

How Low Can Minsk Go for Cheaper Energy?

To lower the price of Russian energy Belarus has tried pleas, threats, promises, and blackmail. Minsk set lowering the cost of imported energy as a condition to joining the Customs Union with Russia and Kazakhstan and last week went as far as to offer to give Russian firms control over its energy assets.

Having accused Russia of trying to subdue Belarus by acquiring its key industrial assets, Minsk is nevertheless ready to cede control of the gas pipeline operator Beltransgaz (of which Russian Gazprom already owns 50%) and the Mozyr oil refinery in return for oil and gas supplies at Russian domestic prices.

Luckily, Igor Sechin, Putin's deputy in charge of energy, was not thrilled with Alyaksandr Lukashenka's proposal. Sechin said Belarus would have to clear its outstanding debt of \$200 million before any deal can be considered.

All these last-ditch efforts not to pay the true cost of energy would do is allow Belarus' Soviet-style economy to continue in its tracks without a serious reform until the next energy crisis hits. While without the duty-free oil and gas, joining the Customs Union hardly makes economic sense for Minsk, there is even less economic sense in ceding control of Belarus' energy infrastructure.

Everything has a price: if not paid right away, then paid later – with interest. Unless they are willing to trade their independence for a temporary discount, states have to buy energy at the global market costs.

Looking back at Minsk's numerous attempts to get on brotherly terms with Moscow hoping for some nepotistic

economic relationship, one sees that the struggling Customs Union project may well be the beginning of the end of several unsuccessful integration projects in the post-Soviet space, including the Union State between Russia and Belarus and their single economic space.

Since the uncivilized nepotistic ways are failing, it is high time for Belarus to resort to more civilized forms of international economic relations by initiating a full-scale economic reform, strengthening political and economic ties with the European Union, and catching up on the alternative energy solutions.

If the energy issues are as important as Belarus' efforts on that front suggest, then it is definitely not in Minsk's interest to cede control of this important strategic asset to Russia, even if "for decent money," as the Belarusian President hopes.

The loss of control over its energy transit and refinery system will result in the loss of the only bargaining chip Minsk has while securing Russia's gas supply routes to the European market.

No News on the United States Policy on Belarus Sanctions



Earlier this week, the United States Embassy in Minsk issued a press release on economic sanctions. Despite Belarus authorities hopes, the change of administration in the White House has not resulted in the change of its Belarus policy. Following the introduction of the US sanctions in 2007, most of the US Embassy staff had been [expelled](#) from Belarus. The US government should look for ways to resume full functionality of its embassy in Minsk. This would be a much more important contribution to democracy in Belarus than economic sanctions. However, lifting economic sanctions might send a bad signal to the regime in Minsk, especially prior to presidential elections in Belarus. It looks that the regime in Belarus is going to give the US a good reason to lift the sanctions only after President Lukashenka is re-elected for the fourth term. Here is the embassy's press release:

The United States has extended the suspension of sanctions against Polotsk Steklovolokno and Lakokraska until November 30, 2010. Other related U.S. sanctions in Belarus continue in force. Unfortunately, recent events, including raids on an NGO last week, indicate a continuing, negative pattern in the Belarusian authorities' respect for basic freedoms. An improvement in U.S.-Belarusian relations can come only when there is real progress on respect for democracy and for basic human rights. This situation will be a factor in our consideration of whether to continue the selected suspension of sanctions in November.

Customs Union: Economically Sound, Politically Harmful?



Russian business daily *Vedomosti* reported today that the Customs Union negotiated between Moscow, Minsk, and Astana may come into effect without Belarus. The paper quoted BNP Paribas official as saying that Kiev would make a more desirable union partner for Russia than Minsk.

The Customs Union between Belarus, Kazakhstan, and Russia is missing a second deadline this year. However, when it does come to fruition, the Union will lead not only to the adoption of a common external tariff, but also to eventually creating a free trade agreement and single economic space like the European Union by 2012.

Today, the main bone of contention is Minsk's insistence on the abolition of duties on Russian oil and petroleum that are exported to Belarus. Although it already owes \$192 million to Russia for its gas for the year 2010, Minsk claims to be gradually acquiring [energy independence](#) from Russia. It does not seem to realize that without export duties its energy dependence on Moscow would only grow.

Ironically, it is the currently obdurate Belarusian leadership who has been the most enthusiastic advocate of the Customs

Union between the three post-Soviet states. The Belarusian government claimed the Union would help the national economy by mitigating the difficulties related to the adaptation to the new energy prices. Russia's refusal to provide this benefit by lowering energy prices and abolishing export duties in the new union made President Alyaksandr Lukashenka say in his April State of the Nation Address that Russia was putting Belarus "on the verge of survival."

Because a formal customs union between Russia and Belarus already exists, it is unclear what effect the failure to agree to union conditions with Russia and Kazakhstan would have on Belarus' economy. However, were such a union to materialize, it would hardly alleviate the country's economic troubles.

Theoretically, customs unions are created with an economic and political benefits in mind. While the short-term economic benefits are easy to see, political and economic benefits in the long term are typically unclear and vary with time. More often than not, creating a big common market within a customs union allows to depoliticize economic cooperation between the participating countries. However, entering into a customs union with a big and powerful former empire like Russia often results in a much more politicized market than that typical for a Western free trade zone.

Even if participation in the Customs Union brings some short-term economic benefits for Minsk, it will undermine Belarus' economy in the long run and draw Belarus dangerously close into the Russian orbit. Just like the Soviet experience created problems for the economy of the independent Belarus, the Customs Union with two large energy-rich countries is likely limit the country's indigenous industrial capacity and skew its development. Russia already controls more than half the Belarusian economy and is buying shares in its oil processing industry, and the Customs Union will make Minsk even more dependent on Russian resources, especially if the oil export duties were abolished upon the Belarusian leader's

request.

Walking in Bakiyev's Shoes



There is one thing many commentators on Belarus fail to understand. Alexander Lukashenko has no geopolitical preferences. The Belarusian president will be friends with whomever is ready to support the survival and longevity of his regime. Some want to read in his oil dealings with Venezuela a signal to Moscow. But the notion that Belarus is going to replace Russian oil with Venezuelan oil is ridiculous.

Similarly, giving asylum to the ousted Kyrgyz president Kurmanbek Bakiyev is similarly seen as a challenge to Kremlin. Although such events may stimulate prolific political analysts they have little serious implications. Moscow has nothing to lose from Bakiyev's stay in Belarus. Not only the Russians helped Bakiyev to flee Kyrgyzstan, but he can now be used as an additional tool to influence power struggle in that unstable Central Asian country. For Lukashenko personally, protecting Bakiyev, a former president-turned-dictator is very symbolic. A Russia-supported revolt is a very realistic scenario for overthrow of Belarusian president who wants to express solidarity with Bakiyev. He will bash Russia not because he is anti-Russian but because he does not want to end up walking in Bakiyev's shoes.

Perhaps the Belarusian president hopes that if this scenario comes true there will be a friendly dictator who would be willing to accept him and his sons. Being a true Russian ally standing up against both the corrupt elite of Russia and the

greedy West is the name of the game Belarusian president is playing. Taking the words and gestures of Lukashenka seriously is like trusting an experienced actor on the stage of the Bolshoi Theatre.

(In)famous Belarusian Justice



Last week, two men were sentenced to death in Hrodna, Belarus. The previously convicted men have murdered three during an armed robbery. They have 10 days to file an appeal, which may extend their lives, if only by a short period, and probably bring them into the full glare of publicity. While their crime is severe, it is hardly uncommon. So the media attention they will get is all due to the gravity of their sentence.

Belarus is the only country in Europe to practice capital punishment. Passing death sentences is what keeps the Belarusian Justice Ministry on the front pages, and the ministry excels at making headlines no less than the Belarusian leader. To maintain its nonpareil reputation, the Belarusian Justice Ministry has to annually resort to capital punishment, bravely shouldering the criticism of the international community. Unfortunately, publicity is not the only effect of Belarus' insistence on retaining the death penalty. Capital punishment has kept Belarus out of the Council of Europe and leads to the violation of its commitments as a member of the Organization for Security and Co-operation in Europe.

Belarus carries out executions in secrecy: the prisoners are

informed of the execution only minutes before they are shot; prisoners' families are not notified about the execution, given the bodies after the execution, or told where the executed were buried. Statistics on execution are also kept secret, but human rights activists estimate more than 400 have been shot since 1991. Just this March, two men were secretly [executed](#) despite the fact that their applications were still being reviewed by the UN Human Rights Committee. Alyaksandr Lukashenka's November 2009 promise to launch an information campaign on the abolition of death penalty has not yet been fulfilled.

But the death penalty is not the only trick that makes the Justice Ministry look famous and powerful. In March—for once taking up someone anything but defenseless—the Belarusian Justice Ministry filed a suit with the CIS Economic Court, arguing Russia's customs duties on oil supplied to Belarus was illegal. More often, however, the Ministry targets those who are weaker.

Time and again, the Belarusian Justice Ministry issues warnings of office closure to opposition parties and [harasses unions of minorities](#) and rights activists. It is even more fond of sentencing these activists to jail terms.

On May 6, the Belarusian Supreme Court sentenced four opposition activists to up to five years in prison on arms possession charges. The lucky four were acquitted of charges of forming a criminal group and plotting a terrorist attack for the lack of evidence. Good for them, for terrorism is one of the “grave crimes” that warrant the death penalty according to Article 289, Part 3 of the Belarusian Constitution. Those who disagree with the justice a-la Belarus undergo intense persuasion: the six protesting the five-year sentence in Minsk were detained.

Reacting to the sentence, on May 13 the United States issued a

statement on the conviction that stressed the importance of observing due process. The [statement](#) reads:

We share the concerns of our EU colleagues, as expressed in the May 10 statement by the representative of the EU Presidency in Minsk, regarding procedural flaws and apparent political motivations in the case.

In this and other cases, we have long stressed to the Belarusian authorities the importance of observing due process. We had hoped that the Belarusian authorities would take this opportunity to demonstrate a strengthening of due process and the independence of the judiciary. Unfortunately, there are reasons to question the conduct of this trial with respect to the civil rights of Mr. Awtukovich and the three others.

As we have noted before, improvement in the relationship of the United States with Belarus can come only when the Belarusian authorities show a greater respect for the basic civil and human rights of the Belarusian people.

Newsweek Names Andrej Sannikau Potential Russia-Backed Candidate to Replace Lukashenka



Newsweek has published a story where it names [Andrej Sannikaŭ](#) (Sannikov), former deputy foreign minister and head of the human rights initiative Charter'97, the potential candidate who could be backed by Russia to replace the current president Aliaksandr Lukashenka. This rather looks like a psychological PR attack from Kremlin's side:

it is very unlikely that Russians announce their candidate's name that early, if at all. Naming Sannikaŭ means drawing extreme attention to this person from Lukashenka's KGB that could arrest him or prevent his candidacy on the upcoming elections by any possible means. It could be much more productive for Russians to try establishing contacts with Aliaksandr Milinkievich who seems to eventually become the main opposition candidate on the elections that will take place in early 2011 or late 2010.

As this website has already written in the past, there are in general no influential [pro-Russian](#) political forces in Belarus, if we do not count Lukashenka as pro-Russian. However, this may be related to the fact that Russians did not yet bother to actively start looking for politicians willing to become pro-Russian. Everything but the name of Andrej Sannikaŭ seems very realistic in the article.

Belarus's mercurial President Alexander Lukashenko could soon be on the Kremlin's target list after demanding rent for Russian military bases and sheltering the ousted Kyrgyz president. "Russia is terribly tired of Lukashenko and is looking for a decent leader to replace him," says Igor Bunin of Moscow's Center of Political Technologies. Moscow's candidate of choice could well be Andrei Sannikov, a veteran Belarussian opposition leader who is not too close to the West and has declared that he is "ready to embrace Russian help if it comes from the right people." Lukashenko, he says, "has been scared lately after he saw how Russia can support a

revolution in former Soviet countries." [Read the full story](#)

AČ

American Belarusians to Petition EU Diplomatic Community in Washington, DC



This Saturday, May 8, 2009, the EU Embassies in Washington, DC will open their doors to public as part of the Europe Week. The program of events in Washington, DC includes speeches, seminars and workshops on issues; film screenings, concerts and cultural events related to the European Union. Universities, think tanks, other non-governmental organizations and the Embassies and Consulates of EU Member States around the United States will take part in Europe Week, hosting events designed to create a better understanding of the European Union.

The local chapter of the Belarusian-American Association (BAZA) is using this opportunity to hand-deliver a letter from Belarusians in the United States, urging EU member states to support human rights and democracy in Belarus. "Last year's letter delivery was very successful.

BAZA members were able to cover many Embassies and in some cases to hand letters to Ambassadors personally. The EU Open House* provides a great opportunity to express support for democracy and human rights in Belarus," said Alice Kipel of the Belarusian-American Association. ext of BAZA letter is provided bellow.

To the Ambassadors from EU Nations in Washington, DC: We write on behalf of the Belarusian community in the United States to express our concerns about what is occurring in Belarus today, and to ask for your help. Our primary concerns relate to the internet censorship decree that will go into effect in Belarus in July 2010 and the increasing crack-down by the Lukashenka regime on opposition and civil society activists, as Belarus moves towards the next presidential election in early 2011. We are pleased that the EU seems to have become more circumspect, and perhaps, skeptical, in its dealings with Lukashenka. While we understand the desire of EU nations to remain engaged with a country that shares a border with three EU countries, such engagement should not cast a blind eye towards the regime's human rights violations. Unfortunately, the Polish government all too recently learned that the regime in Belarus can quickly and violently turn against ethnic minorities, such as Poles, in the same way that it does against ethnic Belarusians who dare to speak out for democracy.

Lukashenka can just as easily order harsh measures against other minorities, investors, business owners, etc. No one is immune from the whims of a dictator. We strongly agree with the decision of the Parliamentary Assembly of the Council of Europe to freeze high-level contacts with Belarus due to violation of democratic standards. We also applaud Catherine Ashton's quick and public denunciation of Lukashenka's internet censorship decree. That decree, signed by Lukashenka on February 1, 2010, will put the internet in Belarus under the control of the Presidential Administration's Operating and Analytical Center.

The decree aims to control the activities of internet providers, websites and internet users. Clearly, the decree is a means by which the regime will be able to control and limit access to information prior to the presidential election. We urge EU organs and individual countries to demand that the decree be repealed.

Such pressure is necessary so that the last forum for relatively free access to information in Belarus is not lost. A policy of acquiescence less than a year before the next presidential election in Belarus weakens the opportunities for the opposition and supports Lukashenka's plans to remain in power for a fourth presidential term, i.e., for 22 years.

The main strategy of the EU at this time must be the substantial strengthening of support for Belarusian democratic forces and civil society as guarantors of independence and a European orientation for the country. The following are necessary: – a demand for real improvements in freedom of speech and particularly for repeal of the internet decree; – support for alternative media, including satellite TV and FM radio broadcasting, internet projects; and – support for democratic forces, including human rights organizations, youth movements and initiatives and independent trade unions before the next presidential election in Belarus. Founded in 1949, the Belarusian-American Association is the largest organization of Belarusian Americans in the United States.

VB

Belarusian President Wants to be European Nazarbayev?

Why, really, should he change anything, according to his Realpolitik logic, well-known to any observers of politics in developing countries. Belarusian leader wants to be treated in the West at least as good as Nazarbayev, Aliyev or Karimov, which have undoubtedly worse, even shocking human rights and democracy records but have now almost no major troubles with

the West. They are too important for the world power centers to be criticized. So wants to be also Belarusian leadership, and Lukashenka particularly emphasized the importance of his country for the West in his last interview.

He elaborated on it

So what, do other nations, our partners in Eastern Partnership, have no such problems as Belarus? Hey, they have even more. Why do you treat them so, and us otherwise?

However, Belarus is all too close to the West geographically and Lukashenka is surely not considered as an Eastern European Nazarbayev, i.e. another bad guy indispensable for the Western interests.

Yet, to change his policies in order to be welcomed in the West means for Belarusian president a near end of his political life, for his regime predictably cannot survive after adopting the measures demanded by Europe, like changes in electoral law and practice, providing more freedom for media or NGOs. Asking of Lukashenka to do it, means asking of him to go. No wonder, Belarusian leader will not accept such proposals unless he decides to finish his carrier.

Nevertheless, the relations between Lukashenka and the West are not yet in a dead-end, and are unlikely to be there anytime in the near future. Belarusian regime has many ways to avoid such predicament. First, it can continue its rather successful attempts to sell "security and stability" for Western toleration as well as offer its services for containment of Russia. Second, there many ways to do business, both political and economic, unofficially, with the same results, as Belarusian history of recent years has shown.

Third, even confronted one day with fatal necessity to

negotiate with the West on its current terms, Minsk has a lot of things to sell without risking to cause a crash of Belarusian political model. Let's compare the risks encountered by Lukashenka in accepting, say, current European conditions.

Thus, while liberalization for media and NGOs (including Polish minority organizations) or free and fair elections could be fatal for Lukashenka's survival, such points as setting free political prisoners (anyway not so numerous) probably does not endanger the regime and could be swapped for some new Western credits, visits or other benefits. Another point, articulated by the West – capital punishment (not stopped in Belarus regardless repeated Western demands) is also not so crucial and its suspending or abolishing are only a question of price Belarusian authorities wish to get from their Western partners.

So far, this strategy of Belarusian government worked. Belarus managed to get loans with Western support. EU lifted travel restrictions for Belarus government officials and the US trade sanctions have been suspended, the country has been invited to join Eastern Partnership and Lukashenka visited European capitals.

SB

Belarus Remains a Bad Student of Democracy

After a discussion about the situation in Belarus, PACE noted that the former Soviet republic has shown "a lack of progress towards Council of Europe standards" and "a lack of political

will" to make progress in this direction. "In particular, the Assembly condemns the executions of Andrei Zhuk and Vasily Yuzepchuk, which were carried out in March 2010 in conditions of total secrecy and at a time when the United Nations Human Rights Committee had requested a stay in the executions pending its examination of their cases," the resolution said. [Read the full report](#)

AČ

Leaders of Belarus and Ukraine Discuss Their Relationship with the EU

Looking for subtext in yesterday's meeting between Ukrainian President Viktor Yanukovich and Belarusian President Alyaksandr Lukashenka in Minsk is all the more tempting because Lukashenka had urged not to look for one. Among other things, the two leaders discussed steps Belarus has to take to join the Council of Europe and the need for opening European markets. Yanukovich said Ukraine was "more advanced" with respect to dealing with Europe. He said Ukraine's "experience will be interesting for Belarus" and hinted at a "new opportunity" resulting from Ukraine's chairmanship of the Council of Europe.

Thus, it is especially interesting to speculate how Belarus' relations with Ukraine affect its relations with the European Union (EU). Of course, the degree of Ukraine's influence on Belarus-EU dialogue depends, first and foremost, on the rapport between Minsk and Kiev. According to Lukashenka, whose policies have endangered the former many times, there's no

need to worry about the latter. "Someone gets all tense about our relations. We are not going to be friends against someone. Belarus is not going to get involved into geopolitical problems. It is not in our interests and I think not in Ukraine's," Lukashenka said. Likewise, Yanukovich, an ethnic [Belarusian](#) himself, said the policies of Belarus and Ukraine toward each other will continue be "good-neighborly and transparent."

And "good-neighborly" is exactly what they have been, their amicability presenting stark contrasts to Minsk's contentious dealings with Poland, Russia, Lithuania, the United States, and the EU. Significant disruptions were avoided even when Belarus and Ukraine wound up on the opposite sides of political spectrum as a result of the 2004 Orange Revolution, with Ukraine striving for European integration, and Belarus orienting itself towards Russia. Although their political discourse was somewhat weakened at the crest of the orange wave, Minsk and Kiev have pragmatically continued their relations in the economic realm.

Ironically, their bonhomie was sustained by a number of negative factors, including the deterioration of Belarus' relations with Russia and the EU as well as Minsk's and Kiev's shared problem of energy dependence on Moscow. Trying to break its political isolation from the West and soften the economic impact of its spat with Russia, Belarus has been looking for new markets to sell its products and new suppliers of the resources it needed and seeking to diversify its energy resources. Coordination on the gas and oil transit (for example, on projects like extension of the Odessa-Brody oil pipeline or the establishment of the Eurasian oil transportation corridor) is likely to lead to an even closer cooperation between Ukraine and Belarus.

At the same time, beset with energy and financial problems, Ukraine is interested in "rapprochement" with neighbors like Belarus. In trying times, a neighbor like Belarus comes in

useful. This is why criticizing Belarus' treatment of the political opposition and its disregard for democratic freedoms has not precluded Kiev from cooperating with Minsk in the economic realm. The only cloud that had shaded on the Belarusian-Ukrainian horizon was the problem of the demarcation of the Belarus-Ukraine border. The Belarusian side tied ratification of the demarcation agreement with the reimbursement of the debt by Ukraine; the Ukrainian side contended the debts to Belarusian companies formed in the early 1990s were not Ukraine's state responsibility. But even this cloud has been dissolved in early April when the Belarusian parliament ratified an agreement on the demarcation of the border between Ukraine and Belarus, opening up even more opportunities for the development of bilateral economic relations.

Combined with the changes in Belarusian policy, Yanukovich's election brings new opportunities for both Belarus-Ukraine and the Belarus-EU relationships. Although he was depicted as Moscow's incompetent crony after his humiliating defeat in 2004, Yanukovich came back in 2010 advocating independence from Russia and Ukraine's integration with Europe. His yesterday's statement that Belarus and Ukraine "have always known how to unite to defend national interests" gives reasons to hope for more cordial discourse with Europe, which is advantageous for both Minsk and Kiev. In fact, as Belarus' neighbor and the member of the Council of Europe, Ukraine is in a unique position to mediate between Minsk and Brussels. It has had regular and frequent contacts with Minsk at the official level, which are hardly possible between Belarus and the EU member states today.

Unlike the EU member states, Ukraine has never imposed restrictions on the travel of Belarusian officials. It also expressed opposition to the EU policy of international isolation and imposing additional sanctions on Belarus. Additionally, unlike Belarus' members Poland and Lithuania,

Ukraine is not bound by the EU official line on Belarus and, thus, it can conveniently take the middle ground on most issues.

The position of a middleman between Belarus and the EU would be an asset for Ukraine's international position, which is probably why the idea has already been voiced in Kiev several times. For example, it is guided by this idea that Ukraine offered to host the meeting of the heads of national security councils of Ukraine, Poland and Belarus during the 2005 crisis over the Belarusian treatment of the Union of Belarusian Poles. Therefore, with Yanukovich at the helm, the intensification of Belarusian-Ukrainian relations could not only help the Belarusian economy, but also contribute to improving the Belarus-EU discourse, to both Kiev's and Minsk's advantage.

VC

Scandal in Vienna: Belarusian Regime Funded by Austrian Business?

Is Belarus sliding into the realm of notoriously corrupt Third World states? New scandal in Vienna involved Belarusian leader and resembled exploits of corrupt politicians from some African and Asian states.

Recently, the Austrian newspaper Die Presse has published an investigative article on doubtful relations between some Austrian businesspeople and Belarusian president. Prior to this scam, people always wondered [how many resorts are in Nevada](#)

and other famous casino cities and towns. Sports journalist Erwin Roth found out that luxurious holidays for Lukashenka and his family in Tirol have been paid by Leo Walner, the former chairman of Austrian National Olympic Committee (NOC) and owner of Casinos Austria network. The affair presumably happened in 2002, yet it is casting unfavorable shadow on rather lively activities of Austrian business in Belarus under Lukashenka.

The Austrian Olympic Committee itself did not benefit from the affair, says Erwin Roth. Actually, it was not involved in it, because the whole trip was organized by Austrian Casinos, official sponsor of Austrian NOC and "informal fund of Belarusian dictator". Leo Walner then was both NOC Chairman and casinos owner and it helped to solve a problem of the EU prohibition for official contacts with Lukashenka. Mr. Walner organized invitation of the Belarusian leader as the Belarusian NOC Chairman.

Leo Walner explained in an interview that they worked in the best interests of Austrian economy. His subordinate, Gerhard Skof added that not only casinos but also other Austrian firms have had the plans to expand their business in 10-million Eastern European nation, so the trip was both useful and necessary for them. Austrian businessmen interested in business opportunities in Belarus have paid for Lukashenka. Walner declined to discuss the concrete names of these people. Yet Austrian casinos did not so far open any subsidiaries in Belarus, so Erwin Roth supposes that the whole affair could be just about money laundering and is going to submit the documents on it to state prosecutor office in Austria.

One cannot say, however, that Austrians did not get anything in 2000s in Belarus known for its reluctant attitude to foreign investors. Finally, it was the Austrian Raiffeisenbank which could buy a comfortable share of the major Belarusian Priorbank and only Austrian business could acquire the big bicycle fabric in Minsk and one of three cell phone providers,

Velcom. Without noise, just effectively take control – so it went, just some miracles of Austrian entrepreneurship with its secrets securely hidden by both sides.

Quite predictably, the last scandal caused much bigger uproar in Austria than in Belarus and has been followed by other Austrian newspaper, Kurier. According to its investigation there were millions of euros sent to a secret account of the NOC established by Leo Walner in 2001.

There is no need to discuss here fatal implications of financing the holidays of one country's leader by foreign businessmen. They are obvious. The scandal is more interesting in another respect, for it demonstrated nature of Belarusian regime, rather unclear and non-transparent otherwise. And it is opportunism without high dreams or idealistic ideologies. This face have and had numerous regimes in developing countries continuously sinking in poverty and degradation.

And it shows corporate practice which does not distinct between responsible business and befriending some stealing dictators. The place for such doing was perfect – neutral Austria was known in the Cold War time as a place with extremely high concentration of Soviet spies. The Belarusian regime with its Soviet-time cadres and methods could really feel itself comfortably in Austria they know from that time, as well as they could use its old networks of “comrades”.

Interestingly enough, the current head of Presidential Administration of Belarus, Mr. Uladzimir Makey is known by his special services carrier and work in Vienna. Does Austrian government tolerate the foreign special services dealings on its soil in order to preserve the image of the Alpine Republic as convenient place for murky affairs and even settling scores (sometimes with blood shedding)? So, last year, Western media have frequently written on very high level of activity by Russian special services in this Central European country, presumably eliminating some emigrees, opponents of Russian

government.

In this context, Lukashenka's mountain trip seems not so outrageous. He does not harm anyone physically (as far as we know) there and just used some rich Austrians to enjoy himself. Of course, probably it was not only Leo Walner and not only Austrian business to make some deals with the Belarusian strongman. Just Austrian had enough mechanisms to uncover it, although after eight years.

There is another strategic point here. This way could be seen by Belarusian regime as a silent yet effective way out of international isolation. The recipe is simple – if you oppress your people, you just need to be necessary for mighty and influential, make deals with them, and you do not need to change anything in the country you consider your ownership. It is working on business level, as a new Vienna scandal proved and it is working on geopolitical level. Since Russian aggression in Caucasus completed Lukashenka's transformation from a Europe's "last dictator" into quite acceptable leader of the country between the EU and Russia.

He is feeding all interested sides with lavish but empty talk on "liberalization" while holding phony local councils elections (last Sunday) and doing almost nothing real to undo restrictions on rights and freedoms. Really, for what reason should he? The geopolitical interests are guaranteed by the EU and more trivial needs such as ski in the Alps can be provided for by some eager Western businessman.

Read *Olympisches Komitee: Ein Konto für den Diktator* in [Die Presse](#).

SB

Bakiyev Praised for the Bishkek Massacre and Offered Political Asylum in Belarus



Kurmanbek Bakiyev, the ousted President of Kyrgyzstan, declined the offer of political asylum in Belarus. Speaking to his supporters in the south of his country Bakiyev shared his decision and the news that President Lukashenko was on his side. The Belarus president condemned the “anti-state and anti-constitutional coup d’état” as well as the Russian and United States policy towards the recent Kyrgyzstan events by calling it “very bad and shortsighted”.

At the same time, Lukashenko supported the use of firearms against the Kyrgyz opposition: “There is no reason to blame Bakiyev that the authorities used force to defend themselves. If the authorities cannot defend themselves and their people – what kind of authorities are those?”

Perhaps by “their people” he meant Bakiyev’s son Maksim widely known for embezzling state funds and leading lavish life in an impoverished Central Asian republic. “Their people” also meant other relatives Bakiyev put into key positions in Kyrgyzstan such as his brother Janysh Bakiyev who served as a high-ranked security official and reportedly ordered to open fire against the crowd.

Although Lukashenko has no brothers, he also has “his people” to take care of, including three sons. One of them, Victor Lukashenko, is already one of the most influential businessmen in Belarus and serves as his security adviser.

Bakiyev killed scores of demonstrators in Bishkek and still had to resign. Ironically, just a few years ago he was one of

opposition demonstrators himself when the Tulip revolution brought him to power in 2005. “Strong” presidents is a curse not only for Belarus and Kyrgyzstan but for virtually all post-Soviet countries.

The exceptions are Ukraine and Moldova which are parliamentary republics. They are far from perfect, but at least there are no political killings or political prisoners. Authorities in those countries have to rely on the ballot box, not guns to defend themselves. Perhaps changing constitutions to get rid of strong presidential posts is something other countries in the region should seriously consider.

YK

Offshore Programming in Belarus: What Capitalism May Start From



Business Week has published an article on IT investment perspectives in Belarus, that almost sounds overoptimistic. What is definitely overoptimistic is the ad-like chart comparing Belarusian economy to its neighbours. Still, everyone involved seems to be aware of the liability of the Belarusian statistics and the risks of doing business, for which Belarus has been infamous in the past.

Coming back to the article itself, IT and offshore programming is indeed one of the few promising sectors in

Belarus. It is not dependent on cheap Russian oil supplies (like oil refining) and neither is a legacy of the Soviet era with questionable ability of adaptation to a free market environment (like the Belarusian machine building).

If choosing a sector of the economy that would become the first serious in a market-oriented Belarus, programming and software development would probably be the option. The problem is that there is so far nothing more than that.

French software startup Abaxia was hunting for an offshore research and development site in 2006 when one of its employees suggested taking a look at his native country, Belarus. "I had to get out an atlas to be sure where it was," recalls Ongan Mordeniz, Abaxia's R&D chief.

Today, more than half of Abaxia's employees work in the former Soviet republic of 9.5 million, wedged between Russia and Poland on the EU's eastern rim. The company and two affiliates employ 85 engineers at a software development center in Minsk near the former Communist Party headquarters, which is now President Alexander Lukashenko's residence. They're among an estimated 10,000 professionals working for outsourcing operations in what is now the region's No. 3 country for such shops, behind Ukraine and Romania, according to the Central and Eastern European Outsourcing Assn.

[Read the full story](#)

AČ

Third opposition candidate for presidency



In his article for the Jamestown Foundation the known expert on Belarus David Marples portrays Andrei Sannikau who recently announced his willingness to run for the presidency.

Sannikau Throws His Hat in the Ring The Jamestown Foundation Publication: Eurasia Daily Monitor Volume: 7 Issue: 56 March 23, 2010 By: David Marples A key opposition leader in Belarus has declared his candidacy for the next presidential elections, scheduled for 2011. Andrei Sannikau, the leader of the civic movement European Belarus, held an interview with “bloggers” in mid-March to outline his policies and answer questions. His decision reflects long-term disillusionment with recent attempts by the United Democratic Forces (UDF) in particular to engage in dialogue with the Lukashenka regime and support Belarus’s membership of the Eastern Partnership Project. Ironically, Sannikau is also the most overtly pro-European of all the candidates to date, though he wishes to replace the Lukashenka regime with a completely new administration and state structure.

Sannikau is the third opposition candidate to decide to run for the presidency, following earlier statements by Alyaksandr Milinkevich and Ales Mikhalevich. It is also anticipated that the UDF will choose its own candidate, which raises the question as to whether yet another candidate from the opposition will undermine the chances of the country gaining its second president since elections were first held almost 16 years ago. Sannikau was born in 1954 in Minsk and graduated from the prestigious Minsk State Pedagogical Institute of Foreign Languages (renamed as Minsk State Linguistic

University) in 1977. He completed course work at the Diplomatic Academy of the Ministry of Foreign Affairs of the USSR in Moscow in 1989, and holds the diplomatic rank of ambassador. From 1991 he worked in the Belarusian foreign ministry, rising to the post of deputy foreign minister, before resigning in November 1996, in protest against the controversial referendum that drastically amended the 1994 constitution in favor of greater presidential authority. Since then, he has been the coordinator of the civic initiative Charter-97, and he now also leads the European Belarus civic campaign (Belorusskaya Delovaya Gazeta, March 15). When it was formed in January 2008, European Belarus announced at a news conference in Minsk a long-term campaign for the country to gain European Union membership, where its representatives were Sannikau, Viktor Ivashkevich, Mikola Statkevich, and Mikhail Marynich. Sannikau stated that their goal was to recruit volunteers to gather "hundreds of thousands" of signatures for an appeal to the governing bodies of the EU, leading to the integration of Belarus into European structures (European Radio for Belarus, January 24, 2008). On March 15, Sannikau summarized his proposed presidential policies through a question and answer session with Belarusian bloggers. His campaign will rely on his family, those who share his views, former classmates, and Belarusians. He describes his political stance as "right-centrist," and notes his experience as the head of the Belarusian delegation at the talks on conventional and nuclear disarmament that followed the collapse of the Soviet Union and the emergence of an independent Belarus. He is a firm believer in democracy as a system that offers the right of choice to all its citizens.

He supports a relationship with Moscow based on mutual understanding rather than petty conflicts. Concerning the current regime, he would refer the fate of "Citizen Lukashenka" to an independent court and rely on lawsuits from individual citizens. He would change the current national symbols and reduce special detachments of the militia, though

not necessarily the army, which has been downsized in recent years (www.charter97.org, March 15). If elected, Sannikau intends to enact sweeping reforms of the entire political and economic systems. Regarding the latter, he would provide opportunities for small and medium businesses. With respect to political reforms, he plans to construct “a normal state” by restoring the principle of the division of powers, recreating a parliament with real authority and securing the independence of the courts.

His free society would also be dependent upon an independent media. Ultimately, he wishes to see Belarus develop a “European level of life” within the briefest possible timescale, rather than have it regarded as a pipedream for the distant future (www.charter97.org, March 15). His campaign raises some important questions: foremost is whether the EU would be prepared to abandon its current dialogue with Lukashenka and embrace an opposition candidate who is firmly opposed to cooperation with the regime. Indeed, Sannikau and his wife, the well-known journalist Iryna Khalip, have been especially targeted in recent days. On March 5, they were detained on the Lithuanian border for three hours by the Belarusian border guards and had a laptop confiscated (www.charter97.org, March 6).

On March 16, the Sannikau household was subjected to a police search for about three hours, along with a raid of Charter 97’s headquarters and a confiscation of equipment (Narodnaya Volya, March 17). Despite reducing the chances of an opposition figure securing enough votes to enter a second round of presidential elections, the entry of Sannikau in the future contest can also be seen as a positive step. More than any other current candidate he is prepared to highlight and oppose the recent repression against opposition figures and the Union of Poles. He is a former “insider,” highly educated, and fluent in English and French, as well as Belarusian and Russian, and on close terms with many political leaders of the

EU. He may need to explain how the wholesale leap into Europe, which he proposes will allow friendly relations with Russia (he is notably quiet on the issue of NATO membership), and its impact on negotiations over gas and oil imports in particular.
VB

Belarusian Officials Want a License to Unleash Repressions From the EU



By organizing repressions against the unloyal fraction of the Polish minority the Belarusian officials only want to test what EU's response will be, the Belarusian political analyst Vitali Silicki argues. Indeed, unlike several years ago, the regime in Minsk can't afford tearing its relations with the EU now. The moment when Russia has risen the prices for natural resources for Belarus and thereby has stopped de-facto subsidizing Belarus was the birth for a real Belarusian foreign policy. Now the Belarusian officials have to play a complex game in maneuvering between the interests of the EU and of Russia.

Both EU and Russia present both danger and opportunities for president Aliaksandr Lukashenka. Both have economic resources Lukašenka needs and both threaten his unlimited power in Belarus. Aliaksandr Lukašenka's aim is to realize as many opportunities as possible and to avoid the dangers. This means he cannot fully ally with neither the EU nor with Russia. Nor can he go in direct confrontation with neither of them. The EU should therefore understand and realize its ability to

influence the Belarusian regime. The EU should not give Lukašenka the license to continue repressions but should instead give a clear signal that human rights violations in Belarus will not be tolerated.

Minsk's general tendency in recent weeks has been to accommodate its EU neighbours. For example, at the request of Lithuanian prosecutors, the Belarusian authorities have interrogated a serving general, Valery Uskhopchik, for his role – as commander of the Soviet garrison in Vilnius – in the massacre of January 1991 during the Moscow-backed attempt to end Lithuania's self-declared independence from the Soviet Union.

Such unusual co-operation suggests Minsk needs more friends in the EU. And no wonder, since financial assistance from the EU to Belarus requires the unanimous backing of the EU's member states. Moreover, the current conflict has already cost Belarus money: the European Bank for Reconstruction and Development put all projects in Belarus on hold until this episode is resolved. This episode does not mean the EU's policy of dialogue has failed. It does, though, show that Belarus takes the EU's current strategy – dialogue coupled with concessions and soft, cajoling words – as a licence to unleash repression whenever it wants or needs.

[Read the full article](#)