

Balázs JARÁBIK and Alastair RABAGLIATI

## Buffer Rus: New Challenges for EU Policy towards Belarus

*Summary: A new era has begun in the history of Belarus. The EU's new central and eastern European member states have pushed the EU to give greater attention to Belarus. At the same time, protests surrounding the 2006 presidential elections significantly increased Western attention to developments in Minsk. In addition, the January 2007 energy dispute with Russia appears to be a watershed from which Belarus will not be able to return, as Russia has begun phasing out its economic subsidies, undermining the economic and political foundations of Alexander Lukashenko's regime.*

As expected, Lukashenko's reply to the energy crisis was a sudden 'opening towards the West'. This is the only card that Lukashenko currently holds in his attempts to increase pressure on the Kremlin to stop or at least slow down the cutting of subsidies. His intention is to turn Belarus into 'Buffer Rus' – a transit country, aimed at obtaining as much as it can from both the East and the West – with the overall objective of maintaining himself in power. This path lacks any long-term vision for the development of Belarus, a fact which is likely to be acknowledged increasingly by Belarusians over time.

Notorious as the 'last dictatorship of Europe', Belarus is a key case study for EU democracy promotion policy. EU policy should uphold two principles, previously defined by Brussels; first, that dialogue is conditional; second, that

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*Balázs Jarábik is heading Pact Ukraine, Alastair Rabagliati is a Belarus Analyst at the East European Democratic Centre, Warsaw.*

the main focus should be on increasing direct communication and contact with people. At present, the EU's lack of visibility in Belarus and the lack of tools for communicating with the Belarusian population is hampering policy and reducing the impact of European financial assistance. The forthcoming admission of Belarus' Western neighbors to the Schengen system – planned for January 2008 – may tarnish the image of the EU further, should the foreseen visa price increases be implemented. If the EU wishes to offer a 'European' alternative for the Belarusian people, it must act urgently to implement a more effective policy.

### EU-Belarusian Discrepancies

Following Belarus' independence in 1991, its relations with the EU developed gradually, leading to the negotiation and agreement of a *Partnership and Cooperation Agreement (PCA)* in 1995, in conjunction with an interim trade agreement. The EU provided significant financial assistance to Belarus between 1991 and 1995. However, following a series of flawed referendums, which saw President Lukashenko extend his power, on 15 September 1997 the EU suspended ratification of the PCA and the interim trade agreement. Moreover, the EU agreed not to support Belarus' membership of the *Council of Europe* and announced the suspension of technical assistance programs, with the exception of humanitarian and democracy-related aid. Relations deteriorated further after the disappearance of three opposition politicians and a journalist in 1999 – 2000. Following an in-depth report carried out by the Council of Europe, which called for the Belarusian authorities to carry out an independent investigation,<sup>1</sup> the EU introduced a visa ban for four high-ranking Belarusian officials implicated in the disappearances.<sup>2</sup>

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<sup>1</sup> See full report at <http://www.charter97.org/files/memorandum.html>.

<sup>2</sup> Vladimir Naumov (minister of the Interior), Dmitri Pavlichenko (officer of Belarus' Special Forces), Victor Sheiman (head of Presidential Administration), Yury Sivakov (minister of Tourism and Sport). Following the 2004 Parliamentary Elections, on 13 December 2004, Lidia Yermoshina (head of Central Election Commission) and Yuri Podobed (commander of Minsk OMON) were added to the list.

The small number of EU embassies in Minsk also shows Europe's lack of engagement in Belarus. Even today there are only eleven EU embassies in Minsk, and there is no Commission Delegation. The prospect of opening a European Commission (EC) Delegation was delayed due to the lack of financial resources and because Minsk was not perceived by Brussels to be a priority. Presently, the only EC presence in Minsk is through a small TACIS Branch Office that was established in 1998, to facilitate the implementation of the TACIS assistance program.

The 1997 policy parameters are still in force today, although the EU has been attempting various nuanced approaches within them.<sup>3</sup> A year after further flawed presidential elections in 2001, the EU attempted to improve relations with Belarus through a proposed 'step-by-step' approach in which normalized relations were offered to the Belarusian regime if improvements were made in regards to the respect of human rights and democratic principles. However, the talks conducted by the EU ambassadors in Minsk, based on specific benchmarks, did not achieve tangible results. Indeed, Minsk soon closed down the OSCE *Assistance and Monitoring Group* (AMG).

Ironically, perhaps, the assistance provided by the EC to Belarus (an average of 10 million euros annually, primarily through the TACIS program) has been carried out almost without interruption during this period. But the aid has been limited to a number of specific areas such as humanitarian assistance for 'Chernobyl regions' (12.4 million euros, for 1999 – 2003), cross-border cooperation (16.5 million euros), nuclear safety (6.5 million euros), justice and home affairs (12.9 million euros) and other regional activities (2.7 million euros).<sup>4</sup> Some projects focused on institution building, economic development, the development of small and medium sized enterprises and support for non-governmental organizations (NGOs). However, projects in support of democracy development, education and awareness-raising in human rights totaled only 1.6 million euros in 1999 – 2003.<sup>5</sup> The Commission, under no pressure from member states to act any differently, favored social and humanitarian projects that were politically easier to implement in Belarus.

Problems in implementing EU support programs in Belarus arose in mid-2002, when the Belarusian government unilaterally discontinued compliance with TACIS *General Rules* and refused to accept European grants' tax-free status. A particular target was the Belarusian *Helsinki Committee* from which

<sup>3</sup> See D. Lynch (ed.) "Changing Belarus", *Chaillot Paper* No. 85, Institute for Security Studies, Paris, November 2005.

<sup>4</sup> *Belarus: Country Strategy Paper & National Indicative Program 2005 – 2006*. Adopted by the European Commission on May 28, 2004.

<sup>5</sup> *Ibid.*

the authorities demanded tax on its EU grant. In the run-up to the 2004 parliamentary elections, the authorities further sought to block support from outside the country and refused to register two projects within the TACIS *Institution Building Partnership Program* (IBPP), which was designed to support the development of NGOs, local and regional authorities and public institutions; the other projects slated for funding within this program were also subsequently blocked.

The blockade of EC assistance by Belarusian authorities had three major dimensions: first, the government's delaying of the launch of new TACIS projects by stalling the signing of the Financing Agreements;<sup>6</sup> second, the imposition on recipients of stringent state registration and approval procedures such as tax exemptions or permits;<sup>7</sup> and third, restrictions in the TACIS regulations on funding being channeled through intermediary European organizations. This latter restriction made it impossible to finance, through the TACIS instrument, radio or TV broadcasting to Belarus from an EU country or to support registered and non-registered Belarusian NGOs through intermediary organizations abroad. Commission reports admitted that these measures effectively blocked any assistance to civil society.

### Democracy Funding in Belarus

Enlargement of the EU in May 2004 had a significant impact on EU-Belarus relations. Through this enlargement, Belarus became a direct neighbor of the EU. In addition, the new EU member states, in particular Lithuania, began to push for a more active European position towards the country's lack of democracy. This process escalated after the (widely condemned as undemocratic) parliamentary elections and referendum of October 17, 2004,

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<sup>6</sup> Four TACIS Financing Agreements under the 2003 programs (11.4 million euros) were signed at the very end of 2004, together with Financing Agreements for the 2004 TACIS *Regional Program* and *CBC Neighborhood Program*. The TACIS *Financing Agreements for 2004*, were signed (undated) even after the TACIS *National Indicative Program for 2005 – 2006* (10 million euros) was refused by the Belarusian representatives in its original version, which contributed to the delays in the *2005 National Action Program* (which was again signed just before the deadline at the end of December 2006).

<sup>7</sup> The following presidential decrees created the legal backdrop for these measures and shows the gradual development to achieve an effective blockade of foreign assistance: Decree No. 24 of the President of the Republic of Belarus On the Receipt and Use of Foreign Gratuitous Aid (November 28, 2003); Decree No. 460 On International Technical Assistance Provided to the Republic of Belarus (October 22, 2003); Regulation No. 1522 On some measures to implement the order of the President of the Republic of Belarus No. 460 of October 22, 2003.

which allowed Lukashenko to run for a third (at least) term in office. This new context finally put Belarus on the EU's foreign policy map.

Only a few days after the 2004 elections, the Council of the European Union reshaped and reinforced EU policy and sought new assistance tools. The EU developed a two-pronged approach.<sup>8</sup> On the one hand, it attempted to identify and work together with 'reformers' in the administration, by maintaining a financial cooperation program that requires approval and cooperation with the government. On the other hand, it issued increasingly frequent, critical statements on the regime's actions, increased contact with opposition figures, stepped up pressure on Belarus in the specific area of labor rights and proclaimed an aim of diverting its financial resources to education, media and civil society initiatives where government approval is not required. The Council also imposed 'personal sanctions' and has twice enlarged the list of people subject to visa bans and asset freezes, especially targeting judges and public prosecutors who took part in the sentencing of political prisoners.<sup>9</sup> Local officials, such as the police or judges, have deemed this step to be the EU's most powerful act.

In accordance with the November 2004 Council conclusions, the EU organized a series of three meetings on Belarus in Lithuania with the participation of a representative group of civil society members from the EU and Belarus. These meetings pressed the EU to strengthen its support for democracy and civil society; to make its funding rules more flexible; and to increase its visibility and presence in Belarus through the establishment of a 'European House' and the nomination of an EU Special Representative for Belarus.<sup>10</sup>

At the end of 2005, Brussels decided finally to open up an official delegation. But Minsk has delayed its approval. Thus, the EC took the initial step of appointing a *chargé d'affaires* for Belarus, based in Kyiv, who would travel frequently to Belarus.

EC assistance to Belarus increased from 10 million euros annually to around 12 million euros for 2005 and 2006, with 2 million euros made available through grant mechanisms independent of the government – this was the first time that the *European Initiative for Democracy and Human Rights* (EIDHR) and the so-called *Decentralized Cooperation Budget Line* (DC) had been extended to Belarus. The

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<sup>8</sup> The EC refers to the two-pronged approach as the 'policy of restricted contacts with the authorities, and a policy of engagement with civil society'. Interview with EC official, Brussels, February 2007.

<sup>9</sup> Council Resolution 765/2006 (as amended by 1587/2006): Currently, there are 40 individuals on the visa ban list.

<sup>10</sup> Notes from the EU Assistance Workshop, Vilnius, Lithuania, March 17 – 18, 2004, provided by Alastair Rabagliati.

majority of the assistance, however, still went through TACIS programs towards the 'needs of population'.<sup>11</sup> Lithuanian and Slovak non-papers argued that the absorption capacity of Belarusian civil society was significantly higher than the available funding of the EIDHR and DC budget lines – a claim not proven by the actual number (and quality according to EU standards) of proposals received. Analysts lamented that the EU still failed 'to make the most use of EIDHR'.<sup>12</sup> The split between standard assistance to the government for the 'needs of the population' and direct support to democratization and civil society remains 70:30.<sup>13</sup> In the words of one critic, 'EU policy has sought regime change by declaration',<sup>14</sup> without developing effective political aid instruments.

It took a great deal of advocacy by a few new member states, led by Lithuania, and a few European NGOs such as the Polish *Batory Foundation* and the Slovak *Pontis Foundation*<sup>15</sup> to change the emphasis of at least part of European assistance. Their arguments were given greater force by a series of actions carried out by Belarusian authorities against European diplomats. These included accusations of 'homosexual acts' broadcast on TV against a Latvian diplomat, and other such attacks against German, French and Czech diplomats.

The first steps of a diversification of EC assistance came through increased support in the fields of media and education. However, while the launch of a first small, pilot project with Deutsche Welle showed good intentions, it did not build on the lessons learned from previous, non-EU assistance in this area. This project was too small in terms of funding, too short in terms of programming timeframes and lacked a realistic outreach strategy – although, ironically, news of the service spread quickly following the protests that it provoked within the Belarusian opposition, due to its initial decision to broadcast only in the Russian language.

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<sup>11</sup> Assistance to Belarus aims to 'support the needs of the population and democratization notably by humanitarian, regional and cross-border cooperation and by projects supporting directly and indirectly democratization and democratic forces in Belarus'. In addition, the November 2005 GAERC conclusions further specified that assistance to 'promote shared democratic values between the people of the EU and Belarus by intensifying people-to-people contacts and by strengthening good neighborly relations across borders (e.g. through student and scientific exchanges, scholarships, youth travel, contacts between small- and medium-sized enterprises, training local authority officials, etc)'.

<sup>12</sup> Lynch, op. cit, p. 121.

<sup>13</sup> According to the draft of the new country strategy paper (2007-2013), the main goals of the new financial perspectives might be – besides supporting democratization, civil society and human rights, and supporting the needs of the population – as the third priority, cooperation with official representatives.

<sup>14</sup> Lynch, op.cit, p. 97.

<sup>15</sup> The Office for Democratic Belarus grew out of a small project of the Pontis Foundation bringing Belarusian experts to Brussels see: [www.democraticbelarus.eu](http://www.democraticbelarus.eu).

A larger 2 million euro EIDHR media tender was won, subsequently, by Media Consulta, whose project's main components were to provide 'Window to Europe' programs for transmission via Satellite TV RTVi and European Radio for Belarus. The project was launched with a fanfare in time to attempt to provide alternative information during the 2006 presidential election campaign. However, the project had virtually no impact. Not only was the program's radio signal (retransmitted via Radio Baltic Waves) too weak to be received in central Minsk, but during the week prior to the election the only part of the RTVi show that referred to Belarus was superimposed with adverts for its retransmission in Belarus.

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Since then, the 'Window to Europe' program has been a core part of the programming of *European Radio for Belarus* (ERB). This radio remains under development as an independent source of information and is broadcast into Belarus via the Internet, satellite and also – on a more limited basis – through FM and AM radio. While there are plans to expand the length of its broadcasting time and the number of FM transmissions broadcasting the radio into the country,

presently there are only a limited number of listeners in Belarus. Indeed, it is only the provincial town of Pinsk that can currently receive the station in prime time for two hours a day. EU support to ERB (enhanced recently through an additional EIDHR grant) has been a vital contribution to its establishment; although, with the radio still attempting to broaden its audience and influence, the ultimate impact of EU funds remains uncertain.

The 'Window to Europe' TV program – broadcast via RTVi by satellite – appears to have had little impact on the situation in Belarus. By concentrating on providing news about Europe, rather than on news about Belarus, it has done little to break the information blockade. The admission by opposition leaders Milinkevich and Lebedko that they have never seen the program illustrates its lack of reach in Belarus.

The EU has been able to have a more substantial impact in the area of education, most notably through its support to the *European Humanitarian University*, which is now in exile in Vilnius. Nearly 3 million euros of support for 350 students over three years is being provided through the Nordic Council of Ministers – through the so-called targeted project mechanism, which allows Brussels to subsidize the university directly through an international organization. Additionally, following the personal interest of

External Relations Commissioner Benita Ferrero-Waldner following her meetings with Milinkevich after the elections, a new 4.5 million euro program was launched to provide support to students who were forced to leave their studies in Belarus as a result of their participation in opposition activities. This program aims to allow an additional 200 students to study at EHU, while also providing for up to 100 students to study in Ukraine. Moreover, the EC launched the new *Erasmus Mundus External Cooperation Window*, which is also available for Belarusian students.

The civil society program represents only a small part of EC assistance. Moreover, the procedures for this program revealed that most Belarusian NGOs (especially those facing repression) encounter difficulties when it comes to submitting application forms that meet required standards for proposals to the Commission. It also suggested a lack of cooperation between EU-based and Belarusian NGOs. The EC is currently planning training sessions for Belarusians to address this specific issue. But officials have sometimes been slow to understand the constraints of the present situation in Belarus. For example, they still request that projects funded by EIDHR or Decentralized Cooperation programs be carried out in full accordance with Belarusian legislation, when this would scupper nearly all such prospective funding. Nevertheless, the EC has made some adjustments and has shown increasing flexibility, most notably by allowing organizations outside of (but working on) Belarus to be eligible for calls for proposals.

While Brussels has noted the limits of EU assistance to Belarus<sup>16</sup> and has adapted particular programs to try to overcome such constraints, even in the year of the presidential elections, few projects in the field of democratization were supported. Only four of the nine projects sponsored by the *Decentralized Cooperation Program* in 2005 focused on the 2006 elections. The program's second call in 2006 even more clearly favored social projects (8) over democratization initiatives (1).

The EC has also paid little attention to calls from central and eastern European foundations and civil society groups for a European Foundation for Democracy to be set up, with a reinforced mandate to work for political change in Belarus. The new EIDHR instrument for 2007 – 2013 and the non-state actors program that replaces the DC budget line promise more flexibility. But, it remains to be seen whether they will be able to empower the most experienced EU NGOs working in the field of democratization in Belarus.

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<sup>16</sup> Non-paper of the TACIS Management Committee from February 2005, "EC assistance to Belarus – towards Strengthened Support to the Needs of the Population and Democratization", February 10, 2005.



Meanwhile, high-ranking EU officials continue to advocate the TACIS mechanism as a means of continuing dialogue with Belarusian authorities on non-political projects, noting that the program 'was much maligned but had achieved successes in uncontroversial areas, for example, border management, Chernobyl and trafficking'.<sup>17</sup> In this regard, a TACIS *National Program* re-emerged in 2003 (and was agreed upon again in 2005 – 2006), following pressure from EU ambassadors in Minsk. These new national programs have diversified slightly the activities financed, including projects on the environment and combating human trafficking, alongside the continuation of assistance for the Chernobyl region.<sup>18</sup>

With the increase in the number of instruments and programs available for Belarus,<sup>19</sup> questions remain about the coordination of the programs' implementation. Often, the implementation of each program is in the hands of a different individual, and with responsibility for implementation decentralized to Kyiv, a lack of coordination with Minsk and Brussels often undermines the impact of EU funding.

### **Between East and West**

In the wake of the 2004 enlargement, trade relations between the EU and Belarus have deepened. Since 2004, the EU has received about 50 % of Belarusian exports, while only 20 per cent of Belarus' imports come from the EU. More than 60% of Belarus' exports to EU member states are refined oil products; meanwhile, Belarus has earned increased profits by purchasing cheap, Russian crude oil, paying no duty to the Russian state budget, but charging and receiving from the EU the standing world price for its refined oil products. European diplomats refer to signals coming from their Belarusian colleagues since 2005 of an interest in dialogue with the EU.

Two days after the 2006 presidential elections, Gazprom announced a gas price increase for Belarus to be applied as of January 1, 2007. For many observers – especially from Russia – it was clear that the ostensible integration process between Belarus and Russia was false, especially bearing in mind the growing nationalist rhetoric, public declarations and unofficial statements of the Belarusian authorities. Recently, feelings of national distinction have

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<sup>17</sup> Notes from the EU Assistance Workshop, Vilnius, Lithuania, March 17 – 18, 2004 quoting Ian Boag, the Head of EU Delegation in Kyiv, Ukraine. Provided by Alastair Rabagliati.

<sup>18</sup> *European Commission Action Plan for Belarus 2005*. [http://ec.europa.eu/europeaid/projects/tacis/publications/national/belarus\\_2003\\_en.pdf](http://ec.europa.eu/europeaid/projects/tacis/publications/national/belarus_2003_en.pdf).

<sup>19</sup> Planned EC instruments available for 2007 – 2013 include ENPI *National Program*, ENPI CBC Program, ENPI *Eastern Regional Program*, EIDHR 2, Non-State Actors.

begun to spread through all levels of Belarusian society. There were no Belarusian nationalists disagreeing with Lukashenko when he spoke of the need for a 'dialogue with the devil' (i.e. the West) to keep Belarus independent during the energy dispute.

Former Polish President Kwaśniewski was the first public figure – on December 4, 2006 – to publicly call the Russian policy change and the increased EU attention on Belarus 'a clear window of opportunity'. He called for the EU to loosen the current restrictions upon which EU policy was based, arguing that 'this corset' was isolating the regime and 'depriving us of instruments that could have real influence on change in the country'. He called on Poland and Lithuania – in cooperation with Germany as the next EU Presidency – to propose a new policy towards Belarus that would provide an opportunity for it to emerge from its isolation and broaden the possibilities for cooperation.<sup>20</sup>

While the EU has kept to its line of no high-level contact with Belarusian authorities, the *Parliamentary Assembly of the Council of Europe* (PACE) took the opportunity to assess whether Lukashenko might take steps in the direction of becoming a second Vladimir Voronin (the Moldovan president who turned toward the West in 2002).<sup>21</sup> Rene van den Linden, the PACE chairman, was the first high-ranking European politician in recent years to visit the country in January 2007, in the hope of initiating political dialogue. Meanwhile, the *European Bank for Reconstruction and Development* has adopted a new strategy for Belarus, planning to deepen its involvement with the private sector over the next two years, particularly in the area of microfinance and small business lending. In this rapidly changing environment, the Belarusian government proposed an energy dialogue with the EU, which the Commission accepted at expert-level.<sup>22</sup>

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<sup>20</sup> Aleksander Kwaśniewski, December 4, 2006, Speech at Conference *Taking the Challenge: In the Pursue of a New European Neighborhood Policy*. Conference organized in Warsaw by Friedrich Ebert Stiftung and Amicus Europae Foundation.

<sup>21</sup> V. Socor, "Lukashenko Redoubles Overtures to the West", *Jamestown Foundation*, January 29, 2007.

<sup>22</sup> The dialogues will focus initially on renewable sources, conservation and energy-saving technologies, but – based on the existing EU-Russia and EU-Ukraine energy dialogue – this could be developed into a more structured EU-Belarus energy dialogue form.

As paradoxical as it may sound, the internal disputes within the Belarusian democratic opposition have also offered a 'helping hand' to those advocating 'dialogue with the devil'. In the period following the 2006 presidential elections, the opposition has failed to build on the momentum of the post-election protests to develop a new vision and widen its constituency of support. Instead, it has shown increasing signs of divisions in its ranks. Alexander Milinkevich's argument that 'the EU should develop contacts only with the pro-democratic part of Belarus'<sup>23</sup> is less convincing given the current disunity within the opposition. In addition, Lukashenko has 'stolen' the slogan with which Milinkevich toured Europe in the summer of 2006 – that of the danger of Belarus losing its independence.

Just before the culmination of the gas and oil conflict between Belarus and Russia, on 21 November, the European Commission presented a paper outlining the advantages that the EU could offer to Belarus in the case that it chose the path of democratization, respect of human rights and the rule of law.<sup>24</sup> This non-paper was in fact a 'Shadow Action Plan' comprising an EU offer of how Belarus could benefit from the *European Neighborhood Policy*. It was prepared as part of the EU response to the 2006 presidential elections and was the EU's first attempt to engage itself directly with the Belarusian people. The document lists twelve conditions for dialogue (including the cessation of political repression, investigation of disappearances of opposition leaders, the holding of free and fair elections, respect for trade union rights and abolition of the death penalty) and brings more clarity to the existing step-by-step approach in terms of what reform measures would be rewarded with which kinds of benefits. The 'rewards' specified include provisions to make it easier for Belarusians to travel to the EU; increased cross-border cooperation; economic assistance and investment; improvement of assistance relating to health care and social services; opportunities for educational and cultural exchanges; and assistance in entering the *World Trade Organization*.

This document was not the result of a substantive policy change in Brussels, but rather outlined in a clearer and more high profile fashion the existing offer of membership of the European Neighborhood Policy. The paper can be seen as offering a long-term promise to the Belarusian people.

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<sup>23</sup> A. Milinkevich, "Dialogue is Lukashenko's Counterfuge", *Gazeta Wyborcza*, January 31, 2007. In English see: [www.democraticbelarus.eu](http://www.democraticbelarus.eu).

<sup>24</sup> 'What the European Union Could Bring to Belarus', European Commission, non-paper, November 21, 2006. Available at: [http://ec.europa.eu/comm/external\\_relations/belarus/intro/non\\_paper\\_1106.pdf](http://ec.europa.eu/comm/external_relations/belarus/intro/non_paper_1106.pdf).

Partly as a result of the efforts of European diplomats in Minsk (including presentations of the document by EU diplomats in the regions of Belarus), 19 per cent of Belarusian citizens are aware of this EU paper.<sup>25</sup> While the Belarusian pollster found that this figure illustrated the EU's lack of influence in Belarus, Brussels considered it a positive result given the country's existing media constraints.

Several contradictions exist between the EU's intentions and its current policy. Most notably, contrary to the EU's stated aim, the isolation of the Belarusian people may be increased after the accession of Poland, Lithuania and Latvia to the Schengen zone (scheduled for January 1, 2008). This isolation will be felt even more if the standard existing Schengen visa fees of 60 euros – which represents a third of the monthly wage in Belarus – are applied to Belarus, as is currently foreseen. EU member states have refused to consider a softening of the visa requirements due to domestic political concerns on immigration. Furthermore, a visa facilitation agreement – such as that reached in 2006 with Ukraine – is not possible due to the nature of the EU's relations with the Belarusian regime. Despite the EU's declared aim to promote contact between societies and give Belarusian citizens the chance to see with their own eyes the gap in development and opportunities between the East and the West, the evolution of visa policies pulls in exactly the opposite direction.

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The current interest shown by Belarusian authorities towards the EU is a product of the change in Minsk's relations with Russia, rather than its hand being forced by EU policy. With little serious interest and no tools attached to it, the EU policy established in 1997 has never been particularly effective. The policy was also hampered as many EU member states, especially Germany and France, saw Belarus mainly through the lens of their cooperation with Russia. Nevertheless, Belarusian youth, in particular, remains overwhelmingly pro-European<sup>26</sup> and continue to provide a basis for increasing interaction and a foundation on which EU programs could be developed.

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<sup>25</sup> In December 2006, according to the public opinion poll conducted by the Novak Laboratories, Minsk, Belarus. This figure was presented by Andrei Vardomackij of Novak in Brussels during the Belarus Study Day at the European Parliament, February 8, 2007.

<sup>26</sup> *Survey on Development Trends Within Belarusian Youth*. Pontis Foundation, forthcoming.

Nothing highlights the contradictions in European policy more than the internal EU discussions over whether Belarus should be excluded from the *Generalized System of Preferences* (GSP). In May 2006, the *International Labor Organization* recommended that the EU withdraw its trade preferences if the Belarusian government had not improved labor rights within six months.<sup>27</sup> It is estimated that such a withdrawal would cost Belarus around 300 million euros through lost trade.

The proposal to withdraw GSP was opposed by neighboring member states, that had close economic relations with Belarus – ironically, the same countries who are most active in pushing democracy promotion efforts in the country. Poland, Lithuania, Latvia voted against, while the Czech Republic and Slovakia abstained. Officially, the reason given by countries such as Lithuania for opposing the scheme was that the population, rather than the authorities, would suffer;<sup>28</sup> however, in the corridors, diplomats admitted that it was the business interests of key government supporters that were decisive. Initially, this ‘coalition’ managed to block approval through a ‘tit-for-tat’ voting deal with Italy (which through its abstention initially blocked the EC proposal to suspend the GSP), regarding the unconnected issue of Asian shoe imports.<sup>29</sup> The Belarusian authorities also delayed the vote by seemingly making concessions on some issues. However, the European Commission finally managed to convince Italy to back the long negotiated proposal and on December 21, 2006, the withdrawal notice was approved. According to the withdrawal conditions, another six months are given to the Belarusian government to comply with the ILO recommendations.

## Dialogue with the Devil

The EU must be aware that any dialogue with the regime will be interpreted as de-facto recognition of Lukashenko, which could lead the EU ‘to lose its supporters within Belarus, but with a minimal prospect of winning-over its adversaries’.<sup>30</sup> In addition, it will be hard to convince the regime to hold a dialogue on European terms. Lukashenko will certainly try to steer the

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<sup>27</sup> K. Haiduk, “Trade Unions in Contemporary Belarus: the State of Affairs, Challenges, and Prospects”, Belarus Institute for Strategic Studies, Minsk, forthcoming.

<sup>28</sup> Speech *European Neighborhood Policy: The End Game of Just a Beginning?*, Gediminas Kirkilas, Prime Minister of the Republic of Lithuania at Finnish Institute of International Affairs Helsinki, September 20, 2006.

<sup>29</sup> A. Rettman, “Belarus Sanctions Farce Sheds Light on EU Machine”, *EU Observer*, October 13, 2006.

<sup>30</sup> “Belarus Brief”, op.cit.

core of the dialogue towards issues that are comfortable for him, such as combating illegal migration and ensuring energy transit. In an interview with *Die Welt* he exaggerated not the fact, but the extent of Europe's reliance on the Belarusian energy transit corridor.<sup>31</sup> Nevertheless, it is important for the EU to maintain a (conditional) dialogue with Belarusian authorities at least at a lower-level, to be able to address human rights infringements and civic oppression directly with Belarusian authorities. Further dialogue in itself could be valuable by allowing the EU to spread a broader understanding of its guiding principles and values, including information about how it operates to Belarusian officials.

Lukashenko will be very cautious about making any concessions as he knows that small steps can have big consequences. 'Concessions' from him, however, are likely to be along the lines of the case of the Belarusian Helsinki Committee: first its lease agreement was cancelled by the presidential administration and then after Western pressure was exerted, it was renewed; although, in fact it was the existing status quo that prevailed. The EU should realize that its discussions about 'negotiating with the devil' are important for Lukashenko primarily in his attempt to blackmail Russia. This is even more important for him than his genuine wish to obtain extra income from the West, especially since Belarusian authorities must already know that Europe will not step in and replace Russian subsidies.

The EU should bear in mind at all times that the tone and style of Lukashenko's statements are only made with Moscow in mind. An EU dialogue would best be carried out at mid-level. However, Lithuanian Prime Minister Gediminas Kirkilas has already spoken about sending a high-ranking envoy, such as a Russian-speaking former president, to speak with Lukashenko.<sup>32</sup> Furthermore, Poland and Lithuania have been working behind the scenes to re-create the presidential triangle (Kwaśniewski-Adamkus-Kuchma) that worked well during Ukraine's Orange Revolution and are hoping to set up a Lukashenko-Adamkus-Yushchenko-Kaczyński quartet. These various, non-coordinated, initiatives fit well into the general 'policy of discrepancy' and are

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<sup>31</sup> Socor, op. cit.

<sup>32</sup> A. Rettman, "Lithuania Exploring 'Exit strategy' for EU leader", *EU Observer*, February 26, 2007.

reinforced by the steps and connections the Belarusian official representatives have been building with key EU personnel in Brussels.

### Energy Disputes and the End of a Paradox

The challenges facing European policy towards Belarus cannot be understood other than in the context of the latter's defining and changing relationship with Russia. This was dramatically demonstrated by the gas dispute of early 2007, an episode with far reaching implication for EU strategic deliberations. In 2006, Belarus was the only former Soviet state that avoided a gas price hike from Russia's Gazprom. As Russia's closest ally, Lukashenko was able to keep the price of imported gas low, which proved to be a necessary fillip for the country's centrally planned economy. Russia's policy was clearly based on not wanting to create any problems for Lukashenko before the 2006 presidential elections.<sup>33</sup>

The recent change in Russian policy towards Belarus is the result of a combination of factors – from *Gazprom's* aim to increase cash payments for gas and pipeline assets across the former Soviet space to the Kremlin's reported frustration with Lukashenko's unwillingness to integrate with Russia.<sup>34</sup> Russia's decision in January 2007 to implement a hike in gas prices for Belarus was a political one, a means of seeking to advance the Kremlin's policy of integration with Belarus.

The outcome of the Belarus-Russia gas dispute was that the gas price paid by Belarus in 2007 will be double that of 2006. Furthermore, there is an agreement that the price will continue to rise over the next five years until it reaches the price paid by Western European customers. According to the new oil arrangement, achieved in January after Russia shut down the *Druzhba* pipeline – which supplies Europe with Russian oil – Minsk will pay a duty of \$53 per tonne on Russian crude used in Belarusian refineries. While Belarus will still pay significantly less than any other former Soviet state, this price was only reached after Gazprom was offered 50 per cent of *Beltransgaz*, the country's national gas network (although Lukashenko retained the controlling 'golden share').<sup>35</sup>

<sup>33</sup> Press Conference of the Russian President Putin, February 1, 2007: [http://president.kremlin.ru/eng/speeches/2007/02/01/1309\\_type82915type82917\\_117609.shtml](http://president.kremlin.ru/eng/speeches/2007/02/01/1309_type82915type82917_117609.shtml).

<sup>34</sup> The two economic projects masterminded by the Kremlin, the so-called *Single Economic Space* (Belarus, Kazakhstan and Ukraine and Russia) and the EURASEC (Belarus, Ukraine, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Russia) have become the core of Russian President Putin's CIS policy.

<sup>35</sup> *Beltransgaz* is responsible for the transit of approximately one third of the Russian gas running through the country, while the fully *Gazprom*-owned *Yamal* Europe has the remaining two thirds.

It is widely suggested that the dispute was not entirely unrelated to Lukashenko's Russian links, and especially his involvement in the Putin succession battle. There is speculation that he could have been backed by the group supporting Defense Minister Sergei Ivanov and Chairman of the *Rosneft* state oil company Igor Sechin, one of the major beneficiaries of the previous oil deals. This suggests that Putin's efforts to curtail the offshore haven for Russian oil companies could have been linked to his preparations for the Russian presidential race, while Lukashenko could feel his fate is connected to the victory of the Ivanov, the candidate of the 'siloviki', over the liberal technocratic group supporting Dmitry Medvedev. However, according to other observers Ivanov appears as a successor candidate without any real power constituency as the preferred candidate of the siloviki, is still – Putin.

Both Russia and Belarus had an interest in amplifying this conflict. Minsk was interested in making headlines and using the coverage to increase its perceived importance in the eyes of the West, in an attempt to jump-start a dialogue with the EU. After the conflict, Lukashenko insisted that 'Europe now views Belarus in a new light. A new situation has emerged'.<sup>36</sup> Russia suffered another knock to its reputation as an energy supplier to Europe, but also had an interest in escalating the conflict as a means of convincing European governments and investors of the need to build new transit links from Russia directly into the West.<sup>37</sup>

It is predicted that the impact of the gas price rise will be far reaching. According to the Economist Intelligence Unit, the new gas price will raise import costs substantially and undercut the growth in Russian demand for Belarusian exports. This will stretch the current account deficit to around 8 – 9% of GDP annually in 2007 – 2008.<sup>38</sup> According to the *Belarusian Institute for Strategic Studies* a decrease in internal investment may cost about 3 – 5% of the GDP growth.<sup>39</sup>

The Belarusian 'economic miracle' was built on the economic system constructed by Soviet central planners. They developed Belarus as the Soviet Union's assembly line and chemical plant. Belarus became a specialist in

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<sup>36</sup> Lukashenko in press conference in Minsk after meeting with Russian Communist leader Zyuganov, January 30, 2007 (as reported in "Belarusian President Pledges to 'Sort Out' Ties with West", *RFE/RL Newsline*, January 31, 2007.

<sup>37</sup> "Russia to Seek Less Dependence for Energy Transit", *Ria Novosti*, February 1, 2007: <http://en.rian.ru/russia/20070201/60043821.html>.

<sup>38</sup> "Economist Intelligence Unit Briefing In a bear hug", December 18, 2006, *Economist Intelligence Unit Views Wire*, [http://www.economist.com:80/agenda/displaystory.cfm?story\\_id=8446157](http://www.economist.com:80/agenda/displaystory.cfm?story_id=8446157).

<sup>39</sup> "Background on Political Situation of Belarus towards 2007: In Search of a New Vision", Belarusian Institute for Strategic Studies, Minsk, January 2007.



transforming parts and refining oil into finished products.<sup>40</sup> Lukashenko understood well that keeping the Soviet economic legacy, which ‘transformed a humble, peasant land into an industrial powerhouse, which in turn became the golden age in eyes of many Belarusians,’<sup>41</sup> would be important in terms of the Belarusian national identity. This identity, which ‘combines a sense of pride in being different from the country’s Slavic neighbors with pride in belonging to a non-Western brotherhood,’<sup>42</sup> was developed further during Lukashenko’s twelve years in power. The presence of this identity amongst the population of Belarus is one of the major obstacles to the acceptance of a Western type of reform and to steps towards a market economy in the country.

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*The energy agreements with Russia indicate that Moscow prefers to reduce the risk of toppling Lukashenko’s regime by democratic forces at home.*

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Lukashenko’s main interest in 2007 – 2008 will be to maintain his still-advantageous deals with Russia. This requires maintaining his personal control over the entire economy, which is why he will not dismantle the current, strictly-controlled chain of command. Nevertheless, Belarusian trade dependency is an important factor explaining why Lukashenko needs to maintain economic ties with the EU, which became Belarus’ major trading partner in 2004.<sup>43</sup> This explains Minsk’s considerable

concern over the recent GSP decision, even though most oil products do not fall under the GSP.

Importantly, Belarus-Russia relations, especially in the field of energy, will henceforth be more transparent. This has been assisted by public statements that Russia has been heavily subsidizing the Belarusian ‘economic miracle’. President Putin pointed out that the Russians would still be subsidizing as much as 41% of the Belarusian annual budget in 2006,<sup>44</sup> which the new found anti-Lukashenko line of the Russian state media did not hesitate to emphasize.

The energy agreements with Russia indicate that Moscow prefers to reduce the risk of toppling Lukashenko’s regime by democratic forces at home.<sup>45</sup>

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<sup>40</sup> K. Siarhei, “Cooking the Books”, *Transition Online*, January 22, 2007, [www.tol.cz](http://www.tol.cz).

<sup>41</sup> *Ibid.*

<sup>42</sup> *Ibid.*

<sup>43</sup> For more about this, see the policy paper of the Pontis Foundation, “Dependence of Belarusian Economy on Trading with Western Europe and USA”, September 2005, [http://www.nadaciapontis.sk/tmp/asset\\_cache/link/0000014892/Policy%20Paper\\_Belarus%20Economic%20Dependancy.pdf](http://www.nadaciapontis.sk/tmp/asset_cache/link/0000014892/Policy%20Paper_Belarus%20Economic%20Dependancy.pdf).

<sup>44</sup> “Russia to Cut Back Help for Belarus after Oil Row”, *AFP*, January 15, 2007.

However, they also indicate that Lukashenko retains some support in Moscow, to the extent that Russia did not push as hard in negotiations as might have been the case. Russia has no alternative candidates and a colored revolution in Belarus before the 2008 Russian election would be a bigger disaster for the Kremlin than having Lukashenko in power. Moreover, Moscow still intends to push for further integration with Belarus<sup>46</sup> and knows that the West will never open its arms to 'Europe's last dictator'.

Thus, Lukashenko has – albeit limited – time to build a new model to maintain popular support with less of a focus on the economic miracle and more of an emphasis on national pride. He has identified energy security as the most essential issue of Belarusian independence and sovereignty – both from Russia and the West. He is therefore creating his own – independent from the East and the West – transit zone or 'Buffer Rus', building on the rhetoric of the Belarusian nationalists from the early 1990s,<sup>47</sup> while continuing to emphasize his control over the economy and society.

Alongside the energy dispute, recent trends in Belarus-Russia military cooperation also suggest that Belarus would like to keep Russia at a distance. At the beginning of January 2007, Lukashenko ordered his government to prepare an invoice to Russia for all the in-kind contributions Belarus makes to Russia including the 'rent-free use of Belarusian land for Russian pipelines and Russian military installations'<sup>48</sup> and free transit of Russian goods through

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*As the Russian policy change was, for the first time in twelve years, well coordinated by Russian executive authorities and the Russian media, there is no doubt that Moscow has a plan for Belarus.*

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<sup>45</sup> "A Cushioned Blow", January 3, 2007, *Economist Intelligence Unit Views Wire*, [http://www.economist.com/agenda/displaystory.cfm?story\\_id=8485325](http://www.economist.com/agenda/displaystory.cfm?story_id=8485325).

<sup>46</sup> Russian President Putin reaffirmed, on February 1, 2007, that Russia will continue to form a Union State with neighboring Belarus, despite the recent oil and gas standoff focusing on introducing a common currency and a common tariff on oil and oil products, as the foundation for the future union. See: 'Russia to continue work on Union State with Belarus', *Ria Novosti*, <http://en.rian.ru/russia/20070201/60047490.html>.

<sup>47</sup> "Belarus Brief", December 21, 2006, Pontis Foundation: [http://www.nadaciapontis.sk/tmp/asset\\_cache/link/0000015296/Belarus%20Brief\\_21.12..2006.pdf](http://www.nadaciapontis.sk/tmp/asset_cache/link/0000015296/Belarus%20Brief_21.12..2006.pdf).

<sup>48</sup> This rent-free status was provided after Russia wrote off 1 billion dollars in Russian debts as compensation for these services. The Belarusian Army is using a base in Astrakhan, Russia. In addition, Russia could eventually leave its military bases, the Baranavichi missile early-warning radar and the Vileika naval communications centre, after completing its new base in Lechtusha, close to St. Petersburg, Russia. Information provided by an EU diplomat serving in Minsk.

Belarus'.<sup>49</sup> An additional card in Lukashenko's hands is the four S-300 anti-missile systems provided by Russia in 2006; discrepancies remain over command chains for these systems. Lukashenko already carried out a 'de-Russification' process in the military and in the secret services, after the 2004 parliamentary elections. Most notably during the last three years, Belarus has reduced significantly the number of its soldiers studying or being trained in Russia.<sup>50</sup>

This change has not gone unnoticed in Moscow. Sergei Karaganov recently warned that Lukashenko has 'reduced the influence of the once dominant Russian media' and 'a Belarusian political class has emerged that no longer wants rapprochement with Moscow'.<sup>51</sup> As a result, according to Karaganov, Belarus 'is not a dependable transit country for Russian goods', especially not oil and gas. In addition, Minsk is threatening Moscow with geopolitical re-orientation and proposals to establish a Baltic-Black Sea buffer zone between Russia and the EU.<sup>52</sup>

As the Russian policy change was, for the first time in twelve years, well coordinated by Russian executive authorities and the Russian media, there is no doubt that Moscow has a plan for Belarus. The implementation of its new policy is not likely to follow Karaganov's advice for Russia to 'stop feigning ignorance of human rights violations in Belarus'<sup>53</sup> and join the Western effort to democratize the country. It is more likely that the Kremlin will try to undermine Lukashenko's efforts to keep his distance from Russia. Efforts continue to increase Russian (economic) presence in Belarus,<sup>54</sup> mocking Lukashenko's attempts at rapprochement with the West. A number of 'projects' have been pursued through which the Kremlin has attempted to tighten its influence over internal developments in Belarus. These include activities aimed at increasing the chances of a palace coup, as well as the financing of various pro-Russian groups within the current opposition – partly

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<sup>49</sup> V. Socor, "Belarus Warns it May Cancel its Subsidies to Russia", *Jamestown Foundation*, January 24, 2007, [http://jamestown.org/edm/article.php?article\\_id=2371830](http://jamestown.org/edm/article.php?article_id=2371830).

<sup>50</sup> Information from the roundtable *Russian military objects in Belarus*, held in Minsk, January 2007.

<sup>51</sup> S. Karaganov, "How to make the elite in Belarus pro-Russian", *Ria Novosti*, January 26, 2007.

<sup>52</sup> *Ibid.*

<sup>53</sup> *Ibid.*

<sup>54</sup> On December 22, 2006, Vneshekonombank Chairman Vladimir Dmitriyev stated that the Russian bank intends to increase its share in Belvneshekonombank's authorised capital to have a controlling stake in the Belarusian bank. According to Dmitriyev, Vneshekonombank sees increasing their presence in the Belarusian banking sector as a priority towards strengthening integration processes between Belarus and Russia.

with the intention of dividing the latter and undermining pro-Western forces. Throughout all of this, Russia's main goal remains unchanged: integration of the two countries. While it is prepared to recognize that this may be delayed, the aim is to implement integration on Russian terms, with or without Lukashenko in power.

In his 'Buffer Rus', Lukashenko has no choice other than to continue with his 'transit policy', trying to extract maximum 'rent' from both Russia and the West. In recent years, subsidized Russian gas has allowed him to save money and tax-free Russian crude oil has earned him billions of dollars, but Lukashenko has failed to use this to reform the economy, modernize its enterprises or find alternative foundations for economic growth.<sup>55</sup> Nevertheless, he remains the master of his country, convinced that strict control is the key to maintaining his power. The existing divergences in the branches of his regime – as Moscow tries to examine more closely who is who within both the regime and the opposition – could be either tolerated or even coordinated by him.. Importantly his support base has shifted from being founded on his charismatic figure to simply being simply the pragmatic choice of the (generally undecided) middle part of the Belarusian population.

In the context of this paper, the point is that this complex new juncture in Belarus-Russia relations profoundly conditions the challenge for EU democracy promotion efforts. European policy cannot be developed without fully taking on board the full significance of the battle at stake between Moscow and Lukashenko. The latter's patriotic rhetoric has helped consolidate the domestic political consensus regarding the country's independence. Paradoxically, this development has taken place without any significant influence from the West – particularly the EU, which has failed to provide real incentives for Belarus – or any significant contribution from the democratic opposition (which is currently beset by internal bickering).<sup>56</sup> The question is whether Lukashenko's new stance, combined with the regime's traditional methods, will suffice to 'save' Belarus or only postpone Russia's 'conquer' of the country.

## Conclusions

Belarus has become an increasingly prominent issue in Brussels. This increased EU activity is largely a result of the 2004 enlargement, which took the EU's border right up to Belarus. This also allowed new member states,

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<sup>55</sup> A. Suzdalcev, "Russia's ally or sponge", *Ria Novosti*, January 12, 2007.

<sup>56</sup> "Belarus Brief", Pontis Foundation, op.cit.

particularly Lithuania, to put pressure on the European Commission to revise and adapt its policy towards Belarus.

Nevertheless, as the GSP discussions clearly illustrated, domestic political issues and interests are not always compatible with the official intentions of the EU member states most active and engaged in democracy promotion. In the long run, this is likely to limit a more assertive European policy. Central and eastern European states' stakes in the economic and political stability of Belarus is likely to constrain overall EU policy.<sup>57</sup>

The same countries previously pushing the EU to take a more proactive attitude in regards to developments in Minsk, are now seeing a window of opportunity in light of the energy dispute between Belarus and Russia. Prominent individuals, such as former Polish President Aleksander Kwaśniewski or PACE Chairman Rene van den Linden, have called for the EU to initiate dialogue. In fact, the EU never fully closed its doors to Belarus; contact has remained open through EU member state embassies and through the TACIS Office in Minsk. But such contacts have been obstructed by the regime's hindrance of previous EU efforts to strengthen people-to-people contact and its blocking of even relatively anodyne non-political EU projects. Furthermore, dialogue is already offered in the EU shadow action plan, should Minsk decide to comply with the conditions set forth in that document.

In 2007, the EU has found its energy security resting uneasily in the hands of two of the most unappealing regimes in Europe – Belarus and Russia. These countries are becoming progressively more authoritarian, and have so far successfully negated EU democracy promotion efforts. Still, the EU is criticized for almost everything that goes wrong in Belarus: building contacts with the administration or maintaining trade preferences would mean losing face, while doing the opposite simply deepens the country's isolation.

Indeed, the EU is trying to bridge these two options. Within the framework of the policy established in 1997 the EU developed a dual approach. On the one hand, it is attempting to work together with people in the existing administration, including through a financial cooperation program that requires cooperation with the government. On the other hand, it has increased contacts with opposition figures and stepped up diplomatic pressure in relation to the abuse of human rights.

Nevertheless, it is hard to avoid the impression that EU policy has failed. Although the PCA was suspended, visa bans implemented, and Belarus excluded from the *European Neighborhood Policy*, the Lukashenko regime has become progressively more authoritarian. This paper argues that failure flowed not so

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<sup>57</sup> Oxford Analytica Brief, "BELARUS/EU: Constrained Criticism", September 7, 2006, p. 5.

much from the broad design of policy as from the nature of its implementation. No simple, superior options exist beyond those advocated in the numerous documents commissioned by the EU, member states and NGOs.

However, a twin-track approach is difficult to operate in a country like Belarus that is so heavily intertwined with another large and powerful neighbor. This is particularly true when no clear priority or strategy is set in the policy, when the implementation constantly lags behind the needs on the ground, when it is almost impossible to get any message to the Belarusian people and when elites judge (rightly or wrongly) that there is no realistic incentive that the EU could offer comparable to the level of Russian subsidies. The EU has almost nothing left to entice Belarus except the idiom that Europe enjoys a higher quality of life. In the isolated Belarus of today this is not a meaningless instrument. And it is a message that the EU can and should emphasize through use initiatives such as the shadow action plan. Both Lukashenko and most of the Belarusian opposition have failed to envision a new future for Belarus in the 21<sup>st</sup> century. If the Kremlin maintains its current course, the foundations of Belarus' current economic 'miracle' will be undermined within a year or two. In this case, the 'EU idiom' will be even more seductive.

After the energy dispute, many politicians, diplomats and observers argue that a fundamentally new situation has emerged. However, while there has been a shift in the overall context, Lukashenko's main vision – maximizing the benefits that come from being a link between the East and the West as the essential means of maintaining his regime – has not changed. It is clear that Lukashenko hopes somehow to be able to revert to his previous agreements with Russia, where Moscow supports his regime financially, and grants him the freedom to implement his domestic policy of oppression. While he must recognize that a reversal of recent developments is unlikely, one of his goals during the conflict with Russia was to postpone a full deduction in the subsidies until after the 2008 Russian presidential elections, hoping that Russia's policies may have changed by then. Meanwhile, he may already be preparing his own succession, in a similar way to that which took place in Azerbaijan, with the appointment of his elder son, Viktor Lukashenko, to Belarus' most powerful body, the Security Council, as a presidential aide on national security.<sup>58</sup>

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<sup>58</sup> Ejednevnik, January 10, 2007, [www.ej.by](http://www.ej.by), based on Presidential Decree No. 3 of January 5, 2007. His status is equal to the status of the KGB chairman or the minister of Interior. The Security Council set up in 2005 includes the president, prime minister, head of presidential administration, chairmen of the two chambers of the 'national assembly', chairman of the National Bank, minister of Finance and heads of the power departments of Belarus.

The same Belarusian policy principles towards Russia can also be expected to be largely repeated towards Brussels. Lukashenko needs dialogue with the EU as leverage in his discussions with Moscow. In addition, he needs to keep trade with the EU growing, and will try to squeeze out as many benefits as he can from the EU, by taking on the slogan with which Alexander Milinkevich toured Europe, namely that ‘the independence of Belarus is in danger’. He also knows that unlike Russia, the EU is not likely to play hardball with him. For example, the EU did not suspend access of the Belarusian Mission to the EU to the institutions in Brussels, even though it could have done so based on the principle of reciprocity after Lukashenko’s regime blocked the opening of an EC Delegation in Minsk. The EU needs to take steps that force Lukashenko to demonstrate the genuineness of his pro-European rhetoric – such as pressing for EC diplomatic access and better conditions for the implementation of European human rights and governance programs.

The EU’s aim should not be fundamentally to reinvent its policy; rather it should work to achieve more through its current policy framework, focusing in particular on improving implementation. The main objective should be to do much more and more efficiently to strengthen the EU profile within Belarus. Emphasis should be placed on its concrete ‘offer’ to the Belarusian people, rather than on the ENP in abstract, as this is a policy that is not widely understood. Assistance programs should be tilted in favor of EIDHR-type programs, implemented through European NGOs outside of Belarus. Future *European Neighborhood Partnership Instrument* programming (the new EU budget line under which Belarus falls for cooperation with the government) could focus on energy efficiency, building on the simple fact that Belarus uses 21 billion cubic meters of Russian gas annually, almost as much as Azerbaijan, Armenia, Georgia, Moldova, Lithuania, Latvia and Estonia combined.<sup>59</sup> This could be attractive for both the government and the people, while civil society organizations could also be engaged in such programming. In order to target the isolation of Belarus, the EU could also help facilitate contacts between Belarus and its own region first. For example, contacts already built between Belarus and Azerbaijan could be helpful in Belarus’ affiliations with GUAM, a potentially important regional association incorporating Georgia, Ukraine, Azerbaijan and Moldova.

A priority should be to reassess the issue of the pricing of Schengen visas. Nothing could be a bigger blow to the EU’s image in Belarus, and therefore to

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<sup>59</sup> “Economist Intelligence Unit Briefing In a Bear Hug”, December 18 2006, *Economist Intelligence Unit Views Wire*, [http://www.economist.com:80/agenda/displaystory.cfm?story\\_id=8446157](http://www.economist.com:80/agenda/displaystory.cfm?story_id=8446157).

EU aims, if Belarusians are forced to pay 60 euros for a visa. Finally, Belarus is an obvious case where significant benefit would follow from the creation of a *European Foundation for Democracy*, set up along the lines of the *US National Endowment for Democracy*. While the establishment of such a fund may not be possible in the near future, further reflection is needed on how the EU could provide support to political parties and other organizations more easily, in such a way so that it is not restricted by the bureaucratic rules of the EU Financial Regulation. In doing so, much more effective assistance could be provided to support the democratic values the EU declares it believes in for its Neighborhood.

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