



## Boosting Private Sector Development Through Public-Private Dialogue in Belarus

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Small businesses remain in the margins of the economy in Belarus. There are only 2.8 small businesses per 1,000 people, compared to 39 per 1,000 in the European Union (EU); they also employ only 11% of the country's labor force, whereas their counterparts in the EU employ 67% of the entire labor force. Small businesses struggle from bureaucratic constraints, unstable legal environment, weak supporting institutions, and low incentives for their growth and development.

The need for a more favorable business environment and stronger pro-business advocacy has become increasingly apparent. Although business associations could play a critical role in meeting this need, fragmentation and limited expertise among these associations have reduced their impact on policymaking processes.

In collaboration with the *Council for Enterprise Development* and the *Republican Fund for Promoting Enterprise Development*, UNDP Belarus launched a set of initiatives in December 2006 to facilitate consultations between the business community and the Belarus government with the aim of introducing measures that will unlock the growth potential of small companies.

The initiatives include establishing teams of experts to perform in-depth studies, propose policy measures, and draft legislations on issues that face the business community; facilitating participatory debate on such proposals among business associations, civil servants, and other stakeholders; and informing the general public about the positive role of private enterprises in national development by publishing newsletters and generating media coverage.

The sustained dialogue among the business community and national and local governments have led to favorable changes in the legislation that regulate business activities. The initiatives have also strengthened cooperation between various associations in coordinating their differences for policy changes, increased the private sector profile among the public, and introduced new forms of business networking and cooperation, such as subcontracting and industrial clustering.

**Contact person:**

Ludmila Istomina, UNDP Belarus (Email: [ludmila.istomina@undp.org](mailto:ludmila.istomina@undp.org))

More information about UNDP activities in Belarus can be found on <http://undp.by/en>.