

Belarus faces challenge

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Authoritarian Regime

- Two types of authoritarian regimes
 1. electorate (Hugo Chavez) is based on social bribery
 2. elite (Leonid Kuchma), based on bribery of elite

Challenges for Lukashenko

- The previous module of economic growth, based on oil price growth and illegal schemes of oil trade, came to its end
- Elites' support is lost. Lukashenko's ranking is 20-30%

Challenges for Lukashenko

- To get back electorate support. New program of social housing
- To strengthen support of bureaucrats. To cut the number but increase the salaries.
Делегирование высших чиновников в советы директоров компаний с государственным участием

Challenges for Lukashenko

- If the previous source of financing of social bribery was used up, the new source should be found
- Modernization of the economy will lead to the rise in the efficiency of production and to sustainable financing of social programs

Challenges for Lukashenko

- The current experience proves the efficiency of this kind of path: modernization of the oil refineries and investment in the milk products industry

Challenges for Lukashenko

- The new source of financing is needed. This source is privatization.
- Privatization: expensive entities with the minimum number of employees

Challenges for Lukashenko

- Investment in infrastructure
 1. It gives return (electric power industry)
 2. Small and medium cities (the most significant decrease of Lukashenko's ranking)