

THE IMPACT OF THE COVID-19 PANDEMIC ON SOCIO-ECONOMIC PROCESSES IN BELARUS

Final report
December 2020



The main economic blow is yet to come.



The government hid the truth about COVID-19 and lost public trust.



The pandemic coupled with economic and political crises has spurred civil society.



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ACRONYMS AND ABBREVIATIONS

ALV	artificial lung ventilation	Media	mass media
Belstat	National Statistical Committee of the Republic of Belarus	MOH	Ministry of Health of the Republic of Belarus
BYN	Belarusian ruble	NBRB	National Bank of the Republic of Belarus
CPI	consumer price index	PCR test	polymerase chain reaction, a method for detecting a virus in the body using nasal and oropharyngeal swabs
CSR	corporate social responsibility	PPE	personal protective equipment
UGR	Unified Government Register	RSPC	National Competence Center
EUR	euro	RUVD	District Departments of Internal Affairs
GDP	gross domestic product	SPF	Social Protection Fund of the Republic of Belarus
HEE	higher education establishment	UN	United Nations Organization
IMF	International Monetary Fund	USD	US dollar
IT	information technology	WHO	World Health Organization
IVS	temporary containment cell		
MART	Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus		

INTRODUCTION: THE COVID-19 PANDEMIC IN BELARUS

OFFICIAL DATA AND ITS RELIABILITY

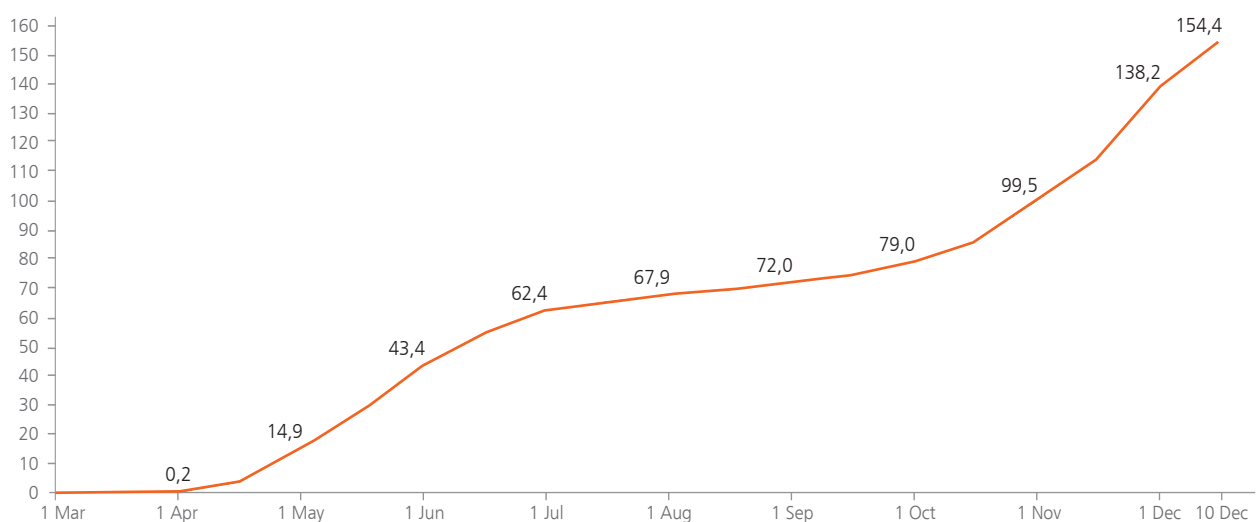
According to official statistics published by the Ministry of Health (MOH), the first case of coronavirus was registered on February 28, 2020. In total, by December 10, a little more than 154,000 cases of infection were recorded.¹ The highest increase in the number of cases occurred over May–June and November–December, which corresponds to the 1st and 2nd wave in the country.

According to official figures, the first death from the coronavirus was recorded on March 31, and as of December 10, the total number of deaths in Belarus was 1,238. The highest number of daily deaths (9) was recorded in November and December.

The main reason for thinking these MOH statistics are underreported is the fact that in the second quarter of 2020, which was when COVID-19 peaked, nearly 35,900 people died in Belarus:²

- In the past six years, the number of deaths in the second quarter has never even reached 31,000.
- This number represents a 18.5% increase in deaths compared to 2019 (+5,605 per quarter).
- The largest surge occurred in June (3,753 deaths in 2020 versus 2019), although in recent years, the mortality rate in January has been significantly higher than in June.
- According to official data for the second quarter, 391 persons died of the coronavirus—14 times less than the increase in mortality over April–June.

Fig. 1
Total cases of COVID-19 infections, March–December, in thousands

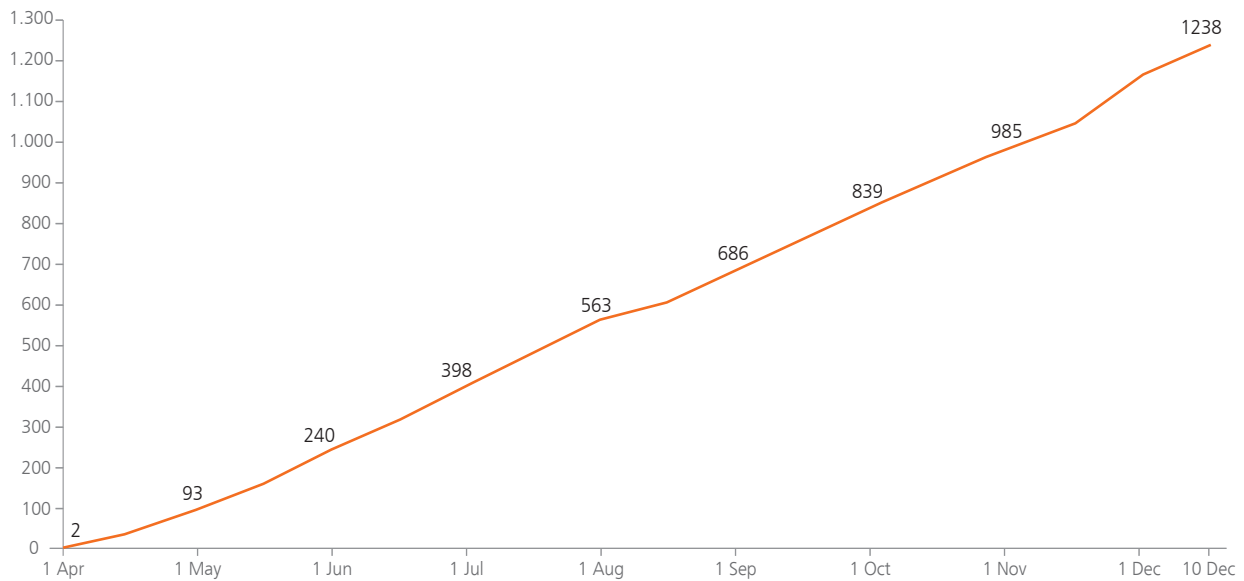


Source: Covid Economy of Belarus, <https://covidconomy.by/covid>

¹ Covid Economy of Belarus, <https://covidconomy.by/covid>

² UN statistics, <http://data.un.org/Data.aspx?q=deaths+by+month&d=POP&f=tableCode%3A65>

Fig. 2
Total deaths from COVID-19, April–December, individuals



Source: Covid Economy of Belarus, <https://covidconomy.by/covid>

Moreover, the data for mortality from all diseases was not published by the National Statistical Committee (Belstat), but only appeared on the website of the United Nations (UN).

During the pandemic, anonymous interviews with doctors appeared in the media and on Telegram channels, in which they addressed the underreporting of coronavirus statistics:

- In April, an anonymous resuscitator claimed that the actual number of infections was 6 times higher than what was being reported, explaining that “the official figures count only those who were admitted to the hospitals.” This person also noted that over 350 confirmed infections were diagnosed in his hospital alone in March—versus 151 cases nationwide, according to the official figures.³
- The Telegram channel *Beliye Khalaty* (White Gowns) reported that on November 12, 2020, alone, 13 persons from Minsk healthcare facilities were admitted to the morbid anatomy bureau of Minsk due to death from COVID-19 and 5 were already being autopsied—versus 6 coronavirus deaths nationwide according to official figures.⁴

Moreover, official Belarusian statistics are abnormally different from the statistics of other countries, including neighboring ones. For example, as of September 29, 2020, the coronavirus death rate in Belarus was only 1.05%, in Russia—1.7%, Ukraine—1.9%, Lithuania—2%, Latvia—2.1%, and Poland—2.7%. Generally, the differences are explained by the use of different methodologies of counting deaths in persons with the coronavirus infection in different countries. For instance, according to the statements of the former director of the Cardiology National Competence Center (RSPC), Alexander Mrochek, deaths of coronavirus patients could be counted as deaths caused by co-morbidities, especially circulatory diseases, the indicators for which are much higher in Belarus than in other countries).⁵

Errors were sometimes found in MOH statistics, which, in general, did not contribute to the agency’s reputation:

- On December 1, 2020, the Ministry announced that: 893 patients were discharged, for the entire time — 115,587 persons, which is 1,246 more than on the previous day.^{6,7}

³ AFN.by, April 2020 <https://afn.by/news/i/275323>

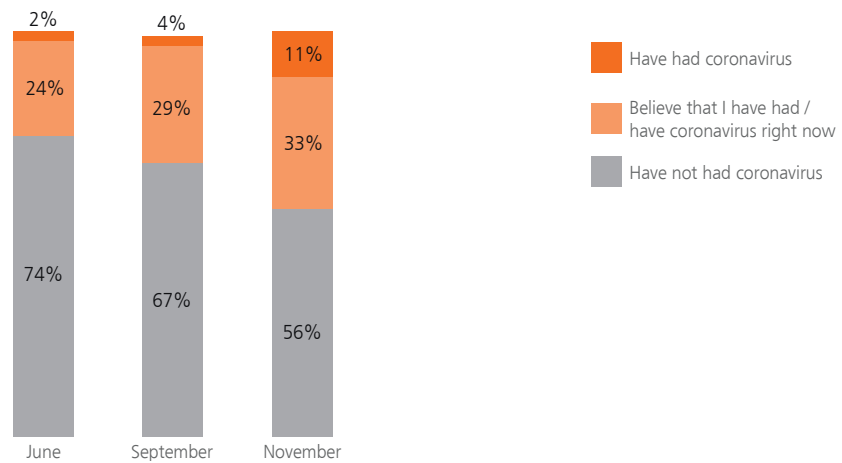
⁴ Telegram channel “Beliye khalaty” (“White gowns”), <https://t.me/belxalat/1879>

⁵ Radio Free Europe, September, <https://svabod1.azureedge.net/a/30864107.html>

⁶ Mogilevnews.by, situation as of November 30, 2020, <https://mogilevnews.by/news/30-11-2020-19-01/68049>

⁷ Mogilevnews.by, situation as of December 1, 2020, <https://mogilevnews.by/news/01-12-2020-13-51/68069>

Fig. 3
Incidence of COVID-19 based on SATIO survey



Source: SATIO Survey, November 2020.

ESTIMATES OF THE REAL NUMBER OF CASES

According to the SATIO survey, by November 2020, 11.3% of the urban population of Belarus aged 18 and older had a confirmed diagnosis of coronavirus, and another 33% suspected it. In absolute numbers, this corresponds to about 644,000 confirmed cases of the coronavirus in Belarus. Assuming a confidence interval of 95%, the number of confirmed cases could range from 584,000 to 704,000. Taking into account those who believed that they currently have / or had the virus, the number of cases could be as high as 2.5 million.⁸ At the same time, the main surge in confirmed cases, based on the survey, occurred in the fall.

The reasons that made people think that they were suffering from the coronavirus included: malaise, with symptoms similar to the manifestations of the coronavirus (experienced by 47% of those who suspected they had the coronavirus, according to November data), and the basic perception of it as a contagious disease (35%). In addition to this, in November, the share of people whose family members or friends suffered something very similar to the coronavirus increased sharply—39% of respondents in November versus 19% in June—as did the number of those who had direct contact with an infected person—22% versus 11%.

The SATIO survey data is slightly higher than the survey results from the Narodny Opros (National Poll) initiative's survey, but even the latter shows a significantly higher number of cases than official data. According to the authors of the study, as of November 18, 2020, 8.4% of Belarusians had a confirmed diagnosis of coronavirus (with a confidence interval of 95%—from 5.7% to 12.0%), which is about

⁸ Based on the general population of 5.7 million.

635,000 (Narodny Opros estimates a confidence interval from 434,000 to 910,000). Taking into account those who were ill, but were not diagnosed officially, the most probable number is 1.9 million. Just as the SATIO study shows, the second wave of the virus appears three times more severe than the first one.

The Narodny Opros data is similar not only to the SATIO results, but also to the numbers in Sweden, a country comparable to Belarus on many parameters.⁹

These facts are a reason to believe that the statistics published by official state bodies do not reflect the real situation with the coronavirus in Belarus.

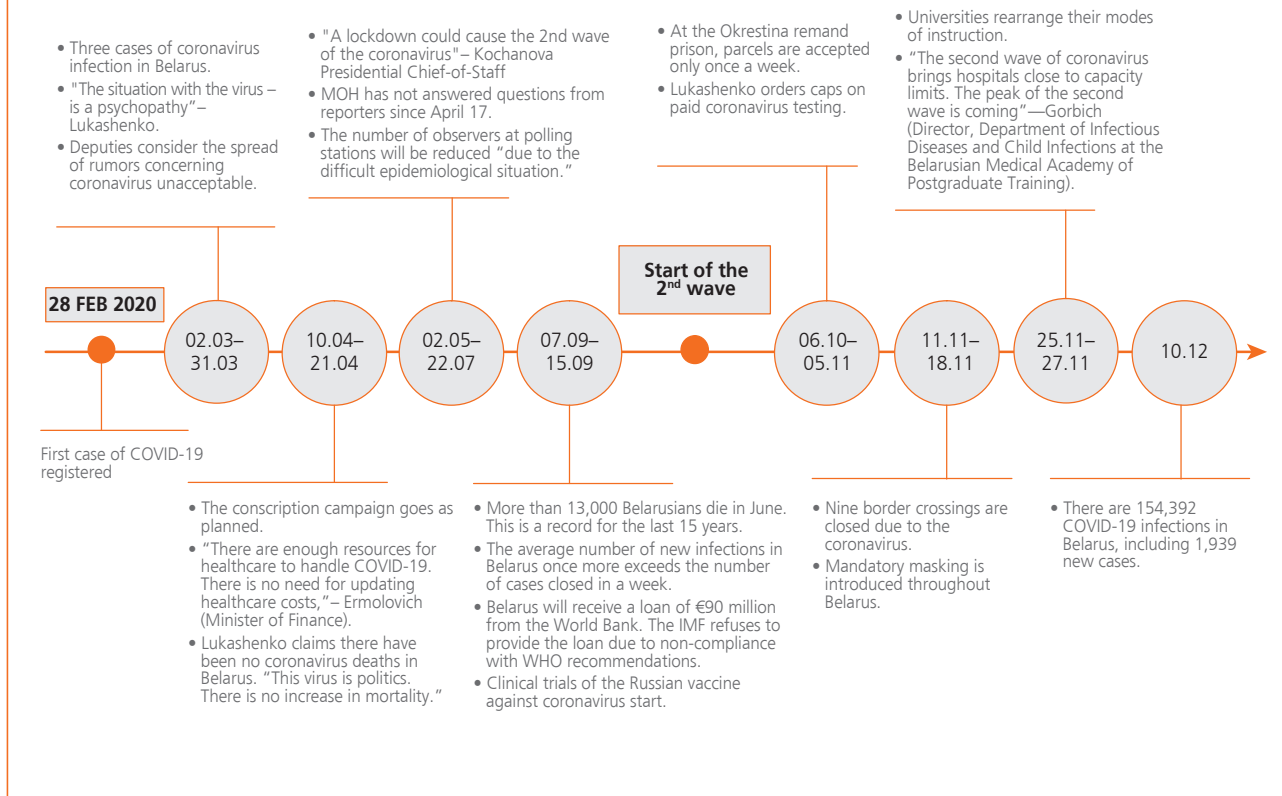
THE SITUATION IN WHICH THE PANDEMIC EMERGED

February 28, 2020, when the first coronavirus case was officially confirmed in the Republic of Belarus, can be considered the starting point of the coronavirus pandemic in the country.

The first wave of the pandemic lasted from February until the end of September 2020. In the first months, government officials mainly pointed to low numbers of

⁹ Narodny Opros, December 2020, <https://narodny-opros.medium.com/%D0%B8%D1%81%D1%81%D0%BB%D0%B5%D0%B4%D0%BE%D0%B2%D0%B0%D0%BD%D0%B8%D0%B5-%D1%8D%D0%BF%D0%B8%D0%B4%D0%B5%D0%BC%D0%B8%D0%B8-covid-19-%D0%B2-%D0%B1%D0%B5%D0%BB%D0%B0%D1%80%D1%83%D1%81%D0%B8-13ea52685984>

Fig. 4

The development of the COVID-19 pandemic in Belarus

infections¹⁰ and said there was no need in excessive restrictions.¹¹ Belarusians were confronted with disinformation and lack of communication: official government statistics and the Ministry of Health did not provide operational data on the number of cases; after April 17, MOH simply stopped answering questions from reporters.¹² At the same time, the government began a campaign against «fakes»¹³ and rumors of deaths due to the coronavirus. MPs discussed measures to prevent the spread of false news in non-government media, which, the authorities claimed, were trying to spread panic among people. The position of the authorities was that the situation with the coronavirus was under full control, and the risk of the spread of the disease was low.¹⁴ The president repeatedly referred to the virus a "psychosis," implying that the pandemic had been caused for political reasons.¹⁵

In June, a record number of deaths was registered—over 13,000.¹⁶ Belstat published no data on mortality for the second quarter. This information was provided by the UN, which received the data from Belstat, although the actual figures were never posted on Belstat's portal.

Starting in July, the epidemic became an important factor in making changes to the electoral process in the looming presidential election. The number of observers at polling stations was limited,¹⁷ and reporters who had recovered from COVID-19 were not allowed into the press center of the Central Election Commission.¹⁸

In September, the number of newly-infected patients with COVID-19 exceeded the average number of closed cases per week. Belarus signed a contract with the World Bank for a €90 million loan, which was to be used to combat the spread of the coronavirus. But the International Monetary Fund (IMF) refused to provide funds because the government was not complying with the recommendations of the World Health Organization (WHO).¹⁹

¹⁰ Tvr.by, https://www.tvr.by/news/obshchestvo/koronavirus_situatsiya_v_bielarusi/

¹¹ Belta.by, <https://www.belta.by/society/view/minzdrav-o-situatsii-s-koronavirusom-net-neobhodimosti-v-izbytochnyh-ogranichitelnyh-merah-382032-2020/>

¹² Nasha Niva, <https://nn.by/?c=ar&i=251875>

¹³ Belta.by, <https://www.belta.by/politics/view/v-parlamente-schitajut-nedopustimym-rasprostranenie-sluhov-o-koronaviruse-385394-2020/>

¹⁴ Ont.by, <https://ont.by/news/karanik-risk-rasprostraneniya-koronavirusa-v-bielarusi-ocenivaetsya-kak-dostatocno-nizkij>

¹⁵ Belta.by, <https://www.belta.by/president/view/vse-hotjat-ukusit-bielarus-lukashenko-prokommentiroval-kritiku-podhodov-k-borbe-s-koronavirusom-388018-2020/>

¹⁶ Onliner.by, <https://people.onliner.by/2020/09/07/smernost-zavtoroj-kvartal>

¹⁷ Tut.by, <https://news.tut.by/economics/693709.html>

¹⁸ Euroradio.fm, <https://euroradio.fm/ru/v-press-centr-cik-ne-hotyat-puskat-i-zhurnalistov-perebolevshih-covid-19>

¹⁹ Belta.by, <https://www.belta.by/president/view/lukashenko-utverdilosglashenie-o-zajme-v-90-mln-evro-ot-mbr-dlja-reagirovanija-na-covid-19-399830-2020/>

Meanwhile, Belarus was one of five countries where clinical trials of the Russian vaccine against coronavirus began.

After the presidential election in Belarus, numerous protests began on the streets of the country, leading to mass detentions of ordinary Belarusians. The government pointed out that social distancing measures were not being observed at rallies and blamed what it called the “irresponsibility of citizens.” However, the conditions of detention in local District Departments of Internal Affairs (RUVD) and Temporary Containment Cells (IVS) were hardly better in terms of maintaining epidemiological standards. A confirmed diagnosis of COVID-19 was not a valid reason for being released after being arrested.²⁰ Instead, in order to reduce the risk of spreading the virus, the reception of packages for the detainees in the containment cells and in the IVS on vul Okrestsina was restricted.²¹

In October, COVID morbidity began to worsen. Against the backdrop of complaints from doctors and patients concerning the shortage of coronavirus tests and

protective equipment,²² Health Minister Elena Bogdan announced that stocks of personal protective equipment (PPE) were sufficient until July 2021, and that there was a need to inventory medications.

Starting in November, Alexander Lukashenko introduced restrictions on paid PCR tests for COVID-19²³: testing is performed exclusively in laboratories designated by the Ministry of Health. That same month, nine border crossings were closed down,²⁴ and mandatory wearing of masks was introduced²⁵ In some higher educational establishments (HEEs), the mode of instruction was altered.²⁶ Yuri Gorbich, Director of the Department of Infectious Diseases and Children’s Infections at the Belarusian Medical Academy of Postgraduate Education, said that the second wave of coronavirus had brought hospitals close to their capacity limits.

As of December 10, 2020, 154,392 COVID-19 infections were registered in Belarus, with a daily increase of 1,939 cases.

²⁰ Naviny.by, <https://naviny.online/new/20200807/1596779646-pravozashchitniki-aktivista-otpravili-otbyvat-sutki-s-polozhitelnym-testom>

²¹ Tut.by, <https://news.tut.by/society/702407.html>

²² Sputnik.by, <https://sputnik.by/health/20201009/1045870542/Ne-khvataet-testov-na-COVID-V-Grodno-obyasnili-est-li-problemy.html>

²³ Tut.by, https://news.tut.by/society/707843.html?vk&fbclid=IwAR2gJVjrXfjcEWLzs_LPEC2h4ApfCYe8EGU-2qPzD1SyFNkhtY8LWsKDC8

²⁴ Tut.by, <https://news.tut.by/society/707530.html?c>

²⁵ Onliner.by, <https://people.onliner.by/2020/11/18/obyazatelnyj-masochnyj-rezhim-vveden-po-vsej-belarusi>

²⁶ Belta.by, <https://www.belta.by/society/view/v-bgu-vvodjatsja-dopolnitelnye-mery-po-predotvrascheniju-rasprostraneniya-covid-19-415033-2020/>

SECTION 1. ECONOMY

1.1. IMPACT ON KEY MACROECONOMIC INDICATORS

In 2020, the Republic of Belarus experienced a noticeable slowdown in economic growth, as evidenced by changes in the main macroeconomic indicators. The growth rate of the gross domestic product (GDP) slowed down considerably in 8 months of 2020, to -1.3%, inflation went from 4.7% to 6.1%, foreign trade turnover fell by 17.9%, while the Belarusian ruble fell 10% against the US dollar and 9% against the euro. The connection between the coronavirus and this decline is evidenced by the specific periods in which declines were observed, that is, March through May. At the same time, other external factors also influenced these indicators, which we will consider next in this report.

GDP in comparable prices decreased by 1.3% in 8 months of 2020, versus growth of 1.1% in the same period of 2019 compared to 2018. The government had planned on 2.2% GDP growth.²⁷

Three factors influenced the decline in GDP:

- a slowdown in business activity due to COVID-19;
- cutbacks in oil supplies from Russia due to price differences;
- a decline in world prices for potash fertilizers.

Still, at least during the first wave of COVID-19, the last two factors influenced GDP more than the virus itself, since the export of potash fertilizers and petrochemicals based on Russian oil generated the largest portion of GDP.

The decline in real GDP was due to a decline in industrial production, transport, wholesale and retail trade. The decline in industrial output was mainly caused by negative trends in the production of coke and petrochemicals, due to oil disputes, while the decline in trade and transport was affected by the coronavirus.

The drop in Belarus's GDP was much less than that of neighboring countries.

- For example, the GDP of the Russian Federation, Belarus's main trading partner, dropped by 3.6% over the same period.²⁸

The decline in some sectors of the economy was offset by growth in other areas: information and communication (+8.2%), agriculture (+5.5%) and construction (+4%) saw growth.²⁹

In addition, the government took measures to smooth out the drop in GDP: it maintained wage and employment levels to sustain consumer demand, as well as planned output levels. However, the effectiveness of the decision to continue production in the face of falling demand is questionable, since the artificial increase in production volumes led to overstocking in warehouse.³⁰

With demand down due to the coronavirus and other factors, **difficulties with sales will lead to financial instability among enterprises.**

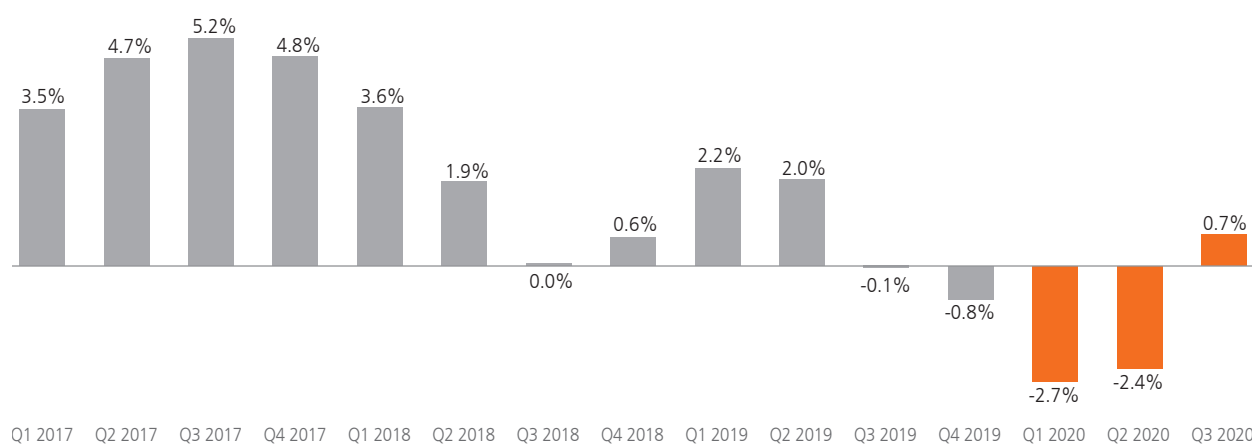
²⁷ Belstat.gov.by, https://www.belstat.gov.by/ofitsialnaya-statistika/ssrd-mvf_2/natsionalnaya-stranitsa-svodnyh-dannyh/vvp-rasschitanniyi-proizvodstvennym-metodom/

²⁸ Rbc.ru, <https://www.rbc.ru/economics/12/11/2020/5fad3b059a794714ed92d534>

²⁹ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/natsionalnye-scheta/operativnye-dannye/o-vtoroy-otsenke-valovogo-vnutrennego-produkta/>

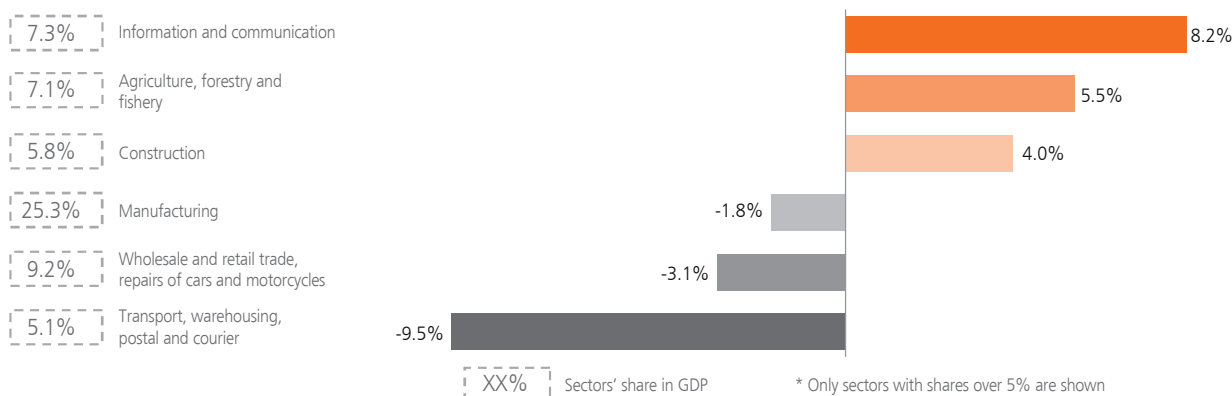
³⁰ For more details see section 1.2 "Impact on sectors"

Fig. 5
Seasonally adjusted GDP growth rates, quarterly, 2017–2020, %



Source: BEROOC data

Fig. 6
Growth rates and sector* shares of GDP over January–September 2020 versus 2019, %



Source: Belstat.gov.by,

<https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/natsionalnye-scheta/operativnye-dannye/o-vtoroy-otsenke-valovogo-vnutrennego-produkta/>

On December 7, 2020, Roman Golovchenko, the Prime Minister of Belarus, predicted a drop in GDP in 2020 in the range of 0.8-0.9%.³¹

For the 8 months of 2020, the **financial stability of enterprises has worsened:**

- revenue in comparable prices decreased by 6.8%;
- net profit decreased by 80.1%;
- the share of unprofitable organizations in the total number rose from 15% in 2019 to 19%.³²

At the same time, the largest shares of unprofitable organizations in the total number in 2020 were transport organizations (25.7% versus 15.3% in 2019) and trade

organizations (27.5% versus 19.6% in 2019). This is yet another example of the impact of COVID-19 on these sectors.³³

The coronavirus also affected inflation dynamics in 2020. On the one hand, **the drop in oil prices (caused, among other things, by the coronavirus) led to an increase in the inflation rate; on the other hand, the decrease in demand due to the pandemic restrained inflationary growth.**

Inflation over January–October 2020 was 5.10%, which is 1.96% higher than over the same period in 2019, but this was mostly caused by external factors unrelated to COVID-19.³⁴

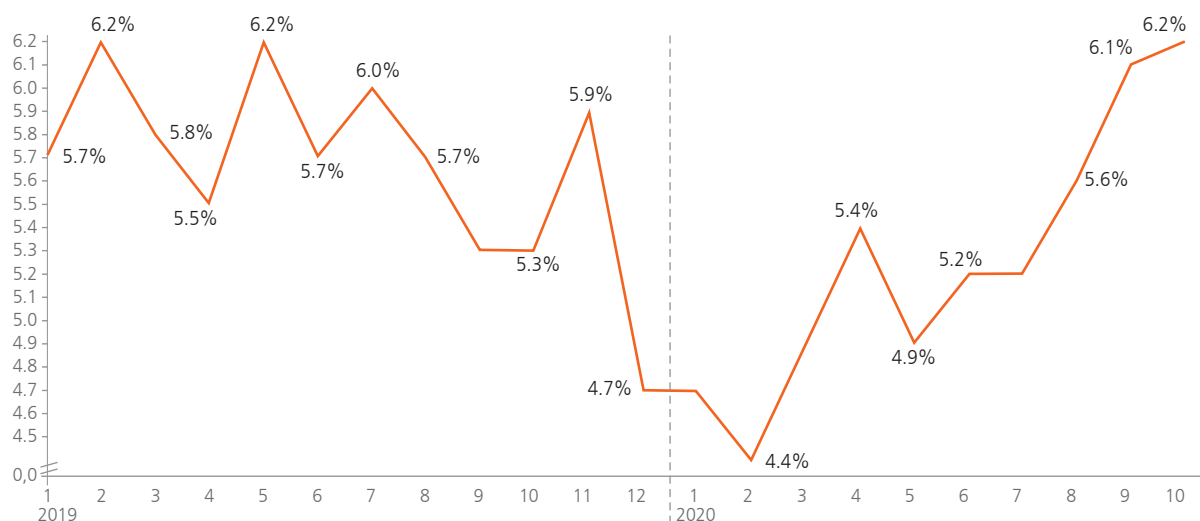
³¹ Belmarket.by, <http://belmarket.by/golovchenko-vvp-belarusi-v-2020g-snizitsya-na-08-09>

³² Nbrb.by, https://www.nbrb.by/publications/ectendencies/rep_2020_08_ot.pdf

³³ Nbrb.by, https://www.nbrb.by/publications/ectendencies/rep_2020_08_ot.pdf

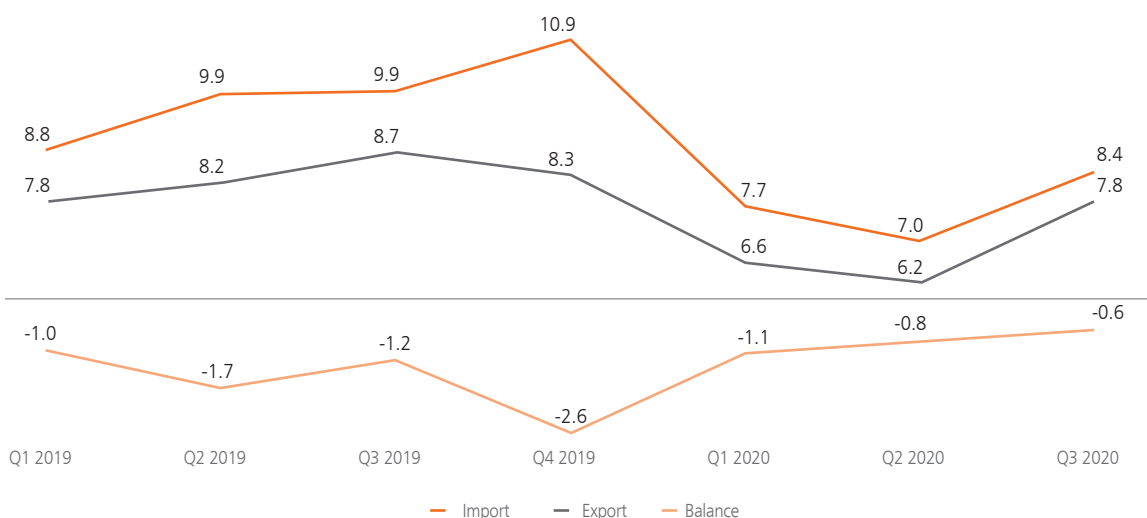
³⁴ Myfin.by, <https://myfin.by/wiki/term/inflyaciya>

Fig. 7
Monthly inflation in 2019–2020, % compared to the previous year



Source: Nbrb.by, https://www.nbrb.by/publications/ectendencies/rep_2020_08_ot.pdf

Fig. 8
Quarterly exports and imports of goods in Belarus in 2019–2020, billion USD



Source: Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

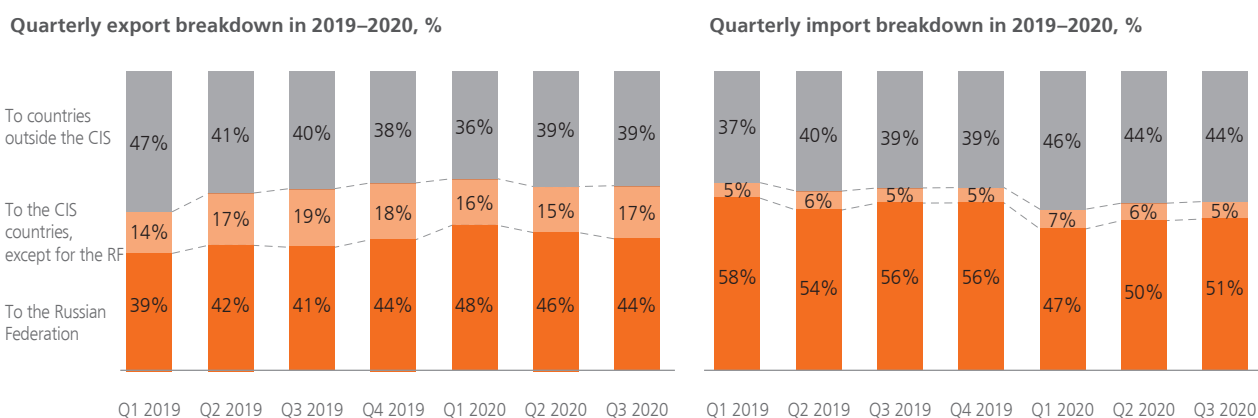
The upswing in inflation was due to five reasons:

- A fall in oil prices negatively affected the exchange rate of the Belarusian ruble, due to its dependence on the exchange rate of the Russian ruble.
- The depreciation of the Belarusian ruble against freely convertible currencies—10% versus USD and 9% versus EUR—led to an increase in the cost of imported non-food goods in the first quarter.
- The main factor behind the acceleration of inflation in the second quarter was the rate of price rises for fruits and vegetables in response to changes in the conditions for their supply from abroad during the COVID-19 pandemic.

- In the third quarter, a move by the National Bank of the Republic of Belarus (NBRB) in August to lend to commercial banks added to the factors driving inflation up.
- All of that contributed to inflation and devaluation expectations among businesses, which caused a decline in their commercial activity and, thus, a decrease in supplies.

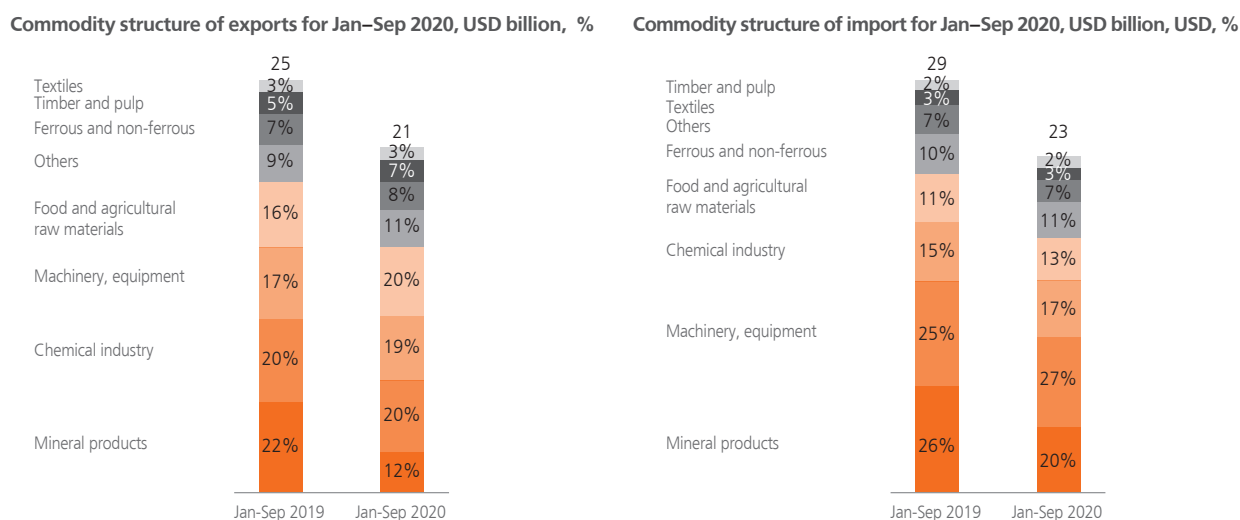
At the same time, the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus (MART) took measures to curb inflation by regulating prices for socially significant goods, which also influenced the inflation rate.

Fig. 9
Quarterly export breakdown by country in 2019–2020, %



Source: Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

Fig. 10
Commodity structure of exports and imports for January–September 2020, USD billion, %



Source: Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

For example, the list of socially significant goods, whose prices can be regulated by MART, was developed and communicated to retail chains, together with the maximum levels of trade markups.³⁵

Coronavirus influenced the devaluation of the Belarusian ruble indirectly: This was largely due to the drop of the Russian ruble following the collapse in oil prices in March. The currency basket (comprised of EUR, USD, and RUB) over 10 months of 2020 declined by 11.6%.³⁶

The drop in oil prices, caused, among other things, by the coronavirus, led to a weakening of the Russian

ruble and, subsequently, to a weakening of the Belarusian ruble, which, Russia being Belarus's main trading partner, the Belarusian ruble depends on.

As of December 1, 2020, the Belarusian ruble fell 22.7% against the USD and 33.5% against the EUR, compared to the same date in 2019. However, this decline was not exclusively related to the coronavirus.³⁷

The foreign trade for 9 months of 2020 fell by 17.9% compared to the same period in 2019.³⁸

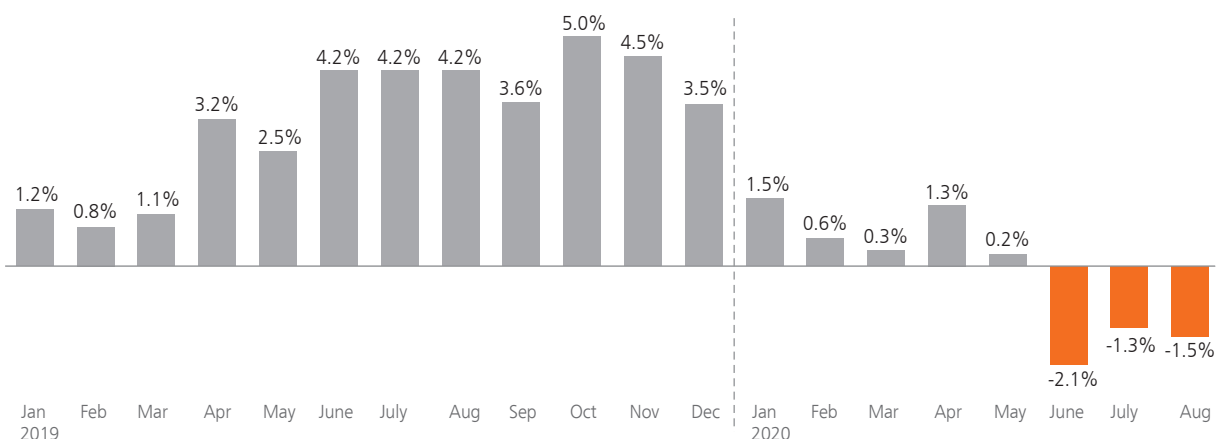
³⁵ For more details see Section 1.3 "Analysis of economic measures adopted to support sectors impacted by COVID-19."

³⁶ Nbrb.by, <https://www.nbrb.by/statistics/rates/indices>

³⁷ Nbrb.by, <https://www.nbrb.by/statistics/rates/indices>

³⁸ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

Fig. 11

Cumulative monthly government sector budget balance for 2019–2020, USD billion

Source: Minfin.gov.by, http://minfin.gov.by/ru/budget_execution/analytical_information/2020/

This was mainly influenced by two factors:

- Oil disputes with Russia;
- Loss of foreign markets due to key trading partners closing their borders during the pandemic.

The reduction in foreign trade turnover was mainly caused by a decrease in imports and exports of petroleum products. Due to oil disputes, the volume of supplies dropped, the amount of raw materials for the production of oil distillation products decreased, and traditionally they account for the largest share of Belarus's exported goods and services, 22%. This led to a 55% drop in exports of mineral products. The effect of the drop in supplies is estimated at USD 5.8 billion, which is 60% of the total decline in foreign trade turnover for 9 months of 2020.³⁹

The second reason for the reduction in foreign trade is the closure of borders to Belarus's main trading partners, Russia, Ukraine, Poland, and Lithuania, starting in mid-March 2020, and the introduction of non-working days in Russia, from March 30 to May 11. This led exports to drop in April, by 22% versus the previous month.⁴⁰

In addition, the weakening of the ruble probably had a negative impact on consumer imports.

However, due to the fact that imports decreased more than exports and the Belarusian ruble was devalued, the foreign trade balance for January–September 2020 went up 37% compared to January–September 2019 and reached USD 2.5 billion.⁴¹

The structure of foreign trade by country also changed: in exports, Belarus has become more dependent on Russia; in imports, on the contrary, due to a decrease in Russian oil deliveries, the import of Russian goods and services has fallen 28%. In terms of export volumes, Russia and Ukraine still occupy the first two places, while China and Russia lead in import volumes.

2020 Budget revenues decreased by 6.8% compared to 2019.⁴²

The decline was due to two main factors:

- A decrease in commercial activity against the backdrop of the coronavirus and, consequently, a decrease in government revenues;
- A drop in export duties on oil and petrochemicals due to a sharp decline in such exports and imports—for the first half of the year, revenues decreased by 8 times—, and a decline in export custom duties in general.

Thus, the **coronavirus contributed to the reduction of budget revenues, but not as much as the decline in oil deliveries.**

As of November 1, 2020, Belarus's **external public debt** stood at USD 18.1 billion, which is the highest debt in the history of the country.

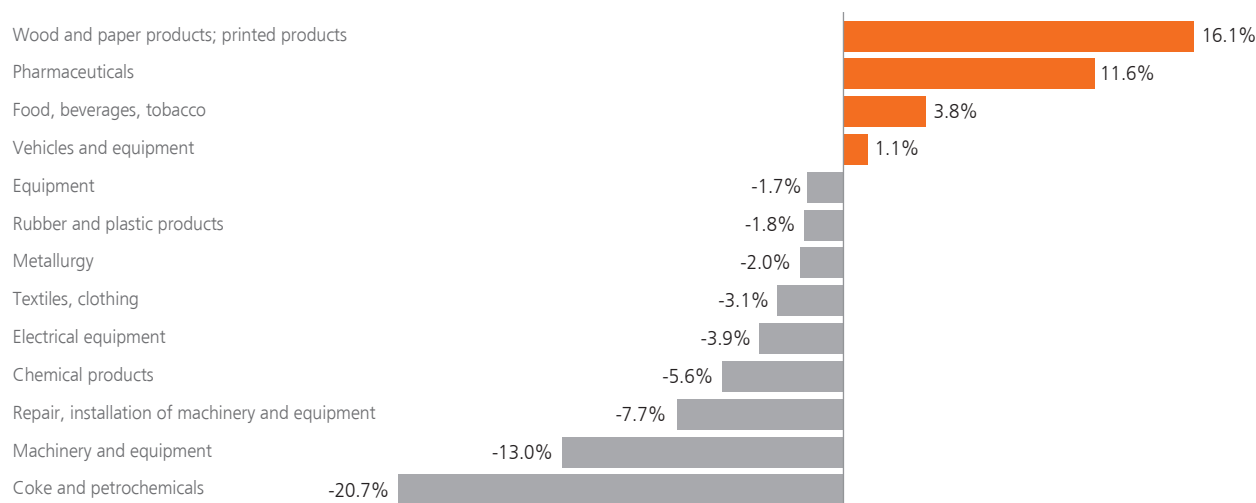
³⁹ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

⁴⁰ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

⁴¹ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>

⁴² Minfin.gov.by, http://minfin.gov.by/ru/budget_execution/analytical_information/2020/

Fig. 12
Growth rate of processing over January–September 2020 versus 2019, %



Source: Belstat.gov.by, <https://belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/promyshlennost/>

Taking into account exchange rate differences, growth since the beginning of the year amounted to USD 1.0 billion, or 5.8%.⁴³

In addition to the rise in the national debt in monetary terms, the ratio of public debt to GDP grew worse.

On January 1, 2020, external public debt was 27.1% of GDP; by November 1, it had reached 29.8%. This dynamic was caused by two factors: the drop in GDP in relative prices, and the devaluation of the Belarusian ruble. In 2020, the ruble depreciated against both the dollar and the euro, and nominal GDP growth was insufficient to compensate for this.⁴⁴

The bulk of loans and borrowings were made for purposes not related to the coronavirus, such as to pay off debts for gas. In addition, the increase in public debt was associated with the placement of two issues of Eurobonds, which made it possible to attract USD 1.25 billion to refinance the debt.

Belarus's internal public debt is significantly lower than its external debt: as of November 1, 2020, it amounted to BYN 10.168 billion. Domestic public debt in Belarus is represented by bonds issued by the Ministry of Finance. The share of the Belarusian ruble in its structure is small—only 13.6%. The rest of the debt is formed by securities denominated in USD, EUR, and RUB. The ratio of the domestic public debt to GDP as of November 1, 2020 was 6.4%.⁴⁵

According to the World Bank and the IMF, Belarus's sovereign debt includes state guarantees. As of November 1, state guarantees amounted to 4.9% of GDP.⁴⁶

It turns out that external and internal public debt, together with state guarantees, has reached 41.1% of GDP. This is the worst public debt to GDP ratio since August 1, 2018.

Although the increase in the national debt is largely not directly related to COVID-19, the pandemic is one reason for the decline in budget revenues, which precluded financing nuclear power plants and paying off the debt from the budget funds.

Meanwhile, **gold and foreign exchange reserves** in the first and second quarters of 2020 shrank, as they were partly used to cover external debt in the second quarter: external debt shrank by 3% and reserves by 11%), as well as with an increase in the volume of purchases of foreign currency by individuals.⁴⁷

1.2. IMPACT ON SECTORS

Among the sectors of Belarus's economy most affected by COVID-19 are the manufacturing of machinery and equipment (-13%), transport (passenger turnover decreased by 32%, cargo turnover—by 6.4%), catering (-7.8%) and wholesale trade (-19.8%). Meanwhile, pharmaceuticals grew (+11.6%), which is also due to the coronavirus.

Over 2/3 think that the current economic situation is bad.

⁴³ Banki24.by, <https://banki24.by/news/4511-belarus-pobila-rekord-po>

⁴⁴ Banki24.by, <https://banki24.by/news/4511-belarus-pobila-rekord-po>

⁴⁵ Banki24.by, <https://banki24.by/news/4511-belarus-pobila-rekord-po>

⁴⁶ Banki24.by, <https://banki24.by/news/4511-belarus-pobila-rekord-po>

⁴⁷ Nbrb.by, <https://www.nbrb.by/statistics/reserveassets/assets.asp>

Expectations are also negative: more than 75% of private and almost 50% of state-owned companies believe that the state of the economy will deteriorate in the next few months. In order to get out of the economic crisis as soon as possible, business owners expect political steps. But even if the political crisis is resolved, the return of the economy to normal is expected no earlier than in 2022. If the crisis is not resolved, economic recovery will be postponed to at least 2024.⁴⁸

The greatest negative impact of COVID-19 was on industrial manufacturing (-1.8%), transport (-9.5%), wholesale and retail trade (-3.1%).⁴⁹

The decline in these sectors provoked by the coronavirus was due to a decrease in commercial activity among businesses, and the introduction of self-isolation for carriers and potential carriers of the coronavirus in Belarus. For the most part, the decline was due to a cutback in trade in petrochemicals and the drop in global prices for potash fertilizers.

Some industries saw an increase of associated with the coronavirus:⁵⁰

- The information and communications sector grew 8.2% compared to 2019.
- Pharmaceutical production (processing industry) jumped 11.6%.

Over January–September 2020, Belarus's industrial production slipped 1.8% in monetary. At the same time, among subsectors, the most significant changes took place in the processing industry. Each of the subsectors was influenced by different factors:

- due to a decrease in purchases of Belarusian products by partner countries—some of the existing contracts were put on hold—, production volumes declined in metallurgy (-2%), machinery and equipment (-13%), electrical equipment (-3.9%) and textiles and clothing (-3.1%).⁵¹
- Oil disputes with the Russian Federation and the resulting reduction in Belarusian foreign trade turnover of oil products, together with a decline in global prices for potash fertilizers—by 8.9% in 2nd quarter compared to 1st quarter of 2020—had a strong impact. This led to a steep drop in the production of coke and petrochemicals, -20.7%, and of chemical products, -5.6%. According to Belarusian statistics,

the latter includes the production of potash fertilizers.⁵²

To mitigate the industrial decline, the government decided to increase stocks at warehouses.

The ratio of stocked finished goods to average monthly output as of September 1, 2020 amounted to 71.5%, compared to 61.9% in September 1, 2019. **This suggests that industrial enterprises of Belarus continued to produce products in the same volumes, despite falling demand, which could lead to problems with the sale of stock in the future and, consequently, a decrease in the financial stability of enterprises.**⁵³

The pandemic has had a positive impact on some industries.

The production of basic pharmaceutical products and pharmaceuticals increased 11.6% in January–September 2020 compared to January–September 2019, due to rising demand for drugs in connection with the spread of COVID-19, as well as public expectations of possible drug shortage.⁵⁴

Some manufacturing enterprises were re-purposed for the production of PPE and medical products: consumer goods enterprises began to produce masks; distilleries produced antiseptics. This also somewhat slowed down the decline in production.

Transport services also suffered a drop due to the pandemic: passenger turnover in January–October 2020 plunged 32%.

Most of all, this indicator was influenced by the drop in passenger traffic in cars and buses (-22.2%), rail (-39.4%) and air (-50.6%) as **individuals curtailed active movement due to the pandemic** and restrictive measures on the crossing of borders to certain countries.⁵⁵

Freight turnover suffered less: in January–October 2020, it declined 6.4% compared to 2019.

This was mainly due to a decrease in pipeline deliveries by 3.8% and rail transportation of goods by 13.1%. The decrease in freight turnover was partly due to interruptions in the supply of oil from Russia.⁵⁶

⁴⁸ SATIO Survey, November 2020, representing 420 firms, <https://probusiness.io/strategy/7698-politicheskiy-krizis-bet-po-biznesu-belarusi-silnee-chem-covid-19-uznayte-rezultaty-issledovaniya.html>

⁴⁹ Belstat.gov.by, <https://belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/promyshlennost/>

⁵⁰ Belstat.gov.by, <https://belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/promyshlennost/>

⁵¹ Belstat.gov.by, <https://belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/promyshlennost/>

⁵² Belstat.gov.by, <https://belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/promyshlennost/>

⁵³ Nbrb.by, https://www.nbrb.by/publications/ectendencies/rep_2020_08_ot.pdf

⁵⁴ Belstat.gov.by, <https://belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/promyshlennost/>

⁵⁵ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/transport/>

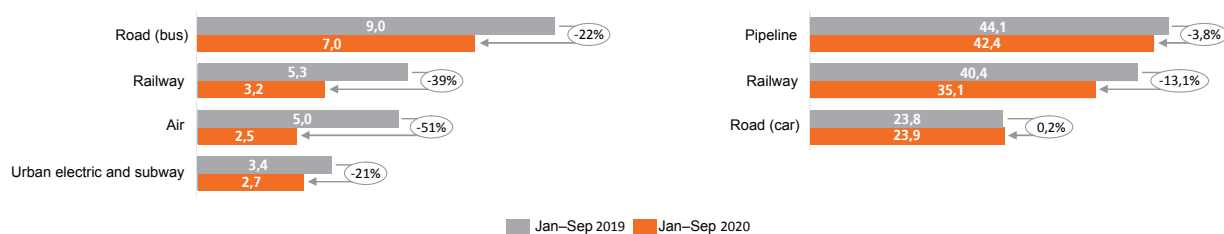
⁵⁶ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/transport/>

Fig. 13

Volume and growth rates of passenger and cargo turnover for January–September 2020 versus 2019, billions of passenger-kilometers and tonne-kilometers, %

Volume and growth rates of passenger turnover for January–September 2020 versus 2019, billions of passenger-kilometers and tonne-kilometers, %

Volume and growth rates of cargo turnover in January–September 2020 versus 2019, billions of tonne-kilometers, %



Source: Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/transport/>

Just as in other countries, the coronavirus had a profound impact on the **service and catering sectors**. **Turnover of catering dropped by 19.8%** over January–September 2020 compared to the same period of 2019.⁵⁷

- This was mostly due restrictive measures instituted to combat the spread of the coronavirus, such as limiting the opening hours of public establishments.
- Attendance at catering establishments also fell due to public fears and voluntary foregoing of leisure in restaurants, cafes, and so on.

The losses in the catering sector are also evidenced by the number of laid off staff. In April and May 2020, the ratio of hires to layoffs in hotel services was 36% and 32% in restaurant services, including catering establishments. By comparison, in April and May 2019, it was 98% and 93%.⁵⁸

Retail trade turnover rose 6.7% over January–September 2020.⁵⁹ The reason for the growth in retail is that many large retailers shifted focus to online sales and launched services that made it easier to buy goods during the pandemic. For example, Euroopt, the largest Belarusian retailer, launched HIT Dostavka, a delivery service for essential products, demand for which rose during the pandemic.

Wholesale trade turnover fell 7.8%.⁶⁰ Some of the reasons include: a decrease in imports that constituted a certain share of trade turnover (due to a reduction in oil supplies) and a general decline in business activity.

1.3. ANALYSIS OF ECONOMIC MEASURES ADOPTED TO SUPPORT SECTORS IMPACTED BY COVID-19

During the COVID-19 pandemic, the government took a number of economic measures to stimulate business activity: providing tax and rent breaks, simplifying the loan process, and implementing foreign trade transactions.

Measures were targeted at public and private companies operating in the most affected sectors. However, these organizations believe that government steps have been insufficient and dilatory, and they expect the government to provide subsidies, reduce taxes, and undertake economic reforms.

Since March 2020, Belarusian government agencies have taken a number of economic measures to reduce the negative effects of the COVID-19 pandemic on the economy. The measures were aimed at stimulating business activity by:

- Reducing property taxes (real estate tax, land tax, rent for government-owned land plots);
- Enabling deferred payment of taxes or paying taxes by installments;
- Facilitating financing conditions, etc.

To **stimulate business activity** during the pandemic, on April 24, 2020, Decree No.143 “On economic support”⁶¹ was adopted, which provides key support measures:

- Deferral and installment plans for the payment of tax credits;
- Faster VAT refunds;
- Recalculation of the single tax for individual entrepreneurs when they have no business;

⁵⁷ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vnytrennia-torgovlya/>

⁵⁸ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/socialnaya-sfera/trud/>

⁵⁹ Belstat.gov.by, https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vnytrennia-torgovlya/roznichnaya-torgovlya/operativnye-dannye_13/

⁶⁰ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vnytrennia-torgovlya/optovaya-torgovlya/>

⁶¹ Pravo.by, <https://pravo.by/document/?guid=12551&p0=P32000143&p1=1&p5=0>

- Introduction of rental vacations, a moratorium on increases in rent, and recommendations to grant deferrals for rental payments and reducing the amount owed;
- Granting local authorities the right to reduce property taxes (real estate tax, land tax, rent for government-owned land plots) and change the timing of payments: in the Minsk district, the real estate and land tax for the second and third quarters were multiplied by 0.75⁶²;
- Simplified public procurement procedures.
- The wider application of support according to Decree No.143 was hampered by insufficient dissemination of information about its provisions: as of July 2020, 17% of entrepreneurs had not heard about the Decree, another 45% had heard, but did not know what the essence of the proposed measures was.
- Another limitation was the declarative nature of the support: according to the Decree, a company had to submit an application to the appropriate agency.
- The insufficient extent of the measures taken also had a negative impact. Instead of reducing or canceling payments to the budget, it was proposed that they be deferred or paid in installments; one could pay a larger amount, but later. In a situation of uncertainty, businesses apparently considered it more appropriate not to resort to the measures outlined by the Decree at all.

According to Decree No.143, support is provided to public and private enterprises in the sectors most affected by COVID-19:

- Processing industries (textiles, clothing, leather, and fur products);
- Retail;
- Transport services (land, pipeline, air transport, as well as warehousing and ancillary activities);
- Hotel and catering services;
- Real estate transactions;
- Administrative and support services (tourism, rental and leasing, MICE);
- Education;
- Healthcare and social services;
- Arts, sports, entertainment, and recreation;
- Other services (repairs, other personal services).

As of July 23, 2020, the implementation of Decree No.143 had provided this kind of economic support:⁶³

- 1,200 business entities (0.9% of the total) received tax benefits and preferences in the amount of BYN 23 million (about BYN 18,000 or EUR 6,200 per organization).
- 44,000 individual entrepreneurs (18% of the total) received benefits associated with the recalculation of taxes for BYN 9.6 million (about BYN 218 or 75 EUR per individual entrepreneur).
- 6,700 organizations received lease-related benefits in the amount of BYN 25.6 million (about BYN 3,820 or EUR 1,300 per organization).

Such a low share and such small amounts of support per organization suggest that the Decree was not very effective.

According to surveys, more than 80% of companies assessed the measures taken by the government as incorrect and insufficient:⁶⁴

The business community also commented on the dilatory adoption of the Decree and the inadequacy of the measures listed in it. During the drafting of the Decree, no consultations were held with the business community.

Moreover, some government measures to protect individuals were perceived by businesses as hindering rather than helping overcome the crisis. For example, some experts pointed out excessive measures to regulate prices: an overly long regulation period and an excessively long list of goods subject to regulation in a situation with border closure and unstable exchange rate.

It should be noted that the economic measures of the government are seen as less important than taking action to overcome the political crisis: 50% of surveyed businesses noted this as a top priority to help businesses. According to them, the most effective instruments of economic support include: installment plans/reduction of taxes (34% of respondents) and contributions FSZN (25%), and easier access to loans (24%).

To facilitate enterprise financing two steps were taken:

- On May 12, 2020, to support commercial organizations, the Government issued Decree No.159 "On the recalculation of the value of assets and liabilities."⁶⁵ This regulatory instrument enabled exchange rate differences to be distributed over future periods, allowing lending institutions to maintain financial stability and continue to receive loans or refinancing.
- NBRB Board made decisions, on March 18⁶⁶ and 26⁶⁷ and April 22,⁶⁸ 2020, easing a number of requirements for banks to increase the capacity to maintain financial support for the real sector of the economy.

⁶² Nalog.gov.by, <http://www.nalog.gov.by/ru/mest-nalog-min1-z-uk143-2020/>

⁶³ Belta.by, <https://www.belta.by/economics/view/bolee-12-tys-subjektov-hozjajstvovanija-poluchili-nalogovye-igoty-i-preferentsii-po-ukazu-143-401012-2020/>

⁶⁴ SATIO survey, November 2020, representing 420 firms, <https://probusiness.io/strategy/7698-politicheskiy-krizis-betpo-biznesu-belarusi-silnee-chem-covid-19-uznayte-rezultatyissledovaniya.html>

⁶⁵ Pravo.by, <https://pravo.by/document/?guid=12551&p0=P32000159&p1=1>

⁶⁶ Nbrb.by, March 18, 2020 <https://www.nbrb.by/press/10042>

⁶⁷ Nbrb.by, March 26, 2020, <https://www.nbrb.by/press/10060>

⁶⁸ Nbrb.by, April 22, 2020, <https://www.nbrb.by/press/10167>

This support measure was primarily directed at lending to state-owned enterprises, whose share in the loan portfolio of banks is the largest, at 40.5%. According to the NBRB, as of November 1, 2020, the public sector's debt to banks was worth 23.7 billion BYN and had increased 4.4% in October alone.⁶⁹

To support exports, the Council of Ministers and the NBRB also adopted Resolution No.192/6 "On foreign trade operations and opening accounts with non-resident banks,"⁷⁰ according to which the deadlines for completing foreign trade operations were extended by 100 calendar days. This gave businesses the opportunity to complete transactions

despite disruptions in the supply of goods and in settlements with foreign counterparties.

Another measure was the provision of government organizations with an **installment plan for the transfer of dividends to the budget** in accordance with Decree No.141 "On the payment of part of the profit (income)" dated April 22, 2020.⁷¹

Thus, government measures were mainly aimed at supporting state-owned enterprises, while private sector businesses received little funds and were left to cope with the consequences of COVID-19 on their own.

⁶⁹ Nbrb.by, https://www.nbrb.by/publications/bulletin/stat_bulletin_2020_10.pdf

⁷⁰ Pravo.by, <https://pravo.by/document/?guid=12551&p0=C22000192&p1=1>

⁷¹ Pravo.by, <https://pravo.by/document/?guid=12551&p0=P32000141&p1=1>

SECTION 2. CITIZENS

2.1. LABOR MARKET

The spread of coronavirus infection has had a significant impact on the labor market, especially between March and May 2020. During this period, the demand for labor went down as the number of those laid off exceeded the number of those hired by 19%, the number of vacancies registered with employment services in May dropped to 72,000, compared to 86,000 in April. Nevertheless, demand for unskilled labor remained high—sellers, drivers, workers, and janitors. The largest declines were in entertainment and recreation, education, energy, food services, and transport.

According to a sample household survey conducted by Belstat, the growth in actual unemployment in the first and second quarters of 2020 was 2% compared to the fourth quarter of 2019⁷², which may indicate the impact of the COVID-19 pandemic on the labor market in this period.

The negative impact of the pandemic at this time was also indicated by the **ratio of the number of hires to layoffs**, which consistently shrank from 102% in February to 78% in May 2020. Since June, there has been a certain recovery: generally, over the period from June to September, more people were hired in Belarus than were dismissed.⁷³

In connection with the pandemic, offers of employment dropped: from April to May, the number of vacancies in the database of employment services fell 16%. At the same time, more and more requests were filed for employees who were ready to work under a temporary contract,

while permanent hires declined, reflecting labor market uncertainties. The situation in different regions differed. The largest reduction in supply was recorded in the city of Minsk—more than 22%—while the fewest changes affected Minsk Oblast—9%.⁷⁴

Education, arts, sports, and entertainment suffered the most, with the ratio of those hired to those dismissed in March–May 45% and 37%, respectively). Losses were also seen in the service sector—hotels, food services and healthcare—and in transport.

These numbers are further supported by statistics at the key job search portal, *rabota.by*, according to which the number of vacancies decreased primarily in the following industries in the second quarter:

- Tourism, hotels and restaurants (-59% vs 1st quarter of 2020);
- Sports clubs, fitness, beauty salons (-36%);
- Vacancies offered to students (-50%).⁷⁵

In spring, there was an increase in demand from the public due to layoffs:

- There was increased activity at employment agencies: from March to April the number of requests per week increased by 75%.
- According to data from the third survey conducted by SATIO and BEROC during the pandemic, about 5-6% of respondents lost their jobs in April and May, and every fourth (24.5%) noted that one of their acquaintances had lost their job.⁷⁶
- In November, 26.5% of respondents noted that they had changed or lost their jobs during the pandemic.

⁷² Belstat.gov.by, https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/trud/operativnaya-informatsiya_8/o-zanyatosti-naseleniya-po-dannym-vyborochnogo-obsledovaniya/

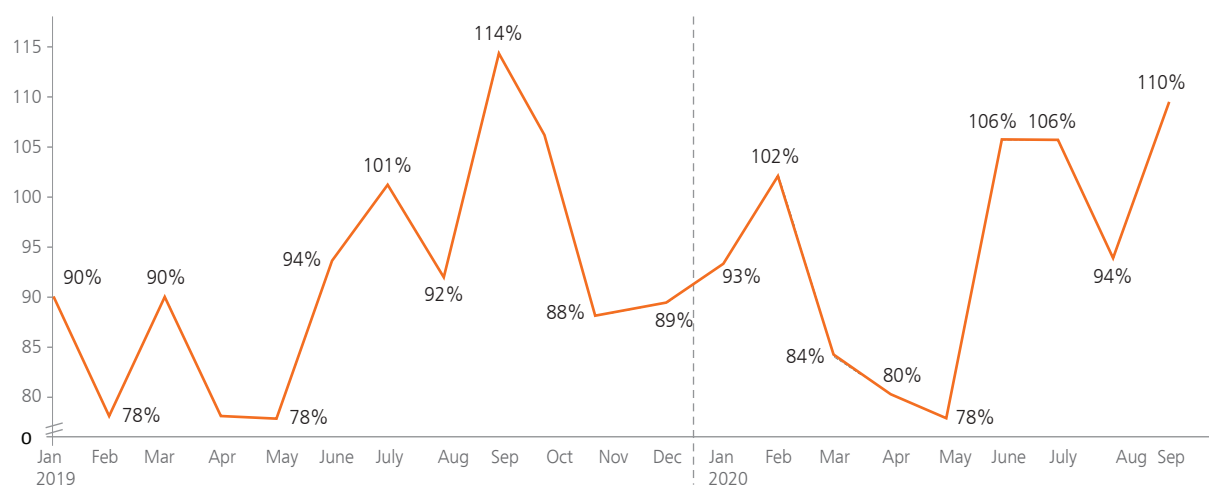
⁷³ Belstat.gov.by, https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/trud/operativnaya-informatsiya_8/chislennost-prinyatykh-i-uvolednykh-rabotnikov-v-organizatsiyakh-respubliki-belarus/

⁷⁴ Tvr.by, https://www.tvr.by/news/obshchestvo/spros_na_novoe_mesto_raboty_na_rynke_truda_v_belarusi_uvelichivaetsya/

⁷⁵ Rabota.by, <https://rabota.by/article/27102>

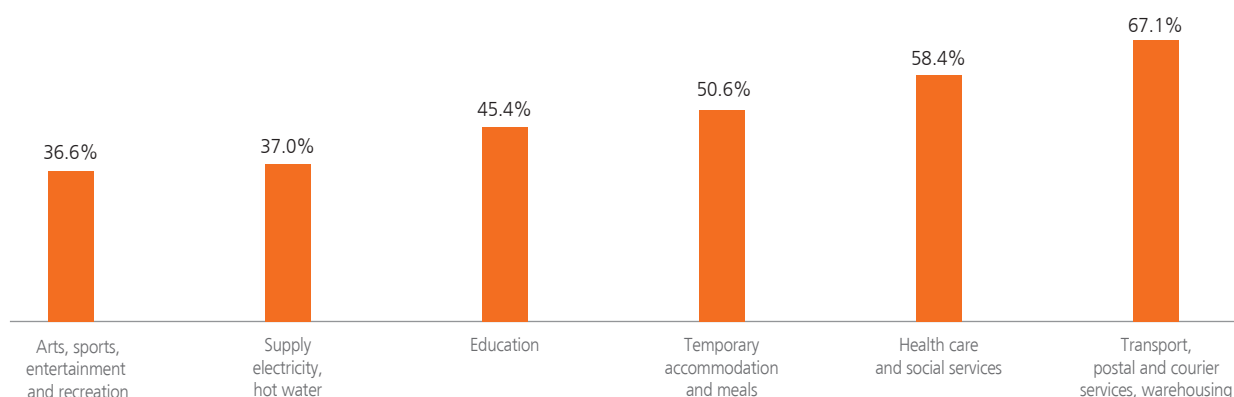
⁷⁶ Finance.tut.by, <https://finance.tut.by/news685030.html>

Fig. 14
Monthly ratio of hired and dismissed employees for 2019–2020, %



Source: Belstat.gov.by, https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/trud/operativnaya-informatsiya_8/chislennost-prinyatykh-i-uvolennykh-rabotnikov-v-organizatsiyakh-respubliki-belarus/

Fig. 15
Ratio of hired and dismissed employees* in selected sectors for March–May 2020, %



* The lower the indicator, the more people were laid off in the sector compared to those who were hired

Source: Belstat.gov.by, https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/trud/operativnaya-informatsiya_8/chislennost-prinyatykh-i-uvolennykh-rabotnikov-v-organizatsiyakh-respubliki-belarus/

Against the backdrop of a general decline in demand for labor, the demand for unskilled workers was still quite high, which indicates a redistribution of labor on the market. There were many vacancies for pickers and growing demand for drivers, warehouse loader operators, and online sellers. The share of vacancies for workers and sellers was about 40% of the total.

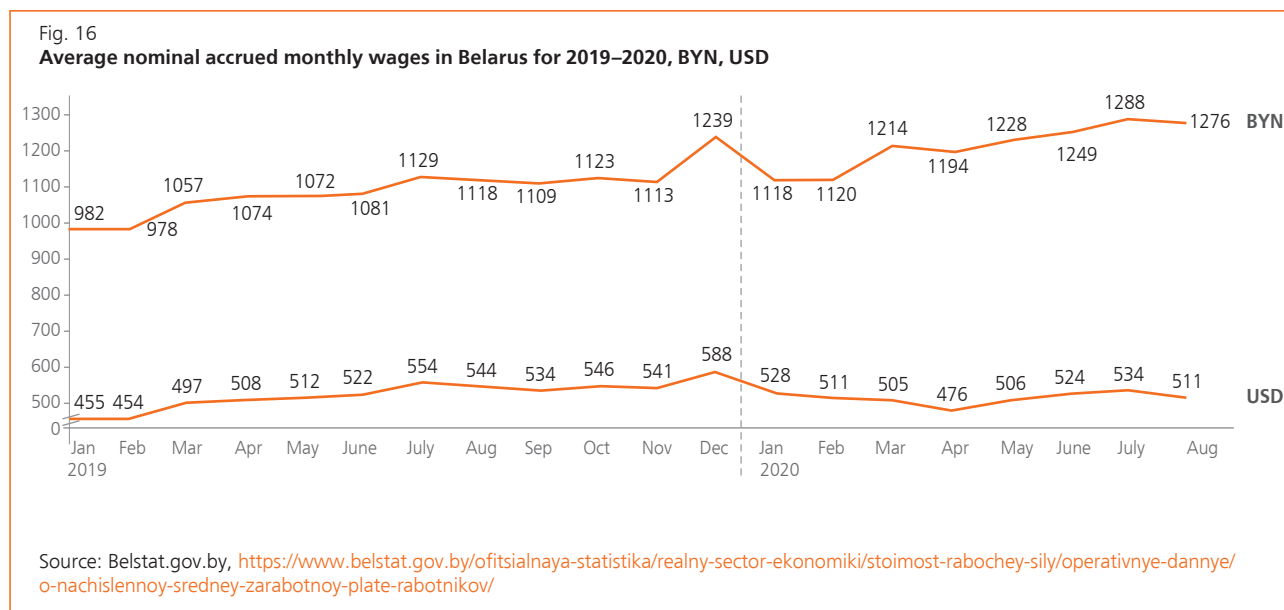
Also, by the end of April, there were higher **losses of work time due to underemployment and downtime**: according to the Ministry of Labor, the indicator of involuntary part-time employment increased 4.3 times compared to the same period of the previous year; the number of employees in downtime increased 4.7 times. At the same

time, the mechanism for establishing a part-time working day made it possible to retain jobs and maintain social guarantees for the employees.

According to a survey by SATIO and BEROC, in May, about a quarter of Belarusians faced reduced working hours and paid leave.

During the pandemic, **the operating mode also changed**:

- Because of the coronavirus, by November 2020, 2.6% of Belarusians were working fully remotely, and another 10.8% partly remotely. At the same time, the majority, 58.6%, had difficulties with the transition to



remote work associated with the inability to concentrate due to household and family distractions, to motivate themselves, and to designate working time.

- Potentially, **up to 16% of all employees** in Belarus can be switched to remote work (up to one half of the IT industry).
- About **50% of their work** can be done remotely.

Experts believe that the **forced** accelerated **transition to remote employment** and the associated rapid adoption of digital technologies is one of the unexpected **positive effects of the** COVID-19 pandemic for both private individuals and businesses.

To keep things running, businesses had to take certain measures that affected their employees. Some of the most common steps were: lowering wages, shortening working days, and cancelling bonuses. Employees were apparently most supportive of the transition to part-time work. However, in November, compared to April, people were more inclined to believe that employers should not take any measures (40% versus 30.6%). The share of those who supported the cancellation of bonuses, as well as temporary unpaid leaves for employees, has dropped significantly.

2.2. HOUSEHOLD INCOME AND EXPENSES

The coronavirus has had almost no effect on nominal wages: with government support, the average nominal accrued wage in 2020 was 7.6% higher. Yet some sectors were affected, such as transport and tourism. Real disposable cash income also went up by 5.4% compared to 2019, though the income growth rate has been going down. Taken together with the depreciation of the ruble, this has led to a situation when more than half of the population feels a decrease in income and economizes on most goods. In general, consumer economic expectations are pessimistic: 90% believe that the economy will not recover from the coronavirus shock in the next 6 months. Such sentiments can be traced in the dynamics of bank deposits, as well as in the dynamics of buying and selling foreign currency, which were influenced, not only by the coronavirus, but also by political instability in Belarus.

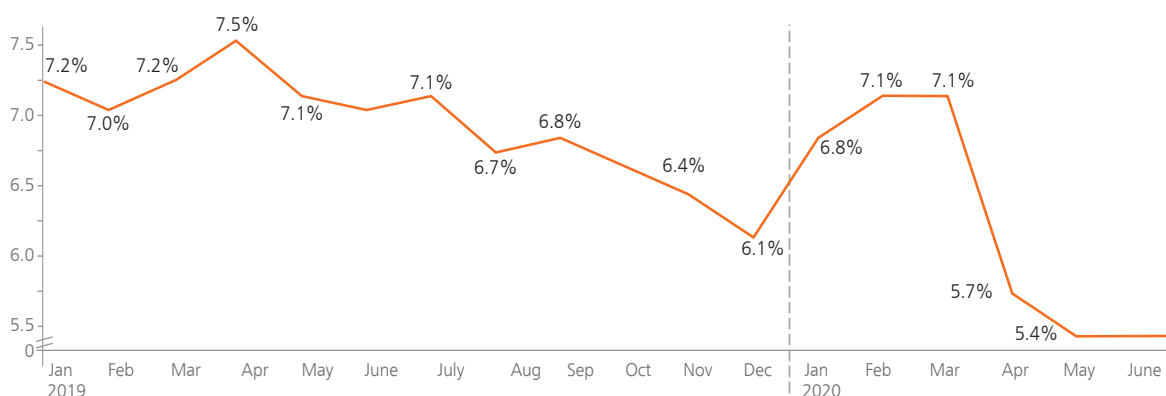
Wages in Belarus are growing, but at a more modest pace than usual. The nominal average wage of employees of Belarusian organizations in August 2020 amounted to BYN 1,276.4 or USD 511, which in real terms is 7.6% higher than in August 2019.⁷⁷

In Q2 of 2020, the wages of transport workers declined the most.

- Passenger air transport salaries dropped by 46% in nominal terms.

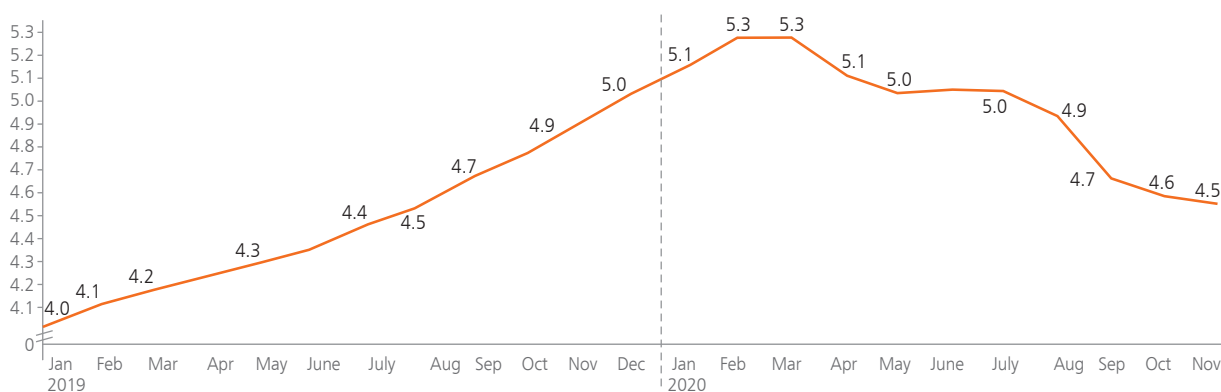
⁷⁷ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/stoimost-rabochey-sily/operativnye-dannye/o-nachislennoy-sredney-zarabotnoy-plate-rabotnikov/>

Fig. 17
Monthly growth rate of real disposable cash income for 2019–2020, %



Source: Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/uroven-zhizni-naseleniya/denezhnye-dokhody-naseleniya/>

Fig. 18
Monthly levels of personal bank deposits for 2019–2020, in billion BYN



Source: Nbrb.by, <https://www.nbrb.by/statistics/monetarystat/broadmoney>

Also, the wages of employees associated with tourism and the beauty industry have dropped significantly. In booking services and related activities, there was a drop of 19%, in temporary accommodation or hotel services, 8% and among hairdressers and beauty salons, 5%.⁷⁸

The decrease in wages in these sectors is directly related to the drop in the incomes of organizations due to COVID-19.

However, in some other sectors there was an increase in wages.

- The nominal wages of healthcare workers in the second quarter of 2020 increased by an average of 33% compared to the same period in 2019. This is largely due to the government payments to medical and social workers serving infected people or contacts of the 1st and 2nd levels.

Real disposable cash income of citizens (cash income minus taxes, fees and contributions, adjusted for the consumer price index for goods and services) in January–July 2020 amounted to 105.4% compared to January–July 2019⁷⁹.

- However, the real disposable cash income growth rates have decreased considerably. In April 2020, this indicator was 5.7% compared to the same period of the previous year, while the increase in April 2019 reached 7.5%.

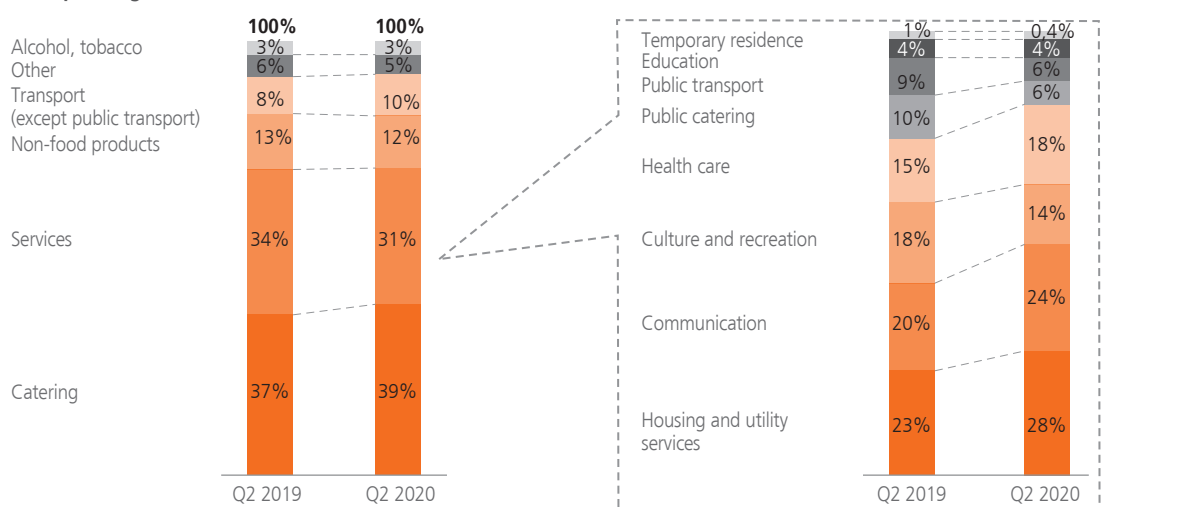
⁷⁸ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/stoimost-rabochey-sily/operativnyedannye/nominalnaya-nachislennaya-srednemesyachnaya-zarabotnaya-plata-rabotnikov-respubliki-belarus-po-kvart/>

⁷⁹ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/uroven-zhizni-naseleniya/denezhnye-dokhody-naseleniya/>

Fig. 19

Structure of consumer spending for Q2 2019 and 2020, %

Structure of consumer spending overall for Q2 2019 and consumer spending on services for Q2 2020, % 2019 and 2020, %



Source Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/uroven-zhizni-naseleniya/dokhody-i-potreblenie-domashnikh-khozyaystv/>

According to a study by SATIO and BEROC, in March 2020, 45.1% of respondents, speaking of their income level, noted that it had not changed over the past month; another 3% noted that it had increased. Due to the drop in the rate of income growth in April, in that period more 52% of respondents noted a decrease in their income. About a third attributed this to a decrease in the number of orders.

Other common reasons for the loss of income were a cut in wages (27%), a cut in working days (25%), the cancellation of bonuses (22%), and the loss of part-time jobs (17%). At the same time, 94% considered it unjustified to reduce the wages of employees; 90% said the same of forced unpaid leaves.

Those who already had seen a cut in their income, expected a further cut, and **the least well-off felt the decline more acutely than others: low-income individuals, students, and part-time workers.**

Because of the coronavirus, in 2020 there were changes in **consumer spending. People began to economize on most goods and only demand for basic goods such as food, medicine, hygiene, and communications remained unchanged.**

In Q2 2020, the item “food” accounted for 39% of total spending by consumers, versus 37% in 2019, and “non-food goods” was down to 12% versus 13%.⁸⁰

In 2020, services constituted 3% less in consumer spending:

- Catering accounted for 6% of total spending on services, versus 10% in 2019, as a result of people avoiding restaurants and other establishments due to the coronavirus;
- Culture and recreation were at 14% versus 18% for the same reason;
- Communication was up to 24% versus 20% since people were avoiding personal contact and shifted to communication online.⁸¹
- The share of spending on healthcare increased from 15% to 18% mainly due to increased demand for medical services during a pandemic.

Such changes in the structure of consumer spending indicate a drop in real income of citizens rather than growth.

In 2020, there was a serious outflow of deposits from the banking system. **Bank deposits** are on the decline: as of October 1, 2020, they were down 5% in ruble terms and by almost 33% in dollar terms compared to January.⁸²

- According to the NBRB, as of October 1, 2020, individuals were holding BYN 17.62 billion in 23 banks (excluding accrued interest). By comparison, as of January 1, the amount of deposits was worth BYN 18.51 billion. This suggests that even the devaluation of BYN did not ensure the growth of deposits in BYN terms.
- From January 1 to October 1, 2020, residents of Belarus closed 303,445 accounts, a total of 16.1%. This means that, on a net basis, there was a major outflow of money from the banking system.

⁸⁰ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/uroven-zhizni-naseleniya/dokhody-i-potreblenie-domashnikh-khozyaystv/>

⁸¹ Belstat.gov.by, <https://www.belstat.gov.by/ofitsialnaya-statistika/solialnaya-sfera/uroven-zhizni-naseleniya/dokhody-i-potreblenie-domashnikh-khozyaystv/>

⁸² Nbrb.by, <https://www.nbrb.by/statistics/monetarystat/broadmoney>

The current situation is associated with the economic expectations of citizens due to both the political crisis and the coronavirus pandemic.

Fully 93% of citizens of Belarus do not expect economic recovery earlier than six months from now, and 48% believe that COVID-19 will have a long-term negative impact on the economy and lead to a protracted recession. Most of all, Belarusians are worried that the healthcare system will not cope with the load. Moreover, Belarusians are more pessimistic than the population of other countries in their assessment of economic recovery.

Public fears and their expectations of a protracted crisis encouraged people to buy foreign currency and sell the Belarusian ruble. In April 2020, a significant drop was recorded in the balance of **purchasing and selling foreign currency** (USD 166 million). Demand for foreign exchange exceeded the supply, since the inflow of foreign exchange into the country from the export of oil and petrochemicals was down due to the fall in oil refining volumes, while both individuals and enterprises began to buy up foreign currencies.⁸³

The largest surge in purchases of foreign currency by individuals took place in March and August: in March this was driven by the coronavirus and the fall in oil prices; in August, by the election of the President and the worsening of the political situation.

2.3. ECONOMIC MEASURES TO SUPPORT CITIZENS IMPACTED BY COVID-19

Due to the impact of the coronavirus on the economy, the government introduced economic measures to support individuals. Basically, these were aimed at maintaining stable wages (with the help of budget payments) in the face of reductions in working hours due to underemployment and down time.

The second area was price regulation for PPE, laboratory diagnoses for COVID-19, socially important goods, education, transport, and communication services in order to prevent price increases and ensure public access to key goods and services.

Measures to support individuals during the pandemic fell into two categories:

- Maintaining financial stability;
- Regulating prices to maintain access to basic goods and services.

⁸³ Nbrb.by, <https://www.nbrb.by/statistics/financialmarkets/forexmarket>

The drop in wages during the pandemic was mitigated with the help of payments from the government budget:

- On May 28, 2020, the government issued Decree No.178 “On temporary measures of government support for employers and certain categories of citizens.”⁸⁴ The document provides for the payment of subsidies to employers at non-budgetary organizations to make additional payments up to the minimum wage (BYN 375 per month) to employees in case of part-time employment or a period of down time between May 1 and July 31, as well as the payments of contributions to the Social Security Fund. The decision was made by local authorities. Interbudgetary transfers in the amount of BYN 180 million were allocated for this set of measures to the Fund for Social Protection of the Population.
- Also on May 28, 2020, the government issued Decree No.179 “On remuneration,”⁸⁵ according to which additional payments have to be made up to the minimum wage for public sector employees in case of forced underemployment or down time.

As further support for individuals, the NBRB sent a letter “On providing individuals with the option of deferring a loan,”⁸⁶ on March 20, 2020, which eased the debt burden on individuals by **granting deferrals for loans**. Unfortunately, the measure was advisory only.

In order to **regulate prices and ensure consumer access to key goods** during the COVID-19 pandemic, three key measures were taken:

- In April, masks and disinfectants were included in the list of socially significant goods (Council of Ministers Resolution No.205 dated April 4, 2020, “On amendments to Council of Ministers Resolution No.35 dated January 17, 2014”⁸⁷). Price controls on masks and disinfectants were introduced from April to October 4 (MART Resolution No.27 dated April 6, 2020⁸⁸ and Resolution No.47 dated July 13 2020⁸⁹) by determining the maximum profit margins, as well as maximum mark-ups for importers and retailers.
- MART Resolution No.39⁹⁰ added personal protective equipment (PPE) to the list of mandatory goods in department stores.

⁸⁴ Pravo.by, <https://pravo.by/document/?guid=12551&p0=P32000178&p1=1>

⁸⁵ Pravo.by, <https://www.pravo.by/document/?guid=12551&p0=P32000179&p1=1>

⁸⁶ Sputnik.by, <https://sputnik.by/economy/20200320/1044232499/Natsbank-predlagaet-vvesti-dlya-belorusov-kreditnye-kanikuly.html>

⁸⁷ Government.by, <http://www.government.by/upload/docs/file543395c14b73ef4e.PDF>

⁸⁸ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035231&p1=1>

⁸⁹ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035619&p1=1>

⁹⁰ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035405&p1=1>

- Prices for COVID-19 lab tests were also regulated. On November 17, 2020, the Health Ministry adopted Resolution No.99 “On Amendments to the Decree of the Ministry of Health №16 dated February 3, 2015.”⁹¹

In order to curb inflation, a moratorium was introduced in May against increasing prices for education, transportation and communications;⁹² the margin for importers of socially significant goods was also capped at 10%.⁹³

On March 30, the government passed Resolution No.184 “On temporary measures to stabilize the situation in the

consumer market,”⁹⁴ which set a price increase cap of 0.5% per month in order to dampen price increases and ensure the consumer market goods. The resolution was canceled on April 17.⁹⁵

MART also introduced price controls by setting maximum mark-ups and profit margins for socially significant goods until December 31, 2020 (MART Resolutions No.30 dated April 15,⁹⁶ No.48 dated July 14,⁹⁷ No.65 dated October 12⁹⁸).

⁹¹ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22036061&p1=1&p5=0>

⁹² Belta.by, <https://www.belta.by/economics/view/mart-vvel-moratorij-na-povyshenie-tsen-na-uslugi-obrazovaniya-transporta-i-svjazi-392326-2020/?fbclid=IwAR1Wkp3FvUJxkEfwuNy3eQJvuf1fCdBQm5HjipThB6bQme9JWUExsG0oznw>

⁹³ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035342&p1=1>

⁹⁴ Government.by, <http://www.government.by/upload/docs/file41e7baeb4905f917.PDF>

⁹⁵ Interfax.by, https://interfax.by/news/policy/vnutrennyaya_politika/1274782/

⁹⁶ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035342&p1=1>

⁹⁷ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035610&p1=1>

⁹⁸ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035927&p1=1>

SECTION 3. SOCIAL SECTOR

3.1. EDUCATION

During the pandemic, certain measures for schools were introduced through internal university regulations, government decisions, and Ministry of Education decrees. Universities partly or fully switched to distance learning and introduced mask-wearing. In schools, vacations were extended, the timing of centralized testing was postponed, and exams for students in self-isolation were canceled.

The steps taken in the education system were aimed primarily at countering the spread of the disease. Measures to adapt the educational process were introduced to a much lesser extent.

In spring, children did not attend schools and kindergartens en masse, and refused to take additional classes. Students returned to school in the fall, but kindergarten attendance did not resume. Parents generally had a positive attitude towards home schooling, but by the fall, negative sentiments intensified, possibly due to a poor assessment of how ready educational institutions really were to switch to distance learning.

The Ministry of Education had overly different approaches with regard to schools and universities: while certain measures were introduced at schools by centralized decrees and decisions, this was not the case with universities. The lack of guidance from the Ministry of Education meant that some establishments continued to operate as usual.

The main government document concerning the education sector was the **methodological recommendations issued by the Ministry of Health on the organization of the educational process in educational institutions**,⁹⁹ which allowed the management of an educational institution, depending on its type, current conditions and specific regimen, to develop and approve anti-epidemic plans.

⁹⁹ Edu.gov.by, <https://edu.gov.by/sistema-obrazovaniya/glavnoe-upravlenie-obshchego-srednego-doshkolnogo-i-spetsialnogo-obrazovaniya/srenee-obr/2020-2021-uchebnyy-god/metod-rekomend.pdf>

In spring, the universities made the **transition to distance learning** in accordance with their internal documents:

- Belarusian State University was one of the first to go online. Instruction proceeded according to the usual schedule with minor adjustments.
- Some educational institutions combined online and offline classes. For example, at Minsk State Linguistic University, all lectures were postponed at the beginning of April, on certain days students studied from home, and the schedule was reorganized in such a way that no more than a third of the students were present at the university at the same time.
- Mask-wearing has been either mandatory or non-binding, pending on the university.

In public schools, four main measures were taken:

- The Ministry of Education **extended holidays for schoolchildren** twice: from April 4 to 11¹⁰⁰ and from April 10 to 18¹⁰¹).
- By Ministry of Education Decree No.101 “On Amendments to the Ministry of Education Resolution No.38 the dated June 20, 2011,”¹⁰² **schoolchildren who were in self-isolation were exempted from final exams**.
- Parents of schoolchildren independently wrote applications for voluntary transition to self-isolation due to the bad epidemiological situation.
- To reduce contacts among individuals, Ministry of Education Resolution No.93 dated May 20, 2020, “On Amendments to Ministry of Education Decree No.12 dated February 13, 2020,”¹⁰³ **the date for centralized testing for secondary school graduates was postponed**.

¹⁰⁰ Belta.by, <https://www.belta.by/society/view/prinjato-reshenie-o-prodlenii-v-belarusi-na-nedelju-vesennih-shkolnyh-kanikul-385984-2020/>

¹⁰¹ Belta.by, <https://www.belta.by/society/view/v-belarusi-snova-prodlevajut-vesennie-shkolnye-kanikuly-386801-2020/>

¹⁰² Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035416&p1=1>

¹⁰³ Edu.gov.by, https://edu.gov.by/sistema-obrazovaniya/glavnoe-upravlenie-professionalnogo-obrazovaniya/abiturientu/W22035395_1590181200.pdf

Some **experts consider the measures taken in the educational system to counter the pandemic insufficient**. The transition to distance learning was not universal: some pupils and students continued to attend classes, putting the teachers and other people in contact with them at risk of infection. All the testing (tests, exams, coursework defense, and so on) in universities were and still are conducted in person only.

A particular misunderstanding has been caused by the refusal to transfer certification and other testing activities to remote mode: it seems that maintaining control over teachers and students is more important than people's lives and health.

The government response to the pandemic in the educational system was not systemic enough. As a result, educational establishments did not understand what exactly had to be done and were forced to make actual decisions about organizing the educational process on their own: teachers shared assignments for their students using Viber, mastered Zoom and other similar services, started classes on educational platforms and shared access keys. In doing so, they faced a number of challenges:

- A direct prohibition on distance learning in secondary schools, and on certification using distance learning methods in all educational establishments. In other words, a teacher who graded a student remotely was breaking the law. Despite the pandemic, no decision was ever made to limit this norm even temporarily.
- There were no consolidated online platforms for organizing the educational process, while the use of platforms whose servers were located outside Belarus was explicitly prohibited, as well. The Minsk City Institute of Education proposed its own solution based on LMS Moodle, but the system could not handle the load. When everyone started signing up, the site crashed. Some teachers noted the extreme inconvenience of Moodle and conduct parallel classes using more convenient communication channels while Moodle lectures are also being broadcast, so that the management can exercise control. The Ministry of Education was supposedly developing a platform for distance learning for schoolchildren that was planned to be launched by the end of 2020, but experts were sceptical about the quality and even the possibility of launching such a platform. On January 1, 2021, the portal was launched to a flurry of criticism regarding the content, design and technical solutions employed.
- Schools lack the technical capabilities to ensure a high-quality learning process: they do not have enough equipment or network bandwidth for the simultaneous teaching of 40-60 classes per school. Moreover, a large proportion of the available software is unlicensed.
- Methodological materials on distance learning are also lacking. Remote learning requires approaches that are different from face-to-face methods when presenting new content, monitoring the absorption of content, and so on. Inventive teachers have come up with sep-

arate methodological solutions, but no systematic approaches have been proposed for the entire country.

With all the organizational and administrative difficulties, some of the school teachers and teaching staff at universities were not prepared to use modern technical teaching aids as they lacked both competence and motivation.

In fact, in April–May, 70% of parents reported that their child had stopped going to school. In the fall, the situation changed, and only 25% of parents reported that their child's school attendance was suspended.

The situation with kindergarten attendance was different: in April, up to 70% of parents stopped taking their children to kindergartens. This trend did not change until November 2020.

Parents have generally had a relatively positive attitude towards distance learning, and some 65% believe that if necessary, their children would easily switch to it. It is worth noting that in spring the attitude towards distance education was slightly better than in November: It was likely the actual implementation of distance education that shifted the attitudes of parents. The main advantages of distance learning over face-to-face schooling were primarily its accessibility to everyone in any place and at any time, as well as the more measured workload.

On the other hand, educational system's preparedness for such a transition was rated very poorly, 4 points out of 10. What's more, there was no clear understanding of what was more important: the advantages or the disadvantages of distance learning. The main disadvantages have been the lack of live communication with peers according to 69% of parents, and the lack of development of social skills, according to 59% of parents. In addition, less 25% of parents believed that the quality of education would improve or at least remain unchanged: most of them expected it to deteriorate. 70% of parents believed that they would have to help their children more with their studies, that their children would have a harder time digesting information, and that they would have trouble organizing themselves.

There has also been direct damage to both teachers and the educational process in general. The press reports on mass morbidity among teachers, non-compliance—or the inability to do so—with protective measures, inaction on the part of administrations with regard to sick children, and the withholding of information about the number of cases. "About 25% of our teachers and many of our technical staff are sick. Not enough people are available, substitutes are constantly coming in. Sometimes you have to teach 11-12 lessons a day." At the same time, the articles emphasize that such actions reflected the position of government authorities rather than of the administrations of individual establishments. Some articles quote the position of government authorities, noting that the situation was not critical, that data was collected daily, and that teachers were

supported financially. Such messages further increased distrust in the educational system as a whole, and regular substitutes, especially non-core teachers, reduce the quality of the education in the eyes of parents.¹⁰⁴

Some experts point out that the COVID-19 pandemic could have a positive impact on the education system: accelerating the introduction of modern technologies, changing the approaches and ways of thinking of teachers. In addition, the attitude of people towards education has changed: many understand that a number of courses can be taken online, and there is no need to travel to other cities. The geographic barriers to obtaining additional professional training have been leveled, which makes it more accessible for people in the regions, since many courses are offered only in Minsk or oblast centers.

However, Belarusians say that changes are unlikely to occur. Fundamental management decisions concerning the educational process were not taken when they should have been and the new 2020/21 school year began as if COVID-19 had never existed. The educational system did not learn any lessons from the first wave.

3.2. HEALTHCARE

The measures taken by the government authorities in healthcare provided financial support for anti-COVID activities, additional payments to doctors, and the introduction of certain quarantine measures: mask-wearing and self-isolation for sick individuals and those who have had contact with them. The effectiveness of measures to prevent the spread of the pandemic has sometimes been questionable due to their advisory rather than mandatory nature and insufficient monitoring of their implementation.

At the beginning of the first wave of the pandemic, the most acute problem was the lack of equipment in healthcare facilities: there was a shortage of personal protective equipment, diagnostic kits, and laboratory capacities. By the end of the first wave and during the second wave, the level of security increased, and the problem somewhat lost its relevance. Meanwhile, during the second wave, the issue of lack of capacity in the healthcare system as such became more acute.

¹⁰⁴ Euroradio.fm, <https://euroradio.fm/ru/edu-gotovyat-tehnichki-uchiteley-ne-hvataet-covid-19-v-shkolah>; Sputnik.by, <https://sputnik.by/health/20201103/1046051991/Roditeli-zhaluyutsya-na-nedostatochnye-mery-profilaktiki-COVID-19-v-shkolakh.html>; Rebenok.by, <https://rebenok.by/articles/stature/difficulty/28571-naprosnloi-nedele-pokhoronili-kollegu-kak-vtoruyu-volnu-epidemy-perezshivayut-uchitelya-kotorye-nadeyalis-nakarantin.htm?psw=9f7e0e061d3cfaebd1c7a3cf6460e7d9&fbclid=IwAR2cfchcTT2Uc-Dc9FgcMV4tggOayCOa6BM7ufJJFrUCeiiZUbd6KS1wPAM>; Belsat.eu, <https://belsat.eu/ru/in-focus/vtoraya-volna-nastupila-v-belorusskie-shkoly-vernulsya-koronavirus/>

The main problem in terms of the healthcare system's response to COVID-19 is insufficient information about the real epidemiological situation. Official statistics are considered underreported and not credible. The dominating opinion in Belarusian society is that the response to COVID-19 on the part of the authorities was inadequate—most of the people believe that the government has not done enough to reduce the level of infection. The situation is extremely complicated by the generally low confidence in the government because of the ongoing the political crisis. As a result, tough quarantine measures and border closures have even less support from the public than in the first wave, but less severe requirements, such as mandatory wearing of masks, are supported by the public and the majority is prepared to follow this rule.

According to experts, the protocols adopted for the diagnosis and treatment of sick individuals are appropriate and in line with international practice.

To support the health sector and public health during the COVID-19 pandemic, the government has taken a number of measures aimed at:

- Providing material support for doctors;
- Financing activities to combat COVID-19;
- Introducing anti-epidemic measures (national, local, and corporate).

To provide medical professionals with material support, a number of steps were taken:

- Presidential Decree No.131 “On material incentives for healthcare workers”¹⁰⁵ dated April 16, 2020, established a monthly bonus for work in conditions associated with infections: work with the infected, first-level contacts;
- Presidential Decree No.169 “On material incentives for employees of organizations providing social services”¹⁰⁶ dated May 18, 2020, provided additional payments to medical staff;
- **As of July 23, the total of BYN 123 million had been paid out.** The monthly remuneration for doctors depended on their workload, the level of danger, and responsibility, and it ranged from BYN 300 to BYN 4,000.¹⁰⁷

At the beginning of the first wave, supplies for healthcare facilities, especially small and regional hospitals and clinics were insufficient. There was a shortage of personal protective equipment, laboratory capacities, tests, artificial lung ventilation devices (ALV), and equipment for non-invasive respiratory support.

¹⁰⁵ Pravo.by, <https://pravo.by/document/?guid=12551&p0=P32000131&p1=1>

¹⁰⁶ Pravo.by, https://pravo.by/upload/docs/op/P32000169_1589922000.pdf

¹⁰⁷ Sputnik.by, <https://sputnik.by/economy/20200727/1045266800/Stalo-izvestno-skolko-doplatili-medikam-za-rabotu-v-koronavirus.html>

The shortage was exacerbated by slow, complicated procurement procedures, which made it impossible to purchase what was needed within the required time frame. The centralized procurement of the first wave was inadequate.

A significant role in solving the problem of provisions was played by volunteer initiatives and private businesses,¹⁰⁸ which purchased and transferred PPEs and other necessary items to healthcare facilities. Some industrial enterprises have since mastered the production of PPEs.

During the second wave, the availability of supplies at healthcare facilities improved significantly. It was possible to ensure necessary items for several months in advance, and reports of a shortage of certain PPEs and medicines have been sporadic: just as in the first wave, this is more common for regional healthcare facilities.

Nevertheless, during the second wave, the problem of the patient capacity of Belarus's healthcare system became aggravated. Even in the first wave, the medical staff could not cope with the load, and not only because of the numbers of patients, but also due to the high morbidity among the healthcare professionals themselves: staff often had to spend nights in their hospitals; senior medical students were even mobilized to help. During the second wave, a significant proportion of additional medical personnel and specialists were redeployed to provide care for patients with COVID-19.

Belarus turned out to be well equipped with hospital beds, which, according to experts, made it possible to reduce mortality during the first wave. As of 2019, the number of hospital beds per 1,000 population is 8.4,¹⁰⁹ compared to 8.0 in Russia, 5.6 in Belgium, and 2.5 in the UK.¹¹⁰

Despite the availability of beds, during the second wave, the capacity of healthcare institutions was strained. A number of hospitals across the country were re-purposed to provide care to patients with COVID-19. For example, in Minsk, the Children's and Adult Infectious Diseases Hospitals, Municipal Hospitals 2, 3, 4, 5, and 6, the National Competence Center for Pulmonology and Phthisiology, and the Republican Clinical Hospital for WWII Veterans with Disabilities were all re-purposed.¹¹¹

In addition, the provision of routine medical care was suspended in a number of regions. In Minsk, the provision of

routine care was partly suspended at the end of October.¹¹² In the beginning of December, the provision of routine care was discontinued by polyclinics in Minsk,¹¹³ and by polyclinics and outpatient clinics in Grodno Oblast.¹¹⁴

According to experts, such re-purposing is likely to lead to a higher morbidity in the future—people cannot or are afraid to visit healthcare facilities, which affects those in advanced stages of chronic diseases. These consequences became noticeable as early as between the first and second waves, when treatment of patients with cardiological, oncological and other diseases became more difficult and protracted than usual.

Still, experts note that the **diagnostic and treatment protocols adopted in Belarus are in line with international practices.** They are developed and updated with input from regular studies of international experience. In other words, patients are treated properly in Belarus. **The lack of capacity in the healthcare system could be mitigated by a different approach to preventive medicine.** Such measures were taken at the national, local and corporate levels, but they were implemented later than they should have been, were often merely advisory in nature, and were generally not monitored.

Some of the nationwide anti-epidemic measures included:

- Limiting the number of visits to government agencies and extending the validity of certificates and other documents in the event of their expiration. The last extension was introduced by Presidential Decree No.442¹¹⁵ dated November 25, 2020, extending documents to May 10, 2021.
- MART established anti-coronavirus guidelines for sales and catering, including wet cleaning, wearing masks, and so on.¹¹⁶

In March, the Council of Ministers decreed a restriction on holding events with foreign participants until April 6.¹¹⁷

For an indefinite period, additional measures were instituted, such as limiting the number of guests at the registration of marriage, allowing the submission documents for approval company names through the Unified Government

¹⁰⁸ See Section 3.5 "Civil society" for details.

¹⁰⁹ Belstat.gov.by, https://www.belstat.gov.by/viewer/?doclink=https://www.belstat.gov.by/upload-belstat/upload-belstat-excel/Oficial_statistika/Godovwe/Osn_pokaz_zdrav-19g.xls#1

¹¹⁰ Oecd.org, <https://data.oecd.org/healthq/hospital-beds.htm>

¹¹¹ Sputnik.by, <https://sputnik.by/health/20201025/1045983165/Kovidnyy-profil-Minzdrav-Belarusi-monitorit-bolnitsy-v-usloviyakh-pandemii.html>

¹¹² Belta.by, <https://www.belta.by/regions/view/v-minske-chastichno-priostanavlivaetsja-okazanie-planovoj-medpomoschi-412974-2020/>

¹¹³ Belrynok.by, <https://www.belrynok.by/2020/12/04/polikliniki-minska-prekrashhayut-okazanie-planovoj-pomoshhi/>

¹¹⁴ Vgr.by, <https://vgr.by/2020/12/05/polikliniki-i-ambulatorii-grodnenskoy-oblasti-priostanovili-okazanie-planovoy-medicinskoy-pomoshhi-cto-eto-znachit/>

¹¹⁵ Pravo.by, <https://pravo.by/novosti/novosti-pravo-by/2020/november/56847/>

¹¹⁶ Sputnik.by, <https://sputnik.by/health/20200601/1044814885/MART-razrabotal-antikoronavirusnye-rekomendatsii-dlya-torgovli-i-obschepita.html>

¹¹⁷ Belta.by, <https://www.belta.by/society/view/v-belarusi-do-6-aprelja-ogranichat-massovye-meroprijatija-s-mezhdunarodnym-uchastiem-383076-2020/>

Registry portal (Council of Ministers Resolution No.305 “On measures to prevent the spread of infection caused by coronavirus COVID-19”¹¹⁸).

In November 2020, due to the spread of COVID-19, some border crossings were closed.¹¹⁹ On December 20, a temporary ban was introduced on leaving the country through ground border crossings.¹²⁰

To reduce the rate of the spread of the coronavirus, a **self-isolation regimen** was also introduced for individuals:

- Mandatory quarantine for 14 days for all visitors from abroad, which was later reduced to 10 days (Council of Ministers Resolution No.171 “On measures to prevent the importation and spread of infection caused by the COVID-19 coronavirus”¹²¹ and Council of Ministers Decree No.591). The list of qualifying countries is regularly updated by the Ministry of Health;
- Council of Ministers Resolution No.208 “On the introduction of restrictive measures”¹²² introduced mandatory self-isolation for an indefinite period of time and liability for non-compliance with it (a fine of up to 50 base values) for those infected with COVID-19, and 1st and 2nd level contacts;
- MOH Decree No.49 “On the extension (reduction) of periods of individual self-isolation”¹²³ outlined cases requiring an extension to the period of self-isolation (a positive test, or an incomplete test for 1st level contacts).

The local and corporate measures included:

- In March–April, local authorities adopted action plans to prevent and reduce the spread of acute respiratory infections, including those caused by COVID-19. The plan included recommendations for measures to prevent employees with symptoms from working, to limit business trips, and to cancel mass events.
- Starting April 15, Belarusian Railways applied a new seating scheme for trains with numbered seats.¹²⁴
- In November, in some regions, local authorities decided to limit the opening hours of dining, recreation, entertainment, and gambling establishments to 23:00. Holding presentations, promotions and other events in public places was prohibited.

Also, some local decisions were made concerning **wearing masks**:

- At the national level, wearing masks in public places was only a recommended measure in the spring. A mandatory mask-wearing regime was introduced in Grodno and Kirov Oblasts, but it was not enforced and was effectively ignored.
- Since November 17, mask-wearing has been declared mandatory everywhere until further notice. It is required when visiting public facilities, in transport. Outdoors, people can be without a mask. Failure to comply can lead to fines for the heads of organizations (a fine of up to 500 basic units, or BYN 13,500); for individuals responsibility is not stated, but the idea is still under consideration.¹²⁵
- The overwhelming majority of Belarusians—over 80%—consider this measure to be appropriate and even more of them say they are prepared to comply.

People **are aware of the danger of coronavirus**, with fewer than 25% agreeing that the danger of coronavirus is exaggerated and the worst predictions did not come true.

Nevertheless, in cases where the measures are advisory in nature and their observance is not monitored, people violate self-isolation and quarantine rules, and they do not wear masks¹²⁶ Employers sometimes fail to grant sick leave to employees with COVID-19 symptoms and also fail to take measures to protect their employees and their customers.

Of course, the **pandemic in general and the proposed measures in particular would be perceived much more seriously if the public’s need for reliable, complete and understandable information were satisfied**. The national health system publishes much data, but its quality and structure is questionable.¹²⁷

- Ministry of Health statistics raise doubts about their veracity. The weekly MOH press conferences were a good and well-received initiative, but they were only held for one month.
- The websites of healthcare institutions of all levels contain a wealth of information about the disease, its symptoms, methods of prevention, and so on, but Belarusians do not generally use hospital or clinic websites to get information on prevention. Healthcare facilities are perceived as a place for those who are

¹¹⁸ Government.by, <http://www.government.by/upload/docs/file22cca6044d8b482c.PDF>

¹¹⁹ Tut.by, <https://news.tut.by/society/707530.html?c>

¹²⁰ Bbc.com, <https://www.bbc.com/russian/news-55249291>

¹²¹ Government.by, <http://www.government.by/upload/docs/file10035c84c92d9a81.PDF>

¹²² Pravo.by, https://pravo.by/upload/docs/op/C22000208_1586379600.pdf

¹²³ Pravo.by, <https://pravo.by/document/?guid=12551&p0=W22035351&p1=1>

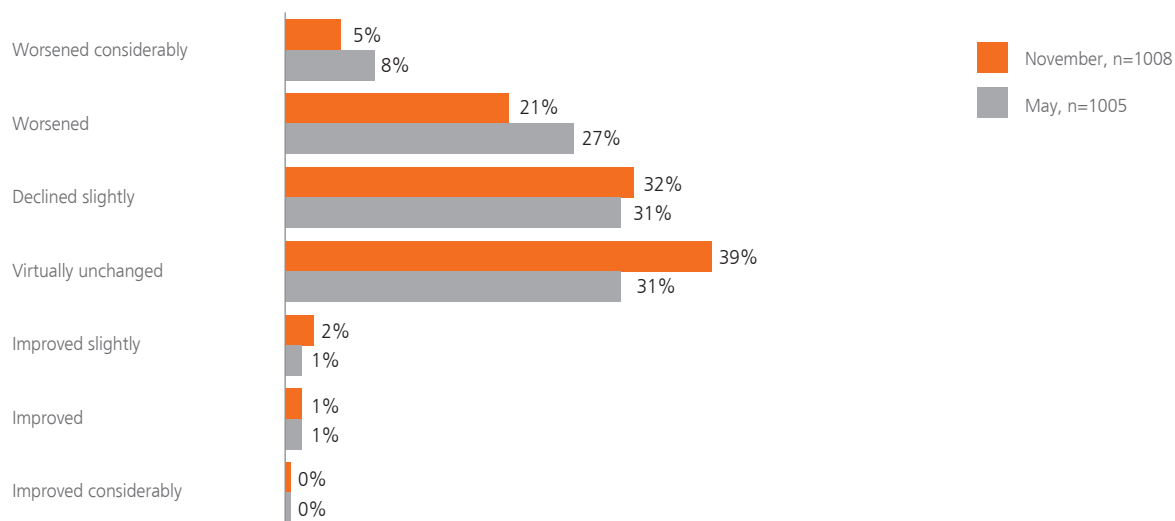
¹²⁴ Rw.by, https://www.rw.by/corporate/press_center/news_of_passengers/2020/04/beloruskayan/azheleznayan/adorogan/avvoditn/avn/apoezdakhn/asn/anumerovannymin/amestamin/arassadkun/asn/auchetomn/arekomend/

¹²⁵ Officelife.media, <https://officelife.media/news/21637-masochnyy-rezhim-prishel-v-minsk-kakoe-nakazanie-i-komu-grozit-za-otsutstvie-masok/#:~:text=%D0%92%D0%A0%D0%BE%D1%81%D1%81%D0%B8%D0%B8%2C%20%D0%B5%D1%81%D0%BB%D0%B8%20%D0%B2%D1%8B%20%D0%BF%D1%80%D0%B8%D0%B4%D0%B5%D1%82%D0%B5,%D1%8E%D1%80%D0%BB%D0%B8%D1%86%D0%BE%20%E2%80%94%20%D0%BF%D0%BE%D1%87%D1%82%D0%B8%20%D0%B4%D0%BE%2010%20%D1%82%>

¹²⁶ For more details on the protection measures taken by the citizens, see section 3.4 “Behavioral changes.”

¹²⁷ 24health.by, <https://24health.by/bioeticheskie-aspekty-pandemii-urok-kotoryj-nuzhno-vyuchit/>

Fig. 20

Changes in family well-being

Source: SATIO Survey, November 2020.

already sick and need treatment, when it is already too late for prevention.

- Belarusians mostly use alternative resources—news sites, websites of civic initiatives, Telegram channels, and so on—, where information is not always correct or complete, and is sometimes even completely false.
- In the situation with the political crisis, growing mistrust in the state in the matters of the pandemic has become obvious: 40% of Belarusians agree with the opinion that “the government introduced lockdown measures mainly to fight political opponents, and COVID-19 has nothing to do with that.” The same number disagree.

In addition to insufficiently serious perceptions of the danger of COVID-19, poor awareness has led to other consequences:

- A decline in public trust in the healthcare system as a whole;
- The perception that the government is not doing enough to combat the pandemic;
- Rising anxiety among the population.

The lack of awareness has sharply exacerbated the problem of trust in the entire healthcare system:

- 62% are not sure that they will be able to receive adequate and qualified medical care if they get seriously ill.
- People do not visit healthcare facilities because they are afraid of being infected and are not sure that they will receive the necessary assistance.¹²⁸
- Lacking reliable statistics, health experts are unable to make correct and informed decisions to counter the pandemic.

Due to poor awareness, **Belarusian society has serious expectations of a government response to coronavirus:**

69% believe that the government has not done enough to reduce spread of the coronavirus. 77% see the need to introduce strict penalties for those whose behavior contributes to the spread of virus, and 35% agree that large fines should be imposed for risky behavior. The most frequently mentioned measures that respondents thought would be advisable for the country included:¹²⁹

- Mandatory mask-wearing (introduced, but not enforced);
- Greater awareness of how the coronavirus spreads;
- A ban on all social events;
- Mandatory transition of all possible jobs to remote work;
- Permission for individuals to recover from the virus at home in the absence of serious symptoms.

Radical lockdown measures, meaning a lockdown of all educational institutions and all retail facilities, the imposition of a curfew, closing down borders, are very unpopular with Belarusians. If they should be introduced, additional “softening” clauses are expected, as less than 6% consider a total lockdown an appropriate measure:

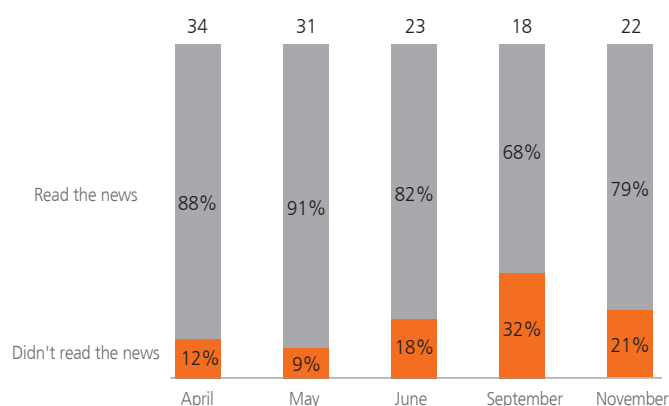
- Leaving the house is permissible on condition of maintaining social distancing;
- Going outside once in a while for a short time will be allowed;
- Meetings of no more than 3 persons will be permitted.

Moreover, radical lockdown measures are unpopular not only with ordinary people, but also with businesses: 67% of companies are confident that abandoning the lockdown during the first wave was the right decision.

¹²⁸ For more details see section 3.4 “Behavioral changes.”

¹²⁹ Based on a survey by SATIO and BEROC

Fig. 21
Interest in news about coronavirus and average time spent receiving it, minutes



Source: SATIO Survey, November 2020.

Despite the larger-scale nature of the second wave, in November fewer respondents than in April were eager to agree to such measures as banning all events (74% in April), lockdown for educational institutions (52%), and border closures (38%). Only the transfer to remote work and treatment at home became more popular than in April.

It is very likely that lack of awareness may have increased an already high level of anxiety among Belarusians due to the pandemic. Generally speaking, 75% consider coronavirus an unpredictable disease, 69% feel irritated when other people come too close to them in public places, 52% would like to self-isolate in a separate place if possible, and 43% sometimes worry about whether they could have contracted the coronavirus in the places they visited. On the other hand, it is causing deep emotional shifts: 80% imagine how one day walking down the streets and communicating will be safe again; 66% try not to think about the risk of infection when they go out; 32% think that they will not have time to achieve anything in life due to the coronavirus. In terms of protection, 43% believe that they personally are not doing enough to protect against coronavirus, and 82% are thinking about strengthening their immunity.

3.3. SOCIAL PROTECTION

As part of the survey, more than half of the respondents noted that the well-being of their families had deteriorated. The most popular support measures for such families were the caps on food prices (56%), the reduction of rates for rent and utilities (44%), and cash benefits for 2-3 months (30%).

During the COVID-19 pandemic, the well-being of the population deteriorated. At the beginning of the pandemic, more than 60% of respondents indicated a deterioration in the well-being of their families over the previous month. After half a year, assessment barely changed: 58% reported that their well-being had deteriorated to some

degree. In November, respondents reported deterioration mainly among families with low and medium incomes.

In November, the following were named the most demanded measures of support from the government: the ban on food price increases (56%), the decrease in rates for housing and utility services (44%), the lump-sum cash allowance for 2-3 months (30%) and a reduction in the tax and loan burden (25% and 21%). The need to reduce rates for housing and utility services and control prices was mainly voiced by respondents with low income levels.

To support and ensure social protection of the population in the context of the COVID-19 pandemic, the government has taken a number of measures aimed at:

- Regulation of prices for socially significant goods;
- Regulation of tariffs for laboratory diagnostics services.

To achieve the goal of **regulating prices** for goods and services, the following steps were taken:¹³⁰

- Temporary government regulation of prices for masks and disinfectants;
- Limiting the level of profitability for importers of socially significant goods—no more than 10% by the end of the year;
- Regulation of medical diagnostics rates.

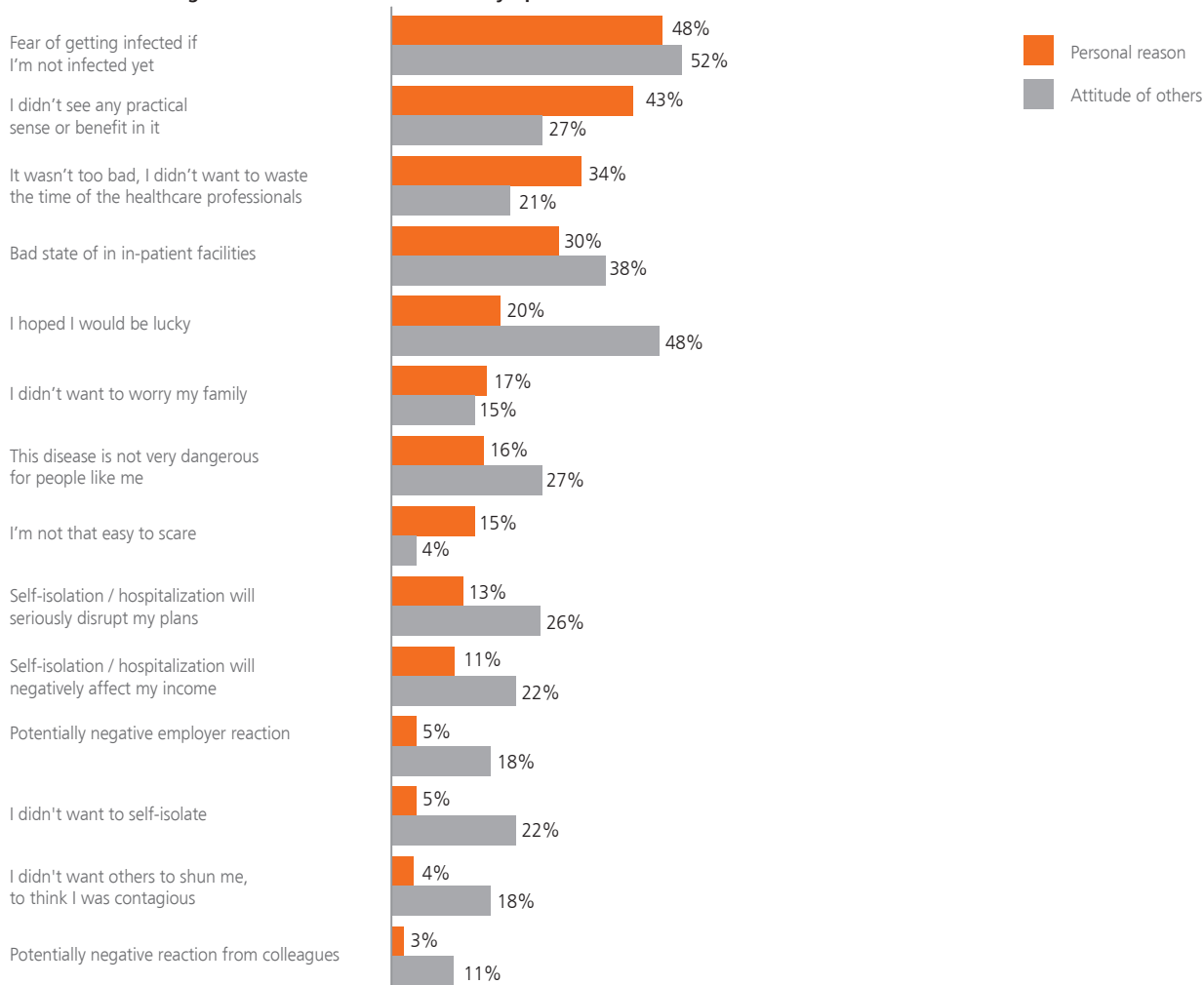
To provide people with the necessary medical supplies:

- RUE Belpharmacia was designated as the single operator for the sale of the entire range of PPEs in Belarus, while RUE Belmedtekhnik was charged with supplying them to healthcare facilities;¹³¹

¹³⁰ For more details see Section 1.3 “Analysis of economic measures adopted to support sectors impacted by COVID-19.”

¹³¹ Finance.tut.by, <https://finance.tut.by/news680052.html>

Fig. 22

Reasons for refusing to see a doctor with COVID-19 symptoms

Source: SATIO Survey, November 2020.

- A temporary ban was imposed on the export of PPE from Belarus;¹³²
- Limits were introduced on the sales of masks, antiseptics and some medicines to a single person.¹³³

Compared to May, more respondents indicated that they did not need any help from the government in November, although the share of such respondents remained under 5%. This suggests that the measures taken to provide social support to the public were not effective enough. Moreover, the measures respondents considered necessary were not taken.

3.4 BEHAVIORAL CHANGES

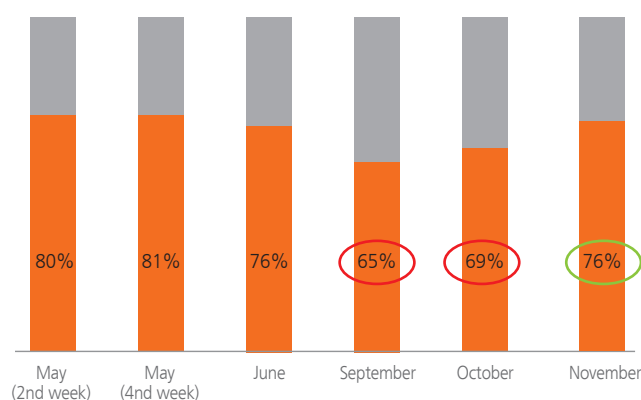
While the attention towards the coronavirus partly faded over the summer—without ever going completely—, by November it grew again. Most people follow the news about the coronavirus, but spent less time on it in November than before. Theoretically, they just did not need to spend as much time as before, looking up symptoms, protection measures, and sticking to some social distancing measures: more often they simply reduced the number of personal contacts. By November, many began to comply with protective measures and the proportion of those wearing masks in public increased significantly. With the threat of the coronavirus, attitudes towards healthy eating improved—possibly also for economic reasons.

By November, concerns about contact with people with a confirmed diagnosis changed: fewer people were now prepared go to see a doctor at once in such a situation. What's more, many began to fear visiting healthcare facilities because of what they

¹³² Pravo.by, <https://pravo.by/document/?guid=12551&p0=C22000149&p1=1>

¹³³ Minzdrav.gov.by, <http://minzdrav.gov.by/ru/novoe-na-sayte/ob-ustanovlenii-norm-edinovremennoy-realizatsii-na-nekotorye-tovary/>

Fig. 23

Share of those following social distancing measures (among those aware of this concept)

Source: SATIO Survey, November 2020.

perceived as a high probability of contracting the coronavirus.

The coronavirus has become an important component of the information agenda in Belarus: **some 80% follow the news on the pandemic**. After April–May, people began to spend less time watching such news, and in September the attention went down even further, but by November it started to grow again although it did not reach spring levels. The likely reasons for the decrease over time was that information about COVID-19 was better and more systematized, that people had focused on specific sources of information, or that attention shifted to the political crisis and other developing events.

Most people have been taking protective measures responsibly: in November, only 4% of people admitted that they did not comply with such measures at all, versus 12% in September, the peak indicator for the monitored period.

Coincidentally, it was in November that the share of people who began more strictly observing such measures increased dramatically: 47% noted that they were following safety measures more strictly, versus 3% in September and 12% in June. In September, some “laxity” was noticed in this regard, when 52% began to be less strict about safety measures.

The main protective measure followed in November were the use of masks in public places, practiced by 93%. Other popular measures included frequent hand washing for 81%, using antiseptics for 70%, maintaining social distance for 63%, and avoiding social events 63%. Coincidentally, the level of the use of masks increased in November, most likely because it was declared mandatory by the government: In June, 61% of respondents wore masks but only 40% in September.

Indeed, in June, a larger number of Belarusians complied with some of the measures—including lower attendance at public events and reduced use of public transport, the use of antiseptics, avoiding handshakes, maintaining social

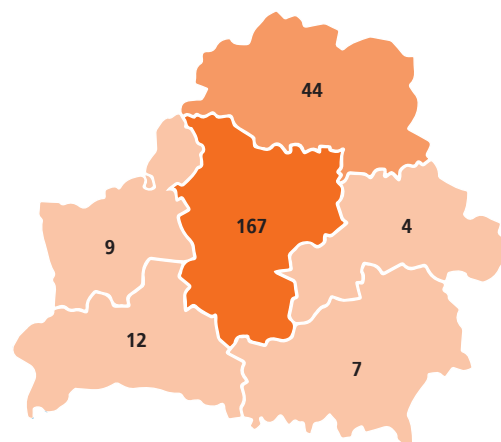
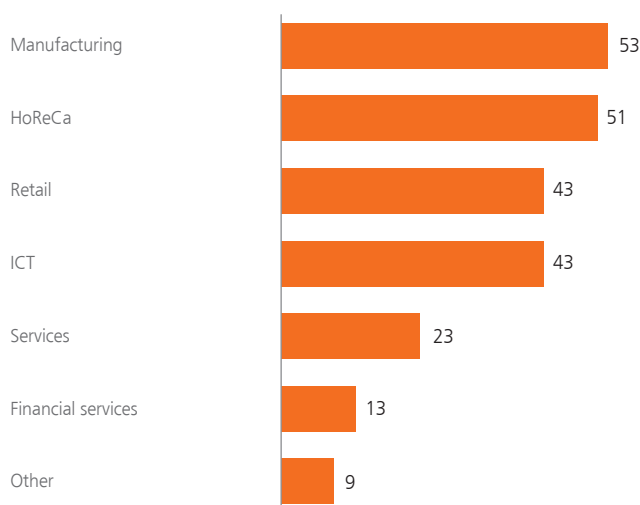
distance, and sending children to school/kindergarten. Some of the measures lost popularity in September, but became relevant again by November, such as refusing to go out and reducing the number of visits to stores, wearing a mask in public places, sending children to school/kindergarten, or remained popular at the June level. There was an increase in the number of online orders and people choosing to pay by card.

Since June, concerns about contacts with someone diagnosed with coronavirus have changed: although most of the respondents would go to a healthcare facility only if any symptoms of coronavirus appeared, in November there was a drop in the share of those who would do so immediately, falling from 27% in June to 16% in November; the proportion of those who would apply only if they had severe symptoms grew from 24% to 38%. This indicates some weakening of the fear of contracting the virus, and also suggests that people are more likely to choose to recover from coronavirus at home if their symptoms are not serious. In November, 69% of those who suspected they had the coronavirus refused to go to a healthcare facility, compared to 77% in June. At the same time, there was a clear discrepancy in the real reasons and understanding of such behavior in others: the main reason is actually fear of being infected, if the person was not infected yet; but similar behavior among others was often explained by the assumption that they would somehow “pull through”.

Four out of five people in Belarus **have heard about the concept of social distancing**, a level of awareness achieved at the very beginning of the pandemic (in May) and has not changed since then. The smaller the population center, the lower the age and educational level, the lower the awareness of the concept. The share of those who actively adhere to social distancing fell from 80% in May to 65% in September, but **by November the popularity of social distancing had grown again**.

In particular, most people tend to maintain a physical distance of 1.5–2 meters with strangers—this is practiced by

Fig. 24

Number of initiatives by industry and region

Source: SATIO Survey, November 2020.

70% of people. Other measures of social distancing, such as reducing the use of public transport, reducing shopping and, in general, leaving home less, are slightly less popular, but also common and are practiced by about 50%.

Also at the beginning of the pandemic, people were more radical when it came to communicating: while in May 27% of people completely abandoned face-to-face communication, by October this was down to 7%, picking up slightly in November again. Nevertheless, in general, about 66% of respondents said that they had reduced the number of personal contacts significantly without avoiding them altogether.

People began to exercise at home more: many stopped attending gyms and began to avoid group exercises or classes outside home, without stopping to go in for physical activities altogether. People who played outdoor sports before the pandemic now do it even more often, compared to others, but generally Belarusians avoided outdoor sports. Those who went to gyms were more likely to avoid physical activities outside home, and their family members tended to stop engaging in sports.

3.5. CIVIL SOCIETY

The challenge of joining efforts to combat the COVID-19 pandemic has led to a strong civil society forming in Belarus, capable of self-organization for mutual support and helping Belarusians effectively cope with internal tensions in the country.

Still, there is plenty of potential for more volunteer initiatives: at the moment, public awareness of civil initiatives and organizations involved in helping healthcare workers in the fight against COVID-19 is low.

An inadequate government response has forced business and society as a whole to unite and start a serious volunteer movement to counter the threat of the virus. On March 2, 2020 the Andersen Company transferred USD 10,000 to doctors in Minsk for “Cola with pizza.” As the number of infected Belarusians grew, more and more business initiatives emerged.

From April to July, over 220 Belarusian companies were involved in at least 264 social initiatives to combat COVID-19, and businesses were especially active in such initiatives in the early stages of the pandemic.¹³⁴

Companies from all industries were involved in such initiatives, often where there was a particularly high incidence rate, such as in Minsk and Vitebsk Oblasts (167 and 44 initiatives).

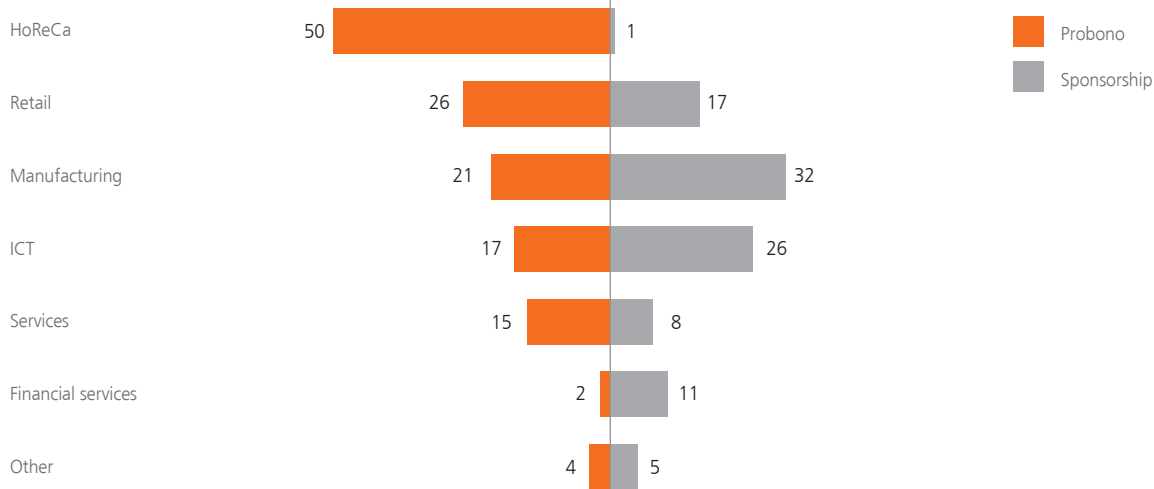
Businesses helped to the best of their ability and capabilities: companies in the HoReCa¹³⁵ segment were more active in helping with their products and offering delicious meals to doctors. For instance, the Grillman restaurant was closed to guests for about three months. Over this time, the restaurant prepared 39,000 meals for medical staff. This is where “Get a meal for a doctor” started, which was then picked up by other organizations.

Companies whose own products were not suitable for helping doctors, such as IT, manufacturing or financial services, helped financially: in total, more than USD 2 million was transferred, not counting donations to the Ministry of Health.

¹³⁴ CSR Map, <https://covidconomy.by/csr-mapping>

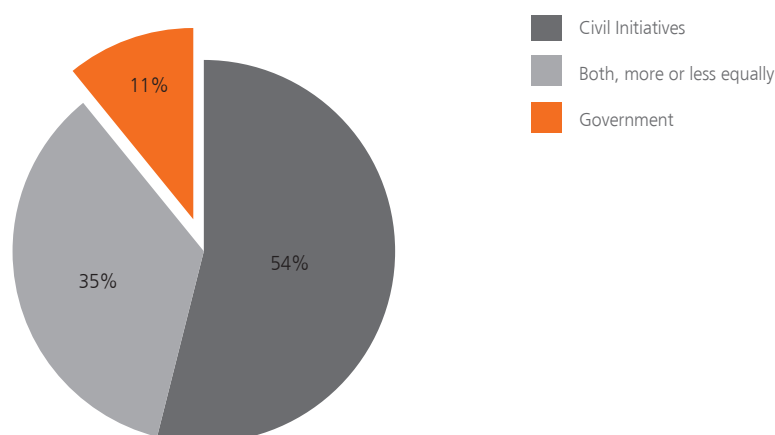
¹³⁵ The segment of the service sector covers the services of hotels, inns, guest houses, apartment rentals, as well as restaurants and cafes.

Fig. 25
CSR initiatives, by industries



Source: SATIO Survey, November 2020.

Fig. 26
Healthcare workers received more help with the shortage of equipment and PPEs during the first wave of coronavirus...



Source: SATIO Survey, November 2020.

IT companies made a particularly significant contribution, donating more than half of the total.

All this had a great impact on the strengthening of civil society—during the first wave of the COVID-19 pandemic, in the face of a common problem, Belarusians actively organized themselves to help each other.

Thanks to this strong consolidation, the #BYCOVID19 campaign was created—a Belarusian fundraising initiative to support doctors. It became a unique example of cooperation among the public sector, business and civil society.

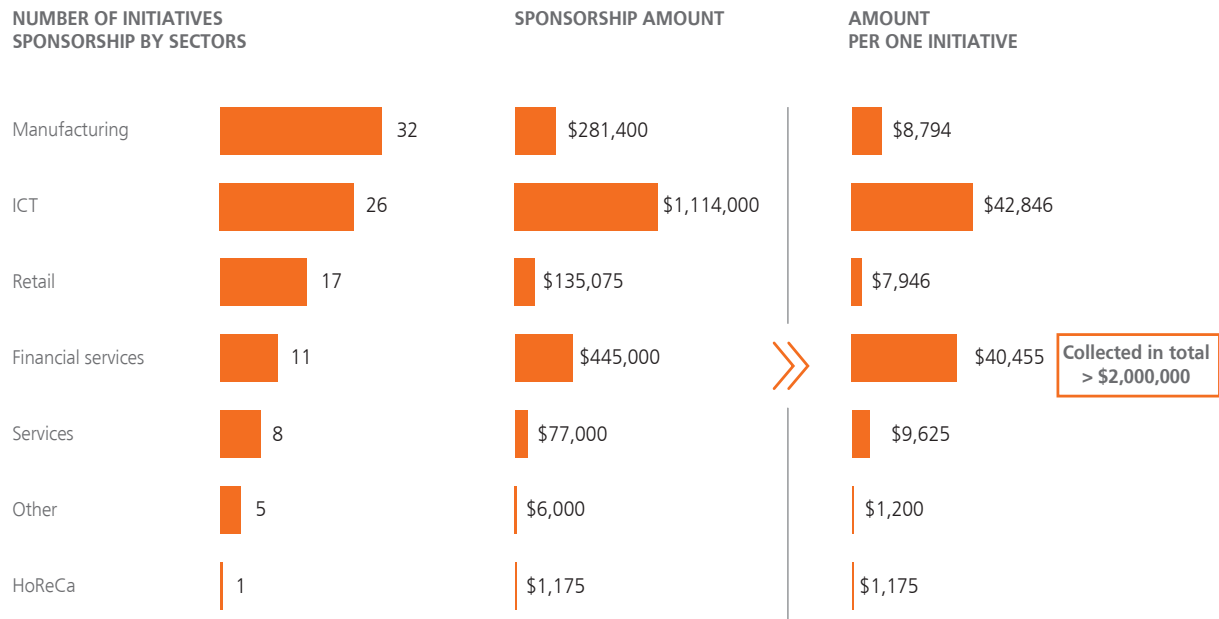
This campaign served as a model for other projects that borrowed some of #BYCOVID19's approaches and implemented them independently in their cities, helping with PPEs.

Within the framework of #BYCOVID19, assistance in the form of more than 1,000 units of medical equipment and 354,000 PPEs was provided to 483 healthcare facilities in Belarus.

Spring 2020 became a catalyst for many processes that are now taking shape in Belarusian society against the backdrop of the political crisis.

According to #BYCOVID19 founder Andrey Strizhak, **Belarusian society has become more mobile, determined and reflective. Moreover all the processes have accelerated greatly due to the fact that civil society found an entry point with COVID-19**, felt its strength, and now wants more in-depth changes.

Fig. 27
Sponsorship (by industries and initiatives)



Source: SATIO Survey, November 2020.

The experience of building civil society during the pandemic has meant that Belarusians now find it much easier to organize themselves to deal with the internal turmoil in the country: provide first aid, deliver water and food during street protests, and set up volunteer camps near remand prisons.

In August, the #BYCOVID19 initiative was renamed #BYHELP. Through this initiative, Belarusians raised over USD 1.7 million to support 4,200 of their fellow citizens: to cover fines, pay for medical care, pay lawyers' fees, and even pay for stays in the remand prisons. A like-minded foundation called #BYSOL raised over USD 1.6 million.

Despite all this, **Belarusians are largely unaware of the work of civic initiatives and organizations** that were helping healthcare workers in the fight against COVID-19: 90% of respondents could not remember the name of any such initiative. Most of those who are aware of such initiatives **describe the role of the government** in supporting healthcare workers during the first wave of the pandemic from April to June as **extremely low**. 11% believe that the government helped to cope with the situation to a greater extent, 54%—that civil initiatives did.

Most people believe that initiatives to help the elderly with their daily lives **are a top priority**—56% of respondents in November. A slightly smaller share prioritizes **fundraising initiatives and purchase of ventilators and COVID-19 tests**, 40% and 31%, each. Approximately the same number consider it important to provide free travel for health

workers and collect PPEs for them and for social workers. More radical initiatives, such as placing healthcare workers in hotels, re-purposing enterprises to make PPEs are less often considered a priority, and in November they even lost some of their popularity compared to April figures.

In November, there was still **substantial potential for the development of civil society initiatives**. Among the people who had heard of an initiative aimed at countering the pandemic, there is a large proportion of those who are not involved yet, but would like to become a volunteer or donate money: in November, the share of such individuals was 28%, versus 15% who are already involved to some extent.

Still, **public demand for civic initiatives remained unsatisfied due to restrictive actions on the part of the government**. As members of the #BYCOVID19—assistance to doctors in Belarus initiative posted on Telegram: **"Right now, interaction between the #BYCOVID19 campaign and the government is impossible... it is impossible to organize convenient, transparent fundraising in Belarus... the co-founders of #BYCOVID19 had to leave Belarus due to persecution by the government... today we cannot risk our people... #BYCOVID19 will not be restarted in its previous format."**¹³⁶

¹³⁶ Telegram-channel "ByCovid19—support for doctors in Belarus," <https://t.me/bycovid19/464>

SECTION 4. IMPACT ON CERTAIN POPULATION GROUPS

Until now, the most vulnerable population groups from the epidemiological standpoint have not been clearly identified, although there are certain population groups whose socio-demographic status or state of health put them at a higher risk: elderly people, prisoners, the homeless, those in nursing homes for the elderly and disabled, singles, pregnant women, those with chronic diseases, patients in hospices, and so on. These population groups, of course, are experiencing the consequences of COVID-19 associated with the complicated access to medical services due to the suspension of the provision of routine medical care and the re-purposing of healthcare facilities to a much greater extent than other groups.

Special attention need to be paid to medical professionals: they are clearly at the highest risk of contracting COVID-19, while those who can limit direct contacts, such as remote workers, are threatened to a much lesser extent.¹³⁷

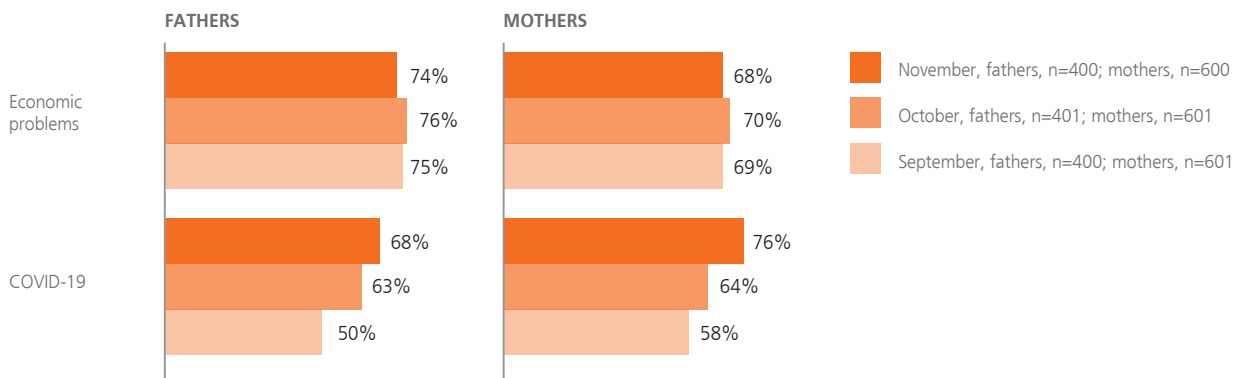
GENDER DIFFERENCES

Despite the fact that the “female” industries have suffered from the economic crisis, women perceive the economic impact less significantly: they worry about COVID-19 and resort to self-limitations more often than men. Coincidentally, men generally view coronavirus less seriously in terms of threats to life and health, but have the most negative expectations regarding the impact of the pandemic on the economy and welfare. In general, gender is not a decisive factor in the situation with the coronavirus crisis in Belarus.

- Fathers, when assessing the impact of various phenomena on their lives, more frequently point out the economic problems, while mothers point to the coronavirus pandemic.
- More than 50% of men reported a decline in their income, and 40% believed that their income would continue to decline over the next month. Women experienced a decline in income slightly less often: 47% noted a decline and 33% expected a further decline.

Fig. 28

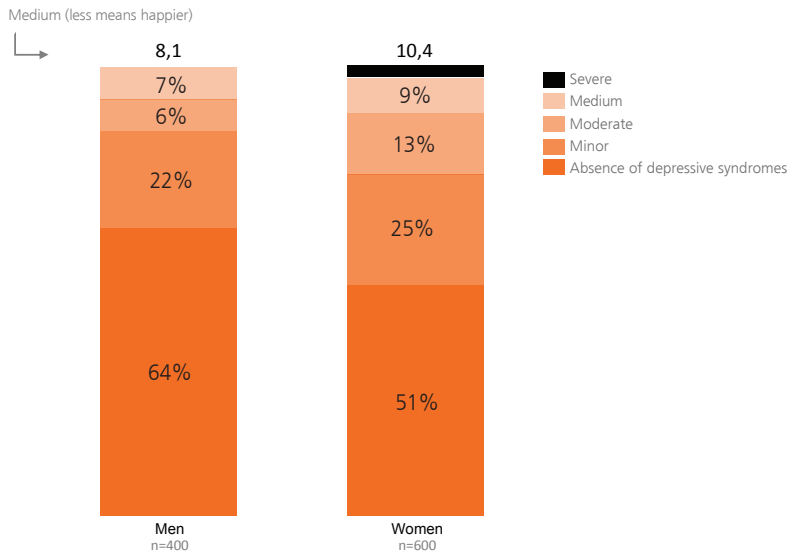
Impact of events on the life of parents



Source: SATIO Survey, November 2020.

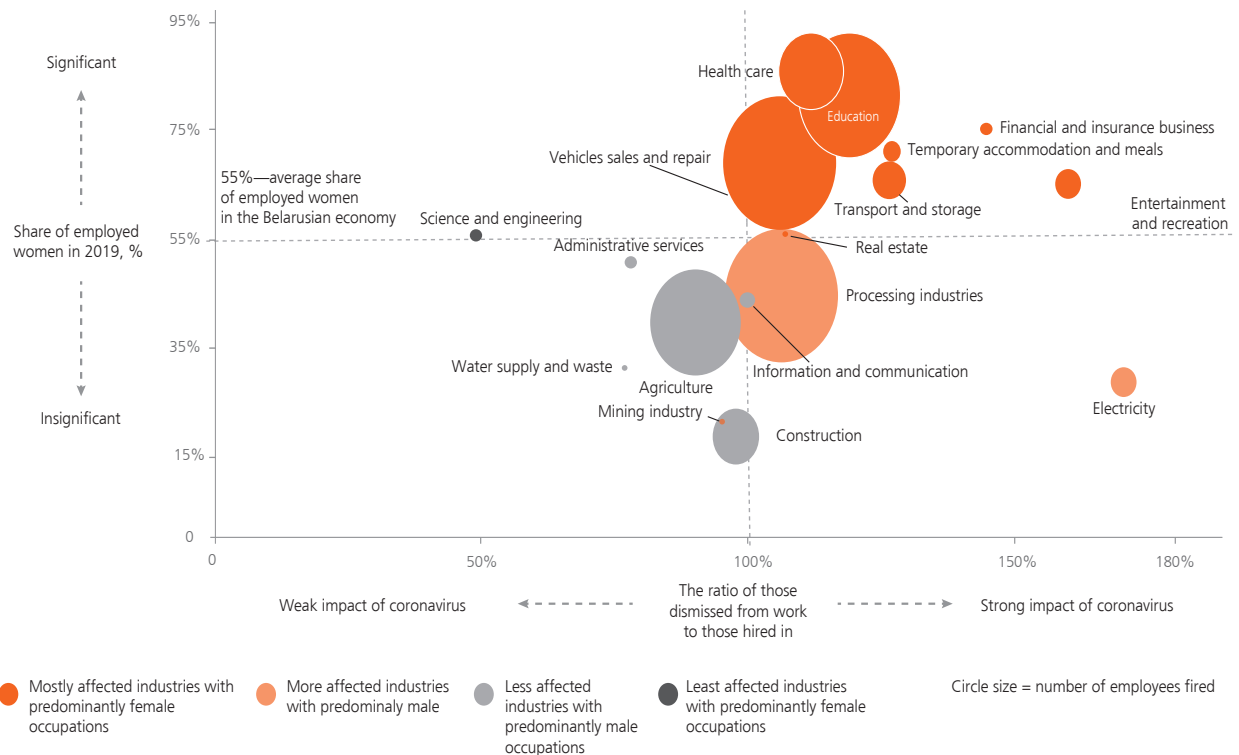
¹³⁷ 24health.by, <https://24health.by/bioeticheskie-aspekty-pandemii-urok-kotoryj-nuzhno-vyuchit/>

Fig. 29
Depression level according to BDI



Source: SATIO Survey, November 2020.

Fig. 30
Impact of the COVID-19 pandemic on employment in Belarus. Gender aspect



Source: Belstat.gov.by,
<https://www.belstat.gov.by/upload/iblock/c17/c1758aafc21ec069dafba92b27dea768.pdf>;
https://www.belstat.gov.by/ofitsialnaya-statistika/socialnaya-sfera/trud/operativnaya-informatsiya_8/chislenost-prinyatykh-i-uvolennykh-rabotnikov-v-organizatsiyakh-respubliki-belarus/

- The psychological impact of the situation with coronavirus on mothers is indirectly expressed in the increased level of depression, which they showed signs of more often than fathers.

The pandemic has encouraged men to take **more measures to preserve their savings** and to prevent their depreciation: after losing confidence in the ruble, they more frequently bought foreign currencies or durable goods. Trust in foreign currency was also manifested in attitudes towards banks: about 33% of men were more likely to keep their savings in a bank with western capital, versus only 19% of women. 22% of women tended to consider Belarusian banks more reliable, versus 17% of men.

Having felt changes in income **more strongly, men remained more pessimistic** about the further course of the pandemic: 66% believed that the situation would worsen, versus 58% of women.

More than 50% of men expect a protracted economic crisis and a sharp decline in economic indicators, while women are more likely to assess the recovery period in the range of 6 to 12 months.

- The negative expectations of **men are associated with deteriorating economic indicators** (depreciated ruble, reduced income, forced vacation), while **women are afraid of epidemiological aspects** (overloaded healthcare system).
- The most likely event for all is an increase in the number of COVID cases.

That said, there is a certain paradox: women make up a large share of industries that, by the end of 2020, were likely to experience the steepest decline associated with COVID-19.

Mothers and fathers had approximately the same attitude towards switching their children to distance learning, with almost 50% of the parents expressing a positive attitude, but at 72%, **mothers more often noted that distance learning worsened the quality of the educational process**, than fathers, at 64%.

Depending on their gender, **parents have different views on the disadvantages of distance learning**: fathers more often note the lack of contact with the teacher and live communication with classmates, while women are worried about the quality of absorption of knowledge and the decline in motivation to study.

- This may be due to the fact that when switching to remote work, women more often than men faced the “non-working atmosphere” at home (27% versus 10%) and distractions presented by household chores and family matters (35% versus 10%).

As for the personal fears, while **men are more often afraid of losing their jobs** (22% versus 13%), **women care about**

the growth in the number of infections (9% versus 4%) and overloading of Internet providers (9% versus 4%).

The measures against COVID-19 are perceived roughly the same by both sexes: the overwhelming majority of men and women consider the introduction of mandatory mask-wearing as appropriate. However, **men** much more likely to see **the lockdown measures as related to the political crisis** and a way of quashing political opponents (45% versus 34% of women).

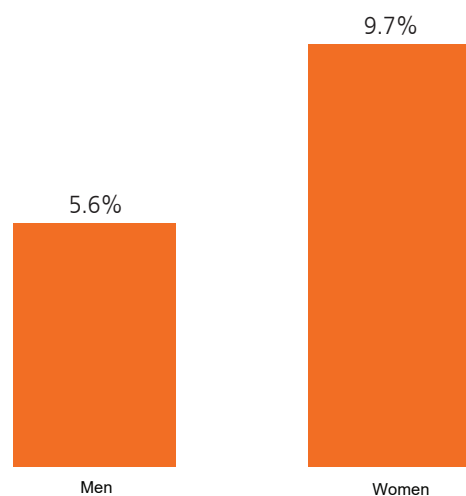
Women consider the regulation of food prices (62% versus 49%) and the increase in child benefits (12% versus 7%) to be more urgent government measures.

Both now and 1.5–2 months ago, **women tended to observe significantly more prevention measures** than men: they attended public events less often (67% versus 58%), used PPEs more often (75% versus 65%), maintained social distancing (68% versus 58%), left home less often (54% versus 37%), and went shopping less frequently (57% versus 39%).

Among those who often communicated with friends before the coronavirus, women were much more likely than men to report that they had reduced the number of get-togethers (69% versus 60%).

It can be assumed that the observance of prevention measures at earlier stages contributed to the fact that women in cities were less likely to get sick with COVID-19 (2.1% versus 5.5% of men in September), but the number of cases was growing almost twice as fast among women as among men. By November, women slightly outpaced men: 11.8% versus 11.1%.

Fig. 31
Increase in COVID cases from September to November 2020



Source: SATIO Survey, November 2020.

Due to the increase in the number of people who stayed at home during the pandemic or switched to remote work, the household burden on women increased. Thus, men in general were less likely to perform certain types of work and practically did not change their attitude to those activities with the onset of the pandemic. Such changes can entail the growth of family conflicts and higher levels of stress for women.¹³⁸

The residents of Minsk are best aware of the concept of **social distancing** (88% compared to 74% in cities with under 100,000 people).

PEOPLE WITH DISABILITIES

During the pandemic, vulnerable population groups were more exposed to risks associated with COVID-19, including specific issues such as loss of access to regular treatment, reduced support from non-profit initiatives, difficulties obtaining and extending status of a person with a disability.

In addition to the expected consequences of the coronavirus (reduced number of offline events for people with disabilities, cancelled planned projects in this sector, complications with access to medical services), there have been some more specific problems. Thus, at present **routine care is not available at healthcare facilities** because they have been re-purposed: only emergency care is provided. Moreover, there are now **problems with getting the disability status** if the individual did not have this status before: there are not enough specialists to review cases now. Obviously, problems that were present even before the coronavirus, such as travelling to another community for a medical examination, have also been exacerbated.

Non-profit organizations working with people with disabilities also **noted difficulties in their work**. This was affected by two main factors:

- Many members of such organizations are themselves at risk, and therefore sought self-isolation more, canceling scheduled events to reduce the risk of getting sick themselves.
- Opportunities to work vanished along with access to healthcare facilities that previously provided services and consultations. Specifically, it was no longer possible to conduct consultations in rehabilitation centers. According to a representative of the Republican Association of Wheelchair Users with Disabilities NGO, with physical disabilities it's not possible to switch to online consultations.

There were also **problems with funding for non-profit organizations** involved in helping people with disabilities: fundraising efforts brought less money in, among other

reasons, due to negative expectations about the future. Presumably, some companies, as well as civic initiatives, have redirected their resources to other areas, such as assistance directly connected with the coronavirus pandemic, political protests, and so on.

THE ELDERLY

Elderly people viewed coronavirus with somewhat greater fear. They were slightly more rigorous in observing protective measures and took a more responsible approach to social distancing, which is unsurprising, given that they belong to a vulnerable population group. However, there were hardly any reasons to believe their perception of coronavirus was considerably different from the average: significant differences were observed only in some aspects.

In November, older people (55–64 years old) more often mentioned that they **no longer worked in the same position as before the pandemic** (43% versus 27% on average), and more often had **to withdraw all the savings from their bank accounts** (12% versus 7% on average). More than others, they expected that in the near future the **number of forced leaves would increase** (45% versus 35%), or that some of their acquaintances would **lose their jobs** (15% versus 10%), and they had the greatest fear of the **collapse of the healthcare system and an increase in the number of infections**.

Of particular interest is their attitude to healthcare issues. Older people were more likely to think about the fact that **due to the coronavirus they might not have time to fulfill their plans in life** (41% versus 32% on average). They more often than others considered it reasonable to prohibit **all social events**, to allow patients with minor symptoms to **recover at home** rather than in healthcare facilities, and expected **better information for the public**. They also saw **the increase in pension benefits** as an effective support measure, unsurprisingly. In this group, **“reluctance to waste the time of healthcare professionals”** was cited more often, compared to young people, as the reason they wouldn't go to a doctor, even if they had coronavirus symptoms. Also, people of this age more often stated that they **followed the news about the coronavirus** (92% versus 79% on average). Among the priority support measures to be provided by civil society initiatives, they mentioned assistance to the elderly, free travel for doctors and their accommodation in separate hotels to minimize contact.

The elderly were also a little **more rigorous with regard to social distancing**, they went shopping or met with friends less often than before, and they stopped leaving their houses unless absolutely necessary.

¹³⁸ Interview with an expert in the field of gender equality.

CONCLUSIONS

THE IMPACT OF COVID-19 ON THE ECONOMY

In 2020, the COVID-19 pandemic became just one of the several key factors affecting the Belarusian economy. The first wave was more significantly influenced by oil disputes with the Russian Federation, and the drop in global oil and potash fertilizer prices. In the second wave, the consequences of COVID-19 were accompanied by a political crisis in the country.

The COVID-19 pandemic mainly provoked a decline in business activity, which caused GDP and foreign trade turnover to go down, and that led to a drop in budget revenues. The connection between the coronavirus and the decline in economic indicators is evidenced by specific periods in which changes in these indicators were observed (March–May 2020).

Several sectors of the economy were most affected by the COVID-19 pandemic:

- Transport—a decrease in business activity, a decrease in cargo turnover, and restrictions on the movement of passengers;
- Manufacturing (metallurgy, textiles, mechanical engineering)—a reduction in foreign trade, suspension of contracts, and so on;
- Catering and consumer services—anti-epidemic restrictions and voluntary refusal to visit establishments;
- Wholesale trade—a reduction in foreign trade and contracts put on hold.

At the same time, there was growth in such sectors as pharmaceuticals (increased demand for drugs amid the pandemic), and retail trade (growth in demand for products in the conditions of self-isolation and reduced use of public catering, active development of e-commerce).

The government took a number of measures, but most of them were aimed at postponing problems (continued production of goods to store in warehouses, transferring losses and exchange rate differences to subsequent periods, refinancing and issuing loans to “fix operational gaps,” and so on). Thus, macroindicators did not drop as much as in other countries, such as neighboring Russia and Ukraine.

COVID-19 has also negatively affected the labor market. Demand for labor dropped as the number of those laid off exceeded the number of those hired by 19%. The situation in different sectors reflects the condition of the economy as a whole: the main drop was observed in the entertainment sector, including food services, and transport. In manufacturing, this effect was much less pronounced, since state-owned enterprises kept working in the absence of demand, just to keep jobs. At the same time, employers cut hours, switched employees to remote work whenever possible, and also cut wages and bonuses.

According to official statistics, real personal incomes grew by 5.4% in 2020, but in some vulnerable sectors (tourism, transport, entertainment, including food services) they dropped. Together with the depreciation of the ruble, this has led to more than half of the population feeling a decline in income and having to economize on most goods. Due to the income drop and the political crisis, deposits have been withdrawn from the banking system, and people have been actively buying foreign currency. Low-income individuals were particularly hard-hit by economic factors.

Meanwhile, the financial stability of enterprises has worsened: for 8 months of 2020, revenues went down by 6.8%, net profits collapsed 80.1%, and the share of unprofitable enterprises grew sharply.

In the long term, the measures taken by the state (production without demand, deferred payments, and so on.) will exacerbate the problems in terms of the solvency and financial stability of both the public and enterprises (non-payments crisis). Thus, arguably, the main blow to the economy of Belarus due to COVID-19 is still ahead.

That said, because of COVID-19, businesses—mostly private—were forced to take more active measures to digitalize and switch to new forms of employment. In the long run, this should make them more stable and competitive.

THE IMPACT OF COVID-19 ON THE SOCIAL SECTOR

The COVID-19 pandemic has exposed and exacerbated problems that existed in Belarus before. It showed the lack of preparedness of the social system, not only for the pandemic as such, but also for decision-making in critical situations:

- In the education system, some sporadic anti-epidemic measures were taken, but no centralized measures were introduced to change the educational process. Despite the fact that the pandemic made it possible to improve technical support for the educational process and introduce modern teaching methods, this potential was not taken advantage of. This could well lead to a decline in the quality of education and put Belarus's educational system at a disadvantage to systems of other countries.
- In healthcare, the government's communication policy proved a failure, and measures to prevent the pandemic were belated and inadequate, too many of them advisory rather than mandatory. Belarusians approached the second wave of coronavirus with the burden of great distrust in official statistics and institutions. The government attempted to introduce preventive measures to some extent, such as mandatory mask-wearing, but they were viewed through the prism of a political crisis and were often not seen as appropriate. If tough lockdown measures, which are already quite unpopular with Belarusians, are introduced, it is highly likely that people will refuse to comply with them. The situation for the medical system is further complicated by the deliberate exclusion of civic initiatives from participating in the fight against the pandemic. From a medical standpoint, there are risks that the pandemic will be exacerbated. The healthcare system approached the second, more severe wave more prepared: supplies at medical institutions improved, and procedures for diagnosing and treating the virus were developed.

In addition to the direct impact of COVID-19 on mortality and public health, there are also indirect effects: due to the suspension of routine medical care, the re-purposing

of healthcare institutions and the refusal of individuals to visit them, there is a high risk that the number and severity of other diseases not directly related to COVID-19 will increase. In this regard, the COVID-19 pandemic represents the strongest risk for vulnerable population groups, such as the elderly, the disabled, and so on.

Gender is not a determining factor in the situation with COVID-19 in Belarus, although the perception of the pandemic by men and women is slightly different, and their behavioral habits during this period have changed somewhat differently. From an economic standpoint, predominantly "female" industries such as trade, healthcare, education, and so on, were hit harder.

The consequences of the COVID-19 pandemic are most significant not for individual social systems, but for the society as a whole:

- In the first wave of communication, the government did not meet the needs of its citizens in terms of combating the pandemic and its consequences, which led to a steep decline in public trust in government institutions, both in connection with COVID-19 and in general.
- Businesses and civil society volunteer organizations began to provide assistance to the medical system, which turned out to be not ready for the additional workload in the first wave. This led to the establishment of multiple horizontal connections among people who realized that they could do something on their own, without the government. These horizontal ties helped civil society during the political crisis: based on the experience and example of #BYCOVID19, many projects and initiatives arose to help the victims of repressions and to establish parallel structures to the government to solve urgent social issues.

Belarusian society was mobilized and organized, which increased the likelihood of change in the country's political system, and, in the event of such a change, it is Belarusian society that can become one of the main factors in the country's successful recovery from the crisis.

ABOUT

SATIO, a Belarusian research company that is part of the CIVITTA Group since 2016, has been researching the Belarusian market for nearly 20 years. It collaborates with both business and the NGO sector. For clients in the non-government sector, the company undertakes projects to assess impact, study economic phenomena, sound the opinions of the public and experts in the social sector, research issues related to civil society, and more.

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