



Final Country Report

Belarus

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1. INTRODUCTION

Belarus is situated in Eastern Europe and borders with Poland, Lithuania, Latvia, Russia and Ukraine. The shortest transport links between the EU and CIS go through the territory of Belarus, which also determines a significant flow of migrants from CIS to the EU travelling through Belarus. The territory of Belarus is 207.6 km², which makes it the 13th largest country in Europe. It is the fifth country by population (9.5 million people in 2011) among CIS countries. Belarus is a unitary state that consists of 6 regions and the city of Minsk (capital), which is regarded as a separate administrative entity.

Belarus regained its independence in 1991, after the collapse of the USSR. It is a bilingual country, with Russian and Belarusian being the two equal official languages. In practice, this boils down to the dying out of the Belarusian language, as most of the population tends to speak Russian. This tradition stems from Soviet times, when the Belarusian language and the Belarusian identity itself were underrated. This is also partly an explanation of the close economic and political relations that Belarus has with Russia. Another reason is the manifested desire to run an economic policy based on Soviet traditions, instead of conducting extensive market reforms, which is praised by Russia. Nowadays, Belarus is a member of the customs union with Russia and Kazakhstan. On the contrary, relations with the EU are at a standstill.

Russian support is partly a guarantee for the political stability that is observed in Belarus. It is a presidential republic, and Alexander Lukashenko has been in power since 1994. On the one hand, this political stability and conservatism of economic policy is valued by a big share of the population. On the other hand, it implies fewer possibilities for personal creative potential realisation in business, as well as in cultural and political spheres, which pushes young and ambitious people to move abroad.

According to the last census (2009), Belarusians are the majority nationality with a share of 83.7% of the population. Russians are the second largest nationality (8.3%); however, their share dropped by 3 percentage points compared to the previous census. One of the largest ethnic minorities in Belarus is the Polish one. It accounted for 3.9% of the population of Belarus in 1999, but this share reduced significantly, down to 3.1%, in 2009 (from 396,000 persons to 295,000). Next in line are the Ukrainians (1.7%). The share of any other nationality does not exceed 0.1%, which makes ethnic composition of the population quite homogenous.

Economic issues are the cornerstone of the migration processes that take place in Belarus. At the beginning of the 1990s, Belarus suffered from the transitional recession (1992-1995) and started to recover from 1996 onwards (see Figure 1.1). Recession faced by Belarus at the beginning of the economic transition was deep, due to the massive heavy industry inherited from its Soviet past, which was overwhelming for a small economy. This heritage is influential up until now, as Belarus' economy still depends heavily on the import of energy goods from Russia, as well as Russia's market for industrial goods, which are exported by Belarus. The economic turmoil of the early 1990s significantly influenced household incomes. Between 1988 and 1995 real household incomes dropped by 44%, while real per capita GDP decreased by 34%. As a result, poverty² increased from 1% to 22%. Moreover, it exceeded 45% in 1999, as the economy of Belarus was hit by the Russian financial crisis. A delayed economic recovery has been compensated by its speed: average economic growth was around 7% within 1996-2009. However, this growth observed in Belarus since 1996 onwards is rather related to a favourable external environment than appropriate economic policy design. Yet, the benefits of economic growth have been distributed evenly through a complicated system of social benefits provision and controls over wage-setting, employment,

² The official poverty line is set at the level of minimum subsistence. It was equal to BYR 250,000 in 2009 (EUR 62.7) and BYR 280,000 (EUR 70.0) in 2010.

¹ The authors are aware that nationality is usually used as synonymous with citizenship, determining the legal bond between a person and his or her state. Here – as in many countries of the former Soviet Union – nationality is used for the self-declared membership in an ethno-national group.

and prices. Over the last several years, substantial poverty reduction (down to 5.4% in 2009, see Table 1.2 and Figure 3.5) could be largely attributed to economic growth, and only partly to the social assistance programmes (Chubrik, Haiduk, 2007).

One of the important factors influencing migration flows is the labour market development. The labour market, strictly controlled by the authorities, has played one of the key roles in economic growth and redistribution policy in Belarus, by avoiding large discrepancies in wages and unemployment. Over the period 1990–2009, the cumulative reduction of the number of employed in the economy amounted to 10.2% (according to the official data). The recession of the early 1990s was behind the initial fall in employment. In addition, there has been a deindustrialisation process underway in the Belarusian economy, and some former industrial workers have not found new jobs in the private and/or services sector. In the first decade of the 21st century, there was a recovery of employment due to economic growth and demographic factors, as the 'baby-boomers' of the early 1980s began to enter the labour market. Unemployment in Belarus is kept at a low level, partly due to public support of the real economy and quasi-fiscal activities, such as directive lending practices. It allows the functioning of many state-owned enterprises that otherwise would go bankrupt.

The informal sector is another important feature of the Belarusian economy. Estimates of the size of the informal economy in Belarus vary from 15% (an estimate provided by the Ministry of Taxes and Duties) to almost 50% (Dreher, Schneider, 2006). Most typically, the informal sector is comprised of unreported work in the services sector (construction, trade and catering, consultancy). Some experts claim that the unfavourable business environment in Belarus results in the escape of the vast majority of businesses into the shadow sector. It is easy to cross the line between formal and informal in Belarus (Chubrik, Pelipas, and Rakova, 2007).

Apart from the economic environment, demographic issues also play an important role in forming migration trends. Between 1994 and 2009, the population of Belarus declined at an average rate of 0.36% per annum. According to the latest census data, the population of Belarus in 2009 was down by 5.2% compared to the level of 1999, and by 6.7% compared to 1989. Most of the reduction took place at the expense of the rural population, which dropped by 30% compared to the level of 1989 (the urban population, on the contrary, increased by 6%). The rate of the natural increase of the population dropped from 4.9 per 1,000 population in 1989 to -5.8 in 2002. Since 2002, the death rate is slowly falling, while the birth rate is gradually increasing. Still, in 2009, a natural decrease of 2.7 persons per 1,000 population occurred. The officially measured positive migration rate (1.3 persons per 1,000 population) was not enough to change the trend of population decrease. The main reason behind this trend is a very low fertility rate. In 2010, it amounted to 1.44 children per woman of fertile age. Despite a certain increase of this rate in the recent years, it is far below the 2.1-children reproductive threshold.

The population pyramid in Belarus is turning regressive. Despite the number of people at pension age is quite stable (between 1990 and 2009 it increased only by 2.9%), the number of people at pre-pension age (40–54 for women and 40–59 for men) grew by 25.9%. Taking into account the current burden of the pension system on the workforce, ageing is becoming an important challenge for Belarus' long-term development (Chubrik, Shymanovich, 2008). The average age of the population in Belarus continues to grow. According to the census data, it was equal to 37.1 years in 1999, and 39.5 in 2009.

Moreover, demographic development of Belarus is characterised by a steady decrease of the rural population, which is due to high death rates and migration. As a result, the depopulation of rural areas is observed in Belarus. This process is accompanied by such negative trends as rejuvenation of mortality, reduction of birth rates and life expectancy for men.

Apart from social, economic and political transformations, the deterioration of the ecological situation, due to the Chernobyl disaster of 1986, influenced internal migration flows to a large extent. In the aftermath of the explosion, 24,700 people that lived within a 30km radius around the power station were evacuated. Later on, people from the contaminated regions

were leaving on their own initiative until 1990, when a special programme of resettlement from contaminated regions was adopted.

2. THE MAIN EMIGRATION AND INTERNAL MIGRATION TRENDS AND PATTERNS

2.1 Emigration

Political and economic reforms in Belarus in the early 1990s created conditions that stimulated its entrance into the international labour market. Currently, manpower export predominates over import, i.e. the republic is an exporter of manpower. Migrants move both to the East (mainly Russia), and to the West (the EU, the USA, Canada). Some of them sign agreements and contracts: others leave at random, Official statistics (see box below) reveal a rather small labour outflow from Belarus (about 5,000 per year in 1994-2009) (Figure 2.1). According to official statistics, the main recipient countries of labour migrants are Russia, Moldova, the Czech Republic, Ukraine, Hungary, and the main sectors where emigrants are employed are agriculture (34.4%) and construction (30.1%). However, these statistics capture neither temporary labour migration nor illegal labour migration, which are also widespread. The number of temporary migrants is much higher than these figures suggest. and the scale of labour migration estimated by the experts varies greatly. For instance, according to the International Labour Organization database, the number of migrants from Belarus was equal to 12-14,000 per year in 2000-2005 (IOM, 2006). According to the Belarusian census 2009, the number of Belarusians employed abroad exceeded 40,000 persons (37,000 of them were employed in Russia). For comparison, the total number of persons who left Belarus with signed contracts or agreements was 4,200 in 2009 (including 2,600 with contracts in Russia). However, census data might underreport labour migration, since people tend to hide irregular income sources, such as those from irregular migration. The upper threshold for Belarus' labour emigrants' estimation was provided by a World Bank assessment in 2005, according to which 400,000 citizens of Belarus worked abroad in 2004, i.e. a hundred times more than registered (IOM, 2006).

BOX 1. Official definitions

Accountancy of population migration in Belarus is based on the rules of population registration by place of residence and place of stay, implemented in 2008. Accordingly, there are two categories of migrants: *permanent* (long-term) *migrants*, who are registered by place of residence, and *temporary migrants*, who are registered by place of stay. The most complicated aspect of temporary migration accountancy is that those who register at the place of stay do not deregister at the place of residence. The term of registration by the place of stay is limited to 1 year.

As far as *international temporary migration* is concerned, it matches labour migration. *Labour migration* is an employment-motivated movement of the working-age population. It should be noted that absence of border controls with Russia and the possibility not to deregister in Belarus while working in Russia makes the accountancy of labour migration complicated. *Permanent international migration* relates to the movement from/to another country accompanied by change of permanent place of residence.

Another source of data on migration is the World Bank Remittances Factbook (2011), which provides enormously high emigration rates for Belarus. The Factbook estimates the number of emigrants, using data from census, population registers and other sources in the receiving countries. The total number of emigrants from Belarus was estimated to be 1.765 million people in 2010 (emigration rate of 18.6%). According to these statistics, the most relevant population groups born in Belarus live in the following three countries: Russian Federation (958,719), Ukraine (276,070), and Poland (112,197)³. It should be noted that it is cumulative data from 1970. Therefore, it includes persons born in Belarus who have emigrated earlier than 1990 and at the beginning of the transition on the back of repatriates flows and, thus, grossly overestimates Belarusian emigration.

³ World Bank (2011): Bilateral Migration Matrix (November 2010), in: http://go.worldbank.org/JITC7NYTT0 (access date: 31 May 2011).

Another indicator of Belarusian emigration is the size of its Diaspora. Its estimated size, including the offspring of Belarusian immigrants born in the receiving countries, is even bigger and considered to constitute about 2.1 to 2.4 million persons or 20 to 25% of the current population of Belarus (Koval (2009)). Official Belarusian communities exist in more than 25 countries. In some countries, there are significant Belarusian minorities (e.g. Bialystok region in Poland, Vilnius region in Lithuania, Latgalia region in Latvia and the Smolensk region in Russia).

The difference in numbers, first of all, points out the disadvantages of the migration registration procedure. Nowadays, data collected on international migration is based on the two forms "Π" and "Β", filled in by immigrants and emigrants respectively. What significantly deteriorates the quality of the data is the lack of possibility to get information about the Belarusian citizens' departure based on the forms filled in in the recipient country. There are no possibilities even to compare the official data on migrants collected in the country of departure and country of destination at CIS level. As a result, evaluating and studying the migration processes objectively is not possible. The growing gap between the working-age population according to census and the persons (both employed and unemployed) comprising the labour force can be considered an indication that official statistics grossly underestimate the extent of emigration in the last two decades. In 1990, the difference between the working-age population and actual number of people both employed and unemployed amounted to 539,000 people, but in 2009 this figure was 1,565,000 people.

Nevertheless, trends with respect to the main receiving countries may be analysed on the basis of official statistics and compared to receiving country data.

During 1990-2009, the main part of the officially measured migration flows occurred between Belarus and other FSU countries (see Figures 2.2, 2.3). The main receiving countries are Russia and Ukraine. Traditionally, the most popular destination countries beyond CIS are Israel, the USA, Canada and Germany. Cases of emigration to these countries formed 60% of all emigration cases to non-CIS countries in 2009 (compared to 80% in 2000). The share of non-CIS migrants to Israel declined from 38% in 2000 to 16% in 2009. On the contrary, the share of emigrants to Germany increased from 14% in 2000 to 22% in 2009. However, official statistics shows high emigration intensity to non-CIS countries at the beginning of the period under consideration and its stabilisation towards the end. In contrast, Eurostat data indicates that the number of Belarusians living in the EU increased considerably within this period, particularly in Germany, Italy, and the Czech Republic. Again, this difference might be connected to the fact that not all Belarusians residing in EU countries have abandoned their permanent residence in Belarus.

In order to describe periodisation of international migration trends we have to mainly rely on official statistics, provided by Belstat, although these data only reflect regular recent international migration trends and, thus, underestimate emigration flows considerably. However, it still captures changes in main migration trends. Emigration flows from Belarus can be divided into three periods (see Table 2.1):

1. The early 1990s were characterised by high migration activities both into Belarus and out of Belarus. The international migration rate during 1990-1994 was around 61 persons per 10,000 citizens a year, according to official statistics. Most of the migration was related to repatriation flows. Members of the Russian minority moved to Russia, and Belarusians returned from other CIS countries to Belarus. The collapse of the Soviet Union caused significant socioeconomic and political transformations in all spheres of life. Eventually, all these changes had a significant impact on population mobility. On the one hand, freedom of movement within CIS countries and economic factors (the monetary system separation, the population impoverishment, lack of prospects for housing purchase, unemployment) pushed Belarusians to seek better living conditions and better jobs. On the other hand, worries related to movement to another place because of problems with citizenship, fear about losing contact to relatives, losing pensions, and military conflicts emerging in the territory of CIS countries pushed former residents to go back to Belarus (Zayjonchkovskaya, Vitkovskaya, 2009). The adoption of new laws on citizenship (often discriminatory against national

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minorities), as well as the demonstration of new national policies in some FSU countries also contributed to return migration (Shakhotska, 2009). As a result, immigration flows during this period mostly consisted of Belarusians and other nationalities living in Belarus (Shakhotska, 2009).

Emigration flow was intensified by a drastic deterioration of the social, economic and ecological situation in Belarus which took place simultaneously with the liberalisation in all spheres of life. These processes significantly increased the outflow of population abroad at the beginning of the 1990s. The main countries of destination during this period (75% of all emigrants⁴) were CIS countries (mainly Russia, Ukraine and Kazakhstan) and the Baltic states, and the remaining 25% refer to other countries (mainly Israel). Emigration to non-FSU countries in 1986–1990 occurred due to ethnic migration and migration (for some specific reasons) liberalisation. In the early 1990s, the flow of emigrants to the non-FSU countries was dominated by Jewish people, who had simplified migration procedures compared to other groups of the population⁵.

2. The second period covers the period from the mid 1990s to the mid 2000s. According to official statistics, this period is characterised by reduced population mobility, as officially registered emigration intensity fell to 17 persons per 10,000 inhabitants a year. Most of the drop refers to emigration to CIS countries, whose intensity dropped fivefold to 11 persons per 10,000 inhabitants. Emigration intensity to non-CIS countries halved to 6 persons per 10,000 inhabitants. However, as already reported above, it is supposed that besides officially registered emigration, unregistered (labour) migration increased considerably in this period.

The direction of the emigration flows also changed in this period. The share of non-CIS countries among recipient countries of emigrants from Belarus grew by up to 40% in official data. The share of Israel and the USA among non-CIS recipient countries decreased to 22% and 16% respectively. Simultaneously, EU countries were gaining importance. For instance, the share of Germany increased to 8.5% of all non-CIS migration cases. Within CIS emigration, Russia remained the key destination country with the share of 80% (Ukraine – 14%).

3. The third period started in the mid 2000s. The official average emigration rate decreased further to 9 persons per 10,000 inhabitants (including 6 persons for CIS and Baltic states, and 3 for other countries). The reduction of the emigration flow was gradual and accompanied by a stable immigration level, which resulted in a positive net international migration balance with non-CIS countries. However, this official decrease partly reflects a decreased incentive to make official notifications of emigration intentions rather than real emigration levels. A further decrease of officially registered emigration can be partly attributed to the simplification of procedures for attaining short-term permissions to travel abroad for personal reasons (to visit relatives, etc.), which has reduced incentives for permanent migration. The role of CIS countries, and Russia in particular, in emigration flows began to regain significance within this period, according to official statistics. Russia attracted 84% of all emigrants to CIS countries. The emigration to EU countries is partly underestimated by these statistics. According to Eurostat, the officially registered Belarusian population in Germany, the biggest receiving country in the EU, increased by 3,573 within the period 2004-2010. Even higher growth was registered in Italy – by 3,857 persons.⁶

Summing up, around 600,000 persons have left Belarus within the last 20 years, according to official statistics. Most of them (450,000) moved to FSU countries, including 330,000 to Russia and 80,000 to Ukraine. Among non-CIS countries the key roles were played by Israel (80,000 persons), the USA (21,000), the Baltic states (12,000), Germany (13,000), and Poland (2,000).

⁴ The share of Russia as a destination country within FSU emigration was 70%, the Ukraine accounted for 20%.

⁵ 55% of all emigrants to non-FSU countries moved to Israel within 1986-1990. Other destination countries were the USA (36.1%), Germany and Poland (only 3.5 and 1% respectively).

⁶ Eurostat (2011): Table Population by Sex, Age and Citizenship (migr_pop1ctz), in: http://epp.eurostat.ec.europa.eu, Statistics Database, Population and Social Conditions, Population (populat), International Migration and Asylum [access date: 22 May 2011].

2.2. Internal migration

In contrast to international migration, accounting of internal migration flows is organised on the basis of the statistical form " Π ", filled in at the place of arrival. The place of origin is also required to be filled in. This allows for balanced data on internal migration, and more accurately evaluate migration flows between rural and urban areas, to be obtained. As it is an obligation to register at a new place of residence in order to get access to health care, education and social services, these data cover almost all internal migration. It serves as a basis for regular statistical publications on migration by Belstat. Another source of information is census data, which also allows the tracing of population movement within the last 5 years.

According to official statistics, more than 200,000 people change their place of residence within the country each year. The main trends of internal migration in Belarus are the migration of the rural population and of people from small towns to big cities and people from all regions to Minsk. It should be noted that the greatest migratory flow is represented by those moving from one location to another within the same region. Coefficients of migration intensity prove this statement (see Bobrova, 2009). The main factors attracting the rural population to urban areas are the variety of jobs, career opportunities, higher wages, more comfortable living conditions, etc. The wage variance between rural and urban areas is caused by differences between economic sectors. The wages in agriculture were the lowest compared to other sectors (see Haiduk et al., 2006). According to statistical data, in 2009, the average wage in agriculture was less than 70% of the average wage in Belarus, 64% of the average wage in the manufacturing industry, and about 50% of the average wage in construction. It is worth mentioning that the poverty rate of agricultural employees is similar to that of unemployed. In 2008, the poverty rate of agricultural employees was 10.2%, while for the unemployed it was 12% (Chubrik, Shymanovich, 2010).

There also exist push factors for urban-rural migration, such as high costs of housing in urban areas compared to rural ones, lifestyle in rural areas, proximity to nature, etc. They can be viewed as the main reasons that have caused an increased suburbanisation of Minsk and a positive balance of internal migration in the Minsk region. This process is also supported by the state programme of construction of large residential areas for the citizens of Minsk in the satellite towns and transfer of industrial enterprises from Minsk to the neighbouring towns. Minsk is reported to have 9 satellite towns with different predominant purposes. The towns of Derzhinsk, Zhodino and Fanipol are viewed as the industrial satellite towns. The towns of Smolevichi, Stolbtsy, Uzda and Rudensk are considered to be agroindustrial towns, and Zaslavl and Logoysk are tourist and recreational centres. The main task of the programme is to stabilise the population of Minsk and to move enterprises that affect the ecological situation in Minsk out of the city. There are 18 enterprises that are planned to be moved out of Minsk by 2013. However, the realisation of this plan seems doubtful, due to its high costs and the effects of the financial crisis that hit Belarus in 2011.

However, the outflow from rural areas was larger than from urban areas during the whole period. As Table 2.2 illustrates, the rate of departure from rural areas was steadily increasing, with the exception of 2003, in the period 1994-2009. In the period 2000-2009, the rural population constituted approximately 55-60% of internal migrants. The share of the rural population in total population was much lower and ranged between 25-30%. More precisely, the share of the rural population during the last two decades decreased from 34% in 1990 to 26% in 2009. This reduction took place mainly due to the movement from rural to urban areas. During the last decade, the rate of departure from rural areas was around 30 persons per 1,000, while the urban rate was around 25 persons per 1,000.

Internal migration trends can be divided into the same periods as emigration trends:

1. There were significant shifts in the migration trends of the rural population at the beginning of the 1990s. The outflow of population, which was observed starting from World War II, transformed into a net inflow of population in 1992, when the number of those who arrived in the rural areas exceeded the number of those who left by 14,200 persons. However, this

happened mostly due to the inflow of immigrants from other CIS countries, and a reduction of the migration base (reduction of population in the mobile active age) of the rural population. Moreover, growth rates of cities slowed down and social tensions in the cities contributed to the reduction of the population outflow from rural areas. The most constraining factors for rural-urban migration in that period were high unemployment rates and high costs of living in the cities, high inflation rates for food products in particular. So people preferred to wait at the places of their origin until the turbulent times were over (Shakhotska, 1996). Public support for the agriculture sector, which remained unreformed, also supported people in their choice to stay in rural areas.

In addition, the Chernobyl disaster of 1986 influenced internal migration flows to a large extent at that time. In the aftermath of the explosion, 24,700 persons that lived within a 30km radius around the power station were evacuated. Later on, people from the contaminated regions were leaving on their own initiative until 1990, when a special programme of resettlement from contaminated regions was adopted. However, only 50% of the programme was fulfilled. It was planned to resettle 83,300 people within 1991-1992, while in practice only 36,700 people moved within compulsory and 4,300 within free resettlement (Shakhotska, 1996). The majority of people moved to Minsk, and to not contaminated parts of the Gomel and Mogilev regions. In the following years the scale of resettlement dropped significantly, and there was a return flow into the contaminated regions. The resettlement programme influenced notably the existing migration flows and the structure of population. On the one hand, regions with a high density of rural and urban population emerged, and on the other hand, depopulated regions with a lack of labour force appeared (Tihonova, 2003).

2. The outflow of the rural population to the cities restarted in 1995, as the economic situation slightly stabilised. The number of persons that left rural areas grew from 9,800 to 27,600 within the period 1995-1998. The Russian financial crisis that hit the Belarusian economy severely contributed to this growing trend (see Figure 2.4). The economic and labour market situation in Belarus deteriorated, as inflation (CPI) peaked at 293.7% in 1999, followed by the devaluation of the Belarusian Ruble to a fifth of its value. All this found reflection in a decrease in the population's income and in high poverty rates, especially in rural areas. It pushed people to search for better opportunities in the cities.

Within the last decade of 20th century, significant changes in the migration direction occurred. At the beginning of the decade, a negative migration balance was observed only in the Gomel and Mogilev regions, as they suffered from the Chernobyl disaster the most. The people from these regions formed a positive migration balance in other regions and Minsk. By the end of the decade, the only dominant direction of internal migration was from all regions to Minsk, which was the only territorial administrative entity with a positive internal migration balance.

3. During the first decade of the 21st century, the inflow of population to urban areas decreased and stabilised at the level of 16,000 persons per year. In general, there was a trend of increasing migration between the cities, while the rural-urban migration was stable, as the rural demographic base was exhausted both by negative net migration, and by natural decline of the population. At the same time, the volume of outflow of population from the Minsk region began to decrease steadily. By the end of the first decade of the 21st century, this transformed into a slight positive net balance of internal migration in the Minsk region. Cities around Minsk benefitted most from the inflow of population. It could be mentioned that this was the first step of suburbanisation.

2.3. Characteristics of migrants

International migrants

For the characteristics of international migrants, there are mainly three data sources: data of the census 2009 on international migrants who keep a permanent address in Belarus (referred to as international labour migrants); data on official statistics of emigrants, and receiving country data on persons with Belarusian citizenship. Thus, census data is restricted to indicate characteristics of mainly short-term and temporary migrants, whereas emigration and receiving country data include also the characteristics of more long-term migration. The characteristics of both groups differ considerably. If long-term migrants are included, women and highly educated persons going to Western Europe play a larger role, whereas short-term migration, as indicated by census data, is dominated by men with less education going to Russia and other CIS countries. This is described in more detail below, starting with indications from official emigration statistics.

International migrants including long-term migrants

*Nationality.*⁸ Official emigration data indicate that ethnic minorities are more likely to emigrate abroad. The structure of emigrants by nationality was stable during the last decade according to regular official statistics. Belarusians accounted for more than 40% of all emigrants. During the period 2003–2009, the share of Russians and Ukrainians amongst the emigrants from Belarus was around 30% (and reduced slightly to 23% and 5% respectively). They are followed by Jewry (2% of all emigrants, while the overall share of Jewry in the total population of Belarus is 0.14%) and Chinese (1%).

Age and gender. In official emigration statistics, the gender distribution is similar to the population. The share of women in 2009 was 53% versus 47% men. This dominance was based on more active migration of women in the age range of 15-30, while migrants aged 30-55 years were predominantly men. However, there is a growing trend of emigration of women. For instance, the share of women among emigrants between the ages 35-39 grew from 47.9% in 2005 to 51.0% in 2010. Education-driven emigration of women at a young age is widespread in Belarus. Family issues are the second motivation for emigration of young women. Some follow their husbands; some are getting married to foreigners; some are looking for a husband, having failed to create a family at home (typical for women at the ages 20-35).

Receiving country data in Europe show an even stronger dominance of women among immigrants from Belarus. In the Eurostat statistics for 2009, there are on average two thirds women and one third men among Belarusian citizens. In Germany, as the most important EU receiving country, women constitute 69% and in Italy, as the second most important EU receiving country, women even account for 80% of all Belarusian citizens in Italy. Female work opportunities in domestic work – often, at least initially, in the informal sector – may explain these figures.

Education. People with tertiary education, according to official statistics, migrate more actively compared to others. The proportion of people with tertiary education among emigrants is 25% while the share of people with tertiary education in the total population is about 14.0%.

According to census data, the share of people with tertiary education among emigrants (emigrant figures include all persons aged above 10 who lived abroad for more than 1 year

⁷ Regular statistics provide accurate figures only for those who emigrated officially with a signed contract in Belarus. It is a relatively small flow (4,200 in 2009, according to regular data), which is formed mainly by students who work abroad during summer holidays.

⁸ Nationality can differ from the citizenship. Nationality is a matter of self-identity of the person, and it is registered according to his/her statement.

⁹ Eurostat (2011): Population by Sex, Age and Citizenship (migr_pop1ctz), in: http://epp.eurostat.ec.europa.eu, Statistics Database, Population and Social Conditions, Population (populat), International Migration and Asylum, Population by Citizenship and Country of Birth [access date: 24 October 2011].

within 2005-2009, but had returned by the date of census) was 21%. The educational level of women emigrants was slightly higher than that of the men: 21% of women had tertiary and 32% had secondary specialised education, while for men these figures were 20% and 27% respectively.

Rural-urban. According to official statistics, the share of international emigrants with rural origin was 17% within the 2005-2010 period.

Short-term labour migration (international labour migrants according to census data)

Census data on international labour migrants (persons aged 15+ and employed abroad for less than 1 year) show quite different features for the more short-term migration streams. In these data, CIS-countries as destination countries form the majority with 91%. Most Belarusians were employed abroad in the construction sector (42% of all labour migrants). Employment in other sectors was rather low: 13% were employed in the transport and communication sectors, 8.1% in retail, 5.1% in manufacturing industries, 2.6% were employed in the real estate sector. Comparison of those employed in CIS and non-CIS countries reveals that employment in the construction sector is typical only for CIS countries (45.2% of labour migrants in these counties), while in non-CIS countries, only 8.3% of labour migrants are employed in this sector.

Age and Gender. Men prevail in (short-term) international labour migration, as displayed by census data. A particularly sharp difference in the volume of labour migration by gender is observed in the cases of Lithuania, Russia and Latvia: the number of men from Belarus employed in these countries is more than 10 times the number of women (90% of employed in Russia were men). At the same time the share of men and women who left Belarus for employment in the USA and Germany is almost equal, whereas labour migration to Italy is dominated by women (76.1%). This is explained by the fact that emigrants to Russia and the Baltic states are mainly employed in the construction and transport sectors, while those who move to Italy work in the service sector.

Census data display that three quarters of all labour migrants from Belarus are aged between 24 and 49. The average age of the labour migrants differs depending on the country of destination and gender of the migrant. For instance, the average age of the female labour migrants is 35.2 years, while the average male labour migrant is 37.3 years old. By country of emigration, the lowest average age among women is observed in Germany (35.5 years), due to a big share of women under 30 who leave Belarus for better job opportunity in this country. The average age for female labour migrants in Italy and Lithuania is higher (38.8 and 39.2 years respectively), as the share of female labour migrants to these countries aged above 40 is 48.7% and 45.6% of respectively. This should be explained by the fact that the most common employment form for those migrating to Italy is becoming a housemaid, which demands some life experience. The average age for male labour migrant to Germany, Italy, and Lithuania is 38.6, 34.8 and 40.4 years respectively.

Education: The level of education of labour migrants differs greatly, depending on gender and the country of destination. The average educational level of female labour migrants is higher than that of their male counterparts. In particular, the general level of education of labour migrants to Russia was lower than the educational level of the average Belarusian work force. Half of those employed in Russia have only vocational, secondary or even lower levels of education. People with tertiary education form just 16.1% of labour migrants to Russia. (The average share of people with tertiary education working at the place of residence in Belarus is 25.3%). Most of the labour migrants with tertiary education move to the Czech Republic (37.7% of all labour migrants to the country), Italy (39.6%), Germany (55.2%), and the USA (71.7%).

Internal migrants

For the characteristics of internal migrants, data from the census 2009 and official migration flow data described above can be used.

Age and gender. As far as internal migration is concerned, the 2009 census data show that

the share of working age persons within all internal migrants was disproportionately higher than in the total population structure (85% compared to 61.2% in 2009). The highest mobility among people of working age was observed among the young population (20-24 years) and among those who are normally at the peak of their professional careers (30-49 years). Census data show that women constituted only 46.2% of internal migrants within the 2005-2009 period.

Educational level. According to the 2009 census, 41% of internal migrants had tertiary or secondary specialised education. The rest had secondary (53%) or basic (5%) education. In the population structure (excluding children younger than 10) the share of those with tertiary or specialised secondary education is higher and exceeds 50%. This shows that this group tends to be less internally mobile than people with secondary education.

Place of destination. Irrespective of the place of origin, urban areas are the main destination of internal migrants, according to census data. This means that the urban population tends to migrate from one city to another (55% of all migrants from urban areas move to other urban areas within Belarus). Official statistics provide the same information. About 70% of internal migrants move to urban areas. For women, this share is even higher, as 72% of them prefer migration to cities and towns. Among men this share is a bit lower, at 67%.

3. NATION-WIDE LABOUR MARKET AND SOCIAL DEVELOPMENT TRENDS UNDER THE INFLUENCE OF EMIGRATION

3.1 Economic and labour market developments

Demographic issues

International migration does not greatly affect the demographic structure of the population. Nevertheless, demographic issues of emigration may become acute in the future. The age structure of migrants mostly coincides with the total population structure, except for a higher share of younger persons of working age among emigrants (see section 2.3), which may result in labour force shortages. Up until now, Belarus has been able to fully meet the demand for labour force and the net international migration outflow has not affected the labour market much. However, upcoming changes in the population structure towards reduction of persons of working age and increase of persons of pension age makes the labour market highly vulnerable to international migration flows.

Labour market

In the 1990s, international labour migration became a widespread adaptation strategy during the transition period in post-soviet countries. Nowadays, the decision to move abroad appears to be made because of different factors. Instead of being a coping strategy against poverty, these are mostly social factors, such as social status rise, professional career opportunities, and the increase of living standards. Thus, the role of labour migration in social and economic country development has changed and become more complicated. However, the current 2011 economic crisis is expected to revive labour migration as a coping strategy, due to the fall of income in Belarus.

One of the reasons for moving abroad is limited possibilities to find a desired job at home. However, unemployment was not among the main push factors in Belarus. According to the official data, the unemployment rate is close to $1\%^{10}$. Furthermore, Table 3.1 presents the number of people who decided to emigrate despite having a job. In 2009, only 9 migrants out of 4,178 were officially registered as unemployed. However, official unemployment underestimates real unemployment, as there are no incentives to register officially as unemployed. More precise data could have been provided by the Labour Force Survey, but it has not been introduced in Belarus yet. Alternative estimates of unemployment, based on the

¹⁰ As officially unemployed are considered only those who have registered as unemployed. Only a fraction of unemployed take time to register, as it does not provide much benefit (unemployment benefit is less than 20% of the minimum subsistence level), and registration sometimes requires following bureaucratic procedures and implies some obligatory social work.

HBS survey, nevertheless prove that the unemployment rate is relatively low (see Table 1.1). Census data proves this as well. According to census data, unemployment was about 6% both in 1999 and 2009¹¹. It should be mentioned that there is differentiation in unemployment rates according to gender, age and place of living. Thus, the unemployment rate among women was lower than among men (in 2009 it was 4.6% against 7.5%, according to the census). It was especially high for men in rural areas (8.5% compared to 4.3% for women in rural areas). Moreover, there is a relatively high risk of unemployment for young people aged 16-30. In 2009, the unemployment rate among them was over 9% (9.2% for urban population and 10.2% for rural population). We might conclude that unemployment is not considered as a powerful migration factor in Belarus, with the exception to some degree of young people and men in rural areas. However, more information about the employment status of migrants. including quality of employment and indicators of underemployment, would be necessary in order to establish linkages between employment status and migration.

In practice, the main motivation for Belarusians to migrate is a desire to improve their financial status (Artyuhin et al., 2005). Thus, the wages in Belarus lagging behind those in Western Europe, Russia and some other CIS countries (depending on the profession) are the main pull factor for migrants. For example, the comparison of average wages of IT personnel in Belarus, Russia, Ukraine and some developed economies (taking into account differences in tax rates and costs of living) 12 shows that specialists from Belarus have strong motivation for labour migration. The average IT sector wage in Belarus was EUR 747.2 in 2009, which was 2.5 times higher than the average wage, compared to EUR 1,597.1 in Russia and EUR 635.2 in Ukraine (3.2 times higher than the average wage in both countries).

The wage factor has become even more acute in 2011, as the Belarusian Ruble has been rapidly devaluating, due to the economic crisis, which broke out because of current account deficits and an overheated economy¹³. The average wage in Belarus fell from EUR 401 at the end of 2010 to EUR 261.2 (by official exchange rate) or EUR 185.4 (by black market exchange rate) in July 2011¹⁴.

As a result, it is largely employed people who choose the option to emigrate in order to raise financial welfare. Hence, there are consequences for the labour market in terms of deficit of work force in some sectors of the economy. The sector suffering most from emigration is construction. 15 The lack of construction workers has led to an increase of wages in the sector with rates exceeding the average wage in the economy. As a result, wages in construction exceeded the average wage by 33.3% in 2010 (in 2005 this gap was 21.0%). Moreover, there is also a lack of specialists in the IT sector caused by emigration. For instance, companies - the residents of High Technologies Park (the so called "Belarusian Silicon valley") - employed 800 persons in 2010, while 500 vacancies for skilled IT personnel remained unoccupied¹⁶.

The total number of unfilled vacancies, officially registered at the Ministry of Labour, was equal to 63,100 at the beginning of July 2011. The dynamics of this indicator are presented in Figure 3.2. Most of the demand comes from industry (19% of the demand in 2009), agriculture and construction (around 13% each), as there is a lack of blue-colour work force.

¹¹ As unemployed were considered those who did not have work during the last week prior to the census and have been looking for a job during the last month and were ready to start working in the following two weeks. ¹² See http://it.tut.by/printversion.php?a=88132 [access date: 25 November 2010].

¹³ See IPM (2011): Belarus Macroeconomic Forecast #3, http://research.by/pdf/BMF2011e02.pdf [access date: 18 November 2011]; UNDP (2011): Belarus: On a Slippery Slope, http://europeandcis.undp.org/senioreconomist/show/9E6A32EA-F203-1EE9-B625D2C863FF1CEE Jaccess date:

¹⁸ September 2011].

14 In comparison, the average wage in Russia was about EUR 540 in the first quarter of 2011. The average wage in Ukraine in July 2011 was EUR 241.4.

For example, there was a deficit of 600 brick masons, 450 decorators, 230 roofers, 600 assemblers, 450 welders, 740 plasterers and 270 concrete workers in Minsk alone as of 1 July 2010, see http://news.tut.by/economics/197974.html [access date: 23 February 2011].

See http://news.tut.by/it/204444_print.html [access date: 25 November 2010].

In order to solve this problem, the authorities are trying to revitalise vocational education, while young people prefer to get tertiary education (see Kruk, Shymanovich, 2011). However, the highest demand on the labour market is for health care personnel. There were 973 unfilled vacancies for physicians in urban areas alone on 1 July 2011 (while only 21 physicians were unemployed). Moreover, there were 282 and 898 vacancies for physician's assistants and nursing staff respectively. At the same time, only 7 physician's assistants and 83 nurses were officially unemployed. The lack of health care personnel can be largely attributed to the drawbacks of Belarus' Semashko-style health care system and low incentives for employment in primary health care in particular¹⁷. Lawyers and economists are the most oversupplied professions in Belarus¹⁸.

Labour migration also causes the problem of brain drain. The migration of skilled specialists negatively influences not only the labour market, but also the overall economic potential of the country. The proportion of people with tertiary education in the total population is about 14.0%, while the share of persons with tertiary education among emigrants is 25%. Moreover, the statistics indicate the predominance of young women among emigrated persons with tertiary education. Over the 2002-2007 period, the difference between women immigrants and women emigrants with tertiary education constituted about 1,500 persons. So apart from a brain drain, Belarus faces the challenge of a "highly educated brides" drain (Shakhotska, 2009). In some cases this transforms into a problem of brain waste, as the most popular emigration destination for women is Italy, where they are mainly employed as nurses or carers¹⁹.

As far as brain drain is concerned, scientific and pedagogical profession outflows were monitored by the Institute of Sociology NAS of Belarus during the last two decades. 247 research and educational establishments were included in the sample (see The Science Atlas, 2004). According to the monitoring data, migration outflow of scientists and highly qualified specialists in the period 1996-2006 was close to 0.1% of all scientific employees per year. Until the mid 1990s, scientists and teachers were moving mostly to Israel, Russia and the USA. Then, the direction changed and France and Germany became the main host countries. Finally, during the period 2004-2006 the main destinations for scientists and teachers were Russia, Germany and the USA. There is also trend of scientific emigration rejuvenation. Western scientific and research centres are interested in junior researchers from Belarus in the fields of mathematics, physics, programming and radio technologies.

Measured in official terms, the share of scientific emigration was about 2.5% of those who left the research and teaching environment. However, these losses caused enormous damage to the economic development of Belarus (loss of funds invested in education and training, the weakening of the intellectual potential, breaches of intellectual property rights). According to experts, the share of the intellectual elite (those who have a PhD or doctoral degree) was about 5% of all emigrants with high education in 1996-2006. The amount of damage, estimated by the UN method, was close to USD 15 million (Shakhotska, 2009).

The main cause of intellectual migration is a reduction in the research funds. In 1995, the share of national budget spending on science was 0.53% of gross domestic product, compared to 0.39% in 2000, 0.37% in 2003 (see The Science Atlas, 2004), and 0.38% in 2006.

Work experience in the developed countries is assumed to contribute to professional growth of the migrants, to help creating preconditions for the introduction of new technologies, to support creation of joint ventures and foreign capital attraction to the country. However, the survey of labour migrants has revealed that only 17.6% of them consider that labour

physicians seek appointment in the tertiary sector or leave the profession. (See Kruk, Shymanovich, 2011).

18 See http://www.belta.by/ru/all_news/society/Na-rynke-truda-Belarusi-ostryj-defitsit-medrabotnikov-i-pereizbytok-buxgalterov i 564832.html [access date: 19 September 2011].

¹⁷ The Belarusian health care system was inherited from Soviet times. It is focused on inpatient treatment, while the primary health care sector lacks funding. It leads to low stimulus for employment in the primary sector and physicians seek appointment in the tertiary sector or leave the profession. (See Kruk, Shymanovich, 2011).

¹⁹ See http://para.by/articles/text/kem belorusi mogut rabotat za granitsey&rating=2 [access date: 29 November 2011].

migration has granted them useful work experience that has improved their employment chances in Belarus. Only 5.9% stated that labour migration has provided them with funds necessary to start their own business (Shakhotska, 2003). So, in the case of Belarus, labour migration is rather targeted at short-term improvement of the living standards, while the longterm prospects that labour migration offers are neglected.

Remittances and Diaspora

Most emigrants pursue the goal of raising living standards for themselves and their family members who were left in difficult economic situations. This assistance to family members takes the form of remittances, the nationwide volume of which is estimated by the National Bank of Belarus within the balance of payments. Moreover, the balance of payments includes the line "wages of residents received abroad". These data are the main parameters that provide an understanding of the scale of labour migration and its influence on the economy of Belarus. The higher the total transfer of funds into Belarus, the more efficient the process of international labour migration and the stronger its influence on the socio-economic development.

However, it should be taken into account that Belarusian statistics significantly underestimate the number of labour migrants, which also deteriorates data quality on remittances. The National Bank tackles this problem partially by using the data on compensation of employees compiled by the Russian Central Bank²⁰ based on Russian statistics, which estimate the number of Belarusian citizens working in this country more accurately. Moreover, it is argued that remittance estimation should include the informal channels of money transfer with the help of relatives or friends, such as import of currency, consumer goods, durables and industrial purpose goods. Studies²¹ show that the choice of migrants between formal and informal channels are determined by the cost of money transfer services, development of financial infrastructure in the country, the level of service, reliability and speed of transfer. In Belarus, the choice of informal channels is determined by underdeveloped financial institutions and high administrative costs of official money transfer.

A study of the International Fund for Agricultural Development also highlights the existence of discrepancies between size of migration and remittances in Belarus (IFAD, 2008). In 2006, according to the balance of payments data, remittances inflow to Belarus amounted to EUR 270.9 million, or 0.9% of GDP, while IFAD provides the figure of EUR 1,865.7 million, or 6.3% of GDP (Figure 3.3). The IFAD methodology²² implies that this figure was obtained by multiplying the number of migrants with the average share of remitting migrants and average level of remittance in the region. The final results are very vulnerable to the last parameters' assessment and they are obviously overestimated for Belarus. Consequently, the balance of payments is the most appropriate source of data to analyse efficiency of international labour migration (Shakhotska et al., 2008), and the World Bank data fully corresponds to this.

The dynamics of the remittances is characterised by a steady growth starting from 2002 if measured in US dollars (see Figure 3.3). As there was no increase in permanent emigrants, this growth should be related to the remuneration of temporary labour emigrants. The growth of wages in Russia, the main direction of labour migration, guaranteed growth of funds that emigrants were able to remit to their relatives. The global economic crisis hit the Russian economy severely, which resulted in the fall of remittances in 2009. There was no reduction of remittances if measured in % of GDP (through 2008-2010 they were stable at 0.7% of GDP), as the volume of the Belarusian GDP in US dollar equivalent also reduced, due to the 30% devaluation of 2009.

http://nbrb.by/statistics/BalPay/Methodology/CurrentAccount/CurrentTransfers.asp (migrants' transfers) [access date: 25 March 2011].

See Orozco, M. (2007): Estimating Global Remittance Flows: A Methodology,

http://www.ifad.org/remittances/maps/methodology.pdf [access date: 29 November 2011].

²⁰ For details, see http://nbrb.by/statistics/BalPay/Methodology/CurrentAccount/LabourRemuneration.asp (compensation of employees) and

http://www.gdrc.org/icm/remittance/shivani.html ("Migrant Worker Remittances, Micro-finance and the Informal Economy: Prospects and Issues" by Shivani Puri and Tineke Ritzema) [acess date: 19 April 2011].

The crisis also affected the volume of wages received from abroad – another channel of money transfer from labour migrants that is reflected in the current account of balance of payments (as current revenue). In 2009, money transfers in the form of wages reduced by 42% (from USD 176.8 million to USD 102.7 million, see Figure 3.4). Recovery in this area was not that fast in 2010, so the level of wages received from abroad is still much lower compared to the pre-crisis level.

It should be noted that the total money inflow into the Belarusian economy through remittance and wages is close to 1% of GDP, which seems rather insignificant, considering that the total deficit of current account in 2010 was 15.6% of GDP.

Funds attracted in the form of the remittances are spent largely on consumer goods and services, including financing expenses on education and health care. Thus, remittances are invested in human capital, but it is not common to use funds for business investment purposes in Belarus. Moreover, if the structure of investments by sources of financing is taken into account, personal funds amount to only 8% of investments in Belarus (data on 2010). Another channel of possible remittance influence on investments is via the banking sector, if they are put into the banking system, as 32.1% of investments in Belarus are financed through the banking sector. However, the savings rate in Belarus is rather low, so it should not be expected that remittances could effect investment growth via this channel either.

Considering the size of the Diaspora, it might seem like an influential investor in the Belarusian economy. However, to date the influence of the Diaspora on the Belarusian economy is negligible. One of the reasons is a poor business environment in the country, which provides few incentives for the Diaspora to invest into the country of origin. But its potential has been recently recognised by the officials, and new legislation regulating the cooperation of the Diaspora and the local population is under consideration.

3.2. Social Security issues related to emigrants

Labour migration can have a significant impact on the social security system of Belarus. It is based on a PAYG system and its long-term sustainability is at stake, due to demographic pressures and a growing dependency ratio. Thus, labour emigration means even more diminishing social contributions. In Chubrik, Shymanovich (2008) it is shown that the elimination of the shadow economy, including non-registered labour migration, would significantly improve the prospects of the Belarusian pension system (first-time deficit would not be generated before 2030 instead of 2015 under current circumstances)²³. It is, therefore, necessary to design the social security net for labour migrants in a way which guarantees them pension payments on the one hand and avoids additional pressure on the existing pension system on the other. Moreover, attention should be paid to the attraction of labour immigrants and the stimulation of the return of previously emigrated citizens of Belarus and their descendants. Up until now, there have been no special measures aimed at supporting the return of migrants to Belarus. Since 2005, people with Belarusian roots just have privileges in obtaining citizenship. Currently, a programme concept for the support of those who return is being developed.

Issues of migration and social protection of migrants are covered by the Law on External Labour Migration; the Law on Migration; the State Migration Programme for 2006-2010 and 2011-2015; the Sub-programme "Optimisation of Migration Processes" of the National Programme of Demographic Security of the Republic of Belarus; the resolutions "On the Rules of Foreigners Staying in Belarus" and "On the Rules of Employing Foreigners in Belarus" (1998), as well as the decree "On Battling Trafficking". These acts create a legal framework for integrating Belarus into the world labour market. They regulate the rights of Belarusians that are working abroad from the Belarusian side, and demand the right for

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²³ However, it should be taken into consideration that, according to national polls, 56.6% of the population does not mind receiving wages in envelopes (Baturchik, Chubrik, 2008). This is explained by the fact that the pension system in Belarus is egalitarian (there is only slight correlation between the level of wages one receives and the level of pension one will be granted), and high rates of labour taxes (35% for employers).

equal treatment of Belarusians working within the local labour force abroad under local legislation. Employment abroad under degrading conditions is strictly forbidden.

To ensure that the rights of Belarusians employed abroad are not violated, Belarus seeks to conclude bilateral agreements with the interested countries. Bilateral intergovernmental agreements concerning employment and social protection of citizens working abroad have been concluded with Armenia, Kazakhstan, Latvia, Lithuania, Moldova, Poland, Russia and Ukraine, among the CIS countries, plus Poland and Serbia (see Table 3.2). The main multilateral agreement between CIS members is the "Agreement on Cooperation in the Field of Labour Migration and the Social Protection of Migrant Workers" (accepted in 1994). However, it was supposed to be implemented through individual bilateral agreements, which never came into force (see World Bank, 2007). In 2008, this agreement was substituted by the "Convention On Legal Status of Labour Migrants and Their Family Members within CIS". It came into force in Belarus in 2010, but some other countries, including Russia, have not yet adopted it. The convention implies that labour migrants have access to social services (except for the pension system) in accordance with local legislation. They and their relatives have the right to free emergency services and any health care services on a fee basis. Family members of labour migrants have access to secondary and vocational education on an equal basis with the local population. The biggest drawback of these agreements is that they cover only those migrants who legally stay in the territory of the receiving country, i.e. they do not capture a significant share or possibly even the majority of migrants²⁴ (especially in the case of Russia). Moreover, registration per se may be a problem, as there are quotas for labour migrants, as well as the need for special licences for employers to hire labour migrants and permissions for migrants to be hired. This problem is settled only within the customs union of Belarus, Kazakhstan and Russia²⁵.

Belarus has special agreements on pension provision with Russia, Latvia and Lithuania. According to these agreements, if a person worked in both countries during the lifetime, he/she receives a pension from both states proportionally to the period of contributions. So, if the person emigrated from Belarus, the total pension is paid by the country of residence upon reaching retirement age, i.e. the pension accrued in Belarus is transferred to the country of residence for distribution (pension payments are converted into the currency of the country of residence at the exchange rate set by the National Bank of Belarus). The same procedure is applied to retired persons who move to/from Russia, Latvia and Lithuania. Their pension is exported to the country of new residence.

According to information provided by the Department of Pension System Development of the Ministry of Labour, Belarus exports pension payments to 299 persons in Russia, 1,068 persons in Latvia and 332 persons in Lithuania (data on August 2011). The volume of pension imports is the following: for 4,026 persons from Russia, for 267 persons from Latvia and 195 persons from Lithuania. The reason behind the high number of pensions sent to Latvia is the difference in pension age in Belarus and Latvia for women. There is a rather big Diaspora of Belarusians in Latvia, which developed after the collapse of the USSR, and people tend to reunite with their relatives who have moved to Latvia. This agreement on pension exports creates additional incentives to emigrate to Latvia for those who have reached pension age. In Belarus it is 55 and 60 years for women and men respectively, while in Latvia, the retirement age is 62 years for both genders. So, if a woman migrates at the age of 55, she has 7 years of additional pension, compared to Latvians. In the case of Russia, Russian pensions are more attractive as they are higher compared to Belarusian pensions.

²⁴ According to IOM (2001), "99% of labour migration in the Eurasian Economic Union formed of Tajikistan, the Kyrgyz Republic, Kazakhstan, the Russian Federation, and Belarus is irregular. Due to their irregular situation, most labour migrants do not benefit from the same protection rights other regular citizens enjoy and are thus more vulnerable to exploitation by underground employers".

25 See http://demoscope.ru/weekly/2011/0471/panorm01.php#4 [access date: 19 September 2011].

especially if there are some additional social benefits²⁶.

Moreover, there are agreements on pension provision with Ukraine, Moldova and Tajikistan. According to these, the persons who moved to these countries receive pensions according to the local pension insurance schemes (i.e. vice-versa, immigrants from these countries receive pensions according to Belarusian legislation). However, if a pensioner has been granted with some kind of pension which is not provided in the county he/she moved to, this pension is exported. The same principle of pension provision is settled for other CIS countries, according to the mutual agreement of 1992.

There are only 3 countries of the former Soviet Union that Belarus does not have any agreements with, Estonia, Georgia and Azerbaijan. For these countries, the general principle of pension provision for migrants is applied. This implies that, in case a pensioner moves from Belarus, he/she receives a six-month pension. Upon return to Belarus, the migrant can apply for pension he/she has not received during the period of absence in the country. However, there is a 3-year limit for this claim. As for those people with employment record in Belarus, but currently residing abroad, the Belarusian share of pension only includes the period of contributions to the domestic Social Security Fund (SSF). The same is applied to those officially working abroad. The only exceptions are provided for those who worked abroad for more than five years within the last 15 years before their retirement. They have the choice between the average pension for people of their job record and pension payment based on their contribution to the SSF. This scheme also covers the citizens of Belarus, who worked exclusively abroad.

It should be noted that those working abroad unofficially (largely as construction workers in Russia) are one of the most vulnerable groups. However, some of these migrants solve the problem by remaining formally employed in Belarus (thus being covered by social security). Others take the decision to work abroad, because they perceive the disadvantages/costs of fewer years of insurance coverage as marginal, due to egalitarian system of pension provision in Belarus.

Bilateral agreements with CIS countries, Latvia and Lithuania do not only cover pension provision, but all related social security issues except health care, such as survivors' pensions, allowances for temporary disability, maternity allowances, social pensions, unemployment benefits, family benefits, funeral grants, etc. In the case of Russia, there is also an agreement on health care and education services provision that gives registered migrants the same rights as the local population. The same is going to be applied in Kazakhstan once the Common economic space of Belarus, Kazakhstan and Russia comes into force. Migrants returning to Belarus have the same access to health care services as an ordinary citizen.

Belarus has a wide network of agreements on labour migration and related social security issues within FSU countries. In contrast to many other CIS countries (especially Central Asia countries), existing agreements have been ratified by counterparts and come into force. The problem is that they do not cover irregular migration, which is widespread. Furthermore, there is a specific lack of coordination with the Ukrainian labour market policy, which causes fewer official employment possibilities in Ukraine, as Belarusians are treated equally to any other foreigner. The absence of agreements on social security issues with EU countries and Poland in particular reduces incentives for circular migration and makes permanent emigration a more desired option.

3.3. Poverty and social exclusion

As the main goal of labour emigrants is to raise living standards, it is expected that the level of emigration to some extent correlates with the poverty rate. The dynamics of these two variables are presented in Figure 3.5. According to these figures, the correlation between

²⁶ Average pension in Belarus at the end of 2010 was USD 195, compared to USD 249 in Russia. See http://www.belta.by/ru/all_news/society/Srednij-razmer-pensii-v-Belarusi-na-konets-2010-goda-sostavil-195-v-ekvivalente_i_548932.html [access date: 19 September 2011].

poverty rate and scale of emigration is not that obvious. However, dividing the period of 1996–2009 into three sub periods, it is possible to establish some logic in the development of these figures. The first period stretches until 1998, when the financial crisis in Russia burst out. This period is characterised by a simultaneous reduction of emigration and poverty. But their dynamics diverged afterwards. The poverty rate rocketed, while the emigration rate was rather stable. This trend was observed until 2001. After that, there was a stiff reduction of poverty and a slow reduction of migration. So, putting the period of 1998–2001 aside, it would be possible to conclude that there is a positive relation between poverty and emigration. The incoherence of the period 1998–2001 is explained by the Russian crisis. On the one hand, the Belarusian economy suffered greatly from it, which increased poverty. On the other hand, the crisis reduced opportunities for employment in Russia, the main destination for Belarusian labour migration, thus constraining the overall level of migration.

The interrelation between inequality and emigration is also not an obvious one. But some periodisation will be useful here as well. Within the periods of 1995-1998 and 2003-2009, falling emigration was accompanied by growing inequality (see Figure 3.6). These periods are characterised by high economic growth rates, which made poverty reduction possible. However, this growth was not pro-poor, as the income of the upper deciles of the population grew faster than the bottom ones (see Chubrik, Haiduk, 2007). This led to some increase in inequality. At the same time economic growth reduced both poverty and incentives for migration. The post-crisis 1998-2002 period was characterised by a rather stable level of emigration rates and relatively high inequality, as the poorer groups of the population suffered from the Russian crisis the most.

The groups of population that are most vulnerable to the risk of poverty in Belarus have been stable for the last years. The risk of absolute poverty is especially high for rural citizens, the unemployed, and children. The shares of absolute poor people among these groups of the population in 2009 were 8.8%, 13.1% and 9.9% respectively, which is much higher than the average level of 5.4% (see Table 1.2). Relative poverty statistics highlight some additional groups that are exposed to the risk of being poor. These are elderly people (especially living alone) and single parents. Relative poverty rates estimated by a modified OECD scale for these groups are 18.1% for people aged 65+ (36.6% aged 65+ and living alone) and 22.9% for single parents, which is high compared to a 12.4% average. Moreover, if the national equivalence scale²⁷ is applied, a high risk of poverty by economically inactive persons (housewives, students, etc.) is revealed (17.8% compared to a 11.8% average). Summing up, children, single parents, elderly and those who are not employed constitute the most vulnerable social groups. This fact should obviously be interrelated with the issue of children, women and elderly people left behind by migrants, which is dealt with in Section 5.

Some positive influence of migration on social vulnerable groups is possible via remittances. There is no data on direct influence of remittances on the income of households. Some insight can be received from the HBS data. Within the survey, there is a group of cash income as "material aid from family members and friends", which includes remittances. The group constitutes 5.2% of the average disposable income. However, its analysis as a proxy of remittances will provide biased results, as the influence will be overestimated²⁸. Still, deducting this income from the total income will provide an understanding of whether remittances affect poverty. The results show that the absolute poverty rate would be 1.8 percentage points higher if material aid from relatives and friends was excluded. The influence on relative poverty is of a slightly higher scale, as it would be 2.8 and 2.7 percentage points higher (by national and modified OECD equivalence scales) in case there was no aid (see Table 3.3). Nevertheless, considering the relative effect, the exclusion of

²⁸ According to BOP data, remittances are around 1.0% of GDP, so they should have had a similar share in the cash income of the population (a bit higher, as BOP underestimates remittances). However, remittances can hardly constitute 5% of the income, as it is in the case of material aid. Still, their share in the material aid is a significant one (a quarter of them at least).

²⁷ The national scale implies weights of 1 for the head of a household, 0.76 for additional adult and 0.41 for additional child. See more in Chubrik, Shymanovich (2010). The modified OECD scale uses weights of 1, 0.5 and 0.3 respectively.

material aid would cause a significantly sharper increase of the absolute poverty rate than of the relative one. This means that the poorest parts of population rely on this aid the most, i.e. it has a pro-poor nature, which allows us to conclude that remittances, being part of this form of aid, are pro-poor as well.

As far as the labour migrants' perception of the migration outcome is concerned, most of them (70-80%) were satisfied with their job abroad as regards economic conditions, and believed that they improved their standard of living. Another 12–13% considered that their economic situation has not changed despite labour migration. The absolute majority of the respondents (85.3%) stressed that they have managed to solve several problems thanks to employment abroad. More than half of the respondents have improved their living conditions. The same share of migrants mentioned that they were able to purchase quality clothes for themselves and other family members. Around half of the respondents were able to buy food products of higher quality. Household equipment and furniture purchases were another positive result of labour migration for 40% and 30% of the respondents respectively (Shakhotska, 2003).

4. NET MIGRATION LOSS AND GAIN REGIONS: LABOUR MARKET AND SOCIAL DEVELOPMENT TRENDS

4.1 Net migration: loss and gain regions identification

The main trends of internal migration in Belarus are migration of rural population and people from small towns to big cities and people from all regions to Minsk. The comparison of population changes and natural net increase within the period 1995-2011 reveals that most Belarusian regions suffered population outflow (see Table 4.1). The intensity of this outflow was at a similar level in most of the regions: in 1995, 41.4 persons per thousand inhabitants in the Grodno region, 40.5 persons in the Mogilev region, 36.9 persons in the Vitebsk region and 35.0 persons in the Minsk region. The net outflow from the Brest region was just a bit lower – 31.5 persons per thousand inhabitants. A significantly less intensive population outflow was observed in the Gomel region, which can be attributed to the status of Gomel as the second largest city in Belarus and the destination of the population resettlement during the Chernobyl aftermath. Minsk is the only administrative territory entity (equivalent to a region) with a significant net inflow of migrants, equalling 117.3 persons per thousand inhabitants in 1995.

More recent trends prove that Minsk is the only centre that attracts migrants. According to the national census 2009, Minsk enjoyed a net inflow of migrants from other regions of Belarus of 25.5 persons per 1,000 inhabitants within the period 2005-2009. The internal migration balance in the other regions remains negative, with the highest rates in Brest (-12.4), Grodno (-7.9) and Gomel (-7.6) (see Table 4.2). A relatively low negative internal migration level in the Vitebsk region can be partly attributed to the fact that its population is disproportionately more inclined to migrate abroad (see section 4.2).

Another aspect of internal migration is that it often takes the form of rural-urban migration. The net outflow of the rural population in Belarus was 9.7 persons per 1,000 rural citizens in the period 2005-2009. The highest negative net migration of rural population to the cities was in the Gomel region (19.3 persons per 1,000 rural citizens), followed by the Grodno and Brest regions (see Table 4.3). Moreover, the outflow of the rural population causes the extinction of some villages. Within the period 1989-2009, the number of villages decreased considerably from 24,556 to 22,154. This means that Belarus has been losing about 130 rural settlements annually.

The only region with a positive balance of rural population migration was the Minsk region (11.0 persons per 1,000 rural citizens). This is a sign of a growing suburbanisation of Minsk, as people tend to prefer to have a plot of land. Another reason is that housing in the Minsk region is cheaper than in the capital, and more easily available. Another advantage of the Minsk region is that registration within it gives people the right to be employed in Minsk by state-owned enterprises without the necessity for the additional formalities that occur when person is registered in other regions of Belarus.

Summing up, the city of Minsk and the Minsk region have benefited most from internal migration in recent years, while other regions (Grodno, Brest, Mogilev, Vitebsk regions) have experienced population losses (of the rural population in particular) due to internal migration.

This situation can be explained by an uneven distribution of economic activity among the regions of Belarus. Most Belarusian production is concentrated in the city of Minsk, as its contribution to GDP was 34% in 2010 (see Figure 4.1). The Minsk region is the second largest contributor, with a share of 13.5%. As a result, Minsk and the Minsk region have the highest level of GDP per capita: in Minsk it was BYR 30.2 million per capita (EUR 7,600) and in the Minsk region BYR 15.5 million (EUR 3,900). In the other regions GDP per capita was about BYR 12 million (EUR 3,000) (see Figure 4.2). This also resulted in the higher wages in Minsk and the Minsk region, compared to other regions. The average wage in Minsk exceeded the average wage in Belarus by 28.7%. Wages in all other regions were below average.

4.2. Labour market developments in net migration loss and gain regions

Labour market conditions in the regions are highly interrelated with migration trends. On the one hand, wide job opportunities in some regions, with good working conditions, job status and remuneration, are pull factors for possible migrants. On the other hand, labour supply in the remaining regions of the country is decreasing and its quality deteriorating. Cities in Belarus provide much broader employment possibilities with higher remuneration compared to small towns and rural areas. Thus, most migration flows are directed to big cities with their network of industrial enterprises and developed infrastructure. Due to this trend, combined with the public support for the agriculture sector, unemployment in rural areas is not very high: According to estimates based on HBS data, it was 2.3% of the economically active population²⁹. This is in line with the average figures for Belarus (from HBS data – 2.6%). However, the share of the economically active population in rural areas is very low. It was 53.5% of the population in 2009, while the average figure for Belarus is 57.0%, according to HBS estimates (see Table 4.6), which is an indicator for the outflow of the economically active rural population. Unemployment in the cities is comparable to the rural area figures as well (2.5%), so the inflow of migrants from rural areas does not create an oversupply of work force in the cities. The unemployment rate in Minsk, in fact, is the lowest in Belarus and equals 1.7%.

Moreover, there is the highest demand for manpower in Minsk: It exceeds more than 3 times the number of registered unemployed. On average, the ratio of vacancies to registered unemployed persons in Belarus was 0.62 in 2009 (compared to 0.32 in 2000). And the lowest demand for manpower is observed in the Vitebsk, Grodno and Gomel regions, which creates push factors for migration both abroad and to Minsk, According to the 2009 census. residents of the Vitebsk and Gomel regions were the most prone to labour migration abroad. 17 persons per 1,000 population of the Vitebsk region and 14 persons per 1,000 population of the Gomel region were employed abroad in 2009. The lowest share of labour migrants is in Minsk. Only 4 persons out of 1,000 were employed abroad, according to the 2009 census.

The unemployment and migration trends analyses by regions do not reveal any clear interrelation between them, as official data on unemployment are underestimated. According to the unemployment data from HBS, the highest unemployment rate (3.8%) was in the Brest region, followed by the Minsk and Mogilev regions (3.0% for both)³⁰. The lowest unemployment was in the Grodno region and in Minsk city (see Table 4.6). Thus, the two regions that have recently experienced the greatest net losses of population happen to simultaneously show the highest (Brest) and the lowest (Grodno) unemployment rates. Moreover, the share of the economically active population in both regions is almost the

Belarus.

²⁹ Unemployment rates from HBS, calculated in accordance with ILO methodology, should not be considered as the one reflecting the real scale of unemployment. However, they provide insight into the difference of unemployment risk within different groups of population.

30 Data from 2009 census also showed higher unemployment in Brest region: 7.3% compared to 6.2% average in

same. The only possible interpretation may be that if there were no migration, the unemployment rate in the Brest region would have been much higher than in Grodno. Still, the general conclusion should be that there is hardly any correlation between unemployment and internal migration by regions (which is partly the result of the absence of relevant data on unemployment³¹).

Minsk is the most attractive point of destination for labour migrants in Belarus. It has the highest share of economically active population among the regions, and it keeps growing. To a great extent, this is explained by a mechanical growth of the working age population, due to net positive internal migration. At the same time, there are no signs of labour oversupply in Minsk (low unemployment, high number of vacancies), so this process may go on further. A possible consequence is the reduction of manpower in other regions, particularly in rural areas. Especially worrying is the tendency of young people leaving rural areas and small towns. The share of youth in all rural migrants was close to 90%, partly due to educational migration. Most universities are situated in Minsk, and the inflow of persons of junior working age is reflected in the dominance of young people in the structure of unemployment by age in Minsk: People aged 20–24 constitute 21% of registered unemployed. For comparison, in the Vitebsk region they represent only 15.2% of all unemployed.

It is worth mentioning that the outflow of persons with high qualification out of rural areas has increased. As a result, there is a lack of doctors, nurses, veterinarians, veterinary technicians, engineers, machine operators and tractor mechanics in rural areas. As of 1 June 2011, there are 52 registered free vacancies for physicians and 65 nurses in rural areas (there is only 1 officially registered unemployed physician in rural areas). There is also high demand for engineers: 232 vacancies for 23 unemployed engineers. However, the highest demand comes for veterinary technicians (293 vacancies for 14 unemployed veterinary technicians) and veterinarians (293 vacancies for 8 unemployed veterinarians)³².

Moreover, the outflow of low-skilled labour force from rural to urban areas increases a workforce deficit in agriculture and leads to stagnation and unprofitability of many agricultural enterprises (Petrakova, 2009).

Nevertheless, these problems of labour force shortages in rural areas are common for all regions. The homogeneity of the labour market of Belarusian regions can be seen in Table 4.7. There are only slight differences in the structure of employment by sectors across the country. Attention can be paid to the Brest region, which has suffered most from recent population outflow. There is a lower level of employment in industry in the Brest region compared to the average in Belarus, while employment in agriculture is one of the highest. Moreover, the share of the population employed in the construction and transport sectors is also above average for Belarus. For education and health care sectors the situation is the opposite. Thus, there is a shift towards the primary sector of the economy, construction and transport services, which do not demand high capital investments and are actually actively subsidised by the government³³. This partially takes place at the expense of the social service sectors, where employment is behind average for the country. This may be a signal for a lower economic competitiveness of the Brest region compared to other regions of Belarus, which may be the reason of a more active emigration of the population. Furthermore, wages in the Brest region, along with the Mogilev and Vitebsk regions, are among the lowest for the majority of sectors (see Table 4.8), which is also a push factor for external and internal migration.

Another region with some peculiarities is Vitebsk, which has a relatively high share of employment in health care and education, while industrial employment is relatively low. This explains the relatively low wages in the region, as the health care and education sectors are

³¹ The first labour force survey is scheduled for 2012. Pilot survey is going to be held in 2011.

³² See http://www.belta.by/ru/all_news/society/Na-rynke-truda-Belarusi-ostryj-defitsit-medrabotnikov-i-pereizbytok-buxgalterov i 564832.html [access date: 19 September 2011].

³³ Agriculture and construction were viewed as the main drivers of the Belarusian economy during the global economic crisis.

publicly financed and wages there are traditionally lower compared to industry or average wages. Lower wages in the Vitebsk region and the fact that this region is the closest to Moscow explain the willingness of the population to seek employment abroad.

4.3. Poverty and social exclusion in net migration loss and gain regions³⁴

Both migration from rural to urban areas and migration into Minsk from all regions are related to the issue of poverty. Disproportions in poverty among regions and rural urban areas remain obvious, despite them being significantly reduced in absolute terms within the last decade. The share of the poor was 8.8% among rural persons in 2009, whereas it was 5.4% in Belarus in general.

In regional dimensions, the lowest share of poor people was in Minsk, where the absolute poverty rate, according to HBS estimates, was 0.7%. The relative poverty rates in Minsk were also very low compared to the average in Belarus (1.7% and 2.3% by national and modified OECD equivalence scale in Minsk, compared to 11.8% and 12.4% respectively in Belarus on average). The risk of poverty (both absolute and relative) is lower than average in the Minsk and Grodno regions. The highest poverty rates are observed in the eastern regions of Belarus – i.e. in the Mogilev and Gomel regions (see Table 4.9).

As far as rural areas are concerned, there is also a wide gap in poverty rates between different regions (see Table 4.10). The risk of poverty among rural persons in the Minsk and Grodno regions is even lower than the average in Belarus. For instance, relative poverty in rural areas of the Minsk region was 8.5% by national and 9.8% by modified OECD equivalence scales, while the average rate for rural areas was 16.5% and 16.8% respectively (11.8% and 12.4% respectively are the average rates for the whole of Belarus). The poorest rural regions happen to be Gomel and Mogilev. More than a quarter of the rural population in these regions is considered to be relatively poor. The absolute poverty rate in these regions is also high, up to 15.3% in Gomel and 13.8% in Mogilev. The rural areas of Brest and Vitebsk are characterised by an above-average poverty risk, but it does not differ greatly from the general risk of being poor for persons living in these regions.

So the risk of poverty plays a significant role in determining net migration gain or loss regions. Minsk and the Minsk region, where there is a net inflow of population, have the lowest poverty rates. The population in the Gomel region tends to have the highest risk of poverty, thus causing significant net loss of population, especially in rural areas. The risk of poverty also fosters emigration from the Mogilev region. The situation is a bit less straightforward for the Brest and Grodno regions, where poverty risk is rather low, but net internal migration has a negative balance. Hence, there are other factors, besides poverty, that trigger migration from the regions.

A great role plays the availability of housing or the real opportunity to get it. The provision of housing space in rural areas is much higher than in urban areas (30.1 m² per rural person compared to 21.3 m² per urban person in 2009), although the level of quality standard in villages is lower than in the cities. Only about 60% of rural houses have central heating, slightly more than 70% have water facilities, 70% have sewerage systems (Belstat official statistics). Comfortable housing in the cities attracts the rural population a lot. This was especially relevant among young people.

Rising incomes and falling poverty rates have led to changes in consumer spending. This tendency is common for all regions in Belarus. This is revealed by growing spending on services, whose quality, variety and availability are higher in Minsk, compared to the rest of the country. This also includes expenditures on social services such as health care and education. Thus, Minsk offers some other benefits that attract migrants from other regions and rural areas in particular.

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³⁴ Most of the information provided under this chapter is based on HBS 2009 data. Other than HBS 2009 sources are stated explicitly.

The health care system is one of the main advantages of Minsk. With respect to access to medical and social services, the rural and urban population has the same rights, but almost all major establishments are located in the cities, and leading tertiary health care establishments (national research and medical centres) are situated largely in Minsk. However, the number of hospital beds per 1,000 persons (key indicator within the Semashko health care system) in Minsk is not higher than in other regions of Belarus. The reason for this is that this ratio is artificially high across all the regions, as it was used as the basis for public financing calculation until 2004. The shift to a public finance provision based on the capitation principle has not yet reduced the number of hospital beds significantly. A more reliable indicator of the health care system quality is the number of physicians per 10,000 persons. In Minsk, there were 80.5 physicians per 10,000 citizens in 2009, which is twice as many as in other regions (the average for Belarus was 51.1). The lowest number of physicians is in the Minsk region (as all regional health care centres are situated in the city of Minsk), followed by the Mogilev, Gomel and Brest regions, which suffer from the highest net outflow of population (see Table 4.11).

Moreover, the health care quality divergence among the regions of Belarus is stressed by output indicators, such as the number of newly registered tuberculosis cases per 100,000 persons. This indicator was more than twice as much in the Mogilev and Gomel regions as in Minsk. As regards the ratio of registered alcoholism cases, leaders here are the Minsk region (392.0), Grodno (377.9) and Mogilev regions (385.3).

Poor health care quality in the regions compared to Minsk is not only a factor that stimulates migration to Minsk, but also a consequence of migration. Qualified physicians tend to move from rural areas and small towns to Minsk and other big cities, where wages are higher (in Minsk wages in the health care sector were 33.1% higher than the average in the sector), and equipment is better³⁵. Moreover, all medical universities are situated in big cities (Minsk, Vitebsk, Grodno). The situation is mitigated by the compulsory distribution of graduated specialists to rural areas, but this creates its own problems (low incentives to study at medical universities, high turnover of physicians in rural areas, as graduated specialists do not stay in rural areas beyond the time set by compulsory distribution procedures).

The possibilities of receiving education, from pre-school to higher and post-graduate education, are influencing migration trends as well. The number of kindergartens in rural and urban areas was the same, while the number of children in the cities was more than 5 times higher than in villages. Almost all children (90%) went to kindergartens in the cities. In villages, more than 50% of parents left their child with unemployed grandparents because the kindergarten costs are viewed as too high, and due to unavailability of a kindergarten for families from distant locations.

The number of schools in rural areas is much higher than in the cities, but the quality of urban education is higher. This depends largely on the teaching staff, whose numbers are falling in rural areas. However, the pupils per teacher ratio is still lower in rural areas as a result of falling numbers of pupils in rural areas, which results in smaller classes, but it can not be associated with better availability of teaching staff in rural schools. In practice, there is a lack of teachers there, and they often have to combine different subjects (for instance teacher of geography may also teach biology or physical education is taught by maths teacher). So the quality of education suffers. The attraction of new teachers to rural areas, like in the case of physicians, is based on the compulsory distribution of graduates, rather than the creation of a set of incentives for moving to the rural areas. Thus, the effect of compulsory distribution is only short-term, and young teachers move from rural areas to the cities.

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³⁵ The share of free vacancies in health care sector in Minsk and the regions is rather equal (around 5%), so there is no statistical prove that there is especially high lack of physicians in the regions. Still the spread of secondary job practice (around 40% of all vacancies are filled as secondary job) stresses the problem of medical personnel availability.

Moreover, the number of secondary schools that provide deeper knowledge compared to ordinary comprehensive schools is much higher in the cities. There were only 15 secondary schools as well as 16 special schools for pupils with mental and physical disabilities in rural areas, while in the cities these figures were 229 and 52 respectively. Thus, talented pupils from rural schools who have obtained the basic secondary education and plan to enter the universities in the future, move to the cities to study at secondary schools. Education provided by the latter is associated with much higher chances of entering prestigious universities compared to comprehensive schools.

Colleges and universities, in their turn, are concentrated in urban areas (for instance, 30 out of 53 universities are situated in Minsk), which contributes to the movement of youths from rural to urban areas. Some graduates go back to their villages, but most of the youths aged 20 to 24 stay in the cities. Comfortable housing, educational opportunities, higher incomes, and available entertainment encourage young people to stay in urban areas. A survey of the graduates from agriculture universities revealed that the absence of any financial motivation to work in rural areas is the main reason that discourages them from seeking employment in the agriculture sector (for 55.3% respondents). The second most important factor (for 30% of respondents) is the absence of entertainment possibilities in rural areas (see Patsukevich, Budenkov, 2009).

Migration of the rural population, especially the young one, creates distortions in the demographic structure of the rural population, as it leads to the fall of birth rates, increasing dependency ratios, and death rates. Moreover, a lack of working-age persons contributes to the deterioration of the agriculture sector prospects. According to the last census data, there is a significant lack of women aged 15-54 in rural areas (see Figure 4.3), which leads to distortions in the demographic structure by gender as well: a lack of women in rural areas and a lack of men in the cities. In urban areas, the age structure is more homogeneous. The excess of women over men begins at the age of 30. All of this means an increasing number of single women and incomplete families in the cities, and single men in rural areas, thus leading to the spread of alcoholism and drug abuse among the rural population.

Thus, lower poverty rates, better health care and education services, more diverse possibilities for spending leisure time, and better housing conditions are the main factors that push people to migrate from rural areas to big cities, and to Minsk in particular. However, these factors act more or less evenly across all regions of Belarus and they do not explain why some regions suffer from a greater outflow of the population than others.

5. IMPACT OF MIGRATION ON VULNERABLE GROUPS

The most vulnerable social groups in Belarus are children, elderly people (especially living alone), single parents, unemployed and economically inactive people (housewives, etc.). The risk of being poor for them is related to the fact that they are not employed, so they have to rely on either their relatives or the state. The state largely provides social benefits for two vulnerable groups: the elderly and children under the age of 3. Elderly people are granted pensions that are sufficient to avoid the risk of absolute poverty, but which do not solve the problem of relative poverty. Children under the age of 3 are provided with benefits equal to the minimum subsistence, which equals the absolute poverty line. The rest are covered by targeted social assistance³⁶ which is also designed to guarantee income equal to the minimum subsistence. In practice, this is very low level³⁷, and vulnerable groups have to rely on their relatives. Consequently, migration of their family members, as one of the coping strategies, can seriously influence their standard of living. They can either benefit, due to

³ In November 2011, it was set equal to BYR 574,800, which is less than 25% of the average wage or EUR 50. The discrepancy between absolute and relative poverty rates also proves the low level of absolute poverty line in Belarus.

³⁶ This assistance is means-tested and provided in case the household income per capita is lower than the minimum subsistence. The volume of assistance is equal to the difference between minimum subsistence and actual income per capita, multiplied by the number of persons in the household. The maximum period during which assistance is provided is 6 months a year.

³⁷ In November 2011, it was set equal to BYR 574,800, which is less than 25% of the average wage or EUR 50.

remittances inflow, or suffer, due to absence of one of the family members and his/her income.

Interviews held with migrants and their relatives³⁸ stress that migration (emigration and rural-urban migration) is mostly associated with a positive effect. Interviews with parents in rural areas whose children moved to the cities revealed that they are satisfied with the migration of their children. It allowed their children to improve their living conditions, including better quality of housing, access to infrastructure, health care and education, as well as broader employment possibilities. Parents who stay behind are not willing to move to the cities, as they consider it important to keep subsistence farming and help their children with homegrown food. In turn, it is expected that children regularly visit their parents in rural areas and help with agricultural and repair work.

5.1 Women

Internal migration from rural areas to the cities is a common practice for women in Belarus, as it provides an opportunity to raise the standard of living. There are many more employment opportunities for women in the cities compared to the rural area. Half of the women in Belarus are employed as office workers, while for men this figure is only 30% (the rest are manual workers). Thus, it is easier for women to find appropriate jobs in the cities, where service sector is developed and demand for non-manual workers is higher than in rural areas. Migration to the cities also influences the level of education acquired by women. Greater availability of universities in the cities and stricter job application requirements encourage women to migrate to the cities and to acquire tertiary education. As a result, the share of women with university degree in urban areas is twice as much as in rural areas (31.1% versus 16.0%, according to the census of 2009). Meanwhile, the share of women with specialised secondary or vocational education is higher in rural areas (48.1% in the cities and 51.4% in the countryside). This is explained by the fact that women who stay in rural areas get education in accordance with available job opportunities, and employees with tertiary education may be viewed as overqualified.

On the contrary, women who do not migrate while their relatives do suffer a reduction of living standards. The average disposable income per woman in households where at least one member is a migrant is 12.3% lower, compared to the average disposable income per woman³⁹. Moreover, the poverty rates among women left behind are much higher than average. The absolute poverty rate for women left behind is 7.2%. This is twice as high as the average poverty rate for women (see Table 5.1). Relative poverty for women left behind by national equivalence scale reaches 19.4% (compared to average 10.4% for women), meaning that every fifth woman left behind is relatively poor. The relative poverty rate according to the modified OECD equivalence scale is a bit lower (16.4%), but still much higher than the average poverty rate. Thus, women who are left behind suffer the reduction of living standards and have a higher risk of poverty.

The effect, however, is the same for men who are left behind. The risk of absolute poverty for men rises by 4.3%, and risk of relative poverty by 9.0% and 6.2%, for national and OECD scales respectively, in case they are left behind (see Table 5.1). This means that the gender aspect of poverty among people left behind is not significant.

Migration also influences the attitudes towards marriage and having children. For instance, women who stay in rural areas marry earlier and spend more time on housekeeping and raising children instead of building a career. This determines a lower income of women in rural areas. Women who are left behind, however, have to work more to sustain household

³⁹ Statistics on households with migrants are not provided in HBS directly. Belstat explains that data received during HBS does not correctly reflect the true scale of migration. But these data can still be used to get an understanding of the social and economic situation in households with migrants and were derived from the other questions that related to migration (see note to Table 5.1).

³⁸ Interviews with emigrants were held in November 2011 via e-mails. Emigrants in Russia, the USA, Germany, and France were surveyed. Their relatives in Belarus were interviewed by phone. Internal migrants were also interviewed by phone.

living standards. Thus, the share of housewives among women left behind is lower than average (2.9% compared to 3.4%).

Migration leads to postponed marriages and births of children. In 2009, the average age of women entering marriage for the first time was 23.7 years in rural areas, compared to 24.4 in urban areas. The average age of women giving birth to their first child was 26.1 years in rural areas and 27.3 in urban ones. This means migration flows of women from rural areas to the cities causes problems for the Belarusian demography. The same challenges arise due to international migration, as it limits the possibilities for marriage and birth of children. However, the scale of international migration of women is not that great to affect the demographic situation in Belarus.

Trafficking

Belarus is a country that suffers from trafficking, as Belarusian women and children are exploited in EU countries (mainly Germany, Poland, the Czech Republic), Russia, the Middle East (mainly Israel, the United Arab Emirates) and Turkey. There were 4,282 officially registered cases of trafficking between 2002 and October 2010. It should be mentioned that statistics on the socioeconomic portrait of the trafficked persons has been gathered only since 2005, so the related analysis can be done only starting from this year. The total number of registered victims of trafficking between 2005 and October 2010 was 3,432 persons, and 468 of them were children below the age of 18. Only 7 children were exploited as labour force, and the rest were sexually exploited.

Shrub (2010) analyses the socioeconomic characteristics of 508 girls and women who were sexually exploited abroad. Most of them (95%) were below the age of 30, and 16% of the victims of trafficking were below the age of 18. In terms of place of residence, most trafficking victims came from urban areas.

The majority (52%) lived in Minsk or other big cities before being trafficked. Another big portion of victims were trafficked from small towns (41%). Most of the trafficked girls were from poor households and were unemployed. At the time of recruitment, 71% of them neither studied nor had a job. Unemployed women are exposed to the risk of trafficking because they are ignored by the social security system. Unemployment benefit at the end of 2010 was equal to USD 18 or 18% of minimum subsistence. Around 19% of the victims had a low-paid permanent job. Others relied on social transfers, alimony payments. None of the victims had a well-paid job. Almost one third of the victims (31%) were dependent on their parents. What is more striking is that a quarter of the trafficked women (24%) had persons who were dependent on them (mainly children, and sometimes parents).

5.2 Children

Research devoted to the impact of emigration on family and children is not common in Belarus. There is no information on how many children are left behind by one or both parents or who cares for them in case of absence of both parents. Only results of the special research of emigrants from different economic sectors, conducted by Shakhotska (2003), can be mentioned. According to this research, most of the migrants (70-80%) were satisfied with their job abroad and believed that they improved their standard of living. Only 12.3% of migrants felt that their work had a negative impact on family life. As a key problem they viewed the fact that they spent too little time with family members and they did not have time to raise children. This opinion was shared by 44.5% of respondents who mentioned negative impacts of migration on family life. The same share mentioned that migration leads to frequent quarrels in the family.

A study among secondary school children from Minsk in 2003 provided information about the attitude of children to emigration of parents. For example, 93% of secondary school students positively evaluated the fact that one parent is working abroad, while just 33% of children answered that they miss their parents (CFMS, 2000).

However, children are often viewed as those suffering from labour migration the most. Statistics on poverty prove it. Absolute poverty among children left behind is 16.7%,

compared to 9.9% on average for children and 5.4% among the whole population (see Table 5.1). The average disposable income per child in households with migrants is 7.3% lower compared to the average disposable income per child. Relative poverty is also high (21.7% and 20.4%, according to national and modified OESC equivalence scales), but the gap to the average figures is not that big due to application of equivalence scales.

Despite the risk of poverty, social policy is not targeted at these children, as social benefits do not play a significant role in the income of households with migrants. Social benefits for children in such families constitute 10.0% of disposable income, which is very close to the average 10.8% share (for households that receive benefits).

5.3 Elderly

Migration has significantly reshaped the population pyramid of the rural population. In general, it reflects the structure of the total Belarusian population, but there are some significant differences. The rural population pyramid has a massive top with the majority being women, as the share of elderly people in rural areas is very high (see Figure 5.1). Young people have been leaving rural areas very actively for decades. According to the 2009 census, the share of people at pension age in the urban areas is less than 20%, while it exceeds 30% in rural areas. The share of children in both areas is about 16%. Moreover, the outflow of women was higher compared to men, thus resulting in the prevalence of men of all ages, except for elderly people, in rural areas. The elderly were never affected by migration waves that started after the Second World War, and a longer life expectancy for women makes them predominant in the elderly population. Migration from rural to urban areas influences the population pyramid of the urban population as well. This explains the dominance of women aged above 25 among the urban population. Moreover, there is a wide difference in the average age in rural and urban areas. Among the urban population it is 38.2 years (35.6 for men and 40.1 for women), and 43.7 among the rural population (40.0 for men and 46.9 for women).

Another outcome of migration is that in rural areas there is a big share of families consisting of 2 persons. They constitute 45.9% of all families, compared to 37.7% in urban areas. These are families of senior parents where children have moved to the cities. These families have a high risk of relative poverty, as pensions are just enough to prevent absolute poverty. Elderly people that have been left behind are at even higher risk of being poor. Absolute poverty among them is 5.7%, which is significantly higher than the average for people aged 65+ (see Table 5.1). Relative poverty, in turn, is extremely high reaching 26.7% and 23.8% by national and modified OECD equivalence scales respectively (12.0% and 18.1% for the whole age group). Almost none of the elderly left behind is working to sustain living standards (on average, 5.2% of persons aged 65+ work), as most of them live in rural areas, where job opportunities for elderly people are almost absent.

The social security system has some provisions that address the needs of elderly people living alone. There are residential and non-residential social facilities that provide social services for elderly people. However, there are not sufficient residential facilities (only 19 facilities in the whole country) serving the needs of old-aged and disabled people living alone, and there is a waiting list for a place at these facilities⁴⁰. Non-residential facilities operate as social service centres and provide different services for the elderly, persons with disabilities, large families or incomplete families, including nursing and care, transport, legal consultations and assistance, training and retraining, psychological counselling and social activities. Currently, each administrative unit of Belarus has its own social service centre, so there are 192 in total operating in Belarus. In order to address the needs of small localities, both urban and (especially) rural ones, there are affiliates of district service centres. It is estimated that about 100% of the urban localities and about 55% of rural ones are covered with the services provided by these centres. In distant rural localities, where no centres or their affiliates are available, 'neighbourly assistance' is offered. This means that locals work part-time as social workers to help their solitary neighbours. Most of the provided services

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⁴⁰ See http://www.belaruspartisan.org/bp-forte/?page=100&news=68265 [access date: 23 September 2011].

incur charges, but only a small amount of money is charged to avoid the free-rider problem. Moreover, social care and long-term care for elderly people in rural areas is provided through the hospitals, using "social beds". This practice was introduced in 2005, as there were excessive hospital beds in rural areas. These services are usually provided in winter, while in summer elderly people stay at their homes. However, access to health services in rural areas remains a problem, not only for the elderly, and there is a need to establish mobile health teams in these areas.

5.4 Ethnic minorities

One of the largest ethnic minorities in Belarus is the Polish one. In 1999, it accounted for 3.9% of Belarus population, but this share reduced significantly down to 3.1% in 2009. This is partly explained by more favourable economic conditions in Poland compared to Belarus. which pulls Poles from Belarus. Another reason is a political one, as the status of Poles in Belarus has changed in recent years, due to conflict around the Union of Poles in Belarus.

Being one of the largest non-governmental organisations in Belarus, it has significant influence over a big share of the population. It was established in 1991 and managed to publish its own newspaper, magazine, opened two Polish schools, opened 16 houses of Polish culture and actively restored Polish culture in Belarus. This contradicted with the interests of Belarusian officials and they changed the head of the union. Most of the Poles in Belarus did not accept the new head, which led to the split of the organisation. Those opposed to the officially imposed management are reported to be under pressure from the Belarusian authorities⁴¹.

Another national minority in Belarus are the Roma. Their numbers are stable and the issue of Roma is not on the agenda⁴². According to the head of the Belarusian Roma Diaspora, there are around 60,000 Roma in Belarus. All of them are settled and live mainly in urban areas, mostly in the Gomel region. However, results of the 2009 census are different; census data show that there are only 7,079 Roma in Belarus (3,409 men and 3,670 women), which is equal to 0.1% of the total population. According to this census, a significant part of them live in rural areas (2,279 persons). They are provided with the same rights as the local population; however, there are barriers to their integration into society, such as discrimination of women and a low literacy rate among children in the Roma community⁴³. Most typical problems of the Roma are poverty, illiteracy, and unemployment. Unofficial estimates claim that about 95% of Roma are unemployed. Some Roma do not reveal their nationality to avoid discrimination. More precise data is not available, but some anecdotal evidence suggests that the Roma suffer from discrimination on the labour market. However, it is also the educational level of Roma (85% of them do not have secondary education) that prevents them from finding jobs. Due to the non-registration of births by Roma families, children are not provided with child allowances and are also incapable to access medical care (Chubrik et al., 2009).

6. POLICY RESPONSES

6.1 Encouragement of circular migration

Circular migration has not been welcomed by the officials. The main reasons for this negative attitude are labour force shortages in the construction sector, which was booming in Belarus in 2008-2010. Construction was the key sector of economic policy targeted at boosting domestic demand. The lack of manpower was one of the limitations of this policy. Thus, the government was not interested in the outflow of construction workers in any form. In June 2011, there was even a proposition to introduce 100% coverage of costs on housing utilities services for families with labour migrants. The average coverage of these costs by the population is around 30%. Furthermore, it was discussed to introduce fee-based health care services for labour migrants. However, up to now, these proposals have not been realised.

⁴¹ http://www.dw-world.de/dw/article/0,,5203593,00.html [access date: 20 April 2010].

http://www.interfax.by/news/belarus/53673 [access date: 20 April 2010].
http://gypsy-life.net/etno-06.htm [access date: 20 April 2010].

Nevertheless, the regulation of migration flows is becoming highly important in Belarus, due to the negative consequences of the uncontrolled migration in the labour market and social security system. The central legislative act targeting international migration policy is the State Migration Programme. The last one was designed for 2006-2010. It consisted of a set of measures targeted at the regulation of labour migration through raising efficiency, improving the legislative basis and conducting research on issues of international migration. It was complemented by the National Programme of Demographic Security (2007-2010). Its measures were oriented on quality of life improvement and, thus, optimisation of immigration and emigration flows (Fedorako, 2010). However, stated goals were too ambiguous for any programme, and were more relevant for economic policy in general. Furthermore, the goals were very indistinct, which hindered its practical implementation:

- 1. Use CIS and Baltic States' migration potential in favour of Belarusian social, economic and demographic development;
- 2. Promote and intensify immigrants' integration and adaptation into society, so population natural loss would be compensated by net positive migration balance;
- 3. Create conditions preventing graduates, scientific and creative workforce emigration;
- 4. Stimuli development of temporary labour migration to the developed countries as a means of raising competence of the local labour force, internal labour market stabilisation and increase of investment flow into the country;
- 5. Participate in the international cooperation on the issues of forced, illegal and other kind of undesirable migration.

The current economic policy set in a new version of the National Programme of Demographic Security for 2011-2015 has the same goals and very limited practical value. Thus, stimulation of circular migration with developed countries is still viewed as a desired phenomenon.

The most relevant measures in respect of encouraging circular migration are bilateral agreements regulating employment of Belarusians abroad. Belarus has such agreements with CIS countries, Lithuania, Latvia, Poland and Serbia. They provide a legal basis for employment abroad and state guarantees that labour emigrants' rights will not be violated. Belarus also has special agreements and mutual economic projects with Venezuela. There are a number of projects in Venezuela being realised by Belarusian companies with the help of Belarusian manpower. Labour emigrants to Venezuela are granted high wages (around USD 2,000), but have short-term contracts and are obliged to return to Belarus. Despite the officially stated interest in development of temporary labour migration to the developed countries, no agreements with EU countries (except Poland and the Baltic states) have been signed.

6.2. Encouragement of return migration and support of integration of returnees

The legislation base for return migration encouragement and the framework for the provision of integration support to returnees have not yet been adopted in Belarus. Only a draft version of the law has been elaborated. It includes a set of provisions for integration support for those who have Belarusian roots. For instance, they are provided with the simplified procedure of citizenship application, which implies almost equal rights to the native population, including free health care and education systems coverage, social security and pension system coverage. The greatest drawback of this provision is that one can apply for Belarusian citizenship only at the expense of the previous citizenship (dual citizenship is not allowed).

There are some provisions within the newly adopted National Programme of Demographic Security for 2011-2015 that may encourage return migration of Belarusians. The Ministry of Internal Affairs is expected to work out the system of compensations and resettlement benefits for people immigrating to Belarus. However, mainly people with tertiary or secondary specialised education aged below 40 years are expected to be provided with the benefit. The average benefit will not exceed USD 1,000 and total funds are planned to be USD 2.2

million. There will be additional preferences for Belarusian and Russian speaking immigrants⁴⁴.

The policy towards the Diaspora can be viewed as the one with the potential to intensify return migration. The Belarusian Diaspora was first recognised after Belarus regained independence. During Soviet times, its existence was ignored for political reasons. Only in 1990, the first World Belarusian Association "Batskaushchyna" was formed. It organised the first meeting of Belarusians of CIS countries in 1992 and held the "First Congress of the Belarusians of the World" in 1993 with the government support that initiated the state programme "Belarusians in the World". The Congress passed the declaration on the principles of national and state development. It was the first time the Belarusian Diaspora had an opportunity to influence developments in the home country. The government was interested in a cooperation with the Diaspora at that time and initiated the Coordinating Council on the Diaspora Issue at the Council of Ministers. It monitored the implementation of the "Belarusians in the World" programme. Its provisions are focused on the social and legal protection of Belarusians abroad, and discussion of possibilities of mutual economic projects with the Diaspora. So far, there have been five Congresses of Belarusians of the World, they are held every 4 years. The last one was in July 2009. Economic outcomes of this cooperation are not visible, due to the economic environment that hinders private investments in the economy and limits political contacts with western countries, where the Belarusian Diaspora is most influential.

In addition to the programme "Belarusians in the World", the government also introduced the law "On Exit and Entry" in 1993, established the State Migration Service (1992) and adopted the State Migration Programme. These steps were taken to create an institutional environment for possible cooperation with the Belarusian Diaspora. However, nowadays this cooperation is limited to the assistance in national and cultural issues. There are measures taken to help the Diaspora maintain the Belarusian language and traditions, including the provision of Belarusian literature, school textbooks, newspapers and magazines, guaranteeing the right to enter any university in Belarus, organising lectures of Belarusian scientists and cultural elite abroad, conferences, seminars and training in the Belarusian language and of literature teachers, mass media support of reports published by the Diaspora, etc. Moreover, there are measures to popularise the Belarusian Diaspora heritage.

The Belarusian Diaspora organises cultural and educational centres in almost every country of residence. For example, there are three Belarusian culture societies and one Belarusian school in Latvia, in the Latgalia region bordering Belarus. The school has financial support from the Belarusian government. The results are quite optimistic. The status of the Belarusian language has grown in Latgalia. There are newspapers published in Belarusian and rather popular folklore groups. Belarusian is studied as a special course in Daugavpils University. So, there is a system supporting the Belarusian identity in Latgalia (Celesh, 1997). Moreover, Belarus and Latvia have signed an agreement that Belarusians from Latvia have the right to receive education in their native language in Belarus. So there is a choice for Belarusians from Latvia to either assimilate into the Latvian society, or keep identifying themselves as Belarusians or move back to Belarus. The majority chooses to remain in Latvia, but the number of Belarusians in Latvia has been falling by 30,000 within the period 1999-2006. The reasons for this are multiple. The Soviet-era generation of Belarusians is dying out, young people often identify themselves as Latvians, and some Belarusians come back to Belarus as the economic situation in Latvia is not very stable 45.

There is also an agreement between the Ministries of Education of Belarus and Lithuania, signed in 1997, and an agreement with Poland related to the cooperation in education (signed in 1992). It provides for the Belarusian authorities to equip Belarusians in Poland with textbooks, Polish teachers with the possibility of an internship at Belarusian universities

⁴⁵ See Grigorjeva, R. (2008). Belarusians of Eastern Latvia in context of ethnical identity, http://www.ia-centr.ru/expert/3197/ [access date: 26 September 2011].

⁴⁴ See http://emigrant.name/novosti-immigracii/migracionnaya-programma-belarusi.html [access date: 27 October 2011].

(State Pedagogic University in particular), and university applicants from Poland (Belarusians by nationality) with a quota in Belarusian universities (Basik, 2001).

6.3 Reintegration of IDPs and refugees (including forced returnees)

Belarus is not acquainted with the problem of IDPs or refugees. However, there was a programme of resettling people from the regions contaminated by the Chernobyl nuclear explosion. Total expenditures on overcoming the consequences of this disaster amounted to USD 35 billion within the period 1984-2004. The total losses caused by the catastrophe are estimated to be USD 235 billion⁴⁶.

Within the resettlement programme, houses and flats were constructed, new secondary schools, preschool education institutions and hospitals were established. It allowed the resettling of most of the people from the contaminated regions.

Moreover, the social security system has a special focus on persons affected by the Chernobyl disaster. The list of privileges and benefits granted for them was cut in 2007, as their targeting was rather weak. Nowadays, there is still a set of privileges for people who suffered from the Chernobyl disaster, depending on their status. People who suffer from radiation-related illnesses have the right to free medicines, free public transport, free dental services, the right to be served out of turn in any public institution, and are provided with a 50% discount for housing utility services in case they live alone or there is no one of working age in the household. People who live in the most contaminated territory are granted a monthly child allowance 1.5 times above normal and increased terms of maternity leave, as well as reduced taxes on land. Children are provided with free dinners at schools and free public transport, the right to a dormitory at specialised secondary and vocational schools or universities. People who live in less contaminated regions have the same privileges, except increased child allowances. People, who were resettled, are granted with temporary disability allowance at 100% level of their wage (other people are granted with allowance of 100% wage only after 6 days of the disability; allowance is equal to 80% of the wage during first 6 days).

6.4 Development of net migration loss/gain regions

Internal migration is a result of the existing economic and social disparities between the regions, particularly between rural areas and the cities. The state made efforts to change the existing migration flows by additional benefits provision for those who are staying in the rural areas. The measures were taken within the state programmes of "Rural Area Revival and Development", "Complex Programme of the Regions, Small and Medium Towns Development in 2007-2010", the sub-programme "Optimisation of Migration Processes" of the National Programme of Demographic Security of the Republic of Belarus.

Most of the measures within the "Rural Area Revival and Development" programme were concentrated on the following tasks:

- 1. Rural population income growth,
- 2. Development of housing construction in rural areas,
- 3. Improvement and widening of the housing services network, supply of electricity, gas, water, telecommunications and road infrastructure network,
- 4. Rural area education, health care, culture, sport institutions development (Artyuhin, 2008).

They were designed to raise the living standards in rural areas, thus making them more attractive for migrants from urban areas. A lot was expected from the 'agrotowns' 47, where all services mentioned above are provided. However, the success of the programme is doubtful. It was planned to organise 1,481 agrotowns in Belarus within the period 2005-2010. This plan was realised, but it demanded enormous amount of financing (for instance, in 2008,

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⁴⁶ http://chernobil.info/?p=2160 [access date: 26 September 2011].

⁴⁷ Agrotown is a settlement in a rural area, where all necessary production and social infrastructure is created to provide the local population with the services equal by standards to the ones provided in the cities.

BYR 2.5 trillion (EUR 0.8 billion) or 1.9% of GDP was spent on the development of the agricultural sector, while expenditures in 2009 on the agrotowns alone were projected to be BYR 1.3 trillion (EUR 0.3 billion). The results of this programme were questioned even by the officials⁴⁸, as the share of unprofitable enterprises in the agriculture remains tremendously high (even with public support). Moreover, the quality of the infrastructure created and housing built is often criticised. The main advantage of agrotowns is that they grant housing to graduates and young families who solve the problem of living space in this way. In addition, increased wages are offered. However, this does not attract young people that much, as the access to services in agrotowns is very limited.

Another instrument, designed to attract people to rural areas is the resettlement of unemployed people to rural areas. In case there are free vacancies in rural areas, unemployed people are offered to move there, with the Ministry of Labour compensating related expenses. Moreover, the resettled person is paid allowances equal to the amount of 5 subsistence minimums plus one subsistence minimum for each family member moving with the unemployed (the amount equal to two subsistence minimums is paid to each family member when people are resettled from urban areas). This scheme was implemented in 2007, and around 300 families are annually resettled within Belarus. This practice may become more popular if labour market liberalisation takes place, which is likely to result in growth in unemployment.

Small towns in comparison to rural areas have some privileges, as there exists all necessary infrastructure (water, energy supply, communications). However, the key problem there is unemployment, and the "Complex Programme of the Regions, Small and Medium Towns Development" addresses this issue. It is believed that the creation of new employment opportunities and wage increase will stop the population outflow from small cities (Petrakova, 2009). The measures taken within the programme are expected to create necessary preconditions for the stabilisation of population outflows from rural areas and small towns, and provide stimuli for the urban population to move to rural areas. The latter is also supported by some economic measures, such as a wide range of tax privileges for enterprises in small cities, which is considered to be an effective solution (see section 6.6). The population in small towns is also granted with privileged mortgages. The interest rate of mortgages for persons who are officially registered as those needed for the improvement of living conditions is set at the level of 10% of the refinancing rate in small towns. For comparison, this rate is equal to 20% of the refinancing rate in big cities, and refinancing rate plus 5% in Minsk.

6.5. Support to vulnerable groups related to migration

No special policy measures are taken to support groups of the population vulnerable to migration in Belarus. The only exception is the policy of combating trafficking, which is run by the state, international organisations and NGOs. The government, apart from pursuing criminal proceedings against people engaged in the organisation of trafficking, also runs awareness programmes on the risks of being trafficked. Moreover, there are special provisions of social security and rehabilitation of trafficking victims. They include free temporary housing, free legal and psychological aid, health care services, search for the family members of children, victims of trafficking, or arranging their placement in new families (or foster homes), and assistance in employment. In order to accelerate reintegration of the victims into society they are assigned to the social services centres, health care organisations or foster homes that coordinate their rehabilitation.

Among international and non-government organisations, the UNDP, the Belarusian Red Cross Society, the "Business Ladies Club" and "Belarusian Association of Young Christian Women" are important actors in combating trafficking. The latter realises the "La Strada" programme. Its activities are focused on informing about the risk of trafficking and safety during trips abroad. Special seminars are organised for teachers, social workers, psychologists, representatives of employment and migration services, and others who can

⁴⁸ http://charter97.org/ru/news/2008/3/11/4682/ [access date: 17 April 2011].

prevent young women and children from being trapped by traffickers. One of the provisions of the "La Strada" programme is a toll-free hotline on the issues of safety during visits abroad, opened in 2001. It had received more than 13,000 calls by 2008. The line is financed by the European Commission and UNDP within the project "Combating trafficking of Women in Belarus". It provides information on the conditions, possibilities and rules of employment, study and marriage abroad. Moreover, the hotline is designed to provide information and support to victims of trafficking who are trying to come back, and people who are searching for their relatives who are missing abroad.

The needs of other groups vulnerable to migration are addressed only by overall provisions of the social security system. However, elderly people left behind in rural areas happen to be targeted by these provisions. The key problem is that not all of the elderly people have access to them. As it was mentioned in section 5.3, there are 192 social service centres in rural areas, which cover 55% of rural localities. The rest are covered either by 'neighbourly assistance' or mobile social service teams. They assist elderly people in some strenuous physical work around the house, like chopping wood, repairing a fence, stocking of animal food. They also provide nursing services. However, the current number of centres is not sufficient to cover all rural areas effectively. For comparison, there are 23,500 rural settlements in Belarus and 750,000 persons at retirement age living there (according to the census 2009). Furthermore, the number of elderly people is going to increase due to demographic factors, so there is an obvious need for more social service centres and mobile social service teams.

Long-term care for the elderly is provided at hospitals that have "social beds". Furthermore, small-scale nursing houses (up to 50 beds) are being created in rural areas. Elderly people can stay there during winter. There are also day care facilities.

6.6. Best practice examples of policy responses

One of the most straightforward measures supporting economic activities in small towns and rural areas, and, thus, minimising push factors for migration, is tax simplification for businesses registered there. There is a wide range of tax privileges for enterprises in small towns and rural areas. Newly established enterprises are freed from profit tax for 7 years and some other taxes for 5 years, including import duties. Already existing enterprises pay profit tax at a rate lowered by 50%. Small businesses have the opportunity to use a simplified taxation system, and the rates are lower compared to the standard ones. Moreover, firms registered in small towns can enjoy lower interest rates. In addition, mortgages in small cities for those officially recognized in need for living conditions improvement are provided by privileged schemes at the rate of 1%.

Measures taken to spur economic activity in small towns and rural areas by providing tax privileges can be considered as one of the most adequate measures designed to reduce the outflow of population from these settlements. Firstly, they are targeted at the core of the problems that trigger migration from the towns to big cities, i.e. the lack of employment opportunities in small towns and rural areas and, thus, reduced levels of income. Secondly, Belarus has one of the most sophisticated tax systems⁴⁹, and its simplification provides firms in small towns with a notable advantage compared to their rivals from other regions. Thirdly, the public finances do not suffer much from these privileges, as the main tax payers are large state-owned enterprises, and contribution of firms from small towns is very marginal.

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⁴⁹ http://www.doingbusiness.org/~/media/FPDKM/Doing%20Business/Documents/Profiles/Country/DB11/BLR.pdf [access date: 20 April 2011].

7. KEY CHALLENGES AND POLICY SUGGESTIONS

7.1. Internal migration and emigration: key socioeconomic and demographic challenges

Internal migration

- Rural areas and small towns are affected by high out-migration, which in part leads to the
 depopulation of villages in rural areas. The urban population shows a slight increase due
 to the active migration from rural areas. As a result, the spatial distribution of the
 population is distorted.
- The intensive migration of the rural population to urban settlements is caused by worse living conditions and lower wages in rural areas. Migration is also fuelled by the absence of sustainable conditions for agriculture, which remains largely state-controlled and demands intensive governmental support. This implies lower wages in agriculture compared to other sectors, low incentives for employment in this sector and for settlement in rural areas. Moreover, the problem is aggravated by the underdevelopment of the private sector. Limited employment opportunities in rural areas and small towns are also the consequence of the low level of business initiative and the administrative barriers towards entrepreneurship.
- The age, sex, and occupational structures of the rural population are largely affected by substantial out-migration. As a result of the outflow of the youth, educated specialists, and young women, the ageing of the rural population accelerates. There is also a lack of specialists in all spheres, including health care, education, services and agriculture.
- There is a widespread trend of youth migration from rural areas to cities to acquire education, which in turn transforms into labour and permanent migration. Graduates prefer to stay in cities which provide not only higher wages but also a wider range of services and entertainment.
- Internal rural-urban migration also leads to the overcrowding of the cities in general and Minsk in particular. Its infrastructure may not be able to cope with further population increase.

Emigration

- Taking into account depopulation and ageing in Belarus, immigration, and repatriation in particular, is a desired trend, as it allows for the compensation of the natural decrease of the population and an increase in labour supply. However, in practice, there is a fall of immigrant inflow from the CIS and the Baltic states, which is explained by the reduced potential of return migration.
- Permanent emigration to non-CIS countries is not large scale. The main driving forces for this migration are a desire for family reunification and more attractive employment conditions abroad.
- Emigration of highly skilled labour and prospective scientific workers is a serious problem
 for Belarus, as it hampers the intellectual potential of the country. "Brain drain" has
 negative social consequences, not only in the form of loss of the most productive labour
 force, but also in the form of hidden outflow of financial resources spent on its education.
- Labour migration is an effective way of balancing the labour market. It provides an opportunity for a wide range of people to improve their standard of living and support their relatives, gain new work and life experience, as well as accumulate financial resources for future business projects. In addition, it reduces pressure on the domestic labour market. However, temporary labour migration often transforms into permanent migration, as migrants prefer to stay in the host country, due to better living conditions. Moreover, in the case of Belarus, where labour force is limited, labour migration contributes to the workforce deficit in some sectors. The most affected sector is the construction sector,

due to the active migration of construction workers to Russia. A deficit of specialists is also noted in the IT sector, because of migration to non-CIS countries.

- Labour migration (both international and internal) usually provides benefits for the relatives of the migrants and contributes to increased living standards. However, data show that poverty among those left behind, especially children and elderly people, is still relatively high.
- There is also a problem of underestimated migration, related to the performance of the system of migrants registration established in Soviet times. Free movement within CIS and especially open borders with Russia also greatly complicate migration flows estimation.
- Another social problem is illegal migration, and related to it human trafficking and other
 criminal activities. The consequences for trafficking victims are often irreversible. Human
 exploitation accompanied by physical and psychological violence destroys the personality
 and may even lead to disability. The most alarming phenomenon is child trafficking, and
 related to it the problem of child pornography.

7.2. Policies to be taken by different actors (national, regional, local governments, diaspora, EU, host countries' institutions)

Demography issues

Given the trends of population ageing and population reduction in Belarus, as the Belarusian population reproduces itself only by half, immigration, including the repatriation of compatriots living abroad, should be regarded as a positive development in terms of demographic aspects. Especially return migration should be welcomed, as it contributes to the preservation of the national culture and heritage. Other immigrants should also be tested on the knowledge of national culture and state languages. Furthermore, Belarus' social economic development programme for 2011–2015 stipulates the introduction of filters towards immigration, which is an important precondition for sustaining national culture. The preference will be given to Russian-speaking individuals aged below 40 with higher or secondary specialised education. In particular, medical personnel, construction workers and specialists in agriculture will be granted a residence permit within 3 years and citizenship within 7 years. However, further work on improving immigration and return migration legislation should be conducted under consultancy of the World Bank, the Department on Citizenship and Migration of the Ministry of Internal Affairs, the National Academy of Science, and the civil society.

Labour market

Attraction of immigrants and returnees with high qualification levels, including scientists, should be at the core of the policy targeted at mitigating "brain drain". It demands coordinated policy of the economy, authorities and embassies in searching for candidates and inviting them to Belarus. Embassies, local authorities and the mass media should provide easy access to all information related to immigration to Belarus, inform all interested parties as well as immigrants already integrated into the Belarusian society about changes in legislation. The Ministry of Internal Affairs should guarantee the implementation of the actions of the National Programme of Demographic Security for 2011-2015, which foresees the granting of financial support to immigrants and returnees in the form of covering costs for moving and adapting to new living conditions. To date, the introduction of these payments is still under consideration.

A necessary condition for successful attraction of highly qualified immigrants and returnees is the improvement of working conditions and an increase of remuneration of the qualified labour force to a level comparable to the neighbouring EU countries and Russia (Moscow). This implies structural reforms of the economy that will contribute to balancing of the labour market, which is overregulated and, thus, lacks mobility and wage differentiation. On the one hand, a labour market liberalisation will create financial stimuli for highly qualified

professionals and provide the correct signals with regards to the most demanded professions on the labour market. On the other hand, it will lead to unemployment growth among the less productive labour force, especially those employed in loss-making state-owned enterprises. This demands reconsideration of the social security system for the unemployed and retraining courses development. Vocational education should gain additional public support in this regard.

Changes in health care public financing are also needed. Increased orientation on the primary health care sector and a corresponding increase of its financing could create the necessary stimuli for physicians to stay in their profession.

Diaspora

Regarding the role of the Belarusian Diaspora, its contacts with the Belarusian authorities are limited, mainly to some cultural events at the moment. This is partly explained by some political tensions between Belarusian officials and the Diaspora. According to several studies of the current Diaspora status (Hardzienka, 2007; Hardzienka, 2010), in order to utilise the economic and human potential of the Belarusian Diaspora, the government of Belarus should determine the legal status of Belarusians living abroad (for instance, provision of dual citizenship), as well as increase contacts with the Diaspora. Support to the organisation of Belarusians of the World "Batskaushchyna" could help in developing Belarusian schools abroad and maintaining Belarusian self-identity of emigrants and their children, which would increase chances for their return or active participation in the Belarusian economy. However, the attractiveness of the economy itself needs to be risen as well. Especially the system of investors' rights protection should be improved and a transparent regulatory framework established.

Trafficking

It is important to sustain the current level of anti-trafficking policy measures, taken by officials, NGOs and international organisations. Belarus takes active position in the international dialogue on coordinated policy of preventing human trafficking. During the 61st UN General Assembly session, Belarus' resolution "Improving Coordination of Trafficking Counteraction" was passed. An international vocational training and education centre on the issues of migration and trafficking prevention was established in Belarus. Nevertheless, there is still room for improvement in such aspects as minimising social consequences of human trafficking and supporting its victims. The Ministry of Labour and Social Security should further develop the network of local social services centres that are in charge of this kind of work.

Vulnerable groups

There is no special public support targeted at women and children left behind, when it comes to international migration. An improvement of the existing social security system could be of major benefit for children and women left behind. Firstly, child allowances for children under the age of 3 should be increased, as the current allowance equal to the minimum subsistence level is too low. It allows for only one person to avoid living in absolute poverty, which is not enough, taking into account the low poverty line and the fact that there are actually two persons that have to survive on this allowance.

Furthermore, women and children left behind are covered by the system of targeted social assistance. There is much room for its improvement, as only a small portion of persons eligible for this assistance apply for it (see World Bank, 2011b). Moreover, the 6-months-a-year limit, during which assistance is provided, should be abolished. One of the reasons why people from vulnerable groups do not apply for targeted social assistance is its low level. It is calculated in such a way, that it increases the per capita household income up to the minimum subsistence level. A relatively low absolute poverty gap in Belarus (see Table 1.2) implies a low average level of this assistance. Once again, the increase of the subsistence minimum could be a solution.

There is quite a big range of social policy provisions that elderly people living alone can benefit from. Room for improvement lies in the development of (private) service providers who provide services for the elderly which are partly covered by the state (help in subsistence agriculture, housing, acquisition of food stuff). Furthermore, support to NGOs providing support services to the elderly and attraction of volunteers might contribute to the improvement of services to the elderly. An acute issue is the creation of mobile medical teams in rural areas which are distanced from health care institutions, as the existing number of social service centres is not enough.

Internal migration

The development of rural areas is at the core of the newly adopted "State Programme of the Revival and Development of Rural Areas, 2011-2015". Measures planned within this programme are expected to increase attractiveness of rural areas both in terms of living and labour market conditions. It should provide an improved demographic profile of rural areas and stimulate agriculture development. In this context, the priority should be given by the local and central authorities to activities targeted at rural housing and infrastructure, the development of the service sector, including education and health care services, sport and culture facilities, trading centres, and growth of wages in the agriculture sector.

The deficit of specialists in agriculture should be managed by the central authorities through reform of the education system (in agriculture) in accordance with the demands of the sector, organisation of regional vocational training centres and improvement of the quality of education. A reform of the agriculture sector itself is a key challenge (see World Bank, 2011b), as it may improve attractiveness of living in rural areas. Meanwhile, attention should be paid to the issue of keeping specialists in rural areas by providing them with adequate remuneration, housing and living conditions. Nowadays, university graduates who were compulsorily assigned to the rural sector are granted some additional payments to wages during the first 2 years and are provided with housing they can buy out at privileged terms. Moreover, officially registered unemployed are provided with financial support if they move to rural areas and their travelling costs are covered. This practice can be broadened for all groups of the population moving from cities (or their suburbs) to rural areas. However, only 300-400 unemployed families move from the cities to rural areas per year. The reason is that the social and recreational infrastructure is underdeveloped in rural areas, which stops urban people from migrating to the countryside.

State support to the private sector (in SME) in rural areas should be increased. Most importantly, access to privileged loans and conditions equal to those of state-owned farms and enterprises should be granted. Small businesses development may also contribute to the reduction of population outflow from small towns, as the lack of employment opportunities is the main push factor for out-migration. Privileged loans, simplified taxation and reduced bureaucratic barriers should promote the development of entrepreneurial activity in small towns and improve labour market conditions. More favourable conditions for greenfield investment should also be created in rural areas.

Central and Minsk authorities should actively develop and implement a policy aimed at reducing demographic pressure on Minsk. In this respect, the suburbanisation of Minsk and development of the satellite towns declared in the related state programme is warranted. It is appropriate to move some state enterprises from Minsk to the regions, so that both the problem of unemployment in small towns and the lack of manpower for the service sector in the capital can be mitigated.

Data

One of the most vital steps towards improvement of the migration policy is the enhancement of the data quality and their dissemination. Firstly, Household Budget Survey information related to labour migration (as well as information about the labour market) should be made available to the public at least in the processed form. Secondly, the planned Labour Force Survey should include a special section related to labour migration. Also, the National Bank of Belarus might consider the possibility to include estimates of "workers' remittances" in

order to improve national remittances data. Finally, some international organisations (especially the IOM) should improve their principles of information-sharing (at least several important studies implemented within their projects are not publicly available). The Belarusian Statistical Committee, the Department on Citizenship and Migration, the European Commission, and the CIS Statistical Committee should consider comparisons of data on emigrants gathered at the country of origin with the data on immigrants collected in the country of destination. Comparison of the migration flows registered by Belstat and Goskomstat would allow for adequate statistics on the number of migration cases.

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ANNEX A. DATA SOURCES

There are four main data sources on migration in Belarus: regular statistics, census, nationally representative surveys and other data sources.

1. Until 1994, official statistics of Belarus collected migration data for the whole range of indicators accepted by statistical systems in all other FSU countries. The following characteristics were recorded: internal and external migration, arrived/leaved, rural/urban, sex, age and nationality of a migrant. At the moment, the general principles of data collection remain as they were in the past. What has changed since 1994 are the methods of data processing. Like before, the elaboration of data on emigration is conducted on the basis of the forms "Π" (for those who arrived to a new place of residence) and "B" (for those who left to a new place of residence) gathered at local registration offices. But data on internal migration are now collected on the basis of form "Π" only. Place of departure and place of destination are both determined on the basis of this form. This allows balancing all information about internal migration within the country, increases the accuracy of the registration and makes rural-urban migration estimates more reliable.

Currently, migration statistics in Belarus are elaborated by the following attributes: sex, age, self-declared nationality, level of education, marital status, flows, their direction, reasons for departure, etc. However, the volume of the officially available (published) data is traditionally much lower compared to all collected information.

The registration of migrants in Belarus is incomplete, as it does not cover illegal migrants, refugees without refugee status, and some other categories of migrants. The registration of international labour migration, "brain drain" and illegal migration is also not accurate enough. Thus, the volume and quality of available data are far from being sufficient for conducting indepth research on migration.

2. Population censuses provide data on population composition by sex, age, ethnicity, family status, level of education, persistence of residency at a current location, citizenship, and other characteristics. Since regaining independence, Belarus has conducted two censuses: one in 1999, and one in 2009. The last Soviet census was conducted in 1989. In the 2009 census questionnaire the list of questions related to migration, particularly labour migration⁵⁰, was expanded substantially.

The National Statistical Committee promised to disseminate the results of the census via the Internet. Micro-data was going to be available online on request. The service was expected to start functioning in the early autumn of 2011, but it did not. It is doubtful that it is going to start at all.

3. There are regular and occasional surveys in Belarus which can provide migration information.

The income and expenditures of households survey (or Household Budget Survey, HBS) has been conducted in Belarus on a regular basis since 1995. Its sample covers 6,000 households (about 0.2% of the statistical universe) with a very low (about 10%) non-response rate, owed in part to existing remuneration for the participation in the survey⁵¹.

The main questionnaire includes the question "Where is your place of work situated?" (same locality as residence, different locality in Belarus, abroad). This gives an opportunity to estimate labour migration. However, micro-files (files with raw information about individuals and households) provided by the National Statistics Committee do not include this variable.

A household is currently paid with one "base amount" per month (December 2010); one base amount is equal to BYR 35,000 or about EUR 9, see http://belstat.gov.by/homep/ru/households/1.php [access date: 1 December 2010].

⁵⁰ The recent census has the question "Where is your place of work situated?" (possible choices: (1) in this locality, (2) in another Belarusian locality (name of the locality), (3) abroad (name of the country)). Census questionnaires can be downloaded here http://belstat.gov.by/homep/ru/perepic/2009/forma_2H_bel.pdf (main interview) and here http://belstat.gov.by/homep/ru/perepic/2009/forma_1pomeshenie_bel.pdf (characteristics of the accommodation) [access date: 25 November 2010].

The reason for this is that the data is not representative in respect of this question, and migration results tend to be biased. Nevertheless, it would be possible to use this data for migrants' households description, but the National Statistics Committee is reluctant to provide the necessary files, referring to the fact that census micro-files (which are representative) will soon be available online. As a result, it is currently possible to rely only on HBS-based estimates of labour migration, based on implicit attributes like non-participation in the main interview and some others. Taking into account the wide range of issues covered by HBS (including income sources, expenditure lines, possession of consumer durables, etc.), it is the only regular source allowing comparisons of households with migrants and other households.

Labour Force Survey data. The LFS is not conducted in Belarus on a regular basis. A few surveys were administrated by different official organisations. However, the obtained results are not publicly available and it is difficult to gain access to the original data. Additionally, the Ministry of Labour and Social Protection organised a pilot LFS. Selected results of this study were announced by the Minister of Labour and Social Protection in mass media, but its complete results were not published⁵². Recently, the Council of Ministers passed the resolution "on the organisation of household surveys in the Republic of Belarus aimed at studying employment issues" envisaging launch of a quarterly Labour Force Survey by the National Statistics Committee starting from 2012 (pilot survey should be organised in 2011)⁵³.

4. <u>Data of the Ministry of Internal Affairs. The Ministry of Internal Affairs collects data on emigration permits by countries, persons who arrive in Belarus and claim refugee status, apprehended illegal migrants, etc.</u>

⁵² Personal communications with representatives of the National Statistics Committee revealed that "the methodology applied in the LFS contains some shortcomings and needs improvement" (Chubrik et al. (2009)). ⁵³ Resolution No.1605, 2010/11/01, see http://86.57.250.219/public/shared/rus/solutions/rus_solution105490.pdf [access date: 1 December 2010].

ANNEX B. TABLES AND FIGURES

Table 1.1. Economic activity, employment and unemployment rates

	Economic active population, thsd.				Unemploym of econon popul	nic active	Employment rate, % of working-age population			
	Official	HBS	Officia	HBS	Official	HBS	Official	HBS	Official	HBS*
1995	4524	5104	4409	4642	115	462	2.5	9.0	77.8	81.9
1996	4537	4979	4365	4547	172	432	3.7	8.7	76.2	79.3
1997	4528	5148	4370	4755	158	394	3.4	7.6	76.0	82.7
1998	4528	5172	4417	4801	111	372	2.4	7.2	76.4	83.0
1999	4542	5106	4442	4772	100	334	2.2	6.5	77.2	83.0
2000	4537	4959	4441	4623	96	336	2.1	6.8	76.4	79.6
2001	4520	4988	4418	4619	102	370	2.2	7.4	75.2	78.7
2002	4500	5162	4380	4751	120	411	2.6	8.0	74.0	80.3
2003	4480	5179	4339	4774	141	405	3.0	7.8	72.7	80.0
2004	4428	5130	4316	4797	112	333	2.5	6.5	71.8	79.8
2005	4426	5204	4349	4903	77	301	1.7	5.8	72.0	81.2
2006	4466	5324	4402	5104	64	220	1.4	4.1	72.6	84.2
2007	4525	5358	4476	5131	49	228	1.1	4.2	73.8	84.6
2008	4638	5416	4594	5253	44	162	0.9	3.0	75.9	86.8
2009	4634	5500	4591	5272	42	228	0.9	4.1	76.0	87.3

^{*} According to ILO methodology.

Note. HBS – household budget survey.

Source: Belstat statistical yearbook (http://belstat.gov.by/homep/en/publications/year/2010/about.php [access date: 29 September 2011]) and own estimates based on HBS data.

Table 1.2. Selected Laeken indicators of poverty in 2009

	Units:	Relative poverty (national scale)	Relative poverty (OECD scale)	Absolute poverty
Primary indicators:			,	•
Annual poverty line	USD month	147.9	181.2	88.0
Poverty	% of population	11.8	12.4	5.4
Inequality*	Times	3.7	3.6	3.9
Poverty gap**	% of poverty line	16.4	16.1	14.1
Dispersion:				
40% of median	% of population	2.1	2.1	8.0
50% of median	% of population	5.8	6.0	2.2
70% of median	% of population	19.0	20.0	8.2
By age:				
Children (0-15)	% of the group	11.8	12.6	9.9
Aged 16–64	% of the group	10.4	9.9	4.3
Aged 65+	% of the group	12.0	18.1	1.9
By gender (adult):	-			
Female	% of the group	10.4	12.0	3.6
Male	% of the group	10.9	10.0	4.3
By work status:				
Employed	% of the group	7.6	7.3	3.3
Unemployed	% of the group	25.7	24.3	13.1
Inactive but not retired***	% of the group	17.8	15.4	7.2
By type of household:				
16–64, single	% of the group	6.8	14.4	0.4
65+, single	% of the group	16.1	36.6	0.5
Single parent****	% of the group	10.2	22.9	3.8
By residence:				
Minsk	% of the group	1.7	2.3	0.7
Cities (100,000+)	% of the group	7.6	8.3	3.2
Towns (<100,000)	% of the group	11.5	12.3	3.7
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	Units:	Relative poverty (national scale)	Relative poverty (OECD scale)	Absolute poverty
Rural area	% of the group	16.5	16.8	8.8
Secondary indicators:				·
Poverty rate before social transfers (pensions considered as transfers) Poverty rate before social transfers	% of population	29.4	28.8	20.4
(pensions are not considered as transfers)	% of population	14.2	14.6	7.1
Low educational attainment*****	% of the group	12.0	12.5	5.5

^{*} Calculated as the relationship of total income of 20% of the rich/total income of 20% of the poor.

Source: own estimates based on HBS data.

Table 2.1. Registered emigration and immigration flows from/ to Belarus1994-2009

-	Immigr	ration	Emigr	ation	Net mig	ration
Year	number of	per 1,000	Number of	Per 1,000	Number of	per 1,000
	persons, thsd	population	persons, thsd	population	persons, thsd	population
1990	114.7	11.5	136.8	13.4	19.6	1.9
1991	109.9	10.9	81.1	8.0	-30.3	-3.0
1992	123.7	12.2	59.1	5.8	-66.0	-6.4
1993	89.3	8.8	52.6	5.1	-37.9	-3.7
1994	53.1	5.2	56.5	5.5	-3.3	-0.3
1995	34.9	3.4	35.1	3.4	-0.2	0.0
1996	31.9	3.1	22.6	2.2	9.4	0.9
1997	31.4	3.1	16.7	1.7	14.7	1.5
1998	33.2	3.3	13.3	1.3	19.9	2.0
1999	30.8	3.1	13.3	1.3	17.5	1.7
2000	25.9	2.6	13.8	1.4	12.1	1.2
2001	23.4	2.3	14.3	1.4	9.1	0.9
2002	18.9	1.9	13.4	1.4	5.6	0.6
2003	18.1	1.8	12.9	1.3	5.2	0.5
2004	14.6	1.5	12.5	1.3	2.1	0.2
2005	13.0	1.3	11.1	1.1	1.9	0.2
2006	14.1	1.4	8.5	0.9	5.6	0.6
2007	14.2	1.5	9.5	1.0	4.7	0.5
2008	17.4	1.8	9.3	1.0	8.1	0.8
2009	19.9	2.1	7.6	0.8	12.2	1.3

Source: Belstat population yearbooks, 1995-2010,

http://belstat.gov.by/homep/en/publications/population/2010/about.php [access date: 29 September 2011].

Table 2.2. Urban-rural migration in Belarus; 1994, 2000-2009

	Rural to urban		Urban	to rural	Rural b		
Year	number of persons (a)	per 1,000 rural population	number of persons (a)	per 1,000 rural population	number of persons (a)	per 1,000 rural population	Rural loss to gain ratio (%)
1994	74,495	22.6	61,673	18.7	-12,822	-3.9	120.8
2000	73,849	24.6	53,870	17.9	-19,979	-6.6	137.1
2001	76,251	25.9	56,535	19.2	-19,716	-6.7	134.9
2002	75,842	26.2	59,166	20.5	-16,676	-5.8	128.2
2003	78,153	27.6	62,932	22.2	-15,221	-5.4	124.2
2004	63,844	23.0	49,377	17.8	-14,467	-5.2	129.3
2005	86,825	31.9	72,142	26.5	-14,683	-5.4	120.4
					Final Coun	itry Report B	ieiarus 4 <i>1</i>

^{**} Calculated as the following relationship: (poverty line – median income of the poor)/poverty line.

^{***} Aged (16-54 for women and 16-60 for men).

^{****} Households with children and only one parent. There is no information about the marital status in the HBS files.

^{*****} People aged 25 to 64 with an education level ISCED of 2 or less. ISCED levels 0–2: pre-primary, primary and lower secondary education.

	Rural to	urban	Urban t	o rural	Rural b		
Year	number of persons (a)	per 1,000 rural population	number of persons (a)	per 1,000 rural population	number of persons (a)	per 1,000 rural population	Rural loss to gain ratio (%)
2006	89,517	33.6	72,210	27.1	-17,307	-6.5	124.0
2007	89,516	34.3	71,326	27.3	-18,190	-7.0	125.5
2008	83,776	32.8	65,484	25.7	-18,292	-7.2	127.9
2009	96,413	39.0	60,896	24.6	-35,517	-14.4	158.3

Source: Belstat population yearbooks, 2000-2011,

http://belstat.gov.by/homep/en/publications/population/2011/about.php [access date: 29 September 2011].

Table 3.1. The distribution of labour migrants who left the Republic of Belarus to work abroad on the basis of signed agreements and contracts, according to source of income and age in 2009

				At age		
	Total	before 24	25-29	30-39	40-49	50 and more
Departures	4 178	2 512	346	538	599	183
among them in Belarus						
Employed	1 656	231	295	463	512	155
Unemployment	9	2	2	1	4	-
Got a pension	19	15	1	-	-	3
Got a scholarship	902	899	3	-	-	-
Got other state support	3	3	-	-	-	-
Dependants	1 299	1 282	9	7	1	-
Other	289	79	36	67	82	25
Non response	1	1	-	-	-	-

Source: Belstat (2010): Statement "The main migration results".

Table 3.2. Belarusian agreements on labour migration

Title	Partners	Issues covered
Agreement "On Guarantees of the Right or Pension for Citizens of CIS Countries"		Pensions are paid according to the local pension insurance schemes. Only those pensions are exported which are not provided in new county of residence.
Agreement "On Cooperation in the Issues of Labour Migration and Social Security of Labour Migrants"	CIS (1994) until 2007	Covers issues related to taxation, social security, pension provision for labour migrants and their relatives, recognition of track record and licences.
Convention "On Legal Status of Labour Migrants and their Family Members within CIS"	CIS (2008)	Regulates issues related to the social rights of labour migrants and their family members.
Law "On Pension System"	Azerbaijan, Geordia, Estonia, non-CIS countries	6 months pension is paid by SSF to emigrants.
Agreement "On Equal Rights of the Citizens"	Russia (1998)	Provides citizens of Belarus and Russia with equal rights for employment, remuneration, working conditions in both countries.
Bilateral agreements on pension provision	Ukraine (1995), Moldova (1994) and Tajikistan ()	According to them the pensioners who moved to these countries receive pensions according to the local pension insurance schemes
Bilateral agreements on pension provision	Russia (1993), Lithuania (1996), Latvia (2008)	According to these agreements, if a person has worked during lifetime in both countries, he/she receives a pension from both states proportionally to the period of contributions. In case the pensioner migrates, the pension

Title	Partners	Issues covered
		is paid by the state where contributions were paid. The pension is exported.
Bilateral agreements on pension provision	Kazakhstan (1997)	Similar to agreement with Ukraine
Agreement on temporary labour migration and socia security of labour migrants		Provides labour migrants with the right to equal or higher remuneration compared to local population. Employment procedure is regulated by local legislation.
Agreement on temporary labour migration	Serbia (2009)	Labour migrants are employed according to the provisions of local legislation, after receiving permissions to work. Social security, remuneration, working conditions, health care insurance issues are regulated according to local legislation. Wages paid to labour migrants cannot be lower than wages paid to local labor force.
Agreement on temporary labour migration	Poland (1995)	The same as in Serbia

Source: Own legislation review.

Table 3.3. Poverty rates and material aid, 2009

	Relative poverty (national scale)	Relative poverty (OECD scale)	Absolute poverty
Poverty rate	11.8	12.4	5.4
Poverty rate when material rate is excluded from disposable income	14.6	15.1	7.2
Growth of poverty in p.p.	2.8	2.7	1.8
Growth of poverty in %	23.7	21.8	33.3

Source: own estimates based on HBS 2009 data.

Table 4.1. Internal migration rates by regions in 1995–2010, per 1,000 persons

	Population, 1995, thsd persons	Population, 2010, thsd persons	Natural increase/ decrease, 1995- 2010, thsd persons	Net migration, thsd persons	Migration rate, per 1000 inhabitants of 1995
Brest region	1497.4	1394.8	-55.5	-47.1	-31.4
Vitebsk region	1426.3	1221.8	-151.8	-52.7	-36.9
Gomel region	1571.6	1435.0	-109.7	-26.9	-17.1
Grodno region	1208.7	1065.9	-92.7	-50.1	-41.4
Minsk	1665.6	1864.1	3.1	195.4	117.3
Minsk region	1596.2	1411.5	-128.8	-55.9	-35.0
Mogilev region	1244.6	1088.1	-106.1	-50.4	-40.5

Source: Belstat Statistical yearbooks, 1995-2011.

Table 4.2. Internal migration rates by regions in 2005–2009, per 1,000 persons

	Brest region	Vitebsk region	Gomel region	Grodno region	Minsk	Minsk region	Mogilev region
Left the region	47.0	50.8	43.8	50.2	17.9	48.2	46.2
Arrived in the region	34.6	47.1	36.2	42.2	43.4	51.4	45.1
Net migration	-12.4	-3.8	-7.6	-7.9	25.5	3.1	-1.2

Source: Belstat (Census 2009, http://belstat.gov.by/homep/ru/perepic/2009/publications/volume7.rar, [access date: 2011/09/29]).

Table 4.3. Rural-city and city-rural migration rates by regions in 2005–2009, per 1,000 persons

	Belarus average	Brest region	Vitebsk region	Gomel region	Grodno region	Minsk	Minsk region	Mogilev region
rural-city out-migration	39.4	37.0	45.8	39.8	45.3		33.4	42.1
city-rural in-migration	13.6	15.2	16.2	12.8	16.5	9.6	15.6	14.5
rural-city in-migration	29.7	20.3	32.2	20.5	26.7		44.3	26.2
city-rural out-migration	10.3	11.5	12.3	8.4	10.6	8.9	12.7	9.5
rural-city net-migration	-9.7	-16.8	-13.6	-19.3	-18.7		11.0	-15.9
city-rural net-migration	3.3	3.7	3.9	4.4	6.0	0.7	2.9	4.9

Source: Belstat (Census 2009, http://belstat.gov.by/homep/ru/perepic/2009/publications/volume7.rar, [access date: 29 September 2011]).

Table 4.4. Main economic indicators, real growth rates in 2010, 2000 = 100, in %

	lu di catulal				Real	
	Industrial output	Investments	Retail	Services	disposable income	Real wages
Belarus	225.0	412.3	404.0	277.7	317.7	331.5
Brest region	234.2	544.0	336.0	250.3	293.9	341.1
Vitebsk region	155.4	398.2	372.9	263.7	289.7	328.5
Gomel region	200.2	390.5	322.3	252.8	272.0	325.0
Grodno region	208.7	457.5	379.3	233.8	298.0	336.6
Minsk	224.5	347.8	487.9	318.2	366.0	321.2
Minsk region	235.0	361.1	507.2	289.1	363.6	324.8
Mogilev region	205.9	555.9	387.9	257.8	298.5	329.4

Source: Belstat regions yearbook 2011

(http://belstat.gov.by/homep/ru/publications/regions/2011/main.php [access date: 29 September 2011]).

Table 4.5. Age structure of population on 1 January 2010, in %

	Under working age	Working age	Over working age
Belarus	15.9	61.6	22.5
Brest region	17.8	59.6	22.6
Vitebsk region	14.7	60.7	24.6
Gomel region	16.5	61.1	22.4
Grodno region	16.5	59.8	23.7
Minsk	14.3	66.1	19.6
Minsk region	16.2	60.2	23.6
Mogilev region	16	61.4	22.6

Source: Belstat regions yearbook 2011

(http://belstat.gov.by/homep/ru/publications/regions/2011/main.php [access date: 29 September 2011]).

Table 4.6. Unemployment and activity rates in 2009, in %

	HBS esti	mates	Official data		
	Unemployment rate	Activity rate	Unemployment rate	Activity rate	
Belarus	2.6	57.0	0.9	49.2	
Brest region	3.8	57.5	1.0	45.5	
Vitebsk region	2.8	56.9	1.1	46.7	
Gomel region	2.5	54.2	1.1	46.5	
Grodno region	0.9	57.9	1.1	47.7	
Minsk	1.7	60.2	0.4	59.4	
Minsk region	3.0	56.6	0.8	47.6	
Mogilev region	3.0	56.2	1.0	46.8	

Source: Belstat and own estimates based on HBS 2009 data.

Table 4.7. Employment structure by regions, 2010, in %

	Belarus	Brest region	Vitebsk region	Gomel region	Grodno region	Minsk	Minsk region	Mogilev region
Industry	25.3	23.8	23.9	26.4	24.6	23.9	27.5	28.2
Agriculture	9.7	13.8	11.9	9.9	14.5	0.3	14.6	10.0
Forestry	0.6	0.7	8.0	0.9	0.7	0.1	0.9	0.7
Construction	9.4	9.7	8.5	9.8	9.1	11.0	8.3	8.2
Transport	6.2	7.0	6.7	6.3	5.5	6.7	5.1	5.2
Communications	1.4	1.3	1.5	1.4	1.3	1.4	1.2	1.4
Trade	14.3	12.8	12.6	12.2	12.4	19.9	13.2	12.1
Material supply	0.4	0.2	0.3	0.5	0.1	0.4	0.7	0.4
Housing utilities	4.6	4.1	5.4	4.9	4.4	4.1	3.9	5.7
Non-productive personal services	1.0	0.7	0.9	0.8	0.7	1.8	0.6	0.7
Health care	7.2	7.4	7.9	7.7	7.5	5.9	7.6	7.6
Education	9.5	9.8	10.3	10.1	10.3	8.3	8.6	10.4
Culture and art	2.0	1.9	2.0	2.0	1.9	2.3	1.8	2.2
Science	0.8	0.1	0.3	0.5	0.2	2.3	0.4	0.1

Source: Belstat regions yearbook 2011

(http://belstat.gov.by/homep/ru/publications/regions/2011/main.php [access date: 29 September 2011]).

Table 4.8. Wages by regions, BYR thsd, 2010

	Belarus	Brest region	Vitebsk region	Gomel region	Grodno region	Minsk	Minsk region	Mogilev region
Average	1217.3	1088.1	1090.0	1152.3	1105.2	1537.2	1182.1	1090.0
Industry	1316.9	1128.0	1199.0	1291.3	1226.4	1515.9	1447.9	1191.7
Agriculture	815.2	801.3	809.3	793.3	8.808	1575.8	841.6	784.8
Forestry	1078.1	992.0	1027.2	1073.2	1072.1	1346.5	1142.6	1077.8
Construction	1593.5	1490.6	1357.6	1521.4	1593.7	1899.6	1530.5	1340.3
Transport	1321.7	1318.2	1280.2	1409.4	1121.0	1461.9	1202.8	1241.4
Communications	1433.4	1283.7	1218.8	1250.3	1228.6	2022.1	1211.7	1188.0
Trade	1002.0	894.7	880.9	846.8	888.2	1244.8	902.5	833.5
Material supply	1302.9	1181.1	1239.1	1364.7	1218.3	1661.5	1107.9	1172.4
Housing utilities	1789.2	1342.4	1119.5	1440.5	1114.5	1990.8	1630.5	1191.7
Non-productive								
personal services	1078.5	1092.9	1034.9	1044.6	1115.3	1194.0	995.0	1030.7
Health care	1011.4	890.3	938.8	950.2	918.2	1310.1	1001.4	941.3
Education	891.3	809.0	830.1	822.6	809.0	1141.6	836.0	869.3
Culture and art	900.1	791.0	751.8	787.4	773.4	1206.3	801.0	828.1
Science	1706.6	1302	1242.4	1514.6	1844.1	1796.5	1520.6	1440.9

Source: Belstat regions yearbook 2011

(http://belstat.gov.by/homep/ru/publications/regions/2011/main.php [access date: 29 September 2011]).

Table 4.9. Poverty rates by region, 2009

	Relative poverty (national scale)	Relative poverty (OECD scale)	Absolute poverty	
Brest region	13.1	13.5	5.9	
Vitebsk region	13.2	13.4	6.2	
Gomel region	14.3	14.5	6.2	
Grodno region	9.5	10.7	4.3	
Minsk	1.7	2.3	0.7	
Minsk region	7.7	8.6	4.0	
Mogilev region	16.8	17.0	7.3	
Belarus	11.8	12.4	5.4	

Source: own estimates based on HBS 2009 data.

Table 4.10. Poverty rates in rural areas by region, 2009

Relative poverty	Relative poverty	Absolute poverty
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	(national scale)	(OECD scale)	
Brest region	15.9	15.9	7.8
Vitebsk region	19.5	17.9	11.2
Gomel region	27.5	27.4	15.3
Grodno region	10.1	10.9	4.1
Minsk region	8.5	9.8	4.8
Mogilev region	26.0	26.3	13.8
Belarus rural	16.5	16.8	8.8

Source: own estimates based on HBS 2009 data.

Table 4.11. Selected indicators of the health care system by region, 2010

	Alcoholism per 100,000	Tuberculosis 100,000	Physicians per 10,000
Belarus	343.5	47.9	51.1
Brest region	317.3	42.4	42.4
Vitebsk region	343.2	42.2	47.9
Gomel region	315.6	62.2	42.9
Grodno region	377.9	51.8	55.3
Minsk	302.0	30.2	80.5
Minsk region	392.0	50.9	37.8
Mogilev region	385.3	64.5	41.1

Source: Belstat statistical yearbook (http://belstat.gov.by/homep/en/publications/year/2010/about.php [access date: 29 September 2011]).

Table 5.1. Poverty rates among those left behind, 2009

		Average		Left behind		
	Relative poverty (national scale)	Relative poverty (OECD scale)	Absolute poverty	Relative poverty (national scale)	Relative poverty (OECD scale)	Absolute poverty
By age:	-			-	-	
Children (0-15)	11.8	12.6	9.9	21.7	20.4	16.7
16–64 ` ´	10.4	9.9	4.3	19.3	16.0	8.0
65+	12.0	18.1	1.9	26.7	23.8	5.7
By sex (adults):						
Women	10.4	12.0	3.6	19.4	16.4	7.2
Men	10.9	10.0	4.3	19.9	16.2	8.6

Note. Households with migrants were considered those where at least one family member was absent at least at one survey (excluding cases of the member's withdrawal), and his employment status is uncertain.

Source: own estimates based on HBS data.

Figure 1.1. Real GDP growth

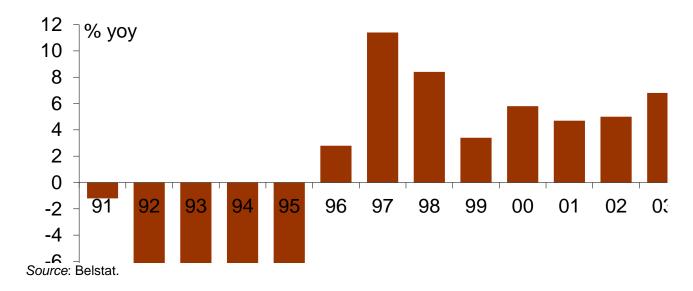
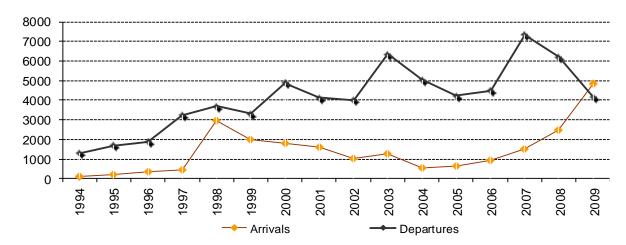
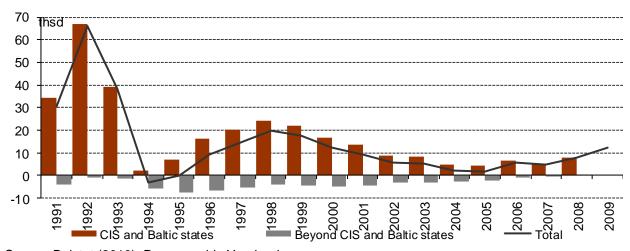


Figure 2.1. The number of Belarusians, who had labour contracts abroad



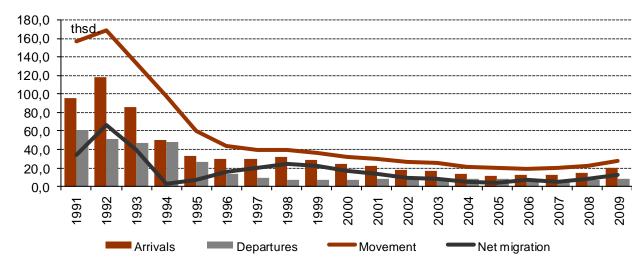
Source: Belstat (2010): Statement "The main migration results".

Figure 2.2. Net international migration of Belarus by directions, thsd people



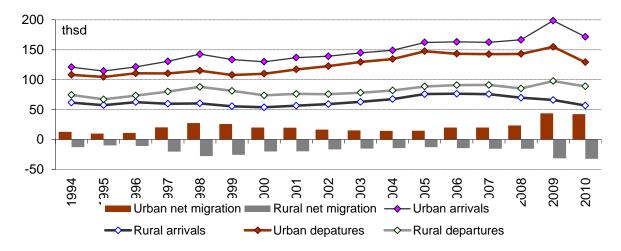
Source: Belstat (2010): Demographic Yearbook.

Figure 2.3. Migration flows between Belarus and FSU, thousand people



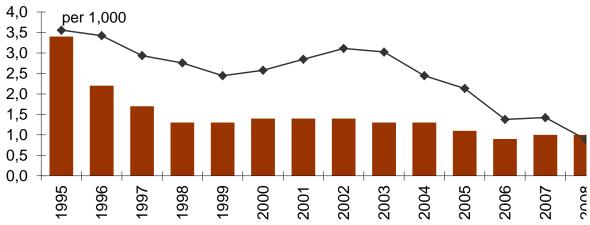
Source: Belstat (2010): Demographic Yearbook.

Figure 2.4. The number of rural-urban migrants in Belarus, 1994-2010 (both international and internal)



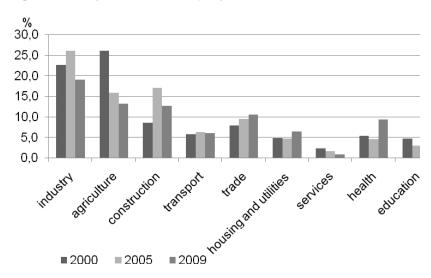
Source: Belstat (2010): Demographic Yearbook.

Figure 3.1. Emigration and unemployment rates



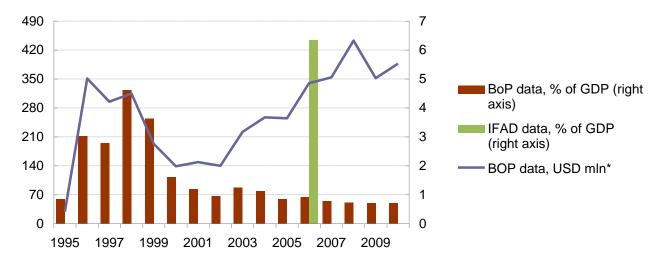
Source: Belstat, own estimates for unemployment rate, based on HBS data.

Figure 3.2. Dynamics of employee demand in Belarus



Source: Ministry of Labour.

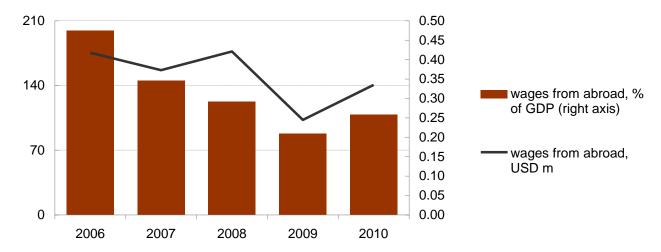
Figure 3.3. Remittances flow into Belarus



* Between 1996 and 2001, black market premium existed at the foreign exchange market in Belarus (exchange rate was unified at the end of 2001). For these years, the dollar equivalent of GDP was estimated based on market (unofficial) exchange rate between BYR and USD.

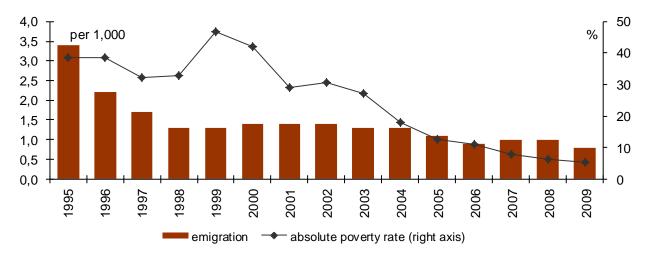
Sources: World Bank (2010) – for BoP data in US dollars; IFAD (2008) – for relative data; own estimates based on World Bank (2010), WEO database (October 2010) – for GDP in US dollars between 2002 and 2009 and GDP in national currency for 1995–2001, and IPM Research Center, Belarus macroeconomic indicators database, http://research.by/eng/data/economy/ – for market exchange rate.

Figure 3.4. Remittances flow into Belarus



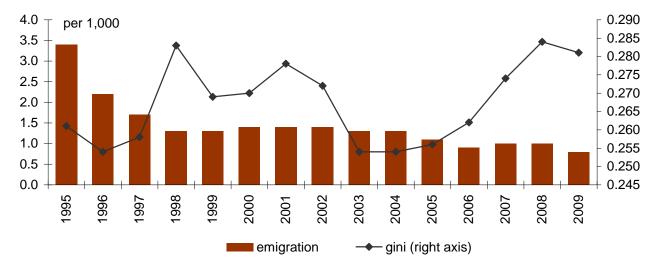
Source: NBB.

Figure 3.5. Emigration and poverty rates



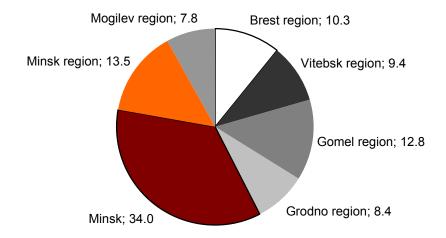
Source: Belstat.

Figure 3.6. Emigration rate and index Gini



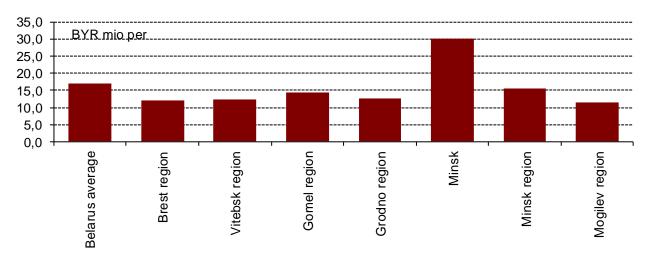
Source: Belstat.

Figure 4.1. GDP structure by regions, 2010



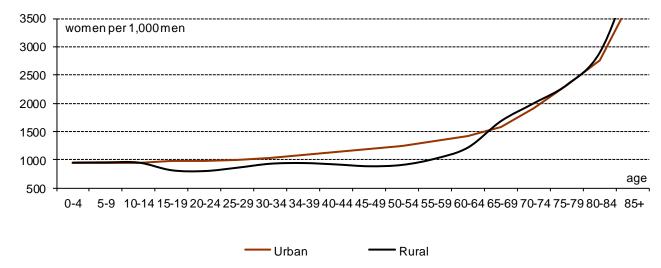
Source: Belstat regions yearbook 2011.

Figure 4.2. GDP per capita by regions, 2010



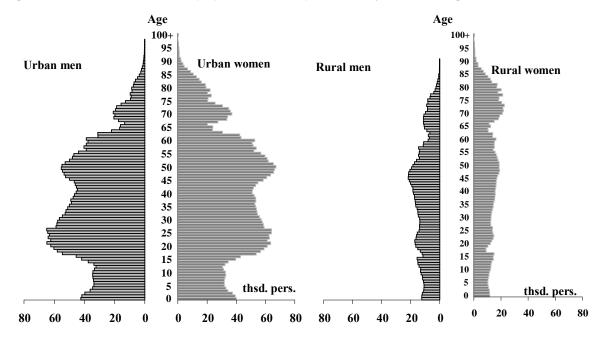
Source: Belstat regions yearbook 2011.

Figure 4.3. Gender structure of Belarusian population by age, 2009



Source: Belstat.

Figure 5.1. Rural and urban population composition by sex and age in Belarus in 2009



Source: Belstat (Census 2009).