In the last years of the Soviet Union and especially after its collapse Armenia witnessed a creation and rapid growth of its third sector. Newly created non-profit organizations focused primarily on humanitarian issues as a reaction to very challenging events: a devastating earthquake in 1988, the armed conflict over Armenian populated Nagorno Karabakh province of neighboring Azerbaijan, and the plummeting economy of the newly independent Republic of Armenia. By the beginning of the 21st century though the non-profit sector started to shift its main focus from humanitarian assistance towards policy engagement.

The current official state registry of Public Organizations (the Armenian equivalent of third sector organizations) consists of some 3500 entries. However, most of these organizations exist only on paper. According to various estimates, the number of really operating Armenian third sector organizations is somewhere between 300 and 800 entities. Among those actually active, many have questionable levels of financial sustainability, and are often characterized by being mainly donor-driven rather than genuinely rooted in the communities they serve. More specifically, third sector organizations are perceived by the public as foreign-funded small businesses providing employment opportunities for a few professionals, rather than grassroots associations or stakeholder representatives. A study of the sector done in 2004 argued that many of the most prominent organizations were strongly dependent on the founding leader and were identified with that leader in the eyes of the public and decision-makers. Should the founding leader depart, the organization would often close down (Blue and Ghazaryan 2004). This factor points to questionable institutionalization of the Armenian third sector at the time of the study.

Meanwhile the Armenian society is not what it was 20 years ago. A new generation that was not socialized into Soviet “mandatory volunteering” institutions has grown up and has the potential to escape the post-soviet legacy of mistrust of associations and disengagement from the public sphere. There has been an increase in civic participation, with recent cases of successful mobilization to address environmental concerns and unpopular urban planning decisions. Scholars point out that there is enough supply of volunteering potential in the Armenian third sector which fails being utilized (Hakobyan and Tadevosyan 2010).

Using original primary data collected through a survey of Armenian third sector organizations conducted in 2013, this paper investigates such issues of third sector organizational change or continuity, and consequent third sector capacity to reflect a changed reality. The study hypothesizes that relatively recently established organizations, and those that have undergone a leadership change, will differ from older organizations established in 1990s which are still led by their original founders. We expect such a "new third sector style" organizations to show a stronger capacity to develop links with the community and to inspire genuine citizens participation. We also expect these more recent organizations to be more involved than previous generations in policy-making through attempts to interact with national and local government. The study will also consider other possible differences in functioning between the "old and the new third sector style", such as the usage of modern communication tools, organizational structure and fundraising activities.

References

