

Fixing Housing and Communal Services in Belarus: A New Minister is Not Enough

As of 17 November, the Ministry of Housing and Communal Services has a new head – Aliaksandr Cierachaŭ. However, this new appointment will unlikely fix the serious problems which the sector is facing.

Housing and communal services swallows up 8% of the Belarusian budget and remains a hotbed of corruption. Over the past half year, the police have identified more than 100 crimes in this sector.

The authorities want to reform the sector to make public utilities more effective. Yet, they are concentrating more on punishing corrupt officials and implementing patchwork fixes instead of reforming the entire system of housing and communal services.

A Little Known Hotbed of Trouble

On 17 November, [Aliaksandr Lukašenka](#) appointed a new minister of housing and communal services. Thirty-six-year-old Aliaksandr Cierachaŭ, former first deputy minister, will manage one of the most corrupt wings of the Belarusian state. On 14 May, [Aliaksandr Jakabson](#), an aide to the President, stated that 10% of the expenditures of the Ministry of Housing and Communal Services are criminal in nature.

The expenditures on housing and communal services remain enormous, running up a bill of about \$3.5 bn — the equivalent of 8% of the consolidated budget of Belarus. Even according to the official Belarusian Economy magazine, established by the Council of Ministers, "the Belarusian housing and public

utilities sector needs to be streamlined its management structure and performance standards like its man-hours and number of employees." In other words, the authors of the article are calling for firing people whose jobs are redundant.

Moreover, a chunk of the state's tax revenues has a tendency to disappear inside the ministry. Last month, Independent Belarusian television Belsat covered a low-level corruption scheme, exposing just one of many similar schemes. Residents of Slonim, a town in western Belarus, decided to privatise a housing building in which they had lived for a long time. However, the price they were asking for the building appeared grossly exaggerated by the local officials.

The building's residents learned that, according to the available documents, the government had spent \$60,000 on renovations for the building. The money they had used on the renovations, however, had mysteriously vanished, and the actual repairs done to the property were minimal.

Furthermore, local officials forged documents showing that the its residents refused to instal boilers and plumbing at the expense of the state. These facts would have remained unknown if the people had not appealed the decision with the police demanding to see all of the available documentation.

Currently, the police and the Committee of the State Security (KGB) are investigating the case. At the same time, the authorities intend to fine Belsat journalist Aleś Zalieŭski, who broke the story, for working without the required press accreditation.

A System That Promotes Corruption and Inefficiency

There are three main factors that make Belarus' housing and communal services system susceptible to corruption: its a state monopoly, the absence of public oversight over its expenditures, and chronic mismanagement.

The state remains a monopolist in the housing and communal services industry and serves 95% of all apartments in Belarus. This lack of competition leads to a lower quality services, overpricing and a lackluster performance by many municipal workers.

Andrej Tyčyna, a democratic activist from [Salihorsk](#), explained to Belarus Digest that the renovation of his apartment building's entrance — which required a the walls to be painted and replacing windows and a door — went on for six months.

The lack of public oversight over its expenditures only makes matters worse. This is partly due to the fact that Belarusians formally pay directly, according to Naviny.by web-site, 31% of the total cost of the housing and communal services. Taxes cover the rest. The recent piece by Belsat revealed that people may simply not know how much is officially being spent to repair their buildings.

Poor management, in this case, is a natural consequence of the state's monopoly in this sector, to say nothing of the lack of accountability or the absence of proper incentives. The higher the costs and needs of state monopolies, the more subsidies they receive from the budget. Therefore, local authorities often prefer to carry out long-term or ongoing repairs.

The Authorities Working on Reforms

This year housing and communal services became a priority for the government. In February 2014, Aliaksandr Lukašenka created a working group on the issue headed by Aliaksandr Jakabson.

From February to May the group held 30 meetings. In 2013-2014, law enforcement agencies identified more than 100 crimes in the sector. Officials from the Committee for State Control say more than half of the irregularities led to criminal cases being opened. This peak of interest may have something to do with the economic slowdown, so the authorities have no choice

but to combat corruption to stay afloat.

While it appears that the authorities are attempting to fix the system, they still prefer to struggle with the consequences, rather than fixing the root of the problem. On the one hand, the government wants to punish corrupt officials, cut expenses and jobs and get rid of bad assets.

Still housing agencies have to preserve detrimental properties that have nothing to do with communal services. For instance, the Ministry of Housing and Communal Services is currently keeping sunflower-seed frying operation afloat as its owner went bankrupt. Despite its unprofitable nature, the state still wants to keep it open.

Under the reforms being proposed currently, the state wants to clean up its finances in order to avoid cross-subsidies and to introduce superintendent jobs for housing throughout Belarus. This superintendent will be an electrician, locksmith, plumber, painter and carpenter – and responsible for several buildings. These steps by the government may seem rational, but the regime can do much more if it really wants to improve the situation.

The authorities should allow for more private service providers to work on the housing and communal services market. A public-private partnership, like the one between [German company Remondis](#) and Belarusian public enterprises, shows that sharing responsibilities with the private sector has its benefits. Together they created a [waste management](#) system in Minsk. Many EU countries forbid housing and communal services companies to engage in supplying gas, water, heat, and electricity all together in order to avoid one firm becoming a monopoly.

Moreover, the state can make the financial system more transparent. The government's belief that people should pay 100% of the total cost of the housing and communal services

actually makes sense if, in return, people receive high quality services for their money. Rather than prosecuting corrupt officials, it would be more efficient to deprive them of their opportunities to steal from the state coffers.

Minsk Struggles with The Coldest Days on Record

The frosty winter which is paralyzing many European capitals has hit Belarus hard. While public services work efficiently in the capital, many in various regions and the homeless suffer from the cold. In Minsk, the city administration has taken measures to deal with the cold weather which is [exceptional](#) even for Belarus. In the small villages, however, people often end up being cut off from the rest of the world by snow.

While public life does not come to a standstill in Belarus because of the winter, it is still unusually cold. Last week, on 2 February, the country has seen the coldest day and night since the beginning of weather recording in 1917. On that day, the average temperature in Minsk was -21 °C.

The Belarusian capital is well equipped to deal with snow and ice. In contrast to Western European cities like Rome, where the traffic stands still as soon as snow is falling, Belarus has efficient mechanisms to deal with snow. Special vehicles clean the roads and bring the snow out of town.

Traditionally, the Belarusian state [fights unemployment](#) by sending people to do public works. They work in orange vests, clean streets, shovel snow, and weed flower beds. There are

thousands of them, working in parks, in courtyards and on the roofs, from where they remove loads of snow and the icicles.

Minsk Residents Asked to Volunteer In Shoveling Snow

However, the economic crisis has made itself evident this winter. For the first time, announcements at entrance doors of many houses are asking Minsk's citizens to volunteer for snow shoveling.

The mayor of Minsk, Mikalai Ladutska, has repeatedly called on the residents of the capital for help. Apparently, the Belarusian state can no longer afford to employ an army of people and pay them to do work that is done by the population in most other countries.



It is not surprising that there are not many people that would like to clear away 30 cm of snow from the paths of their courtyard for free. People in orange vests have been paid for by the state for years.

The result of the volunteering campaign has been disappointing and the city administration came up with another idea. The Minsk city executive community, recently adopted a new directive. Apart from people registered as temporarily unemployed, students and staff of city enterprises will from now on work to help the public. Apart from this group of people, prostitutes who have been sentenced to render community service are supposed to help shoveling snow as well as some media report.

For residents of Minsk, this winter means that they have to cope with a temperature difference of around 50° C between their flats and the world outside. Most flats in Minsk have central heating regulated by the city authorities. Heaters do not have thermostats. In flats it is often around 25° C. But some houses, especially recently-built are badly

insulated, so it is rather cold in these flats and a draft makes it impossible to get warm after you come home from the street.

The situation is especially problematic for families with small children. It is nearly impossible to take a bath in a cold flat. Young families suffer more impediments from the cold winter. Doctors recommend not going outside with little babies when it is colder than -10° C. Many people decide not to let their children go to the kindergartens because it is simply too cold to leave the house and because many kindergartens and schools are not heated. Schools, however, are closed only when temperatures drop to lower than -25° C during the day.

Sixty Already Died from Cold this Winter

In Minsk, an old hospital on Bahdanovich street has been transformed into a home for homeless people. It has 55 beds, and homeless people get warm clothes, tea, blankets and hot soup. The home will work until 1 April, and social workers and doctors are there to help the homeless people who come there. However, everybody who wants to find shelter there has to go through a medical examination.



Outside Minsk the situation is even worse. In small villages, many houses do not have central heating. The villages are cut off from the rest of the world because the roads are not cleaned from snow. As mainly old people live in the villages, there is a risk that the people will freeze or starve to

death. Caritas and other humanitarian organizations bring food and wood to some of the villages, but of course it is impossible for them to get to every village in the country.

According to the website of the newspaper *Nasha Niva*, 129 people have suffered from frostbite this winter and 60 people died from cold. And those are only the officially recorded statistics. According to Caritas, some homeless people cannot come to the soup kitchens because they do not even have shoes.

If you have a business trip to Minsk coming up in the next days, stick to our three survival hints for Belarusian winter. The weather forecast announces temperatures around -25° C for the next week.

Survival Hints for Winter Business Trips to Belarus

1. Make sure you have a Belarusian friend who will lend you a fur coat (ask for *shuba* or *dublionka*) and a hat (*shapka*). No matter what you think, the clothes you bought in any country west of Poland are not going to keep you warm in Belarus in the winter.

2. If you are a woman: do not be vain. Put on the *shapka*, even if it makes a mess of your hair. You will notice that most women either have a deranged hairstyle as well, or they just leave on their *shapka* indoors. Otherwise your ears may suffer serious frostbite.

3. Only walk in the middle of the sidewalks, never close to the houses. Icicles may fall down and kill you- they are one of the great dangers of winter in Minsk. For this reason, signs warn pedestrians to be aware of those ice stalactites. You certainly do not want the full "Basic Instinct" experience when you are on a business trip to Belarus.