



Belarus Brief

How the West continues to loose Belarus

December 21, 2006

Executive Summary

The last three months in Belarus were characterized by the two dominant trends. On one hand Alexander Lukashenka appears to be desperately seeking new allies abroad, which could bring Belarus closer towards Europe. On the other hand the repressive course of domestic policy has continued or even further increased. The suggested re-thinking of the geopolitical orientation of Belarus - as expected - has not been accompanied by the political liberalization within the country. Meanwhile, substantial changes on the political map of the democratic opposition seem inevitable.

The Russian economic pressure could forced a policy change in Belarusian foreign policy: instead of the unilateral orientation on Russia or on the CIS, Belarus has started to shift into a multi-vector foreign policy. The question for Minsk is where to find the other vector to balance the pressure from Moscow? However, according to another scenario, the Belarus-Russia gas war is a mere rhetorical exercise, which makes Russia`s argumentation to finish using double-standard in energy policy within the CIS, and forces the West to accept Lukashenka.

Either way, what Pontis Foundation finds more important, Belarus is positioning itself in relations with Russia increasingly as an independent state with Lukashenka gradually adopting the previous policy of the Belarusian nationalists from the early 1990s. Also important to notice are the various divergences within the regime either tolerated or even coordinated by Lukashenka. This patriotic rhetoric and policy – despite persisting deep political gap within the society – force the emerging political consensus regarding the country`s independence. The question is whether this won`t be too late, if Russia conquers Belarus economically.

Paradoxically this development takes place without any significant influence of the West, particularly the EU, which has failed to provide real incentives for Belarus, or as a result of any significant contribution of the democratic opposition. The political opposition remains aside from this development, currently focusing mainly on itself. Thus, Lukashenka is enjoying the shift within society being the pragmatic choice as the only alternative for many Belarusians.

His position as pragmatic choice increased that the united democratic opposition is shrinking in numbers, as the lack of opposition candidates (4% for the total seats

available) in the upcoming local government elections scheduled for January 14, 2007 suggests. However, the on-going leadership crisis of the opposition might be a natural development in the post-election environment and help to seek new political unity strengthening center right around Aliaksandr Milinkevich and the left forces around the Communist leader Sergei Kaliakin. This is one of the reasons why the EU and USA assuring their own interests – the preservation of the independent Belarus – might be forced to launch a dialogue with current regime in Minsk.

The Regime's Foreign Policy: New Geopolitics or Mere Rhetoric?

The last political conflict between Belarus and Russia emerged after the threat of Gazprom to quadruple the gas prices for Belarus after December 31 to 200 USD per 1 000 cubic meters instead the current rate 47 USD per 1 000 cubic meter . Such step will seriously damage Belarusian economy which currently is dependant on cheap gas. Russia underlines a lower prices of gas (\$135) by the transfer of 50 % stake in the Belarusian state pipeline company Beltransgas, which owns not only the pipelines leading to Europe, but the retail of the gas to the enterprises and households in Belarus.

Independent Belarusian analysts warned that the key issue is not the price itself, but what financial mechanisms Belarus will pay (e.g. how much Belarus will really pay and how much comes from a credit line provided by Russia under a "grey" scheme) and whether Russia's intention is destroy the Belarus independent economy, thus Lukashenka at all. It is, however, unlikely that Lukashenka would turn Beltransgaz, the country only leverage, into Russian hands, since that would buy him maximum two years of lower price. As the Economist Intelligence Unit warns the similar situation of Armenia, which turned its energy structures to Russia, but only slightly delayed the "European" gas price is a clear warning. On the other hand, another scenario developed by Belarusian independent analysts suggests that the current gas dispute is a mere rhetoric by both sides for the West. As the scenario goes Russia may interest in to beef up its argumentation that there is no double standard in its energy policy in CIS, while Lukashenka is positioning to gain acceptance by the West by raising Belarus` geopolitical stake. Indeed, if the West will start talks with Lukashenka due to the Russian "threat", Moscow could easily argue with double standards of the West.

Pontis believes the real situation lies between the two scenarios. The additional economic pressure from Russia indicates the at that change in Moscow this time is real: the newly added export duty of around US\$180/tonne on crude oil exports to Belarus will cost around US\$1,6-2 billion loss for the Belarus budget. Up until now Belarus sold refined oil products made of cheap Russian crude on to west European markets at world prices.

The growing pressure of Russia has forced Lukashenka to seek the new partners abroad, primarily with the aim to ensure the alternative energy sources. China has become a new "strategic direction" already a year ago. After the visit of the president of Venezuela Hugo Chavez in Minsk on July 24, 2006 the Belarusian-Venezuelan commission was created which would be personally controlled by the heads of the states. From the Belarusian side the State Secretary of the Security Council Viktor Sheiman was nominated as the head of the commission that was an evidence of its strategic importance. Minsk has been increasing its Iranian contacts to the highest possible level and the Teheran visit of Lukashenka on November, 6

2006 and the official "military cooperation" statement suggesting possible arm deals. In the meantime, Belarus is also proposing processing of the Azerbaijan's oil and gas in the Belarus' modern powerful equipment of petrochemical complexes. The both presidents discussed oil deliveries from Azerbaijan to Belarus via the Ukrainian Odessa-Brody gas pipeline. This was topped by the most surprising proposal to create so called "gas union" with Ukraine declared on November 23, 2006 on the eve of the summit of the Commonwealth of Independent States hosted by Minsk. The real question is whether Belarus achieves anything with its special relations with China, Iran, Venezuela except exchanging nice words (and maybe a few old soviet weapons)?

Beside the Belarusian threat to increase rent of the two Russian military bases (in Vileyka and Baranovichi) – Minsk will likely to play with the political threat/context behind the change of Russia's subsidies toward Belarus. Lukashenka's political communication is strengthening this scenario: he has been shifting to emphasize a very hard next year due to the gas price hike and increasing the nationalistic messages. That would lead into a similar war (of words) between Belarus and Russia, like in February 2004, when Russia stopped gas delivery for Belarus. "This is an act of terrorism on the highest level" stated Lukashenka at the Belarusian TV. Unlike Ukrainian politicians, he has influence in Russian media and public, which can win him a better position in a political battle with Russian President Putin.

At the same time, when the gas and oil conflict between Belarus and Russia culminated, the EU on November 21 presented a proposal of the advantages that EU could offer to Belarus in case of Belarus would choose the path of democratization, respect of human rights and rule of law. Despite of the efforts of the EU diplomats in Minsk, the effort is so far unheard both by citizens and the regime. The financial aid side of the EU offer – the only incentive the regime would hear these days - is "smaller than the costs of plutonium causing the death of Litvinenko" as a joke in Minsk goes, so Belarus' ignorance is obvious. Without serious incentives the EU won't be considered as a serious player neither in its "neighborhood", Belarus, Moldova or Ukraine. On the other hand, the EU seems ready to play harder with the regime, another believed factor toward effective Eastern policy. The suspension of the trade preferences under the GSP might be supported by the end of the year and European diplomats have - first time in a press conference in Minsk on the occasion of the EU Offer – said that the proposal on the opening of the EU Delegation is based on reciprocity, e.g. if Belarus not comply with the (formal) request, the EU may close down its Embassy to the European Union in Brussels.

Nevertheless, the former Polish president Aleksander Kwaśniewski statement in favor of the direct dialogue with Lukashenka arguing that the next few months will be key for Belarus may have a prophetic character. Of course, there's the rub: in any case the West seems continuing to loose Belarus. This will be apparent if Russia acquires the strategic economic assets. On the other hand, the direct dialogue between EU and Lukashenka would mean the recognition of Lukashenka, thus the failure of the policy based on the promotion of democratic values, in Belarus sacrificed to the geopolitical interests. Even the EU chooses the lesser evil, i.e. the direct dialogue with Lukashenka regime, the prospects of democratization of Belarus will be postponed for a long time. EU could lose its supporters within Belarus with a minimal prospect to win its current adversaries.

The Regime's Domestic Policy: Business as Usual

The re-thinking of the foreign policy and the change of the image of Russia are not accompanied by any political liberalization of the regime. Moreover, the growing intensity, but small-scale character of the repression has been further confirming. Obviously, any kind of liberalization sign would weaken the position of the regime. The repressions started to penetrate not only in the political sphere and professional life of the citizens, but even in the families. The intention of the regime to total elimination of the oppositionists confirms the presidential Ordinance no. 18 of November 24 "on additional measures for the state protection of children in unfavorable family conditions". According to this ordinance the children, whose parents are considered as the people with asocial or pathological behavior, could be deprived from the parents and taken to the orphanages even without the decision of the court. Such law could be easily used against the families, where at least one member was sentenced for the political reasons.

The atmosphere of the small scale persecutions characterizes the electoral campaign before the upcoming local election as well. Small, since there is almost no opposition candidates left to harass. In September the Chamber of Representatives adopted the changes of the Electoral Code, according to it any meeting of the candidates with voters should be approved by the local officials. The chair-woman of the Central Elections Commission Lidziya Yarmoshyna announced that on the local election appointed on January 14, 2006 will be held without international observers. To the precinct election commission got only single member of the opposition party, nominated by the United Civil Party. Few independent candidates and activists, who were for example collecting the signatures for the opposition candidates, are fired from the work or evicted from the universities. The former candidate of the United Democratic Forces for the presidential election Alyaksandr Milinkevich was three times detained by the police within a week.

Most importantly, the continuous, growing, but well targeted (opposition only) small-scale repression strategy was enough to continuously pushing the opposition out of the mainstream, but also challenge the dictator image of Lukashenka within the society. According to the fresh analysis of the newly established network of Belarusian analysts, the Belarusian Institute for Strategic Studies, the shifting geopolitics, the policy change in Russia and the patriotic and well targeted (economic and social issues) political communication of Lukashenka has made him pragmatic, rather than charismatic choice. He keeps add new topics: most recently he worries about the state of Belarusian language, once he basically banned by minimizing Belarusian language in schools, closed down the only Belarusian Lyceum with instruction in Belarusian, and preferring Russian in every state run media. He simply might be preparing for changing its stability and prosperity messages for patriotic ones when necessary.

Democratic Forces: Decomposition or New Concept toward Unity?

This shift within society was possible also due to the intact politics of the opposition forces. The effective campaign of the regime drove out active opposition supporters out of mainstream. The lack of hope in the elections and the general political climate (threat of losing jobs) make look the opposition almost virtual, since it managed to field around 800 candidates for registration, which is around 4% of the total available more than 22,000 seats. There is 1.1 candidates per seat, which makes many candidates run unopposed.

The concept of the creation of the single opposition, the non-party based movement, has been proved as mission impossible. The movement "Za Svabodu" inspired by the pre-election civic campaign and announced by the Milinkevich in the wave of post-election protest, have not manage to replace the United Democratic Forces. One of the main reasons is that it stacked with the announcement and developed no further. Milinkevich is, still, acknowledged as the symbol of the fight for freedom enjoying high name recognition both abroad and at home. However his position as the "leader of the opposition" is strongly contested – at home. His political rating is notably decreasing: according to available public opinion polls (IISEPS) in April 2006 18,4 % of the respondents were decided to vote for him while in October this number declined to 10,3 %.

Milinkevich clearly lost his political battle about the next Congress, when 60 % of the participants of the regional conference of United Democratic Forces that took place in Kiev in early November decided in favor to organize it before 25 March 2007. While those attacking Milinkevich seems miscalculating his rating as a political symbol both at home and abroad, the former oppositional candidate has clearly overestimates his ability to "unite" the opposition merely takes his narrow circle advices into account. If he continues within this line, he will soon the new leader of the center right/conservative opposition force uniting the Belarusian Popular Front structures with likeminded NGOs under the brand "Za svabodu".

At the conference of the activists of democratic forces that took place in Kyiv on November 5 and 6, 2006 the common strategy of the campaign before local election was adopted. Despite the common strategy adopted one month after conference the (regional structures of) PCB separate decision on the withdrawal from the elections. Moreover, the unification process at the left wing of the opposition led by Sergei Kaliakin, the Communist leader could give a different dynamics to the whole opposition movement. The integration of the left forces including the PCB; the Social Democratic Party of Belarus (National Hromada) led by imprisoned candidate for a president Alyaksandr Kazulin and Women's Party Nadzeya (Hope) topped at the founding congress of the Union of Left Parties on December 17, 2006 in Chernygiv, Ukraine. Seemingly, the Belarusian opposition (Kaliakin) was able to attract local support for this process, while the new Union could give a chance to Kaliakin, whom many see as the most capable leader within the opposition, to re-brand himself from the Communist leader to a more acceptable social-democratic one. This integration process could also lead to a more transparent and understandable opposition (for the citizens) based on clear ideological distinctions.

Much depend on the new Congress of Democratic Forces, although currently not sure whether this will take place at all. A poorly prepared – both agenda and participation wise - Congress could degrade itself on the unrestrained decomposition of the opposition if the whole energy of its initiators will be focused on the de-legitimization of Milinkevich. On the other hand with a clear agenda to focus on enhancing representation for the UDF and election of a new decision making body for UDF the Congress could be the beginning of the controlled process of the new diversification of the opposition leading to a new unity.