

## The EU and Belarus after the election

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>> The crackdown that followed the presidential election in Belarus on 19 December 2010 reversed pre-election signals that had promised a relatively liberal atmosphere. After a rigged election result that gave President Alyaksandr Lukashenka an implausible 79 percent of the vote, more than 600 Belarusian citizens were arrested, including eight of Lukashenka's nine opponents in the election. However, although he was able to survive the election, Lukashenka now faces economic pressures and a forthcoming struggle over the privatisation of state assets, which will be the most important test of his ability to keep both the elite and society under control. In that context, the post-election crackdown was a sign not of the regime's strength but of its internal weakness. As the country's internal struggles intensify, it would be a bad time for the European Union to isolate Belarus.

At the same time, however, the EU must react in order to regain credibility in its neighbourhood. In the past, the EU and the United States tried both isolating and engaging the regime. Although neither policy was a complete failure, neither was particularly effective. In addition to expressing solidarity with those still in prison, the EU must now devise a proactive strategy that changes Lukashenka's options. Lukashenka is a great survivor who has shown skill in balancing between Russia and the West, but his position has been weakened. While Russia is also increasingly frustrated with its ally, the interruption of EU dialogue with Minsk increases the chances that Moscow will gain control of its neighbour's economy. The EU now has an opportunity to regain the initiative in its relationship with Belarus. It should raise the stakes for both the regime and Russia through a combination of targeted and 'smart' isolation, selective sanctions and engagement.

### HIGHLIGHTS

- The post-election crackdown in Belarus shattered hopes of a relatively liberal atmosphere.
- Internal divisions within the regime have become increasingly visible since the last elections in 2006.
- To avoid becoming a hostage to Moscow, President Lukashenka may be keen on reaching out to the EU.
- The EU's policy in Belarus should follow a combination of targeted and 'smart' isolation, selective sanctions and engagement.

»»»»» **THE UNEXPECTED CRACKDOWN**

The crackdown that followed the presidential election in Belarus on 19 December 2010 reversed pre-election signals that had promised a more liberal atmosphere. The European Council had already set the bar low in October 2010 when it declared that “clear and visible progress on the conduct of elections would give new impetus to the EU’s engagement policy with Belarus”. The election was never going to be completely free and fair, but there were initial signs of the progress the European Council wanted to see: apart from President Alyaksandr Lukashenka, nine other candidates were able to register with relative ease; they could campaign around Belarus with little state interference; and, for the first time, they were allowed to take part in a debate on state television. However, after a rigged election result that gave Lukashenka an improbable 79 percent of the vote, around 15,000 people demonstrated in central Minsk on 19 December – a protest that was, by many accounts, smaller than the one after the previous election in 2006 but bigger than expected. Many of those who participated were young professionals and members of the emerging middle class who came to protest against the way that the election had been rigged rather than to back any of the opposition candidates, who in any case had no coordinated agenda.

A minority of demonstrators – which may have included agents provocateurs from the Belarusian state security service (which still proudly called the KGB) and the Russian secret service, as well as some genuine opposition protesters – produced the scenes of disorder that the regime used as an excuse to crack down. But the regime’s reaction went much further than anyone expected. Over 600 people were detained, including eight of Lukashenka’s nine opponents in the election. A month after the election, 33 people remain in prison and many of those arrested face sentences of up to 15 years. Offices of human-rights organisations, independent media and political parties were raided. The

office of the Organization for Security and Co-operation in Europe (OSCE) in Minsk was closed, apparently indefinitely.

Although it is clear that the post-election crackdown was the result of a decision taken by President Lukashenka, we may never know what kind of information led him to that decision. One possible explanation for the events is that the regime had concluded that it had gone too far in granting even limited political freedom before the election. Lukashenka had also patched up ties with Russia just before the election with a key deal on oil transit, so he no longer felt the need to listen to Western demands. However, relations between Belarus and Russia are unlikely to remain peaceful. Others, however, see the crackdown as an overreaction to ‘provocations’ during the protests, although it is difficult to believe that, in a country that has the highest number of secret agents per capita in Europe, the authorities were not fully briefed in advance. Moreover, a poll carried out after the election suggests that Lukashenka would have won the election in the first round even if the voting and counting had been carried out transparently.

So, it is likely that what worried the regime was not the opposition itself, which remains weak and fragmented, but the re-emergence of civil society in the run-up to the election. A new belief emerged among Belarusians that social – if not regime – change was possible. In particular, home-grown reform constituencies began to emerge beyond the boundaries of the groups traditionally financed by Western aid. What worried Lukashenka was probably this change of mindset among ordinary citizens more than the opposition. This is confirmed by the fact that while the number of political prisoners remains

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high, the authorities targeted NGOs' means of gathering information (e.g. computers) rather than the activists themselves. Moreover, unlike in 2006, when many of those who took part in the post-election protests were expelled from universities, there is no confirmation that this has taken place this time.

Thus the post-election crackdown seems to have been designed to reverse the emerging political awakening. The regime needed to reassert control over society, reinstall the fear factor in daily life and present the powers-that-be as a solid and coherent bloc that was determined to retain power under all circumstances ahead of the upcoming privatisation. Facing growing internal tensions, Lukashenka needed to reaffirm his own position and image as "the last dictator in Europe", as former US Secretary of State Condoleezza Rice once called him. This image is also important in relations with the West: lacking domestic sources of oil or gas, Lukashenka has few things to attract the EU's attention apart from the negative image of Europe's black hole.

### SHIFTING ALLIANCES

Beneath the surface, however, the picture is more complicated. Splits within the regime have become increasingly visible since the last election in 2006, particularly as growing economic pressure increases the likelihood of a future privatisation spree. The security services – the so-called *siloviki* – stand to lose heavily if there is a successful reconciliation between Belarus and the West, especially if further reforms strengthen their more moderate rivals within the government. For them, the crackdown was therefore a way to send a message to the domestic opposition and their international backers that, despite the pre-election liberalisation, they still determine the boundaries of the acceptable. On the other hand, supporters of economic reform – and greater involvement with the EU – remain influential. In a government reshuffle a week after the election, Lukashenka seemed attempted to balance these factions: he brought back some

of the 'old guard', such as the new deputy head of the presidential administration and *silovik* Alexander Radkov, but many reformers, including the head of the National Bank of Belarus, Petr Prokopovich, retained their positions. The new prime minister, Mikhail Miasnikovich, is considered the doyen of the Belarusian bureaucracy and could act as an honest broker in the upcoming privatisation process, so important for the *nomenklatura*.

Thus the brutality used to suppress the post-election protests indicates not the regime's strength but its internal weakness: gaps between the main factions within the regime are deepening and the main pillars of the regime's support are eroding. Each group is increasingly looking to ensure its own survival by all available means and to grab the biggest share of the upcoming privatisation of state property. In the absence of fear, people may start asking uncomfortable questions about the transparency of the business deals. Lukashenka has stamped his control on the situation for now, but he will have to cater to an increasing number of vested interests in order to remain in power. Different actors may also perceive the need to begin positioning themselves for a possible post-Lukashenka scenario.

Meanwhile, Belarus has yet to overcome the impact of the economic crisis. External debt has almost doubled and continues to rise, reaching a record 52 percent of GDP in 2010. The annual balance of payments deficit is projected at US\$7 billion. From 1 January 2011, the government increased the price of gas (by 11.9 percent), heat (by 15 percent) and electricity (by 10-15 percent), mainly for businesses. The pre-election deal with Russia, which allowed Russian crude oil to be imported again to Belarus duty-free, was already threatening to unravel in January. Russia is seeking to increase the price of gas to Belarus from the current US\$180 to US\$210-220 per 1,000 cubic metres. Most importantly, Russian businesses have long sought control over key local assets, including the refineries processing Russian crude oil, petrochemicals and machine-building industries.

»»»»» The government has rushed through several measures since the election aimed at expanding the private sector, especially its under-developed SME side, including a directive that specifies nine areas selected for economic liberalisation. But the government's budget and trade deficits will increase pressure to privatise assets. A new Law on the Privatisation of State Property came into force on 1 January 2011. But despite Lukashenka's attempts to maintain personal control of the process, the likely struggle between the various factions in the regime over the sales will strain the stability of the regime during the next five years. If the government wants to avoid losing its economic independence to Russia, Belarus cannot rely solely on Moscow's help. In short, Minsk needs to rebalance its economy, and, by extension, its foreign relations.

#### **LUKASHENKA'S BALANCING ACT**

In this context, the West should not rush to interpret the post-election crackdown as a sign that Belarus is returning to Moscow's embrace. In fact, no one knows the fickle nature of Russia's support better than the Belarusian regime: Moscow expects concrete economic returns in exchange for bankrolling its neighbour's unreformed economy, such as better access to key Belarusian companies. Russia is also taking long-term steps to limit Minsk's possibilities for energy blackmail: it has spent the past few years developing energy transit projects (for example, Nord Stream and the BTS oil terminal near St. Petersburg) which threaten radically to reduce Belarus's importance as a transit state for Russian energy deliveries to Europe.

On the other hand, Lukashenka has never liked the idea of a gradual opening to the West. Instead, he has developed a special talent for balancing between the West and Russia. But 'neo-Titoist' Lukashenka aims not for equidistance between the two but rather to use the West to extract concessions from Moscow (and not the other way round). For more than a decade, Belarus has been remarkably successful in get-

ting others to pay its bills: the upgrade of Belarus's Soviet-style state economy was paid for by Russia, while the opposition was living off Western grants. More recently, Lukashenka has further expanded his room for manoeuvre through cheap credit and other assistance – with few political strings attached – from such countries as Venezuela, Iran, Azerbaijan and China. The IMF and the World Bank have also joined the club of Belarus's creditors, although they made their loans conditional on economic reforms, which the government half-heartedly implemented.

Post-election developments indicate that Minsk is trying to continue this balancing act with scant regard to the damage it has done to its reputation abroad. Within days of the vote, the Belarusian parliament ratified 18 treaties on the creation of the Common Economic Area with Russia and Kazakhstan. Simultaneously, Minsk re-launched a bizarre charm offensive with the West. On 22 December 2010, the then Prime Minister Sergei Sidorski signed the registration of two EU- and USAID-funded technical assistance projects on energy efficiency, which had been pending for two years. As soon as Brussels came back from the Christmas break, Minsk sent its foreign minister to meet top EU officials to explain why engagement should continue. The crackdown, he claimed, was a Russian plot implemented along with part of the opposition.

In the past, the EU and the US have tried both isolating and engaging the regime but have not done so consistently. After a period of isolation from 1996 to 2008, the European Commission started pursuing greater engagement with the Belarusian authorities, while the US, frustrated by the opposition's lack of unity, decreased funding for political campaigns in 2010. Recently, the EU and US official approaches have started to converge: until the election, there seemed to be a gradual rapprochement both between the EU and Belarus (the EU even offered Belarus a package of loans, grants and assistance worth 3.5 billion euros in exchange for more competitive elections) and the US and Belarus. In fact, the

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slightly more liberal pre-election atmosphere was a result of this Western engagement. But, despite this convergence, Western policy may still not have appeared coherent to Minsk: while Western governments pursued engagement and dialogue – which, in the eyes of those in Minsk, were meant to produce piecemeal reform – many Western NGOs continued to incite a ‘colour revolution’ in Belarus.

The post-election crackdown has sent Belarus and the West back to square one and thus temporarily reduced Lukashenka’s balancing space. To avoid becoming a hostage to Moscow, he may once again keen on expanding his room for manoeuvre by reaching out to the EU. Lukashenka argues that Brussels should continue the dialogue with – and assistance to – Minsk in order to prevent the potential loss of Belarus’s sovereignty to Russia. It would be tempting to take advantage of this opportunity and give in to Lukashenka-style ‘neo-Titoism’ – in other words, to re-start the dialogue as soon as the regime releases its political prisoners and continue financing Minsk’s economic reforms without any hope of a political opening. But this would tie the West to the opposition candidates in

prison, who would be kept behind bars to further induce the West into re-starting the dialogue with Minsk. This would be a mistake: the upcoming conflict between Minsk and Moscow over privatisation of Belarusian assets means the

position of the West is actually stronger than it may appear. Having tried both isolation and engagement, there is now a widespread assumption that the West cannot succeed in Belarus. In fact, however, the West has at times – for example, in the pre-election period – shown the right mix of resolve and flexibility at the right time.

Finding the right post-election policy towards Belarus is particularly important because it will

also send a signal to the other five Eastern Partnership states, Russia and the EU’s neighbourhood in general. Whatever message Brussels sends to Minsk after the crackdown will be closely listened to in Kyiv, Yerevan and Moscow—but also in Tripoli and Algiers. Lukashenka consciously seeks to trade on his special status as the “last dictator in Europe”. But this is a misleading label. In fact, there is a broad trend towards democratic rollback in most states of the region – for example, in Russia, Ukraine and Azerbaijan. There will be an inevitable accusation of double standards if the EU picks on Belarus because it is small. On the other hand, if the EU does not act now, when will it?

### REGAINING THE INITIATIVE

The EU now has an opportunity to regain the initiative in its relationship with Belarus. The EU should avoid blanket measures –for example, excluding Belarus from the Eastern Partnership – which would punish not only the regime but also those in the government and society who want Belarus to move closer to the EU. It should take action against those responsible for election fraud and the post-election crackdown rather than against the country as a whole. The main aim of sanctions should not be to advance regime change but to punish individuals involved in concrete actions unacceptable to the international community. At the same time, however, there were signs of a political opening during the pre-election period, which the EU should aim to reinvigorate. In short, it is a time for carrots as well as sticks.

As an immediate reaction to the crackdown, the EU is right to interrupt high-level contacts with the regime. These should not restart as long as political prisoners remain behind bars. The EU was right to postpone the decision about the possible re-imposition of sanctions because it provided Minsk with what the Chinese call the ‘Golden Bridge’ – that is, time and space for the regime to release its hostages without being seen as giving in



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»»»»» to Brussels' demands. But if no sanctions are imposed after this initial pause, the West will not only lose face in Belarus but also its credibility in the Eastern neighbourhood will suffer too. Given the lack of clarity about who was actually responsible for the violence during the post-election demonstrations, the EU could also offer to carry out a thorough international investigation.

A visa ban should also apply to those responsible for the election fraud and the post-election crackdown, including Lukashenka. The EU and the US should freeze the assets of these officials, even if this will have little impact because their wealth is mainly kept in Russia and the Middle East. In addition, to raise the stakes for Minsk, the EU should promptly prepare an impact analysis of economic sanctions that would specifically target the main cash-generating industries in Belarus (i.e. the companies involved in the production and export of refined oil and chemical products, and fertilizers). Such a measure would send a very strong signal not only to Belarus but also to the entire region—Russia included. At the same time, the EU must do a better job of explaining its sanctions policy to Minsk through quiet diplomacy. For example, if Brussels really wants to contribute to the release of the political prisoners, an EU envoy should present the impact analysis directly to the Belarusian president before publicly announcing it.

At the same time as showing the regime its stick, the EU should offer carrots to ordinary Belarusians. EU member states should follow the example of Poland, the Czech Republic and Slovakia, which have abolished fees for national or Schengen visas. But EU countries would do an even greater service to ordinary Belarusians if they also reduced the number of bureaucratic procedures required to obtain Schengen visas in the first place.

Importantly, the EU should take advantage of Russia's increasing frustration with its ally. Moscow is caught in a bind of its own: Russian elites are also unhappy with Lukashenka's 'neo-

Titoist' manoeuvring and want to get much more value for money from the regime they subsidise, though they felt compelled to support him in the short term in the run-up to their own 2011-2012 election cycle. The possibility of a direct discussion between Brussels and Moscow about Belarus is precisely what Minsk fears. While it is unrealistic to expect significant convergence between the EU and Russia on Belarus, some dialogue with Moscow is possible but only if the EU respects the 'autonomous relations' that Russia has with its neighbour (i.e. the existence of the Union State Agreement between the two).

In the medium term, the EU's main objective should be to increase its presence in Belarus and expand its circle of friends there, so that it is ultimately less beholden to specific interlocutors such as Lukashenka and the opposition. At the same time, however, the EU needs to acknowledge that Lukashenka is not an isolated phenomenon. Rather, he reflects to a certain extent the attitudes and beliefs of many Belarusians, as the post-election poll highlighted. Thus, any EU policy needs to focus on changing Belarusian society and not just on shooting at its leader. As the example of Ukraine shows, changing the leadership does not automatically lead to reform. The EU will therefore need to learn to distinguish between partners and opponents. If it is not able or willing to build closer contacts with those who push for greater liberalisation, such as bureaucrats or business leaders, it will isolate itself from Belarus – not vice versa.

The EU should therefore invest in civil society as much as possible and continue building contacts and influence where it is most lacking, in particular at the level of bureaucracy and business. The EU should not just increase assistance to civil society and independent media but also adjust its strategy to reach out much beyond the current opposition and the NGOs linked to it. The main objectives of assistance should be to overcome the current state of internal isolation of the opposition and civil-society groups from the rest of Belarusian society and to give the

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Belarusian public greater exposure to the EU. While the EU and the US have co-ordinated their assistance policies for years, they have been slow to implement joint projects. The EU should step up efforts to change the situation. The election process has shown that President Lukashenka's position is temporarily strong – but only if he resorts to violence. However, the status quo is no longer an option, as Belarus faces hard choices – not least about its economy. This means that the stakes are much higher for everyone involved, including the regime, Russia and the West. However, it also means that the EU has an opportunity to regain the initiative in its relationship with Belarus. But if the West wants to encourage change in Belarus, it must not fall into the trap of focusing solely on Lukashenka and reacting to his geopolitical balancing act. Rather, it should work actively with civil society in Belarus to isolate Lukashenka and the *siloviki*. The task of bringing Belarus in from the cold has become more difficult, but it is not impossible.

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