

Mortal Combat: Lukashenka v Bureaucracy

Belarus is on the verge of an unprecedented process: a massive layoff of government employees. At least, President Lukashenka has ordered it. According to him, because of the budget constraints the state apparatus will be trimmed by 25-30%. Several weeks ago he established a special state commission to prepare a package of proposals for an overhaul of the existing administrative system.

No doubt, the large public sector in Belarus needs reform. But most likely the commission will only tackle the reductions while it will fail to address the core problem – the overblown functions of the government.

And even to cut the large number of civil servants will become a real challenge for Lukashenka. Previous historical attempts to tame bureaucracy without changing the political system proved fruitless. Moreover, they usually brought about the fall of those rulers who initiated such reforms.

Bureaucrats on the Run

The reason why Alexander Lukashenka has become concerned about the excessive number of employees in the public sector is simple. State bureaucrats have always had modest salaries compared to the private sector. But after last year's devaluation their earnings dropped by more than 2 times (when calculated in US dollars).

This year the salaries grew but they still appear to be rather small. Low-ranking government officials earn around \$250-350 USD a month. Their middle-ranking colleagues get about USD 600-700. Those in managing positions, like the heads of ministry departments, can earn up to \$1000 USD. Compared

with, for example, Russia, Belarusian civil servants look significantly worse off. The average salary of their Russian counterparts reaches \$1800-1900 USD.

And the workload is rather large. In some ministries people have to come to the office even on weekends in order to keep track of enormous amount of paperwork.

Of course, there are not so many enthusiasts among the state officials who want to work for peanuts. Therefore, more and more of them are leaving their government posts for [better positions elsewhere](#). And the influx of newcomers is not enough to replace all of them. As a result, the number of vacancies in state institutions is growing. And those who stay are increasingly less stimulated to perform their duties properly.

This is an unacceptable situation for Alexander Lukashenka. The state bureaucracy serves as one of the major pillars of his unlimited powers. If this drain of professionals continues he will soon have no one to carry out his orders. So now his idea foresees the firing of 25-30% of government employees and use these funds to raise salaries for the remaining officials.

Thus, Lukashenka's real concern comes not from the excessive size of the public sector as such but rather from the serious difficulties with recruiting people to fill all the government positions. If it were not for the financial difficulties he would be happy to keep the state apparatus as it is.

How Big is the State Machinery?

The Belarusian state controls much of what remained of the Soviet state-run economy. Roughly 80% of all the assets in the country are owned and run by the government. It is no wonder that to manage this amount of state property and assets, the authorities need a sizeable bureaucratic apparatus.

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18 ministries each, Ukraine – 16, Lithuania – 14 and Latvia – 13.

Today, Belarus has 24 ministries. It is the biggest number in the whole region. To compare: Russia and Poland have 18 ministries each, Ukraine – 16, Lithuania – 14 and Latvia – 13. Besides the ministries, the government system includes several state committees and consortiums.

Overall, more than 165,000 people work in the public sector. According to the Belarusian Statistics Agency, roughly 60,000 of them belong to civil servants and the remaining 100,000 or so can be called “men in uniform”.

Who exactly this latter category includes seems impossible to find out. The information is classified. But, clearly, the absolute majority of the “men in uniform” represent the Ministry of the Interior. Hence, the number of policemen in Belarus significantly exceeds the numbers in other European countries of a similar size or population. For example, Sweden has fewer than 20,000 policemen, Austria has 27,000 and Bulgaria’s police force account for 30,000 of the public sector. This is significantly less than the 100,000 Belarus has.

This statistics points to two major problems with the Belarusian system of public administration. The first one is the big number of ministries and other state bodies, which means that the Belarusian government has too many functions to perform. The second has to do with the overblown size of the police. Therefore, any reform of the state apparatus should primarily tackle these two problems.

Low Expectations

The special state commission that has to draft a concept for reforming the public sector seems unlikely to solve these two problems. At best, it will only handle the 25-30% reductions among the civil servants and not the excessive state

functions.

The individual composition of the commission is evidence of these low expectations. All of its members are experienced state bureaucrats from different government bodies. Some of them are younger and more progressive in their views than the others. For example, the economy minister Mikalai Snapkou and the finance minister Andrey Kharkavets. Perhaps, even Natalia Petkevich, an aide to Lukashenka, who serves as deputy chairperson of the commission.

But none of these people look like real reformers who can think outside of the box and bring in innovative ideas. They all represent the system and will hardly come up with any drastically new proposals. Natalia Petkevich, for example, already announced at a closed meeting of the commission that they would not deal with the police issue – clearly it is too politically sensitive. Meaning that Lukashenka is afraid of any moves that can harm the police apparatus and, therefore, better not to touch the problem at all.

Another reason to be sceptical of this commission is historical. The world has seen many examples of non-democratic regimes trying to tame their overblown bureaucracies. And there are virtually no success stories to be found. Usually rulers, who suddenly turn reformist because of their financial difficulties, lose battles against their endemic bureaucracies. Mikhail Gorbachev and his perestroika can serve as a good example.

Mortal Combat

Like Gorbachev, Lukashenka can also fall victim of his involuntary reform attempts. Even being a more decisive and brutal politician, he is too dependent on the bureaucratic machine he personally created.

The risks get even higher as Lukashenka loses popular support. And the latest public opinion surveys show that this has been

the case for the last several months. His personal approval rating froze at around 30%, even though the government raised the average salary by roughly 15% this year.

When the majority of the population no longer favour the incumbent, the bureaucracy can be the main source of his power. Fighting bureaucracy in this situation can turn out to be politically lethal. But Lukashenka does not really have much choice. The foundations of his legitimacy look shaky and the economic prospects are not very promising.

Time will show who will prevail in this mortal combat between Lukashenka and Belarusian bureaucracy.

Belarus Ex-Officials in Russian Business: Effective Managers or Kremlin Agents?

Over the last decade, Russian companies became the most desired place of employment for many Belarusian top ex-officials. They offer huge salaries compared to those in Belarusian public service. While some Belarusians settle in Moscow, others become local representatives of Russian interests.

Belarusian officials can offer extensive contacts within the Belarusian establishment and effective lobbying of business interests. This growing group, closely affiliated with Russian elites may become an important factor in Belarusian politics. Potentially, Russia can use them to press its interests and even change the current Belarusian regime.

New Times – Old Friends

On October 15, former Minister of Foreign Affairs of Belarus, Siarhei Martynau was appointed a special representative of the Russian oil company “Russneft” in Belarus. Martynau has recently resigned from Belarusian diplomatic service, where he held a minister position since 2003.

As company press-release says, “Siarhei Martynau has a considerable authority among political and business groups of Belarus and other countries. His appointment proves to be of strategic interest to “Russneft” in developing external trade relations and extending the geography of business...”

Martynau presents just one case of pathway which became quite popular for Belarus officials in recent decade. Often, senior bureaucrats take this path after Lukashenka loses confidence in them or fires them for some sort of misdeed, like corruption or a policy failure. Big Russian business becomes an attractive place to continue their careers for several reasons.

First, Belarus officials have close ties with their Russian colleagues, often since Soviet times. They graduated from the same Communist Party or KGB schools, worked in bilateral projects and bodies of government, share a common language and post-Soviet culture. Second, big Russian corporations offer salaries which are indeed huge compared to salaries in Belarusian public service which amount to only a few hundred dollars a month. Last but not least, western careers of Belarusian officials are considerably restricted by various factors such as absence of ties, lack of understanding of the western world, or merely a language barrier.

Belarusian Siloviki in Petrostate Management

Here are most notable cases of Belarusians who work in Russian companies.

	Person	Current Employment in Russia	Last Position in Belarusian Government
1	Paval Kallaur	<i>Vnesheconombank</i>	Deputy Head of National Bank
2	Uladzimir Yarmoshyn	<i>Vnesheconombank</i>	Prime-Minister
3	Vasil Dauhaliou	<i>Gazprom</i>	Ambassador of Belarus to Russia
4	Faryd Cancerau	<i>Gazprom</i>	Deputy Minister of Internal Affairs, KGB general
5	Valer Kez	<i>Gazprom</i>	Deputy Chair of Security Council, KGB general
6	Viktar Rakhmanka	<i>Gazprom</i>	Head of Belarusian Railways
7	Uladzimir Navumau	<i>Rostekhnologii</i>	Minister of Internal Affairs
8	Leanid Yeryn	<i>Russian Railways</i>	Head of KGB of Belarus
11	Vasil Maciusheuski	<i>BPS-Sberbank</i>	Deputy Head of National Bank
12	Uladzimir Matskevich	<i>Sovkomflot</i>	Head of KGB
13	Valer Kokarau	<i>Lukoil</i>	Deputy Prime-minister
14	Uladzimir Muliak	<i>Lukoil</i>	Head of "Belarusneft"
15	Ural Latypau	<i>MTZ Rubin</i>	Head of President Administration

As this small list shows, "siloviki", or representatives of security agencies, make the largest group of high-ranking

labour migrants. It is a widely known fact that most people that occupy high positions in the Belarusian security services were born and educated outside of Belarus.

They belong to a “post-Soviet” rather than national security class. Having no national sentiments and devotions, they can easily change their sphere of interest from Belarusian security to Russian natural gas. No surprise that of the whole Belarusian elite, these people are probably the closest friends of Putin’s clan which rules Russia.

The rest of Belarusian top migrants come from economic and financial management. They mostly descend from Belarus, but equally have connections in the Russian establishment and receive high-income positions in corporations.

Most popular among Belarus officials are state owned companies (so called “state corporations”) and companies where the state is a major shareholder (like Gazprom). Of course, it is easier for Belarusians to occupy a position in a state company than in private company due to their contacts and management experience. Managing a half-socialist economy is not a big skill in a highly competitive market environment.

Business Managers or People of Kremlin?

Thus, hospitable Russians offer generous rewards for people disregarded or dismissed by Lukashenka. For Russian companies which work in Belarus employing a representative of local establishment is an important part of business strategy. In non-democratic regimes where informal rules and connections play a crucial role in politics and economy, intra-elite links play a major role. But does business only matter here? The fact that most Belarusian ex-officials work in Russian state corporations proves this may not be true.

Over the last decade, Russia considerably expanded its economic presence in Belarus. It bought “Beltransgaz” (Belarusian gas transportation system) and two big state

banks. Belarus is negotiating selling its major oil assets – Navapolatsk and Mazyr refineries, and the creation of the truck holding Belarusian MAZ with Russian Kamaz, to mention only the biggest deals. Also, Russians are buying a lot of property in Belarusian cities and in the countryside.

Growing economic influence means growing leverage on Belarusian politics. Russia is known for the use of economic tools, especially in energy sector, to achieve its political goals in its neighborhood and beyond. Having half of the Belarusian economy in their pockets, Russians will be able to set the agenda inside Belarus.

Ex-officials and other Belarusian bureaucrats connected to Russian business serve as potential allies in taking over the Belarusian economy. Later they can even form a political group with a Russian orientation to balance some pro-western groups that are likely to emerge after Lukashenka. In any case, Belarusian politicians should take these high-flying migrants seriously.

Lukashenka himself probably feels that his control over bureaucracy decreases as they switch to Russian salaries. A recent initiative to cut the number of bureaucrats and thus to increase wages in public sector may slightly improve the problem. However, it cannot fully resolve the problem in the current political regime.