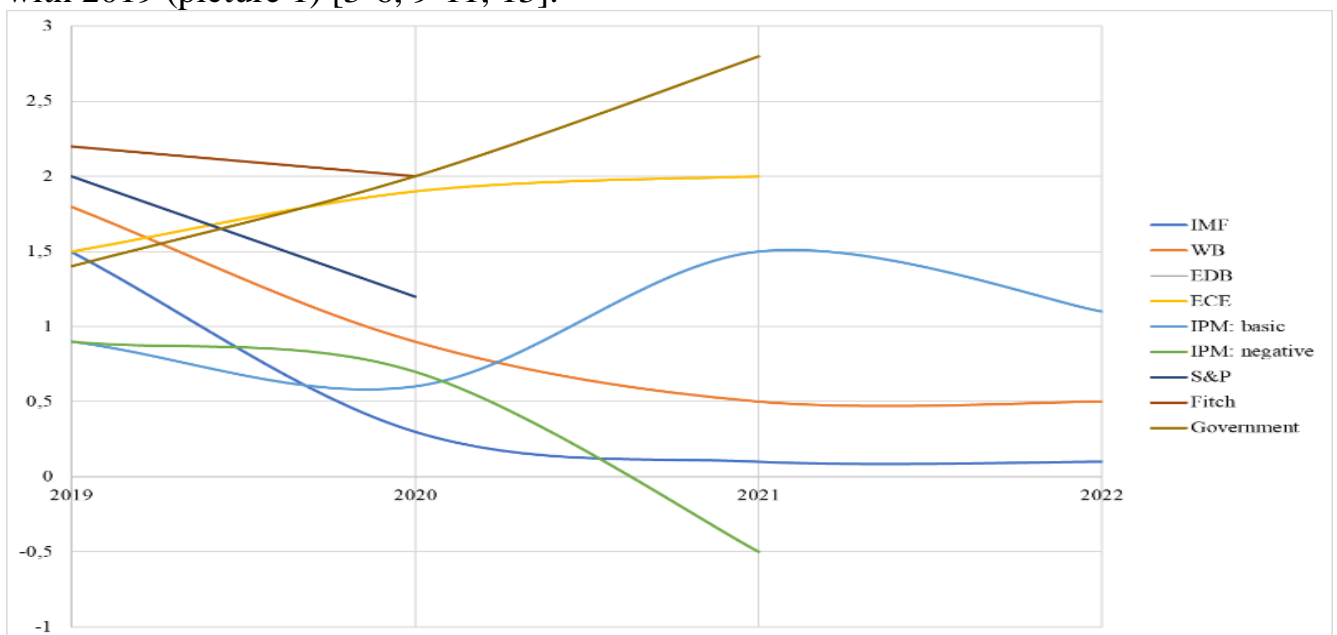


IN PURSUIT OF ECONOMIC GROWTH: BARRIERS TO THE REPUBLIC OF BELARUS

The global recession, reflected in the slowdown in economic growth in the group of advanced economies, which all experts note, became the main trend that set the terms of world trade. Following the slowdown in developed markets, there is a slowdown in emerging markets. In each economic region, the mood is set by the leading economy, whether it is China in Asia or Saudi Arabia in the middle East. And in accordance with the current conditions: the US-China trade war or OPEC+ decision to restrict oil supplies. The result is a drop in demand for raw materials, and, consequently, prices for it. On average, international organizations and rating agencies forecast global GDP growth of about 2%.

Due to the unpredictable geopolitical situation and rapidly developing events caused by the spread of the new COVID-19 virus, it is difficult to assess the impact of external factors on the further development of the Belarusian economy. At the same time, internal structural problems have been dragging the indicators of economic development of the Republic of Belarus down for a long time.

Based on the data projected by various international organizations (IMF, WB, EDB), supranational regulatory bodies (ECE), international rating agencies (S&P, Fitch), NPOs (IPM, BEROC), we can see a tendency to decrease the growth rate of Belarus' real GDP, including a revision of forecast indicators for 2020 in comparison with 2019 (picture 1) [3-6, 9-11, 13].



Picture 1 – Real GDP growth forecasts for the Republic of Belarus, %

Thus, IPM experts expect a decrease in the growth rate of real GDP of the Republic of Belarus by 0.7 percentage points, and the World Bank – by 0.4 compared to the previous period. Their forecast for 2020 is 0.6% and 0.9%, respectively [8, 9].

Meanwhile, the official forecast of the Ministry of Economy remains very optimistic at 2.8%, which makes us doubt its economic validity, and the program of socio-economic development altogether assumes an unrealistic growth of 4.9-5.9% [1, 2].

As a result of studying the reports of the above-mentioned organizations, we have identified the most important structural problems of the Belarusian economy that have caused low growth rates. Based on expert assessments, we assigned each of the structural problems a rating from 1 to 3 (where 3 is the most important and 1 is the least important), and the frequency of mentions of the problem in reports was also taken into account. Various coefficients were used in the calculations to estimate the structural problem and the frequency of its mention (0.7 and 0.3) (table 1).

Table 1 – Rating of the most important problems of the Belarusian economy

Dependence on the Russian Federation	2,89	<p>Rating calculations:</p> <p>= 0,7 * Expert assessment (average) + 0,3 * Frequency of mentions (normalized)</p>
The inefficiency of the public sector	2,42	
Low efficiency of the institutional system and management mechanisms	2,20	
High debt burden	2,00	
Weak diversification of exports	1,93	
High level of dollarization	1,86	
Dependence on commodity prices	1,70	
Directed lending		

Based on our rating, we can say that most organizations agree on the most serious systemic problems that require the response of the country's economic authorities.

The most acute problem is Belarus' dependence on the Russian Federation, which implies dependence on raw materials, trade and Finance. Many sources pay special attention to the current situation with oil. First, Belarus suffered from the arrival of "dirty" Russian oil, now-from the interruption of its supplies and difficulties in negotiations. The implementation of the tax maneuver is estimated by the government of the Republic of Belarus to lead to the loss of 18 billion dollars by 2024. Although there is some progress in this regard, Russia has agreed to compensate only part of the losses incurred by Belarus. The Republic of Belarus also loses its revenue from the equivalent of the export duty on six million tons of crude oil as a budget transfer.

Financial dependence is also evident in the direct financing that Belarus received from the Russian Federation. Russia accounts for about 40% of the country's public debt [7].

The second place in the rating is occupied by the inefficiency of the state sector. According to IMF experts, about half of the jobs and gross value added are in the public sector. Thus, the state still plays a dominant role in the country's economy. A large number of uncompetitive state-owned enterprises, which, according to S&P, cannot be reformed for political reasons, receive state support, whether it is the restructuring of previously granted loans or the non-competitive provision of new budget loans. Unsuccessful attempts to preserve inefficient state-owned enterprises indicate the ineffectiveness of management mechanisms [7].

In conclusion, we should say that the rating we have built indicates the areas that require priority measures to improve the competitiveness of the Belarusian economy in the long term. These measures are the diversification of Belarus' economic and political relations in order to increase the independence of the domestic economy and reform the state-owned enterprise sector.

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THE DEVELOPMENT OF SMALL CITIES AND RURAL AREAS IN BELARUS

The delineation of built-up territory around small towns and cities was first introduced in 2000. According to this system, rural areas consist of open countryside with population densities less than 500 people per square mile (approximately 200 people per square kilometer) and places with fewer than 2,500 people. The main purpose of this research is to explore the modern trends observed nowadays in the development in rural areas. The main tasks of this research are the following: to investigate the modern trends in the development of rural areas in the Republic of Belarus; to study all the assumptions about the consequences of these trends; to make some recommendations how to solve the existing problems of the development of small cities and rural areas in Belarus. The sources of this investigation are the following: data