

# *Chapter I*

## *SOCIO-ECONOMIC TRENDS AND HOUSING POLICIES*

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### **A. General information**

#### ***Geographic situation***

The Republic of Belarus is located in the eastern part of Europe. It is bordered by Poland to the west, Lithuania to the north-west, Latvia in the north, the Russian Federation in the north-east and east, and Ukraine in the south. It covers an area of about 207,600 km<sup>2</sup>. One of the main communication lines of Eurasia, as well as the shortest routes from the Russian Federation to Western Europe and from the Baltic to the Black Sea, run through Belarus. This favours the development of transport and economic relations.

Belarus has four distinct geographic regions: the north is an area of lakes, hills and forests; the west an agricultural region with mixed-conifer forests; and the east a broad elevated plain. The south features the Polesye (also known as the Pripyat or Pinsk marshes), a lowland area of rivers and swamps that extends into Ukraine.

The country's terrain is generally flat and offers favourable conditions for farming. As of 1 January 2008, agricultural land accounted for 43 per cent of the territory and forests represented 39 per cent. There are more than 20,000 rivers and creeks and about 11,000 lakes in Belarus. The Dnieper is the longest river (stretching 700 km through Belarusian territory), and Naroch the largest lake (about 80 km<sup>2</sup>).<sup>2</sup>

The climate of Belarus is moderately continental with mild and humid winters, warm summers and moist autumns. It is favourable for growing cereal crops, vegetables and fruit trees and bushes, as well as for cultivating potatoes.

#### ***Political system***

The Republic of Belarus became an independent sovereign State in 1991 after the

dissolution of the Soviet Union and became a presidential republic in 1994.

The President is the Head of State and is elected directly by the people for a term of office of five years according to the constitution. The Parliament or National Assembly is the representative and legislative body of power. It consists of two chambers: the House of Representatives and the Council of the Republic. The Council of Ministers of the Republic of Belarus is the central body of State administration. The courts exercise the judicial power.

Administratively, the country is divided into two levels of government, national and local.<sup>3</sup> The local level has three sub-levels: (a) the level of the six regions or oblasts (Brest, Vitebsk, Gomel, Grodno, Minsk and Mogilev) and the capital city of Minsk; (b) the level of basic administrative districts, called rayons (118) and cities of oblast subordination (12); and (c) the municipal level, which includes villages, townships and the like (totalling 1361 administrative-territorial units). Each of these levels has both an executive committee and a council.

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<sup>3</sup> Law "On Local Government and Self-Government in the Republic of Belarus" (1991).

Article 9: *Executive Committees*. An Executive Committee vested with the rights of a legal entity shall be the executive and administrative body on the territory of a region, district, township or a village council. Executive Committees of the primary (village, township, municipal [towns of district subordination]), basic (municipal [towns of regional subordination]), district) and regional levels shall be part of the system of executive bodies and shall be the bodies of local government.

Article 12: *Councils are the main elements in the system of local self-government*. Councils shall be the representative State bodies on the territory of the relevant administrative-territorial entities of the Republic of Belarus and the main elements in the system of local self-government. There are Councils of three territorial levels in the Republic of Belarus: primary, basic and regional.

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<sup>2</sup> "About Belarus", United Nations Belarus website (<http://un.by/en/aboutbelarus/>), accessed 12 December 2008.

Minsk lies geographically in the middle of Belarus and contains about one fifth of the country's population. It is the largest political, economic, scientific and cultural centre and has the special status of an independent administrative and territorial unit.<sup>4</sup>

### ***Overall economic development***

Belarus inherited from the former USSR a developed industrial sector and an educated labour force at the time of its independence in 1991. It possesses favourable conditions from economic, geographical and geopolitical points of view, which has made it attractive to foreign investors.

Economic growth in Belarus has been steady and sizeable since 1996 following an estimated decline close to 40 per cent during the period of recession (1992–1995). During the period 1996–2000, real gross domestic product (GDP) grew at an average annual rate of 6.3 per cent. From 1999 to 2002, real GDP growth was moderate. Compared to 2002 figures, real GDP growth accelerated to 7.0 per cent in 2003 and reached 11.4 per cent in 2004. In 2007, real GDP grew by 8.2 per cent (see table 1 and figure I).

Since the early 1990s, Belarus has had an unstable currency and high inflation. This high inflation is a reflection of loose monetary policy, which has resulted in periodic and pronounced variations in exchange rates. However, the high inflation and rapid exchange rate depreciation subsequently declined due to policy improvements. According to a report of the World Bank, inflation fell from a three-digit number in 2000 to 18.1 per cent in 2004 due to a tighter monetary policy pursued by the National Bank of the Republic of Belarus, as well as the unification of the exchange rate and the related stabilization of the market for foreign exchange.

The energy sector has played an important role in supporting the economic recovery of Belarus. However, owing to the fact that the country has limited indigenous energy resources, it is heavily dependent on the Russian Federation for its energy supply. Belarus has enjoyed preferential energy prices for gas, crude oil, and electricity imported from the Russian Federation, which has enabled the country to provide affordable and sufficient energy to the national economy. The Russian Federation's recent actions to introduce market-based prices for its energy exports to European countries have also resulted in cutting off the energy price privileges that Belarus enjoys. Given the importance of the energy sector to the country's economic growth, the energy price hike could eventually generate an economic slowdown.

<sup>4</sup> The Minsk City Council possesses the rights of a basic and a regional council. The cities of regional importance (seven cities) are governed by the district- and municipal-level executive committees only.

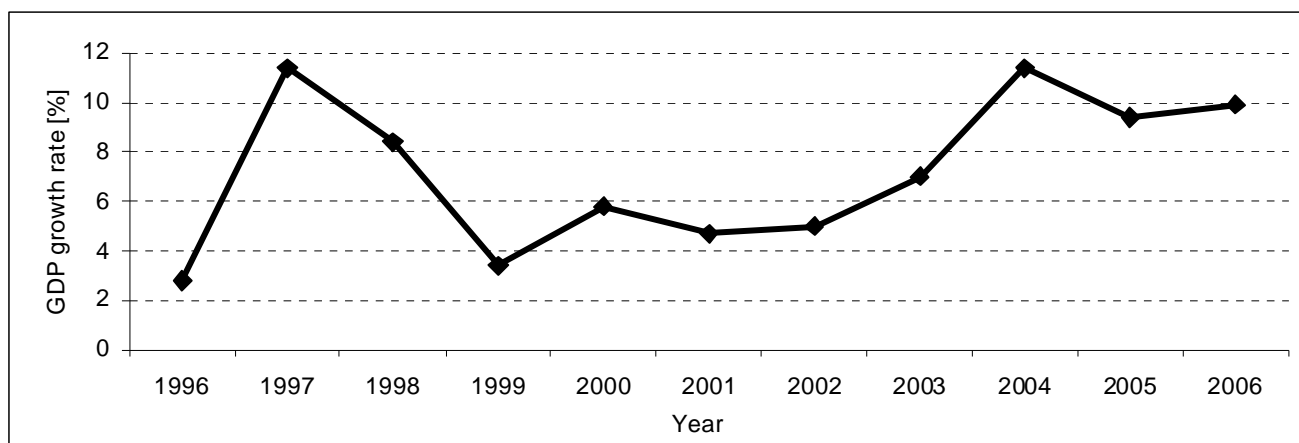
**Table 1. Gross domestic product of Belarus**

	Gross domestic product													
	1990	1995 <sup>1</sup>	1996	1997	1998	1999	2000 <sup>2</sup>	2001	2002	2003	2004	2005	2006	2007
GDP at current prices (in 10 <sup>9b</sup> roubles)	0.04	121.4	191.8	3668.3	702.2	302.6	9.1	17.2	26.1	36.6	50.0	65.1	79.2	96.1
GDP at constant prices (% of the previous year)	no data	90	103	111	108	103	106	105	105	107	111	109	110	108

<sup>a)</sup> Data are given in terms of the 1994 denomination (1 new rouble is equivalent to 10 old roubles).

<sup>b)</sup> In terms of the 2000 denomination (1 new rouble is equivalent to 1,000 old roubles).

Source: Ministry of Statistics and Analysis of the Republic of Belarus, 2007.

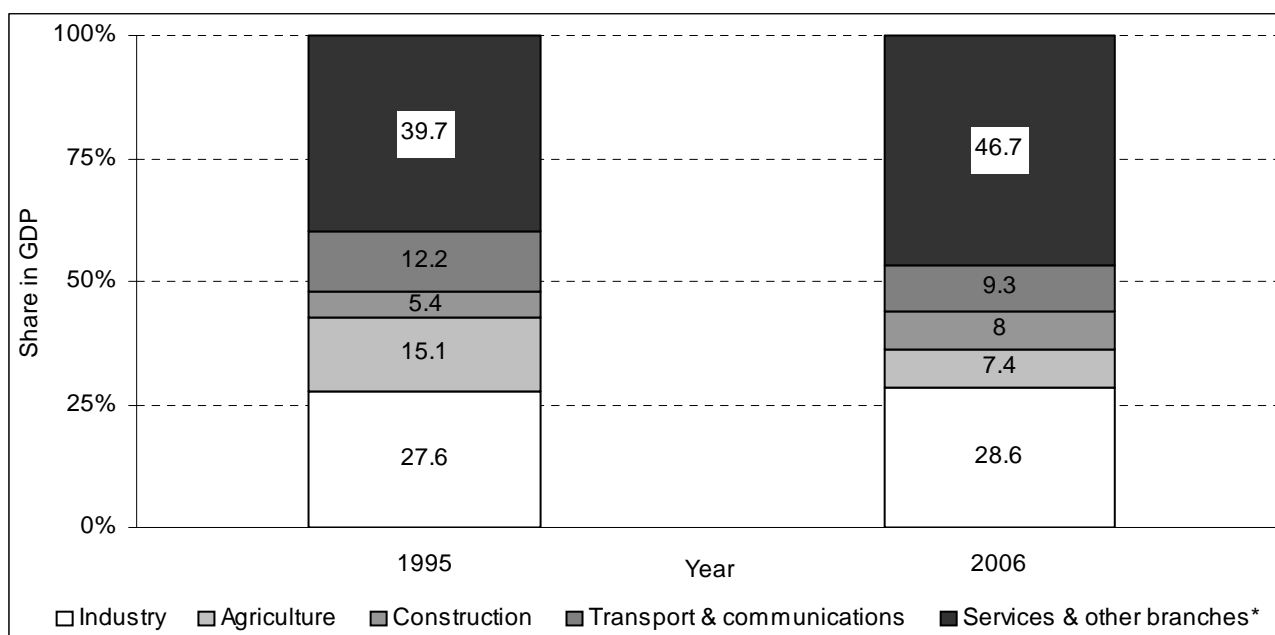
**Figure I. Gross domestic product growth rate at constant prices**

Source: Ministry of Statistics and Analysis of the Republic of Belarus, 2007.

Industry is a critical sector of the Belarusian economy and continues to contribute the most to economic growth. This sector has a share of 26.7 per cent of GDP output and it provided nearly 26 per cent of overall employment in 2007. Output from the industry sector has experienced steady growth since 1990, except during the three-year recession period. The peak of growth came in 2004, when it grew 15.9 per cent. According to the Ministry of Statistics and

Analysis, industrial output was up by 8.7 per cent in 2007.

In the agricultural sector, the output share in GDP dropped from 15.1 per cent in 1995 to 7.4 per cent in 2007. Compared to 2006, agricultural production rose 4.4 per cent in 2007. This sector's share in total employment was 9.9 per cent in 2007, down by almost half from its share in employment of 19.1 per cent in 1995 (figure II).

**Figure II. Sector output as percentage of gross domestic product, 1995 and 2006**

\* Including taxes.

Source: Ministry of Statistics and Analysis, 2007.

### ***Impact of the Chernobyl accident***

The Chernobyl accident on 26 April 1986 is considered to be the worst nuclear power accident in history. Belarus was the country most affected by the explosion. The most contaminated oblasts were Gomel, Mogilev and Brest, where up to 70 per cent of the total fallout was deposited. Approximately 23 per cent of this territory was contaminated, with more than 1 Ci/km<sup>2</sup> caesium-137. About 2.2 million people lived in these areas, representing one fifth of the population of Belarus at the time of the accident.

The consequences of the Chernobyl disaster remain the main problem affecting the agricultural and forestry sector. Long-term radiation affects productive farmland. Food-processing plants have gone out of business and agricultural production on these territories has decreased significantly. The contamination of mineral and raw material resources reduced their usage, and planned development, despite ready financing, was halted.

The accident also had negative effects on industrial enterprises and services located in the contaminated areas. Some of these enterprises stopped functioning entirely due to the resettlement of population elsewhere, while others are operating at a loss due to the decrease in production volume. A wide range of countermeasures to reduce the exposure of people and mitigate the consequences of the accident have been used for agriculture in the affected regions of Belarus.

The Institute of Economics of the National Academy of Sciences estimated the total cost of overcoming the consequences of the accident at \$235 billion for a 30-year period up to 2015 (according to 1998 prices). The loss in additional investments in industrial production and protection measures makes up 81.6 per cent of the total. Direct losses (e.g. the costs of withdrawing capital stock and money invested into industry, infrastructure, construction and natural resources) and indirect losses (e.g. problems related to the standard of living, the state of health of the population as well as migration from the contaminated areas) represents 12.6 per cent of the total loss; the remaining 5.8 per cent comes from

profit unaccounted for (e.g. reductions in output, work and public services; the cost of products being unfit because of radiation; extra expenses needed for filling deficiency and restoration of products; and lost benefits from businesses in the form of cancellation of contracts and projects, postponement of credit and penalty payments).

### ***Poverty and employment***

People living below the minimum subsistence level in Belarus accounted for 7.7 per cent of the population in 2007. This is an improvement from the previous year's 11.1 per cent. Poverty is more acute in rural areas, where twice as many households are categorized as poor.

In 2007, the economically active population in Belarus totalled 4,525,200, of which 47.2 per cent were male and 52.8 per cent were female. Out of this total, only 1.0 per cent was reported as unemployed, as compared to 3.1 per cent in 2003. The public sector continues to account for higher employment rates than the private sector.

The Government believes that the accelerated transformation of public enterprises into private economic entities may result in increased social tensions. It is therefore adopting a careful approach and not forcing reform processes of public enterprises.

There is relatively little private sector activity in Belarus compared to other transition economies, with the State continuing to play a dominant role in the economy. The share of added value contributed by the private sector to GDP was 48.6 per cent in 2000 and 54.2 per cent in 2007 (the private sector employed 47.9 per cent of the total labour force). In 1990, the private sector share of total employment was only 26.1 per cent.

Between 1995 and 2007, there has been a shift in labour from the industrial and agricultural sectors to the services sector. Employment in the agricultural sector in 1995 was 19.1 per cent (it decreased to 9.9 per cent in 2007). In the industrial sector, employment was 27.6 per cent in 1995, as compared with 26.4 per cent in 2007.

**Table 2. Employment by branches of economy, 1995 and 2007 compared (as percentage of total)**

Branches:	1995	2007
Industry	27.6	26.4
Agriculture	19.1	9.9
Construction	6.9	8.4
Transportation and communication	7.0	7.6
Trade, catering, material, technical supply and sales, procurements	10.7	14.3
Health care, physical culture and social security	6.5	7.4
Education	9.5	10.1
Others	12.7	15.9
Total number of persons employed in the economy (in thousands)	4409.6	4476.6

Source: Ministry of Statistics and Analysis, 2007.

The rate of unemployment had increased steadily, by the end of 2003 reaching 3.1 per cent. The following year, the increase slowed (to 1.9 per cent) and by 2007 the unemployment rate had dipped to 1.0 per cent. Unemployment among people under 30 years old, however, has been high, reaching as much as 53.9 per cent of the total unemployed in 2000. The value diminished in 2007 to 39.7 per cent.

While the official total unemployment rates in Belarus are relatively low, regional disparities can be observed. Minsk, for example, enjoys the lowest unemployment rate: 1.6 per cent in 1995 and, after a steady decrease, 0.4 per cent in 2007. Unemployment is higher in other cities and regions. (For an overview of the distribution of people according different branches of the economy, see table 3.)

### Population

The population of the Republic of Belarus at the end of 2007 was estimated to be 9,689,770 inhabitants. The urban population accounted for 73 per cent of the total (figure III). The population of Minsk city constitutes nearly one fifth of the total and represents a quarter of the total urban population. At the end of 2007, the gender composition of the country's population was 53 per cent female and 47 per cent male. Sixteen per cent of the population falls into the "under-working age" group, and 21.5 per cent into the "over-working age" group. The "working age" in Belarus is between 16–59 years for males and 16–54 years for females (table 3).

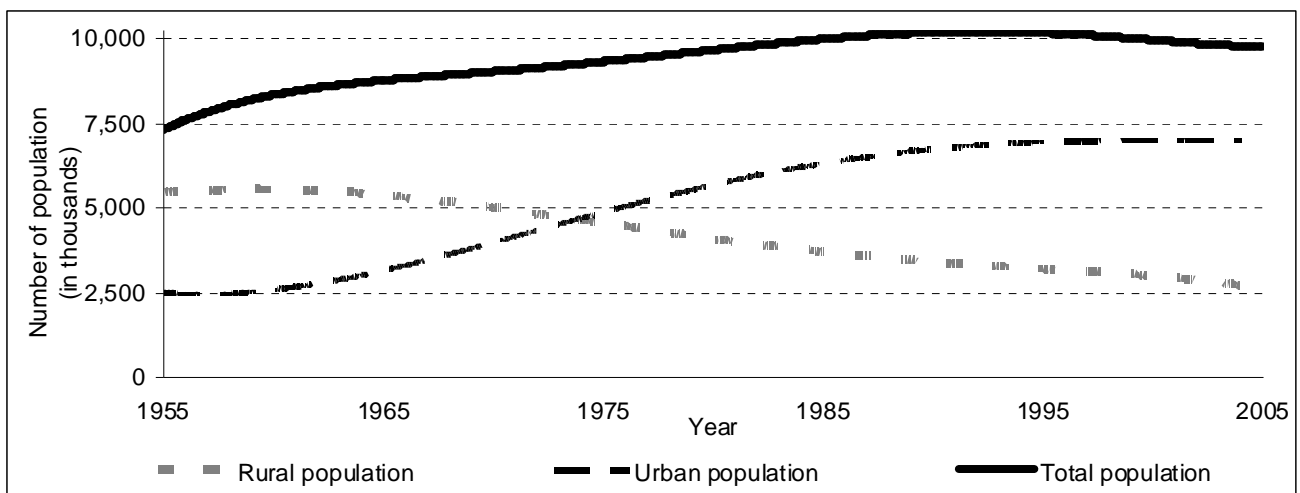
The results of the 1999 Population Census showed citizens' ethnic origin composition to be 81.2 per cent Belarusian, 11.4 per cent Russian, 3.9 per cent Polish, 2.4 per cent Ukrainian and 1.1 per cent other.

**Table 3. Size and natural increase of population (percentage)**

Number of resident population (in 10 <sup>6</sup> )	1995	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	10.19	10.17	10.14	10.09	10.04	10.01	9.99	9.95	9.89	9.84	9.80	9.75	9.71	9.69
Men	46.9	46.9	46.9	46.9	47.0	47.0	46.9	46.9	46.9	46.8	46.8	46.7	46.7	46.7
Woman	53.1	53.2	53.1	53.1	53.1	53.1	53.1	53.1	53.2	53.2	53.2	53.3	53.3	53.3
Under working age	24.5	23.1	22.6	22.0	21.2	20.6	19.9	19.3	18.5	17.9	17.2	16.6	16.2	16.0
Of working age	55.6	55.8	56.1	56.6	57.3	58.0	58.8	59.5	60.3	61.1	61.6	62.2	62.5	62.5
Over working age	19.9	21.2	21.4	21.5	21.5	21.4	21.3	21.3	21.2	21.2	21.2	21.2	21.4	21.6
Urban	66.8	68.1	68.4	68.8	69.3	69.7	70.2	70.7	71.1	71.5	72.0	72.4	72.8	73.4
Rural	33.2	31.9	31.6	31.2	30.7	30.3	29.8	29.3	28.9	38.5	28.0	27.6	27.2	26.6

Source: Ministry of Statistics and Analysis, 2007.

Figure III. General increase/decrease of population



Source: Social Environment and Living Standards in the Republic of Belarus 2005.

### Demographic trends

The early 1990s signalled the start of a severe demographic crisis in Belarus. To a great extent, this can be attributed to falling birth rates, declining life expectancy and high premature mortality. Owing to these factors, the natural increase in population plummeted starting in 1991. In addition, from 1993 the number of deaths has exceeded the number of births.

Ageing is also affecting the population of Belarus. The median age increased from 35.2 years in 1990 to 39.0 years at the end of 2007, and is projected to be higher in the years to come.

The demographic situation of Belarus shows that the number of “under-working age” has been in a downward trend: at the end of 1990, the number of people in this group was 2,494,924; at the end of 2007, it was 1,546,960. At the end of 1997, the population of the “under-working age” group was still greater than the “over-working age” population, but at the end of 1998, the latter had exceeded the former (table 3). This trend is likely to continue.

### Migration

The impact of population growth changes is most apparent in the migration from rural to urban areas (“internal migration”). The development of industry and services and a better living environment in the cities has led to a trend of increasing populations in urban areas. This has also entailed a

sharper decline in the rural population of Belarus.

A natural decrease in the rural population had already started by 1980. Up to 1975, there were more people living in rural areas than in urban areas. The rural population at the beginning of 1975 represented nearly 50.1 per cent of the total population. At the beginning of 1976, it was still 48.8 per cent. Statistics for year 2007 show the total rural population as only 26.6 per cent (table 3). Declining birth rates in rural areas since 1980 also contributed to this trend.

The Chernobyl disaster in 1986 also contributed to the change in the pattern of resettlement within the country, mainly because of migration away from the contaminated areas.

The State has developed a special policy plan to revive rural areas: the State Programme of Rural Revival and Development. Its aims are to revive and develop the social fabric and productive capacities of rural areas, to attain sustainability in agricultural production, to raise the incomes of the rural population and to create conditions for improving the demographic situation. The programme provides for the construction of agrarian population centres and for equipping them with an appropriate infrastructure, raising the employment ratio of rural residents, and preserving and creating new jobs.

Outmigration from Belarus occurs mostly to other CIS<sup>5</sup> countries and to the Baltic States. Emigration grew particularly fast during the period 1986–1990, when trans-border visa procedures were simplified. Socio-economic hardship has prompted Belarusians to leave the country in search of a greater material prosperity. The majority of such emigrants are educated and are beginning or mid-career professionals; hence this outmigration constitutes a form of “brain drain”.

### **B. Development of housing policies**

One of the key challenges of housing policy in Belarus is the privatization of State property and its consequences. The Government considers the development of the private sector to be a key macroeconomic policy objective in the country's current social and economic development programme, which runs until 2010. The Law “On Denationalization and Privatization of State-Owned Property in the Republic of Belarus” (1993) was adopted to act as the legal framework for privatization (as well as for setting rules and procedures for privatizing State-owned enterprises). The adoption of this law has allowed citizens to acquire housing certificates that give them the right to buy the housing facilities they previously rented from the State.

Another law ( “On Privatization of Housing Stock”), passed in 1992, specifies a privatization mechanism – via vouchers – enabling families to buy real estate. As of 1 January 2008, privately owned housing stock accounted for 84.4 per cent of the total, as compared with 53.5 per cent in 1990 and 67.9 per cent in 1995.

On 22 February 2008, the Council of Ministers adopted the “Concept for building renovation of affordable and adequate housing for the citizens of the Republic of Belarus”. It divides the development of housing construction in three phases: (a) short-term construction (up to 2010); (b) intermediate-term construction (up to 2015); and long-term (up to 2015). Special emphasis is given to housing construction for families in need of improving their living conditions and that are on waiting lists with local executive committees.

A systematization of housing policy has gone forward after extensive analyses of existing normative regulations, the economic vitality of the construction sector and the demographic situation in the country. The concept also envisages analyses of the economic situation of households and architectural requirements for site development, both of which are related to establishing the estimated housing output, the type of housing and the timeline for construction.

It will not be possible to accomplish these tasks, however, if a modernization of the enterprises in the building materials industry (including expanding their capacity) does not also occur. To realize the intended plans, a modernization of the production facilities of the prefabricated house-building industry is being undertaken. Great attention is being devoted to the application of different types of energy-efficient architectural construction.

The concept also defines the perspectives of planning design solutions, land allocation and other practices directly affecting housing construction. Comprehensive policy documents such as the “Socio-economic Development of the Republic of Belarus for 2006-2010” programme and the “Concept on Construction and Reconstruction of Adequate Comfort Housing for Citizens of the Republic of Belarus” also provide guidance for current housing policies.

### ***Institutional framework***

The central government formulates housing policies and maintains significant control over their implementation and on the development of the housing sector. The Law “On the Administrative-Territorial Division and procedures for Resolving Issues of the Administrative-Territorial Organization of the Republic of Belarus” was enacted in 1998 in an effort to establish a division of responsibilities between the two primary tiers of government (figure IV).

In accordance with the Constitution of the Republic of Belarus, the President is vested with vast authorities in exercising power. He is empowered to issue decrees that have the force of laws, and appoints and dismisses key officials in the Government such as the Prime Minister (with the consent of the Chamber of

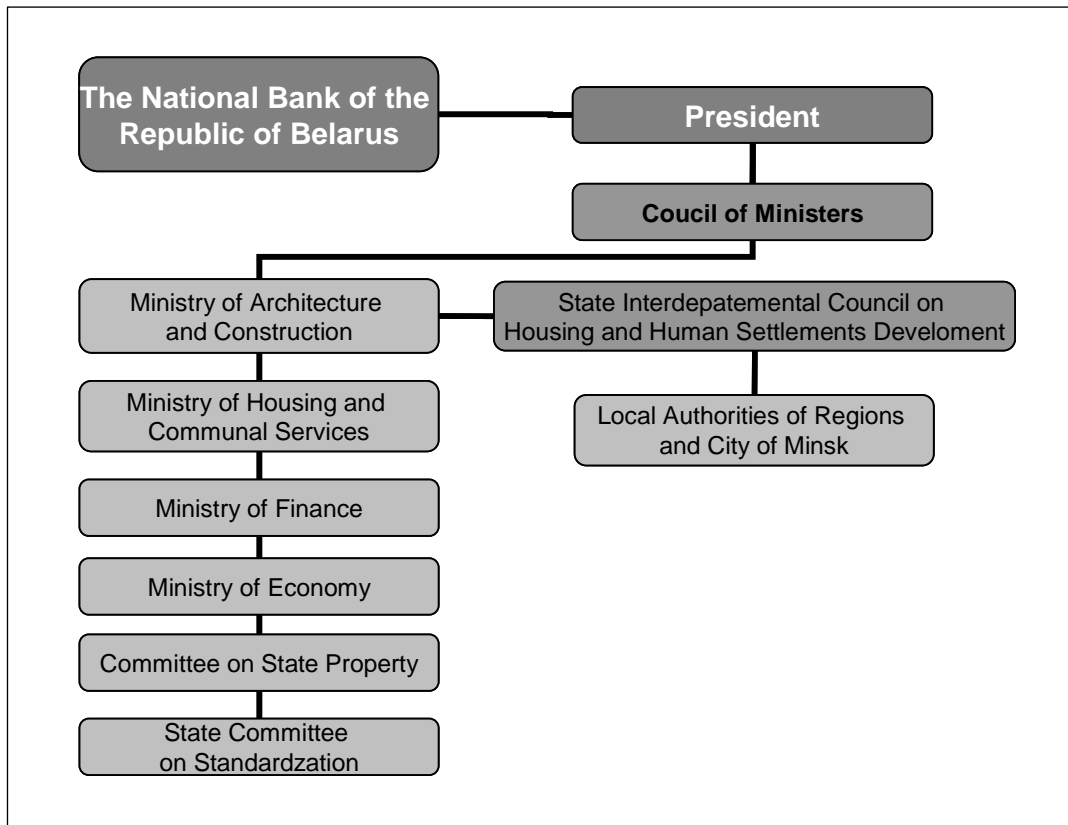
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<sup>5</sup> Commonwealth of Independent States. CIS Member States are Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Representatives), the other ministers, the chairpersons of the Constitutional and Supreme Courts, the Supreme Economic Court (with the consent of the Council of the Republic), the

Procurator-General (with the consent of the Council of the Republic) and the heads of the oblast executive committees.

**Figure IV. Structure of the public sector institutions responsible for housing policy**



The Government (the Council of Ministers) consists of the Prime Minister, the Deputy Prime Ministers, including the First Deputy Prime Minister and the other ministers. It can also include heads of other bodies of the State administration. The composition of the Council of Ministers is determined by the President.

The Presidium of the Council of Ministers acts as the Council’s standing body. It serves to expediently resolve issues within the scope of the Council of Ministers. The Presidium consists of the Prime Minister, his deputies, the Head of Administration of the President, the Chairman of the Committee for State Control, the Chairman of the Board of Directors of the National, the Minister of the Economy, the Minister of Finance and the Minister of Foreign Affairs (in accordance with the Law “On the Council of Ministers of the Republic of Belarus” (1998)).

The governmental system of Belarus includes 25 ministries and seven State committees. The Ministry of Architecture and Construction and the Ministry of Housing and Communal Services are the main ministries involved in implementing housing policy and construction as well as in maintaining housing stock. Other ministries and State committees are involved in this policy area (figure IV). In general, the responsibilities and functions of the numerous State bodies involved in housing policy are not always clearly defined and sometimes overlap; this is also true for other policy areas. The State Interdepartmental Council on Housing and Human Settlements Development serves as a coordinating body between the national and local levels. It is chaired by the Deputy Prime Minister and consists of representatives from the ministries and the State committees as well as the deputy heads of the oblast executive committees in charge of housing and construction. The State



Interdepartmental Council meets four times per year (plus in additional sessions if there are pressing issues) to review the state of housing policy implementation. The responsibilities of the Government institutions involved in housing issues are as follows. (See also figure V.)

**The National Bank of the Republic of Belarus.** The National Bank provides refinancing to banks that give loans for the realization of the National Housing Programme.

**The Ministry of Housing and Communal Services.** This Ministry is responsible for issues related to the maintenance and management of the existing housing stock as well as utilities. The Minister of Housing and Communal Services has three Deputy Ministers who are responsible for economic and legal matters, housing stock, utilities and energy policy as well as for scientific and technical development strategies. The Ministry has the key responsibility of managing services (e.g. water, telecommunications and electricity) to communities throughout the country. It has developed a system for maintenance and measurement of these services.

**The Ministry of Finance.** The Ministry of Finance is responsible for incorporating the demands for housing and associated infrastructural requirements into the annual State budget.

**The Ministry of the Economy.** This Ministry is responsible for developing annual and five-year plans for housing. These plans are derived using housing demand forecasts from all the oblasts and the city of Minsk to create projections on housing needs.

**The Committee on State Property.** The Committee's key responsibilities include the development of measures for implementing policy regarding land relations, geodesy and cartography; registration of real estate; and issues regarding property relations (e.g. management, administration, privatization, appraisal and accounting for property in State ownership).

**The Ministry of Architecture and Construction.** This Ministry is responsible for the formulation of housing policies and drafting of regulatory legal acts regarding housing construction and spatial planning issues. Deputy

Ministers plus the structural subdivisions are supervised by the Minister for Architecture and Construction. The departments are shown in figure V.

**The Ministry of Labour and Social Protection.** This Ministry helps determine the eligibility criteria for social housing and soft loans.

**The State Committee on Standardization.** The State Committee on Standardization is responsible for guaranteeing the development and implementation of policies related to compliance evaluation and technical norm-setting and standardization. It oversees construction and project and cost-summary compliance with norms and standards.

The Ministry of Architecture and Construction ensures the proper functioning of the system of technical norm-setting, standardization and certification with regard to architectural, urban planning and construction activities. Local-level authorities are established by the central government and play a limited role in the formulation of policy. Their main duties are to execute and implement national plans and policies at the local level and to carry out administrative tasks. It is foreseen, however, that local bodies of administration will play a more influential role in determining local housing policies in the future.<sup>6</sup>

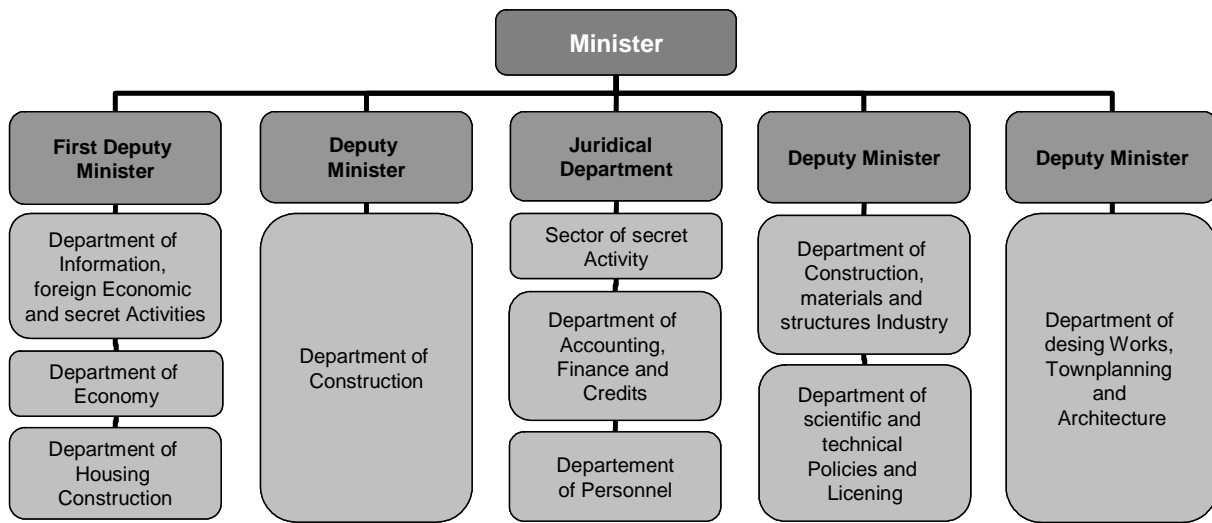
Two Presidential Decrees, 21 and 265<sup>7</sup>, signalled the acknowledgement by national-level authorities of the need to empower local-level government by transferring part of the burden of responsibility to end-users, thereby resulting in greater involvement by local actors in decision-making processes.

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<sup>6</sup> Belarus 2015: Summary of National Plan of Spatial Development, Ministry of Architecture and Construction of Belarus (2001), p. 14.

<sup>7</sup> Presidential Decree 21 "On Enhancing the Role of The Bodies of Local Government and Self-Government in Addressing Life-Sustaining Needs of the Population" of 12 January 2007 and Presidential Decree 255 "On the State Integrated Programme for the Development of Regions, Small and Medium Towns in 2007–2010" of 7 June 2007.

Figure V. Structure of ministries concerned with land management issues



The regional body responsible for planning is the Oblast Committee for Territorial Development, Urban Planning and Architecture.<sup>8</sup> In total, there are 207 communities are officially described as “urban areas” in the six oblasts of Belarus.

Minsk, a “City of European Significance” (a city with a population of more than 500,000 people) is the one exception to the region-based system of administration).<sup>9</sup> With 1,814,800 inhabitants as of 1 January 2008, Minsk plays a key role in the administration of resources for housing, not only because it is the capital, but also because it places greater demands on the local urban infrastructure due to its growing population and its role as an industrial centre. International business trade, education and training opportunities, and cultural and financial activities also tend to make the demands for housing greater there.

Minsk has undergone the same process of evaluation as the oblast authorities, with six parallel oblast reviews of housing needs. The body responsible for urban planning is the Minsk

Committee of Architecture and Urban Development. Given the city of Minsk’s physical location within Minsk oblast, this Committee works with the Minsk Oblast Executive Committee to review issues of territorial negotiation such as zoning and urban expansion in areas falling under the jurisdiction of Minsk oblast.

National strategies are derived from the data collected by representatives of oblast governments, with each oblast receiving in principle distinct and equal representation. The oblast executive committee representatives evaluate key developments such as recent population fluctuations, environmental issues, housing shortages and construction bottlenecks. In accordance with Presidential Decree No. 631 of 23 October 2006, structural subdivisions of local executive and administrative bodies (the Committees on Architecture and Construction under the oblast executive committees) exercise State power in the field of architecture and over construction within the territory of an administrative-territorial entity. They are subordinate to the oblast bodies and also to the relevant bodies of State administration (e.g. the Ministry of Construction and Architecture).

National strategies serve as a baseline for development of regional and community-based plans. Requests for detailed urban and regional plans are submitted by designated representatives from municipalities to representatives of the oblast governments; these regional housing representatives collate requirements from all

<sup>8</sup> See <http://vasab.leontief.net/countries/belarus.htm#1> (last accessed 12 December 2008).

<sup>9</sup> Belarus 2015: Summary of National Plan of Spatial Development. Ministry of Architecture and Construction of Belarus, p. 15 (2001).

communities from the oblast and submit requests for the development of draft regional plans to the central government. The drafts are typically funded by administrative subregions, though they may be subsidized by oblast governments.<sup>10</sup> Communities without the funds necessary to develop such proposals can submit a request to oblast executive committees requesting financial support.

### ***Development of urban and regional plans***

While most requests for regional plans are initiated and funded by the administrative body for which they are being developed, the central government does subsidize the development of the plans when that municipality is unable to pay the costs of developing the strategy. Normally, funding to develop these plans is paid out of the oblast budget. The Ministry of Architecture and Construction prioritizes these requests in cooperation with the Institute of Regional and Urban Planning (IRUP), and then submits them for approval to the Government. Currently, urban development projects are being pursued for the period up to 2010. IRUP, a national State entity, is the exclusive developer of plans for all regions of Belarus. The Institute is funded by both the State budget and by direct payments from local budgets for the design of specific plans and strategies for development.

IRUP is the leading organization in the country in terms of drafting urban development documentation at the national, regional and local levels. These documents include the State Scheme of Integrated Spatial Planning of the Republic of Belarus, schemes of integrated spatial planning of the oblasts, master plans of administrative districts and cities, and detailed planning drafts. IRUP also conducts scientific research on regulatory and legislative activities. It prepares feasibility studies for programmes and activities aimed at the development of urbanized regions, the improvement of city areas, the protection of historical and cultural heritage as well as wildlife areas, and the development of tourist and recreation systems and social amenities.

The housing activities of IRUP are a direct reflection of the requirements of the ministries

responsible for the management of urban planning and housing issues.

The one area not under the purview of IRUP is the city of Minsk. Detailed plans for the city of Minsk are researched and developed by Minskgrado, a research body dedicated promoting sustainable urban and spatial development in the capital city. Minskgrado is also responsible for managing the city's growth and its housing maintenance demands, and for taking into account the effects that such growth may have on adjacent areas.

### ***Non-governmental organizations, international organizations and the private sector***

With a government-controlled economy that asserts considerable influence on the housing sector, Belarus leaves comparatively little room for non-governmental and international participation. Private investors, professional organizations, NGOs, international organizations and independent operators have relatively little practical ability to influence housing and land management policies. Yet some organizations have been created representing professionals with certain degrees of qualification and expertise so as to guarantee that planning documentation is in accordance with existing legislation on engineering. These associations include the Belarusian Union of Builders and the Belarusian Union of Industrialists and Businessmen, among other professional associations.

Business development in Belarus has encountered many obstacles. However, in response to criticism from national and international experts, the Government and the National Bank are currently working on measures to improve the business climate through a joint working group: the Foreign Investments Advisory Council of the Council of Ministers of the Republic of Belarus. In the winter of 2007/2008, a set of measures was adopted to ease the registration of enterprises, licensing and payment of taxes.

After the fall of the Soviet Union, the Supreme Council established the Laws "On Ownership in the Republic of Belarus" (1990) and "On Denationalization and Privatization of State-Owned Property in the Republic of Belarus" (1993). While private ownership of land and building structures is possible, private developers are heavily regulated by State policies. These policies do not provide incentives for housing

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<sup>10</sup> <http://vasab.leontief.net/countries/belarus1.htm#2>  
(last accessed December 12 2008)

construction. Developers face regulated profit margins similar to those faced by State managed development enterprises.

Similarly, maintenance and upgrading of existing housing stock and associated infra-structural improvements are contracted to State-run maintenance agencies. Private owners and developers are obligated to contract one of these 415 companies. This eliminates competitive incentives for business management and further reduces private investment in housing development.

Professional organizations within the construction industry are not common either, since their ability to influence decisions is not important. For example, the Belarus Architects Association has voluntary membership and is funded by contributions by its members; at any given time, there are approximately 900 architects on the roster. However, it receives no support from the central government. The Association does not have the ability to directly influence policy, and its sphere of influence is limited to controlling the quality of its own projects through effective project management and innovative construction practices. At present, it is estimated that 80 per cent of all architects work in the public sector, while the remaining 20 per cent work privately. Private licenses to practitioners are issued and renewed every five years, and the State reserves

the right not to renew them in special circumstances.<sup>11</sup>

Homeowners' associations are slowly emerging in privately owned residential units. These are State-supported: they relieve the cost burden of the Government by transferring responsibility for maintenance to the owners themselves. Associations must register with local executive and administrative bodies before initiating their activities.

International organizations do not play an active role in housing policy development and implementation in Belarus. However, the Ministry of Architecture and Construction, while developing programmes in the field of housing construction, has recently taken into account certain recommendations on human settlements and urban development in documents from international forums and UN-Habitat.

Non-profit organizations are regulated by the State by means of a registry. No institution dealing specifically with housing issues has been registered, though cross-sectoral issues such as veterans' rights and public health and environmental issues may address problems that relate to housing indirectly. It is believed that many of these organizations are State-managed, so their independence can become compromised.

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<sup>11</sup> The licenses are given to legal entities that have specialists on their staffs and that provide planning documentation meeting requirements of high technical standards. Therefore, the State, through specially authorized bodies, can revoke a license when the above-mentioned requirements are not met.