

# WHO SUPPORTS ECONOMIC REFORMS IN BELARUS, AND CAN THEIR VIEWS CHANGE?

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Belarusians maintain a pro-market orientation, prioritizing economic objectives



Perception of economic reforms is a decisive factor in securing majority votes



Economic reform positions: value-based grouping transcends socio-demographic divides

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# INTRODUCTION

This article presents and analyses the results of a survey conducted to identify the economic policy preferences of Belarusians. Belarusians have historically lived under state capitalism, which has shaped their understanding and expectations regarding economic policy. On the one hand, frequent economic shocks and the unmistakable need for economic reforms have generated significant interest among Belarusians in economic issues. On the other hand, there exists a fundamental weakness in the population's basic understanding of the economy. Prior to 2020, research showed robust support among Belarusians for private property (IPM, 2018;<sup>1</sup> Korshunov, 2021;<sup>2</sup> Daneyko et al., 2023<sup>3</sup>), perceived as more effective than government ownership. However, recent years have witnessed a visible inclination towards price controls (BEROC, 2022;<sup>4</sup> Chatham House, 2023<sup>5</sup>), indicating a non-standard economic perspective within the population, combining the need for regulation in some areas and deregulation in others.

As a repository of insights, this study could prove invaluable to the Belarusian political actors and politicians. Understanding the economic preferences of Belarusians is critical to crafting impactful and constructive messaging and policies. Fears of a return of the economic crisis of the nineties or loss of social support from the government can significantly fuel support for the dictatorship. It is crucial to navigate these fears adeptly, fostering an environment where Belarusians feel confident about embracing transformative shifts in economic policy.

The varied nature of economic preferences among different social groups suggests a nuanced spectrum, transcending the conventional dichotomy between proponents of liberal economic policies and advocates of governmental interventionism. This complexity is further compounded by the growing polarisation within society observed in recent years, a phenomenon exacerbated by the expand-

ing influence of government propaganda. Our study uses cluster analysis to identify groups with contrasting economic policy preferences.

Furthermore, the study delves into the role of framing and communication in forming public perception of economic reforms. We carried out experiments as part of our survey, randomly presenting respondents with varied messages about the reform experience before posing specific questions. This deliberate approach enables us to understand how changes in messaging can impact individuals' perceptions and attitudes towards economic policy.

This study's findings should be a valuable source of information for the political actors, policymakers, and researchers. By understanding Belarusians' differing economic policy preferences and how these preferences are influenced by messaging, stakeholders will be able to craft precisely targeted and effective economic reform and communication strategies. This paper aims to contribute to a more profound understanding of the Belarusian economic landscape and support the development of policies that meet the needs and aspirations of the people.

1 <http://www.research.by/publications/surveys-of-the-population/1801/>

2 [https://beroc.org/publications/working\\_papers/belarus-i-sosedi-dinamika-sistemy-tsennostey-za-poslednie-30-let/?sphrase\\_id=7066](https://beroc.org/publications/working_papers/belarus-i-sosedi-dinamika-sistemy-tsennostey-za-poslednie-30-let/?sphrase_id=7066)

3 [https://beroc.org/publications/policy\\_papers/evolyutsiya-ekonomicheskikh-tsennostey-v-belarusi/](https://beroc.org/publications/policy_papers/evolyutsiya-ekonomicheskikh-tsennostey-v-belarusi/)

4 <https://beroc.org/monitoring/households/>

5 <https://en.belaruspolls.org/wave-14>

## 1

## DATA

The analysis is based on data gathered through an online survey conducted on October 30 to November 2, 2023. The survey gathered responses from 1,004 participants aged 18–64. The sample is representative of the urban population of Belarus by gender, region, and age.

### 1.1. ECONOMIC VALUES

The economic values of Belarusians are investigated in the Inglehart World Values Survey, in which Belarus has been participating since 1990. The most recent, seventh wave of this values review spans from 2017 to 2022, with data for Belarus available up to 2017. In our study, we incorporated questions from the economic section of the World Values Survey to assess shifts in Belarusians' perceptions over the past five years. It is essential to highlight key distinctions between the World Values Survey and our study. The former employed personal or telephone interviews, ensuring a sample representative of the entire Belarusian population. Conversely, our study utilised an online survey, resulting in a sample that is representative

solely of the urban population of the country. The key results are provided in Table 1.

In relation to private or state property, there were no changes from 2017 to 2023: 46% of respondents believe that the share of private property in business and industry should be greater, 25% support the expansion of state ownership. The only qualitative difference between the surveys is the share of undecided respondents: in 2023, 13% found it difficult to answer, in 2017 — only 4% did.

The attitude to competition remained quite stable across all waves of the survey (from 1990 to 2017). Over this period, the share of people who believe that competition is beneficial consistently ranged between 57 and 66%. Our survey revealed even stronger support for competition, reaching 79%. At the same time, the percentage of respondents who oppose competition or are undecided remained relatively constant at 10% and 4%, respectively.

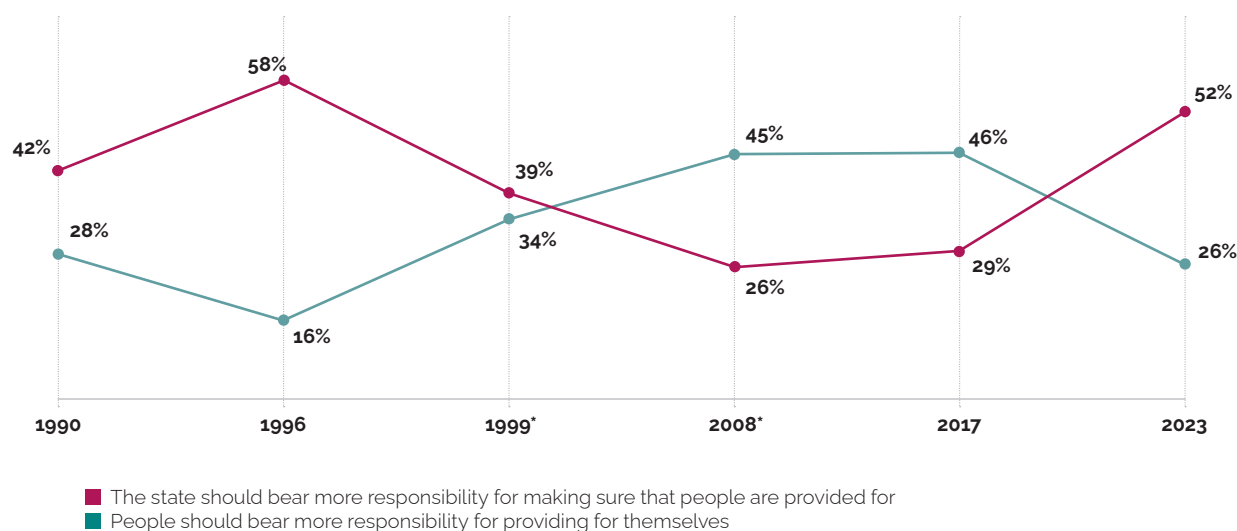
Unlike other economic issues, the attitude to individual responsibility has undergone substantial shifts over time.

Table 1  
Economic values of Belarusians in 2011, 2017, and 2023

Economic values	2011 (WVS)	2017 (WVS)	2023
The share of private ownership in business and industry should be greater	42.1%	40.3%	45.5%
The share of state ownership in business and industry should be greater	27.6%	20.9%	25%
Competition is good	57.3%	63.7%	79.4%
Competition is bad	13.5%	10%	10%
The state should bear more responsibility for ensuring that people are provided for	n/d	28.9%	52.2%
People should take more responsibility for providing for themselves	n/d	45.7%	26.1%
Hard work usually leads to better lives	50%	n/d	55.9%
Hard work usually does not bring success, rather luck and connections lead to it	22.9%	n/d	27.9%

Source: World Values Survey (2011, 2017), survey (2023)

Figure 1.  
Attitude to state and individual responsibility for providing for one's needs



Source: based on survey data (2023), World Values Survey (2017, 1996, 1990), European Values Survey (2008, 1999)

The researchers observed a marked increase in the endorsement of individual responsibility, from 16% in 1996 to 46% in 2017 (Fig. 1). This shift coincided with a decrease in the inclination to assign responsibility for personal provision to the state. However, our 2023 survey indicates a noteworthy reversal, with individual responsibility receding to 26% — a level comparable to the data recorded in 1990. There are several explanations for this change between Inglehart's survey findings and our results. One potential explanation lies in the interpretation of the question: the events of 2020 might have accentuated the perceived "intrusive" role of the state. Rather than envisioning a "socially oriented state", respondents saw a government unnecessarily involved in the personal affairs of its citizens. Therefore, when selecting the answer "the state should bear more responsibility for ensuring that people are provided for", respondents may be expressing a desire for the state to refrain from interference and instead focus on providing more opportunities for personal development.

Of course, such results may not signal a change in the values of Belarusians but rather be indicative of a statistical error related to the sample or the type of survey. In any case, the data requires additional study.

The attitude of Belarusians to work has remained stable, with 56% of respondents believing that hard work usually leads to an improvement in quality of life. In comparison, in 2011, 50% of respondents held a similar view. At the same time, 28% of respondents assert that success is not a result of hard work but stems from luck and connections, an increase of 5 percentage points from 2011. 60% of respondents assert that incomes should be more equal, while 12% are unable to provide a definitive answer.

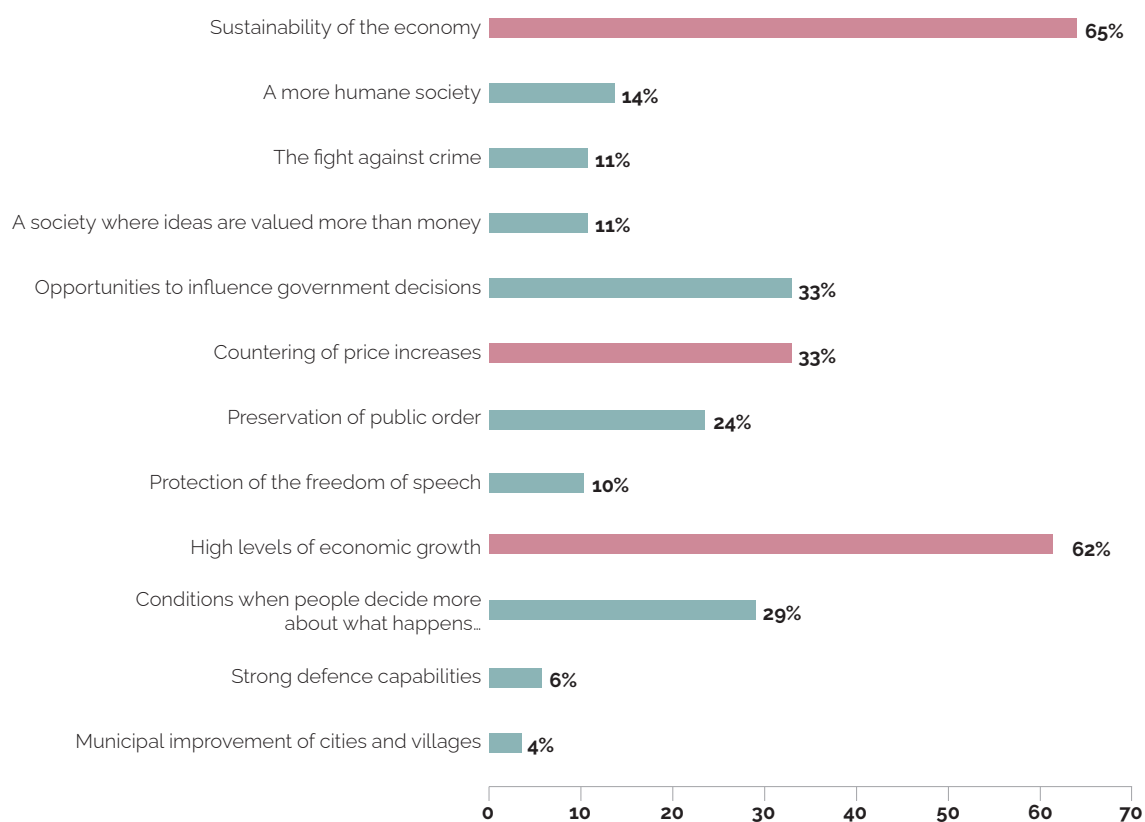
## 1.2. ATTITUDE TO REFORMS

72% of respondents express the need to reform Belarus' economic system. Moreover, when asked to choose a primary goal for the country for the next 10 years, 62% of respondents indicate a high level of economic growth as the most crucial objective (Fig. 2). In comparison, 29% favour the creation of conditions empowering people to have more say in decisions in their work and home life. 6% prioritise high defence capability and 4% — the municipal improvement of cities and villages. Even when presented with a different set of goals, the economy was again a priority: 65% of respondents identify economic stability as the most important factor for the country in the long term. Only 14% opt for a less indifferent and more humane society, while an even smaller proportion, 11%, choose a society where ideas hold more value than money and the fight against crime.

Regarding the pace of reforms, 68% of respondents believe that the economy requires a balanced mix of fast and slow reforms. In contrast, only 9% advocate for slow and gradual reforms lasting from several years to a decade. When considering the scope of areas and industries that should undergo reform, 71% of respondents assert that it is necessary to reform more than half of all sectors of the economy. Within this group, 13% advocate for a complete overhaul of the entire economic landscape.

It is important to note that when asked about reforms in the economic sphere, 24% of respondents find it difficult to answer about their specific needs. However, when presented with potential reform scenarios, respondents are certain of one particular aspect: ensuring equal conditions of competition for public and private enterprises. An overwhelming

Figure 2.  
The most important goals for Belarus for the next 10 years



79% of respondents voiced support for this reform, with only 13% finding it difficult to answer (Fig. 3). This outcome aligns with the broader sentiment, as 79% of respondents believe that private enterprises and companies operate more efficiently than state-owned enterprises.

Surprisingly, the second most popular reform was related to the stock market, with 68% of respondents endorsing its overhaul. In addition, the proportion of individuals supporting reforms in the realm of securities and shares has seen a notable uptick, increasing by 9 percentage points compared to data from a year ago (Household Monitoring, November 2022, BEROC).

The next three most favoured reforms continue to centre around the private sector. In terms of taxation, 47% of respondents contend that taxes for small businesses and entrepreneurs are excessively high, with 29% expressing a similar sentiment for medium-sized businesses. Currently, tax rates in Belarus are comparable to those in Russia and Baltic countries with the full payroll taxes including social security payments reaching 47% of wages. Profit taxes being at 20%, are higher than in the EU neighbors with Poland at 19% (9% for many categories) and Lithuania at 15%, but equivalent to the rate in Russia (20% as well). Consequently, 64% of respondents support re-

ducing the tax burden on private enterprises. In line with the theme of ensuring equal conditions for competition, 54% of respondents endorse limiting the influence of the state on decision-making in the private sector. Unlike the situation in "Western" countries, Belarusian authorities are often eager to intervene into the private business decisions. For example it is common to impose "community service" on successful private enterprises such as giving them indebted unprofitable community farms or making them to subsidize local sport teams or even imposing export and import decisions. Additionally, nearly half (48%) of respondents support the privatisation of enterprises and businesses.

The only reform that has not garnered substantial support is the introduction of free pricing at the discretion of the seller. Only 46% of respondents deem it rather optional, and among those in favour, individual entrepreneurs and senior and middle managers make up the majority, a pattern that aligns with expectations.

Belarusians are also aware of the potential negative consequences of reforms. When asked about the likely outcomes within 1–2 years after reforms, 82% of respondents anticipate an increase in prices. The percentage of those undecided on this matter is minimal, standing at just 11%

Figure 3.  
The need for economic reforms

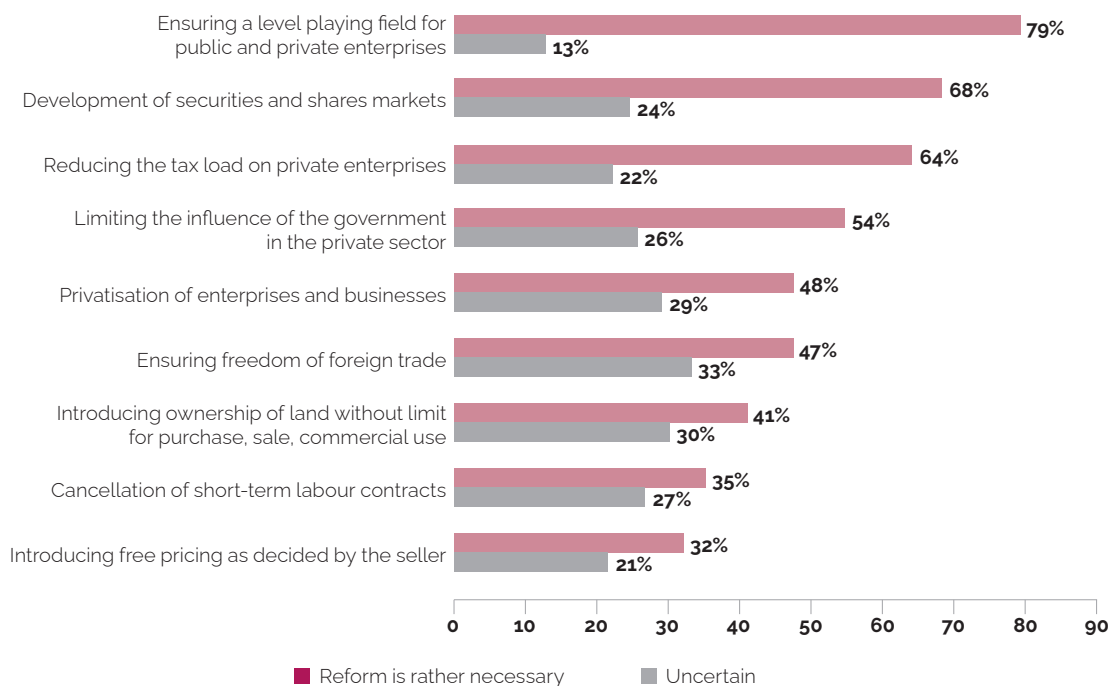
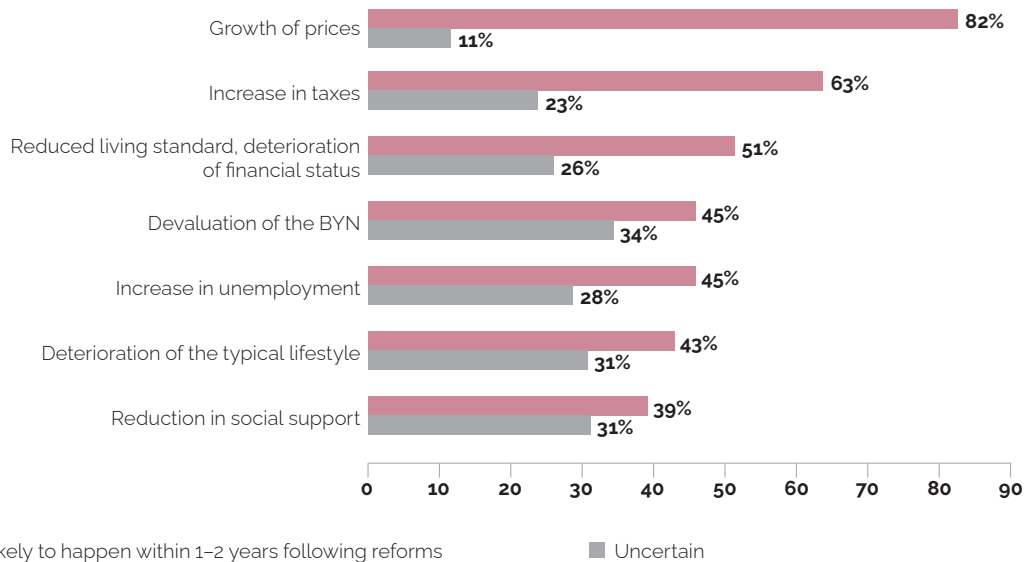


Figure 4.  
Negative effects of economic reforms



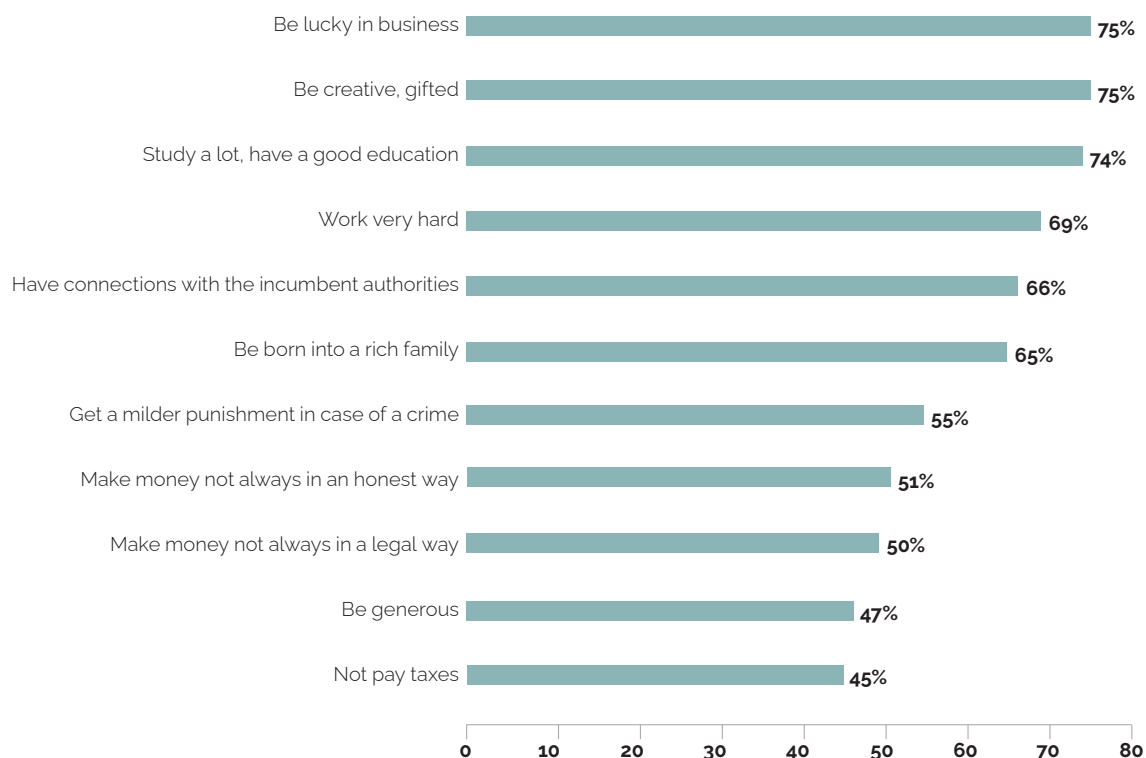
(Fig. 4). Belarusian households, driven by a prevailing perception of inflation, express concern about rising prices for goods and services, with 90% of respondents viewing it as a problem for the country. Additionally, 55% believe that prices have surged by more than 15% over the past year. However, when juxtaposed with non-economic goals for the country, the situation appears less dire. Only a third of respondents identify combating rising prices as a long-

term goal for Belarus. In comparison, another third prioritise giving people more influence over important government decisions, while 24% emphasise the importance of maintaining order in the country, and 10% advocate for safeguarding freedom of speech (Fig. 2).

The prevailing sentiment among the majority of respondents is that the state should actively combat rising prices.



Figure 5.  
To what extent is the above typical for the largest Belarusian businessmen?



[1] 511 respondents were asked the question of how to deal with rising prices.

When presented with options for countering inflation, the top choice is the development of market competition, with 59% of respondents supporting this approach among those who believe that the state should intervene to address increasing prices.<sup>[1]</sup> 48% of respondents support price control, advocating for stringent monitoring and penalties for those who violate set price limits. 37% of respondents believe that it is necessary to promote import substitution, including subsidies to national producers. Only 11% of respondents supported the restriction of the production of Belarusian roubles as a measure to combat inflation.

Beyond concerns about rising prices, respondents are also worried about increasing taxes, with 63% anticipating taxes hikes within 1–2 years after economic reforms. 51% of respondents believe that taxes “for ordinary people” are already too high, while 39% believe that taxes are at an acceptable level. 51% of respondents expect a decline in living standards and a deterioration in material well-being as a result of economic reforms.

Regarding the preferred type of taxation and attitudes towards income redistribution, 66% of respondents believe that “richer citizens of Belarus should pay a higher percentage of tax on their income than poorer citizens”. 35%, in turn, believe that “all citizens of Belarus, regardless of income level, should pay the same percentage of income tax”. The attitude towards large Belarusian businessmen is nuanced; 74 to 75% of respondents mention luck in business, creativity and talent, and a good education as features of these individuals (Fig. 5). However, 66% of respondents associate businessmen with the current government, and half of them believe that the largest entrepreneurs do not always earn their wealth through honest or legal means. While the overall sentiment toward businessmen may not be overwhelmingly negative, a notable 45% of respondents believe that it is typical or more characteristic for the largest businessmen not to pay taxes. 20% of respondents believe that the tax rate is currently too high for large businesses, 31% believe that it is at the right level, and 37% find it difficult to assess.

## 2

## EXPERIMENTS

The essence of the experiments was to discern the impact of different messaging on shaping the respondents' opinions regarding economic policies.

### EXPERIMENT 1. ATTITUDE TO PRIVATISATION

In the baseline scenario, where respondents received no additional information regarding the experience of privatisation in other countries, 34% of respondents agreed with the need to privatise enterprises and businesses, while 29% were unsure. When exposed to a positive message regarding privatisation, stating, "In the Czech Republic and in Poland, privatisation in the 90s helped drive investment and spearheaded economic growth. To this day, these countries have the biggest growth in the region," the share of the respondents supporting privatisation increased by 18%, with the share of those uncertain remaining relatively stable. Notably, the negative message about privatisation did not have any discernible impact on the opinions of respondents ("Privatisation is often called an important part of reforms, but in Russia, privatisation only led to the enrichment of individuals and the closure of enterprises in some cases"). The consistent results between the scenario with the added negative message and the control scenario suggest that the baseline, a priori attitude to privatisation in Belarusian society may be rooted in negative expectations.

Among those who endorse the privatisation of enterprises, 40% believe that only government-owned small and medium businesses should be privatised, while 47% believe that the entire government business and all government enterprises should be privatised, excluding those deemed socially essential.

### EXPERIMENT 2. ATTITUDE TO UNEMPLOYMENT BENEFITS

Without additional messaging regarding unemployment benefits, 67% of respondents believe that there should be increased unemployment benefits in Belarus (currently they are between 37 and 74 BYN), 9% are unsure of the answer. One of the messages in the experiment was

phrased as follows: "In many developed countries, unemployed people receive sufficient benefits to maintain a high living standard. One consequence of these policies is that people in these countries seek employment more slowly and use the benefits for a longer time. The unemployment benefits in Belarus are very low now and not enough to survive on. However, the unemployment rate in the country is very low." Having read this information, respondents voted for the need to increase the benefits in 58% of cases, representing a 9-percentage-point decrease from the baseline scenario. The positive message was phrased as follows: "Unemployment benefits give individuals confidence in tomorrow, allowing them to calmly look for a job that would be a good fit. The whole economy benefits from this." This message had little impact on the decision to increase benefits, but it did slightly reduce the share of respondents against this policy: 18% believe that benefits do not need to be increased, compared to 24% in the baseline scenario.

The experiment results suggest that the a priori attitude of Belarusian citizens towards increasing unemployment benefits aligns with the positive presentation of this reform. Further information interventions can only reduce opposition to such innovations.

### EXPERIMENT 3. ATTITUDE TO THE PENSION REFORM

In response to the question regarding the best pension reform, 59% of respondents expressed support for a structural reform, which involves introducing a cumulative component. On the other hand, 34% believe the pension system does not require reform. An additional message was presented, emphasising the need for reform: "In Belarus, like in other developed countries, birth rates remain low, which causes a growing ratio of retired people to people of working age. Therefore, the current pension system of Belarus faces a choice — either reduce pensions or raise the retirement age." However, this statement had no impact on the respondents' opinions.

It appears that the issue at hand is well-reflected in the public discourse of Belarus, and as such, additional clarifications do not seem to significantly influence the already established opinions of the citizens.

## 3

## CLUSTERS

To categorise our respondents into clusters, we employed the latent class analysis methodology, a commonly utilised approach in research on political preferences. The selected parameters for clustering included support for privatisation, free pricing, equal conditions for public and private sectors, the land market, and progressive taxation, as well as concerns about post-reform unemployment and reduction in social support.

The analysis enabled us to identify four main clusters based on economic preferences within our respondent group: Conservatives (32.3%), Consumers (24.8%), Cautious Reformers (17.5%), and Bold Reformers (25.4%).

The first cluster, Conservatives, does not support most reforms, opposing privatisation, free pricing, and especially the creation of a land market. Conservatives anticipate negative consequences from reforms, particularly an increase in unemployment. However, even Conservatives moderately support the idea of a level playing field between public and private enterprises.

The second cluster, Consumers, is generally indifferent to reforms like privatisation or the creation of a land market. However, they hold a negative attitude towards the idea of free pricing. Consumers do not associate economic reforms with rising unemployment or a reduction in social support. This group demonstrates the highest level of support for progressive (redistributive) taxes.

The third cluster, Cautious Reformers, supports most reforms, although there is a concern that these changes could result in negative consequences, particularly an increase in unemployment rates. While the level of support for land market reform is relatively moderate, there is substantial support for equal conditions for public and private enterprises. This group also exhibits the lowest level of support

for redistributive taxes, relatively speaking, although half the cluster still backs them.

Finally, Bold Reformers have the highest level of support for all reforms. This is also the only group that supports the abolition of short-term labour contracts, indicating a strong understanding and endorsement of workers' rights protection. In contrast to other clusters, Bold Reformers do not foresee a risk of unemployment or reduction of social support as a result of the proposed reforms.

The identified clusters clearly differ along the lines of support for privatisation and free pricing and concerns about rising unemployment if reforms are adopted. Beyond these factors, the distinctions between the clusters are not significantly pronounced. All clusters endorse creating a level playing field between the private and public sectors, with the level of support increasing from Conservatives to Bold Reformers. Similarly, the differences in support for redistributive taxes are minor, as all clusters generally support this measure. Approval for economic reforms and concerns about their consequences, broken down by cluster, are represented in Table 2.

Positive values indicate support for reform or presence of a specific concern.

The socio-demographic characteristics of the clusters reveal minimal differences. The variations between clusters based on age, occupation, or the presence of children are slight. In general, both clusters of Reformers are more educated and have higher incomes, with a higher representation of managers or self-employed individuals. While there are more women than men among Conservatives and Consumers, this difference is not significant. Even retirees are relatively evenly distributed across clusters (see Table 3).

Table 2.  
Main clusters and their support for economic reforms

	Conservatives	Consumers	Cautious Reformers	Bold Reformers	Total sample
Privatisation	-0.09	0.05	0.71	0.97	0.35
Market prices	-1.02	-1.14	1.01	1.18	-0.14
Level playing field	0.67	1.09	1.31	1.49	1.09
Land market	-0.19	-0.02	0.48	0.65	0.18
Cancellation of fixed-term contracts	-0.24	-0.12	0.17	0.50	0.05
Progressive taxes	0.68	0.73	0.57	0.63	0.66
Reduced social support	0.18	-0.26	-0.01	-0.54	-0.15
Rising unemployment	0.46	-1.00	0.50	-0.99	-0.26

Source: calculations based on a survey

Positive values indicate support for reform or presence of a certain concern.

Table 3.  
Socio-demographic characteristics, average indicators by cluster

	Conservatives	Consumers	Cautious Reformers	Bold Reformers	Total sample
Age, years	38.85	38.67	38.72	40.88	39.30
Women	51.7%	58.0%	43.4%	44.8%	50.1%
Minsk	28.1%	28.3%	26.9%	28.6%	28.1%
Cities > 100 thousand	50.9%	48.3%	46.9%	43.3%	47.6%
Small cities	21.0%	23.4%	26.2%	28.1%	24.3%
Higher education	46.1%	49.3%	56.6%	56.2%	51.3%
Self-employed	4.5%	6.3%	4.8%	9.5%	6.3%
Managers	6.7%	7.3%	10.3%	11.0%	8.6%
Professionals	30.0%	25.4%	28.3%	25.7%	27.4%
Have children	46.1%	43.9%	45.5%	45.7%	45.3%
Income per person, BYN	707	687	781	815	743
Retired	8.2%	8.3%	8.3%	6.7%	7.9%

Source: calculations based on a survey

## CONCLUSION

The purpose of this study is to identify and clarify the economic preferences of Belarusians. As noted in earlier studies, citizens of Belarus generally share progressive market views on the economy. However, our study suggests that support for specific reforms can be influenced by how they are framed, as demonstrated in the experiments conducted. It is crucial to recognise that Belarusian society is not homogenous, and when implementing reforms, it is essential to consider the diverse range of preferences and attitudes present among the population.

The results of the study are significant not only for purely academic analysis, but also for shaping political and democratic processes in Belarus. The Experiments section shows that support for certain reforms may be linked to how they are framed. Understanding the concerns and

expectations of the population, as well as their a priori positions on issues, is crucial to mitigating the fear of change and fostering a positive attitude and cautiousness towards transformative measures.

The study also highlights the variability in economic preferences across society, underscoring the need to consider different groups when designing policies. Cluster analysis reveals a diversity of ideas, while a distinctive feature of Belarus is the relative socio-economic uniformity of people across different clusters. Based on this, we can assume that the identity politics commonly observed in Western democracies may not be as relevant for Belarus. Political confrontation in Belarus is likely to be rooted more in ideological differences rather than distinct socio-economic identities.

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