

Annual Report Summary 2015

About BERO C

The Belarusian Economic Research and Outreach Center (BEROC[©]) is non-governmental organization registered in Belarus and a joint project between Stockholm Institute of Transition Economics (SITE)¹ and IPM (Minsk)² with the seed funding from Sida. BERO C aims to introduce modern academic standards in economic analysis and education to Belarus. The overall objective is to promote economic development of Belarus. BERO C is part of the FREE Network³ that unites research institutes in countries with transition economies.

High quality of research made BERO C a center of excellence in Belarus and a place to go for the policymakers looking for advice. Through the outreach activities BERO C has built the meeting place for Belarusians who left the country and those who stayed. It serves as a bridge between the international academic world and the Belarusian economic community.

Our activities address major challenges for Belarusian economic educational environment:

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¹ Stockholm Institute of Transition Economics at the Stockholm School of Economics is a leading research and policy center on transition in the former Soviet Union and Central and Eastern Europe. Founded in 1989, SITE has been involved in building independent think tanks in the former Soviet Union and Central and Eastern Europe, to strengthen the link between high-quality research and policymaking.

² Institute for Privatization and Management was established in 1993 by the Central European University Fund (USA), the Centre for Privatization (Poland), the Ministry of Economy (Belarus), and the International Association for the Support of Privatization (IASP) (USA) as a Joint Venture partnership with a goal to encourage economic reforms in Belarus. Nowadays, the institute is a leading private institution that provides high-quality services in business education/training, consulting and economic research.

³ The Forum for Research on Eastern Europe and Emerging Economies (FREE Network) is a joint initiative by SITE (Stockholm), BERO C (Minsk), BICEPS (Riga), CEFIR (Moscow), CenEA (Szczecin), ISET (Tbilisi) and KSE (Kiev). Together, these research institutes form an extensive network of leading academic experts on economic issues in Central and Eastern Europe and the former Soviet Union.

- We generate new academic and policy-relevant knowledge of international quality about the Belarusian economy
- We transfer modern economics knowledge to Belarusian scholars, students and decision-makers
- We improve the analytical skills in Belarus by providing modern training to Belarusian researchers, students and decision-makers

BEROC Research in 2015

In 2015 BERO C generated new academic and policy knowledge on the economics of Belarus. Our researchers produced and published 7 scientific working papers and 15 policy papers, focusing on the issues of macroeconomic performance, foreign investments, private sector development, labor supply, pension system, gender, local governance. Two papers were published in international peer-reviewed journals. BERO C served as a bridge between the international academic world and the Belarusian economics community, thus making it a unique economic think tank in Belarus both in terms of its philosophy and the resulting impact. BERO C research focuses on major issues of the economic transition of Belarus including gender equality. This work raised active debates in the society; policy recommendations were accepted for consideration by the government.

BEROC Working Papers

[Accounting for Labor Productivity Puzzle](#)

Kateryna Bornukova

This paper shows that changes in the household structure and corresponding changes in labor supply behavior can explain the labor productivity puzzle.

[Determining the Common External Tariff in a Customs Union: Evidence from the Eurasian Customs Union](#)

Arevik Mkrtchyan

This paper studies a large panel data set of tariff data from the Eurasian

Customs Union and demonstrates the importance of mutual protectionism: member states bargain to expand to their partners the protection of goods that were protected nationally.

[Is Market Timing Good for Shareholders?](#)

Ilona Babenko, Yuri Tserlukevich

This paper challenges the view that equity market timing always benefits shareholders.

[Belarusian Business Cycle in Cross-Country Comparison: Industry and Aggregate Data](#)

Kirill Shakhnov

This paper documents stylized facts about Belarusian business cycle based on aggregate and industry data and puts it into an international content.

[Gender and Innovativeness of the Enterprise: the Case of Transition Countries](#)

Maryia Akulava

This paper estimates whether there is a gender gap in SMEs innovation actions.

[Exchange Rate, Imports of Intermediate and Capital Goods and GDP Growth in Belarus](#)

Aleh Mazol

The paper analyzes the short-run and long-run effects of imports of intermediate and capital goods on Belarusian economic growth for the period 2005 to 2015 taking into account large upward and downward exchange rate adjustments of Belarusian ruble.

BEROC Policy Papers

[Local self-governance in the Republic of Belarus](#)

Aleh Mazol

This paper explores the development of local self-governance in the Republic of Belarus. Attention is paid to the theoretical foundations of local self-

governance, advantages and disadvantages of decentralization, assessment of its impact on economic growth, to the analysis of the existing system of local self-governance, including directions for its improvement.

[Dollarization and De-dollarization: Formulation of Agenda](#) (available only in Russian)

Dzmitry Kruk

This policy paper deals with the phenomena of dollarization and prospects of de-dollarization policies in Belarus.

[Role of Private Sector in Belarus: Problem of Evaluation](#) (available only in Russian)

Maryia Akulava

The absence of a transparent and clear methodology in Belarusian statistics on how to evaluate the role of the private sector makes it difficult to evaluate the exact input of the Belarusian business in the economy and compare its role to other countries.

[Macroeconomic Dynamics of Belarus in 2014: Currency Stress in the Background of Stagnation](#)

(available only in Russian)

Dzmitry Kruk

The combination of accrued structural and short-term problems vitalizes the challenge of long-lasting recession/stagnation in future periods.

[Pension System of Belarus: Current State and Necessity for Reforms](#) (available only in Russian)

Kateryna Bornukova, Katerina Lisenkova, Anastasia Luzgina

This paper shows that the pension system of Belarus must be reformed and proposes the most effective reforms among all available alternatives.

[Maternity Support Programs in Belarus](#) (available only in Russian)

Kateryna Bornukova

This paper analyzes the effects of child-care leave and maternity capital policies, and provides recommendations for Belarus.

BEROC Outreach in 2015



BEROC further enhanced public dialogue on the transformation of the Belarusian economy by means of opinion articles and interviews, one third of which were in the international media. In 2013 BEROC co-founded **Kastrychnicky Economic Forum** that became the unique annual opportunity for policy-makers, local and international scholars and international organizations to discuss and elaborate new approaches in economic development and structural reforms. In 2015, alternative ways of transformation of economic model of Belarus became the main focus of the forum bringing together policy makers, academia fellows and independent community. This event serves as a place for open discussion of sensitive socio-economic issues of today's economy.



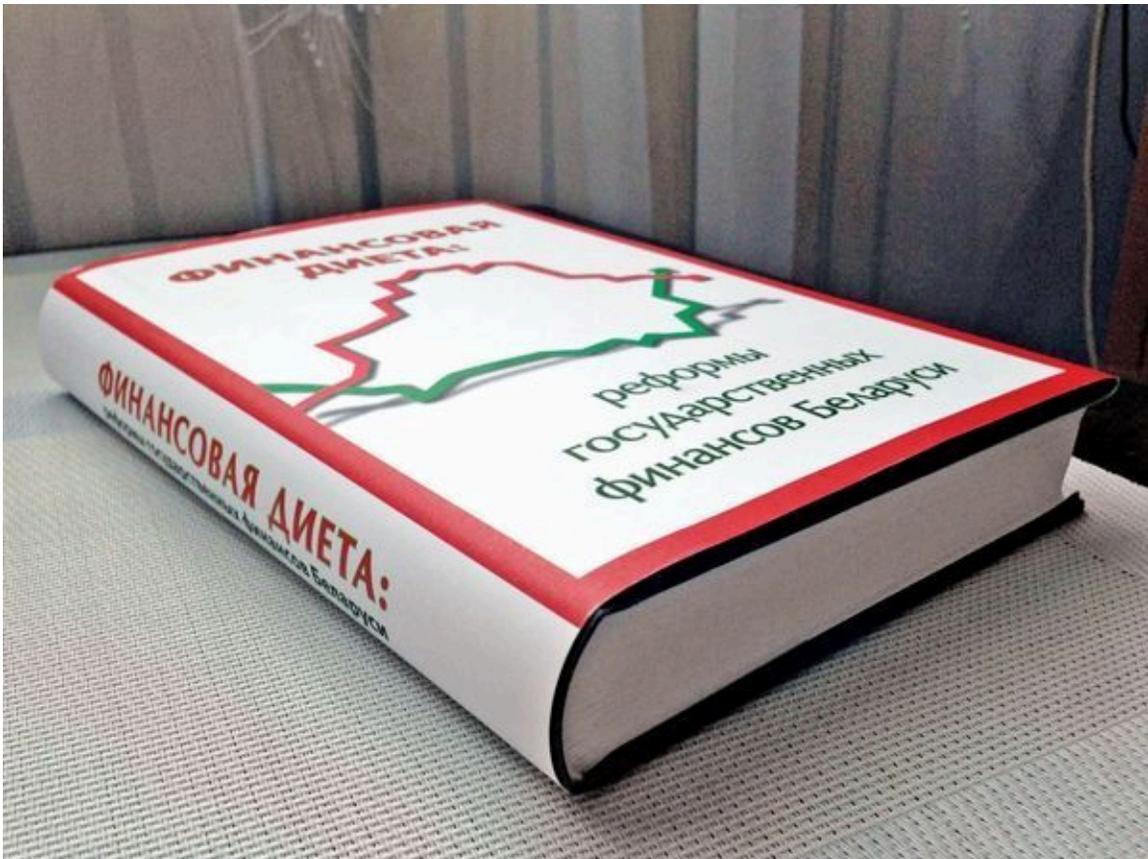
Following four successful conferences, the Fifth Annual International Conference in Economics and Finance took place in Minsk on June 2. The Conference was organized by Yuri Tserlukevich (Arizona State University), Mikhail Golosov (Princeton), and Igor Livshits (Western Ontario). Professors of the best universities and business schools from all over the world were among the speakers and moderators of the Conference.



In addition, the BEROC team organized 9 open lectures, 4 mini-courses for the National Bank of Belarus, a Student School in Modern Economics and a number of seminars for the local business community. BEROC organized workshop series for the National Bank management in May, July, and September. Experts from Finland, Sweden, and Latvia shared their experience in managing financial deregulation and dealing with banking crises. These events introduced new knowledge and supplied analytical skills to over 200 participants (policy-makers, scholars, students, and participants from the business community).

In 2015 BEROC engaged Belarusian PhDs from the world's top universities and research centers. They strengthened research capacity of BEROC, promoted it internationally, shared international academic experience with local scholars, and provided advice for policy makers by participating in a number of consultations. As a result, a book "Financial Diet" on

transformation of Belarusian economic model edited by Kiryll Rudy, Economic Adviser to the President of Belarus, was published. This book has become a source of reliable information and relevant knowledge about factors of current economic crisis and major challenges for the country's economy in upcoming years.



With the help of SITE to set up and build research and policy advice capacity of BEROC the center has become a major institution in the country to support transformation of its economy from centrally planned to market-based.



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The basis for its governance is found in its statute and bylaws.

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