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FROM SANCTIONS TO SUMMITS: BELARUS AFTER THE UKRAINE CRISIS

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SUMMARY

- Belarus is concerned by Russian actions in Ukraine and is trying to distance itself from Russia, including by not recognising the annexation of Crimea and calling for a peacekeeping mission. It is also suffering the effects of Russia's economic downturn.
- President Lukashenka has taken steps to promote the Belarusian language and identity to counter Russian influence. But he is not moving towards greater engagement with the political opposition.
- The Ukraine crisis has reinforced the risk-averse instincts of the Belarusian people and reduced the likelihood of protests tied to elections scheduled for this year.
- Minsk is not likely to shift from its broadly pro-Russian orientation, but it has made tentative diplomatic overtures to the EU.
- The EU's pro-democracy sanctions policy toward Belarus has failed to promote political reform and arguably pushed Belarus closer to Russia. Now the EU has to focus not just on fostering democracy but on strengthening Belarusian society, which will help European interests in the long term.
- The EU should aim to help Belarus with a modernised form of nation building, engaging with civil society, offering assistance on economic reform, lowering the visa barrier, promoting knowledge of the EU and countering Russian propaganda.

Belarus is returning to the international spotlight, but for once, not just as the “last dictatorship in Europe”. The two summits that Minsk hosted in the past year on the conflict in east Ukraine indicate a tentative shift in Belarus's political alignment. Although Belarus was more of a broker than a genuine neutral party at the negotiations that produced the two “Minsk Agreements”, the government has profound doubts about Russia's assault on its neighbour's sovereignty. Minsk has responded by taking steps to distance itself from its dominant patron. Belarus has not recognised the annexation of Crimea and has called for an international peacekeeping mission to Ukraine, which would include Belarusian troops. It has even called for the United States to play a role in efforts to end the crisis.

Moreover, Belarus's economic dependence on Russia is proving problematic: blowback from the Russian recession and falling oil prices have hit Belarus hard in what is scheduled to be an election year. However, Belarus has secured a high price, including \$3 billion in loans, for continuing to go along with Vladimir Putin's pet Eurasian Union project, launched on 1 January 2015. The adjustment in Belarus's political positioning provides the European Union with a chance to rethink its relationship with the country, after a period in which the EU's hard-line approach has achieved few results, and at a time when the Ukraine crisis is prompting the EU to reassess its policy towards its eastern neighbours.

Unlike in Azerbaijan, where the regime has exploited the Ukraine crisis to crack down on opposition, the Belarusian authorities have sought to build bridges and broaden their support. They have not tried to engage with the political opposition, which remains weak and divided and is still

likely to be harassed at election time. But they have taken cautious steps to promote the Belarusian language and identity. The country's long-time president, Alyaksandr Lukashenka, has stated:

Those who think that the Belarusian land is part as what they call the Russian world, almost part of Russia, should forget about it! Belarus is a modern and independent state.¹

Having come to power as the scourge of traditional Belarusian nationalists, Lukashenka has previously relied on a vague sense of civic – but Russian-speaking – national identity. Now, he seems to feel that his regime's long-term survival must be built on something more solid.

These modest measures to strengthen Belarusian identity have increased tensions with Russia. Some of Russia's wilder nationalist fringes have even officially shifted Lukashenka from the camp of "friend" to "foe". Belarusian authorities have started to make tentative diplomatic overtures to the EU.² Outreach of this kind has not been seen since Lukashenka began a brief period of engagement during a previous round of Russian pressure and economic troubles in 2009-2010. In that instance, the president sabotaged the effort by resorting to mass arrests after the fraudulent election in December 2010.

The EU faces a difficult dilemma of its own. On the one hand, it does not want to be seen to embrace a leader who is still, in the end, a dictator. On the other hand, after Russia's invasion of Ukraine, a case can be made for supporting all of Russia's embattled neighbours, both friend and foe, as politics is turned upside down across the region. And Belarus could be part of the solution to the Russia problem, if engagement with the new Eurasian Union (Russia, Belarus, Kazakhstan, and Armenia) proves easier than engaging Russia alone, or if the West can strengthen Russia's partners as a counterweight against an increasingly assertive Russia. A more isolated Belarus, however, could become completely ensnared by Russia, whether or not Lukashenka remains in power.

The EU has tried almost every possible approach with Belarus since President Lukashenka was first elected in 1994. Relations were first put on hold after his unconstitutional consolidation of power in 1996. The enforced disappearance of several of his key opponents in 1999-2000 led to a first round of EU sanctions in 2004, which Europe followed with attempts to support the opposition and civil society. After the failure of the brief period of regime engagement in 2009-2010, the EU imposed new rounds of sanctions.

The last period of engagement between the West and Belarus in 2009-2010 was different from the present one, in that at that time, the Belarusian administration also took some limited steps towards domestic liberalisation. The EU thought it could use engagement to encourage this liberalisation. The EU did little wrong, but Lukashenka put

an end to the policy, fearing a domestic challenge to his rule. This time, Lukashenka is seeking a more limited engagement with the EU because of the external threat from Russia, and because he is worried that disorder and demands for democratisation could spread from Ukraine. Ironically, this may mean that on this occasion, his foreign policy overtures to the West have a stronger domestic foundation. But the West must decide whether it wants to take up the offer that is being made – of helping to strengthen Belarusian statehood rather than supporting domestic demands for reform.

The great survivor

After the collapse of the Soviet Union, the West had high expectations for Belarus and other countries in the region. Western capitals thought that it would be natural that Belarusians should take the route to democracy and European integration. However, European policymakers failed to take into account the fact that Belarus, although geographically unquestionably European, was psychologically one of the most Soviet of the Soviet Republics. They underestimated the effect of decades of propaganda and Soviet repression against feeble Belarusian national elites.³ Lukashenka came to power in 1994 through exploiting populism and nostalgia for the Soviet Union.

Given its weak sense of national and civic identity, many in the 1990s questioned the Belarusian state's potential for longevity. But paradoxically, Lukashenka's consolidation of power not only created a stronger state, at least in the security sector, but even made his Belarus a role model for conservatives in Russia and throughout the Commonwealth of Independent States (CIS), which opened up lucrative opportunities for foreign policy "balancing" (see below). Over the last 20 years, Lukashenka has been dismantling meaningful democratic institutions, particularly parliament and the courts, which now merely rubber-stamp decisions taken by the executive. The executive branch with the president at the top completely controls the legislature and judiciary, and the rule of law remains weak. Western countries routinely and rightly assess Belarusian elections as neither fair nor free. The regime has been accused of a series of human rights violations against civil society, journalists, and political opponents.

In 2004, Lukashenka called Belarus a "crystal vessel" that he had to carry with care and veneration; he was afraid to drop it because it was so fragile and vulnerable.⁴ However, the truth is that his own paternalistic treatment has left the political system of Belarus highly personalised, with elements of strength (the security state and the "social contract" – see below) coexisting with elements of weakness (openness to Russian influence and the instrumental nature of that "social contract").

Back in the early 2000s Lukashenka's main preoccupation was the Belarusian opposition. But almost two decades of pressure and intimidation have rendered the opposition unable to seriously confront the authorities. Many activists

1 "Belarusian Leader Issues Tough Warning to Moscow", *New York Times*, 29 January 2015, available at <http://nytimes.com/aponline/2015/01/29/world/europe/ap-eu-belarus-lukashenko.html>.

2 Igar Gubarevich, "Belarus Engages With The US, Improves Ties With Europe And Post-Soviet Countries – Foreign Policy Digest", 2 April 2015, *Belarus Digest*, available at <http://belarusdigest.com/story/belarus-engages-us-improves-ties-europe-and-post-soviet-countries-%E2%80%93-foreign-policy-digest-2218>.

3 Andrew Wilson, *Belarus: The Last European Dictatorship* (New Haven: Yale University Press, 2011).

4 Alyaksandr Lukashenka, "Address of the President of the Republic of Belarus to the Belarusian People" ("Обращение Президента Республики Беларусь Александра Лукашенко к белорусскому народу"), *Vecherni Minsk*, 9 September 2004, available at <http://vminsk.by/news/22/32216>.

have been pushed out of politics or into exile. In fact, Belarus remains a society largely without politics, even at the elite level.

The Belarusian opposition, although it is made up of brave and committed people, can reach only a very limited number of Belarusians, especially since many of its leaders and activists now operate from abroad. As one observer put it: “the West has placed too many expectations on the shoulders of the small opposition for too long”⁵. Unlike in Ukraine, the opposition is nearly completely cut off from decision-making in the country and from the state-controlled media, which remain the main source of information for majority of people. Very few people, therefore, either know much about the opposition and its problems or support it.⁶

Under Lukashenka, Belarus has avoided the kind of extreme social inequality that has arisen in Russia and Ukraine over the past 25 years. Moreover, it has escaped involvement in foreign wars. As of 2014, Belarus could suddenly claim to be the only Eastern Partnership country with no frozen territorial disputes. Most of the economy is still state-owned, and, to date, Belarus has avoided creating the same kind of rent-seeking oligarchy as in Russia and Ukraine, although the administration has shown an increasing tendency to “spread the wealth” amongst the bureaucratic elite in order to head off their demands for insider privatisation.

A Belarusian “social contract” has created a genuine, opportunistic, base of support for the regime. Nevertheless, Lukashenka’s rule has had mixed results for ordinary Belarusians. The World Bank has placed Belarus reasonably high in its Doing Business reports.⁷ Even so, many investors prefer to avoid the country because of the unpredictable nature of the legal-administrative environment.⁸ Russian subsidies (see below) have largely been spent on maintaining the public sector, although an unknown amount disappears into the presidential administration. Belarus has developed a reputation for bureaucratic competence in many areas. International rankings put corruption levels lower, and the prosperity and human development index higher, than in Russia or Ukraine.⁹

On the other hand, Belarus’s economy is inefficient and only maintained by state subsidies. Foreign exchange reserves are always low (currently at \$4.7 billion), and Lukashenka must constantly find top-up funds to keep the economy going. His system of largesse leads to regular crises of over-

consumption, inflation, and devaluation – particularly because he always spends heavily in advance of elections, as though they represented a real competition.

Lukashenka’s version of the game of balance

Most of the money that maintains Belarus’s paternalist social contract and bureaucratic apparatus comes from Russia. Lukashenka devised a strategy to retain his hold on power and secure financing not by balancing equally between East and West, but by remaining in the Russian camp and appearing anti-Western so as to play to Russia’s imperial urge, while still engaging in regular disruptive behaviour towards Russia.

Lukashenka sometimes likes to talk of Belarusian foreign policy as being “two-winged”. But the metaphor has more to do with Belarus’s independent flight than with maintaining equidistance between two opposing parties. Belarusians have a widely promoted reputation as being naturally pro-Russian, but survival comes before geopolitical orientation – and Lukashenka’s survival and the maintenance of his type of regime are assumed to be the same thing. Opinion polls asking whether Belarusians support closer relations with the EU or with Russia vary as to which alternative is on top at any given moment, but in general, the two options are roughly equal. Belarusians do not want to choose between the two: they want to use one to get the other.

The Belarusian authorities have become quite skilled at the balancing game. Unlike Western countries, Russia has no interest in imposing democracy and market reforms on the Belarusian regime.¹⁰ It has made occasional threats to support the Belarusian opposition or undermine Lukashenka’s nearly unlimited authority in Belarus, but it has never seriously attempted to follow through on these threats. As Lukashenka has admitted, no other potential partner can match the support that Russia offers:

No one will replace Russia for us. And when we are in dialogue with the West, with the EU, with America, with others, we ask [only] one question, and I talk about this openly – will you replace Russia for us? No. Then why did you have to pull us on this?¹¹

Security calculations are another reason that Belarus embraces Russia-sponsored initiatives, from the CIS to the Eurasian Economic Union (EEU). After the colour revolutions in Georgia and Ukraine in 2003-2004, the Belarusian ruler for a long time saw internal unrest as the most likely threat to his rule. Belarus occasionally flirted with the West, for example by joining the EU’s Eastern Partnership and by interacting closely with top European politicians before the 2010 elections. But the Belarusian leadership consciously chose to prioritise the Russian vector.

5 Balázs Jarábik, “Revisiting Belarus: The Reality Beyond the Rhetoric”, *Carnegie Europe*, 3 December 2014, available at <http://carnegieeurope.eu/publications/?fa=57373>.

6 Belarusians are becoming increasingly sceptical about the authorities, but this has not translated into support for the opposition. According to one recent poll, only 16 percent of people trust political parties and 60 percent do not trust them. None of the opposition leaders has the support of more than 4 percent of the population. See “The Most Important Results of the Public Opinion Poll in December 2014”, Independent Institute of Socio-Economic and Political Studies, 2 January 2015, available at <http://www.iieps.org/reiz/30/lang/en>.

7 Belarus is ranked 57th, ahead of Russia (62nd) and Ukraine (96th) but below Poland (32nd) and Lithuania (24th). *Doing Business 2015*, World Bank, available at www.doingbusiness.org/rankings.

8 See Kari Liulto, “Experiences of Finnish firms operating in Belarus – Balancing between profits and political peculiarities”, The Pan-European Institute, April 2014, available at www.tu.fi/en/units/tse/units/PEI/reports/Documents/Liulto%204_2014.pdf.

9 Ryhor Astapenia, “Belarus In World Rankings: Strong Potential, Weak Performance”, *Belarus Digest*, 16 July 2014, available at <http://belarusdigest.com/papers/ehuforbelarus.pdf>.

10 For example, the EU would like Belarus to conform to the EU Strategic Framework on Human Rights and Democracy of 2012. See “EU Strategic Framework and Action Plan on Human Rights and Democracy”, European Council, 25 June 2012, available at http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131181.pdf.

11 “President: No one will replace Russia for us” (“Президент: Россию нам никто не заменит”), *Tut.by*, 15 January 2015, available at <http://m.tut.by/news/politics/431512.html>.

The Belarusian authorities, with their mercantilist trading mentality, also feel that the West has given them scant reward for their occasional but risky defiance of Russia. They think that the West has failed to appreciate Belarus's role in facilitating the transit of supplies for the US-led mission in Afghanistan, as well as the country's active cooperation on the illicit transit of nuclear substances.¹² Belarus has contributed to the security of the EU's eastern border, reducing the flow of arms, drugs, and immigrants coming through its territory to the EU. Moreover, Belarus maintains good relations with Ukraine and did not recognise the independence of South Ossetia and Abkhazia after 2008, even though Russia put pressure on it to do so.

The EU and Belarusian officials conduct very little meaningful interaction, and the Belarusian opposition has traditionally been preoccupied with human rights issues. Therefore, nearly all other potential areas for cooperation between the EU and Belarus, such as education and the economy, have been marginalised. That has created very favourable conditions for Russia to expand its influence on the Belarusian economy, cultural sphere, security sector, and mass media. Until recently, Lukashenka was happy with that situation. It was he who closed off the last opportunity for rapprochement with the West in 2010, calculating that a closer embrace of Russia was a lesser evil than allowing the pluralism for which the West was pressing. But that calculation has now begun to change.

Eurasian integration: form over substance

For nearly two decades, Lukashenka has been successfully selling to Russia the image and the partial reality that Belarus is its only reliable foreign ally. Not surprisingly, Lukashenka remains the most trusted foreign leader in Russia: in December 2014 two-thirds of Russians said that Belarus was Russia's most reliable partner and regarded Belarus as the most successful CIS country.¹³ As long as Russia was kept afloat by high oil prices, it was happy to pay to maintain this image, providing massive subsidies to the Belarusian economy in the form of cheap oil and gas – worth up to 15 percent of Belarusian GDP.¹⁴ In exchange, the Belarusian authorities supported nearly all of Russia's initiatives in the international arena and used the same anti-Western rhetoric as Russia, both at home and abroad – in fact, they would claim to have come up with many of its key elements, such as Slavic solidarity and the dangers of a US-led unipolar world.

The Belarusian leadership may sometimes appear undecided on the choice between the EU and Russia, but in reality, it simply has no choice. Belarus's geopolitical loyalty is its main asset, and it has been successfully exchanging this

loyalty for Russian subsidies. This means that, ironically, Lukashenka's model of survival depends on the credibility of his image as being “the last dictator in Europe”, an image for which Russia is willing to pay. Therefore, in fact, being the regional outcast suits Belarus. Not surprisingly, it is the only country in the region that is a member neither of the World Trade Organization nor of the Council of Europe. It still uses capital punishment and it keeps its universities outside of the pan-European Bologna education framework.

Belarus consistently participates in international organisations led by Russia and tries to stay away from Europe-led initiatives. It has signed up to the CIS, the Collective Security Treaty Organisation, the bipartite Union State of Russia and Belarus, the tripartite Customs Union of the Common Economic Space, and now the EEU, which was officially launched on 1 January 2015. But Lukashenka is very good at leveraging Belarus's participation in and occasional criticism of such projects to extract more subsidies from Russia – such as the \$3 billion in loans that he obtained earlier this year for continuing to go along with the EEU. The West should not mistake this kind of criticism for real existential objection. For example, at the December 2014 meeting of EEU heads of state, Lukashenka surprised Putin by saying that in fact there was no free movement of goods between EEU members. He said that the Eurasian Commission had failed to engage in resolving any serious controversies, referring, in particular, to Russia's recent ban on imports of Belarusian produce. Lukashenka also observed that the level of mutual trade between EEU members had declined by more than 10 percent over the preceding year.¹⁵

Indeed, EEU rules exempt around 600 types of goods and services from the regulations on free movement.¹⁶ Most importantly, no energy union has been agreed. Instead of giving EEU member states unrestricted access to products such as oil and gas, Russia prefers to preserve the right to continuously renegotiate terms in order to achieve its political objectives. Minsk is disappointed that an EEU agreement on petrochemicals (a vital part of Belarus's trade) has been put off until 2025.

Russia would like the EU to treat the EEU more seriously, but so far, there is little evidence that the institution will play any role independent from Russia. Although the “Eurasian Union” sounds like the “European Union”, the EEU essentially represents an unequal alliance of authoritarian leaders who do not wish to transfer any serious political decision-making powers to supranational bodies. Despite all the rhetoric about integration, the Belarusian authorities have consistently rejected Russian proposals to transfer aspects of their country's sovereignty to supranational institutions. Kazakhstan has repeatedly emphasised that it does not view the EEU as a political body. Moreover, the EEU still has to prove its viability

¹² Vladimir Socor, “Lukashenka Holds Dialogue in Minsk with US Analysts (Part Two)”, *Eurasia Daily Monitor*, 17 December 2010, available at [http://www.jamestown.org/single/?tx_ttnews\[tt_news\]=37297&no_cache=1](http://www.jamestown.org/single/?tx_ttnews[tt_news]=37297&no_cache=1).

¹³ “VTsIOM: Russians trust Lukashenka and consider Belarus the most friendly and successful country in the CIS” (“ВЦИОМ: Россияне доверяют Лукашенко и считают Беларусь самой дружественной и успешной страной СНГ”), *Tut.by*, 16 December 2014, available at <http://news.tut.by/politics/428143.html>.

¹⁴ “Republic of Belarus: 2014 Article IV Consultation-Staff Report; Press Release and Statement by the Executive Director for the Republic of Belarus”. International Monetary Fund Country Report 14/226, July 2014, available at <https://www.imf.org/external/pubs/ft/scr/2014/cr14226.pdf> (hereafter, IMF, “Republic of Belarus”).

¹⁵ Lukashenka stated that in January-September 2014, the volume of trade of the future members of the Eurasian Economic Union amounted to only 89.5 percent of the total in the same period in 2013. See “Working visit to the Russian Federation”, Official Internet Portal of the President of the Republic of Belarus, 23 December 2014, available at http://president.gov.by/en/news_en/view/working-visit-to-the-russian-federation-10525/.

¹⁶ See Yauheni Preiherman, “Ukraine Can Help Belarus with Exemptions in the Eurasian Economic Union” *Belarus Digest*, 8 April 2014, available at <http://belarusdigest.com/story/ukraine-can-help-belarus-exemptions-eurasian-economic-union-17393>.

Energy Support from Russia, 2012-2013 (in percent of GDP)

	2012	2013
Total support	14.9	12.7
Implied subsidy on oil imports	12.6	10.9
Implied subsidy on gas imports	8.3	6.6
Discounted oil product exports to Russia	-0.1	-0.2
Transfer to the Russian budget of the export duty on oil products	-6.0	-4.6

Figure 1: Energy Support from Russia, 2012-2013
Source: IMF Country Report No. 14/226, July 2014.

in the context of low oil prices, which could undermine Russia's integration initiatives.

It is noteworthy that many of Russia's previous integration initiatives still only exist on paper. For example, the Economic Court of the CIS has failed to play any significant role in resolving disagreements between member states on the basis of law. The Court of the Eurasian Economic Community, which formally started functioning in 2012, is a similar body, which is supposed to be in charge of economic disputes. But in post-Soviet countries that have serious domestic problems with the rule of law and judicial independence, any international court is likely to play a very modest role.

Equally, it seems unrealistic that an EU-like organisation can function between giant Russia and its small authoritarian neighbours, which have been lured into the arrangement with generous economic subsidies. The original impetus for the creation of the forerunners of the EU was a widespread desire for post-war reconciliation. The EEU, by contrast, is primarily a coalition of authoritarian regimes, mainly interested in political survival and with little concern for human rights.

The effects of the crisis in Ukraine

After the events in Crimea and the Donbas, Lukashenka has been forced to think about ways to protect Belarus from a more assertive Russia. The Belarusian authorities now realise that the Belarusian economy, military, media, and cultural identity have become too intertwined with Russia. Russian media dominates the media landscape, the Belarusian language has been virtually removed from public use, and the public's sense of national and civil identity is weak. This could make Belarus particularly vulnerable to potential influence, subversion, or even intervention from the east.

"Little green men" might be unlikely to operate effectively against Belarus's hard security state. However, in January 2015, Belarus amended its legislation to say that any appearance of armed foreign forces on Belarusian territory would be

considered an act of aggression, regardless of whether they were sent as regular forces or not. Belarus's greatest vulnerability is in the information sphere. Russian TV channels remain much more popular than their more modestly funded Belarusian equivalents. According to unofficial private figures, of those watching television, over 65 percent of Belarusians use Russian state TV as their main source of news and only 35 percent rely on Belarusian state TV.

Lukashenka has moved to respond to these vulnerabilities by trying to reinforce Belarusian national identity. In January 2015, it was announced that school classes on geography and on the history of Belarus would be taught in Belarusian (though the timetable for implementation was left unclear). Government websites are now supposed to provide a Belarusian version. The Belarusian authorities have grown more tolerant of grassroots campaigning by NGOs promoting the Belarusian language.¹⁷ Also in January, Lukashenka stated that "culture makes Belarusians Belarusians rather than just 'locals', wherever they are", and "includes the language we must know, the history we must remember, and the values we must respect".¹⁸

The crisis in Ukraine has also strengthened the risk-averse attitude of Belarus's people. Lukashenka has throughout his leadership reflected this aspect of the character of Belarusians, most of whom want to avoid revolution or war at any cost. As the Belarusian proverb goes, "as long as there is no war", it is not so bad. A large number of Belarusians genuinely support Lukashenka as a defender of the status quo. Belarusians still remember the Second World War, which reduced the population of Belarus by a quarter and left the country in ruins – and the memory is carefully cultivated by the authorities for their own purposes.¹⁹

Unsurprisingly, given its broad exposure to aggressive Russian propaganda, the majority of the population also

¹⁷ Siarhei Bohdan, "Belarusian Government Angers Russian Nationalists", *Belarus Digest*, 29 January 2015, available at <http://belarusdigest.com/story/belarusian-government-angers-russian-nationalists-21181>.

¹⁸ "Belarusian history and geography will be taught in the Belarusian language" ("Историю Беларуси и географию будут преподавать на белорусском языке"), *Tut.by*, 21 January 2015, available at <http://news.tut.by/society/432381.html>.

¹⁹ "David Marples: The Nation Built On The World War II Myth", *Belarus Digest*, 14 June 2012, available at <http://belarusdigest.com/story/david-marples-nation-built-world-war-ii-myth-9701>.

takes a pro-Russian position on the Ukraine conflict. Some estimations say that over 50 percent of Belarusians considered Russia’s annexation of Crimea justified.²⁰ Without a clear national or civil identity and with limited access to independent media, it is easy to manipulate public opinion in Belarus – both for Lukashenka and for Russia.

Moreover, recent events have shown the Belarusian authorities that any serious overtures to the West can be punished by Russia, by means of Moscow’s enormous economic and, even more importantly, propaganda leverage. There have already been signs that Russia is renewing the anti-Lukashenka campaign with which it toyed in 2010 in order to close off that year’s putative “opening” to the West. Former Kremlin confidant Gleb Pavlovsky even predicts that Lukashenka’s recent displays of independence will earn him the same type of anti-“fascist” propaganda that Russia deployed against Ukraine.²¹ So, Minsk is wary both of Russian pressure and of the consequences of building up its defences against that pressure.

Lukashenka dislikes Russia’s increasingly aggressive stance in the region, but he was also shocked by the internal destabilisation that led to the fall of Viktor Yanukovich’s regime in Ukraine. He hopes to crush any internal dissent that Russia could exploit to increase its leverage, but in the current circumstances, it is unlikely that he will need to resort to the kind of mass repression seen in 2010. Very few, even among the most optimistic in the Belarusian opposition, believe that the 2015 election will be a game changer. With attention elsewhere, there is unlikely to be much fuss in the West if the election is again fraudulent. Mass protest and state violence would be another matter, but, at the moment, the opposition is quiescent insofar as it accepts the argument in favour of closing ranks while national security is potentially under threat from Russia. One major opposition party, the Belarusian Popular Front, has already spoken out against any “Maidan scenario” in Belarus (that is, mass

protests) and has called instead for consolidating the idea of Belarusian independence among the population.²²

Longer-term trends, however, are likely to undermine the status quo. Growth is low, so the Belarusian economic and social system is steadily losing the relative advantage it had over Russia and Ukraine. Opinion polls also show a growing generation gap. In a survey undertaken by the Independent Institute of Socio-Economic and Political Studies in March 2014, after Yanukovich’s flight from Ukraine, a majority of those aged over 45 (51 percent) thought that Belarus was “headed in the right direction”. But the majority of those under 45 thought it was not (55 percent, with only 30 percent saying it was headed in the right direction). The status quo was supported by 51 percent of over-45s, but by only 22 percent of under-45s, meaning the vast majority of the younger group wanted “change”. Sixty percent of the older group trusted Lukashenka, but only 32 percent of the under-45s trusted the president.²³

The economy is facing another downturn in 2015. Russian subsidies are falling because of the parlous state of the Russian economy. Belarus has been forced to pay back export duties on oil products to Russia (after refining oil from Russia), amounting to 5-6 percent of GDP.²⁴ Although Belarus made some short-term profits by channelling food products that were on the EU sanctions list to Russia, GDP growth was only 0.9 percent in 2013 and 1.6 percent in 2014. The forecast for 2015 is much the same. The political-economic “business cycle” is not in fact cyclical. The Belarusian economy will not recover unless Russian subsidies start flowing more freely again. Moreover, Russia’s economic climate has a direct impact on Belarus’s economy: Russia remains the destination of 33 percent of Belarus’s exports and subsidiaries of Russian banks account for a quarter of banking sector assets in Belarus. Moreover, 70 percent of foreign direct investment in Belarus comes from Russia; a substantial decline in these flows could further hurt the Belarusian economy.²⁵

20 “A Little Further From Russia”, Independent Institute of Socio-Economic and Political Studies, 6 January 2015, available at <http://www.iiseps.org/analitica/821/lang/en>.

21 Grigory Ioffe, “Reasserting Belarus’s Independent Voice”, *Eurasia Daily Monitor*, 23 January 2015, available at [http://www.jamestown.org/programs/edm/single/?xtnews\[tt_news\]=43446&cHash=fc919947b933bd06b24328eboa1dfddc](http://www.jamestown.org/programs/edm/single/?xtnews[tt_news]=43446&cHash=fc919947b933bd06b24328eboa1dfddc).

22 “BPF is Calling to Drop the Maidan Idea and Nominate Kastusiu for Presidency” (“БНФ предлагает отказаться от Площади и выдвинуть в президенты Костусева”), *Tut.by*, 7 March 2015, available at <http://news.tut.by/politics/438685.html>.

23 Results of the Nation [sic] Opinion Poll March 2014’, IISEPS, available at <http://iiseps.org/dannye/45>.

24 IMF, “Republic of Belarus”.

25 Ibid.

Blacklisted individuals by sector

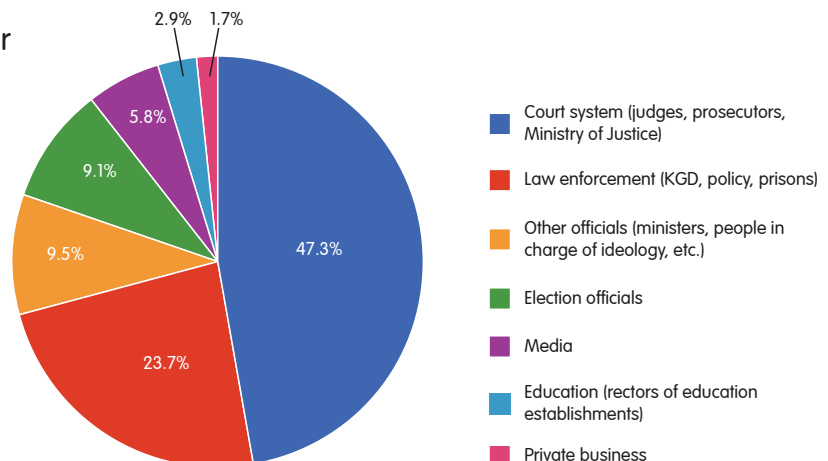


Figure 2: Blacklisted individuals by sector

Source: European Union Directives and Regulations

The country faces a liquidity crisis, with needs estimated at over \$4 billion. Minsk hopes that the International Monetary Fund will provide a short-term financial injection, but Russia is likely to be a better bet. Minsk does not want to be entirely dependent on Russia – it aspires to be more of a Switzerland or a Singapore – but it would like to obtain funds on its own terms. Any role for the West in short-term financing, therefore, is likely to be indirect.

The sanctions paradox

After 20 years of Lukashenka in power and ten years of EU sanctions against Belarus, many in the West admit that the Western policy to democratise Belarus has largely failed. The human rights situation in Belarus has deteriorated since 1994, although there have been many ups and downs. When several prominent opposition figures disappeared without trace in 1999-2000, the EU began to introduce targeted sanctions. Western politicians persuaded themselves that the solution to the Belarus problem was the release of political prisoners and, ideally, free and fair elections.

The EU blacklist grew from six individuals in 2004 to over 250 in 2014. (Figure 2 illustrates the distribution of blacklisted individuals by sector.) The expansion of sanctions clearly correlates with and follows on from the rise in the number of political prisoners. However, there is a much weaker correlation between the reduction of the number of political prisoners (now in single digits) and the number of blacklisted individuals (still over 200).²⁶

It was relatively easy to impose sanctions because Belarus was small and unimportant and was not integrated into European structures.²⁷ But the irony of sanctions is that the more pressure they put on the economic and political system created by Lukashenka, the more they undermined the EU's leverage in Belarus. Economic sanctions and political isolation have pushed Belarus even further into Russia's embrace. By making the Belarusian economy more dependent upon Russian subsidies, sanctions hamper business initiatives, divert foreign investors, and make people even more dependent upon the state. Unable to travel to Europe, Belarusian officials have to cooperate more intensively with Russia, learning how to run the country from Moscow's representatives. International isolation also undermines other areas such as higher education, freedom of movement, and the activities of civil society.

Belarus and Russia gain political dividends when sanctions are imposed that hurt the other. Russian sanctions against European food producers benefited Belarus, which is now a large re-exporter of those products to Russia. And when the EU introduces sanctions against Belarus, they help the Kremlin by pushing the Belarusian economy and its bureaucracy closer to Russia.

For the moment, sanctions do not seem to have succeeded in changing the Belarusian administration's behaviour.

There is no conclusive evidence that increasing the level of sanctions reduces the number of political prisoners. Discussions about how the situation would have evolved had there been no sanctions is purely theoretical as so many other factors, both internal and external, come into play. However, analysis of the number of political prisoners based on Amnesty International reports suggests a trend pointing to factors outside the EU's control. As Figure 3 below shows, the authorities increase their repression (as evidenced by the number of political prisoners) at times of presidential elections but decrease it in response to more aggressive behaviour by Russia in the region. This was the case with the Russian war in Georgia in 2008 – Amnesty International did not report any long-term political prisoners remaining in custody at the end of 2008. Of all political prisoners listed by Amnesty International Report for 2014/2015 only one (former presidential candidate Mikalai Statkevich) still remains behind bars almost a year after the crisis in Ukraine. In other words, pressure from Russia makes Belarus more mindful of increasing its options in the West.

The EU's three misconceptions

The EU sanctions policy highlights the fact that, over the last decade and a half, the EU has focused almost exclusively on the areas in which Belarus has fallen short of European standards, often showing little interest in discussing anything other than human rights and democracy. The EU expects Belarus to have the same aspirations as most other European countries, including a shift to a market economy, democracy, and the rule of law. At the same time, it applies a different yardstick to Belarus than to other former Soviet Union countries such as Russia or Azerbaijan. The EU's approach to Belarus, which so far resulted in frustration and lack of progress is based on several misconceptions.

The first misconception relates to the implicit assumption that, simply because of geography, Belarusians will understand and share European values and will want to join the EU. In reality, both Russian and domestic propaganda often discredits European values and shows Europe to the Belarusian population in a very negative light. Lack of open public debate and limited access to uncensored information serve to weaken public demand for integration with the EU. At the same time, Belarusians are not inherently pro-Russian, as discussed above. Public opinion shifts between a preference for Russia and the EU, depending on which direction seems more feasible at the time. Underlying existential loyalties are not all-powerful. They are trumped by propaganda efforts and a mentality of patronage: who can provide the most benefits?

A second misconception is that regime change in Belarus will inevitably lead to a pro-Western government in Minsk, based on the equally questionable assumption that Lukashenka is somehow as Russophile as it is possible to be. Even if regime change did take place in Belarus, in the current circumstances it would not necessarily produce a pro-Western regime, given the influence of Russia in the

²⁶ Data: own computations. Amnesty International on the number of political prisoners, European Union Regulations and Decisions.

²⁷ Yaraslau Kryvoi, "Why European Union Trade Sanctions Do Not Work", *Minnesota Journal of International Law*, Vol. 17, p. 209, 2008.

Political prisoners and major political events

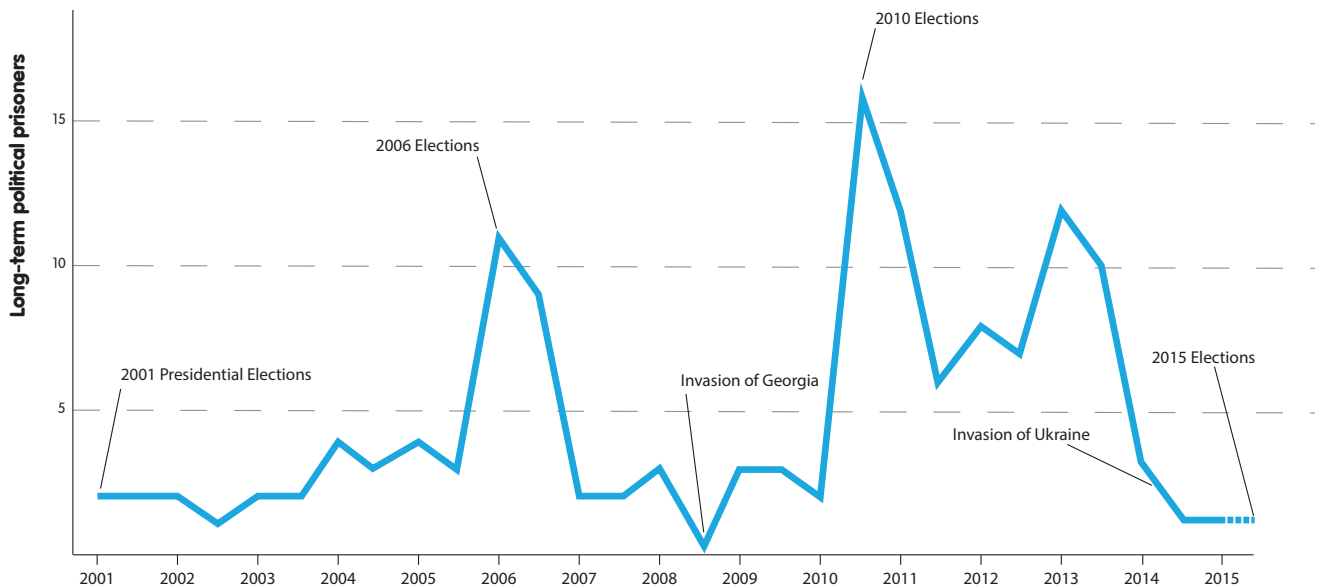


Figure 3: Long-term political prisoners and important political events

Source: The number of political prisoners is based on Amnesty International annual reports, which usually reflect the number at the end of the year.

Belarusian economic, political, and media space. Moreover, if Russia could get away with military intervention in Georgia and could annex a part of Ukraine, it would not hesitate from interfering in Belarus’s internal affairs, including by using military force if that should prove necessary. The threat of greater Belarusian independence could well push Russia to manufacture a conflict as an excuse to intervene. It is important, therefore, to find ways to cooperate at every level with those who are currently in charge of Belarus, to implement reforms in important areas such as economy, the rule of law, and education. That would create a more solid and utilitarian demand for democracy compared to the unrealistic scenario of revolutionary regime change.

Finally, many Western politicians have fallen victim to the image of Belarus as Europe’s North Korea, an isolated dictatorship in which it is completely impossible to achieve anything.²⁸ This is counterproductive and untrue. Nearly every major Western donor, including USAID and the EU, runs projects in Belarus, even if they operate under significant restrictions. Using demonising clichés to describe the situation in Belarus actually hurts local civil society, especially when EU and US officials talk of civil society’s primary role being to promote radical political change in Minsk. The threat of revolution has had a strong psychological effect on the Belarusian authorities, especially since they believe that all of the so-called colour revolutions were initiated and organised by the West. As a result, it has become extremely difficult to mount meaningful efforts to influence the situation in Belarus from within.

Policy recommendations

Belarus is under growing pressure and is considering its options. Despite some changes in rhetoric, Belarus is not adjusting its foreign policy because it wants to change itself. Instead, Lukashenka wants to preserve his system from Russian pressure. But recent moves to strengthen Belarusian sovereignty and nationhood risk undermining his traditional method of balancing between the West and Russia.

Lukashenka’s current overtures to the West differ from those he made in the previous period of tentative engagement in 2009-2010. That engagement ultimately failed because of the uneasy balance within a twin-track policy, with Belarus seeking foreign policy insurance against Russia by making token moves towards softening authoritarianism. This time, the second track is different. If the West seeks to engage, it will be by supporting Belarusian statehood, not by encouraging a putative domestic mini-liberalisation.

The EU has two ways to respond, either based on geopolitics and concern about Russia, or based in an effort to strengthen Belarusian society in the longer term. Both would drop the conditionality approach of “more for more” in all but name. The EU would confine itself to supporting Lukashenka’s policy of adjustment towards Russia, but without expecting fundamental change inside Belarus, and without taking steps that might make relations with Russia even worse.

The outlines of a geopolitical or realpolitik approach were sketched by Latvia’s State Secretary for Foreign Affairs Andrejs Pildegovičs after Latvia assumed the EU presidency in January 2015. Minsk, he claimed, had helped to de-escalate the Ukraine crisis, which gave it some leverage for “openings on behalf of the EU”.²⁹ He proposed that the

²⁸ See, for example, Rick Westhead, “Belarus: ‘The North Korea of Europe’”, *Toronto Star*, 7 January 2012, available at http://www.thestar.com/news/world/2012/01/07/belarus_the_north_korea_of_europe.html.

²⁹ “Latvia Claims Its Presidency Won’t Be ‘Anti-Russian’”, *EurActiv*, 8 January 2015, available at <http://www.euractiv.com/sections/eu-priorities-2020/latvia-claims-its-presidency-wont-be-anti-russian-311106>.

EU reconsider sanctions.³⁰ Pildegovičs asserted that there were only three remaining political prisoners in Belarus.³¹ He also said that Latvia wants Belarus to be represented at the highest level at the EU's Eastern Partnership summit in Riga in May 2015.³²

A Belarus that was freer to develop its relationships with the West would undoubtedly be of concern to Russia and absorb much of its time and energy. But what would come next – or would that in itself represent a broader security gain for the other countries in the region? More importantly, perhaps: what would such an approach actually achieve, other than a stronger but still authoritarian Belarus?

A second and more productive approach would be focused on Belarus itself, and would renew the policy of “engagement” without the unrealistic hopes of 2009-2010. The EU would offer to assist in a more modern form of nation building, one that would gradually empower civil society from within. The possibility of fomenting a quick regime change in Belarus has been unlikely since at least 2006. So, instead of criticising the regime from the sidelines, this approach would aim at patiently increasing if the EU's presence in Belarus. The focus should be not just on human rights, but more broadly on the rule of law, not so much on quick political changes but more on good governance and fighting corruption. Without a presence on the ground, the EU has no bargaining power.

Such an approach would entail four main strands of EU activity:

- The EU should help to strengthen statehood and national identity politics as well as to counter the Russian propaganda machine.
- The EU should engage more across the board: in the first place, with civil society, which should ultimately create more demand for sovereignty, democracy, and the rule of law in Belarus, but it should also interact more with the bureaucracy at all levels.
- Europe should provide indirect economic assistance: conduct a dialogue on economic modernisation and help with WTO membership and with expanding the role of the European Investment Bank and the European Bank for Reconstruction and Development.
- The EU should encourage stronger cooperation between Belarus and Ukraine, to ease Russian pressure on both states.

Countering Russian propaganda will be one of the most important tasks. The EU needs to confront aggressive anti-Western propaganda, which comes primarily from Russian media outlets in Belarus. Making independent media more

accessible by means of increased and more effective trans-border TV, FM radio, and internet broadcasting would lead to more demand for democratic change. At the same time, Belarusians should be given better access to information about the EU, its history and values. Although the EU has a Representative Office in Minsk, much more should be done to promote the EU at universities (for example, by organising public lectures, exchanges, and essay competitions) or for the wider public through civil society organisations. The EU needs to continue supporting Belsat TV, which is based in Poland, but it also needs to go beyond that and empower local voices from within.

In the past, the West has focused on educating human rights and opposition political activists about the EU and its values. But the Belarusian bureaucracy, the most influential group in Belarusian society, has much less understanding of the EU; it mainly gets its information from Russia-dominated media. Brussels should increase its work in experience transfer and should intensify educational programmes for officials (particularly the younger ones), focusing not on general geopolitical contradictions but on practical technical regulations, standards, and procedures. By engaging officials at all levels in meaningful cooperation, the EU will stimulate appetite for reforms in Belarus.

The EU has paid insufficient attention to the role of national identity in Belarus. For instance, the European Humanities University in Lithuania, one of the largest donor-supported projects, has slowly drifted from being Belarus-focused to catering for a larger group of Russian-speakers in the former Soviet space.³³ However, without the development of a stronger national identity, Belarus could easily become a part of Russia, particularly after Lukashenka is gone. Civil society groups should be supported, but so should the cautious steps of the Belarusian authorities, who are afraid to anger the Russian nationalists now dominant in Russia. This support should take the form not just of moral encouragement but also of concrete long-term programmes. This is one of the areas in which the interests of the Belarusian authorities, civil society, and the EU coincide.

Lowering the visa barrier by decreasing visa fees and making them free for many categories of Belarusians would also strengthen pro-European sentiment in wider Belarusian society, as would developing business and civil society contacts. Currently Belarus receives more Schengen visas per capita than any other country.³⁴ But most of these visas are issued for only a few days or months, forcing Belarusians to submit repeatedly to expensive, tedious and sometimes humiliating visa procedures. The EU should issue more multiple-year visas for Belarusians who have a good history of travelling to the EU. This should become a rule rather than an exception.

The EU's scholarship programmes, such as the European Scholarship Scheme for Young Belarusians, should be expanded to include exchanges of PhD students and

30 Tatyana Korovenkova, “EU Sanctions Against Belarus Could Be Reviewed in the First Half of the Year” (“Санкции ЕС в отношении Беларуси могут быть пересмотрены в первом полугодии”), Naviny.by, 23 January, available at http://naviny.by/rubrics/eu/2015/01/23/ic_articles_627_188061/.

31 Grigory Ioffe, “Is Belarus Benefiting From a Change in the West's Perspective?”, *Eurasia Daily Monitor*, 28 January 2015, available at [http://www.jamestown.org/single/?tx_ttnews\[tt_news\]=43463&tx_ttnews\[backPid\]=7&cHash=85f36ebaa0ab7a2f5c683e74acd5be95](http://www.jamestown.org/single/?tx_ttnews[tt_news]=43463&tx_ttnews[backPid]=7&cHash=85f36ebaa0ab7a2f5c683e74acd5be95).

32 “Secretary of State of Foreign Affairs of Latvia: we would like to see the leadership of Belarus at the summit of the Eastern Partnership” (“Госсекретарь МИД Латвии: на саммите Восточного партнерства хотели бы видеть руководство Беларуси”), *Tut.by*, 23 January 2015, available at <http://news.tut.by/politics/432710.html>.

33 Yaraslau Kryvoi and Alastair Rabagliati, “EHU: Optimising Impact On Belarus”, *Belarus Digest*, 14 June 2013, available at <http://belarusdigest.com/sites/default/files/ehuforbelarus.pdf>.

34 “Overview of Schengen Visa Statistics 2009-2012”, European Commission, available at http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/docs/overview_of_schengen_visa_statistics_en.pdf.

academics. However, it is not enough to help young people leave Belarus and study at Western universities. It is equally important to create fellowship programmes to support Western-qualified Belarusians in returning to their home country to work in education, public sector, or policy-oriented organisations. That would address Belarus's need for Western expertise and alleviate the brain-drain problem.

Although the Eastern Partnership has largely failed to reach its objectives on Belarus, it is important to keep Belarus involved even just as a formal member of this club, to enable it to cooperate with Ukraine and other countries of the region on matters of mutual interest. Clearly, the current Belarusian leadership remains uninterested in the prospect of joining the EU, which means that it has a very different motivation to leaders of countries such as Ukraine. This means a more individualised approach is needed.

Finally, many of the problems Belarus faces are similar to those of Ukraine. This should lead to the encouragement and funding of cooperation between Belarus and Ukraine at all levels (state and non-state), including common research initiatives, grant programmes, and exchange schemes for academics and policymakers.

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Acknowledgements

The authors have benefited from “brainstorms” in London, Vilnius, Brussels and Minsk (Minsk Dialogue 2015 conference). We also thank Jana Kobzova, Balazs Jarabik, Alastair Rabagliati, Anaïs Marin, Igar Gubarevich, Devin Ackles, and Stephen Hall for their feedback and help.

We would also like to extend our thanks to the government of Sweden for its support of ECFR's Wider Europe programme and the government of Norway for support of the Ostrogorski Centre analytical paper series.



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The Ostrogorski Centre, founded in 2011, conducts research and organises debate on international relations and strategic issues, as well as on the political and economic transformations in the Belarus and former Soviet Union countries; promotes cooperation and second track dialogue with partners in Belarus, the Eastern Partnership countries, and the world; publishes timely information and analysis from the region on Belarus Digest, Belarus Profile, and the CIS Arbitration Forum, as well as academic articles in the *Journal of Belarusian Studies*.

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© ECFR May 2015.

ISBN: 978-1-910118-32-0

Published by the European Council on Foreign Relations (ECFR),
35 Old Queen Street, London,
SW1H 9JA, United Kingdom

london@ecfr.eu