



**SOCIAL INEQUALITY AND WHY IT MATTERS FOR THE  
ECONOMIC AND DEMOCRATIC DEVELOPMENT OF  
EUROPE AND ITS CITIZENS: POST-COMMUNIST CENTRAL  
AND EASTERN EUROPE IN COMPARATIVE PERSPECTIVE**

**DELIVERABLE 2  
DESK RESEARCH**

**BELARUS**

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## **Introduction**

Transition to a market economy, started in the early 1990s, has changed the social structure of post-Soviet societies. Thus, before the beginning of the 1990s in Belarus, as in a typical Soviet State, member of the former USSR, there was homogeneous in economic aspect social class, which covered up to 80% of the total population. Stratification of Soviet society looked like a flattened triangle with a very wide base. Most of it was a layer of workers, and the elite at the top. There was a group of workers – a sort of middle class with weak economic and social mobility, at one extreme, and the layer of influential politicians, determining the standards of living, at the other extreme.

The collapse of the Soviet Union and the breach of production connections (Belarus was an “assemblage department” of the Soviet Union) in 1991 year led to a crisis of Belarusian economy. It evidenced in the long decline in production and standards of living between 1991 and 1995 years and the emergence of economic and social inequality. Belarusian state introduced the concept of “official line of poverty” below which was those people whose cash income did not exceed the subsistence level budget, the 60% of the monthly minimum consumer budget.

After the collapse of the Soviet Union, Belarus accepted an extensive program of economic reforms, but decided to implement it slowly and step by step. In 1992 this decision allowed to curb the decline in production and standards of living. But since 1993, it became clear that evolutionary development of the economy slows institutional and structural changes in society. Pace in the establishment of legal, financial and social institutions serving the market economy, and the passivity in restructuring the economy for its own needs, have given rise to a number of negative effects. The main negative effect is the reduction in Human Development Index (HDI) of 0.869 in 1990 to 0.794 in 2005.

The state choice of the Republic of Belarus in favour of a socially oriented economy, along with the obvious advantages, creates a number of problems. One is the problem of the balance of social and economic components. The costs accompanying introduction of non-economic values lead to the loss of economic efficiency of production and the development of a new social structure of Belarusian society. To address these and other problems it is necessary to identify the specifics of national mechanisms of fight against social inequality and its difference from the mechanisms of economically developed European countries. This structure of analysis of the problems determines composition of this analytical report.

## **Section 1. Objective indicators of social inequality**

### **1.1. Human Development Index (HDI)**

The Human Development Index (HDI) is the most comprehensive socio-economic indicator of the country development level to carry out the cross-country comparison. HDI is based on the following measurements: life expectancy; level of education; real GDP per capita. HDI is a composite indicator of three main components characterizing human development – longevity, education and living standards. Longevity is measured by life expectancy. Education is measured by the number of years of schooling. Living standards are measured by real GDP per capita, adjusted for the local cost of living (purchasing power parity, or PPP). It reflects the average level of the basic human capacity and what should be done for the country to achieve certain goals: average life span of 85 years; access to education for 100% of the population; a decent standard of income for population.

In the process of calculating HDI, all three basic indicators are reduced to a uniform measurement system by defining the achievements in each indicator as the relative distance from the desired goal. Maximum and minimum value for each variable are transferred to a scale from 0 to 1, each country is at a certain point of the scale. In the process of calculating HDI, they define the measure of relative achievements of the country for each of the three basic variables, and then they calculate a simple average of all three indicators. The closer the country to HDI value equal to 1, the less the way still to travel for the country to the “ideal” life level and the “ideal” life quality. It is believed that the countries with HDI above 0.8 have a high level of development, in the range of 0,5–0,8 – the average one and with HDI below 0.5 – low level of human development.

In case of Belarus, in 1999 it belonged to the group of countries with high level of human development (0.869) and took the 42nd place in HDI rating. In 1995 the Republic moved to the 57th place (HDI equal to 0.783). In 2001 Belarus joined again the group of the countries with high level of human development (0.804, the 53d place in the list) and in 2005 it moved to the category of middle-level countries, with the 67th place and HDI equal to 0.794 (Table 1.1). But it is difficult to determine these movements as a trend. It is rather a fluctuation of key indicators around some marginal value to 0.8 plus and minus. This is likely due to evolution of the economy and slow introduction of market economy institutions.

The decline of index (GDP per capita) reflects moving of Belarus to the social order with a large base layer (with the level of income of 1-2 SLB) which is 2/3 of all population, and almost did not changed from 1995 to 2005.

**Table 1.1. Human Development Index in Belarus  
(1990–2005)**

Years, HDI rank	Life expectancy at birth (years)	Adult literacy rate (%)	GDP per capita (PPP US\$)	Life expectancy index	Education index	GDP index	HDI value
1990 (42)	69,8	97,9	6 440	0,768	0,90	0,938	0,869
1995 (57)	68,6	97,8	6 319	0,715	0,90	0,707	0,783
2000 (53)	69,6	99,7	7 620	0,740	0,95	0,720	0,786
2005 (67))	68,2	99,6	6 970	0,720	0,95	0,710	0,794

Source: Human Development Report, 1994. [22]; Human Development Report, 1995. [23]; Human Development Report, 2003. [24]; Human Development Report, 2005 [25]; Human Development Report, 2006. [26].

### **1.2. Fertility and mortality as measures of life span in HDI**

In the Republic of Belarus the decline of HDI (from 0.869 in 1990 to 0.783 in 1995) is largely determined by the reduction of life expectancy index from 0.768 to 0.715 as well as the reduction of GDP from 0.938 to 0.707 for the period.

Comparing the Republic of Belarus to the countries with high level of human development, we note especially the difference in nearly 10 years of life expectancy at the moment of birth, which was 71.1 years in Belarus in 1990, 68.6 years in 1995, 69.0 years in 2000, and 68.8 years in 2005. Moreover, life expectancy for men is 10 years less than life expectancy for women (Table 1.2). It isn't determined by the number of physicians per 100 000 of population that is in line with international standards (in Belarus there are more than 450 physicians per 100 000), but rather unhealthy lifestyles and the absence of sustainable access to basic medicines.

**Table 1.2. Life expectancy at birth  
(years)**

Years	Total population	Men	Women
1990	71,1	66,3	75,6
1995	68,6	62,9	74,3
2000	69,0	63,4	74,7
2005	68,8	62,9	75,1

Source: Statistical year-book of Belarus, 2006 [12].

Beginning in 1990, we observe the excess of mortality rate upon fertility rate and the natural decline of the population (Table 1.3). The decline began in 1993, and continues to the present day with an average annual loss to 0.5% per year. Among the rural population, the loss comes to 3% a year, which is explained by lower, as compared to urban, social conditions of life, worse medical support, unhealthy way of life.

**Table 1.3. Births, deaths, and natural increase (decrease) of population**

Years	Per 1000 population		
	births	deaths	natural increase, decrease (-)
<b>Total population</b>			
1990	14,0	10,8	3,2
1995	9,9	13,1	- 3,2
2000	9,4	13,5	-4,1
2005	9,2	14,5	-5,3
<b>Urban population</b>			
1990	15,1	7,5	7,6
1995	10,1	9,6	0,5
2000	9,8	10,0	-0,2
2005	9,4	10,8	-1,4
<b>Rural population</b>			
1990	11,7	17,3	-5,6
1995	9,6	20,6	-11,0
2000	8,5	21,6	-13,1
2005	8,9	24,1	-15,2

Source: Statistical year-book of Belarus, 2006 [12].

Analysis of mortality by the main causes of death in the urban and rural population (Table 1.4) shows that firstly there are diseases of the circulatory system, secondly – neoplasm, thirdly – external causes of death. Moreover, the rural population has the mortality from circulatory and respiratory diseases three times higher than the urban population. It shows the inadequacy of health care in rural areas.

Equity contribution to the health system was 2.5% in 1990, 4.8% in 1995, 5.0% in 2000, 5.5% in 2005. To ensure high priority of the health industry, the state plans to bring health spending to 7.5% of GDP by 2010. It relates mainly to the programs to restrict primary health care as well as the programs aimed to overcome bad habits (drugs, alcoholism, etc.).

As for the indicator of life span, the problem is not only with the lack of health funds, but the old medical technologies, obsolete and inefficient medicine, the absence of modern prevention programs. The lack of health care, especially in rural areas, is demonstrated by the fact that the rural population mortality from circulatory and respiratory diseases is 3 times higher than that of the urban population.

**Table 1.4. Death rates by main groups of causes of urban and rural population by regions**  
(deaths per 100 000 population)

Years	Death rates by causes of death					
	certain infections and parasitic diseases	neoplasms	diseases of the circulatory system	diseases of the respiratory system	diseases of the digestive system	external causes of death
<b>Urban population</b>						
1990	5,7	149,9	358,7	35,5	19,0	85,2
1995	8,0	167,2	459,8	37,8	24,2	139,0
2000	8,4	172,4	521,5	35,4	29,3	136,8
2005	13,8	172,9	597,5	32,4	42,0	135,4
<b>Rural population</b>						
1990	9,9	220,3	919,5	149,5	28,5	131,3
1995	11,5	245,5	1044,8	127,3	29,8	166,5
2000	12,2	249,6	1194,5	140,1	30,4	207,5
2005	20,8	234,3	1365,2	110,3	48,1	269,0

Source: Statistical year-book of Belarus, 2006 [12].

### 1.3. Level of education as a component of HDI

The level of education and training is a necessary component of HDI, which characterizes the level of social and technological progress. The average number of years of schooling in Belarus is 10 years according to the Population Census, 1999 [17]. As for the educational structure of the population, persons with higher education are accounted for 14.0% of the population between the ages of 15 and 70 years and older; with secondary special – 22.3%; with vocational education – 9.2%; with secondary common – 26.2%; with basic common – 13.5%; with primary education – 14.8%. Thus, the share of those with post-secondary education is 36.3% of the total population aged 15 to 70 years and older. The numbers of employees by level of education in branches of the economy are presented in Table 1.5.

Dynamics of level of education index (Table 1.1) reflects an increase of investment in this area. Expenditure on education reached 6.4% of GDP in 2005 that is in line with the standards for countries with middle level of social-economic development. The problem is that the cost of pre-school and secondary education are the 2 / 3 of all costs, and the cost of special secondary and higher education is no more than 1/3. Such structure of investment in education leads to the situation that, among all workers, people with higher, secondary and professional-technical education are equally represented (approximately by 1/5 each), but people with common secondary and basic education – over 1/3.

**Table 1.5. Educational attainment of employed by branches of the economy  
at the end of 2005  
(per cent of total)**

	Total employment	of which by level of education				
		higher	secondary specialized	vocational	general secondary	general basic (including primary)
<b>Total employment</b>	100	22,8	22,8	18,9	31,2	4,3
<b>Production of goods branches:</b>						
Industry	100	17,0	20,3	23,9	35,2	3,6
Agriculture	100	7,2	14,8	20,2	43,7	14,1
Forestry	100	13,1	20,1	20,8	40,1	5,9
Construction	100	18,3	17,7	28,6	31,1	4,3
<b>Non-productive branches</b>						
Transport	100	13,5	19,6	20,1	43,4	3,4
Communications	100	18,9	27,5	15,6	36,3	1,7
Trade and public catering	100	22,6	25,0	26,5	24,0	1,9
Housing, public utilities and non- productive personal services	100	11,6	19,3	21,7	42,2	5,2
Health care. Physical culture and social security	100	19,9	44,1	7,8	25,4	2,8
Education	100	48,8	2,1	7,8	18,5	1,8
Culture and arts	100	33,0	35,7	8,2	21,3	1,8
Science and science services	100	62,9	12,9	6,5	16,4	1,3

Source: Statistical year-book of Belarus, 2006 [12].

Distribution of workers by level of education in industries becomes traditional, typical for the industrial society and it changes very slowly. Equity contribution to education was 4.2% of GDP in 1990, 4.7% in 1995, 6.2% in 2000, 6.4% in 2005. According to the experts, increasing investments in education can be effective only in case of radical restructuring of the internal structure of this field. The aim of such radical restructuring is to increase the proportion of higher education-on-demand.

#### **1.4. Trends in income and welfare of population**

Analyzing economic inequality in the society, Galina Sokolova selects as a *critierion* for social stratification the ratio the value of income to the value of minimum consumer budget



(MCB) and the value of subsistence level budget (SLB) which is 60% of MCB. (Sokolova, 2003 [40]).

The state social policy has a direct influence on social and socio-economic relations, it is linked to the type of society, and it is seen as one of its integral characteristics. The state choice of the Republic of Belarus in favour of socio-oriented market economy, along with the obvious advantages, creates a number of problems concerning the balance of social and economic components. It is so because the costs that accompany introduction of non-economic values inflict the loss of economic productivity. In Belarus socio-oriented economy is connected, in particular, with fluctuation of income differentiation indicator around minimal level, according to international standards. Whereas in 1995 income differentiation indicator was 5.5, in 2000 it rose to 5.8, and in 2005 fell again to 5.4. However, the raise of cash income of the poor to the level of subsistence level budget (SLB) and the establishment of certain social guarantees for people are connected to quick GDP growth (5.9% in 2000, 5.0% in 2002, 7.0% in 2003, 11.0% in 2004, 9.5% in 2005 relative to the previous years), and, respectively, to wages growth, on the one hand. On the other hand, this is due to the redistribution of income between the rich and the poor in favour of the latter. So the policy implications are: 1) reduce of labour motivation because of the equalization of payment for work of different nature and different skill levels; 2) shift of the profile of economic stratification to the lower stratum of the population.

The analysis of economic stratification of Belarusian society on the basis of statistics shows that in the process of economic stabilization the share of stratum below SLB per capita decreased threefold, and the share of stratum with cash income of two and four-SLB per capita increased more than twice (Table 1.6). However, increase of salary expenses in the structure of production expenses has an evolutionary character and is changing less than 1 percentage point a year, from 10.4% in 1995 to 15.7% in 2005.

**Table 1.6. Distribution of population per capita with disposable resources in proportion to subsistence level budget (SLB)**  
(based on household sample survey, per cent)

Stratum with level of income	Years			
	1995	2000	2004	2005
Total population	100	100	100	100
Below SLB (lower level)	38,4	41,9	17,1	12,7
From 1 to 2 SLB (medium level)	50,7	47,8	56,7	61,5
From 2 to 4 SLB (above medium level)	10,1	9,3	23,5	23,8
Above 4 SLB (upper level)	0,8	1,0	2,0	2,0

Source: Statistical year-book of Belarus, 2006 [12].

*Notes:*

1. **Household** is defined as a person or family, or a group of persons, living together in the same housing unit and making common provision of essentials for living
2. **Disposable resources of households** are money resources of households and the value of in-kind subsidies and benefits.
3. **Minimum consumer budget** is the value of a set of material wealth and services required to meet a minimum of physiological and social needs of a person of certain sex and age.
4. **Subsistence level budget** is the value of the subsistence level plus compulsory payments and contribution.

**Table 1.7 Distribution of total disposable resources of population**  
(based on household sample survey, per cent)

	Years			
	1995	2000	2004	2005
Total disposable resources	100	100	100	100
of which by quintiles (20 per cent groups):				
Lowest (with lowest resources)	9,6	9,3	9,9	9,6
Second	13,9	13,7	14,1	14,3
Third	17,6	17,5	17,7	17,7
Fourth	22,5	22,5	22,3	22,4
Highest (with highest resources)	36,4	37,0	36,0	36,0
Index of resources concentration, per cent (Gini index)	26,1	27,0	25,4	25,6
Index of income differentiation, times	5,5	5,8	5,2	5,4

Source: Statistical year-book of Belarus, 2006 [12].

*Notes:*

1. **Index of resources concentration** (Gini index) is used to measure the *inequality* pattern of total incomes (disposable resources) distribution by population groups. Its value varies from 0 to 100 per cent. The higher is the value, the greater is the inequality resources distribution in a society.
2. **Index of income differentiation** is ratio of resources of highest 20 per cent group (quintile) to those of lowest 20 per cent group. Index is used to measure the *inequality* pattern of ratio of resources of highest and lowest group. The higher is the value, the greater is the inequality in resources distribution in a society.
3. **Quintiles** are arranged by ranking *households* according to the level of disposable resources. Households are ranked in an ascending order according to the average per capita disposable resources. The ranking is then divided into 5 equal groups, 20 per cent of all the households each. As a result, the first (lowest) quintile includes 20 per cent of households with the lowest disposable resources per household member; the second quintile includes the next 20 per cent of households, and so on. While the fifth (highest) quintile includes 20 per cent of households with the highest disposable resources per household member.
4. **Household characteristics.** Based on the 1999 Population Census data, there were 3 mln, 855 thsd. Households in Belarus, of which 67% in urban settlement and 33% in rural areas. Out of the total number of households, one-person and two-person households made 26% each, three-person households – 22%, four-person households – 19% and five and more person households – 7%. The average size of household in the country came to 2,6 persons, in urban settlement – 2,7 and in rural areas – 2,4 persons.

The household sample survey is an important component of statistical observation of living standards of the population. The results of such surveys are used for assessment of well-being and of the level of economic differentiation of the population. They are also used to develop the social policy of the state and urgent measures of social protection of the most vulnerable groups of population. Each year nearly 6 thousand households are covered by the sample survey across the country, of which 67% in urban settlements (16% in the Minsk-city, 28 in large towns, 23% in small towns), and 33% in rural locations.

Standard method of grouping the data on quintile groups affords to allocate 20% of people with the lowest incomes, 20% – with the highest income and three groups by 20% with middle, the lower – and higher – middle income (Table 1.7). In the first group (with the least resources), the share of income rose from 9.3 to 9.6% from 2000 to 2005; in the second, third and fourth there were small changes in the direction of increasing the share of incomes; in the fifth group (with the most resources) the share of income fell from 37.0 to 36.0%. We may conclude that, in addition to enhancing the well-being of society by increasing GDP, there is a certain decreasing of height of economic pyramid in Belarusian society.

Thus in Belarusian society the social-oriented market economy, as a result of the state social policy, actually provides positive economic improvement of the livelihood of the poor. It also reduces the share of this stratum in society. But, as a result of the analysis, it comes by increasing wages as well as redistribution of income in various strata, in order to equalize their material conditions. There is a fear that this egalitarian policy can be fraught with further decreasing of height of economic pyramid in the society by way of equalization of average cash income of the various strata. In order to avoid the unwanted changes in the economic stratification it is necessary to conduct a sociological expertise of the economic transformation that defines the balance of economic and social costs.

## **Section 2. Correlates and causes (factors) of social inequality**

The main correlate of *social inequality* in Belarus is membership in a social layer (depending on the per-capita income). The main factors (causes) of *social inequality* are the region of residence, sex, age, education, which affect the inequality indirectly through the average per capita income.

### **2.1. Social stratification of the society upon the criteria of minimum consumer budget (MCB), and subsistence level budget (SLB)**

Analysis of social stratification of Belarusian society in the context of *social inequality* allows identifying (in the first instance), the middle class, on the basis of the ratio of incomes to the value of the minimum consumer budget. Being *a basic social norm*, minimum consumer

budget allows to compare the national statistics, the household sample surveys (published in the statistical bulletins), and the results of monitoring sociological republican researches undertaken by the Institute of Sociology of the National Academy of Sciences of Belarus. Such multi-verification is to obtain correct classification and to explore social strata in Belarusian society on the basis of income level of major social groups. (Sokolova, 2003 [40]; Sokolova, 2004 [44])

According to the statistics of 2002, there were 70.4% of the population below the minimum of consumer budget (including 28.9% below the subsistence level budget); these layers form the basic and low ones in Belarusian society. The rest of the society stays between 20 and 30% of the country's population (Table 2.1).

**Table 2.1 Social stratification of the Belarusian society upon the criteria of minimum consumer budget (MCB), and subsistence level budget (SLB) (per cent)**

Stratum with level money income	Published in the statistical bulletins, % of total population					Results of sociological research (2002, December), per cent of all respondents
	1995	1998	1999	2000	2002	
Below SLB (lower level)	38,4	33,0	46,7	41,9	28,9	32,1
From SLB to 1 MCB (basic level)	42,0	41,5	32,5	34,9	41,5	40,0
From 1 to 2 MCB (medium level)	13,1	18,6	13,5	15,1	20,9	21,6
From 2 to 3 MCB (upper level)	5,4	5,8	6,0	6,7	7,2	5,0
Above 3 MCB (elite)	1,1	1,1	1,3	1,4	1,5	1,3
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: Sokolova, 2006:132 [49]; Statistical year-book of Belarus, 2003 [10].

Following classification of social strata created by Russian Centre of Public Opinion Research (until recently directed by Y.A. Levada) we highlight in our study five major strata in Belarusian society: lower (with cash income below SLB), which is 1/3 of the population; basic (with cash income from SLB to 1 MCB), which is 4/10 of the population; average (with cash income between 1 and 2 MCB), 1/5 the population; the top layer (with cash income of 2 to 3 MCB) – 1/20 the population; elite (over 3 MCB), a little more than one per cent of the society (Table 2.1). Use of data of the sociological research precisely enough conterminous with data of statistics, allows to reveal internal structure of each of the social layers (Table 2.2) ) (Sokolova, 2006).

**Table 2.2. Per cent of different social group representatives in each stratum of the society**  
(per cent, 2002, December)

<b>Level of money income</b>	<b>Clerk</b>	<b>Worker</b>	<b>Peasant</b>	<b>Businessman</b>	<b>Pensioner (free of work)</b>	<b>Pupil, student</b>	<b>Housewife, unemployed</b>	<b>Total</b>
Below SLB (lower level)	6,9	7,0	3,2	0,5	8,2	3,1	3,2	32,1
From SLB to 1 MCB (basic level)	9,6	7,2	1,6	1,5	15,0	3,1	2,0	40,0
From 1 to 2 MCB (medium level)	6,7	4,9	0,5	1,5	2,6	3,1	2,3	21,6
From 2 to 3 MCB (upper level)	1,5	0,9	0,0	2,0	0,2	0,2	0,2	5,0
Above 3 MCB (elite)	0,7	0,0	0,0	0,6	0,0	0,0	0,0	1,3
<b>Total</b>	<b>25,4</b>	<b>20,0</b>	<b>5,3</b>	<b>6,1</b>	<b>26,0</b>	<b>9,5</b>	<b>7,7</b>	<b>100,0</b>

Source: Sokolova, 2006:133 [49].

The key of the viability of the middle class development is the fact that respondents identify themselves with this class even without any objective basis. Thus, evaluating the level of prosperity, only 14.2% of respondents say they are poor (that is about the lower layer); 32.1% consider themselves to be the people earning below the average (basic layer); 44.6% consider themselves to be in the middle (middle layer); 3.2% see themselves the people with wealth above average (top layer); 0.7% of the respondents consider themselves to be rich (elite); 5.2% gave no answer (Table 2.3). This means that a half of those people that in the basic layer increases their profits at the expense of all sorts of secondary employment want to belong to the middle class. However, we should bear in mind the modesty of respondents' demands because of the general impoverishment. Thus, people call themselves the average wage-earner (corresponding below-middle class) those who have the money to buy food, clothing and to cover operating costs, but not in a position to buy large appliances (TV, refrigerator, washing machine, etc.) (Table 2.4). In the long run, each of the social groups of the middle class is expected to double at the cost of the basic layer, and the proportion of the middle class is to increase significantly in case of creation of favourable circumstances, because aspiration of the common people to return to the middle class from the basis layer is very active.

**Table 2.3 Self-identification of different social group representatives  
with strata of the society on welfare level**  
(per cent, 2002, December)

<b>Stratum of society</b>	<b>Clerk</b>	<b>Worker</b>	<b>Peasant</b>	<b>Businessman</b>	<b>Pensioner (free of work)</b>	<b>Pupil, student</b>	<b>Housewife, unemployed</b>	<b>Total</b>
Lower level of income	2,6	3,1	0,5	0,1	5,3	0,8	1,9	14,2
Below medium level of income	8,2	7,0	1,5	0,7	9,0	2,1	3,0	32,1
Medium level of income	12,8	10,3	0,8	3,4	6,7	5,5	5,0	44,6
Above medium level of income	0,9	0,3	0,1	1,1	0,1	0,3	0,4	3,2
Upper level of income	0,6	0,1	0,1	0,1	0,1	0,0	0,3	0,7
Without answer	0,9	0,8	0,0	0,1	1,2	1,1	1,1	5,2
<b>Total</b>	<b>26,0</b>	<b>21,6</b>	<b>3,0</b>	<b>5,5</b>	<b>22,4</b>	<b>9,8</b>	<b>11,7</b>	<b>100,0</b>

Source: Sokolova, 2006:138 [49].

**Table 2.4 Evaluation of representatives of various strata their level of living**  
(per cent, 2002, December)

<b>Evaluation</b>	<b>Stratum with level of money income</b>	<b>Total</b>
Funds are difficult enough for food	Below SLB (lower level)	32,1
Enough money for food, but buying clothes is a problem	From SLB to 1 MCB (basic level)	40,0
Enough money for food and clothing, but buying major household appliances is a problem	From 1 to 2 MCB (medium level)	21,6
Enough money for food, clothing and large appliances, but rest at well-known foreign resorts is not affordable	From 2 to 3 MCB (upper level)	5,0
Enough money for food, clothing, major household appliances, leisure, but the purchase of a new foreign car is unavailable	Above 3 MCB (elite)	0,9
No difficulties with money, if necessary I can buy a new foreign car, the apartment	Elite	0,4

Source: Sokolova, 2003:196 [40]

Thus the phenomenon of Belarusian middle class is being analyzed on the basis of signs of financial security and self-identification. Among the factors that determine an individual belonging to middle class, the fundamental factors are economic factors. According to it, about 1/4 of Belarusian population belongs to the middle class. Comparative analysis of state statistics and republican sociological monitoring (2006 year) reveals the internal structure of Belarusian middle-class upon income level: they distinguish lower-middle class (21.6%), middle-middle

class (5.0%), upper-middle class (1.2%). This structure is sustainable and does not change during the past five years.

In terms of wealth, we can identify sectors whose monthly per-capita income is above the minimum consumer budget. We can name these sectors to be an *objective* middle class. However, objective position of the respondent in terms of her cash income does not match with her subjective self-attributing to middle class. Such self-positioning in the social space is a reflection of the individual perceptions of their position in society toward other social groups. Roughly, this social group can be named as a *subjective* middle class. According to the survey, 1.8 times more people identify themselves as middle class than it can be seen from their per-capita income.

The reason for this gap is a special factor of education in self-positioning of respondents in modern society. About 1 / 2 of the active population possess higher or secondary-special education, as many identify themselves as middle class. Possessing higher or secondary-special education is the principle source criterion for separation of middle class from the lower strata. However, economic factor in the assessment of respondents has a high value. It gives evidence that reference to a certain strata by economic factors, level of prosperity mostly, will be continued for a long time.

## **2.2. The role of the region in social inequality**

*Incomes and expenditures of population.* The principal source of incomes for the population of Belarus continues to be wages and salaries, although its share in total revenue declined in the whole country with 73.1% in 1990 to 52.6% in 2004. The value of cash income averaging in the regions is 1.5 times less than in the capital. The proportion of per capita income to MCB in the Brest region was 0.93, Vitebsk – 0.89, Gomel – 0.86, Grodno – 0.81, Minsk – 0.88, Mogilev – 0.82, Minsk-city – 1.33 in 2003 (Table 2.5). In many ways, increases in per capita income achieved through secondary employment in the form of off-hour job, distributed more widely in Minsk than in the regions. (Sokolova, 2006 [46]).

It is logically to suppose that people in the capital, with higher incomes, have more opportunities to purchase goods and services. The household sample surveys conducted by the Ministry of Statistics and Analysis of the Republic of Belarus confirm this assumption. In 2003, the average consumption expenditure per capita in Minsk proved to be more than 1.7 times higher than the average for the region. As for the structure of family expenses in the regions, the specific difference was not found. On average, every citizen of Belarus spends from 53 to 57% of her personal income on food, up to 30% – for services (rent, utilities, transport and communications), from 17% to 13% of personal income for current products, medicines and medical services (Table 2.6). (Likhachev, 2006 [63]).

**Table 2.5 Pattern of money incomes of population by regions**  
(2005, per cent)

	Republic of Belarus	Brest	Vitebsk	Gomel	Grodno	Minsk	Mogilev	Minsk-city
Money income per one family	100	91,1	96,3	92,5	86,5	96,8	90,2	139,5
Money income per capita	100	97,8	93,6	90,4	85,2	92,6	86,3	139,9
Ratio money income per capita to subsistence level budget (SLB)	0,95	0,93	0,89	0,86	0,81	0,88	0,82	1,33

Source: Sokolova, 2006:177 [49]

One of the directions of *social inequality* concerns the relations of the capital and regions. Regions of the Republic of Belarus socially look like “the one face”, but economically maintain industrial diversity and remain to be in economic and political dependence of the central authorities. Average income per capita in Minsk is more than 1.7 times higher than the average for the region. As for the structure of families’ expenses by the areas, there is no specific difference here. On average, every citizen of Belarus spends on food 53–57% of personal income, for the services of up to 30%, for current goods, medicines and medical services 17–13% of personal income. Lower level and the quality of life in the regions leads to the tendency that the republic has one-vector mobility – from the regions to the capital and, as a result, creation of macro-economic framework to support a centre and strongly marked periphery.

**Table 2.6. Pattern of consumer expenditures of population by regions**  
(2005, per cent)

	Brest	Vitebsk	Gomel	Grodno	Minsk	Mogilev	Minsk-city	Republic of Belarus
	<b>Per cent of total consumer expenditures</b>							
Foodstuffs	53,8	53,0	54,7	54,0	55,6	57,0	53,8	54,7
Consumer goods	8,3	7,7	7,7	8,7	8,5	7,7	7,5	7,9
Personal care, medicine, health care	5,5	4,7	4,7	5,6	5,3	5,6	5,6	5,3
Housing and communal services	14,9	15,5	14,8	14,6	14,2	15,6	12,9	14,4
Education, culture, recreation, sport	2,8	3,5	3,5	3,2	3,2	2,6	4,2	3,4
Transport and communications	9,8	10,3	11,4	9,2	9,1	8,3	12,1	10,4
Other goods and services	4,9	5,3	3,2	4,7	4,1	3,2	3,9	3,9
Total	100	100	100	100	100	100	100	100

Source: Sokolova, 2006:177 [49]



### 2.3. The role of the gender in social inequality

In 1995 (compared to 1991) the tendency reveals to defeminize the material industries, and to feminize of non-production industries. The proportion of women in the production sector decreased by 4.7%, while in non-manufacturing sectors increased by 5.0%. A significant increase in the share of women in the non-manufacturing sectors (health, education, etc.) is a fairly accurate indicator of declining social prestige of these industries and, therefore, the level of payments (Table 2.7). At the second phase of economic transformation the figures are little changed. As for the employment of women and men at enterprises under all forms of ownership, the increasing gender asymmetries was not revealed, in connection with the overwhelming majority of State-owned enterprises (over 50%). (Sokolova, 1997 [29]).

The first phase of economic restructuring (1991–1995) was characterized by the feminization of low-paid professional groups. With a higher level of education, women are in the lowest paid occupational groups where their numbers are increasing. This is the medical staff, with the proportion of women 10 times more than men; teaching staff increased five-fold; workers of culture and the arts, where women three times more than men. At the second phase of economic reforms the situation remained unchanged. This contradiction between the social importance of their functions and low wages shows the need to change the priorities in social policy. (Sokolova, 1999 [29]).

In conditions of relative stabilization at the second phase (1996–2001) new trends were demonstrated. It largely related to the State's social policies aimed at shifting the burden of utilities from enterprise customers to population with a simultaneous increase in the level of wages. These are 1/ a transformation of the family to the economic centre of gender relations; 2/ emerging of the gender equality as a condition for a family survival; 3/ greater emphasis on the self-identification of respondents (regardless of sex) with middle strata of the population; 4/ aligning the position of men and women by gender criterion in the family and society. (Sokolova, 2006 [49]).

Thus, the role of gender in *social inequalities* is reflected in the trend to defeminize the production and to feminize the non-production sectors as an indicator of declining social prestige of these industries and, therefore, payment rates. The wage proportion of women to men is 79.1% in the economy of the Republic; in the production sector it is 73.6%, and in the non-manufacturing sectors – 84.6%. The relative stabilization of the economy in 1996–2001 has led to new trends related to the State's social policies of commercialization of services industries with a simultaneous increase in the level of wages. This was an occasion to put the family in the economic centre of gender relations with gender equality as a condition for the survival of the family.

**Table 2.7. Nominal gross average monthly wages and salaries of employed men and women by branches of the economy**  
(2005, December)

	Average monthly wages and salaries, \$USA		Ratio of women wages and salaries to men wages and salaries, %
	women	men	
Total	<b>229,2</b>	<b>289,6</b>	<b>79,1</b>
<b>Production of goods branches:</b>	<b>197,0</b>	<b>267,7</b>	<b>73,6</b>
Industry	232,4	329,4	70,6
Agriculture	144,6	143,6	100,8
Forestry	242,8	272,2	89,2
Construction	312,8	325,7	95,8
<b>Non-productive branches:</b>	<b>255,6</b>	<b>302,0</b>	<b>84,6</b>
Transport and communications	277,9	327,6	84,2
Trade and public catering	195,6	228,2	85,7
Housing, public utilities and non-productive personal services	233,0	293,2	79,5
Health care. Physical culture and social security	232,9	289,4	80,5
Education	213,5	260,6	81,9
Culture and arts	200,1	244,8	81,8
Science and science services	335,3	410,8	81,7
Business	359,8	408,1	88,2

Source: Women and men in the Republic of Belarus, 2006. Statistical book. [18]

#### 2.4. The role of gender, age and education factors in overcoming social inequality

*General characteristics of factors of a gender, age and education.* Distribution of men and women (Table. 2.8) testifies to double predomination of women in over working age, that is a pension age. It directly is connected with a provision of pensions which average level does not exceed one subsistence level budget (SLB). Therefore, women at working age are equalized in the money income with men at working age, but among all population their *social inequality* (outside working age) is traced clearly enough.

**Table 2.8. Population of the republic of Belarus by sex**  
(1999, per cent)

<b>Men and women</b>	<b>Men</b>	<b>Women</b>
100,0	47,0	53,0
<b>Out of total population:</b>		
under working age	10,9	10,4
working age (women 16–54, men 16–59 years)	28,2	28,0
over working age	7,9	14,6

Source: Population of the Republic of Belarus, 2000 [15]

Distribution of the republic population on age (Table 2.9) shows a share of the cores age groups in the population. By the results of the republican sociological monitoring respondents (according to their estimation the money income for a month previous inquiry) are located in the lower, basic and medium level – on 1/3. One group of 50–59 years (1/6 in the lower level) is in better position. The group of respondents of 60 years and over does not live in misery (1/5 in the lower level), but also one does not go out of a basic level (Table 2.10).

**Table 2.9. Population of the Republic of Belarus by age group**  
(1999, per cent)

	<b>Total population</b>	<b>Urban population</b>	<b>Rural population</b>
	<b>100</b>	<b>69,3</b>	<b>30,7</b>
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
of which aged, years			
0–14	19,5	19,9	18,7
15–29	21,8	24,2	16,4
30–44	23,4	25,3	19,2
45–59	16,4	16,9	15,1
60–69	10,5	8,0	16,1
70 years and over	8,4	5,7	14,5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
Out of total population, those aged:			
under working aged	21,1	21,7	<b>20,2</b>
working age (women 16–54, men 16–59 years)	57,3	62,2	46,1
over working age	21,5	16,1	33,7

Source: Population of the Republic of Belarus, 2000 [15]

**Table 2.10. Money income per capita for the month before inquiry**  
(on the results of the republican sociological monitoring, 2005, per cent)

<b>Stratum with level money income</b>	<b>Age</b>				<b>Total</b>
	<b>16–29</b>	<b>30–49</b>	<b>50–59</b>	<b>60 years and over</b>	
Below SLB (lower level)	29,1	28,7	17,6	19,9	25,1
From SLB to 1 MCB (basic level)	38,9	39,8	44,7	60,7	44,9
From 1 to 2 MCB (medium level)	28,1	27,0	34,4	18,5	26,5
From 2 to 3 MCB (upper level)	2,4	3,2	2,9	0,9	2,4
Above 3 MCB (elite)	1,5	1,3	0,4	0,0	1,1
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Source: Sokolova, 2006:96 [49]

Note: Average monthly pensions is 1,05 Subsistence level budget (SLB)

Distribution of the population on an educational level (Table 2.11) testifies that 3/4 population have secondary and basic education. The results of the republican sociological monitoring (Table 2.12) show, that persons with secondary and basic education (3/4) are (on a parameter money income per capita) in the lower and basic levels. As to group with higher education, almost 14% of this group are in the lower level. Obviously, they are pensioners and their pension makes about one subsistence level budget (SLB). It is a parameter of *social inequality*, characterizing the majority of the post soviet countries. It is consequence of equalizing payment, irrespective of its nature and qualification.

**Table 2.11. Population of the Republic of Belarus by education attainment**  
(1999, per cent)

Population	Those with higher, secondary and basic education	Of which	
		higher	secondary and basic
Total population	85,2	14,0	71,2
Urban population	92,9	17,6	75,3
Rural population	68,4	6,1	62,3

Source: Population of the Republic of Belarus, 2000 [15]

**Table 2.12. Money income per capita for the month before inquiry**  
(on the results of the republican sociological monitoring, 2005, per cent)

Stratum with level money income	Education				
	Basic (8–9 years)	Secondary (10–12 years)	Secondary technique (12–14 years)	Higher (15–16 years)	Total
Below SLB (lower level)	25,4	26,4	29,1	13,7	25,1
From SLB to 1 MCB (basic level)	56,5	45,1	38,6	37,1	44,9
From 1 to 2 MCB (medium level)	17,1	25,5	29,3	39,3	26,5
From 2 to 3 MCB (upper level)	1,0	2,0	2,2	6,6	2,4
Above 3 MCB (elite)	0,0	1,0	0,8	3,3	1,1
Total	100,0	100,0	100,0	100,0	100,0

Source: Sokolova, 2006:87 [49]

***The role of gender, age and education factors in overcoming social inequality.***

Characterizing the role of sex, age and education to overcome social inequality, let us refer to the study performed by a Belarusian researcher Oleg Kobayak in the framework of Republican Sociological Monitoring in 2003 (Kobayak, 2006). He identified a group of respondents with higher education and divided it into two age groups: 1) up to 46 years; 2) 46

years and older. This division resulted from the fact that the first group had relatively high competitiveness in the labour market and were carriers of qualitatively new social stereotypes. In the system of value orientations of the respondents a higher education was one of the dominant provisions. Irrespective of age and sex, more than 4/5 of respondents believe that “level and quality of education is surely important to enlarge prospects in society”.

What strategies of economic behaviour to solve the material problems are distinctive for the respondents with higher education? 2/3 of surveyed under the age of 46 years and more than 1/3 at the age of 46 years and older have shown the active type of economic behaviour, trying “to higher income by all possible means”; 1/4 of the first age group and up to 1/2 of the second “lower the level of needs”, carrying the adaptive type of economic behaviour; to 1/10 of surveyed in both groups “do nothing”, demonstrating the passive type of economic behaviour. High proportion of holders of the active type of economic behaviour, particularly in the group of men up to 46 years (3/4) gives evidence about low level of wages for highly qualified specialists who are forced to seek additional sources of income to improve the livelihood of the family. Therefore, the selected type of active economic behaviour is better to define as the involuntarily active. This thesis is confirmed by the comparative analysis of implemented and preferred strategies of economic behaviour of the respondents. Only about 1/2 of holders of the active type of economic behaviour give it preference (Table 2.13; 2.14).

**Table 2.13. Distribution of respondents by the question: “Which approach do you use while solving your financial problems?” (per cent)**

Variants	Up to 46 years			46 years and older		
	men	women	total	men	women	total
I am trying to increase my income by all possible means	76,9	52,9	63,4	46,2	30,9	37,7
I am lowering the level of my needs	11,5	32,4	23,3	41,5	51,9	47,3
I do nothing	6,4	9,8	8,3	12,3	13,6	13,0
Another	5,2	4,9	5,0	–	3,6	2,0
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: Kobayak, 2006: 163 [60]

**Table 2.14. Distribution of respondents by the question about their preferable strategies of economic behaviour (per cent)**

Preference	Up to 46 years			46 years and older		
	men	women	total	men	women	total
To live richer, but at the risk, acting initiatively	43,0	30,1	36,7	19,4	13,9	16,4
To live poorer but with a guaranteed level, without risking	29,2	35,9	33,0	47,8	54,5	51,4
I don't know	27,8	34,0	31,3	32,8	31,6	32,2
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: Kobayak, 2006: 165 [60]

Based on the individual strategies, respondents under the age 46 years are shaping their strategies related to the search for other work and additional earnings. In the group of 46 years and older, 51.0% of respondents with higher education determine their financial status as “people with wealth below average” or “poor” (in the age group up to 46 years – 32.8%).

According to the researches, age of the respondents is a meaningful social-demographic precondition for overcoming social inequality. Oleg Kobyak chose three age groups of respondents from the data of Republican Sociological Monitoring in 2005: 16-29, 30-49 years, 50 years and older. The group of 16-29 is clearly leading by implementing of active strategy of economic behaviour compared to other groups. A consequence of this orientation was a significant share of young people in those areas where the possibilities of individual economic activity are high: trade (30.8%), business (30.5%), IT (28.7%).

Oleg Kobyak (2006) found out the dependence of strategy choice on the level of education: the higher the education, the greater the tendency to active strategy of economic behaviour, and vice versa. However, the education itself is not a direct factor in the activation of individual economic behaviour, but it acts indirectly through social-professional status of the employee.

Main findings: The most important preconditions of individual strategies to overcome social inequality at the individual level are social-professional position in the labour market and age. At the second place are education, sex and pattern of ownership of the organization, where the employee works.

Based on the individual strategies, respondents under the age of 46 years are shaping strategies related to the search for other work and additional earnings. In the group of 46 years and older, 51.0% of respondents with higher education determine their financial status as “people with wealth below average” or “poor” (in the group of up to 46 years – 32.8%).

### **Section 3. Egalitarian attitudes of the Soviet period and cultural traditions of the Belarusian people**

The Soviet period to a certain extent levelled down the mentality of the Belarusian people under Soviet standards but failed to modify it in any significant way. Mental characteristics are rooted in the subconscious, hidden from direct observation. These indicators include *socio-cultural algorithms of behaviour* occurring in traditions, stereotypes, and prejudices. The traditions of each culture are holistic in nature. They form a complex system of interlocking elements-customs, values, norms, ideals, beliefs that regulate behaviour.

Depending on the prevailing mentality, a certain class, nation and other communities and groups has some susceptibility to a type of ideology, cultural norms and political values. The mentality has the ability to make a relatively independent impact on the *social behaviour* of corresponding groups. Specifics of a national-ethnic mentality are defined in terms of Slavic, German, English, Roman, Chinese and other mentalities. In transitional societies the mentality is fragile: old values are destroyed, the new ones are in the process of developing or deceptive. Along with the development of society and its structures, and with the influence of international factors, the mentality appropriately changes.

For the deciphering of sustainability and strength of Belarusian national mentality, a representative study was conducted in 2003 to analyze what qualities are seen by Belarussians in themselves and others people. Self-identification of Belarussians was revealed in comparison with 20 mental characteristics for each of the seven compared nationalities (Belarussians, Russians, Germans, Americans, Lithuanians, Ukrainians, Poles). National self-portrait of Belarusian is determined by the following dominant features: hospitality (76.1%), industry (74.6%), tenderness and compassion (72.7%) tolerance (to other views, traditions, customs) (67.0), collectivism (one for all and all for one) (57.6%). The following features are moderately present in the national self-portrait of Belarussians: the desire for slow, step-by-step social change (49.8%), patriotism (49.0%) respect for the older (43.9%), respect for tradition, adherence to them (42.1%), meditateness (41.6), a feeling of comradeship, the desire to contribute to the nation (40.8%), spirituality (35.9%). The following were observed as rare characteristics: desire for personal freedom, independence (29.8%), law-abidingness (22.8%), bound (20.1%), desire for quick, radical social change (16.5%), individualism (14.5%), precision and accuracy (12.1%), creativity and efficiency (10.9%), competition (10.2%). (Kirienko, 2005 [58])

It is important for self-identification to understand by what mental characteristics Belarusian respondents feel themselves the same as others, by what - better and by what - worse. The rating rates of mental characteristics of seven nationalities were built on the basis of assessment by Belarussians (Table 3.1).

**Table 3.1. Rating ranks of mental characteristics**

<b>Mental characteristics</b>	<b>Belarussians</b>	<b>Russians</b>	<b>Ukrainians</b>	<b>Americans</b>	<b>Germans</b>	<b>Poles</b>	<b>Lithuanians</b>
Hospitality	1	1	1	20	16	16	20
Hard working	2	14	8	13	4	11	14
Warmth and cordiality in the relationship between people	3	4	2	19	17	13	19
Tolerance	4	5	12	15	18	14	18
Collectivism	5	2	5	16	19	18	17
Desire to slow, step by step, social change	6	11	11	17	15	15	15
Patriotism	7	3	6	7	10	12	5
Respect for senior by junior and care of junior by senior	8	10	9	12	11	6	10
Respect for tradition, adherence to it	9	9	3	11	7	1	2
Meditativeness, dreaminess	10	8	10	18	20	17	16
Feeling of fellowship, desire to help others	11	6	7	9	13	9	7
Spirituality	12	12	15	14	14	5	13
Striving for personal freedom, independence	13	7	4	1	6	3	1
Orderliness	14	19	19	5	3	10	6
Obligingness	15	16	18	8	2	20	12
Strive for quick, radical social change	16	13	14	6	12	8	8
Individualism	17	17	13	3	8	4	3
Accuracy, precision	18	20	20	10	1	19	9
Entrepreneurship, prudence	19	18	16	4	5	2	4
Competitiveness	20	15	17	2	9	7	11

Source: Kirienko, 2005:75 [58]

Depending on the results of the comparison of own mental characteristics with estimates of the same characteristics of other nationalities by opinion of Belarussians, the zones of stability, comfort and discomfort were formed. Comfort zone was formed where the feeling of own mental characteristics differs from their assessments of other nationalities in better way. Stability zone was formed where mental characteristics of Belarussians don't differ qualitatively from those of the comparable nations. Discomfort zone is where the assessments of own mental characteristics are inferior to the same characteristics of other nationalities. Essential elements for the emergence of feeling of comfort, stability, discomfort are the degrees of matching of own mental characteristics to their standard (ideal) level (Table 3.2).



**Table 3.2. Normative (ideal) assessments of mental characteristics by opinion of Belarusian respondents**

Rating	Personal characteristic	Positive (+)	Neutral (0)	Negative (-)
1	Hard working	95,9	1,5	2,6
2	Warmth and cordiality in the relationship between people	95,1	1,4	3,5
3	Respect for senior by junior and care of junior by senior	94,2	2,3	3,5
4	Striving for personal freedom, independence	93,4	2,8	3,8
5	Obligingness	93,2	3,6	3,2
6	Accuracy, precision	92,9	2,8	4,3
7	Hospitality	92,7	3,3	3,9
8	Respect for tradition, adherence to it	92,2	2,5	5,3
9	Feeling of fellowship, desire to help others	90,8	3,1	6,1
10	Orderliness	90,5	3,0	6,5
11	Patriotism	87,7	4,0	8,2
12	Collectivism	78,1	3,9	18,0
13	Spirituality	77,1	3,7	19,2
14	Tolerance	76,1	3,5	20,5
15	Competitiveness	74,3	4,3	21,4
16	Entrepreneurship, prudence	71,5	4,4	24,1
17	Strive for quick, radical social change	63,4	3,8	32,8
18	Desire to slow, step by step, social change	37,5	4,5	57,9
19	Meditativeness, dreaminess	36,9	5,0	58,1
20	Individualism	32,2	4,4	63,4

Source: Kirienco, 2005:77 [58]

The Republican sociological study shows that Belarusian people, in their presentation, desire slow step-by-step social change three times greater than the fastest, radical reforms. Belarussians, to their self-determination and to the determinations of its neighbours, are appeared to be burden with Slavic deliberateness. Obviously, it contributed significantly to the fact that demands of the Soviet period were organically integrated into the cultural tradition of Belarusian people and continue to operate in that tradition.

Egalitarian attitudes of Belarussians are reflected in their *social behaviour*, which does not help overcome social inequalities. Thus, according to the Republican sociological monitoring (2005), annually conducted by the Institute of Sociology, 45,3% of the respondents increase their income by all possible means; 40,7% – reduce the level of their needs; 14,0% – do nothing. 47,3% of respondents prefer to live richer, but at risk, with the initiative; 49,6% prefer to live poorer, but with a guaranteed level of well-being without risk; 3,1% have difficulty to decide. These preferences are consistent with the distribution of population by the level of the resources available for a member of the family in relation to budget subsistence level (Table 1.6). Those

who do nothing are the lower segment of society (12,7%). Almost half of the respondents would like to live richer, but at risk, with the initiative. But, according a survey of the households, the upper level is only 25,8%, or half as much. Thus, it can be concluded that the considered preferences, largely determined by egalitarian attitudes of Belarussians, are not intended to actively address the existing social inequalities.

#### **Section 4. The impact of the party system on the social inequality**

In the world today the political parties are one of the most important elements of the political system. Political parties are the main institution that shows diverse interests of society. They form interests in comprehensive and concrete policy proposals, nominate candidates, conduct massive support campaigns to shape public opinion. The party system in Belarus began to form in the late 1980s. During this time, several dozen political parties have appeared and have lost. Currently, there are 17 registered political parties in Belarus. Some of them are loyal to the government, while others are in opposition<sup>1</sup>.

- *Agrarian Party (AP)*, quantity of organizational structures, created in the republic – 76.
- *Belarusian Women Party “Nadzeya”*, the number of institutions – 41.
- *Belarusian Labour Party (BLP)*, the number of institutions – 52.
- *Belarusian Patriotic Party (BPP)*, the number of institutions – 26.
- *Belarusian Social-Democratic Party (Narodnaya Gramada)*, the number of institutions – 83.
- *Belarusian Social-Democratic Gromada (BSDG)*, the number of institutions – 68.
- *Belarusian Social-Sportive Party (BS-SP)*, the number of institutions – 22.
- *Belarusian Environmental Green Party (BEGP)*, the number of organizational structures – 13.
- *Communist Party of Belarus (CPB)*, the number of institutions – 249.
- *Conservative-Christian Party-BNF (CCP-BNF)*, the number of institutions – 52.
- *Liberal-Democratic Party (LDP)*, the number of institutions – 454.
- *United Civic Party (UCP)*, the number of institutions – 173.

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<sup>1</sup> Source: Political parties in Belarus - a necessary part of civil society. Seminar materials / Compilers: A. Feduta, O. Bogutsky, B. Martinovich. Friedrich Ebert Foundation. - Minsk, 2003.

- *Party BNF*, the number of institutions – 129.
- *The Party of Communists Belarusian (PCB)*, the number of institutions – 387.
- *Republican Party (RP)*, the number of institutional structures – 32.
- *Republican Party of Labour and Justice (RPLJ)*, the number of institutions – 109.
- *Social-Democratic Party of Popular Consent (SDPPC)*, the number of institutions – 14.

***Those who are in opposition to the authorities:***

Belarusian Women Party “Nadzeya”, Belarusian Labour Party (BLP), Belarusian Social-Democratic Party (Narodnaya Gramada), Belarusian Social-Democratic Gramada (BSDG), Belarusian Environmental Green Party (BEGP), Conservative-Christian Party-BNF (CCP-BNF), Liberal-Democratic Party (LDP), United Civic Party (UCP), Party BNF, The Party of Communists of Belarus (PCB).

***Those who support official policy:*** Agrarian Party (AP), Belarusian Patriotic Party (BPP), Belarusian Labour Party (BLP), Belarusian Social-Sportive Party (BS-SP), Communist Party of Belarus (CPB), Republican Party (RP), Republican Party of Labour and Justice (RPLJ).

***Those who have neutral position:*** Social-Democratic Party of Popular Consent (SDPPC).

We should note that in 2005 BSDP (NG) and BSDG united under the name of "Belarusian Social Democratic Party (Gramada) (BSDP G).

Only half of the registered parties participated in the most recent parliamentary elections in 2004 (they nominated 241 candidates in total). The vote demonstrated that the party movement was going through a serious crisis.

Careful analysis and comparison of various sources of information reflecting the results of parliamentary elections in 2004 have led us to the following conclusions.

Among all elected members of the Parliament, only 14 representatives had political affiliation, representing three parties, Communist Party of Belarus, Agrarian Party and Liberal Democratic Party. CPB had 9 mandates, Agrarian Party – 4 mandates, Liberal Democratic Party – 1 mandate (Table 4.1). Other participants of the electoral marathon (Social-Democratic Party of Popular Consent, Belarusian Social-Sportive Party, Belarusian Patriotic Party, Republican Party and the Party of Communists Belarusian) did not obtain seats in the Parliament.

It is worth mentioning here that the rules of the Belarusian Parliament do not allow factions, as opposed to Russia. This is the Parliament without factions, in which members of political parties are barely 10% of the total. Therefore, polls of the population focus not on the

parties but on the party representatives. The question is usually formulated as follows: "The representative of what party would you vote for if parliamentary elections were held next Sunday?". According to recent polls, three parties have a good chance to be in the Parliament: Communist Party of Belarus (CPB), Agrarian Party (AG), Liberal Democratic Party (LDP) (Table 4.2). They support the official policy that facilitates their passing into power.

CPB and AG are ruled by common ideology, which reflects the interests of urban and rural population. The social priority of both parties is the orientation of society to the socialist path of development. In the area of economic policy CPB requires state monopoly on foreign trade, supports nationalization of trading and financial companies. In the field of human rights and freedoms CPB stands for the equality of all citizens, regardless of their language, nationality and religion, for respect for culture, traditions and customs of all national groups. The ideological basis of Agrarian party is democratic socialism, which is treated as the direction to the society of social justice. The basic principles of democratic socialism mentioned in the party program are security of the person, freedom, justice and solidarity.

Liberal Democratic Party has the largest number of organizational structures (454). The party's basis is primary organizations created by territorial principle. The main priorities are the political and economic independence of the Republic of Belarus, protecting the individual and human values. The primary concern of the liberal democrats is the establishment in Belarus an effective owner, interested in the long-term development of production. Their economic program is the protection of property rights and ownership. In foreign policy, LDP supports the balanced development of eastern and western vectors.

According to the Ministry of Justice of the Republic of Belarus, at the beginning of 2003, only five parties had more than 5,000 members, 3 parties had 2-4 thousand of members. Results of republican sociological surveys show that the political parties have small popularity. Communist Party of Belarus is supported by 8.2% of population, BNF - by 1.4%, United Civil Party - by 1.2% (the other party listed in the interrogatories were supported much less). At the same time, more than a half of the residents of the Republic (53.5%) do not have a preference for any of the political parties. The weakness of the political parties is rooted both in their small size and weak discipline, as well as the low level of political activity of the population.

It is characteristically that the parties opposing the government and the parties which support the official line are positioning themselves similarly to overcome the existing social inequalities. The most interesting are the social programs of opposition parties, summarized in the book of "Political parties in Belarus: brief descriptions" (Minsk, 2005). Thus, *Belarusian Social-Democratic Party* (Narodnaya Gramada), in its social policy advocates "creation of social safety system for all social groups, for free public education and medicine" (page 82). *Liberal-*

*Democratic Party* favours “a modern market economy with strong social policies and minimal but effective government regulation”. The primary concern of the liberal democrats is the establishment in Belarus the effective owner, who will be interested in the long-term development of production” (pp. 85-86). *Belarusian Social-Democratic Gromada* in its social policies advocates social justice treated as equal opportunities for all to realize their creative potential in the work, as well as improvement of the social protection of disabled groups (page 88). *Conservative-Christian Party* (BNF), in its social policy advocates “social support of the category of population that needs it, for private and public free medicine” (page 95).

Analysis of the parties’ programs showed that the topic of social inequality, rather than theme of social equity, presents there in the form of common ideas. It is seen as “building of fair society based on the principles of freedom, equality, social justice” (BSDP (NG); “building of social rule-of-law state, legal equality for women in society” (Party of women); “creating a society of social justice” (AP); “formation of economic well-being and social justice” (RPLJ); “social protection of the categories of the population who need such protection” (Party BNF); “building a classless society of social justice” (CPB). The specifics of Belarussian parties are that they are not parties of the interests of various social strata of society as it is customary in the world, but the parties of ideas. But, upon Marx, ideas consistently failed, as soon as they were separated from the real interests of particular social classes.

**Table 4.1 List of party representatives in the Parliament of the Republic of Belarus**

<b>Abbreviations</b>	<b>Names in English</b>	<b>Transliterated names</b>	<b>Names in Russian</b>
AP	Agrarian Party	Agrarnaya partiya	Аграрная партия
CPB	Communist Party of Belarus	Kommunisticheskaya partiya Byelorussii	Коммунистическая партия Белоруссии
LDP	Liberal-Democratic Party	Liberalno-demokraticeskaya partiya	Либерально-демократическая партия

**Agrarian Party:** 3 deputies in the Lower House and 1– in the Upper House.

**CPB** (Communist Party of Belarus): 8 deputies in the Lower House and 1– in the Upper House.

**LDP** (Liberal Democratic Party): 1 member in the Lower House.

Source: The Membership of the Upper House (2005) – web-page:

<http://elections.belapan.com/parliament2004/rus/sr.php?PHPSESSID=c5c29fdd900cb7bc26f33f548d724402>

The Membership of the Lower House (2004) – web-page:

<http://elections.belapan.com/parliament2004/rus/pp.php>

**Table 4.2 List of party representatives from recent polls (only party representatives who have a good chance to be elected to the Parliament if the elections were held tomorrow)**

Abbreviations	Names in English	Transliterated names	Names in Russian
AP	Agrarian Party	Agrarnaya partiya	Аграрная партия
CPB	Communist Party of Belarus	Kommunisticheskaya partiya Byelorussii	Коммунистическая партия Белоруссии
LDP	Liberal-Democratic Party	Liberalno-demokraticeskaya partiya	Либерально-демократическая партия

The most prevalent and grass-roots organizations in the country are *unions*. Their official number is about 54% of the total population over the age of 14 years. There are 38 registered trade unions, the majority of whom joined the Federation of Trade Unions of Belarus (FTUB). This organization is the successor to the Belarusian Republican Council of Trade Unions.

*Youth organizations* in Belarus can be divided into those that cooperate with the State (Belarusian Republican Youth Union (BRYU), Belarusian National Pioneers Organization (BNPO), those that do not have certain political positions (Republican Association “Poshuk”, the KVN, Organization of disabled youth “Raznye-Ravnye”, etc.) and those that are in opposition to the government (non-registered organization ‘ZUBR’, “Malady Front” (MF), “Maladaya Gramada” (MG).

Most of the NGOs in Belarus are organizations of interest or of certain social groups, and their activities do not go beyond the statutes and declared objectives. They do not take active participation in the political life. I am sorry to say that trade unions and other social organizations have no any organizing or ideological ties with the problems of *social inequality*.

## **Section 5. Mechanisms for overcoming social inequality**

### **5.1. Mechanisms for social transfers**

Analysis of Western European models of socio-economic development shows that the most important mechanism of overcoming social inequality is the maximum wage differentiation depending on the outcome of work, with an increase in a variety of social transfers in the structure of the incomes of population. The criterion of payment for work is the content of the work and the requirements for its perpetrator. Therefore they widely use the estimation of work by its complexity, on this basis the differentiation of wages is undertaken. In the wage system the stimulating function is dominated. Its realization is a critical tool for increasing productivity, forming of innovative activities and creating cross-industrial movements in the wake of scientific and social progress.

Let's consider how this mechanism works in the Republic of Belarus and what is its specifics.

Analysis of the cash income of population of the Republic of Belarus (Table 5.1) shows that the share of wages declined in the cash income from 1990 to 2005 in 1.3 times, and the share of social transfers grew by 1.3 times. But further analysis of the structure of social transfers in Belarus suggests that 4/5 of that are pension transfers and only 1/5 – temporary invalidity benefits, maternity leave, for the birth of a child and caring for the child, for children to low-income families and others (Table 5.2). Sources of social transfers are from insurance premiums, which increased over the period in 1.2 times and the share of the national budget has decreased from 9.9 to 0.3%, that is more than 30-fold (Table 5.3). (Sokolova, 2006 [49]).

**Table 5.1 Structure of money incomes and expenditures of population in the Republic of Belarus**  
(per cent of total)

Money incomes	Years			
	1990	1995	2000	2005
Labour remuneration	73,1	63,8	55,9	58,0
Social transfers	16,2	22,9	19,3	21,6
Property income	2,4	3,5	2,0	1,6
Entrepreneurial income and other incomes	8,3	9,8	22,8	18,8
Total	100	100	100	100

Source: Statistical year-book of Belarus, 2006 [12]

**Table 5.2. Structure of social transfers in the Republic of Belarus**  
(per cent of total)

Social transfers	Years			
	1990	1995	2000	2005
Pensions	72,6	71,2	75,1	79,5
Benefits of which:	21,8	12,3	15,5	14,5
temporary disability	13,9	6,2	7,0	6,2
maternity, childbirth, and child care	6,6	3,6	4,2	5,1
children's allowances to low income families	0,4	1,9	3,4	2,1
Other expenditures	5,6	6,5	9,4	6,0
Total	100	100	100	100

Statistical year-book of Belarus, 2006 [12]

**Table 5.3. Sources of social transfers in the Republic of Belarus**  
(per cent of total)

Sources	Years			
	1995	1997	2000	2001
Social insurance	85,8	92,1	93,2	96,3
Republic budget	9,9	5,3	0,8	0,3
Others	4,3	2,6	6,0	3,4
Total	100	100	100	100

Source: Statistical year-book of Belarus, 2006 [12]

The share of social transfers in gross domestic product (GDP) and the monetary income is presented in table 5.4.

**Table 5.4. Per cent of social transfers**  
(per cent)

	Годы			
	1990	1995	2000	2005
Per cent of social transfers:				
– in Gross Domestic Product (GDP)	9,2	11,9	11,8	11,0
– in total money incomes of population	16,2	22,9	19,3	21,6
Growth of social transfers (annually)	+21	+6	+20	+33

Source: Statistical year-book of Belarus, 2006 [12]

In fact, state policy initiatives in Belarus are aimed at *reducing inequality* in favour of the poor, that is, the maintenance of social equity in poverty. These initiatives have been implemented through the mechanism of social transfers and the mechanism of wages. Social transfers, 21.6% in cash income, are at 4 / 5 consist of pension transfers , and only 1/5 of the benefits for temporary disability and other social needs. As for the sources of social transfers, at 96%, they are made up of insurance premiums, that means are paid by people.

## 5.2. Mechanisms for the wages organization

Wages differentiate mainly by industry. Thus, in 1990, in relation to the previous year, the maximum wage differentiation by industry was 63.6 percentage points, in 1995 – 76.8 percentage points, in 2000 – 63.2 percentage points, in 2005 – 72.2 percentage points (Table 5.5).



**Table 5.5. Ratio of nominal gross average monthly wages and salaries by economic branches to the average national wage level**  
(per cent)

Branches	Years			
	1990	1995	2000	2005
Total	100	100	100	100
Industry	104,5	114,1	120,3	105,8
Agriculture	93,3	62,0	62,4	61,7
Construction	123,8	138,8	126,7	121,0
Transport	110,8	123,9	108,4	111,9
Communications	83,3	121,8	115,5	117,1
Trade and public catering	86,2	80,4	80,3	75,3
Material and technical supply and sales	98,9	132,3	105,3	104,0
Information and computer services	93,3	127,1	120,7	127,7
Housing and communal services	75,8	99,7	95,4	98,0
Health care, physical culture, and social security	71,7	84,6	76,8	90,5
of which health care	72,9	86,3	77,9	91,3
Education	71,0	78,7	76,2	86,1
Culture	63,9	68,6	65,4	80,3
Arts	95,5	68,4	68,8	87,0
Science and science services	127,5	108,0	125,6	133,9

Source: Statistical year-book of Belarus, 2006 [12]

Analysis of the structure of wages and salaries bill in public sector (Table 5.6; 5.7) shows that, since 1996 there has been a decline in the share of wages in the main place of work, in favour of bonuses. However, as in-depth analysis shows, increase in bonuses was mainly due to the lower rate of regular wages. Growth of bonuses in all economy was, according to government statistics, 31.4%, but as the table 5.7 indicates, half of them are regular premiums, which are taken by people as a part of the wages. Thus such bonuses do not have the impact on labour motivation. Furthermore, the funds that are intended to encourage employees are appeared to be minor because they are formed on the basis of the low rate of a first-class and the low rate of investment in the award. The consequence is that there is little motivation to work. (Sokolova, 2006 [49]).

**Table 5.6. Structure of wages and salaries in budget branches**  
(per cent)

	<b>Years</b>		
	1996	2000	2001
<b>Total</b>	100	100	100
<b>Wages and salaries</b>			
Health care	57,7	50,9	50,0
Education	68,3	57,0	55,6
Culture	68,5	60,1	57,5
Arts	67,2	60,4	60,2
Science and science services	60,4	61,6	60,2
<b>Encouragement</b>			
Health care	23,7	33,7	33,4
Education	20,5	31,7	31,6
Culture	22,9	31,3	32,4
Arts	25,4	33,0	32,4
Science and science services	31,1	29,8	30,4
<b>Compensation</b>			
Health care	9,7	6,4	6,9
Education	1,4	1,4	1,4
Culture	0,6	1,2	1,3
Arts	1,0	1,2	1,1
Science and science services	1,0	1,2	1,3
<b>Payment for sick-list and so on</b>			
Health care	8,9	8,9	9,6
Education	9,8	9,7	11,4
Culture	8,0	7,4	8,6
Arts	6,4	5,4	6,3
Science and science services	7,3	7,0	7,6
<b>Other social payment</b>			
Health care	0	0,1	0,1
Education	0	0,2	0
Culture	0	0	0,2
Arts	0	0	0
Science and science services	0,2	0,4	0,5

Source: Scientific Report "Effective motivation system of innovative activeness".  
Research Institute of Labour. Ministry of Labour and Social defence of the Republic of  
Belarus. Minsk, 2002. Page 48–49.

**Table 5.7. Structure of the fund of wages and salaries**  
(2001, per cent)

Branches	Wages and salaries	Encouragement	of which:			Others	Total	Budget salary financing
			regular bonus	once only payment	pecuniary			
Health care	50,0	33,4	12,0	17,8	3,6	16,6	100	89,2
Education	55,5	31,6	12,7	15,0	3,9	12,9	100	89,4
Culture	57,5	32,4	12,9	15,1	4,4	10,1	100	87,2
Arts	60,2	32,4	13,5	15,1	3,8	7,4	100	70,4
Science and science services	60,2	30,4	12,1	14,8	3,5	9,4	100	30,2

Source: Scientific Report “Effective motivation system of innovative activeness”. Research Institute of Labour. Ministry of Labour and Social defence of the Republic of Belarus. Minsk, 2002. Page 46.

Analysis of the wages organization in Belarus leads to the conclusion that minimizing of social inequality (with the ratio of income differentiation between 5.2 and Gini index – 25.4%) is being achieved by matching remuneration policy with very modest social transfers. We should note that pensions of up to 80% of social transfers are not more than 1/3 of wages that workers had before retirement. The difference in the functioning of social mechanisms is defined by the principles of its structure building and relationships of the components of this structure among themselves. Therefore, in order to reflect the specifics of the mechanism through which social inequalities are overcome, it is necessary to enter in the system of measurements such standards as income structure of the country's population, the structure of social transfers, the sources of social transfers, the structure of the wage bill.

The mechanism of wages organization is that its differentiation is not in the complexity and quality of work but in the industry that is not conducive to work motivation. In addition, since 1996, there is a rise in the share of bonuses in wages in the budget sector with simultaneous reducing the regular rates. Increase of bonuses is 1 / 3 of wages but more than a half of these payments are regular premiums, perceived by workers as a part of regular wages and not having impact on the labour motivation. As written above, analysis of the wages organization in Belarus leads to the conclusion that minimizing of social inequality (with the ratio of income between 5.2 and Gini index – 25.4%) is achieved by egalitarian wages policy and small social transfers.

## Conclusions

State policy in Belarus is an evolutionary pathway of social-economic development, improving the economic performance of one percentage item per year. It allowed Belarusian society to avoid an explosion of social inequality as a consequence of “shock therapy” but caused social problems inherent in this very mode of development. Tardiness in the

establishment of legal, financial and social institutions serving the market economy, and inactivity in the restructuring the economy for its own needs caused a number of negative effects. One is the decline in Human Development Index (HDI) of 0.869 in 1990 to 0.794 in 2005. HDI decline is in large measured by a decline in life span (from 0.768 to 0.720) as well as a reduction in gross domestic product (GDP) from 0.938 to 0.710 for this period.

As for the first indicator (life span), the problem is not only with the lack of health funds, but with old medical technologies, obsolete and inefficient medicine, the absence of modern prevention programs. The lack of health care, especially in rural areas, is demonstrated by the fact that the rural population mortality from circulatory and respiratory diseases is 3 times higher than that of the urban population.

As for the second rate (GDP per capita), the decline in this index reflects the moving of Belarus to the social order with a large middle layer (with the level of income of 1-2 SLB) which is 2/3 of all population, and almost did not changed from 1995 to 2005. The share of population with low incomes below SLB (the official poverty line) declined more than 3 times during this period, and the share of population with low incomes from 2 to 4 SLB doubled (the share of population with low incomes over 4 SLB is only 2%).

As for the dynamics of such index as the level of education, it reflects an increase of investment in this area. Expenditure on education reached 6.4% of GDP in 2005 that is in line with the standards for countries with middle level of social-economic development. The problem is that the cost of pre-school and secondary education are at the 2/3 of all costs, and the cost of special secondary and higher education is no more than 1/3. Such structure of investment in education leads to the situation that, among all the workers, people with higher, secondary and professional-technical education are equally represented (approximately by 1/5 each), but people with common secondary and basic education – over 1/3. Distribution of workers by the level of education in industries is traditional and changes very slowly. According to the experts, there are symptoms of readiness to the innovation economy in the country, but there is no system of decision-making on the priorities such as education and science.

Analysis of social stratification of Belarusian society in the context of social inequality allows identifying (in the first instance), the middle class, on the basis of the ratio of incomes to the value of the minimum consumer budget. The main functions of the middle class in its western version are: diversification of society by social groups, integration of society because of the high level of upward economic mobility leading to the enlargement of the community sharing values of labour and market ideology; reproduction of scientific and educational potential.

In terms of the diversification, the middle class in Belarusian society encompasses

virtually all social groups and, in this regard, quite diverse. As for integration of society on the basis of upward economic mobility, we could observe a certain mobility, but its level is very low. The most active displacement occurs between the lower and the base layers, less from the base layer to the middle class and inside the middle class. As for the role of the agent of technology and social progress, the lack of economic resources and the relative closeness of the top part of the middle class limit business and creative activity of the majority of its representatives and block the expanded reproduction of intellectual potential. A key direction in the formation of the middle class, in the view of economists, is to increase real wages and thus to raise the level of incomes.

One of the directions of social inequality concerns the relations of the capital and regions. Regions of the Republic of Belarus socially look like “the one face”, but economically maintain industrial diversity and remain to be in economic and political dependence of the central authorities. Average income per capita in Minsk is more than 1.7 times higher than the average for the region.

As for the structure of families' expenses by the areas, there is no specific difference here. On average, every citizen of Belarus spends on food 53–57% of personal income, for the services of up to 30%, for current goods, medicines and medical services 17–13% of personal income. Lower level and the quality of life in the regions leads to the tendency that the republic has one-vector mobility – from the regions to the capital and, as a result, creation of macro-economic framework to support a centre and strongly marked periphery.

The role of gender in social inequalities is reflected in the trend to defeminize the production and to feminize the non-production sectors as an indicator of declining social prestige of these industries and, therefore, payment rates. The wage proportion of women to men is 79.1% in the economy of the Republic; in the production sector it is 73.6%, and in the non-manufacturing sectors – 84.6%. The relative stabilization of the economy in 1996–2001 has led to new trends related to the State's social policies of commercialization of services industries with a simultaneous increase in the level of wages. This was an occasion to put the family in the economic centre of gender relations with gender equality as a condition for the survival of the family.

In fact, state policy initiatives in Belarus are aimed at reducing inequality in favour of the poor, that is, the maintenance of social equality in poverty. These initiatives have been implemented through the mechanism of social transfers and the mechanism of wages. Social transfers, 21.6% in cash income, are at 4/5 consist of pension transfers, and only 1/5 of the benefits for temporary disability and other social needs. As for the sources of social transfers, at 96%, they are made up of insurance premiums, that means they are paid by people.

The mechanism of wages organization is that its differentiation is not in the complexity and quality of work but in the industry that is not conducive to work motivation. In addition, since 1996, there is a rise in the share of bonuses in wages in the budget sector with simultaneous reduce of the regular rates. Increase of bonuses is 1/3 of wages but more than a half of these payments are regular premiums, perceived by workers as a part of regular wages and not having impact on their labour motivation. As written above, analysis of the wages organization in Belarus leads to the conclusion that minimizing of social inequality (with the ratio of income between 5.2 and Gini index – 25.4%) is achieved by egalitarian wages policy and small social transfers.

## **Appendix. Proposition of new standards indicators of country profiles**

The coefficient of income concentration (Gini index), which measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage, can be supplemented by the coefficient of income gap between groups with minimum and maximum income. However, it should be borne in mind that these coefficients fix the degree of inequality in the distribution of incomes in society, but they do not reveal the social mechanisms that overcome this inequality.

The difference in functioning of particular social mechanisms of social inequality is determined by the principle of building their structure and the relationship between the components of this structure among themselves. Therefore, in order to reflect the specifics of the mechanism through which the social inequality is overcome, it is necessary to add to the system of measurements such standards as the **income structure of the country's population**, the **structure of social transfers**, the **sources of social transfers**, the **structure of the wage bill**.

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