

United Liberal National Party

PROGRAMME

2007

The United Liberal National Party (MIAK - the Armenian acronym for the United Liberal National Party, hereinafter **MIAK**) is a political power, which is national in terms of Armenia's internal and foreign policy, liberal – in terms of view of Armenia's economy and public life, and democratic - in terms of its internal structure. MIAK concentrates all its efforts and capacity on the development of the Republic of Armenia, in the short-run, as a democratic, advanced, developed, and competitive state.

Armenia, like many other countries in transition, faces the vital problem of ensuring its sustainable development. The solution of this problem will allow Armenia to be on a par with the "Golden Billion" countries as regards the welfare of the population, technological development, environmental protection, etc. To bring Armenia to this level, within the specified short period of time, is Our Goal.

The accomplishment of this goal is one of the most difficult issues; particularly considering the fact that Armenia has many other problems typical for countries in transition, and the existence of these problems may not only deprive us from the above mentioned perspective, but may also hold back Armenia and thus leave it forever among less developed countries.

However, we are sure that with willingness and determination, it will be possible to settle this issue in the short term. And, in order to reach this rather ambitious aim, which is also a matter of honour, it is necessary to focus the efforts of our society and the state towards prompt settlement of specific issues which will ensure the necessary conditions for progressive development of Armenia.

Therefore, the implementation of large-scale structural (institutional) reforms in all sectors of economy and areas of social life, on the basis of a well-considered and adopted strategy, is a priority issue. The reforms will, within the upcoming 5-7 years, allow ensuring that the existing institutions are efficient enough so as to implement required economic policies. In our opinion, this is the key to the accomplishment of the above mentioned goal.

THE ROLE OF THE STATE

Today, the state is one of the weakest rings of the institutional system of Armenia in terms of the fulfillment of its official functions, i.e. in the meaning of guaranteeing the existence of a mechanism defining the "rules of the game" and the implementation thereof. On the other side, the state itself is the most serious origin of support of informal rules. Based on the above-mentioned, MIAK proposes maximum limitation of the role of the state and concentration of state functions only in such spheres of political, social and economic life, where it is possible to reach at least minimum effectiveness.

In such conditions, any effort to raise the role of the state will bring to further distortion of existing institutions and intensify the crisis. This position leads to the following recommendation: “the state should be involved in the economy and social life only to the extent it can operate in an efficient manner”.

In this regard, it is necessary to clarify which of the current functions of the state should be implemented by state mechanisms, and which of them can be implemented particularly by non-state mechanisms.

a) The following functions should be implemented only by state mechanisms:

- Defense of the country
- Maintenance of public order
- National security
- Foreign policy
- Protection of property rights
- Contract enforcement
- Protection of the right for equal opportunities (competition)
- Regulation of natural monopolies;

b) The following functions should be implemented mainly by non-state mechanisms:

- Social issues
- Healthcare
- Education
- Science
- Culture
- Consumers’ protection
- Property management
- Investments.

Each class of the mentioned functions requires extensive reforms in view of ensuring maximum possible efficiency of their implementation.

NEW CONSTITUTION

MIAK considers that the Republic of Armenia should have a new Constitution, which will obtain a vote of confidence by the majority of people. The new constitution will be the main component for ensuring the legal basis of proposed institutional reforms.

The new Constitution of the Republic of Armenia should particularly ensure the following:

- Establishment of a democratic social system built on the human rights and fundamental freedoms, establishment of an effective public administration system, existence of all necessary preconditions for the development of the civil society;
- Passing onto to a fully parliamentary system: the executive power of the country shall be formed during parliamentary elections, where the majority

of parliamentary seats form the Government of the country. The 'number one' official of the country shall be the Prime-Minister, who will be the head of the Government and responsible for internal and foreign policies of the country;

- The President of the Republic carries out the responsibilities of the head of the state, which are limited to protocol functions;
- Strengthening the institute of direct democracy through referendums on major issues of national and local importance;
- Establishment of an independent, impartial and professional judiciary system, which is able to ensure democracy and economic freedom;
- Separation of the prosecution from the judiciary system and separation of the investigation function from the prosecution through establishment of a separate investigation-intelligence service.

PUBLIC ADMINISTRATION

The continuous degradation of the public administration system may lead to a situation where the state will not be able to implement even those functions which cannot be implemented through other mechanisms. Consequently, within the framework of extensive institutional reforms, the public administration reform must have one of the most important roles. These reforms will bring to a significant reduction of public administration functions together with a substantial reduction of the state administration apparatus, which will provide an opportunity to engage professionals with relevant qualification as a result of a substantial increase of salaries due to the reduction of the staff and implementation of a system for additional incentive measures.

Maximum simplification of the decision-making procedure, balancing of interests, examination of existing functions, in view of refraining from possible repetitions, through clear separation of functions and responsibilities, will increase the efficiency of the public administration system.

The shift from 'Official – Head' principal to 'Official – Service Provider' principle is a key element for these reforms.

The establishment of an institution of state servants able to make strategic decisions and carrying personal responsibility for their implementation shall serve as an indicator for the assessment of the efficiency of reforms.

One of the most important functions of the public administration should be the function of allocation of state funds - state aids, grants, public procurements in a competitive market - which should replace a significant part of functions currently being implemented by the state. Thus, the establishment of a maximum transparent and clear-cut mechanism for the arrangement of this process is also one of the most important elements of these reforms.

In our opinion, it is necessary to undertake a thorough revision of the budgetary policy: the budget expenditures should be based not on the collected state revenues, but on the objectives and the outcome that the state is seeking to achieve. Thus, the utilization of different mechanisms for financing the budget deficit (internal and external loans) should be targeted at the implementation of the issues

in concern, and the implementation of these issues should not depend on the availability of financing.

The principal of residual formation of the budget – “divide what we have” – should be replaced by a planned approach, i.e.: “today such projects should be implemented, which will bring to such results, which require this much resources”. However, in all cases it is necessary to assess the efficiency of the implementation of the given project in case it is financed by the state budget or in case it is implemented through market mechanisms. The state mechanism should be involved only in case it is impossible to finance the given project by market mechanisms. Therefore, when implementing a specific project, it is necessary to determine the following: what are the expected specific outcomes (who will assess it and how), when can it be expected and who shall be responsible for the implementation of the given project.

DEFENSE

The Defense of the country is the exclusive monopoly of the state and it may not be implemented through other mechanisms. Thus, the establishment of an efficient and professional defense system, able to settle the problems faced by Armenia, is the most important issue of the current stage of development.

It is worth mentioning that, although the Armenian armed forces are considered the most powerful army in the South Caucasus, the avoidance of implementing fundamental reforms aimed at the formation of a modern efficient army, given the significant improvements in the armies of the countries of the region (significant increase in the military expenses in Azerbaijan, structural reorganization of the army in Georgia), may strongly weaken the defensive potential of the country.

However, the issues of the Armenian modern army, of course, being directly related to the activities of other institutions, have their own and rather unique characteristics. Particularly, the preservation of the Soviet system for management of armed forces inherited from the past, the transformation of the army from an institute defending the country against foreign threats into a structure that has a leading role also in the political and economic life, the ‘non-transparent’ and inefficient system of budget expenditures, as well as the collapse of the institute of commanders represent a serious risk for the operation of the other institutes of the country, as well as for the defensive potential of the country. Moreover, in the case of the latter, the risk is incomparably higher, since the practice shows that in case of deterioration of other institutes, they are replaced by informal ones, meanwhile the defense function cannot be replaced by any other institution.

Based on the abovementioned, we find it necessary to implement a military reform based on the following principles:

- The defense system of the country should consist of two complementary parts: a professional and mobile army equipped with the most modern weapons, and a comprehensive reserve service system.
- It is necessary to gradually pass from the universal conscription to contracted military service; however each male citizen of Armenia should pass a short

term (two months) military service in order to obtain military knowledge and be included in the reserve service;

- The professional army should be financed not according to the principle of residues, but according to the abovementioned public procurement system based on the need for ensuring the recruitment of qualified staff, armaments and alertness. The soldiers who have completed their service should have privileges for obtaining state aids in the fields of healthcare, social service, education, etc.;
- Filtration of commanders by their professional qualifications, and not by their personal relations with the political elite, and the substantial reduction of senior commanders staff are the most important elements of this reform. The bases of the reform will be the professional officers corps who meet the high moral standards and enjoy a high social status;
- According to the law, a professional soldier shall not be allowed to engage in other activities (economic, political, social) other than military service, which will not only reduce the risk of deterioration of other fundamental institutes but will increase the efficiency of the army;
- Armed forces, being a closed system, should be always under the supervision of the society, including the public control system, NGOs, etc.;
- In Armenia, all males of call-up age, without any exclusion, should be included in the reserve service system. They should pass regular annual trainings at district training centers, for a specific period of time defined beforehand, being given the possibility of not leaving their homes and families. If necessary, they can join the professional army, according to the defined mobilization plan.

The proposed approaches for the reorganization of the armed forces need to be further elaborated. However, these approaches allow identifying the main directions of the reform, which are based on the following principle: the defense of the country is the most important function of the state, and the development of the country depends on its efficient implementation.

MAINTENANCE OF THE PUBLIC ORDER

The maintenance of the public order is also one of the monopolistic functions of the state, which covers also the issues of the defense system of the country. At the same time, in contrast to defense, which has an external orientation, the maintenance of public order is targeted at ensuring the operation of internal institutes: property rights, contract enforcement, rights of equality, etc.

The mentioned rights, as well as the human rights and other rights and freedoms of citizens, should be the subject of maintenance, since these rights form the bases of the public order. On the other side, the public order maintenance function of the state is currently the main origin of violations of mentioned rights and leads to the deterioration of the fundamental institutes. Thus, the repressive state machinery, which in practice has not undergone any changes during the transition period and is

the most vivid remains of the soviet totalitarian system, should be completely reformed, which will have a decisive role in the development of the country.

For the reformation of this “weakest” institution, we think that the main principle is “to renounce the protection offered by the state for the benefit of public interests’ protection”. Therefore, it is necessary to transfer the repressive functions to local self-governance bodies, to liquidate certain subdivisions, such as the state traffic police, transport police, as well as to introduce an actual system of public control over the repressive apparatus.

Equality before the law, inevitability of punishment, irrespective of the degree of offense, should become the main principle of this reform. Significant increase of the efficiency of the public order maintenance system is one of the most important issues. This should be implemented as a result of a reduction of the staff, which should be accompanied with an increase in the level of professionalism of the apparatus, improving the technical facilities and the incentives system, and renouncing a great number of functions inherited from the Soviet times. Among these functions, first of all, it is necessary to repudiate the institute of registration, implementation of various technical controls, as well as the institute of district inspectors, which can ensure the successful implementation of reforms. As a result of these reforms, the society will be able to evaluate the formation of one of the fundamental institutes – that of the right of equality.

NATIONAL SECURITY

National security is also one of the monopolistic functions of the country. Accordingly, this function should be under the control of the state and the public.

First, it is necessary to ensure the transparency of objectives and methods of the national security system and to establish an efficient system for the control of mentioned objectives and methods.

Second, it is necessary to ensure a suppression and counterweight system within the institutional system, in view of ensuring legal effectiveness, e.g. mandatory nature of court decisions during operative measures.

The national security system, inherited from the totalitarian era, as the public order maintenance system, should be reformed on the bases of the following principle: renounce the state service for the benefit of the public service.

The national security of the Republic of Armenia is the guarantee of freedom for the state and the citizens to operate, in the internal and external surroundings of the country, without any threats and dangers. For this purpose, it is necessary to establish a functioning and flexible security system. National security issues should be in compliance with the following principle: “to ensure full sovereignty for the state, and the highest level of freedom and protection of rights for the society and the citizens”.

FOREIGN POLICY

MIAK finds that the Republic of Armenia should have a long-term concept on foreign policy, which would enable to pursue a flexible and pro-active foreign policy, zealously striving for protection of national interests in all global, European and regional issues. In this respect, the Republic of Armenia should react not only to the geopolitical processes taking place in the region and all over the world, but also regularly propose foreign policy initiatives arising from our national interests in relations with its immediate neighbours, regional and world powers as well as within the framework of various International organizations.

The Armenian foreign policy should in no way call into question the autonomy and territorial integrity of Armenia. The protection of state interests of Armenia is an inviolable fundamental provision in our relations with all countries and organizations.

Our priorities in the RoA foreign policy are:

- Armenia's accession to the European Union as the main direction in foreign and domestic policy. In this respect, the fact of the EU accession is not as vital for us as the full 'victory' of the European values in Armenia, Armenia's fulfilment, in the short run, of the main EU requirements defined for accession countries, and with a medium-term perspective of accession.
- The settlement of the Karabakh issue in a way that is beneficial for Armenia, based on the right of national identity. The regulation of the Karabakh issue should exclude the subordination of Karabakh to Azerbaijan, secure reliable inland connection between Armenia and Karabakh, and it should not damage the autonomy of the Republic of Armenia against its own territories. The irrevocable victory of democracy in Armenia and Karabakh (Artsakh) is one of the most important components for the pro-Armenian resolution of the Karabakh issue.
- The establishment and development of good relations between Armenia and its all neighbours. Prior to the resolution of the Karabakh issue, Armenia should make efforts aimed at maximum intensification of its official and non-official relations with Azerbaijan and Turkey, encouraging especially the development of popular diplomacy channels. Armenia should make efforts to establish new allied relations with Georgia, which will enable to efficiently protect our national interests both in regional matters and in retention of Armenians in Djavakhq.
- Further development of relations with Russia as a traditional partner in political, economic, military, cultural and other spheres.
- Mutually beneficial cooperation and enhanced relations with the United States of America.
- Development of individual relations with European countries; first, enhancing the traditional relations with France and seriously developing the cooperation with the Great Britain, Germany, Italy, as well as other EU member states.

- Maintenance and development of good relations with neighbouring Iran, the Arab world and Israel.
- Versatile relations with all countries where there is an Armenian Diaspora.

CIVIL SOCIETY

According to its classical definition, the civil society comprises the following institutes which function independently from the state: public unions, local self-governance bodies, mass media, trade unions, clubs and even private businesses.

Modern democracy cannot be separated from the independent and influential civil society. For balanced and harmonized interaction between the state and the society, the civil society should be separated from the state for the sake of establishment of such a society as well as establishment of its control over the operation of state authorities. Meanwhile it is a reliable guarantee for protecting the society and the individuals from legal violations made by the state.

In this respect, there should be serious reforms in the entire legal framework of interrelations between the state and the civil society. The assurance of maximum independence of the civil society from the state should be the focal point in reforms, which itself will be a serious indicator for the establishment and prompt development of civil society institutes. In this context, the basic steps to be taken shall be:

- Ensure the political and financial independence of local self-governance bodies, i.e. exclude the right of both the government and any other body to dismiss the head of community and members of community council from the office and undertake decentralization activities, delegating to the communities the main powers of local importance and transferring the financial resources needed for their implementation.
- Elimination of the principle of state registration of mass media, associations and trade unions. These structures must declare, on their own, their establishment, operation and liquidation. The state may intervene in their activities only in case of violation of the criminal code. Mass media, associations and trade unions obtain the status of a legal entity only in case of voluntary registration with customs authorities.
- Maximum simplification of the legal framework related with state registration and liquidation of private businesses. The registration of companies may not last more than two working days. The liquidation of companies takes no longer than two weeks, in case there are no issues related with violations of the criminal code or conflicts between the concerned parties. A programme on renouncing the 'round seal' institute (as a component of legal entity status and a compulsory element for undertaking economic activities) should be elaborated and implemented in phases, within a short period of time. For securing the operation of legal entities and the legitimacy of legal documents, the registered signature, including the electronic one, of the head/director of the company must be sufficient. In

this respect, the Civil Code of the country should undergo considerable amendments.

PROTECTION OF PROPERTY RIGHTS

This function is considered to be a fundamental institute, the efficiency of which is the precondition for ensuring the necessary volumes and level of foreign and domestic investments, development of the business environment, technological strengthening of the economy, increase in the global competition of economic entities and many other issues.

Our main approach in the implementation of reforms of this institute is as follows: any property created as a result of any activity, either material or intellectual, is inviolable and is protected by the state. Moreover, the violation of property rights is equal to encroachment upon the national security. In this respect, it is also necessary to implement large scale reforms of the legislation currently in force, as well as reform the entire system of state control and enforcement, including taxation, customs, public order maintenance, supervision, judicial and other systems.

CONTRACT ENFORCEMENT

Like many other transition economies, besides a number of 'congenital sicknesses' of economy, Armenia also suffers a lack or an extremely low level of confidence among society members. It is expressed in spheres such as the relations between economic entities or between economic entities and the public administration system. In such conditions, the establishment of efficient institutes ensuring contract enforcement is of vital importance. These institutes include oral or written contracts signed between the members of the society as well as contracts (laws) signed between the society and the state.

The main approach for the reformation of the existing contract enforcement system is as follows: breach of any contract should be subject to punishment by law. Here also it is equal to an encroachment upon the country's national security, especially when it relates to a violation of commitments undertaken by the government (the state machinery) against the society. In this respect, it is necessary to secure and enhance the independence and impartial behaviour of the judicial system, progressive development of alternative dispute resolution (ADR) mechanisms and revision of the legislation currently in force in view of evading possible ambiguous interpretation of legal norms.

EQUAL OPPORTUNITIES

The size of our country and the absence of efficient formal institutes brought to the emergence of a certain social layer which, thanks to 'efficient' use of the informal "rules of the game", i.e. acquisition of private advantages through the application of state functions and sources of influence, establishment of an alternative property protection system, alternative dispute resolution mechanisms, alternative taxation

system and others, has acquired considerable competitive advantages and has no intention to renounce them.

Such a situation, which in our opinion was mainly due to the existence of institutes that were not operating during the period of coming out of the transformation crisis, will, under the current conditions, bring to the distortion of another fundamental institute, i.e. the institute of equal opportunities, which in its turn may neutralize the efforts targeted at the reformation of the system. The basic approach for the reformation of the current system is the transformation of the role of equal rights (competition) protection into a key function of the state.

Based on the abovementioned, the legislation of the country, the systems of taxation and customs, public procurement and state aids, as well as the competition protection system must undergo large-scale reforms. Any state decision must undergo a compulsory examination as to its compliance with the principle of protection of the rights for equal opportunities. The violation of this right should also be considered equal to an encroachment upon the country's national security.

REGULATION OF MONOPOLIES

The political system deeply rooted in our country, as well as a number of infrastructural factors caused the establishment of economic monopolies, the activity of which contributes to the distortion of the abovementioned fundamental institutes.

Based on the abovementioned, we find that the regulation of monopolies is one of the most important functions of the state. In this respect, it is necessary to primarily, maximally and to the possible extent reduce the role of the state acting as a monopoly in the irrigation system, transport infrastructures, energy, particularly in the atomic energy sector, and to ensure the establishment of a competitive environment (markets), where possible, like, for example, in the fields of railway and air carriages, mobile communication means, and internet services.

It is necessary to ensure the transparent operation of entities holding a dominant position, as regards their expenditures, remuneration, income and investment activities of management bodies, rendered services and prices, and introduce an efficient system for regulating their activities, which should be based not only on the regulation of prices of services rendered by them, but also on their impact upon the efficiency of fundamental institutes.

FIGHT AGAINST CORRUPTION AND SHADOW ECONOMY

In our opinion, the issues associated with corruption and shadow economy are the outcome of the inefficiency of formal institutes. Thus, the only solution to this problem is to enhance the efficiency of the institutional system management. The above stated proposals will lead to the solution of this problem. We are sure that the attempts to fight against the outcome and not against the origin of problems are

destined to fail, and in case of Armenia it is not even an attempt to fight but an imitation thereof.

TAX POLICY

The current method of tax policy implementation also brings to real distortions in the operation of the fundamental institutes: contract enforcement, enforcement of laws on property rights, equal opportunities, etc. Currently in Armenia, the tax policy itself is the main element in the distortion of the system. The principle underlying the tax system reforms is the following: the fiscal role of the tax system should be replaced by the role of service provider, which in its turn will ensure the fulfilment of legal requirements.

Taxes should be levied not for ensuring budget revenues but because these are the rules of the game which are binding for all, and therefore everyone should follow those rules. It is necessary to renounce the planning of tax revenues of the budget as a direct management system. Instead, it is necessary to implement an indicative planning which is considered to be the foreseeable result of the activities of economic entities. In parallel, it is necessary to ensure that the tax system is maximum simple and identical for all entities: to ensure maximum transparency in implementation, the principle of innocence of taxpayers and imposition of sanctions in case of legal violations, to consider tax avoidance as a criminal offence.

In this context, it is necessary to conduct large scale tax remissions based on the following principle: the declaration on property and rights relieves of the responsibility for outstanding tax payments; moreover declaration is mandatory for everyone. It is also necessary to review the entire tax administration system - from tax collector to partner.

CUSTOMS POLICY

Given the geographical location of Armenia as well as the volumes of its domestic market, we are proposing to completely renounce all customs duties as an instrument for tax policy implementation.

On one side, this decision will significantly minimize the role of the customs policy in the distortion of the fundamental institutes, and on the side, the opening of market frontiers will enhance the competition in the domestic market, as a result of which the global competition of economic entities will increase. It is necessary to simplify, as much as it is possible, all other functions of the customs administration, as well as to ensure transparency in view of reducing their deforming role.

MONETARY POLICY

The implementation of a monetary policy implies a satisfactory level of development of the institutional system; however the latter in Armenia is still in embryo: the decision making system, developed institutes of the financial market, etc. On the other hand, the volumes of the Armenian economy indicate its objective dependence upon a global financial system. In our opinion, under the current

conditions, it is objectively impossible to pursue an independent and efficient monetary policy in Armenia.

Based on the aforementioned, we are proposing to renounce the monetary policy and establish the so-called “currency board” monetary regime, which will automatically regulate the broad money (money base), depending on external reserves, with a fixed exchange rate (according to currency basket or any basic foreign currency). Such a system will first of all enable to exclude currency related risks in the economy; second, will improve the conditions for running a business for both domestic and foreign investors; third, will allow evading financial market distortions, which are caused by its underdeveloped institutes.

SOCIAL POLICY AND HEALTHCARE

The poverty level of the society does not have that much negative influence on the overall economic development and sustainable economic growth of Armenia, if compared with the increasing inequality within the society, which consequently results in the breach of the principle of equal starting opportunities.

The settlement of this vital issue should and need to be considered not from the aspect and position of the social equality principle, but from the point of view of the fundamental principle of ensuring equal opportunities. The implementation of an efficient social policy should be targeted at the solution of this issue.

On the other side, in case of a country with weak institutional infrastructure, the implementation of this policy through state mechanisms will, in our opinion, be less efficient or even totally inefficient. Moreover, in such conditions the state mechanism may, together with not contributing to the settlement of the issue, also result in a considerable and additional distortion of the entire institutional system.

Our approaches for settling this issue imply maximum involvement of non-state mechanisms in the social policy and healthcare, according to the established procedure and under the control of the state. In particular, within the framework of this approach, it is necessary to renounce the social subsidies system, healthcare financing (free of charge medical services) for the sake of medical insurance, carry out reforms in the pension system for the benefit of life insurance accumulation funds, etc.

All members of the society have the right to administer and manage their own welfare. Moreover, the state funds should be used through the mechanism of state aids based on the rules and conditions established beforehand, through market competition and in a transparent way.

The same principle should also apply to the financing of healthcare. Healthcare is considered one of the key factors of the sustainable economic growth of Armenia, where the maximum and comprehensive introduction of market mechanisms will greatly contribute to the assurance of efficient operation of the field in concern.

EDUCATION, SCIENCE, CULTURE AND THE ARMENIAN LANGUAGE

The policy currently pursued in the fields of education, science and culture also faces the issue of the imperfectness of the institutional system, and consequently the policy implemented based on it does not ensure the necessary level of efficiency. The main approach for implementing reforms in this field should be the following: renounce the residual method of automatic financing for the benefit of financing, through state aids mechanisms, the consumers, and not service providers. In particular, the acquisition of the right for managing state funds on competitive bases will enhance the efficiency of spending those resources. For example, in the field of education, passing onto the principle of outcome-based financing (irrespective of the type of property), the availability of state funds for educational institutions – granting state aids/scholarships on the basis of tenders, or providing government grants to consumers and not to service providers, will lead to a considerable increase in the quality of education and to maximum efficiency in resource utilization.

The renunciation of state financed and free of charge education will be the main reform of the education system. In our opinion, the establishment of a robust competition environment in the fields of education, science, and healthcare may increase the global competitiveness of education, science and culture institutions, which is deemed to be the most important factor of sustainable development.

In terms of the policy to be pursued in the field of education, one of the priority tasks is to create favourable conditions for development of the national culture through the establishment of a relevant legal framework and undertaking of practical measures. However, in the field of culture, the state should also focus only on the settlement of issues that, for the time being, cannot be carried out by other mechanisms. In this context, it is necessary to:

- elaborate and implement, through various channels, comprehensive programmes targeted at the preservation of the Armenian culture, its development and world wide promotion,
- establish, through state tenders and NGOs, modern occupational centres, especially for the youth, all over Armenia, and ensure their operation,
- establish tax preferences for publishing houses, given the low profitability of Armenian publications,
- implementation of a comprehensive programme for preservation and restoration of Armenian memorials and other cultural values in the territory of Armenia, as well as in all other countries where there are such values,
- enroot the wide and irrevocable use of the Armenian language as the official language of our country; enlarge the scope of authorities and functions of the State Language Inspectorate in view of raising the efficiency of its activities in the application of the RoA Law on Language.

THE ROLE OF THE DIASPORA

In the global market, the Diaspora is deemed to be the main competitive advantage of Armenia, which implies a maximum efficient use of the available potential. However, it is necessary to recognize that the main potential of the Diaspora is concentrated not in the sphere of investments (capital knows no nationality), but in the field of human capital.

Thus, it is necessary to radically change the approach of considering the Diaspora as a financial resource. For Armenia, the Diaspora is not a capital but a source of knowledge. In this respect, it is necessary to ensure the maximum involvement of the Armenian Diaspora in the process of settling education issues in Armenia, especially in the field of higher education, through ensuring the engagement of the Armenian Diaspora in the public administration system, e.g. with the purpose of ensuring maximum efficiency of state aids and grants/scholarships, and engagement of the Armenian Diaspora as experts in economic entities.

Particularly this kind of policy will, in our opinion, allow making full use of the potential that the Diaspora has, thus ensuring maximum efficiency of this important factor of Armenia's competitiveness. This policy will also create legal basis for further integration of the two parts of the Armenian nation.