

# MARKET SOCIALISM IN BELARUS

## An Alternative to China's Socialist Market Economy

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**Abstract:** Since Lukashenko came to power, Belarus has embarked on the road of market socialism, in which privatization has been halted, and the dominant position of state-owned economic components in the national economy has been established; a vertically managed and efficient model of state governance has been implemented, the presidential leadership has been strengthened, and social fairness and justice have been prioritized. In addition, Belarus has kept good diplomatic relations with the CIS (Commonwealth of Independence States) countries, China, and other countries through pluralistic and multi-directional diplomacy. Market socialism has helped the economy of Belarus recover from the decline immediately following the breakup of the USSR and develop rapidly. The country's economic foundation has been getting increasingly stable. A strong social security system has been established, and social welfare covers the largest social groups, which ensures employment and civil rights to the greatest extent, continuously improves the living standards of the population, and thus avoids social division and ensures social stability. Market socialism in Belarus is a special system of socialist market economy, its theory and practice can teach important lessons to the current practice of socialism and the reform of capitalist system

**Keywords:** Belarus; market socialism; Lukashenko; socialist market economic system

The theory of market socialism originated from the criticism of the socialist economic system of the Soviet countries after the October Revolution in Western academic circles. In the 1970s and 1980s, some Comecon (Council for Mutual Economic Assistance) countries, such as the USSR under Gorbachev, Hungary,

Poland, Czechoslovakia, and Romania began to discuss the feasibility of combining a market economy with socialist public ownership, and carried out some reforms. Nevertheless, almost all the countries of the Warsaw Pact abandoned these discussions and swiftly followed the path of transition to an extreme form of capitalism in the cataclysm triggered by Gorbachev's reckless perestroika reforms. In the current practice of market socialism, the Israeli kibbutz is often held up as a paradigm for communal social and economic organization (Cheng and Sun 2015), and Belarus is often held up as an exemplar of a kind of market socialism. Since the commencement of Alexander Grigoryevich Lukashenko's presidency in 1994, Belarus has embarked along the path of market socialist development. After a quarter of a century of practice, Belarus has become a country with outstanding development achievements in the "post-Soviet space" with per capita GDP approaching Russia's and this difference is more than offset by the relatively small income gap, social welfare, employment opportunities, and high quality of public services available to Belarussians. For its theory and practice of market socialism, there have been a few studies in China.<sup>1</sup> This paper systematically examines the theory and practice of market socialism in Belarus, and analyzes its differences with China's socialist market economic system on the basis of the existing research of international academics and data on the economic and social development of Belarus in recent years.

## **1. The Theory and Basic Conditions of Market Socialism in Belarus**

There are subjective and objective factors for Belarus to take the path of market socialism. Subjectively, the economic and social turbulence brought about by the "Westernization" of Belarus at the beginning of its independence, historical and cultural traditions, and Lukashenko's own cognition of the Soviet Union impacted the choice of the country's development path after he came to power. Objectively, the inheritance of the industrial system of the Soviet period, and its own industrial base and resource disadvantages, as well as the traditional economic ties with Russia and the CIS market, also affect the choice of the development path in Belarus. In addition, the high-level education and high-quality labor force, favorable geographical position, and diversified foreign economic relations, especially the development of relations with China in recent years, have all contributed to the achievements of market socialism with "Belarusian characteristics."

### **1.1. Lukashenko's Market Socialism Theory**

Lukashenko was the first democratically elected president in Belarus. Soon after his taking office, Lukashenko put forward his idea of "market socialism" with

policies such as maintaining free healthcare and free education through state intervention. In the period of market socialism, the management of enterprise production was carried out by the government only through economic means (Su 2007, 56). The government formulated the National Strategy for Sustainable Development of the Republic of Belarus in 1997, the National Strategy for Sustainable Social and Economic Development of the Republic of Belarus for 2020 in 2004, and the Social and Economic Development Plan of the Republic of Belarus for 2016–2020 as a guide for development strategies and plans. The paragraphs that follow list President Lukashenko’s basic propositions on market socialism in Belarus.

First, the state-owned economy is the mainstay, and market adjustment and plan adjustment should be combined in the basic economic system. In the early years of independence, Belarus, like Russia and other countries, catered to the West and carried out large-scale privatization (denationalization), which brought serious damage to the national economy. According to Lukashenko, the “privatization, liberalization and total Westernization” of the Shushkevich regime was a plunder of national wealth, which led to the outflow of state assets, seriously harmed the interests of employees of state enterprises, and widened the gap between the rich and the poor. He advocated tightening the state’s supervision of the economy and retaining the majority of state-owned enterprises. At that time, the government halted bankruptcy filings of about 80% of state-owned enterprises, allowing them to lose money for a longer period of time, and guaranteed employees’ salaries with state finances in order to maintain the capacity of the country’s pillar industries and retain technical strength. Meanwhile, a small number of enterprises were allowed to be privatized as a means of attracting foreign investment and improving economic efficiency, and to align the personal interests of entrepreneurs with those of the state. On the relationship between the market and the plan, Lukashenko stressed that Belarusian market socialism neither regards the market economy as a panacea nor treats the planned economy as nothing. Greater importance should be attached to maintaining them in harmony and unity during the economic transition stage. He stressed that only by making rational use of the heritage accumulated in the socialist period can the post-socialist economic transition be maintained in a continuous and rising process of economic and social development (Su 2006, 12–13).

Second, an efficient state governance system featured by “vertical management” should be established. There is no ruling party in Belarus, and parliamentary groups do not play any decisive role in parliamentary elections. As a “witness” to the horrors accompanying the collapse of the Soviet Union, Lukashenko has a novel and unique understanding of the role of political parties, arguing that political parties should be organized from the top down with generally clear political opinions and a complete organizational system, mainly engaged in political

struggles with their initial goal to gain power, and govern according to their programs. The differences between different political parties are mainly in the choice of the country's development path and system. The establishment of state power in Belarus makes it unnecessary to engage in tedious discussions on these issues, as partisan arguments can only exacerbate political divisions and be of no benefit to improve the efficiency of state institutions or ensure social justice. On this basis, a system of "vertical management" has been established in Belarus, in which the president can intervene in grass-roots work at any time. Lukashenko also advocates that government officials must have the experience of serving in local communities, the economy must be managed by economists, the health sector must be administrated by medical experts, the Ministry of Education must be led by people with university management experience, and all leaders must be professionals in order to improve the level of management and governing efficiency. Lukashenko has made it so that civil servants and public officials are forbidden to go into business. They must work in their own positions during their working hours and are given no time to do business, otherwise conflicts of interest and corruption may arise (Lukashenko 2006). Lukashenko also sets an example by applying these rules to himself and those close to him. He says that he has been a member of the Communist Party of the Soviet Union, he comes from the people, and he has no family or syndicate behind him. It is also widely acknowledged that "none of President Lukashenko's children, close relatives, or even distant relatives, are in business" (Lukashenko 2014, 52; translated from Russian). Only in this way, he believes, can the public servants of the state maintain their integrity.

Third, a high level of social security and social stability should be maintained. Lukashenko advocates the strengthening of order and discipline to ensure social stability. In his view, there were good social security measures during the Soviet period, which should be continued. In addition to basic social security, such as housing, healthcare and education, he also carries out gradual economic reforms in line with the general conditions within the country, maintains and gradually improves the state's macro-control function, abolishes unjustified preferences and privileges, and provides targeted social protection for the under-privileged. He promised,

The national wealth of Belarus will not be deposited in foreign bank accounts and will not be used to buy luxury goods, but will be invested in modern production and infrastructure for social development. At the same time, a very important principle that a country with inadequate resource endowment should make full use of its wisdom to innovate, formulate scientific and reasonable plans, and create wealth through diligent work and active foreign policies should be followed. (Lukashenko 2006; translated from Russian)

This is in stark contrast to the situation of most CIS countries which have been suffering from social unrest and even ethnic conflicts since the collapse of the Soviet Union.

Fourth, comprehensive, peaceful and friendly foreign relations should be pursued with a focus on Russia. Lukashenko advocates maintaining traditional relations with Russia and promoting friendly co-existence with other countries and organizations while guaranteeing sovereignty, so as to create a favorable external environment. He notes that Belarus needs to make clear its position in international relations and make efforts to move forward on this basis in today's globalized world. Belarus is ready to maintain good relations with its European neighbors and further develop diplomatic relations and economic and trade cooperation with Venezuela, South Africa, the Gulf States, China, Iran, Malaysia, Vietnam, and other countries (Lukashenko 2006). "Belarus should be the most internationalized country in the post-Soviet space and even in the world" (Lukashenko 2014, 38; translated from Russian).

Objectively speaking, as the president who has been in power for more than 20 years, Lukashenko's governing philosophy and views on the country's development path have played a decisive role in the transformation of Belarus's market socialist economy, which has led Western public opinion to attack him as "the last dictator of Europe" (Stern 2010). Nevertheless, his ideology is based on safeguarding the national interests of Belarus and reaching the broadest social consensus, and he himself is also supported by left-wing political parties and the public and is given the honorific "Daddy" by many young people.

## **1.2. The Predominance of the State-Owned Economy Is the Main Domestic Condition for Market Socialism in Belarus**

One of the distinctive features of market socialism in Belarus is the predominance of state ownership in the national economy, which is an essential foundation for maintaining stable economic development, ensuring social equality, promoting employment and fostering technological innovation. After Lukashenko came to power, his first measure was to rectify the economy, stop the bankruptcy of large enterprises and mass privatizations, and reassert state involvement in land ownership in rural areas. Under Belarusian law, the state economy is divided into the two principal categories of the state-owned economy and non-state-owned economy along the lines presented in Figure 1.

Here the "state-owned" economy is divided on the basis of the nature of "wholly state ownership." In practice, there have been great changes in the structure of ownership in Belarus. In 1993, 1998, 2010, 2011, and 2016, Belarus made several large-scale reforms of state-owned assets, and switched some state-owned enterprises into open joint-stock enterprises.<sup>2</sup> For this reason, the public economy also

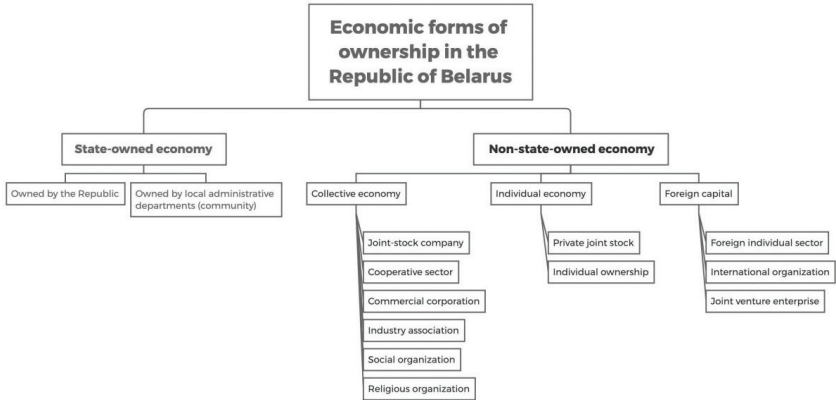


Figure 1 Economic Forms of Ownership in the Republic of Belarus

Source: Authors’ drawing based on Bogdan and Bukhovets (2015).

includes collective enterprises and joint ventures in which the state has a large stake in addition to the traditional wholly state-owned enterprises. In the early days of Lukashenko’s administration, the public economy accounted for about 75% of total GDP. With the reform of state-owned assets in the new century, the proportion of private sector increased, but generally accounted for no more than 30% of GDP, while amounting to 60–80% in Russia, Georgia, and Eastern European countries after the transition.<sup>3</sup>

The predominance of public ownership guarantees state revenues in taxes and trade, as well as expenditures on education, public health, utilities, and public transportation. The public-owned economy is also the main force to absorb employment, with those employed in state-owned or state-controlled enterprises accounting for about 70% of total employment (*Slon Magazine* 2015). In the meantime, public ownership is also a guarantee for the implementation of the national development strategy as the short-termism of private enterprises is offset by the dominance of the much larger state economy and its long-term commitment to sustainable development along the lines of the development goals of the country. The support of the state economy is required for all large-scale projects that need high investment with relatively minor prospect of short-term benefits and the development and integration of new technologies with fast update speed and driving effects on industry and the national economy. The long-term national development plan of Belarus, known as the “Growth Point” strategy, defines four basic areas of the national economy: the service industry (construction, transport, trade); energy, including the formation of scientific and production clusters around nuclear power plants under construction; high-tech industry that mainly relies on

the development of Chinese and Belarusian industrial parks; and information technology that mainly focuses on high-tech zones all over the country (Bykov 2014). Under this guidance, the pillar industries of Belarus have long-term plans and their innovation fields, such as automobiles, nuclear energy, electronics, pharmaceuticals, medical devices, and synthetic materials; they also have state ownership leading scientific and technological innovation and ensuring sustainable development.

Of course, Belarus also makes great efforts to develop private small and medium-sized enterprises (SMEs) so as to stimulate the economy and expand employment. The government has enacted a number of laws and regulations related to SMEs to assist them by supporting financial budgets at all levels, setting up funds, affording loans, establishing SME incubators, organizing mutual aid associations, providing information and technical support through training, and improving laws and regulations. Since 2010, the proportion of SMEs in the national economic development indicators has been gradually increasing (see Table 1).

SMEs have made a certain contribution to the expansion of employment. According to Presidential Decree No. 255 of May 21, 2009, and subsequent relevant laws and regulations, small and medium-sized enterprises in Belarus are those registered in the country with an average number of employees of 15 or less, 16–100, 101–250 in a year, which are classified as micro enterprises, small enterprises, and medium-sized enterprises, respectively.<sup>4</sup> According to data for 2014, the average number of employees in a micro enterprise was 3.5, a small enterprise was 40, and a medium-sized enterprise was 158 (Ministry of Economy of the Republic of Belarus 2016). In recent years, there have been more than 100,000 SEMs in Belarus, and the number of employees has been about 1.2 million, accounting for about one third of the total employment (see Table 2). There is public ownership as well as private ownership or mixed ownership in SMEs.

### **1.3. Russian-Belarusian Relations and Favorable External Environment Are the Main External Conditions for Market Socialism in Belarus**

Belarus has always attached great importance to the development of friendly relations with Russia and other CIS countries. It has actively participated in multilateral activities within the framework of the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EEU). It has carried out economic and trade cooperation with the European Union and the United States to create favorable external conditions for its own development. Its most important diplomatic relationship, of course, is with Russia. In addition to being fellow descendants of the Tsarist Russian Empire and their integrated roles as regional economic partners in the “socialist division of labor” of the Soviet period, Belarus and Russia

Table 1 The Proportion of Small and Medium-Sized Enterprises in the Main Indicators of National Economy in Belarus from 2010 to 2019

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>GDP (%)</b>	19.1	23.2	26.2	25.1	24.5	23.4	23.6	24.6	24.5	26.1
<b>National economy added value (%)</b>	21.8	26.2	29.8	28.6	27.6	27.0	27.3	28.4	28.6	30.0
<b>Employment figures (%)</b>	31.9	31.1	31.5	32.5	32.3	31.9	32.8	33.5	33.9	35.0

Source: Data from the National Statistical Committee of Belarus ([https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/strukturmaja\\_statistika/osnovnye-pokazateli-deyatelnosti-mikroorganizatsiy-i-malykh-organizatsiy/godovye-dannye](https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/strukturmaja_statistika/osnovnye-pokazateli-deyatelnosti-mikroorganizatsiy-i-malykh-organizatsiy/godovye-dannye)).

Table 2 Numbers of Small and Medium-Sized Enterprises and Numbers of Employees in Belarus 2010–2019

<i>Year</i>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Quantity of SMEs*</b>	86,917	91,277	99,986	111,112	114,208	107,441	107,382	109,971	111,214	110,777
<b>Headcount**</b>	1,247,354	1,223,584	1,209,875	1,237,922	1,200,557	1,136,101	1,148,585	1,151,616	1,158,127	1,192,905

Notes: \* The number of small and medium-sized (micro) enterprises is the statistics at the end of the year.

\*\* This refers to the total number of employees of small and medium-sized (micro) enterprises in the current year.

Source: Data from the National Statistical Committee of Belarus ([https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/strukturmaja\\_statistika/osnovnye-pokazateli-deyatelnosti-mikroorganizatsiy-i-malykh-organizatsiy/godovye-dannye](https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/strukturmaja_statistika/osnovnye-pokazateli-deyatelnosti-mikroorganizatsiy-i-malykh-organizatsiy/godovye-dannye)).



also have close ties in energy, labor, culture and other fields, which are of more significance to the former.

Belarus is highly dependent on Russia's oil and natural gas, and Russian economic assistance is also of importance to it. In the first decade or so after independence, Belarus got 80% of its oil and gas from Russia at prices well below international market prices. For instance, the price of natural gas sold by Russia to Belarus in 2004 was \$46.68 per 1,000 cubic meters, while the international market price in that year was about \$276–291 per 1,000 cubic meters,<sup>5</sup> and the middle price difference is about four times to five times higher. In 2005, Belarus imported 19.3 million tons of oil from Russia with the value of \$4.2 billion and exported 13.5 million tons of petroleum products with the value of \$4.9 billion.<sup>6</sup> Belarus's enterprises generate high revenues by obtaining oil and gas from Russia at low prices, partly for production and partly for direct export or processing for re-export. As a result of the rise in international energy prices since 2004, Belarus's enterprises have been able to profitably upgrade their operations and ensure high growth rates for the country's economy. Affected by the world economic crisis in 2008, Russia began to impose a partial tax on oil imports from Belarus in 2009. Belarus also imported oil from Venezuela, Iran and other countries for reprocessing; however, the proportion was always small (Lukashenko 2014, 41). Until 2019, 80% of Belarus's oil was still purchased from Russia "at a discount" (without export tax), and Belarus planned to import more than 9 million tons of oil from Russia in 2020 (Stepushova 2020). Russia is also involved in infrastructure projects in Belarus. For example, the total investment of the Grodno nuclear power plant is expected to be \$10 billion, and Russia will provide 90% loans with repayment maturity to 2035 (Vasiliev 2019). According to some estimates, by January 2020, Russia had subsidized Belarus to the tune of more than \$130 billion over the last 20 years (Dzhgarkava 2020). Russia's oil and gas supply, loans, and infrastructure assistance play an important role in the stable economic development of Belarus, and thus energy prices have definitely become the "focal point" of conflict between the two countries. Belarus is opposed to Russian energy price hikes on account that it will increase the country's debt burden, raise merchandise costs, and reduce the competitiveness of its commodities in the CIS market. This is the reason why the "natural gas dispute" and the "oil dispute" (Lukashenko 2014, 39–40) still abound. However, whatever the dispute, it is a "sibling rivalry." President Lukashenko has expressed his hope for a bright future in cooperation, both between the two countries and between himself and President Putin (Lukashenko 2014, 44).

Belarus also supports Russia in advancing the CIS integration process and actively participates in the Russia-led EEU, which was officially established

in 2015, with Belarus as a principal member. Under the EEU agreement, there are “four freedoms” for the movement of goods, services, capital, and labor among member states, which means that citizens of Belarus have the same labor rights in Russia as those of the Russian Federation without the need for an entry visa. Since the beginning of the new century, many villages have disappeared as a result of the shrinking of Belarusian agriculture. For this reason, many young people from rural areas have gone to Russia to work, and their income has become the main source of family finances. The free movement of goods across the border between the two countries, together with a population gap of more than ten times the size of the two countries, has always made Russia a huge market for Belarusian goods. To date, the dependence of Belarus on the Russian market has reached 50–55% (Pravda 2020). Belarusian engineering and mechanical products, such as tractors, trucks, machine tools, televisions, petroleum and petrochemical products, potash fertilizer, black metals, meat, and dairy products, etc., mainly flow to Russia, and also to Ukraine, Armenia, Kazakhstan, and other CIS countries.

In addition to economic relations, Russia and Belarus are linked by “centuries of cultural ties” and a history of joint struggle against fascism. With the proposal and help of the Russian government, the new Belarusian History Museum of the Great Patriotic War, as an important commemorative site of the Great Patriotic War, was launched in 2014 with a collection of 143,000 items. In addition, Belarus regularly organizes “Slavic bazaars” (Lukashenko 2014, 186) in Vitebsk and other places to showcase the Slavic cultural and economic ties shared by the Russian, Ukrainian, and Belarusian people. Belarus also actively promotes security and military-technical cooperation within the framework of the CSTO, and joint military exercises between Russia and Belarus have become customary practice after entering the new century. Lukashenko once said that he believed that the CIS should play a more active role, advancing beyond the “civilized divorce” of the Soviet republics, “even if it existed as a political club.” “I would like to preserve the CIS as a platform for studying and solving some economic, political and diplomatic problems, and, of course, to make it a well-structured and efficient organization” (Lukashenko 2006; translated from Russian).

Belarus works hard to maintain peaceful and harmonious border relations with such neighboring countries as Lithuania and Poland, as well as to strengthening trade and economic relations with the European Union, striving to facilitate visa procedures and increase trade and economic cooperation with the European Union. The relations between Belarus and the United States are basically in deep freeze. There are a couple of reasons for this. The United States and Western countries refuse to recognize the legitimate results of the presidential election and instead support domestic opponents to the government in Belarus. The US government

accuses the Belarussian government of violating the American interpretation of “democracy” and “human rights.” The US government’s hostility has become more severe since the Belarussian government has sided with Russia in its recent conflict with Ukraine. Controversially, the US Secretary of State Mike Pompeo was responsible for a minor thawing of the deep freeze when he visited Minsk during the COVID-19 outbreak this year in an attempt to aggravate the tension between Belarus and Russia on the question of Russian oil price hikes. From May 15, 2020, Belarus began to import oil from the United States. Although the initial shipment was just 80,000 tons with quite low prices, it also became a minor diplomatic victory for Pompeo. He claimed that this could strengthen bilateral “partnership” and the sovereignty and independence of Belarus and promote market-oriented trade liberalization reform in Belarus.<sup>7</sup>

China–Belarus relations are a special part of Belarusian diplomacy. In the early days of Lukashenko’s administration, he put forward the idea of “understanding China, learning from China and approaching China.” From 1995 to 2019, he visited China several times and actively developed diplomatic and economic relations with China. In September 2011, an agreement on the construction of an industrial park was signed by China and Belarus. In 2013, Xi Jinping put forward the “Belt and Road Initiative,” and then Belarus responded positively, hoping to combine the initiative with the national “integration” strategy to carry out industrial cooperation and project docking. In 2014, construction of the “China–Belarus industrial park” began, with a total investment of \$20 billion (Yurchenko 2020). This is the largest industrial park built overseas under the “Belt and Road Initiative.” It is to play a leading role in the Belarusian economy and is an essential channel for Chinese products into Europe. With this in mind, the two sides are also deepening their cooperation in agriculture, machine building and other fields.

## **2. Main Achievements and Experiences of Market Socialism in Belarus**

During the Soviet period, the Republic of Belarus as a member of the Soviet Union mainly developed manufacturing and processing industries in accordance with the regional socialist division of labor, playing the role of an “assembly workshop” (Vershinin 2016, 20). Its industrial growth rate was higher than the average level in the republics, which also laid the foundation for industrial development after independence. However, Belarus still suffered from a serious imbalance as a result of the collapse of the Soviet Union. The advantages of some industries were prominent, whereas other fields had terrible “weak links” and supply chains had broken down. After the implementation of market socialism, great achievements have been made in economic and social development.

**2.1. Market Socialism Has Enabled the Recovery and Rapid Development of the Belarusian Economy**

Market socialist initiatives in Belarus are mainly related to economic development and livelihoods. First of all, inflation was brought under control by “halting” the ongoing mass privatizations. As a result of Russian privatization, Belarus carried out a large-scale privatization transition experiment in the first three years or so of its independence, which not only failed to restore the economy damaged by the disintegration of the state, but also led to such serious drawbacks as social injustice, polarization, official corruption, and ineffective management, as well as the decline of industrial and agricultural production, construction, transportation, and foreign trade. From 1991 to 1994, the price of industrial products increased by 8,000 times, the price of goods and paid services by 2,200 times, while individual income only increased by 2.3 times. The number of unemployed people rose from 2,300 to 101,200. Life expectancy decreased from 71.1 years of age to 68.9 years of age, while the mortality rate increased (Kovalenia 2016, 313–314). The national bank issued a large amount of money to cope with price hikes, which in turn led to inflation, reaching four digits for three consecutive years in 1992–1994, even once approaching 2,000% (see Figure 2). People were living in difficult conditions, wages were unpaid, commodities were in short supply, the country had almost no gold and foreign exchange reserves, and protest rallies were held in many places of the country. In this context, Lukashenko successively issued five presidential decrees to slow down privatization, and revised the state decree *On Privatization of State-Owned Enterprises*, stipulating that the state equity of large-scale enterprises should not be less than 51%, and making clear the government’s opposition to the sale of all state property, the governments renewed support of the non-sale of strategic pillar industries, and the non-privatization of enterprises with stable

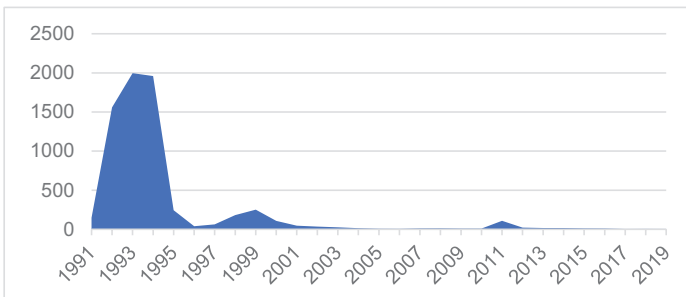


Figure 2 Inflation in the Republic of Belarus from 1991 to 2019 (%)

Source: Data from the National Statistical Committee of Belarus (<https://www.belstat.gov.by/>).

production (Lukashenko 2006). Since 1996, the country's economic situation has stabilized and grown. In 1998–2000, 2011, and 2015–2016, there were several more episodes of inflation in Belarus due to external causes, but all of them were contained. In 2017, the inflation rate fell to a record low of 4.6% (Vasiliev 2019).

The next is the development of industrial and agricultural production. The leading sector of the economy of Belarus is export-oriented industry, and the Lukashenko government has taken advantage of this condition to launch “flagship” products and industries, such as the well-known brand Belas mine dump truck, which has steadily occupied one third of the global mining truck market for many years (Lukashenko 2006), the assembly production lines for agricultural vehicles and household vehicles (e.g., Geely Automobile), general truck MAS, etc. Modern technologies have been used to upgrade production lines for electric motors, cables, transformers, and other electrical equipment. At the same time, oil refining is one of the leading industries of the country. The state concern Belarusian Petrochemical supplies petroleum products to domestic and foreign markets, with a large share of exports. As the largest supplier in the global potash market, the Belarusian Potash Company and other enterprises produce fertilizers and potash. There are more than 80 metallurgical enterprises in Belarus with superior strength. These industrial sectors lay a foundation for industrial development by supplying products to domestic and CIS, European and global markets.

Belarus is best known for its agriculture sector. Its agricultural output value ranked the fifth among the republics before the collapse of the Soviet Union, producing such cereals and cash crops as wheat, rye, barley, oats and corn, sugar beet and rapeseed, as well as meat and dairy products, with flax and potatoes being its traditional specialties. Collective farms and state farms in the Soviet era were preserved, and family farms were set up and allowed to be contracted. Since 2009, the individual economy has accounted for 30% of the national agriculture (Vasiliev 2019). These state-owned and individual economies produce high-quality natural products that are sold to CIS countries. In recent years, with the development of China–Belarus trade and economic relations, Belarus has continued to market its green agricultural products, meat, milk and other foodstuffs to China, and they have enjoyed great popularity in the Chinese market.

Economic growth has also been assured. The privatization at the beginning of independence dealt a severe blow to Belarus's merchandise exports. In addition, the decline of manufacturing and other sectors led to a negative growth in GDP for years, falling by more than 10% between 1992 and 1995 (see Figure 3). In the early 2000s, the manufacturing sector began to recover, and the economy grew steadily. The conflict between Russia and Ukraine once affected the economy of Belarus, with negative growth in 2015 and 2016, but it recovered in 2017 and achieved three consecutive years of positive growth. The total GDP in 2019 came

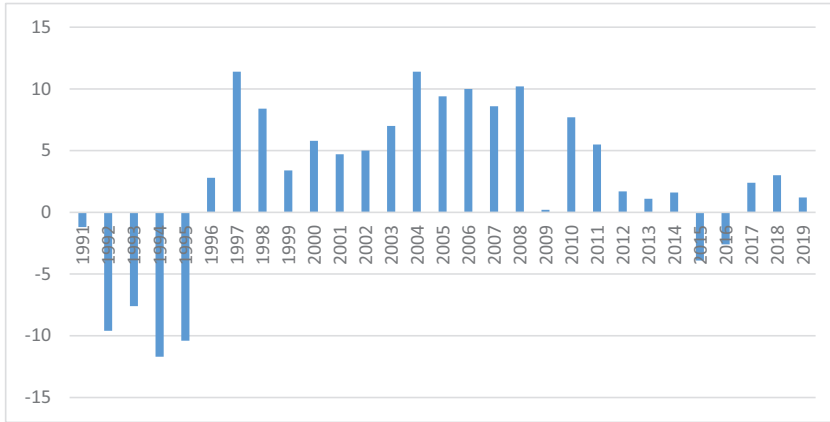


Figure 3 Changes in GDP Growth Rate of the Republic of Belarus since Independence (%)

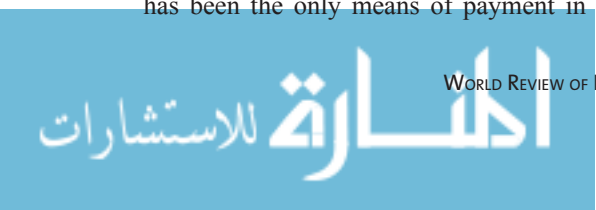
Source: Data from the National Statistical Committee of Belarus (<https://www.belstat.gov.by/>).

to about \$61.09 billion, which is more than 3.4 times higher than the 1994 figures of US \$17.79 billion.<sup>8</sup> In the post-Soviet space, Belarus was the first to overcome the disruption of traditional trade and economic relations caused by the collapse of the Soviet Union and achieve rapid economic growth. The government forecasts that the economic growth rate will be 2.8% in 2020; however, there is a risk of negative growth on account of the Coronavirus pandemic.<sup>9</sup> At the moment, the economic decline is not significant,<sup>10</sup> and the general trend is to maintain positive growth. Meanwhile, “an important proportion of the gross domestic product of the Republic of Belarus is devoted to maintaining the necessary level of material well-being of residents” (Kovalenia 2016, 328; translated from Chinese).

**2.2. The Quality of Life of Belarusian Residents Has Been Constantly Improving**

Since Lukashenko came to power, the government has been able to ensure a high quality of life for the population by stabilizing the currency, continuously increasing wages, and supplying social welfare, despite the fact that the country has experienced some serious inflation and prices have maintained a slight upward trend.

Resident incomes continue to rise and the gap between rich and poor is relatively small. Before the collapse of the Soviet Union, Belarus used the Soviet ruble, which was abolished with the collapse of the Soviet Union. Later, the Russian ruble was used again, and the currency soon depreciated sharply, turning into wastepaper again (Lukashenko 2014, 56). Since 1994, the Belarusian ruble has been the only means of payment in the country. The population had little



confidence in the stability of the local currency due to the constant price increases and several inflationary episodes. In order to improve the attractiveness of the Belarusian ruble, the government carried out three monetary reforms in 1999, 2011, and 2016, making every effort to ensure its stability and reliability, as well as trying to ensure constant increases in incomes. Of course, the average salary varies from one industry to another, and within the same industry there are also variations according to work seniority and regional differences. For instance, the salaries of government employees, financial workers and computer programmers are generally higher than those of other industries, and the average salary of Minsk is also higher than that of other states.<sup>11</sup> The following table shows salaries in major industries in 2016 in new Belarusian rubles and US dollars. It can be seen from the table that salaries in fields such as the industrial and mineral industry, finance, insurance and telecommunications are relatively high, while those in education and culture are relatively low.

The average nominal salary in Belarus was \$300 in 2006 (Lukashenko 2006) and \$400 in 2014 (official prices). In the first half of 2018, it reached 943.9 Belarusian rubles, or about \$470. The government aims to raise the average salary to \$1,000 per month (*IA REX* 2016; Armor 2016). The salary level of employees in private enterprises is about the same as the national average, e.g., the average nominal salary of employees of micro and small enterprises was 681.6 Belarusian rubles, 811.3 Belarusian rubles, and 955.7 Belarusian rubles in 2016–2018, respectively,<sup>12</sup> which is only slightly higher than the national average. In contrast,

Table 3 Salaries in the Main Industries in Belarus in 2016 (US\$1: 2.16 Belarusian rubles)

<i>Economic sectors and industries</i>	<i>Belarusian ruble salaries</i>	<i>US dollars (in total)</i>
Agriculture	669	310
Chemicals	1,192	552
Mining industry	1,212	561
Oil refining	1,166	540
Finance and insurance	1,194	553
Telecommunications	1,189	550
Culture	421	195
Doctors	900–1,270	417–588
Intermediate nursing technicians	670–790	310–366
Nurses	500	231
Primary school teachers	450–860	208–398
Middle school math teachers	305–800	141–370

Source: Vasiliev (2019).

on a national scale, “the guaranteed maximum income of the population is five times higher than the minimum income, which is equivalent to the level of Austria, Switzerland and Germany” (Kovalenia 2016, 321), and there is a small gap in national per capita income levels.

State-owned enterprises are the springboards for the high employment rate. Belarus is dominated by state-owned or state-controlled enterprises, which account for about 70% of total employment (*Slon Magazine* 2015) and provide a relatively stable source of employment. In the industry, there is a great demand for technical work, such as architectural engineers, masons, plasterers, concrete mixers, tractor drivers, and car drivers. There is a severe shortage of medical staff such as nurses, physicians, and paramedics, and there is also a high demand for veterinarians, livestock specialists, and milking machine operators in rural areas. According to official statistics, the general unemployment rate is 0.4–0.5% (Kovalenia 2016, 318),<sup>13</sup> which is one of the lowest unemployment rates in the world. The unemployed are required to participate in involuntary labor regularly with a low unemployment allowance. In order to promote full employment for those who have the ability to work, the government issued a decree in 2017 that requires the unemployed to pay a public utility fee (i.e., “parasite tax”).<sup>14</sup>

Pensions for urban and rural workers are always guaranteed. Under Belarusian law, pensions are paid primarily to the elderly, the disabled, and persons who are unable to work, as well as those with long working years and special merit. After 2017, the retirement age was raised by six months each year, so that by 2022 it will be 63 for men and 58 for women (National Legal Internet Portal of the Republic of Belarus 2016). According to the Ministry of Labor and Social Security, retirement pensions generally consist of a minimum pension and subsistence allowance of 216 Belarusian rubles (\$100), an average pension of 394 Belarusian rubles (\$182), and a disability pension of 235 Belarusian rubles (about \$110). The basic pension should not be less than 25% of the average salary (Vasiliev 2019). It should be noted that peasants are also entitled to a pension and enjoy the same right to full employment as other professions, which is not only an inheritance of the Soviet-era rural public economy, but also a basic policy for solving the problem of rural employment and safeguarding the interests of farmers.

Public services are comprehensive and affordable. The government of Belarus spends national tax revenues and profits from state-owned enterprises on public services, improving the living conditions of the population, and providing assistance to the disabled and orphans. The increase of national tariffs is based on the growth of household incomes, and residents bear about 80% of the actual cost of public utilities. Of course, in recent years, the proportion of public service payments has increased. Citizens pay 100% of the cost of water, sanitation, garbage



removal, stairwell lights, and elevators. Household electricity is paid at 80% of the actual price, heating and hot water at 20%, and housing maintenance at 19%. The actual payment of housing costs also varies from place to place, with costs in Minsk being higher than in other regions. After 2019, under the “Anti-parasite Act,” these payments will cost the unemployed almost all the benefits they receive (Vasiliev 2019).

Prices are basically stable with small increases. Commodity prices in Belarus are roughly in line with those in Russia, and the government has tried to keep the rate of increase under control and below the rate of wage increases, although prices have increased each year. Even during the world economic crisis in 2008–2009, prices were “controlled carefully” and excessive rises were prevented: “the government did not have to make money out of the economic difficulties of the population” (Lukashenko 2014, 60; translated from Russian), Lukashenko reiterated this point when answer a reporter’s question in 2009. As a result, prices are generally at an acceptable level relative to incomes. The following are some food prices in 2017 (Vasiliev 2019).

**Smoked sausage** (kg): 20–26 Belarusian rubles (617–802 Russian rubles).

**Regular sausages** (kg): 7–9 Belarusian rubles (216–278 Russian rubles).

**Soft cheese** (kg): 8–14 Belarusian rubles (247–432 Russian rubles).

**Hard cheese** (kg): 15–18 Belarusian rubles (463–555 Russian rubles).

**Bread** (piece): from 0.6 Belarusian rubles (from 19 Russian rubles).

**Potatoes** (kg): 0.5 Belarusian rubles (15 Russian rubles).

**Milk** (liter): 1–1.3 Belarusian rubles (31–40 Russian rubles).

The level of education, medical care, and housing security is high. There is universal access to publicly funded healthcare and education in Belarus. As a rule, the cost of medicines is borne by the population, and the medicines are mainly manufactured in Belarus. In recent years, a small number of paid services allowed by the policy have been added to the doctor services. Education is compulsory in the country and is equally accessible to urban and rural residents from preschool to senior high school, with the population bearing only the cost of books and maintenance of some instructional facilities. In addition, 50% of higher education is at public expense. In the early days of independence, the mortality rate had been higher than the birth rate, but the situation was fundamentally reversed in 2006. In order to encourage childbearing, the government has made a policy of providing free housing for those with three or more children.<sup>15</sup>

There is a high level of social stability and harmony. Law enforcement agencies in Belarus leave people with the good impression of a polite police force and little corruption, reflecting the integrity of the government.<sup>16</sup> Street advertising and illegal trade are rare in the city, and the infrastructure is of good quality, especially in road construction. The population pays special attention to sports. Most villages have hockey fields and teams for playing its national sport. The society shows a stable state where the people live and work in peace and multi-ethnic harmony, low crime rates, fair and clean government, and a relatively small rural–urban disparity. The *Human Development Report 2019*, compiled by the United Nations Development Program (UNDP), indicates that Belarus’s human comprehensive development index ranks 50th in the world in 2019 and has joined the list of countries with high levels of human development (UNDP 2019, 300).

### 2.3. The Main Experience of Market Socialism in Belarus

After the collapse of the Soviet Union, the 15 former republics of the Soviet Union were confronted with the problem of economic recovery and re-selection of national development paths. In the early days of independence, Belarus once followed Russia’s transition to neoliberal capitalism. After Lukashenko came to power, he began to explore a national development path in line with national interests and conditions, gradually forming a development model with its own characteristics. The “Belarusian socio-economic development model”<sup>17</sup> is often used by Belarusian academics to summarize this development in theory and practice. Nevertheless, it is more commonly known in Russian and other countries as “Belarusian market socialism,” which is essentially a socialist market economic system dominated by state ownership, on account of the fact that the fundamental economic system conforms to a socialist market economic system dominated by public ownership or state-owned ownership, regardless of the superstructure.

From the perspective of practical effects, it is not difficult to assess the significance of this choice of development path for Belarus by comparing the situation over the past 30 years since its independence. In the early days of its independence, Belarus experienced disastrous consequences of the collapse of the Soviet Union and the aftermath of the Chernobyl nuclear accident as well as privatization, which emptied state coffers and sent most of the state-owned enterprises out of production. The average monthly salary of employees was little more than \$20, and they were often in arrears. Pensions and other social benefits were not guaranteed. Agricultural production had also declined significantly. At the same time, corruption was rife and social division was in a “desperate” condition (Lukashenko 2006). During Lukashenko’s over 20 years’ tenure in office, Belarusian market socialism, with its slogans of “the state serving the people” and “a strong and

prosperous Belarus is the objective,” has evolved from the late Soviet Union’s so-called “developed socialism” and “liberal capitalism” in the early days of independence toward “pragmatic market socialism” (*IA REX* 2016). This model combines the advantages of the modern highly developed state-owned market economy with the insurance of social equality and the provision of effective social services, which has created a favorable economic situation and rising living standards for the population.

On March 22, 2002, Lukashenko summarized for the first time the main experience of the economic and social development of Belarus in his concluding speech at a seminar for senior government and local officials. There are three main points in the speech. The first is that a strong and efficient state power is the most important condition for the successful management of the country, required to ensure the economic security of the state and its citizens. The government should avoid introducing rules that go against market norms and behaviors and create conditions for improving economic efficiency and economic growth, form an optimal industrial structure that balances the socio-economic development of the region, and prevent unjust enrichment and excessive social differentiation. The second is the balanced development of various forms of ownership. The ratio between the state and private sector should be determined in accordance with the interests of the state. The third is that privatization is a means of attracting investors. The model of privatization in Belarus must be an investment linked to the long-term planning of the country, aiming at promoting economic development and solving the employment problem of workers. The foreign economic policy should be pluralist, with mutually beneficial economic cooperation with all regions of the world carried out to promote the development of integration processes with Russia and the CIS countries (Sessiya 2002). In the decade or so since then, there have been increasingly evident and prominent features in the market socialism of Belarus. In the economy, the mixed ownership system with state ownership as the mainstay has been implemented. The national interests should be considered in the first place when determining the proportion of public and private components. Fair operation should be carried out, and the private economy must conform to the national development plan and be conducive to the expansion of employment. The national economic management system that combines state intervention with spontaneous regulation of market mechanisms is implemented to ensure the high welfare and high consumption of the population. In the political system and social management structure, vertical management without a ruling party was put into practice to guarantee national security and political stability with the democratic, efficient, and uncorrupt political system, taking “strong state power” as the most important condition for successful governance. In social policy, a strong social security system has been established to safeguard citizens’ rights to personal health,

education, career planning, and cultural development, and provide targeted social assistance to vulnerable groups with the main objectives of guaranteeing social justice and employment, maximizing citizens' rights, and avoiding social division on the basis of the former Soviet social security system. The social welfare system covers the largest social groups ensuring high living standards. In diplomacy, mutually beneficial economic cooperation with all regions and countries has been carried out with neutral, peaceful, open, and transparent characteristics, while maintaining a good image in the international community and diversifying foreign economic policies. The active promotion of economic integration with Russia and other CIS countries helps Belarus play a positive and active role in regional conflicts. This market socialism, which has been called by the general public "the economic transformation model most suitable for the national conditions of Belarus," reflects the ideological principles of the work of its leaders and government that economic transformation is not reform for the sake of reform, but for the purpose of improving the well-being of the population and ensuring economic efficiency and social justice (Sessiya 2002; Su 2007).

### 3. Some Lessons to Learn from Market Socialism in Belarus

As a "state practice" of market socialism, Belarus has explored and developed an alternative market socialism model with Belarusian characteristics for the country's development path over the past quarter of a century. Its practice also provides important lessons on the issue of the reform of today's socialist countries and the capitalist system. The reason why the Belarusian model is called an alternative socialist market economy system is that, from the perspective of economics and the fundamental social economic system, it is a market economy in which public ownership is dominant. The Chinese Constitution provides for the joint development of multiple ownership systems with the public system as the main body and state ownership as dominant. Yet the private economy alone accounts for more than half of all economic indicators, contributes more than 50% of China's tax revenue, more than 60% of GDP, more than 70% of technological innovation achievements, more than 80% of urban labor employment, and more than 90% of enterprises (see *Xinhuanet* 2019), and the gap between wealth and income distribution is widening. Belarus has a joint development of multiple ownership system with state ownership as the main body, and all economic indicators of state ownership amount to about two thirds with a smaller disparity in the distribution of wealth and income. For this reason, Belarusian market socialism is essentially an alternative socialist market economy system different from that of China, and it is necessary to have an in-depth discussion of its theoretical logic and practical experiences.

First, public ownership is the mainstay and multiple forms of ownership develop simultaneously. This is the basic way to keep the country's economic stability and social equity, and improve economic vitality. After the initial "detour" of privatization, Lukashenko led Belarus to develop the state-owned economy vigorously and guarantee high incomes and social benefits for the population with high taxes. The country's small population and economic size, coupled with its dependence on external energy and CIS markets are Belarus's main economic disadvantages. However, its sustained and stable economic and social development and smaller wealth and income disparity for urban and rural residents are directly related to the solid economic foundation laid by the dominant position of public ownership of the state. The stable development of the Belarusian economy and increasing national wealth has proved that public ownership and state ownership offer some indispensable advantages. This success stands in stark contrast to the case of Russia. Putin, after coming to power there, proposed that Russia will neither return to the past planned economic system, nor engage in liberalized radical economic reforms copied from the West, but will take "the third way," in which the common direction of human social and economic development will be combined with the specific national conditions of Russia (Liu and Wang 2019, 160). Nevertheless, Russia has not changed the monopoly system of private capital, so the economic development is slow and unstable and the polarization between rich and poor is dire.

Second, it is necessary to improve national governance and innovate management methods. In the contemporary world, it is rare to find a country like Belarus with no ruling party, which is to some extent a political innovation of the Lukashenko regime. But this is not to say that there are no political parties. The parliament allows them to exist. In the early days of independence, there were about 30 political parties in Belarus. By 2006, there were 17 political parties and over 2,000 social organizations. By the end of 2019, the Belarusian parliament was represented by 15 legal political parties, 37 legal trade unions, and 2,402 legal associations (230 of which are international organizations). At present, there are 15 influential political parties, including the Labor and Justice Party of the Republic, the Communist Party of Belarus (*Коммунистическая партия беларуси*), the Party of Communists of the Republic of Belarus (*Партия коммунистов Республики Беларусь*), the Belarusian Popular Front Party, the United Civic Party, and the Liberal Democratic Party, with membership ranging from thousands to tens of thousands.<sup>18</sup> Some of these parties are supporters of the Lukashenko government, such as the Labor and Justice Party of the Republic and the Communist Party. Some are in alliance with the right-wing forces and opponents of the government, such as the Party of Communists of the Republic of Belarus. There are also "uncompromising opponents" of the government, such as

the Popular Front Party and the constructive opposition faction Liberal Democratic Party. On the whole, the parties that support the current government or act as a constructive opposition faction are larger in number and have greater social influence. Thus, it is not so much that there is no ruling party in Belarus as that the majority of political parties play a constructive role in state politics. Lukashenko also admits that he himself ran for election as a political opponent at that time, but he was a “constructive opponent” who opposed participating in politics in a destructive way that undermines the national economy and social order, and above all, engages in sabotage as seen by the opposition in Ukraine (Lukashenko 2006). The government’s “vertical management,” restrictions on unfair competition, limits on the powers of state officials, and strong anti-corruption measures have had a significant positive effect on administrative efficiency and social justice. For this reason, Belarus is a relatively harmonious and stable society in which there are rare fierce partisan disputes and little corruption, and ethnic conflicts, uneven regional development and the gap between rich and poor are also not prominent. In many years of assessment by international rating agencies such as Moody and Fitch, the social stability of Belarus has been highly rated, and its experience is worthy of reference for capitalist countries.

Third, attention should be paid to developing a nation via science and technology and enhancing the cultural literacy of the population. The government of Belarus believes that the country lacks energy and raw materials, and “people” are its greatest asset. The government not only guarantees the well-being of the people, but also invests in education to cultivate high-quality talents, and attaches importance to the role of science and technology in economic development. The state, society, and schools protect students’ right to education, support technological innovation, protect the originality of scientific and technological workers, and actively promote the integration of industry, universities, and research. The education sectors focus on teaching students according to their aptitudes, keeping files for those under 30 with special talents, protecting students’ curiosity and original thinking, and tracking the growth of talents. In order to enhance the national quality-oriented education, education about Soviet history, patriotism, and collectivism is conspicuous in many urban and rural areas and public places. Students’ all-around education runs through school, family, and society, and virtues such as politeness, honesty, elegance, diligence, and tenacity permeate the blood of the public. It is of reference value to compare the experience of many capitalist countries, especially the developing ones, which attach great importance to educational technology and cultural values.

Fourth, friendly diplomatic relations are developed with various countries, and foreign investment is attracted through policies. The diplomatic goal of Belarus is to pursue a friendly, neutral, and denuclearized stance and to maximize the

maintenance of its geopolitical, economic, and strategic interests. Nevertheless, the United States and a few other capitalist countries intend to attack and stifle the development of Belarus, while it cannot prevent the friendly exchanges and equal cooperation between Belarus and the Commonwealth of Independent States, China, Europe and many other countries. The basic conditions for attracting foreign investment were insufficient, especially in the early years of its independence, on account of the relatively high wages, upscale consumption, and inflated welfare, as well as its small population, small market, and insufficient resources. The Lukashenko government has attracted investment actively through preferential policies, and the situation has improved considerably since 2008. For instance, Gazprom (*Газпром*) acquired the Belarusian Natural Gas Company Limited (*Белтрансгаза*), which has been a driver of the Belarusian economy along with other Russian investments. In recent years, Cyprus, Hungary, Switzerland, Germany, the United Kingdom, the United States, Turkey, Saudi Arabia, and other countries have also invested in Belarus. At present, there are more than 40 enterprises settled in the China–Belarus Industrial Park, in which new energy trams and many other products have been sold in a number of countries. Chinese enterprises have also participated in the infrastructure construction of Belarus. Belarus is making efforts to improve its business environment to attract more investment from high-tech companies, and great significance has been attached to environmental protection and ecological construction in both urban and rural areas, creating a good condition and an international image for opening to the outside world and investors. Belarus can serve as a mirror to some capitalist countries in the Third and Fourth World in doing right while so many of them are doing wrong.

Fifth, national governance should be strengthened to prevent “color revolution.” In the world situation, the geostrategic interests of the Russian–Belarus Federation and the Russian-dominated Eurasian Economic Union are in conflict with those of the Western imperialist countries. The United States has always instigated “color revolutions” and has never given up its plots to overthrow the Lukashenko government. Lukashenko also has a clear understanding of the background and causes of “color revolutions.” At the beginning of this century, when the United States initiated “color revolutions” in Georgia, Ukraine, Kyrgyzstan, and other countries, Lukashenko repeatedly pointed out that strong state power is a key factor for maintaining social stability.<sup>19</sup> Belarus successfully resisted the impact of that round of “color revolution,” but the risk was not completely eliminated on account of the support of external forces. In 2008, Belarusian political activists and opposition leaders Andrei Sannikov, Mikhail Marinich, and others launched the European Belarusian Citizens’ Movement. In early 2010, the “Truth-Telling Movement,” a civic organization that pushed for Belarus’s accession to the European Union demanded the government implement so-called democratic reforms, which had

some influence among the youth. The “Truth-Telling Movement” has applied several times to register as a political party, but has not been approved. From 2018 onwards, the organization was preparing to participate in the presidential and parliamentary elections of 2020, advocating the establishment of a so-called “middle class and a mature civil society” (Satsyuk 2016). In response to these activities, the Belarusian government, on the one hand, has strengthened social management and tightened control over the opposition, and on the other hand, has guided the population, especially young people, with correct values. Lukashenko has made it clear that there will be no “color revolution” in Belarus during his administration, because “no one will shoot at his own people, and our people are not so stupid as to cause destruction and unrest for a little money” (Lukashenko 2014, 66; translated from Russian). President Lukashenko, who is running for a sixth term in Belarus’s presidential election on August 9, 2020, faces an “electoral contest” that is a little bit more complicated than his previous ones, but there is little doubt about his re-election. Meanwhile, the threat of the “color revolution” has not risen as a result of the elections. It can be seen that the economic foundation with the state-owned system as the mainstay and the new political system without a ruling party have fundamentally laid the economic and political foundation for social stability and fairness and the strict prevention of “color revolution,” which is of enlightening significance for many capitalist countries with unstable economies and politics.

## Notes

1. For research results on market socialism in Belarus, see Su (2006, 2007), Zhan (2006), Huang (2011), Fang and Li (2013), and Han (2018), etc.
2. See “Results of the Reform of State Property for the Period from 1991 to 2018,” [http://gki.gov.by/ru/activity\\_branches-estate-eref/](http://gki.gov.by/ru/activity_branches-estate-eref/); and “Alienation of Enterprises as Property Complexes Free of Charge from Republican Ownership to Communal Property,” [http://gki.gov.by/ru/peredacha\\_predpriyatii/](http://gki.gov.by/ru/peredacha_predpriyatii/).
3. See “Economy of Belarus (Belarus),” <http://www.ereport.ru/articles/weconomy/belarus.htm>.
4. See “Law of the Republic of Belarus,” <https://pravo.by/document/?guid=3871&p0=H11000148>.
5. In 2004, the oil price in the international market was in constant flux with a large increase. See *OUR OPINION* (2005) and “Statistical Review of World Energy 2020,” <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2020-full-report.pdf>.
6. See “Economy of Belarus (Belarus),” <http://www.ereport.ru/articles/weconomy/belarus.htm>.
7. The Belarusian Foreign Minister further emphasized the move as a measure to ensure the country’s economic sovereignty and enhance energy security. See Stepushova (2020), and Khabarov (2020).
8. See Vasiliev (2019); also see “Belarus Gross Domestic Product, 1990–2018,” <http://be5.biz/makroekonomika/gdp/by.html#main>; and “Economics” in “President of the Republic of Belarus.” [http://president.gov.by/ru/economy\\_ru/](http://president.gov.by/ru/economy_ru/).
9. As a result of the pandemic, the World Bank predicts a 4% decline in GDP in the Belarusian economy. See Dzhgarkava (2020).



10. According to data from the State Statistics Committee of Belarus, the total GDP in January–April 2020 is 41,091.5 billion Belarusian rubles (\$17.5 billion), which is 98.7% of the figure for the same period in 2019. From January to April of 2020, the total exports of goods decreased by 13.2% compared with the same period in 2019, and imports decreased by 11.9%. The average total value of exports fell by 6.7%, and imports fell by 9.8%. Neither of these decreases appears to be significant at this point. See “Basic Socio-Economic Indicators of the Republic of Belarus in January–April 2020,” and “National Statistical Committee of the Republic of Belarus, On the Results of Foreign Trade in Goods in January–April 2020,” <https://www.belstat.gov.by/>.
11. For example, in 2015, the average nominal salary of managers in state-owned enterprises was 8,030,400 Belarusian rubles, which was 1.6 times as much as that of educators (4,837,500 Belarusian rubles), while this figure was 11,390,000 for real estate agents and 5,411,600 for health care and social services workers respectively (*IA REX* 2016).
12. This is based on data from the Belarusian State Statistics Bureau: National Statistical Committee of the Republic of Belarus. See “Key Economic Indicators of the Activities of Small and Micro-Organizations,” <https://vitebsk.belstat.gov.by/ofitsialnaya-statistika/realnyy-sektor-ekonomiki/maloe-predprinimatelstvo/osnovnye-pokazateli-mp/osnovnye-ekonomicheskie-pokazateli-deyatelnosti-mikroorganizatsii-i-malyh-organizatsii/>; and “Key Socio-Economic Indicators,” <https://vitebsk.belstat.gov.by/ofitsialnaya-statistika/osnovnye-pokazateli/>.
13. Kovalenia (2016, 318) thought that this rate was 1.5–2%, and according to Vasiliev (2019), the real unemployment rate in Belarus was about 4.7–5% by international standards.
14. In late December 2017, the Belarusian government updated Decree No. 3, deciding that the government would establish an information bank to provide 100% employment opportunities and labor skills training for citizens who have the ability to work, and the unemployment benefits they receive will be refunded in full in the event of unemployment. It took effect from January 1, 2019. The announcement of the decree once sparked street protests, but they subsided. Specific instances are described in *NAVINI.BY* (2017).
15. See Lukashenko (2014, 61). Before the collapse of the Soviet Union, there was a national housing distribution system in Belarus. After independence, it was reformed to a system of individual purchase or lease, whereas state-owned land is leased for self-construction in the countryside. The sales price of commercial housing in Minsk is about \$1,000 per square meter. Some special groups of people (including families with financial difficulties, families with many children, people suffering from work-related injuries, family members who died of tuberculosis, young professionals working in rural areas and other places) can queue up to buy housing at a preferential price and register in the housing administration. At present, the priority of the government’s housing security program is to build low-cost housing. Free housing for families with many children is a special policy.
16. Belarus is one of the top six countries with the least corruption in the world. See Kovalenia (2016, 318).
17. “Belarusian socio-economic development model” is called *Белорусская модель социально-экономического развития* in Russian.
18. The Labor and Justice Party of the Republic was founded in 1993 with about 7,000 members; the Communist Party was established in 1996 with about 6,000 members; the Party of Communists of the Republic of Belarus was founded at the end of 1991 with about 4,000 members; the Belarusian Popular Front Party was founded in 1988 with more than 1,300 members; the United Civic Party was founded in 1995 with more than 3,000 members; the Liberal Democratic Party was founded in 1994 and now has about 37,000 members.
19. See “Model of Socio-Economic Development of the Republic,” <https://zavtrasessiya.com/index.pl?act=PRODUCT&id=252>.

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