

## Belarus: are the scales tipping?

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»» Belarus' relative isolation has not protected the country and its ruling elite from the impact of the global economic crisis. Russia has stopped buying many traditional Belarussian products, while refined oil products sold to the European Union (EU) are bringing in less revenue due to falling prices. The crisis is prompting the country's eccentric leader, Alexander Lukashenka to pursue a policy of economic liberalisation. Greater openness towards Western institutions is seen as the quid pro quo for the latter throwing a lifeline to the country - and to Lukashenka.

The crisis has undermined Lukashenka's strategy of positioning the country as a buffer between Moscow and Europe. This strategy has involved the dictator blackmailing Moscow with the prospect of turning to the West, while blackmailing Europe with the threat of Belarus's independence being lost to Moscow. Lukashenka has been playing this game for years in order to maximise benefits from both East and West. But the crisis puts his very political existence at risk. His reaction might be a radical shift towards the EU. All this in the lead up to a crucial meeting in April at which the EU will have to decide whether or not to renew sanctions on Belarus.

Shortly after the EU announced its Eastern Partnership, the most serious gas war to date destroyed the remaining trust that the Ukrainian political elite had in the EU. Ukraine may have prepared well for the contretemps with Russia. But it has underestimated how exasperated the EU is with the country four turbulent years on from the Orange Revolution. In EU eyes Ukrainian politics seem increasingly to approximate to those of Russia more than to those of Europe's consolidated democracies. As Ukraine falters, Brussels needs to find a new, positive example of reform to shore up its soft power in the East.

### HIGHLIGHTS

- The Lukashenka regime is under pressure to reform, especially due to the impact of the economic crisis
- Favourable conditions exist for the EU to try harder to prize Belarus away from Russian influence
- The EU should resist the temptation to engage without political conditions, but rather seriously consider how the prospect of accession might drive a democratic breakthrough

»»»»» In this context, the buffer is becoming a buffet: a range of new options and possibilities are on offer in Belarus. The question is whether the concessions the regime in Minsk is making will allow any meaningful chinks in Lukashenka's armour. If Brussels moves to incorporate Belarus into its Eastern Partnership, this should not be seen as an end in itself.

### ROTATING RESCUE

The Lukashenka regime has always had an ability to adapt to the most important local, regional and international shifts. However, with the ruling elites' calculations shifting, today Minsk may be obliged to contemplate more systematic change.

Moscow is trying to re-assert its influence over what it considers to be its own extremely important buffer (the Belarus-Russia border is only 400km from Moscow). But Lukashenka has surely realised that Russia cannot be counted on to rescue him from his costly economic miracle anymore. Belarus needs to be a part of the global economy, and politically to move closer to Europe.

Lukashenka understands well that the three most important things Moscow expects from Belarus are, first, that it does not integrate into NATO or the EU; second that it ensures cheap and reliable transit for Russian gas and crude; and third, that it ensures Russia's access to Kaliningrad. The rest – a Union between Russia and Belarus, the Single Economic Space, air defense arrangements – merely prop up Russia's Potemkin superpowerdom, in exchange for cheap credits. Nevertheless, these credits, as the case of the US airbase in Kyrgyzstan shows, are no longer provided without political conditions from Moscow.

What has changed from Minsk's point of view is that it feels deeply betrayed by Russia on the issue of gas pricing. Personal threats to Lukashenka from both President Medvedev and Prime Minister Putin have convinced him that the notion of integration with Russia is a dead end. Conversely, the IMF loan to Belarus agreed in December 2008 and more dialogue with the EU suggest to Lukashenka

that the West is ready to give his country a helping hand – and that if he engages he won't end up in The Hague. Lukashenka not only noticed, but admired the Western bailout for Georgia's President Saakashvili after the summer war with Russia. Minsk now sees more threats coming from the East than from the West.

Rotating the rescue from Moscow to the West, however, does not mean that the system will change. The renewed Lukashenka team – Uladzimir Makei, head of Presidential Administration and Belarusian nationalist and carrier spy Natalia Petkevich, the deputy head, are responsible for dialogue with the EU – see change as necessary to keep the leader in power. The small reformist steps taken so far show that the transformation of Lukashenka's regime will be dictated by the same logic it was built upon: that of preemption. As Lukashenka destroyed the opposition before it took root, he and his new team will be looking out for new threats to the system. The crisis, however, renders some broader change necessary and seems to be prompting the regime to widen out the elite. This may mean less control and an opening towards political reform.

Take a look at the newly created public committees – one for improving the country's image, one for media, one for human rights dialogue and another for labour issues. No doubt these will be used as a new tool to keep the opposition divided – some of the latter invited, others not. But it also means acknowledging that there is such a thing as opposition in the country. More importantly, the president has through decrees returned the responsibility for directing state firms to its directors. Again, the aim is to pass down responsibility for dealing with corruption, while keeping managers in the regime's orbit. But still, it is significant that a few months ago such a decentralisation of economic power would have been unthinkable. As it would have been that Minsk would accept the Western claim that there exist outstanding human rights issues or problems related to the electoral code.

A generational turnover in the administration started after the 2004 parliamentary elections and deepened after the 2006 presidential elections.

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This is bringing in a new generation of officials who no longer believe that they will end their lives with Lukashenka. The key will be to move from this incipient change towards fashioning an exit strategy for the regime.

### TROJAN HORSE

Minsk will not want to rely too heavily on dialogue with the EU. Besides its promise to keep Belarus NATO free, the other link to Russia is the continuation of weapons trade. In recent years Minsk's priority has been to strengthen economic relations with Arab and Asian countries. However Lukashenka must be disappointed with the current level of relations with China as this brings much less revenue than Minsk had hoped for. The goal is clear: to bring in as much revenue as possible with as few

political conditions as possible. Lukashenka might be even considering using part of his personal fortune - rumoured to be held in Lebanon - in order to ease the transformation and minimise the impact of economic reforms on the political system. This

is 'his' country, where he is the only landlord. No crisis or transformation should change the political structure of Belarus, no matter how much the fundamentals of the economy are under strain.

Nevertheless, the changes in government attitude in dealing with EU-related issues are surprising. If Minsk's goal is to please Brussels before the Council of Ministers discusses six months suspension of sanctions in April, it is certainly on the right path. However, what might be enough for Brussels is unlikely to be enough for economic recuperation from the current crisis.

Brussels should consider what the price is of taking a Lukashenka-led Belarus into the Eastern Partnership with very limited political concessions.

This would create a dangerous precedence for the entire former Soviet region and further dampen EU soft power. It will not help Belarus move away from Russian influence in any tangible way, but in the meantime may paradoxically undercut the hard core supporters of Europe, the country's opposition. That is because this group has long equated integration into Europe with democratic reform.

Bringing the current Belarus too close to the EU could turn into a Trojan horse in terms of democratic values. The message for the whole region will be that ruling without democratic principles is acceptable, if you are able to survive the pressure for long enough. Brussels must make it clear that without political reforms Belarus will remain Russia's buffer.

Instead of letting Minsk choose among the political conditions Brussels has laid out, the EU could raise the stakes and more powerfully shape Lukashenka's political motivations by raising the prospect of accession. From a purely technical viewpoint, Belarus is the only Eastern country that would be able to manage an integration process in a short period of time. Moreover, it does not suffer the kind of internal issues that beset Ukraine or Moldova, while its small size means it could be easily absorbed by the Union.

### CHANGE WE CAN BELIEVE IN

If Minsk is keen to change the image of the country and keep Belarus fully independent from Russia, it needs political change. Change, but change that the West can believe in.

Take a look at the domestic dimension. Although his domestic ratings have been dropping - from 38 per cent in November to 31 per cent in December 2008 according to an independent agency data - Lukashenka's popularity should be enough successfully to contest the next presidential elections expected in October 2010. Retaining power for so long has not been achieved by depriving the middle class of all its privileges. Disturbing though it may sound, Lukashenka has proved to have greater national responsibility and integrity than the entire Orange elite in Ukraine. And Belarus's democratic opposi-

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»»»»» tion is divided by a leadership crisis dating back to the 2006 presidential elections. The opposition has failed to raise political reform and freedoms as an attainable agenda in Belarus or win trust in its management capabilities. Many Belarusians might legitimately prefer Lukashenka to the current opposition. This is topped by the fact that the opposition is likely to remain divided, offering several of its candidates for the next presidential elections.

Unlike the Ukrainian government, the Lukashenka team has managed to reduce Moscow's room for manoeuvre by nationalising the country's elite, cutting government officials' ties with Moscow and offering the country independence (from Russia) as the uniting clarion call for Belarusians. Certain aspects of Europeanisation have been occurring in Belarus for years now. The reconstruction of regional centres benefitting from the European touch include not only Brest and Grodno, but also Vitebsk and Mogilev in the East. The country is relatively well managed compared to Ukraine or any other country in the Commonwealth of Independent States. The education system is well maintained. The traditionally law abiding citizenry gives Belarus the chance of a shorter integration process into the EU. The current steps towards modest reform suggest that the regime appreciates how its power depends more and more on the middle class it has created. They are the ones that seek economic liberalisation. Minsk seems to be reacting in large measure to their concerns. This should also be the main target for the EU in trying to encourage more political reforms.

The main domestic question is, of course, Lukashenka himself. He is interested in keeping power through depressurising reforms. But a buffer zone rarely offers a credible exit strategy. As there is a lack of internal pressure, the change of motivation must come from outside.

#### **ARE YOU GAME?**

The notion of Belarus's EU integration sounds like a utopia due to several important factors. The first is whether Russia would allow such an important buffer as Belarus to drift away to the EU. Moscow

probably does not feel the urgency to increase its focus toward Belarus as it counts on the limits of any serious political reform undertaken by Lukashenka. Moscow's leverage lies in control of the pipelines; according to the current contract 50 per cent of the state owned Belneftegas will be owned by Gazprom by 2011. The new atomic energy power station will be built by a state owned Russian company, according to the Russian Ambassador in Minsk.

An even more striking set of doubts lies with the EU itself. Brussels is currently looking overwhelmingly for a normalisation of ties with Minsk, bringing it into the Eastern Partnership. Is this enough to guarantee Belarus's independence? Europe's soft power will start working when the incentives to keep the strategic partnership with Russia fade away. This is only topped by the current global crisis and Minsk's understanding of where the resources and its new hope lies. But of course, the EU is not currently committed to an enlargement in the East. A dramatic event in the East could, however, challenge European leaders to re-open the question of enlargement. The road from being 'Europe's last dictatorship' to being a new hero may not then be as long as it seems for Lukashenka.

These issues should be raised with Lukashenka directly in order to raise the stakes. If Minsk is serious about transformation and its independence, it must do more in terms of political reforms. Economic transformation may help Belarus to retain the old 'buffer' gamble. But the global economic crisis may quickly turn this buffer into a 'buffet' that is in its current shape not terribly appetising to the Western palate. Without political reforms Belarus will remain in the buffer zone until the Russian appetite for greater control returns. Are you game, Mr. Lukashenka?

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