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Armenia's 'Middle Class': Stability Characteristics and the Challenge of Erosion

By Yuliana Melkumyan (Yerevan State University)

Abstract

This article will give a systematic overview of the main features of the middle class in Armenia based on their self-perception as captured in representative surveys. Typically, respondents identifying themselves as 'middle class' mostly have a university-level education, are employed, and are young or middle-aged. Evidence of upward social and economic mobility and progress in life are other important factors for self-identification as 'middle class'. However, has stagnation set in? This article analyses the threats that might lead to the erosion of Armenia's middle class. A limited access to professional education and healthcare services, the precariousness of employment, and the many impediments to small- and middle-sized enterprise development were the most prominent threats identified in a number of sociological studies.

(Dis-)Integrated Society

The concept of a middle class usually assumes a positive picture that includes an integrated society, a well-developed model of social compensation, a social group of people triggering social development and a specific life style that stabilizes society. Such indispensable social functions are rarely attributed to the upper classes of society, and the wealth and privileged position of the upper classes usually depends on middle-class potential. At the same time, stable middle class prosperity guarantees budget replenishment by means of taxation, which, in turn, is the means to ensure state assistance to the socially insecure layers of society. The social polarization of the population in post-Soviet Armenia, the decline in living standards and quality of life, and the drastic increase in unemployment all had significant influence on a social structure that was in the process of transition and restructuring. The formation of a modern social structure in Armenia occurred spontaneously and was uncontrolled. Without targeted state interventions, a segment of society that carries out balancing and harmonizing functions for the society was formed.

Since officially and formally there were no market relations in the Soviet Union, there were also no typical social segments such as farmers and small and medium bourgeoisie, which were the basis for middle class formation in the North American and Western and Central European democracies. This being said, after 1989–91, Armenia did inherit a large number of managerial and bureaucratic cadres, technical staff and mostly humanities-centred intelligentsia as well as a large number of peasants formerly employed on state and collective farms. Additionally, despite stark reforms, behavioural and attitude patterns inherited from Soviet socialism initially continued to determine people's mentality and lifestyle. This manifested itself in largely stereotypical negative attitudes towards ownership, entrepreneurship and trade. Additionally, as empirical evidence shows,

a significant part of the population failed to find suitable ways of living and generate income under the current social structure and thus state they preferred (what they remember of and associate with) Soviet life over the post-Soviet reality.

Middle Group Subjectivity

According to the results of a survey conducted in the year 2012 by this author, 61.4 percent of the Armenian population identified themselves as 'middle class'. Later, survey results gathered by the All-Armenian Fund in 2016 showed a decrease in this percentage to 58 percent. When speaking about the self-identification of the middle class, it is necessary to evaluate the subjective assessment factor. In the frame of this approach, respondents' opinions about their own socio-economic situations are considered as decisive since the individual is an expert on his own social situation. Their subjective assessments, as recorded with sociological measurement methods, are perceived as integrated and comprehensive reflections of social reality. The subjective assessment is the component of the person's self-consciousness, which, in turn, is related to the subject's emotional state, physical strength, mental abilities, deeds, behaviour motives and goals, with all attitude assessments towards the surrounding people thus shaping their own lifestyle.

The changes in the size of the self-declared middle class, as well as in its place and role in societal life, depend on numerous factors. While the financial-economic factor has an important and objective role in this regard, income plays a role in determining the space outside the strict necessity domain. To discover the reasons for the change in self-identification, we should consider the (understanding of) middle-class lifestyle and study the social, cultural, and intellectual capital as well as how these factors have changed. Post-industrial societies are characterized by labour division and an extensive distribution system of professions. Certainly, the middle class

is responsible for the main mass of those engaged in professional activities. The development of a society requires the growth of the intellectual, professional, and technical classes. In addition, in such a society, the nature of existing knowledge has a central, principal place.

More Than a Financial Given

Every modern society lives, survives and develops due to innovations and by trying to predict and plan its future. In addition to material security and professional stability, which provide appropriate material security and education and safeguard one's profession and well-being, the middle class also needs certain features that will ensure its stability and continuity. This, in particular, brings us to the importance of value systems, lifestyles and cultural capital. Speaking about the characteristics of the middle class in Armenia, a certain level of income should be noted. One of the main indicators of being classified as middle class is the income derived from *legitimate* sources, which ensures a certain quality of life and tends to increase. In 2012, this indicator was 794,590 dram (approximately 1,540€) for a four-member family residing in Yerevan, while currently it is approximately 950,000 dram (approximately 1,840€).

The middle class is highly dependent on income generated from a primary workplace. Every middle class (four-member) family has an average of three sources of income. Some have several jobs. As is expected for those belonging to the middle class, the main source of income in the middle class is the wages obtained from a workplace where they work as a permanent staff member. This fact stresses the stability of income as well as the assumption of income generation due to professional activity. Members of the middle class may improve their position by making use of other market sources of income, such as real estate and other property, money from apartment or house rent, and investment interests, among other income sources. One of the important features of the middle class that backs its stability is property. Due to its substantial characteristics, the middle class assumes the role of public intellectuals in that it develops the mainstream discourses of the society and captures key value objectives, thereby serving as a reference group for a certain layer of society.

The enhancement of the role of public opinion, influenced by scholars and intellectuals who have knowledge, professional qualifications and a culture of critical discourse, thus acting as a unique linguistic conglomerate, is of particular importance. Discourse, alongside knowledge and qualifications, becomes a powerful asset that helps the new middle class to attract a privileged position in the labour market, stand up for its social and economic rights, and, thus, strengthen its reputa-

tion. This feature of the Armenian middle class, however, can be quite vague and fluid because of the differences within both the literary and conversational Armenian language, starting with the differences between the dialects of the western and eastern parts of Armenia as well as the many loanwords and influences from Russian and Persian one finds according to region and social group. This variety of lexical and grammatical combinations has not yet been integrated into a standard mainstream language corresponding to modern middle class status. This fact weakens the social capital of the middle class since language is a reflection of unique value systems and (sub)cultures.

Consumption Patterns

However, the main cultural and human capital of the middle class does not lie in production means nor any other material property. Rather, it is professional and, especially university-level, education. The key characteristic of middle class occupational and educational profiles is that they are aimed towards the acquisition of new knowledge and towards self-education. This ensures continuous education and self-development as well as training opportunities. At the same time, educational capital is strengthened when it becomes a sustainable source of income but stays a mere theoretic potential if the direction, where it can or has to be put to real use, is not clear or socially envisaged. These factors ensure the aspiration of members of the middle class to maintain their social position, to develop and disseminate the existing cultural discourse by considering the social and economic advancement of their own lives. The absence of such a situation leads to decreasing middle-class identification.

Likewise, the employment profile and content of the middle class also has some specific features. Members of the middle-class, as a rule, are convinced that they have prestigious, popular and interesting jobs. It should be noted that the development of information technologies in recent years has reinforced the position of the middle class in creating job opportunities as well as enlarging the labour market outside Armenia. 'Middle classers' are (perceived to be) more prepared and savvy in terms of basic skills and are in line with the modern style and level of professional activity. They have proficient computer skills and use foreign languages at work. For those in these layers, it is important that their work also enables self-expression and self-realization opportunities. Orientation of professional growth, in turn, creates another distinguishing characteristic of the middle class, which is a high professional position enabling authoritative power. A layer-by-layer increase of authoritative potential can be noted in the middle class, and, based on these characteristics, a certain classification of 'middle class'.

The cost structure of the middle groups is conditioned on both income size and a value system. It not only ensures the reproduction of the social group but also shapes the social borders of the latter, forms its identity, features distinguishing it from others, and its internal cohesion. Consumption is a meaningful social action, for it includes not only the consumer but also other members of the society, who, willingly or not, consider the consumption of others within the current social structure. Consumption is a multi-functional process. It informs bystanders about the class identification of a particular consumer, shapes the image of the middle class, and conveys a particular social meaning to patterns of consumption. The issue of paid private educational and medical services and the purchase, construction or renovation of housing have significant density in the structure of middle class expenses. The differences are larger in travel expenses, which vary significantly between the lower and upper strata of the middle class.

Power Potential

The next criterion, which is the basis of classifying the middle class, is the existence of power potential—pro-governmental political positions. These positions do not have an active character. Members of the middle class rarely adhere to political parties but are sympathetic toward those political powers that create or promise favourable conditions for their own development and prosperity. The education system and employment are important for inclusion in the middle class and for the provision of social and economic progress in the structure of society. The realization of a sustainable development factor in the personal lives of ‘middle classers’ is another classic characteristic. The personal strengths and achievements, as well as personal qualities, hard work, honesty, and education/profession, are much more important for members of the middle class to be successful in our society. The assigned status attributes, notably gender and place of birth, are of less importance.

Not only are hard work, honesty, education and profession important for success, but the patterns of self-representation of the middle-class and its members are as well. These factors also underline the importance of progress in the members’ own lives through personal and professional efforts and the tendency to push back against other factors as acquaintances, birthplace and political patronage, whereas the latter, according to stereotypical notions of Armenian society, are key factors to success. It is also logical that the members of the middle class are mostly satisfied with those components of life quality that they are able to ensure on their own. However, in regard to public social guarantees and legal relations, in particular the protection of rights, the level of

satisfaction decreases. Simultaneously, a special understanding of a lifestyle characteristic of the middle class is being shaped and includes special habits of consumption, use of free time, preferences, tastes, behavioural norms and value orientations by establishing middle-class identity over time based on shared values and behaviour models.

Another influential factor consists of the continuation of behavioural models inherited from the Soviet era. In a way, these are also reflected in the efforts by the state and parts of society to revive Armenian identity and strengthen and privilege what is considered ‘national’ in public life. This is being pushed forward and realized in some of the following ways: overall societal and cultural ‘Armenisation’, the formation and rehabilitation of mercantile traditions, and a clear tendency towards religiosity and the strengthening of the role of the Armenian Apostolic Church in public life. The Karabakh War, which substantially contributed to the formation, dissemination and reinforcement of patriotic discourse, also plays an important role. This also affects the value orientations of the middle class. One of the important lifestyle components is the organization of entertainment and leisure time, which also puts conventional boundaries between social strata and transmits value-based content to the middle class. According to the research results, watching television is the most common form of entertainment for the middle class.

The Role of Family

Interacting with friends and relatives in the forms of hosting them as guests, visiting them, or meeting up with friends is another leisure component that often is part of everyday life for the middle class. Spare time is also often spent listening to music, reading or going for a walk as well as hanging out in cafes and restaurants. Analyses of the leisure activities of the Armenian middle class show that it is not really filled with cultural events. Visits to theatres, the opera and classical concerts do happen but only occasionally. Instead, time is spent on sports and popular entertainment. On one hand, this is conditioned by the fact that members of the middle class are overloaded with permanent and additional employment, and on the other hand, this is conditioned because of the lack of value-based cultural saturation. Either way, the lack of cultural saturation hinders the development of the creative potential of middle class and its reproduction, which results in a diffusion of the middle class and increases its disappearance risks.

Family happiness occupies the top place in the value system of the middle class, while after that comes, in this order, respect, financial achievement, professional

advancement, and free time. For patriotism, opinions are divided. A large segment of the middle class is clearly expressing a desire to emigrate from Armenia, while, for an almost equally large part, definitive emigration is not acceptable since economic and social capital for the development of Armenia would, as a result, be lost. The erosion of, and disappearance risks of, the middle class is also connected to groups that do not fit well into the logic of its class structure, which survive due to state social transfers and remittances, as well as a large number of Armenians living with income from employment in Russia, Western Europe and North America and the ensuing remittance economy. The high emigration rates and the societal section involved in emigration also influences the dynamics of the Armenian middle class in a rather ambivalent way. On one hand, its income and expenditure structure corresponds to those characteristic of the middle class, while on the other, the representatives of this segment cannot ensure sustainability and are not productive inside the country. Though economically capable of fitting into the middle-class cost structure, socially, they do not function like the middle class.

Concluding Remarks

Inequality, late or withheld wages, additional work responsibilities and requirements, and the necessity of combining work and household responsibilities all increase the risk of exclusion from the middle class. The difficulties faced by the middle class in maintaining their position and role in society are also a result of ever-increasing professional requirements and demands by employers. Technical progress and enhanced automation of the workplace have increased the professional

requirements of employers, but this is an ongoing process. Thus, from the viewpoint of financial, economic and practical factors, we have a self-sustaining middle-class, which comprises people able to pay taxes but who do not realize the importance of their participation in the decision making processes in the country, are not socially cohesive, do not provide language discourse, and do not identify their future with the future of the country. Most alarming is that a significant part of the middle class is ready to migrate from Armenia.

This ambivalent situation is getting worse because the middle class in Armenia does not have a unified cultural portrait. That is, it lacks unified values, social and political positions, and real consciousness about its own role in society. The economic freedoms granted after 1989–1991 did produce results, but it is difficult to develop individual freedom under a collective heritage. Since Soviet Armenia knew censorship and many prohibitions, banning ideas, culture, art, and science, among other subjects, became seductive. Ultimately, earned economic and political freedoms also implied individual freedom, yet society did not provide the application patterns of the latter, and people lacked the skills to apply their freedom. What was forbidden before is permitted today but is no longer interesting. On the consumption dimension of cultural values, the real differences now are luxury and conspicuous consumption on one hand and, on the other, the preferences and tastes focused on necessities. It is difficult for the modern Armenian middle class to get oriented in a new diversity of choices. Therefore, this brings disorientation and a decrease in the number of people identifying themselves as ‘middle class’.

About the Author

Yuliana Melkumyan is an Associate Professor at the Social Work and Social Technologies Department at Yerevan State University. She defended her PhD thesis on ‘Middle class in modern Armenian society: basic characteristics and development perspectives’ in 2013 and was granted the title of PhD in Sociology. She has been teaching Sociology and Social Work since 1998.

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