

Will Belarusian Single-Industry Towns Survive?

According to recently-published data from the Ministry of Finance, Belarusian Cement Plant lost \$ 16.5 million in 2015.

Such news may not come as a shock for the Belarusian economy as a whole, but is a disaster for Kasciukoichy, one of a few Belarusian monotowns.

Single-industry towns remain one of the curses that Belarus has inherited from the Soviet Union and almost all of them are now facing hard times. For example, Kasciukovichy, a town in eastern Belarus, is becoming a ghost town, as local rappers sing.

Last year, Belarusian Cement Plant, a city-forming enterprise, decreased the salaries of employees and laid off several hundred of them.

Similar processes are occurring in other single-industry towns in Belarus, forcing local authorities to face difficult choices. Closure of large enterprises that are currently generating losses will lead to further degradation of these towns. In an adverse scenario, the authorities will soon lack funds for their maintenance.

Belarusian authorities can still help monotowns by creating horizontal development strategies linking several regions, using international funds to restructure zombie enterprises and helping small businesses not only with tax breaks, but entrepreneurship education.

Monotowns in Belarus

Belarus inherited monotowns from the Soviet Union, which had a state policy of creating a large enterprises to provide jobs and livelihoods for the population of a city. This system worked in an environment where the state was ordering these companies' products, but collapsed almost without exception with the fall of the Soviet Union.

The Russian city of Tolyatti, which produces cars, remains the most famous example of a town whose fate depends on a single enterprise. Compared with Ukraine or Russia, where some towns completely disappeared, Belarus suffered the least. The country has preserved a command economy and the state remains the owner of major large town enterprises. Such a state of affairs permitted enterprises to quickly restore economic links and demand for their goods returned.

According to [Uladzimir Valetka](#), a senior researcher at the economic think tank CASE Belarus, about 5-6% of the Belarusian population lives in 40-50 single-enterprise towns. These local town enterprises employ more than 25% of their population and account almost exclusively for a town's budget. Moreover, these enterprises provide work to other businesses that exist in the town.

Some of these single-industry towns remain relatively functional, as their companies remain profitable. [Salihorsk](#), for instance, where the potassium producer Belaruskali is based, boasts salaries comparable with those in Minsk. Belaruskali is the most profitable enterprise in Belarus and Salihorsk is the richest town in the country.

The fate of monotowns

However, Salihorsk remains a rare case, while a majority of single-industry towns are degrading socially and economically, as their enterprises are going through difficult times. Kasciukovichy, a town in eastern Belarus, illustrates this trend.

Top five monotowns with loss-making enterprises

Town	Enterprise	Loss in 2015 (\$)
Krychau	Krichevceментshifer	25.5 mln
Kasciukovichy	Belarusian Cement Plant	16.5 mln
Krasnasielski	Krasnoselskstroyaterialy	12.5 mln
Biarozauka	Glassworks "Neman"	4.5 mln
Obal	Obal Ceramic Plant	2.5 mln

The Kasciukovichy-based Belarusian Cement Plant took advantage of broad government support for modernisation of their enterprise. However, the company failed to find customers to buy its cement and it has been one of the most loss-making enterprises in Belarus for several years. The plant lost around \$ 16.5 million in 2015.

In order to reduce the losses, the company continues to lay off employees. In 2013 the company employed 2,754 people but over the course of two years this number decreased by three hundred people. This is a fairly high figure for a town with a population of 16 thousand people, where almost half are children or retired.

Many people today see no economic prospects for Kasciukovichy. Local rappers, in a song about their town, call it ghost town and cursed and say that unemployment has destroyed many lives. At the same time, competent employees are leaving town – for example, the hospital cannot find enough doctors .

For a long time, Belarusian Cement Plant remained the only

place where people could find a slightly higher than average salary. Even today, BCP employees earn more than most. According to published vacancies, the company pays its staff about \$200. This is still twice more than employees of the social sphere, such as teachers.

At the same time, many regions in Belarus live by a rather feudal system, where local officials use positions of power for their own benefit. In May, the newspaper Nasha Niva published an article arguing that the head of the Kasciukovichy executive committee wrote off large bonuses to unprofitable enterprises close to him. Currently, law enforcement agencies are conducting investigations into the offence.

Is there any solution?

Like everywhere in the world, authorities are having difficulty reviving single-industry towns where main industries are dying. The American city of Detroit remains the most famous example.

The Belarusian government currently faces a dilemma: it cannot bankrupt loss-making enterprises such as the Belarusian Cement Works, as it will further worsen the condition of single-industry towns. However, maintaining such enterprises becomes an impossible task, as the government lacks the necessary financial resources. In Biarozauka, a monotown in western Belarus with a population of 10-thousand, "Neman" Glassworks decreased the number of its employees from four to two thousand over 10 years.

official employment in the region improves, while the actual poverty levels remain the same

Meanwhile, the authorities do their best to encourage local business initiatives, providing them with tax breaks. This,

however, has had limited effect, as Uladzimir Valetka told Belarus Digest. Some Minsk companies just transfer parts of their business a little further out of town. Their workers commute from Minsk to a neighbouring district and the local labour market does not add new jobs. Thus, official employment in the region improves, while the actual poverty levels remain the same.

Therefore, the government should help people not only with tax breaks, but also with business education in monotowns. Foreign money can be used for this. For instance, USAID currently supports such a project in Kazakhstan by providing business training in depressed regions.

Many western regions, like South Yorkshire in the UK, used entrepreneurship development strategies to overcome decline of the main industry.

As Uladzimir Valetka told Belarus Digest, another possible solution is mastering horizontal development strategies. The government should bring local authorities and businesses from several neighbouring regions to plan their development and specialisation together.

While the government cannot do much for large enterprises, other plans for development should support local people and encourage socially responsible restructuring. It seems that the International Monetary Fund, which continues negotiating new programmes with the Belarusian government, can be very helpful in this.

many things can be done by the authorities even without bringing in Western expertise

But many things can be done by the authorities even without bringing in Western expertise. As Uladzimir Valetka told Belarus Digest, in the case of Biarozauka, local employment has improved thanks to one simple measure: private minibus

companies created routes to the neighbouring towns of Lida and Navahrudak, where most people from Biarozauka currently work.

High mobility of people has traditionally helped many Americans find better jobs in other states. Likewise, the Belarusian government would do well to make Belarusians more mobile, if it cannot revive their hometowns.

Belaruskali: The Enterprise that Saved Belarus in 2015

Belaruskali, the world's second-largest producer of potash, fared much better in 2015 than the Belarusian economy as a whole.

In spite of weak commodity markets, the state-owned company's annual export revenues are likely to be roughly the same as in 2014. Were it not for Belaruskali, the recent slump in the Belarusian economy would be even worse.

Belaruskali made headlines in July 2013 when it dissolved its joint venture with the Russian potash giant Uralkali, heralding the end of the Belarus-Russia "potash cartel."

So far, the Belarusian authorities seem satisfied with the breakup. Belaruskali has successfully rebuilt after the split and surprised its competitors by winning contracts through a combination of low prices, increased production, and successful marketing.

The Most Valuable Enterprise in Belarus

Like oil refiners, Belaruskali's fertiliser producers generate much-needed revenue for Belarus's small economy. But unlike the oil industry, the potash business became fully independent from Russia following Belaruskali's split from Uralkali two-and-a-half years ago.

Before the split, the Russian-led cartel took advantage of the heavily concentrated potash market (the only other major producers are Canada and China), forcing up prices by limiting supplies.

As a member of the cartel, Belaruskali was bound by this "price-over-volume" cartel strategy. As a result, it failed to generate enough sales to plug deficits in the Belarusian state budget. Before long, Belaruskali and Uralkali started to cheat each other. The escalating conflict led to the arrest of Uralkali's CEO Vladislav Baumgertner in Belarus, and eventually to the split between the cartel partners.



Contrary to expectations, Belaruskali's revenue increased

following the split. In 2014, exports of Belarusian potash fertilisers amounted to about \$3 billion, or 6% of Belarus's total export revenue.

In 2015, the amount may be slightly lower because of the decline in global potash prices, but still approximate \$3 billion. Belaruskali is also helping the government to balance its books – according to the Ministry of Taxes and Duties, Belaruskali paid almost half of the budget of Minsk region in 2015.

The success of the Belarusian potash giant enables Belarus to subsidise dozens of inefficient, loss-making "zombie" companies, such as Belarusian [machine building enterprises](#).

In the first half of 2015, Belaruskali was the country's most profitable company, earning eight times more revenue than Minsk Automobile Plant, the country's most indebted company. Without Belaruskali, many Belarusian companies would already have closed down.

Moreover, Belaruskali confers international prestige on Belarus. The company remains Belarus's only truly global business, and is a mainstay in the foreign business media. Its success also demonstrates that a state-run Belarusian enterprise can succeed even when in conflict with a Russian competitor.

What Belaruskali Accomplished in 2015

Belarus may not have made many new friends in the international arena over the past year, but it certainly has been a boon to farmers around the world, who are benefiting from low potash fertiliser prices. Belaruskali's strategy of selling large volumes at low cost has helped it to increase

market share and conquer new markets.

In March 2015, Belaruskali made a deal with a consortium of Chinese buyers at \$315 per ton, about \$15-25 below the price offered by its competitors Uralkali and Canpotex, the North American potash cartel.

On 8 December, Belarusian Potash Company, a trader of Belaruskali, signed a memorandum of understanding to supply Vietnamese companies with fertilisers in 2016-2018. Belaruskali has also made headway in South America, India and even the United States, [where it faces protectionist policies](#).



At the beginning of 2015, Alena Kudravets, the director of the Belarusian Potash Company, stated that "every fifth tonne of potash fertilisers in the world comes from Belarus." She deserves credit for much of the success of the Belarusian potash giant. Belarusian President Alexander Lukashenka sang her praises in September 2015, calling her "a small girl from Salihorsk who saved everybody."

After the split of Belaruskali and Uralkali, Kudravets became chairwoman of the Belarusian Potash Company. Nobody expected a state-owned Belarusian company, where salaries are capped by the government, to retain top executives in competition with the private-owned Uralkali. But as Aliaksandr Autushka-Sikorski, an analyst at the Belarusian Institute for Strategic

Studies, told Belarus Digest, Belarusian Potash Company has defied the odds.

Will Saving the Economy Threaten Belaruskali?

Belaruskali's "volume-over-price" strategy did much to keep the Belarusian economy afloat in 2014 and 2015. According to Autushka-Sikorski, the strategy made sense because it preserved market share by undercutting competitors.

However, the strategy of maximising output threatens the long-term existence of Salihorsk, the town where Belaruskali is based. Salihorsk residents are afraid that at the current rate of production, potash deposits are being depleted, and in 15 to 20 years there will be nothing left.

A few years ago, one miner told me that "everything is great in Salihorsk, but what will we do when the salt runs out?" In 2011, Belaruskali officials estimated Belarus's potash resources to last up to 40 years, according to *Bielarusy i rynek (Belarusians and market)*. Yet at the current pace of production, the minerals may run out sooner. Indeed, the current strategy of favouring volume over price threatens Belaruskali's own existence in the long term.

This year, Autushka-Sikorski says, the trends of 2015 are likely to continue, with supply outpacing demand. The price will drop further, forcing Belaruskali to exhaust yet more of Belarus's precious resources in order to generate sufficient revenue for a teetering economy.

What Life is Like in Belarus' Small Towns

Few people in the West know that provincial Salihorsk, not Minsk, is the wealthiest town in Belarus.

Belaruskali, responsible for around 10% of Belarusian exports annually, makes Salihorsk the most economically important town in Belarus, outside of Minsk.

Despite its wealth, the town shares similar problems with many other smaller towns in Belarus. Salihorsk remains overly dependent on just one enterprise.

The flow of patients going into hospitals surpasses their holding capacities threefold, corruption thrives in the region. The young generation is leaving as they see no prospects for their own future in town.

The West should support mass media and NGOs in small towns to make local reforms possible in the future.

Belaruskali and Monotown

Salihorsk remains one of the most important cities in Belarus. [Salihorsk-based Belaruskali](#) is perhaps the most profitable state-run company. The average salary in Salihorsk is about \$840 per month, one and a half times more than Belarus' national average. As a result, a new supermarket opens in Salihorsk every six months.

Despite all of this, the town remains a prime example of a typical Belarusian province. According to the People's Program, an analytical project of the oppositional Movement for Freedom chaired by Aliaksandr Milinkievič, about 50 settlements in Belarus are so-called 'monotowns'.

This means that more than 25% of the economically active population work at one and the same enterprise. Belaruskali and Salihorsk fit the pattern, with about 20,000 of its 100,000 inhabitants working at Belaruskali.

Monotowns have their roots in the Soviet Union, which created cities to serve a single enterprise, be it a heavy machinery production or mineral extraction. As a result, Salihorsk became much too dependent on its only major enterprise.

When the Belarusian authorities kicked off [an economic war](#) with Russia's Uralkali, who had long been a partner, Belaruskali laid off many of its employees. This incident worsened the overall situation of the whole city.

Medicine as a Sensitive Topic



Each city has its own specific problems, but [problems with healthcare](#) remain common to most Belarusian towns. The quality of the medical equipment and treatment are themselves not an issue.

Last year, a clinic in Salihorsk received \$100,000 from Japan under the Grant Assistance for Grassroots Human Security Project to purchase of the new equipment.

The issues lie elsewhere. People wait half a day in line to simply make a medical appointment. In early September, Internet users published a photo of women waiting in front of a gynaecologist's office in a line that reached out into the street.

The low salaries paid to medical staff make people reluctant to become doctors, as, on average, a doctor in Salihorsk earns about \$ 550 per month. Comparatively, an electrician after

three-months of a vocational education can make the same amount of money while working at a hospital in Salihorsk.

Aliaksiej Valabužeŭ, the editor of the independent Saligorsk.org web-site, explained to Belarus Digest the other problem is that "the current medical facilities were designed for 680 visits every day, but in fact they receive three times as much." The authorities mention plans to build a new clinic, but so far their statements lack any concrete details or firm plans.

Many young people leave Salihorsk after graduating from school, as the 100,000-people town has no university. Salihorsk's high-school graduates usually attend universities in Minsk and after five years of study they rarely return to their hometown. Salaries in Minsk and Salihorsk are comparable, but the young choose Minsk because Salihorsk lacks career opportunities.

Local Authorities: Loyal to Lukashenka and Corrupt

[Belarus' political system works](#) in a way that the head of the state appoints the head of the regional executive committee, who then goes on to appoint the heads of district committees. Therefore, the local authorities remain loyal primarily to their superiors and do not have any sense of accountability to local citizens.

Several stories demonstrate this point. Local politician Uladzimir Šyla has long been fighting against the destruction of a forest park. The local authorities essentially increased the city's density by cutting down the forest. Salihorsk's population density reaches 11,000 people per square kilometre. This is four times more than Brussels or three times more than Paris.

At the grassroots level, corruption flourishes in Salihorsk. Former Deputy Minister of Forestry Fiodar Lisica, who previously worked in Salihorsk, used state money to [build](#)

several large houses and is awaiting trial for abuse of power after the authorities decided to act.

Viktar Maločka, an activist from the United Civil Party, explains the corruption schemes using the example of a pharmacy boom in Salihorsk:

The central streets of the town are full of multifunctional pharmacies. According to the law, the state provides land for these kinds of facilities for free, but in fact a pharmacy in these multi-storey buildings occupies only one tenth of the space. The remaining areas serve commercial purposes, such as banks, offices or shops.

How to Make Small Towns Sustainable

Currently Salihorsk is run by Aliaksandr Rymašeŭski, a rather traditional local leader for Belarus. He worked at a state collective farm and remains rather unpopular among residents of the town. People say, that he has recently won a car at a raffle organised by a local businessman.

Local elections have little to do with ruling a town in Belarus. People elect members of the Town Council, but they lack any real competence and elections [remain untransparent](#). If Belarusians want to help their towns develop, they should elect local officials to carry out the work.

Although a mayoral election does not automatically result in improvements, it can increase transparency and accountability of officials. Countries in transition like Poland started to elect the heads of cities in the 1990s and do not intend to return to the previous practise.

Small towns should promote the development of small and medium-sized businesses to become less dependent on one industry. The rise of the private medical centres could provide a solution for the current scarcity of doctors, and

the opening of private universities would help keep young people in their hometown.

Proper local elections should be a long-term goal, even if it sounds like a dream at this point. To make it real local anti-corruption activists, independent mass media and grassroots initiatives need serious support. That would make make small towns more transparent and closer to ordinary people.

Lukashenka Remains Close To His People, Jobs for Ukrainian Refugees – Belarus State TV Digest

Over the past week, state TV Channel 1 covered Alexander Lukashenka's visits to state enterprises in the regional cities of Salihorsk and Barysau.

In their coverage, state TV journalists reported on the excellent personal connection the head of state had with ordinary Belarusians. They presented him as a politician who has always remained close to peoples' problems and is keen to discuss of any controversial issues at any given moment.

Coverage also touched upon recent developments in Ukraine and the growing number of refugees that the conflict in the east is creating. According to their coverage, Ukraine may go bankrupt in two years time. In this edition of our Belarus State TV digest we summarise these and other stories grabbing the headlines in Belarus.

Ukraine

[A Cease-fire in Donetsk and Lugansk](#). According to Russia, the recent death of two of its reporters was a violation of the cease-fire in Ukraine. State-run Channel 1 showed Sergey Naryshkin, a speaker of the Russian Duma, demanding not only a genuine investigation of the tragic events, but that those responsible should be brought to justice for the death of the reporters.

Still, the overall number of casualties from the anti-terrorist campaign remains unclear. Although the Ukrainian Ministry of Defence speaks about 147 soldiers died during the action, Jani Megazzeni from the United Nations stated that since the beginning of the anti-terrorist campaign, 386 people had lost their lives in Ukraine due to the conflict.

[Ukrainian Economy Barely Hanging On?](#) Standard & Poor's, the credit rating agency, gave a pessimistic forecast for Kyiv for the coming years. The country may even officially become bankrupt. Another problem facing the country is the growing number of refugees who are fleeing eastern Ukraine and seeking to settle elsewhere.

State TV also commented on a recent remark made by Anders Fog Rasmussen, the head of NATO, on the involvement of Russian special services (the FSB) in providing financial support to European ecological organisations which advocate against the extraction of shale gas. Greenpeace, the world's largest environmental activist organisation, reacted with irony to these insinuations, according to the report.

Domestic Affairs

[Lukashenka Mingles with Ordinary Belarusians](#). A dialogue with simple workers remained an inherent part of any visit of the Belarusian leader to the state company, states the reporter. This time the head of state visited the Belaruskali company in Salihorsk. He spoke with the workers, a majority of whom were

upset by the scandal that erupted between Russia and Belarus that involved Belaruskali.

Lukashenka had previously come to the company back during his presidential campaigns in the 1990s. "That was a difficult meeting, I can recall it until now. And then I had promised you that if I were to become president, though I did not believe that I could have become the president then (...), I reassured you that I would have never sell off the interests of the miners", Lukashenka stated.

The Belarusian leader reassured the crowd that he "would not forgive theft and appeasement" from the company's management.

In the coverage of the meeting, the video carefully depicts the Belarusian audience closely paying to attention to every word Lukashenka spoke. Several times throughout the report, the narrating journalist points out how strong the line of direct communication is between the head of state and regular Belarusians.

Belaruskali: Of Strategic Importance to the Belarusian Economy. "The potash industry is always receives special attention from the President", states the narrating reporter.

He pointed out that Belaruskali had overcome last year's crisis and remained a worldwide leader in potash production. The problems that the state company faced were due to the jealousy of other companies. What then propped up Belaruskali during the crisis then was not only the state, but also "new technologies, and the great reputation of the company".

Lukashenka reassured his audience that everything associated with the company's future is seen as part of Belarus' national interests. During the meeting he demonstrated his interest in all of the technology used for mining, state TV boasts.

The Authorities Once More Focusing on Ordinary Belarusians.

The Belarusian head of state also visited another state

enterprise, this time in Barysau. The meeting was broadly covered, and once more pointed out the excellent level of communication that the Belarusian leader and ordinary Belarusians enjoyed.

Workers asked Lukashenka a few questions, including a few about Ukraine and changes in the pension system. Throughout the meeting the Belarusian leader was joking around, but drew himself back whenever a topic demanded a more serious demeanour. People appeared to be happy to hear him share his thoughts and seemed satisfied with his responses. The head of state also mentioned that his priority remained maintaining a society where “a woman can safely go for a walk with her baby in a stroller”, an oft repeated phrase.

Work for Ukrainian refugees? – When posed a question by a member of the audience about the possibility of employing Ukrainian refugees, Lukashenka stated “we should not close the doors on them”. In his opinion Belarus should help the refugees, particularly because many of them have Belarusian roots. “We are ready to let them in, but in an organised manner. The country has a workforce deficit”, he asserted, alluding to the possibility of having Ukrainians come to work in Belarus.

Raising the Pension Age? – Another member of the audience asked what was to become of the pension age. “I think it will be raised”, he replied. In his words, Belarus is the only country in the region left that has not changed its pension system. Even Russia has already been working on this issue. The head of state explained that raising the age is due to Belarus' negative demographic tendencies. Belarusian women should give birth to more children, say at least three in a family. This, he said, would resolve the demographic problem and the issues facing any potential state pension age reform.

Belarusian Pensioners to Remain the Youngest in the World. The Belarusian Minister of Labour and Social Protection, [Marjana](#)

[Šcotkina](#), assured Belarusians that it would not increase the state pension age. The report goes on to state, “as the minister noted, all of the necessary conditions have been set up for a person to stay interested continuing on with their professional activity after they have reached retirement age”.

“Regardless of the difficulties this year, the major financial document of the state (budget) has maintained its social orientation”, she added.

[Checking in with the State Committee for Forensic Investigations. Andrej Švied](#), Chairman of the State Committee for Forensic Investigations, answered dozens of questions from ordinary Belarusians. Although the Belarusian leader established the Committee only a year ago, it has already brought several about benefits to the state. This benefits include 50bn BYR in savings, but the utilisation of more advanced techniques for fighting corruption in the country.

In the future, a suspected criminal presumed guilty of corruption will have to pay for their own defence, comments the report, a move that would significantly relief stress on the state budget.

Belarus Digest prepared this overview on the basis of materials available on the web site of Belarusian State Television 1 (BT1). 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 Opposition in Local Elections: Will It Learn from Old Mistakes?

On 2 October, Belarus' Central Elections Commission (CEC) revealed that local elections will take place in March 2014. In the past, the CEC had a history of scheduling elections earlier than they should be according to the law. That is why the opposition started its preparations in advance.□

For now, two opposition blocs have emerged: People's Referendum and For Free and Fair Elections for a Better Life "Talaka". During these elections one camp will focus on bread and butter issues, the second on the demand to hold free elections.

Unlike in previous years, political organisations are united on [approaches of how to change](#) Lukashenka's regime rather than on a particular ideological affinity. However, both camps see this campaign only as a preparation for presidential elections. Therefore, the opposition will try to enlarge its structures, but will do it rather carefully to avoid repression.

Coalition Building

Belarusian political organisations have created two main alliances.

People`s Referendum	For Free and Fair Elections for a Better Life "Talaka"
Party of the Belarusian Popular Front, Tell the Truth campaign, Movement for Freedom, Belarusian Liberal Party of Freedom and Progress, Belarus Social Democratic Party (Hramada)	Belarusian Labour Party, Belarusian Left Party "A Just World", United Civic Party, Belarusian Women`s Party "Nadzeya, Belarusian Movement, For Free Elections public association, Young Belarus

People`s Referendum unites five organisations, but at the core it consists of a consensus between the Movement for Freedom and the Tell the Truth campaign. This alliance will also take part in the elections and collect signatures for a referendum in Belarus. These structures also plan to work out a procedure for the selection of its own candidate for the presidency.

The selection of a future presidential candidate, who will challenge Lukashenka, may undermine the future of the coalition. Today this coalition has two main leaders – Alexander Milinkievich and Uladzimir Niakliajeu – and it remains difficult to choose one leader between these two. After all, the person who is chosen will receive significant influence, and Western donors will pool their resources to him.

The main forces of the coalition, the Movement for Freedom and the Tell the Truth campaign, remain aware of an urgent need to identify Lukashenka's future competitor. However, so far they failed to agree on the concessions they are willing to make. Currently, this camp prefers to hold a Congress of Democratic Forces, which will choose a future presidential candidate.

Another coalition with a rather long title – For Free and Fair Elections for a Better Life "Talaka" – combines seven political structures. They are still considering their tactics and may eventually boycott the elections, or withdraw their candidates the day before. As the title implies, this coalition will talk to voters primarily on the need to have a

free election rather than on other issues.

The camp also plans to have its own candidate for the presidency and they view primaries as the preferable procedure to reach the largest possible number of people.

Who Remains Overboard?

Several organisations have decided not to join either of these two blocks.

The leaders of the Belarusian Christian Democracy, Pavel Sieviarynets, and the Belarusian Social Democratic Party (People`s Assembly), Mikalaj Statkievich, [remain in custody](#), which hinders their active participation. Nearly all leaders of the European Belarus group, led by former presidential candidate Andrei Sannikau, remain in exile, which limits their ability to participate in the campaign in one form or another.

Young Front did not join any coalition and has already announced its own independent participation in the local elections. Young Front will campaign primarily in Salihorsk, a town in central Belarus. The organisation plans to put up 40 candidates to cover all polling stations in the town. The Belarusian opposition has never used this tactic, so political organisations will closely monitor how successful this approach will turn out to be.

From Local Elections to the Next Presidential Campaign

[Local elections](#) in Belarus fail to politicise society. This remains a reason why the opposition will have a hard time winning them. Moreover, Minsk-based general of the opposition have few warriors in the regions. Each organisation lacks local activists to conduct a major campaign throughout Belarus.

The opposition views local elections as a preparatory stage

for the presidential elections. These political organisations will enlarge their structures and build coalitions to make them bigger. The number of organisations in the alliance also plays a significant role, especially for Western donors. As a result, both camps include structures that exist on paper rather than in reality.

Noteworthy for its work on the eve of the 2010 presidential elections, the opposition united on the basis of ideological reasons. In 2009, eight centre-right organisations created the pro-European Belarusian Independent Block. This alliance fell apart when a number of its member organisations refused to support Alexander Milinkievich as a presidential election. Today, this consolidation is based on a specific approach to the elections themselves or to the means of bringing change to Belarus. Personal relations between the leaders of organisations also play a big role.

The two blocs will have different messages for people. While the People's Referendum will be talking to voters about bread and butter issues, For Free and Fair Elections for a Better Life "Talaka" will talk about the need for political reform. Both camps have rather sensible messages, however, there remains a threat that they will get caught up with defining whose strategy is better and pay less attention to the fight for the hearts and minds of Belarusians.

Any Lessons From the Previous Elections?

The regime's special services have always worked to split the opposition and today they can be satisfied with the outcome of their work. To break this pattern the opposition must agree on a cease fire between each other and concentrate on addressing the people.

During the last local elections in 2010, the opposition failed to mobilise itself and had no candidates in most of the districts throughout the whole country. Throughout Belarus the average competition for one seat in local councils was only 1.2 persons. Democratic forces received less than 10 mandates

from 21,000 possible.

Obviously in 2010 the authorities falsified the results. But the democratic opposition can learn lessons from previous elections. People remain more interested in social and economic problems rather than in discussing democracy and human rights. Even the pro-Lukashenka electorate can support the opposition on a local level if they show competence and political skills during local elections.

If the opposition fails to use its opportunities to work with people, they should not expect that Belarusian society will become politicised. If the opposition ignores holding an election campaign, Belarusians may continue to ignore the opposition.

Minsk Region – the Heart of Belarus

The Belarusian statistics agency has recently published the average salaries by region in June. Minsk city appeared as the leader with an average salary of \$750. In second place was the Minsk region with an average of \$580, and in Salihorsk it even reached as high as \$840, higher than in the capital's average.

Salihorsk is a city located south of Minsk, where the whole economy is built around a highly profitable potassium trade. The Minsk region is home to many industrial areas. The region, of course, has close relations with its centre, Minsk city, which absorbs both human and financial resources from its periphery. This kind of centralisation of the economy can indeed have negative consequences for the region.

The Minsk region remains divided in terms of its political orientation and attitude towards the Belarusian language. The western part shows more support for the democratic opposition and uses the Belarusian language. The east appears more pro-regime and less Belarusian-speaking. Generally speaking, no political activity exists here beyond the state.

Typically for Belarus, the Minsk region was a home for its world renowned Jewish emigrants. Some of America's brightest media figures, such as Larry King, Louis Mayer and David Sarnoff have their roots here.

Not Only the Capital

The life of the Minsk region is determined to a great extent by its centre, Minsk city, which has more population than any of the other regions in Belarus (over 1.8 million people). As is true with many big cities in the world, Minsk draws commuters from nearby towns who can earn two or three times more there. However, this movement is not as massive as, for instance, in Moscow, and typically no major traffic jams occur here.

The Minsk region, however, is more than a periphery of the capital. The region has a few other big cities in which a considerable amount of the country's economic resources are concentrated. Among them are Maladečna, Barysaŭ, Salihorsk and Žodzina, all of them big centres of industry.

The young Belarusian city of Salihorsk emerged with the establishment of its potassium extracting enterprise, Belaruskali. It alone is responsible around 10% of Belarusian export annually and presents perhaps the most profitable state company. Now that the Uralkali has halted its cooperation with Belarusian Potassium Company, the market prices are expected to go down and Belarusian export risk facing significant losses as a result. Such developments will necessitate a search of the other sources of income which Lukashenka

is [apparently trying to find in China.](#)



Žodzina city is known for another Belarusian industrial brand, BelAZ, the largest manufacturer of haulage and earthmoving equipment. Its dump lorry, also called Belaz, has become a symbol of Belarusian industry.

Barysaŭ city, although also an industrial centre, is more famous for its [BATE football team](#). BATE has proven to be the strongest team in Belarus for some time now and was the only team in Belarusian history to qualify for the group stage of the UEFA Champions league and UEFA Europa League.

Former Resistance and Current Silence

Today schoolchildren can hardly find mention of it in their history textbooks, but in 1920 a massive resistance against communist rule occurred in the Minsk region near Sluck, a town in the region, and received the name “the Sluck Rebellion.” Two armed regiments declared support for the unrecognised Belarusian Popular Republic and resisted red army assaults for nearly a month, though eventually they eventually succumbed to the Bolsheviks.

The Minsk region historically appears as a region divided: the western part once belonged to the Polish Republic and the east to the BSSR. The Western part, and especially the northwest which borders the Vilnius region, showed the highest level of support for the democratic opposition during the presidential elections.

This mapping is also true for the persistence of the Belarusian language, as many western parts of Minsk region

speak Belarusian, more so than in its eastern parts. Generally, the region has the largest overall population that speaks Belarusian at home.

Today, political activity not affiliated with the state has almost disappeared in the region. No independent local newspapers exist and once glorious regional organisations like Salihorsk Malady Front have stopped all their activity. The most recent protests in the region were related to the government's plans to build a Chinese industrial park in the Smaliavičy district not far from Minsk, but hardly anything can prevent the regime's *idee fixe*.

The governor of the region, Barys Batura, for his part, appears to be someone that the president can count on. As with all of Belarus' governors, he constantly has to travel around the region and ensure that every fence on the road is fixed and every field harvested. Batura descends from the Hrodna region and served in the state bureaucracy since the Soviet era. He worked in the housing and communal services ministry, and then was appointed the governor of Mahilioŭ region in 2000 and governor of Minsk region in 2010. Like many officials in Belarus, he has not produced any extraordinary activity and quietly executes orders from above.

The Home of the US Media Tycoons

As Belarus in general, the Minsk region served a homeland to many Jewish emigrants who later gained world prominence and recognition.

Among them is Larry King (born Lawrence Harvey Zeiger), a famous American television and radio host. He is the son of Edward Zeiger, an immigrant from Austria, and Jenny Gitlitz, an immigrant from Belarus. King became perhaps the world's most well-known face on TV, but few Belarusians realise his ancestors lived somewhere around Minsk.



Louis Burt Mayer, an American film producer known for successful running of Metro-Goldwyn-Mayer company, was born in Minsk in 1884 as Lazar Meir. His family moved to Rhode Island in 1887. Subsequently Mayer made a career in the entertainment business and headed one of the most famous film companies in American history.

David Sarnoff, born in 1891 in Uzliany village in Minsk region, was an American businessman and a founder of both radio and television broadcasting. His family moved to New York City in 1900, where he made a career in telecommunications, leading the Radio Corporation of America and National Broadcasting Company (NBC), two American telecommunication empires.

Moving from the US to Europe, we find other famous descendants of Minsk region. Chaim Soutine, was born in Smilavičy settlement in 1893. After studying art in Russian Empire, he emigrated to France and significantly contributed to the French expressionism movement.

Interestingly, in 2012 a Belarusian bank Belgazprambank, owned by Russian gas empire Gazprom, bought one of his paintings at a Christie's auction for \$400,000 together with a Marc Chagall piece. The bank is sponsor the return of works of artists of Belarusian origin, since none of their works have remained in Belarus.

For the time being, the Minsk region will have to go on without, much as it has, these fine people. In their place, remain the many challenges and issues to be overcome. The region draws more investment due to its central location and

therefore is likely to remain the core of the Belarusian economy. However, its central location puts it at risk of being overshadowed by the capital, Minsk city, which absorbs most of its human resources and drains the potential for local development. The over-centralisation of Belarus presents a serious challenge for the Belarusian government.