

Losses from Sanctions War, Liability for Extremism, Geely Cars – State Press Digest

The Belarusian authorities are trying to debunk Russian accusations that it is making increasingly nationalist policies. The authorities are tightening legislation on extremism by introducing criminal liability for extremism and fighting in foreign conflicts.

The president has ordered all officials to drive only Belarusian-Chinese Geely cars. The state newspaper blames business associations for weak legitimacy and a lack of support within business circles. All of this and more in this edition of State Press Digest.

Foreign policy

[Belarus has lost \\$1bn as a result of Russia's sanctions war with the West.](#) *Zviazda* newspaper published the words of Belarusian foreign minister [Uładzimir Makiej](#), who spoke in Moscow at a press conference dedicated to Belarus-Russia relations. According to the minister, Belarus-Russia relations are seeing a growing number of myths and distorted interpretations.

Some groups have accused Belarus of increasingly nationalistic and anti-Russian behaviour, but this sounds like “blasphemy in relation to our shared history and the Belarusian people, because we have always seen Russia as our closest friend.” Makiej also attempted to debunk the view that Belarus benefited from the Russia-West food embargo. He said that

Belarus actually lost around \$1bn from these sanctions.

Security

[The authorities are introducing criminal liability for extremism and participation in foreign conflicts.](#) *Belarus Segodnia* reports that parliament has approved amendments to the criminal code which introduce criminal liability for extremism and participation in armed conflicts abroad. Counter-extremist legislation in Belarus has become outdated and the Criminal Code does not currently provide liability for extremism, KGB head [Valier Vakuľčyk](#) said at the parliamentary session. Interestingly, the law will also consider production, storage and sale of Molotov cocktails as extremist activity.



The newspaper opines that Belarusian nationals fighting abroad not only damage the image of the country, but can cause its involvement in the conflict.

Besides, professionally trained fighters sooner or later return home and can use their skills in the interests of certain groups and organisations. Currently the Criminal Code provides liability only for mercenaries – individuals who fight solely for financial reasons. Now the amendments make it possible to try persons who fight for ideas, not just money.

[Belarus will seek responses to growing NATO presence near its border.](#) *Narodnaja Hazieta* interviewed expert [Aliaksandr Špakoŭski](#) on Belarus-NATO relations. Military industry groups, primarily from the US, are artificially creating the idea of an aggressive Russia in the information space, which threatens the security of NATO members. In this way the US is forcing NATO allies to increase defence spending while being the leader of arms manufacturing and export.

Since Belarus has a military alliance with Russia, it will be engaged in this confrontation and seek responses to the strengthening of NATO capacities near the Belarusian border. There is no direct risk of a conflict as neither Russia nor the West want a war, but the growth in the mood of conflict on both sides also poses a threat to Belarus' security. Therefore the country should remain alert and have an effective, mobile army.

Economy

[Belarusian officials are obliged to drive only Belarusian-Chinese Geely cars.](#) *Vitebskie Vesti* highlights President Alexander Lukashenka's visit to the Minsk Automobile Plant (MAZ) – the Belarusian machine building giant. He noted that the plant will receive loans from the government only if it demonstrates the ability to sell products to concrete markets.

“I can not once again invest hundreds of millions dollars in products that you will dump in warehouses ...MAZ, BelAZ and Motovelo are the face of our country, and we have no right to ruin these enterprises. MAZ will live forever, during my rule and after it”, Lukashenka stated.

The Belarusian leader also ordered all officials, from district heads to ministers, to use only the Geely cars produced at the Belarus-Chinese joint plant BelGee. “Except for the prime minister, his deputies and some high officials no one should use foreign cars during their work”, Lukashenka said.

[The first private hydroelectric power station in Belarus will be built in Hrodna region.](#) *Hrodzienskaja Prauda* writes about the first private hydroelectric power station in Belarus, that will appear in Slonim district of Hrodna region on the Issa river. The projects is worth \$450,000 and the investor plans to build the station by 2017.

It will produce 240 kilowatt-hour of energy annually. The company will sell the energy to the country's general electrical network according to a quota defined by the Ministry of Energy. Currently Hrodna region has the largest hydroelectric power station in Belarus with a capacity of 17 megawatts.

Society

Belarusian business associations have weak legitimacy.

Respublika newspaper claims that business associations in Belarus have failed to become mass organisations and unite less than 10 per cent of Belarusian businessmen. Besides, leaders of business associations, instead of promoting business interests of the whole sector, seek connections in the government or lobby their commercial interests.



The newspaper gives the example of an association of entrepreneurs called *Perspektyva* and its head [Anatol Šumčanka](#), who became one of the leaders of recent protests of small business owners.

The newspaper was unable to identify how many members there are in *Perspektyva*, and noted that the petitions of the organisation usually gather only a few hundred signatures. It concluded that *Perspektyva* lacks the support of business and therefore cannot represent it in negotiations with the authorities or formulate policy proposals.

In 2015 the birth rate in Belarus grew as a result of demographic security policies.

Reproductive health services in Belarus reached the level of France, Finland and Luxembourg, said deputy prime-minister [Natallia Kačanava](#) in an interview with *Belarus Segodnia*. Belarus is in the top 50 countries in terms of the quality of pregnancy and birth care and is in

26th position for maternity comfort.

Moreover, Belarus occupies 4th place for low infant and maternal death rate. The number of families with many children is also growing and has now reached 80,000. At the same time, Belarus has 21,000 orphans, 80 per cent of whom have living parents who have been deprived of parental rights.

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

Belarusian Machine Building: Once a Nation's Pride, Now a Burden?

In Soviet times, machine building was a driver of economic growth in Belarus. It is not so today.

According to the Ministry of Finance, the Belarusian Automobile Plant, the Minsk Automobile Plant and the Minsk Tractor Plant lost \$76m over a nine month period in 2014.

The decline in the industry has influenced the whole country. The state's economy suffers losses not only in the machine building sector itself, but also across the industries associated with machine building.

Wages of factory workers have been cut almost in half in 2014. And Belarusian diplomats have had their own share of embarrassment when Belarusian machines break down during presentations and ceremonies.

Belarus has no choice but to abandon its focus on the shrinking Russian market. The idea of privatising these enterprises by Western company may yet emerge among Belarusian decision makers. Keeping these enterprises in the state's hands costs too much and their privatisation by China or Iran, as previous projects show, may bring frugal results.

The Machine Building Crisis

Machine building, which was developed in Belarus after the Second World War, has long been considered the gem of Belarusian industry. The Minsk Automobile Plant has become one of the largest manufacturers in Eastern Europe manufacturers of heavy vehicles, buses and trolley buses.



Since its establishment the Minsk Tractor Plant has produced more than three million tractors. For many countries the "Belarus" tractor remains a well-recognised national brand. The Belarusian Automobile Plant makes some of the biggest dump trucks in the world.

Recently published statistics from the Ministry of Finance showed that now Belarusian mechanical engineering is having a serious problem. After the third quarter of 2014, the three giants – the Belarusian Automobile Plant, Minsk Tractor Plant, and Minsk Automobile Plant – have all become leaders in terms of sheer losses among all enterprises in Belarus.

The companies have filled warehouses and lowered there production. The production of dump trucks dropped by more than a third over 11 months in 2014 when compared with the same period in 2013. Reserves exceeded the average monthly production by more than four times. A Minsk Automobile Plant employee, who works in the busiest manufacturing bus lines, said to the TUT.by web-site that previously they made monthly 120 buses, now only 60-80.

Most Losing Companies of Belarus in 2014

Belarusian Automobile Plant	~ \$ 30m
Minsk Tractor Plant	~ \$ 23.5m
Minsk Automobile Plant	~ \$ 22.2m

But now these losses are damaging the Belarusian economy, as their partner enterprises have no orders coming in. Employees at these plants now typically work four days a week and there was an extended New Year holiday at the Minsk Automobile Plant that lasted from 1 to 12 January.

Contrary to the former populist policy of the government, at this point wages cannot grow faster than the efficiency of the enterprises. As trade union activist Henadz Fiadynich says, if in spring 2014 the painters at the Minsk Automobile Plant earned about \$700 in the spring, now they are earning \$420. It is not much of a surprise that companies no longer pay workers any bonuses.

Why Belarusian Machinery Appears to be in Decline

In December the Minsk Tractor Plant and Minsk Automobile Plant got new directors, but these new individuals can hardly solve the structural problems of the enterprises. The Belarusian industry simply lacks sufficient funds for the development of new technologies.

Thus, the quality of the products are declining. The Belarusian Ambassador to France Pavel Latushka stated in 2014 that, "we have situations when our machines breaks down during presentations and what could be the credibility of such a product?"

Belarusian enterprises have failed to develop a successful marketing strategy. On top of the fact that there is no money to build maintenance garages throughout the world, the enterprises even lack enough sales offices outside the country to sell what they do have.

Valiancin Lopan, a PR manager who previously worked for the

Minsk Automobile Plant, commented to Belarus Digest that the focus on the Russian market is to date a serious mistake on the part of Belarusian machine builders. According to a representative of the Minsk Tractor Plant in Russia, in the first half of 2014 product sales decreased by 11%. The other manufacturing giants may have losses even greater than this.

However, the demand in the Russian market has declined not only because of the crisis, but also due to competition. Many companies like Volvo, John Deere Rus, CAT, Komatsu, Terex have assembly plants in Russia.

Earlier, machines from the Minsk Automobile Plant was popular in developing countries because of their simplicity – the workers could fix the engines themselves. Now, engines are more advanced and full of electronic devices, and as a result Belarusian goods have lost their advantage.



Additionally, Belarusian enterprises have traditional problems associated with an authoritarian economic control model. Plants often supply their equipment to state-owned enterprises for free, public managers are afraid to be proactive and cannot pay enough money for innovation. Valiancin Lopan says that some engineers can innovate, but they want a lot of money for it.

What Can Help

Financial analyst [Siarhei Chaly](#) told Belarus Digest that Belarusian machine-building enterprises badly need strategic investors. And it seems that Lukashenka's regime does not trust either the Chinese or Iranians, whose enterprises in Belarus so far have yielded little in economic success.

For instance, over a five year period the Iranian company Samand produced about a thousand cars which were mainly sold to state organisations. Ford, which manufactured cars in

Belarus in the '90s, did the same amount of sales in a year. The authorities closed both, as the enterprises did not meet the expectations of the regime in terms of their sales figures.

At present, searching for a Western investor does not look today as unrealistic as it used to as the survival of Belarusian machine building depends on whether or not it can find one. Peter Spuhler, owner of Swiss train car-maker Stadler Rail, is doing business in Belarus successfully and has had no issues with the authorities.

Belarusian companies should develop new markets outside of the former Soviet Union. This is hardly possible in the case of Western countries, but the focus should be on the developing world. Valiancin Lopan told Belarus Digest that machine builders should open offices in those countries with strong export potential and these offices should be run by the employee of the enterprises as usual dealers are bad at dealing with sales.

In the end, the Belarusian machinery industry can learn much from their successful colleagues. The Minsk Wheel Tractor Plant, maybe one of the most roboticised of enterprises in Belarus, entered the list of top 10 profitable enterprises recently. In December, its head [Vitaly Vouk](#) was promoted to the post of Minister of Industry of Belarus.

Belarusian machine building has a long history and great potential. The only question is if there is enough will among the authorities to reform it.

People with Disabilities in Belarus: Struggling with Barriers

In May, Belarusian disability rights activists held a “Week of Accessibility.” According to the organisers, without the creation of an accessible infrastructure for disabled people it is not possible to talk about true equality in Belarusian society. Belarus remains the only country in Europe that has not acceded to the UN Convention on the Rights of Persons with Disabilities. People with disabilities remain marginalised in Belarus.

A significant portion of people with disabilities rarely leave their apartments and have no opportunity to study or work. Disabled people have to deal with both physical and regulatory barriers. The main blame for this lies with the state authorities and a society that still retains the stereotypes about the people with disabilities.

However, people with disabilities themselves take matters into their own hands and fight for their rights more and more often. Initiatives like the <https://keepmovingcare.com/> are helpful. Today they require the solidarity of Belarusians and the international community to achieve the accession of Belarus to the UN Convention.

At Home, out of Work

More than 512,000 people with disabilities live in Belarus. Among them, 20,000 use wheelchairs. Moreover, the annual incidence of disability increases by around 50,000. Every twentieth Belarusian is disabled, but society seems not to notice this problem. The absence of adequate infrastructure leads to all-too-familiar stories where people with

disabilities rarely leave their flats. According to the estimates of wheelchair users, 9 out of 10 people with a physical disability cannot leave their houses independently.

9 of 10 wheelchair users cannot leave their houses independently

Belarus is slowly creating the necessary conditions for the disabled in the form of ramps or low-floor buses. However, the majority of public and private institutions remain inaccessible to wheelchair users. A few years ago, the coordinator of the Office for the Rights of People with Disabilities Sergey Drozdovsky, while visiting the theatre in Minsk, told the guard that the theatre remains inaccessible to people with disabilities even after the latest renovation. In response, the guards of the theatre kicked him out of the theatre.

In addition to the absence of the needed infrastructure to help them get around, the disabled in Belarus face other issues with getting an education and securing work. The state has created enough secondary schools for the disabled. People with disabilities can study in specialised classes, special schools and even boarding schools, but often their infrastructure remains inadequate to meet the needs of the disabled. It should also be noted that there is not one high school in the country prepared to teach pupils that have a variety of disabilities.

Only 14% of Belarusian disabled people of working age have a job. While the majority of disabled people are working in positions that require minimal qualifications with low wages. Also, companies often officially hire disabled people to work for them, but do not actually provide them with any actual work after they are hired.

This phenomenon is the result of the Belarusian authorities introduction of tax incentives for enterprises in which 50% of workers are disabled. Thus, the firms use disabled people for

their own purposes. Meanwhile, the skills of the people with disabilities continue to decline.

What Makes Things Worse

Belarus does not seem like a unique country that has a problem with discrimination against the disabled. Even well developed countries are often unable to provide equal opportunities for people with disabilities. However, the situation for people with disabilities in Belarus remains different for several reasons.

Belarusian authorities still have not introduced any anti-discrimination legislation and some laws violate the rights of the disabled. Consider the fact that people with significant disabilities cannot adopt children. On the other hand, the same people have no right to go through the border without waiting in line. If disabled Belarusians live in nursing homes for retirees, they have no guarantee that they can leave them or while they are there, to be able to use their own money freely.

Curbs remain unprepared to accommodate the disabled, and the drivers are not allowed to go out and help a disabled person to get into the bus.

Instead of really addressing these issues, the authorities take half measures. For example, the Minsk Automobile Plant (MAZ) began to produce low-floor buses, but often people with disabilities cannot get into them. Curbs remain unprepared to accommodate the disabled, and the drivers are not allowed to go out and help a disabled person to get into the bus. Local authorities build ramps, but they often do not meet the appropriate standards.

Poverty also remains a significant factor influencing the lives of the disabled. The state does not have the necessary funds to provide appropriate conditions for disabled persons at universities or health centres. Social support payments to

the disabled remain very small. For example, wheelchair users in Belarus monthly receive about € 100.

Despite the fact that Belarusian society remains concerned about the state of the disabled people in Belarus, it retains significant stereotypes.

According to the Independent Institute of Socio-Economic and Political Studies only a third of Belarusians support the idea that his child could study in the same class with disabled children. Only a quarter of Belarusians think that the state should create conditions so that people with disabilities could work equally with everyone. Others believe that the state should increase benefits and social payments to the disabled so that they did not have to earn a living. Still others believe that the state should create specialised enterprises for the employment of people with disabilities.

Will Disabled People Win Over the Authorities

Belarus has not acceded to the UN Convention on the Rights of Persons with Disabilities, though it has complied with all the formal requirements. Sergey Drozdovsky, coordinator of the Office of the Rights of Persons with Disabilities said that today, "we need only the political will and the raised hand of one deputy who would put the question of accession to the Convention on the agenda." The authorities refrain from acceding for one reason. The Convention binds the state, making it fulfil its obligations under the UN Convention.

Western aid has been of great importance to Belarusian people with disabilities. For example, the U.S. Agency for International Development promotes inclusive education for people with disabilities. The main purpose of the USAID programme is to create the necessary infrastructure – ramps and doors, that have been adopted to the needs of people with disabilities. Also as part of this program experts develop a joint study programme for children and those children with

disabilities.

However, disabled persons are creating hope all on their own. People with disabilities unite together and form organisations, hold protests and create their own special maps, where they mark the places that are accessible for the people with disabilities. Self-organisation remains the only viable way to fight for their rights. During the “Week of Accessibility” disability rights activists held many public lectures and free legal consultations to help people with disabilities to preserve and utilise their rights.

The disability rights movement remains an important part of civil society in Belarus. The West should help it not only financially, but also facilitate and encourage Belarus’s accession to the UN Convention on the Rights of Persons with Disabilities.