

---

# **Monopolies And Unequal Competition Are Main Obstacles To Development Of Liberalized Economy In Armenia, Participants In Discussion Organized By NPC Say**

Noyan Tapan - 24/11/2008

---

The absence of a liberalized economy and the existence of a monopolized economy in Armenia bear evidence of the fact that, for example, the prices of imported goods in the country do not decline at the same rate as in international market. The owners of monopolies are either those in power or people sponsored by those in power.

The member of the Armenian National Congress (ANC) Vahagn Khachatrian expressed this opinion at the November 21 discussion "The Preconditions and Obstacles to the Establishment and Development of a Liberalized Economy in Armenia" organized by the National Press Club (NPC).

He substantiated his opinion by a report of the World Bank, by which monopolies have become an obstacle to development of the Armenian economy.

V. Khachatrian considered monopolies as a cause of a decline in economic competitiveness, which is expressed in the fact that by the respective international reports Armenia had yielded its positions to Azerbaijan and Georgia. It was mentioned that in order to develop the economy, a political decision about separation of politics from business should be taken in Armenia.

According to the member of the National Assembly "ARF" faction Ara Nranian, "today we we have a syndrome that can be called "liberal Bolshevism", which resembles the practice of forcible building of communism by Bolsheviks.

Besides, the liberal ideology is not perceived correctly in Armenia, there are liberal dogmata instead." He said that in European countries the state intervenes in economic processes in case of necessity, whereas in Armenia it avoids doing so. A. Nranian characterized the "superliberalization" of the country by the circumstance that Armenia is going to introduce a cumulative pension system, while the countries considered as really liberal have rejected its use, and attempts to introduce such a system in Argentina and Chile have failed.

The former deputy of the National Assembly, Ph.D. Tatul Manaserian expressed his support for the social-market economy. He said that a draft state budget called "social" should not be presented at the RA National Assembly when the pensions envisaged by this draft are not based on the values of the living subsistence basket, then by the consumer basket values.

Presenting the unequal conditions of economic competition in Armenia, the member of "Heritage" party Movses Aristakesian said that the office of the Republican Party of Armenia transfers the same amount of compulsory social payments to the state budget as the enterprises of the deputies - members of that party. He informed those present that Multi Gas making part the group of companies owned by the chairman of "Prosperous Armenia" party Gagik Tsarukian pays the same amount of taxes as the Yerevan subway operating by state subsidies and less than the Goris boarding school of children with weak eyesight.

In the opinion of the head of "Political Economy" Center Andranik Tevanian, the state should intervene in economic processes in countries with successful market institutions. He said that in case of Armenia, the liberalization of the economy cannot be viewed by the ratio of state budget to GDP, which characterizes the degree of distribution of resources by the state, because the state government system of the country is corrupted, and it should not be given the opportunity to distribute more sums. According to him, the shift to a liberalized economy in Armenia should be done by the following scenario: the getting of real power by the right forces - formation of a competitive economy - development of the labor market - development of an efficient system of trade unions - the coming of social-democratic forces to power - a constant rotation of these and right forces in the power system.

<http://www.nt.am/shownews=1009985>

---