



# **R E P O R T**

**of the Training Course**

**FREEDOM SCHOOL & ESSAY CONTEST AWARDS 2015**

**FREEING MINDS FOR PROSPEROUS FUTURE – BASED ON THE  
PHILOSOPHY OF LIBERTY**

**Supporters**

**NETWORK FOR A FREE SOCIETY**

**FRIEDRICH NAUMANN FOUNDATION FOR FREEDOM  
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**Organizer**

**WIDE OPPORTUNITIES YOUTH NON-GOVERNMENTAL  
ORGANIZATION under its program ARMENIAN STUDENTS  
FOR LIBERTY**

**YEREVAN  
2015**

## FREEDOM SCHOOL AND ESSAY CONTEST PROJECT JUSTIFICATION

- Armenia is still in the beginning of its road to liberalization and yet had so much to do. Protests and activities of Armenian young people for the solution of set of problems like raise of prices of public transport fees, electricity and the destruction of “Afrikyan building” and etc in Yerevan and Armenian regions reaffirmed the readiness and willingness of young people to initiate changes toward more liberty.
- “The Times They Are A-Changin” so oligarchy holding governmental positions, which are destroying the principles of free market economy in Armenia, is not eternal. Already, young entrepreneurs start their own small businesses making handmade things in order to overcome poverty. All this and many more direct to the idea that if young intellectuals and leaders will be familiar with philosophy of liberty and could invest them in their daily lives, look to their life situations from the liberal points of view, the changes will be more and more obvious and the progress in the liberalization process will be more significant in Armenia.
- Trying to contribute to this process, we began to analyze the access of Armenian young people to the liberal philosophy and soon found out that they do not have access to liberal principles: they are not being taught in schools and universities, is not common tradition the organization of student groups for liberty in campuses, liberal seminars for students and young intellectuals are organized very rarely, there is a lack of liberal literature in Armenian language. *The first three liberty camps were organized in 2011-2013 by Armenian Youth for Liberty, one camp per year with 25 students. After 2013 were no liberty camps in Armenia. In 2013 Armenian Students for Liberty led by Anna Martirosyan organized Freedom Forum, Essay Contest and 1<sup>st</sup> ASFL Conference and Pre-conference Essay Contest Awards, for 80 participants, 2-day event from 14 to 15 September in Vanadzor City, Armenia with **Atlas Network** and **Network for a Free Society** support. In 2014 Armenian Liberty Students Organization organized chain of liberty seminars in Yerevan with **Network for a Free Society** support and still continue to organize them. We need to say that some NGOs organized events that promoted liberal principles but since the promotion of liberalism is not their mission such events were rare and not totally directed to this purpose.*
- The situation is especially critical for young people living in Armenian regions, where is totally no information about these ideas where the local authorities created a strong atmosphere of non-control power. *Here we need to inform that after our conference in Vanadzor city in 2013 and explanatory conversations with attendees about controlling community budget and obliging authorities to make conditions so young people could participate in decision making process a few young groups were created led by conference participants who participate in decision making process and initiate some changes to develop the city.*
- After analyzing the situation we decided to organize Freedom School and Essay Contest in order to identify free thinking young intellectuals from Armenian society.

## FREEDOM SCHOOL AND ESSAY CONTEST PROGRAM

- Freedom Schools are multi-day seminars and events that take place across the globe, emphasizing the

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ideas of freedom. They provide deep understanding of the history, ideas and philosophy of liberty, help to meet like-minded colleagues in the region and to identify the next generation of pro-liberty leaders.

- Our 5-day Freedom School hosted in Tsaghkadzor from November 25 to December 2, 2015 for 40 participants was of basic and advanced seminars which actively explored the historical, philosophical and economic foundations of a free society through engaging lectures, small group discussions, movie screenings, debates and presentations.
- Having in mind that the most acute problem of the Armenian society has been and remains the poverty and being inspired by the growing protests against the changes to the cumulative pension system reforms and raise of prices for electricity we intent to dedicate the theme of Freedom School to the problem of poverty and discuss the reforms, best examples of the countries with a free market economy. Along with liberal philosophy were discussed the economic, social and institutional reforms necessary to overcome poverty in Armenia. For this reason prior the event we organized an Essay Contest with the **Network for a Free Society** support. The objective of the contest was to ensure the approach to the different spheres of Armenian economy from a liberal point of view and to encourage them to demonstrate their visions and to suggest reforms how to develop Armenia. The applicants were asked to write essays with topic "Reform that would make it easier for people to do business in Armenia." or one page on "Do you think that it would be better for Armenia to trade freely with all other countries?" or 'Can governments create jobs and if so how?' Please find some essays in this document. The authors of best essays were invited to attend the event. The three best writers introduced their essays during the event and the independent academics will put them in their final order. The best three winners got cash prizes of 40\$ - first place, 20\$ second place and 10\$ third place.
- Having in mind the lack of liberal literature in Armenian language we also divided Atlas Network book edited by Tom G Palmer "Why Liberty" translated into Armenian language with **Atlas Network** support and published with **Friedrich Naumann Foundation for Freedom liberal foundation support**. We also donated to attendees the copies of CDs "Ideas of a Free Society" (3<sup>rd</sup> edition) donated by and copied with **Network for a Free Society support**<sup>1</sup> in Russian and English languages, as well as the world bestseller "The Adventures of Jonathan Gullible: A Free Market Odyssey" by Ken Schoolland in Armenian, Russian and English languages.

## SPEAKERS

The speakers of the event were Andy Eyschen, Glenn Cripe, Sadaf Hussain, Kamil Cebulski from Language of Liberty Institute and Tigran Shadunts.

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<sup>1</sup> We could not receive original CDs in a big quantities to distribute to students because of Armenian Customs service restrictions, so Network for a Free Society supported its copying in Armenia.

- **The Language of Liberty Institute** (<http://languageofliberty.org/>) organizes Liberty events in developing countries, where we offer a unique combination of exploration of classical liberal ideas (in philosophy, economics, ethics, entrepreneurship) English conversation practice with native speakers workshops on how to apply these ideas to solving problems in daily life back home. LLI offers several types of workshops, all emphasizing the application of classical liberal philosophy to solving problems now, in real life, and providing practice in giving a professional, business-like presentation in English to the entire group.
- This term in general refers to the words that have inspired freedom fighters everywhere throughout history. Examples are works by Bastiat, von Mises, Hayek, Jefferson, Friedman, and Rand. Today, the English language is also the language of liberty: if you know English, you have more opportunities in life, thus more freedom. All LLI programs are conducted in English.
- We started to work with LLI since 2013 by organizing 1<sup>st</sup> ASFL conference and Essay Contest Award with 80 attendees, and liberty seminar in Yerevan with 40 attendees.



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**Andy Eyschen**

Andy is a co-founder and director of the Language of Liberty Institute. An Australian citizen, originally from Luxembourg, Andy currently works as a management consultant from Kuala Lumpur, Malaysia. Andy's special contribution to LLI and the Liberty Camps is his broad experience with consulting, organizational development, and training programs.



**Glenn Cripe**

Since 2005, Glenn has brought LLI's Liberty Camps and Seminars to over 3000 students in 25 countries, expanding his network of freedom fighters around the world. When not hosting Liberty Camps, Glenn recruits and develops new local partners, teachers, and donors for the Institute. Before co-founding the Institute, Glenn pursued a career in IT development, consulting, and training. He takes special pride in having helped organize the project to translate and publish the works of Ayn Rand into Russian in 1993 — the first time her works could be read in her native language. Originally from Chicago, now an Arizona resident, Glenn has lived in a dozen cities in the US and abroad. He studied languages, finance, and economics at Indiana University. He speaks Italian, French, and a bit of German.

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**Sadaf Hussain**

Assistant Manager, CCS Academy A graduate in Advertising and Events from St. Xavier's College, and also holds a Masters degree in Animation. He is a CCS (ipolicy) graduate and was a coordinator for Friends of Freedom and Liberal Youth Forum in Ranchi. After working for two years with media houses in Ranchi, he joined CCS to promote liberal ideas and currently works on conceptualisation and implementation of their outreach programs and public policy courses. His interest lies with working with the youth, volunteer mobilization and management and developing seminars, trainings, and events. When not working, Sadaf enjoys graphic designing, cooking, photography, traveling, meeting new people, learning to the play the flute, and reading Austrian Economics.



**Kamil Cebulski**

Kamil is an entrepreneur from Poland who has businesses in countries with free market economy. He did a great innovation 15-20 years ago: he began buying new websites to create new CDs with even

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more content and then started selling them. His company was growing very, very, fast and it was at this point that the Polish media began to refer to him as the Youngest Polish Millionaire. After he created the company ESC Poland and started to trade on the Internet. He established the Kamil Cebulski Business Education Foundation which organizes lessons about entrepreneurship and we deliver lectures and meetings with real entrepreneurs and business people. Very quickly from a start as a small private business school in Poland it became an international one. Today they organize lectures and meetings with entrepreneurs in 17 different countries across 4 continents.

He has another school in Zambia now with the highest education level where there is a current number of students in one classroom and the teachers will bring their knowledge from developed countries.

Kamil have big experience to providing educational trainings and many organizations, mostly high schools, invite him to talk about his story and give teenagers entrepreneurial advice. He teaches from the perspectives of entrepreneur and share his experience with students.



**Tigran Shadunts**

In 2013 Wide Opportunities Youth NGO, Serund Pan-Armenian Youth Center leaded by Tigran Shadunts and about 30 Armenian NGOs created «Youth for Youth» Initiative which after became to «Youth for Youth» internet Media Center (TV and Radio) and began to serve to the youth projects and promote the events of partner member organizations.

He organizes workshops, seminars for students in a very interactive way in Armenian, Russian and English languages.

He is educated in University of Roehampton, UK, London. His PhD student on International affairs, Master on International affairs and Master of Science in Strategic Human Resource Management, as well as are from Russian-Armenian (Slavonic) university.

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## Participants

The participants were young professionals, recent university graduates, and fourth-year undergraduate students from Armenia from 18-30 are eligible to take part in the events. Factors that need to be taken into consideration when recruiting participants are their social activity, volunteer experience, intellectual development, leadership skills and the ability to become agents of change. Almost all participants were very active in their public life organizing and participating in youth events and initiatives.

To share with Armenian young people the successful and advanced experience of Georgia in liberalization of country's economy we also invited Georgian participants, so the number of Armenian attendees was 31 and Georgians was 9.

Here are some essays from the Essay Contest.

### Reform that would make it easier for people to do business in Armenia

There are a lot of reasons that make it difficult for a local entrepreneur to open and run small and medium-sized business in Armenia. According to "Doing Business" which is a World Bank group 2016 ranking Armenia is the 35th among 189 countries by its ease of doing business which seems not bad.

As stated by the same analyzing system Armenia is the 5th in the world by "ease of starting business". But if you dig deeper you'll find that this is far from being completely true and let's take a look at Armenian reality.

As we all know income in Armenia is below average, market power isn't too high, more than 40% of population live in poverty, so level of solvency is poor.

In Armenia you can find that influential officials, ministers and deputies have businesses whilst owning businesses is forbidden for them according to Armenian law. They hide this fact, moreover, when you uncover that fact, it "accidentally" turns out that the business belongs to their family (wife, husband, sibling, etc.). They create oligopolies, which prevents development of business. This situation in country frightens investors and pushes out dozens of possible successful business plans.

Another major reason is taxes and corruption that emerges from it. Maybe for honest entrepreneurs the tax tariffs aren't too high but when their competitor is corrupted, the situation gives birth to unequal conditions in business market.

So it's clear that come to be reform at first should liquidate this situation in local business area, making it more attractive to beginners.

Because of business not only is separated but also directly depends on current situation of country it's also becoming clear that the reform could be realized only in free, democratic country (which is not related to Armenia).

Here are some points that must contain every reform:

- *Should be secure property from theft and looting.*
- *Dealing with construction permits, getting electricity, registering property should be easy*

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and tariffs must be reasonable.

- *Getting credits easily for starting business must be put on practice (which is true on papers but it's easier to take Jesus sign than credit agents).*

- *Armenia must freely trade in world market. By developing local businesses, economy in the country will grow, business area will expand and Armenia will become a global player.*

- **Liberalization of economy.**

- *Breaking up unnatural monopolies to promote more competitive market and set strict control to natural ones.*

- *Reduce custom taxes and etc.*

To sum up I will add that according to my not professional regard the resolution of the problem lays deeper which requires relevant political reforms. This on its turn will make it possible to realize economic reforms making Armenian business area more attractive for investors.

### **Can governments create jobs and if so how?**

Many people have been talking about job creation lately, especially politicians. But is government the best creator of jobs? And is job creation the best thing for the economy?

There is a difference between creating jobs and creating wealth. It would be easy to create millions of jobs overnight. For example, we could eliminate all of the machinery and innovation used in agriculture. Then many people would be needed to farm in order to produce sufficient food for society. But no one is suggesting that because it is not practical and it would set our economy back 100 years.

Creating jobs is relatively easy. The problem is that the most economic progress is made when jobs are eliminated as they become unnecessary. New innovations happen gradually, though, and technological innovation means people will need to learn new skills, and some are likely to lose their jobs in the meantime. That unemployment is a bad thing, but the alternatives are worse. To prevent such labor transitions would halt innovation, growth, and the reduction of poverty.

Market signals can indicate what kind of skills people should invest in and where the new jobs of the future will be. But the government doesn't have these signals. Instead, many government job-creation programs are really about meeting the needs of politicians, not the needs of consumers in the marketplace.

*The best job-creation program in human history is the free market and the entrepreneurship it In dealing with a weak economy, Armenia's elected leaders should stop overspending and overborrowing and instead focus on getting the government out of the way of the private sector. Government should reduce its unnecessary interference in the marketplace, which will help encourage Armenia's businesses to invest and create jobs. Congress should adopt the pro-growth, job-creating; encourage development and use of Armenia's vast energy reserves; encourage free trade that opens foreign markets to Armenian goods and services; stop unwarranted overregulation of the marketplace; and repeal the government's labor price-fixing for federal construction.*

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## **Do you think that it would be better for Armenia to trade freely with all other countries?**

I study International Relationships. Therefore, knowing any country's political and economic interests is my direct responsibility. Because of I am from **Georgia**, The South Caucasus region is the most important for me.

First of all, what I say about Armenia is that Over the past few years, Georgia and Armenia have taken comprehensive, opposing steps in favor of two divergent, political-economic blocs. The protection of the rights of ethnic Armenians living in the Georgian region of Samtskhe-Javakheti is another important aspect of bilateral relations.

Besides, Georgian authorities are implementing programs for integrating the Javakheti Armenians into Georgian civil society. And the Georgian government's approach is guided by "European standards, financed by European sponsors and receives a welcoming response among the Armenian community of Javakheti, especially, among the youth.

Armenia plays a significant role in the Caucasus region. In fact, the 20-year-Karabakh conflict remains unresolved, and the reason for that is directly linked to Russia's wishes. Actually, Armenia wants to resolve the conflict with Azerbaijan, but Independently can not change anything.

On the other hand, as has been demonstrated in Ukraine over this past year, Moscow clearly divides the post-Soviet republics into those that are "friendly" to the idea of "Eurasian integration" and those that are "hostile" to the project. Therefore, Armenia's imminent accession into the Eurasian Union may have a negative impact on its relations with Georgia, which has just signed the Association Agreement with the European Union, thereby choosing a development and integrationist vector quite opposite to that of Armenia's.

The Eastern Partnership is an initiative of the European Union governing its relationship with the post-Soviet states of Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine, intended to provide an avenue for discussions of trade, economic strategy, travel agreements, and other issues between the EU and its eastern neighbors.

What about Armenia's energy security, The main challenges are Import of natural gas {Production of electricity. Georgia has enough hydro resources and they need to diversify.

It is necessary to strengthen ties with neighbor countries and create a stable regional power market structure. For example, rehabilitation of the existing connecting lines to Armenia. On the other hand, The main technical and financial aspects, influencing Armenia's energy Closure of the Armenian nuclear power station by 2016 (November 27, 2007 decision) Financing the construction of a new nuclear power station (at least 5-6 bln. US dollars) Impossibility to export electricity because of the closed border with Turkey.

The export is important ! 1350 MW total consumption (2010) and technical possibilities to produce more then 3500 MW 2. And this disbalance will increase after the construction of a new NPP with a 1060 MW reactor! + new hydro with other 400 MW.

*As a result Armenia can become an unique country with a lot of electricity without a chance Import of natural gas is important through Georgia from Russia via a gas-pipeline, which Azerbaijan is planning to buy from the Georgian government, Also, From Iran, which still has sustainable chances for becoming a instable country due to several internal and external factors.*

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*Finally, because of Armenia's geopolitical state, it's necessary to trade freely with all other countries, especially with boarder countries and when with Europe.*

*First of all, Armenia will be able to refuse to be a Russian satellite and begin the process of democratization.*

*Except this, Armenia to solve the problem of ethnic conflict. Improving the political situation will lead to economic stability.*

### **Do you think that it would be better for Armenia to trade freely with all other countries?**

"Globalism began as a vision of a world with free trade, shared prosperity, and open borders. These are good, even noble things to aim for."- once Indian American public speaker Deepak Chopra said. These are the words I find it hard not to believe and share especially in the era of globalism, capitalism and simply freedom.

So what does it mean to trade freely?

Free trade is a win-win proposition because it enables nations to focus on their core competitive advantages, thereby maximizing economic output and fostering income growth for their citizens.

So Armenia's current not-so-well economic situation gives me the reason to say that it would be better for Armenia to trade freely with all other countries.

Armenia's economic and political life is closely intertwined with each other as every countries'.

Armenia's accession to the Eurasian Economic Union largely determined it's future political, economical and social situation. As a citizen **Georgia** of the country that strives for European integration I think Armenia's decision was both economically and politically not well-planned. I think the current economic situation in Russia, which has a big impact on the social and economic life of Armenia, demonstrates the correctness of my opinion.

Russia still remains a major trade and economic partner of Armenia. Developments in Ukraine due to Western sanctions against Russia in the Russian Federation ruble devaluation and economic situation deteriorated, which was reflected in the Armenian economy. According to official data, in 2015 the trade turnover of Armenia with the main partner - Russia, decreased with 31% which is 73.4 million US dollars (according to Armenia's National Statistics Service).

Last year, when the Parliament of Armenia was considering entering into an agreement of the Eurasian Economic Union all state officials urged residents unanimously that 170-million market would be opening in front of Armenian entrepreneurs it is a good opportunity to increase the trade turnover of Armenia's economy in order to attract investment; That foreign investors will want to establish the production of its products exported to Armenia and Russia and the Eurasian Economic Union member-customs in other countries. Armenia became a member of the Union in January 2015 and, at the same time, the volume of export from Armenia to Russia fell to \$ 168.9 thousand. Previous year's period to 16.5 million US dollars were exported from Armenia to Russia (according to Armenia's National Statistics Service).

Also the World Bank and International Monetary Fund forecast that in 2015, economic growth in



Armenia will be weak or even negative (The WB). I think that Armenia, as the former Soviet Union country, needs the action not a promise. *I think the economy is a major factor that has to be a priority for Armenia and I believe that trade liberalization is a guarantee of economic progress because this system will lead to the development of agriculture, require manufacturing of more and higher quality product, Armenian products will be closer to the international standards. The enterprises will be built up and more people will be employed so this will lead to a decrease of the unemployment rate which is the great success to every country.*

*As a result of everything said above there will no longer be a big difference between export and import figures. So that's when Armenia will be interesting for the investors – when the economy is strong.*

*I'm very positive about the fact that the former Soviet states are trying to find their places in the international arena but I also think that it can only be achieved if the countries like Armenia, Georgia or Ukraine to have very close connection not only with one crucial actor of international system but with the whole system itself, with its every country. So In my opinion trade liberalization contains political, social, economic liberalization; Integration in every sphere. I wish Armenia to have the same interests with many countries, because the same interests are what countries stand together for.*

## **Reform that would make it easier for people to do business in Armenia**

Business exist in all over the world. Business is the place where goods and services are exchanges for one another or for money.

Each government has his ways of controlling business in his country. At this moment best countries for doing business are considered to Denmark, New Zealand, Honk Kong, Ireland and Sweden.

Denmark is a net exporter of food and energy and enjoys a comfortable balance of payments surplus, but depends on imports of raw materials for the manufacturing sector.

Hong Kong has a free market economy, highly dependent on international trade and finance. Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008.

Over the past 20 years the government has transformed New Zealand from an agrarian economy dependent on concessionary British market access to a more industrialized, free market economy that can compete globally. The government plans to raise productivity growth and develop infrastructure, while reining in government spending.

So what is the difference, what reform should be done in Armenia. In my opinion there are several things.

First, we should improve our educational issues. In Armenia there are educational institution only for several few professions, consequently a lot of people are not working by their profession. For instance, there are only one or two institutes for shoemakers or jewelers in Armenia. As we already know there are very few of them who have finished that institutes. Mostly people who are working as shoemakers have totally different education. So we should open universities which will give education from different fields.

Second, in country which is doing a monopoly business is very hard for people to do or to start a new business. As we now monopoly is a market situation where one party controls the supply of a good or service and where the entry of new parties is prevented or highly restricted and so that is way

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it is so hard for new people to enter in some field. So consequently the solution is that we should make our economic competitive. Competition is the rivalry among sellers trying to achieve such goals as increasing profits, market share, and sales volume by varying the elements of the marketing mix. Third, Armenian businessmen should sign more contracts with foreign corporations. Forth, government should help small and medium-sized businesses to develop. Finally, underground economy should be exterminated. In conclusion, inspiring scenes of people taking the future of their countries into their own hands will ignite greater demands for good governance and political reform elsewhere in the world. Everyone should be encouraged to pay attention to the issues that matter to them, from jobs and the economy, to education and schools, to criminal justice reform. Whatever it is that they care about.

### **Do you think that it would be better for Armenia to trade freely with all other countries?**

Yes, generally it will have a positive impact for social-economic situation in the country. We need to create more comfortable conditions for investors, decrease taxes, and bring the standards and conditions for businessmen closer to the international standards so they would love to hold business in our country.

We have potential in agricultural field; our vegetables and products are eco-natural and can be demanded in international market. As for the natural resources, we don't have a lot to suggest but there are molybdenum and mineral waters that should have more wide export. Of course, it would be nice to enlarge the list of our economic partners and trade freely with other countries.

Armenia has started technological development and it should be one of the main priorities for our economy in the conditions of modern life. I hope we will have really quality products to suggest in IT sphere.

Within the country we have a problem of monopoly in case of big business. And the taxes are so high for people who want to start small or middle business. So «the rules of game» should be changed within the country too, if we want to develop the level of our social-economic situation and stop the catastrophic flaws from the country. So today it is not just the question of a better life or more independence of Armenia, it is already the question of national security and maintenance our homeland as a homeland... That's why I find the reforms and changes in Armenian business life crucial. I believe it can be done. We have lots of examples of successful small countries without natural resources but they were able to establish prosperity in their country.

### **Reform that would make it easier for people to do business in Armenia**

The secret of business is to know something that nobody else knows.  
Aristotle Onasis

Armenia is a country with potential. There are any positives in Armenia. Although Armenia is currently ranked 48th in the world on ease of doing business we have considrable potential to improve our

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position. Rank does not confer privilege or give power it imposes responsibility. We must find new ways to create stable economic growth. Armenia's economy initially suffered from the legacy of a centrally-planned economy and the breakdown of the former soviet trading patterns. So now the government must carry out wide-ranging economic refer in order to make positive changes. Starting business in Armenia is a little bit risky and paradoxal. Despite ongoing improvement Armenia remains a poor country. So we do not have any option but to improve our business environment and opportunities. It is a bit difficult to develop business opportunities.

First Armenia is situated in a difficult geopolitical environment, we are landlocked and there is lack of natural resources. There are some strong factors which limit trade and export opportunities. But we must find the key of achievement and success. It is very important to increase overall rating of the country. The government should work on a risk-based tax system. We must focus on analytical work to investigate the risk-criteria of companies in Armenia rather than administering huge amounts of paperwork. I do not have any experience in this aspect but to my mind we can make some reforms to facilitate and make doing business in Armenia easier. So we can reduce the time and cost to obtain a business license and eliminate the inspection of the premises of newly registered companies, cut the registration fee for new business by half, streamline post-registration procedures, reduce the minimum capital requirement, simplify documentation etc. Our government must accept that the base of any country is its economy, economy shows the level of the development of the country and the economy is business, first let's improve our business opportunities, create proper environment for starting business and so we can develop whole country.

### **Do you think that it would be better for Armenia to trade freely with all other countries?**

Free trade is good for Armenia, and for a very simple reason: it allows Armenian workers to specialize in goods and services that they produce more efficiently than the rest of the world and then to exchange them for goods and services that other countries produce at higher quality and lower cost. Specialization and free trade allow Armenia to become more competitive and innovative. Innovation constantly provides new technologies that allow Armenians to produce more, cure more diseases, pollute less, improve education, and choose from a greater range of investment opportunities. The resulting economic growth generates better-paying jobs, higher standards of living, and a greater appreciation of the benefits of living in a peaceful society.

The most compelling reason to support free trade is that society as a whole benefits from it. Free trade improves people's living standards because it allows them to consume higher quality goods at less expensive prices.

Innovation is the basis of progress, and competition is the best incentive to innovate. The challenge of having others producing similar products or offering similar services motivates businesses to find new technologies and better ways to provide what they produce. The need to remain competitive forces businesses to strive constantly to innovate. As a result, new technologies are born.

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Economic freedom is essential to economic growth, and the true measure of economic freedom involves more than just the question of whether tariff and non-tariff trade barriers are present. It involves other barriers to commerce such as inflationary pressures, regulations that make it more difficult to do business, restrictive banking systems, whether or not property rights are protected, and the fiscal burden of government.

Free trade is an essential pillar of Armenia economic power and prosperity. It encourages labor force specialization and the exchange of goods and services that other countries do better and at lower cost. Specialization leads to competition and innovation, providing new technologies that allow Armenians to produce more goods and services, cure more diseases, pollute less, get better education, and choose from a wider range of investment options. As the economy grows, people enjoy higher standards of living and gain a greater appreciation of the benefits of living in a peaceful society.

### **Do you think it would be better for Armenia to trade freely with all other countries?**

By the way of free trade there will be encouraging competition, innovation, efficient production and consumer choice. I think it would be better for Armenia to trade freely with all other countries because free trade means that consumers have a wider choice of goods, as they find imported as well as domestic goods on display in the shops.

Domestic businesses may also have a chance to reduce costs by buying imported raw materials from abroad or importing new technology. Both individuals and businesses may have access to imported products that do not exist on the domestic market and it would not be available without international trade. Therefore, free trade with all countries will give more opportunities to Armenia related to decreasing costs of production (with new technology), increasing supply, decreasing unemployment, increasing GDP.

As a student of a faculty of economics & management, I can highlight that free trade gives us also a recognition from many countries and attract more investors in Armenia and improve the economy.

Trade liberalization creates losers and winners as resources move to more productive areas of the economy. Employment will increase in exporting industries and workers will be displaced as import competing industries fold (close down) in the competitive environment. With free trade, many jobs will be created in Armenia. Therefore, this is one of the positive sides of free trade with other countries, which is also an important point for us. As a rule the countries involved in free trade experience rising living standards, increased real incomes and higher rates of economic growth.

On the other hand, we should not forget about the disadvantages that has free trade.

Those are related to the removal of trade barriers. The other disadvantages are about structural unemployment in the short term, dependent on global markets. Developing or new industries may find it difficult to become established in a competitive environment with no short-term protection policies by governments, according to the infant industries argument.

At the end of my essay, I want to add that free trade is a powerful tool if we use it smartly.

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## **Reform that would make it easier for people to do business in Armenia**

Currently Armenia faces problems with economic growth and development. Today the economic development is a significant national security. For running a business easier in Armenia the Armenian government wants to create the political stability and sustainable economic environment, but for running a successful business in Armenia they are not satisfactory components. Here, we should consider the problem of social establishment which is based on the individual. We have to become such a society that will create the best opportunity for discovering the creative abilities of the people. The social aspect is a very important field to talk about. In this context we can talk about the relationship between the individuals and groups, the individuals and society. We should believe in an idea that everybody has the opportunity to start his/her own business. In this context the idea of liberalism is generated. Before talking about the financial market initially we have to increase the level of social cohesion: sense of belongingness, inclusion, equality, participating, team work, similarity between members of society or groups etc. The high level of the above mentioned indicators can make it easier to establish a business in the Armenian society.

## **Do you think that it would be better for Armenia to trade freely with all other countries**

The world economy today is extremely dynamic, more variable and the same time more achievable. Individual country's economic development's issues are turning the global purposes. Trade is impetus, trade can be a key factor in economic development. Trade has been touted as an important tool in the path to development by prominent economists. Benefits of trade: trade can help boost development and reduce poverty by generating growth through increased commercial opportunities and investment, as well as broadening the productive base through private sector development. Trade facilitates export diversification by allowing countries to access new markets and new materials which open up new production possibilities. Trade expands business opportunities for local companies by opening up new markets, removing unnecessary barriers and making it easier for them to export. For Armenia will be very good a cooperation and trade relations with other countries. For it's realization, first of all, the market will be open. Tribute and taxes should be less. Legal rules should operate equally for everyone. Each citizen should be confident in their own country's government, to be able to implement trade. In a trade there shouldn't be monopolies. The trade shouldn't be politicized. Trade expands choice and lowers prices for consumers by broadening supply sources of goods and services and strengthening competition. Trade plays a role in the improvement of quality, environmental standards through increased competition and the exchange of best practices between trade partners, building capacity in industry and product standards. For Armenia having commercial ties with other countries is very important, because trade strengthens ties between nations by bringing people together in peaceful and mutually beneficial exchanges and as such contributes to peace and stability. Cooperation with Japan and South Korea would be very favorable for Armenia, because this country's is possible to import large quantities of equipment at affordable prices. African

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countries with ties to Armenia will give coffee, cocoa and the extensive use of exotic fruit trade. It is very important for Armenia to have commercial relations with European countries. Creating employment opportunities by boosting economic sectors that create stable jobs and usually higher incomes, thus improving livelihoods.

### **Do you think that it would be better for Armenia to trade freely with all other countries?**

As I understand the free trading gives an opportunity to have an unlimited import and export of the products through the countries. One of the advantages of the free trading is low taxes and fees that usually increase the price of the imported or exported products. Now, Armenia is in free trade relations with the member countries of EEU /Eurasian Economic Union/. During the time, the free trading with the member countries should promote the reduction of some products' prices, as well as it should promote also the growth of the export of Armenian products /wine, cognac, tobacco, etc/.

I think there is also a big demand and interest to European, Asian, American products. Anyway the products from the European, Asian countries are imported to Armenia, but, obviously, they have high prices. For me, as a customer, it would be better to get the needed product by low price.

I would like to bring an example depended on my personal-working experience.

I work in the office of the company that import tableware to Armenia. The product imported from Germany with the price 8 euro, is priced in the shop 15 000 AMD~30euro. In the mentioned example, we obviously, have a 3 times higher price of the product, imported from the EU, due to the high taxes and fees gets.

I would like to mention also about export of the Armenian products. We have many qualified products that needed to be known in the world. The unlimited export of the Armenian products will give an opportunity to us to serve a qualified cognac, wine, tobacco, water and etc. Armenian products can become a very good alternative to other well-known brands of products from Germany, Italy, Austria and etc.

In my opinion free trade should:

- Promote the reduction of the prices of lots of products,
- Promote the diversity of the products in Armenia,
- Give an opportunity of wide selection to a customer,
- Promote information about Armenia, as well as Armenian products,
- Promote the growth of the export volume,
- Promote the development of the Economy in Armenia etc.

I think free trading would be better for both and the customers, and the Armenian economy.

### **Do you think that it would be better for Armenia to trade freely with all other countries?**

When I read about Freedom School and Essay Contest Award I felt a great desire to take part in this

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project. I need to be honest. To participate in the project you must write an essay or an opinion on the given topics. I don't possess much knowledge about these topics. My knowledge is limited to some materials that I have read on the internet and to some programs where the speakers were praised or criticized more than the subject matter. I know also that there were lectures on this topic at the university but I didn't take part in that discussions and lectures because although it's 21st century but in Armenia there still exist many problems one of which is the expansion of information because of which I knew about those lectures only after a month of their implementation. My conception of free trade is formed from published articles about the practice of different countries. The article writers single out the positive and negative sides of free trade. It's worth mentioning that the positive ones look more persuasive. Maybe that's the reason that I support the idea of free trade or the fact that I was born and live in a free country and I'm ready to take risks to make and be witness of changes. My parents were born and grown up in the Soviet Union. That was a period when any innovation faced huge resistance and often an impenetrable wall. I myself have often heard from them that the idea of making changes isn't a good one or 'thanks God if everything remains like this we would be content'. I never agreed to this idea. If it's possible to make a change which will improve the state of the country it must be surely done. In the articles about free trade that I have read there was written that the countries where the free trade is authorized doubtlessly have more beneficial position. I have a great desire one day to read an article where the practice of Armenia will be viewed as the best practice of free trade implementation.

### **Reform that would make it easier for people to do business in Armenia**

Being a developing country, Armenia, nowadays, collides with manifold economic problems including the lack of opportunities for society to be engaged in the sphere of business. The reasons may vary from economic to social, political, as well as, cultural scope. In order to secure the involvement of the public in the sphere of business, it is crucial to shape a separate system of reformation targeting to the very issue. Thus, each reformation requires an accurate reckoning a pre-determined efficiency and possible practical usage. In order to achieve the desirable effect the system must be based on impartiality, as well as, accurate and relevant analyses of the current condition of business market. Nothing starts from a white or a clear page, thus the first step of reformation must be the study of background of the previous ones including reformation process, its efficiency and productivity. The thorough analyses will reveal the obstacles and hardships that emerged during the process of reformation usage and overcoming of the hardships and the abolition of the obstacles will be the next step to shape more efficient and acting system of reformation. Only after evaluating the efficiency of previous reforms, it is possible to pass on to implementations of new reforms, which must be viewed from different angles.

The political sphere is one of the scopes of reformation. Coming into power, sometimes, political elite occupies the significant part of business market not leaving a room for middle society. Thus, the possibilities and chances to do business are reduced to a minimum. Such situations can contribute to the development of monopoly, which is now typical to Armenia's economic system; the middle class representatives avoid taking steps in business formation clearly knowing that the business cannot be efficient and is doomed to failure. Therefore, the distribution of equal opportunities among different

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levels of society is vital issue and must be included in the process of reformation.

It is not easy to start a business if there is no support by the state. State plays a great role in providing the necessary preconditions for starting a business. The current condition of business market in Armenia allows us to cast a doubt on the functions of the state, concerning equal business market development, and reveals the following phenomenon: neglect of economic competition as a driving force of the economy, underestimation of the importance of a competitive environment, the failure to view the promotion of competition as a priority for economic reforms, and the virtual absence of any government regulation of competition. Thus, a monopoly has very negative consequences for the economy Armenia. It reduces the quality of products, the economic efficiency of production, and output, leading to unemployment and shrinking income. It is states responsibility to create equal conditions for all the members of society trying to do a business through regulations of monopolies by price and profitability controls or direct prevention, suppression, or eradication of monopolies with the help of anti-monopoly laws.

The reformation process also includes the preconditions that state must provide for new members of business market. The first step of reformation can be the policy of elimination of monopoly thus creating free competition atmosphere. The free competition market will contribute to the emergence of small or medium sized businesses. Small and medium-sized enterprises play a very important economic and social role, both through their importance in the economy and in job creation. The development of Small and medium-sized can help to face many challenges linked with economic development, inequalities, Another reformation in the economic sphere, which can be implemented by the state, is the rebate of taxes and credits for new representatives in business sphere that is some franchises, which contributes to the emergence of new actors, but also the increment of level of states economic system. Fixing the taxes and rebate credits percentage will take constant attention and effort but taxes should be lower, simpler, fair, and clear.

So the problem of doing business in Armenia is very crucial one which requires a lot of changes not only in the economic system but also in the political sphere making the business market free and accessible for each member of the society regardless the level.

The solution to this problem requires a complex of actions such as: an accurate analysis and reformations that must come into existence by the help of the state through the restrictions of power of political elite, abolition of monopoly and by reducing the taxes and the percentage of credits for newly established businesses.

### **“A river in spring”**

#### **How our people look at the Government, hopelessly and full of hope.**

Firstly, I would like to mention that the country should make an effort not to enter new fields for creating new jobs, where it will most likely fail, but to come up with new mechanisms to support and strengthen the fragile achievements.

Before thinking of new jobs, the anti-corruption activities are a whole important story.

The obvious fact is that an inherently corrupt system has no chances of curing itself from corruption

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unless there is a desire amongst its government leaders to improve the system and become humble servants of their own citizens. This is about changing the core culture about civil service.

Before thinking of new jobs, we have to consider what we have now: The government miscalculated the financial crisis from the very beginning. They developed a budget on incorrect premises, they believed that in the midst of a global crisis, that somehow Armenians abroad would be willing and able to take their money and bring it to Armenia.

They claimed for so long that the Dram was at its natural exchange point, but they miscalculated and misspoke at every stage.

The government must do what it can to enable healthy economic growth, not leave business alone to sink or swim on its own, and then to appear just when it's time to collect taxes. There must be a paradigm shift, a new approach to our institutional interaction.

The government ought to stop assuming that the economy exists in a vacuum.

Development is a political process, not an economic one. Economic development is the result of political directions and policies. Our political system is screwed up and we're not doing anything to fix it. What is left for us to think of creating new jobs: "Try with all your powers to understand the actions of the Government, but only up to a certain limit—then stop thinking about them. A very reasonable principle, which incidentally found an even wider interpretation in a later often repeated comparison: Stop further thinking about it, not because it could harm you—it is not at all certain that it will harm you. In this matter one cannot speak in general about harming or not harming. What will happen to you is like a river in spring. It rises, grows stronger, eats away powerfully at the land along its shores, and still maintains its own course down into the sea and is more welcome as a fitter partner for the sea. Reflect upon the actions of the Government as far as that. But then the river overflows its banks, loses its form and shape, slows down its forward movement, tries, contrary to its destiny, to form small seas inland, damages the fields, and yet cannot maintain its expansion long, but runs back within its banks, in fact, even dries up miserably in the hot time of year which follows. Do not reflect on the actions of the Government to that extent."

Armenia's biggest threat is our own failure. We should change our attitude. This is a new country and yes, there are a lot of weak points, but this is it, the best we have, and if we are going to turn our backs on this little country, it is not going to survive until 2050.

## Can governments create jobs if so how?

Current situation about unemployment is known everyone in the world. It is the biggest problem nowadays, because people need jobs, but governments sometimes cannot create workplaces, satisfy some requirements of societies because of some obstacles. They can be the crisis in the country, unsteady political system, ineffective work of state bodies etc. But I am sure that if society is united and willing to do reform or make changes, it will be always possible to find the most suitable solution to the problem. But the society should be wise enough to foresee it and come to its logical decisions. I want to emphasize that the solution cannot and must not be found by one side. I mean not only society does some steps, but also the government. Bilateral agreements and successful negotiations

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are to be the way out of the problem.

Nowadays everyone wants a good job with a high salary, a job with comfortable workplace and conditions. It is somehow good that we try to have as much as possible, but we may face really big problems. The question is that almost no one wants to start his or her career from the lowest salary and why not from time to time work free of charge. I know that for some people it sound senseless. They will ask me a question, "So how can I live without money?" But I know that working laboriously is the only key to success and it is worth doing. We are born to learn, create and work. It is the reason we live. Each of us should have his or her investment in different spheres of our life. We are like investors. We should invest money in order to get it. It is a kind of mechanism that always works. And the same is about workplaces. Governments cannot solve the problem alone. Citizens should support them, do some suggestions, because it is for their benefit instead of doing nothing and complaining that everything is bad. The problem should be fixed and discussed immediately otherwise it would become a reason for tensions and conflicts.

As a conclusion I want to say that everything in this world is temporary and it is natural, nothing lasts forever in this case unfavorable conditions for the country and crisis. We as a part of our country should do our best to improve current situation. We are quite influential and have great political power that allows us to do more than we sometimes think. We are the government and working together, being united and organized we can solve many problems including the problem of unemployment.

### **Can governments create jobs and if so how?**

The proper role of government in this weak economy is not to spend us all into oblivion.

Government's proper role—consistent with the conservative principles of free enterprise, limited government, and individual freedom—is to unleash the creativity of the private sector.

Creating jobs is easy for government, but all jobs are not equal. Paying people to dig ditches and fill them up does society no good. On balance these "jobs" diminish the economy by wasting scarce land, labor and capital. We do not want jobs for the sake of work, but for the goods and services they produce. As it has a printing press, the government could mandate employment for all, as did the Soviet Union. But if these jobs are not productive, and government jobs rarely are, society is no better for it.

Unfortunately our economy is so weak and indebted that we simply cannot currently afford many projects. The labor and other resources that would be diverted to finance them are badly needed elsewhere.

In dealing with a weak economy, elected leaders should stop overspending and overborrowing and instead focus on getting the government out of the way of the private sector. Government should reduce its unnecessary interference in the marketplace, which will help encourage businesses to invest and create jobs.

To encourage real and lasting job growth the best thing the government can do is to make it as easy as possible for business to hire and employ people. This means cutting down on workplace regulations. It also means eliminating the punitive aspects of employment law that cause employers to think twice about hiring. To be blunt, the easier employees are to fire, the higher the likelihood they will be hired.

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## **Can Governments Create Jobs And If So How?**

A country is considered to be developed and sophisticated mostly by the employment sector level. The government of each country has a simple responsibility to make the country a good place to live in. So, to my mind, governments CAN create jobs.

In the free market jobs are created by profit seeking businesses with access to capital. Unfortunately government taxes and regulation diminish profits, and deficit spending and artificially low interest rates inhibit capital formation. As a result unemployment remains high. Creating jobs is easy for government, but all jobs are not equal. We do not want jobs for the sake of work, but for the goods and services they produce. One can be an architect and one a taxi-driver. But those jobs must be needed. The economy shouldn't be wasting labor and capital. The jobs must be productive, and government needs to take care of that, so that the society changes for the better.

To my mind, the government should balance the budget with cuts in government spending, reform and simplify the tax code. Our current tax system discourages the activities that we need most: hard work, production, investment, and risk taking. Instead it incentivizes consumption and debt. We should tax people when they spend their wealth leisurely, not when they create it. The entrepreneurs must be encouraged to open firms and factories so that more people get jobs. The government should be more caring and understanding that behind those golden walls of the National Assembly some people are starving. I believe in what I do and I believe that every and each of us is a government itself. We should also be taking care and helping those who need it. Even if those people are sitting under the roof of the golden palace and are called to be our representatives. Maybe they need a hint.

### **Do you think that it would be better for Armenia to trade freely with all other countries ?**

Partly Armenia is in an overall crisis in the 21st century which, unfortunately, influences on the people's salaries as well. As we know, today the working-class of Armenia encounters with financial problems and running into those problems they emigrate from their country. Because of that the salary isn't only a guaranty for development but also it can solve the emigration's problem. Annually Armenia loses thousands of intelligent persons, who are very important for the country. Those people have bright and sharp minds and higher education. Governments need people like those but there're some countries (where is Armenia as well) that aren't able to rate those people as they deserve for their talent and job. People, who strive for great heights, encountering these problems prefer to leave their countries. I'll explain bellow why I have chosen this way to answer the main question of my article.

If Armenia started to trade freely with all other countries first of all it would influence significantly on goods' and tributes' (for example, the Utility Payments) price reduction.

Armenians wouldn't seek to leave Armenia and they wouldn't seek to find more well-paid job in the foreign countries any more, because they would already have a well-paid job and an affordable life in Armenia. But how can Armenia trade freely with all other countries?

The only way of getting that aim is that the government of the Republic of Armenia has to open its

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trade routes with the neighbor countries. As we know, the most available trade route for connecting with other countries is sea routes, then overland routes and the most expensive trade routes are air highways. The most convenient trade route for Armenia are overland routes, but it's very difficult for implementation because Armenia is surrounded by hostile countries. And the only trade route of connecting with the other countries is Georgia. Consequently the Government of Armenia first of all has to solve the problem of opening trade routes with the neighbor countries.

## **Reform that would make it easier for people to do business in Armenia**

In a market economy, taxes play an important role, so we can't have an effective market economy without an efficient tax system. The effective functioning of the whole economy depends on how correctly the tax system is built. So, I think the reform which would make easier for people to start their own business in Armenia and the reform which would make more progress is tax reform.

Taxation is a major tool by which governments direct and influence how resources necessary for economic and social objectives are allocated. Tax reform was needed not only for achieving this stabilization and revenue raising in transition, but also because tax reform actually facilitated and support many other economic reforms necessary for economic restructuring.

Implementing tax reform engendered enormous technical and informational, not to mention political, difficulties in all countries.

Transition processes are not simply reforms, but abstruse changes in systems that affect nearly all spheres of social life—cultural, moral, psychological, sociological, economic and political. These changes involve painful contradictions between old and new mechanisms: shocking situations and general instability. Furthermore, the importance of a tax policy is due to the fact that taxes are a major source of governmental funds, and every government must rely on taxes to finance all or part of its operation and spending. Thus, one of the most important objectives of taxation is to generate sufficient revenues. Meeting this objective has become very important in countries in transition.

Many socialist countries have experienced serious budgetary problems. Tax reform was needed to meet the revenue needs of government budgets in the transition period and to achieve macroeconomic stabilization. Although tax rates play important role in creating favorable conditions for investment, their proper, objective and consistent enforcement is even more important. Here it is worth mentioning that the main concern of foreign investors has been not the tax burden, but the general instability of the tax system and its frequent amendments. In addition, there has been fear that there will be unpredictable changes in the tax system in the future, because within the existing framework, companies are very often not sure whether they will have problems with state inspection bodies.

Tax compliance must be created, cultivated, monitored and enforced.

To a considerable extent, tax compliance depends upon the perceived ability of the tax administration to detect and penalize tax violators. But it is also important to facilitate voluntary compliance. Here people's perception about the fairness of the system is very important. For these reasons the tax authorities need to strengthen enforcement efforts, applying sanctions fairly and with sufficient publicity, because much depends upon the consistency with which the state penalizes those who

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ignore the rules, which in this case means avoiding taxes. But voluntary compliance cannot succeed where taxpayers find it hard to calculate their obligations correctly, as is the case when laws change frequently, are not clearly explained and, in all too many cases, are not administered properly. This means that in order to raise revenues, Armenia's tax policy should further expand the tax.

To sum up, creation of a new tax system replacing system of norms was a necessary step in removing subjectivity and voluntarism from the relations between the state and companies, since no business activity can develop effectively where relations with the state and budget are not strictly defined, but depend on somebody's will and change from case to case.

## **Can governments create jobs and if so how?**

### **Of Course the Government Can Create Jobs!**

A government is the system by which a state or community is controlled. The government has to create a country in which every single citizen would have prospect to find his place and the government can't afford itself to miss the suggestion to use his brilliant mind, that the young professional offers, because otherwise it will be found by the others, you will never see the diamond lying on the ground. The only thing is needed is support and creating new opportunities. We can easily find great minds, who want to do something truly valuable for their nation maybe in culture, may be science or in politics. The most productive way of creating new jobs is by the giving the opportunities to them who wants to work.

In Armenia we see the situation when the young physician does not find the work, or he finds, but the money that he is offered is not the amount that he deserves and of course he will find the vocation which is very suitable for him and the pavement is more than he could ever imagine in the other country. Why should our government let such kind of thing happen? Of course it should not, and unfortunately this happens too much and that is why now we have a

problem of losing Armenia as a country, because more and more young "physicians" go abroad to follow their dreams and their families follow them and this action continues everlastingly.

Of course this kind of phenomena we will not see for example in Europe, because the brilliant minds are the most worthy thing there, I understand that there are bunch of problems here, in Armenia, but what if someone has the solution and is knocking on government's door for a very long time, but no one seems to open it.

What we see is a horrible range of actions, "physician" cannot find job, that sphere is not well developed at that time and obviously if that sphere is not well developed it does not have enough budget to pay the new specialists and to start the developing process.

Any government in the world should not let this happen, because it can.

## **Can governments create jobs and if so how?**

Before answering on the question how? Let's first of all understand what kind of spheres create job fair. Today the most demanded specialists are web-developers, economists, managers, HR-specialists, PR-coordinators, lawyers, dentists, cosmetologists and related fields' representatives. The world is changing so rapidly that we even don't manage to gain all necessary skills that market demands. Being accouter, one should perfectly know also several languages. So, linguists stay without job. Being a lawyer, one should perfectly know also global politics as, for example, embassies don't already accept a person with the diploma of International Relations, but lawyer or economist with politological background as well is required. So, masters of international relations either have to work in analytical

centers (mostly based on voluntary) or be a lecturer with law salary or work in mass-medias as a reporter, on the position, which is specified for the person with the diploma of journalism. The line of examples is continual, but one should answer on the question: if some professions are not demanded in market, why do our universities take great deal of money from the huge number of students, who would stay without job or would work not in their specializations. If chemist or radio-physicist after graduating forget even the names of their faculties and go to work as traders, isn't it a task of university to solve the problem: if university knows that some specializations are not demanded in market, it should temporally close that faculties or departments until they would become demanded again. And student would waste his time and money in more useful occupation (studying art or something that would serve people for a long time). University should cooperate with work-market not only signing some cooperative agreements, but after graduating send it's students to some offices or job institutions, where they would work minimum 2 years. For Armenia, best variants are villages, which need in high-qualified agricultures and teachers. After graduating the university, specialists temporally can work in a village, take experience and become a competitive, coming to Yerevan, or create offices with even law salaries in order to give experience to students who have just graduated from the universities. 1 or 2 years' experience would be enough to have better job and be a master of his profession. This project takes from the government a great deal of money and time but it can give guarantee that after several years poverty would degrade. The tasks of universities must be not only to prepare good specialists, but specialists who are demanded in job-market, in special conditions, in special country. If a student wants to be a good engineer as it is demanded in abroad, he should study abroad from the beginning in order to have job there and be considered as a qualified specialist. If a person wants to stay here, he should choose the profession, which is necessary for our country. And educational system must be built on the perceptiveness of professions.

Below, please, see the photoreport.

On the tables of the Atlas Network books edited by Tom G Palmer "Why Liberty" translated into Armenian language book, Network for a Free Society CDs "Ideas of a Free Society" (3<sup>rd</sup> edition) in Russian and English languages and "The Adventures of Jonathan Gullible: A Free Market Odyssey" by Ken Schoolland in Armenian, Russian and English languages, notepads and pens, posters are attached and banners are in their places so we can begin.



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The representatives of the supporters, organizer and partner organization had a welcome introduction where presented their missions, activities, short-term and long-term goals. Thus, was presented the Friedrich Naumann Foundation for Freedom in the South Caucasus, the Network for a Free Society, the Wide Opportunities Youth NGO, the Language of Liberty institute. In order to build positive environment in the group the speakers gave the word to each participant to tell about themselves, about education and work, including volunteer work in English language and answered to question “How they imagine freedom”.

The speakers introduced the Network for a Free Society CDs “Ideas of a Free Society” (3<sup>rd</sup> edition) as well as “Why Liberty” book and advised to read them, they introduced also Friedrich August von Hayeks books and told that they along with over 100 pro-liberty texts both in English and Russian language could be found in CDs.



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Then began the presentations.

**History of classical liberal thought (Andy Eyschen)** (The topic is taken from Atlas Network book “Why Liberty”) – To provide deep understanding of the historical, philosophical foundations of a free society and philosophy of liberty.

**What makes some countries rich, and some poor, What makes individuals rich, Overcoming poverty in Armenia, liberalization of economy. Cases of England and France (Glenn Cripe)** – To introduce why countries with liberalized economies, as well as why free thinking individuals are rich, while countries with not limited government and its widespread control are poor. Introduce the problem of poverty, best practice and compare it with Armenian situation to find out and discuss reforms, best examples of the countries, particularly England and France with a free market economy and main approach of liberalization of Armenian economy.

**Principles of free-market economics, What is different or special about Austrian economics (Andy Eyschen)** - To provide deep understanding of the economic foundations of a free society and philosophy of liberty.

**The institutions of a free society: society without the state, why government must be limited, ways to limit government (Sadaf Hussain)** (The topic is taken from IEA book “Foundations of a Free Society”)- To analyze the limited role of government, the main challenges how to limit government, To analyze the space of civil society work in limiting government.

**Austrian & Russian Liberals in the 20th Century (Glenn Cripe)** - To analyze Austrian and Russian liberals of 20th century.

**Free Trade (Sadaf Hussain)** (The topic is taken from IEA book “Foundations of a Free Society”)- Introduce entrepreneurial basics for liberal perspectives using the economic sciences.

**Sound Public Policy, Equality, Order and chaos and the role of government, The spontaneous society: order without commands, toleration: myth or examples which work (Glenn Cripe)** - Exploring equality and inequality, equality in a free society, analyzing the topics of order and disorder and free society’s possibilities in ensuring social order without government control. To understand the standards that society need to stand up in order to ensure order.



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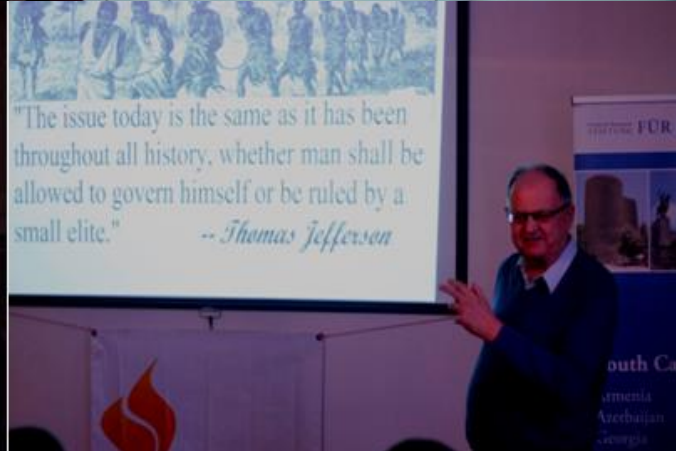
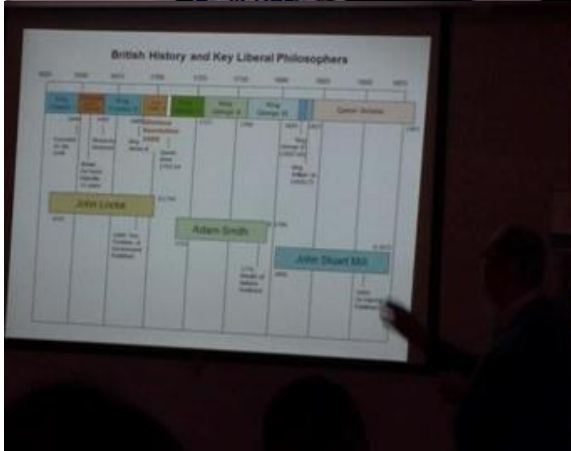
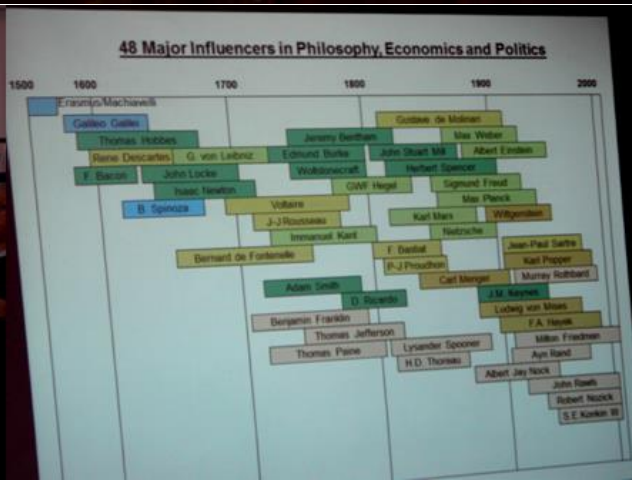
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### One more thing: Money

- Money = medium of exchange
- Barter = crude, difficult, unsatisfactory
- Money must be easily broken down into small pieces (change), must have a constant value (resistant to wear), must be universally accepted (despite subjective values!)
- Throughout history, gold (and silver) has been used as the standard for money and is the first choice of the Free Market

### Basic Understanding - Value

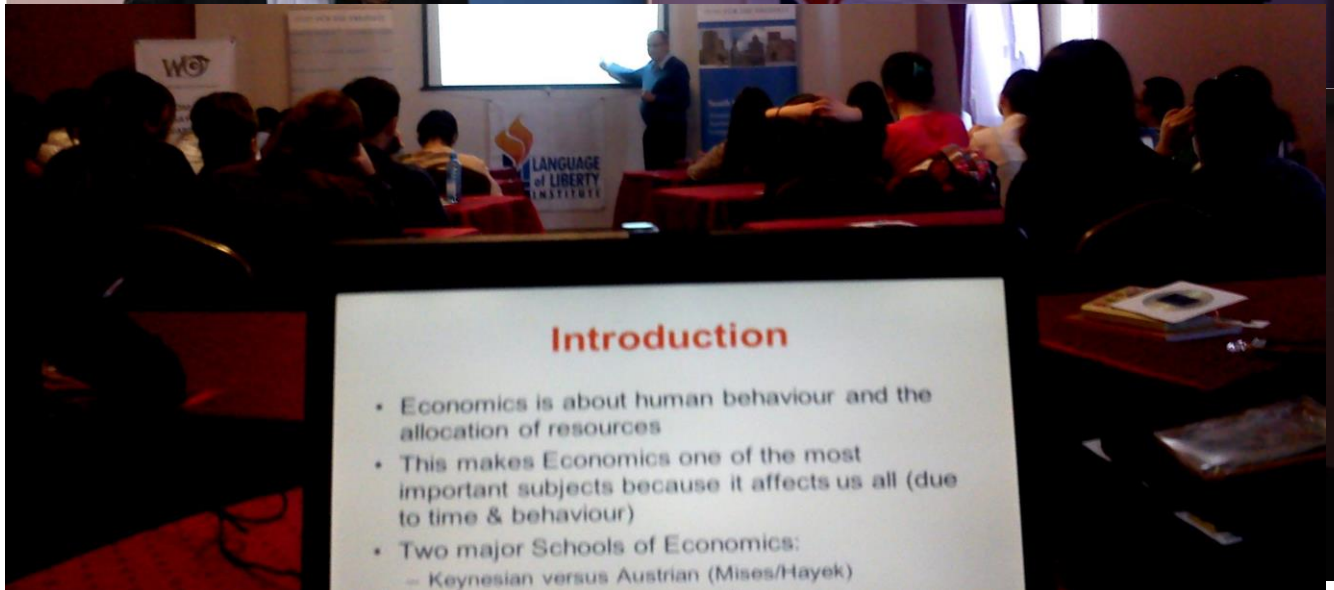
- Fact: human beings act! Why?
- Ludwig von Mises said it best: "to remove felt unease" (Human Action)
- If we were perfectly content not to do anything, we should not as any action would increase our unhappiness
- In reality, we always have reasons to act: hunger, thirst, shelter, clothing, entertainment
- Unease cannot be eliminated but it can be reduced through action
- If the action reduces unease, it has "VALUE" for us but:
- Value is subjective!



Individuality, self-ownership  
"father of classical liberalism"

Adam Smith (1721-1790)

- Peace
- Easy taxes
- Tolerable administration of justice



### Introduction

- Economics is about human behaviour and the allocation of resources
- This makes Economics one of the most important subjects because it affects us all (due to time & behaviour)
- Two major Schools of Economics:
  - Keynesian versus Austrian (Mises/Hayek)



## Ayn Rand

Russian-American  
Philosopher, Writer,  
Novelist

**Major Works:**  
The Fountainhead  
Atlas Shrugged  
We the Living  
Founder of Objectivism

*Ayn Rand*  
Signature

**Language of Liberty Institute**

Born: 2 February 1905  
St. Petersburg, Russia  
Died: 6 March 1962  
New York City, USA  
Name at Birth:  
Alisa Rosenbaum  
Emigrated to US: 1936

"If one recognizes the  
supremacy of Reason  
and applies it consistently,  
all the rest follows"

## Frédéric Bastiat

Political Journalist  
Economist  
French Assembly

**Major Works:**  
Influence of English &  
French Tariffs (1844)  
Economic Sophisms (1845)  
Capital & Interest (1849)  
Economic Harmonies (1850)  
The Law (1850)

Born: 30 June 1801  
Bayonne, France  
Died: 24 Dec 1850  
Rome, Italy

Tombstone in Church of  
San Paolo dei Francesi  
in Rome

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## London in 1840

Jeremy Bentham (utilitarianism)  
James Mill (David Ricardo, Jean-Baptiste Say)  
Richard Cobden (free trade)

John Stuart Mill (1806-1873)  
- liberty as prime virtue  
- free speech  
- individual sovereignty  
- equality of women

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## Paris in 1840

Robespierre  
Montesquieu  
Beethoven

Karl Marx (1843-1848) Communist Manifesto (1848)  
Victor Hugo Les Misérables (1858)  
Frédéric Chopin (1801-1848) Mazurkas, Polonaises  
Pierre-Joseph Proudhon "father of anarchism"

Frédéric Bastiat

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## Social Change: Intellectuals

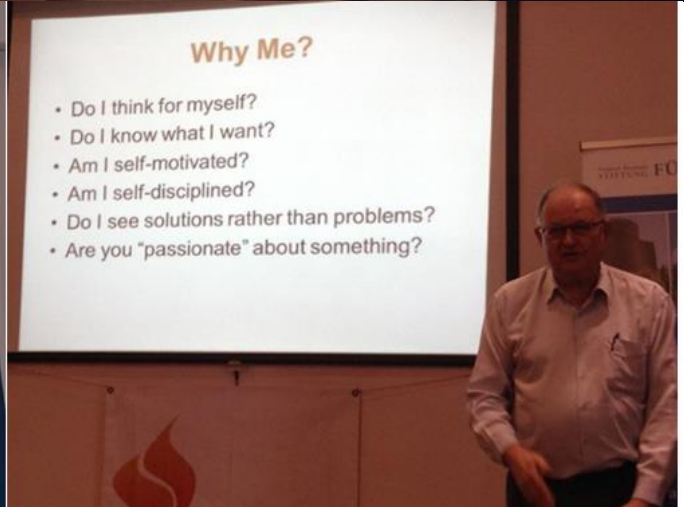
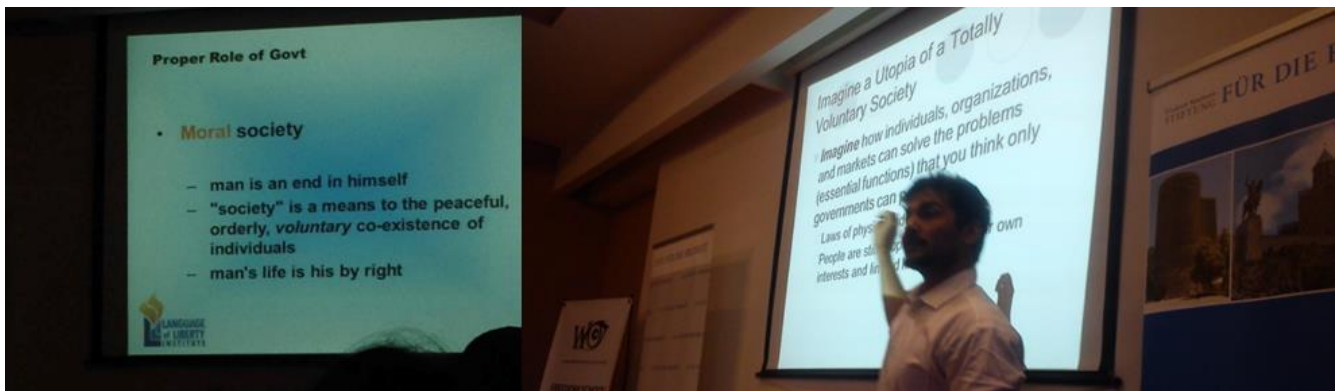
Antony Fisher:  
Institute for Economic Affairs  
(London, 1955) -->  
Cato Institute, Atlas Network, Students  
For Liberty

**Language of Liberty Institute**

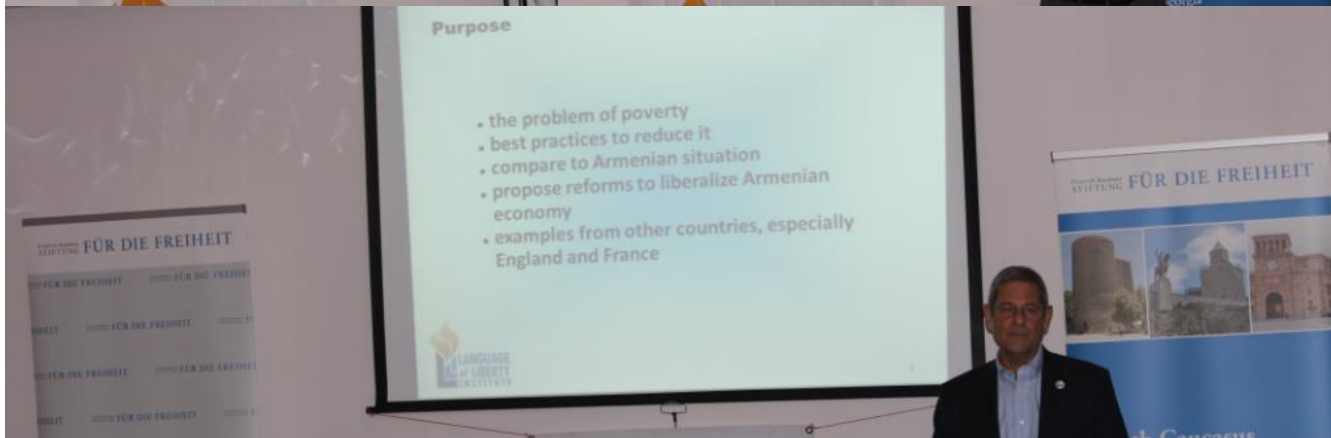
## Purpose

To introduce why countries with  
liberalized economies and free-  
thinking individuals are rich,  
while countries with big  
government and widespread  
control are poor.

**Language of Liberty Institute**







Organizer



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Some presentations were combined with discussions and workshops, were organized interactive workshops and introduction to them. During workshops the participants made presentations based on a themes provided by speakers. They were divided into groups and had to discuss different aspects of freedom, ex. Individual freedom, economic freedom etc and give example to show their understanding of the topic and to discuss their views with others.

**Property Rights Introduction to workshop (Sadaf Hussain)** - Introduction of the notions of Property rights, its meaning and benefits for a free society

**Influence from local to global: Public Diplomacy (Tigran Shadunc)** - To analyze the role and possibilities of free society and their influence in liberalization using the public diplomacy science

**The illusion of freedom: Armenian reality (Tigran Shadunc)** - To analyze the existence of freedom in Armenia, how to promoting liberalism in Armenia, the gap in the sphere and what people can do about it. Parallels with the most democratic countries.





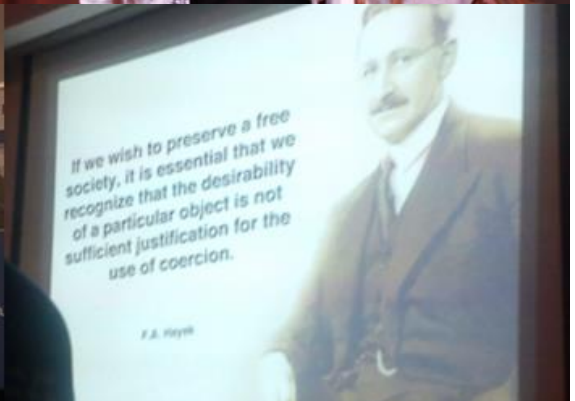
















The teams even made a competition and judge choose the best group. It is worth to mention that this was after the classes in the evening.

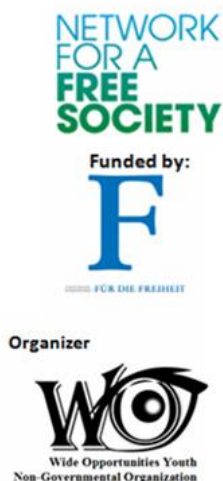


For a better understanding of some topics, such as “Private Property” were organized intellectual games.



We had a special guest – Vahagn Khachatryan from Armenian National Congress, as well as Armenia Centre of Political, Legal and Economic Researches and Forecasting. Center's mission is to assist the development of an effective socio-economic policy; to establish an economy based on the free market; and to contribute to the development of democracy in Armenia. The center is member of the Economic Freedom Network. Last year Armenian Liberty Students organization also became Economic Freedom Network member. He briefly introduced The Fraser Institute's annual report, Economic Freedom of the World, which measures the economic freedom (levels of personal choice, ability to enter markets, security of privately owned property, rule of law, etc.) by analyzing the policies and institutions of 157 countries and territories. Hope we will organize seminar together and could discuss with Mr Khachatryan the reasons why Armenia is in the 18th place of 2015 year's report why almost 40 percent of population live in poverty and the migration, especially "brain export" and migration of young families have reached to the catastrophic measures.

We are also happy to announce that 500 copies of “Why Liberty” and “Foundations of a Free Society” books will be distributed with the help of Mr Khachatryan to ANC youth branch members and other pro-liberty young people.



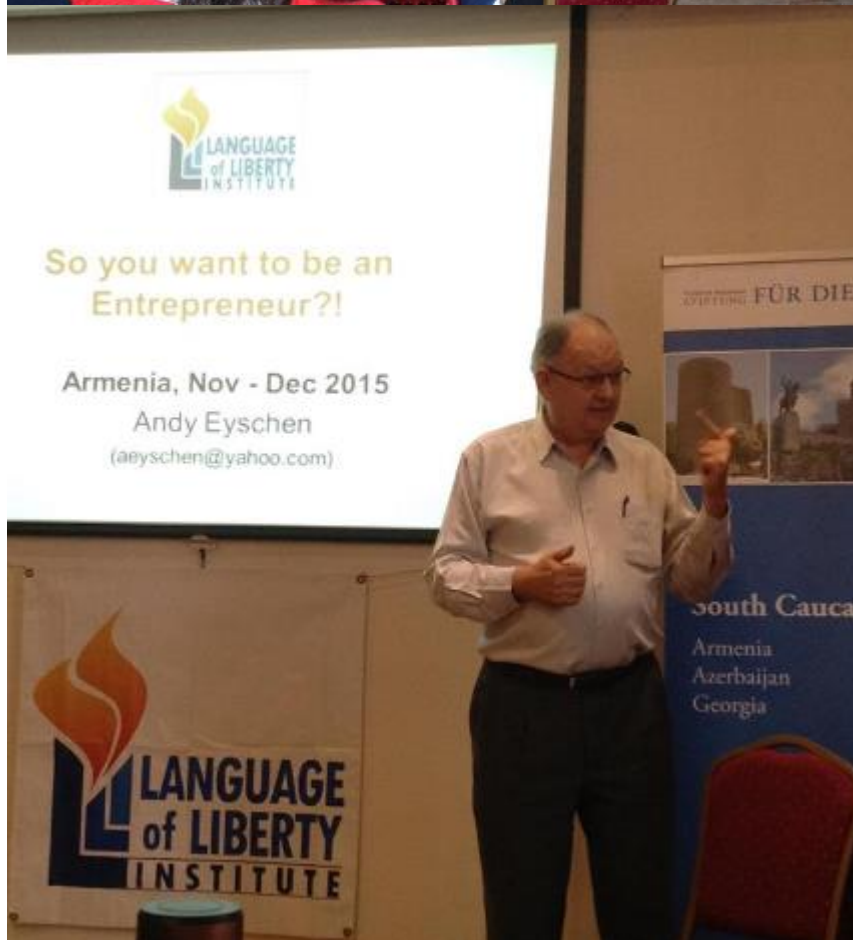


We also had the experience of the business session of share of experience with Kamil Cebulski. He created ASBIRO which is probably the fastest growing Business School in the world right now. Why it is growing so fast? It's the unique style of teaching. If you want to become an ASBIRO lecturer you have to be an entrepreneur. To ASBIRO it doesn't matter if you have a large company or a small one. Some of the entrepreneurs who work with ASBIRO have only 2 or 3 employees but some of them are millionaires with private jets and appear on national lists as the richest people in their country. He wanted to share the experience he had and show how to make companies special and successful in the very competitive market we have today.

Once he was called 'Youngest Millionaire' in Poland and we think that in a country where the youth unemployment is so high he could be highly useful and meeting with such people can change things. Kamil Cedovski introduced his experience in doing business in England and the path that he passed. He had a presentation also about informal education that he organizes in Africa now and many more.



We had movie screening and discussions about entrepreneurship and becoming libertarian. These discussions gave both liberty-oriented knowledge as well as leadership skills how to implement them in daily activities. Participants watched video Call of the Entrepreneur and had a discussion called “So You Want to be an Entrepreneur?” during which they had a talk about entrepreneurship to encourage young people to create start ups and engaged in entrepreneurial activities.



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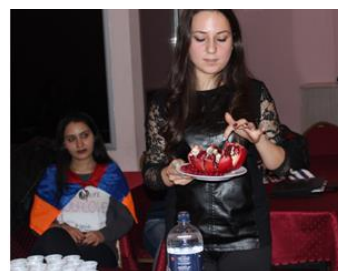
WYO  
Wide Opportunities Youth  
Non-Governmental Organization



In the evening participants enjoyed classical music. Glenn Cripe had a little concert.



Then Armenian team organized a party for Georgian guests. They tested Armenian fruits, wine, made



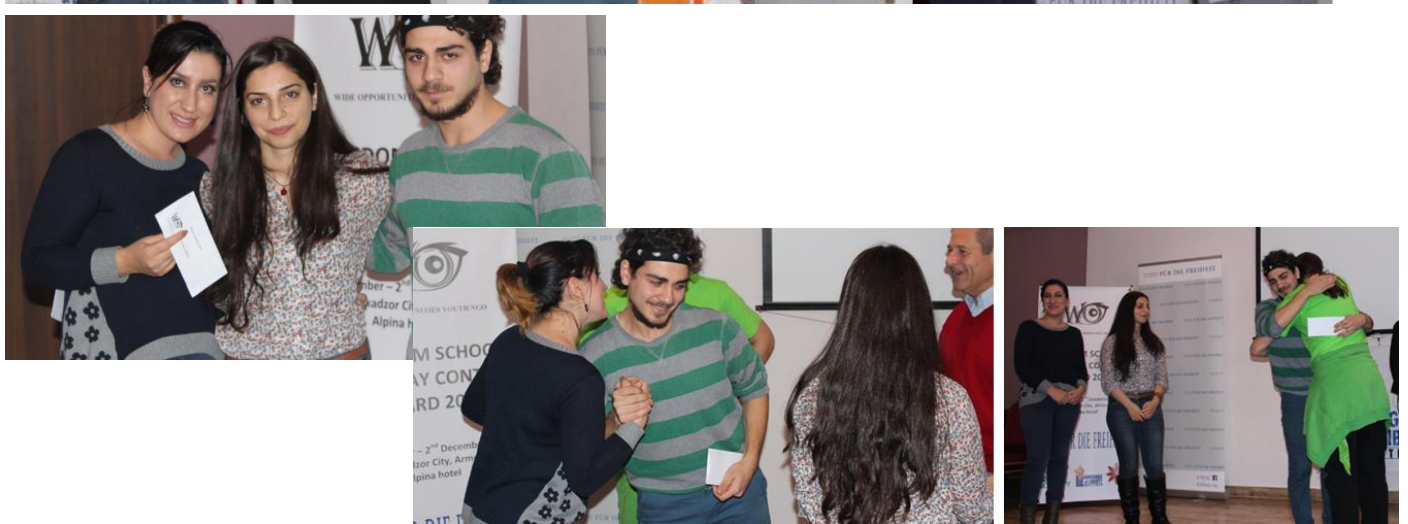
presentations about Armenian cultural heritage and symbols and teach each other national dances.



At the end we want to show the pictures of our two photographs who take photos all 5-day long by listening the sessions.

Last day we had essay presentations. The independent judges were Andy Eyschen, Glenn Cripe, Kamil Cebulski and Tigran Shadunts. Topis was "Reform that would make it easier for people to do business in Armenia. Were introduced also opinions about the topics 'Do you think that it would be better for Armenia to trade freely with all other countries?' or 'Can governments create jobs and if so how?' Which was followed with discussion and small presentations with speakers.

The three best writers introduced their essays during the event and the independent academics will put them in their final order. The best three winners got cash prizes of 40\$ - first place, 20\$ second place and 10\$ third place. The third place took Vahram Grigoryan, second place – Christina Evoyan and first place Shushan Harutyunyan.







Working continuously with students in we hope that the ideas of rule of law, individual liberty, limited government and free markets, simply the philosophy of liberty, will become very simple conditions, rules for their life organization, for making picture of state and government and for planning and implementing their activities in public, political life of the country. Even if they could do their life choices as liberal-oriented individuals that would be success.

During each session, seminar, conference we organized we saw how passionate are our youth to new ideas: they learn, discuss, debate, think and analyze. We already see the difference and hope to see obvious progress soon. When the unemployment rate among young people will decrease, when each individual will struggle that his/her pro-liberty choices could happen, when doing business will only depend to one's personal success and outcomes will not be stolen from government under the name "tax" and society will live in peace and harmony and valuate voluntary cooperation we could conclude that had a little investment in all of this. We still have to work hardly for these goals with believing and hoping for the better and liberal Armenia.

**We are very grateful to our supporters NETWORK FOR A FREE SOCIETY and FRIEDRICH NAUMANN FOUNDATION FOR FREEDOM LIBERAL FOUNDATION for will to see Armenia free of tyranny and willingness to help as for making it happen. With our supporters we will us even stronger and able to do more. Thank you so much.**

**THANK YOU FOR THE ATTENTION!!!!**

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