

CHAPTER EIGHT

The Contested State in Post-Soviet Armenia

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Post-Soviet Armenia was frequently portrayed as a weak state that was unable to control endemic corruption, achieve political reform, or resolve its long-standing territorial conflict with neighboring Azerbaijan (Zürcher, 2007). As such, it appeared typical of post-Soviet states in general and more widely of post-colonial states, many of which were characterized as ‘weak’, ‘fragile’ or lacking in ‘capacity’. However, the post-Soviet Armenian state not only maintained its territorial integrity after independence, but even sustained and consolidated its military occupation of large swathes of territory belonging to its richer neighbor, Azerbaijan. In politics, despite an active opposition and a highly contested political arena, there was substantial political continuity at least from the late 1990s. The Armenian state faced an economic blockade and was constrained by a limited domestic industrial base, but its economic weakness in the 1990s was followed by a period of rapid economic growth after 2003, earning it the epithet of the ‘Caucasian Tiger’ (Mitra et al., 2007). Armenia thus offered an intriguing case of the ‘weak-strong’ state in the post-Soviet space.

This chapter argues that the weakness of the formal, constitutional Armenian state was counterbalanced by the strength of two other political-economic orders, characterized here as ‘state spaces’. The first space is a networked political economy, which has blurred boundaries with the state and frequently carries out functions which are formally the prerogative of state agents. In this order non-formal rules and institutions were dominant,

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and political-economic connections and financial flows did not correspond to the boundaries or scale of the constitutional state. The second was a nationalist and expansive order, which maintained the occupation of territory in Azerbaijan, including the *de facto* separatist state of Nagorno-Karabakh. This nationalist-expansive space questioned the existing borders of the constitutional state, both through practice (the everyday control and occupation of territories in Azerbaijan) and through discourse (a cognitive and discursive mapping of space that questioned boundaries both with Turkey and with Azerbaijan).

Thus, in post-Soviet Armenia, political, social and economic activity could only be fully understood in relation to at least three differing political-economic orders: the constitutional state, the networked state; and the nationalist-expansive state. These should not, however, be understood as competing and discrete entities that may supplant one another; rather, understood as 'state spaces', produced by political, social and economic activity, they were deeply interlinked, and might be either contradictory or mutually reinforcing. This spatial approach provides an alternative framework through which to understand Armenian statebuilding and offers potential insights into the state formation process more widely.

Spatial Politics and the State

The multiple elements of the post-Soviet political order in Armenia are difficult to conceptualize adequately through traditional political science categories. Research on post-Soviet states has frequently emphasized their apparent ambivalence and multiplicity, characterising them variously as hybrid regimes (Hale 2010; Petrov et al. 2010); as neopatrimonial states, combining formal institutions and informal dynamics (Bach 2011; Ishiyama 2002; Robinson 2012); or as dualist states, in which two different political orders operate in parallel, occupying different spaces and meanings in the political order (Sakwa 2010a, 2010b).

These frameworks all invoked spatial metaphors to explain the often contradictory dynamics that are evident in the post-Soviet state. However, they seldom acknowledge the far-reaching implications of the 'spatial turn' in social science, which argued that space – instead of being simply a backdrop for social and political events - was 'dynamic, constructed, and contested' and a site for struggles over power and knowledge (Beebe, Davis, & Gleadle, 2012, p. 524). The idea that space was 'socially produced' (Lefebvre, 1991, 2009) laid the basis for later work on the state and space that critiqued 'the prevalent notion of state space as a pre-given, static container within which social relations happen to occur' (Brenner et al., 2003, p. 6). In this work, the spatiality of the state is no longer simply a mimetic representation of fixed geographic territory and physical boundaries (Brenner & Elden, 2009; Brenner, Jessop, Jones, & Macleod, 2003; Taylor, 2008; Agnew 2005). Instead, 'state space' is produced by multiple, competing political, economic and social forces and is viewed 'as a conditional, contested and ultimately changeable

modality' (MacLeavy & Harrison, 2010: 1083). The nature of state spaces can change, even while territorial boundaries appear to remain constant.

One of the advantages of thinking about state space is that it embraces the notion of multiplicity. In contemporary states multiple state spaces have emerged, some produced through interaction with the forces of globalisation; others emerging from local contestations of political power. Patterns of labor migration, diaspora activity and trans-border financial flows and investments contribute to diverse geometries of power, all of which are partially produced by or productive of forms of the state. These competing patterns of social activity, political power and economic flows do not coalesce into a singular, finalized state space, but produce a variety of state spaces that interact in complex ways, sometimes producing critical contradictions in the formation of the state, but in other cases complementing each other in ways that strengthen the political order. These spaces are not mutually exclusive entities but are interpenetrating and overlapping. As Lefebvre notes: '*Social spaces interpenetrate one another and/or superimpose themselves upon one another. They are not things, which have mutually limiting boundaries and which collide because of their contours or as a result of inertia*' (Lefebvre, 1991: 86-87) [italics in original].

The literature on the social production of space encourages us to examine the state more critically by investigating 'actors entangled in actual power geometries and institutionalized spatial practices struggling over the meaning of space' (MacLeavy & Harrison, 2010, p. 1038). Multiple actors play a role in producing and shaping these state spaces, but their role is linked to the distribution of power and resources within a particular society, in global economic structures, and in the geopolitics of a specific region. Since social actors emerge from and engage with particular historical and cultural experiences, it is important to also emphasize that state formation – and the state spaces identified with that process – also have their roots in historical experience. This is certainly the case with Armenia, where spatial politics has played a central role in its historical development during the modern era.

Armenia: History, Nationalism, State, Space

Although – as Macleavy and Harrison (2010) argue – the state as an ideological construct is usually a more coherent entity than its material, lived reality, for much of Armenia's history even the state as an idea has been heavily contested. Many Armenian scholars claim a history of statehood that stretches back to ancient times (Payaslian, 2007), but the modern Armenian nation emerged from a process of national 'revival' and increasing national self-awareness in the 19th century, the spatial aspects of which were complex and contested. Panossian characterizes Armenian nationalism in that period as 'multilocal', oriented around different geographical 'points' in different historical epochs. He identifies three such points in the 19th century: a 'western' node, based in Constantinople, which leant

towards constitutional and liberal reform; an ‘eastern’ node, located among Eastern Armenians in the Russian empire and more influenced by Russian radical ideas; and a ‘central’ point focused on the situation in Armenian provinces in the Ottoman empire (Panossian, 2006: 129-131).

In the 19th century revival, Armenian nationalism produced a collective identity not primarily defined by a relationship to a particular territorial space, but through collective markers of identity such as language or religion. Not surprisingly, Armenian nationalism has consistently demonstrated a fragmented conceptualization of space, often dislocated from notions of fixed territory. It was only after the loss of territory – first in Anatolia in 1915-16, and then around Ararat, Kars and Karabakh in 1920-21 – that territory – or rather its historical loss- became a more important determinant of collective national identity. For much of the 20th century this spatial identity was primarily negative, constructed in terms of lost territories, while new spaces were being produced by a growing diaspora in places with no historical significance for Armenians. The destruction of their communities in the Ottoman empire in 1915 left many Armenians with contrasting views of what an Armenian state should look like.

Certainly, the Armenian Soviet Socialist Republic (SSR) never became the uncontested territorial focus of Armenian national identity. Firstly, the majority of people claiming to be ethnic Armenians lived in territories other than that which bore their ethnic title. Only about 3 million Armenians lived in the Armenian SSR in the 1980s, with some 1.6 million living in other Soviet republics. There were significant communities in Baku, Tbilisi and Moscow. Up to 2 million Armenians lived in diaspora communities, dispersed from the Middle East to South and North America. There were 600,000 in the State of California alone, but major communities lived in Iran (200,000), Lebanon (200,000) and Argentina (80,000) (Payaslian, 2007: 194). Not surprisingly, there was no consistent sense of national space among these dispersed communities: nationalism remained ‘multilocal’ (Panossian, 2006).

Secondly, among diaspora Armenians the meaning of the territory labelled as the Armenian SSR was highly contested. Some rejected the notion of Soviet Armenia as a homeland, particularly the dominant Dashnaktsutiun party, which opposed the Soviet regime and saw itself as ‘the lone fulcrum among the Armenian political parties sustaining the vision of an independent Armenia’ (Payaslian, 2007: 193). Attitudes towards the Armenian SSR became the source of multiple schisms within Armenian communities worldwide, fought out within the Armenian church,² and between the anti-Soviet Dashnaks and the Ramkavar party, which recognized the Armenian SSR as the Armenian homeland (Lurie & Davtyan, n.d.; Suny, 1993: 223). Within the Armenian SSR, some dissidents also

² Communities were split in allegiance to the rival Catholicos in Echmiadzin in Armenia or to Antelias, Lebanon.

rejected the idea that the USSR played a positive role in Armenian self-determination. These complexities were mirrored in Soviet propaganda, which itself pursued contradictory spatial policies, promoting the Armenian SSR as a national homeland, while emphasizing supranational and ideological Soviet identities through the all-Union Communist Party.

Finally, many Soviet Armenians rejected the borders of the Armenian SSR, since they excluded districts with significant ethnic Armenian populations, most notably the Nagorno-Karabakh Autonomous Oblast in Azerbaijan, which was created within the Azerbaijan SSR in 1923, despite the objections of the Armenian Communist Party (Suny, 1993: 194). From the 1960s, Armenians increasingly protested Karabakh's status, including a major demonstration in Yerevan in 1965, which both marked the 1915 genocide and called for the return of 'our lands' in Azerbaijan and Turkey (Suny, 1993: 195). These protests were a small forerunner of the mass demonstrations in Armenia in 1987-88, which ultimately resulted in the de facto secession of Karabakh from Azerbaijan and the subsequent armed conflict between the two states.

A similar array of divergent attitudes continued to complicate relations between the diaspora and the Armenian Republic after 1991 and informed the subsequent contestations over the Armenian state. After 1991 few Armenians confined their spatial imaginary of the nation to the boundaries of the new republic. Reconstructed memories of historical territories combined with the lived experience of exile to produce new and complex socio-spatial constructions: the lived suburbs of the diaspora in Glendale, California; distant family memories of Armenian communities in Eastern Turkey; or contemporary destinations for diaspora tourists, such as Echmiadzin – all these representations of places formed nodes of new, competing spatialities of national identity.

Independent Armenia

The territory of the post-Soviet Armenian state was not the spatial materialization of an historical nationalist discourse: its borders were simply the result of the international agreement to recognize internal Soviet administrative borders of the 15 republics as new international frontiers. However, this international construction of the state was not without a social basis. For generations of Soviet Armenians, these bureaucratic-party-state borders became internalized through cognitive mapping - an internal absorption of the familiar boundaries of the Soviet school atlas - but they were also normalized through the mechanisms of state and party activities, including the distribution of state resources, the allocation of personnel and other functions of the pervasive Soviet order. As Panossian (2006) points out, these borders were embedded through cultural production, and through the banal nationalism of the everyday, whereby quotidian markers effectively 'flag' nationhood (Billig, 1995). However, here too, there was no singular way in which this took place: assertions of Communist, supranational identity were 'flagged' alongside

Republican, Armenian identity markers. Armenian identity markers, on the other hand, inevitably referenced elements of transnational identity that questioned the claim of the Armenian SSR to be the sole representation of the spatiality of Armenian identity (Panossian, 2006: 358).

The contradictions – between formal institutions and state practices that produced a constitutional political space, and competing nationalist discourses that envisaged alternative state spaces - laid the basis for the post-1991 conflict over Nagorno-Karabakh and Armenia's subsequent spatial crisis. The nationalist-democrats, who led mass demonstrations in Yerevan in 1988 in favor of the unification of Karabakh with Armenia, were engaged in a dualist process of statebuilding. On the one hand, they sought to introduce a democratic political system within the Armenian SSR and supported its independence. However, they did so while simultaneously mounting a challenge to the legitimacy of this 'state space', promoting instead an alternative vision of an Armenian state, united with Karabakh in a new territorial and political arrangement. As Ozkan argues, in the early 1990s 'nationalist intellectuals built a "discourse coalition" with the Communist party elites and the political actors from the Diaspora around the hegemonic nationalist project, namely the unification of Nagorno-Karabakh with Armenia' (Özkan, 2008, p. 583).

This discourse coalition contained an internal contradiction. On the one hand, the nationalist intellectuals who came to power in independent Armenia were engaged in constructing the constitutional state demanded by international law and international discourse, based on the bureaucratic and lived reality of the Armenian SSR. On the other hand, they were heavily involved in the construction of a new nationalist state space, produced through the discourse and everyday practices associated with the conflict around Karabakh. Under the pressure of these contradictions, the initial coalition, based on a united conception of the nationalist project, began to disintegrate. President Levon Ter-Petrosyan began to assert an alternative spatial politics, in which Armenia would become a normal, constitutional state, rather than the base for other, wider nationalist aspirations. Ter-Petrosyan recognized that a prerequisite for such 'spatial normalization' was an end to the dreams of a greater Armenia that included Karabakh. In September 1997 he announced support for open borders with Turkey and a resolution of the Karabakh issue, saying that 'As long as Nagorno-Karabakh remains unresolved, Armenia cannot return to normality and live like any other European country' [cited in (Özkan, 2008: 588)].

Ter-Petrosyan's proposals in 1996-97 to resolve the Karabakh issue brought him into confrontation with an emerging coalition of post-Soviet business leaders, Soviet-era mafia bosses and war veterans, and effectively led to his resignation in 1997. Led by President Robert Kocharyan and his allies, many of them originating in what has been termed a 'Karabakh clan', this new network of oligarchs and veterans came to dominate politics, effectively side-lining the nationalist-democrats of the early 1990s. This network emerged not as a new political force distinct from and impacting on the state, but as a new state

space, produced by the informal transactions of the post-Soviet political economy and their blurred overlaps with the functions and institutions of the state. Kocharyan effectively overcame the contradictions that had undermined Ter-Petrosyan and developed a new political order that combined a hollowed-out and largely undemocratic constitutional state space, with a networked space controlled by oligarchic power, and a nationalist state that continued to occupy territories in Azerbaijan. This mode of governance – combining these three state spaces - was consolidated during his two terms in office (1998-2008) and during the subsequent presidencies of Serge Sargsyan, after 2008. The next section examines these three different conceptions of the state and the interactions among them.

Constitutional State Space

It may appear simple to define the constitutional state space: it consists of a social space coterminous with the internationally recognized territory of the state, produced by the activities of all those state institutions recognized in the constitution and other legislation (government ministries, local government offices, the Central Bank, courts, the army, etc.). State institutions work to produce a ‘state space’ through their ritualistic performances and official discourses, but also through their ‘prosaics’ (Painter, 2006), the everyday functions that repeatedly reproduce the state as a collective idea. These prosaic activities are multiple and largely unnoticed in everyday life. The Armenian Central Bank, by issuing, processing and regulating the national currency, the dram, and allowing it to circulate on the state’s territory, produces a certain spatial effect that reinforces the collective imagination of an Armenian state within certain boundaries. Similarly, Armenian police officers only interact with members of the public within the agreed boundaries of the internationally recognized Armenian state. Outside those borders, their identity cards, uniforms, insignia and patrol cars produce no ‘state effect’ (Mitchell, 1991).

This view of the constitutional state space suggests a particular relationship with the national economy, in which there is largely undifferentiated, rule-based treatment of economic activities throughout this territory by state institutions. According to state regulations, all companies resident on the territory of the state should pay levied taxes to the State Revenue Committee (SRC), which combines the powers of both tax collecting authority and customs service. Imports and exports of goods across state frontiers are regulated by the same body. These revenues permit a budget to be formed by the Ministry of Finance, and spending ministries, including those of agriculture, education, healthcare, labor and social affairs, territorial administration and urban development, distribute budgetary resources to respond to social and economic needs in a relatively uniform way across the state’s territory. This understanding of the state is produced and reproduced in discursive and material interactions with international organisations, such as the World Bank or the IMF, which respond to any problems in implementation with advocacy of more

effective and transparent policies and greater state capacity, supported by technical assistance programmes and policy advice.

This simple ‘container’ view of the relationship between the constitutional state and the economy starts to fracture under closer examination, as gaps appear between the discursive construction of the constitutional state and economic reality. For example, the economic ministries regularly undertake liberalisation measures in relation to business to encourage entrepreneurship. As a result of economic reforms, Armenia rose significantly in the World Bank’s ‘Doing Business’ survey, from 50th in 2012 to 32nd in 2013, placing it above several EU members, such as Greece, Bulgaria and Romania (World Bank, 2013). In terms of starting a business (world ranking: 11) or registering a business (ranking: 4), Armenia rated among the top performers in the world. Armenia was the most highly placed among CIS states in the Heritage Foundation’s ‘Economic Freedom Index’ in 2013 (Heritage Foundation, 2013). In reality, however, the private sector looked much less vibrant than these statistics suggest. Despite the apparent ease of setting up a business in Armenia, very few Armenians actually did so. Only 3.5% of respondents to the 2010 Life in Transition Survey were able to start a business, the lowest level in the whole of the European Bank for Reconstruction and Development’s area of operations. In addition, of those who attempted to start a business, fewer than 50 per cent succeeded, also one of the lowest rates in the region (EBRD, 2011: 78).

This gap between formal rules in the constitutional state and everyday economic reality is also evident in revenue collection. Despite having a relatively well developed bureaucracy, a small territory and a limited number of economic objects to regulate, Armenia’s tax revenue (excluding social contributions) was only 17.1 per cent of GDP in 2008, less than most countries in the region, including those with lower per capita income, such as Kyrgyzstan and Moldova. Subsequent years – despite investment in new tax administration systems – did not show significant improvement, with tax revenues in 2012 only reaching an estimated 17.3 per cent (IMF, 2013: 18). One independent report blamed this tendency on ‘widespread concerns about corruption in the tax and customs agency as well as about failures to collect taxes from government-connected oligarchs’ (Policy Forum Armenia, 2012). Not surprisingly, the shadow economy became very large: the IMF estimated a figure for the informal economy for 2008 of more than 35% of GDP, higher than any other country in the Central Asia/Caucasus group (IMF, 2012).

This data suggests that the constitutional state space is penetrated, incomplete, and geographically limited: the state space produced is not homogeneous ‘abstract space’ (Lefebvre, 1991), in which regulatory effects are equal across all objects of state control. Similar analysis could be carried out for other aspects of state activity: the creation of transport networks, for example, or the role of the state in promoting rule of law. In each case, the constitutional state space is partial and fractured. The explanation for this disconnect between constitutional aspiration and implemented policy is not to be found in traditional approaches that suggest that Armenia is a weak state that ‘lacks capacity’ or

‘infrastructural reach’. Rather, it suggests that the post-Soviet Armenian state was constituted not only by these constitutional institutions and processes, but by a whole array of other dynamics. The areas where formal state institutions did not reach were not unregulated spaces where the state was incapable of enforcing its own rules, but rather domains populated by other networks that also constituted a form of stateness. These other state spaces effectively replaced the constitutional state in carrying out functions normally reserved for state institutions, such as regulating business, collecting revenues, conducting elections or enforcing particular codes of behavior and social norms.

Networked State Space

The networked state space was one in which individuals, groups and networks acted in ways that reproduced aspects of stateness, but where many of their main functions and activities were in the sphere of political economy. As a result, the activities and individuals within this sphere tended to be viewed as ‘extra-state’, and the so-called ‘oligarchs’, who are the most well-known actors in these political economy networks, were viewed as competing with the state. Analysts urged the state to ‘take on’ the oligarchs, and the state responded by insisting that officials were taking active measures to constrain, exclude or otherwise act against oligarchs. In reality, much of this process has developed the same kind of performative, virtual nature as other actions of the constitutional state. Far from being a clear competitive relationship, the lines between state and non-state were blurred and produced by the system itself for political effect.

The origins of the networked state can be traced to the late Soviet period, when underground business and criminal structures began to emerge in Armenia. Armenian nationalist-democrats criticized corrupt networks in which the police were alleged to be working with illegal, underground businesses with the complicity of the party leadership (Suny, 1993: 197). Unlike other Soviet republics, however, this familiar party-business nexus was accentuated by the influence of a close-knit ‘veteran caste’, which emerged during the 1992-94 war (Iskandaryan, 2012). By the mid-1990s this group of veterans numbered maybe 10,000 fighters: grouped together in the *Yerkrapah* union of voluntary fighters, it was the most powerful political force in the country (De Waal, 2013). Their military power and status in society gave them leverage over political leaders, and they were quick to gain concessions from the state in terms of business opportunities in return for their political support. In the contested politics of 1997-99, they effectively took power, led by the ‘Karabakh’ clan, whose leaders included Robert Kocharyan and Serzh Sargsyan. After Kocharyan became president in 1998, he moulded this network of military veterans into the most powerful force in a new mode of networked governance. Gradually, the distinctive military background of these leaders diminished, as they were joined by businesspeople, various well-connected state officials, and also by criminal and semi-criminal leaders. The result was the domination of politics and the economy by a narrow

elite of individuals, who gained sufficient political influence to maintain near-monopolistic control over key business sectors. These were the figures commonly referred to in Armenia as the oligarchs.

According to one analysis, at the heart of this political-economic network were 40-50 families that formed the core of groups known as *akhperutyun*, variously translated as 'clans' or 'brotherhoods' (International Crisis Group, 2012). Opposition parliamentarian Levon Zirabyan claimed that '52% of Armenian businesses belong to some 40 families' (First, 2012). Although *akhperutyun* were not formed solely on a kinship basis, it was probably misleading to suggest that 'the people who join these clans exclusively have common economic and political interests, regardless of their origin, family, social grouping, etc.' (Asatryan, 2002, p. 30): in many areas *akhperutyun* appeared to have relatively deep social roots. While many such groups emerged on a national scale during the Karabakh war, some reportedly traced their influence to the 1960-70s, when criminal networks first became influential in Yerevan (Lurie & Davtyan, n.d.). Some developed from among the returnees from Stalinist prison camps; others were formed by rural migrants arriving in the city.

The activities of these groups developed particular spatial characteristics. On the one hand, they came to control sectors of the economy, vertically, from import to distribution, in ways that created monopolistic or semi-monopolistic positions. In many sectors, oligarchs allegedly avoided import duty and reduced their tax burden through close connections to the relevant authorities. In 2012 the State Commission for the Protection of Economic Competition (SCPEC) concluded that 12 of 13 commodity markets were still 'highly concentrated' (Mediamax, 2011). Alongside this vertical control of economic sectors, 'oligarchs' developed territorially-defined bases of power, which had specific impacts on the spatiality of the state. Analysts frequently characterized this system as reminiscent of a feudalistic order (Zolian, 2010): districts in Yerevan or regions and cities outside the capital were described as 'fiefdoms' of particular individuals and groups, who often combine informal control with formal positions within local government ('prefect' in Yerevan districts, or 'marzpets' – governor- in the provinces). Yerevan's 12 administrative districts were often the focus of political-criminal struggles for control (Ishkhanyan 2006). Outside Yerevan, this territorial 'feudalisation' became even more pronounced, with local strongmen taking up positions either as provincial governors or as members of parliament, representing territorial constituencies. Such figures often ruled their local fiefdoms with impunity, gaining the freedom to exploit local economic resources in exchange for gathering votes for national parties and politicians in parliamentary and presidential elections

Parliamentary membership was the most common mechanism linking oligarchs and informal leaders to the formal constitutional state space. The status of parliamentary deputy provided both social status and legal immunity, in exchange for local delivery of votes for the ruling elite, particularly during presidential elections. In 2011 opposition leader and

former president Levon Ter-Petrosyan claimed that 76 out of 131 parliamentarians were businesspeople, although they were not formally permitted to own businesses while acting as parliament members (Arminfo, 2011). Oligarchic figures were elected as deputies from both main political parties, the Republican Party of Armenia (RPA), and the semi-opposition, Prosperous Armenia Party (PAP). However, neither the RPA nor the PAP acted as a political party in the sense of mobilizing popular support around particular ideological or policy positions or responding to mass constituencies in society. Instead, the RPA was developed as 'a means whereby state employees, businessmen, and intellectuals can join the main networks of power' (Wheatley & Zurcher, 2008, p. 15), essentially acting as an institutionalisation of non-formal patronage networks. As such, the RPA became an effective mechanism to facilitate the exchange between the constitutional state space and the networked state. It also acted as one of the few institutionalized mechanisms that effectively linked the provinces and centre - or the local and national scale - within the networked state.

'Oligarchs' combined local spatial control with political and economic connections that were not bounded by the territory of the state. Their spatial networks linked local business to international financial and business circles, particularly oriented towards Russia and other CIS states. Inevitably, they also developed significant connections into the international financial system, particularly through offshore zones and other jurisdictions with limited regulation, and also via the extensive Armenian diaspora in the US, Europe and the Middle East. Local control provided the necessary fixity, or what Lefebvre (1991: 329) terms a 'space envelope', for initial accumulation, but further economic expansion required political connections to Yerevan, and transnational ties to informal networks in Moscow, Beirut, Paris, Los Angeles or other international spaces. However, the shape of these economic flows demonstrates that the spatiality of the network state is not the homogeneous spatial effect claimed by the constitutional state, but is a patchwork of informally governed spaces, in which investment opportunities and the informal regulation of business are the prerogative of local leaders.

The Nationalist-Expansive State Space

The third state space was that constituted by the collective idea of a territorially greater Armenia, combined with the material activities that underpin the on-going occupation of Azerbaijani territories by Armenian and Karabakh military structures. These material activities distinguished this nationalist order from the purely cognitive spaces of territorial loss and desire in Eastern Turkey. In Nagorno-Karabakh and the occupied territories a whole range of economic, military and political practices took place on a daily basis, serving to constitute what I term the nationalist-expansive state space, and what in territorial terms Broers and Tual characterized as 'Augmented Armenia', comprising Armenia plus Nagorno-Karabakh (Broers & Tual, 2013).

The importance of the Karabakh war, and thus of the state space that incorporated these new territories, is that it provided a new, positive territorialization of national identity. While the Republic of Armenia was considered as a site of loss, acting as a constant reminder of other, former territories of Armenia settlement, the military control of Nagorno-Karabakh and the surrounding regions offered a new spatial basis for Armenian national identity. As Broers and Tual suggest:

The Republic of Armenia was no longer an incomplete vestige of a once imagined integral nation; now, together with the de facto Nagorno-Karabakh Republic, it was a newly vindicated expression of Armenian national struggle, this time in a register of military prowess, self-sufficiency, and survival. (Broers & Tual, 2013, p. 20)

The ceasefire declared in 1994 left military forces in place on either side of the ‘Line of Contact’. Armenian forces (formally belonging to the Karabakh Defence Forces, but cooperating closely with the military forces of the Armenian state) occupy not only most of the former Nagorno-Karabakh autonomous oblast, but also – in whole or in part - seven surrounding regions of Azerbaijan: Kelbajar, Aghdam, Fizuli, Qubately, Zangilan, Jibrail, and Lachin. Unlike Karabakh itself, most of these territories were not previously considered as historically Armenian territory, but the everyday operations of occupation – together with some limited patterns of settlement – transformed these spaces into part of the Armenian state-spatial imaginary. Such territories came to be identified in various ways, suggesting that their status in the collective imagination remained contested: for some they were a ‘security belt’, suggesting a temporary phase of occupation. Others termed them ‘liberated territories’, suggesting a very different spatial connotation, and it was this latter term that increasingly gained popular currency in the 2000s.

Broers and Tual provide an excellent analysis of what they term ‘cartographic exhibitionism’, defined ‘as a desire within the Armenian geopolitical culture to project and display enlarged national territorial images’. They suggest that this tendency in geopolitical culture ‘operates uneasily with other, more internationally compliant aspects of the same culture’ (Broers & Tual, 2013, p. 17). In other words, the nationalist-expansive state represented in such maps is at odds with the internationally accepted cartography of the constitutional state. Broers and Tual show a variety of unofficial maps which show Armenia and Karabakh united in a single territory, or an independent ‘Republic of Nagorno-Karabakh’ linked to Armenia by the ‘Lachin corridor’. Although official maps – for international reasons – show the legitimate boundaries of the state, ‘alongside official governmental cartography, there is widespread tolerance for a cartography that is not politically correct in the international arena but is nevertheless popular and legitimate locally’ (Broers & Tual, 2013, p. 24).

These spatial imaginaries do not always coincide with the lived experience of space. Many of the most powerful advocates of ‘Augmented Armenia’ seldom spent much time

in Nagorno-Karabakh or the surrounding territories, while many residents of the Nagorno-Karabakh enclave were anxious to leave for the better economic prospects of Russia. Former Karabakh leaders – notably Kocharyan and Sargsyan – migrated into mainstream Armenian politics. More recent settlers in Karabakh, including ethnic Armenians fleeing the Syrian civil war, seemed to find it difficult to reconcile their imagination of the region as a ‘homeland’ with the lived reality of their settlement experience, which was often traumatic, difficult and unsustainable (Mkrtchyan, 2013). The Armenian authorities did not officially support settlement in the occupied territories, but it was encouraged by some nationalist groups, particularly in the diaspora (International Crisis Group, 2011: 11; Mensoian, 2011). In reality, long-term settlement outside the Lachin corridor and Karabakh itself has been sparse (Broers & Tual, 2013: 28). Other activities that attempted to produce new legitimacy for the nationalist state space included active renaming of what were once predominantly Azerbaijani settlements (Agdam was renamed as Akna in 2010, for example) and archaeological digs designed to find some historical basis for the continued military occupation (International Crisis Group, 2011, p. 11).

All these activities were complicated by the ambivalent relationship between the constitutional state, the de facto ‘Republic of Nagorno-Karabakh’, and the other territories occupied by the ‘Nagorno-Karabakh Republic Defence Army’. The Armenian government maintained an ambivalent position, neither recognizing the independence of Karabakh nor calling for it to be formally incorporated into the Armenian state. In the 1990s, state officials were often anxious to maintain a fictional line between the role of the Armenian military and the Nagorno-Karabakh defence forces, thus reinforcing the notion of the constitutional state space vis-à-vis expansionist, nationalist spaces. This discursive fiction largely disappeared from official statements in the 2000s. Defence minister Seyran Ohanian noted in January 2010 that:

the entire army personnel ... knows that the army command, including the defence minister, would be personally involved in all hot spots, which God forbid, may suddenly emerge on the borders of our republic and Artsakh [Nagorno-Karabakh] in order to defend our people (cited in International Crisis Group, 2011, p. 13).

The cooperation between the Armenian military and the Nagorno-Karabakh Defense Army in maintaining occupation of the disputed regions around Nagorno-Karabakh, and the defence of Nagorno-Karabakh itself, involved daily patrols, military exercises, and the physical control of space up to the 110-mile Line of Contact, which over the years became marked by extensive trenches, defensive fortifications, tunnels and minefields. With the exception of a short outbreak of serious fighting in April 2016, the most common form of military interaction consisted of sniper fire from either side, activities that had no impact on the military balance but served as material confirmation of the temporary nature of this division. Such actions were particularly important for Azerbaijan, which sought to avoid

the normalisation of the Line of Contact, to prevent the everyday life of the ceasefire line from eventually producing a spatial reality that would undermine Azerbaijan's territorial integrity.

These military activities in the occupied territories all required economic support, and the economic flows between Armenia and Karabakh were often non-transparent. The Armenian annual defence budget (amounting to approximately US\$400m. in 2012) was treated as a national security concern, with no details released in public either by the ministry or by the state oversight body, the Chamber of Control (Abrahamyan, 2011). According to a leaked US diplomatic cable in 2004: 'Several mechanisms exist for significant off-budget spending for defense purposes, including the transfer of state revenues to foundations and the direct sale of state assets ... The Ministry of Defense reportedly uses these assets to provide for the defense of Nagorno-Karabakh' (US Dept of State, 2004). A US diplomat, who had seen relevant government documents, suggested that part of the revenue from the sale of the huge Karajan mine in Syunik province was redirected to such off-budget defence funding. When the mine was sold for US\$132m only \$35 million appeared in the state national budget, with the rest being diverted to off-budget, state-controlled funds. Karajan city received \$32.1m from the sale, but gave \$5m to the defence ministry, and transferred a further \$32m to Armgasard, a troubled state-owned energy company that was later sold to Russian investors. The city ended up with only \$100,000 to refurbish a kindergarten and a municipal building (US Dept of State, 2005).

These rare glimpses into the funding of the nationalist-expansive state space make clear the connections with the networked state. Without off-budget funding, Armenia would face difficulty in supporting Karabakh's defence capabilities. The constitutional state is constrained by how much it can formally engage with this alternative military-territorial space, because of its need to retain international legitimacy. Instead, the networked state provides potential channels for funds for Karabakh defense and other aspects of this expansive version of the Armenian state. This does not only involve the defence ministry, but is interlinked with many other institutions that ostensibly form part of the constitutional state, including - in the example above - state-owned corporations and the Ministry of Energy.

Conclusion

Conventional accounts of post-Soviet Armenia struggled to reconcile the apparent weakness of the constitutional state with the reality of relatively robust statehood since the 1990s. Spatial theory embraces this apparent contradiction by utilising the idea of multiple state spaces, which are produced by different types of state-like activity and produce diverse spatial outcomes.. At times these state spaces competed in ways that threatened to undermine political order in Armenia. In the 1990s, the contestation between a constitutional space and a nationalist space produced a political crisis. This was partially

resolved by the emergence of a third, networked state space, which enabled both the constitutional and the national state to survive, through the mediation of an oligarchic political economy.

The subsequent interaction among these state spaces is complex and deserves further study. After the early 2000s political activity in Armenia comprised efforts by leading power brokers to maintain the balance among these state spaces, seeking to ensure constitutional legitimacy, while relying on a networked oligarchy to provide informal mechanisms of social control and electoral victories, and also continuing to support the nationalist-expansive state through the military occupation of Nagorno-Karabakh and neighbouring territories. Although – as noted above – parliament provided some institutionalization of the networked state, the most significant institution involved in managing the interaction of different state forms was the presidency. Both presidents Kocharyan and Sargsyan operated the presidential administration as a dynamic node regulating relations among the constitutional state, the networked state, and the expansive-nationalist state.

This complex topography of political power had important impacts on domestic policy. It ensured the increasing centralization of power around the presidency, which resulted in greater authoritarianism in domestic politics. The tripartite nature of the state also made it more difficult for the political opposition to mount an effective challenge to the regime. Opposition activities took place predominantly within the constitutional state-space, through public protests, demonstrations and participation in flawed elections. Such activities were tolerated by the regime, because they posed only a limited threat to regime resilience. However, any attempt by the political opposition to mount a serious challenge that traversed different state spaces was not tolerated. For example, the authorities prevented attempts by oligarchs and businesspeople, operating in the networked state, to fund political opponents of the regime. The only space in which the regime was vulnerable to the political opposition was in the nationalist state space. This vulnerability ensured that no Armenian political leader could risk making any concessions on the Nagorno-Karabakh dispute.

In foreign policy, international interlocutors operated primarily in the constitutional state space, with very limited access to the second, networked, oligarchic space, and no access to the nationalist-expansive space (most diplomats were forbidden to travel to Nagorno-Karabakh from Armenia). This lack of engagement with other state spaces provides a partial explanation of why the EU and other external partners failed to have a significant impact on government policy. Not surprisingly, much international policy engagement was characterised by the kind of virtuality that has been noted elsewhere in the post-Soviet space (Lewis 2008; Heathershaw, 2009). By contrast, Russia, with its complex web of economic investments in transport and energy in Armenia and its multiple levers of influence with Armenian business leaders and oligarchs, was able to engage with actors in the networked state when necessary. Indeed, since Russia, too, developed a ‘dual

state', in which constitutional mechanisms were augmented by a 'networked state' (Sakwa, 2010; Kononenko and Moshes, 2011) it was much easier for Moscow to engage with other post-Soviet political orders with similar characteristics. In the Armenian case, the close Russian military relationship with Armenia also provided it with a certain influence within Armenia's nationalist-expansive state. These different patterns of influence in the Armenian state partly explain Armenia's decision in September 2013 to reject a planned Association Agreement with the EU in favour of membership of the Russian-led Eurasian Economic Union.

Although Armenia's tripartite state was far more resilient than the highly volatile political order of the 1990s, it still faced significant challenges and internal contradictions. As political power drifted away from the constitutional process and into the informal networks of the oligarchy, the democratic basis of the constitutional state was weakened and the prospects for employment and business dwindled.. This provoked popular discontent, evidenced both in mass protests during election periods and in high levels of emigration. At times, political leaders promised to address either the power of the networked state (in pre-election promises to 'clamp down' on the influence of oligarchs, for example) or the existence of the nationalist-expansive state (through internationally-mediated proposals to resolve the Karabakh issue). However, any shifts in either direction threatened political instability. The networked state remained critical for the ruling elite to maintain political power through flawed elections and to ensure informal control of business and finance. Maintaining the nationalist state space was the main continuing source of legitimacy for the political leadership. As a result, efforts to reform the system had limited results. Any attempt to unravel Armenia's spatial crisis threatened the very stability of the state itself.