

Belarusian businesses abroad: needs, challenges and cooperation prospects in national business communities

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Summary

This is a study of the needs and challenges of the Belarusian companies located abroad, and of the potential cooperation inside the entrepreneurial segment of the Belarusian diaspora. The presented outcomes are based on in-depth interviews, facilitation and strategy sessions that engaged relocated Belarusian businesses in three countries – Ukraine, Poland and Lithuania – from October 2021 to August 2022. This study has identified the challenges faced by relocated Belarusian businesses, analyzed the willingness of relocated Belarusian businesses to engage in associations of businesses with Belarusian roots, developed models and formats of associations that are feasible at the moment.

1. Introduction

Migration of Belarusian business people and relocation of businesses outside the country have actually been observed since the early days of the Belarusian business development after the independence of the country was restored. The processes associated with business relocation or emigration of business people until 2020 were quite stable over time and depended on the external environment factors and the internal situation in the country. Regular economic crises and narrowness of the domestic market were “permanent” push-out factors. The 2020 political crisis and the subsequent national repression shortly made leaving the country and relocating a

business a very common “survival strategy” relevant for many businesses. The war in Ukraine has become a powerful push-out factor that has accumulated personal security risks, business reputation risks, and complete uncertainty in terms of doing business associated with imports and exports, cargo transportations, logistics, IT, etc.

Today it is possible to refer to business emigration from Belarus as to a mass phenomenon, the consequences of which are not yet fully understood in Belarus, and the benefits for the host countries are becoming more and more obvious. At that, it is difficult to assess the scale and nature of business emigration, since the process has not completed yet, and the emigration channels and the final point of relocation differ depending on the type of business, the nature of push-out factors for business owners, the presence of previously acquired assets or stable business ties in other countries. Businesses with Belarusian roots are gaining significant scale, and they can become both important stakeholders in the future transformation of the home country and the largest investors in its economy; and they can become a community helping its members to address current challenges of doing business outside of Belarus.

This study has been focused on analyzing the situation of businesses with Belarusian roots abroad, identifying the challenges faced by business owners who left Belarus after 2020, determining the actual needs of relocated Belarusian businesses, assessing the potential for cooperation inside the entrepreneurial segment of the Belarusian diaspora to address common challenges of adaptation and doing business in the three host countries (hereinafter referred to as the recipient countries): Ukraine, Poland and Lithuania.¹

2. Methodology

The study had three phases. The first phase was from October 2021 to February 2022, and it was among business people who relocated their businesses to Ukraine. The study took place before the war outbreak; therefore, data on the conditions, barriers and opportunities for Belarusian businesses in Ukraine have largely lost their relevance by today. Nonetheless, based on the results of the first phase of the study, general directions for the development of Belarusian business associations abroad were formulated as communities that were designed not only to help relocated businesses, but also to enable creating and developing horizontal ties between the members of such communities.

¹ Detailed research materials for each country are available at the links below:

Ukraine <https://beroc.org/upload/medialibrary/b9e/b9e23920fc464e9a2d28f2c0c644bc82.pdf>

Poland <https://beroc.org/upload/medialibrary/dbc/dbcbf2589d0ae96b36f509a6ced6248.pdf>

Lithuania <https://beroc.org/upload/medialibrary/fb1/fb132411c567a408b41863d0d070d316.pdf>

The second phase of the study took place from February 2022 to May 2022 in Poland. The study focused on the value bases of association and the mechanisms for association activists to emerge. It was generally concluded that insufficient business communication skills would be a barrier to building a community of national businesses.

At the third phase of the study, which took place from May 2022 to August 2022 in Lithuania, in addition to studying the general challenges of relocated businesses and analyzing opportunities for their association, an emphasis was placed on culture, i.e., on how the mindset “brought in” by relocated businesses impacted the quality of the decisions made by the community. We also analyzed the degree of synchronization based on the purposes of business association shared by the representatives of relocated companies. The research was supplemented by studying the practices of other organizations dealing with relocated businesses. The phenomena of discrimination against Belarusian businesses abroad were also studied at each study phase.

The following methods for collecting information were used in the study: in-depth semi-structured interviews with the representatives of Belarusian businesses in each of the indicated recipient countries, group analysis and discussion of challenges, facilitation (brainstorming) of solutions, strategic sessions, and a field experiment. In total, the study included 53 in-depth semi-structured interviews, 3 facilitation sessions in which 87 representatives of the Belarusian businesses took part, 3 strategic sessions, 1 field experiment (in Poland and Lithuania). Also, as part of the study, operational modalities for working with business associations abroad were tested, and 5 events were held for businesses in Poland and Lithuania. The set of tools changed as experience was gained by working with business communities in each new country.

This study had the following outcomes: (1) challenges faced by relocated Belarusian businesses were identified; (2) willingness of Belarusian business representatives from the recipient countries to engage with the associations of businesses with Belarusian roots was analyzed; (3) models and formats of associations that would be feasible at the moment, were developed.

3. Challenges of Belarusian businesses abroad

The challenges of the Belarusian businesses relocated to Ukraine, Poland, and Lithuania can be divided into 4 enlarged groups: (1) initial adaptation; (2) search for partnerships, clients, employees; (3) access to finance (loans and investments); and (4) access to information and organizational resources (consulting).

3.1 Primary adaptation

About half of the respondents in each country were forced to leave Belarus after the events of 2020. The rest of the respondents left Belarus before 2020 for various reasons, mainly in search of a more favorable business environment. Geographical proximity was named first among the advantages of the three countries studied. As the mindset, language environment and attitude towards emigrants were concerned, opinions divided. The same was relevant to business preferences (Table 1).

“Why not Lithuania? It does not offer conferences, something else... There is no government authority offering its services in Russian, there is no government authority to explain all the details to me. Estonia is more interesting in terms of tax jurisdiction, but there is a lot of documentation to get started: how to sell, how to do customs clearance.” (sales of motorcycles and power products)

“I have heard for a long time that Lithuania is developing well, and that there are many preferences for start-ups. I finally decided in September 2021. I thought it would be cheaper in Vilnius. I also considered Tallinn, but it’s more expensive there: rent, salaries.” (HoReCa)

However, there are more Belarusians in Lithuania who have not yet decided where to work:

“I haven’t decided yet... I think it’s better to start up a business in Poland. Poland has progressed a lot in terms of automation. It is possible to cooperate with many people, many enterprises there. And the cost of living there is not as high as even in Vilnius.” (a high-tech company)

Respondents reported that a common reason for choosing Poland was an enabling and “civilized” environment for doing business.

“Poland is a 40 million growing market, top 5 in Europe. The language barrier is not that high.” (a product-based IT business)

“Businesses here live by processes and ready-made solutions, no one “reinvents the wheel”. They say: “1C? Tell me how it works for you, and I want what you have, I’m not that smart!” And in our country, everyone has something different.” (IT services for businesses)

Other most frequently cited reasons for choosing a country for relocation are presented in Table 1.

Table 1. Reasons for choosing a country for business relocation

Ukraine	Poland	Lithuania
<ul style="list-style-type: none"> - geographical proximity; - a similar mindset, no language barrier; - growing economy, multiple opportunities; - ease of entry into the business; - cheapness. 	<ul style="list-style-type: none"> - availability of legalization and support for Belarusians at the moment; - geographical proximity; - a European country with good living standards and free movement across the EU, relatively inexpensive cost of living; - geographical proximity to Belarus; - support provided to SMEs, investment and training opportunities; - a growing market, business opportunities that are not available in other, more developed, EU countries; - a similar mindset, easy-to-learn language, a large number of Belarusians living in Poland. 	<ul style="list-style-type: none"> - support provided to Belarusians after the 2020 events; - geographical proximity; - a European country enabling free movement across the EU and doing business in other countries; - support programs for small businesses, investment opportunities for small businesses; - a large number of Belarusians living in Lithuania.

Source: Authors' elaboration.

As for the challenges associated with adaptations in business, the respondents most often referred to legislation. E.g., in Poland, respondents especially emphasized the bookkeeping difficulties and the “complexity” of tax legislation:

“The most difficult thing is “unfamiliarity”, the complexity of accounting services, paying taxes, settlements, budgeting, everything related to money, but not marginal profits.” (freight forwarding services)

Business people address these challenges by hiring experts, which is unusual for Belarusians who are used to do bookkeeping themselves. Belarusians have been dissatisfied with the services provided by local accountants (Poland):

“Our accounting company is “relaxed”, working “without tension”... We are used to nibbling and biting into solutions of cases; so, I'm not used to doing it that way.” (a product-based IT business)

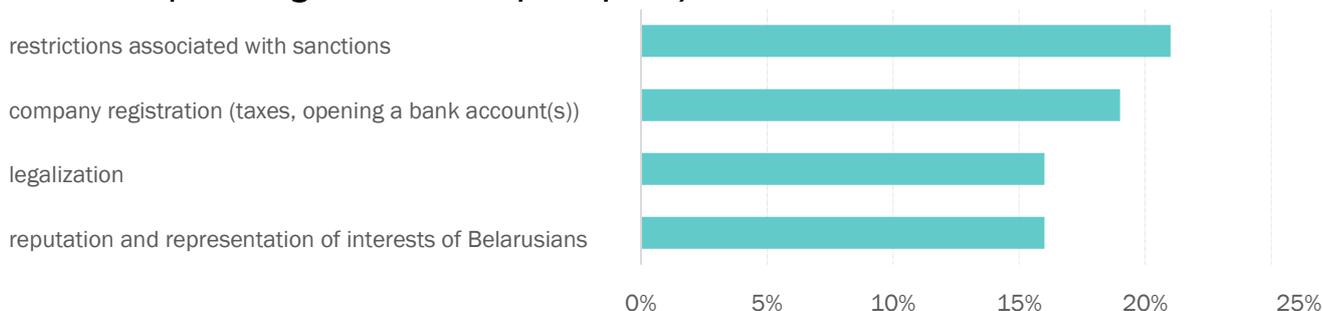
Staffing is an acute issue in Lithuania. The market lacks qualified personnel, and the law requires hiring “locals”. It is necessary either to train personnel or to recruit “your own people”:

“We are selling a machine-tool, but there is no expert who can program it...” (hardware)

“An even greater difficulty is the staff, because it is limited to Russian and Belarusian speakers. Others can work for us, but they don't want to.” (hardware)

Hiring compatriots on the spot or relocating personnel to Lithuania is impeded by legalization features. The facilitation session held in Lithuania indicated that legalization and registration issues were the most vital, following the issue of sanctions (Figure 1):

Figure 1. Challenges of the Belarusian businesses in Lithuania (reference frequency as a percentage of all session participants)



Source: Authors' elaboration based on based on a facilitation session.

Businesses need to look for non-standard solutions to survive in a different market:

“I can see legalization difficulties for myself: you have to invest the company's money, hire people...” (promotion services)

“To appoint a Belarusian citizen as a company's CEO in Lithuania, the company must have 28,000 euros in net assets. There have been significant losses lately. We could not leverage loans to get a residence permit for our CEO.” (education)

Respondents noted bureaucracy in various government agencies, as well as poor quality of service, which was manifested in delaying deadlines and disinterest in customers (in companies relocated from Belarus):

“The shortcomings are bureaucracy. It was definitely a surprise for me; this is what permeates Poland. Low quality of service: banks are hardly interested in solving customer issues, and I've been to all the banks.” (a product-based IT business)

“Here [in Poland], everything takes “too long”; this is not only about concluding contracts, but also about getting permits at the Public Employment Service;² for example, they sincerely ask you: do you really need to get this faster?” (IT services for businesses)

“Communication with officials is complicated in Lithuania. It seems they are picking on. They take advantage of you not knowing the rules. I've had many cases like this.” (HoReCa)

² This respondent refers to *Urząd Pracy* (Public Employment Service): an agency studying and analyzing the labor market, providing information to the unemployed, assisting job seekers in finding employment, etc.

In addition to these challenges, respondents in each country actually face a new market, the specifics of doing business in some sectors, sales features, etc.

In general, according to the results of the interviews and group discussions, relocated businesses are facing the most acute challenges of primary adaptation, ranging from psychological adaptation to legalization issues. These challenges have escalated after the war outbreak in Ukraine. Legalization of Belarusians abroad has generally worsened over the period of the study, and registration of legal entities, opening bank accounts in the recipient countries has become much more complicated. By the time the study was completed, the challenges related to sanctions and reputational risks had come to the fore. The primary adaptation challenges will remain relevant in the short term. Support in the initial adaptation (personal legalization and registration of the relocated business) is complicated by the general uncertainty of entry (getting visas, crossing the border) into the EU countries (Lithuania and Poland).

Based on the Belarusian business people's perception of the challenges and opportunities specific to recipient countries, it can be concluded that countries have different assessments of the opportunities associated with the acceptance of Belarusian businesses by their economies. **To ensure successful adaptation of Belarusian businesses in the recipient countries, the primary objective of the business community should be informing Belarusian businesses about the needs and challenges, and representing their interests at the government agencies of the recipient countries.**

3.2 Search for partnerships, clients, employees

The second most important challenge is the disruption of business ties and the necessity to rebuild them in a foreign country, which often happens without knowing the foreign language and culture, including political culture. In addition, entrepreneurs enter a highly competitive market where many of them lack experience and business skills necessary to operate. That is why the majority of them "go to their own people"; although, the understanding of how to build business interaction with "their own people" has not been shaped. In general, Belarusians point out the importance of the ties with local businesses first.

"The problem is that you are a stranger... You also need to do this [unite] in the business community of the country you are in." (logistics)

"And I think we need intersections with Polish businesses: they will teach us, but we can teach them." (recruitment services)

In some cases, the need for partnerships is associated not only with the lack of a social environment at an early stage, but also with the fact that Belarusians see difficulties in business communications built on personal connections. Nevertheless, respondents often noted the

opportunities of local legislation and the “human face” of government officials. Here, “the law works”, “they warn about audits”, “you are given a chance to correct mistakes”. On the one hand, this is good, but on the other hand, not everyone is used to it, since paying taxes and complying with the law is what you are supposed to do by default.

“I have been taught to think not how to save, but how to earn; therefore, taxes are your subscription to a civilized business.” (IT outsourcing)

“Law enforcement under Ukrainian regulatory framework is simpler than in Belarus: even if you make mistakes, they give you time to correct.” (HoReCa)

“Vilnius is a city where you feel protected. You are needed here. When in Minsk, I was dealing with government authorities. This kind of communication is very unsettling.” (a high-tech company)

“It turns your mind that you can ask a tax authority for an advice.” (education)

Opinions about the overall development of Belarusian businesses in comparison with the businesses in a recipient country divided. Some respondents believed Belarusian businesses were more mature; others could see the things to be learned from domestic businesses in a recipient country.

“I do not cooperate with Belarusian firms. Their approach is unprofessional. You rarely meet competent professionals who care about their work: a “state-collective-farm” approach predominates, one might say.” (3 businesses: trade, e-commerce, manufacturing; it has been operating in Poland since 1999)

“Belarusians are the best employees. I have always thought so; it's historically so. However, at some point, I stopped hiring them: I could hire an incompetent employee just because it was a Belarusian.” (logistics)

“Those Belarusians come here, who have achieved something, who are worthy, who have a reputation.” (recruitment services)

Respondents from the interviews held in Lithuania, Ukraine and Poland, want to look for “their own people” not only to socialize with them, but also to build partnership, cooperation, and to exchange information.

“It's hard to implement changes alone, but you can get a synergy effect and do 10 times more by getting together here and by discussing joint projects.” (a high-tech company)

“Community means meetings, communications, talking to those who know more than I do. Lithuanian consultants make crazy money by sharing such knowledge. You need to pay for every single document here.” (international freight forwarding)

At the same time, people often count on a “special” approach to themselves from other Belarusians, but they are not yet ready to “share”. The reason is a low level of trust, insufficient experience of joint actions:

“When I offer services to Belarusian businesses here, I can hear: give me a discount, because I’m a Belarusian. Then I answer: “Why not buying at a higher price from me because I’m your fellow countryman?” I don’t think that I should offer any special terms and conditions just because a person is from Belarus.” (HoReCa)

“I can help, because I’ve been here for a while. I know tricks and subtleties. I know how expats are fooled here. Authorities charge 1,000 euros for a trifling certificate, which can be issued for free.” (distribution of electrical goods, doing business in Lithuania for 7 years)

This can be seen at the meetings organized for Belarusian businesses, where people come to get information, but only a few of them come up with proposals.

Separately, we should note a great interest in recruiting among relocated Belarusians. Blanket personnel relocation to any of the three countries is either expensive or challenged by work permit impediments.

3.3 Access to finance

The third block of challenges is access to finance and investment attraction. In addition to purely housekeeping and organizational challenges, business people from Belarus have to deal with limited financial resources and lacking sources of income at an early stage of relocation.

“Big companies have no problems, and small businesses have the biggest problems. This starts with the relocation challenge: small businesses cannot move machine-tools, premises, and they usually come empty-handed.” (HoReCa)

Once relocated, many find themselves in a situation of lacking financial resources to start up a business in a foreign country, because they have neither collateral nor a record of doing business in the new country.

“The biggest problem for a company that has lost everything in Belarus is that there is no way to get a loan. No credit history, no trust funds. Sometimes they relocate being empty-pocket, and they cannot get even a tiny loan to buy equipment. People need money to start their business up. This is especially challenging if people come with children.” (HoReCa, this company operated in Belarus)

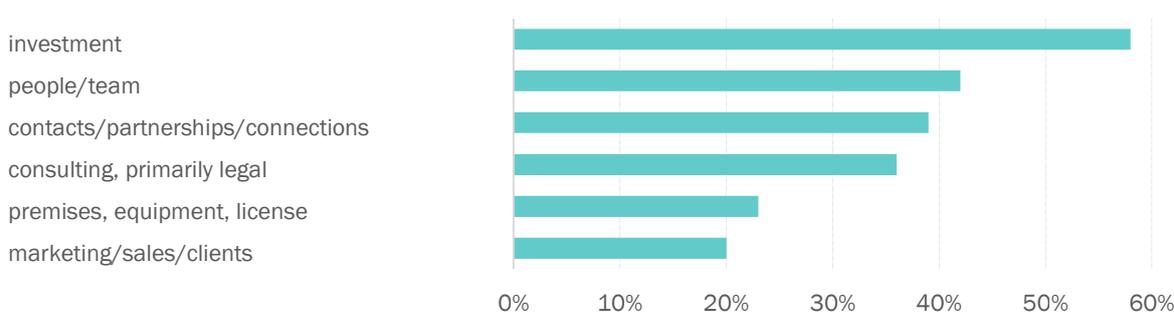
Respondents of the facilitation session held in Poland indicated the investment attraction challenge most often (Figure 2).

This challenge can be addressed by verifying business people and by reviewing their reputation in Belarus. Some respondents note the importance of a good reputation at the home country, which serves as a ground for attracting investments in the recipient country.

“Our partners knew our restaurant in [town name], they knew about other business activities, and they said: we know you, you can start up here.” (HoReCa)

I.e., the business story helps adapting. In this context, national business associations can be guarantors for companies from Belarus through an evaluation system, a kind of ranking, which, however, requires transparency of guarantees and selection criteria.

Figure 2. Challenges of the Belarusian businesses in Poland (reference frequency as a percentage of all session participants)



Source: Authors' elaboration based on based on a facilitation session.

3.4 Access to information and organizational resources

Challenges of accessing information and organizational resources (consulting) are due to the “novelty” of the market, lacking knowledge about the “rules of the game” in the recipient country, and difficulties of integrating into a new business environment. The study showed that business people who relocated to recipient countries clearly needed information about local markets and understanding of the mindset features critical to starting up a business in the host country (especially sales businesses). As the business develops, demand for legal support, staffing and employee training is also likely to increase.

As the war outbreaked, the attitude towards Belarusians and Belarusian businesses abroad has changed. Today Belarusian businesses have to choose: to tie their business with their country of origin or not. There is no single answer to this question yet:

“Previously, as soon as they found out I was from Belarus, they wanted to somehow help me right away. I don't think that after the war outbreaked in Ukraine, it's worth giving up here whatever is associated in you with Belarus. What should be done is to emphasize that this is Belarusian, i.e. correct and real.” (an architectural design studio)

“When in the EU, you are a European company already in some facets, and they talk to you differently already. Nonetheless, there is a bad taste in the mouth because of the war, there is some mistrust.” (IT outsourcing)

Respondents also referred to the challenges of the ethical dimension of adaptation to another country considering the context of the business people relocated from Belarus. The issues that concern people are about relations with Russia and about the future of Belarus. Belarusians

sharply condemn the military aggression, but their opinions divide about doing business with the aggressor country:

“I continue trading with Russia. Why Russia? I think like this: my product is available from other sources, too; anyway, someone will supply it there, and 95% of my turnover is Russia.” (hardware)

“I am a supporter of tough sanctions and relocation of all viable businesses from Belarus. This is the only way to change the political situation in the country.” (an online store)

Table 2. Country-based challenges of relocated business

Ukraine	Poland	Lithuania
<ul style="list-style-type: none"> - legalization issues - conflicting information about the terms and conditions of doing business, the market, many cases of deception 	<ul style="list-style-type: none"> - difficulties in obtaining work visas for relocated personnel - accounting challenges and confusing tax laws - bureaucracy of government agencies and poor quality of service - high taxes and sophisticated labor laws - market complexities and misunderstanding of the market 	<ul style="list-style-type: none"> - small domestic market - banks are wary of foreign businesses - shortage of skilled staff - high cost and complexity of personnel legalization

Source: Authors' elaboration based on interviews and group discussions during facilitation and strategy sessions.

Most of the study's respondents plan to come back to Belarus. Some decided this firmly for themselves; however, others note that the more time passes, the more they doubt it:

“You've seen how it is set up here, and you want to transfer this to Belarus.” (education)

“I will return to Belarus as soon as possible. I'm really looking forward to this time. It was decided a long time ago, I didn't think it would take so long.” (distribution of electrical goods, the company has been doing business in Lithuania for 7 years)

“Six months ago, I would have said for sure that I would come back to Belarus as soon as the situation improves. I'm not so categorical now. I don't know, I'll see, I'll weigh...” (a high-tech company)

4. Willingness of Belarusian business abroad to engage with associations

The study has indicated that recently relocated entrepreneurs are ready to join associations of businesses with Belarusian roots, i.e. associations established to address challenges of initial adaptation, finding partnerships, and gaining access to finance and organizational resources. The

main reason for this group to unite under the umbrella of associations is to address their ongoing challenges.

Those who do not need assistance in solving the above-mentioned problems are also ready to participate in associations of Belarusian business abroad. These are business people who relocated before 2020, settled in a recipient country, went through a period of adaptation, and they already have a stable business. Such representatives of Belarusian businesses are attracted by the fact that associations are a part of the national diaspora. This group focuses on strengthening business ties between companies with Belarusian roots, and they already have a shaped vision of how such ties should develop. In their case, the reason to join associations is the value of belonging to a national group and the need to strengthen it in the recipient country.

Respondents of the study agree that purges experienced in their home country are the ground for Belarusians to unite in the host country. At the same time, this experience determines the key qualities of the people who are ready to be first to respond to the call for association and to become active members of the association. Interestingly, the majority of respondents do not want to unite on a nationality basis, and they interpret the word “Belarusian” not as a nationality, but as a civic position.

“I’m not interested in politics, I defended my civic position. But I got into a meat grinder...” (IT, fintech)

This may be one of the goals/values for association: to return businesses to the home country or to help those who stayed.

Business people from Ukraine (in a group discussion) noted a business club as an optional form of association. This form assumes a constant composition and homogeneity of the participants. Such an idea can be a medium-term development direction for the association of business people. Various forms of partnership and cooperation are also promising for association. However, there should be demand for this, and this should be an initiative proposal from the participants themselves.

“It is also possible to cooperate with Belarusian businesses in large projects, for example, in the field of building design, where different specialists, versatile companies are needed.” (trade in building materials)

This can also be a joint assessment of projects and business ideas to be offered to investors: “...investment issues are a priority; I trust Belarusians more, much more; this is the very first important advantage of communication...” (IT, training)

Eight face-to-face meetings took place as part of the field experiment in Poland at the initiative of the study’s respondents. During personal meetings, the respondents of the study expressed the following ideas for further activities:

“Opening additional opportunities for the employers hiring Belarusian citizens.”
(freight forwarding services)

“In Poland, every employee may transfer 1% of the tax to an NGO: one can transfer funds to an association to satisfy its needs.” (freight forwarding services)

“Estonia offers business support services, they have a dedicated website. They don’t have it in Poland yet.” (a product-based IT business)

“Consolidation of financial and organizational resources for the sake of joint projects.” (production)

“To create your own community with business students in Poland.” (PR services)

“It is necessary to create working groups, and I am ready to schedule tasks, to assist.” (one of the co-founders of ABBA)

“Cooperation with the Polish authorities to adopt laws facilitating transportation of equipment for Belarusians.” (a member of the Council of the BCB-Ukraine Public Association)

It was also revealed that business people were shaping their demand for associations built on the principles of civil society organizations. The interviews indicated that a significant part of the representatives of the relocated businesses needed not only the assistance in adaptation and business contacts, but also the re-establishment of public relations abroad in order to return to Belarus in the future with the accumulated experience of joint actions and solutions to common challenges. The incentive for this group to unite is the need for joint actions, the development of common solutions and their joint implementation.

Now, existing associations and other institutions addressing the challenges faced by Belarusian businesses are primarily engaged in solving problems related to relocation (with the exception of the IT sector). Support is generally sought by the representatives of small businesses and those who did not have a business in Belarus and face difficulties finding work in a foreign country.

Meetings with the representatives of organizations working with relocated businesses made it possible to identify the following operational models of organizations and the following incentives of the initiators of creating organizations:

1. **Client communities.** Client communities make money by providing services to their customers; therefore, business performance indicators of the community members become their goals. The absence of the goals at the level of common values limits the opportunities for the effective transformation of such communities as the external environment changes.

2. **Startup communities.** Startup communities cannot have a national identity by their nature; therefore, association on national grounds can be ineffective, since there are many “local” alternatives on the market.
3. **Initiatives under Belarusian NGOs** cannot be called communities, as they apply a project approach when solving specific problems of relocated businesses within a specific period.
4. **Formal communities established in Belarus earlier.** Such associations copy-paste an old model into a new environment. The issue is that copy-pasting the old model can fail, because the business environment, stakeholders, business challenges, etc. are different.
5. **Informal communities** can either emerge on the ground of the legacy communities that already existed in Belarus or they can be created in a new environment from scratch. They are based on the principles of self-organization, and there are prospects for using national identity and common values as fundamental principles for developing communities.

Establishment of informal and formal associations of businesses with Belarusian roots based on the principle of self-organization is a driver for achieving common goals through in-house initiatives of the association. If such business communities operate successfully, there is a growing demand for associations, including industry associations enabling national companies to do business networking. Then, associations originate partnerships and joint projects with market players and the labor market of the recipient country. So far, there is practically no demand for such associations, with the exception of those business people who have already had successful experience of joining such associations in Belarus.

The war in Ukraine has also affected attitudes to Belarusians and Belarusian businesses in the countries of relocation. “Double” relocation, challenges in doing business associated with both sanctions against Belarusian businesses and reputational risks for companies doing business with Belarusian companies, regardless of their physical location, have complicated the situation of Belarusian businesses abroad. The changed environment has been discussed through interviews, and this can be an additional incentive to unite the business community.

4. Risks and barriers to association of Belarusian businesses abroad

A number of internal and external risks that initiatives may face builds barriers to association of Belarusian businesses abroad. Almost all respondents were inexperienced in association engagements. Quite often, business people are not inclined to seek external support, preferring to solve problems themselves, which does not contribute to shaping the culture of dialogue in the business community. According to the results of the interviews and expert meetings held with business people who relocated to Poland, the list of risks and barriers to association was

supplemented by “**poor communication skills within the business community**”. Despite some success in building a community, it should be noted that the skills of joint decision-making and taking organizational initiative were poorly developed in the majority of the field experiment participants. There was a high degree of distrust between them; they were striving to identify competitors and clients among those who were at the meeting. Expectations they had from the meetings were more about receiving useful information: experts' presentations with “tricks and tips” and ready-made action algorithms for Belarusian businesses abroad.

About a quarter of our interlocutors in the study noted that they personally did not see any necessity for business cooperation abroad, and another part of the respondents noted that this cooperation would only be necessary for newcomers.

“A market advantage brought from Belarus: what is it? Name at least one. How can we unite on the grounds of being Belarusians? Perhaps, we are better organized... Why are we more competitive than Ukrainians?” (IT, a game studio)

Therefore, there is a risk that **the community built on the grounds of common “fate” and short-term challenges**, and on the wave of interest in the “national” aspects will disintegrate quickly. To overcome this risk (especially at an initial stage), it is important that the community activists are people with similar values and moral qualities. The values of belonging to the nation and cooperation, as well as pronounced personal qualities considered by Belarusians as “Belarusian qualities” can be basic values: commitment and willingness to help others. The narratives reported by the respondents and event participants that can be used to engage such leaders into community activities include the following:

“We are working to bring Belarusian businesses back.”

“We are not a diaspora: we are Belarusian businesses.”

“Belarus is no longer a territory: Belarusians live without boundaries.”

Leadership in such a community should be situational, and decision-making should be a team effort. An analysis of the results of the interview, the facilitation session and the field experiment held in Lithuania has indicated the following: despite the fact that people who join an association are at different levels of understanding the goals and have different degrees of willingness to unite, the working mechanism of association at this stage of development is formed through solving common problems. People unite by starting discussing household problems and moving on to discussing the challenges of doing business in a new country (searching for premises, recruiting employees, sourcing business support services, etc.): *“We should unite around challenges; everyone wants to solve these problems: this is our key thing.”* (hardware)

The next risk is that **the association may be perceived as a political one**. The likelihood of this risk is very high, and its consequences can be material, since many of the business people who participated in the study had a business in their home country (even if they did not close a business in a home country, their relatives and friends lived there). Another risk arises from **too different levels of people/businesses in the association**. The issue of business structuring should be reviewed through facilitation sessions. As in any business in any country, respondents have concerns that the activities of a business association will be formalistic, “for the sake of raising grants and funds.” This creates **risks of distrust in the decisions and initiatives of the association**. Therefore, it is important to conduct activities transparently and openly, to ensure feedback, to ask for the opinions of participants, and to keep accountability records.

Table 3 highlights internal risks limiting the capacity to establish or sustain operations of business associations.

Table 3. Business association risks and risk mitigation strategies

Risk	Probability	How to overcome
Members lack experience and competencies needed to establish associations	Medium	<ul style="list-style-type: none"> – Searching for leaders on value grounds – Creating narratives to engage leaders – Using formats promoting team-based decision-making – Community development as an initial phase for business association – Training of “activists”
Lacking bottom-up initiatives, lacking incentives for volunteering	Medium	<ul style="list-style-type: none"> – Highlighting and promoting success stories of bottom-up initiatives – Including an internal volunteering clause in the association rules
Perception of the association as a community pursuing political goals	High	<ul style="list-style-type: none"> – Clear positioning of the association as a non-political one – Emphasizing autonomy and bottom-up initiatives, confidentiality policy applied to the register of members (up to limiting disclosure of information about full / associated members)
Different caliber of participants (different experience, company sizes, etc.)	Medium	<ul style="list-style-type: none"> – Value-based community engagement, building it on a comply-or-explain basis – Networking, multiple connections – Joint search for benefits and solutions to problems – For the association: leveraging membership benefits, offering different membership levels –

Risk	Probability	How to overcome
Distrust towards foreign organizations of Belarusians	Medium	<ul style="list-style-type: none"> – Operational transparency – Feedback mechanisms – Reporting – Common communication environment
		<ul style="list-style-type: none"> – Elective leadership – Projects/programs assessment criteria – Developing and leveraging agreed arguments to attract new members

Source: Authors' elaboration based on interviews and group discussions during facilitation and strategy sessions.

In addition to these risks, it is necessary to single out external risks, which have expanded especially since the outbreak of the war in Ukraine and have become even more relevant recently. This includes both domestic and foreign policies of the recipient countries (visa restrictions, barriers to registering businesses), over-compliance by the banks of the recipient countries (problems with opening bank accounts and processing payments of the companies owned by Belarusians) and other similar challenges. All this limits effectiveness of the initiatives aimed to unite Belarusian businesses abroad, and this requires lobbying the interests of national businesses in the host countries at the government level. At the same time, it is quite difficult to interact with the government bodies of these countries for the same reasons; therefore, it is important for Belarusian business associations to build such interaction concurrently with addressing the ongoing challenges for which these associations have been established.

5. Conclusions and recommendations

The findings of the study indicate that business associations will become a tool allowing relocated businesses not only to address their challenges of adaptation and doing business in the host country, but also to consolidate an important part of the Belarusian society, to increase the likelihood of returning this part of the society to the home country in the future.

The results of the study indicate that the majority of members in such associations will be business people who have relocated recently and have little experience in doing business. However, it is important that the associations include both experienced business practitioners and those who can become mentors. In general, the association should include the representatives of various “business calibers” to ensure its sustainability: businesses from different industries having different experience and time spent in the host country. It is likely that the activists of such associations will be business people who value national identity and who share common values.

When creating associations, it is important to make sure that their goals and objectives match the expectations of their potential members; it is equally important to consider the risks

and barriers associated with incentives, business experience, features of interaction skills, culture and mentality. Representatives of the IT sector can be an example, since the corporate culture in this industry is closest to the self-organization practices.

When establishing associations, it is important to take into account the level of setting goals and objectives. Today, this is about solving the problems of the businesses that are members of the association; however, the community should be based on a commonality of values and a national identity. There is a stand-alone challenge of liaison between the business community (as part of civil society) and other associations of relocated citizens.

Table 4 presents the formats of working with relocated Belarusian businesses depending on their needs.

Table 4. Focus areas for relocated Belarusian businesses

Needs of relocated businesses	Operational modalities
“Ambulance”. Relocation: legalization, registration, etc.	An NPO registered in the countries where such assistance is needed or an association focused on helping “business migrants” in interacting with the state. For example, the Association of Business Emigrants and Investors in Lithuania, whose chairperson is a Lithuanian, and whose members are not only Belarusians, but also Russians and Ukrainians.
Solutions to problems related to the market of a new country and the labor market	Associations of Belarusian Businesses Abroad (members are legal entities), possibly industry-oriented (construction industry, restaurant subindustry, etc.) or universal associations including representatives of various industries. Such institutions are established in every country where the number of Belarusian businesses is sufficient.
Supporting relocating businesses (consulting, investments)	Funds, consulting/advisory agencies, programs of international organizations, startup platforms (all these institutions are created <u>not only</u> for Belarusians). Public associations ³ (PAs) of Belarusian business, both universal and segment-oriented (specialties, practices, company size, etc.) providing assistance through the initiatives of the PA’s members.
A business network for Belarusian businesses (joint projects, partnerships, both among themselves and with foreign businesses and business institutions)	Public associations and informal communities. A common “platform” is needed for communications between communities (online and offline platforms). Clubs (where the homogeneity of the club members and the constancy of the club membership will be the traits) are a possible option, but if they are based on the nationality, then they are established on the basis of a public association or they are related to a public association.

Source: Authors' elaboration.

³ A **public association** shall be a voluntary self-governed non-commercial community established at the initiative of citizens who have joined on the basis of their common interests to realize common purposes specified in the charter of a public association. It is a civil society institution.

A feature of governing Belarusian business associations built on the principles of self-organization can be an approach where tasks are not set top-down, and the members of the association are motivated to set tasks themselves (i.e. bottom-up). In such associations, volunteering is an important value; the types of leadership in them are reference-based (an opinion leader) and expert-based (an initiator guided by his/her expertise). Such associations can have a managed structure, but it has a supporting function. Relocated businesses establish their own “self-organization” in each host country, and relations between such communities create a common space for interaction. Such relationships are built on an equal footing. Self-governance organizations emerge in individual cities on the initiative of the business people themselves. Viability and efficiency of national business communities abroad depend on their number.

Further research is needed to identify feasible modalities of interaction within the Belarusian business communities abroad and the needs of recently relocated companies; in particular, a baseline assessment of Belarusian businesses abroad is required. It is possible to start by conducting a kind of “census” of companies of Belarusian origin that have relocated or that were established since the early 1990s up to the present time, both in the countries neighboring Belarus and in other countries. The selected time frame will allow to analyze the transformation of the push and pull factors of business emigration and to track the chronology of the migration outflow, to identify the peaks of the migration activity due to the changes in internal and external environment for doing business, and to analyze adaptation pathways of the businesses that relocated in the first waves of emigration. Such a “census” would allow to structure foreign businesses with Belarusian roots depending on their geographical location, field of activity, company size, etc. The study would result in a structured database of foreign companies with Belarusian roots, which could become the basis for establishing communities; the study would suggest interaction modalities within such communities and recommendations for developing such communities.

Annex. In-Depth Interview Protocol

Block 1: What was before...

- Please describe the business area/industry of your company.
- How long has your company existed, and what was its business activity profile in Belarus?
- Please describe how the idea of your personal relocation / business relocation came about (please describe it chronologically) and what expectations you had about starting up a business in another country?
- What was the most difficult thing about deciding to relocate your business?
- What factors worked in favor of choosing your recipient country?

Block 2: Current state of affairs

- Once relocated, did you look for Belarusian business people in your recipient country? Who has advised you on doing business?
- Please describe your current state of affairs and the activities of your company (the business has relocated completely, partially; the current status of the company (domain of business activity, number of employees, who works in the company (staff relocated from Belarus or newly recruited staff)).
- What was the most difficult thing about resuming operations in the host country?
- What challenges – challenges not typical for doing business in Belarus – have you faced in the country of relocation?
- What new business opportunities do you see in the recipient country?
- Did the events after February 24 affect your choice of the recipient country?

Block 3: Vision of the future

- Do you see the future of your company in your recipient country?
- Can you imagine what challenges your business might face in the future? Can anything be done today to prevent/solve such problems?
- Do you see the need to cooperate with the representatives of Belarusian businesses in the host country? Is there a need to jointly address challenges of adapting to doing business in the recipient country?
- What issues can be solved through cooperation of Belarusian businesses in the recipient country?
- Do businesses relocating from Belarus to another country need help from the business people who moved in here a long time ago?
- Are you ready to support (advisory assistance, mentoring) a relocated business?
- What should Belarus be like for you to come back there?