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BELARUSIAN OFFICIALS: REGULATOR AGAINST REGULATION

Introduction

The success of the development and implementation of reforms depends in large part on the level of expertise, motivation, and interest of officials working for government agencies. **In other words, when putting in place reforms, it is not only political will and the chosen strategy that matter, but also the basic disposition of implementing officials**. A survey was conducted by BISS as part of the REFORUM project to explore the opinions of state officials¹ focusing on their attitude to the adoption of reforms in Belarus.

Key findings:

- Most Belarusian officials **support the need for reforms**. The motivation and positive attitude of state officials can bring down the costs incurred by the introduction of reforms.
- Officials feel the need for reforms in the country stronger than the population at large². Furthermore, unlike the population at large, officials support the need for liberalization: most of the respondents believe that reforms should achieve a reduction in the influence of the state and degree of state control. The regulators themselves thus speak in favor of a curtailment in the areas and degree of regulation.
- Officials believe that the chief priority for the country is the economic reform, and this is where they share the opinion of business and the population at large. The second priority is the reform of the system of state administration. However, unlike the population at large, officials do not feel a strong need for the reform of the healthcare and social security systems. The least relevant reforms, according to officials, are those of the environmental protection system, of the justice system, and the political system, whereas it is the political system that is the key priority for civil society and the political opposition. This dramatic difference in the vision of the priorities of reforms by various groups of stakeholders reflects both the difference in the values of different groups and insufficient promotion of public dialogue.
- Asked about external entities that are capable of assisting Belarus in introducing structural reforms, officials primarily name **international financial institutions**. The population at large mostly relies on Russia (54% of the answers). Many state officials already have a track record of engagement with international organizations, have a favorable opinion of it and are ready to continue collaboration. On the other hand, the population at large is less aware of the use of external assistance for the adoption of reforms.
- When developing reforms, officials believe that not only government agencies should be involved, but also independent experts and think tanks. However, when it comes to the **involvement of business and civil society in the development and implementation**

¹ The survey was conducted by the BSU Center for Sociological and Political Studies. Fifty officials representing government agencies were polled. They were divided into groups based upon a three-tier system: the national level, the regional level, and city/district level. The size of the sample allows identifying the key tendencies and patterns in the attitude of officials at government agencies to reforms. The main objectives of the survey were to evaluate the general attitude of state officials to reforms and their relevance, to identify the priorities and essence of anticipated reforms, and evaluate the effectiveness of the engagement between stakeholders.

² The nationwide poll by BISS "Attitude of Society to Reforms", 1,350 respondents, March 2014 <u>http://belinstitute.eu/ru/node/2058</u>.

of reforms, officials believe that the potential and willingness of these groups to be involved is lower than representatives of these groups see them. At the same time, state officials believe the effectiveness of the interaction of business and civil society with the authorities to be higher than representatives of business and civil society think it is. This asymmetry can be attributed to both the critical attitude of representatives of business and the third sector to the engagement with the state authorities and ineffective communications between various groups of Belarusian society.

1. General attitude to reforms

The positive attitude of officials to reforms has potential to help successfully put reforms in place. Further, in order to boost the effectiveness of the development and implementation of reforms, arrangements should be made for state officials to be encouraged to be involved in the process of reforms.

The main conclusion that can be drawn from the investigation into officials' attitude to reforms in Belarus is that officials believe that Belarus is in need of reforms. The share of officials who feel the need for reforms is even higher than that of the population at large. 'Yes' or 'rather yes' were the answers that 86% of officials chose when asked whether the country requires reforms, whereas the proportion of the population at large that selected the same answers was 76%. Fifty percent of officials said 'yes' when asked about the need for reforms, compared to 43% of the population at large.

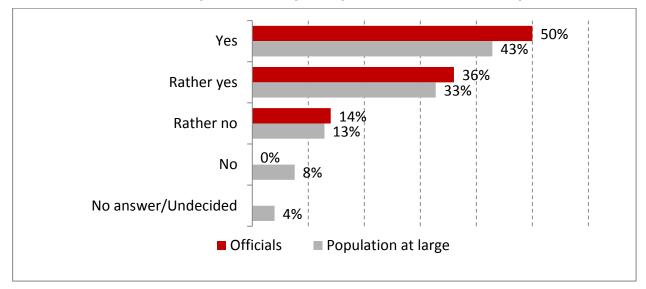
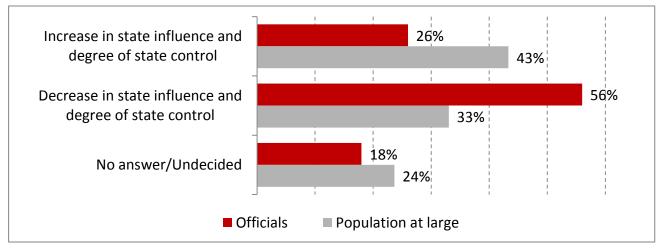


Chart 1. Answers to the question "In your opinion, does Belarus require reforms?"

Officials tend to be more liberal than the population at large when it comes to anticipated measures. Most state officials believe that reforms should be aimed at reducing the influence of the state and degree of state control. This scenario for future developments is supported by 56% of state officials, whereas only 26% support a stronger influence by the state. To compare: most of the population at large -43% – thinks the state should increase its influence, and 33% believes the influence of the state should decrease.

Chart 2. Answers to the question "In your opinion, reforms in various sectors of the country should be primarily aimed at ..."



2. Practical aspects: who should develop and put in place reforms

Who, in officials' opinion, can assist the country in introducing reforms and who should be responsible for developing reforms in various areas? The answers to these questions will clarify, which paths of reform and mechanisms of interaction between stakeholders will turn out to be most effective and acceptable for state officials.

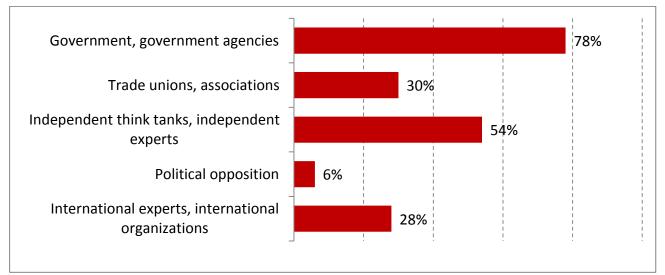
Officials believe that international financial organizations can assist Belarus more than any other international entities, with 38% of the respondents supporting this option. Russia ranks second with 36% of the answers, which differs officials from the population at large, where the majority -54% — believes that assistance should be expected from Russia, and the rest of the options are far less popular.

Chart 3. Answers to the question "In your opinion, who can help Belarus put in place structural reforms?"



As for those who should be responsible for developing reforms, it should be noted that officials are willing to rely on the opinion of independent experts. Of the total number of the respondents, 78% believe that the process should involve government agencies; however, 54% say that independent experts and think tanks should be involved along with government organizations.

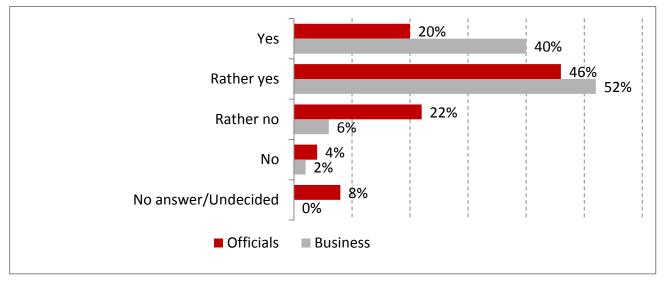
Chart 4. Answers to the question "In your opinion, who should develop reforms in Belarus?"



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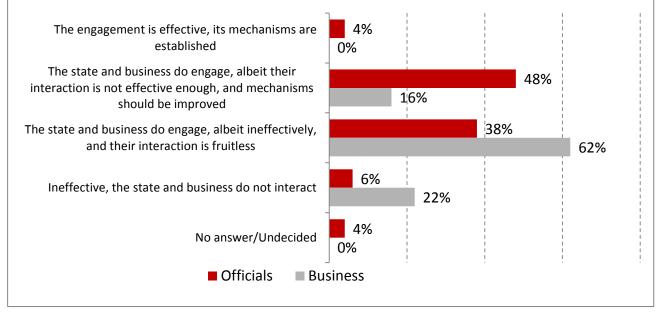
When it comes to the interaction between the state authorities and other entities, the potential of this engagement is perceived differently by various groups. Officials are less positive about the willingness of private business to be involved in the development of reforms than businessmen (with 66% saying 'yes' or 'rather yes' when asked about the willingness of business, compared to 92% of businessmen saying so).

Chart 5. Answers to the question "Do you think representatives of private business and business associations are willing to be involved in reforming the country on a par with state institutions?"



At the same time, officials appear to be more optimistic about the effectiveness of the interaction between business and the state authorities — 62% of businessmen think the engagement between the business community and the state authorities is fruitless, while most of the state officials — 48% — believe the state and business do engage, but their work is not effective enough.

Chart 6. Answers to the question "How effective do you think is the current engagement between the state and private business, business associations?"



We observe even less symmetry in the evaluation of the potential of the involvement of civil society and the political opposition in the development of reforms. Officials have a very low opinion of this potential, although representatives of civil society think the situation is completely different. Asked whether civil society and the political opposition are ready to be involved in reforms, 72% of officials said 'no' or 'rather no', which does not correspond to the opinion of civil society, where 52% answered in the affirmative or 'rather yes' when asked the same question. As in the case with the business community, officials tend to be more optimistic about the

effectiveness of the engagement of the state authorities with civil society than civil society itself, and the difference in the evaluations is even more striking.

Chart 7. Answers to the question "Do you think representatives of NGOs and the political opposition are willing to be involved in reforming the country on a par with state institutions?"

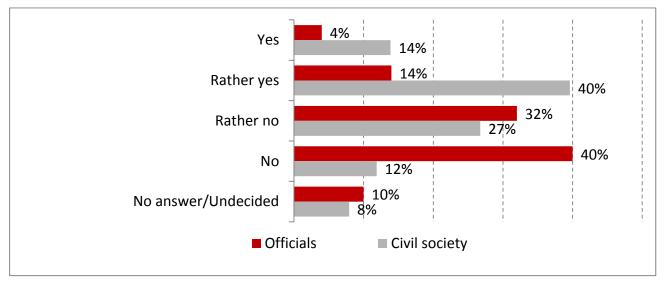
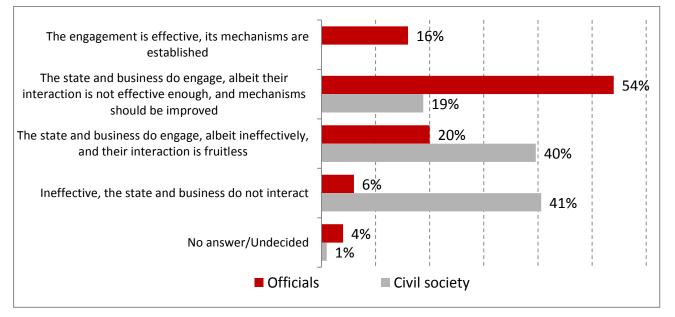


Chart 8. Answers to the question "How effective do you think is the current engagement between the state and civil society?"



Therefore, officials turn out to have quite a favorable attitude to the possibility of involving nongovernmental think tanks and independent experts in the development of reforms, which suggests that officials are potentially ready to engage with other stakeholders when working on reforms. At the same time, officials seem to underestimate the willingness of business and civil society to take the responsibility and participate in the development of reforms and often tend to oversee the engagement problems that appear to be obvious for representatives of those groups. On the other hand, this asymmetry can be attributed to the critical attitude of representatives of business and the third sector to the engagement with the state authorities. In order to enhance the effectiveness of this engagement, it is important for both sides to take steps to improve communications, inform the state authorities of challenges in the work with other stakeholders and increase the transparency of their operations.

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3. Main priorities in the adoption of reforms and their essence

Identifying the priorities for reforms as seen by representatives of the state authorities is crucial for two reasons. First, they can see many problems from within, from the perspective of the government agencies, and when picking priorities, one should rely on their opinion as well. Second, unless the measures implemented in the process of the adoption of reforms meet the priorities outlined by officials, efforts to put reforms in place will have to be redoubled to motivate officials and encourage them to develop and introduce reforms.

The priority areas for reforms coincide for officials from the point of view of their respective agencies and for the country as a whole. This points to the fact that they identify their interests with the interests of the country. The national economy tops the list of their priority areas for reforms, followed by the system of state administration.

The priority areas for reforms picked by officials somewhat differ from those of the population at large, business, and civil society. Whereas all population groups tend to agree, more or less, that the economy requires reforms more than any other sector, officials appear to be less interested in reforming the healthcare and social security systems, which prove to be very important to the population at large. This may become an alarming indication of the fact that state officials are not sensitive to the interests of the population and are unaware of the main challenges encountered by Belarusian citizens.

Furthermore, the fact that officials fail to perceive the need to reform some sectors may turn into an obstacle to the development and introduction of reforms because of their lower motivation. It is in these areas that reforms will call for additional efforts to make officials more interested and involved.

Chart 9. Answers to the question "Please, rank the following areas of public life (from rank 1 to rank 9), so that the area that requires reforms the most has rank 1, and the area that requires reforms the least has rank 9." FOR YOURSELF/ACTIVITY OF YOUR ORGANIZATION

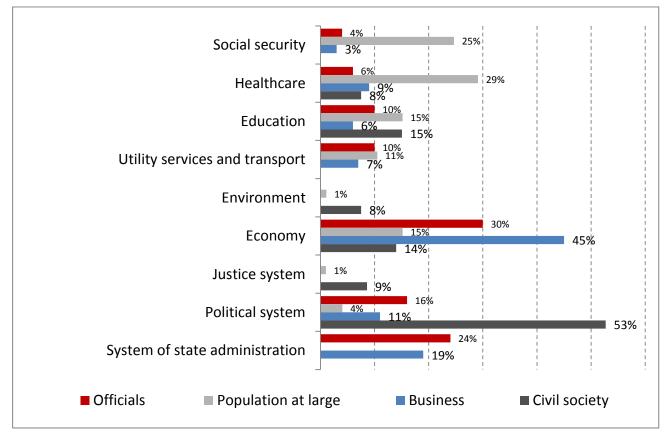
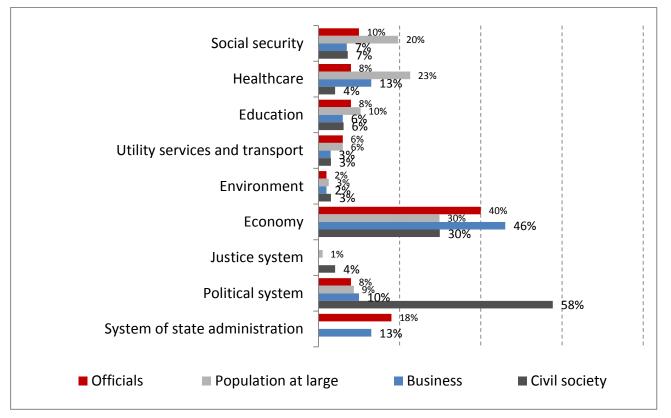
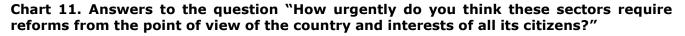
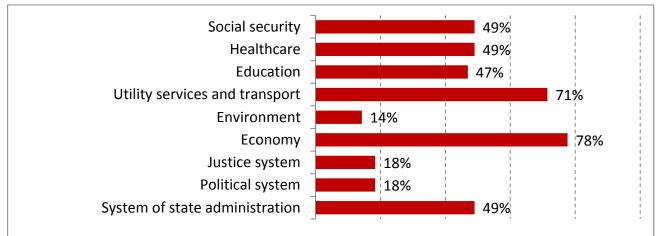


Chart 10. Answers to the question "Please, rank the following areas of public life (from rank 1 to rank 9), so that the area that requires reforms the most has rank 1, and the area that requires reforms the least has rank 9." FOR THE COUNTRY AS A WHOLE



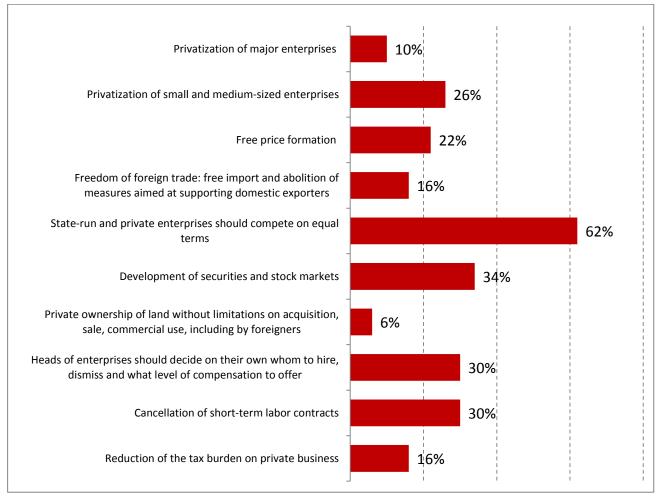
When not only the priority areas for reforms are identified by officials, but also the areas that require urgent reforms, all of the sectors should be split into three groups. The first one is the category comprising the sectors that call for immediate reforms (according to most of the respondents) — the economy and utility services and transport (more than 70% of officials say reforms are required during the next 12 to 24 months). The second category includes the areas, where reforms should be put in place urgently according to half of the responding officials (47%— 49%) — social security, healthcare, education and the system of state administration. The third group includes the areas that officials believe need immediate reforms the least — environmental protection, the justice system and the political system.





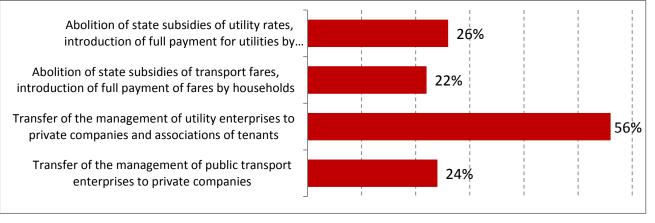
As for the economic reform, officials support a moderately liberal scenario for the anticipated arrangements. Most of the respondents -62% - call for a free competition of state-run and private enterprises; however, hardly anyone supports the privatization of major enterprises (10%) and private ownership of land without limitations (6%).

Chart 12. Answers to the question "Which measures do you think are required to reform each of the following areas of public life?" THE ECONOMY



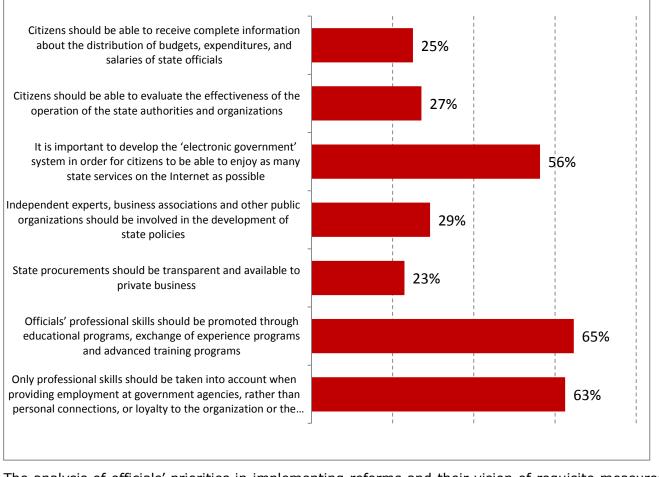
When it comes to the reform of utility services, which, according to most officials, is also urgent, the most popular measure is the transfer of management in utility enterprises to privately-owned companies and associations of tenants (56% of the respondents support this arrangement).

Chart 13. Answers to the question "Which measures do you think are required to reform each of the following areas of public life?" UTILITIES AND TRANSPORT



Officials believe that the reform of the system of state administration should mostly include measures to ensure the professionalism of personnel through fair employment by government agencies based on their professional skills, and advanced training of officials (these arrangements are supported by more than 60% of the respondents). However, in most cases, officials do not support the measures that allow increasing the transparency and controllability of the state authorities, which may also become an obstacle to reforms in this area.

Chart 14. Answers to the question "Which measures do you think are required to reform each of the following areas of public life?" SYSTEM OF STATE ADMINISTRATION



The analysis of officials' priorities in implementing reforms and their vision of requisite measures makes it possible to explore the interests of the state authorities and transformation efforts that they can potentially support. This holds primarily for the moderately liberal economic reforms and modification of the system of state administration as far as advanced training and improvements in skills are concerned.

The measures that are not supported by officials (including the privatization of major state-owned enterprises, liberalization of land regulations, and increase in the transparency of operations) can meet with opposition from the state authorities. One can also expect obstacles to reforms in the areas that officials do not consider to be their priorities.