

Supporting EU unity, Bielaja Ruś congress, new unemployment policy, KGB name will remain – Belarus state press digest

Belarus strongly supports EU unity and reiterates that the Eastern Partnership should not become a dividing zone between the European Union and the East. Bielaja Ruś will not become a political party any time soon. The KGB should not change its name, Lukashenka argues.

A new unemployment policy responds to the unpopular 'social parasite tax.' Belarus may rival the Russian energy sector after the nuclear power plant (NPP) opens. Foreign investors reluctant to embrace the heavy social obligations imposed by the government. Belarusian workers disappearing in Russia.

All this in the new edition of the Belarusian state press digest.

Foreign policy and domestic politics

[Belarus strongly support the EU's unity.](#) Alexander Lukashenka met the EU's Commissioner for European Neighbourhood Policy & Enlargement Negotiations, Johannes Hahn, reports *Belarus Segodnia*. The Belarusian leader expressed his firm support of a strong and unified European Union. 'The European Union is one of the most powerful pillars on our planet, and the destruction of this major pillar in a multipolar world would destroy not only global security but also the global economic

system.'

Speaking about the Eastern Partnership, Lukashenka expressed his wish that it were more practice-oriented. 'We cannot allow the Eastern Partnership to become a purely political organisation, and God forbid it to become a dividing zone between the European Union and Russia, China and the East as a whole.' Lukashenka also thanked the commissioner for assisting in the negotiations on Belarus's accession to the World Trade Organisation.

[The KGB should not change its name, says Lukashenka.](#) Meeting the chairman of the State Security Committee (KGB), [Valiery Vakuľčyk](#), Lukashenka said that retaining the historical name of the Committee was the right decision. The current generation of security officers should not be ashamed of the name, which fully reflects the tasks assigned to the agency, reports *Belarus Segodnia*.

The president especially noted the KGB's contribution to the fight against corruption: 'No one did more than the KGB in the area of large-scale corruption... The ruthless struggle against corruption protects our state from disintegration and internal conflicts. Our people will not tolerate corruption, it will surely lead to disorder.' Lukashenka regrets that other law enforcement bodies do not keep up with the KGB's efforts in combating corruption.



Hienadz Davydzka, the newly-appointed chairman of Bielaja Rus'.
Photo: sb.by

[Bielaja Rus' will not become a political party any time soon.](#)

On 19 January, the Republican Public Association 'Bielaja Rus'', considered the 'association of the establishment,' held its 3rd congress. The organisation summed up its work during 2012-2017 and approved new versions of its charter and programme, writes *Belarus Segodnia*. The congress elected [Hienadz Davydzka](#), the head of state media holding Belteleradiocompany, as Bielaja Rus's new chairman. Attention once again turned to the long-discussed issue of transforming the organisation into a political party.

According to the head of the presidential administration, [Natalia Kačanava](#), this step would not be appropriate at the present time. 'Bielaja Rus' or some other public organisation will become a party when members of the organisation demand it. This we have not seen so far.' The newly elected chairman agreed with her point: 'The goal of any

party is the struggle for power,' said Davydzka. 'But Bielaja Ruś struggles only for the prosperity of our society. It is an army of patriots who work to consolidate and develop civil society.'

Economy and social policy

[Belarus introduced a new unemployment policy.](#) The government issued Decree No. 1 to tackle unemployment in place of the notorious 'social parasite tax.' The decree provides for the establishment of permanent commissions with local authorities. The commissions will approach people individually, study their personal circumstances, and render employment assistance.

The state will strengthen retraining for the unemployed, offer temporary employment, and teach the basics of entrepreneurship. At the same time, the decree provides for the equal social responsibility of all citizens. Those who do not want to work will have to pay full reimbursement of the costs that are subsidised by the state: transport, education, healthcare, housing and communal services, informs *Hrodzienskaja Praŭda*.

[Foreign investors do not accept the heavy social obligations imposed by Belarus.](#) In 2017, Lukashenka approved a list of 10 large industrial enterprises for privatisation by Chinese investors with certain preconditions: preserving the production profile, technical re-equipment and modernisation, expansion of the product range, and maintaining salaries at the level of the region's average.



Photo: Belta

Zongsheng Corporation showed interest in purchasing 60-75% of Homsielmaš machine industry plant. However, the Chinese required that the Belarusian government reduced the number of workers by at least a third and paid the plant's debts before the deal. Besides, the corporation insisted on replacing the management at the enterprise with Chinese managers. The Belarusian side suspended negotiations as a result of conditions it considered unacceptable, reports *Respublika*.

[Belarus may become a rival to Russian energy sector after NPP launch.](#) In the pages of *Minsk Times*, the leading analyst at the Centre for National Energy Security, Ihar Juškoŭ, analyses how the energy market will change after the opening of the Belarusian NPP. The first reactor of the NPP will service the domestic market, while the second will export energy to the EU.

Belarus will not compete with Russia as an electricity exporter because Russia does not sell energy on these markets.

However, Belarusian energy may rival Russian gas in both domestic and EU markets. The NPP is expected to replace 4.5bn cubic metres of gas annually – representing a huge loss for Russia's Gazprom.

[Belarusian workers continue to disappear in Russia.](#) In 2017 the Viciebsk regional police received 130 requests to search for Belarusians who disappeared after leaving the country to work abroad. The region has one of the highest rates of labour emigration to Russia. Eleven residents of Viciebsk region died, while the fate of 32 people remains unknown, informs *Sielskaja Hazieta*.

The official police representative, Volha Škuratava, points out that often people bring misfortune on themselves. After earning their first salary, they begin to drink, lose their documents, or stop contacts with their relatives. Finally, some ask for help by trying to contact either relatives or the embassy and thus get out of trouble. However, others turn to drink and begging or fall victim to accidents. People freeze, poison themselves with bad alcohol or become enslaved by criminal groups.

The state press digest is based on a review of state-controlled publications in Belarus. Freedom of the press in Belarus remains restricted and state media primarily conveys the point of view of the Belarusian authorities. This review attempts to give the English-speaking audience a better understanding of how the Belarusian state media shape public opinion in the country.

Belarus Struggles to Reduce Energy Dependence on Russia

At the end of 2015 Belarus published a new energy security concept according to which it remains a country with a

critical level of energy dependence.

90 per cent of Belarusian energy imports come from a single supplier – Russia. Moreover, a third of export revenue is traditionally generated by refining Russian oil.

The authorities prefer to retain the status-quo as an easier and conflictless strategy, but the need to strengthen statehood will sooner or later require a solution to this deep problem.

Dramatic energy dependence on Russia

As the newly published Concept notes, Belarus has a critical level of dependence in most aspects of its energy security. Currently, 90 per cent of imports of all energy resources come from Russia. Moreover, Russian natural gas accounts for 90 per cent of heat and electric energy production.

The growth of energy independence and diversification of suppliers should become a strategic goal for the government in the coming years. The new Concept sets concrete goals up until 2035. Belarus plans to reduce the share of Russia in its energy imports from 90 per cent to 70 per cent. Most strikingly, the government plans to reduce the share of gas in production of electric and heat energy from the current 90 per cent to 50 per cent.



Another related problem the authorities will have to deal with

is high energy consumption in the economy. [The heavy industries](#) built in the USSR consume huge amounts of energy, and many of them work on decades-old, outdated technologies.

For example, Hrodna Azot, a chemical industry enterprise, consumes 10 per cent of all imported gas. Apart from high energy consumption, these demand large state subsidies and demonstrate low economic efficiency. Reform of these industrial giants would resolve a whole bunch of problems, but the government [seems unwilling](#) to do that due to high social costs.

Belarusian citizens will also have to change their energy usage habits. The population has for a long time enjoyed discounted prices on public utilities for home use, including energy, as a part of the government's social policy.

While an average Pole or Lithuanian has to pay \$160-170 for communal services, Belarusians currently pay only around \$40. This has caused much criticism from market reform advocates and international creditors of Belarus. Finally, the government has agreed to reform this sector and citizens are seeing their bills grow constantly.

Petroeconomy and the EEU market

In the last decade oil products have accounted for a third of Belarusian exports and brought in up to \$16bn of revenue annually. Together with potash, oil products [filled the Belarusian budget](#), allowing the government to keep a tight grip on the economy without introducing reforms, and preserving the loyalty of citizens.

Russia, of course, remains the cheapest and most profitable option for Belarusian oil refineries located in Mazyr and

Navapolack. At times of economic tension, Belarus has in the past attempted to threaten Russia with turning to alternative sources of oil. In 2010-2011 Minsk shipped [oil from Venezuela](#) and Azerbaijan decision that had no economic grounds but brought political results eventually, as Russia returned to more favourable contract terms with Belarus.

However, the Belarusian oil business now faces a number of challenges. Belarus as a member of the Eurasian Economic Union (EEU) remains in an unfavourable position as regards oil consumption. The single market of energy resources in the EEU will come into force only in 2025, a condition that Russia insists on and Belarus [strongly opposes](#).

More fundamentally though, the sector itself presents a bigger problem for Belarus. Reliance on Russian oil as a major export commodity means backwardness in other sectors, dependence on oil price jumps and of course the supplier. The current drop in oil prices and subsequent economic decline present a good lesson for the Belarusian leadership, but will they learn from it?

Will nuclear power plant increase energy independence?

In the early 2010s a new nuclear power plant (NPP) was proclaimed as the hope of the Belarusian energy sector. It is intended to cover a quarter of the country's energy needs, with its first reactor to be launched in 2018.

However, the case for energy independence in this instance looks doubtful, as Russia [remains the key actor](#) at all stages of the project's implementation. Russia provides its design, supplies its most important components, as well as the nuclear fuel. Finally, the whole project is financed by a \$10bn Russian loan.

An expert from the Institute of Energy at the National Academy of Sciences who wanted to remain anonymous told Belarus Digest that Belarus can in fact purchase uranium elsewhere, but the issue of utilisation of exhausted fuel will remain nevertheless.



Besides, the NPP is located only 55km away from the Lithuanian capital Vilnius. This poses a number of other security threats which the Belarusian authorities prefer not to talk about. Lithuanian officials and NGOs have been criticising Belarus since the project's inception, saying that Belarusians have not properly assessed the environmental impact of the NPP and do not want their neighbours to get involved.

Belarusians never witnessed a real public debate on the NPP, rather ridiculous for a nation that suffered dramatically from the Chernobyl disaster. Yet the plant may in the end prove to be the [lesser of two evils](#) compared to gas and oil dependence.

Can Belarus become energy independent?

Belarus remains trapped in energy dependence primarily because of the inertia of its leadership, who are scared to change the status-quo and implement sector reforms. High revenues from oil could be used to develop alternative and local energy resources, which Belarus uses to a minor extent. Belarus has natural resources which have fine energy potential: rivers, woods, swamps and biomass.

Energy efficiency, which the authorities like to talk about

but fail to introduce, should become a technical standard in all spheres, from construction and transport to agriculture.

Alternative and green energy is the area where the European Union has vast experience and [will be eager to assist](#) in both expertise and financing. For example, the EU has allocated €8m for local development projects in 2014-2017, where energy is a priority area. Belarus could receive many more funds for green energy were it to demonstrate real interest in cooperation in this area.

Large enterprises with old energy-consuming technologies should be reformed and replaced by an economy based on small and medium business, the service sector and IT. In the long run, this would not only reduce energy consumption, but would also change the structure of budget revenues and dependence on oil refineries.

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Last but not least, Belarusians should learn how to save energy – something they had no need to know about in the state-run economy. Raising energy prices to market levels should be accompanied by comprehensive education programmes to teach the population how to live in a new energy reality.

Return of Russian Subsidies: What Are the Implications for

Belarus' Economy?

Belarus has managed to secure significant monetary benefits in exchange for its active support of the new wave of Russian integration initiatives. Generous Russian subsidies followed almost immediately after the solemn signing of the Declaration on Eurasian Economic Integration on 18 November 2011. On that same day Belaruskali (read Belarus government) got USD 1 billion as a result of a syndicated loan agreement with Sberbank and Eurasian Development Bank.

And last week more economic carrots followed. They included subsidized natural gas prices, new loans and hard cash for the sale of Beltransgaz. Although the Belarusian authorities once again managed to secure significant aid from Russia, in the long-run the return of Russian subsidies is likely to do more harm than good for the unreformed Belarus economy.

Russia Increases Its Subsidies to Belarus

As a result of inter-state talks, Russia provided an unexpectedly generous discount on gas prices. Instead of the USD 244 per 1000 cubic meters that Belarus is currently paying (which is, by the way, also lower than the agreed contract price), in 2012 it will have to pay USD 165.6 (a 32.5% discount). Compared to the contract price for the fourth quarter of 2011 (USD 303), the 'integration discount' is even more impressive: 56.7%. It means that the next year Belarus will save around USD 2.5-3 billion on gas.

Another benefit is the restructuring of the debt that resulted from the difference between the contracted gas price for 2011 and the de facto payments made by Belarus. According to the Belarusian Statistic Agency, as of 1 October the debt amounts to USD 106.7 million and will continue to grow until the end of the year. The restructuring comes at the right time time for the crisis-hit Belarusian finances.

It was also announced that Belarus would get a USD 10 billion credit for 15 years to construct a nuclear power plant. If this decision is not reversed or further delayed (which is still a possibility) it will considerably worsen Belarus' sovereign debt problem. But it will also help postpone unpopular socio-economic decisions that the authorities are so afraid of.

Moreover, Belarus struck a deal with Gazprom on Beltransgaz. The Russian monopoly purchased the remaining 50% stake of Beltransgaz for USD 2.5 billion and became the only owner of the company. Taking into account that the market value of Beltransgaz is generally assessed at about USD 3-3.5 billion (which is far from 5) and that the newly opened Nord Stream pipeline and the prospects for the construction of the South Stream pipeline further diminish its market significance, this is a very good deal for Belarus. In the present-day economic situation it is also essential for the Belarusian government that the money is paid in one transaction. Russia paid in four consecutive transactions over four years for the first 50% of Beltransgaz.

There were even more gains for the Belarusian authorities from the new wave of post-Soviet integration. On 28 November it was announced that the Eurasian Economic Community would allocate the second tranche (USD 440 million) of its loan to Belarus. The tranche has been expected for a couple of months. But it did not come until now because the Belarusian side failed to fully fulfill the conditions attached to the loan. Now, in the midst of the 'integration honey moon', it seems that the previous conditions do not matter that much.

Implications for the Belarusian Economy

It looks that the 'good old days' of affluent Russian subsidies and problem-free credits are back. There are plenty of discussions going on about the Russian rationale behind such generosity and about how long it is going to last. But

little is said about the implications of this for the shaky Belarusian economy. And the implications are particularly important for [disagreements](#) within the elite on the economic policy which are not yet over.

The new Russian subsidies give more weight to the 'status quo group' in the ruling circles who argue against macroeconomic stabilization and any reforms. This group are predominantly representatives of the Presidential Administration. With the newly reached deals on gas and credits it is, of course, very tempting to avoid any socio-political risks associated with reforms and fully resume the proven administrative methods in the economy. The logic of the authorities goes: if the easy money can keep the existing economic model afloat, why reform it and face an unpredictable period of transition?

Unfortunately, this logic can already be seen in the latest decisions and declarations. Take, for example, the return to price regulation which is named as a tool against inflation. Fundamentally, price regulation/non-regulation has nothing to do with the level of inflation. However, it is undoubtedly easier for top Belarusian officials to think so than to curb emission-based state investment that is the real cause of inflation, but which keeps the existing socio-economic model going. As a result, the market distortions and all sorts of deficits will once again be a part of Belarusians' daily life.

We can also expect that the new Russian subsidies and credits will affect the final discussions regarding the outlook for socio-economic development in 2012 scheduled for mid-December. It will be easier for the 'status quo group' to convince Lukashenka that 5-5.5% of GDP growth is possible and desirable in 2012, even though such growth will make 100%+ inflation inevitable. And this will only further aggravate the systemic problems of the Belarusian economy.

To sum up, the new Russian subsidies are likely to once again undermine any hope for market-oriented policies in Belarus. It

means that the agony of the Belarusian archaic economic model will last longer and its ultimate demise will be even more tragic.

Yauheni Preiherman

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The Hidden Problems of the EurAsian Union

On 18 November presidents of Belarus, Kazakhstan and Russia met in Moscow and launched the Single Economic Space. They also signed the Treaty on the Eurasian Economic Commission.

If three countries ratify these acts in the near future, on 1 July 2012 the Customs Union's Commission will be abolished and all its powers will be transferred to the Eurasian Economic Commission.

The Eurasian Union founders use the European integration experience as a model. However, it is hardly possible that they will form a harmonious union because of a number of political, economic and intercultural problems.

How Is It Supposed to Function?

The main governing bodies of the Single Economic Space (SES) will be the Supreme Eurasian Economic Council of heads and prime ministers and the Eurasian Economic Commission. The Commission will also be the first major supranational institution in the post-Soviet space.

If any member country violates international agreements or the Commission's decisions, the Commissions' Board can bring an action against this state in the EurAsEC Court located in Minsk. Nevertheless, it is still unclear how widely its decisions will be implemented given that Russian state institutions are often reluctant to follow decisions of another supranational structure – the European Court on Human Rights.

The Commission staff will be shaped in proportion to the state's share in distribution of the customs duties so it will consist of 84% Russian citizens, 10% Kazakh citizens and 6% Belarusian citizens. Russian citizens will therefore dominate the Commission. The Commission's first chairperson will be Russian Minister of Industry Victor Khristenko.

It should be noted that member countries are not planning to speed up integration in their respective parliaments, regions, business associations, youth and civil societies, though it is often a crucial point for approval of the integration process by societies.

Real Aims or Demagogy?

The main aim of the SES is to create a common market of goods, services, capital and labour. In order to achieve it, the Commission was given 175 functions in different spheres, including industry, transport, energy, the agrarian sector as well as natural monopolies and competition. Nevertheless, the interstate agreements do not specify the exact content of these wide powers. It means that most likely they will be hotly debated in the future. It took the European Law system over 50 years to develop and mature and it is naïve to hope that 2-3 years will be enough for the Eurasian Union to adopt legislation in these important areas.

Given the importance of 'champion enterprises' such as MAZ and Belkali for Belarus or Gazprom for Russia, it is still unclear

how the states can agree on regulation of these enterprises by supranational institutions, especially when they are governed not by economic, but political, logic. Previously the Russian authorities had an experience of imposing different decisions on gas and oil companies in order to achieve some political aims and assert themselves as the 'energy superpower'.

Member states claim that they want to pursue the coordinated macroeconomic and currency policy and to limit the level of external public debt and inflation. However, given the weak rule of law in Belarus, Kazakhstan and Russia, it is difficult to posit that all provisions of the agreements will be complied to by member states.

Prospects for Eurasian Integration

The states plan to introduce a common defense space based on the CSTO as well as a single currency for the Eurasian Union. Alexander Lukashenka said that the Russian rouble could be used as the common currency, but from Nazarbayev's point of view, it should be a new currency. Actually, it is almost impossible that Russia will drop its rouble and agree to emission centers outside Russia. Thus the situation with the single currency is likely to reach a deadlock very soon, as has happened many times before in the case of the Union State of Belarus and Russia.

On 18 November Victor Khristenko said in his interview with Russia Today that Tajikistan and Kyrgyzstan can also join the SES in the near future. This may sound good to Russian voters, but in practice these countries are quite poor and not important enough in the regional context to make the Union more attractive to further candidates.

Medvedev stated that the future Eurasian Union will avoid the eurozone's problems, but it is hardly likely, given the fact that Russian economy will play an even bigger locomotive role in the new Union than Germany does in the European Union.

There is a high probability Russia will have to lend to and invest large amounts of money in neighbouring economies for the maintenance of coordinated macroeconomic indicators.

Decisions of the Commission will be based on consensus, which means that coordination of the positions of Belarus, Russia and Kazakhstan will take a long time. This is especially so since the Belarusian presidential administration is not ready for economic reforms and even [clashed](#) with its own government on this issue two weeks ago.

Implications of the New Wave of Integration for Belarus

Belarus should approach participation in the Eurasian Union pragmatically and use available opportunities to achieve its own ends, including modernization of enterprises and market reforms. A shift to common policies can further the process of Belarusian modernization due to the forced adaptation to modern norms and regulations that are used by Russia as a consequence of cooperation with the WTO, the USA and the European Union.

Despite popular objections, the participation of Belarus in the SES does not contradict its participation in the EU Eastern Partnership or the development of its relations with Western countries. Moreover, the SES constituent agreements stipulate that the WTO norms are of higher legal force than these trilateral agreements.

It is symbolic that Russian president Dmitry Medvedev left for Bali to take part in the East Asia Summit the day after signing agreements with his Belarusian and Kazakh counterparts. Russia is not retreating from the world market because of Eurasian integration, and there is nothing to prevent Belarus from doing the same, except a lack of imagination.

Participation in the Eurasian Union may help the Belarusian authorities to reduce social tension and improve Belarus'

difficult socio-economic situation in the near future if Russia agrees to the substantial cut in hydrocarbons prices. Its decision will be known on 25 November during the Union State's Supreme State Council's session. According to influential Russian daily *Vedomosti*, natural gas prices for Belarus in 2012 could be halved to \$150 per 1000 cubic meters, with a decrease to the level of internal Russian prices in 2013.

What is the Future of the Eurasian Union?

To sum up, the founders of the Eurasian Union refer to a large extent to the EU experience and have set similar aims, mechanisms and institutions. However, a weak legal culture, the absence of proper democratic mechanisms, and the differences in the economic structure and economic interests of these three countries cast doubt over the future of all agreements.

Today it is difficult to say whether this new Union will stand the test of time or be used by Russian politicians to increase their popularity in Russia, and by Belarusian authorities as yet another rent-seeking opportunity.

George Plaschinsky

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Russia Is Not Willing to Pay

for its Imperial Prestige

This week, after a bitter gas transit conflict with Belarusian government, Russian Gasprom declared that preliminary gas prices for Belarus next year should be about USD 250. Now it pays 185 dollars. Even some naïve oppositional analysts welcomed what they considered 'European' prices, joking of Lukashenka's 'stupid' wish to live 'of Russian cost'.

The prices for gas and oil, they forgot, are specific prices. Since gas and oil depend on infrastructure to ship them to consumers, therefore the Russian gas price for Belarus shall be different one than tariff for more distant Germany or Belgium. Furthermore, the prices for such strategic commodities are anyway politically influenced. So, Belarus which has allied itself with Russia since 1995, has all reasons to demand be given cheaper gas and oil than other countries.

And at least it should not be suddenly hit by arbitrary Russian decisions to increase price by almost 100 dollars. After all, the Belarusian side has carried out its part of agreement with Kremlin – it gave Moscow a small bit of imperial grandeur by agreeing to be a 'small brother' and ally, it secured a segment of Russian borders and followed most Russian foreign policies. So why Russia agreed to sell China its gas considerably cheaper than Belarus?

It seems that this time it is Russia that wants to live as an empire 'of Belarusian cost', by giving Lukashenka nothing for it, and even openly threatening and abusing him. Russian elites' greed is stronger than imperialistic appetites? As a columnist Vitaly Portnikov put it in his article published on grani.ru,

... if there are no money, why to play an empire? If Belarusians and Russians are almost one people, then is it

acceptable to send brothers an ultimatum? Freeze them [by cutting gas supplies in winter]? Threaten with sanctions? Indeed, that state, whose abolishment has been named a biggest geopolitical catastrophe of the 20th century by Medvedev's predecessor [Putin], that state began to fall apart not the moment when US President Ronald Reagan declared it to be 'an evil empire', and not the moment General Secretary Gorbachev proclaimed 'glasnost' and 'perestroika'. It has fell apart when Moscow decided to put a blockade on Lithuania [which was then a part of the USSR].

Something similar is now happening with integration initiatives of Belarus and Russia from previous years. Really, Moscow presently pursuing a greater aim – Customs Union with Belarus and Kazakhstan – did not even bother to do anything with numerous previous agreements with Belarus – on integration and establishment of the Union State of Belarus and Russia – which legally stay in the way of new Russian endeavor to reconquest lost lands.

They were not cancelled, nor amended, nor even mentioned by anyone, as Belarusian political analyst Vitali Silitski points out in his article on the website of BISS. It seems, that for Russian not only pathetic alliances and brotherhood but even solid legal documents are just empty papers to be torn anytime deemed necessary. Or as a Russian proverb put it,

A guy is a master of his word, he can give it and he can take it back.

Or as Silitski said,

All treaties concluded with today's Russia and its leadership preoccupied with [imperial] greatness can remain just a useless scrap of paper, if Kremlin sees an opportunity to act according to the right of the strong. The [European] enthusiasts of various 'Streams' [projects to build pipelines

to ship Russian gas and oil into Europe – Nord and South Streams] should think better on it.

Such behavior makes today's Russian government a clear security threat not only for former Soviet republics, but even for Europe as a whole. The post-Soviet countries realized it, and Moscow does not allow them to forget – going from aggression against Georgia to gas conflicts with Belarus and Ukraine and continuing with coup d'etat in Kyrgyzstan.

So far, European Union did not react to Russian policies strongly enough to stop Kremlin. Eastern Europe clearly lost its importance for European strategists, preoccupied with southern and southeastern flanks of European foreign policy. Yet the time might show that Russia and aftermath of its activities in former Soviet countries will pose much bigger threat to European security. After all, it is Russia which while ever more supplying Europe with oil and gas, demonstrates outright contempt for agreements with partner countries and maintains a lawlessness on its own territory.

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**Belarusian Nuclear Power
Project: Dangerous and
Expensive**



On September 2nd, Belarus moved one step closer to building its first nuclear reactor by signing an agreement with Russia's AtomStroyExport for constructing a nuclear power plant in Astravets, Hrodna region. The launch of the first nuclear plant unit is scheduled for 2016 and the second – for 2018.

For Belarusian President Alyaksandr Lukashenka – who announced building the power plant during his annual visit to the contaminated Chernobyl zone – a domestic nuclear energy source is a “national security” guarantee. Today Belarus uses minimal domestic electric production capacity and is able to provide for only 10 percent of its energy needs.

Approximately 75 percent of its electricity is imported from Russia, a supplier not shy about exploiting the energy dependence of its neighbors turning energy “from a purely economic issue into a political one,” as Lukashenka himself acknowledged.

Diversifying energy supplies to Belarus is indeed an exigent matter. But a nuclear plant built by Russia on a Russian loan, serviced by Russian technicians and fed with Russian fuel might be a very good deal for Russia, but will hardly make Belarus more independent. Moreover, the new nuclear plant would supply only 25 percent of Belarus energy needs and would begin operation in 2016 or later, even according to the most optimistic prognoses. What will happen to the high-level radioactive waste from the power plant is still unclear, but in solving this problem, Belarus would most likely also have to rely on Russia (although currently neither Russia nor

Ukraine permit the import of radioactive waste).

Belarusian Ministry of Natural Resources and Environmental Protection has reassured the population that the nuclear power plant would meet international standards on nuclear and radiation safety. However, the track record of Russian power stations is far from comforting. No further proof is needed when one remembers the Chernobyl catastrophe on 1986 – the worst nuclear power plant disaster in history and the only level 7 instance on the International Nuclear Event Scale. An estimated 260 million curies of radiation were released – about 200 times more radiation than was released by the bomb dropped on Hiroshima. Belarus faced 70 percent of the fallout, and twenty-three years later, one fifth of its territory is still radioactively contaminated. Already in 1992, Belarus was spending 20 percent of its budget on Chernobyl-related problems.

Another disturbing example is Mayak, a nuclear fuel reprocessing plant in Chelyabinsk oblast in Russia. Working conditions at Mayak resulted in severe health hazards; by the beginning of the twenty-first century about half a million people in the region have been irradiated in one or more of the incidents.

One need not look far back, however. Just this August, about seventy people were killed in an accident at the Sayano-Shushenskaya hydroelectric station. The consequences would have been much more serious, had the station been a nuclear power plant. Despite significant technological advances, nuclear power remains a dangerous energy source.

In the midst of financial crisis and borrowing left and right, Belarusian government seems oblivious to the costs of the nuclear power plant – up to \$12 billion not counting the expenses on a spent fuel storage facility. For comparison, Belarus' annual budget in 2008 was about \$25 billion. The loan to finance the project will probably come from Russia since

Belarusian financial system is just as poorly diversified as its energy. Being slow to send the last \$500 million installment of its \$2 billion loan to Belarus this summer, Moscow is hardly a reliable creditor, and it has never been never squeamish to use the dependency of its smaller neighbors to its own advantage.

Despite all this, in the eighteen years of its independent history marred by the Chernobyl disaster, Belarus has been edging closer to acquiring a nuclear power plant. Belarus announced started a program to examine 15 possible sites for constructing a nuclear power plant. In 1996, Belarusian Energy Minister, Valentin Gerasimovm announced that Belarus was seeking \$3.5 to \$4 billion in aid to build a nuclear power plant. In 1997, the Dubrowna region in northeast Belarus volunteered to host a nuclear power plant. In 2002, Lukashenka named Russia as main partner in the area of energy and nuclear research.

The nuclear power station will be built in Astravets, the most beautiful part of the country full of Belarus historical landmarks. The proposed site is just 20 kilometers from the Lithuanian border and 50 kilometers from Vilnius. International law does not allow building nuclear power plants so close to the border without informing and receiving approvals from neighboring countries. However, Lithuania has not been officially notified about the project yet and is concerned about the plans of the Belarusian government no less than the Belarusian citizens.

Opponents of the project point out that Astravets is far from being an ideal location for a nuclear power plant due to its wind rose and seismic instabilities in the area. In 1909, the region experienced an earthquake measuring 7 on the Richter scale. The most recent earthquake occurred in 1999.

Before deciding to spend an exorbitant amount on the nuclear project, the Belarusian government should read the numerous

studies that explain why nuclear power is neither environment-friendly nor cost-effective when compared to other carbon-free or low-carbon options, which include wind power, combined-cycle gas power plants, and energy efficiency measures.

In the end, building a nuclear plant will only deepen Belarus' economic dependence on Russia and will not contribute to the country's wasteful level of energy consumption. Most importantly, in the absence of independent environmental expertise and very limited access of media and public to the project, the Russian-built station might be very dangerous to Belarus and its EU neighbors.