

Elections in Belarus: regime change?

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>>> Belarus' presidential elections, on 19 December, come at a difficult moment for the country. Russia's dissatisfaction with footing Belarus' bills, but not getting what it wants in return, has grown into a smear campaign against president Alexander Lukashenka. Many believe this amounts to an attempt at regime change. The European Union is equally fed up with Minsk's hostility to political reform.

Europe is offering millions of euros in assistance for free elections. And cash is undoubtedly the carrot that matters most in Minsk. However, with the EU and Russia neutralising each other's efforts, Lukashenka may escape relatively unscathed from yet another decisive moment.

IGNORANCE IS BLISS

The EU still lacks strong influence in Belarus. Minsk's disregard for Brussels' mild engagement policy has effectively halted the dialogue that began a few years ago. Until now the democratisation of Belarus has been taken to mean regime change. With Russia trying to achieve the same end, the EU fears that losing Lukashenka would mean crippling Belarus' independence – and playing into Russia's hands.

But ignoring Lukashenka, as the US currently does, would not necessarily be an ineffective policy. For this reason, Brussels should have developed the capacity and means to provide support to civil society, small and medium-sized business, and independent media while also building ties with bureaucrats. As this has not happened, the German and Polish foreign ministers have raised the stakes over free elections with the only incentive the regime cares about: money. 3 billion euros to be precise. The European Commis-

HIGHLIGHTS

- While the EU and Russia continue to neutralise each other's efforts, Lukashenka is 'set' to win another presidential election.
- China may want to use Eastern Europe as a launch pad, while Lukashenka will use China as a bargaining chip.
- Belarusians are ready for change, but Lukashenka is expected to remain in power. With no serious challenger, the biggest threat to his success is the turnout.
- The EU needs to find real means to support and strengthen its allies in the country – the opposition and the middle class.

»»»»» sion's freshly drafted Joint Interim Plan could be taken as another carrot. But Brussels still lacks an accompanying stick to pressure for reform. At the very least, it could encourage Moscow to join visa sanctions against Belarus.

Alexander Lukashenka is set to win the elections. He can rely on a state that is robust, but no longer characterised by simple and harsh authoritarianism. The regime is trying to adapt its policies to new external conditions and co-opt, not only wear down, its domestic 'alternatives'. Minsk has enticed China to make 16 billion dollars in investments, and Venezuela to supply it with crude oil 'for the next 200 years'. In the short term the Belarusian budget is aided by (Western) credits, although it lacks a long-term economic perspective. This leaves Lukashenka working hard towards a global diversification of his country's geopolitical 'blackmail'.

RUSSIAN URGENCY

Following the 'Putin doctrine' in its near abroad, Russia no longer wishes to subsidise allies whose loyalty is questionable. Moscow uses its foreign policy in the region to serve its energy, economic and asset acquisition priorities. Indeed, Russian taxpayers footed the bill for Belarus' 'economic miracle' for a decade. Now, Moscow wants Minsk to sell petrochemical and machine industry assets to Russian firms. This is nothing new, but what makes it interesting is the soft power approach being employed, especially the smear campaign against Lukashenka in the Russian media. And what makes the current situation new is Minsk's fierce and effective defence despite the absence of real bargaining chips. This defence makes Lukashenka a target that Moscow is increasingly keen to topple.

Following the first gas war with Belarus in February 2004, Russia announced a policy change on the eve of the 2006 Belarusian presidential elections with a gradual gas price hike. However, it was only after the February 2010 presidential elections in Ukraine, and the deal which extended the Black Sea Fleet's Crimea lease in return for cheaper Russian gas imports, that the Kremlin really began to step up pressure on

Belarus. Nevertheless, Belarus is still paying by far the least among Gazprom's customers; a fact that is testament to Lukashenka's negotiating skills. The most important objective of the smear campaign is turning Russian public opinion against subsidies to Belarus, as these have been used by Lukashenka as a tool to pressure Russian leaders.

Although Russia still provides indirect support to the Belarus opposition, it is hard to believe that anyone at the Kremlin is planning an electoral revolution in Minsk. It is more likely that Moscow has been challenging the loyalty of key Belarusian officials, for example by feeling out the possibility of a *coup d'état*. Empowered by a fresh start with the US and talks on the European security framework, Moscow has calculated that autocratic political leaders in its neighbourhood have reduced room for manoeuvre, and no guts for reform.

Does Russia need to rush? Since its subsidies began drying up in 2006, Belarus has been devouring Western credits. But the country is still reliant on Russian crude and the Russian market. With the new oil terminal close to Saint Petersburg, the 'Druzhba' ('friendship') oil pipeline running from Russia through Belarus and into Europe could be shut down in 2013. Such a closure would be a fatal blow to the Belarusian economy – the former Soviet Union's two largest and most modern refineries on this pipeline are in Belarus and are responsible for around a third of Belarus' GDP. Moreover, 2013 is the year when Minsk needs to pay back most of her loans. By that time, however, Russia will be bogged down with Ukraine (Naftogaz and the customs union), Georgia, and of course its own presidential elections. All of this is music to Lukashenka's ears.

REFRESHING THE REGIME

Minsk realises that it is running out of time. Bringing in new, rich friends has had more PR value than real economic impact. Negotiations for the 16 billion dollar deal with China, of which 3.6 billion has reportedly been agreed, certainly helps Belarus go global. For China, Eastern Europe serves as a launch pad to provide entry to EU markets, especially by

targeting economies in need of cash. Notably, by building motorways and railways for high-speed trains, it may gradually change Europe's geopolitical map. Neither Russia, nor Germany or France, is thrilled by such a prospect. Heavy engagement with China may actually serve to increase cooperation between Russia and the EU, but Lukashenka won't care too much. The Belarus economy is in chronic need of cash, and will also be in need of workers. As before, he will try to employ the anger of his neighbours as bargaining chips.

The deal for crude oil from Venezuela follows similar lines. Although neither side disclosed the price tag for the 30 million metric tons of oil over three years, Belarusian state statistics offer some guidance.

Belarus' upcoming presidential elections in December come at a difficult moment for the country

They show a price tag of 645 dollars per ton, thus pricing 30 million tons at about 19.4 billion dollars (Belarus' GDP is only around 55 billion dollars). Belarus slashed imports of Russia's Urals blend

and increased purchases from Venezuela after Moscow imposed export duties. Between six and seven million tons annually is left for Belarus' domestic needs, as Minsk exports the rest to the EU in refined form. Actually, the unpaid customs duties on crude, along with raised gas prices, made up the bulk of Russian financial assistance provided to the regime.

As Russian Urals blend is cheaper (at 419 dollars per ton in August 2010, a difference of 200 dollars per ton) it is rather questionable whether under the new deal Belarusian oil products will remain competitive in the EU market. The only lifeline Minsk has to make a profit on is the 6-7 million tons of crude that Russia is still providing. It is noteworthy, though, that gas generates at least five per cent of annual GDP, and so is not considered such a major factor as it is in Ukraine.

Transit further complicates matters. As Belarus' Mozyr refinery receives Venezuelan imports by rail

from ports on the Baltic and Black Seas the real news is that Ukraine has agreed to use a part of the Europe-bound Druzhba pipeline from Odessa through Brody to reach Belarus. This would make it possible for crude from other sources, such as Azerbaijan and Kazakhstan, to flow to Belarus (and towards Europe). Whether the Ukraine government would resist serious Russian pressure against this is open to question.

Meanwhile, Lukashenka is building up the barricades at home. He has plenty of options to defend himself and has been adapting to the new conditions for some time. He has been shifting towards the position of Belarusian 'patriot' since 2004, and a new generation of his patriots has taken up positions in government. The bureaucracy is not only allowed to 'earn' more, but to spend it as well. This year saw the first Belarusian, Vladimir Peftiev, on the *Forbes* list of billionaires. And there are concessions for the other side as well. Independence has become a widely shared value, with state propaganda heralding Belarus as a European country, and the market economy is slowly becoming an accepted model.

THE 'MOMENT OF TRUTH'

Not only the regime, but also the opposition, has been changing tactics: instead of backing a single candidate, as in 2006, it has been fielding a number of candidates with various platforms. Although the Belarusian population is hardly aware of most of them, some are campaigning hard.

This change in tactics has its origin in the 'success' of the 2006 presidential elections. Alexander Milinkevich, the unified candidate from 2006, was honoured with the European Parliament's Sakharov Prize. Moving away from a focus on process to concentrate on an individual, the West forgot the years of hard work that went into building the process that made Milinkevich that single candidate. Other Belarusian opposition leaders simply reverted to infighting.

Restrictive political conditions combined with the West's unchecked and long-term moral support help



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»»»»» keep opposition politics ineffective. The opposition's focus has been on donors instead of their own citizens. Dissatisfied with the results, the US government has overhauled its assistance strategy and reduced support. Subsequently Alexander Milinkevich, having been the first to announce his candidacy and seemingly unconcerned about opposition unity, was the first to withdraw from the race.

Most surprisingly, 10 candidates have registered for the race. Amongst them, there are some new faces and more money. For Belarus' observers, it is clear that most of Lukashenka's challengers did not collect the necessary 100,000 signatures. In a liberal electoral atmosphere, this is the first serious sign that these elections will not differ from the previous ones organised by the incumbent regime. Changes are merely to please the West, not to play according to international rules.

The elections' best kept secret is the lavishly funded 'Tell the Truth' campaign, with candidate Vladimir Neklaev at its head. There is much talk about their financial resources, but no-one can tell where the money is coming from. Representatives point to various Western governments providing resources through private funds, thus allowing the monies to be attributed to 'Belarusian sources'. Given that there is seemingly no financial accountability or reporting attached to the campaign (which any Western government fund would require), Russia is widely believed to be the source. Moscow, however, has no preferred candidate.

As the 'Truth' campaign talks about the next parliamentary elections, some conspiratorial questions may arise. In the absence of US influence, could the regime step in to maintain the status quo impasse with the opposition? Or might it make moves to control the large and inscrutable flow of cash to the opposition? Russian 'meddling' has pushed the regime in the direction of a co-optation strategy, shifting towards a partial normalising of relations with the opposition and civil society. After the elections Neklaev and his team could form part of a nominally pro-Russian political party. Rumours about his alleged Russian funding already place him in this category. With Alexander Milinkevich out of the race the pro-European tagline has been adopted by 'virtual dissident' Andrei Sannikov. Nevertheless, the unprecedented amount of cash flowing to

the 'Truth' campaign may erode the moral ground for democratic structures. Indeed, any remaining moral standing of the opposition may evaporate with these elections.

MADE IN BELARUS

According to credible surveys Belarusians are ready for change, but changes are expected to be carried out by Lukashenka. It is unclear whether his long-term, stable support is the result of his personality, or of a country deprived of any transition. With no serious challenger, the biggest threat to his success is the turnout. Although there are some promising signs emanating from Minsk with regard to the election process, widespread ballot stuffing is still expected. The West cannot accept another preordained election result, no matter how much less Lukashenka 'wins' by. There should be a genuine process with proper vote counting and appropriate announcements of real results.

Meanwhile, the West's Belarus policy needs something of demystifying. Belarus is not a dictatorship, but an adaptive authoritarian regime with a populist figure building on the weaknesses of those around him. The EU and Russia must find a way to talk to each other about their neighbourhood. Brussels also needs to learn how to aid its allies – the middle class – in Belarus and the region. It needs to have a consistent and long-term policy, along with a subsequent assistance strategy, that acknowledges there is no easy fix in Belarus, or for that matter anywhere else in the region.

Whether the elections will be at least partially free, as the EU (but not Russia) is demanding, is a minor issue compared to the main question: how will Lukashenka continue to rule the country afterwards? The answer lies in his ensuring a support base at home while also counting on Moscow's other priorities to ensure that he continues to receive concessions. Ongoing adaptation looks set to provide his necessary means to cancel out the policies of the two neighbours – and to keep Belarus as it is.

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