

## **Sassounian: Armenia Scores High on Global Index: Perception vs. Reality**

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The latest report of the Human Freedom Index for 152 countries gives Armenia a surprisingly high score. The study was conducted jointly by the Cato Institute, Washington, D.C.; Fraser Institute, Vancouver, Canada; and Friedrich Naumann Foundation for Freedom, Berlin, Germany. The 108-page comprehensive report ranks countries according to personal, civil, and economic freedoms enjoyed by their citizens.

The rankings are based on 76 distinct indicators grouped in 12 categories: rule of law; security and safety; movement; religion; association, assembly, and civil society; expression; relationships; size of government; legal system and property rights; access to sound money; freedom to trade internationally; and regulation of credit, labor, and business.

The top 10 countries, according to the Human Freedom Index, are Hong Kong, Switzerland, Finland, Denmark, New Zealand, Canada, Australia, Ireland, United Kingdom, and Sweden. The United States is in 20th place.

According to the figures released last week for the year 2012, Armenia ranks 53rd in the world, much higher than most of its neighbors, Azerbaijan (126th), Turkey (62nd), and Iran (152nd); and slightly behind Georgia (48th).

Armenia's impressive overall ranking reveals an even more stunning score when one looks at the two major components of that ranking. Armenia occupies the 17th place in the world in economic freedom, and 70th in personal freedom!

The reason I qualified Armenia's ranking as "surprising" is that most people would not have expected it to have such a high score, given the persistent criticism of its leadership by Armenians within and outside the country. While it is true that the Armenian government has many shortcomings and deserves to be criticized, we should acknowledge that the authorities must be doing something right for Armenia to outrank in the Human Freedom Index such influential countries as Argentina, Brazil, China, Egypt, India, Iran, Kuwait, Mexico, Qatar, Russia, Saudi Arabia, Turkey, Ukraine, and Venezuela.

The only explanation for this dichotomy between people's perception of Armenia and reality is that its officials have done a bad job of promoting the country's positive accomplishments. Otherwise, most Armenians would not have such a negative impression of their homeland.

To illustrate this point, let's take Singapore, a country that successfully promotes its achievements and is universally praised as a model of good governance, rapid economic development, and prosperous living conditions. While there is no question that this "Asian Tiger" has an impressive record of accomplishments, it is surprising that Singapore—ranked 43rd in the world—is only 10 places ahead of Armenia in the Human Freedom Index. If one pays attention to all the hype about Singapore, one would expect that country to be ranked in the top 10, while Armenia should be ranked 100, given the constant critical comments it receives.

As they say, "perception *is* reality." In fact, perception is much more important than reality, because people judge everything on the basis of their own impression, regardless of how different it might be from reality. For example, in the past several years Armenia has been ranked higher than expected on several global reports. Yet, the Armenian government has never publicized these respectable rankings, thereby failing to create a positive image for the country which would attract tourists and investors from around the world.

Many of the countries that Armenia outranks are much more prosperous, yet they fall far behind in the Human Freedom Index, which can only mean that a country's wealth—multi-billion dollar oil revenue, in the case of Azerbaijan—does not guarantee affluence or freedom for its citizens!

However, given Armenia's relatively high ranking, its leadership can no longer use the excuse that the country's development is handicapped due to limited financial and natural resources. Everything does not depend on money. Since Armenia is ranked 17th on economic freedom, there is no excuse for it to be ranked 70th on personal freedom. The latter index could be improved greatly without costing the state a single dollar. All it takes is caring government officials who are committed to improving the people's welfare.

The biggest deficit of the Armenian leadership is not the lack of funds, but the lack of public trust. The authorities can regain citizens' trust by working diligently to better their living conditions. Only then would the public's positive perception match the reality of Armenia's global rankings.