

**AUTHORITARIAN BARGAIN IN BELARUS:
THE SYSTEM OF SOCIAL BENEFITS
AS A FACTOR OF REGIME STABILITY**

*Jovita Pranevičiūtė-Neliupšienė,
Zhanna Maksimiuk*

The article examines the possible reasons for regime stability in Belarus through the concepts of social contract and authoritarian bargain, arriving at the proposition that the extensive social welfare system in Belarus is the key to understanding the stability of the system over years. In academic literature, social and welfare policies are among the least researched factors of Belarus regime stability. The article summarizes theoretical findings on the use of social policies in authoritarian regimes and provides a detailed review of the structure and development of the social welfare system in Belarus. It is concluded that due to extensive social and welfare policies, the Belarusian regime manages to maintain social support at the level which is minimal but enough to keep stability in society and the political elite unchanged.

Jovita Pranevičiūtė-Neliupšienė is a Lecturer at Vilnius University, Institute of International Relations and Political Science (jovita.neliupsiene@president.lt).

Zhanna Maksimiuk is a Master Program graduate at Vilnius University, Institute of International Relations and Political Science.

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Introduction

The Belarusian president Alexander Lukashenka was elected in 1994. Since then, he has been successful not only in remaining in power, but also in consolidating his regime to the level of a broad social contract, which is almost undoubted by general society and the politically active opposition. The aim of this article is to analyze whether the model of social contract can help to explain the survival of Lukashenka's regime and how the authoritarian bargain ensures the tools for system stability.

The article takes two major theoretical insights on social contract and authoritarian bargain into account. One of them – Desai and others – helps to put a case study of Belarus into the context of general quantitative research. The other – Silitiski and others – helps to indicate the main topics and issues for a qualitative study.

Public opinion polls show that the support to the ruling regime has remained quite stable even during financial crisis. Lukashenka survived several hard external pushes from Russia. There can be several reasons for that – the so called economic miracle, well developed law enforcement institutions, even the mentality of Belarusian people, or a mixture of all these factors. The identity and mentality of the Belarusian nation has been studied quite extensively by a wide range of authors with more or less success in explaining the regime stability¹.

Belarus is a state with a complex and sophisticated institutional system, which has been partially secured from the Soviet period. When military autocrats or dictators face economic crises of internal challengers, they have to rely on repressions only. When

¹ A few examples: Ioffe Grigory, "Unfinished Nation-Building in Belarus and the 2006 Presidential Election", *Eurasian Geography & Economics*, Feb2007, Vol. 48, Issue 1, p. 37–58; Kuzio Taras, "National Awakening and National Consciousness in Belarus", *Nationalities Papers* 30 (2), 2002; Wilson Andrew, *Belarus: The Last European Dictatorship*, Yale University Press, 2011; Шевцов Ю., *Объединенная нация. Феномен Беларуси*. Москва: Европа, 2005.

the countries with institutions developed through several decades face economic problems due to external reasons or bad policies, they tend to survive longer, because they have several options of a certain degree of cohesive actions, cooptation as well as limited reforms. The Belarusian law enforcement institutions are part of the society control system. The “country’s stability” relies on police (*Militsiya*) and internal forces, with the right to use force against civilians. Although there is no official data, local sources as well as some unofficial statistics allow to assume that Belarus has the largest number of law-enforcement staff per capita among post-Soviet states²; according to the latest UN ranking, Belarus is the first in the world by the number of policemen per capita (1442 police officers per 100 thousand inhabitants)³. The military are usually kept aside from dealing with political discontent and street protests. These law enforcement institutions are kept under control through permanent rotations between institutions and positions of the personnel as well as through the wage policy.

Although repressions are the most usual answer to explain regime stability, in the Belarusian case this is neither sufficient nor completely logical. In Belarus, we can observe a permanent harassment of political activists, but not the broad society. During 18 years of Lukashenka’s regime, only 6 persons have been registered as missing.

Meanwhile, in academic literature, economic and social benefits are among the least studied factors of Belarus’ regime stability. Most of the analyses focus on the explanation of the Belarusian economic

² Belarus has 1441.6 militiamen per 100,000 people, which is two times more the average rate of 15 countries (637.9). Russia is ranked second with 975.7 law-enforcement officers per 100,000 people. Poland has the lowest number of law-enforcement officers (328.3 per 100,000 people). Belarus leading in number of militia staff, *Charter '97*, 22.06.2010, <http://charter97.org/en/news/2010/6/22/30018/>, 2012-11-03.

³ “MIA personnel policy in the regions,” *Solidarity with Belarus' Information Office* 13 November 2012, http://solidarityby.eu/p/mia_personnel_policy_in_the_regions, 2012-11-27.

model – “socially orientated market economy”⁴ or planned economy as in the Soviet Union with free market features’ examples, and not so much on how this economic model and welfare policies ensure the survival of Lukashenka.

1. Fitting into the model of authoritarian bargain

As Mihalisko notes, it is difficult to describe who Belarusians are without the Soviet context⁵. The Belarusian population is called *homo-sovieticus* not because it is Russian-speaking or understands only the Soviet interpretation of history, but because of its controlled economy, the Soviet-style social system and the perception of the role of the government. The Polish sociologist Piotr Sztompka gave precise characteristics of the basic values typical of the collective identity of *homo sovieticus*: collectivism, safety, social stability, conformity, state social security, personal non-responsibility, egalitarian income equality, dogmatism and intolerance as features of *homo sovieticus*⁶.

Even if Soviet history narratives as a representation of the Soviet nostalgia are still predominant in society, a comparative analysis of behaviour shows that for Belarusian society economic issues (i.e. simply the survival) are of highest importance. While 59.33 percent of the Ukrainians and 54.55 percent of the Russians consider the aim of success as being the motive of economic activity, only 54.55

⁴ Concept widely spread in official media such as “От сбалансированного развития к устойчивому экономическому росту”, *ЭКОНОМИКА БЕЛАРУСИ*, № 3/ 2011, [http://belarus-economy.by/econom.nsf/\(mainPages\)/2011%2F№3?openDocument](http://belarus-economy.by/econom.nsf/(mainPages)/2011%2F№3?openDocument), 2012-11-02; “При оказании социальной помощи важного не упустить – А.Тозик”, Совет Министров Республики Беларусь, 02.09.2011, <http://www.government.by/ru/content/4028>, 2012-11-02.

⁵ Mihalisko Kathleen J., “Belarus: Retreat to Authoritarianism,” *Democratic Changes and Authoritarian Reactions in Russia, Ukraine, Belarus and Moldova*, Karen Dawisha, Bruce Parrott (eds.), Cambridge: Cambridge University Press, 1997, p. 233, 236.

⁶ Titarenko Larissa (2007), “Post-soviet national identity: Belarusian approaches and paradoxes”, *Filosofija. Sociologija* 18(4), 2007, p. 86.

percent of the Belarusians share this point of view. However, in the latter, the share of society motivating itself with the aim of avoiding failure is the biggest (37.91 percent). By comparison, in Russia and Ukraine, only 18.18 percent and 3.33 percent of respondents motivate themselves in the above-mentioned way⁷. L. Zaiko suggests calling such persons *homo economicus*, the ones who do not care about anything but survival. Therefore, the attempts of social mobilization using political arguments are condemned to failure. The absence of objective data on the real standard of living in Belarus also contributes to this situation, while the national statistics, using specific ways of measuring social indicators, is only feeding the popular belief in a safe economic well-being. From this comes the situation that, on the one hand, Belarus is among the least developed European countries, lagging behind with any reforms or privatization. On the other hand, the income gap is smaller than in any country around.

During the financial crisis, more than ever, politics has become of greater importance to those people. The activity of the biggest state enterprises is maintained by government subsidies. Should the subsidization stopped because of changing political power, hundreds of thousands of Belarusians would lose their jobs. This could be a viable explanation why those people do not struggle for their political rights.

This way of thinking is useful for the regime to ensure its survival. The whole administrative system in Belarus is built on a certain form of mutual dependence of the regime and society: one needs passive citizenry, and the other wants some guarantees of social welfare. As Silitski and others write in Belarus, “the state reduces the likelihood of being forcibly replaced by suppressing the motivation of citizens for advocating change, even if this means devoting vast resources to *buy loyalty* at the expense of rivalling power clans”⁸.

⁷ Zaiko Leonid (2006), “Belarusian man – homo economicus: bases for country or for government”, НашеМнение, <http://nmnby/pub/0606/09m.html> (in Russian: Заико, Леонид, «Белорус как *homo economicus* – фундамент страны и власти?»).

⁸ “Editors’ foreword”, *Social Contracts in Contemporary Belarus*, eds. Kiryl Haiduk,

Ioffe and Yarushevich have stated that “Belarus’s economic success is also rooted in the degree of harmony between much of its society and the political regime – a degree which is higher than in Russia and Ukraine.”⁹ This harmony or the Belarusian kind of social contract is reached not only by repressions or any other form of state violence, but via the “authoritarian bargain”, or an implicit arrangement between ruling elites and citizens whereby citizens relinquish political influence in exchange for public spending¹⁰. The regime can remain in power if it controls all strategic assets of the country and has a stable system of redistribution of those assets through certain actors – different levels of administration, military or some business sectors. In addition, any regime should have an access to some alternative resources if the backbone asset starts shrinking or some problems with redistribution arise. In one case or another, economic and social benefit has to be substitutional to political rights and liberties.

In Belarus, this substitution is quite obvious. Opinion polls made by independent researchers show that Belarusians can accept a trade-off between economic benefit and country independence.

This helps to sum up that state independence and, of course, all the related values have not become a priority value for the majority of the Belarusian population. Data of Table 1 help to realize the link between the Belarusian pragmatism and the patriotism (or political consciousness) of society. Public opinion has become extremely sensible to the slightest economic fluctuations in the recent years. Just after the presidential election and all political rhetoric related

Elena Rakova, Vital Silitski, Minsk, 2009, p. 5, http://www.belinstitute.eu/images/doc-pdf/soc_contr_en.pdf, 2012-10-20.

⁹ Ioffe, Grigory and Viachaslau Yarushevich, “Debating Belarus: An Economy in Comparative Perspective,” *Eurasian Geography and Economics* 52, 6, 2011, p. 771 [750–779].

¹⁰ Desai, Raj M., Anders Olofsgård, Tarik M. Yousef, *The Logic of Authoritarian Bargains*, Edmund A. Walsh School of Foreign Service, Georgetown University, June 2007, p. 1, www.georgetown.edu, 2012-10-20.

Table 1. Dynamics of answering the question: What is more important: improvement of Belarus' economic position or independence of the country?"¹¹, % (NISEPI, 2008)

Variant of answer	06'04	08'06	09'07	03'08
Improvement of Belarus' economic position	73.7	48.5	59.4	64.5
Independence of the country	19.2	41.9	32.2	24.1
DA/NA	7.1	9.6	8.4	11.4

to it the number of “patriots” roze, but the gas crisis indicated the pragmatism coming back. The once-famous Soviet principle “May our dear country live and we do not care about anything else” is to all appearances losing its topicality¹². Other concerns are coming out to the front line more and more actively, and the need for economic stability is at the head of them. Stability is a synonym of security. It is in the human nature, and that is why it is one of the baselines. For the sake of stability preservation, the majority is ready “to trade-off their principles”, putting aside independence and freedom. Knowing this sensitivity of the Belarusian population for the ruling regime, it is quite easy to manipulate with social benefits.

As Desai and others claim in their research, authoritarian leaders have several options to use the substitutional nature of social benefits and political liberties: first, an increase in rents, available to the incumbent regime, raises economic benefits and reduces political liberalization; second, an increase in the relative size of the targeted population lowers economic benefits and increases political liberalization; third, an increase in the level of political instability increases both economic benefits and political liberalization¹³.

¹¹ NISEPI, “Where does mercantilism lead to?”, *Independent Institute of Socio-Economic and Political Studies: Analytics Archives*, First Quarter, 2008, <http://www.iiseps.org/eypress8.html>

¹² Ibid.

¹³ Desai Raj M., Anders Olofsgård, Tarik M. Yousef, *The Logic of Authoritarian Bargains*, Edmund A. Walsh School of Foreign Service, Georgetown University, June 2007, p. 100, www.georgetown.edu, 2012-10-20.

The substitutional nature of social benefits and political liberties can be supported by the findings of the research of Silitski and other who proposed a statement for public poll: “Our state secures civil peace and political stability, which justify limitations on some civil freedoms”. According to findings, about 45% of all respondents agree with this thesis fully or partially, and 36% fully or partially disagree¹⁴.

Analysis of the relations of welfare spending and political democracy in six regions shows that in sub-Saharan Africa, South Asia, and the former Eastern Bloc (including Belarus) countries show a U-shaped relationship whereby welfare spending declines during liberalization, but then begins to climb once some democratization threshold is crossed¹⁵. In the case of Belarus, it is difficult to support the hypothesis because before Lukashenka came to power Belarus’ economy had been at the brink of default. Right now, the Belarusian leader is either very smart to keep the development at the lowest possible level not to violate the contract, or it comes unconsciously – the Belarusians are equal in poverty, and the development of the economy has not reached the level to support or deny the thesis.

Interestingly enough, the finding of Desai and others shows that in general the regime type – monarchy, party, or presidential system – does not have much effect on the relation between social spending and liberties, but welfare spending is greater in presidential regimes¹⁶. Worth noting is that even during the financial crisis, an essential economic goal for the Belarusian authorities remained to secure jobs at large enterprises while increasing incomes on a regular basis (to catch up with the constant rise in consumer prices – an

¹⁴ Silitski Vital, “From Social Contract to Social Dialogue: Some Observations on the Nature and Dynamics of Social Contracting in Modern Belarus”, *Social Contracts in Contemporary Belarus*, eds. Kiryl Haiduk, Elena Rakova, Vital Silitski. Minsk, 2009, p. 160, http://www.belinstitute.eu/images/doc-pdf/soc_contr_en.pdf, 2012-10-20.

¹⁵ Desai, Raj M., Anders Olofsgård, Tarik M. Yousef, *The Logic of Authoritarian Bargains*, Edmund A. Walsh School of Foreign Service, Georgetown University, June 2007, p. 105, www.georgetown.edu, 2012-10-20.

¹⁶ *Ibid.*, p. 111.

effect of the devaluation of the national currency) in order to stave off poverty among the employed population¹⁷. On the one hand, the maintenance of full employment therefore became a cornerstone material component of the social contract. This is costly, because the majority of the economy is state-owned, and the state owned companies are mostly equipped with the outdated technology. On the other hand, this ensures that a large part of society is involved into the process of authoritarian bargain.

The ability of the state to involve a large part of society into social contracts depends also on the expectations coming from society itself. As already mentioned, Soviet nostalgia and the way of thinking about who and how is responsible for personal wealth is persistent in Belarus. Expectations are really high; the concept of “state care” is prevailing in the state and oppositional media. When answering the question “What principle of relations between the state and its citizens would you personally support?”, 62.7% of respondents said: “The state should take more care of people” and only 22.7% believed that “people should display initiative and take care of themselves”¹⁸. This helps to maintain the atmosphere of conformity or, in other words, to follow the social contract. Public opinion polls show that the president is still considered responsible to the greatest extent, but the extent is already appreciably smaller (by the same 10 percentage points) than in September 2011¹⁹. Nonetheless, the hope for a way out of the crisis is also mostly put on him, too. Over a quarter of the authorities’ opponents are sure that the state does not at all meet the

¹⁷ Chubrik Alexander, Kiryl Haiduk, “Social Contract: Waged Workers”, *Social Contracts in Contemporary Belarus*, eds. Kiryl Haiduk, Elena Rakova, Vital Silitski, Minsk, 2009, p. 28.

¹⁸ NISEPI, “The most important results of the nationwide public opinion poll”, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, June 2012, <http://www.iiseeps.org/epress15.html>, 2012-10-25.

¹⁹ NISEPI, “A “Tiling doll”: dynamics of A. Lukashenko’s popularity ratings”, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, March 2012, <http://www.iiseeps.org/e03-12-02.html>, 2012-10-25.

obligations owed to the citizens, while the popularity of such a view is almost 10 times lower among their supporters (26.4% vs. 2.8%)²⁰. It is understandable that the ruling regime prefers to rely mainly on the “majority”, and the Belarusian economic model, one of the top priorities of which is redistribution of resources from the “minority” to the “majority”, functions exactly in their interests. Members of society expect better redistribution, and the regime keeps its promises to a certain extent (minimum-indexing wages, social payments, keeping at least partially free medical care and education). In January 2012, according to the data of “Levada-center”, 17% of respondents in Russia agreed with the choice “the state fulfils its obligations in full/mostly”, while in Belarus almost two times more – 32.5%²¹. This, of course, was not an obstacle for Putin to win presidential elections and for the presidential party to win the parliamentary elections in Russia, but this number could serve as an indicator for the Belarusian regime – what scenarios to expect in case of any decrease in income.

The exit strategy or non-participation in the social benefit redistribution schemes seems to be very costly – losing all benefits, as well as most probably experiencing restrictions of liberties all the way through repressions.

2. The ideology of bargaining

Having in mind theoretical considerations of the social contract and authoritarian bargain, Belarus is a good example to analyze. The ideology of the state is actually constructed to sustain the social contract.

The official course of the sustainable socio-economic development of Belarus is strategically aimed at a dynamic increase of the welfare level and the enrichment of culture and morality of its people, based

²⁰ NISEPI, “Ideal citizens of nonideal state”, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, March 2012, <http://www.iiseps.org/e03-12-04.html>, 2012-10-25.

²¹ Ibid.

on the intellectual and innovational development of economic, social, and spiritual spheres, and the preservation of the environment for the present and future generations. Meanwhile, the major tasks which aim to ensure such sustainable development are building a highly efficient socially oriented market economy with well-developed institutions of entrepreneurship and market infrastructure and mechanisms of state and market regulation, as well as forming a strong, efficient constitutional state which ensures the necessary conditions and provides an active state support to large-scale measures for reaching the benchmarks of the socio-economic development²².

It is envisaged that on the way to reaching socio-economic development aims, initially, the major role in laying the foundation for a socially oriented market economy is played by a strong state with a strong social policy, while later the social policy becomes more selective, and more space is given to market self-regulation mechanisms. The major function of the state in this respect is the redistribution of incomes through the state budget on a selective basis for moderating the effects of market economy and income inequality. Thus, a characteristic feature of the Belarusian model of the socially oriented market economy is the “strong people-centered policy of the state” with “strong state power, strong social policy and reliance on the people.”²³

Thus, the main components of the Belarusian model of development in the present period are as follows:

- strong and efficient state ensuring political stability, security, social justice and social order;
- equality of various property forms;

²² Национальная стратегия устойчивого социально-экономического развития Республики Беларусь на период до 2020 г., одобрена Национальной комиссией по устойчивому развитию РБ (прот. № 11/15 ПР от 6 мая 2004 г.) и Президиумом Совета Министров РБ (прот. № 25 от 22 июня 2004 г.), Минск: Юнипак, 2004, с. 31, http://un.by/pdf/OON_sMall_Rus.pdf, 2012-10-25.

²³ “The Social Policy Pursued by the Belarusian State,” the Official Internet-Portal of the President of the Republic of Belarus, <http://president.gov.by/en/press28378.html>, 2012-10-24.

- multiple oriented external policy;
- activation of integration processes with the European Union member states, the CIS and Russia, primarily in the economic sphere;
- efficient social state policy, investment in health, education, professional and cultural development, as well as targeted social support.²⁴

In the social sphere, the Belarusian model of socially oriented market economy is aimed to guarantee a high welfare level to the working population and a decent social support to people off work, the elderly and disabled, by combining features of market economy and such specific elements as collectivism, mutual aid and social justice, which help to prevent a sharp differentiation of population by income or large-scale unemployment.²⁵

It is explicitly stated in the National Strategy of Sustainable Socio-economic Development that social consolidation and mass support to the authorities of the country can be reached only if the state policy is primarily aimed at ensuring a certain welfare level of people, support to socially vulnerable groups and strengthening social justice in society. Thus, a strong social policy with freeing up people's initiative is aimed at balancing interests and consolidating society through reliable social safeguards and confidence in the future²⁶.

Indeed, satisfaction of the main social needs of the population and minimization of the negative consequences of social differentiation and tension in society are seen as one of the main national interests in the social sphere, as stated in the Concept of National Security of the Republic of Belarus, while a possible decrease of welfare level and quality of life, destabilization of the social protection system or

²⁴ Национальная стратегия устойчивого социально-экономического развития Республики Беларусь на период до 2020 г., одобрена Национальной комиссией по устойчивому развитию РБ (прот. № 11/15 ПР от 6 мая 2004 г.) и Президиумом Совета Министров РБ (прот. № 25 от 22 июня 2004 г.), Минск: Юнипак, 2004, с. 13, http://un.by/pdf/OON_sMall_Rus.pdf, 2012-10-25.

²⁵ Ibid.

²⁶ Ibid., с. 15–16.

growth of unemployment are listed among threats to the state national security²⁷.

Following this vision of the role of social policy as a political priority and part of national security strategy and encouraged by some positive trends in the social sphere in the past years, at present the state continues pursuing its national model of socially oriented economy.²⁸ As the leader of the country has pointed out at a press conference, care about people is the main task of the President as well as the government, and there are means and capabilities for this.²⁹ The authoritarian leader promised that about a third of the 2012 state budget would be directed to health care and education, both of which would stay accessible and free of charge; the cost of a square meter of housing for persons entitled to benefits would be about 3.5 million BYR (a. 318 EUR)³⁰, while the market cost of such housing is about 7–9 million BYR (a. 636–818 EUR); the state would also support families, especially with many children; the retirement age would not be raised, while the pension size would increase within the capacities of the state; population will continue to pay only about 35% of the cost of water supply, heating, gas, and electricity; the prices for a list of the daily-consumed products would be still state-regulated, and the wages would grow depending on labour productivity. This goes in line with the officially envisaged directions of neutralization of the internal threats to the national security of the country: ensuring a decent level and quality of living through the growth of real wages and other incomes, and improvement of the pension system and targeted social support, with an emphasis on a full and effective employment of the

²⁷ Концепция национальной безопасности Республики Беларусь, утверждена Указом Президента РБ от 09.11.2010 № 575, <http://www.pravo.by/main.aspx?guid=3871&p0=P31000575&p2={NRPA}>, 2012-10-25.

²⁸ Основные положения программы социально-экономического развития Республики Беларусь на 2011–2015 годы, <http://law.sb.by/1002/>, 2012-10-25.

²⁹ «В Беларуси сохранится социально ориентированная модель экономики», 2011-12-24, http://ont.by/news/our_news/0072466, 2012-10-25.

³⁰ Here and further in the text, figures in EUR are calculated based on 2012-10-29 official exchange rate of the National Bank of the Republic of Belarus (1 EUR = 11000 BYR), <http://www.nbrb.by/statistics/rates/ratesDaily.asp>

population, provision of accessible and quality housing, state support to health care and education, attention to cultural development, etc.³¹ Thus, “Belarus’ highly developed welfare regime is one of the priorities of the Belarusian “social market economy” model” taking “ideological priority” and being “increasingly closely associated with ideological rather than social goals.”³²

Belarus has preserved and developed an extensive state system of social care and support, partly based on the Soviet legacy. Through its social welfare policy, the Belarusian state strives to achieve the growth of living standards and the further reduction of poverty, improving the demographic situation and maximizing the effectiveness of public social expenditure in order to approach the average European level of economic development and enter the group of the first 50 countries with the highest human development level.³³

The Constitution of the Republic of Belarus guarantees free healthcare and education for all citizens, the right to social support for the elderly and veterans, as well as and in case of illness, disability or loss of a breadwinner, free or subsidized housing for people in need of social protection.³⁴ A system of state social standards and minimal social guarantees with a defined minimum wage and pension levels has been developed, state social support is provided to vulnerable groups of people, measures are taken to improve the social infrastructure and support the development of rural areas and small towns. Financially, in the 2011 budget, expenditure on the social sector made up 43% of all budget expenditures or 12.5% of GDP, of which 5% was spent

³¹ Концепция национальной безопасности Республики Беларусь, утверждена Указом Президента РБ от 09.11.2010 № 575, <http://www.pravo.by/main.aspx?guid=3871&p0=P31000575&p2={NRPA}>, 2012-10-25.

³² Bertelsmann Stiftung, “BTI 2010 — Belarus Country Report,” Gutersloh: BertelsmannStiftung, 2009, p. 10–11.

³³ Программа социально-экономического развития Республики Беларусь на 2011–2015 годы, утверждена Указом Президента РБ 11.04.2011 № 136, <http://www.pravo.by/main.aspx?guid=3871&p0=P31100136&p2={NRPA}>, 2012-10-26.

³⁴ Конституция Республики Беларусь, <http://www.pravo.by/main.aspx?guid=3871&p0=v19402875&p2={NRPA}>, 2012-10-25.

on education and 3.8% on healthcare. It was lower than in the year 2000 when out of budget expenditure on social sector (13% of GDP) education received 6.1% and health care 4.9%.³⁵

State social support is provided to a range of population groups, from the disabled and families with many children to lonely elderly people and talented youth, as well as people with income below the defined minimum, while privileges and subsidies have been preserved since the Soviet times for certain categories, such as the disabled of the 1st and 2nd groups; heroes of the Soviet Union, Socialist Labour, Belarus; former prisoners of fascist concentration camps; victims of the Chernobyl disaster; war veterans, etc. All in all, in 2000–2011, social payments (pensions, benefits, scholarships, etc.) from the state have been making up about 20% in the total money incomes of the population.³⁶

3. Resources for redistribution

As mentioned above, the ability of the ruling regime to sustain social contract depends on the resources it has for redistribution. The majority of the research modeling the authoritarian bargain is about non-democratic states which have available non-fiscal resources – first of all countries rich in natural resources, and the autocrats having access to and control of the most of strategic assets³⁷. The Belarusian regime relies first of

³⁵ National Statistical Committee of the Republic of Belarus, Social Conditions and living Standards of Population in the Republic of Belarus, Statistical Book, Minsk, 2012, http://belstat.gov.by/homep/ru/publications/house/2012/contents_SOCIAL_CONDITIONS_2012.pdf

³⁶ Ibid.

³⁷ A few examples: Lahcen Achy, “The Breakdown of the Arab Authoritarian Bargain”, Commentary, January 9, 2012, <http://carnegieendowment.org/2012/01/09/breakdown-of-arab-authoritarian-bargain/8xre>, 2012-11-02; Ariel I. Ahram, “State-Breaking and the Crisis of Arab Authoritarianism”, Working Paper, <http://www.socsci.uci.edu/files/internationalstudies/docs/ahram2011.pdf>, 2012-11-02; Martin Beck and Simone Hüser, “Political Change in the Middle East: An Attempt to Analyze the “Arab Spring”, Working Paper, GIGA Research Unit: Institute of Middle East Studies, No 203, August 2012, http://www.giga-hamburg.de/dl/download.php?d=/content/publikationen/pdf/wp203_beck-hueser.pdf, 2012-11-02.

all on the redistribution of taxes-based state income. Belarus is not rich in natural resources except potassium, the major source for fertilizers' production. But this is only partially true. The Belarusian economic miracle is built actually on the re-export of Russian oil and gas as well as refined oil products: low energy prices add around 20 percent of Belarus annual GDP (258 881 million USD)³⁸.

At the beginning of 2007, the price for oil and gas Belarus paid was not much higher than the price for Russian consumers and was several times lower than prices for other countries of the region. This cheap Russian natural gas forms the basis of the competitive advantage of many Belarusian enterprises, including several largest chemical companies whose production amounts to about 15% of the Belarusian exports. In 2005, Belarus imported 19.31 million tons of Russian oil, paying 60% of the global price. It consumed 5.85 million tons for its own needs, and the remaining 13.48 million tons, after processing in two Belarusian refineries in Mozyr and Novopolotsk, were exported to the West as petroleum products³⁹. This system was very profitable for Belarus in the recent years: the value of petroleum products exports amounted to 4.85 billion dollars in 2005.

First, the availability of non-fiscal resources for redistribution assures more stability for the regime and independence from its own society. Second, this is the major vulnerability of the Belarusian regime – the almost unquestioned dependence on one external actor – Russia. Not surprisingly, as regards the issue of the opportunity to receive economic aid, hopes are mostly related with Russia (50.6%) and only 32.2% with the European Union⁴⁰.

³⁸ Hedenskog Jakob, Robert Larson, "Russian Leverage on the CIS and the Baltic States". *Swedish Defense Research Agency*, 2007, p. 45–60.

³⁹ IPM Research Center, "Gas Sector Restructuring in Belarus: Necessity and Directions", *German Economic Team in Belarus*, Minsk, December, 2004, <http://pdc.ceu.hu/archive/00002759/01/pp1504e.pdf>, 2012-11-02.

⁴⁰ NISEPI, Ambivalent geopolitical choice, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, June 2012, <http://www.iiseps.org/e/06-12-09.html>, 2012-11-02.

Still dependence on the re-export of Russia's natural resources does not guarantee stable income. They can easily change with the change of Russian trade and export policies or with the change of Russian attitudes towards the Belarusian political elite. Every day Russia imposes a stricter control on the re-exports and starts changing other forms of the "aid policy"; this means that a generous social policy is becoming too costly for Belarus, and the state will just be not able to go on spending on welfare so much.

4. *Contracted loyalists*

As already mentioned, society is expecting goods to be redistributed. One must bear in mind that the most loyal supporters of Lukashenka are the most socially vulnerable, living in rural areas, aged over 50 or retired⁴¹. Although Desai and others claim that if society can easily substitute political rights by income, this means that increase in the size of the group profiting from the redistribution leads to a decrease of political rights⁴² or *vice versa*. In Belarus, the group whose loyalty has been bought is specifically defined not only by the level of poverty, but also by a certain state-introduced categories.

In the 1990s, in Belarus more than one third of the population lived below the official poverty line, with the peak of poverty rate (46.7%) in 1999. However, since then, the poverty rate decreased to 5.3% in 2010 and then increased again: in 2011 about 7.3% of population lived on average below the minimum subsistence level

⁴¹ In 2010, President Lukashenka was declared the winner by the Central Election Commission with 79.67% of the votes. According to independent research center NISEPI around one third (29.7%) of Belarusian society supported him in June 2012. But anyway he remained the most popular politician in the country. See more: NISEPI, Electoral support erosion, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, June 2012, <http://www.iiseps.org/e06-12-02.html>, 2012-11-02.

⁴² Desai Raj M., Anders Olofsgård, Tarik M. Yousef, *The Logic of Authoritarian Bargains*, Edmund A. Walsh School of Foreign Service, Georgetown University, June 2007, p. 114, www.georgetown.edu, 2012-10-20.

budget.⁴³ However, there are opinions that the existing official poverty line is too low, as the analysis of poverty depth has shown that incomes of most poor people are not much lower than the actual poverty line, and an increase of the incomes among the poor by 15% will be enough to decrease absolute poverty two times.⁴⁴ The main categories of population under the risk of poverty are pensioners, children, housewives, single parents, the unemployed, and residents of rural areas; thus, taking into account the relatively low poverty rate, the efficiency of the social policy addressing these categories of people is rather high. One of the main factors positively influencing the poverty rate was the employment and income policies of the state: after 2000, a decrease of absolute poverty occurred, corresponding to the decrease in the unemployment rate.⁴⁵

According to official sources, “the leaders of Belarus will not abandon the strong social policy because it forms the essence of power: the people’s power attaches cornerstone importance to resolving the social problems.”⁴⁶ Since 2008, Belarus has achieved good social indicators; in 2011, Belarus had ranked 65 on the human development index (versus 66 of Russian Federation and 76 of Ukraine), life expectancy at birth 70.3 years, a positive net migration rate.⁴⁷ However, as practice shows, “the dominant “social market economy” model does not allow for conflicting policy priorities,

⁴³ National Statistical Committee of the Republic of Belarus, *Statistical Yearbook 2012*, Minsk, 2012, http://belstat.gov.by/homep/ru/publications/yearbook/2012/contents_yearbook_2012.pdf, 2012-10-26.

⁴⁴ Шиманович Глеб, «Социальная политика государства: эффективность, каналы влияния на бедность и перспективы развития», Рабочий материал Исследовательского центра ИПИМ WP/10/08, Biss, 2010, с. 22.

⁴⁵ Ibid., с. 16.

⁴⁶ “The Leaders of Belarus Will Not Abandon the Strong Social Policy Because It Forms the Essence of Power: the People’s Power Attaches Cornerstone Importance to Resolving the Social Problems,” Press Release by Press Service of the President of Belarus, http://www.mfa.gov.by/en/press/news_mfa/d3fdd51bf8240632.html, 2012-10-25.

⁴⁷ UNDP, *Belarus Country Profile: Human Development Indicators*. <http://hdrstats.undp.org/en/countries/profiles/BLR.html>, 2012-10-25.

demands high expenditures and neglects the structural reform of the economy.”⁴⁸ However, the challenges to the pension system, quality of healthcare and other problems are acknowledged and openly discussed both in the media and official documents, and in the past years the economic pressure on such an expensive welfare system has resulted in a gradual introduction of some changes directed at decreasing the cost-intensiveness of the system and increasing the of selectivity of the social policy.

For a long time, the eligibility criteria for most social benefits were based on belonging to certain categories of the population, such as pensioners or families with many children; as a result, about 65% of population had a certain privilege.⁴⁹ However, since 2007, state support has become more targeted: “this categorical approach was abolished, and social assistance began to be provided to persons who could prove that their income was below the minimum subsistence level for reasons beyond their control.”⁵⁰ Thus, the list of categories of population eligible for social privileges has been thoroughly reviewed⁵¹ in order to provide a better-targeted social support. There are further discussions about decreasing or abolishing some social benefits; for example, additional child allowances to mothers with extramarital children are proposed to be abolished in order not to promote civil marriages.⁵²

⁴⁸ Bertelsmann Stiftung, ВТИ 2010 – Belarus Country Report. Gutersloh: BertelsmannStiftung, 2009, p. 17.

⁴⁹ Шиманович Глеб, «Социальная политика государства: эффективность, каналы влияния на бедность и перспективы развития», Рабочий материал Исследовательского центра ИПМ WP/10/08, Biss, 2010, с. 18.

⁵⁰ National Report of the Republic of Belarus: Status of Achieving the Millennium Development Goals (MDGs), Minsk: Institute of Economic Research under the Ministry of Economy of Belarus, 2010, p. 17.

⁵¹ Закон РБ от 14 июня 2007 г. № 239-3 «О государственных социальных льготах, правах и гарантиях для отдельных категорий граждан», <http://www.pravo.by/main.aspx?guid=3871&p0=h10700239&p2={NRPA}>, 2012-10-25.

⁵² «Депутаты собираются бороться с гражданскими браками и иждивенческими настроениями у белорусов», *Народная газета*, 2012-10-06, <http://dengi.onliner.by/2012/10/06/pos-2/>, 2012-10-25.

Institutions of the social sphere have been urged to widen their financial self-sufficiency and seek for alternative sources of funding.⁵³ Thus, today the number of free-of-charge places at institutions of higher learning is at some departments several times less than payable places,⁵⁴ with about 66% of all students paying for their higher education in 2011/12 (versus 44% in 2000/01)⁵⁵. Tuition fees have grown dramatically: during the academic year 2011–2012, tuition fees were increased three times in total by about 70%⁵⁶ and once more in summer 2012, and today, for example, in the Belarusian State University they vary between BYR 10.7–14.9 million (a. 973–1355 EUR) per year.⁵⁷ Healthcare institutions had to widen the list of paid medical services, which are provided as supplementary to free-of-charge core medical services.

In the sphere of housing, there are plans to increase the level of compensation for the population of municipal services (or utility service: electricity, heating, water and gas supply, sanitation, housing use and repair) relative to the income level growth.⁵⁸ However, in

⁵³ Постановление Совета Министров Республики Беларусь от 4 ноября 2006 г. № 1475 «Об утверждении Основных направлений социально-экономического развития Республики Беларусь на 2006–2015 годы», <http://www.levonevski.net/pravo/razdelb/text419/page3.html>, 2012-10-26.

⁵⁴ План приема в БГУ на I ступень высшего образования в 2012 году (дневная форма получения образования), <http://www.bsu.by/Cache/pdf/377323.pdf>, 2012-10-26.

⁵⁵ National Statistical Committee of the Republic of Belarus, Social Conditions and living Standards of Population in the Republic of Belarus, Statistical Book, Minsk, 2012, http://belstat.gov.by/homep/ru/publications/house/2012/contents_SOCIAL_CONDITIONS_2012.pdf, 2012-10-27.

⁵⁶ «Новые цены на обучение в ВУЗах Беларуси?» 2012-06-25, <http://www.obrazovanie.by/2012/2012-06-25.html>, 2012-10-25.

⁵⁷ «Стоимость обучения при реализации образовательных программ высшего образования на I ступени на платной основе на 2012/2013 учебный год по дневной форме получения образования на 2–5 курсах», Приложение 1 к приказу ректора БГУ от 07.08.2012 г. № 415-ОД, <http://www.bsu.by/ru/sm.aspx?guid=411863>, 2012-10-25.

⁵⁸ Основные положения программы социально-экономического развития Республики Беларусь на 2011–2015 годы, <http://law.sb.by/1002/>, 2012-10-25.

2012, the population is to pay 35% of the cost of municipal services with a further increase up to 60% in the successive years.⁵⁹ Besides, the criteria of registration on the housing improvement list to get state support for housing were greatly tightened⁶⁰, and the number of people not meeting the criteria for state support that have to cover the costs themselves or take a commercial housing loan has increased greatly.

Though the officially registered unemployment remains very low, there are frequent cases when people have to take forced unpaid temporary leaves or work part-time in many industries.⁶¹ Despite the state promotion of full employment, “many job vacancies remain unfilled due to the low quality of employment and inadequate salaries.”⁶²

This leads to the conclusion that the size of the group participating in the major redistribution scheme is shrinking, as is also the support for social certain sectors, but this does not lead to the introduction of more political liberties. The explanation could be partial reforms. Partial political liberalization (elections without contestability, change of marginal laws as an answer to international pressure, slow privatization process) is a survival strategy by incumbent autocrats, as is also keeping everyone in the equality of poverty as well as trapping the country’s long-term political economy in a low equilibrium.

⁵⁹ Концепция государственной жилищной политики Республики Беларусь на 2012-2015 годы (Проект). Минск, 2012, с. 20, http://www.government.by/upload/concept_hpolicy_2012.pdf, 2012-10-26.

⁶⁰ Decree of the President of Belarus No. 346 of 9 August 2011 “On Introducing Amendments and Additions to Some Decrees of the President of the Republic of Belarus”, <http://president.gov.by/en/press135854.html#doc>, 2012-10-25.

⁶¹ Национальный статистический комитет Республики Беларусь, Социально-экономическое положение Республики Беларусь в январе-августе 2012 г., http://belstat.gov.by/homep/ru/indicators/doclad/2012_8/14.pdf, 2012-10-25.

⁶² National Report of the Republic of Belarus: Status of Achieving the Millennium Development Goals (MDGs), Minsk: Institute of Economic Research under the Ministry of Economy of Belarus, 2010, p. 18.

5. Redistribution of social benefits in practice

In order to have a better view of how the social system works, it is important to point out that the bargain between society and authority happens at quite a low price. As Silitski and others note, more than half of the respondents agree to all three major guarantees offered by the authorities in exchange for loyalty:

- it is better to have lower wages, but a guaranteed job (58.1%);
- it is better to work for a state enterprise than for a private one (57.5%);
- mandatory job assignments (even though not so convenient) for students upon graduation are acceptable, as they allow young specialists to have jobs (54.0%);
- it is better for enterprises to make average profits than to be bought by foreigners (59.3%);
- it is better to have average quality medical services, but free of charge (52.5%)⁶³.

In Belarus, state support to **families with children**, among others, includes birth grants, child allowances, maternity benefits, benefits to single parents and families with handicapped children, tax remissions, material and financial assistance, support for building or purchase of housing, discounts for meals at preschool institutions, low-interest loans and legal protection of mothers with small children while concluding and extending employment contracts. The size of support increases with the number of children in a family. Thus, some 25% of Belarusian families receive at least one type of child support benefit or allowance.⁶⁴

⁶³ Silitski Vital, “From Social Contract to Social Dialogue: Some Observations on the Nature and Dynamics of Social Contracting in Modern Belarus”, *Social Contracts in Contemporary Belarus*, eds. Kiryl Haiduk, Elena Rakova, Vital Silitski, Minsk, 2009, p. 160, http://www.belinstitute.eu/images/doc-pdf/soc_contr_en.pdf, 2012-10-20.

⁶⁴ *National Report of the Republic of Belarus: Status of Achieving the Millennium Development Goals (MDGs)*, Minsk: Institute of Economic Research under the Ministry of Economy of Belarus, 2010, p. 17.

Another priority of the Belarusian social policy is **housing**. State support for housing covered more than 60% of all new housing built in Belarus in 2006–2011.⁶⁵ Such support ranges from tax remissions and low-interest housing loans (at 1–5% interest per annum) to provision of social housing or state financial assistance for repayment of housing loans reaching 100% of the loan in certain cases, such as families with four underage children.⁶⁶ It is provided to low-income categories of people meeting a set of criteria, who are registered on a special housing improvement list and wait for their turn. One more important element is state-subsidized municipal service (electricity, heating, water and gas supply, sanitation, housing use and repair): the price for electricity for population makes up about 35% of its actual cost;⁶⁷ in 2011, the population paid only 16.4% of the actual cost of municipal services, the rest being covered by the state, and these payments made up only 5.5% of average household expenses.⁶⁸

One way or another, the main target of state **employment policy** is ensuring the maximum full employment in the country through control over the situation on the labour market, creation of new working places and preservation of existing working places at the most important enterprises, including cases of privatization. Having increased strongly during the 1990s and fallen during the 2000s, the registered unemployment rate in Belarus is one of the lowest in Europe

⁶⁵ Концепция государственной жилищной политики Республики Беларусь на 2012–2015 годы (Проект). Минск, 2012, с. 2, http://www.government.by/upload/concept_hpolicy_2012.pdf, 2012-10-26.

⁶⁶ Программа социально-экономического развития Республики Беларусь на 2011–2015 годы, утверждена Указом Президента РБ 11.04.2011 № 136, <http://www.pravo.by/main.aspx?guid=3871&p0=P31100136&p2={NRPA}>, 2012-10-26.

⁶⁷ Министерство энергетики РБ, «Информация по вопросу оплаты населением услуг электроснабжения», 2012-09-03, <http://www.minenergo.gov.by/ru/news/tek?id=1214>, 2012-10-27.

⁶⁸ Концепция государственной жилищной политики Республики Беларусь на 2012–2015 годы (Проект), Минск, 2012, с. 19, http://www.government.by/upload/concept_hpolicy_2012.pdf, 2012-10-26.

(0.6% in 2011).⁶⁹ On the one hand, some estimates show that the rate of unregistered unemployment may exceed official unemployment at least three times.⁷⁰ On the other hand, even a three times higher unemployment is an overly optimistic figure. The unemployment statistics is not counted by the methods of the International Labour Organization. The registration process for unemployment benefits is tricky, and the unemployed are required to perform ‘public works’ in order to get state benefits⁷¹. Hence, very few unemployed actually register. At least one reason to look for hidden unemployment in Belarus is the imbalance between the supply and demand for some occupations in some rural regions. In addition, in July 2012, the World Bank has concluded that the real unemployment rate is seven times higher than the official rate.⁷²

As in Belarus the state unemployment benefit is very low (in the first half of 2012 only about BYR 145 000 (a. 13 EUR) or 17% of the minimum subsistence level budget⁷³), the system appears to be based not on the provision of benefits, but primarily on employment promotion through various instruments, such as retraining, or encouragement of the unemployed to resettle to work to other areas where vacancies are available.⁷⁴ Besides, young professionals after

⁶⁹ Национальный статистический комитет РБ, «Численность безработных, зарегистрированных в органах по труду, занятости и социальной защите (на конец года)», <http://belstat.gov.by/homep/ru/indicators/labor.php>, 2012-10-27.

⁷⁰ National Report of the Republic of Belarus: Status of Achieving the Millennium Development Goals (MDGs), Minsk: Institute of Economic Research under the Ministry of Economy of Belarus, 2010, p. 18.

⁷¹ Does Belarus Have Low Unemployment? *Belarus Digests*, Published: 14 May 2011, <http://belarusdigest.com/myth/does-belarus-have-low-unemployment-2093>, 2012-11-03.

⁷² В Беларуси фактическая безработица занижена в 7 раз – ВБ, Информационное агентство “Интерфакс-Запад”, 10.07.12, <http://www.interfax.by/news/belarus/113685>, 2012-11-03.

⁷³ Национальный статистический комитет Республики Беларусь, Социально-экономическое положение Республики Беларусь в январе–августе 2012 г., http://belstat.gov.by/homep/ru/indicators/doclad/2012_8.php, 2012-10-26.

⁷⁴ Гомельский областной исполнительный комитет, «Переселение безработных по направлениям государственной службы занятости населения Республики Бела-

their studies at budget places in educational establishments get their first working place through the work placement scheme.

Income policy is aimed at forming the middle class as a factor of society stabilization, which is to replace the poor class and reach 70–75% of the population in the long run⁷⁵. Attention here is focused on the provision of conditions for earning means enough to satisfy people's needs, with an emphasis on the growth of all money incomes of the population, especially wages; provision of targeted social support to those who really need it; and the regulation of wages across the spheres of economy and regions⁷⁶.

The state regulation of population income has its own consequences. Data in Table 2 demonstrate the trend of change of the key Soviet trait – attitude to work. More and more Belarusians were ready to give up the guaranteed equal poverty and take a risk for the sake of future well-being. However, power was consolidated by the second presidential election and set up the basic characteristics of the Belarusian model of state. In this model, the economic initiative of citizens is accepted in only narrow fields which for certain reasons are not profitable for the state-run economic entities⁷⁷.

The Soviet-type attitude to work (when the government “pretends to pay” and employees “pretend to work”) is a response of citizens adapting to and dependent on the state to the tough hierarchal life

путь», http://www.gomel-region.by/ru/soc_sfera/employment/sluzhba-zan/inf_grahd/peres_bezr, 2012-10-27.

⁷⁵ Национальная стратегия устойчивого социально-экономического развития Республики Беларусь на период до 2020 г., одобрена Национальной комиссией по устойчивому развитию РБ (прот. № 11/15 ПР от 6 мая 2004 г.) и Президиумом Совета Министров РБ (прот. № 25 от 22 июня 2004 г.), Минск: Юнипак, 2004, с. 18, http://un.by/pdf/OON_sMall_Rus.pdf, 2012-10-25.

⁷⁶ Программа социально-экономического развития Республики Беларусь на 2011–2015 годы, утверждена Указом Президента РБ 11.04.2011 № 136, <http://www.pravo.by/main.aspx?guid=3871&p0=P31100136&p2={NRPA}>, 2012-10-26.

⁷⁷ NISEPI, “Homo Sovieticus”, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, Second Quarter, 2006, <http://www.iisepts.org/e6-06-3.html>, 2012-11-03.

Table 2. Dynamics of answer distribution to the question: “Which of the variants below would you prefer?”, % (NISEPI, 2006)

Variant of answer	06'97	11'97	11'99	08'00	08'01	06'06
High but occasional earning	32.8	38.0	40.2	46.8	34.2	30.8
Not high but regular wages	65.3	58.4	57.8	51.8	49.8	53.6

organization undertaken by “the president’s vertical of power.” In a public opinion poll in June 2012, 14% of respondents said: “We hardly make both ends meet, there is not enough money even for food” and 43.2% stated that “there is enough money for food; however, purchasing a clothes causes serious difficulties”⁷⁸.

Besides, the income policy is closely connected with the pricing policy, which sets a state-defined price of the most important goods like fuel or some products (milk, bread). The monthly money income per capita in the first half of 2012 amounted to BYR 2.5 million (a. 227 EUR) or 324% of the minimum subsistence level budget which in the same period was about BYR 770 000⁷⁹ (a. 70 EUR). There is a relatively high level of income redistribution with public incomes (budget), amounting to 35% of all incomes (GDP) in Belarus.⁸⁰ In general, today the income level in Belarus is assessed as “upper middle income” by the World Bank, with the GDP per capita reaching 5.82 current US dollars,⁸¹ while the Gini income inequality coefficient of

⁷⁸ NISEPI, “What can Belarusians afford”, *Independent Institute of Socio-economic and Political Studies: Analytics Archives*, Second Quarter, June 2012, <http://www.iiseps.org/e06-12-01.html>, 2012-11-03.

⁷⁹ Национальный статистический комитет Республики Беларусь, Социально-экономическое положение Республики Беларусь в январе–августе 2012г., http://belstat.gov.by/homep/ru/indicators/doclad/2012_8.php, 2012-10-26.

⁸⁰ Alachnovic, Ales, “Recent Evolutions in the Belarusian Economic System,” CASE Belarus, Centre for Social and Economic Research in Belarus, 19.03.2010, p. 4.

⁸¹ The World Bank, Data by Country: Belarus, <http://data.worldbank.org/country/belarus>, 2012-10-26.

Belarus amounted to 27.2 in 2008, compared to 42.3 in the Russian Federation and 27.5 in Ukraine.⁸²

The **pension system** of Belarus is based on the Soviet pension system with current pension contributions going to the current pensioners, which is a “traditional unfunded compulsory state-run pay-as-you-go (PAYG) scheme based on a defined benefit plan, partly linked to the members’ wages and length of employment”⁸³ with retirement age of 60 and 55 for men and women, respectively. Besides retirement pensions, there is a system of disabilities pensions and social pensions. Some professional groups have a privilege of earlier retirement. Pensions are paid without delay, their average size in the first half of 2012 being about BYR 1.6 million (a. 145 EUR) or 237% of the minimum subsistence level budget for pensioners of BYR 697 000⁸⁴ (a. 63 EUR), the exact figure being re-calculated regularly in line with the growth of wages. The replacement rate of average pensions to average wages in recent years is somewhat below 40% in Belarus versus the average of 50% in the European Union.⁸⁵ Inequality among pensioners is low, although poverty among pensioners is widespread.⁸⁶ The state aims at reducing the number of poor people among pensioners through minimum pension guarantees and the growth of pensions corresponding to the growth of real wages and the changing cost of life.⁸⁷

⁸² UNDP, International Human Development Indicators: Income Gini coefficient, <http://hdrstats.undp.org/en/indicators/67106.html>, 2012-10-26.

⁸³ Astrov Vasily et al., “Social protection and social inclusion in Belarus, Moldova and Ukraine – Synthesis Report,” Executive Summary, Vienna: The Vienna Institute for International Economic Studies, 2010, p. 9.

⁸⁴ Национальный статистический комитет Республики Беларусь, Социально-экономическое положение Республики Беларусь в январе-августе 2012 г., http://belstat.gov.by/homep/ru/indicators/doclad/2012_8.php, 2012-10-26.

⁸⁵ Astrov Vasily et al., “Social protection and social inclusion in Belarus, Moldova and Ukraine – Synthesis Report,” Executive Summary, Vienna: The Vienna Institute for International Economic Studies, 2010, p. 9.

⁸⁶ Ibid.

⁸⁷ Программа социально-экономического развития Республики Беларусь на 2011–

Belarus has a well-functioning state-run **education system** with free primary and secondary education and vocational training. Higher education is offered by 55 institutions of higher learning, either free of charge or for payment, depending on entrance competition and social benefits to vulnerable categories of students. Students studying free of charge are eligible to state scholarship depending on their performance, as well as financial assistance in case of need and reimbursement of rent expenses if they are not provided with a place in a student dormitory. After graduation, such students are subject to work placement for two years or, if they reject it, they have to cover the full cost of studies. Students paying for their studies are eligible to a low-interest loan and fee discounts depending on their performance⁸⁸. All in all, the country boasts a high literacy rate at the age of 15–24 (99.8%), and a high total enrolment ratio of 95.7% as of 2009.⁸⁹ Tertiary enrollment in education has been growing and in 2010 reached about 60%.⁹⁰ With public expenditure on education consistently falling (from 6.2% of GDP in 2000 to 4.5% in 2009),⁹¹ the Belarusian education system has come across many problems

2015 годы, утверждена Указом Президента РБ 11.04.2011 № 136, <http://www.pravo.by/main.aspx?guid=3871&p0=P31100136&p2={NRPA}>, 2012-10-26.

⁸⁸ Students can take a loan for their first higher or college education (see more: http://belarusbank.by/ru/fizicheskim_licam/kredit/lotnyy_kredit_na_obuchenie). The yearly interest rate is today 30% (refinancing rate) in the usual study loan and 15% (50% of refinancing rate) in the low-interest loan, but its only for low income families. The figures are high today, but when the refinancing rate was 10% in 2007, the discounted study loan had 5% of annual interest. Among the minuses – repayment starts one month after the graduation (no time for graduates to find normal work). And there are cases when even low-income families cannot take a discounted loan because of the peculiarities of calculation of family income (for example, <http://bntu-help.net/kredit-na-uchebu.html>).

⁸⁹ National Report of the Republic of Belarus: Status of Achieving the Millennium Development Goals (MDGs), Minsk: Institute of Economic Research under the Ministry of Economy of Belarus, 2010, p. 24.

⁹⁰ Bertelsmann Stiftung, “BTI 2010 – Belarus Country Report,” Gutersloh: Bertelsmann Stiftung, 2009, p. 14.

⁹¹ The World Bank, Data: Public Spending on Education. <http://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS>, 2012-10-25.

stemming from underfunding, which recently has been worsened by another challenge – depopulation, as a result of which the number of students has dramatically decreased⁹².

The Belarusian **healthcare system** provides all citizens with universal access to free medical care at the point of use, i.e. every citizen receives “quality services regardless of their cost or sophistication, based solely on socio-medical need”⁹³, except for payable optician and dentistry services and separate medical services. Working people get paid sick leaves. Pharmaceuticals are free of charge during the inpatient care, if the hospital has them in stock, while in outpatient care patients pay for medicines themselves; however, there are categories of patients eligible to discounts. For instance, “in 2007 the State paid for 100% of prescription costs for patients with specific chronic diseases (asthma, diabetes, cancers and so on), war veterans and children under 3 years of age, along with 50% for all patients over 70 years of age.”⁹⁴ Structurally, it is a largely state-run tax-financed centralized health care system similar to the Soviet “Semashko-type” system, sharing some features with the “Beveridge model” found in the UK.⁹⁵ There are some private healthcare institutions, and social health insurance is possible but not wide-spread. The Belarusian healthcare system has proved effective in decreasing infant and

⁹² The problem mentioned here comes from the 1980s baby boom and then decline in birth rate after 1986 Chernobyl and in the hard years of the 1990s. Several years ago it was already seen at schools – the number of schoolchildren at school, for example, was approximately twice less than ten years ago. Now those schoolchildren have become students, and universities have entrance competition to some faculties of 0.7 persons per place as compared to 2–3 persons per place at the beginning of the century.

⁹³ UNDP Belarus: *Addressing Imbalances in the Economy and Society*. National Human Development Report 2004–2005, Minsk: Altiora, UNDP Office in Belarus, 2005, p. 43.

⁹⁴ Richardson E. et al., *Belarus: Health System Review*. Health Systems in Transition, 10(6), 2008, p. 34.

⁹⁵ Astrov Vasily et al., “Social protection and social inclusion in Belarus, Moldova and Ukraine – Synthesis Report,” Executive Summary, Vienna: The Vienna Institute for International Economic Studies, 2010, p. 11.

maternal mortality rates (6.2 per 1000 live births and 1 per 100 000 live birth⁹⁶, respectively), approaching the average for industrialized countries. Besides, a financial incentive is paid by the state to women making the first visit to a prenatal care centre within the first 12 weeks of their pregnancy, which contributes to a comprehensive coverage by prenatal care (over 98.9%).⁹⁷ In the total expenditure on healthcare in Belarus in 2010 (which was 5.6% of GDP), the share of public expenditure equaled 77.7%, the highest in the CIS.⁹⁸ The number of hospital beds per 10 000 population is 24.4% higher than in Germany and more than three times higher than in Sweden.⁹⁹ However, this fact shows a quantitative expansion over quality and the domination of cost-intensive inpatient care, from which the problems of delayed modernization and renovation follow.

Thus, education and healthcare, the two most representative features, which are boasted of to be free of charge when advocating the Belarusian model of development, have accumulated both structural and financial problems. These problems reveal themselves not only in the poorer quality of services, but also in the gradually changing degree of being “free of charge”: although at face value both education and healthcare are accessible for all the population irrespective of income and those with low income get subsidies to access them, in reality it happens that subsidies are often negligible and many loopholes exist, which sometimes do not let even the most vulnerable groups to take advantage of what the state claims to provide for free. In this way, popular satisfaction is achieved through maintaining the

⁹⁶ National Report of the Republic of Belarus: Status of Achieving the Millennium Development Goals (MDGs), Minsk: Institute of Economic Research under the Ministry of Economy of Belarus, 2010, p. 35.

⁹⁷ Ibid., p. 41.

⁹⁸ The World Bank, Data: Public Spending on Health Care, <http://data.worldbank.org/indicator/SH.XPD.PUBL/countries>, 2012-10-26.

⁹⁹ UNDP Belarus: Addressing Imbalances in the Economy and Society. National Human Development Report 2004–2005, Minsk: Altiora, UNDP Office in Belarus, 2005, p. 42.

minimal of welfare level for the widest part of population, which on the surface seems to be a generous social support from the state. This goes in line with the above-discussed concepts of social contract and authoritarian bargain, based on minimal social guarantees.

Conclusions

Belarus is a good case for studying how social contract works in practice. First of all, the Belarusian government is quite explicit in declaring its aims in social policies. Naturally, Belarusian strategic documents include social goals, and the leader is outspoken about them as well. Secondly, public opinion polls show that Belarusian society is keen in exchanging political liberties as well as patriotic values for economic and social benefits. Thirdly, the Belarusian ruling regime was able to maintain welfare benefits at quite a low equilibrium with the small reforms even decreasing the size of the supported group and the sectors of support without any major increase in political liberties. Fourth, Lukashenka makes use of good relations with Russia in a sense of creating an additional resource to the tax-based state income for the redistribution of goods. Last but not least, social policy in practice corresponds to the expectations of society to earn less but on a regular basis, or to be equal in poverty.

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SANTRAUKA

AUTORITARINIS SANDĖRIS BALTARUSIJOJE: SOCIALINĖS PRIVILEGIJOS KAIP REŽIMO STABILUMO VEIKSNYS

Straipsnyje siekiama atskleisti Baltarusijos politinio režimo stabilumo priežastis, kai vien represinių priemonių tam užtikrinti nepakanka. Baltarusijos politinis režimas ne tik sugebėjo išlikti valdžioje beveik dvidešimt metų, bet ir konsoliduoti visuomenės paramą. Šiuo metu šalies piliečių lojalumu neabejoja ne tik politinio režimo atstovai, bet ir opozicija. Siekiant paaiškinti šią situaciją kaip teorinis pagrindas tekste naudojama socialinio kontrakto prieiga, o autoritarinių derybų samprata padeda paaiškinti, kaip vykdomos socialinės politikos tampa režimo išlikimo priemonėmis.

Straipsnio autorės siekia atskleisti, kaip pilietinės teisės, pavyzdžiui, rinkti valdžią ar protestuoti prieš politinio elito sprendimus, nesunkiai iškeičiamos į minimalias socialines garantijas ar laisvą prieigą prie tokių gėrybių kaip aukštasis mokslas ar sveikatos paslaugos. Straipsnyje analizuojama, ar toks visuomenės požiūris yra ne vienadienių apklausų rezultatas, bet virtęs socialiniu kontraktu, kuris pasireiškia visuomenės ir valdžios sutarimu dėl minimalių socialinių paslaugų užtikrinimo mainais už valdžios legitimumą nekvestionavimą.

Apie kokias paslaugas kalbama ir ko visuomenė tikisi iš Baltarusijos valdančio režimo, straipsnyje atskleidžiama pristatant Baltarusijos gerovės politikos plėtrą ir kaitą, taip pat šalies galimybes vykdyti platesnę ar siauresnę socialinę programą per įvairias išmokas, pašalpas, kainų ir atlyginimų reguliavimą, nemokamą švietimo ir sveikatos sistemas. Tekstas baigiamas išvadomis, kad nors palaipsniui Baltarusijos socialinės politikos aprėptis mažėja, jos lygis kol kas yra pakankamas, kad užtikrintų minimalų esamo režimo palaikymą ir visuomenės lojalumą situacijoje, kai nėra siūloma jokių kitų alternatyvų.