

REFORUM: BELARUS'S POPULATION: THEY WANT REFORMS, BUT THEY ARE NOT READY TO DEAL WITH CONSEQUENCES

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Structural reforms alter the balance of winners and losers in society and for this reason pose significant political risks. In 2015, the Belarusian authorities were once again faced with a thorny dilemma: to seek anesthetics in the form of external resources that would enable the country to postpone urgent reforms, or resolve to start putting in place the necessary reforms (primarily, the reduction in support for the public sector) and thus compromise their popularity. When choosing the latter option, the authorities naturally have to understand the potential response of the population and general stance of the Belarusians on reforms.

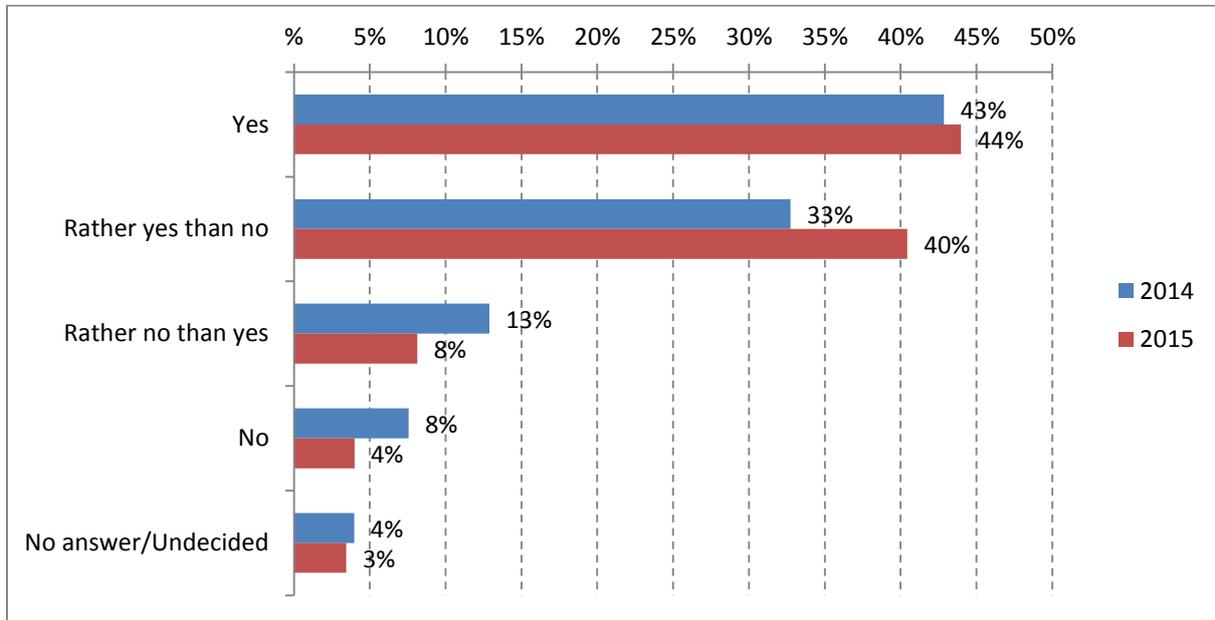
As part of its REFORUM project BISS has conducted a series of opinion polls¹ concerning reforms. The objective of the study is to identify changes in the Belarusians' attitude to reforms in the course of time and under the influence of the changing economic situation.

The main conclusion of the study is that most of the population feels the need for reforms; however, having suffered from the effects of the new economic crisis—growth of unemployment and reduction in real incomes—people appear to be less willing to endure the negative consequences of reforms.

¹ Structured surveys of the rural and urban population of Belarus aged 16 and older. The first wave: the sample comprised 1,350 interviews and is representative of the regional, settlement, gender, and age structure of the population. The survey was commissioned from Satio in March–April 2014. Second wave: the sample comprised 1,300 interviews and is representative of the regional, settlement, gender, and age structure of the population. The survey was commissioned from Satio in March–April 2015.

Asked whether Belarus needs reforms, 76% of the respondents said in April 2014 that reforms were needed, or rather needed, whereas in 2015, the share of such answers increased to 84%. Forty-four percent say “definitely yes” in 2015, up from 43% in 2014. “Rather yes then no” is the answer given by 40% of the population, up from 33% last year.

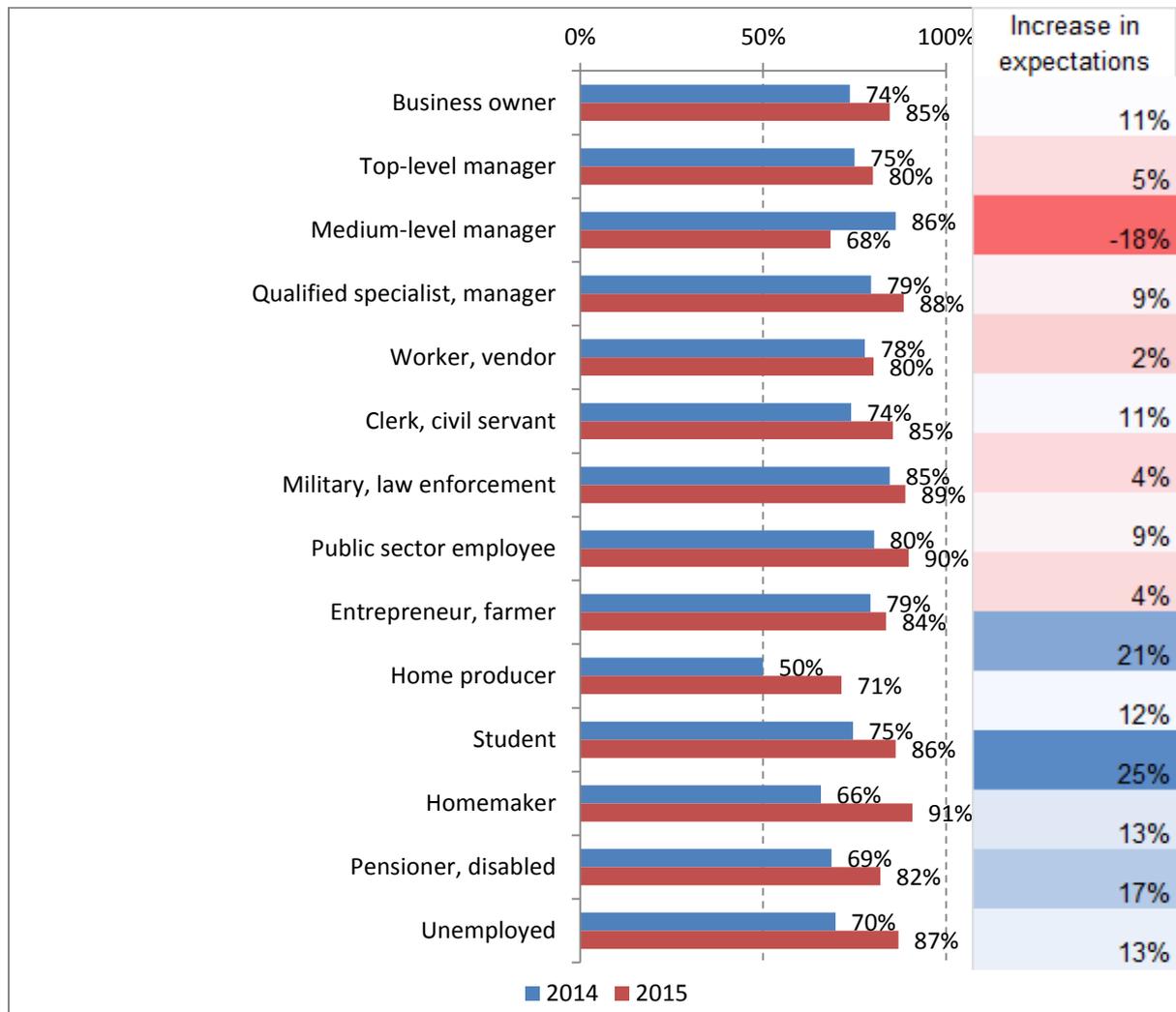
Diagram 1. Need for reforms²



² Answers to the question “In your opinion, does Belarus require reforms?”

The increase in the popularity of reforms with the population at large should make one wonder which social groups have contributed to this increase.

Diagram 2. Need for reforms broken down by status³



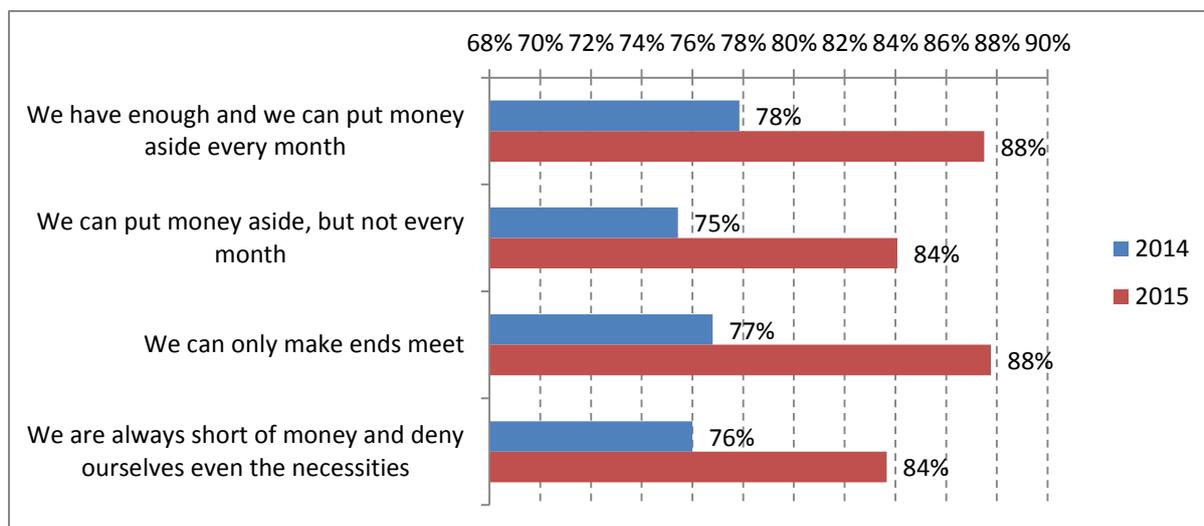
The awareness of the need for reforms increases the most in the least protected categories that do not perform wage work: homemakers, home producers, and unemployed citizens – these groups showed an increase in the share of supporters of reforms between 17 and 25 points. The share of the respondents supporting reforms also markedly increased in the groups of pensioners and students (by 13 and 12 points, respectively).

The need for reforms is also perceived as increasingly relevant among business owners (+11 points) and civil servants (+11 points). The trend can be attributed to the higher competence of these categories. The awareness of the necessity of reforms has also been growing among public sector employees (+9 points) and qualified specialists (+9 points). The only category that showed a decrease in the share of the respondents feeling the need for reforms is medium-level managers, the main reason probably being that they “have something to lose.” Their high level of incomes became a sort of “airbag” during the crisis, and they have less responsibility for their business and its future than business owners.

³ The answers “yes” and “rather yes than no” broken down by the status of social groups.

Importantly, the increase in the awareness of the need for reforms is not associated with the perceived financial status. Broken down by the level of incomes, social groups show virtually the same increase in the relevance of reforms.

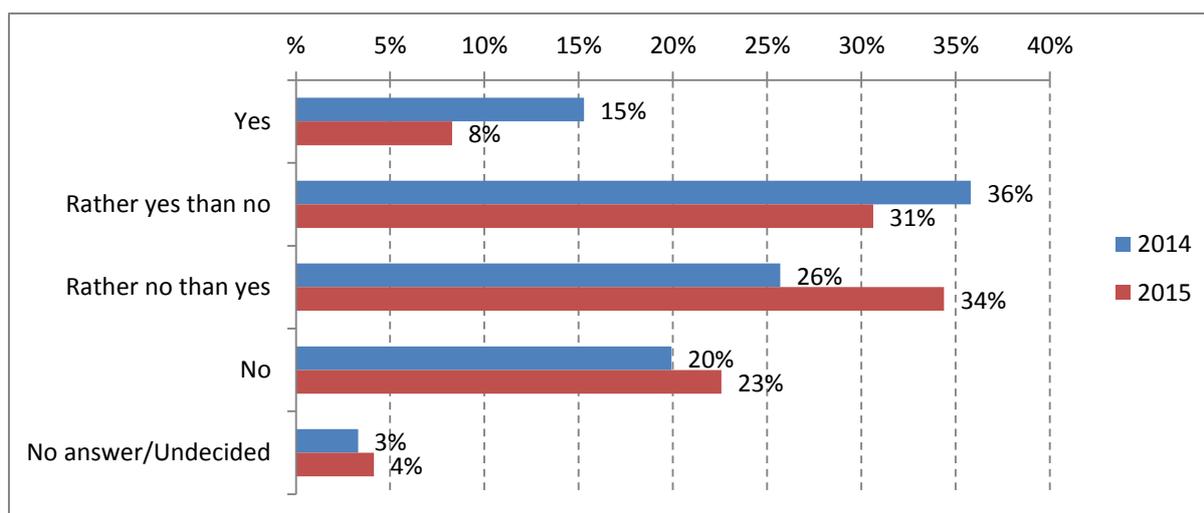
Diagram 3. Need for reforms broken down by the financial status⁴



The second aspect of the assessment of the respondents’ attitude to reforms is whether citizens are ready to endure the negative consequences of reforms, when they may face a reduction in living standards, increase in unemployment and inflation, and curtailment of social support within five to seven years of the introduction of structural reforms. Paradoxically, amid the ongoing economic crisis, Belarusians tend to be better aware of the need for reforms; however, they are even less willing to put up with the negative aftermath.

Back in 2014, 51% of the respondents said that they were ready to face the consequences of reforms, whereas in 2015, their share shrank to 39%.

Diagram 4. Willingness to put up with the consequences of reforms⁵



⁴ The answers “yes” and “rather yes than no” broken down by the financial standing of social groups.

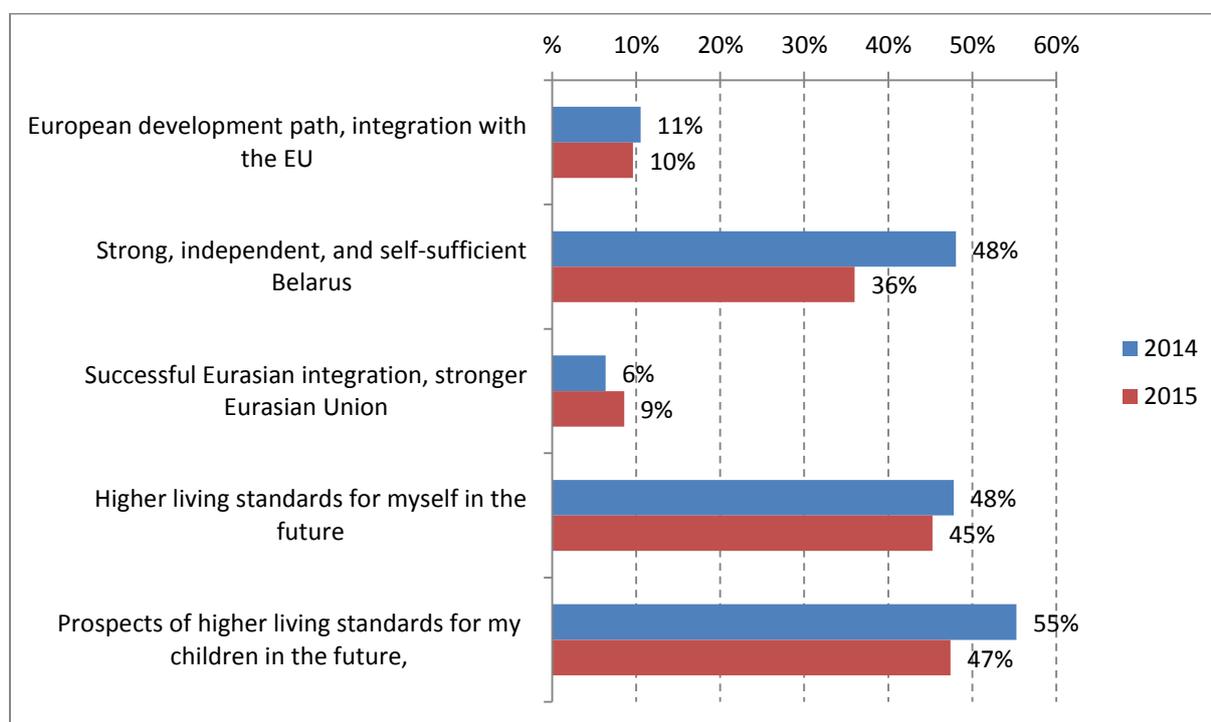
⁵ Answers to the question “Structural economic reforms often result in a reduction in living standards, growth of unemployment, increase in inflation, and reduction in social support. Are you ready to endure the negative consequences of reforms for the sake of quality improvements in living standards five to seven years after the reforms?”

In an economic crisis people see more clearly what challenges they will have to encounter and appear to be unwilling to deal with a reduction in living standards that will last for several years.

The structure of reasons for citizens to endure the negative consequences of reforms also changes. Of all the options justifying the negative aftermath of reforms, only the prospects of successful Eurasian integration and strengthening of the Eurasian Union have been growing increasingly popular. This trend suggests that the Belarusians tend to attribute the economic crisis in the country to the meltdown in Russia. Almost as popular as one year ago is the reason that is described as "the European development path." The share of those ready to put up with the negative consequences of reforms for this reason has decreased by only 1 point. Therefore, the opinion of the small group of the population, for which the success of integration processes appears to be a powerful motivation, does not depend on the economic situation in the country. "High living standards for myself in the future" remains a popular reason as well (down by 3 points from last year).

The two options that have become markedly less popular are the prospects of a better life for children and "strong, independent, and self-sustaining Belarus (minus 8 and 12 points, respectively). Possibly, these prospects seem too distant for citizens, and while enduring the pressures of the economic slump, they are less willing to put up with the negative effects of reforms for the sake of the objectives that can only be achieved in the distant future.

Diagram 5. What is the reason for you to put up with the negative effects of reforms?⁶



We therefore observe a paradox: on the one hand, the population is a lot better aware of the need for reforms than back in 2014; on the other hand, now that the population is faced with the real-life crisis in the economy and senses these effects "here and now," a

⁶ Answers to the question "What is the reason for you to endure the negative consequences of reforms, such as a reduction in living standards, growth of unemployment, inflation, and reduction in social support within five to seven years of the introduction of structural reforms?"

lot fewer Belarusians are eager to put up with the negative outcomes of reforms even for the sake of a “better future of their children” and “strong and prosperous Belarus” that seemed so attractive last year.

On 28–29 May, Minsk will play host to the international conference “Minsk after Riga: a Forum on Reforms, or How Can Belarus Adapt and Develop in the New Regional Contexts?” The organizers of the conference are BISS and the Embassy of the Latvian Republic in Belarus. The participants will discuss the regional economic crisis and threats to the Belarusian model; prospects of cooperation with the EU and international institutions, as well as the Eurasian Economic Union and Russia; development prospects of Belarus in the context of the conflict in Ukraine and new challenges to the country’s security; and prospects of reforms in Belarus, including the presentation of BISS’s study on reforms, as well as the findings of the expert groups of the REFORUM project.