

# How to Please the "Russian Bear" – Belarus Politics Digest

Belarusian authorities intensified their efforts to please their Russian counterparts by publicly praising the idea of the Russia-dominated Eurasian Union. They also continued repression of political opponents. Several opposition activists involved in actions of solidarity with political prisoners were arrested last week. Two journalists working for popular Poland- and Russia-based media were also targeted.

**Lukashenka: Belarus Stability Depends on the "Russian Bear".** President of Belarus Alexander Lukashenka [believes](#) that the stability of Belarus is largely dependent on stability in Russia. He said on October 26 "If the Russian bear is doing well, we'll be fine, too. But if Russia is shaking and unstable, as it did at the end of the last century, hard times will come for us".

**Makei: Eurasian Union to be in Real Competition with the EU.** Head of Presidential Administration of Belarus Uladzimir Makei [said](#) that the idea of Eurasian Union, voiced by Russian Prime Minister Vladimir Putin and supported by Alexander Lukashenko, was taken by West very cautiously. According to Vladimir Makei, Western countries fear the Eurasian Union to become a real competitor in foreign markets.

**Lukashenka: Belarus has learned to combat «revolutions through social networks».** Belarus has learned to combat "revolutions through social networks," Alyaksandr Lukashenka [said](#) while meeting on October 26 in Minsk with members of the Council of the Parliamentary Assembly of the Collective Security Treaty Organization (CSTO).

**Russian journalist deported from Belarus.** On October 26, [Igor Karmazin](#), reporter of the Moskovsky Komsomolets Russian newspaper, was [deported](#) from Belarus after arranging a number of interviews with former Belarusian political prisoners and their families. Karmazin was given a paper saying his entrance to Belarus would be banned within a year.

**Belsat journalist warned by General Prosecutor's Office.** On October 27, independent journalist Alina Radachynskaya was [accused](#) of cooperation with the foreign media, in particular, of working for the Polish TV-channel Belsat without accreditation. Two more Belsat journalists – Alyaksandr Barazenska and Aleh Razhkou – were summoned to the General Prosecutor's Office but no warning was issued to them.

**Actions of solidarity.** From October 21 to October 29, the civil campaign "European Belarus" [held](#) daily pickets to demand freedom for the political prisoners. At least 1.5 dozen people were detained during the actions of solidarity in Minsk. Some of them were sentenced from 5 to 15 days of administrative arrest under for "violation of the order of organization or holding mass actions or picketing". Gomel Court [sentenced](#) local activist Vital Pratasevich to 10 days of administrative arrest for staging an unauthorized picket of solidarity in Gomel.

**Opposition activists detained.** On October 27, Gomel Savetski District Court [sentenced](#) local activist Illia Mironau to 10 days of administrative arrest for involvement organizing the People's Assembly scheduled for November 12. On October 27, Barysau district court [sentenced](#) a former prisoner of conscience Aliaksandr Malchanau to 10 days of administrative arrest for allegedly resisting arrest. On October 30, a former Head of the "Right Alliance" Yury Karetnikau was [detained](#) in Minsk. He was charged with disorderly conduct.

**Total number of political prisoners – 11+3.** Now in prisons there are not less than eleven political prisoners: ex-

presidential candidates Andrey Sannikov, Nikolay Statkevich; leader of the campaign "European Belarus" Dmitry Bondarenko; Pavel Seviarynets; Head of the Human Rights Centre "Viasna" Ales Byalyatsky; youth leaders Zmitser Dashkevich and Eduard Lobov; entrepreneur Nikolay Autukhovich.

Anarchists Igor Olinevich, Nikolay Dedok and Alexander Frantskevich are [recognized](#) as political prisoners of the Belarusian regime by human rights organizations *Viasna* and *BHC*. Three more anarchists from Babrujsk including Yauhen Vaskovich, Pavel Syramalotau and Artiom Prakapenka are under [discussion](#).

*Belarus Digest prepared this overview on the basis of materials provided by Pact. This digest attempts to give a richer picture of the recent political and civil society events in Belarus. It often goes beyond the hot stories already available in English-language media.*

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## Planning for Life after Lukashenka

Belarus was one of the hottest topics at the United States-Central Europe Strategy Forum in Prague on 26-27 October 2011. Policy makers, government officials and analysts tried to resolve the Belarusian puzzle at a session called "Belarus at the Brink: Planning for Life After Lukashenka".

The Forum speakers included Steven Korn, the President and CEO of the Radio Free Europe/Radio Liberty, Edward Lucas, the international editor of the Economist, the Minister of Defense of the Czech Republic and numerous experts from both sides of

the Atlantic. The level of interest in Belarus at this event organized by the Washington-based Center for European Policy Analysis was remarkable.

### **Belarus in the Focus of Attention**

Belarus was the only country to which the organizers devoted a separate [panel](#). Although Belarus is usually regarded as an Eastern European country, one of the Forum participants quoted Milan Kundera who viewed Central Europe as encompassing all small nations between Germany and Russia, suggesting that Belarus squarely fits into the definition of Central Europe.

However, not everybody at the Forum was happy about pigeonholing European nations such as Belarus according to their geographical location. At the first section, "Troubled Southern and Eastern Peripheries: What Can Central Europe Contribute?", it was noted that regardless of the geographic location, each country should be approached individually. Moreover, the participants agreed that countries like Belarus are not in Europe's eastern neighborhood, but have always been an integral part of Europe.

### **Bringing up a Pro-European Belarusian Elite**

During the discussion one of the participants noted that twenty five years ago the Iron Curtain was erected by Moscow. Now Brussels is doing almost exactly the same thing. Moscow allows and encourages Belarusians to study for free in Russia, requiring no visas or work permits.

In contrast, Brussels imposed expensive visas for Belarusians and made it virtually impossible for them to legally work in the European Union. Belarusians students have to pay several times more than other European students to study at the universities in many European countries. Instead of introducing and integrating the future Belarusian elites into the European space, many in the West waste their time simply

waiting for a revolution in Belarus.

The section on Belarus was called "Belarus on the Brink: Planning for Life After Lukashenka". However, most of the participants harbored no hopes for Belarus following the Arab Spring scenario. The speakers underlined the fact that Belarusians prefer economic well-being to democratic freedoms and want reforms rather than revolutions. Therefore, they argued that a long-term strategy is needed for Belarus, which should involve more engagement and support for its civil society, beyond the political opposition.

The Belarus panel speakers agreed that the international community should focus more on the transformation of Belarusian society and not on just changing its political leadership. According to some participants, the most likely scenario of regime change in Belarus is a *coup d'état* or the physical death of Lukashenka rather than a popular revolt.

There was a general agreement among speakers that no matter how and when political changes took place in Belarus, it is unlikely that the current political opposition would come to power in Belarus. As in other sultanist regimes, the regime insiders are most likely to take over the country. This is why it is important to focus on a steady evolution towards a more liberal and pro-European society rather than hope for a quick revolution in Belarus.

### **The Western Carrots and the Sticks Are Not Big Enough**

According to the only speaker from Belarus on the panel, Belarusian authorities know how to deal with the Russian elites and extract rents from them. On the other hand, they have no skills or proper channels of communications with the West. Some participants questioned the effectiveness of economic sanctions and visa blacklists and thought that it was necessary to talk to Lukashenka directly, rather than to push Belarus towards Russia.

Others disagreed saying that the visa ban was one of the few instruments which could be truly effective to punish those involved in human rights violations. It has been suggested that 99% of Belarusians should enjoy as simple visa regime as possible while for those who engage in political repression the door to the West should be closed. There was a general consensus that it was important not to allow the regime in Minsk to use political prisoners as hostages to extort money from the West.

It was noted that Brussels does not have an assertive and well-articulated policy towards Belarus. European institutions usually limit themselves to declarations and symbolic gestures and cannot even agree on relaxing the visa regime for Belarusian citizens. Another important area that needs attention is integrating Belarusians into Europe's exchange programs. Making Erasmus and other exchange and training opportunities open to Belarusian nationals would significantly help the Belarusian society to become more open and receptive to democratic values.

Participants were somewhat skeptical about the \$9 bn promised to Belarus on behalf of Europe by the Polish Prime Minister Tusk in case of political transformations. In reality, although secure and democratic Belarus is in Europe's interest, so far very few countries offered any concrete large-scale programs targeting Belarusians.

### **Making Independent Media Truly Effective**

The Forum participants noted the importance of effective media in Belarusian context where television and radio are tightly controlled by the authorities. They agreed that no matter how good the messages of the opposition or from civil society are, these messages will remain ineffective if they fail to reach the larger population. The participants praised the efforts by the Polish government, the main sponsor of the only independent Belarusian channel Belsat.

It is important to monitor the effectiveness of various media projects and pay more attention to the Internet as the main method of delivering information to Belarusians. Belarus has one of the highest degrees of Internet saturation in the region and the importance of Internet will grow further.

So far Belarusians use the Internet primarily for entertainment. The important task is to make the Internet products more attractive to the wider spectrum of Belarusians. This could be achieved by better integrating video products and citizen journalism into traditional websites. It has also been noted that the Belsat website needs to be more user-friendly and easier to navigate, which would greatly improve its popularity.

The new media age requires revision and evaluation of the current Belarus-focused media projects. That could include channeling funds used for short wave broadcasting to development of video media, social networks and other interactive content. While for some countries short wave broadcasting will remain important, in the countries with more Internet users such as Belarus, short wave will be replaced with more modern technologies.

### **Focusing on the Belarusian Society, Not Just the Regime**

The title of the Belarusian section was "Belarus on the Brink: Planning for Life After Lukashenka". However, most participants agreed that it was too early to predict a radical change in Belarus. It is necessary to have a long-term and well articulated strategy to work with Belarus as a country. Whenever the change comes, it will be up to Belarusians to run Belarus.

Instead of focusing on the quick regime change, it is more important to prepare and reform the Belarusian society. The main instruments to achieve these ends are supporting truly effective media, helping civil society organizations and

integrating Belarusians into the European context. Rather than just stigmatizing Belarus as the "last dictatorship of Europe", the EU should accept Belarus as a European nation.

Many participants argued that instead of focusing on the difficulties of cooperating with the Belarusian authorities and making them behave according to the European standards, it is necessary to begin serious engagement with the Belarusian society. Brussels should be more assertive and simplify the visa regime, make it easier for Belarusians to study in Europe, organize training and internships for journalists, lawyers and other professionals and pay a particular attention to the young Belarusians.

These measures coupled with the efforts to lift the information blockade in Belarus could be a good foundation for a new and more realistic Western strategy towards Belarus.

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## **Chinese FDI in Belarus: Investing in a Backwater?**

Last week, a delegation led by Sinomach, the largest state-run machinery manufacturer in China, met with Economy Minister Nikolai Snopkov. This follows a visit by Wu Bangguo, head of China's National People's Congress, to Minsk last month.

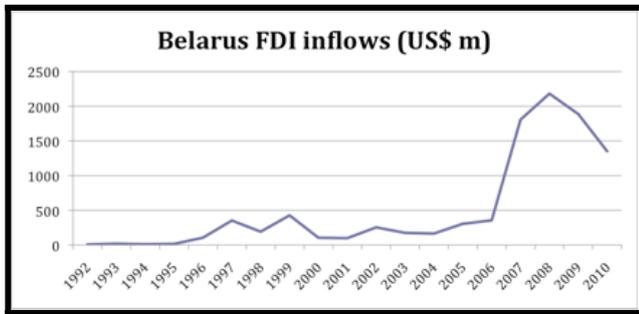
Beijing will issue a \$1 bn soft loan to help Belarus out of its current account crisis. Minsk will reciprocate by granting China equity stakes and joint ventures in strategic sectors, such as machinery and power generation. This follows \$15 bn in loans issued by Chinese banks to Belarus over the past two years.

These developments are emblematic of China's global expansion. With foreign exchange reserves at half of GDP, China is looking to reinvest surplus capital overseas. Since 2009, it has poured more money into developing economies than the World Bank. In the process, Beijing is expanding diplomatic influence, securing resources and markets, and promoting the globalization of state-owned firms. Like other low-income countries, Belarus is eager to obtain Chinese capital and technology on preferential terms. But Belarus is unique in several respects.

China is entering just as the Belarusian economy faces severe challenges. China sympathizes with a post-socialist country ruled by a strong state. If China, as opposed to Russia or the EU, becomes Belarus's major investor, this could have major implications for the country's future. Belarus may also become a geostrategic node for China in Eastern Europe. This could trump the EU's efforts to isolate Belarus, as well as challenge Russia's attempts to control its smaller neighbor.

Historically, Belarus has not been a popular place to invest. In 2000-10, the average share of FDI to GDP was below the level for post-Soviet states, even though Belarus's economy is very small. In the industrial sector, firms with foreign investment account for less than a tenth of total output and employment. China thus appears to be venturing into an investment backwater.

But conditions for foreign investors in Belarus are a lot better today than ten years ago. FDI inflows increased markedly in 2007, from less than one percent to four percent of GDP. Unlike exports, which plummeted after the crisis in 2009, FDI inflows have remained high.



FDI growth is likely to continue with or without the Chinese. Belarus is an extremely open economy, with trade volume at 101 percent of GDP in 2010. Theory and empirics dictate that foreign investment follows trade. More importantly, the government, in spite of excessive interference in the economy, has implemented measures to attract investment. In an April 2008 speech to the National Assembly, President Lukashenka announced the target of making Belarus one of the 30 countries with the best business climate. This is echoed in a report by the cabinet's Foreign Investment Consultative Council, which also aims to increase FDI to one fifth of GDP in the next decade.

Even if Belarus does not meet these targets, its investor environment has certainly improved. Last year, it ranked 68<sup>th</sup> among 183 countries on the World Bank's "Ease of Doing Business" survey, ahead of China and Russia. On several indicators, such as the time it takes to start a business and the cost of registering property and enforcing contracts, Belarus does better than average for post-Soviet states. It has also been one of the region's most prolific signatories of bilateral investment treaties (BITs); the bulk of these have been with countries outside the region.

Nonetheless, investor-friendly policies are not useful without economic stability. Judging by Belarus's recent performance, Chinese investors will face considerable risks. The Belarusian ruble, on a crawling peg with a basket of currencies, has not withstood severe inflationary pressures. The first major devaluation came in January 2009, followed by several more

this year. Due to excessive borrowing and plummeting exports, Minsk can no longer service its current account deficit. One could argue that the upside of a poor country fraught with debt, inflation, and currency risk is its growth potential – GDP did expand at eight percent per year in 2000-08. But in light of the current crisis, the IMF forecasts just four percent annual growth for 2011-16. In the meantime, the structural reforms necessary to improve the economy – such as more flexible labor markets, a smaller public sector, and less welfare spending – will take time.

The Chinese don't seem too concerned though. During his visit, Wu Bangguo sought to shore up investor confidence by blaming Belarus's misfortunes on Western sanctions and the global economy. His statement was politically motivated. Even when the global economy recovers, Belarus's exports are unlikely to return to previous levels, because they are losing their principal advantage: subsidized oil and gas inputs from Russia.

Economic recovery may be less relevant for Chinese companies in Belarus. Because most are owned by the state, they face less pressure to make quick profits and can turn to state-owned banks for refinancing. As latecomers, the Chinese often leverage risk propensity to explore opportunities in markets that Western investors avoid. The question is: what opportunities does Belarus, a small country without natural resources, really offer?

From China's perspective, there are plenty. Currently, the bulk of FDI is flowing into trade and services rather than manufacturing and infrastructure. As a result, FDI has contributed little to fixed capital formation. So Belarus is lacking FDI precisely in those areas where Chinese companies are strongest.

Much has been made of China's bid to acquire state assets. But the Chinese are equally keen on forging new industries. During

Wu Bangguo's visit, Prime Minister Myasnikovich expressed interest in establishing an industrial park for Chinese firms, referring to the success of Singapore's industrial parks in China. He might have mentioned that the Chinese now have ample experience with independent economic zones in developing countries, such as Pakistan and Zambia. Implicit in Myasnikovich's comment was also disappointment in Belarus's own Free Economic Zones (FEZs) – established in the 1990s, they have failed to attract notable investments.

In sum, Chinese firms see opportunities and downgrade risks. Chinese investment is likely to increase in the medium term, through good times and bad. Whether and how Chinese investors will benefit Belarus, however, is another matter.

*Iacob Koch-Weser, contributing writer*

(This is the first article of a three-part series)

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## **Social Networks against Dictatorship in Belarus: Sober Balance**

In an effort to avoid persecution for political activism, opponents of the Belarusian regime continue to look for new forms of protest. Sometimes such forms do not prove to be effective or even reasonable. On Tuesday, the online community "Revolution Through Social Networks" proposed to turn "Silent Actions" into "photograph actions'". The aim is for people in cities across the country to take photographs with a message

to President Lukashenka.

Organizers of another protest action, "Peoples' Rally", propose to hold meetings in the courtyards of residential buildings in order to elect representatives for a national rally in Minsk scheduled for November 12. This is effectively a second attempt at mobilization – the People's Rally failed to generate sufficient turnout to stage large-scale rallies in early October.

Social activist projects like these only make it easier for state security agencies to identify and punish protestors. Observers of Belarusian civil society tend to exaggerate the role of social networks and other new forms of protest, given the ambiguity existing around effectiveness of these methods in bringing down brutal regimes in the Middle East. They underestimate the fact that tough activism, not the Internet, is the most effective instrument against tyranny.

### **The nature of social networks protests**

Social networks can strengthen mass mobilization and propaganda opportunities for existing political parties and organizations, granted they are smart enough to adjust to changing conditions. Yet such networks cannot work autonomously, nor do they enable people to self-organize for protracted and potentially risky struggles against the regime.

Given the ongoing crises of inflation and impoverishment in Belarus, Belarusians have legitimate grievances. They have vented their anger through the "Silent Actions" this summer and through the "People's Rally" in early October. But neither of these protest movements achieved much success.

The 'Silent' Actions gained momentum until mid-summer but quickly died down following harsh government crackdowns. The

problem with these protests is that they were bereft of ideology and even political symbols. They were remarkably effective in attracting many people in small towns across the country, many of whom had never participated in political activism before. Yet the opposition parties publicly maintained a distance and refused to politicize the protestors' grievances about the country's economic troubles. As a result, they failed to provide "silent" protestors – mostly people without political experience or ideological sophistication – with an alternative political platform and organizational support to resist persecutions. On 26 October Lukashenka publicly boasted that, "Belarus learned to fight 'revolutions through social networks."

The People's Rally was an even greater failure. It took four months to prepare and garnered the support of all political groups opposed to the regime. The movement was fueled by the worsening economic crisis – in particular the renewed devaluation of the ruble in late September – that led public discontent to reach unprecedented levels. Public opinion surveys are evidence of the lack of support for the current regime. Even so, the final turnout for the People's Rally was pitifully low – even according to optimistic estimates by the event's organizers, no more than 2,000 people participated in rallies across the country. In Minsk, a city of 2 million inhabitants, only 600 turned out.

The "virtual fight" of political activism on the Internet may be effective against regimes that exercise only loose control over their citizens. In such cases, it can organize people to protest and peacefully demand changes. Yet against stronger regimes, there is clearly no other way but to take to the streets and hold organized actions in order to effectively disrupt social order under the dictatorship. This requires political organizations with efficient structures and political platforms, as well as a large membership base.

Not every political force is up to this challenge. When

regimes control their citizens as extensively as in Belarus, moderate liberals tend not to remain in the country. No liberals survived the prolonged dictatorships in Iraq, Libya, or even Egypt. Scanning the spectrum of political parties in Belarus today, the National Democrats from the Belarusian Popular Front (BNF) looks most capable of resisting Lukashenka. But it has been weakened by years of fruitless opposition. The Christian Democrats, another potential political force, have been neutralized from the very beginning by being denied the right to register as a political party by the government. Nevertheless, these parties would be most able to bear the hardships necessary to mount a revolution.

### **What's next**

Under these circumstances, the most likely scenario is that regime insiders will seize on the political tensions to overthrow Lukashenka and act as if they had instituted democracy. For such opportunists, nothing could be more useful than a mass movement that lacks a political program and responsible leadership. Social networks are the most blatant example of this – it is pretty obvious by now that online movements cannot succeed on their own, especially when considering the attempts of “Revolution in Social Networks” activists to organize opposition without any explicitly political messages. If the political opposition does not guide these movements, the wrong people might be eager to do it for them. That will make transition for post-Lukashenka Belarus more long and painful.

Belarusian society needs new political programs, not just new methods of protest. In his analysis of the causes of failed protest, Valery Karbalevich, a veteran analyst of Belarusian politics, recently commented: “[Belarusian] society does not see any alternatives...neither in an attractive new social project more attractive than Lukashenka's, nor in credible organizations that call for protests, nor in a respectable

leader.” Such an alternative can be promoted through social networks yet it definitely will not emerge in chaotic web-activity.

The alternative would be a movement that is seriously willing to challenge the regime. Fortunately, Belarusians gained experience through their struggle against Soviet and post-Soviet governments in the early 1990s. At the time, National Democrats were able to organize very quickly once clear political programs were issued and determined leaders and party activists emerged.

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## **Belarus Security Forces Detain Protestors, Block Opposition Web Sites – Politics and Civil Society Digest**

Today Belarusian courts sentenced two people to 5 and 7 days of arrest for taking part in an unauthorized protest on 21 October. More people were detained on the 21st but only two were prosecuted. A few hours ago another action of solidarity with political prisoners was held in Minsk. So far no detentions were reported.

Both on the 21st and today Belarusian security services blocked several opposition web sites. Other notable events included a swift approval of the new set of amendments aimed

at restricting political and civil society activities in Belarus. It took the upper chamber of the Belarusian parliament just 30 minutes to discuss and adopt the controversial amendments.

## POLITICS

**Security forces in the way of the media war.** Belarusian security forces have launched a web-based resource "[Traitors of Belarus](#)" where well-known public and media persons (Alexander Shalaika, Ulad Velichka, Irina Khalip, Yulia Darashkevich, etc.) are represented in black paint. Experts believe that the site was created as a reaction to the resonance web project <https://www.posobniki.com>, which has an ideologically opposite content.

**Valiancin Stefanovich fined.** On 19 October, the tax inspector of the Minsk Partyzanski District has [fined](#) human rights defender Valiantin Stefanovich Br 727,330 (approx. \$545) for alleged understating of his income. Stefanovich is a close associate of Ales Bialiatsky who is currently kept in prison on tax evasion charges. Both are active in the Human Rights Center "Viasna".

**Supreme Court turns down lawsuit by *Speak the Truth* campaign.** On 19 October, judge Mikalai Babkou has [dismissed a lawsuit](#) lodged by Uladzimir Niakliayeu and Siarhei Vazniak, contesting an earlier decision by the Ministry of Justice to deny registration to the civil campaign. This is the second time *Speak the Truth* is applying for an official status, after the Ministry of Justice refused to register the NGO.

**No criminal case against Mikhalok.** General Prosecutor announced that his agency did not file criminal charges against the leader of the group *Lyapis Trubetskoy* [Sergei Mikhalok](#).

## CIVIL SOCIETY

**IT as a tool of repression.** On 19 October, a roundtable "[The embargo on digital technology's pressure](#)" was held in Minsk. The organizer is the Assembly of Pro-Democratic NGOs. The participants discussed possible ways to prevent the Belarusian authorities from using digital technology as the repression against civil society.

**Viasna awarded Danish Freedom Prize.** The Human Rights Center "Viasna" has been [awarded](#) the 2011 Politiken Freedom Prize, an international human rights award sponsored by the Denmark-based Politiken radical-social, liberal newspaper. Founded in 2007, the Freedom Prize is awarded for taking "an outstanding responsibility in the fight for freedom and fundamental human rights". The awarding ceremony will be held in Copenhagen on 14 November.

**Belarusian NGOs address Parliament on controversial draft laws.** On 19 October, an appeal signed by representatives of 25 NGOs and other non-profit organizations was [passed](#) to the Council of the Republic, the Upper Chamber of the Belarusian Parliament. The appeal expresses deep concern about the proposed amending of a number of key legal acts, including the Criminal Code and the Public Associations Code, as well as the Mass Events Code.

**Swift approval of repressive laws.** On 21 October, the Council of the Republic has approved the amendments to the Mass Events Code on its session. Discussion and approval of the bill [took](#) thirty minutes. Speaker of the Council Anatoly Rubinov listed 15 human rights NGOs, signed the appeal against the amendments, and expressed his surprise: "How we haven't democracy if we have so many human rights organizations?"

**Local EU Statement on some repressive draft laws.** On October 19, the European Union Delegation to Belarus has issued a statement [urging](#) the Belarusian authorities not to pass "some repressive draft laws" that "would severely limit the freedoms and rights of Belarusian citizens and represent a step backwards as regards Belarus' respect for human rights and the rule of law".

**International training program launched.** On 11 October and 18

October, [presentations](#) of an International training program Business Edge were held in Hrodna and Homel. Head of the Belarusian office of International Finance Corporation (IFC) Max Yacub noted that Business Edge program is part of IFC funded by USAID. The purpose of the Program is to help Belarusian entrepreneurs to improve their activity through education and interaction with experienced practitioners.

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## **Belarusian Vice Prime Minister: The Situation In the Country Is a Shame**

On Thursday Nadzeya Yermakova, chair of the Belarusian National Bank, unexpectedly admitted that the government has almost no gold or foreign currency reserves. The National Bank only has USD 1.2 billion. The rest – 3/4 of the reserves – was borrowed from Belarusian commercial banks.

Official media are silent about this news, although the statement was made publicly at a press briefing of the National Bank on 20 October. This information shocked even the non-state media. Officially Belarus' gold and foreign currency reserves on 1 October amounted to USD 4.7 billion. The National Bank will also have to return the USD 3.5 billion borrowed from commercial banks in the so badly needed foreign

currency.

### **300% Inflation**

The way that this money was dealt with also shows the adventurous nature of the government's economic policy over the last year. The National Bank took from commercial banks foreign currency at a rate under 0.5%, lending them in return rubles at 4%. It was more than strange business considering the nearly 300% real inflation of the Belarusian rouble.

Yermakova said the National Bank had yet to calculate its losses from such deals. If the National Bank is unable to return the borrowed money to the banks, some of them may default. According to independent weekly Nasha Niva, "these huge swap operations have been used to falsify statistics in order not to reveal in the pre-election year how rapidly the state reserves were diminishing. " This way, Lukashenka avoided changes in economic policy and the rouble's devaluation, demonstrating the successes of his economic model.

Even according to official statistics Belarus has the lowest gold and foreign currency reserves in all of Eastern Europe, when calculated proportionally to national GDP. Yet the statistics evidently were not correct, and the actual situation was worse. Now it's clear why Belarus has such problems with paying even relatively small sums, like USD 200 million to Gazprom in July. And effectively the country is on the verge of bankruptcy.

For ordinary Belarusians, living conditions are worsening day by day. Goods are becoming more expensive and increases in salaries and wages lag far behind inflation. Problems are everywhere – at the same news conference Yermakova said that Belarus would probably suspend residential housing construction programs for several years. These programs were heavily subsidized by the government in the past but were

stopped earlier this month.

Hopelessness embraced even the most senior regime officials. On Friday Deputy Prime Minister Siarhei Rumas made an unprecedented statement when he said that “the situation in the country is a shame”, and went on to harshly criticize the economic policy of the government.

### **Is There Anybody To Help?**

The situation of economic collapse looks even more dramatic in the absence of prospects for external aid. The head of the IMF mission to Belarus Chris Jarvis on 17 October made it clear that this year the IMF was not going to support Belarus. They expect the Belarusian authorities demonstrate their solid intent to provide stability and undertake reforms and, more importantly, concrete action.

As Belarusian economist Dmitry Ivanovich said, the IMF position forced the government to urgently solve the problem of multiple currency exchange rates, and to look for other ways to court the IMF. Next year Belarus is entering the period when over several consecutive years it shall either return or refinance significant sums of foreign debt.

In 2012, Belarus will have to repay its debts to the IMF, Russia and Venezuela. It shall also make payments on eurobonds and short-term loans. According to the IMF, the total amount due to be paid on middle- and short-term debts next year is USD 1.8 billion. USD 200 million is needed for payments on bonds, while refinancing short-term debts will cost USD 4.9 billion. Moreover, the problem of negative current account saldo also persists.

Minsk has scarce resources for these payments and Moscow is not in a hurry to help. The credit line from Russian Sberbank has already been slashed by half and negotiations still go on.

Even more difficult might prove an attempt to get a loan from the Eurasian Economic Community Russian-dominated post-Soviet integration structure. The recent talk of a hypothetical USD 400 million loan from Iran demonstrates only the wishes of the Belarusian regime and disregards the reality of relations with Tehran, who will never give such money.

### **Is Large-scale Privatization Inevitable?**

If no foreign money is found, privatization becomes the only solution. Yet the Belarusian leadership apparently [considers](#) it to be the very worst-case scenario. After all, losing the most profitable assets undermines Lukashenka's regime. And for that reason the authorities prefer to take loans rather than sell property.

The political system of Belarus, which is dominated by the often irrational whims of its leader, is another part of the problem. It means that Belarus is even more vulnerable in this situation and lacks strategical long-term planning. The standard mechanism of holding decision-makers accountable for their actions is simply non-existent.

Lukashenka and Belarusian propaganda will probably try to explain the current economic troubles by the world economic crisis. Lukashenka warned recently that "this global crisis much talked about now, may come to us as well." However, the serious problems of the Belarusian economy are mostly home-made. Inheriting the Soviet-era economic system, Lukashenka rearranged and maintained it without significant reforms by re-distributing rents from reprocessing and re-exporting cheap Russian oil. In the past, this and other subsidies from Russia brought him USD 6-7 billion each year.

Even though Belarus signed a new integration treaty with Russia, the Belarusian economy will no longer be able to make serious money on re-exporting Russian oil and oil products. Losing this money means that the Belarusian economy has no

chance of survival in its current form.

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# The Paper-Based Eurasian Union – Digest of Belarusian Analytics

Belarusian analysts discuss new integration initiatives in the post-Soviet Space and the promise of Europe's Eastern Partnership. Other topics include Mink Gay Pride 2011, the profile of an average internet user in Belarus and the effect of proposed legislation amendments targeting NGOs and foreign aid.

[The paper-based Eurasian Union.](#) Andrei Fyodarau analyzes Vladimir Putin and Alyaksandr Lukashenka's recent articles on the creation of the Eurasian Union. Fyodarau thinks that at the basis of the Eurasian Union initiative is the Russian imperial idea of "collecting the lands." Alexander Lukashenka also understands it. In his publication Lukashenka keeps returning to the idea that "only equality of partners, including the equality of economic conditions with equal access to a common energy and transport system, will create a solid foundation for our union". Fyodarau questions the economic viability of the Eurasian Union idea.

[Summit of the Eastern Partnership and Belarus: Nothing for Nothing](#) Analyst Dzianis Melyantsou thinks that the Eastern Partnership fails to offer the stimuli necessary for the Belarusian authorities to embark upon reforms. The financial and other possibilities of the EaP remain very much limited. He thinks that there is little chance Belarus will withdraw from the

Eastern Partnership because of the potential significance of Minsk's engagement in the partnership program with the European Union and the need to counterweigh pressures from Moscow.

[Belarusian opposition is to be cooked like a frog.](#) Political columnist Pavlyuk Bykovsky and human rights defender Vladimir Labkovich comment on the recent amendments to the legislation. Bykovsky is inclined to not overstate the real effect of the "anti-revolutionary package", since much of the amendment follows the existing rules. According to Labkovich, the situation is fraught as it marks the final reduction of political alternatives and the transition of civil society structures into an underground dissident movement.

[Olga Smolianko: freedom of association depends on the will of state.](#) A lawyer and expert in the field of freedom of association, Director of the Legal Transformation Center Olga Smolianko reflects on the problems existing in the registration system for public associations. The process of establishment and registration is very difficult in practice and often differs from the law in the books. Belarusian legislation imposes criminal liability for organizing and participating in the activities of unregistered organizations. Although the authorities rarely invoke this article, many activists and initiatives are under constant threat of criminal prosecution. Even registration of an organization abroad is not an absolute defense against it.

[Who uses the Internet in Belarus?](#) The European Radio for Belarus along with Mikhail Doroshevich, Head of Gemius-Belarus, have composed a portrait of a Belarusian internet user. 33% of Belarusian internet users live in Minsk. The most active group are users of 25-34 years (28%), who make up 34% of all views and spend 33% of their time on the web. The most popular websites in Belarus include portal tut.by and social networks vkontakte.ru and odnoklassniki.ru.

[Vyacheaslau Bortnik: Will Belarusian authorities love gays?](#) Human rights activist

Vyacheslav Bortnik analyzes recent remarks by Lukashenka and the political situation, and concludes that the authorities will not ban the scheduled "Minsk Gay Pride 2011" march on 22 October. Bortnik thinks that the Belarusian authorities are less homophobic than the Belarusian opposition and that allowing a gay parade in Minsk would be the best present for German Foreign Minister Guido Westerwelle.

*Belarus Digest prepared this overview on the basis of materials provided by Pact. This digest attempts to give a richer picture of the recent political and civil society events in Belarus. It often goes beyond the hot stories already available in English-language media.*

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# **Criminal Case against a Prominent Musician – Politics and Civil Society Digest**

Last week the Belarusian authorities initiated a criminal case against a prominent Belarusian musician for insulting Lukashenka. They also imposed fines on organizers of the People's Assembly and introduced controversial amendments to strengthen security services. The main civil society developments included appeals against a Russian-built nuclear station in Belarus and Minsk Gay Pride-2011.

## **POLITICS**

**Criminal case initiated against Mikhalok.** According to Belaruski Partyzan, a criminal case was opened against Syarhei Mikhalok, the leader of the iconic Belarusian music band Lyapis Trubetskoy. He is charged with insulting Lukashenka. The musician is famous for his audacious remarks criticizing the authorities. In one video interview he said that Lukashenka organized a cultural genocide against Belarusians

and the best thing he deserved was a fair trial.

**Last defendant in December 19 case was not sentenced to imprisonment.** On 12 October, one more participant of a protest rally against the rigged presidential election has been [convicted](#) for "taking part in mass riots". Svyataslau Baranovich was sentenced to three years of restriction of freedom but without sending him to a penal facility. Human Rights Center *Viasna* [considers](#) the conviction of Svyatoslav Baranovich to be unlawful and politically motivated.

**The total number of political prisoners.** There are no less than ELEVEN political prisoners in prison: ex-presidential candidates Andrey Sannikov, Nikolay Statkevich; leader of the campaign "European Belarus" Dmitry Bondarenko; Pavel Seviarynets; Head of the Human Rights Centre "Viasna" Ales Byalyatsky; youth leaders Zmitser Dashkevich and Eduard Lobov; entrepreneur Nikolay Autukhovich. Anarchists Igor Olinevich, Nikolay Dedok and Alexander Frantskevich [are recognized](#) as political prisoners of the Belarusian regime by human rights of *Viasna* and *BHC*. Three more anarchists from Bobrujsk Yauhen Vaskovich, Pavel Syramalotau and Artiom Prakapenka [are under discussion](#).

**People's Assembly.** On 8 October, an opposition rally called "Narodny Skhod" (People's Assembly) [was held](#) in Minsk. The event, which took place in the remote People's Friendship Park in Bangalore Square and was attended by a crowd estimated by reporters at 500 to 700, resulted in the adoption of a resolution containing a series of demands to be put forward to the government. Assemblies were also held in four regional centers – Vitebsk (300 participants), Mogilev (250 participants), Gomel (400 participants), Brest (250 participants) – and 11 other cities: Vileika, Slutsk, Polotsk, Novopolotsk, Bobruisk, Baranovich, Slonim, etc. Organizers of People's Assembly were [detained](#) across the country.

**Fines for the People's Assembly.** On 13 October, [Victor Ivashkevich](#), a coordinator of People's Assembly, was fined Br1,4 million for "violation of the order of organizing and holding mass events". For the same offence a number of other people were fined in Belarusian regions: [Uladzimir Katsora](#) and [Uladzimir Niapomniashchykh](#) in Homel (October 10, resp. Br350,000 and Br175,000); [Valery Sliapukhin](#) in Gomel (October 11, Br1,4 million); [Viktar Myazyak](#) in Baranavichy (October 11, Br350,000); [Ales Masiuk](#) in Slonim (October 12, Br175,000).

**New amendments to legislation.** New amendments are to tighten conditions for public and political activity in Belarus. This is [provided](#) for by the law "On amendments to the law of the Republic of Belarus". The document was adopted by the House of Representatives and approved by the Council of the Republic on 3 October 2011. The law confirms amendments to a number of laws forbidding any protests without permission and imposing criminal responsibility for foreign financing of NGOs. In addition, the draft law "On amendments to the law of the Republic of Belarus on bodies of state security of the Republic of Belarus" was [introduced](#) to the parliament. The document will significantly extend the power of the State Security Committee.

The leaders of Belarusian NGOs and human rights activists urge the authorities to repeal repressive laws. The joint statement was signed on 13 October. Among the signatories are "Human Rights Alliance", Belarusian Helsinki Committee, Rada of the Belarusian intelligentsia, Belarusian Association of Journalists, Belarusian PEN-Center, the Assembly of Democratic NGOs, the Center for Legal Transformation, initiative "For free exercise of religion", Belarusian Congress of Democratic Trade Unions, the Center "Viasna".

CIVIL SOCIETY

**Environmentalists appeal against nuclear power plant.**

Belarusian and Russian environmental activists have expressed concern about a "contract agreement" on the construction of the first two units of a nuclear power plant in Belarus that was signed with Russia on 11 October. On 12 October, the appeal to Russia's finance and foreign ministries, Russia's Atomstroieksport (the prime contractor in the project), and the Directorate for the Construction of a Nuclear Power Plant [was signed](#) by more than 50 activists of various environmental groups, including Belarus' Ecodom, the Belarusian Party of the Greens and the Movement of Scientists for Nuclear-free Belarus.

**Aleh Manayeu held briefing for diplomats.** On 12 October, Professor Manayeu [told](#) diplomats at the Embassy of Poland in Minsk about the results of the latest poll by the IISEPS. The conversation attracted about 25 diplomats from different countries and lasted two hours. The briefing was not held last Thursday, because Professor Manayeu was detained by police just before it was scheduled to start.

**About 300,000 USD allocated to projects of the International Children's Fund in Belarus.** USAID has [allocated](#) 300,000 USD for the projects of the International Children's Fund in Belarus. As part of this support, International Children's Fund has called for proposals aimed at preventing child abandonment and institutionalization.

**Gay Pride in Minsk.** On 11 October, the opening ceremony of the Minsk Gay Pride-2011 was [held](#) in a Minsk club. Minsk Gay Pride, held from 11 to 23 October, is supported by human rights activists, political, social, and cultural figures. The Pride program includes the Congress of a human rights project "GayBelarus" as well as the demonstration in support of tolerance towards the LGBT community and the protection the rights of LGBT people in Belarus. The march is scheduled for 22 October.

**BISS Conference Statement – In Search of Space.** On 5-6

October, the Belarusian Institute for Strategic Studies was [supposed](#) to conduct its annual conference entitled *Belarus in 2011: Out of Crisis and Uncertainty*. The conference, co-organized by the EU Delegation and supported by a number of distinguished international organizations, has been postponed for November given the sudden cancelation of the premises reservation. The final decision will be made at the end of October by the BISS Board.

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## **Final Blow to Civil Society in Belarus?**

Minsk is not taking chances in times of crisis. Only instead of heeding the advice of international economic experts, the Belarusian government is tightening the screws on civil society.

In this year of 80% inflation, the new laws in Belarus are penned almost as fast as the new rubles are printed. The latest three draft laws were (prudently) passed in a closed session of the parliament and appeared on the government website yesterday. The draft laws strengthen the KGB, outlaw protests, and prohibit foreign funding of civil society and political organizations.

Because the police and the KGB already effectively enjoy unlimited powers, the draft law simply endorses their long-standing practice of breaking into homes and organizations, sending the message to those who are still bold and incredulous. The draft prohibiting protests is also nothing more than a reminder that dissent is dangerous, even though the consequences of public protests, whatever their nature and legal justification, are already well known to most Belarusians.

It is the draft legislation that prohibits foreign assistance to political and civil-society groups and bars them from holding money in foreign banks that is likely to have the gravest repercussions of the three.

The blow to civil society comes in the midst of a global economic crisis, when the foreign aid inflows are contracting, and when Belarus itself is in a deep crisis, which undercuts the opportunities to secure resources domestically.

Ironically, this is the time when NGO services are all the more needed by the people who are plunging into poverty. Instead of enlisting civil society organizations to help solve the proliferating social and economic issues thus reducing the population's discontent, the government has clamped down on the public sector, aggravating the situation.

Depending on future economic developments, it may be shooting itself in the foot by removing all the brakes on social dissatisfaction. Of course, given the weakness of the NGO community and the focus of Western-funded NGOs on political and human rights issues rather than social services, this effect may be marginal.

Most likely, the laws will have the intended effect and further weaken civil society in Belarus. For the NGOs that have so far survived, it may deliver the final blow. Unfortunately, Belarusian civil society and political

opposition are highly dependent on foreign donors. Even though the aid proved too small to bring change to Belarus, it was enough to irritate the government.

After the donor nations pledged 87 million euros (\$120 million) to Belarusian NGOs and opposition groups in February and after the European Commission promised in March to increase its funding to Belarusian civil society from the €4 million to €15.6 million in 2011-2013, the Belarusian government decided to act.

Of course, NGOs' dependence on foreign aid creates its own problems, but in the Belarusian case, it is a lesser of the two evils. The Belarusian NGOs have few other options in their struggle for survival. Few can secure domestic sources of funding because the domestic charity culture is nonexistent and the channels to entrepreneurship are obstructed by the government.

The draft falls neatly within many other documents aimed at undermining civil society in Belarus. In 2004, the law on mandatory registration allowed the government to crack down on the most threatening NGOs selectively, spurring waves of arrests and fines of civic activists. In 2008, when Presidential Edict No. 533 abolished the NGO privilege of lower rents, this raised rents on property tenfold for some organizations that were now treated like commercial entities.

On Thursday, leaders of several Belarusian NGOs asked the government to withdraw the draft laws. The EU expressed concern. However, these voices are unlikely to be heeded and only prove that the laws will have the intended effect: after all, it is the NGOs and the EU funds that the Belarusian government targets. Minsk does not budge on far smaller issues: the international outrage and the embarrassment of the Polish and Lithuanian governments following the arrest of human rights activist Ales Byalatski did not mitigate his harsh punishment.

Crack down on civil society, ramp up the powers of the police, and outlaw dissent – these steps have always come before economic reforms on the agenda of the Belarusian government.

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## **Hit by the Crisis Lukashenka Looks for Money and Strengthens the KGB**

Unable to deal with the economic crisis by economic means and fearing a revolution, Belarusian ruler Alyaksandr Lukashenka strengthens the KGB.

Last Thursday the Belarusian rouble fell sharply against the US dollar. Now the rate is 9,000 Belarusian rubles for one dollar. In September, the rate was less than 8,000 rubles. The new fall clearly breached Lukashenka's promise that the Belarusian national currency would be strengthened.

Because of high inflation, wages and salaries are stagnating. Most Belarusians today earn two or three times less than they did a year ago. The situation with pensions is even worse as many retired people have to survive on less than 100 dollars per month.

The Belarus National Bank is trying to convince people to keep their Belarusian rubles. But [no one trusts](#) the national currency anymore. The Government cannot do much to strengthen the national currency because it has no money. On Thursday, Belarus asked Russia to postpone payments for natural gas and suggested paying for 2011 deliveries in 2012.

Earlier this week the Belarusian government asked five of the

most profitable national companies, including Belaruskali or Druzhba Oil Pipeline, to quickly transfer a part of their profits to the so-called National Development Fund. Under normal circumstances, such payments would be due only after the end of the year.

The government also ordered Belarusbank, the largest financial institution in the country, to suspend offering loans for residential developers who plan to complete construction after this year. As a result, a lot of people are struggling to either find a huge sum to pay developers or give up building their own housing.

Although Lukashenka's rule seems today very vulnerable and fragile today, the opposition is still much weaker. No significant protests are taking place in Belarus today. The 'People's rallies,' called for by some opposition activists, took place on the 8<sup>th</sup> of October. But they [looked](#) more like a farce and were characterized by extremely poor attendance. However, it is difficult to blame the opposition. Opposition activists have had to deal with intimidation and outright violence for years. They were finally crushed after the last year presidential elections and the pressure is increasing.

As the economic clouds get darker, the Belarusian rubber-stamp parliament has almost secretly adopted new amendments to give more rights to the Belarusian KGB, which still keeps its Soviet name. The proposed amendments allow KGB officers to enter any private or public places whenever they wish and to use force almost without restrictions.

In addition, the new legislation puts an absolute ban on foreign grants and financial aid. That will certainly be a hard blow for media, political organizations or civil society which have virtually no resources inside the country. Last but not least, the new amendments introduce harsher punishments for organization of and participation in public protests, as well as broadening the definitions of 'spying' and treason.

Although there is no strong opposition, the Belarusian regime has serious reasons to be afraid. Lukashenka is probably running out of money. The Belarusian authorities were never able to generate or attract serious money. The regime's [arms trade](#) was more akin to a casino game than a sustainable business. Trade in petroleum products was more lucrative but sufficient only to satisfy regime insiders rather than the country as a whole.

The regime's poverty may turn even its employees against Lukashenka. And a tiny spark of discontent may turn into a real revolution. To avoid it, the Belarusian strongman needs to tighten the screws and find money as soon as possible. And that proves increasingly difficult. Neither Russia nor the West are ready to inject significant amounts into the Belarusian economy. Other solutions include [selling](#) the most valuable national assets such as potash deposits to the Russians and seeking help from China. Iran cannot help much.

So the Belarusian opposition will hardly be able to benefit. Parallels between Belarus and late Communist Poland and calls for a "Round Table" with the regime would not be accurate because Belarusian civil society is weak. The situation in Belarus looks more like late Ceausescu's Romania and their dubious revolution.

The Polish and Romanian regime changes in 1989 were worlds apart. In Poland, strong opposition and civil society forced a military ruler into negotiations which eventually led to establishing democracy and dismantling all essential institutions of the old regime. In Romania, with its non-existent opposition and civil society, the regime insiders just dragged Ceausescu out of the palace and killed him after a kangaroo trial. The old Romanian regime was able to delay a democratic transition for many years.

As many times before in the world history, the sultanistic regime in Belarus is evolving towards full-blown

authoritarianism. But how long this authoritarianism will last depends in the first place on the opposition that badly needs to reorganize, and only then on external support.

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## **Eastern Partnership Summit: the Results Can Encourage Lukashenka**

The results of the second summit of the Eastern Partnership say nothing new about the EU policy in Belarus and in Eastern Europe. As always, the EU leadership is busy with internal problems. In light of the financial collapse in Greece and the major financial problems in Eurozone countries, one should have not expected allocation of additional large sums on Belarusian issues for Eastern Partnership projects.

Rather, the summit confirmed that the development of cooperation in the framework of the Eastern Partnership will move very slowly. Fundamentally, the Eastern Partnership is still a deferred project for the EU.

The host of the summit Prime Minister of Poland Donald Tusk after his meeting with representatives of the Belarusian opposition said: "From our side there will be no concessions, no gestures of any kind towards Lukashenka's regime until all political prisoners are released".

There was not much discussion at the summit about what steps Lukashenka's regime should make to normalize its relations

with the EU. The EU has already got used to the thought that normalization of relations was impossible while Lukashenka is in power. The real question was about taking some very small steps to change the current situation in relations for the better to some extent.

EU President Herman van Rompuy, urging the Belarusian authorities to establish dialogue with the EU, said: "We cannot support Belarus without seeing apparent progress in regard to respect of human rights in this country, and it means immediate release and exculpation of all political prisoners".

Statements by the representatives of EU bodies and member states implied that currently the EU demands towards Lukashenka's regime are limited de-facto to the release and rehabilitation of political prisoners. It was not specified, however, what is meant under the rehabilitation.

Donald Tusk also announced at the final press conference of the summit that its participants had approved a "Modernization Package for a Democratic Belarus". The package foresees a possibility of extending grants and loans to Belarus by international institutions, investment stimulus and mechanisms for the stabilization of the Belarusian currency, and the simplification of the visa regime.

According to the Prime Minister of Poland, the EU is ready to extend up to nine billion dollars to Belarus in exchange for the fulfillment of certain conditions: full amnesty and exculpation of the political prisoners, opening of negotiations with opposition and holding the parliamentary elections in accordance with the OSCE standards.

One gets the impression that Tusk voiced the maximum demands to Lukashenka's regime, and the EU does not really believe that they can be met.

At the final press conference, the EU President also said that

the release of the political prisoners was the first condition for resuming cooperation with Belarus.

Belarus' ruling elite still does not see much of a 'carrot' in the Eastern Partnership projects and other EU proposals, or anything worth pushing Lukashenka to any significant steps towards the EU and the West and intensifying the internal dialogue on expanding cooperation with the EU.

Currently, the demands of the EU to carry out democratic reforms and to hold the parliamentary elections in accordance with the OSCE standards enter are in contradiction with the interests of the ruling elite. In Belarus, the process of the carving-up (appropriation) of a significant part of state property is gaining momentum. The nomenklatura needs its own convenient laws, its parliamentarians, judges and mass media in order to keep competitors both the West and Russia out of Belarus.

The figure of nine billion dollars, announced by the Prime Minister of Poland, is so far the biggest promise from the West (if the EU is indeed ready to allocate this amount). But it is still less attractive compared to what the nomenklatura can get as a result of the carving-up of a significant part of state property.

Andrei Liakhovich

Andrei Liakhovich is a contributing author. He directs the Center for Political Education in Minsk.

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## **Belarusians Forced to Work on**

# Weekends

At 10 am last Saturday an official "subbotnik" began for millions of Belarusians. The word "subbotnik" comes from the Russian "subbota" and means a Saturday of unpaid work for community needs. Subbotniks trace their history back to 1919 when Russian Bolsheviks needed to mobilise workers to rebuild the country after the Civil War but were unable to pay them.

Today Belarus has no civil war but the authorities use unpaid labour on a regular basis. The official Belarusian propaganda is loud and proud that people contribute to public projects without being paid. But legal experts and human rights activists are unimpressed. They call subbotniks forced labour which is prohibited by Belarusian and international law.

This month the official news agency Belta announced that as a part of the subbotnik campaign it will be necessary to prepare for the coming winter, fix the roads, refurbish yards, and make residential houses warmer. Using various administrative measures the state hopes to make millions of Belarusians work without paying them. Last April over three million people participated in subbotniks all over Belarus.

When the subbotnik day comes, instead of resting on Saturday, employees have to perform their normal work duties or other tasks such as cleaning the streets. Although their salaries are calculated they do not get any money. All earnings are transferred to local executive authorities. They use these funds for various public projects such as building a giant library in Minsk, a new World War II museum or even a nuclear power plant.

The idea of voluntary work may sound noble, but very few are eager to sacrifice their day off and work for free. Since 2003 official regulations related to subbotniks specify that the work should be voluntary. In practice, most people have no

choice whether to perform the "voluntary" work or to stay home. Employers, usually state-owned enterprises, order employees to work on Saturdays without even trying to package it as a recommendation.

In some cases employers provide specific sanctions for failure to volunteer. For instance, on 25 June 2011 management of the state enterprise Mogilevenergo ordered its employees to "volunteer" to clean the streets. Employees had been also warned that non-participation in the cleanup activities would be treated as truancy. The money earned in that particular subbotnik was earmarked to build the first Belarusian nuclear plant.

Belarusian authorities also happily embraced another Soviet tradition – unpaid agricultural works. At least once a year they request students from state universities and sometimes school children to perform agricultural works for a symbolic payment or no payment at all. Otherwise the students may be threatened with losing their places in subsidised dormitories or may face problems during their examination sessions. Belarusian weekly Nasha Niva reported that last month even eleven-year old school children were taken to collect potatoes during their study time.

Many legal experts think that these subbotniks and agricultural works constitute forced labour. The work is unpaid and there is usually a sanction for failure to volunteer. The International Labour Organisation regards prohibition of forced and child labour as a cornerstone of international labour law. The Belarusian Labour Code also prohibits forced labour and working on days off without an employee's written consent. It is not permitted under Belarusian law to request performance of works not specified in labour contracts such as cleaning the streets. But when courts are not independent these rules remain dead letters.

Neither Belarusian trade unions nor the international

community can do much to influence the Belarusian authorities. In 2006, the European Union even introduced economic sanctions for violation of freedom of association in Belarus and repression against independent trade unions. But these economic sanctions were quickly matched by additional economic subsidies from Russia and the campaign against unions continued.

The threat to subbotniks and other forms of forced labour may come from another direction. As the economic crisis deepens, Belarusian authorities are under increasing pressure to privatise state enterprises. Although they [resist](#) privatisation and try to delay it for as long as possible – significant chunks of property have already been sold. Once the majority of companies in Belarus are no longer state-owned, it may become more difficult for the authorities to make people work for free.

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## **The People's Assembly and Attacks Against Opposition Activists – Politics and Civil Society Digest**

Last Saturday's Narodny Skhod (the People's Assembly) had been long planned as a major protest event in Belarus. Authorities warned and intimidated its organizers and prospective participants in all regions of the country well in advance. As

a result of this pressure and adverse weather conditions, only around one thousand people appeared in Minsk and several hundred in other regions of Belarus. Other instances of pressure against opposition included attacks and in one instance a robbery of activists by plain clothed individuals.

**Masked men attack opposition politician Ukhnaleu on his way to Minsk from Lithuania.** On 1 October, masked men [attacked](#) Valery Ukhnalyow on a road shortly after midnight as the deputy chair of the “Spravedlivy Mir” (Just World) Belarusian Party of the Left was returning to Minsk from Lithuania by car with his daughter and associate Vatslaw Areshka. Masked men [stole](#) \$12,000, bags, mobile phones, two laptop computers and the keys to Ukhnalyow’s home and car. Police appeared to be committed to undertake a thorough investigation.

**Attempt to capture Anatol Liabedzka by plain-clothed men.** The leader of United Civil Party was also attacked by people dressed in civilian clothing on 1 October. Several people twisted his arms and tried to push him into the car in the courtyard of the house where he lives. Intervention by his wife and neighbors allowed him not to be captured. Police were not interested in investigating the incident and instead questioned Liabedzka about his old passport, which allowed him to freely travel abroad.

**Oleg Manaev detained by the police to keep out a briefing for diplomats.** On 6 October, a founder of the Independent Institute of Socio-Economic and Political Studies (IISEPS) Oleg Manaev was [detained](#) in Minsk by police officers. He was held by the police for about three hours. His detention, Oleg Manaev explains, was due to the desire of the authorities to disrupt his speech at a briefing to diplomats.

**Fines and Arrests for preparation to the People's Assembly.** On 4 October, Liavontsi Chypurnykh from Brest was [sentenced](#) to 5 days of arrest for handing out invitations to the People's Assembly. On 6 October, Yan Melnikau from Minsk was [sentenced](#) to 5 days for handing out leaflets with invitations to the People's Assembly at the check-point of the Minsk Automobile Plant.

**Uladzimir Neklaev and Nasta Palazhanka officially warned.** Former presidential candidate Neklaev was officially [warned](#) for making a foreign trip last week despite being banned from leaving Belarus. Along with several other opposition politicians, Nyaklyayew stayed in Warsaw between September 27 and 30 to take part in a series of meetings with high-ranking foreign officials on the sidelines of the Eastern Partnership Summit. Palazhanka was [warned](#) about her activity in Belarus.

**Court Fined Picket Participants in Central Minsk.** On 3 October, the central district court of Minsk [fined](#) detainees participating in a picket at Peramoha Square in the amount of 10-30 base units (Br350 thousand – Br1.05 million). They were accused of administrative violations under Art. 23.34 of the Administrative Code of Belarus (violation of order or organization of mass action or picketing). Lawyer Tamara Sergei got the maximum penalty.

**Utility Services Going up in Price in Belarus.** In Belarus, housing and communal services [rise](#) in price from 1 October. For example, tariffs for electricity go 15% up, tariffs for thermal energy for heating and hot water – 3.2%, maintenance of residential buildings – 3%. The corresponding decree № 1300 was adopted by the Council of Ministers of Belarus on September 28.

**Petrol Goes up in Price for Eighth Time this Year in Belarus.** On 1 October, fuel retail prices [go up](#) by 5% in Belarus. It's going to be the eighth price increase since the beginning of the year. The scheduled protest actions were [not held](#).

**Belarus Still Participating in Eastern Partnership.** On 3 October, Foreign Minister of Belarus Syarhei Martynau [said](#) that Belarus will retain its part in the EU program Eastern Partnership: "We've not participated in the summit in Warsaw, but Belarus will continue participating in the Eastern Partnership."

## CIVIL SOCIETY

**Committee to Honor 4 Journalists for Courage.** On 5 October the Committee to Protect Journalists said it has chosen four journalists for its 2011 International Press Freedom Awards in New York, an annual recognition of courageous journalism. Awarded journalists [included](#) Natalya Radina, of Charter 97 website in Belarus. The awards will be presented at the committee's annual awards ceremony in New York on 22 November.

**Call for positions of coordinator and local consultants.** The Office for Democratic Belarus (Brussels) [announces](#) a call for coordinator and local consultants to work in a joint initiative of the European Union and Belarus *Clearing House*. The initiative was established by the Office for Democratic Belarus (Brussels), in partnership with EuroBelarus, Forum Syd (Sweden) and Pact. It aims at strengthening the capacity of Belarusian NGOs, promoting their cooperation with the EU and its Member States, as well as improving communication and cooperation between the Belarusian CSOs, the EU, donors and international implementers.

**Gay Pride in Minsk.** Minsk Gay Pride-2011 will [take place](#) from 11- 23 October. The organizer is a human rights project "GayBelarus" and its chairman Sergei Androsenka.

**Alexei Pikulik Elected BISS Academic Director.** BISS completes its search for a new academic director. BISS's new Academic Director [is](#) Alexei Pikulik, who previously worked for BISS as a senior analyst.

**New project for youth.** Youth Education Centre *Fialta* launched a project '[Catch the present](#)'. Over nine months 25 young people will participate in trainings, master classes, as well as implementing their own ideas in various areas of life (culture, sports, literature, science, IT, entertainment, education, etc.).

**Survey about people with disabilities.** Under the survey conducted by IISEPS in September 2011, the Office of the Rights of Persons with Disabilities has [initiated](#) a series of issues concerning people with disabilities, as well as the Convention on the Rights of Persons with Disabilities. In particular, the data shows that there is no noticeable improvement in the attitude towards people with disabilities in Belarusian society.

**The fourth call for proposals under the program "Meeting Place is a Dialogue."** International NGO "Understanding" ("Ponimaniye") together with the Foundation "Remembrance, Responsibility and Future" (Germany) [announced](#) a call for proposals. The program provides funds to organizations and institutions that create the conditions for realizing the potential of older people and establishing a productive dialogue between the generations.

**Child Fund International calls for proposals** [aimed](#) at preventing child abandonment and institutionalization of children. The competition is held under the program direction "Development of services targeted at the prevention of institutionalization of orphans in the community." The maximum amount of funding per project is \$ 10 000.

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# Stripped of Cash, Belarus Grants Large Concession to British Company

Yesterday the Belarusian government concluded an investment agreement with the British company *GMC Global Energy plc* owned by Russian oligarch Mikhail Gutseriev. Gutseriev, who fled Russia in 2007 and currently lives in the United Kingdom, has undertaken to build a major potash-extraction enterprise in Belarus.

The new enterprise will inevitably compete with Belaruskali, the most profitable state company in Belarus. It will extract the same potassium and undermines all its further prospects. This desperate move by the Belarusian authorities is like shooting themselves in the foot. It shows that their options are really exhausted.

Earlier this month, Lukashenka issued a presidential order on concessions for natural resources. Belarusian potassium chloride has been the single major mineral exported of Belarus since Soviet times. Mikhail Gutseriev promises to invest USD 1.5 billion in three major sites to the south of the Belarusian capital. The new enterprise will reach its full capacity in ten years.

Allowing Gutseriev into such business is a very sensitive issue. Belarus has extracted potassium on its own for about 50 years, and has advanced technologies to do it, so it does not need foreign input. The potassium-extracting branch is controlled by state monopoly Belaruskali, which brings a bulk of income to the Belarusian budget; this year alone it will earn about USD 3 billion. Contrary to the government's boasting, it is potash products that are Belarus' major export commodity, and not cars or tractors. Another source of big

money for the Belarusian government – oil refineries – are now suffering net losses because of the new price arrangements with Russia.

However effective its work may be, Belaruskali cannot expand its production despite increasing global demand. The government effectively confiscates all the profits leaving nothing for any major investment. In addition, no matter how much the Belaruskali earns, Lukashenka needs money now, and cannot wait.

In order to get the money, the Belarusian leadership grants – as always without any tenders or transparency – a concession to a good friend of the Minsk ruler who has already worked with the Belarusian regime in the past. In 2002-2002 he was the president of Russian-Belarus oil firm Slavneft.

Apparently in today's Belarus, the only way to undertake major investment in the country is to befriend someone from the very top of the regime, and even better, Lukashenka himself.

Russian journalist Pavel Sheremet admits, “Of course, he [Gutseriev] does have money, but it is that type of entrepreneur and that type of investment which may be called risky. And this project is built upon a political component. None of the well-established Russian oligarchs will come to Belarus”[\\*](#).

Having a powerful political sponsor is a precondition for doing business in Belarus. For example, after Lukashenka's visit to Qatar last August, the Belarusian government media loudly applauded the deals made which would allegedly bring billions to Belarus. The secret of such deals was simple – of course, the Qatari rulers can afford property in more legally-protected places in the West. Yet in Belarus they can build whatever they want even in places where the building is legally prohibited for some social, cultural or environmental reasons. What is impossible in Western countries is possible

in Belarus.

For instance, some of the most discussed projects may be linked to building palaces in the world-renowned protected area of Belavezhskaya Pushcha. But there are no restrictive laws for Gutseriev and other friends of the Belarusian strongman. Upon signing the deal he gratefully declared that “the investment climate in Belarus is not worse than in other countries”[\\*](#).

This new development demonstrates that the situation in Belarus is becoming desperate. Lukashenka would not touch potassium business had he not found himself in a real emergency. Could he put on sale other assets of his country? It is hard to answer this question, yet the value of many assets currently owned by the Belarusian state cannot be as high as expected.

The Belarusian government recently declared it was planning to get USD 6-7 billion of foreign investment for extracting national mineral resources. Yet this sum seems to be hardly achievable. Potassium was indeed sought by many companies and Belarus is actually a major player on the global market of this mineral resource. But other natural resources such as granite, gypsum or low-quality iron ore – that can be made available for some kind of foreign investment or purchase, are by far less profitable.

Most likely the king is effectively naked. Most business adventures of Lukashenka in the past – like the arms trade – were no more than improvisations to get quick money without any prospects for stable earnings.

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# One Political Prisoner Fewer – Civil Society and Politics Digest

On Sunday Belarusian authorities released yet another presidential candidate – Dzmitry Us. At least seven political prisoners remain in Belarusian prisons.

This number includes the two ex-presidential candidates Andrei Sannikov and Mikalai Statkevich, leader of the campaign “European Belarus” Dzmitry Bandarenka, Head of the Human Rights Centre “Viasna” Ales Byalyatsky, youth leaders Zmitser Dashkevich and Eduard Lobov and entrepreneur Mikalay Autukhovich. In addition, human rights defenders [consider](#) the case of five anarchists to be politically motivated; three of them are also in prison.

## POLITICS

**Trial of last defendant in mass riot case put off till 12 October.** The trial of Sviataslau Baranovich, the last defendant in the “mass riot” criminal case, has been [postponed](#) until 12 October, after the judge ruled to call additional witnesses. The trial started on August 29. Baranovich is charged for participation in mass riots and may be sentenced to up to eight years in prison.

**Human rights defenders congratulate Ales Byalyatsky.** On 25 September, the friends and colleagues of Ales Byalyatsky [staged](#) a street event in Minsk Nezalezhnastsi Square to congratulate the imprisoned leader of Viasna on his 49th birthday. Human rights defender Uladzimir Labkovich was [detained](#) shortly after the picket and released after three hours without a report being drawn. In addition, nearly four thousand greeting cards for Ales Byalyatsky are

the result of the "Solidarity with Belarus. Postcard to prisoner Ales Byalyatsky" [campaign](#). The campaign in aid of Byalyatsky's birthday (25 September) was held by Polish NGOs under the "Group abroad".

Ales Byalyatsky, Chairperson of the Human Rights Center *Viasna* and vice-President of the International Federation for Human Rights (FIDH), was detained on 4 August 2011. On 12 August he was [charged](#) with "concealment of profits on an especially large scale" and is now in custody in remand prison #1 in Valadarski Street in Minsk. He faces up to 7 years of imprisonment with confiscation of assets.

**Andrzej Poczobut not allowed to leave Belarus.** Such limitation has been imposed on the journalist of "Gazeta Wyborcza" by the criminal-executive inspection. The journalist has [written](#) about this in his Livejournal blog. Poczobut was sentenced to probation allegedly for slander against Alyaksandr Lukashenka.

**Three arrested opposition activists are on hunger strike in Gomel.** They [are](#) Andrus Tsianiuta, Kanstantsin Zhukouski and Zmitser Shauchenka. Shauchenka was arrested on 17 September for the dissemination of information about the upcoming "silent action". The court sentenced him to 15 days of detention. Tsianiuta was sentenced to 10 days of detention for the dissemination of information about the People's Assembly. Zhukouski was arrested just before the "silent action" on 21 September and sentenced to 15 days of detention despite the fact that his leg was [broken](#) during the arrest procedure.

**Human rights activist Valyantsin Stefanovich returns to Belarus.** On 30 September, he [managed](#) to get through the checkpoint at Minsk National Minsk without any problems. Stefanovich is accused of tax evasion, as is his colleague Ales Byalyatky.

**One more member of the International Observation Mission banned from entering Belarus.** On 30 September, a

representative of the International Committee of the Observation Mission of International Control over the human rights situation in Belarus, the Ukrainian citizen Vladimir Senko was [refused](#) entry to Belarus. Vladimir Senko has already become the 12th representative of the Committee of the Observation Mission denied entry to Belarus because of his human rights activities.

## CIVIL SOCIETY

**The NGOs Assembly adopted two statements.** The working group of the Assembly of Pro-Democratic NGOs of Belarus has [adopted](#) two statements concerning the possible dialogue between the authorities and society, and the prospects for EU-Belarus relations within the European Partnership program.

**Essay contest on the rights of disabled.** The Office on the Rights of the Disabled [announced](#) an essay contest and scientific papers on the topic "Accessibility and Disability", "Convention on the Rights of the Disabled". The competition aims to increase knowledge about the perspective of people with disabilities in Belarus; to promote the idea of "equal participation"; to develop expertise in human rights with a disability. Deadline for papers is 3 December, 2011.

**BPPF announces the 9th call for proposals for small grants.** Within the framework of its program on the systematic support for analysis in social, political and economic studies, Belarus Public Policy Fund (BPPF), in cooperation with Belarusian Institute for Strategic Studies (BISS), [announced](#) a call for proposals for small grants. Public policy-oriented research in Belarus is supported with the aim of invigorating and intensifying the debate on key public policy issues that are not satisfactorily researched by analysts and lack public discussion.

**Week of Informal education.** On 24 September – 2 October, The 6<sup>th</sup> Week of Informal Education was [held](#) in Belarus. This year

the main topic of the Week was "Informal education and regional development". Seminars, trainings, round tables, and master classes were held in Minsk as well in the regions.

**New non-profit Association.** The Association of Professional Marketing has been [registered](#) in Belarus. The founders are seven Belarusian commercial companies, including: TUTby Media, Evrotorg, Centre of System Business Technologies Satio, Belbiz, etc. The aim of the association is to promote the professional community and education in the field of marketing in Belarus.

**Increased inflow of foreign donations.** Receipt of foreign donations by Belarus in the first half of 2011 [increased](#) to \$47.6 million. This number is registered in the Department of Humanitarian Affairs. This is \$8.1 million more than in the first half of 2010. Among leaders in obtaining foreign donations are NGOs – who received \$17.1 million.

*Belarus Digest prepared this overview on the basis of materials provided by Pact. This digest attempts to give a richer picture of the recent political and civil society events in Belarus. It often goes beyond the hot stories already available in English-language media.*