

Consultative and Advisory Structures in the Republic of Belarus: How Can Business and State Hear Each Other?

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Executive summary

Consultative and advisory structures (CAS) are one of the main channels of interaction between business and government in Belarus. These structures are a unique tool that allows the business community to participate in a dialogue of preparing business-critical government decisions. With this in mind, the decline in the availability and effectiveness of the CAS leads not only to an increase in the demand for non-formalized tools (which, in turn, increases the threat of corruption), but also negatively affects the quality and timeliness of government policy. The study identified a number of problems that reduce the effectiveness of consultative and advisory structures in Belarus. In accordance with the identified issues, recommendations were made aimed at overcoming the personal factor, standardizing the work of the CAS, developing a customized approach to modernizing the existing CAS, as well as increasing the transparency of the advisory bodies' activities and their accessibility to business.

Research methodology

Purpose: to determine the most acceptable option for the development and functioning of the CAS in the Republic of Belarus, to develop mechanisms for its implementation.

Goals:

1. Formulate options for the development of the CAS system
2. To determine the current state of the CAS system
3. Highlight the problems of CAS operations
4. To determine the advantages and disadvantages of CAS
5. To develop recommendations for improving the effectiveness of CAS

The following **methods and approaches** were used as part of the study:

1. Analysis of theoretical concepts (corporatism, participation and trust), international studies, as well as national legislation.

This method allowed to determine the mechanisms for increasing the effectiveness of the CAS operations: trust, participation, interest. It also allowed to study the legislative base of the consultative and advisory structures in the Republic of Belarus.

2. Semi-structured expert interview

This method was used to obtain the retrospective and actual problem field of the CAS system. Detailed information on the interviews is available in the study text.

3. Questionnaire

The survey allowed to clarify the problems identified in the expert interview, and to obtain data on the strengths and weaknesses of the CAS system. Detailed information on the survey is available in the study text.

4. OECD approaches to building trust between the state and society (“Trust and Public Policy”). This approach is used in the OECD report “Trust and Public Policy: How Better Governance

Can Help Rebuild Public Trust” and allows to assess the impact of trust on political processes, as well as highlight public policy instruments aimed at strengthening this trust. It was used in the development of recommendations.

Introduction

An important component of the interaction between business and the state is the formation and functioning of this process' tools.

First, as shown by the results of international studies, the level of the dialogue between business and the state is directly dependent on the effectiveness of the tools and mechanisms. This is confirmed by the recommendations of the “*The PPD Handbook a toolkit for business environment reformers*”¹ developed by the World Bank: the toolkit forms and determines the degree of institutionalization of the dialogue between business and government.

Secondly, the demand for legal interaction tools depends on the availability, transparency and efficiency of the dialogue tools. Thus, the effectiveness and accessibility of the tools determines the ability of the legal interaction system to compete with non-formalized and corrupt practices of communication between business and the state.

Thirdly, the tools and mechanisms of public-private interaction form the level of its participants' confidence both in the process and in each other. According to the Organization for Economic Cooperation and Development (OECD)² recommendations, it is trust based on the competence and values of entities entering into the interaction process that is the basis for successful public policy in various fields.

- Thus, a developed system of tools is the key to effective public-private dialogue. This factor is of particular importance in the countries that form the national system of interaction in the spirit of the corporatist tradition, which also include Belarus. This is explained by the specific features of this interaction system:
- The presence of strong and institutionalized interest groups, organized in a system with a strict hierarchy and with a dominant organization representing the business.
- Among the participants of interaction between the state and business, only business associations (unions) have the opportunity to influence the political decision-making process; for individual participants of the business process, this possibility is absent.

The state is a key participant that ensures the development of the rules of the game and controls their observance. The state, within the framework of the corporate system, has the right to make demands on the business in terms of its participation in solving various social problems.

The main features of corporatism were reflected in the works of Schmitter. He defined the corporatist system as “*a special type of participation of large organized groups in the formulation of state policy, mainly in the field of economics, characterized by a high level of intergroup cooperation*”.³

1

<http://www.publicprivatedialogue.org/tools/PPDhandbook.pdf>

2

Found in the research “Trust and Public Policy. How Better Governance Can Help Rebuild Public Trust?”
<http://www.oecd.org/governance/trust-and-public-policy-9789264268920-en.htm>

3

Schmitter Ph. Still in the Century of Corporatism? Trends towards corporatist intermediation and policy making

Accordingly, the presence of such factors as the hierarchy of communication channels, the presence of intermediary organizations between business and the state, the predominance of collective community interests over private ones, determines the need for a developed structure of mechanisms and tools. It is this structure that contributes to the effective communication of various elements of the system of interaction with each other. One of the most important tools of this system is the mediation institution. It coordinates the interests and positions of the interaction participants at various levels. Examples of such institutions include business unions and advisory bodies operating under government bodies.

In addition to coordinating the interests of the business community and communication with public authorities, mediation institutions perform the functions of a feedback tool. These organizations provide the state with information on the existence of problems and the need for adjustments of the state policy in the field of entrepreneurship. In their study on the analysis of the relationship between economic development and the activities of associations, R. Doner and B. Schneider determined that mediating institutions perform two roles as a feedback tool: “market-supporting organization”, an organization that supports the market, and “market-supplementing institution”⁴. In the latter case, in addition to providing information on the state of the industry, they develop expertise, new business standards, and ensure coordination of the industry's agents.

Thus, mediating institutions are an important element of the political system, responsible for the aggregation and articulation of interests. However, the role and tasks of associations, business unions and advisory bodies is different in a number of ways. As a mediating institution, business unions act only at the level of the business community, coordinating the interests and positions of private companies, coordinating and compiling them to present a generalized opinion to the state. In order to harmonize the positions and interests of government and business, in most corporatist system countries, specialized platforms are created: councils or advisory committees (consultative and advisory structures).

Advisory councils or committees can be created in the period of formation and development of the national interaction model between the state and business. In this case, they complement existing institutions and are an auxiliary channel for communication.

Among the countries with the most developed system of advisory committees are France, the United Kingdom, and Japan. It is indicative that the development of advisory councils in these states fell on the post-war period — the time of the economic system restoration and, consequently, the creation or development of the interest representation structures.

In Japan, the function of advisory councils, defined by a special law of 1947, is to advise and coordinate the positions of business and government. Advisory councils have the status of permanent bodies operating under the ministries, as well as specific department heads (personal advisory councils). One of the reasons for the development and dissemination of advisory councils in Japan is the desire of business to establish communication with the executive branch of government, which is the main actor in matters of interaction with the business community⁵.

In France, the councils officially belong to the administrative structures of a consultative nature, which include both representatives of the administration and business representatives. A feature of French advisory councils is their use by the state not as a platform for representing interests, but as an administrative tool for obtaining information on the status quo in the business environment.

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Richard F. Doner & Ben Ross Schneider – Business Associations and Economic Development: Why Some Associations Contribute More Than Others

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In the UK, advisory councils obtain expert assessments of existing problems in the field of entrepreneurship, as well as decisions made. In addition, the second important function is to coordinate the interests of the subjects of interaction between the state and business⁶.

In Russia, public councils began to take shape after the adoption of the Concept of Administrative Reform in 2005. Today, there are more than 40 public councils involving business. However, the Russian version of consultative and advisory structures does not fully mediate the relationship between business and the state. First of all, it is aimed at exercising public control, and not at coordinating positions or interests. The councils for the development of small and medium-sized business under the ministries, as well as advisory, coordinating, and expert councils that have received significant development under the Federal Anti-monopoly Service of Russia are more focused on resolving issues and problems of interaction between the state and business⁷.

Thus, the functionality of the advisory councils varies depending on the attitudes and conditions prevailing in each particular country. Generally, we can distinguish three main areas of the consultative and advisory structures development.

Within the framework of the first approach, the advisory councils are developing in the “lobbyist” direction -- these organizations are used by business representatives to promote their interests. Depending on the level of the business community development, these can be both collective interests (in the case of developed business associations) and private interests of one or several companies. The second approach involves the development and use of advisory councils as a platform for obtaining specialized expert information by representatives of government agencies. The third approach is aimed at forming, on the basis of advisory councils, platforms for coordinating the interests and positions of business and the state. In the framework of this approach, there is a search for the most optimal way out of the problem situation with regard to various parties.

Therefore, advisory councils are an important element of the interaction system between business and government. In addition to solving communication and advisory tasks aimed at developing a dialogue between the state and business, they also complement the function of business unions in aggregating and articulating interests.

An important condition for the use of the instrumental and dialogue potential of the CAS is their legitimation on the part of the state and the business community. This implies the existence of consensus (interest and trust) among these subjects on the creation, participation and development of such consultative and advisory structures.

There are several theoretical approaches explaining how to achieve the required level of legitimation of advisory councils.

According to M. Olson, who in his work “The Logic of Collective Action: Public Goods and the Theory of Groups”⁸ described the work of various mediation mechanisms of interaction between the state and business to generate interest among subjects to participate and work in such organizations, a number of conditions need to be observed. These include:

- The factors that determine the interest of third-party entities to participate in the activities of the organization.

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<https://www.hse.ru/mag/27364712/2012--13/71252893.html>

7

<https://elibrary.ru/item.asp?id=25828529>

8

Mancur Olson, The Logic of Collective Action: Public Goods and the Theory of Groups

- The organization's activities should be in the interests of potential participants.
- The balance of private and collective interests.
- Benefits from participation in the organization.

Thus, following the logic of M. Olson, to ensure the necessary level of participation and interest of business and government in the work of consultative and advisory structures, it is necessary to:

- Respect the balance of interests of each of the parties.
- Have advantages and benefits for each entity from participation in these organizations.

The trust factor is also an important element of the consultative and advisory structures' legitimization. Its absence (or low level) leads to the situation when the majority of actors will refrain from interaction and participation in the CAS and will not want to invest their resources⁹.

This theoretical concept was later developed in research materials of the Organization for Economic Cooperation and Development. The review of the OECD public administration, devoted to the study of the trust factor influence on public administration, identifies the following actions to increase confidence in the government¹⁰:

- Reliability -- the government is obliged to minimize uncertainty in the economic, social and political environment.
- Responsiveness -- trust in the government may depend on the citizens' experience in obtaining public services (a decisive factor in the trust in the government).
- Better regulation -- proper regulation is necessary for the rule of law, fairness and legality in the provision of public services.
- Openness -- an open government decision-making process that focuses on citizen engagement and access to information that can increase public confidence.
- Integrity & fairness -- integrity is a decisive factor of trust and is important if governments want to be recognized as transparent, fair and open.
- Inclusive policy making -- the participation of various stakeholders in the process of developing government decisions can strengthen institutions and increase trust between government and citizens.

Thus, analyzing the problems of consultative and advisory bodies' development in the Republic of Belarus, it is necessary to provide answers to two basic questions.

First, which of the three approaches that have been established in world practice is the most effective to continue the formation of these structures in Belarus: a lobbyist direction, a platform for obtaining expert opinion, or a platform for coordinating interests?

Second, what are the ways to increase the subjects' confidence in the activities of consultative and advisory structures and mechanisms for achieving interest both of the state and of business in developing and participating in the CAS.

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Bo Rothstein "Corruption and Social Trust: Why the Fish Rots from the Head Down"

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<http://www.oecd.org/governance/trust-in-government.htm>

STATUS QUO: types, goals, objectives and functions of the CAS in Belarus

An extensive system of consultative and advisory bodies has developed in the Republic of Belarus. However, along with the diversity of the existing CAS, there is a blurring of the functions and target orientation of these structures. As a result, it is quite difficult to make a functional distinction and define the “areas of responsibility” of each type of CAS. In many ways, this situation is due to inaccurate formulations of the goals and objectives of their activities. For example, one of the most common tasks of the consultative and advisory bodies in Belarus is to develop recommendations, discuss, coordinate the activities of subjects on socio-economic policy.

Thus, it is possible to single out the consultative and advisory bodies that are included in the process of business interaction with state structures only by one factor -- the inclusion of representatives of the business community into these organizations.

Based on this, there are three types of consultative and advisory bodies that are somehow included in public-private dialogue: councils, commissions and public advisory councils.

The work of consultative and advisory structures in the Republic of Belarus dates back to the mid-1990s. It is during this period that their active formation began.

The Presidential Council and the Council of Heads of Local Government Bodies under the President of the Republic of Belarus, which were established in 1996, can be considered as one of the first official consultative and advisory structures involving business participation. The purpose of these councils was to improve and organize the activities of the President of the Republic of Belarus as head of state and improve the efficiency of his Administration. De jure, the councils are still functioning today, since the Decree of the President of the Republic of Belarus of February 12, 1996 No. 63 “On the Approval of the Provision on the Presidential Council and the Provision on the Council of Heads of Local Executive Bodies under the President of the Republic of Belarus” is still in force.

The main task of the Presidential Council is to develop proposals for the formation and implementation of domestic and foreign policy of the Republic of Belarus, improve the mechanisms for implementing the strategy of national development of the Republic of Belarus, and improve the effectiveness of the executive bodies. Thus, the powers of the council, given their legislative description, are rather broad. There is no information regarding the composition of the council. Therefore, it is possible to judge the possibility of participation of the business community representatives in this council only by the text of Decree No. 63: *prominent scientists, authoritative public figures, leaders of political parties and movements, public and religious associations can be members of this council.*

In the executive vertical of power, the first CAS was established on April 5, 1996 - the Interdepartmental Council on Consumer Protection. The purpose of this council was to coordinate the actions of state bodies and public associations of the Republic of Belarus on consumer protection issues.

Gennady Vitalyevich Korolyov, representative of the business community and the executive director of the Belarusian Union of Taxpayers, took part in the council activities. The provision is still in force, but the position and composition of the council is no longer valid.

The Interdepartmental Council on Advertising created in 1998 became the first interdepartmental council under the executive branch of government. This council was one of the first specialized consultative and advisory platforms aimed at solving problems and coordinating the activities of a

particular branch of entrepreneurial activity. The purpose of the council was to improve the interaction of state bodies and other organizations, advertising producers, advertising distributors in the area of the creation of favorable conditions for the sustainable development of the advertising market in the Republic of Belarus. The Council is currently in operation and consists of business associations' representatives: I.V. Samkin - Executive Director of the Advertising Organizations' Association, A. Ustinovich - Chairman of the Communication and Marketing Agencies Association.

In 1999, the National Labor and Social Council was established in Belarus. The main tasks of this council include the development and implementation of a coherent social and economic policy aimed at protecting labor rights, the economic and social interests of workers, raising the standard of living of the population, ensuring constructive cooperation, and coordinating the activities of such councils at the sectoral and local levels.

Currently, the Ministry of Labor and Social Protection of the Republic of Belarus is responsible for the organization of the National Council's work. On the official website of the Ministry, you can find information about the council and its meetings. The Council should be convened at least once a quarter. According to the information of the official website of the Ministry of Labor, meetings of the Council are held less frequently (once in half a year). The council consists of eleven representatives from each side (Government, republican employer associations, trade unions). The decisions of the council, made within its authority, are implemented by the parties through the issuance of the relevant regulatory legal acts.

An important step in the creation of a consultative and advisory bodies' system in Belarus was the creation of the Council for the Development of Entrepreneurship in 1999. The Council was organized to develop recommendations for the development and comprehensive state support for non-state economic entities in order to restructure the economy, create competitive relations and coordinate activities of public associations of entrepreneurs. However, after the expansion of powers in 2017, its competencies now also include:

- consideration and approval of draft regulatory legal acts that affect the procedure and conditions for conducting business activities;
- submitting proposals on the improvement of legislation to the Ministry of Economy and the Government (mandatory for consideration).

In 2000, another inter-agency council was created -- the Interdepartmental Expert Coordination Council on Tourism. First, it is the indication of the expert coordination character of the council that draws attention here. Second, among the council's goals is "ensuring effective interaction of state bodies, public associations, participants in tourism activities and subjects of the tourism industry in creating conditions for sustainable development of tourism in the Republic of Belarus". Thus, for the first time, the sphere of business interaction with the state was designated as a specific subject area of the CAS. The council may include representatives of public associations and other organizations operating in the field of tourism.

In 2002, an interdepartmental commission on security in the economic sphere was created under the Security Council of the Republic of Belarus. This commission has become a permanent collegial body to coordinate the activities of state bodies and other organizations to ensure the security of the Republic of Belarus in the economic sphere. In 2014, for the first time, a representative of a non-profit organization Georgy Grits, deputy chairman of the Belarusian Scientific Industrial Association, was included in the commission.

The next important step in the development of the CAS institute was creation of social advisory councils. An important role in promoting the idea of creating such councils was played by the business

community. The National Business Platform of Belarus 2008 contained requirements for the introduction of compulsory public examination of regulatory legal acts by business associations, expanding the practice of public discussions of draft laws with business associations. Thanks to the activities of the business community, these requirements were reflected in Directive of the President of the Republic of Belarus No. 4 of December 31, 2010 “On the Development of Entrepreneurial Initiatives and Stimulating Business Activity in the Republic of Belarus”.

This document obliged state bodies to introduce compulsory public discussion of normative acts drafts that may have a significant impact on the business environment. The document provided for the creation of public advisory and (or) expert councils with the participation of representatives of business entities, their associations (unions) under state bodies.

According to the law, the PACs (public advisory councils) are to be established under all ministries and committees, regional executive committees, Minsk City Executive Committee. PAC is an advisory body. The main purpose of these councils is to discuss drafts of regulatory legal acts that may have a significant impact on the conditions for carrying out entrepreneurial activity, problematic issues that arise for business and individuals in the course of their entrepreneurial activities. Decisions of the PAC are advisory in nature for the state body under which it was created.

Thus, the system of consultative and advisory structures included in the public-private dialogue has both a variety of councils and commissions and the functional vagueness of each council type. Consequently, it is possible to see the existing duplicating goals, objectives and functionality among CAS. This is confirmed by the results of the provision analysis of the three types of consultative and advisory structures: the national council, the interdepartmental council and the public advisory council.

Table 1. CAS provisions analyzed by keywords

	National Labor and Social Council	Interdepartmental Council on Foreign Trade Policy	Public Advisory (Expert) Council for the Development of Entrepreneurship
Goal	Cooperation	Coordination	Discussion
Tasks	Policy Development Cooperation Coordination	Preparation of proposals Evaluation / Analysis Coordination	Preparation of proposals Interaction Discussion
Functions	Consideration of projects Development of a master agreement Control Interaction Informing Analysis	Consideration of projects Preparation of proposals Analysis	Consideration and preparation of proposals; Soliciting information; Inviting experts
Solutions	The decisions of the council are implemented by the parties through the issuance of relevant regulatory legal acts.	Decision status not defined	Decisions are advisory in nature.

As can be seen from the table, there are no significant differences in the goals and objectives of the councils. These goals, tasks and functions are somehow connected with the interaction of the council participants on the preparation and / or discussion of draft NLAs (normative legal act). The most significant difference is observed in the decision force of the National Council on Labor and Social Issues: they are implemented through the publication of the NLA. The decisions of the rest of the councils are advisory in nature.

To assess the level of representation in the CAS, as an example, an analysis was made of the existing public advisory councils' composition. The choice of PAC is due to the active role that these structures occupy in the process of forming state decisions and in public-private dialogue, their focus on business participation, and the availability of information on the composition of these structures.

The source of information was the official websites of state bodies. According to the requirement of the PAC model provision, the state body is obliged to post information about the council on the official website on the Internet. However, not all government agencies comply with this requirement -- 10 PAC were not analyzed due to the lack of information on the site (marked N/A in the table). In addition, in some cases, there are difficulties in finding information on the PAC on the Ministerial website (the Ministry of Finance, the Ministry of Forestry, the Ministry of Industry, the Ministry of Environment, the Ministry of Agriculture and Food).

Table 2. Membership of PACs operating under national government bodies

Agency	Number of participants	Civil servants	Private business	State companies	Business unions	Other
Ministries, State Committees of the Republic of Belarus						
MART	23	6 (26.08%) ¹¹	1 (4.35%)	0	10 (43.48%)	6 (26.08%)
Ministry of Construction and Architecture	38	11 (28.9%)	9 (23.68%)	6 (15.79%)	10 (26.32%)	2 (5.26%)
MIA	17	0	0	6 (35.3%)	0	11 (64.7%)
Ministry of the Housing	20	9 (45%)	0	1 (5%)	9 (45%)	1 (5%)
Ministry of Health care	N/A	N/A	N/A	N/A	N/A	N/A
MFA	N/A	N/A	N/A	N/A	N/A	N/A
Ministry of Information	19	8 (42.10%)	3 (15.79%)	5 (26.31%)	2 (10.52%)	1 (5.26%)
Ministry of Culture	N/A	N/A	N/A	N/A	N/A	N/A
Ministry of Forestry	16	7 (43.75%)	0	1 (6.25%)	6 (37.5%)	2 (12.5%)
Ministry of Defense	N/A	N/A	N/A	N/A	N/A	N/A
Ministry of Education	25	2	0	2	0	21

		(8%)		(8%)		(84%)
Ministry of Taxes and Levies	35	12 (34.28%)	5 (14.28%)	3 (8.57%)	11 (31.42%)	4 (11.42%)
MES	N/A	N/A	N/A	N/A	N/A	N/A
Ministry of Environment	20	7 (35%)	3 (15%)	2 (10%)	8 (40%)	0
Agency	Number of participants	Civil servants	Private business	State companies	Business unions	Other
Ministry of Industry	16	8 (50%)	0	2 (12.5%)	6 (37.5%)	0
Ministry of Communications	21	7 (33.33%)	1 (4.76%)	6 (28.57%)	5 (23.80%)	2 (9.52%)
Ministry of Agriculture and Food	17	3 (17.64%)	8 (47.05%)	0	6 (35.29%)	0
Ministry of Sport	76	17 (22.37%)	18 (23.68%)	16 (21.05%)	17 (22.37%)	8
Ministry of Transport	30	12 (40%)	6 (20%)	8 (26.66%)	4 (13.33%)	0
Ministry of Labor and Social Security	24	11 (45.83%)	1 (4.16%)	0	7 (29.16%)	5 (20.83%)
Ministry of Finance	14	7 (50%)	2 (14.28%)	5 (35.7%)	0	0
Ministry of Finance	19	7 (36.84%)	3 (15.79%)	5 (26.31%)	2 (10.52%)	2 (10.52%)
Ministry of Economics	28	11 (39.28%)	3 (10.71%)	0	11 (39.28%)	3 (10.71%)
Ministry of Energy	20	6 (30%)	5 (25%)	4 (20%)	4 (20%)	1 (5%)
Ministry of Justice	18	8 (44.44%)	0	0	8 (44.44%)	2 (11.11%)
KGB	N/A	N/A	N/A	N/A	N/A	N/A
State Authority For Military Industry	30	10 (33.33%)	0	18 (60%)	2 (6.66%)	0
State Property Committee	13	5 (38.46%)	0	0	7 (53.84%)	1 (7.69%)
SCST	17	5 (29.41%)	6 (35.29%)	0	3 (17.65%)	3 (17.65%)
State Standard	20	8 (40%)	0	1 (5%)	10 (50%)	1 (5%)
State Border Committee	N/A	N/A	N/A	N/A	N/A	N/A
SCC	41	14 (34.14%)	9 (21.95%)	3 (7.31%)	9 (21.95%)	6 (14.63%)

State organizations subordinate to the Council of Ministers of the Republic of Belarus						
Agency	Number of participants	Civil servants	Private business	State companies	Business unions	Other
Concern "Belgospischeprom"	N/A	N/A	N/A	N/A	N/A	N/A
Concern "Belneftekhim"	12	6 (50%)	0	5 (41.7%)	1 (8.3%)	0
Concern "Bellegprom"	35	9 (25.71%)	12 (34.28%)	12 (34.28%)	2 (5.71%)	0
Concern "Bellesbumprom"	16	11 (68.75%)	0	3 (18.75%)	2 (12.5%)	0
Belkoopsoyuz	N/A	N/A	N/A	N/A	N/A	N/A
Republican center for health improvement and sanatorium treatment of the population	N/A	N/A	N/A	N/A	N/A	N/A

As a result of the public advisory councils composition analysis, data were obtained on the quantitative composition of the PAC, the average and median indices of subject representation. The PAC with the smallest and largest representation of each group were also highlighted: state representatives, representatives of state companies, business representatives, representatives of business unions and associations, as well as other specialists.

Public Advisory Councils under the Republican government bodies:

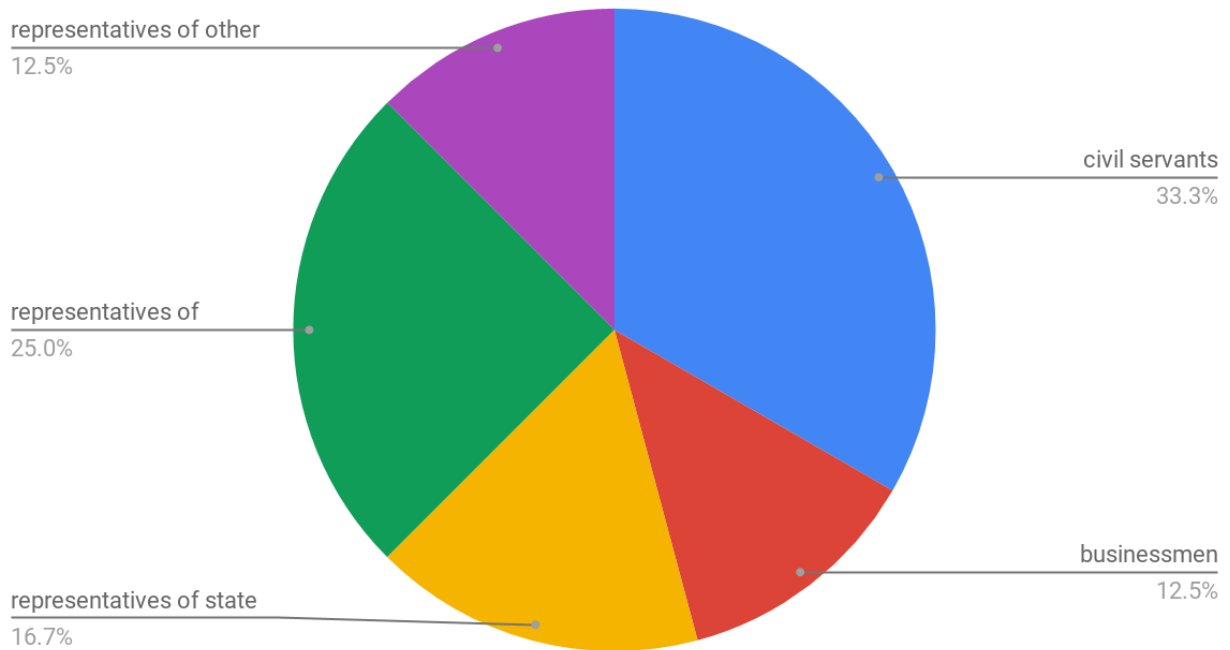
General quantitative data:

- Information about PAC is present on 28 websites of state bodies.
- In the existing PAC, among the business unions, it is the Republican Public Association "Belarusian Scientific and Industrial Association" which is the most highly represented (in 13 PAC).
- The total number of PAC participants was 679 people (among them: 227 civil servants, 95 representatives of private business, 114 representatives of state commercial enterprises, 162 representatives of business associations, 82 representatives of other entities).
- The smallest PAC in the Belneftekhim concern is 12 people. The largest number of members is in the Ministry of Sports - 76 people.
- There are 2 PAC in the Ministry of Finance: on insurance and the development of the securities market.

Average value:

- The average number of participants in one PAC is 24 people (of whom, on average, there are 8 civil servants, 3 businessmen, 4 representatives of state commercial enterprises, 6 representatives of business unions, 3 representatives of other entities).
- PAC of the Ministry of Labor and MART are the closest to the average value.

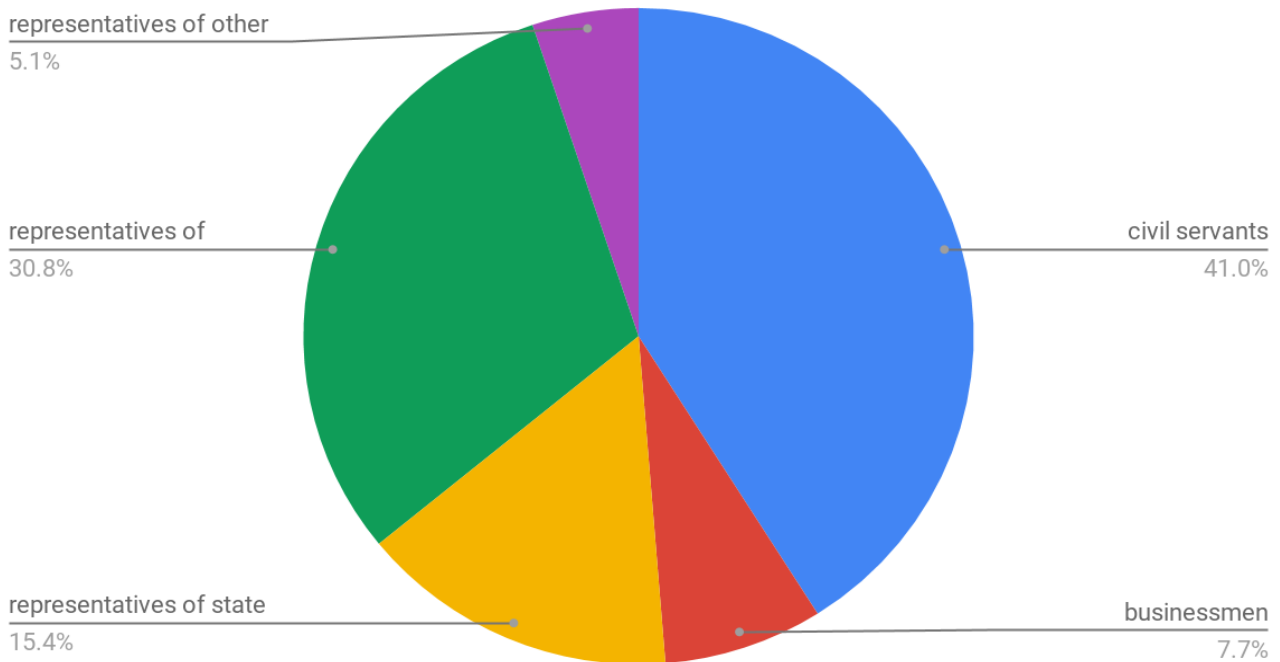
Points scored



Median value:

- The median value of business representatives is 1.5 people.
- The median value of representatives of business unions is 6 people.
- The median value of representatives of civil servants -- 8 people.
- The median value of representatives of state commercial enterprises -- 3 people.
- The median value of "other" -- 1 person.

Points scored



Highest value (%)

- The largest business representation is in the Ministry of Agriculture and Food Industry -- 47.05%;
- The largest representation of business unions and associations -- the State Property Committee -- 53.84%;
- The largest representation of civil servants -- Bellesbumprom - 68.75%;
- The largest representation of state-owned commercial enterprises - Goskomvoenprom -- 60%;
- The largest representation of "others" --- the Ministry of Internal Affairs – 64.7%;
-

Smallest value (%)

- The lowest representation of business is IN the Ministry of Labor and Social Security -- 4.16%;
- The lowest representation of business unions and associations - "Bellegprom" concern -- 5.71%;
- The lowest representation of civil servants - "Bellegprom" concern -- 17.64%;
- The lowest representation of state-owned commercial enterprises — the Ministry of Housing and Communal Services and State Standard -- 5% each;
- The lowest representation of "other" - Minzhilkomkhoz, Ministry of Energy, Gosstandart -- 5% each.

An analysis of the benchmark data showed that, firstly, there is a significant disagreement on the number of members in the PAC, depending on the department in which it was created. Secondly, a detailed review of the composition raises the question of the controllability of the PAC of the Ministry of Sports, given the large number of members (76 people), as well as the full value of the representation of the industry interests in the Belneftekhim PAC (12 people). Thirdly, a small number of business representatives among all members of the PAC (95 people) warrant attention.

Fourthly, civil servants are most widely represented in the PAC - (227 people), “other participants”, who, as a rule, are involved as experts, have the lowest representation (82 people).

A different situation is observed in the PAC, which function under regional executive committees. The main difference is the representation of business and business unions. While in the republican bodies, with the median comparison of values, the state bloc prevails, in the oblasts the opposite situation is observed. At the same time, the level of business representation is higher than the level of representation of business unions and associations.

The total number of PAC participants (regional executive committee, Minsk City Executive Committee) was 162 people (of whom: 43 state employees, 81 representatives of private business, 5 representatives of state commercial enterprises, 20 representatives of business unions, other 13 people).

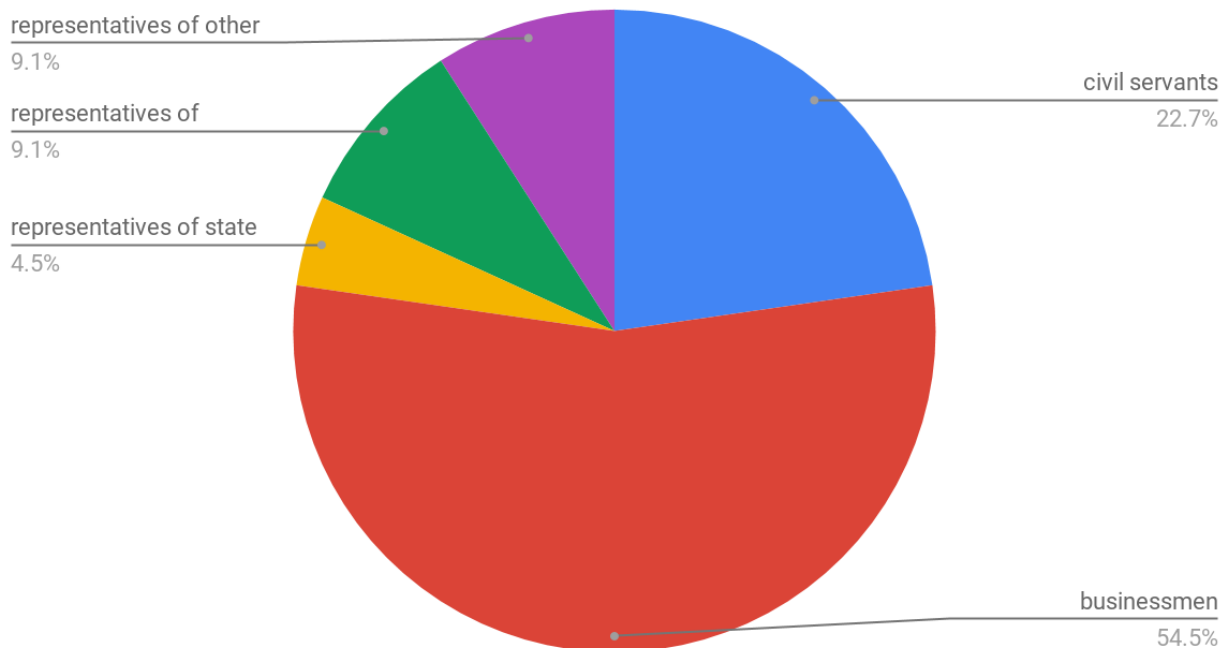
Table 2. Membership of PACs under regional executive committees and Minsk City Executive Committee.

Regional executive committees and Minsk City Executive Committee						
Agency	Number of participants	Civil servants	Private business	State companies	Business unions	Other
Brest Regional Executive Committee	32	13	12	0	5	2
Vitebsk Regional Executive Committee	18	6	9	1	2	0
Gomel Regional Executive Committee	17	5	9	1	1	1
Grodno Region Executive Committee	34	5	19	2	4	4
Minsk City Executive Committee	15	1	13	0	1	0
Minsk Regional Executive Committee	18	9	2	0	5	2
Mogilev Region Executive Committee	28	4	17	1	2	4

Median value of PAC composition in local government:

- The median value of business representatives -- 12 people.
- The median value of representatives of business unions -- 2 people.
- The median value of civil servants -- 5 people.
- The median value of representatives of state commercial enterprises -- 1 person.
- The median value of "other" representatives -- 2 people.

Points scored



The Status Quo analysis also revealed the following problems:

1. There is a complex interaction scheme between business and government through consultative and advisory structures. Without possessing specialized knowledge, it is difficult to establish what kind of CAS is necessary for the business to communicate with government agencies.
2. A number of government agencies (Bellesbumprom and Belneftekhim) do not comply with the requirements of legislation governing the operation of the PAC concerning the composition, structure and publicity of the activity (all PAC, which do not have information about them presented on the websites of government departments).
3. There is an uneven distribution of the business and business unions across industries.
4. Among more than 200 associations and business unions registered in the Republic of Belarus, only 15 are represented in the PAC. In addition, there is a duplicate participation of the same union in different social advisory structures. In addition, in some cases several representatives from one organization of the business community are included in one PAC.
5. There is a predominance of the state in the PAC composition.
6. The high level of business representation in regional PAC against the background of a low level of business union representation, is probably due to the low activity of local business community in the regions.

Problematic area of the consultative and advisory structures' activity

In order to highlight the issues of the consultative and advisory structures in the Republic of Belarus, in the framework of the study, expert interviews were conducted at the first stage, and questionnaires at the second stage.

A series of expert semi-structured interviews was conducted in the framework of the first stage. The purpose of this stage is to obtain information about the features and characteristics of the consultative and advisory structures both at the present moment and during the creation and development of individual CAS. The need for a retrospective analysis was due to the desire, firstly, to obtain information about the presence or absence of dynamics in the development of consultative and

advisory structures, and secondly, to assess the changing specifics of problems in this area. These aspects were the basis for determining the expert composition of the interview participants. In the first block, 5 experts were interviewed who met the following criteria:

- They participated in the creation of consultative and advisory structures;
- Currently taking part in the work of the CAS;
- Represent (ed) the business, the business community (unions / associations) and (or) the state.

Thus, we interviewed experts, former or current members of the House of Representatives, the Council for the Development of Entrepreneurship, the Ministry of Economy, business unions and the Fund for the Financial Support of Entrepreneurs. As a result, a number of problems and features of the consultative and advisory structures in Belarus were highlighted. The list of interview questions is presented in Appendix 1.

Within the framework of the second stage, a survey of civil servants, parliamentarians, business representatives and the business community was carried out in order to verify the data obtained from expert interviews, as well as to highlight the advantages and disadvantages of the CAS at the current stage. The content of the questionnaire can be found in Appendix 2. The questionnaire was aimed at obtaining relevant data on the status quo of the CAS in Belarus. The questionnaires were sent by e-mail to business unions and associations, members of public advisory councils, members of the House of Representatives, government officials and private business representatives. The total number of questionnaires sent out was 48, the number of responses received was 20. Respondents' answers were placed in Appendix 3. As a result of the survey, we received information about the features of the functioning of the consultative and advisory structures at the current stage. Along with the data of expert interviews, this information allowed to focus the recommendations developed in the framework of the study.

As a result of the expert interviews and questionnaires, it was possible to identify several blocks of problems of the consultative and advisory structures in Belarus, as well as their consequences. Among them (the numbers indicate problems, the dots are the consequences):

1. Personality factor

- The uneven nature of the CAS as a system
- The formal nature of part of CAS

2. Organizational weakness of the business community

- Low ability to aggregate opinions and suggestions from the business community
- Low ability of business community organizations to formulate their position
- Uneven development of business unions and associations (by industry)
- Low agenda planning ability
- Lack of experts

3. The lack of a common understanding of the CAS goals and objectives among government bodies

- No system requirements for the CAS work
- Incompleteness of the dialogue
- Lack of strategy in dealing with problems

4. The presence of "short channels" of interaction and the demand for them

- Low representativeness of large and medium-sized business in unions and associations

According to the expert interview results, the factors influencing the development of CAS were:

- Change in economic conditions;
- The state's initiation to create CAS.
- Suggestions from the business community.

Problem number 1: "The personality factor."

The influence of the personality factor is one of the significant issues in the consultative and advisory structures' operations. This problem manifests itself in the dependence of the CAS effectiveness on its leadership position. According to Belarusian legislation, the head of the department, in which it is created, or their deputy, heads the structure. They determine the composition of the body, the agenda and the future fate of the decisions adopted by the CAS.

It is important to note that the legislation does not provide requirements and standards for the consultative and advisory structures operations that would offset the effect of the personality factor. The only exception is the requirements of the Council of Ministers' Resolution No. 802 of October 5, 2016 on the composition of the public advisory councils. According to it, 50% of CAS is to consist of business representatives. However, a number of government agencies bypass this requirement by including state-owned commercial companies in the PAC.

"They hold PAC meetings at the Ministry of Transport, with the minister, two deputies, all department heads and, probably, 3 entrepreneurs who are engaged in organized transportation. Those who were dealing with other shipments were also invited, but without the right to vote, they sat there, listened and left. Another thing, if a PAC meeting is held in the MART, where it is held by Mr Koltovich, where all the players in this market are present. There is a dialogue. A lot depends on the position of the minister, the leadership. What is it focused on? The personal factor plays a role. It is like heaven and earth. There is a swamp there. Although the system is supposed to work. You cannot rely on personality. "

Thus, the level and effectiveness of the consultative and advisory structures are determined by such personal factors of government agency leadership as the broad mindedness, readiness for dialogue and interest in the opinions of the business and business community.

"Let's compare: the PAC in the Ministry of Justice is headed by the deputy minister, and in the MART -- by the minister. He personally phoned the participants and selected members of the council for the areas that are necessary and important. The Ministry of Justice did not do this at all. As to the frequency of meetings, in the Ministry of Justice they are held every six months, or once in 3 months at the most. In the MART they are held almost twice a week. There is also a big influence of personal factor, particularly of the senior official. "

This leads to such consequences as the erratic functioning of the CAS and the formal nature of some consultative and advisory structures' operations. Speaking about the uneven work, there is a big difference in the quality of the consultative and advisory structures' operations.

The formal approach to the operations is manifested in the low frequency of meetings, the formation of the agenda solely from the position and interests of the governmental department, the formation of the CAS on the basis of loyalty.

As a result, an imbalance and instability in the functioning of the entire system can be observed. This, firstly, leads to a lack of interest in the CAS work and the loss of confidence on the part of the business and business community. Secondly, this situation leads to a deformation of the CAS role. The study "Dialogue of State and Business: in Search of Equilibrium" conducted in 2017 by the "Liberal Club"

showed that many entrepreneurs already use the CAS to gain access and familiarize themselves with the leadership of ministries and departments to form the so-called "close connections". Thirdly, this situation negatively affects the data obtained during the CAS sessions, which, in turn, affects the quality of government decisions.

Speaking about the dynamics of this problem, the participants of the expert interview noted a gradual change in the situation for the better. Ministries and departments are changing the composition of the CAS and have become more attentive to the decisions taken in the framework of the CAS meetings.

The situation here was affected by the following:

- Implementation of the requirement for the PAC to have the mandatory 50% participation of business (this decision had a positive effect only on the work of the public advisory councils).
- Expansion of the Council for the Development of Entrepreneurship powers and the appointment of new leadership and composition of this structure.

Problem number 2: Organizational weakness of the business community

Another problem that has been identified is the organizational weakness of the business community as a participant in the consultative and advisory structures. It manifests itself in the following:

- Lack of staff with the necessary qualifications and knowledge to represent the views and interests of business in the framework of the CAS.

As a result, a part of the business community is not able to fully form and convey a position on the issues considered in the framework of the CAS and provide an alternative view to the state.

“The problem is that business unions are still quite weak. They have a small apparatus, few members. They have no time and no one to go to all these events. ”

However, the participants of the expert interview clarified that, despite the general organizational weakness, some industry associations stand out among the unions and associations. For example, “BAMAP, builders, appraisers, banking associations. They present the position of the entire industry. They have worked out mechanisms for joint decisions. ”

This situation leads to an uneven representation of the business community. This also contributes to the creation of a specific pool of organizations participating in the CAS, when the composition of the the consultative and advisory structures' members is formed from a limited number of representatives of unions/associations that are duplicated for every CAS.

“You get very tired of the fact that you come to the working group and see the same people there. It is impossible to know everything. Therefore, when you try to get a report from the union, the same person comes again who came yesterday in trade, today they come for energy, the day after tomorrow something else. It always creates certain concerns about whether this opinion is true, or close to being true. ”

- Low level of business representation in unions/associations.

The low ability to increase the level of participation is also a manifestation of the business community's organizational weakness. Most unions/associations are not organizations of mass representation.

"The authorities believe that business community does not have representation to implement the interests of the state."

As a result, the opinion presented in the framework of the CAS activities by the unions and associations is not predominant for the sphere / branch which they represent. Thus, there is a risk that the decision in question can be made without taking into account the interests of the business community. However, as noted by some survey participants, the reason for this situation is, among other things, the established habits and behavior of the business community.

"Unfortunately, our business community somehow believes that it will have a lucky break. It knows that there are some problems, the authorities begin to check everyone for some reason, but business hope they will be off the hook. They do not try to work proactively, anticipate problems. They come, as a rule, when everything is already burning. The fire has reached the roof and then they say that something is wrong, and often the court of last instance has already passed the decision. They turn to the prosecutor's office, they are told: "Everything is correct." Unlike Western business, which work to create conditions through alliances. Therefore, I do not think that our unions are weak, it seems to me that our business do not have, first, such a striving, such an understanding that you shouldn't be guessing for whom the bell tolls. Some day it will toll for you. It is immaturity, unpreparedness. "

The problem, according to participants of the interview, has a positive trend. In recent years, the quality of expertise provided by business unions / associations has improved, and the level of business participation in these organizations has also gradually increased.

Problem number 3: The lack of a common understanding of the goals and objectives of the CAS among government agencies.

As noted by most of the participants in expert interviews, government agencies lack a common understanding of the purpose and objectives of the CAS work. First of all, the problem manifests itself in the absence of a systematic approach to the work of consultative and advisory structures and the conscious need of some government departments to work in the CAS: *"The officials created the PAC not because it was needed, but because they were told to."* The result of this is a formal approach to the CAS, a distorted understanding of the CAS role and slow approach to solving problems in this area.

The interview participants noted that the lack of strategic planning elements in the work of the CAS reduces the effectiveness these structures, since it does not allow business unions and associations to prepare for the issues under consideration and attract the necessary experts.

"It is positive when goals and objectives are clearly defined. An example is a working group to improve the tax code. There was a clear task, a timeline. I think the group worked well. The work went smoothly and well. There was a plan, questions, experts, a certain interest. As life has shown, if there is a plan, there are always questions about it, but with the work plan, individual issues are prepared better and then this process is quite systematic and with fewer failures; if this is done chaotically, then they can be coming back to that issue for one, two, and three years. The plan and regularity are important. "

In addition, government agencies have not yet developed uniform detailed standards for the work of consultative and advisory structures (some elements are present only in the work of the PAC). The purpose and tasks of the CAS are not defined. Among the participants of the expert interview, there was no consensus on the importance of advice for the state, whether they were created for the purpose of consultations, meetings, or as a dialogue platform. "There is no system, and all the problems are similar to self-regulation. Everyone understands that it is necessary. Take the RIA, for example. It will never work here the way it works in western countries".

According to the interview participants, there is a weak positive trend regarding this issue.

Problem number 4: The presence of "short channels" of interaction and the demand for them.

Some of the participants of expert interviews highlighted the presence of so-called "close connections" as one of the problems. These communication channels have developed within the framework of business interaction with government bodies and, in some cases, they work faster and more efficiently with CAS. As a result, it is easier for medium and large business to use alternative channels to promote and protect their interests to solve problems, which significantly reduces the demand for work in the CAS.

“Whoever considers himself cool, feels it is enough for them to enter the council or something. And they will fiddle about. There are big business that do not need the PAC and other tips. ”

This issue has come up in expert interviews before. In the above-mentioned study “Dialogue between state and business: searching for balance”, participants of expert interviews also pointed to the problem of “close connections”, when personal contacts and acquaintances made it possible to solve problems of business more effectively than using official channels would. There was an example of the practice of hiring former state employees by public relations departments (or corporate communications departments) of large companies in order to use their contacts and connections in the state apparatus.

Participants of expert interviews listed the following factors affecting the development of the CAS system:

- Changing economic conditions.

Interviewees noted that one of the decisive factors for the creation and development of consultative and advisory structures in Belarus was the change in the economic environment -- the growth of business structures and the downsizing of the public sector, as well as the need to find new economic drivers:

“I think, first of all, the state faced the need to find sources of economic growth. And the sector, the private sector of the economy, was growing not thanks to, but in spite of the existing problems. They were working, contributing to the GDP growth, and the state, in my opinion, understood that a small business is not only self-employment, but exports, integration into production chains, etc. In the late 90s, sections on small business began to be defined in the law, parameters, support programs began to be formed, a budget line for this was formed. Therefore, it is clear that it is impossible to form the conditions for business development without the opinion of the business community.”

“The share of private business has grown significantly, it’s not like 5% or 3% like it was in the 90s. This is a third of the economy, this is a very influential segment. Well, the government also began to look for new directions, new niches, and saw that private initiative is just one of such powerful development factors. But how to activate it? This requires advice for the development of the business environment, for the development of the private enterprise sector. ”

- The state's impulse for the CAS creation.

Based on the expert interviews results, it was possible to identify a significant role of the state in initiating the creation of consultative and advisory structures. In particular, the creation of the Council for the Development of Entrepreneurship and various departmental and interdepartmental councils and commissions. It can be assumed that the reason for this was the above-mentioned change in

economic conditions and the development of the business sector. Thus, in Belarus, the initiative to establish consultative and advisory structures came from both the business community and the state.

“The President met with the business community. There was an initiative. I think it partly came from the President himself. He had meetings at the assembly of business circles, there were meetings with business unions. Then, within the framework of these meetings, there arose the idea of creating a permanent consultative body. That was what the head of state wanted.”

“In some areas, it was the state that initiated the creation of councils. For example, a Foreign Trade Council. There is a priority, there is a council -- we are ready to work. Another example is a Foreign Investment Advisory Council. There is a priority, a work plan is outlined. Then there is a Business Development Council. The President made a decision to create a council and selected, appointed people who would be in this council. ”

“The initiative to create the Council (on the development of entrepreneurship) came from the then Minister of Entrepreneurship and Investments, Mr. Sazonov.”

- Suggestions from the business community.

According to expert interviews, the business community made a significant contribution to the development of such type of CAS as Public Advisory Councils. As participants noted, it was unions and associations that intensified the process of discussing this idea and were able to get it across to state structures.

The results of the survey and expert interviews also exposed the following advantages and disadvantages of the CAS system:

Advantages:

1. Since their appearance consultative structures have organically fit as a major instrument into the structure of the interaction between business community and government bodies.
2. CAS is not a barrier to business in the framework of interaction with the state.
3. The functioning of consultative and advisory structures has a positive effect on the development of public-private dialogue in the Republic of Belarus.
4. There is a uniform distribution of benefits from the work of the CAS between business and the state.
5. Meetings of consultative and advisory structures mostly take place in the dialogue format.

Disadvantages:

1. There is a participation accessibility issue regarding the work of consultative and advisory structures. In particular, 70% of survey participants noted the need for transformation, aimed at greater transparency, accessibility and justification of participation.
2. The heterogeneous nature of the CAS work, caused by the “personality factor” issue, leads to a dominance of state interests and lobbying of the interests of individual companies in some cases. This situation leads to deformation of the CAS activities. Considering that, as a rule, CAS are created and function according to the sectoral principle, this can lead to a deterioration in the quality and efficiency of interaction between business and the state in a number of industries.
3. The majority of survey participants noted an average level of trust between the state and business. The result may be a lack of trust in the official system of interaction tools and an increase in the demand for non-formalized communication channels.
4. The opinions and proposals considered during the meetings of the consultative and advisory structures are rarely implemented in government decisions. On the one hand, this is a consequence of

the heterogeneous nature of the proposals received from business representatives and the business community. On the other hand, this may also indicate a certain level of formalism in the work of the CAS.

Identification of the possible CAS system development vector became an important result of the survey. To the question “In which direction, in your opinion, should the CAS develop in the Republic of Belarus?” 85% of survey participants responded with an answer “Platform for coordinating the interests of the state and business”.

Conclusions

Thus, based on the results of an expert survey, a questionnaire, and also an analysis of legislation and the composition of consultative and advisory structures in the Republic of Belarus, the following conclusions can be drawn:

1) Consultative and advisory structures play an important role in the interaction of business and the state, being one of the main legal instruments of this process. De jure, the CAS is a unique and one of a kind tool for business and business community, allowing to take part in the process of preparing government decisions affecting the conduct of business activities in the country in the format of discussion and dialogue. Considering this, the decline in the availability, efficiency and effectiveness of CAS leads not only to an increase in demand for the so-called “close connections” and unformalized tools (which, in turn, reinforces corruption threats), but also reduces the relevance of government decisions to the current problems. Therefore, to offset the influence of these factors it is necessary to ensure the effectiveness of the CAS activities.

2) It is possible to see the formation of the main features and elements of the CAS system in Belarus. Reforming this system should be aimed not at the emergence of new CAS, but at improving the efficiency, transparency and accessibility of already existing consultative and advisory structures. In addition, it is necessary to clarify the goals and objectives and to reconsider the need for the operation of individual CAS. In some cases, there is an overlap of certain CAS.

3) The established system of consultative and advisory structures includes a wide list of departmental and interdepartmental councils and commissions. At the same time there is no clear functional and targeted separation. In addition, there is no comprehensive description of each CAS type activity and of algorithm that allows business to effectively navigate within the system of consultative and advisory structures.

4) Despite various regulatory descriptions of the CAS activities (interaction, coordination, discussion), the essence of their work is very similar and comes down to the preparation and coordination of draft decisions, usually in the form of draft regulatory legal acts.

At the same time, the CAS in Belarus should gradually be transformed into a platform for coordinating the interests of business and the state.

5) Consultative and advisory structures are one of two (CAS and public discussions) channels for the adoption of proposals and business interests in the legislative plane. However, only a small part of the proposals is taken into account and is being introduced into legislative practice. This process depends on the following variables: the level of elaboration of proposals, personal motivation / interest of the CAS head, public attention to the issues under discussion.

6) The economic situation has a significant impact on the development of the CAS system: both negative and positive dynamics of its components. The economic crisis contributes to the adoption of

measures to liberalize the conditions for business, which, in turn, has a positive effect on the CAS development. At the same time, such a positive factor as the growth in the number of private enterprises also has a positive effect on the CAS development.

7) The state initiated the creation of the majority of CAS, which indicates a certain level of sensitivity to the views of the business and business community. At the same time, the superficial nature of state policy in this area, manifested in the absence of uniform standards and requirements for the work of the CAS, non-compliance with legislation and the assumption of the dependence of the CAS activities on the “personality factor”, indicate the non-systemic nature of government interest in developing the system of consultative and advisory structures.

8) One can note a certain level of deformation and distortion of the CAS functioning purpose, which manifests itself in two aspects:

- Occasional use of CAS by business to establish communication with representatives / management of the state body, which created the CAS.
- The desire of government officials to get readily available expertise (a draft law, articles, regulations), and not to know the interests and opinions of business on the subject under discussion.

9) It can be noted that there are factors that positively influence the interest (according to M. Olson) of the business community and the state in participation and support of consultative and advisory structures. These include maintaining a balance of interests and obtaining benefits from participation in the organization. Benefits from the CAS activities are obtained by both business and the state. At the same time, an important aspect that is of interest for all the entities is the relevance of the CAS activities to the interests of potential participants. There is a certain interest in the transformation of CAS into a platform for coordinating the interests of business and the state. Thus, it is impossible to achieve a greater level of interest of all the entities in these structures without targeted reformatting of the CAS.

Recommendations

In accordance with the identified issues, the recommendations are aimed at overcoming the personality factor, standardizing the work of the CAS, developing a customized approach to modernizing the existing CAS, as well as increasing the transparency of the CAS activities and their accessibility to business. Depending on the possibility of implementation in the current environment, the recommendations are divided according to the following principle:

- short term;
- medium term;
- long term.

Short-term recommendations provide for the spillover of successful practices of some CAS into the whole of CAS system. The implementation period is up to 1 year.

Medium-term recommendations are aimed at introducing changes to existing regulatory legal acts. First of all, it is resolutions of the Council of Ministers regulating the work of the CAS (model provision on PAC, provisions of interdepartmental councils). Their implementation can be launched in parallel with the short-term proposals. The implementation period is 1-3 years.

Long-term recommendations are proposals aimed at systemic changes in the work of CAS. Such proposals include changes, additions to the existing ones and development of new legislative acts (laws of the Republic of Belarus, decrees of the President of the Republic of Belarus), optimization

of the goals, objectives and functions of the consultative and advisory structures. The implementation period of these recommendations is 3 years and more. However, the implementation of long-term recommendations depends on the implementation of short and medium-term proposals.

In addition, the OECD¹² methodology was used in the preparation of recommendations. Thus, the recommendations are also aimed at increasing the level of trust between the participants of the public-private dialogue using the following criteria:

- Reliability
- Responsiveness
- Better regulation
- Openness
- Integrity & fairness
- Inclusive policy making

According to the results of international studies, the trust factor is essential for ensuring the necessary level of participation and interest of all parties in the creation, development and improvement of institutions for interaction with the state.

Short-term recommendations:

Within the short-term period, the improvement of the CAS operations should be aimed at developing the standards and practices of these structures. Standards and practices will create a business routing system in the CAS system and correspond to the OECD requirements in terms of increasing the level of **inclusive policy making**.

These proposals are aimed at the formation of interaction rules for business, unions, and associations, as well as the state within the CAS framework in the form of instructions and standards. The advantage of this format is the implementation speed: there is no need to go through the legalization process at the level of legislative acts. Among the bodies participating in the implementation of the recommendations are the Business Development Council and the Ministry of Economy. The choice of these bodies is explained by their position and significance for the work of the consultative and advisory structures.

The Council for the Development of Entrepreneurship is a permanent advisory body under the President of the Republic of Belarus (hereinafter the Council). One of its goals is to coordinate the activities of unions and associations. The Ministry of Economy is the developer of a CAS model provisions. In addition, the agency annually submits a final report on the work of all CAS to the Council of Ministers.

In our opinion, ***the Council should prepare a rule book in white paper format¹³*** for the business community (business, business unions) containing a detailed description of the existing CAS system in the Republic of Belarus. The rule book should contain a description of the goals and objectives of these structures, the conditions of entry, the order of consideration for various issues related to the routing of business in the CAS system. In addition, the white paper should be aimed at shaping the business' understanding of how CAS operate at the local, regional, national levels, of rules for communicating with CAS and its members, as well as the conditions for considering and accepting proposals.

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As explained in the introduction.

13

Official announcement, documentation describing and explaining the process or algorithm.

The Ministry needs to prepare the standards for the work of the PAC. The standards should also contain a description of the best practices used in the Republic of Belarus. This proposal will be the benchmark and guideline of the CAS Activities for government agencies under which they are created.

Medium Term Recommendations

Recommendations aimed at reliability. In our opinion, this task can be accomplished through the practical implementation of the predictable legislation change principle. Partially, it is implemented in the model provision on the PAC¹⁴: *“The activity of the council is based on the proposals of the council members and the peculiarities of the state body (organization) operations, usually happening on a systematic (planned) basis.”* In addition, the new version of the Law “On normative legal acts”¹⁵ contains detailed requirements for planning of the legislative activity. Thus, it is **necessary to implement the requirements for the planning of law-making activities and the systematic work of all CAS by including relevant standards in the regulations governing their work, as well as to provide for the personal responsibility of CAS managers for their non-fulfillment (for example, professional impropriety).**

Recommendations aimed at ensuring an adequate level of responsiveness to emerging problems. In the case of consultative and advisory structures, improvement of the response, in our opinion, should be aimed at expanding accessibility of PAC members to third parties.

For this it is necessary:

- first, to expand the requirements for contact information provided by board members: email, phone number;
- second, to fix the regulations governing the work of the CAS, the obligations of members to work with incoming appeals, requests, complaints from third parties (not members of the CAS, business unions).

These changes will expand the possibility of collecting opinions, suggestions and requests for discussions at the CAS meetings and, as a result, increase responsiveness to current business problems.

Recommendations aimed at achieving better regulation. In our opinion, to achieve this indicator, it is necessary to strengthen the role and importance of the CAS in the lawmaking process. Currently, the Regulations of the Council of Ministers, as one of two documents describing the lawmaking process (the second document being the Law on Regulatory Legal Acts), does not fix the requirements for reviewing draft resolutions governing the organization and conduct of business activities. **Thus, it is necessary to make changes in Chapter 2 of the Resolution No. 193 of the Council of Ministers of the Republic of Belarus of February 14, 2009 (as amended on 15.05.2018) “On the Regulations of the Council of Ministers of the Republic of Belarus” in terms of adding the mandatory consideration of draft resolutions at meetings of the PAC. It is important to extend this practice to other deliberative structures, that have the NLA draft consideration as their purposes and tasks.**

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Paragraph 20 of the Resolution of the Council of Ministers of the Republic of Belarus of 20.03.2012 No. 247 (as amended on 05.10.2016)

15

Enters into force on February 2, 2019.

Recommendations aimed at ensuring openness. Part of the requirements aimed at ensuring openness are already enshrined in Belarusian legislation. According to the Regulation on PAC¹⁶, *“information on meetings and activities of the council is posted on the official website of the state body (organization), under which the council is created, as well as on the Internet”*. It seems necessary to expand this kind of requirements to the Regulations governing the work of other CAS. At the same time, it is also necessary to provide measures that will ensure compliance with these requirements. Indeed, as the study showed, despite the Regulation, today there is a problem with the relevance and accuracy of the data posted on the websites of the departments under which the PAC was created. In our opinion, the implementation of these requirements will be facilitated by the creation of a specialized public rating of CAS performance. The rating will be aimed at evaluating the work of the consultative and advisory structures on such criteria as:

- publicity and transparency of the consultative structure;
- availability of CAS for organizations of the business community;
- the possibility of conveying proposals, opinions and interests of the business community through the CAS.

As a methodological basis for the rating, you can use the analysis of the CAS compliance with the legislation requirements, as well as a survey of relevant business community organizations.

The rating is released, and its results are published once a year. The rating results should be publicly available on the website of the department or organization responsible for its compilation. We suggest that the results of the rating be considered as one of the criteria for the annual evaluation of the work of ministries and departments to improve the business environment in the Republic of Belarus.

Considering the status and role of the Council for the Development of Entrepreneurship in the process of interaction between business and the state, we suggest that the Council be given the function of conducting this annual study.

As for such aspects as integrity, fairness and inclusive policy making, the important activities to achieve these indicators are:

- Changing the mechanism of CAS compositions formation;
- Increasing the level of proposal elaboration of business unions and associations.

Considering the problem of CAS¹⁷ composition, it is necessary to review the mechanisms of gathering together participant by setting quotas and securing the mandatory participation of business unions because of their important role in aggregation of the business community interests. This recommendation can be implemented by introducing quotas for various interest groups, which, as a rule, take part in the CAS, but are presented fragmentarily and unevenly. For example, the CAS should be composed according to the following principle: 30% are made up of civil servants, 30% are business unions, 30% are representatives of commercial companies, 10% are other participants.

In our opinion, achieving the required level of inclusion is a bilateral task. Thus, in addition to creating the conditions for the involvement of business community representatives in the process of drafting legislation, there is also need for responses from business, associations and business unions. This implies both the desire to become part of the CAS and active work in these structures to promote the opinions and suggestions of business, as well as an increased level of expertise and proposal elaboration. As the results of the study showed, there is a heterogeneous level of proposals from business unions and associations that end up in the the CAS for consideration. A possible solution to this problem is to strengthen the cooperation of unions and associations with the academic and expert community in the preparation of proposals.

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Paragraph 25 of Resolution No. 247

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The problem was identified during the survey and expert interview.

Long-term recommendations:

The implementation of the recommendations in the long-term period provides for the development of a legislative act aimed at regulating the creation and operation of the CAS under state authorities. This document should contain the following information:

basic requirements for the goals and conditions of the CAS creation;

- CAS functions
- types of CAS,
- operation principles
- work regulations
- rights and obligations of the parties,
- financing of CAS activities (if needed)
- the legal status of the CAS decisions and the place of these decisions in the process of preparing legal acts.

The creation of a unified legal framework for the CAS in the form of a regulatory act will allow to finally form the structure of interaction between the state and business within the framework of CAS. In addition, it is necessary to consolidate the status of these platforms as the main points for coordinating the interests of business and the state. The presence of a single document, that would apply to all the CAS, will allow to systematically build business confidence in deliberative structures.

The resolution of the “personal factor” problem can be attributed to the long-term period. In our opinion, this problem can be solved by implementing all the proposed recommendations. In the presence of a legislative framework that regulates in detail the process of interaction within the framework of the CAS, along with the established rights and obligations of the parties, as well as the trust between them, the role of the personality factor is significantly reduced.

In conclusion, it is important to note that a single change in the legal architecture of interaction between the state and business community within the framework of the CAS does not guarantee a positive result. To create an effective system of consultative and advisory structures, which will be an effective platform for coordinating the interests of business and the state, a number of conditions are necessary. These include changing the place and role of business in the socio-economic system of the Republic of Belarus (economic, financial, social, political aspects), as well as consistency in the strategic planning and implementation of government policy in the field of dialogue between business and the state. It is these conditions in conjunction with the developed legal mechanisms that will allow to achieve the desired result.

Appendix 1. Interview questions

Part I. Introduction

1. What is your experience of participating in CAS?
2. Who initiated the participation: was it your initiative or an invitation by a third party?

Part II. The influence of the environment and initiation

1. How do you assess the influence of the external environment (economic, social, political factors in the Republic of Belarus) on the work and development of CAS?
2. Who in your opinion is more interested in the existence and development of CAS: business (business community) or the state? How does it show?
3. Who is putting more effort into development of CAS: business (business community) or the state? How does it show?

Part III. Goals and objectives, functions

1. What goal and tasks, in your opinion, should the CAS pursue?
2. Are the powers of the CAS sufficient? Should their functions be changed?

Part IV. Operation

1. How and by whom are the members of the advisory body approved, what is the influence of the personality factor on the membership approval?
2. What is the level of interaction with external actors: society, government bodies and the business community?
3. How is the organization's agenda shaped?
4. How are the body's meetings held: how contentious were the discussions, what position did the chair take, were outside experts invited to the meetings, how were conflict situations resolved?
5. How powerful are the advisory body's decision?
6. What are the main problems that arise in the CAS work?

Part V. Performance evaluation

1. What factors contribute to the work and development of CAS?
2. What factors negatively affect the work and development of CAS?
3. How does the work of CAS affect public-private dialogue?