BELARUS IN FOCUS:

ANNUAL REVIEW 2019

AND FORECAST FOR 2020
**FORECAST FOR 2020**  
*(EXCERPT)*

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COLOR KEY

THE SITUATION HAS NOT CHANGED

THE SITUATION HAS IMPROVED

THE SITUATION HAS DETERIORATED
The Belarusian authorities’ policy in 2019 rested on the “change without change” principle. Such an approach has led to growth in social stratification, alienation of the population from the state, a slowdown in business activity, and partial deterioration in governance, altogether weakening the Belarusian state.

Throughout the year, authorities delved into the possibility of changing the constitution and became less open to an alternative. According to the results of the elections, the new parliament is sterile in terms of having any MPs representing the opposition or the third sector. The government repeatedly manifested its readiness to embark on economic transformations, while the president further pursued conservative rhetoric. Law enforcers widely practised heavy fines, preventive
detentions, and administrative arrests against civic activists and the opposition, especially during the 2nd European Games and after the parliamentary elections.

The Belarusian authorities enforced financial discrimination against the opposition though introducing fees for holding authorized public events. Simultaneously, they made concessions to some organized protest groups, which further depoliticized the population. Speaking about ensuring Belarus’ sovereignty in early 2019, President Lukashenka had set the tone of the parliamentary campaign. Amid the lack of public funds to ensure pay rises for voters, pro-government parliamentary candidates primarily campaigned for Belarus’ sovereignty. In addition, the president announced a possible political reform allegedly aimed at strengthening the government and parliament.

Chairwoman of the Central Election Commission Lidziya Yarmoshyna casts her vote during 2019 Belarus parliamentary election
Administered by the president, the parliamentary elections demonstrated a setback in all directions. The Central Electoral Commission (the CEC) was the major newsmaker in the state media during the election campaign. The authorities disabled public control over the work of commissions, tightened censorship, enhanced restrictions and screening of candidates. MPs representing pro-government political parties increased in number from 15 to 21 MPs of 110, as compared with the previous convocation; and alternative parliamentary candidates did not win a single seat. Some political elite members had put pressure on the president in terms of strengthening political parties but to no avail. The president appears to be wary of formalized interest groups in parliament or the government system, so the presidential administration further consistently blocked feedback channels between the state bodies and the population.

The economic authorities neither improved the public sector’s performance nor reduced its burden on public funds. However, the lobbying efforts aimed at improving the business environment, partially succeeded, albeit were disavowed by arbitrary local practices and punitive policies pursued by law enforcers and tax authorities.

Social stratification deepened both, vertically (the poverty gap), and horizontally (welfare standards by region, including in healthcare). Amid dwindling public funds local authorities were unable to live up to the president’s expectations, manifesting governance’s vulnerability. The president attempted to
lower the appetites of government executives through the anti-corruption campaign (e.g. the “case of doctors”).

Authorities continued to enforce some controversial initiatives (e.g. the law on deferrals from the army service), which caused discontent not only in society but also among the ruling elite.

**FORECAST**

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**AMID DWINDLING PUBLIC FUNDS LOCAL AUTHORITIES WERE UNABLE TO LIVE UP TO THE PRESIDENT’S EXPECTATIONS, MANIFESTING GOVERNANCE’S VULNERABILITY**
Belarus’ overall security situation in 2019 remained stable. That said, the domestic security situation has somewhat deteriorated due to the growth in crime, communication failure between security forces and society, violations in the army, and security forces assuming unnecessary or inappropriate tasks. Remarkably, in the past year, Belarus was not subjected to targeted external pressure.

In 2019, Belarus actively explored the opportunities for new strategic partnerships on military-political and military-technical cooperation. On the one hand, in order to gain additional financial resources, technologies and access new markets to meet domestic defence market needs and on the other, to promote Belarus’ political and economic interests abroad.
Belarus further developed her multidimensional dialogue on security matters with politically comfortable states, such as the UAE, Serbia, Azerbaijan and Kazakhstan. There was some progress in relations with Turkey and Vietnam. Cooperation with Uzbekistan and Egypt enhanced. In addition, Belarus outlined her desire to develop military-technical cooperation with Ukraine in terms of missile technologies. In the past year, Belarusian-Chinese relations, although designated as the “iron brotherhood”, did not bring tangible results.

Belarusian-Russian security relations remained practically the last relatively conflict-free sphere in bilateral relations, excluding the unresolved border security issues, such as restrictions on border-crossing for third-country nationals introduced unilaterally by Russia. For Belarus, the latter also created economic and symbolic-political problems.
In 2019, by addressing security matters, Minsk made further efforts to build its symbolic political capital on the international arena. It put forward new peacekeeping initiatives, such as promoting non-placement of shorter and medium-range missiles and digital good-neighbourhood. These initiatives, however, did not find a response, presumably, because Belarus was rather a potential security threat than a player in the regional security policy. Meanwhile, Belarus’ aspirations to expand her participation in UN peacekeeping looked more promising. All in all, Belarus attempted to anchor on the international arena as a predictable and trouble-free security partner for both, Russia and the West, avoiding being dragged in their contradictions and, equally, hesitating to assume additional commitments to either.

Despite several cases of alarmism in 2019, Belarus was in a relative comfort zone in security matters. Systemic endogenous (domestic) issues were the only ones to overshadow her security situation.

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<td>Belarus’ international security policy would further be dictated by the need to improve political relations with foreign states and expand sales markets for the national defence industry</td>
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It is not that civil society and political parties significantly strengthened their positions in 2019, however, their influence enhanced. Political parties and civic initiatives further pursued their strategies aimed at mobilizing activists and promoting changes through a dialogue (Tell The Truth, the Belarusian Popular Front, Fair World), or an ultimatum (the Belarusian National Committee) or a combination of both (centre-rightists and social democrats).

Using a variety of mechanisms to put pressure on the authorities, civil society and political organizations somewhat succeeded in promoting changes in the economy (October Economic Publications on society and political parties in 2019:}

- The situation has improved: 23
- The situation has not changed: 28
- The situation has deteriorated: 1

SOCIETY AND POLITICAL PARTIES

2019: POLITICAL PARTIES AND CIVIL SOCIETY SOMEWHAT SUCCEEDED IN PROMOTING THEIR INITIATIVES, INCLUDING DURING THE PARLIAMENTARY ELECTIONS

BELARUS IN FOCUS: ANNUAL REVIEW 2019 AND FORECAST FOR 2020
The centre-rightists (the United Civic Party, Belarusian Christian Democracy and For Freedom Movement) and social democrats focused on their conventional supporters and attempted to reach out to new protest groups. For instance, Mothers 328, environmental activists from Brest and the Youth Bloc nominated their parliamentary candidates through centre-rightists and social democrats. Political organizations attempted to engage in a dialogue with the authorities to protect the interests of disadvantaged groups and lobby legislative changes through MP Kanapatskaya; Social Democrats represented the interests of the opposition during a public debate concerning a bill amending legislation on political parties. After the parliamentary campaign, Belarusian Christian Democracy co-chair Sevarynets loomed large as the leader of unauthorized rallies for Belarus’ independence.
Due to cooperation between government and KEF experts, a consensus, supported by most of the population, was reached regarding the need for economic reforms.

Tell the Truth, advocating for a dialogue with the authorities, pursued the peaceful change strategy, and operated within the existing legislative framework. Such an approach enabled some success cases in addressing local issues in the regions, enlarged its outreach and helped to recruit new activists. Tell The Truth also held several popular New People Forums, engaging prominent Belarusian and international experts.

The Belarusian Popular Front, other national-cultural initiatives and MP Anisim sought to avoid public confrontation with the authorities. However, unlike in 2019, they managed to hold authorized Freedom Day-101 celebrations only in Hrodna. In Minsk, Freedom Day celebrations organizers from social democrats and centre-rightists put forward political demands.

The take-it-or-leave-it Statkevich-led BNC reanimated the idea of Maidan protests, however, temporarily abandoned unauthorized activity and participated in the parliamentary elections. BNC members participated in the elections with two separate agendas: "European Belarus" had a pro-European agenda and advocated against the NPP, and Narodnaya Hramada aimed to mobilize activists for Statkevich's initiative group in the upcoming presidential campaign. Former political prisoner Statkevich altered his rhetoric regarding Russia and offered guarantees to Lukashenka upon his resignation. Statkevich's participation in the parliamentary elections allowed him to gather a large initiative group (some 3,000 activists) to participate in the presidential campaign.

Some attempts to engage in a dialogue with the authorities were successful, especially those lobbying for economic reforms (KEF, repeal of the
decree on illegal entrepreneurship) and foreign policy improvements (the “Minsk Dialogue”). Due to cooperation between government and KEF experts, a consensus, supported by most of the population, was reached regarding the need for economic reforms. Civil society also effectively advocated for excluding some overly restrictive regulations from the bill amending legislation on political parties and public associations (yet to be submitted to parliament).

The role and influence of bloggers on protest groups’ mobilization increased in 2019. During the parliamentary campaign, bloggers writing about social and political matters (NEXTA, MozgON, Tikhonovsky, etc.) attempted to convert their popularity into offline political action and mobilized subscribers for rallies in Minsk and Homiel.

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In 2019, Belarus made significant progress in normalizing relations with the West. However, political progress encountered some restrictions and did not bring anticipated financial and economic results.

Throughout 2019, there were many high-level visits, which confirmed the end of Belarus’ international isolation in relations with the West. Moreover, some visits signified breakthroughs in Belarus’ relations with the EU and the US, such as the visit of Austrian Chancellor Kurtz and Lukashenka’s return visit to Vienna, and the visit of the former National Security Advisor to US President, John Bolton.

Notably, the disappointment with the parliamentary elections’ administration, voiced
by the US and the EU after the November elections, did not lead to a deterioration in political relations. This was evidenced by the joint visit of the Foreign Ministers of Finland and Sweden to Minsk, which took place immediately after the elections, and the upcoming visit of US Secretary of State Mike Pompeo. Amid Belarus’ growing role in security matters in the Eastern European region, western states apparently decided to detach the Belarusian elections from progress in political relations.

In addition, progress in bilateral relations with the United States was cemented by establishing a communication channel with the US on security matters. Washington responded to Belarus’ concerns regarding US military presence in Lithuania as part of the upcoming Defender Europe 2020 exercises and took the initiative to hold a briefing for Belarusian military officials on the matter.
Despite the significant dynamics in political normalization, Minsk was unable to improve economic cooperation with the West. Belarus’ negotiations with the EU on the access of Belarusian food products to the European market and their transit through the EU were hardly ongoing. Partnership priorities were not signed. US sanctions against Belarusian enterprises retained, albeit suspended. Investment and financial assistance from the West remained modest.

**FORECAST**

In 2020, Belarus and the EU are likely to sign the visa agreement

The US Embassy operations are likely to be partly restored

The normalization process is likely to advance, should the Belarusian authorities refrain from actions, which could not be justified in the EU and the US
Amid numerous escalations in 2019, Belarus and Russia failed to find a compromise on bilateral trade issues. The “deeper integration” process, launched to address these issues within the harmonization of the legislative framework for economic players, led to no avail, and on the contrary, threatened to deteriorate bilateral cooperation between Belarus and Russia.

In late 2018, responding to Belarus’ demands to lower the gas price and equalize it with domestic prices and to compensate for the tax manoeuvre in the Russian oil industry, Prime Minister Medvedev exposed a conflict of interest and put forward a requirement to ensure ‘deeper integration’ before meeting Belarus’ demands. Throughout
2019, the parties unsuccessfully mapped the “roadmaps” for harmonizing economic legislation of both states.

That said, the economies of Belarus and Russia differ a lot. Firstly, the economic policy in Belarus is directed by the state, while the Russian economy is better adapted to the global market. Secondly, the state is the major owner in Belarus, who is always ready to “restore justice” by taking away private property, assuming it was used against the public interest. Thirdly, the tax burden on private business in Belarus is much higher, as well as the state support for public enterprises. In other words, Belarus remains a high-risk state for Russian investors.

It is not that Medvedev’s so-called ultimatum had based exclusively on pragmatic considerations or that the Russian ruling class had no plans to extend Putin’s rule as the head of the Union State. However, Russia appears to be unwilling to make a serious investment in the Union State project, so even if she does have a plan in this regard, she is not making it stick, rather hit-or-miss.

Belarus, in turn, needs the Union State and the alliance with Russia to bow to the global economy as little as possible — that is, to continue to support the inefficient public sector, retain the share of employment in the public sector, and maintain bloated administration. Hence, she cannot agree with the unification of the legislative framework in the economy, given the change towards Russian capitalism as the only option, abandoning ‘Belarusian socialism’.
In addition to such conflict of interests, there were several other controversies throughout the year, including the contamination of the Russian oil in the Druzhba oil pipeline (April-September), the Belarusian authorities’ hostility towards Russian Ambassador Babich, and numerous information attacks on the Belarusian leadership by the Russia media.

All in all, the parties ended the year exactly where they started (the second year in a row), that is, having unclear prospects on the terms of trade, including gas and oil supplies; unsigned visa and border agreements, and many mutual restrictions in trade. The “deeper integration” process the government teams had been working on all year, not only failed to resolve the existing differences but also weakened Belarus’ negotiating position. She missed the moment of signing the gas supply agreement for 2020 between Gazprom and
Ukraine; was unable to take advantage of Russian oil companies’ opposition to the government regarding the tax manoeuvre; and also suffered damages due to the pollution of the Druzhba oil pipeline and unable to recover them.

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<td>Alternatively, should parties be unable to agree on the integration package, they may reanimate the “conservative” option proposed by Medvedev in late 2018, that is, to continue the natural separation of states.</td>
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