the challenges and opportunities encountered in integrating sustainable development imperatives with governance frameworks in Armenia, taking into account socio-political dynamics and institutional capacities. Drawing from worldwide experiences, the paper offers insights into how Armenia can strengthen its governance systems to advance sustainable development goals effectively. Additionally, it emphasizes the importance of policy coherence and institutional reforms in realizing Armenia's sustainable development aspirations. Ultimately, the findings underscore the significance of aligning governance practices with SDGs to foster inclusive, resilient, and equitable socio-economic progress in Armenia and beyond.

Theoretical Foundations of Sustainable Development and Good Governance

Continuity of global socio-economic development, based on rationalistic and utilitarian perceptions, has led to a serious regression of the natural, social and even spiritual environments of the global community. The serious environmental problems of the late 20th and early 21st centuries, climate change, biodiversity loss, socio-economic and gender inequality are just a few of the systemic crises and challenges faced by all of humanity, especially Generation Z of the 2000s, and couldn't remain indifferent to them: all this has led to the need to review and rethink the world's global view of development and sustainability as guarantees to create a better future and environment for the world (Wright et al. 2025).

Humanity has the capacity to make development sustainable, and in this sense it does not imply a certain static phenomenon: sustainable development is a multidimensional process and shouldn't focus on meeting short-term needs and demands, but on creating long-term perspectives and sustainable solutions of global interest. Moreover, as stated in the 1987 Brundtland Report, where we can say that the official definition of the term "sustainable development" was given for the first time, sustainable development is the form of development that meets the needs of the present without compromising the ability of future generations to meet their own needs (UN Secretary-General, and World Commission on Environment and Development 1987).

Sustainable Development: Concept and Evolution

Discussions about the relationship between the terms “sustainable development” and “good governance” and their conceptual approaches belong to the not-so-recent past: despite this, humanity has not yet arrived at the formation of a single, scientifically based development strategy. The main question is whether good governance leads to ensuring the functioning of all three components of sustainable development: economic, social and environmental, or whether global challenges and the concept of sustainable development aimed at overcoming them pose a challenge to states to modernize their governance systems and implement institutional and operational reforms.

The concept of sustainable development has come a long way, starting from the 1972 UN conference in Stockholm and the establishment of the United Nations Development Program (UNDP) to the 1992 Rio de Janeiro “Declaration on Environment and Development” (Rio Declaration) and the adoption of the “21st Century Agenda” (United Nations 1992), then in 2000 the New York Millennium Report, the 2012 “Rio+20” Summit and, as a result, the adoption of 17 Sustainable Development Goals to be achieved by 2015 (Kaur, Verma, Kumra et al. 2026). In 2015, UN member states started the negotiation process on what sustainable development should look like beyond 2015: the result of which was the adoption of the UN 2030 “Sustainable Development Agenda” and the definition of 169 unique targets and around 232 evaluation indicators (Kaur, Verma, Kumra et al. 2026; Khan, Ashiq, Qadri et al. 2025).

Defining Good Governance: International Perspectives

It is worth discussing the definitions put forward for the term “good governance” by some of the internationally authoritative organizations. Thus, the UNDP defines good governance as a process in which institutions of public authority operate in a transparent, accountable, fair manner, best responding to people’s needs (United Nations ESCAP 2009; UNDP 2011; United Nations 2015).

In 1992, the World Bank defined “good governance” in its “Governance and Development” report as an essential complement to sound economic policy, central to creating and maintaining an environment that fosters strong and equitable development; this mode of governance implies public sector management capacity and efficiency, transparency and accountability (Ginther and de Waart 1995; Best 2014).

The Organization for Economic Co-operation and Development (OECD) views good governance as the process by which public institutions carry out public affairs, manage public resources and guarantee the realization of human rights (Agere 2000).

As it becomes clear from the above definitions, good governance is associated with justice, transparency, accountability and development: it is at the point of implementation of these principles that the concept of good governance intersects with sustainable development in its ideological sense (Onofrei, Oprea and Cigu. 2025).

The Interrelationship between Sustainable Development and Good Governance

The relationship between good governance and sustainable development is dynamic and interdependent. Good governance provides the necessary structures and processes to support sustainable development, while sustainable development influences and refines governance practices. By promoting transparency, accountability and inclusive participation, good governance can guide efforts towards a sustainable future, ensuring that economic growth, social equity and environmental protection coexist (Hamzah, Sulaiman and Ismail 2026; Luykx and Burchi 2025).

The concept of sustainable development is a new model of civilizational development, which stems from the need to achieve a balance between the economic, social and environmental components of society. On the other hand, the term “governance” refers to the exercise of administrative and political leadership at all levels of state power. It includes mechanisms, institutions and processes with the help of which citizens of a given state express their interests, exercise their legal rights, fulfill their obligations and regulate problematic situations. In this context, it is necessary to specifically refer to democratic governance as the possibility of creating a flexible, inclusive and responsive political environment (Mišić, van Est and Kool 2025).

There is no doubt that establishing a proper relationship between good governance and sustainable development will lead to the creation of a more prosperous, just and secure living environment for states and societies and will help demonstrate a systematic, equitable and practical approach to achieving the goals of sustainability. Thus, good governance creates the frameworks and mechanisms necessary to achieve the SDGs, while the SDGs can in turn promote and shape the principles of good governance. In other words, it can be assumed that the relationship between good governance and sustainable development is integrative, taking into account the interdependence of economic, social and environmental factors and the need for effective institutions and formal procedures to ensure the latter (El-Sheikh, El-Kholei and El-Buhairi 2026).

Key Principles of Good Governance for Sustainable Development and the Reciprocal Influence of Sustainability on Governance Practices

What basis does good governance provide for implementing the fundamental principles of the concept of sustainable development, and what does it mean to promote good governance for sustainable development? Much discussion of good governance has focused on the question of what makes institutions more workable and purposeful in achieving fairness, transparency, participation, responsiveness, accountability and the rule of law (Kotai and Soni 2026; Aleksanyan and Aleksanyan 2024).

Transparency and accountability. Good governance emphasizes transparency and accountability, ensuring efficient and responsible consumption of public resources. On the other hand, transparency contributes to the formation of an atmosphere of trust within society.

Rule of law. The rule of law ensures the fair and consistent implementation of public policy. A fair legal framework supports sustainable development by providing a

stable environment for long-term investment in areas such as infrastructure, education, and environmental protection.

Participation. Good governance involves the participation of various stakeholders, including the state, the business community, the non-profit (third) sector and civil society. Involving this range of stakeholders in decision-making processes ensures that public policies reflect diverse perspectives and needs, leading to more inclusive and sustainable outcomes.

Responsiveness. Good governance is characterized by responsiveness to the needs and concerns of the population. By being adaptive and resilient, governments can address emerging challenges to sustainable development, such as climate change, resource depletion and social inequalities.

Strategic vision and planning. Long-term planning and strategic vision are integral to good governance. This foresight allows states to develop policies that are consistent with the SDGs such as reducing carbon emissions, promoting renewable energy, and ensuring equitable access to resources.

From the points listed, it can be concluded that the collaboration of sustainable development and good governance forms a solid framework of relationships that promises a balanced, inclusive and prosperous future for all stakeholders. All stakeholders have a key role in shaping the sustainability agenda, bringing cutting-edge perspectives, innovative and creative ideas and a deep commitment to the idea of sustainability.

How does sustainable development shape governance practices in turn?

Environmental protection. Sustainable development emphasizes the need to conserve natural resources. This trend is forcing states and their governance systems to adopt environmental regulations, promote sustainable resource consumption practices, and invest in green technologies.

Social equality. A main principle of sustainable development is social integration and justice. Governance structures that prioritize social justice and equal opportunities contribute to the reduction of developmental disparities and the development of a more cohesive society, which is essential for sustainable development.

Economic stability and vitality. Sustainable development seeks to create economic systems that are resilient and capable of sustaining long-term prosperity. Good governance supports this by ensuring well-designed economic policies and promoting innovation and entrepreneurship.

Integration of policies. Sustainable development requires the integration of economic, social and environmental policies. Good governance facilitates this integration by promoting cross-sectoral coordination and aligning policies between different levels of government.

Global cooperation. Solving global challenges such as climate change, biodiversity loss, poverty and social justice issues requires international cooperation. Good governance in this sense helps interpret international frameworks and agreements aimed at addressing global challenges. Good governance at the global level involves pooling efforts and cooperation, adherence to international agreements, sharing best practices and demonstrating a single, integrated approach to sustainable development,

all of which are essential to achieving the Sustainable Development Goals (Al Azizah and Haron 2025).

Multi-Stakeholder Approach to Sustainable Development

Good governance towards ensuring sustainable development is a process aimed at achieving a certain level of inclusive and fair socio-economic development, environmental sustainability, peace and security. On the other hand, governmental relationships in the modern world are becoming more complex and multi-faceted. If in the past states were able to make decisions without taking into account the foreign political agenda, now all stakeholders cannot remain unconnected to the mentioned process: local, national, regional and supranational structures, the business community, the non-profit sector, etc.

Thus, supranational structures, in the form of international organizations, have the role of initiator and supervisor in these processes. They must be able to monitor the progress being made towards ensuring the basic principles of sustainable development through good governance. As for local, national and regional authorities, they are required to implement the initiatives of international organizations, making the idea of sustainable development accessible to society. In real interaction with society, they can ensure the rule of law, create and deliver public goods, and generally implement transnational policies for sustainable development at the local and national levels.

As for the business community, it should be noted that it should occupy a leading role in the transition to sustainable development. Business corporations not only possess a huge amount of resources (financial, informational, human, etc.) and are considered major actors, but also play an important role in the development of the international financial and economic system, the establishment of the global economic world order, and technological progress.

Moreover, the role of the business sector is not limited to the above: currently, the practice of public-private partnership is being successfully implemented all over the world, and in this context it can be considered one of the most important directions of sustainable development. In conditions of free competition and state regulation of the economy, the state feels the need for the support of the private sector more than ever in implementing a number of policy programs. Thus, the public-private partnership model can be considered a mechanism for involving the private sector in the process of providing public services, as well as a tool for state regulation of the economy, ensuring the encouragement of initiative and innovation and attracting investments in infrastructure and social sectors.

Turning to the other important non-state, non-profit sector of actors, it should be noted that they play a so-called “catalyst” role, overcoming the boundaries of national legislation and drawing the attention of the modern multipolar world and the global community to current challenges, the importance of global cooperation, and, as a result, the need to develop a single formula for ensuring sustainable development (Bedoya et al. 2025; Post and Melis 1978).

Finally, it is necessary to address the role of civil society: it must hold the state and the business sector accountable, mobilize local communities and support the development of social entrepreneurship. This range of stakeholders also includes think

tanks, research institutes and the expert community, which must take on the role of innovators and initiators in ensuring sustainable development.

Good governance plays a crucial role in shaping and implementing the sustainability agenda. Through laws, regulations, procedures, and other policy instruments, governments can promote sustainable practices and behaviors, as well as encourage private and non-public sector investment to ensure the development of sustainable technologies and infrastructure.

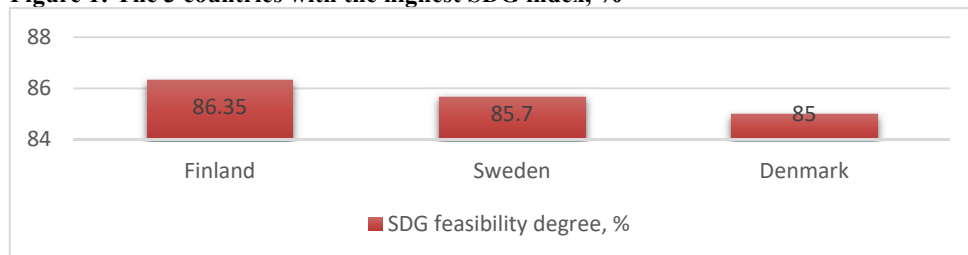
As a result of all this, as well as scientific and technical progress and the information and communication revolution, good governance in relation to sustainable development is gradually becoming more transparent, accountable and controllable, also implemented with the help of such mechanisms as public-private partnership, international cooperative relations, and the institution of corporate social responsibility.

Thus, all the above-mentioned actors must interact, forming an effective and multifaceted partnership model, transferring the leadership role in the model's implementation to each other as needed. The interconnectedness of the issues and the demonstration of a coordinated approach to them by all actors, and the increase in the participation of civil society and other interested parties, are especially important here. In other words, sustainable development can be achieved only thanks to a multipolar approach, in which international structures, state institutions, and business-sector policies each play a part (a vivid example of the latter is the application of the ESG (Environmental, Social, Governance) approach, combining environmental protection, social problems and governance issues) (Khamisu, Paluri and Sonwaney 2024; Corporate Governance Center Armenia 2021).

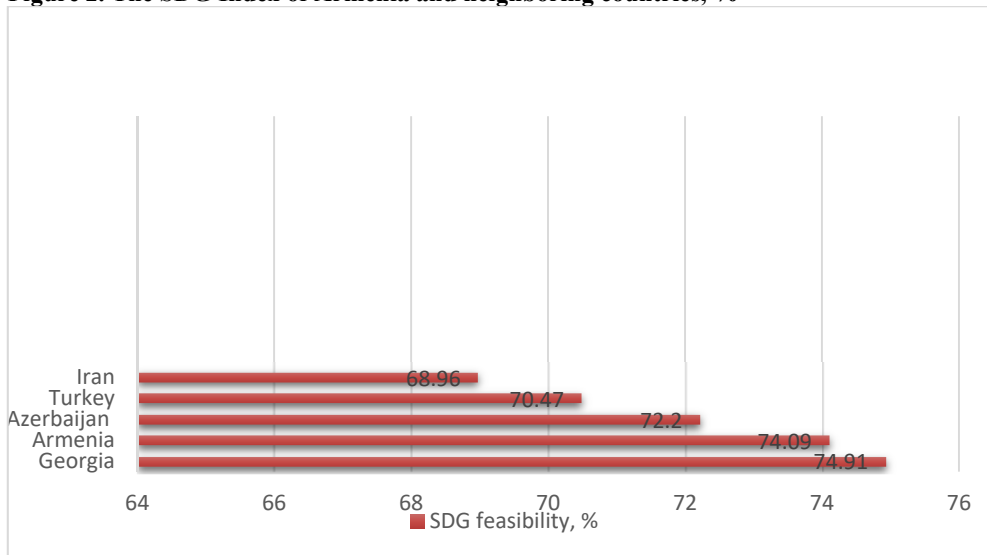
Measuring Sustainable Development and Good Governance

Referring to the issue of quantitative assessment of sustainable development, the effectiveness of actions aimed at the implementation of the SDGs is clearly visible in the 2024 UN Sustainable Development Report, which is evaluated by the SDG Index (Sachs et al. 2024, 20-22). The high point of measurement is 100 percent, which indicates that all SDGs have been achieved. According to the report, Finland, Sweden and Denmark occupy the first three places, with the degree of realization of the SDGs distributed as shown below.

Figure 1. The 3 countries with the highest SDG index, %



Referring to the 2024 SDG Index of Armenia's neighboring countries, we get the following:

Figure 2. The SDG Index of Armenia and neighboring countries, %

As Figure 2 shows, Georgia has the best indicator in the region. As for the places occupied by Armenia and neighboring countries in the ranking, Georgia ranks 43rd, Armenia ranks 49th, Azerbaijan ranks 63rd, Turkey ranks 72nd, and Iran ranks 86th. If we consider the SDG Index of post-Soviet countries in 2024, along with each country's place in the ranking, we obtain the results shown in Table 1.

Table 1. The SDG Index of post-Soviet countries, %

The state	SDG Index, %	Ranking
Armenia	74.09	49
Georgia	74.91	43
Azerbaijan	72.20	63
Russian Federation	73.10	56
Ukraine	74.81	44
Belarus	78.60	30
Moldova	78.81	27
Lithuania	78.10	31
Latvia	80.99	13
Estonia	80.46	15
Kazakhstan	71.11	66
Turkmenistan	67.13	94
Tajikistan	68.04	89
Uzbekistan	69.24	81
Kyrgyz Republic	74.19	48

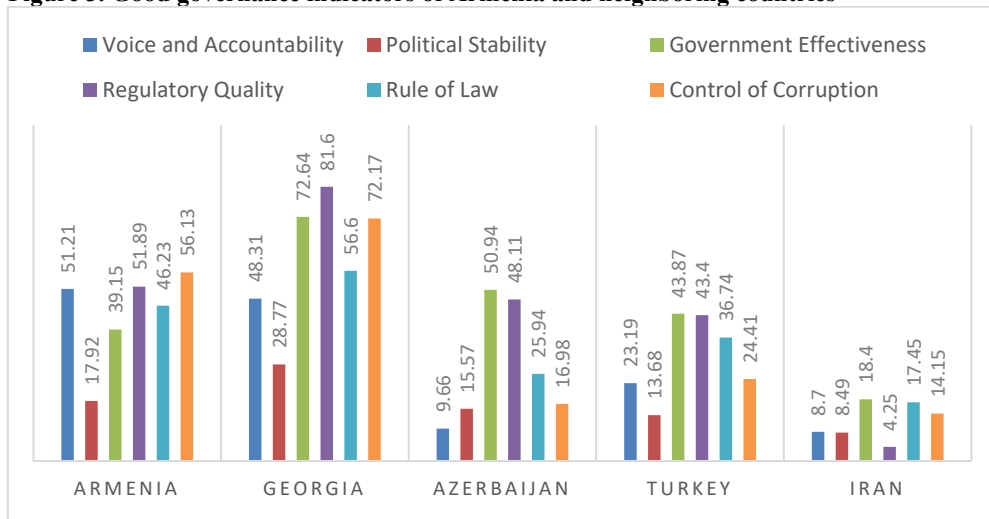
Source: Sachs et al. 2024.

It can be seen from the table that the highest values of the SDG Index belong to the Baltic countries, and the lowest to the countries of Central Asia.

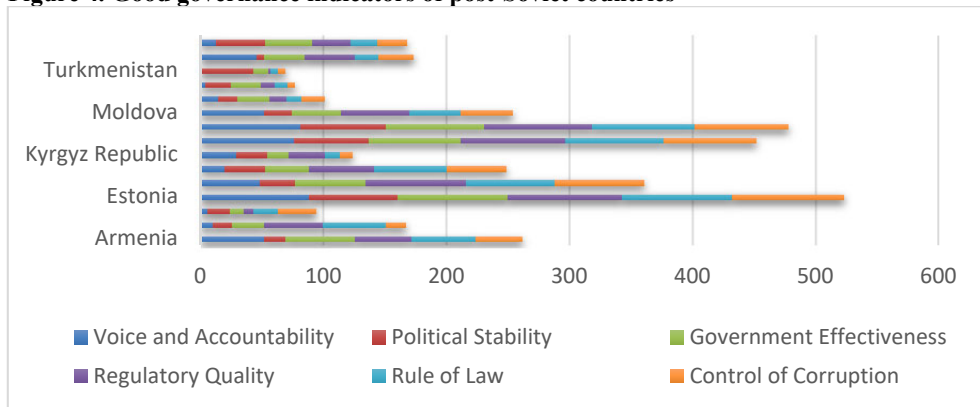
Assessment of Good Governance Indicators

The Worldwide Governance Indicators (WGI) best reflect the relationship between the concepts of “sustainable development” and “effective governance.” Effective governance plays a pivotal role in development (World Bank 2023), helping countries improve economic performance, build human capital, and strengthen social cohesion. The WGI metrics are designed to help assess general perceptions regarding the quality of governance across different countries. Let us examine the governance quality indicators for Armenia and its neighboring countries using Figures 3 and 4.

Figure 3. Good governance indicators of Armenia and neighboring countries



As Figure 3 shows, in terms of most WGI indicators of good governance, Georgia is the regional leader, while the lowest indicators were recorded for Iran. In the case of Armenia, the lowest WGI indicator is political stability. It is also possible to observe the characteristics of good governance indicators for the countries of the post-Soviet area (data as of 2022, the most recent year available at the time of writing) (World Bank 2023).

Figure 4. Good governance indicators of post-Soviet countries

As Figure 4 shows, Estonia is in the leading position among post-Soviet countries across all indicators of good governance, and, in the case of that state, all indicators are almost equally represented. Ukraine has the lowest value of political stability, due to the Russian-Ukrainian war that started in February 2022. The indicators of Belarus, and of the Central Asian countries generally, are also low. If we try to draw parallels between the SDG Index and the WGI, we find that their values are almost proportional, which points to the close mutual connection between sustainable development and good governance.

Global Governance Framework for Sustainable Development

Based on the 2000 UN Millennium Declaration, an applied framework of global governance was outlined, with the following components: peace/security, democracy/rule of law, human rights/participation, and sustainable development/human development. Table 2 presents this framework in more detail (Lewis 2006).

Table 2. Indicators and factors constituting the World Governance Index

Indicator	Sub-indicator	Index
Peace / Security	National Security	Conflicts; Refugees / Asylum Seekers; Displaced Persons
	Public Security	Political climate; Degree of trust; Violent crime; Homicides / inhabitants
Democracy / Rule of Law	Body of Laws	Ratification of International Treaties; Protection of Property Rights
	Legal System	Independence; Effectiveness; Settlement of Contractual Disputes
	Corruption	Corruption Perceptions Index
Human Rights / Participation	Civil and Political Rights	Respect of Civil Rights; Respect of Physical Integrity Rights; Freedom of the Press; Violence against the Press

Indicator	Sub-indicator	Index
Sustainable Development	Participation	Participation in Political Life; Electoral Process and Pluralism; Political Culture
	Discrimination / Gender Inequalities	Women's Political Rights; Women's Social Rights; Women's Economic Rights; Female Parliamentary Rate
	Economic System	GDP per capita; GDP Growth Rate; Inflation Rate; Ease in starting a business
	Social Dimension	Poverty Rate / Inequalities (Gini Coefficient); Unemployment Rate; Ratification of International Labor Law Treaties
	Environmental Dimension	Environmental Sustainability; Environmental Performance Index
Human Development	Development	Human Development
	Well-being / Happiness	Subjective Well-being

Source: Adapted from Lewis 2006.

Sustainable Development and Governance Reforms in Armenia

The framework presented in Table 2 is not merely a classificatory instrument; it constitutes an analytical lens through which the governance performance of individual states can be systematically situated within the broader architecture of sustainable development. By mapping the intersections between peace and security, democratic accountability, human rights, and socio-economic development, the World Governance Index captures the multidimensional nature of the governance-sustainability nexus in a manner that neither the SDG Index nor the WGI alone is capable of expressing. Critically, the framework makes explicit what much of the theoretical literature implies: that sustainable development outcomes are not produced by isolated policy interventions, but by the cumulative functioning of interlocking institutional systems across legal, political, economic, and social dimensions.

It is precisely through this integrated lens that the case of Armenia warrants close examination. As the preceding comparative data demonstrate, Armenia occupies a mid-tier position in both the SDG Index and the WGI rankings — a positioning that reflects neither the institutional stagnation characteristic of Central Asian post-Soviet states nor the consolidated governance maturity of the Baltic republics. Rather, Armenia's indicators suggest a transitional governance profile: one in which meaningful reform momentum coexists with persistent structural vulnerabilities, and in which the gap between stated developmental commitments and measurable institutional outcomes remains a defining policy challenge. Understanding how Armenia has sought to close this gap — and where the most significant constraints remain — requires a chronological examination of the country's institutional engagement with the Sustainable Development Goals over the past decade.

If we present in chronological order the actions taken during the last decade towards the implementation of the concept of sustainable development in Armenia, we obtain the following:

1. 2015: Signing of the United Nations Development Assistance Program (UNDP).
2. March 9, 2015: On the basis of the RA Prime Minister's decision, the National Development Council was created.
3. From 2016: the start of the process of SDG localization, and, in February 2017, the creation of an interdepartmental working group to ensure the process of nationalizing the SDGs.
4. March 7, 2017: The inaugural session of the interdepartmental working group was held. As a result, sectoral subgroups were formed: social, economic, ecological, legal and democratic.
5. 2017: the Armenia National SDG Innovation Lab was established as a joint initiative of the Government of Armenia and the United Nations.
6. July 2018: the new government of RA announced the “Sustainable Development Agenda 2030” and presented its first Voluntary National Review at the UN High-Level Policy Forum on the Agenda and SDG Implementation.
7. April 22, 2020: by decision of the RA Prime Minister, the RA SDG Council was established, revoking the RA Prime Minister’s decision of March 9, 2015.
8. July 2020: the UN published the 2020 SDG Voluntary National Assessment Report of Armenia.
9. 2021: adoption of the “UN Sustainable Development Partnership for Armenia 2021-2025” framework document, and the creation of the Armenia National SDG Innovation Lab, which aims to spread the culture of innovation and experimentation for the sake of sustainable development. It is a joint initiative of the Government of the RA and the United Nations, supported by the United Nations Development Program in the RA. The SDG Innovation Lab aims to identify the development potential of Armenia and accelerate the implementation of “Agenda 2030” (Sustainable Development Goals Lab Armenia 2025).

Already for the 2021–2025 period, in the field of RA state policy, three main priorities have been identified for ensuring and improving the sustainable development of RA: (1) prosperity and capabilities; (2) green, sustainable and inclusive economic development; and (3) responsible and good governance.

Armenia is committed to the implementation of the goals set by "Agenda 2030," and the RA government is making efforts to include the SDGs in RA's sectoral reforms, as well as in nationalization and localization strategies and policy documents. Moreover, the 2014–2025 plan, developed earlier, is currently being implemented. In the perspective development strategic plan, four main priorities were put forward — expansion of employment, development of human capital, improvement of the social protection system, and institutional modernization of the governance system — none of which can be implemented without an understanding and application of the conceptual foundations of good governance and sustainable development.

Thus, the achievement of sustainable development goals requires the joint efforts and concerted actions of all stakeholders: the state and the administrative-political

system, NGOs and civil society, the private sector, local governments and the international community. On the other hand, in order to overcome the obstacles on the way to achieving the goals of sustainable development, gather the necessary resources, and implement policies that promote sustainable development in Armenia and beyond, it is also necessary to have a favorable legal, political and institutional environment, with the help of which — using the dynamic and transformative potential of sustainable development — it will be possible to pave the way to a more vibrant, just and prosperous future for all.

Armenia's SDG Agenda in the Shadow of Post-War Realities: Governance Dimensions of a Fragile Transition

The examination of Armenia's sustainable development trajectory cannot be fully contextualized without a rigorous analysis of the post-war conditions that have fundamentally restructured the country's governance environment and policy priorities. The 44-day Nagorno-Karabakh war of 2020, culminating in the Trilateral Statement of November 9–10, 2020, and the subsequent complete displacement of the ethnic Armenian population from Nagorno-Karabakh following the September 2023 military operation, have introduced a set of acute governance challenges that directly intersect with Armenia's commitments under the 2030 Agenda for Sustainable Development (Trilateral Statement on Nagorno-Karabakh 2020; International Crisis Group 2021). These events must be understood not as peripheral disruptions but as structurally transformative variables that bear directly on the country's institutional capacity, social cohesion, and long-term development sustainability.

The forced displacement of over 100,000 ethnic Armenians from Nagorno-Karabakh in September 2023 constitutes one of the most significant humanitarian and governance crises in Armenia's post-independence history (PACE 2023; UNHCR 2023; Human Rights Watch 2023). From the standpoint of SDG implementation, this demographic shock has placed simultaneous and compounding pressure on at least six of the seventeen Sustainable Development Goals, most critically: SDG 1 (No Poverty), SDG 3 (Good Health and Well-Being), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 16 (Peace, Justice and Strong Institutions), and SDG 17 (Partnerships for the Goals). The state's capacity to absorb and integrate a displaced population of this magnitude within a short timeframe, while simultaneously maintaining macroeconomic stability and pursuing structural governance reforms, represents an extraordinary test of institutional resilience and adaptive governance capacity.

The post-war context has profoundly affected Armenia's WGI profile, most visibly in the dimension of political stability and absence of violence — consistently the lowest-scoring governance indicator for Armenia in the WGI framework (World Bank 2023; Kaufmann, Kraay, and Mastruzzi 2010). The persistence of unresolved border tensions, the reorientation of Armenia's security architecture, and the domestic political polarization generated by the outcomes of the 2020 and 2023 military episodes have created a governance environment in which long-term planning horizons are compressed, institutional attention is diverted from development to security imperatives, and public trust in state institutions remains fragile. These conditions

constitute structural barriers to the realization of the coherent, forward-looking governance posture that effective SDG implementation requires.

From a fiscal governance perspective, the heightened defense spending necessitated by post-war security realities has constrained the budgetary space available for social investment, environmental programming, and institutional capacity-building — all of which are critical enablers of SDG attainment (SIPRI 2024; International Monetary Fund 2023). According to available data, Armenia's defense expenditure as a share of GDP has increased substantially in the post-2020 period, generating trade-offs between security imperatives and developmental spending that present a genuine governance dilemma. The challenge for Armenian public administration is therefore not merely technical but fundamentally political: how to maintain the credibility of the country's SDG commitments under conditions of acute resource scarcity and security pressure, without allowing the sustainability agenda to be displaced by short-term crisis management imperatives.

At the same time, the post-war period has paradoxically generated certain governance opportunities that, if strategically leveraged, could contribute positively to Armenia's sustainable development trajectory. The reorientation of Armenia's foreign policy and partnership framework — most notably, the deepening of engagement with the European Union, including the ongoing discussions on a new partnership agreement and the visa liberalization dialogue — opens channels for enhanced institutional capacity-building, rule-of-law strengthening, and alignment with European governance standards (Martines and Velluti 2026; Juška 2024; The Council of the EU and the European Council 2026; Council of Europe 2023). The EU's conditionality-based partnership model, anchored in principles of democratic governance, transparency, and the rule of law, offers a structured external incentive mechanism that can reinforce Armenia's domestic reform agenda and provide benchmarks coherent with SDG frameworks.

Furthermore, the experience of managing the 2023 forced displacement crisis has, in practice, generated an unprecedented mobilization of civil society, diaspora networks, international humanitarian organizations, and local governmental structures. This multi-stakeholder response — however improvised and resource-strained — embodies in operational terms the very multi-actor governance model that SDG implementation theory prescribes. The challenge for Armenia's governance system is to institutionalize and systematize the coordination mechanisms that emerged from this crisis into durable structures of participatory governance capable of contributing to broader sustainable development objectives. In this sense, the humanitarian crisis of 2023 may serve as a governance laboratory, providing evidence-based lessons for more inclusive, adaptive, and resilient institutional design.

In analytical terms, Armenia's post-war situation exemplifies a category of governance challenge that the standard SDG monitoring framework is insufficiently equipped to capture: the compounded vulnerability of a state pursuing sustainable development under conditions of unresolved territorial conflict, mass displacement, and active geopolitical restructuring. The SDG Index, as currently constituted, does not incorporate composite indicators sensitive to post-conflict or security-transition contexts, which means that Armenia's SDG ranking of 49th globally (2024 SDG Index)

may simultaneously overstate certain structural achievements while understating the depth of governance fragility introduced by post-war conditions (Sachs et al. 2024, 22; Kotai and Soni 2026; Nilsson, Griggs, and Visbeck 2016). This observation points to a methodological gap in the international measurement of sustainable development that merits attention from the academic and policy communities concerned with transitional and conflict-affected states.

In conclusion of this subsection, it must be argued that Armenia's path toward the 2030 Agenda cannot be charted in abstraction from its post-war geopolitical and humanitarian realities. The advancement of SDG targets in the Armenian context demands a governance approach that is simultaneously reformist and resilient: capable of prosecuting long-term structural reforms while absorbing acute security and demographic shocks. This dual imperative — reform and resilience — should constitute the organizing framework for Armenia's national sustainable development strategy in the years ahead, and should be recognized as a defining characteristic of governance in post-conflict transitional states more broadly.

Conclusion and Discussion

The study provides empirical and theoretical grounds for asserting that sustainable development and good governance constitute two structurally interdependent variables within the broader paradigm of national development. The evidence examined throughout this article confirms the hypothesis that governance quality functions as both a determinant and an outcome of sustainable development trajectories, rendering their relationship inherently recursive rather than unidirectional.

The cross-national comparative analysis, grounded in internationally recognized measurement frameworks — including the WGI, the SDG Index, and complementary institutional performance metrics — reveals a statistically consistent pattern: states exhibiting higher scores in institutional effectiveness, rule of law, accountability, and political stability demonstrate measurably superior progress across the three pillars of sustainable development: economic, social, and environmental. The governance experiences of Nordic countries and Baltic post-Soviet states serve as instructive reference cases, illustrating how the consolidation of democratic institutions, policy coherence mechanisms, and participatory governance structures correlates with accelerated SDG attainment.

The case of Armenia occupies a position of particular analytical interest within this comparative framework. The findings indicate that Armenia has undertaken substantive institutional reforms over the past decade, including the formalization of SDG localization processes, the establishment of dedicated coordination bodies, and the elaboration of national strategies aligned with Agenda 2030. These developments signal a meaningful convergence between domestic policy priorities and international normative commitments. However, a critical reading of the available composite indicators reveals persistent structural deficits in areas including political stability, inter-institutional coordination capacity, and the depth of civil society integration into formal decision-making processes — deficits that constitute binding constraints on Armenia's sustainable development trajectory.

The study further identifies the multi-stakeholder governance model as a necessary, rather than optional, feature of effective sustainable development implementation. The complexity and systemic nature of contemporary development challenges — including climate change mitigation and adaptation, digital transformation, demographic restructuring, and compounding socio-economic inequalities — exceed the functional capacity of any single institutional actor. Consequently, the consolidation of public-private partnerships, the institutionalization of civil society consultation mechanisms, and the strengthening of subnational governance structures emerge as operationally critical dimensions of a coherent national development strategy. Of equal significance is the finding that governance systems must undergo structural adaptation in response to an evolving global risk environment. Evidence-based policymaking, the integration of digital governance instruments, and the development of strategic foresight capacities are identified as emerging functional requirements for governance systems operating under conditions of heightened uncertainty and systemic complexity.

In sum, this study concludes that Armenia's progress toward the Sustainable Development Goals is functionally contingent upon the sustained improvement of governance quality across its key institutional dimensions. The empirical and theoretical evidence presented herein supports the position that sustainable development and good governance should be operationalized not as discrete policy domains but as co-constitutive pillars of a unified long-term development strategy. Advancing this integrated framework requires continued investment in democratic institution-building, transparency mechanisms, stakeholder engagement architecture, and adaptive public administration capacities. Future research will examine the causal weight of specific governance variables — particularly digital governance adoption and public sector innovation — on SDG implementation outcomes in Armenia and analogous transitional state contexts.

Acknowledgments

The author would like to thank the anonymous reviewers for their insightful comments and critiques.

Ethics Statement

The author confirms that this study was conducted in accordance with the Journal's Research Ethics and Integrity Statement and that all ethical requirements applicable to the study have been fulfilled.

Conflict of Interest Statement

The author declares no conflict of interest.

References

- Agere, Sam. 2000. Promoting Good Governance. Commonwealth Secretariat. London: Commonwealth Secretariat. <https://doi.org/10.14217/9781848597129-en>.
- Al Azizah, Ummu Salma, and Razali Haron. 2025. "The sustainability imperative: evaluating the effect of ESG on corporate financial performance before and after the pandemic." *Discover Sustainability* 6, 529. <https://doi.org/10.1007/s43621-025-01401-8>.

- Aleksanyan, Ashot, and Arusyak Aleksanyan. 2024. "Resilience of Civiarchic Democracy in the Face of Challenges and Gaps in European Integration: The Political Dimension of the Index of Civiarchy." *Journal of Political Science: Bulletin of Yerevan University* 3 (3(9): 97-138. <https://doi.org/10.46991/JOPS/2024.3.9.097>.
- Best, Jacqueline. 2014. "New Governance Strategies." In: *Governing Failure: Provisional Expertise and the Transformation of Global Development Finance*. Cambridge University Press, pp. 89-186. <https://doi.org/10.1017/CBO9781139542739>.
- Corporate Governance Center Armenia 2025. Projects. Accessed July 3, 2025. <https://corpgov.am/en/>.
- Council of Europe. 2023. Council of Europe Action Plan for Armenia 2023-2026. Strasbourg: Council of Europe. Accessed July 3, 2025. <https://www.coe.int/en/web/programmes/armenia>.
- El-Sheikh, Gehad, Ahmed O. El-Kholei, and Almoataz Bellah El-Buhairi. 2026. "Good governance drives human-centric smart cities toward resilience and equity." *Discover Cities* 3, article number 7. <https://doi.org/10.1007/s44327-026-00190-7>.
- Ginther, Konrad, and Paul J. L. M. de Waart. 1995. "Introduction: Sustainable development as a matter of good governance: An introductory view." In: *Sustainable Development and Good Governance*. Leiden, The Netherlands: Brill, pp. 1-14. https://doi.org/10.1163/9789004637788_005.
- Hamzah, Zalfa Laili, Noor Adwa Sulaiman, and Maria Mohd Ismail. 2026. "Reasons for Non-Compliance of Good Corporate Governance." In: *Concepts of Corporate Governance and Public Governance*. Springer, Singapore, pp. 145-153. https://doi.org/10.1007/978-981-95-2449-5_7.
- Human Rights Watch. 2023. "We Had No Choice": Forced Displacement in Nagorno-Karabakh. New York: Human Rights Watch. Accessed July 3, 2025. <https://www.hrw.org/report/2023/10/05/we-had-no-choice/ethnic-armenians-nagorno-karabakh>.
- International Crisis Group. 2021. Nagorno-Karabakh: Risks of a New War. Brussels: International Crisis Group. Accessed July 3, 2025. <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-azerbaijan/nagorno-karabakh-risks-new-war>.
- International Monetary Fund. 2023. Republic of Armenia: 2023 Article IV Consultation and Second Review Under the Stand-By Arrangement and Request for Modifications of Performance Criteria and Monetary Policy Consultation Clause—Press Release; Staff Report; and Statement by the Executive Director. IMF Staff Country Reports 2023 (416). Washington, DC: International Monetary Fund. <https://doi.org/10.5089/9798400262418.002>.
- Juška, Žygimantas. 2024. "The Soft Power of the European Union in Four Regions. In: *Soft Power of the European Union: Mastering the Language of Power Politics*. Springer, Cham, pp. 69-163. https://doi.org/10.1007/978-3-031-56384-3_4.
- Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. 2010. "The Worldwide Governance Indicators: Methodology and Analytical Issues." Policy Research Working Paper 5430. Washington, DC: World Bank. <https://doi.org/10.1596/1813-9450-5430>.

- Kaur, Navdeep, Aastha Verma, Rajeev Kumra, and Wamika Sharma. 2026. "Advancing sustainable entrepreneurship to achieve sustainable development goals (SDGs): current trends and future directions." *Management Review Quarterly*: 1923-1989. <https://doi.org/10.1007/s11301-025-00520-w>
- Khan, Amjid, Bushra Ashiq, Tauqeer Ahmed Qadri et al. 2025. "Nanotechnology Solutions For Advancing Sustainable Development Goals (SDGs): Integrating Nanomaterials For Global Sustainability." *BioNanoScience* 15, 590. <https://doi.org/10.1007/s12668-025-02214-9>.
- Kotai, Hemanshi K., and Rashmi Soni. 2026. "From Governance to Sustainability: Bridging Corporate Governance with ESG Principles." In: *Sustainable Management, Responsible Leadership, and Corporate Behaviour in the Age of Environmental Crisis*, edited by Shinu Vig and Alok Pandey, 95-114. Springer, Singapore. https://doi.org/10.1007/978-981-95-2717-5_6.
- Lewis, Douglas (ed.). 2006. *Global Governance and the Quest for Justice. Volume I: International and Regional Organisations*. Oxford: Hart Publishing.
- Luykx, Jurjen J., and Elisabetta Burchi. 2025. "A Call for the Scientific Community to Adopt Environmental, Social and Governance Principles." *Anthropocene Science* 4: 329-333. <https://doi.org/10.1007/s44177-025-00105-y>.
- Martines, Francesca, and Samantha Velluti. 2026. "Sustainable Development in Free Trade Agreements of the European Union." In: *EU Values and International Law: How the EU Upholds and Promotes its Values in the Wider World through its International Agreements*, edited by Leonardo Pasquali, 149-200. Springer, Cham. https://doi.org/10.1007/978-3-032-20521-6_7.
- Mišić, Jana, Rinie van Est, and Linda Kool. 2025. "Good governance of public sector AI: a combined value framework for good order and a good society." *AI Ethics* 5: 4875-4889. <https://doi.org/10.1007/s43681-025-00751-3>.
- Nilsson, Måns, Griggs, Dave, and Visbeck, Martin. 2016. "Policy: Map the Interactions between Sustainable Development Goals." *Nature* 534 (7607): 320-322. <https://doi.org/10.1038/534320a>.
- 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.
- PACE. 2023. Humanitarian situation in Nagorno-Karabakh. Report (Doc. 15840), October 10, 2023. <https://pace.coe.int/en/files/33069/html>.
- Post, James E., and Mellis, Marilyn. 1978. "Corporate Responsiveness and Organizational Learning." *California Management Review* 20 (3): 57-63. <https://doi.org/10.2307/41165282>.
- Sachs, Jeffrey D., Guillaume Lafortune, and Grayson Fuller. 2024. *Sustainable Development Report 2024: The SDGs and the UN Summit of the Future*. Dublin: Dublin University Press. <https://doi.org/10.25546/108572>.

- Stockholm International Peace Research Institute (SIPRI). 2024. "SIPRI Military Expenditure Database." Accessed August 2026. Accessed July 3, 2025. <https://www.sipri.org/databases/milex>.
- Sustainable Development Goals Lab Armenia. 2025. Projects & Approaches. Accessed July 3, 2025. <https://www.sdglab.am/projects>.
- The Council of the EU and the European Council. 2026. Armenia. Accessed June 4, 2026. <https://www.consilium.europa.eu/en/policies/armenia/>.
- UN Secretary-General, and World Commission on Environment and Development. 1987. Report of the World Commission on Environment and Development: "Our common future" [Brundtland report]. New York: UN. <https://digitallibrary.un.org/record/139811?ln=en&v=pdf>.
- United Nations Development Programme (UNDP). 2011. Human Development Report 2011: Sustainability and Equity—A Better Future for All. New York: United Nations Development Programme. Accessed July 3, 2025. <https://hdr.undp.org/content/human-development-report-2011>.
- United Nations ESCAP. 2009. "What Is Good Governance?" Policy Brief, July 10, 2009. Bangkok: UN ESCAP. Accessed July 3, 2025. <https://www.unescap.org/resources/what-good-governance>.
- United Nations High Commissioner for Refugees (UNHCR). 2023. "Nagorno-Karabakh Situation." Geneva: UNHCR. Accessed July 3, 2025. <https://www.unhcr.org/emergencies/nagorno-karabakh-situation>.
- United Nations. 1992. "Rio Declaration on Environment and Development." In Report of the United Nations Conference on Environment and Development, annex I. A/CONF.151/26 (Vol. I). New York: United Nations. Accessed July 3, 2025. https://icsid.worldbank.org/sites/default/files/parties_publications/C8394/Respondent%27s%20documents/RL%20-%20Legal%20Authorities/RL-0150-ENG%201992-06-13.pdf.
- United Nations. 2015. Transforming Our World: The 2030 Agenda for Sustainable Development. A/RES/70/1. New York: United Nations. Accessed July 3, 2025. <https://sdgs.un.org/2030agenda>.
- World Bank. 1992. Governance and Development. Washington, DC: World Bank. Accessed July 3, 2025. <https://documents1.worldbank.org/curated/en/604951468739447676/pdf/Governance-and-development.pdf>.
- World Bank. 2023. "Worldwide Governance Indicators: Armenia." Accessed July 3, 2025. <https://www.worldbank.org/en/publication/worldwide-governance-indicators>.
- World Commission on Environment and Development. 1987. Our Common Future. Oxford: Oxford University Press. Accessed July 3, 2025. <https://digitallibrary.un.org/record/139811?v=pdf>.
- Wright, Ewan, Moosung Lee, Allan Walker, Darren Bryant, Soobin Choi, and Kanwal Hassan. 2025. "Developing the next Generation of Leaders: A Global Study of Student Leadership." Educational Studies 51 (3): 327-347. <https://doi.org/10.1080/03055698.2023.2216331>.