

COUNTRY PROFILE



Belarus

GLOBAL RANK: 78th of 104



Belarus ranks better on Economic Competitiveness (70th) than on Comparative Liveability (81st), due to high education scores. It ranks 78th overall.

● BACKGROUND

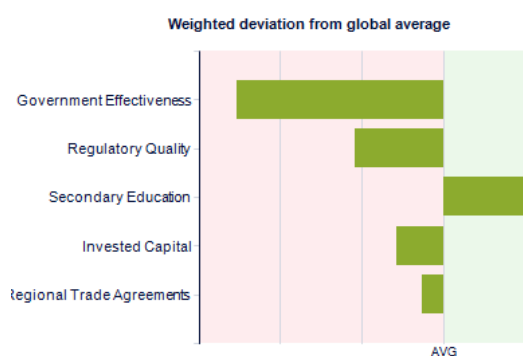
Since 1994 Belarus has been under the increasingly authoritarian leadership of Alexander Lukashenko and has an extremely poor human rights record. Political opposition has been crushed and freedom of speech and assembly severely restricted. In the pursuit of 'market socialism', the Belarusian government has nationalised banks and factories, imposed price controls, and aggressively redistributed income. As a result, Belarus has found it difficult to attract foreign investment, and poverty levels are high. There has been no restructuring of the railway network, the energy sector or the water industry since transition, and all of these sectors have failed to show any significant growth as a result. Belarus is home to a key pipeline of Russian oil to Europe, and its economy is heavily reliant upon Russian energy. Recent years have seen destabilising disputes between the two nations over energy subsidies and transit taxes.

FAST FACTS

Population:	9.69 million (2008 est.)	FDI (net inflow):	0.74% (2006 est.)
Life Today	5.6 (2007 est.)	Exports	53.42% (2006 est.)
GDP (PPP)	\$105.2 billion (2007 est.)	Imports	60.51% (2006 est.)
GDP (Growth)	8.2% (2007 est.)	Unemployment:	1.6% (2007 est.)
GDP (per Capita)	\$10,900 (2007 est.)	Life Expectancy	70.34 years (2008 est.)
Political System:	Republic in name, although in fact a Dictatorship		
Foreign Aid:	0.19% (2006 est.)		

● KEY SCORE DRIVERS

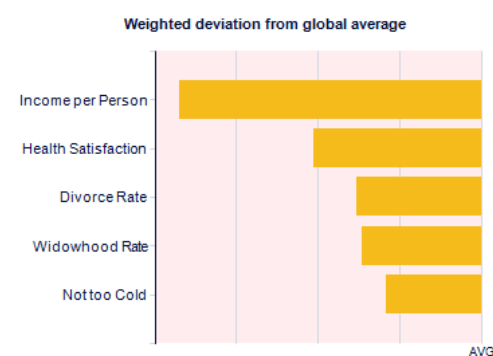
ECONOMIC COMPETITIVENESS



Belarus ranks well below the regional average for Economic Competitiveness, with limited signs of growth in key areas. The economy is still dominated by the state, with private sector involvement at below 25% of GDP. A significant proportion of prices are still administered by the state, and the asset share of state owned banks is over 80%. In this context, the paucity of private capital investment is understandable.

The Index governance indicator highlights the fact that many of the country's material challenges stem from bad governance. The transition from communism has been slow and arduous, with poor

COMPARATIVE LIVEABILITY



Comparative Liveability is similarly low in Belarus, with political rights and civil liberties being eroded by the regime. The elections in 2006 were neither free nor fair: the authorities attempted to repress opposition, and several opposition leaders received prison sentences. These factors all tend to correlate, on average, with lower levels of life satisfaction. Government pressure on the judiciary, the media, NGOs and educational institutions is also widespread.

The Index also highlights health as seriously detrimental to Comparative Liveability, with 43%⁹ of citizens dissatisfied with their

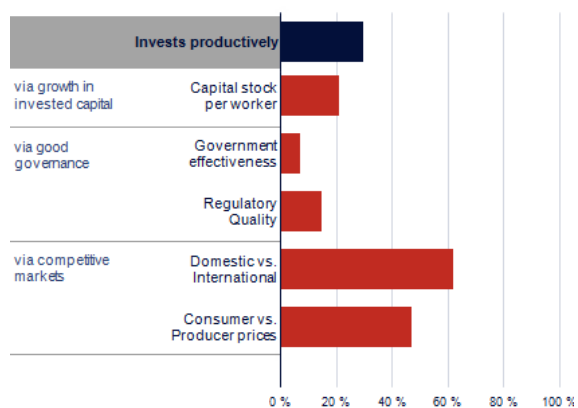
government regulation and a lack of effectiveness. Levels of corruption are high and rising, and the rule of law is far from established. Belarus's openness to trade is limited by a lack of trade freedom and the dependence on commodity exports. Nonetheless, some signs of economic reform are evident, as reflected in the low costs of starting a business.

More encouragingly, Belarus performs much better on the mass education indicators. While the value of years of education and skills acquired under communism can be difficult to assess, public spending on education accounts for over 6% of GDP and the adult literacy rate is almost 100%. The combined gross enrolment rate for primary, secondary and tertiary education is just below 90%, and the retention of students is high, with essentially all students who enrol for primary education finishing secondary school.

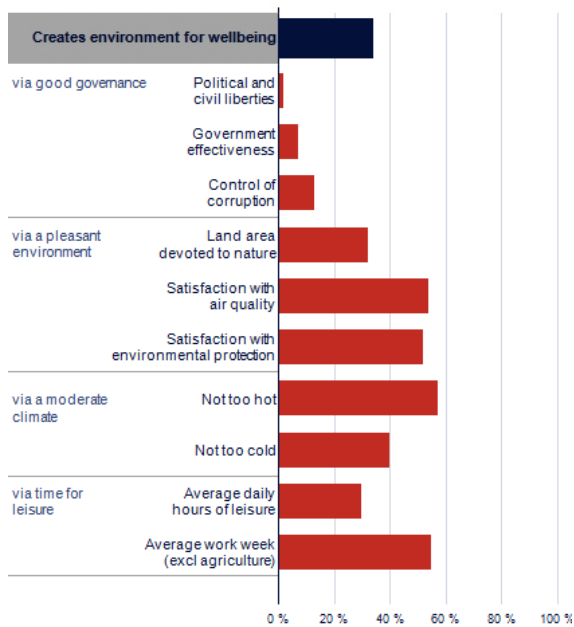
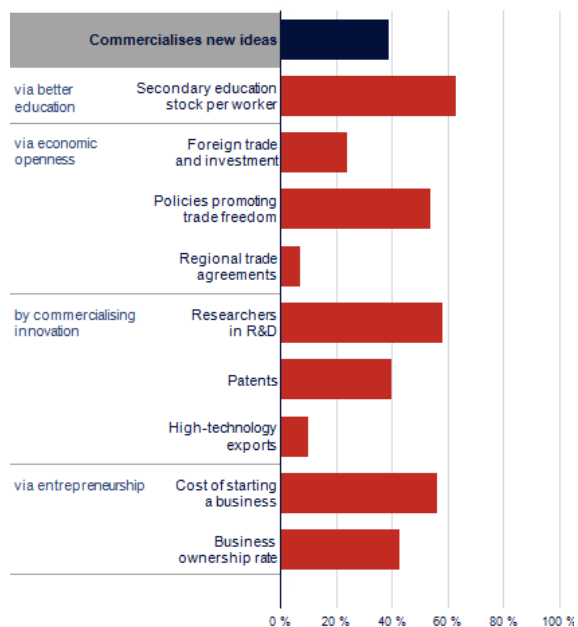
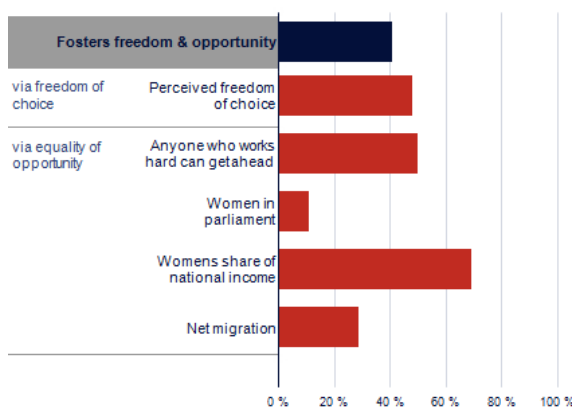
personal health and a health-adjusted life expectancy of a little over 60 years. This is compounded by the cold climate, which can have a significant negative impact on wellbeing at lower levels of income. Family life similarly provides little satisfaction, as almost 13%⁹ of the population is widowed and another 9%⁹ is divorced.

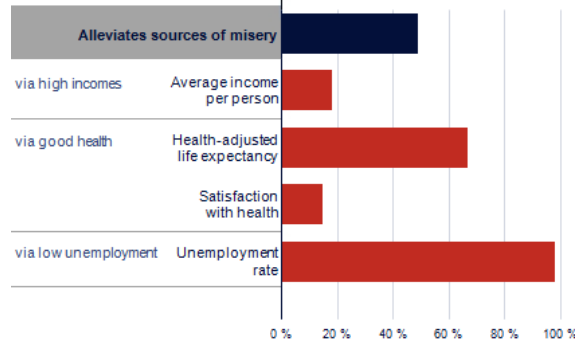
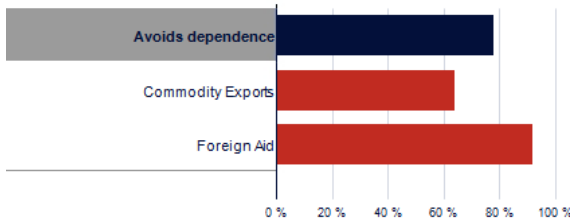
Environmental degradation is of further concern in Belarus. Particularly worrying are the 55%⁹ of respondents to the Gallup World Poll who registered dissatisfaction with the preservation of the existing environmental resources, and the relatively high levels of discontent with air quality. More positively, unemployment is very low at 1.5% of the workforce, and this is reinforced by the belief, held by 70%⁹ of people, that hard work will allow a person to get ahead. This is an unusually positive score on this indicator for a transition country.

ECONOMIC COMPETITIVENESS: SCORECARD

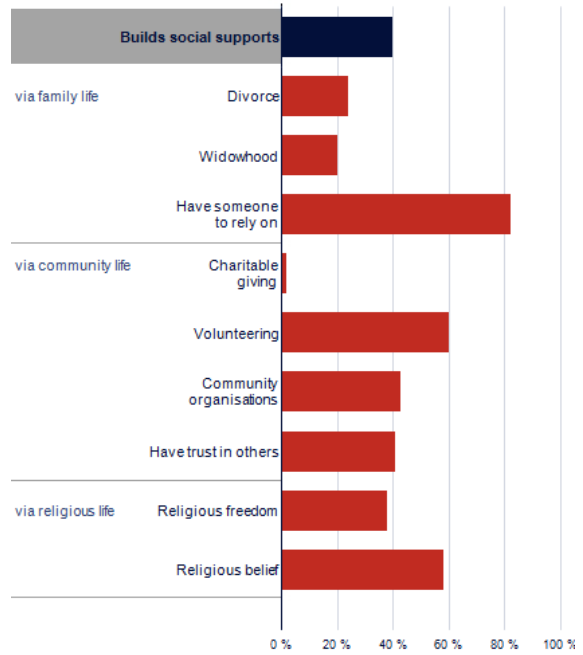


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.