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## **THE PROCESS OF PRIVATISATION IN BELARUS**

### **Процесс приватизации в Республике Беларусь**

Privatization, denationalization, support for entrepreneurship and the development of competition are the main directions of the formation of any market economy. In the context of the transition of the Republic of Belarus to a multi-layered economy, it was necessary to transform state ownership, which pursues the following goals: replenishment of budget revenues and reduction of budget expenditures for maintaining unprofitable and low-income companies, improving the efficiency of enterprise productivity, facilitating access to new technologies, ensuring the competitiveness of enterprises.

The process of property reform in Belarus began with the adoption of the «Basic provisions of the program of transition of the Belarusian SSR to a market economy» (1990) and the «State Program of Privatization» (1993), which assumed by the end of 1991 to sell, lease or transfer free of charge the majority of small enterprises in the service sector, trade and public catering, to withdraw from state ownership a significant part of enterprises of light, food and other industries, construction organizations. 2/3 of state-owned enterprises and organizations were to be privatized through four methods of privatization: auction, tender, purchase of leased property, transformation of the state into a joint-stock company with subsequent sale of shares on the market [1].

In 1991–1992, privatization was carried out only for cash and was regulated on the temporary basis and did not have a legal framework. In 1993, the laws «On Denationalization and privatization of State property in the Republic of Belarus», «State Program of Privatization», etc. were adopted which contributed to further development of privatization. When selling each object in the process of privatization, 50 % of the cost was paid in money and 50 % – with registered privatization checks «Property». Medium and large enterprises of industry, construction, and transport could be transformed into open joint-stock companies. Small enterprises of communal property, as well as objects of unfinished construction, were put up for competition and auctions. More than 50 large enterprises, e.g. Mozyr Oil Refinery, Brest and Novogrudok gas equipment plants, etc., became joint-stock companies.

In 2002, a new stage of the Belarusian privatization – the corporatization of large industrial complexes, petrochemical enterprises, e.g. JSC «Naftan», JSC «Polimir», JSC «Grodno Azot», JSC «Belshina», JSC «Grodno Khimvolokno», etc. – began [1]. With the entry into force of the Law «On Investment Funds» on July 23, 2018, conditions have been created for the formation and development of the institute of collective investment in Belarus. In 2019, privatization processes related to the sale of shares of enterprises where the state-owned share is less than the blocking stake (25 % plus 1 share) intensified. In 2019, 8 auctions were held for the sale of shares of 14 enterprises, of which only 5 were successfully sold [2]. A new trend is the purchase of shares at auction by the issuing company itself (JSC «Volt»).

The country retains an extremely high role of the public ownership in the privatized sector of the national economy. However, corporatization of enterprises often does not lead to the transfer of their property to private hands: in 31.3 % of open joint-stock companies, the state has a majority of votes at the general meeting of shareholders, and in 48.4 % of companies it has a controlling stake [2]. As a result, some mistakes in the Belarusian privatization can be identified: an attempt to sell abroad already unprofitable, inefficient and inefficient enterprises that are not attractive to foreign investors; «cabinet privatization». Having studied the positive experience of neighboring countries, the following recommendations to improve the situation should be made: attracting more advisory experts, using modern evaluation technologies, and reforming the conditions for future sales. The Republic of Belarus will be able to fully successfully implement privatization, using foreign experience and its economic advantages.

## References

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