

# Belarus - a country between east and west



*Cege Ekström, a teacher in economics and law at the Busines College Yrgo in Gothenburg, has since 2002 been the project manager for several exchange projects with colleges and universities in Russia. From 2005 also with a university in the city of Gomel in southeastern Belarus. The exchange has been applied from teaching and study visits to company development and student collaboration. The projects have been funded by the Swedish Institute (SI). Belarus is and has long been a well-developed industrial country compared to other former Soviet states, which is often overshadowed by the view of the country's weak democracy. Cege is an honorary doctor at the BTEU University in Gomel, southern Belarus against Ukraine.*

## **Close to Russia - and to the Soviet Union**

Visiting Belarus is like reliving the Soviet Union in "the days of its power". A centrally controlled country that did not go through the political and economic crises that hit neighboring Russia after 1990. The old state-controlled system in Belarus is completely intact, although it has formal political democracy.

During the Soviet era, Belarus became an important industrial center and industrial companies still live with Russia as the largest "home market". The country has a customs union with Russia. As a result, when traveling in western Russia, you see many trucks marked BY (Belarus) which supply the neighboring country with industrial goods. The country is located between Eastern Europe and Western Europe, without its own coast, surrounded by Russia, Ukraine, Poland, Lithuania and Latvia.

In the early 1900s, Belarus was part of the Russian tsar empire and later became part of the Soviet Union. During World War II, the country suffered badly from all the horrors of the war. The entire territory of Belarus was occupied by Hitler's troops. During the war, 206 cities, 10 338 companies and 5 295 villages were destroyed. The country lost every third inhabitant. Since 1991, Belarus has been an independent country for the first time. The country has ten million inhabitants and in the capital Minsk lives two million. Minsk is a beautiful and well-kept city with clearly "Soviet" features. The language is Russian and closely related to Belarusian.

### **Affected by Chernobyl**

Unfortunately, there are still major environmental problems due to the April 26, 1986 nuclear accident in Chernobyl, located just a few miles from the Belarusian border inside Ukraine. Nearly 20% of the territory of Belarus was poisoned by radioactive radiation. This caused major damage to agriculture, forest, water and human health.

### **Industries**

The country's most important industrial products are oil products, artificial fertilizers, synthetic fibers, artificial resin, plastic goods, car tires, cutting machines, tractors, trucks, buses, clothes, watches, TV sets, chocolate and much more. Here you will find production of everything from confectionery (Comintern), chocolate (Spartak), watches, refrigerators and TVs (Horizont) to buses (Mas), excavators and tractors (Belarus). The products appear to be of good quality but probably not quite competitive in the West.

The trade with western countries is usually limited to the manufacturing as subcontractor, including car tires and clothing, for example school uniforms for Ireland and the United Kingdom. Germany is also a relatively important trading partner. In Sweden, the Belarus tractor is the most famous, for Swedish farmers, except that Belarus hockey team managed to knock out Swedish Tre Kronor in the 2002 Olympic tournament.

Belarus also has a large cooperative sector, Belarus Consumer Cooperatives, ie producer and consumer cooperation, a Soviet heritage may happen. The cooperative also has its own universities, including the Belarusian Trade and Economics University of Consumer Cooperatives in Gomel. Thus, the focus is on providing co-operation with staff. Cooperation is part of President Aleksandr Lukashenka's idea of the state-controlled and cooperative society in the context of a market economy.

The country has no energy resources of its own, but must rely on oil and gas imports, largely from Russia. Energy prices have risen sharply, which has had a negative impact on the state budget. In May 2011, the Belarusian ruble was forced to devalue by 36%. Belarus has applied for support from the International Monetary Fund (IMF) and is said to negotiate loans from Russia and China in combination with business agreements.

### **Positive surprise**

The most lasting impression of Belarus to me is that it is so different from Russia, more organized and more well-equipped. This is partly because the country has not undergone the process of change that Russia has undergone. Belarus is still largely state and central controlled with only between 5 and 10% of the companies in private ownership. Thus, there is a kind of continuity from the former Soviet Union.

For me, the visits to Belarus have been a positive surprise. I have similar visits to Russia to

compare with. Russia's turbulence against Belarus's somewhat treacherous orderliness and large industrial activity. Of course, the regime's hand is heavy over the country and Chernobyl is heavy over Gomel. But in the midst of this there is an incredible charm, hidden joy of life and not least kindness. It is difficult to convey these experiences from Belarus to those who experience the country merely as an "incomplete" democracy.

### **Sweden and Belarus - a comparison**

Many similarities can be found between Belarus and 1960s Sweden, not least the industrial structure, a large public sector and a growing consumer society. Nature also has some similarities even though Belarus lacks mountains and sea. How, then, will Belarus be more like today's Sweden?

Industry must become more competitive with the West, not as it is now with Russia. Private ownership and even small business can be developed to achieve a more efficient Western-oriented growth economy that provides increased wealth.

At the same time, democracy and the judicial system must be strengthened to approach EU standards. If this is successful, Belarus has the opportunity to become an EU country. There are, of course, many obstacles, not least political ones, both within the country and in neighboring Russia. Energy issues have a key role here because Belarus has no energy production of its own and no ports to receive energy from the West. Belarus is completely dependent on Russian gas and Russian oil via pipelines, which puts limits on political independence towards Russia. The use of wind and solar power as well as heat pumps must be encouraged.

The Swedish government should assume an active role here in order for Belarus to choose to orientate itself to the west, if desired. This was the case with the Baltic countries with a good outcome for the Swedish influence.

Some facts (2016):

- Belarus borders: Latvia, Lithuania, Russia, Poland and Ukraine
- Capital: Minsk
- Belarus is divided into six counties (oblasts).
- Area: 207.6 thousand square kilometers (Sweden 450.3)
- Population: 9.6 million inhabitants, of which 84% are Belarusians, 8% Russians, 3% Poles, 2% Ukrainians and the rest consist of several different ethnic groups
- GDP per capita: US \$ 17,500 (Sweden 49,700)
- GDP growth: - 2.6% (Sweden 3.3%)
- Unemployment: 0.8% (estimated 2016)
- Exports: US \$ 22.7 billion, of which 40% to Russia and 11% to Ukraine
- Imports: US \$ 25.4 billion, of which 57% from Russia and 8% from China

Source World Fact Book ([www.cia.gov/se](http://www.cia.gov/se))

## **Business and management culture - own reflections**

- Hierarchical line organization
- Hold on to managerial position
- Important not to lose face
- Weak knowledge of the English language, often non-existent

- Personal relationships take time
- Politruks can help with smooth contacts, inside and outside the organization
- People don't always say how it is, but how they want it to be
- May cause disappointment to visitors from the West
- Hard to know exactly which message applies
- You have to like the situation and act on it

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## College teacher honorary doctors in Belarus

The college teachers Ann-Marie Kyrk and Cege Ekström at the Business College in Gothenburg have been running a development project for a few years with a university in southeastern Belarus Belarusian Trade and Economics University of Consumer Cooperatives in Gomel. Universities are run by the nationwide organization Consumer Cooperatives, ie the producer and consumer cooperative. You are thus focused on providing the co-operation with personnel ..

Ann-Marie's and Cege's role has been to have lectures in accounting and marketing and Business English respectively. And of course to present Sweden, its economic system and culture. An important part of the project has been comparisons between the countries, Sweden as a developed market economy and Belarus on the way to the West, but with the distinctive character and human warmth.

The teaching role here, as in many countries, is quite different from the Swedish one. The teaching is strongly teacher-controlled, not to say authoritarian, and quite theoretical. Here Ann-Marie and Cege showed a little different still which was probably quite surprising for students and not least for the teachers. Ann-Marie and Cege made an effort here, by showing alternative routes in different areas.

The project is funded by the Swedish Institute, which has the government's mission to highlight the positive image of Sweden. The project also includes that teachers and students from Belarus have visited Gothenburg to learn more about teaching, culture and entrepreneurship.

On February 23, 2007, Ann-Marie Kyrk and Cege Ekström were awarded the honorary doctorate for their efforts to develop teachers 'and students' knowledge and skills in economics, cooperation and English as well as exchange of experiences between the countries.