

place because wealthy countries produce many things that can affect cultures, for example, clothes, movies and technologic products.

Having read a lot of information about all this, I decided to carry out a kind of public opinion poll and find out what people in our country think about globalization? Having carried out the survey, I faced some very unexpected results. Out of 876 samples 43% of people think that globalization is harmful to Belarus and for the whole world in general. 33% are not interested in this process at all and don't see any benefits. And only 24% want our country to be involved in the globalization processes.

To sum up I may say that according to our study the Belarusian society is not ready yet to be fully involved in the process of globalization. There is a lot of work to be done to attract investors to our market. Moreover, our legislation should be made more user-friendly for foreign businessmen.

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#### PRIVATIZATION IN BELARUS: STATUS, PROBLEMS, PERSPECTIVES

A top-priority task set by the President of Belarus is the FDI attraction in Belarus. In the ranking of the World Bank's Doing Business-2012, Belarus ranks 69th, which is 22 points higher than in the previous year (91th place).

70% of the country's GDP is still produced by state-controlled enterprises. In many of them wear and tear of the fixed assets amounts to 60-80%. To renew assets private investments are needed.

The Government takes clear steps towards liberalization of the stock market and privatization: abolishment of "golden share"; phase-out of the moratorium on circulation of shares acquired during preferential privatization; lists of hundreds of enterprises to be reorganized into open joint stock companies (OJSCs) and lists of companies at sale for investors; governmental program encompassing 52 clear steps towards further simplification of Doing Business in Belarus.

In 2008 the Belarusian Government issued a list of enterprises to be reorganized into OJSCs (505 enterprises) and to be privatized (144 enterprises) in 2008-2010. In 2011 the Belarusian State Property Committee organized 225 public sales of 168 JSCs. In 2011 FDI in Belarus amounted to USD 3,986 bn or 7.2% of GDP. In the total FDI structure equity investments increased up to 82% (USD 3, 2 bn). In 2011, 45 out of 181 JSCs planned for selling were sold, representing 22% of the planned volume. The main buyers were local investors and 7 Russian buyers. Foreign investors from Europe are not sufficiently aware of the privatization processes in Belarus. Investors have shown solid demand for relatively small-sized assets. Based on the results of privatization, the least popular assets among investors were those in the field of culture and motor car parks.

Privatization process faces problems as it is not structured and is very selective:

- (i) There is no central state body responsible for the whole privatization process. A number of state bodies are involved into the process;
- (ii) The role of specific persons (key decision makers) is very important. Sometimes, they may have no representation in relevant ministries / state bodies;
- (iii) Usually, the sale of shares of the privatized company is carried out without any public tender / competition;
- (iv) As the analysis of privatization in 2007-2009 showed, privatization ideas could be initiated by potential buyers / investors. In this case the Government is rather flexible in defining possible terms of privatization and in amending lists of companies to be privatized.

Taking into account the experience of privatization in 2011, which at the state level has been recognized as unsuccessful, in 2012 the Belarusian government established new privatization rules:

- I. A key change is the withdrawal of privatization list. The authorities are willing to sale the shares of any state-owned enterprise to foreign investors. The main criterion is the price.

- II. Two pricing approaches are going to be used when valuing companies: the book-value method and the market-value method. At the same time companies are to be sold at the highest calculated price.
- III. The state demands preservation of companies' main activity, working places and achieving certain economic indices.

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## CORPORATE SOCIAL RESPONSIBILITY IN BELARUS: BUSINESSES THAT CARE

Nowadays any kind of business does not exist in isolation, nor it is simply a way of making money. The awareness by the management and the owners of the direct correlation between the economic results of the companies' activities and their image, behavior patterns towards personnel, partners, society, the environment has become the major reason for forming CSR policy in many companies.

Corporate social responsibility is a code of business ethics and voluntary contributions of a company into human capital, environmental protection and socially oriented programs above and beyond what is required of them by law.

Social responsibility is one of the keys to the sustainable development of companies, because it serves the long-term interests of shareholders and corresponds with the objectives of the society. Furthermore, it contributes to the social stability, security and welfare of citizens, as well as to environmental protection and respect for human rights.

Relationships between businesses are based on CSR principles as well. The adoption of international standards for product quality, environmental safety and management is now a mandatory condition for businesses if they want to enter international markets. Companies all over the world take up voluntary obligations concerning labor protection, environmental impact, and business ethics, while also expecting the same from their foreign partners. Many countries have legislation requiring companies to provide mandatory social reporting to provide greater accountability in these areas.