Belarusian Institute for Strategic Studies
Belarus Public Policy Fund

BELARUSIAN YEARBOOK 2008

A survey and analysis of developments in the Republic of Belarus in 2008

Minsk, 2009
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The yearbook is published with support of Charles S. Mott Foundation, Pontis Foundation

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ISSN 1822-4091
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Editorial foreword

“Belarusian Yearbook”, the result of combined efforts of Belarusian experts and analysts, pieces together an accurate conceptualized chronicle of the contemporary history of Belarus. This unique annual publication is a holistic analytical survey of the events and tendencies “localized” in various domains of the Belarusian sociopolitical life.

Contributing to this yearbook were independent analysts and experts, as well as specialists representing research centers.

Since 2009, “Belarusian Yearbook” has been published under the auspices of the Belarusian Institute for Strategic Studies (BISS) in association with the Belarus Public Policy Fund. This book upholds the fine traditions of the “Belarusian Yearbook: project launched through strenuous efforts of Alexander Feduta, who coordinated the project in 2003–2007. “Belarusian Yearbook-2008” has a more complex structure compared to previous yearbooks, which seems logical amid the tendencies towards a more profound differentiation and specialization within the expert community, coordinators’ endeavor to provide a detailed description of the situation in politics, economy, science, education, etc. on a wider scale, and finally, in conditions of a more sophisticated social process in Belarus.

The authors of this yearbook hope it will incite public discussions about current transformations in Belarus and development options the country has and will turn out to be helpful to state functionaries, business managers, and members of the diplomatic corps, journalists, politicians and community leaders.

Valeria Kostyugova
Anatoly Pankovsky
Vitali Silitsky
STATE AUTHORITY

Presidential Administration

Vitaly Silitski

Summary
The Belarusian authorities in 2008 were faced with a necessity to take crucial political decisions and adjust the internal and foreign political efforts to stand up to new challenges. Decisions of this level are normally taken by the head of state, and it was in 2008 that the office of the president – the Presidential Administration – started “borrowing” the functions of other state authorities, especially the government and the Foreign Ministry. Staff reshuffles in Lukashenko’s immediate surroundings, that is, in his Administration, always tend to have a profound influence on the nature of state policies and top-level decision-making in cases of emergency. The commencement of the liberalization campaign is mostly due to the expulsion of the Sheiman clan from Lukashenko’s close circle of advisers and associates after the blast during the July 4 celebrations of Independence Day. But the replacement of Viktor Sheiman and his protégé Gennadi Nevyglas with Yury Zhadobin and Vladimir Makey was not a spontaneous decision, but a result of a longer backroom struggle for power between a group of security officials and confidants of Alexander Lukashenko’s son Viktor.

The popular opinion that the strengthening of Lukashenko Jr. paved the way for a new pro-European generation of pragmatists is quite debatable. To begin with, the new team of senior officials is not much younger than the previous one. Also, nearly all of them have been involved in the most infamous reprisals of the past few years. Finally, some of the “new-
comers” represent the long-forgotten pack of “path breakers” of Lukashenko’s “ideological vertical”. At the same time, the success of “pragmatists” resulted in a dramatic change of the style, if not the very nature, of the Belarusian regime. First of all, the authorities seemed to start paying more attention to publicity, both inside the country and in foreign political campaigns. Secondly, the international community, especially Europe, acquired new partners, nominal as they are, for dialogue capable of speaking the same language. Thirdly, the rudimentary dialogue with Belarusian civil society, which later became an integral part of Lukashenko’s PR strategy, was launched on the initiative of the newly appointed Presidential Administration officials. But the new Administration has not made any strategic proposals so far. The authorities have been unable to come up with a plan to address the effects of the global crisis, but instead turned to negating it and persecuting those who claimed the crisis should be reckoned with. It was clear at the end of the year that the social contract, which had served as a firm framework for the harmony between the state and society for the past decade, was not solid anymore and would hardly last long. The new presidential surroundings have been unable to propose a new formula for the social contract so far.

The Principal Ideas:

• the Presidential Administration invaded the bureaucratic responsibilities of other state authorities, gradually evolving into a shadow government and a shadow Interior Ministry;

• the replacement of the head of the Presidential Administration as a result of an administrative “showdown” in the wake of the July 4 blast triggered a radical change in Lukashenko’s immediate surroundings. Most of the observers believe the reshuffle contributed to strengthening Lukashenko’s eldest son;

• the new generation of leaders, especially the new head of the Presidential Administration Vladimir Makey managed to reshape Lukashenko’s major policies in 2008, but the new top managers cannot take all the credit for the July–December liberalization. On the contrary, it was the Presidential Administration that blocked many liberalization initiatives of the government; there is no clear indication that the new generation in the Presidential Administration is a pro-European “breed”.

Superstructure

The Presidential Administration is the pivot of the presidential power vertical; and its administrative think-tank the key instrument that the president uses to manage his country. The Constitution of the Republic of Belarus adopted in 1996 calls the Presidential Administration a state authority “to be organized, reformed and abolished” by the president (article 84), but fails to describe its domain. The provision on the Presidential Administration approved by presidential ordinance № 97 of January 23, 1997 enumerates the following functions of the Presidential Administration:

- to pursue the state personnel policy and ideology of the Belarusian statehood;
- to coordinate the activity of state agencies subordinate (accountable) to the President of the Republic of Belarus and other state organizations in the sphere of state personnel policy, ideology and law;
- to facilitate the interaction between the President of the Republic of Belarus and the legislative, executive and judicial branches, and local self-government;
- to provide the organizational, information and legal framework for the activity of the President of the Republic of Belarus.

The Presidential Administration may be defined as a state body that not only “supervises” the presidential vertical, but also plays an important role in building this vertical. It controls the inflow of regulatory acts that the president may sign into law (Lukashenko actually signs acts that are superior to laws) and works on the key state programs. This structure turns the Presidential Administration into a “supergovernment”, whereas the government proper, that is, the Council of Ministers, is simply a technical agency responsible for day-to-day management of the national economy. The dominating role of the Presidential Administration and inferiority of the government and ministries, including the Foreign Ministry, become especially evident during the turning points in the history of the country, when fundamental changes in internal or external policies are called for. Assuming not only administrative, but also strategic functions, the Presidential Administration in 2007 turned into the chief
negotiator with the West. Furthermore, it was the solemn duty of Presidential Administration officials to clarify the unpopular moves of the authorities, including the abolition of social benefits. The year 2008 saw the Presidential Administration transform into a super-Foreign Ministry, when it restarted the country’s political dialogue with the European Union. Later it seemed to have taken over the Council of Ministers, but as a super-Council of Ministers, the Presidential Administration was far from acting like a progressive reforming bureaucracy and even cut short the proposals of the traditionally conservative government.

At the same time, the structure of the Presidential Administration looks a lot like an abridged version of the Central Committee [of the Communist Party] without branch-wise commissions and is not capable of performing current (economic) functions, so the proposal of one of the United Civil Party leaders to abolish the Council of Ministers and give its functions to the Presidential Administration may be regarded as a joke.

**Official PR**

Faced with the necessity to adjust the internal and external political efforts after the “reform-free” development potential had been exhausted, the Belarusian authorities and especially its core – the Presidential Administration – had two important tasks to attend to. The first one was to upgrade the official discourse, partially withdraw from the paternalist rhetoric and legitimize the revised social contract in order to enable the authorities to officially disclaim its social obligations. As one would expect, the head of state needed to change his image, and the first variations were observed in Lukashenko’s New Year address: he said the state was not a Santa Claus, and Belarusians had to be more responsible. No one was shocked, though: people seemed to be getting used to PR tricks of this kind. Lukashenko started modifying his PR strategies back in 2006-2007 during the gas conflict with Russia, when intimidation looked like an appropriate instrument to cool off social expectations and keep public support strong enough for him to survive and reappear as a “savior” capable of buffering the effects of external shocks.

The second task was to rotate the elites in power and engage fresh forces that would be able to help the country adapt (from ideological
to practical reforms in the economy and rearrangement of foreign eco-
nomic and political ties) while consolidating the basis and ensuring the integrity of the existing system.

The first natural reaction of the Belarusian authorities to the challenges of late 2007 and 2008 envisaged wider publicity about state policies, that is, a stronger advertising (propaganda) and image-making component both domestically and abroad (that was the main peculiarity of the year 2008). Lukashenko’s advertisers had the following objectives:

- to set the “ideological vertical” new tasks and replace its key figures;
- to introduce new methods of work and create new institutions;
- to attract foreign public relations consultants and achieve an information breakthrough in the West.

It was not until August 2008 that the authorities finally saw the need for appreciable reforms, but the publicity phase that lasted throughout spring and summer was very indicative as a reflection of the real vision of the situation by the authorities: they seemed to blame the problems on inefficient propaganda efforts, especially on foreign political markets. At the same time, the need for a more potent PR campaign encompasses two fundamental development trends (applied both to the regime and to the country as a whole). On the one hand, the regime is losing some traditional supporters – let’s call it an “erosion of the foundation”. It is now of utmost importance for the regime to resume the dialogue with society, or at least to pretend that some feedback is possible. On the other hand, the system of foreign relations is getting more complicated, because the regime cannot rely on Russia as the sole guarantee of its survival any longer.

The serious publicity campaign became a forerunner of a foreign political turn and could be regarded as an attempt to achieve the desired results through outreach activities rather than internal reforms. But even this reform-free strategy called for new professional consultants.

The appearance of British PR guru Lord Timothy Bell who was hired to polish the image of the head of state started rumors that it was Bell’s PR advice to Lukashenko to start bringing his illegitimate son Nikolay with him everywhere and fueled some malicious fantasies that Lord Bell stood behind the July 4 blast in downtown Minsk to legitimize a new
phase of the crackdown campaign. It is possible, though, that it was the
matchless PR expertise of Lord Bell and assistance of young profession-
als from the Presidential Administration that enabled Lukashenko to get
the European Union to suspend his travel ban on October 13, 2008 with-
out any serious improvements shown during the parliamentary elections,
which, on the contrary, seemed much harsher on the opposition and less
transparent (in terms of electoral procedures, not the application of force)
than many campaigns since the new Constitution of 1996. Anyway, the
West interpreted the release of political prisoners and Lukashenko’s in-
terviews granted to foreign media as an indication that the regime was
mature enough for dialogue and liberalization.

**Ideological accents and rotations**

Lukashenko on December 11, 2008 relieved of their duties Chairman of
the Constitutional Court Grigory Vasilevich, director of the central ide-
ological department with the Presidential Administration Oleg Prolesk-
ovski and director of the information and analysis center with the Pres-
idential Administration Nina Shpak. Proleskovski was immediately
appointed as new head of the information and analysis center. On the
same day Lukashenko appointed former Minsk Region governor Nikolai
Domashkevich chairman of the Administrative Department. Vsevolod
Yanchevski became the new director of the central ideological depart-
ment with the Presidential Administration and aide to the president,
while the information and analysis center led by Proleskovski (former
Yanchevski’s boss) found itself subordinate to the newly appointed pres-
idential aide. Technically Yanchevski represents the younger generation
of the Belarusian officialdom, and his assignment seemed to corrobo-
rate the theory of younger elites and fresh pragmatists. But this would
be a layman’s opinion: despite the fact that he is only 33, Yanchevski is
a veteran of the presidential power vertical, with a 12-year track record
of campaigning for the president as the leader of the Belarusian Patri-
otic Youth Union (currently the Belarusian Republican Youth Union).
He used to be a protégé of representatives of the most retrograde faction
of Lukashenko’s ideologists, including Vladimir Zametalin and Alex-
ander Zimovski. As for his relations with other key figures in the close
circle of the president, like Makey and Petkevich, they seem quite am-
biguous. Anyway, Yanchevski seems capable of adapting to any situation and easily accepting new rules of the game. For instance, his statement that “there will be no Internet censorship” showed the liberalization features of the new ideological administration of the country.

First deputy head of the Presidential Administration Anatoly Rubinov announced that an office for political technology would be established in the information and analysis center of the Presidential Administration. Rubinov said the office must be run by a “prominent senior official”. The first deputy head of the Presidential Administration believes the office for political technology is required to promote a unified understanding of the decisions taken by the authorities and support for all initiatives coming from above. “There was no need to officially discuss the candidacy of Oleg Proleskovski – the country owes this man, who has a very high potential. He has deep knowledge of the political situation in the country, he is an unquestioned authority,” Rubinov said when presenting the new head of the information and analysis center. The newspaper of the Presidential Administration, Sovetskaya Belarusia daily, reported that Nina Shpak, who used to head the center before Proleskovski, had been officially presented as the first deputy head of the information and analysis center.¹ [1].

The demotion of both Proleskovski and Shpak are somewhat symptomatic, as it crowned the series of scandals that evolved in late 2007. Shpak dressed down the work of the ideological vertical and its analytical services in a memo that somehow went public. She also criticized the state press for “foot dragging” and inability to respond to the questions that people tend to ask because of the changing economic environment and evident erosion of the socially-oriented state.²

Shpak maintained with a frankness that was quite uncharacteristic of Belarusian officials that the state ideological machine was losing to the independent press and analytical centers.

Belarusian officials had expected the dismissal of director of the central ideological department and aide to the president Oleg Proleskovski

¹Analysis is a Tricky Business – SB: http://www.sb.by/?area=content&articleID=63260.
for months. Some of them claimed the discharge came in the wake of
the scandal that involved his assistant Kholod (who was charged with
corruption and sentenced to a long-term imprisonment in late 2007). At
the same time, Proleskovski, notorious for his campaign to eradicate
the free civil sector in the mid-2000, managed to build himself an im-
age of a true liberal when he met with the leaders of banned rock bands
during a rally in 2004 and proposed a sort of social contract – a prom-
ise to grant them access to concert halls and television in exchange for
the promise not to play at opposition demonstrations.

Academician Rubinov’s article in Sovetskaya Belorussia that attempt-
ed to justify the anti-reform of the educational system in summer 2008
caused a sensation³ – Rubinov’s image of a retrograde and a Soviet-style
reactionary grew even stronger. Interestingly, all members of the Lukash-
enko team spoke for the “anti-reform”, while they disagree on many oth-
er issues. For instance, the future first deputy head of the Presidential Ad-
ministration Natalia Petkevich raised her voice against specialized for-
eign language classes in secondary schools to prevent labor migration in
the future. Rubinov’s dismissal in October 2008 and his honorary exile to
the upper house of parliament, the Council of the Republic, proved that
the vision and approaches of the venerable academician were too senile
even for the Lukashenko power vertical, which could no longer blame
all failures and mishaps on the collapse of the Soviet Union.

Enters Makey

The blast in Pobeditelei and Masherov Avenues during Independence
Day celebrations on July 4, 2008 became a momentous event – we can
only get some idea about its scale, masterminds or implications from
long-term effects. It is clear that the investigation strengthened the po-
licing aspect of the Belarusian state (they frequently mention this when
speculating about the liberalization and democratization of the regime).
Such events normally shake the power vertical so much that even close-
ly guarded secrets are often uncovered.

Security Council Secretary Viktor Sheiman and his protégé Gen-
nady Nevyglas, then head of the Presidential Administration, were made

responsible for the act of terror (or “hooliganism”, as the state media branded it), although it was the Interior Ministry that was supposed to secure the area. The extensive investigation involved fingerprinting of all males aged over 16. But Interior Minister Vladimir Naumov did not suffer a bit, on the contrary, experts believe he got stronger owing to the fall of his rivals (his own influence was “cut” by the new presidential team at the end of the year).

The choice of the responsible party (the guilty ones are traditionally selected or appointed in Belarus) proved the substantiality of the rumors that Viktor Sheiman was getting weaker, while Viktor Lukashenko, the eldest son of the president, was successfully driving him out to the periphery of political life. In short, whatever the reasons for the dismissal of Sheiman, he was fired as a result of a persistent campaign of his opponents, who had managed to significantly diminish his influence.

The new head of the Presidential Administration, Vladimir Makey, appointed on July 18, 2008, had come out of the shadows only a few months prior to his crucial appointment. From the outside, it looked a lot like a covert PR action. In late 2007 analysts suddenly asked themselves whether the Belarusian regime was capable of a gradual transformation and whether some of the young technocrats, including Makey, could play the part of Pinochet’s Chicago Boys or Franco’s Opus Dei activists. Makey had been presidential assistant for eight years before his breakthrough, but he almost never made public appearances, while his picture appeared in papers only once. His influence on the president was legendary – they say Alexander Kozulin was released from prison to attend the funeral of his wife Irina only because Makey suggested in a memo that a different decision would have ended the dialogue with the West at that very moment.

Unlike other representatives of the elite currently in power (whose law-enforcement roots lie in the good old Soviet-style 1980s), Makey is a purely Belarusian official, not an imported or re-exported Lubianka fosterling (although the KGB’s Ural Latypov may be considered his political mentor).

Makey has a rich diplomatic experience (he graduated from a diplomatic academy in Vienna), he has first-class education, he speaks foreign languages, and he is fluent in the Belarusian language – it is uncharac-
teristic of Belarusian officials, he often reads ARCHE and nationalistic opposition newspaper Nasha Niva (editor-in-chief Andrei Dynko confirmed this when he recalled his meeting with him, then an official with the Belarusian representative office in Strasbourg in the late 1990s).

The appointment of Makey as the head of the Presidential Administration and vizier of the sovereign (in Oriental empires, the first minister, or vizier, is the right-hand man of the caliph, the one who helps the ruler with his judgments and decisions, shapes his attitudes and approaches, and screens information) meant that the Belarusian authorities were turning to the West for real, and the dialogue with Europe was genuine.

But the appearance of Makey in the Presidential Administration simply brought to the surface the real director of the “publicity” project in the Belarusian state policy. Analysts that tended to think of him as a reformer and “young wolf” must have forgotten his age – Makey is about 50, almost as old as Sheiman, and some details of his biography, for instance, the fact that he was among the most radical opponents of the European Humanitarian University and finally managed to kick the university out of the country in 2004. The following couple of months showed that the project to enhance publicity was in safe hands: the European Union was lured into closer relations with Belarus and even suspended the visa sanctions in October 2008 despite the fact that the parliamentary elections had fallen short of democratic standards just like it happened many times before. It was Makey who managed to explain to European bureaucrats that their criticism of the authorities would put an end to the dialogue.

Makey’s first public appearance as the head of the Presidential Administration took place on November 13, 2008: his speech at the Minsk Forum sounded exactly like a conqueror’s address – he had managed to convince Europe that the policy of isolation and sanctions was no good. A handsome gesture followed almost immediately: newspapers Narodnaya Volya and Nasha Niva got back to news stalls. The policy of minor yet spectacular concessions became even more distinct at the end of the year.

It is not clear how the new Presidential Administration will respond to the real challenge to the Belarusian regime now that tensions are
mounting amid the economic and financial crisis. Anyway, the questions how exactly the crisis will affect Belarusians and how the authorities will stand up to the challenge remain unanswered. The attempts to play down the real effects of the crisis and intimidate those who dared speak about it led to a major ideological collapse at the very beginning of the new year.
House of Representatives of the National Assembly

Nikolai Alexandrovich

Summary
The lower house was working on reading, revising and passing/rejecting bills under a tremendous pressure of the forthcoming parliamentary election campaign, slated for late September, so the last spring-summer session of the House of Representatives of the National Assembly of the 3rd composition (or, for brevity’s sake, the 3rd House of Representatives), managed to consider and approve/turn down fewer significant bills than during previous sessions. MPs were focusing on finalizing the bill on extremism (its new version) and bill on information for their second read. The two bills passed their first read on November 16, 2007 and December 12, 2007, respectively. Furthermore, the members of the 3rd House of Representatives seemed to have redoubled their efforts to finalize the mass media bill before the session was over. Everyone was sure that the bill, which had sparked off intense debate in associations of journalists, would be passed by the 3rd composition of the lower chamber in order not to leave it to the totally unknown 4th House of Representatives. Anyway, the 4th, “unknown”, composition of the lower house appeared to be even more predictable and manageable than the previous one.

The Principal Ideas:
• lower house passes the notorious bills on extremism and on information;
• parliamentary elections are monitored by foreign observers, but turn out even less democratic than the previous campaign.

Legislative activity of the 3rd House of Representatives of the National Assembly

1. Law on prevention of extremism
The law on the struggle against extremism (the full name is “Amendments and supplements to the laws of the Republic of Belarus with re-
spect to prevention of extremism”) was sent back to the lower house on June 16, 2008. Democratic parties believe the document was to become another step towards narrowing the capabilities of political opponents of the regime during election campaigns. The document added an official ban on the establishment and operation of associations and parties that aim at “extremist activities” to the laws “On public organizations” and “On political parties”. The bill included the following provision: agitation materials, speeches at meetings, rallies, and addresses published or broadcast in the media “must not contain incitements to forcible change of the constitutional system, coup, terrorism or other manifestations of extremism, or libel against officials.” The bombshell television address of then presidential candidate Alexander Kozulin in April 2006, in which he called on incumbent President Alexander Lukashenko to tell the nation where the arms trade money was, would never have been aired if the new version of the law had come into effect earlier.

It was clear that the amendments to the law had been elaborated specially for the autumn parliamentary elections as an additional instrument to put psychological pressure on opposition candidates. MPs were certain the bill had been orchestrated by the KGB, which looked after the first version of the bill on extremism, which was passed on January 21, 2007. The moment seemed opportune to disqualify the opposition from the race for parliament seats or even close down whole parties for mere criticism of the authorities, but the provisions of the law were never resorted to during the election campaign of September 2008.

2. Law on information

The bill “On Information, informatization [distribution of information and IT] and information protection” underwent a dramatic transformation. Commentators had been concerned that the document would introduce new restrictions to regulate the Belarusian Internet space. In January-February 2009, the Belarusian Association of Journalists (BAJ) focused its efforts on resisting the bill on information rather than the one on the mass media. The head of the center for legal assistance to the mass media with the BAJ, Mikhail Pastukhov, said “the key objective of the bill was to provide a wide range of measures to ‘protect’ information,
that is, to restrain its free distribution. Under the document, only ‘open access information’ can be accessed without restrictions.”

The law introduced the notions of “information network”, “information resource”, “information system”, which, according to legal experts, were “capacious” enough to apply the provisions of the bill to all users of the bynet.

Changes occurred in April, when the Council of Ministers (or the Information Ministry, to be more precise) initiated a transfer of all the provisions regulating “information networks”, that is, the Internet, to the new bill on the mass media. The document on information and informatization was postponed until later (its final version was passed during the most recent autumn session, on October 9, 2008).

The mass media bill, originally designed as a document regulating the procedure of accreditation of foreign journalists and definition of proprietary rights and rules of reference to information resources of state authorities, turned into a major bill that aims to put the network mass media and the printed media on the same footing, in other words, to apply the responsibility of the latter to the former. Rumors have it that the bill was initiated not by the Information Ministry and the Council of Ministers, but by the director of the information and analysis center with the Presidential Administration Oleg Proleskovski. His idea was not only to make the Internet media responsible, but also to introduce liability of site administrators, owners and providers of Internet services.

Reporters found out about the inclusion of the revised mass media bill in the agenda for the lower chamber’s summer session a few hours before the document was submitted to the House of Representatives. The Presidential Administration sent the finalized version of the bill to the lower house on June 10, 2008. The first read was scheduled for June 17, although the document had been unavailable to MPs before June 10. It looks like the reason why even MPs were unable to familiarize themselves with the document was the intention to keep BAJ legal experts at bay. They had tried to obtain the revised version from MPs before June 10, but all their requests were turned down because MPs themselves were kept in the dark. BAJ specialists obtained a copy of the bill on Friday, June 13 and immediately sent their proposals to the lower house. The bill successfully passed its first read on June 17, but the
second read was scheduled for June 24, only one week later (contrary both to expectations of specialists, who claimed the bill would pass the first and the second read on the same day (as was the case with some crucial bills), and to the lower house’s routine: MPs normally take between three and nine months to revise bills after the first read and get them ready for new scrutiny).

But the mass media bill was important enough to curtail the time-frame for making improvements to seven days. MPs thought the executive branch was in a hurry to force the bill through the lower house as soon as possible, as it was not sure the 4th House of Representatives would be manageable enough (this haste gives ample proof that opposition candidates were crossed out of the list of potential contenders for parliament seats at the very last moment – otherwise the bill would have been given enough time to be addressed by a new legitimate composition of the lower house). The original version of the bill (approved on June 17) and the revised version (that passed its second read on June 24) are almost identical, but the changes, few as they are, should be noted. The lower house included five out of more than 30 BAJ proposals in the new version of the bill, and there were some serious ones, like the abolition of the requirement to have a media outlet re-registered once the organization changes its legal address. Non-governmental newspapers would find themselves under pressure if they had to apply for re-registration every time lessors refuse to extend office rent, which happens quite frequently, especially outside Minsk.

Another serious achievement of BAJ legal experts is the exclusion of the ban on any distortions of generally accepted language norms, as there are no fixed criteria for defining these norms, while Nasha Niva (“Our Field of Grain”) was published in grammar variant “taraszkevica” (with unorthodox spelling rules, according to the Information Ministry) then. If the original version of the bill had made it through the second read, Nasha Niva could have been warned and fined for the use of “taraszkevica”.

Furthermore, a provision appeared in the revised bill that bans ungrounded denial of accreditation. The June 17 version enabled officials to deny accreditation without providing reasons. Also, the new version of the bill contains a specific deadline (three months from the moment
a conflict arises) for the authorities to decide on terminating a mass medium. Previously, there was no fixed term for this.

At the same time, the bill retained the requirement for all mass media to get re-registered as soon the mass media law came into effect, the provision on mandatory registration of the media distributed via the Internet, and a bunch of legal inconsistencies: article 49 names the Information Ministry the only agency authorized to issue official warnings, while article 51, paragraph 4 vests the power to warn in prosecutors (without specifying their ranks).

Publicity efforts of MPs

The work of the spring-summer session of the lower chamber was “modified” by the election campaign: MPs were trying to save face and refrain from backing notorious bills; many were encouraged to make public appearances, canvass voters and have their opinions and interviews published in the press. Experts came to a conclusion that the most active MPs were Viktor Guminski, Tamara Novosad, Igor Karpenko, Larisa Vershalovich, Burova, and Gudkov (based on routine press monitoring and MPs’ “field work” schedules), but two of them never got into the 4th House of Representatives. The same is true for MP Olga Abramova, who failed to secure a seat in the lower house despite her strenuous work in her constituency. It seems some of the MPs of the 3rd lower house had been told they would not make it into the next House of Representatives, but nevertheless resolved to do their best to fight back and win over as many voters as possible.

Otherwise, the media and election activity of MPs was far from boisterous. Among the public addresses of MPs that evoked a strong response of electors was the statement of Gomel MP Alexander Shatko (he represented Novobelitski district), who said the one-off cancellation of social benefits had been a mistake, because “people should have got explanations first”. Shatko was the only Gomel MP of that city’s six representatives to respond to the written request of electors to meet with them in order to present a report on his activity as an MP.

Other members of the lower house turned down all requests to visit their communities, even though they were warned they might be recalled from the House of Representatives.
The notorious abolition of social benefits is a sensitive issue for the executive branch. Some of the MPs firmly believe Olga Abramo-va was cast away only because she had voted against the move to strip Belarusians of their social benefits. However, MP Krasutski, who had backed the initiative of the Presidential Administration, did not get into the new lower house, either, while Shatko, who had criticized the initiative, managed to keep his seat. One conclusion we can draw is that decisions to allow this or that MP back in the Oval Hall was not based on his/her opinions and the sum of statements for the press, but rather on his/her track record of voting.

**Preparation and holding of the election**

When district (territorial) election commissions were being formed in July 2008, only 38 representatives of opposition parties and four members of BNF Adradzhenne were included, just 42 opponents of the regime out of 1,430 commission members (14 in each). The proportion is miserable, but one has to bear in mind that the fragmentation of the democratic forces before the election campaign and various election strategies they pursued prevented the opposition from nominating more commission members: there were only 105 nominees, which makes 42 oppositionists in commissions a very good ratio. Nevertheless, the opposition came under fierce criticism for its passiveness and started getting ready for nominating its representatives to constituency election commissions (that work at polling stations, where people cast their ballots and where votes are calculated immediately after voting stations are closed). Simultaneously, the opposition issued an ultimatum to the authorities to include its members in constituency commissions, or all opposition candidates for seats in the parliament would withdraw their candidacies. Some 1,300 people had been nominated to constituency election commissions, but only 25 members of opposition political parties were admitted. The Belarusian Popular Front managed to have six members in constituency commissions out of 335 nominees, and the United Civil Party had five out of 300. In addition, there were about a dozen and a half independent candidates without party affiliation.

It appeared that election technologies had been upgraded: instead of trying to achieve the desired electoral outcome at the level of district
The most sensational news of the parliamentary election campaign was the rumor that the regime would let at least five opposition members in the 4th House of Representatives: Deputy Chairman of the United Civil Party Yaroslav Romanchuk, Chairman of the Belarusian Social-Democratic Party Anatoly Levkovich, social democrat Vladimir Nistyuk, Belarusian Popular Front member Ales Mikhalevich and “someone from an NGO”. Romanchuk impersonated a new generation of “non-confrontational liberals”, Levkovich seemed a likely candidate for a seat because of his role in the split within the BSDP and removal of political prisoner Alexander Kozulin from the party leadership a couple of days before Kozulin was released. Vladimir Nistyuk, in turn, spoke highly of the transparency and democratic nature of the Belarusian electoral process before the campaign. Ales Mikhalevich shared this optimism.

But not a single opposition member made it into the 4th House of Representatives. According to experts, the most recent parliamentary elections were “even less democratic than the previous campaign four years earlier”. It was the first campaign ever to see 26.3% of all voters cast their ballots before September 28 (which compares to the previous early vote record of 17% in 2004). There are two basic versions why the opposition failed to get into the lower house. The first one is that Belarus overestimated its value for the West after the Russian-Georgian conflict and dared break its promise to European negotiators being certain that the OSCE ODHIR would welcome any election outcome. However, the OSCE called the Belarusian parliamentary election “undemocratic” both in the preliminary and final conclusions. The second version is that the regime was interested in non-recognition of the parliament: it does not need a strong independent legislative authority integrated into the global parliamentary community. The post-September 28 architecture of Belarusian-EU relations was built up through mediation of the Presidential Administration and the Foreign Ministry, whereas the role of the negotiator should naturally be performed by a legitimate parliament. The speaker and deputy speaker were elected during the first day of the first session on October 27, 2008. The 3rd House of Representatives was certain that former deputy head of the Presidential Admin-
Alexander Popkov would be elected speaker, while Vladimir Andreichenko, the governor of the Vitebsk Region, seemed the likeliest candidate for the position of the vice-speaker. But it was Andreichenko that was unanimously elected speaker, and former chairman of the Shklov district executive committee Valery Ivanov became the vice-speaker (they were the only candidates for their positions).

Andreichenko said the chief task of the lower house was “to enhance the authority of Belarus in the international community, strengthen contacts with parliaments of foreign countries and interparliamentary organizations” and pledged that the lower chamber would not become “a hotbed of instability”. The 4th House of Representatives showed its complete manageability during the autumn-winter session: it addressed the possibility of recognition of Abkhazia and South Ossetia when it was required, and then it got a cue to postpone the issue of the two breakaway republics. Declaring the matter “complicated and requiring thorough analysis” the new MPs put it off until 2009.

Controllability is probably one of the key features of the new legislative authority: it lacks not only opposition activists, but also highly-qualified representatives capable of disagreeing with the government, such as Viktor Kuchinsky, Olga Abramova and Anatoly Krasutski. The lower house also lost Sergei Gaidukevich and Sergei Kostyan, the rare species that did not mind vexed questions.

The forthcoming presidential elections will thus be held in an environment where both the parliament and all instability factors that could be connected with an independent legislative body may be disregarded: there is no parliament in Belarus as a socio-political force, potential trouble spot, autonomous authority or simply a group of people that need to be reckoned with.
Government: from Growth to Crisis

Vadim Sekhovich

Summary
The Belarusian government led by Prime Minister Sergei Sidorsky had unofficially ceded a substantial portion of its powers to shape the economic policy of the state to the administration of the National Bank and had to endorse the proposal of the NBB chief, Petr Prokopovich, to considerably increase the economic expansion pace in 2008.

The central bank forecasters, who were inspired by the optimistic performance in 2007, which was confirmed by experts of international organizations, suggested setting the gross domestic output (GDP) growth target for 2008 at 11–12% year-on-year, which was 3 percentage points above the original government forecast.

The mission to spur the national economy was in the limelight during the first ten months of the year, requiring not only a record-breaking increment in capital investments, at least 25% over 2007, but also sustainable growth in the real sector, stability of the national currency, radical improvements in state property management, and healthy development of small and medium-sized businesses, and it was only in November that the shockwave sent by the crisis reached Belarus.

The “economic indifference” of the Sidorsky Cabinet prevented the government from attempting to adjust the targets “dictated from above”. Despite reliable statistics and timely situation reports, the ministers took action neither in July, when exports started showing a downward trend (mechanical engineering products and potash fertilizers were the first to sound the alarm), while foreign trade deficit hiked, nor in September, when Russian and Ukrainian partners failed to pay Belarusian suppliers for the first time. It was the dramatic drop in gold and foreign exchange reserves, which had reached the bottom by November, that made the government speak about the necessity to address the effects of the crisis and cushion
its impact. But yet again, it was the central bank, not the Council of Ministers, to initiate major macroeconomic transformations, so the country’s bail-out plan was originally based on the proposals of the NBB.

The application for foreign financing (Belarus requested stabilization loans from Russia and the International Monetary Fund) to tackle present-day problems and proper understanding that comprehensive reform was indispensable in the long run motivated the administration to announce a policy towards liberalization.

Unfortunately, the measures elaborated so far, including those offered by government experts, look raw and chaotic, and when it comes to applicability, most of them are ineffective.

One reason why experts are worried is that further foreign borrowings, including the next tranche of the IMF loan, scheduled, under the joint memorandum, for mid-May 2009, which is a critical time for the Belarusian economy, will be contingent on the efficiency of the changes the Belarusian government will be making. To get this money the government will have to report to the IMF on its progress towards the indicators set out in the memorandum as early as the end of March.

The Principal Ideas:

- the last quarter of 2008, when the global economic and financial crisis finally hit Belarus hard, called for emergency measures, this time aimed at something totally different from the traditional pursuit for economic expansion;
- the government seems to have taken too long to shift its focus from the major task of the past couple of years to an entirely new priority, that is, to address the effects of the crisis;
- the external challenge ultimately resulted in attempts to restructure the strict administrative state-controlled economic model through liberalization and modernization;
- this may become the dominating trend of the country’s economic advancement for some years to come, but it does not look like the current Cabinet will be in charge of this process.

Struggle for growth

The 11–12% economic growth forecast, adopted as the chief annual target thanks to the good graces of Petr Prokopovich, was called “compli-
icated and tough” by the premier, who had to admit that the target was, nevertheless, “doable.”

The key precondition for further growth towards the desired highs was a successful search for new sources of investment. The original forecast for capital investments, at 15–17% year-on-year, was boosted to 25%, a new record high for this country. To meet this essential target specific investment orders were for the first time ever disseminated at the level of district administrations.

Most of the investments were expected in the production sector. The government’s plans seemed quite logical: manufacturing traditionally accounted for up to 30% of the value added of GDP, but has recently exhausted its potential. There was a very strong need for either a major technical upgrade of domestic productions to dramatically increase their efficiency (the government’s “word of the year” in 2008 was “innovation”), or the construction of new advanced facilities. The administration of the country had planned to build 46 new manufacturing companies in 2008 to boost the overall industrial output. The state program targeting smaller settlements was also aimed to create additional manufacturing facilities to further increase factory output.

The government offered very serious preferences to those who ventured to launch new productions in small towns. Prime Minister Sidorsky in January 2008 noted that “small business is capable of investing its accumulated earnings in new productions and must do so.”

The year was marked by tremendous efforts of the government to lure foreign investments, especially FDI. The Belarus Investment Forum in London last November was supposed to become the acme of the investment campaign of the state, but its contribution was not substantial. Anyway, Belarus contrived to meet both targets – capital investment, which showed a 23.1% growth year-on-year, and the increase in foreign investment – which was enough to secure the sought-for 10% expansion of GDP, despite the acute symptoms the crisis developed in the last few months of the year.

But the rush for economic growth brought about serious problems, which were growing bigger and more complicated as the crisis settled in.

Firstly, it was the tremendous pressure of this race for expansion that stopped the government from taking preventive measures that could
have been enough to mitigate the impact of the global financial turmoil on the national economy.

Secondly, the growing output rate in conditions of the limited demand on the global market resulted in an unprecedented hike in unsold inventories, that is, frozen monetary resources. As of late 2008, BelAZ’s stock of trucks was 3.4 times the average monthly production volume, Vityaz television inventories were 2.9 times the average monthly output, Borisov Crystal Plant reported inventories 170% above the monthly production, OAO Glass Factory Neman had 2.4 times its monthly output in stock, OAO Horizont was overstocked, too, with unsold inventories at 220% of its normal monthly output, and OAO Mogilev Metal Plant’s stocks were almost twice the average monthly output.

Thirdly, the government failed to secure sufficient FDI inflows in spite of the considerable increase in foreign investment in 2008. Potential investors were still discouraged by regulatory drawbacks, including tax laws and the level of the tax burden. Belarus had the least developed taxation system in the world last year, according to PriceWaterhouseCoopers rankings, a clear indicator that reforms in that sector were minute despite the government’s efforts to prove otherwise. As a result, most of the foreign funds Belarus managed to attract were new borrowings, which were quite costly because Belarusian intermediaries also wanted their part. Moreover, those expensive resources were designed only for the few highly profitable sectors, especially oil trade, oil processing and metallurgical engineering.

The fourth serious thing to consider is that even if a brand new production is established in Belarus, it is not always efficient. The deficit of professional marketing specialists and managers is a grave problem for the state-run business and the national economy as a whole. The production of washers is indicative: sharing the same customs space with Russia, Belarus saw its stocks of washing machines the highest by the inventories-to-monthly output ratio.

Privatization

Mass privatization in Belarus was initiated last year, first by a presidential ordinance, and then by a resolution of the government. Privatization was considered as yet another handy instrument to promote further eco-
nomic growth. In July, the government published a list of state enterprises subject to denationalization and set a specific timeframe for that procedure. The state seemed eager to commence the process of transformation of state-controlled enterprises into open joint-stock companies, but some of the assets were almost immediately withdrawn from the privatization campaign.

On the one hand, the government designated a comparatively large group of companies that are not subject to denationalization, as they “ensure national security.” On the other hand, the original list of enterprises open to privatization was further reduced on the initiative of “nomenklatura” officials at the level of ministries, administrations and regions.

These restraints could not but affect the intensity of privatization processes. Last year, there were two more or less serious transactions between state-run enterprises and investors. The former is the sale of state mobile carrier BeST to Turkey’s Turkcell operator, and the latter is the acquisition of shipbuilding plants in Gomel and Rechitsa by semi-state-controlled Beltopenergo.

While the main reason behind the sale of BeST to the foreign investor is the apparent inability of the state management system to ensure healthy competition in the mobile communications sector, the latter appears to be the first step towards “nomenklatura” privatization, that is, privatization by the chosen ones. Bureaucrats are not only interested in “freezing” some assets and withdrawing them from the active denationalization process, but also try to stipulate their personal interest in some property units in regulatory documents. This intention to “set stakes” is manifested in the Package Program of Modernization of the Belarusian Economy by 2015, which was adjusted in the first half of 2009. The “state-private sector partnership” model outlined in the document and a number of other provisions make it absolutely clear that “nomenklatura” functionaries are ready to play the leading part in the privatization process.

### Liberalization

The delayed reaction of the government to the evolution of the financial crisis into the global financial and economic crisis will certainly cost the country dear. The government set up a working group to monitor global
State authority

crisis-related trends only in mid-October, but it was not until December that the group proposed its first set of measures to minimize the impact of the crisis, which had already affected the economy.

Individuals, on the other hand, were able to identify the negative trends much earlier. It was in October that cash foreign exchange purchases by the population exceeded sales by U.S. $100 million, and in November the figure expanded to U.S. $360 million, a catastrophe for gold and foreign exchange reserves (with net loss amounting to U.S. $460 million in just two months). The colossal foreign trade deficit (even bilateral trade with the West for the first time in many years showed a deficit in the fourth quarter because of the drop in foreign sales), hikes in inventories and non-payments severely aggravated the situation.

This downward trend called for concrete measures to address the crisis, and the administration of the country, including the government had to elaborate a bail-out plan, which logically presupposed liberalization.

Starting December 2008, liberalization has been implemented in two major blocks. The first one envisages priority measures to liberalize the business environment, including registration on the basis of simple declarations and general facilitation of registration procedures, some relaxation of control by state agencies, and reductions in simplified taxation rates. Some of the bills are to be finalized soon.

The second block is the liberalization plan proper. The document provides for the establishment of innovation funds, further simplification of the taxation system, expansion of free price formation, stronger antitrust regulations, liberalization of the labor market and improvements in motivation.

It must be underscored that the government’s liberalization efforts have been sterile so far: exports of key commodity items kept falling in January and February 2009. In January alone, exports plummeted 38% year-on-year. The situation on the money-market deteriorated, too, bringing about problems with floating assets and wage payments.

Another essential objective of the liberalization campaign is its role of being key to borrowing from the International Monetary Fund. To get IMF funds for certain (and they are scheduled for the most crucial points of 2009 and 2010 and offered much cheaper than the Russian
stabilization loan), the Belarusian government has worked out a separate package of measures.

The primary objective for the administration is to balance budget revenues and expenditures, which has already called for emergency measures that proved very unpopular.

One of the demands of the IMF was that the Belarusian government should curb the wage push. As a result, Belarus cut the first class wage rate, and later reduced pay rates for state officials and servicemen. There is an agreement on a possible one-off 5% pay rise for employees paid from the state budget, however, the government undertook to keep the wage increase within 5% at all state-controlled enterprises and companies, in which the state holds a blocking shareholding. At the same time, the official inflation forecast for this year is 11.5%, so the wage rise restraint as a tough measure will certainly not help the authorities gain popularity.
Belarusian Judicial System

Andrei Kazakevich

Summary
In 2008, the Belarusian judicial branch showed the same development pattern as in previous years: the administration redoubled its efforts to increase the efficiency of the judicial power, while offering no change in the authoritarian political system.

There was an attempt to reform the national system of constitutional justice in order to engage the Constitutional Court in the existing legal and political frameworks. In fact, the Constitutional Court is being transformed from an agency that produces legal recommendations (through its own initiative or based on citizens’ claims) and sporadically provides expert services into a predominantly expert unit of the law-making process that fulfils additional orders of the president.

The system of courts of general jurisdiction and economic courts saw no significant staff reshuffles or institutional transformations in 2008. Most of the changes in the work of general courts and economic courts were caused by the crusade against red tape and campaign to increase the efficiency of handling public appeals and complaints. Plans for the near future include extensive PR campaigns and media availability of judges. One should also note certain progress in the ability of judges to ignore the position of the prosecutor’s office and the police as far as criminal trials as concerned, since judges now tend to acquit defendants if the proof of guilt seems insufficient. In 2008, judges got more room for maneuver in these matters because of the position of the judicial branch administration.

The Principal Ideas:
- personnel reform and functional reorganization of constitutional law;
- efforts to enhance efficiency in courts of general jurisdiction and economic courts as part of the campaign to cut red tape;
relative independence of courts from law-enforcement agencies, while the strict control of the president and the executive branch over courts remains.

Judicial power in Belarus\(^1\)

Last year, the Belarusian judicial system showed the same development pattern as in previous years: the administration redoubled efforts to increase the efficiency of the judicial branch, while offering no change in the authoritarian political system. The main reasons behind the reform were the need to build citizens’ confidence in government agencies, facilitate further economic development, improve the manageability of the state machine and reduce the capability of regional and corporate groups to influence courts without prior coordination with the central authorities. The reform does not aim to promote the independence of the judicial branch from the central authorities, though.

Formally, the development of the judicial power rests upon the fundamental principles of the separation of powers and autonomy of judicial bodies – at least this is what political declarations are about. Although the isolation of the judicial branch is formalized in legislation, the Belarusian judicial system shows serious deviations from the formal principles that determine the logic of its development, especially, the staff policy and structural transformations. The key deviations include the traditional practice of administrative withdrawal, full or partial, of judges from the decision-making process in the cases that the ruling elite considers politically, economically or socially significant. Furthermore, there is a connection between judicial and executive authorities based on administrative subordination, so courts not only execute justice, but also perform additional functions, for instance, they are obliged to revise and finalize regulatory acts, provide advisory services and examine bills, meet the forecasts set by administrative agencies, take part in political campaigns, make references to ideological documents, etc. The additional burden on the judicial sector naturally has its imprint on its development pattern, which totally depends on the president and the presidential administration. Another essential feature of the

\(^1\) We will be using the official term “judicial power”, although the autonomy of courts in modern Belarus is debatable.
Belarusian judicial system is a peculiar role of the Constitutional Court, with predominantly advisory and appraisal functions.

The peculiarities we mentioned above remained fundamentally the same in 2008, with no major changes that could have indicated serious reforms. As for new guidelines for the judicial system of the country, they were set at a special conference of judges convened by the president – that meeting must have been the high point of the year for Belarusian judges.²

**Constitutional Court of Belarus**

The year 2008 saw the first attempt to reform the Constitutional Court since early 1997. The role of the Constitutional Court as an essential judicial body had remained undecided for more than a decade. After 11 years of attempts to find its place in the intricate political structure of the country, the Constitutional Court initiated an extension of its powers in order to find a distinctive niche in the political machine.

The so-called early stage (1994–1996), when the Constitutional Court was engaged in active political processes and no one questioned its role or function was followed by a lengthy period of functional uncertainty. The new version of the Constitution adopted as a result of the national referendum in 1996 seriously narrowed the range of functions of the Constitutional Court, banned decision-making on its own initiative and compiled a shortlist of entities authorized to approach the Constitutional Court and receive its judgments. That model of constitutional justice proved ineffective: the existing regime had no worthy opponents, and the lack of competition discouraged state authorities and political groups from addressing the Constitutional Court, and the number of appeals and requests started to decrease.

The uselessness of the Constitutional Court revealed a deep functional crisis that had started in 1997, and new ways to legitimate constitutional justice were called for. The Constitutional Court did not have many options, and the easiest way out was to resume acting on its own initiative; however, new decisions were formulated as recommendations and advice. It was a giant leap for the Constitutional Court, though, which was gradu-

ally transforming from an agency that dealt exclusively with “checks and balances” into an advisory and, to a lesser extent, expert body with unclear objectives and functions (see Table 1). It is also indicative that the Constitutional Court was not working “in banco”, that is, not all of its judges were involved in decision-making, over the past few years.

Table 1.
Number of decisions and resolutions of the Constitutional Court in 1997–2007

<table>
<thead>
<tr>
<th></th>
<th>Binding decisions</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>1998</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>1999</td>
<td>7</td>
<td>9</td>
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<td>2005</td>
<td>1</td>
<td>38</td>
</tr>
<tr>
<td>2006</td>
<td>2</td>
<td>29</td>
</tr>
<tr>
<td>2007</td>
<td>1</td>
<td>22</td>
</tr>
</tbody>
</table>

The attempt to make the Constitutional Court more functional resulted in both organizational and personnel changes. In December 2007, the Council of the Republic (the upper chamber of parliament) elected three new judges of the Constitutional Court. The president on January 11, 2008 relieved Chairman of the Constitutional Court Grigory Vasilevich of his duties (it was Vasilevich that had shaped the policies of the Constitutional Court since 1997). The decision was due to the expiration of his term of office (Lukashenko could have extended his tenure) and retirement (ironically, Vasilevich was appointed prosecutor general in just about four weeks). On February 8, 2008, Lukashenko appointed Petr Miklashevich, the former prosecutor general of Belarus, as new Chairman of the Constitutional Court. The Council of the Republic formally approved Miklashevich’s new assignment on February 13 and extended the tenure of two more judges who had been appointed back in 1997. Six days later Lukashenko extended the term of office of two more judges and appointed two new ones. The staff reshuffle was thus completed.
Six judges had their terms of office extended (one of them, Valentina Podgrusha, had been appointed in 1994, and three more were assigned immediately after the 1997 reform, among them Deputy Chairman Alexander Maryskin) and six new judges were appointed (including the chairman) as a result of the “facelift”. Former chairman Grigory Vasilievich became prosecutor general, and two judges relieved of their duties were transferred to the Supreme Court.

The effect of reshuffle was augmented by attempts to reform the functions of the Constitutional Court to make it more practical and efficient for the political system (the official phrasing is “To enhance the role of constitutional control in the state legal framework and strengthen constitutional legitimacy”). The president announced during a conference of judges in March 2008 that the powers of the Constitutional Court needed to be extended. Two months later Lukashenko called a special conference that addressed the coming reorganization of the Constitutional Court. The head of state defined the following new functions of the court: to monitor the activities of the law-enforcement agencies and take part in lawmaking procedures. Lukashenko spoke against fast reforms or amendments to the law on the Constitutional Court and instead suggested upgrading the functionality of the Constitutional Court through presidential legislative acts, that is, ordinances and decrees. Decree № 14 on measures to improve the activities of the Constitutional Court of the Republic of Belarus came into effect on June 26, 2008.

The chief innovation brought about by the presidential decree included: the right of the Constitutional Court to carry out preliminary control of constitutionality of all bills before they are signed by the head of state, to opine as to the constitutionality of international agreements before they are signed (at the suggestion of the president), to provide official interpretations of presidential decrees and ordinances that pertain to freedoms and rights of citizens (under instructions and on behalf of the president), to test constitutionality of decisions and law-enforcement actions of courts, law-enforcement agencies and other state authorities (also on behalf of the president).

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1 See the materials of the meeting that addressed the activities of the Constitutional Court: http://www.kc.gov.by/main.aspx?guid=9455.
So the reform was not so much about the expansion of the authority of the Constitutional Court as about the engagement of the court in the process of lawmaking to perform some auxiliary functions. There are clear indications that all new powers of the Constitutional Court are one way or another connected with provision of expert advice, while the three additional functions (see above) are carried out only if ordered by the president, which helps identify the status of the Constitutional Court in the modern legal and political system.

In fact, we observe the transformation of the Constitutional Court from a legal agency that offers legal advice (either on its own initiative or based on proposals of citizens) and sporadically provides expert services into a predominantly expert unit of lawmaking processes that fulfils additional orders of the president. It would be premature to draw conclusions about the essence of the reform, because the new format of the Constitutional Court is still short of real practical activities.

**Economic courts**

There were no significant staff changes in the system of Belarusian economic courts last year. The top positions were occupied by the judges that had been appointed before 2008 (see Tables 2, 3). The only appreciable shift was the appointment of Supreme Economic Court deputy chairperson Lilia Kozyreva as judge of the Constitutional Court. The vacancy was filled by chairman of the economic court of Minsk Region Vasili Demidovich, who, in his turn, was replaced by Supreme Economic Court judge Anatoly Garnovski.4

| Table 2.  
| Supreme Economic Court administration |
| --- | --- | --- |
| Viktor Sergeyevich Kamenkov | Chairman of the Supreme Economic Court of the Republic of Belarus | 2001 |
| Alexei Petrovich Yegorov | Deputy Chairman of the Supreme Economic Court of the Republic of Belarus | 1998 |
| Vasili Nikolayevich Demidovich | Deputy Chairman of the Supreme Economic Court of the Republic of Belarus. | 2008 |

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4 Presidential ordinance № 199 of April 10, 2008 On Appointment of Judges of the Republic of Belarus and Change in the Composition of the Presidium of the Supreme Economic Court.
Table 3.
Administration of regional economic courts

<table>
<thead>
<tr>
<th>Position</th>
<th>Year of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergei Mefodyevich Kulak</td>
<td>2005</td>
</tr>
<tr>
<td>Brest Region Economic Court</td>
<td></td>
</tr>
<tr>
<td>Yelena Alexandrovna Nikolayeva</td>
<td>2007</td>
</tr>
<tr>
<td>Vitebsk Region Economic Court</td>
<td></td>
</tr>
<tr>
<td>Nikolai Anatolyevich Danchenko</td>
<td>1995</td>
</tr>
<tr>
<td>Gomel Region Economic Court</td>
<td></td>
</tr>
<tr>
<td>Valery Yevgenyevich Kostyukevich</td>
<td>2002</td>
</tr>
<tr>
<td>Grodno Region Economic Court</td>
<td></td>
</tr>
<tr>
<td>Viktor Valerianovich Boguslavski</td>
<td>1996</td>
</tr>
<tr>
<td>Mogilev Region Economic Court</td>
<td></td>
</tr>
<tr>
<td>Anatoly Adamovich Garnovski</td>
<td>2008</td>
</tr>
<tr>
<td>Minsk Region Economic Court</td>
<td></td>
</tr>
<tr>
<td>Igor Nikolayevich Zhdanovich</td>
<td>1999</td>
</tr>
<tr>
<td>Minsk City Economic Court</td>
<td></td>
</tr>
</tbody>
</table>

There were no serious changes in the institutional structure of economic courts, either, although some functional changes did take place. As we mentioned above, a characteristic feature of the Belarusian judicial branch is its actual subordination to executive authorities, especially the president and the presidential administration. It was only through the initiatives and political campaigns of the president and his administration that economic courts “saw some action” in 2008.

The key improvements were brought about by the state campaign to cut red tape and facilitate the processing of citizens’ complaints and appeals. The pivotal document of the campaign is presidential directive № 2 on measures of further debureaucratization of the state administration, which courts have to implement together with all other bureaucratic institutions despite their declared political and organizational autonomy.

As part of this campaign, economic courts were supposed to simplify the sophisticated procedure of dispute resolution. The

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state pinned hopes on writ jurisdiction and mediation as two institutes capable of easier and cheaper settlement of disputes. Amendments to the Economic Procedural Code were introduced to get rid of red tape. They included additional possibilities for writ jurisdiction, improvements in appellate procedures and some other innovations designed to reduce the workload on judges and speed up proceedings.

Other aspects of the state crusade against bureaucracy include buildup of public confidence and additional transparency through media availabilities, campaigns to prevent economic offences and economy legislation outreach programs. Judges of economic courts presented lectures, took part in seminars and workshops, and did lots of media interviews, which became an integral part of their official duties. Also, judges started taking part in sessions of local executive committees, providing “hot line” legal advice and personally receiving citizens. The anti-red-tape efforts seemed quite efficient. According to reports, the work of economic courts became much better organized.

Furthermore, economic courts have shifted their focus to some specific varieties of lawsuits (also under instructions of the president and other executive authorities). In 2008, courts were giving priority to bankruptcy cases (because of their social significance), cases connected with directive № 3⁶, property redistribution disputes, etc.

**Courts of general jurisdiction**

The system of courts of general jurisdiction saw no serious personnel changes in 2008. The only one was the retirement of Chairman of Minsk City Court Mikhail Ardyako. Supreme Court judge Vladimir Putsilo succeeded Ardyako⁷ (see: Tables 4, 5).

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⁷Presidential ordinance № 124 of February 26, 2008 *On Chairman of Minsk City Court.*
Table 4.
Supreme Court administration

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Year of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valentin Olegovich Sukalo</td>
<td>Supreme Court Chairman</td>
<td>1997</td>
</tr>
<tr>
<td>Alexander Adamovich Fedortsov</td>
<td>First Deputy Chairman of the Supreme Court</td>
<td>2005</td>
</tr>
<tr>
<td>Valery Leonidovich Kalinkovich</td>
<td>Deputy Chairman of the Supreme Court, chair of the criminal panel</td>
<td>2005</td>
</tr>
<tr>
<td>Valery Nikolayevich Vyshkevich</td>
<td>Deputy Chairman of the Supreme Court, chair of the civic panel</td>
<td>2003</td>
</tr>
<tr>
<td>Zhanna Borisovna Shkurdyuk</td>
<td>Deputy Chairman of the Supreme Court, chair of the intellectual property panel</td>
<td>2003</td>
</tr>
</tbody>
</table>

Table 5.
Regional court administration

<table>
<thead>
<tr>
<th>Name</th>
<th>Region Court</th>
<th>Year of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamara Ivanovna Suchok</td>
<td>Brest Region Court</td>
<td>2004</td>
</tr>
<tr>
<td>Tadeush Valentinovich Voronovich</td>
<td>Vitebsk Region Court</td>
<td>2002</td>
</tr>
<tr>
<td>Lyudmila Stepanovna Mikhalkova</td>
<td>Gomel Region Court</td>
<td>2003</td>
</tr>
<tr>
<td>Alexander Antonovich Grinkevich</td>
<td>Grodno Region Court</td>
<td>1999</td>
</tr>
<tr>
<td>Vladimir Grigoryevich Putsilo</td>
<td>Minsk City Court</td>
<td>2008</td>
</tr>
<tr>
<td>Georgy Pavlovich Khomich</td>
<td>Minsk Region Court</td>
<td>2000</td>
</tr>
<tr>
<td>Alexander Ivanovich Tkachev</td>
<td>Mogilev Region Court</td>
<td>2000</td>
</tr>
<tr>
<td>Alexander Vladimirovich Konyuk</td>
<td>Belarusian Military Tribunal</td>
<td>2006</td>
</tr>
</tbody>
</table>

As for institutional transformations in the system of courts of general jurisdiction, there were few of them, while the development scheme was almost the same as with economic courts: assault on red tape, simple and efficient proceedings and active participation in state campaigns (like attempts to reduce the number of road deaths through harsher punishments for drunk driving).

Courts of general jurisdiction also focused on writ jurisdiction, shortened judicial investigations into criminal cases and tighter rules for or-
ganization of court sessions and paperwork. When it comes to punishments, courts pledged to further reduce the number of sentences of imprisonment by replacing them with alternative punishments.

We should also note some progress in the ability of judges to ignore the position of the prosecutor’s office and the police as far as criminal trials as concerned, since judges tend to acquit defendants if the proof of guilt is insufficient. In 2008, judges got more room for maneuver on these issues because of the position of the judicial branch administration.
Army:
Modernization Is Supposed to Follow Reform

Alexander Alesin

Summary
Last year’s efforts to develop the military capability of the country seemed sufficient to reach the main objectives of military reform in Belarus, that is, to create a compact national army with arms and equipment that are relatively up-to-date.

However, the Belarusian armed forces fall short of modern armament standards. The deficit of high-tech armaments is growing, because the State Rearmament Program of Belarus is being implemented at a very slow pace. The Belarusian army is definitely facing the need of major rearmament. In the meantime, Belarus has a fair chance of getting new arms and equipment as early as 2009, owing to the Agreement on joint air policing of the outer boundaries of the Union State and establishment of the Unified regional air defense system of Belarus and Russia.

The Principal Ideas:
- together with its favorable geopolitical location, the Belarusian military potential still remains a crucial bargaining chip the Belarusian administration uses in talks both with the East and the West;
- president Lukashenko naturally cherishes this strategic asset and seeks to maintain the efficiency of the armed forces;
- rearmament and re-equipment have been taking too long, though, mostly because of the financial restrictions amid the economic downturn;
- Belarus hopes to make up for the lack of funds by importing arms and equipment from Russia at reduced rates.

Ministry’s report
On January 1, 2009, Defense Minister Leonid Maltsev reported that the plan of construction and development of the Belarusian armed forces
in 2008 was 100% implemented. According to the minister, all projected measures were put into effect. “The peacetime military training was raised to a new quality level,” he said.

The military continued execution of the government program for the armed forces equipment, which covers the period 2006 through 2010. Besides upgrading and maintenance of the available arms, new items were purchased and added to the armory. The state defense order given to enterprises of the Belarusian military-industrial complex was carried out in full, Maltsev said.

Speaking about the international military cooperation in 2008, the minister emphasized defense partnership with Russia, the major strategic partner of Belarus. The two countries were implementing 30 joint defense agreements. The politico-military interaction with members of the Collective Security Treaty Organization, the CIS countries, and neighbors was also advanced.

The minister spoke about military cooperation with the People’s Republic of China, the visit of China’s national defense minister being a confirmation of the close links. Participation in the Ferocious Falcon International Exercise in Qatar was pertinent to the defense cooperation objectives.

The armed forces’ structure and recruitment procedures in Belarus are basically the same as in Europe.

Making comments on the statements of General Maltsev, experts suggest that prime objects of the armed forces reforming were attained.

The joint system of military education, training and retraining of professional military personnel has been almost completed as well. It includes training at the general staff department of the Military Academy of Belarus and General Staff Academy of the armed forces of Russia (officers of the operational-strategic level), Military Academy of Belarus and colleges of the Defense Ministry of Russia (pre-strategic level), six military departments and five senior divisions of civil universities of the country (officers of the pre-strategic level, reserve junior specialists and officers), the 72nd Guards Unified Training Centre for NCOs and Junior Specialists (ensigns and junior specialists serving for a regular term).

More than 20% of privates and sergeants of the Belarusian army and 10% of all men-at-arms do military service under contracts, including
40% of regular soldiers, 14% of ensigns, 30% of officers, and about 6% of cadets of military education institutions. The Belarusian army currently totals 65 thousand persons: 50 thousand are the military and 15 thousand are the civil personnel.

As to the foreseeable future, the Defense Ministry is not willing to abandon the compulsory military service and advocates mixed recruitment, thus intending to upgrade this process in the course of time.

As a result of the reform, mechanized brigades 3,000 to 3,200 strong are regarded as basic tactical units. They are grouped together into corps subordinated to territorial operational commands. Special operations forces – a crucially new component of the ground troops – were formed on the basis of mobile brigades, which descend from the Soviet airborne troops. The General Staff assumes a considerable part of them will enter a contract military service by 2010 and take positions of privates and sergeants. The 5th detached task force brigade is supposed to be entirely professional.

The main emphasis in the training of the armed forces is put on operation in conditions of mobile defense. According to the present doctrine, the special operations and constant alert forces will be the first to engage in combat in case of an armed conflict. Their task is to cover deployment and getting into action of the trained reserve, which currently totals 400 to 450 thousand persons.

A change in the military training objectives of the special operations brigades is worth noting. Relying on the available information, analysts reach the conclusion that in case of war, the special forces are supposed not only to cover mobilization, but also to conduct warfare outside Belarus, including airborne assaults with the use of standard equipment.

Shortage of up-to-date materiel is getting apparent

The defense minister emphasized more than once that in view of the recent tendencies in the art of war and experience of localized wars of the late 20th and early 21st centuries, development of the air defense, air force, missile arm, electronic warfare, reconnaissance, and communications should be outlined as priority areas of the national defense.

The first stage of the State Armament Program 2006-2010 was continued in 2008. It was focused on major repairs and upgrading of the
higher-priority arms and equipment, such as planes, helicopters, antiaircraft guided missile systems, electronic reconnaissance stations, and electronic warfare units.

The upgrade aimed to enhance performance capabilities and jamming immunity, expand the functional areas, ensure the highest possible automation of the control process, and transit to a sophisticated element base.

As a result, the Belarusian army was provided with Su-27UBM1 and MiG-29BM fighter jets, Mi-8MTK01 helicopters, P-18BM radar stations, BM-21A BelGrad multiple launch rocket systems, R-934UM Udar and R-378UM Ukol jamming stations, all modernized by Belarusian enterprises.

Enterprises of the Belarusian defense industry are currently upgrading eight more prototypes intended for the radio-radar and signal corps.

Capabilities of new and upgraded materiel of both domestic and joint Belarusian-Russian manufacture, their matching the established military characteristics and long-range requirements of the armed forces were demonstrated during the integrated operational exercise entitled “Autumn-2008”.

President Lukashenko was shown an approved Sapphire laser guidance jammer, Naves-U GPS radar jammer, test prototype of Vostok-D radar station, and multi-purpose remotely controlled aircrafts.

However, independent experts note that the Armament Program is going rather slow, and the modern items of equipment available are still few. Weapons inadequacy is getting stronger. The reasons are the increasing cost of development and manufacture of new kinds of weapons and materiel, and a financial bottleneck.

The annual defense expenditures of Belarus are estimated below 1.5% of GDP, which amounts to approximately U.S. $800 million. Besides, the Russian military-industrial complex cannot provide its ally with the required facilities.

That is why the intention to purchase state-of-the-art S-400 antiaircraft guided missile systems from Russia remained on paper. The Russian Ministry of Defense ordered so many S-400 that all of them will go to the Russian armory in years to come.
Russia promises to sell weapons at low prices, or to give them for free

However, the situation can change after the agreements on the joint protection of the Russia-Belarus Union State’s airspace and creation of an integrated regional air defense network were signed on February 3, 2009 in Moscow.

Moscow regards the joint regional air defense system as a keystone of the CIS United Air Defense System capable of covering Russia all along its air frontier.

The legal framework of the joint Belarusian-Russian regional air defense system has been officially negotiated since 2001, but the parties could not agree how much the Belarusian services for protection of the Russian western air frontier cost expressed in “gas equivalents”.

On December 22, 2008, the presidents of Belarus and Russia, Alexander Lukashenko and Dmitry Medvedev, settled or almost settled basic issues after Russia agreed to supply gas in 2008 at the price Belarus was ready to pay and gave the ally a stabilization loan.

In addition, Russia agreed to provide the Belarusian armed forces with sophisticated weapons and to place Defense Ministry’s orders at Belarusian enterprises that really helped towards a compromise.

Russian President Medvedev indirectly confirmed it in 2008 at the final session of the commission for military technical cooperation saying that the countries of the Commonwealth of Independent States should have been more widely involved in military technical cooperation with Russia. Izvestya daily published a report about the meeting on February 30, 2009.

Taking into account that Belarus is the third strongest country in the CIS with regard to military capacity after the Russian Federation and Ukraine (which now seeks NATO membership), it can be reasonably assumed that President Medvedev was addressing Belarus. Therefore, some analysts believe rearmament of the Belarusian army is likely to be stepped up as early as 2009.

This article uses information from BelaPAN, BelTA, Prime-TASS, and Interfax.
Security Services

Andrei Lyakhovich

Summary
The “reform” observed in Belarus in 2008 was to a great extent the result of Viktor Sheiman losing his role of supervisor and coordinator of Belarusian controlling and law-enforcement agencies. And with this, the liquidation of the power bloc in the Belarusian elite advocating a rigid authoritarian style. At the same time, the “reform” has a development logic of its own and brings about new changes. The fall of the “Sheiman bloc” amid the strengthening of other groups in high places gave the green light to a broader economic liberalization. Also, the broad economic liberalization course diminishes the weight of controlling and enforcement institutions.

The weakening of controllers and security officials makes large-scale anti-corruption campaigns highly unlikely, which means significant financial resources will be accumulated by nomenklatura (the elite group), and the process of so-called “nomenklatura” privatization will ensue.

The Principal Ideas:
• the political weight of the “siloviki” group in the configuration of Belarusian authorities decreased;
• the group connected with Viktor Lukashenko, frequently regarded as Alexander Lukashenko’s successor, grew stronger;
• the “technocrat” group responsible for economic reforms grew stronger as well.

Waning year of the Sheiman group
When Russia was rendering substantial economic support to Lukashenko’s regime, the government certainly wanted to remain in charge of where the money is spent. Lukashenko proclaimed himself an anti-cor-
ruption crusader, a punisher of violators. Victor Sheiman, leader of the group of controllers and enforcers in the top echelon, enjoyed the status of the second person in the state. The political weight of law enforcers (the KGB and Ministry of the Interior) and controllers (the State Control Committee and Attorney General’s Office) considerably outbalanced the groups in charge of the socioeconomic sector. The Sheiman group exerted profound influence on the domestic and foreign policy of Belarus. Any steps towards democratization and liberalization were apprehended by many in this group as riskful steps to the prisoners’ dock.

In late March 2006, State Control Committee Chairman Anatoly Tozik, Sheiman’s protégé, was replaced by Zenon Lomat, representative of the “Shklov-Mogilev group”. In July 2007, KGB Chairman Stepan Sukhorenko, also a protégé of Sheiman, was replaced by former chief of the presidential security service Yuri Zhadobin, installed by Lukashenko himself. Considering that Sheiman had never supervised the Ministry of the Interior, removal of his two creatures in the State Control Committee and KGB from office implicated his fall. The rumors that Minister of the Interior Vladimir Naumov was getting stronger and was likely to be appointed prime minister, which circulated in July 2007, suggested that the Ministry of the Interior was used after the manner of the State Control Committee for a large-scale repartition of areas of influence in the authority and property system against Sheiman’s interests.

In February 2008, Attorney General Pyotr Miklashevich, another protégé of Sheiman, was replaced by Grigory Vasilevich, former chairman of the Constitutional Court.

In spring 2008, Sheiman lost one more major component of his power, namely the control over the financial flows that were feeding the group of controllers and enforcers. Triple Company managed by Yuri Chizh received a new patron. Director General of Zhdanovichi Trade House Evgeny Shigalov was arrested in April 2008. The former motorcar mechanic made a meteoric career in the mid-1990s and made it to the list of top 10 businessmen of Belarus under Sheiman’s auspices.

That is how the Sheiman group was step by step weakened and lost from those who turned out to have more muscles. The seating arrangement study that the Kremlinologists like so much favors this version: when Lukashenko made a speech in the parliament on April 29, 2008,
Sheiman took a place inappropriate for an official of his rank. He sat at the end of the second row looking scowly and hunted. Most likely, Sheiman did not deny the probability of going to jail following Shigalov.

The epilogue came after a short while. On July 8, 2008 Sheiman was dismissed from the post of the state secretary of the Security Council for vocational incompetence following a bomb blast at the outdoor concert on July 3, the Day of Independence. Sheiman’s protégé Gennady Nevyglas was dismissed from the post of the head of the Presidential Administration “in connection with another appointment”. This personnel reshuffle finished the group of controllers and enforcers in their prior capacity. The group ceased to exist as an independent one having interests of its own and resource support.

After Sheiman’s removal, the position of the state secretary of the Security Council was no longer that influential in the government system. Victor Lukashenko, eldest son of the president and his assistant with respect to national security policies, became the curator and coordinator of controlling and enforcement agencies.

Scandal over cottages

In 2008, representatives of enforcement agencies got mixed up in a juicy corruption scandal like a year before.

On November 13, 2008, Lukashenko dismissed Deputy Attorney General N. Kupriyanov and Minsk Region Attorney M. Snegir, and ordered Attorney General Vasilevich to bring charges against them. Facing accusations were ten high-ranking officials of the Ministry of the Interior, including First Deputy Minister of the Interior A. Shchurko, Deputy Minister of the Interior V. Filistovich, and also two former deputy ministers, L. Glukhovsky and V. Radyukevich. Lukashenko ordered to evict the officers from their posts and to give their newly constructed cottages to large families.

It was the gravest scandal among controllers and enforcers under Lukashenko’s presidency. Even in July 2007, when he combed out KGB chief S. Sukhorenko and First Vice-Chairman of the KGB V. Dementey, the president confined himself to common corruption charges, but did not furnish any facts. This time Lukashenko personally provided details of the bribery scandal.
According to official sources, head of the Presidential Administration Makey and KGB Chairman Zaitsev were in charge of the case.

Many experts believe Lukashenko was standing behind them. Firstly, Makey and Zaitsev were appointed to their posts in July 2008. Makey replaced Gennady Nevyglas, who was earlier promoted by Sheiman. Makey was rumored to be supported by the president. That rotation was the last one in the series of discharges of Sheiman’s people from the State Control Committee, KGB, and Attorney General’s Office. Secondly, it is highly unlikely that newcomers, who took offices less than six months prior to the events in view, could have compromising evidence against Deputy Attorney General Kupriyanov, and Interior Ministry generals, Lukashenko’s praetorians from way back. Finally, the fact that Lukashenko reacted to the compromising evidence against his devoted watchdogs so emotionally and publicly disclosed the details also suggests that he received the information from a person who he trusts implicitly. Victor Lukashenko is such person.

So, assuming that it was Victor Lukashenko to initiate the scandal, most probably he aimed to weaken the power wielding bloc and to establish closer control over it.

On the one hand, it might be a demonstration of power. He showed the power agencies and machinery who the new boss is. On the other hand, it might be a targeted message to those who climbed the ladder pushed by Sheiman and continue in office after several large-scale reshuffles in 2006–2008. All ranking officials hit by the corruption scandal – except Minsk Region Attorney Snegir – were promoted through Sheiman’s pull, and took up appointments in the Ministry of the Interior and Attorney General’s Office in 2002-2005 when Sheiman was number two in the country.

Besides, Victor Lukashenko let it be known that he had dug up plenty of evidence against many during inspections conducted by the Presidential Administration, Security Council, etc., and that these papers can be laid on the president’s desk at a well-chosen moment.

**Technocrats strike back**

When Sheiman’s group was at the peak of its power, government “technocrats” and economic top managers were the main targets of corrup-
tion scandals. The shoe is on the other foot now. Once ‘untouchable’ enforcers and controllers try hard to unearth evidence against each other, and use it when the right occasion presents itself.

The criminal proceedings against Minsk Region Attorney Snegir can be seen in this light. It was officially informed that he took a U.S. $500,000 apartment away from a businessman; misappropriated a land plot and constructed a million dollars worth private residence in the Minsk district. At the same time, charges against Deputy Attorney General Kupriyanov do not look that unimpeachable. He was not mentioned among land grabbers or owners of luxury cottages. Kupriyanov allegedly just covered up his subordinate, a friend of his, as Lukashenko said. Kupriyanov could expect Lukashenko’s forgiveness more than Interior Ministry officials mixed up in shady transactions. He was appointed deputy attorney general in July 2002, when all mentioned generals of the ministry – except Shchurko – held colonel ranks. But his head was supposed to roll because he had been on top for a long time as a chastener serving devotedly to the system.

Before entering the office of deputy attorney general, Kupriyanov occupied the post of Minsk city attorney. When Sheiman was Attorney General, Kupriyanov personally conducted criminal proceedings against directors of large industrial enterprises and supervised prosecution on behalf of the state in 2001–2002. Prosperous and far-famed businessmen, in particular M. Leonov, director of the Minsk Tractor Works, and L. Kalugin, director of the Minsk Refrigerator Plant, were sentenced to heavy terms of imprisonment.

The present leaders of the group of technocrats, Premier S. Sidorsky and First Vice-Premier V. Semashko, also moved up from directors of large industrial enterprises. In particular, Sidorsky had been heading the Gomel-based Research and Production Association RATON for eight years. When Sheiman spewed charges against directors under Lukashenko’s instructions, Sidorsky, Semashko and present members of their group – ministers and heads of industrial enterprises – most likely thought they could be the next to get under the wheels of anticorruption reprimands. Quite naturally, they may have felt sympathy for career people like themselves, who got into trouble at that time.

The compromising evidence given to Lukashenko was obviously well-cooked. Kupriyanov was Sheiman’s sword-arm at the time of di-
rectors’ trials. The technocrats became stronger in the course of time and got a chance to retaliate.

The end of the influential and independent group of law enforcers and controllers in the top echelon – some of them participated in politically motivated anticorruption campaigns, reprisals, and are suspected of involvement in forced disappearances of prominent oppositionists – opened the door to political democratization and economic liberalization, and forwarded certain improvement of relations with the West.
FOREIGN POLICY

Russian – Belarusian Relations

Anatoly Pankovski, Valeria Kostyugova

Summary
Last year proved pretty much eventless: Belarus and Russia saw no significant developments or drastic solutions. All problems addressed throughout the year were resolved, completely or partially, only in early 2009. The proportion of “Union” rhetoric amidst a more intense political life in Belarus has fallen dramatically.

The key feature of the current period is the loosening of the tight entanglement of Minsk’s European and Russian policies: the two used to form an integrated whole and worked as a pendulum, focusing either on the West or Russia, but never on both simultaneously, and always expecting Russia’s sanction; whereas starting 2008 the approaches to the opposite cardinal points – the East and the West – became relatively independent. This stood behind the decreasing share of the “Union” themes: the dialogue with Europe itself appeared to be a generous supplier of news. The main tension lines in the mutual relations were foreign policy, trade and economic ties, and cooperation in the financial sector.

The Principal Ideas:

- divergence of the two allies’ priorities driven by foreign political issues;
- separation of the western and eastern branches in Belarusian foreign policy;
- mechanisms to resolve conflicts are downgraded from the interstate level to local policies.
Contours of interaction

The low intensity of the interaction between the counterparties in the period under review is a logical consequence of their deep immersion in other problems. In January-March 2008, the Russian political field was occupied by the election of President Dmitry Medvedev, followed the war with Georgia in August, and finally, the year closed with the “Ukrainian issue”, which resulted in a very serious gas rift in early 2009.

The Belarusian political minds, for their part, expected concrete results from the Russian presidential election, although expectations were not really high; at home, the greatest challenges were the domestic parliamentary election, refinement of the internal political façade, liberalization and privatization – all these serving as a background for the “dialogue” with the West, which was gathering pace in sympathy with Belarusian internal logic rather than depending on Russia’s preferences. Both the countries were swept in the vortex of the global economic crisis last year (Belarus lagged behind the eastern neighbor, though).

When it comes to Union State relations, the trends that had been revealed back in 2007 were reinforced last year: the chill in mutual relations continued, bilateral ties acquired a more solid formal framework, Russian preferences and subsidies remained, although their volume was dwindling dramatically, and finally, Minsk was losing its political initiative. Belarus failed to find compelling reasons to persuade Russia to get back to the previous format of relations, the main pillar of the stability of the Belarusian political regime. The serious alterations in those relations (which had not been severed by then mostly because of the earlier momentum) took place in the second half of the year, right after the Russian-Georgian war (see below). Finally, the year 2008 added one more explicit trend, which used to be inappreciable before: certain “bilateral” issues were transferred to external platforms – the CIS, Collective Security Treaty Organization, etc. It appears we observe a slow harmonization of the Russian-Belarusian “Union” relations with broader external formats.

Russia was the first one to shift insoluble bilateral problems to the group Former Soviet Union (FSU) platforms. The list of insurmountable problems included customs tariff discrepancies, disagreements over
freight rates, electric power flows, etc. – one way or another connected with transit in the broad sense. The core of Russia’s predicament is that it has no external borders, but since Russia does not hurry to tackle this complication, it has to reckon with the interests of “transit” countries, which perform the role of Russia’s outer borders. Belarus presents Russia with the same problems as all other transit countries, namely, endless negotiations over tariffs, standards and transit terms, hence Russia’s natural yearning for “integration-like” synchronization and harmonization of local contracts and unsettled problems within the framework of the Customs Union and the Eurasian Economic Community (the concept of the Common Economic Area was left for good in 2007). Multilateral discussions of pending problems with borders, communications, tariffs and standards within various integration formations proved as inefficient as bilateral efforts, because in this case there are more players, a more intricate game pattern and more varied powers of attraction and repulsion.

To illustrate the effectiveness of this method we could cite its frequent application by the Belarusian side since 2008 – bilateral issues are entrusted with a broader circle of negotiators, although the goals of the Belarusian side are totally different from Russia’s aspirations. Take Minsk’s attempts to back out of its Union promises (namely, to support its ally’s mission in the Caucasus) by way of shifting the issue to the Collective Security Treaty Organization – it seemed quite effective. The success of these tactics must have stood behind another Minsk’s endeavor to shift the burden to the CSTO: it was Alexander Lukashenko’s initiative to tackle the issue of recognition of South Ossetia and Abkhazia in the scope of that international organization. Lastly, Belarus resorted to the same strategy of erasing the vaguely shaped bilateral defense contract with Russia every time the ally tried to impose its joint air defense project on Minsk (the early 2009 treaty proved that Belarusian evasion tactics did not succeed).

**Foreign political cooperation**

Belarus and Russia on January 30 signed yet another program of concerted foreign policies. The program is adopted on an annual basis and envisages collaboration in international organizations, to which both
Belarus and Russia are members. The shortlist of such organizations includes the United Nations, the Organization for Security and Co-operation in Europe (OSCE) and former Soviet Union associations. Furthermore, Russia offers Belarus its foreign political support in those international institutions in which Belarus is not represented, for instance, the Council of Europe. Minsk, for its part, backs Moscow’s essential foreign political initiatives.

The first half of the year saw the two countries reciprocate favors as usual. Belarus shored up Russia on February 19, 2008 on the issue of the territorial integrity of Serbia (non-recognition of Kosovo) and condemned U.S. missile defense deployment in Eastern Europe all through the year. In turn, Russia was doing its best to facilitate the reinstatement of Belarus’ special guest status in PACE, while in May 2008, the Belarusian Foreign Minister was elected member of the United Nations Economic and Social Council through efforts of Moscow diplomats.

The media availability of Russia’s Ambassador Alexander Surikov marked a crucial turning point in mutual relations: the diplomat on August 12 accused the Belarusian administration of scrapping its Union pledge and failing to support Moscow’s policies in the Caucasus. The propaganda campaign in the Russian mass media that followed branded Belarusian evasion efforts and passiveness as a “betrayal”. Under the enormous pressure of its integration partner the Belarusian Foreign Ministry and Lukashenko personally had to express lukewarm support for Russia’s action in the Caucasian conflict, but Moscow was clearly disappointed. First of all, that support was offered too late, and, secondly, the wording was clearly unacceptable. Moreover, Lukashenko’s direct response to Surikov’s accusations was an instruction the head of state gave to Foreign Minister Sergei Martynov on the same day to immediately improve relations with the European Union and the United States.

Specialists agree that the “dialogue” between Belarus and the West was triggered by the need for new sources of investment amid the ebbing flow of Russian preferences. The deficit of financial resources is a crucial factor encouraging Belarus to seek mutual understanding with the EU and U.S., but the main locomotive of the dialogue, which ensured the right direction and sufficient momentum, was the war in the Caucasus.
Western analysts share these views: if one country resorts to using its military muscle, the whole region is considered unstable. Regional leaders with unquestionable authority need not resort to force, which means the Russian-Georgian war was interpreted as a symptom of Russia’s internal instability and loss of its potential of a “civilizer”.

Belarus’ hasty attempt to re-establish the dialogue with Europe was a quick response to the extraordinary events in the east that called for a desperate search for new “stabilizers”, that is, sources of legitimization of the regime and security. The invitation of international monitors to the parliamentary elections was a logical part of that “search stage”.

One should note that a very important, if not the most crucial, component of Belarusian political cooperation with Russia is the recognition of the legitimacy of the Belarusian regime by the Commonwealth of Independent States (CIS). But as the political situation in Ukraine, Georgia, Moldova and Kyrgyzstan changed (in fact, the recognition of elected authorities in those countries never really depended on the CIS), and especially after the Caucasian conflict, the Commonwealth has lost its powers as a “legitimizing”. The recognition of Abkhazia and South Ossetia as sovereign partners of the CIS or even the formulation of this problem by itself could equalize the legitimacy of Lukashenko’s regime and that of Kokoity. Under the circumstances, the value of legitimization, even limited, of the Lukashenko regime by other international institutions could be underestimated. The positive response to the parliamentary (and following presidential) elections by the EU, U.S. and OSCE and other international organizations grants Belarus certain freedom of action in the international political scene and global market. In short, an expansion of economic and political collaboration with the West could serve as a counterbalance to Moscow’s pressure; moreover, Belarus’ westward efforts are getting more meaningful independently of their helpful “blackmailing” potential that can be exploited against Russia.

On October 17, 2008 the Parliamentary Assembly of Belarus and Russia granted Abkhazia and South Ossetia an observer status. It was the only manifestation of loyalty that Minsk was able to afford (as of

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the day this chapter was edited). Russia’s CIS and CSTO partners never recognized the sovereignty of Abkhazia or South Ossetia regardless of Moscow’s tricks, promises and even threats to use its dominant weapon – energy prices. Russia was left all alone.

This isolation brought about a new touch in Russia’s policy towards the CIS – it tries to regain their trust in late 2008 – early 2009. It was Belarus’ administration that sought an audience with Russian counterparts to address mutual relations in the first half of 2008, whereas in the last two quarters most of the meetings were initiated by the Russian side.

**Trade and economic relations**

The Russian-Belarusian trade and economic contacts are regulated by the interstate agreement of March 23, 2007 de jure, but traders are normally guided by established practices de facto, which prove to be quite stable and successfully contradict the formal rules of trade, that is, both sides find it extremely hard to implement the official economic accords. The main practical difficulty is the following: Belarusian producers enjoy special privileges in the Russian market, while Russian makers operate in the Belarusian market within a regulatory framework applicable to all traders (contrary to the agreement, they are not granted the protective measures that Belarus applies to its own makers) and often face “custom-made” restrictions.

Russia criticizes the “special import” institute that Belarus has introduced to import tobacco goods, alcohol, fish products, and Belarusian rules for state procurement of farm machines, which exclude Russian machinery from state lease programs and strips them of all benefits during tendering procedures. As of early 2008, Belarus was using about 20 restrictive measures to curtail Russian imports, the chief instruments being quotas and licensing, and even direct administrative prohibition.²

Let’s take the automotive industry: there are a few joint ventures making modern buses in Russia – Scania, Real, Neoplan, etc. – but Belarusian consumers are not aware of them. Moreover, the myth that Russia has no high-tech productions at all was firmly established in the popular consciousness.

In January-June 2008, Moscow called on the Belarusian government to open the domestic market to Russian commodities and even took the trade discrepancy to the level of the Customs Union: in January, the Customs Union member-states signed a package of documents to not only equalize customs tariffs, but also vest the powers to formulate tariff policies in a supranational body. When presenting the package to the parliament back in June, Deputy Prime Minister Andrei Kobyakov demanded that discriminatory measures against Russia’s and Kazakhstan’s goods should be lifted, but it was as late as January 2009 that most of the customs tariffs were unified. This does not mean the discrimination of Russian goods will end in the foreseeable future, though. A situation of the kind is a perfect pre-condition for trade conflicts and even wars, even though the year 2008 was marked by minor trade disputes rather than wars. The notorious ban on imports of Belarusian dehydrated milk is one of the few “clashes”. Taken all round, Russia’s efforts to make the trade relations more transparent seem to be quite effective (take the regular inspections by Russian sanitary watchdog of Belarusian suppliers of farm produce to Russia). When it comes to the inveterate problem of unification of customs barriers, Russia managed to stipulate this issue when negotiating its stabilization loan for Belarus.

Finance

The year 2008 was notable for Russia’s massive campaign to make the Russian ruble a regional currency, in use at least within the Commonwealth of Independent States. The idea of the “regional reserve currency” virtually buried the project to launch a single currency of the Union State, although it was mentioned by Vladimir Putin and Boris Gryzlov early last year. After Dmitry Medvedev was elected president, the idea of the single currency was forsaken, as the Russian ruble has a more ambitious task, according to Medvedev. The “regional” ruble was the pillar of Medvedev’s presidential campaign.

This is why Russia made the new stabilization loan for Belarus – this time amounting to U.S. $2 billion – almost solely dependent on the

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change to the Russian ruble in mutual trade as a regional reserve currency. Belarus eagerly endorsed the idea and advertised the “regional” ruble elsewhere in the CIS only to ask for yet another loan totaling 100 billion Russian rubles, or a bit more than U.S. $2.8 billion. The agreement on the former loan was achieved during Medvedev’s visit to Minsk on New Year’s Eve, after Russia set out its final conditions.

Recap: the Russian ruble made its first rickety steps on the thorny path towards a “regional” status. There are no serious advocates of the project in the CIS, except Belarus, which provides its support as long as Russia is ready to pay.

Gas and oil

The bilateral relations were reasonably good as far as Russian energy transit and supplies to Belarus were concerned, especially against the background of Russia’s continuous dispute with Ukraine, Belarus’ southern neighbor, which in late 2008 escalated into what was later called a “gas war”. In a word, Belarus enjoyed cheap gas last year – much cheaper than its neighbors, while oil product export revenues remained relatively high (especially in the first half of 2008). Belarus paid U.S. $119 per 1,000 cubic meters of Russian natural gas in January-March and U.S. $128.5 per 1,000 cubic meters in April-December.

The only circumstance that clouded the otherwise perfect picture was the uncontrollable Gazprom, the Russian natural gas monopoly: no one was going to bargain over the price with Belarus, the fees were simply announced “based on the contract”. Belarus must have been somewhat disappointed that gas was leaving the realm of public relations, and the price formation sacrament never left the premises of Gazprom. The Russian-Belarusian gas contract has never been made public, whereas the price mystery we mentioned above is frequently used as a lever to “encourage” the opponent if any dispute arises. The gas price for the first quarter of 2009 was announced to the Belarusian administration, but the eventual figure never trickled out. That silence seems an integral part of the contract: Russia was going to put the squeeze on Ukraine in the harsh “gas showdown” mode and demanded that Minsk kept the favorable gas delivery terms undisclosed.

Despite the seeming calm and peace, the Russian side found reasons to be dissatisfied. Additional non-tax payments imposed on OAO Bel-
transgaz gas transport monopoly and OAO Mozyr NPZ oil refinery, in which Gazprom and Russia’s oil major Slavneft have shareholdings, became major reasons for concern. The late June “sensible” decision of the supervisory board of OAO Beltransgaz that the price of Russian gas for Belarus would remain unchanged in the second quarter onwards was another problem that Gazprom was ready to take to court, an international court, which could be called a brand new dimension of the Russian-Belarusian relations while incidentally confirming the long-standing tendency towards the demolition of post-Soviet institutions.
Belarus – EU Relations: Dialogue in Hard Times

Dzyanis Melyantsou

Summary
A wide range of circumstances, mostly external, resulted in a situation where the framework of the Belarusian-European relations was finally “fleshed out”, and the Belarusian westward policy became an independent vector of the country’s foreign political efforts, this time without any linkage to the relations between Minsk and Moscow. The crisis of the Belarusian-Russian relations that was further aggravated by the need for foreign investment, the new challenge from Russia after the Georgian war, the failure of the EU policy of sanctions and apparent unfeasibility of democratization of Belarus without regular political contacts with its authorities became the key reasons why Minsk and Brussels chose to gradually normalize their mutual relations.

Although the OSCE claimed the Belarusian parliamentary elections had fallen short of democratic standards, the European Union continued its policy towards “defrosting” its political relations with the Belarusian government and suspended its sanctions against Minsk for a period of six months, thus giving the Belarusian administration a chance to better the situation with democratic rights.

The sweet part of the “carrot and stick” approach was the Eastern Partnership initiative, which offers six Eastern European states, including Belarus, unique cooperation opportunities. At the same time, the EU neither adopted a new strategy on Belarus nor offered a new document to regulate the dialogue with Minsk and set conditions for the two sides to meet halfway on the path towards normalization.

The Principal Ideas:
• the year 2008 saw the European Union and the Belarusian government resume political relations; the EU-Belarus contacts for the first time ever were not overshadowed by Belarusian-Rus-
sian negotiations and gained in importance as an independent domain;
• the European Union made up its mind to unilaterally normalize relations with Belarus, that is, without waiting for Minsk to meet the 12 conditions it imposed back in 2006; the new approach may be attributed to the dramatic change in the geopolitical situation in the region;
• dialogue between Belarus and the EU was based on mutual concessions while having no specific framework or strict criteria of success, which makes mutual relations unpredictable and hardly manageable.

EU needed to blackmail Moscow?

In early 2008, the relations between the EU and Belarus were quite contradictory. While attempting to resuscitate the subsidies that Moscow used to provide in previous years, Minsk was sending signals to the West in search of opportunities to defrost the mutual relations.

The beginning of the year was marked by the notorious dispersal of a rally of Belarusian entrepreneurs and prosecution of its organizers, as well as the negative response to the hike in Schengen visa fees. Even though the rise in visa costs had been caused by objective reasons (the enlargement of the Schengen zone, introduction of a new database and a new, more complicated, visa issuance procedure), Minsk regarded the move as an unfriendly act and promised to reciprocate. In February, Belarus raised visa costs for citizens of the new Schengen member-states that had earlier raised visa fees for Belarusians to 60 euros.

The situation suddenly turned for the better in late January, when Minsk made a totally unexpected and inexplicable move and released its political prisoners, which seemed entirely illogical given the complicated internal political situation. The release of Artur Finkevich (his imprisonment in December 2007 was called a signal announcing the end of the “thaw” in the Belarusian – EU relations) proved that Belarus and the European Union were ready to start bargaining.

The efforts to appease the EU looked like an attempt to minimize the potential negative consequences of Belarus’ changing stance on the “Union State” project with Russia. The country’s policy towards the
West remained a derivative of the Belarusian-Russian relations. When Belarus claimed to be ready for another round of talks with Europe, the EU could be certain that instead of meeting its conditions (set out in the “What the European Union could bring to Belarus” letter), Belarus was going to escalate tensions, with traditional “goodwill gestures” being either an abolition or mitigation of earlier punitive measures.

**First signs of normalization**

The situation continued to gradually change for the better in late January, when President Alexander Lukashenko met with German Ambassador to Belarus Gebhardt Weiss and tried to sow discord within the EU’s unified approach to Belarus: he complained about the “hostile attitude” of most of the European countries, while commending Germany for its constructive position. The mere fact that the German ambassador had a personal meeting with Lukashenko ran counter to the tacit agreement of European diplomats to refrain from top level contacts in Belarus, which provoked a negative response from the backrooms of Brussels and European diplomatic missions in Minsk (they said they had not been notified of Weiss’s plans to meet with Lukashenko). The German Ambassador was backed only by French Ambassador Mireille Musso, which was enough for observers to infer that the EU had reversed its strategy on Belarus, since both Germany and France, the two locomotives of the European Union, changed their approaches simultaneously.

March saw Belarus wage a real diplomatic war on the United States, and it seemed at one moment that the relations with the West would be damaged beyond repair. Minsk managed to save the day when it inked the deal with the EU on the opening of a delegation of the European Commission in Minsk (which is in fact a full-scale embassy of the European Union) – ironically, it happened on the day it expelled U.S. diplomats from the country. It was a vivid demonstration of Minsk’s intentions to split the concerted policy of the EU and U.S. towards Belarus; on the other hand, Brussels got a clear indication of what Minsk could do to its diplomats if they were uncompromising and chose not to act constructively. The EU seemed to have got the message.

In May 2008, the European Union announced the Eastern Partnership initiative (originally designed by Poland and Sweden) to promote
cooperation with six eastern neighbors of the bloc – Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan. Unlike the European Neighbourhood Policy, Eastern Partnership was supposed to work on a multilateral basis and offer a deeper integration level in order to create a full-scale neighborhood belt along the eastern border of the EU, in accordance with the European Security Strategy. The Belarusian authorities were invited to take part in the development of the initiative and make concrete proposals, which encouraged official Minsk to participate very actively. Eastern Partnership became an effective instrument for Belarus to engage in dialogue with Europe, all the more so because Eastern Partnership was never focused on human rights or democratic values, but was guided solely by geopolitical interests.

In July, a delegation of the European Union led by Helga-Maria Schmid, Director of the Policy Unit of the General Council Secretariat of the European Union, paid a visit to Belarus to officially inform the Belarusian authorities that the parliamentary elections due in September were supposed to become a platform for developing the cooperation between the EU and Belarus. This idea, together with a bunch of other statements of European statespersons, showed that the EU would definitely start defrosting its relations with Belarus, the key criterion for Belarusian success being free and fair parliamentary elections. There was heated debate in the British parliament on July 16 over the situation in Belarus, and it seemed MPs were quite interested in normalizing the relations with Belarus and possibly investing in Belarus and even recognizing its parliament, provided this country held free and fair elections and stopped persecuting religious minorities and restricting the freedom of press.

It became clear in summer 2008 that the West had reached a tacit political agreement to finally normalize its relations with official Minsk. An important reason behind the EU’s first decisive steps towards Belarus is the failure of 12 years’ worth of previous external strategies aimed to democratize Belarus. The European Union seems to have tried every trick in the book, but its efforts were neither consistent nor effective.

Another essential reason why both Europe and the United States decided to resume their dialogue with the Belarusian regime was the understanding that its investments in the opposition as a force capable of
transforming Belarusian society were not worthwhile. As soon as Europeans realized that the Belarusian opposition would never come to power, they started looking for new levers to influence the political situation in Belarus from within. Political contacts at the top level were supposed to continue; furthermore, European businesses expressed their interest in the privatization of Belarusian manufacturing companies and investing in the Belarusian economy. They were additionally encouraged by the abolition of the “golden share” rule and simplified taxation.

There is one more important reason behind the rapprochement: the European corridors of power are tired of the “Belarusian issue” that they have been unable to resolve for a decade now. The “Belarusian issue” is a heavy psychological burden for Europe, which advertises itself as a global power advancing democracy and stability in neighboring countries, but is unable to tackle the “last dictatorship of Europe” (hence criticism of the United States).

Belarus was a sort of test for the European foreign political system, a test that it failed, so the EU must have decided to get rid of the “Belarusian issue” by recognizing the regime and promoting contacts at the top level.

Naturally, that was a very risky decision, as it envisaged one-sided concessions without any guarantees that the political system of Belarus would transform. The EU gave up its strategy of 12 conditions in the first half of 2008 and reduced all previous requirements that Minsk was supposed to meet to restart the dialogue to two basic conditions: release of political prisoners and free and fair parliamentary elections. Neither called for major changes in the rules of the internal political game. The conflict in Georgia in August 2008 became the final push to launch the normalization process.

**After Georgia**

The drastic change in the geopolitical situation in the region after the war in Georgia and crisis in the Belarusian-Russian relations caused by the non-recognition by Belarus of the two breakaway republics of Abkhazia and South Ossetia created a new window of opportunity for normalization of the relations between Belarus and the European Union. Belarus seemed more motivated to strengthen its ties with the West than ever:
the conduct of the Russian administration, which had decided to rearrange international borders overnight, must have prompted the Belarussian authorities and especially President Lukashenko that if one got too close to Moscow and then acted in a way that the Kremlin could regard as disloyalty, “sudden political death” would be imminent.

The intention to normalize its relations with the West amid the crisis in the Belarusian relations with Russia was strong enough for Belarus to agree to meet some of the requirements of the EU: Minsk released its political prisoners on the eve of the September 28 parliamentary elections, which the EU interpreted as a cue to resume full-scale political relations with the “last dictatorship of Europe.” While opening the country to foreign election observers in an unprecedented attempt to ensure transparency, the Belarusian authorities managed to use the genuine interest of the West to strengthen its own propaganda efforts and convince the domestic electorate and international community that the authoritarian regime was going to get liberal for real. As a result, although there were no changes in the Belarusian election scenario, most of the western monitors had to refrain from sharply critical remarks.

Just like specialists had expected, the OSCE/ODIHR election observation mission concluded that the parliamentary elections in Belarus had fallen short of OSCE commitments for democratic elections despite some “minor improvements”. This last part about the progress that Belarus showed became the basis for the continuation of the dialogue with Belarus and actual recognition of the elections results by European member-states. Anne-Marie Lizin, Vice President of the OSCE Parliamentary Assembly and Special Coordinator of the OSCE short-term observers, said in Minsk on September 29 that the EU must “move forward” in its relations with Belarus. During his visit to Minsk, then OSCE Chairman-in-Office, Finnish Foreign Minister Alexander Stubb, voiced an opinion that “Belarus was moving in the right direction.” The European Union, too, kept its policy towards normalization unchanged.

On September 30, Commissioner for External Relations and European Neighborhood Policy, Benita Ferrero-Waldner said: “I have taken note of the preliminary findings of the OSCE/ODIHR Election Observation Mission (EOM) which includes both some positive indications but also a number of negative elements.”
The “minor improvements” from the OSCE international observers’ statement were thus transformed into “positive indications and [...] negative elements”, which means the original peg of the normalization efforts to the outcomes of the parliamentary elections had been factitious, and the dialogue between Belarus and the EU would have continued anyway.

Policy towards normalization

In a non-binding resolution of October 9, 2008, the European Parliament called on the Council of Europe and the European Commission to continue the dialogue with and devise a policy vis-à-vis Minsk, consider a six-month partial suspension of the visa ban on Belarusian top officials and take further steps towards the facilitation and liberalization of Schengen visa procedures for Belarusian citizens. Representatives of separate member-states also came out for an extension of the dialogue with the Belarusian government after the parliamentary elections.

In the wake of the resolution of the European Parliament, the Council of Europe on October 13, 2008 suspended the travel ban on Belarusian President Alexander Lukashenko and other officials that had been imposed in 2004-2006 for what Europe called an election fraud and political persecution. For the bloc to lift the sanctions, the Belarusian authorities were proposed to meet a number of requirements regarding political liberalization (most of the conditions were voiced by Hughes Mingarelli, Deputy Director General of the Directorate General for External Relations of the European Commission, who visited Minsk on November 4–5).

The decision to suspend the visa ban was taken in very controversial circumstances: on the one hand, the reprieve was granted because Belarus had met some of the EU demands pertaining to liberalization of the country’s political life, especially by releasing the last political prisoner in August; on the other hand, the fact that the decision came after the September 28 parliamentary elections, which were said to have been short of democratic standards, enabled many observers to conclude that the bloc had lost the battle against Lukashenko and was looking for ways to “save face” after its sanctions had failed. There were opinions that a pragmatic phase of mutual relations had started, and the West was
ready to ignore the situation with democracy and human rights in Belarus if it agreed to reverse its geopolitical priorities.

It became evident in late 2008 that the motivation of the official Minsk to improve relations with the West became even stronger under the tremendous pressure of the global economic crisis and new political initiatives of the Russian Federation. The point-blank refusal of the Belarusian side to cede its sovereignty made it clear that to promote economic cooperation with the West Belarus required immediate economic reforms and partial political liberalization. The two essential events that marked the end of the year were the agreement with the International Monetary Fund on a stand-by loan and relative political liberalization (registration of the movement “For Freedom!” and resumption of sales of independent newspapers at the newsstands).

The late 2008 state of the Belarusian-European relations was characterized by a gradually increasing level of political interaction, partial economic liberalization and reduction in political constraints in Belarus, while the political system and rules of the game remained fundamentally the same. Giving its consent to resume its dialogue with the Belarusian government, the European Union managed to refrain from adopting a specific strategy or schedule for Belarusian issues and failed to come up with concrete criteria and conditions that could help assess the Belarusian advancement or indicate a lack of progress. This framework of the dialogue makes the mutual relations unpredictable and unstable: the Belarusian side could suspend contacts at any time without breaking any promises.
Belarus – U.S.: Delicate Balance

Andrei Fyodorov

Summary
The first half of 2008 brought a torrent of negative developments in bilateral Belarusian-American relations, resulting in a situation that fell short of the most pessimistic expectations by a close shave: the escalation of the conflict around the oil and chemistry concern Belneftekhim brought the two countries very close to rupturing diplomatic relations. Although both countries contrived to avoid the worst case, both diplomatic missions were “decapitated”, and staffs were significantly reduced.

However, when it seemed the “political freeze” would take years to thaw out and there was no indication that a positive shift could take place in the foreseeable future, the August aggression of the Russian Federation against Georgia brought about dramatic changes. Some specific measures taken by the Belarusian authorities were hailed in Washington and proved enough to mitigate the hardline approach of the U.S. Administration.

It would be premature to speak about complete normalization, though, but tendencies observed late in 2008 bring fresh hopes to those willing to see tensions relaxed.

The Principal Ideas:

- the year 2008 proved to be a uniquely complicated year in the contemporary history of Belarusian-American relations. The first half of 2008 saw Belarus and the U.S. balance on the brink of entering a phase when negative processes could become irreversible;
- fortunately, certain external circumstances helped avoid the worst-case scenario, and some progress in the position of the Belarusian Administration enabled a resumption of the dialogue;
- the new White House Administration is another reason to hope the situation will eventually get back to normal.
Deep Freeze

The Republic of Belarus and the United States entered the year 2008 as their confrontation gathered momentum. As early as January 11, the U.S. Embassy condemned “the detention, arrest and mistreatment of activists before, during and after peaceful protests by Belarusian entrepreneurs and civic leaders held in Minsk on January 10.” Just ten days later, the Embassy issued a statement expressing its concerns over the “forceful dispersal of peaceful demonstrations” in Minsk and unjustified conviction of some participants.

Anyway, since the Belarusian authorities are used to being reproached, no one seemed to have paid attention. However, when the U.S. Administration introduced what the Spokesman for the Belarusian Foreign Ministry called “additional sanctions” against Belneftekhim, the already thin patience of the official Minsk finally snapped. Washington’s demand to release political prisoners used to be the basic claim, despite the fact that most of the prisoners had been released by late February. Only three remained in custody: Alyaksandr Kazulin, Andrey Kim and Syarhey Parsyukevich. On February 26, Deputy Spokesman of the U.S. Department of State noted that as soon as they were released, the United States would be ready to resume the dialogue to improve bilateral relations. But since that was not the case, the U.S. Treasury extended the sanctions it imposed in autumn 2007 by applying restrictions to all Belarusian petrochemical firms with a state shareholding of 50% or more.

Belarusian senator Nikolai Cherginets shared the opinion that the chief reason behind the tougher sanctions against Belneftekhim were the growing signs of a political rapprochement between Belarus and the EU. “The U.S. observes Belarus and the EU getting closer, and its decision aims to tarnish the image of Europe while causing the Belarusian economy additional problems.”

There are serious doubts, though, that the U.S.’ move was solely aimed at preventing the European Union from patching up ties with the official Minsk. As is known, there were continuous consultations between Washington and Brussels on the “Belarusian issue”, and the two capitals frequently mentioned a concerted strategy.

It is not a secret that before the new year Alexander Lukashenko pledged to “throw the U.S. Ambassador out” from Belarus “once they
impose serious sanctions against our economy”, so what happened later came as no surprise. It is hard to say how exactly new sanctions made the situation worse, but on March 7, Belarus’ Ambassador to the U.S. Mikhail Khvostov was recalled from Washington “for consultations”, and on March 12, at the insistence of the Belarusian side, U.S. Ambassador Karen Stewart left Minsk for Washington.

The American side was “recommended” to reduce the staff of the diplomatic mission in Belarus, and as many as 17 diplomats were made to leave on March 27. As a result, the U.S. side referred to the shortage of personnel and suspended processing of visa applications.

That did not complete the “diplomatic war”: on March 31 the Belarusian side decided to additionally reduce the staff of its Embassy in the United States and advised that the U.S. should follow suit. The “proposal” was turned down at first, but when the Foreign Ministry declared 10 American diplomats persona non gratae, they had no other choice but to leave this country, which they did on May 3.

The three-day time span between the last two dates saw what was probably the most critical moment in the history of bilateral relations. Associated Press on May 1 reported that the U.S. Department of State had decided to cease the operation of its Embassy in Belarus and demanded to close down Belarus’ Embassy in Washington and the consulate general in New York. The following day representatives with the Department of State refuted this information, but later on Condoleezza Rice had to admit in her interview with Radio Liberty that the decision to sever the diplomatic relations had been effective for a few hours, and then she personally rescinded that decision.

As a result, the embassies were left with only five diplomats each, which made the mission to perform standard diplomatic functions close to impossible. Moreover, the situation was spiced by yet another “espionage scandal”.

The head of the information and public relations department with Belarus’ KGB Valeri Nadtochayev on May 4 claimed that Belarusian special services had thwarted plans to create a spy ring in Belarus under the guidance of a U.S. attaché. According to him, the KGB managed to suppress attempts to involve Belarusian citizens in the acts of crime that fall under the article “treason against the state in the form of espionage”.
It was announced that the spies were citizens of Belarus employed as security guards of the U.S. diplomatic mission. Their arsenal included “unique” devices – telephones, cameras, camcorders and binoculars, which were allegedly used to illegally videotape and take pictures of … Belarusian citizens and their vehicles. The “detection and surveillance team” made a total of 5,000 pictures. There were no reports explaining whether there was a ban on shooting pictures in the streets. As one would expect, the U.S. Administration called the accusations “a mere joke” that caused no concerns whatsoever, whereas the punishment of the “spies” was surprisingly light – they were officially warned. Nevertheless, the Belarusian authorities made it clear that they stood ready to go the limit to attain their goals.

The response came very fast: the U.S. Treasury on May 15 yet again specified its economic sanctions against Belneftekhim conglomerate. Three more companies accountable to the concern – OAO Lakokraska, OAO Polotsk-Steklovolokno and Belarusian Oil Trade House were added to the “black list” of entities, corporate and individual, subject to asset freeze in the United States.

Mutual relations seemed to have reached the point of rupture by mid-May, and specialists expected the final straw any moment, since neither side appeared eager to meet halfway. Most observers believed Belarus and the U.S. were in for a more serious conflict.

And indeed, both sides tended to “relapse” into resentment and rancor: on June 1, the Belarusian state television presented a report about the U.S. attempts to use the small grant program to finance the Belarusian opposition with a design to “overthrow the Belarusian authorities”. U.S. Charge d’Affaires a.i. in Belarus Jonathan Moore, for his part, said the “black list” of production facilities and organizations subject to economic sanctions of the United States could be extended.

Nevertheless, over the next three months, the situation remained more or less stable, and no increase in tension was visible.

**Sudden Turn**

The first shift towards an improvement in mutual relations took place immediately after the blast in Minsk downtown late on July 3, when a few people were injured. The United States immediately offered techni-
cal assistance to facilitate the investigation. Belarus publicly expressed its gratitude at the top level.

It is obvious, however, that the situation changed dramatically only after the Belarusian authorities took drastic actions in the first days following the Russian-Georgian war. Alyaksandr Kazulin was released within just three days, and it did not take long to free the two political prisoners that were still incarcerated. Belarus met the fundamental requirement thus opening the otherwise blocked way towards normalization. The response of the U.S. side was fast enough: on August 22, U.S. Deputy Assistant Secretary of State David Merkel paid a visit to Belarus to meet with top officials, including Belarus’ foreign minister, deputy head of the Presidential Administration, chairwoman of the Central Election Commission, and leaders of the Belarusian opposition.

The negotiators had “very detailed discussions about the concrete steps” the U.S. might make following the release of the prisoners. Although a few days later President Lukashenko said: “in response to the sincere intention of Belarus to normalize relations with the West, with the United States, neither the European Union, nor the U.S. seems to hurry to offer steps adequate to our concrete actions,” the whole thing finally took a turn for the better.

The U.S. Treasury Department on September 4 suspended for six months the sanctions against Lida-based Lakokraska and OAO Polotsk-Steklovolokno; notably, the two companies had been selected by the Belarusian side. “We applauded the decision to mitigate the sanctions, and so did our clients,” said OAO Polotsk-Steklovolokno manager in charge of the American region.

It seems the fact that Moscow was unable to persuade the Union State partner to support its initiatives, even though the mounting pressure on Belarus was not only candid, but frequently rude, was an important factor in the decision-making of the U.S. administration. Furthermore, the official Minsk obstinately refused to recognize the sovereignty of the breakaway Georgian territories, which caused snide remarks from the Kremlin.

But the U.S. Administration did not call it a day and shifted its focus to the parliamentary elections due on September 28. Washington once again claimed the elections were short of international standards, although
this time, unlike many previous occasions, the U.S. made a clear indication to the Belarusian authorities that the dialogue that had started anew had a fair chance to continue. On October 22, Deputy Assistant Secretary of State David Merkel (who visited Minsk in August) said the U.S. saw no reason to line up with the European Union, which had temporarily suspended visa sanctions against Belarusian officials. In his words, that would be the case if the authorities of Belarus took further steps to improve the situation with human rights and civil society.

**Let’s Start Afresh?**

Both sides took a short pause before the presidential elections in the United States, although the situation remained ambiguous. Belarusian opposition activists were almost unanimous in their support for candidate John McCain, who had backed their struggle against the Belarusian regime for over a decade.

From this perspective Barack Obama was absolutely unpredictable, because he had never made any statements regarding Belarus in public. Therefore, the Belarusian regime would rather see Obama in charge. Alexander Lukashenko extended his congratulations to the president-elect, which had rarely happened before. Furthermore, late in 2008 he maintained that Belarus had no plans to respond to the intention of the United States to deploy its ABM defense elements in Central Europe. Washington was sensitive enough to reciprocate: apparently, it was the U.S. that was behind the easy decision of the International Monetary Fund to extend a U.S. $2.5 billion stand-by loan to Belarus.

The plain fact is that the Belarusian authorities would very much like to resume interaction with the United States from scratch and forget all bygone sorrows. It would be close to impossible to leave behind all mutual claims, though.

It is very likely that the new U.S. president will pay attention to Belarus’ internal political situation. While Obama himself may be unaware of this country’s range of problems, there are many people in his inner circle to compensate, including Vice-President Joe Biden, who used to take an active part in all Belarus-related initiatives of the Congress. The succession of U.S. policies towards Belarus will probably remain uninterrupted.
On the other hand, some recent statements of western officials do not rule out that the United States and Europe will soon work out a common position on many international issues, including Belarus, and the U.S. approach may very soon be similar to that of the E.U., whereas previously Washington and Brussels pursued a Good Cop/Bad Cop strategy.

Anyway, the current international political situation is clearly favorable enough for Belarus to not only overcome political and economic isolation “on the American front”, but also find prerequisites to normal cooperation. The question is whether the Belarusian authorities are ready to make concessions.

This article uses information from BelTA, BelaPAN and Interfax news services.
Polish-Belarusian Relations in 2008

Kamil Klysinski

Summary
It was evident as far back as the beginning of 2008 that Minsk was opening to foreign investors being forced by the bad need for foreign capital, high tech solutions and loans. This could not but reshape Belarusian-Polish business relations and general economic cooperation model. In its search for additional economic and political benefits, the Belarusian regime made clear indications of its readiness to democratize, which enabled a dialogue between Belarus and the EU, in which the Polish side is trying to play the part of a key development factor. At the same time, the fact that the Polish-Swedish Eastern Partnership concept, presented in June 2008, has a good chance of turning into a new, more efficient strategy for EU eastward efforts, makes the contribution of Poland even more precious to the Belarusian authorities interested in the project. On the other hand, even this new, more favorable framework that facilitated consensus building was not enough to resolve the key problems of mutual relations, especially the controversy over the Union of Poles in Belarus. Should the two sides leave this matter unattended, it could seriously complicate further efforts to deepen mutual collaboration, although the dialogue itself looks irreversible.

Main Tendencies
Poland was among the few countries that redoubled efforts to facilitate the resumption of the dialogue between Belarus and the European Union and is now trying to act as a mediator between Minsk and Brussels alongside with Lithuania and Germany. Warsaw also made a considerable contribution to the development of the European policy towards former Soviet Union republics. The Polish-Swedish Eastern Partnership proposal may give Belarus a fair chance to overcome the lasting isolation from cooperation with the EU and pave the way for some Europe-
an initiatives in Belarus. The official Minsk welcomes the provisions of that concept, and appreciates the efforts of Polish diplomats;
despite the evident revival of political contacts and firm assurances that there is genuine willingness to normalize relations and deepen collaboration, the key problems that still overshadow mutual relations remained unresolved. The notorious case of the Union of Poles in Belarus led by Andżelika Borys, which has not been recognized by the Belarusian authorities, seems to cause most friction;
just like in previous years, the most dynamic area for cooperation between Belarus and Poland was trade and economic cooperation in a broad sense. The evolution of Belarus’ investment policies observed in early 2008 and new opportunities for business gave an additional impetus to deepening economic contacts.

**Polish-Belarusian relations in 2008. Looming turning point?**

Although the attempts to resolve the longstanding bilateral problems, especially the conflict over the status of the Union of Poles in Belarus, failed in 2008, Minsk and Warsaw resumed active cooperation. The Belarusian-Polish relations during that period of time are ample proof that economic processes and new economic challenges frequently become the first step on the way to overcoming discrepancies.

**Economy as the top priority**

Economic collaboration was the fastest-growing segment of mutual relations in 2008. According to Belarusian statistics, mutual trade turnover in January-December 2008 expanded to U.S. $3 billion, and Belarus managed to keep the impressive surplus that it used to have in previous years. Economy once again proved to be able to develop irrespective of political rows.

At the same time, the Belarusian authorities initiated a stepwise liberalization of its investment environment. This was for the most part due to the need for foreign capital and high technologies, required to give a boost to the national economy. The first regulatory changes aiming to simplify conditions for potential investors appeared as early as January, when those investing in small settlements in rural areas were granted
additional benefits. The crucial breakthrough came with the abolition of the most notorious rules, including the “golden share” right of the state (which allows the government to interfere with the management of a company regardless of how large or small a stake the government has in the company), and the ban on circulation of shares in the leading companies with a state shareholding. Since it was highly likely that the Kremlin would be using Russian economic holdings to intensify its political pressure on Belarus, Minsk channeled its investment proposals to the safer and more reliable Western, and consequently, Polish capital.

Polish businesses thus saw new exiting opportunities created by the easier access to the Belarusian market, not yet developed, but still quite promising. Watching Minsk take first liberalization steps, Warsaw made up its mind to intensify contacts between the economic authorities of the two countries up to the level of economy ministers and their deputies, even though the Belarusian regime failed to show significant progress towards democratization. Sessions of the Polish-Belarusian commission for economic cooperation were held more frequently, and so were seminars and workshops for Polish entrepreneurs interested in investing in Belarus and meetings between specialists in specific branches of economy. Apart from consultations and continuous exchange of information, Belarus and Poland signed a few agreements, including an accord on cooperation in the sphere of small and medium-sized business. As a result, the economic dimension of the Polish-Belarusian relations acquired an additional, strategic significance. One cannot rule out that the stronger presence of Polish businesses in Belarus and Poland’s considerable experience in pursuing economic reforms could have a positive impact on interstate relations and promote negotiations over the most disputed issues.

On the other hand, one has to take into account that so far the impressive number of meetings and seminars has not resulted in an inflow of investments. There have not been any serious investment transactions between Belarusian and Polish businesses since 2007, when Poland’s Getin Holding S.A. acquired a majority shareholding in Belarus’ SomBelBank (the deal was completed in 2008). The widely advertised agreement between Kulczyk Holding AT and the Belarusian authorities on the construction of a coal-fired power plant in the vicinity of Grodno
(the project is expected to require about U.S. $1 billion in investment), signed during the November 18 Belarus Investment Forum in London, is in its initial, framework, phase.

The fact that the Polish capital has not yet penetrated into all segments of the Belarusian economy indicates that some major investment barriers and restraints still remain. Moreover, the Belarusian administration is not really ready to further cooperate with foreign investors, and President Alexander Lukashenko frequently admits that the country is still unprepared. Apart from the problems we mentioned above (that any foreign investor will be faced with in Belarus), the investment efforts of the Polish business are additionally weakened by its limited capital and manufacturing potential compared to Western European holdings, which is why Polish investment in Belarus will be confined to some specific industries (like agribusiness and consumer goods, or production of construction materials). But the above difficulties and investment limitations did not prevent the mutual relations from going beyond the traditional turnover of commodities, hence additional opportunities to fulfill the cooperation potential of both neighboring countries.

**More pragmatism**

The evolution of economic collaboration between the two states called for additional transparency in political contacts, rather tense and tight up until then. Despite the evident interest in upgrading mutual political relations, which had rarely exceeded the low level of technical meetings, Warsaw was short of the starting point to expand contacts. The Lukashenko regime did liberalize the economic climate, but there were no real steps whatsoever to improve the situation with democracy and human rights. Moreover, the harsh treatment of opposition activists and violent dispersal of the rally in Minsk on March 25, the Day of Freedom, and reprisals that followed, exacerbated the already tight domestic policies.

The dialogue with the European Union was resumed as late as August, when all detainees that the international community branded as “political prisoners” were released, including the former presidential candidate Alyaksandr Kazulin. That move did not indicate the preparedness of Belarus for systemic changes yet, but even as a good will
gesture it was crucial. Lukashenko must have conceived that a closer cooperation with the West could result in palpable economic benefits (especially investment, high technologies and new loans) and provide a political edge (namely, more room for maneuver during negotiations with Russia). Also, dialogue became possible, since one of the key conditions of the 12 that the European Union had imposed back in autumn 2006 was finally met.

Polish diplomats promptly responded to the signal from Minsk indicting Belarus’ intention to resume the cooperation, albeit Lithuania and Latvia were a bit faster. On September 12, 2008 Poland’s Minister of Foreign Affairs Radosław Sikorski paid an official visit to Belarus after a pause that had lasted a few years. He met with his Belarusian counterpart Sergei Martynov in a historical site, the Belarusian governmental seat of Viskuli. Sikorski said then it was “time to take note of the positive changes in the Belarusian policy and reciprocate good initiatives.” Although the talks did not result in any specific agreements, they became an essential indication that the Polish approach to the Belarusian issue was built on a pragmatic basis, the fact that was properly appreciated by the Belarusian side. The Belarusian opposition, on the other hand, was less enthusiastic about the optimism of the Polish foreign minister. The chairman of the Belarusian Popular Front, Liavon Barshcheuski, accused Minister Sikorski of going back on the pledge he had given back in May to coordinate the policy towards Belarus with democratic forces and provide timely information about anticipated political contacts. Other politicians and publicists slammed Polish diplomacy for betraying the policy of values for the sake of economic interests, for entering the geopolitical race against Moscow for a more profound influence on Belarus, and for strengthening the existing regime.

The criticism of some opposition activists was strong enough for Poland to be regarded by many, for the first time ever, as the main advocate of the dialogue with the hardline undemocratic regime of Alexander Lukashenko. In the meanwhile, both Lithuania and Latvia, which had made more substantial progress in collaboration with Belarus, never faced such an adverse response. It seems the one-sided position Poland adopted a few years before, focusing exclusively on the support for pro-democratic forces and criticism of Minsk’s internal policies, did
not do that country any good. Warsaw was associated with a belligerent stance always seeking confrontation, and any more or less pragmatic and flexible moves of Donald Tusk’s government could easily produce an inaccurate impression of a complete reversal of the approach towards Minsk, or even a betrayal of the policy of democratic values. The Polish administration thus incurred serious political expenses when re-entering the dialogue with Minsk, while having no guarantees of concrete benefits that could be compared to what other European countries engaged in dialogue with Belarus managed to derive.

But the new, more pragmatic, accents in the Belarusian-Polish relations were inevitable even on account of the changing situation in the relations between Minsk and Brussels, as well as Russia’s political, economic and energy pressure on Belarus. Poland continues playing an important part in the dialogue between Belarus and the EU, often trying to make it look like the leading part. At the same time, the Polish authorities never gave up their support for Belarusian democratic forces, especially the former presidential candidate Alexander Milinkevich. Polish NGOs have never suspended their intense activities in Belarus, either, and still run a number of assistance projects, financed, among other sources, by the Development Cooperation Program, backed by the Ministry of Foreign Affairs of Poland. The role of the “rapporteur” on the Belarusian issue in the European Parliament still remains – in January, Polish MEP Jacek Protasiewicz was unanimously elected chairman of the delegation for relations with Belarus in the European Parliament, taking over from Bogdan Klich.

**Partnership prospects**

Simultaneously with the recovery in bilateral relations, Warsaw initiated what could be considered preconditions for at least partial inclusion of Belarus in the EU eastern policy. Poland in association with Sweden in June presented their Eastern Partnership concept, which was designed as a new proposal shaping EU policies towards the former Soviet Union (FSU). The elaboration of the concept was promoted by the awareness that the EU would not enlarge further by welcoming new FSU members, especially Ukraine, which still hopes for membership, and the necessity to offer a new format of cooperation – a more attrac-
tive and flexible set of rules than the European Neighbourhood Policy (ENP) provides. In December, European Partnership was adopted as a concept of the European Union with a recommendation to give concrete substance to the framework document by spring 2009.

For Belarus the Eastern Partnership initiative is of prime importance, because the differentiation principle formulated there allows adapting the volume of collaboration to the expectations and capabilities of both sides without additional requirements to measure up to some political standards, which is the key difference between Eastern Partnership and the ENP. This enables real cooperation and joint projects in the sectors, in which the official Minsk is open and ready to collaborate, including energy, logistics, transport and environmental protection. Moreover, the ultimate goal of the Eastern Partnership proposal – the establishment of a free trade area between the EU and the former Soviet Union – coincides with the starting point of the Belarusian foreign policy.

The Belarusian authorities welcomed the concept and expressed their eagerness to take part. The elaboration, presentation and efficient campaign to push through the Polish-Swedish initiative at an EU forum enhanced the image of Poland as a centre for working out and implementing Europe’s eastern policy, which in the case of Belarus could put an end to the long-standing isolation from the West. Poland thus turned into an influential European neighbor capable of developing realistic and attractive proposals for further cooperation.

Unresolved problems

Despite numerous meetings at higher-than-earlier levels and declared aspirations to normalization, the issue of the Polish minority in Belarus remained the sore spot of the bilateral relations.

Since early last year the Belarusian authorities and state-run mass media have condemned the law on the Pole’s Card (Karta Polaka) adopted back in September 2007. Karta Polaka is an official document issued by Polish consulates in FSU countries that confirms their belonging to the Polish nation. It is designed to make up for the infeasibility of double allegiance. Although it does not grant the holder Polish citizenship, the Pole’s Card offers certain rights in Poland, including the benefit of studying in Polish higher educational establishments, using healthcare
services in the case of emergency, and free multiple entry visas for long-term stay in Poland, lower railway fees, and the right to get a job without a work permit or set up a business. From the Polish perspective, the decision to introduce Karta Polaka was made exclusively to back Poles residing in the East, including the large Polish community in Belarus.

But from the point of view of the official Minsk, Karta Polaka was an unfriendly move against the Belarusian state that ran counter to international laws and threatened the stability of civil and interethnic relations in Belarus. Some statements and publications had clear features of propaganda assaults and contained absurd and ungrounded reasons. The presidential daily SB. Belarus Today on February 1 offered an article titled “Green Card” with an opinion that Karta Polaka aimed to ultimately annex Belarus’ Grodno Region, with the highest concentration of the Polish minority in Belarus, to Poland. The chairman of the Belarusian Television and Radio Broadcasting Company Alexander Zimovsky went even further, drawing a direct comparison between Karta Polaka and Deutsche Volksliste (German People’s List) [a Nazi institution to classify inhabitants of occupied territories depending on desirability] in an article posted in the Internet in early June.

As soon as the Pole’s Card was available from Polish consulates in March last year, Belarus’ Foreign Ministry issued an official statement to express its concern and reserve itself the right to take adequate measures. It appeared the ministry indeed made concrete steps to complicate the application for and granting of Karta Polaka in Belarus, for instance, state archives started turning down requests for documents that might confirm the Polish origin of the applicant; some applicants reported mistreatment and pressure from Belarusian officials. As if those measures were not enough, in June Belarus announced it would introduce a Belarusian’s Card to balance the Polish document. Even though the tension over the Pole’s Card eased as time went by, the stance of the Belarusian side remained condemnatory and uncomplying, which means the issue will continue casting a shade on the otherwise improving Belarusian-Polish relations.

However, it is the unsettled status of the Union of Poles in Belarus led by Andżelika Borys that has been the key discrepancy in bilateral relations since 2005. The Belarusian authorities will not recognize the
legal status of that organization and frequently crack down on its members and activities with various degrees of severity. A new phase of the crusade against the Union started in autumn 2008, when, following accusations of Belarus’ State Security Committee, or KGB, a Grodno court recognized the Union’s newspaper Glos znad Niemna na Uchodzstwie and Polish documentary “Lesson of the Belarusian Language” as materials promoting extremism; possession and distribution of such materials are subject to legal sanctions. A criminal case was initiated against a long-time member of the Union for that very reason.

The official Minsk considers the Union of Poles in Belarus governed by Józef Łuczni to be the only legal organization of Poles, but that Union is not recognized by Warsaw, which earlier proposed that both the Unions operate simultaneously. Belarus had a different plan for the Polish community – it suggested a merger of the two Unions and election of a new president. At the same time, Polish Rzeczpospolita newspaper in September reported that Warsaw had agreed to the Belarusian scenario and was allegedly pressurizing Andżelika Borys to make her withdraw from her post for the sake of “geopolitical interests” and a thaw in mutual relations. The Polish Ministry of Foreign Affairs confirmed there had been negotiations with Borys, but refuted allegations about the pressure she was under. For their part, Union activists claimed they would not have Borys withdraw. Meanwhile, Polish mass media were accusing the Ministry of Foreign Affairs for “trading” the Union problem for improvements in relations with the Belarusian regime. Irrespective of the moral appraisal or credibility of separate visions of the situation around the Union, the lengthy confusion contributed to the stalemate – neither side is ready to compromise, and there is no indication that the dispute may be settled in the short term. One should not rule out that the problem will be back in full swing in 2009, like it happened to the Pole’s Card. Furthermore, some other discrepancies in the Belarusian-Polish relations also remain unresolved, like the absence of the Belarusian accreditation of Belsat staff, broadcast from Poland; administrative obstacles to the visit of new catholic priests from Poland, and gradual removal of those who already work in Belarus. For Belarus, the most painful matter was the hard access to Polish visas, which complicated dramatically as soon as Poland joined the Schengen space in December 2007.
Forecast: prospects and challenges in Polish-Belarusian relations

The year 2008 saw a turning point in the Polish-Belarusian relations. The efforts of the Belarusian side to better the investment climate and political good will gestures prompted Poland to take an active part in the dialogue that Minsk and Brussels managed to resume. Moreover, bilateral contacts, especially between businesses, revived, but the economic field for cooperation remains unexplored. Both the sides have realized (having totally different reasons, though) that collaboration between neighboring nations was indispensable and mutually beneficial despite ideological disagreements, conflict of values and various interpretations of the same issues. It seems the broader business contacts and political dialogue initiated in 2008 are irreversible, the more so as the Eastern Partnership concept will become the first ever EU strategy to officially apply to Belarus, at least to some designated areas. What is not yet clear is whether these processes will prove efficient. The issue of the Polish minority is so complicated and further burdened by negative emotions and historic bias that it seems highly unlikely that the two countries will settle it in the foreseeable future. It is this Polish issue in Belarus that will remain the main hindrance to expansion of cooperation and specific agreements between Poland and Belarus.
Belarusian-Ukrainian Relations: on the Verge of Change

Gennady Maksak

Summary
The year 2008 failed to mark a breakthrough in Belarusian-Ukrainian relations from the point of view of engaging in a pragmatic political dialogue that would allow pursuing national interests and geopolitical transformations in the region. The dominant trend since 2005 is the powerful economic dimension of bilateral relations overshadowing the political components (this trend is growing less strong than before, though). This can be explained by the de-facto division of powers between the president and premier of Ukraine, where the head of state oversees international politics, while the prime minister manages the economic sector.

The framework of the dialogue, conducted at various levels, was filled with numerous intergovernmental contacts and visits, while the meeting between the two heads of state that had been expected for years was regularly scheduled and then postponed. This led to strategic issues being crossed out from the bilateral agenda. At the same time, economic engagement reached new highs, showing impressive cooperation and trade progress. Mutual trade turnover exceeded U.S. $5 billion.

The chronic interstate disputes – repayment of Ukrainian debt with a disputable status, and the demarcation of the Belarusian-Ukrainian state border – were not settled in 2008.

The thaw in mutual relations observed in the second half of the year was mostly due to the influence of the European Union, which had offered a new framework for relations with Belarus and took the Eastern Partnership initiative. The EaP can be used as the foundation for a new Belarusian-Ukrainian agenda.

The Principal Ideas:
- there were no breakthrough in Belarusian-Ukrainian relations;
  still, a certain thaw was observed at year’s-end;
while pursuing bilateral policies, Belarus still looks to Russia for guidance, whereas Ukraine checks with the European Union; economic interests still prevail over political dialogue. While trade turnover kept growing, both Belarus and Ukraine felt a lack of mutual understanding pertaining to strategic cooperation priorities, especially in diversification of energy supplies and streamlining of transit potential of the two countries.

**Multisided prerequisites for new quality of bilateral political dialogue**

The pace of development of the Belarusian-Ukrainian relations observed in 2008 gives basis to assume that this year may be the last one in the four-year period of political uncertainty against the background of increasing mutual trade. A new format of relations in 2009 is highly probable, unless any dramatic changes occur in Eastern Europe.

Many analysts believe that ideology plays a small part in the mutual relations\(^1\), however, government officials engaged in decision making in both states approach the dialog having political issues in mind. Mutual relations at the top level were also strongly affected by the multivector foreign policy.

Striving for NATO membership, leaders of Ukraine spared no efforts to join the Membership Action Plan since April. Besides, Ukraine negotiated a new framework agreement with the European Union, which is supposed to replace the obsolete Partnership and Cooperation Agreement entered as far back as in 1998. Belarus is not happy about NATO’s expansion to the East, and was stand-offish with its neighbor’s initiative bearing in mind the Kremlin’s attitude. Therefore, no considerable steps towards normalization of the dialogue or clearing up political approaches were actually taken.

The president of Ukraine did not pay a working visit to Belarus either in 2007, or in 2008. Contacts at the level of the presidents’ offices, quite active in early 2007, did not produce results over the year. Diplomats made arrangements taking into account unwillingness of the heads of states to meet in person.

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Under the diplomats’ initiative, Alexander Lukashenko and Victor Yushchenko had a telephone conversation in May to address energy cooperation and deep-rooted disputes. A meeting was arranged for May or June, but none actually took place. Then the Foreign Ministries spoke about a probable meeting at the end of the year, but with no results.

All those plans have been frustrated, because Belarus still links ratification of the border agreement of 1997 to Ukraine’s debt, which the latter does not want to pay off from the state budget considering it as a corporate debt of economic entities, insisting that it is inappropriate to negotiate it in one batch. It is a fundamental dispute for Ukraine, so the lack of compromise choked off the working visits arrangements from 2006 through 2008.

Aside from that, the political cooperation goes slow, because Belarus is not much interested in the energy diversification projects that Ukraine tried to advance, in particular the so-called Eurasian oil-transport corridor, which envisages arrangement of the Odessa-Brody oil pipeline string across Belarus. Negotiations have not started, partly because of the unclear prospects of Caspian oil supply, and also because of a certain contradiction to Russia’s transit interests.

The pro-Western approach to the relations with Belarus was the third reason why the two presidents have not met in person. Although Kiev does not advocate a policy of isolation in relation to Minsk, the opinion of Brussels and Washington about the situation in Belarus was basic for Ukraine’s diplomacy.

The president of Ukraine, his supporters and team-mates proclaimed more than once that Ukraine would maintain the dialogue in view of assessment of the situation in Belarus by the EU, OSCE and Council of Europe. For instance, following the presidential elections in Belarus held in 2006, Ukraine totally relied on conclusions of OSCE monitoring groups, and the EU resolution that the election legislation of the country was rather undemocratic, and even the one in force was violated.

In 2008, the European Union declared that the course of the autumn elections to the lower chamber would be considered as a criterion of democratic transformations in Belarus. In turn, Ukraine made the decision to monitor fulfillment of EU requirements by Belarus’ government, and, accordingly, attached successes of democratization and liberaliza-
tion in Belarus as a condition of the political dialogue, thus seconding Brussels in the intention to support liberalization and democratization of the political process in Belarus. In August, Ukraine’s Foreign Ministry appreciated Alexander Kozulin’s discharge from prison (as one of the EU requirements).

At the same time, regardless of the meetings failure, the European vector of the countries’ policy served as a basis for their certain rapprochement in spite of the different political systems and foreign policy priorities.

Two points triggered this process. Firstly, the stepped up dialogue between Belarus and the EU created conditions for closer cooperation. Secondly, Brussels realized that different approaches to third countries were needed under the European Neighbourhood Policy, which presupposed unified platform of relations from Casablanca up to Murmansk since 2004.

To balance the Mediterranean Union lobbied by France, in June 2008, Poland and Sweden came out with the Eastern Partnership Initiative, as a more adequate model of cooperation for Ukraine, Moldova, Georgia, Armenia, Azerbaijan, and (under certain conditions) Belarus. In particular, those conditions concerned continuation of the dialogue between Minsk and European institutions and sustainable democratic reforms.

With regard to the obligations that Minsk took on earlier, the conditions and results of the parliamentary elections of September 2008 were not much valued by European institutions as a positive trend of Belarus’ domestic policy, but did not heighten tension either. Belarus’ government demonstrated willingness to correct faults. The isolation policy was obviously ineffective, so Europe showed goodwill by lifting sanctions imposed on Belarus’ ranking officials and enterprises for some time.2

Ukraine took this as a green light and set to act as an intermediary between the EU and Belarus. In October, Minsk hosted Belarusian-Ukrainian inter-MFA consultations. The parties considered joint efforts towards cooperation with the European Union.

In late October 2008, Ukraine’s embassy arranged the first press-tour to the Chernigov region and Kiev for Belarusian journalists to familiarize them with the political and economic situation in Ukraine. It is no-

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table that in late 2006 the Belarusian Embassy in Ukraine arranged a similar trip of Ukraine’s journalists to Minsk for a meeting with President of Belarus Alexander Lukashenko.

At that time Belarus’ leader kept proclaiming good endeavors seeking contacts with Ukraine’s counterpart, who firmly ignored official channels of communication.

Political relations at the level of political parties and the public sector did not change dramatically, yet Ukraine’s left-wing radicals came to Belarus less often, and were not that active in using Belarus as a platform for sending messages to official Kiev.

The bilateral relations were somehow unwinding, but strategic cooperation saw no progress that affected the situation in the region. For instance, inertia in development of a common strategy of the transit countries, and coordination of the transit policy in relation to Russia’s energy export to Europe enabled Russia to introduce exclusive approaches to the relations with Ukraine and Belarus in late 2008 taking advantage of their energy dependence.

**Overcoming one more economic and psychological barrier**

The year 2008 was very eventful and fruitful in the field of economic cooperation in spite of the global financial crisis. Belarus tended to step up the trade component of the bilateral dialogue, thus abstaining from fundamental political steps.

Yulia Timoshenko, who won office for the second time as a result of the early parliamentary elections in Ukraine in late 2007, fully accepted this approach, and adapted it to Ukraine’s political situation. Economic cooperation benefits were prioritized for some basic reasons, in particular, the need to recharge Ukraine’s budget burdened with great social commitments.

As early as February 2008, Belarus and Ukraine established a sustained channel of intergovernmental communication. The two premiers, Yulia Timoshenko and Sergey Sidorsky, agreed on the relevance of a joint commission for trade and economic cooperation as an institutional form of intergovernmental partnership. The last meeting of the kind was held in November 2006 in Kiev. Sessions were not called in 2007 because of the repeated reshuffles in Ukraine’s government.
In 2008, Vice-Premier Alexander Turchinov headed Ukraine’s part of the commission; his counterpart Vladimir Semashko led Belarus’ delegation. In February, Minsk hosted the 14th session of the commission, which addressed current trade and economic matters, and also long-range projects, such as transit of Ukraine’s electric energy to the Baltic States. The parties considered resumption of deliveries of electric energy from Ukraine to Belarus, which were suspended in 2007.

The parties agreed to arrange a visit of Prime Minister Timoshenko in March 2008. However, heads of government met only in May at the Minsk session of the CIS premiers. As usual, they declared the intention to promote strategic economic projects, the transit of electric energy to the Baltic States being the most promising. Besides, Ukraine expressed interest in taking part in construction of the nuclear power plant in Belarus.

The 15th session of the commission took place in October in Kiev. The parties outlined cooperation priorities, and made some decisions, which could forward new joint projects in the field of machine-building industry, in particular, construction of a plant for manufacture of railroad passenger cars in Gomel based on Ukraine’s technologies and equipment; manufacture of passenger coaches with the use of facilities of the Gomel motor-car repair plant jointly with Ukraine’s Bogdan enterprise, and also assembly of Belarusian tractors under the brand name ‘Belarus’ in Ukraine, 10 to 12 thousand units in capacity.

As a whole, following the results of 2008, the bilateral turnover reached the new peak of U.S. $5 billion, which was 70% above the previous year. Over the five years, the rates of the trade and economic cooperation went up fivefold, which was really amazing even for economists, who predicted U.S. $3.5 billion (U.S. $500 million more than in 2007).

Ukraine’s joining the World Trade Organization in the first half of 2008 did not adversely affect the economic relations against forecasts of many economic experts. Such forecasts were made in many respects because Ukraine and the WTO negotiated membership behind closed doors.

Several antidumping trials did not seriously harm the economic interaction either.
Belarus is the seventh largest commodity trade partner of Ukraine. Ukraine comes third after Russia and the Netherlands for Belarus.

Belarus mostly exports goods with high added value, such as mechanical engineering products (vehicles, machines, means of land transport), products of the chemical industry and agricultural sector, and food commodities.

Ukraine delivers products of the metallurgical industry, component parts, minor assembly components, agricultural products, gas turbines, and railway cars.

Belarus is the one to report a positive balance in the commodity trade. The trade in services was insignificant over the period under review.

Unfortunately, Belarus and Ukraine did not launch strategic projects, which needed strong political will of the heads of state, and certain independence from external influence, first of all, creation of the Eurasian oil transportation corridor, transit of electric energy to the Baltic States, and expansion of the Viking transport route.

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Belarus and Ukraine enter the year 2009 burdened with some domestic and external problems. Therefore the following short-term forecast can be made.

The mutual relations will be affected by the traditional external centers of influence, the EU and Russia. A bilateral dialogue in the context of the Eastern Partnership Initiative in line with the European Neighbourhood Policy can yield results.

The European Commission made the decision to step up the initiative following the events in South Ossetia in August 2008. The Commission’s communiqué of December 3, 2008 established the basic organizational and instrumental framework for that. Under the Eastern Partnership program, the European Commission proposed real expansion of relations, in particular, association agreements for each country, creation of a zone of free trade with the EU, step-by-step simplification of visa regulations, and easier access to financial instruments of the European Union. It should be noted that the initiative envisages staged preferences for each of the countries factored in preparedness and conformity to requirement and standards established by the European Union.
Since Ukraine is in the leads among the potential recipients of the new format of Europe’s neighborhood policy, Belarus can use its experience considering that the participation directly depends on effecting democratic reforms in the country, as required by European institutions.

The high rate of commodity circulation between the two countries will be hardly maintained due to the global financial and economic crisis and its peculiar impact on Belarus and Ukraine in 2009. Commodities of the mechanical engineering and agro-industrial sectors can be crucial.

At the same time, in 2009, Belarus and Ukraine can lay a new strategic foundation of economic cooperation. The matter is that the intergovernmental program of long-term economic cooperation between Ukraine and Belarus in 1999-2008 and the bilateral agreement on economic cooperation in 1999-2008 have expired. New strategic programs of cooperation in 2009–2018 can be elaborated in view of the present geopolitical and geo-economic trends should the governments devote enough energy to this issue.

Ukraine’s Foreign Ministry points at demarcation of the border with Belarus as one of priorities of the year 2009 this can be taken as an intention to strengthen the political component of Belarusian-Ukrainian relations.

At the same time, it is too early to speak about a steady format of meetings at the highest level in 2009, taking into account that Ukraine’s political establishment is too busy with the presidential pre-election campaign to be launched in summer.

This article uses information from UNIAN, Interfax, BelTA, and BelaPAN news services, official websites of the Cabinet of Ukraine, Embassy of Ukraine in Belarus, and Embassy of Belarus in Ukraine.

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Belarus – Third World: Nothing but Hope So Far

Andrei Fyodorov

Summary
It would be a gross exaggeration to claim that the year 2008 became the time when all hopes of the Belarusian authorities for strong political and especially economic ties with the so-called Third World were shattered.

Cooperation was rather active, and in many cases its pace was quite impressive. The key partners were China, Venezuela and Iran, the same as in previous years. Nevertheless, the global economic crisis that erupted in the second half of 2008 and “arrived” in Belarus in autumn, made it absolutely clear that at the moment those relations with the Third World, including economic contacts, were not of primary importance. On the contrary, in its endeavor to search for ways to address the effects of the global crisis Belarus focused almost exclusively on the West.

The Principal Ideas:

- ties with the Third World were growing stronger, but Belarusian officials every once in a while expressed their dissatisfaction about the progress of interaction;
- cooperation in the military-technical sector makes up a serious share of the economic contacts. At times the West made allegations that transactions between Belarus and the Third World often were illegal;
- after the global crisis impacted Belarus, it became clear that the plans of the official Minsk to use the Third World as its key outlet were not quite feasible.

Non-Aligned Movement
Since nearly all the countries we analyze in this category (the Third World) make part of the Non-Aligned Movement (NAM), it would be
logical to consider relations with the Third World countries in the scope of the NAM. On the other hand, the NAM is a structureless formation, so it is hard to name any serious concrete projects within its framework. Furthermore, after Belarus was crossed out of the UN Human Rights Committee’s “black list” of countries that have serious problems with democracy, the official Minsk was spared the acute need for support of the NAM partners even in the chief global organization – the United Nations.

The Belarusian Administration was nonetheless showing a genuine interest in the work of that amorphous structure. Firstly, the country had a good chance of getting serious moral support. The Coordinating Bureau of the Non-Aligned Movement “expressed grave concern over the decision of a member of the United Nations Organization to impose economic sanctions against the Republic of Belarus, a member-state of the Non-Aligned Movement”. Naturally, there were no practical consequences. Secondly, the membership in the NAM enabled the Belarusian administration to refute allegations of political isolation, since the sanctions of the European Union against Belarusian top officials remained in effect until late 2008.

A Belarusian delegation led by Foreign Minister Sergei Martynov took part in the XV ministerial conference of the Non-Aligned Movement in Tehran on July 29–30. Martynov had been invited to perform the functions of the deputy chairman of the conference, and in his plenary speech he expressed a deep dissatisfaction about the lack of solidarity of the member-states in “asserting their interests not only in words, but truly in deeds”. Besides, Martynov met with a few Iranian ministers and his Venezuelan and South African counterparts.

Statements of this kind, as well as limited communication with selected colleagues representing partners that already cooperate with Belarus on a firm bilateral basis, present ample proof that Belarus is aware that there will be no serious dividends from extending the geography of contacts.

**China**

The People’s Republic of China remained the largest partner of Belarus of all Third World countries by nearly all parameters in 2008. One will
have to admit that the number of top level visits was not insufficient: at the beginning of 2008, the Governor of the People’s Bank of China, Zhou Xiaochuan, paid a visit to Minsk. The National Bank of Belarus had high hopes for getting another considerable portion of investment in the banking sector, but the only result of the visit of that distinguished guest from China was the agreement on using national currencies in settlements between economic entities of Belarus and China in a test mode, and the Chinese yuan seemed a likelier candidate than the Belarusian ruble. China was not ready to create a new bank in Belarus. According to Zhou Xiaochuan, the decision to open a new bank in Belarus could follow a serious increase in mutual trade and investment.

In September, Minister of National Defense (MND) of the People’s Republic of China Liang Guanglie visited Belarus. Established long ago, military-technical cooperation has always been the “cornerstone” of bilateral relations. These are the exact words President Lukashenko used during his meeting with the Chinese guest.

The Belarusian head of state paid a visit to China to attend the opening ceremony of the Olympic Games in August. He had a meeting with China’s President Hu Jintao and reiterated that Belarus would always remain a stable foothold for China in Europe. “We are your best friends in Europe. We will keep pursuing the policies we have implemented for the past 10–15 years. We will remain your foothold – I am making this statement in public now. We are ready to do our best to enable the Chinese people to properly advance their interests in Europe”.

It is not clear how exactly Belarus is going to keep its promise, since the ties between this country and the Middle Kingdom remain much stronger than contacts between the EU and the official Minsk, even after the “thaw” in mutual relations.

When it comes to bilateral partnership, it would be naïve to expect that the results the two countries will attain, both political and economic, will measure up to the bold statements. It will be hard to have some tangible result not because of some mistakes or simple unwillingness of either party, but mostly due to the difference in “weight category”.

We will not deny that China may become a key partner for Belarus, but it will be impossible for Belarus to reciprocate. One reason is the comparatively tiny gross domestic product of Belarus, comprising
less than one per cent of China’s foreign trade. Furthermore, China believes it is more profitable to deliver its goods to Europe by sea than to use railway service, which could partially be provided by Belarus, a transit territory.

Belarus’ trade turnover with China amounted to U.S. $2.38 billion in 2008, only 2.8% of Belarus’ overall foreign trade turnover, and showed a deficit of U.S. $790.9 million. Besides, there were serious problems with implementing an agreement with China on modernization of Belarus’ cement-making facilities. Chinese partners first refused to perform some preliminary operations, and then demanded to include additional clauses in the deal, which did not suit the Belarusian makers.

It is also important to note that China mostly offers tied investments and loans, that is, Belarus can borrow from China to buy equipment produced solely in China. Nearly all investments and loans provided in 2008 were from credit lines of China Eximbank guaranteed by the Belarusian government.

Finally, the pilot project to create a third GSM mobile carrier in Belarus was a complete failure. Since its inception, ZAO BeST has managed to attract fewer than 200,000 subscribers and was sold to a Turkish investor.

As for political cooperation, the United Nations is the only international organization in which both the countries share membership, and Belarus is always there to vote in favor of China’s initiatives. This did happen when Taiwan’s latest attempt to get back to that organization was foiled once more. But if we take into account China’s exceptionally powerful weapon – the right of veto in the UN Security Council – it will become evident that China does not really require any political support from Belarus.

China, for its part, has offered Belarus its support in similar cases, but its value for Belarus has reduced dramatically since this country was crossed out of the above-mentioned “black list”.

**Iran**

In early January, British Jane’s Information Group reported that Iran intended to buy two C-300ПТ mobile antiaircraft missile systems from Belarus in breach of UN sanctions that restricted arms supplies to the
Islamic Republic of Iran. Jane’s mentioned the possible contract value, namely U.S. $140 million.

Belarusian officials refuted that information point blank, calling it a hoax; however, the month of July saw the continuation of that story when Israel’s Jerusalem Post reported with reference to a source in its Defense Ministry that Iran would get its C-300 systems via Belarus after all. The situation was never clarified in 2008, though.

In February, Iran’s Ambassador to Belarus Abdolkhamid Fekri said his country was ready to assist Belarus in the construction and operation of its first nuclear power plant. The statement seemed somewhat odd, because at that time Tehran did not possess required technologies and used solutions imported from third states, especially Russia. But most importantly, because of the notorious circumstances surrounding the Iranian nuclear program, Belarus ran a risk of becoming a link in the “axis of evil” and completely ruining its reputation in the West. Anyway, that initiative was never mentioned again, at least in public.

Quite different problems followed, though: in the summer, Prime Minister Sergei Sidorsky made some critical remarks about mutual projects during his meeting with Iranian Industries and Mines Minister Ali-Akbar Mehrabian. In his words, not a single project on the impressive list of mutual initiatives – oil production at Jofeyr field, construction of logistics centers, increase in production capacities of the passenger car assembling facility in Belarus – got off the ground. The criticism might have had its effect. In September, official media reported that Belarus would run production tests at Jofeyr, with geological reserves estimated at 2.1 billion barrels. During the initial phase Belarusian oil-crews were supposed to ensure a daily production of at least 15,000 barrels to ultimately bring the figure up to 40,000 barrels a day.

In December, Belarus welcomed Iranian Foreign Minister Manouchehr Mottaki. President Alexander Lukashenko personally received the distinguished guest, who brought some “concrete proposals”, as the Belarusian press put it. Belarusian officials did not elaborate. After his meeting with the president, Mottaki said: “We have excellent political relations, and our trade and economic relations are progressing. We share the same vision of international regional issues”.

One could agree with the final part of the statement, but when it comes to economic cooperation, it is hard to speak about a breakthrough. Bi-
lateral trade did expand, but it amounted to mere U.S. $83.9 million in January-October 2008, which compares to U.S. $75.9 million in 2007.

**Venezuela**

Of the three Third World pillars the Belarusian side chose to support its initiatives Venezuela seemed the most welcoming country. The February visit of an official Belarusian delegation led by then State Secretary of the Security Council Viktor Sheiman to that Latin American foothold was declared “most promising and efficient”. In addition to the two oil wells Belarus had been allocated previously, the country got three more, enough to increase the “black gold” production to at least 2 million tons annually in 2009, according to forecasts.

Furthermore, Minsk and Caracas agreed to create a joint venture focusing on drilling and maintenance of oil wells, reached an agreement on financing of MAZ, BelAZ and MTZ assembling facilities in Venezuela and addressed a number of construction and local gas supply projects.

It is not a secret that security cooperation has been an important component of the package of bilateral agreement for years. The April ratification by the Belarusian parliament of the agreement between Belarus and Venezuela on assistance in creation of air defense and radio electronic warfare systems in that Latin American country came as no surprise.

Moreover, the director of the Centre for European Integration Issues, Yury Shevtsov, informed that Belarus was ready to dispatch its military advisors to Venezuela in the event of a military conflict with Colombia. Fortunately, the conflict was resolved very fast then, and no assistance was required. Otherwise the already tense relations with the West might have deteriorated even more.

In a tradition established over the past few years, the official visit of Venezuela’s President Hugo Chavez to Minsk was last year’s most colorful episode of the bilateral relations, despite the evident shortness of the stay – Chavez was here for only one day. A park in Minsk was urgently renamed Simon Bolivar Park, where Alexander Lukashenko conferred the International Friendship Order on his Venezuelan counterpart. The joint communiqué traditionally expressed complete unanimity of the two countries, which stated that “interference in internal affairs of independent states, imposition of foreign sociopolitical development models con-
trary to the volition of peoples, and double standards in foreign policies presented an evident threat to the security of any nation.”

In corroboration of the brotherly relations Belarus received a U.S. $500 million state loan from Venezuela in December. The loan was extended for a long term and at rates below current commercial rates, but made allowance for the current situation on the financial market.

Foreign adversaries naturally tried to challenge this harmony. Right after the United States imposed additional sanctions against Belarus’ petrochemical conglomerate Belneftekhim, Mariusz Maszkevich, ex-Ambassador of Poland to Belarus, shared an idea that the Belarusian authorities were planning to use the concern as an “auxiliary structure to launder the proceeds” generated from trade in Venezuelan oil. The Venezuelan Embassy immediately disproved that information.

A bit later Spain’s El Pais reported that Belarus had pledged to assist Venezuela in arming the Revolutionary Armed Forces of Colombia (FARC), which is universally recognized as a terrorist organization. Interpol confirmed the authenticity of the documents showing that there indeed were financial relations between the FARC and Venezuela’s President Hugo Chavez and the government of that country. The documents mentioned a “Belarusian friend” that was supposed to send a delegation to Caracas to negotiate with insurgents.

Furthermore, the computer captured at the campsite of Raul Reyes, a leader of Colombian rebels that was killed in March, contained information that Hugo Chavez “considered the feasibility of arms supplies together with Belarusian authorities”.

The U.S. Department of State issued a statement saying that the Congress mulled a bill enabling the U.S. lawmakers to include the countries supporting Colombian separatists in the list of states sponsoring terrorism. However, just like the situation with alleged supplies of C-300 systems to Iran, neither unpleasant story progressed.

**Other Countries**

Other important developments in this category include Alexander Lukashenko’s visit to Vietnam, another essential Third World partner, in April. The Belarusian television reported following the visit that “mutual trade could reach half a billion U.S. dollars”. Unfortunately, such
tremendous possibilities very rarely come true. A good example is the top-level conference that took place March to address Belarusian cooperation with the Persian Gulf and assess the implementation of agreements reached earlier. President Lukashenko said many agreements had not been honored. The predominant export item in Belarusian trade with the Persian Gulf is military and dual-purpose commodities, while trade in civic products remains underdeveloped. Credit and investment cooperation also leaves much to be desired, since the promised long-awaited investment projects were never started.

Indeed, Belarus has developed a regulatory framework of bilateral relations with many countries of the Gulf; over 50 agreements have been signed over the last few years, and around 25 draft agreements have been worked out. This seems enough to engage in active cooperation, but real trade with that region makes up less than half per cent of Belarus’ overall foreign trade turnover; no one has ever heard of the Gulf’s large-scale investment in the Belarusian economy, either.

The assumption that the poor execution of the agreements with the Persian Gulf is for the most part due to the unwillingness of Belarusian representatives to put in some effort does not seem valid. It looks like the key reason is the shortage of real economic prerequisites for collaboration. As is well known, nearly all countries of the Gulf are very far from the leading positions in terms of human rights protection, so Belarus’ human rights situation would mean nothing if this country offered real economic opportunities.

Arab leaders are exceptionally good at counting money, and will hardly invest in projects unless they are certain the return rate will be good enough or there are stable guarantees of payback.

The November visit of Leader and Guide of the Libyan revolution Muammar Qaddafi was indicative. People in the streets were very much interested in the exact location of the famous tent (it appears it was put up near Zaslavl), whereas experts were trying to guess what exactly brought the head of the Socialist People’s Libyan Arab Jamahiriya to Belarus. It appeared that the only thing Qaddafi was ready to share was his promise of eternal friendship.

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It is obvious that even though there have been certain achievements in mutual cooperation, even the most imaginative minds would hardly call
the relations between Belarus and the Third World “strategic”. For Hugo Chavez, political unanimity suffices to go on with joint economic projects, but apart from Venezuela, the Belarusian Administration has been unable to find this unique combination of rich mineral resources and ideological proximity. Of course, this does not necessarily hamper further mutually beneficial collaboration, but one should not gamble on those countries as chief partners in the foreseeable future.

This article uses information from BelTA, BelaPAN and Interfax news services.
Third Sector in 2008: Chance to Survive or Develop?

Tatiana Vodolazhskaya

Summary
The situation in the Belarusian third sector may be perceived as favorable owing to its potential rather than actual changes occurring in 2008. Faced with routine problems and the even more serious challenge of further engagement with Europe, the Belarusian regime was making half-hearted attempts to liberalize the operating environment for the third sector. At the same time, the state kept pursuing its long-term strategy aimed at maintaining its influence and searching for acceptable mechanisms to utilize the ambition of public organizations and initiatives. The third sector failed to offer an adequate response to the changes, to say nothing of the attempts to impose its rules of the game or make proactive steps. Three basic strategies were observed inside the third sector throughout the year.

The first strategy involves self-adjustment to the place and function the state designated for the third sector; it results in a loss of independence, but offers a chance of survival and legitimacy.

The second strategy aims at looking for ways to accomplish earlier objectives in a new environment. This strategy calls for a major revision of basic methods and instruments, while leaving the scope of tasks and objectives unchanged.

The third strategy aims at involving the third sector in an equitable dialogue between Belarus and European institutions, which requires the third sector to start developing subjectivity. More ambitious objectives and additional involvement of large numbers of people facilitate progress in the third sector.
The Principal Ideas:

- the framework for the work and development of the Belarusian third sector throughout 2008 was an important bargaining chip during the Belarusian-European fence-mending negotiations and was therefore subject to minor alterations;
- three major strategies may be identified in the third sector’s response to the changing environment namely, adaptation to the terms proposed by the government, assimilation and loss of independence in exchange for legal status and survival prospects;
- new opportunities are seized to pursue the third sector’s goals, which calls for readjustment of the existing framework and search for leverage;
- the third sector has evolved into a separate player in the Belarusian-European engagement.

Third sector in 2008: a chance for survival or development

The year 2008 was pretty uneventful. There were no essential structural changes worthy of notice, significant processes, or outstanding newcomers. There was nothing that could distinguish the year in the history of the third sector in Belarus. According to the Ministry of Justice, 94 NGOs and 14 funds were registered and 28 organizations were liquidated.\(^1\) Although such statistics hardly reflects the actual state of affairs, these figures testify that nothing special happened last year. The third sector was busy with habitual tasks being mostly concerned over survival. In such cases, reviews and analytical data have nothing but point out the most peculiar cases. However, the facts of the case are not always the most important and essential matter. Despite the lack of events or appreciable qualitative and quantitative changes, there was a potential of essential shifts and changes, which came up not owing to particular efforts or processes inside the sector, but owing to certain externals. This situation nevertheless needs apprehension, reaction, acceptance or non-acceptance, and response to challenges. Therefore, this review will focus on external circumstances, which determined the situation in the third sector, and, on the other hand, possible ways to respond to this situation inside the sector.

\(^1\) In 2008, the Ministry of Justice registered 94 public organizations // http://news.tut.by/society/127574.html.
External circumstances, which influenced the third sector in 2008

The external circumstances and conditions emerged under the influence of two interconnected factors. The first factor is evolution of the Belarusian regime, which assumed full responsibility for the country after 2006.² The evolution was also driven by the necessity to find new forms of work and new relations with various social entities and the use of their resources for coping with pressing problems. So far, it has been nothing but inconsistent steps, rushing from attempts to take control over the third sector – by flooding it with controllable organizations, nationalization, or marginalization of NGOs – to using NGOs and institutions of the third sector for fulfilling tasks limited to the field of the social policy, culture and art.

Monitoring of government’s decisions and actions targeted at the third sector as a whole and its prominent representatives, illustrates this cautious and inconsistent taming tactics³:

- the prohibition to act on behalf of unregistered NGOs is still in force being supported by a criminal liability for this kind of acts;
- the procedure of registration of noncommercial associations, such as establishment and union of legal entities, and conditioning of funds’ names were simplified together with some other bureaucratic procedures;
- the minimum three-year period of leasing of permanent buildings was established;
- preferential rent charges for state-owned premises were abolished that caused complications with registration of legal addresses and legal status of organizations;
- the procedure of enforced liquidation of NGOs was not applied;

the government followed the policy of preferential registration of new NGOs of a certain type, namely regional branches of already existing large republican organizations and associations, which do not have popular political activists among their members;

- trials of several NGOs, such as the Belarusian Helsinki Committee and Center for Strategic Studies, were postponed without restoration of rights, but with lifting of some sanctions imposed on them earlier;
- the For Freedom Movement passes registration;
- the civic culture campaign called “Budzma” (“Let’s Be”) feels benevolent attitude to itself, etc.

Changed Belarusian-European relations were the second factor, which influenced the third sector environment in 2008. Conditions of existence of NGOs and their operation possibilities were used as strong arguments in negotiations and maneuvers in relations between Belarus and Europe. “Improved conditions created for nongovernmental organizations” reduced the number of requirements from twelve to five. Europe measures Belarus’ willingness to maintain the dialog and to cooperate considering fulfillment of these requirements. At the same time, no precise criteria of “normal conditions” for NGOs functioning were established. Is registration of For Freedom Movement a breakthrough in actualization of the right to freedom of association? It is more likely a rhetorical question. And no one seems to cherish illusions in this respect. Europe thus demonstrates its readiness to applaud even the most insignificant and symbolic steps. In turn, the Belarusian regime moves forward making such insignificant, reversible and symbolic steps.

So, in the situation of 2008 the Belarusian regime took interest in the public sector to demonstrate its presence and functioning that became important political arguments in relations with Europe. On the other hand, since the regime has to display a friendly attitude and interaction with representatives of civil society, it needs safe ways to treat and use this new resource to carry out some of its tasks. Whatever cautious and symbolic these changes in the external conditions are, they require comprehension and sensible response, reconsideration of the role and tactics of the public sector.
The past years’ tactics and methods of confrontation, resistance and pressure upon the authorities have been ineffective, and become totally inadequate in the new situation.

Non-involvement of the third sector in Belarusian-European relations also needs to be addressed. The sector still acts as a subject of negotiations, but not a subject of the relations. The dialogue is going on between Belarusian government institutions and official institutions of the European Union without involvement of the Belarusian civil society. It is given a voice on rare occasions and is used as an argument by one of the bargaining parties. But it is the third sector that could put forward criteria and evaluation of steps made. It would have been quite natural, if it was the third participant in the dialogue. But it implies ability and willingness of numerous and various organizations, initiatives, and institutions to join the dialogue, to formulate and advocate their approaches.

The year 2008 may be characterized as a period of new challenges to the third sector. External factors created conditions for essential changes, which will definitely follow one way or another. The question is whether they will occur with the participation of the third sector and those who relate themselves to it, or they will be only determined from the outside.

**Reaction of the third sector and action strategy**

If to characterize the internal situation as a whole, it may be ascertained that the third sector is not ready for changes, or to enter into new relations. It was obvious during the annual Minsk Forum, which has been held for over 10 years to establish interaction between various sectors of the Belarusian and German societies. The long-awaited representative participation of government agencies made it a platform for a feasible dialogue. The Belarusian authorities and western participants used it to the full extent. The civil society turned out to be unready to talk in new conditions. Speeches did not differ from those made in past year neither in rhetoric, nor in the approach, i.e. resistance, demands, reproaches, etc.

Nonetheless, despite the common unpreparedness, some strategies are outlined in response to the new environment.
1. A big part of the third sector accepts and adapts to its place and value, which the state is willing to give to social activity. This place is a quite narrow range of involvement – social work, revival of traditions, tourism – and very limited opportunities to influence the problem solving process. As a matter of fact, NGOs are supposed to act as suppliers of extra (granted) resources for fulfillment of tasks starting with those of local authorities. Legitimization and encouragement of such interaction with NGOs at the national level solves the problem of their survival.

This tendency is supported by a non-reflexive attitude of western funds and programs, which prioritize cooperation with local authorities and sponsor projects, which meet this requirement paying little or no attention to methods and content of these partner relations and actual dialogue and interaction with the authorities.

The share of the third sector – public associations and institutions – working in this strategic area increases owing to such a phenomenon as governmental public associations. They are gradually infilling the third sector, pushing NGOs that want to stay independent into the background.

2. One more strategy aims at using new opportunities for advancement and attainment of individual objectives. The Budzma campaign is perhaps the most vivid example of one of those. Such a strategy does not assume any new forms of activity or organization, but requires reconsideration of tactics and stereotypes.

There is no strong reason to identify the degree of rationality or intuitivism of this campaign, but it creates noteworthy precedents of catching new opportunities.

Firstly, it is creation of a functional infrastructural platform for accumulation of resources of various initiatives – from the smallest to rather big ones – and actions of a wide ideological spectrum. The limits are only connected with topics, namely with Belarusian culture, which are interpreted broadly and tolerantly. So far, various attempts to unite for a common cause eventually resulted in “encapsulation” of newly created institutions, their transformation into closed associations “for au-

4The Public Cultural Campaign “Budzma” was launched in 2008 to provide information and resource support to all initiatives and events aimed to arouse interest in the country, its history and culture among inhabitants of Belarus (http://budzma.org/).
Authorized representatives only”. The new approach to accumulation of resources, which changed from a common ideological ground to an “infrastructure”, offers new solutions for development and promotion of informal Belarusian culture.

Secondly, creation of a such platform by traditionally radical and ideologically rigorous institutions, such as the international NGO Batskaushchina (“Motherland”), Arche magazine, Nasha Niva (“Our Field of Grain”) newspaper, etc., proves fruitfulness of coming out beyond the framework of arduous ideological and political opposition. At the same time it shows the broad-mindedness and democratic potential of these public institutions, while there is no need to surrender their commitments and values.

Thirdly, the campaign de-marginalizes patriotically inclined Belarusians and involves them in the social life of the country, thus implementing the strategy of taking new opportunities for tackling old problems of the sector.

3. One more strategy of 2008, which is being pursued not by organizations, but several leaders of the third sector, can be regarded as the most ambitious one. It aims to involve the third sector as an equal party in the dialogue between Belarus and European institutions and, by this means, to preserve the sector and its independent status. Participants in the conference entitled “Improving the participation of citizens and local governments in the EU Programs: Challenges and Prospects” held on December 2, 2008 in Minsk adopted a resolution, which formulated certain tasks and propositions⁵, in particular:

- to elaborate and adopt a framework document for procedural regulation of partner relations between European, donor and civil society institutions and the Belarusian government and civil society by analogy with the 2005 Paris Declaration;
- to set up a permanent collegial body entitled to perform organizational, methodological, legal and evaluation functions within the framework of partner relations between Belarus and the European Union;

• to develop an agenda and strategy of development of civil society in Belarus and to bring it to an open discussion in order to achieve a common understanding between all stakeholders and to use it as a guideline for further actions.

A number of organizations – the NGO Assembly, Civic Education Network, and Belarusian Association of Resource Centers – were created with a view to represent the third sector at the level of the Belarusian-European relations. In second half of the year, there were strategy elaboration and valuation survey attempts in the form of regional congresses, round table sessions, etc. This process has not been finished yet, but the probability is high that it will not entail considerable transformations. Adherence of the Belarusian third sector to old organizational forms and structures is one of the major constraining factors for an adequate response to the present situation. Even new initiatives are tailored to fit old forms.

Ambitiousness of the tasks outlined by these three strategies is inversely proportional to the number of their advocates, which revealed itself most vividly during the Minsk Forum, Non-Formal Education Festival, and the mentioned conference. The third sector’s potential, which used to be a matter of lively discussions in the recent past, is now considered following the results of each year. There is a situation, which demands accumulation of various resources starting with human, intellectual, and organizational, and there is an answer, or more likely a reaction to this situation. It is the real potential of the third sector that can be counted on.

**Evaluation and forecast**

Opportunities and prospects of the Belarusian third sector directly depend on the competition between the first and the third strategies. Increasing ambitiousness of tasks and involvement of a greater number of people advances the entire sector towards development. The intention to find a niche and adapt to the situation actually destroys the third sector as an independent actor. Only perseverance of supporters of the third strategy might instill certain optimism.
Political Parties

Yuri Chausov

Summary
The Belarusian party system was developing in 2008 in the context of participation in the elections to the fourth House of Representatives of the National Assembly, lower chamber of the Belarusian parliament. No cardinal changes in the institutional configuration of the Belarusian political system occurred in this period, and the role of political parties is still insignificant.

The Principal Ideas:
• no political parties were liquidated via judicial acts in 2008;
• in the mean time, the institutional structure of Belarusian political parties narrowed dramatically due to office lease rate hikes;
• opposition parties joined the election campaign not just nominating candidates for parliament seats, but also shaping the process of preparation for the election;
• despite all their efforts and certain easing of the election climate, not a single opposition candidate got elected into the new lower house.

Operational climate of political parties
The politico-legal framework of the opposition remained unchanged. Formation and activity of political parties are regulated by the law on political parties of October 5, 1994. Its slightly tailored variant came into force on July 19, 2005. The law establishes quantitative criteria for formation of political parties and their territorial structures: a party can be formed by at least 1,000 founders from most of the country regions – six in total – and the city of Minsk; it should have a registered organization in the city of Minsk and regional branches in most of the regions. The law was amended in 2008 following enactment of the law on counteraction to extremism of January 4, 2007. Alongside with the ban on
extremist parties, the law stipulates legal liabilities that political parties may incur. Besides written warnings, suspension for up to six months, liquidation upon orders of the Supreme Court as established by the law on political parties, parties and their unions can be treated in line with legislative acts on combating terrorism and extremism.

The number of registered parties did not change in comparison with 2007. They are still 15. There were no attempts to register new ones in 2008, as most of potential initiators believed it was just impossible to register a new political party in Belarus. At the same time, a number of political organizations, which call themselves civil initiatives, campaigns, coalitions or organizing committees for creation of political parties, were acting without state registration. In particular, Charter’97 civic initiative (never applied for registration), Youth Association Maladi Front (“Young Front”, applied for registration more than once as a local NGO and registered as an international association in the Czech Republic), National-Bolshevik Party (banned in Russia, tried to obtain registration in Belarus as an NGO), the organizing committees for creation of the Belarusian Party of Workers, Party of Freedom and Progress, Belarusian Christian Democracy Party, and other public unions acted in many ways like parties. They participated in elections, political coalitions, etc.

It should be noted that such efforts of unregistered NGOs and unions are quite risky and can be punished under section 193-1 of the criminal code of Belarus for “illegal activities of nongovernmental organizations, religious organizations or funds, or participation in their activities”. Activist of the unregistered Young Front E. Solovyeva, Novopolotsk resident, was fined in April 2008 under the mentioned criminal code section. Several criminal proceedings against Young Front activists instituted under this section in 2008 were suspended, and Front leader D. Dashkevich convicted in 2006 was set free on parole in January 2008.

Thus, no one went to jail for acting on behalf of an unregistered organization, but the threat of prosecution under section 193-1 is still real. In 2008, the Attorney’s Office issued official warnings to political activists. Abolition of this notorious section of the criminal code is one of priority demands of the European Union, but the Belarusian authorities did not make a single step towards taking it off the books.
Notably enough, registration of the Human Rights Educational Public Association Za Svabodu (“For Freedom” movement) in December 2008 after two failed attempts inspired hope that a legal status was obtainable after all. Although the registration was obviously a political step – leading the Movement is former presidential candidate Alexander Milinkevich, who intended to try his luck in a presidential race once again – it was taken as a signal by opponents of the regime. The Party of Freedom and Progress (registration denied three times), Belarusian Christian Democracy Party (failed to obtain registration as an NGO twice) and Belarusian Party of Workers (successor of the Belarusian Party of Workers liquidated in 2004) wanted to have one more shot.

No political parties were liquidated upon court order in 2008 in contrast to 2007, when the Belarusian Women’s Party Nadzeya (“Hope”) and the Green Party of Belarusian environmentalists were dissolved. The opposition Party of Communists Belorussskaya was close to it, though. The Supreme Court considered a claim of the Ministry of Justice, which demanded liquidation, as the party did not obey official suspension. The Party of Communists Belorussskaya was suspended for participation in a constituent session of the Union of Left-Wing Parties outside Belarus; its organizational units were accommodated at addresses different from the specified legal address. The ministry found some other minor violations.

On August 2, 2007, the Supreme Court suspended the party for six months upon application of the Ministry of Justice. Leader of the party S. Kalyakin said the verdict was politically motivated and to be expected. Suspension was supposed to end on February 2, 2008, but the Ministry of Justice did not wait and initiated liquidation of the party on January 2. The party addressed the court providing evidence of acting in good faith and elimination of faults, which triggered the suspension procedure. Taking it all round, the Supreme Court stayed the action, and the Ministry of Justice withdrew record.

The Ministry of Justice made no efforts to liquidate or suspend parties anymore. Moreover, Minister of Justice V. Golovanov said only one written warning was issued in 2008. For comparison, 12 parties were officially warned in 2007. In February 2008, the Supreme Court considered a complaint lodged by the Conservative Christian Party Belarusian Pop-
ular Front against a warning and recognized the warning well-grounded. Thorough inspections during the election campaign – justice agencies mainly focused on technicalities of parties’ congresses and nomination of parliamentary candidates – did not result in any sanctions. The ministry voiced concern over participation of some opposition leaders in protest rallies of retailers in spring 2008, but no warnings were issued either. So, government agencies had recourse to drastic measures less often, but control over parties’ efforts remained strict.

At the same time, the year 2008 saw considerable reduction in the number of political parties’ divisions regardless of their political orientation. As of January 1, 2008, parties registered 1,114 divisions – 65 regional organizations, 425 district and city, and 624 primary ones – while a year later, they were 1,008 (68 regional, 361 district and city, and 579 primary organizations). As many as 106 divisions were closed, which has been the highest number since 2005, when judicial authorities liquidated party divisions earlier registered at private residences of their members. Opposition parties and those loyal to the authorities faced serious economic problems after office rent charges shot up in the regions. It is especially important because some of the functions can be only performed in the cities, where parties have branches. For instance, in order to nominate candidates for the parliament or local councils, parties must have primary organizations registered in corresponding constituencies.

Dozens of parties’ divisions were liquidated after presidential decree № 533 on alterations and amendments to decrees of the president of Belarus of September 30, 2002 and August 4, 2006 abolished preferential rent charges for offices of noncommercial organizations, including NGOs and political parties, accommodated in state-owned buildings, and rent charges went up 10-fold. At the same time, in March 2008, several parties loyal to the government were given back the rent preferences on a case-by-case basis by a special decision of the republican commission for regulation of the use of office buildings, constructions, production facilities, and other state-owned premises.

Political parties register new divisions very seldom and almost only at the level of regional branches, as they need them to stay registered. In 2008, 28 new organizational divisions of political parties were registered or put on the books by local authorities. The Belarusian Popular
Front registered the Gomel regional branch in December 2008, so it has divisions in most regions and meets requirements to political parties.

Higher rental rates strongly affected many parties regardless of their political orientation. For instance, the Liberal-Democratic Party of Belarus had to close branches and even vacate its head office in Minsk and move to the Minsk district. It is the second party after the Greens with a head office outside the capital. The Belarusian Popular Front said the raised rent was a heavy burden to the party budget.

**Structure of the party field**

The party system of the Belarusian opposition was shaped in the 1990s. After a period of fast increase in the number of parties in the first two thirds of the decade – a short time of parliamentary democracy – there was a period of authoritarian nonparty management in the second half of the 1990s. Parties were kept away from governance and then local self-government that left the party elite in an idle mode and made it non-flexible. For this reason some inner-party regulations now seem strange and archaic. The actual structure of the opposition is not much different from that which developed in the late 1990s, when all opponents of the president had to unite into an out-of-the-system opposition camp. Since then, the united opposition has been acting in the political space under different names – it is called the United Democratic Forces or the UDF now – with little difference in essence, though.

The division of parties into opposition and non-opposition ones prevails on the Belarusian party landscape. More or less full spectra of ideological doctrines are observed on both sides. Non-opposition parties are united not by certain common programs, but by hard-core loyalty to the president. Moreover, even in case of a cardinal change of the government’s goals, those parties proclaim it well-grounded and adjust their policy even if the change contradicts their ideological priorities. Loyal parties obviously do not have independent political approaches and stay puppets of the administration, which can pull strings at any moment.

There is no such thing as a ruling party in Belarus, and the term “pro-government parties” is inadequate to describe the parties loyal to the authorities. Country leaders seek support from opposition parties, rather than strengthening of non-opposition zombie-parties, which would
second any effort of theirs. A “constructive opposition” cannot arise in
the environment of non-opposition parties, but only out of the real op-
position.

Association of opposition parties takes place against the background
of their common denouncing of dictatorship in the country. Such parties
want pluralism and competitive policy back. Most of them are currently
integrated in the UDF, although some members of the coalition retain
autonomy, oppose some decisions of the coalition, suspend their mem-
bership or even withdraw every now and then. Integration or disintegra-
tion of the Belarusian opposition depends on the election calendar and
never results either in complete association, or final dissolution.

The opposition represents the whole ideological range of views from
the Right to the Left. More important is the division into registered or
“legal” parties and unregistered ones, which are banned and fall under
section 193-1 of the criminal code. Registration is highly valuable, as
it gives more opportunities to act in the legal field, diminishes the risk
of reprisals, but imposes certain restrictions by making them vulnera-
ble under the threat of loosing legal status. Registration connects op-
position parties with the existing political system and gives the right to
participate in elections. During the parliamentary elections-2008, organ-
izations registered as political parties proved to be the most efficient
political force.

Pre-election coalitions of opposition parties

Configuration of opposition political coalitions was predetermined by
their previous activity and experience of previous campaigns. The Unit-
ed Democratic Forces coalition, which emerged in the late 1990s, when
parties with different ideological doctrines but pursuing the same goal
of democratization of Belarus united for the fist time, was the core of
the Belarusian opposition. The coalition was formed in 1999 by major
political parties of Belarus, namely the Belarusian Popular Front Party,
United Civic Party, Party of Communists Belarusskaya, Belarusian So-
cial-Democratic Party People’s Gramada, Belarusian Labor Party, Be-
larusian Social-Democratic Gramada, and also nongovernmental or-
organizations. The coordination council of opposition political parties
was formed in 2001 that made it possible to nominate a joint presiden-
The coalition called “Five Plus”, which united five major opposition parties and several public initiatives, was formed before the parliamentary elections of 2004. Other parties joined Five Plus after the elections. The new coalition of 10 organizations—it was called “The Ten” by analogy with the previous one and later the “United Democratic Forces”—held a large democratic forum—the 6th Congress of the Democratic Forces—in 2005, which proclaimed unity of purposes and values of the opposition before the presidential election of 2006 and elected independent politician Alexander Milinkevich nominated by the Greens and supported by the Belarusian Popular Front joint presidential candidate.

After the election campaign, the UDF united almost all registered and unregistered opposition organizations except for the Conservative Christian Party Belarusian Popular Front. However, tactical disagreements between parties and Milinkevich, leader of the For Freedom Movement, which formally entered the coalition, brought up the problem of double loyalty: many activists and regional leaders were members of parties and, at the same time, supported Milinkevich as a legitimate leader of the united opposition. Decisions and tactics of the coalition often contradicted tactics of Milinkevich’s Movement, which was apparent during the 7th Congress of the democratic forces held on May 26-27, 2007. Following the results of the Congress, Milinkevich was de jure deprived of the status of the coalition leader and appeared peer among peers among heads of parties. Functionaries of parties settled the “problem of Milinkevich” to a certain degree, but the coalition undoubtedly did not earn respect by doing so. Moreover, strengthening of the administrative structure of the UDF for the benefit of large parties—the BPF, UCP, BSDPG, and PCB—with corresponding re-tailoring of the decision-making system, such as formation of the Presidium of the UDF Political Council of 10 representatives of major parties and established rotation of co-chairmen of the coalition, entailed frustration and centrifugal tendencies among smaller members of the UDF.

As before, the many-colored ideological mosaic of the coalition complicates elaboration of a common platform. The incoherent association does not require turning away from ideological credos, since the parties are united not by an ideological affinity, but by the tactical objective to
change the political system and return to a competitive policy pattern. As a result, numerous attempts to develop a common platform remain on paper: the UDF strategy-2007 – the so-called “Small Constitution” and Economic Platform of the UDF – did not become socially significant documents. A certain common doctrine can be only developed for a period of elections being a merely tactical document.

The task to elaborate such doctrine was assigned to the re-created Planning Analysis Group of specialists delegated by parties. The decision-making system allows this group to eliminate basic inter-party contradictions at a preliminary stage and offering the UDF stirring bodies coordinated variants of decisions, which satisfied major members. They were taken as a basis, but rarely corrected in substance.

Before the parliamentary campaign, the group offered a joint message of the UDF, which focused on monitoring of the government’s actions. The opposition represented by the UDF thus abandoned the strategy of overthrowing the regime, but offered a way to normalize relations between the authorities and society. The UDF were at least fair: even few opposition members of the parliament would have been capable of monitoring the decision-making process and ensuring public discussion of serious matters.

In winter and spring of 2008, the UDF listed 110 candidates of the coalition. Nomination of candidates was open for candidates from the outside. Hundreds of persons participated in the “casting”. As a result, all constituencies were covered. However, for certain reasons – mostly due to pressure exerted by local authorities – some candidates refused to run for parliament, and “backup candidates” missed a number of constituencies.

The For Freedom Movement, as one of the major participants in the coalition, certainly influenced decisions made within the framework of the election campaign but did not nominate its own candidates, although it did not prohibit its members to stand for elections independently or represent other parties. The Movement focused on the campaign entitled “For Free Elections” aimed to promote free and fair elections to the parliament in line with Belarusian legislation and international democratic values basically by entering local and constituency election commissions. It was a great training for Milinkevich and his team. The acquired experience can be used during the future presidential election. At
the same time, the UDF just shuffled off the thankless job, which had never been done by the coalition forces, because candidates had never had enough time for that.

As a result of that coercive and mutually advantageous cooperation, the opposition voiced necessary changes in the elections enforcement practice and submitted a list of nominees to constituency election commissions that was undoubtedly a success. At the same time, consolidated efforts of the entire UDF aimed at interpreting inclusion of their representatives in election commissions as a basic criterion of the democratic character of the parliamentary elections. UDF representatives were later nominated to local election commissions in the same way.

Alongside with the list of UDF candidates, the opposition had an alternative list of the so-called “European Coalition”. In different periods of the election campaign, this list totaled 50 to 70 candidates, and sometimes overlapped with the UDF list in targeted constituencies. The European Coalition created before the parliamentary elections-2004 is an obscure union of unregistered organizations and initiatives, which advocate a European way for Belarus. Part of the European Coalition members also have membership in the UDF, but sometimes they did not adhere to the pre-election strategy of the UDF, although the latter was created by an inter-coalition agreement of the European Coalition and the Five Plus in 2004. The European Coalition accused the UDF of anti-European intentions, although integration into Europe was one of the points declared by the UDF. During the elections, the European Coalition withdrew from the UDF and, by doing so it legally called into question its legitimacy as a part of the united opposition.

The fact that at least two members of the European Coalition – Charter’97 and the Young Front – wanted to boycott the elections focusing on the civil campaign called “European Belarus”, which was a half-hearted and mainly visual campaign, flavored the situation. At the same time, both coalitions declared the intention to organize mass actions of protest against future electoral engineering. Many observers expressed bewilderment: if the coalitions did not want to participate in the elections, what they were going to protest against? Against what engineering?

According to M. Statkevich, who acted as the coalition spokesman at the time of the elections, the European Coalition united the organiz-
ing committee of the Belarusian Social-Democratic Party People’s Gramada, i.e. a part of the Social-Democratic Party, which stayed with Statkevich after A. Kozulin took control of the party; the organizing committee for creation of the Party of Freedom and Progress, and Young Front, which withdrew from the UDF and declared a boycott of elections, but did not call back its candidates from the UDF list. The Coalition’s list included candidates from the Belarusian Christian Democracy Party, Green Party, and even the Belarusian Popular Front, which did not have membership in the European Coalition. However, only few of the listed candidates from the European Coalition actually managed to obtain registration as candidates and continued the race. The organizing committees of the Party of Freedom and Progress and, to a lesser degree, the Belarusian Christian Democracy proved to be the strongest fighters among the Coalition members.

The question of participation or nonparticipation of opposition candidates in the parliamentary elections stirred up the most heated discussions, while party programs were a matter of minor concern. Paradoxically, the attitude to the idea of boycotting the elections was the major point. It should be noted that political organizations, which did not have registration, such as Charter’97 and Young Front, acted as major promoters of the boycott idea. The Conservative Christian Party Belarusian Popular Front steadily calls on the population not to participate in any election campaigns. This time it stayed away from the boycott campaign being a passive non-participant in the elections.

**Participation of parties in the election campaign¹**

Opposition political parties entered the election campaign with much energy not only as nominators of candidates, but also as entities influencing the course of preparation for the elections. By August 2008, the following eight political parties sent their representatives to the Central Commission of the Republic of Belarus on Elections and Republican Referenda (Central Election Commission) with the right of deliberative vote: the Republican Party of Labor and Justice (candidate V. Sokolov), Communist Party of Belarus (candidate G. Atamanov), Liberal-Democratic Party

¹This article uses information from the Human Rights Activists For Free Elections Initiative.
(candidate N. Mateykovich), Belarusian Agrarian Party (candidate E. Kalinin), Belarusian Social-Democratic Party People’s Gramada (candidate I. Lobachyov), Party of Communists Beloruskaya (candidate E. Skrigan), United Civic Party (candidate V. Romanovsky), and Belarusian Popular Front (candidate G. Semdyanova). Members of the Central Elections Commission with deliberative vote had no right to vote for decisions, but could take part in discussion of any questions and make offers under the agenda. It should be noted that the regulation established by a presidential decree concerning participation of political parties in the Central Election Commission with the right of deliberative vote was not an innovation. This procedure was effective during all previous parliamentary elections to the lower chamber of the Belarusian parliament.

According to section 28 of the election code of Belarus, constituency and local election commissions were in charge of preparation and conducting of elections to the House of Representatives. In line with the time schedule of elections to the House of Representatives approved by the Central Election Committee, members of constituency election commissions were supposed to be nominated June 26 through July 11, 2008. Members of the UDF made a joint list of candidates for constituency election commissions approved by the UDF political council. The list totaled 110 persons, including such distinguished political figures as S. Shushkevich, M. Grib, A. Sosnov, P. Kozlovsky, L. Margolin, etc. In turn, Chair of the Central Election Committee Lydia Yermoshina said offers of the UDF concerning inclusion of their representatives in constituency commissions would be probably taken into consideration. “Lukashenko was positive about inclusion of members of political parties in constituency election commissions in view of their experience and other virtues, including political maturity,” she said.

Presidiums of regional administrations (executive committees), regional councils of deputies, the Minsk city executive committee and Minsk city council held sessions on July 14, 2008 to address formation of constituency election commissions. As a result, 110 constituency election commissions were formed having in mind the established maximum number of members, which makes 1,430. Entities with the right to nominate representatives to constituency commissions – citizens, labor collectives, and political parties – fielded 1,853 candidates in total.
According to the Central Election Commission, most of the candidates were nominated by citizens (39.8%); representatives of NGOs nominated 25.5%; political parties came third with 20%, and labor collectives listed 14.7%. Political parties, which regarded themselves as opposition, nominated 118 persons to constituency commissions or 31.9% of all candidates put forward by political parties. Eighteen candidates more were nominated by the Belarusian Popular Front Adradzhenne (“Revival”), which acts as an NGO within the Belarusian Popular Front Party. The greatest number of representatives of political parties were put forward by the Communist Party of Belarus (91 persons or 24.5% of all parties’ candidates) and the Belarusian Agrarian Party (62 persons or 16.7% of all parties’ candidates). The United Civic Party nominated 50 persons or 13.5%; Belarusian Popular Front Party came out with 34 candidates or 9.2%. Among NGOs, the Belarusian Republican Union of Youth nominated 109 persons or 23.2% of all candidates of public associations; Belaya Rus (“White Russia”) put forward 94 representatives or 19.4%; Belarusian Public Association of Veterans nominated 71 persons or 15.2%.

Thirty-eight persons from opposition political parties entered constituency commissions, which was 30% more than during the previous elections of 2004, when only 7% of Five Plus Coalition’s nominees took seats in constituency commissions. At the same time, the authorities did not fulfill the minimum requirement of opposition parties to include one representative of the UDF in each constituency commission.

When forming local election commissions, which are actually in charge of the technical component of the elections, namely organization of the ballot procedure at polling stations and counting of votes, the authorities did not make any concessions and did their best to prevent inclusion of representatives of opposition political parties in local commissions. According to the Central Election Committee, 73,576 persons were nominated to 6,485 local commissions. More than a half of candidates, 37,936 persons, were put up by citizens by filing applications; labor collectives nominated 24,144 persons; political parties nominated 1,237 persons, and NGOs nominated 10,259 persons. The Party of Communists Beleorusskaya nominated 425 persons, which is the greatest number of candidates for local commissions among polit-
Political parties. The United Civic Party nominated 344 persons; Belarusian Popular Front nominated 201; Communist Party of Belarus nominated 195, and Belarusian Social-Democratic Party Gramada nominated 70 candidates. The Belarusian Agrarian Party and Republican Party of Labor and Justice nominated one representative each. Political parties thus put up 1.7% of all candidates for local commissions; 84.1% of them represented opposition parties. Among NGOs, the Belarusian Republican Union of Youth nominated the greatest number of candidates, 2,518 persons; White Russia nominated 1,817 persons, Belarusian Union of Women nominated 1,051 persons, Belarusian Public Association of Veterans nominated 612 persons; Belarusian Union of Officers nominated 60; Belarusian Popular Front Adradzhenne nominated 113. Members of the UDF nominated 1,515 persons to local commissions. Candidates were put up both by parties’ branches and by means of collection of signatures, thus the UDF specified their party affiliation. The total number of members of local election commissions reached 69,845 persons: 36,071 of them were put forward by citizens though filing of applications; 21,869 were nominated by labor collectives; 9,032 by NGOs; 2,712 by agencies in charge of formation of local commissions, and only 161 persons represented political parties, including 116 members of the Communist Party of Belarus; three members of the Patriotic Party; one member of the Belarusian Agrarian Party; one member of the Republican Party; one member of the Republican Party of Labor and Justice. Among opposition candidates, twenty-nine members of local commissions represented the Party of Communists Belorusskaya; seven were from the United Civic Party, and four from the Belarusian Popular Front. As to the total number of all UDF representatives, only few managed to enter local commissions – 48 out of 1,515 candidates or 3.1% of all nominees. It means that representatives of the democratic coalition totaled 0.07% of local election commissions’ members, which is even less than during the previous parliamentary elections of 2004, when the number reached 0.2%.

According to the time schedule, initiative groups of parliamentary candidates applied for registration by July 24, 2008. They sent in 447 applications in total, including 97 ones of the candidates from the joint list of the UDF: 28 groups represented the United Civic Party; 24 groups were
from the Belarusian Popular Front; 18 groups from the Party of Communists Beloruskaya; 13 groups from the Belarusian Social-Democratic Party Gramada; four groups from the Belarusian Christian Democracy Party; three groups from the liquidated Belarusian Party of Women Na-
dzeya (“Hope”), and four groups from the liquidated Party of Labor. It is worth noting that during the previous election campaign the registration authorities received 635 applications from initiative groups, which means that much fewer participants entered the campaign of 2008.

In 2008, constituency commissions denied registration of 23 initiative groups or 5.15% of the total number compared to 71 denials or 11.2% in 2004. Two groups of the UDF – a group of the Belarusian Popular Front and a group of the United Civic Party – were turned down. Constituency election commissions thus showed a much better attitude to opposition candidates’ groups at the registration stage.

According to the Central Election Commission, 365 persons ran for parliament in 2008; 276 of them were registered as candidates. 119 persons were put forward by means of collection of signatures, 96 by collection of signatures of citizens and by labor collectives; 20 by citizens and political parties; four by citizens, parties, and labor collectives; 11 by labor collectives, and 26 by political parties. Registration of 84 potential candidates – or 23% of the total number – was denied.

Most of the nominated representatives of the UDF – 76 out of 98 persons or 77.5% of the total number – were registered as candidates for the lower chamber; 23 out of 51 persons or 45% candidates from the list of the European Coalition passed registration. The total number of registered representatives of the democratic forces made 99 out of 149 persons or 66.5%. In 2004, 126 out of 227 candidates from Five Plus or around 55% passed registration.

The United Civic Party obtained registration for 26 out of 29 representatives; Belarusian Popular Front registered 16 out of 21 nominees; Party of Communists Beloruskaya registered 13 out of 18 nominees; Communist Party of Belarus registered 13 out of 17 nominees, Belarusian Social-Democratic Party Gramada registered 11 out of 14 nominees; Liberal-Democratic Party registered eight out of nine nominees; Republican Party of Labor and Justice registered three out of five nominees, and Belarusian Agrarian Party registered one representative.
out of 56 candidates nominated by congresses of parties were registered. Among party leaders, Vice-Chairmen of the Belarusian Popular Front V. Vechorka and V. Ivashkevich failed to pass this stage. Among registered candidates were 58 women (21% of the total number of registered candidates), 18 persons at the age under 30 (6.5%), and 38 members of the House of Representatives of the third convocation (13.8%). The total number of unregistered candidates nominated by the UDF and European Coalition constituted 33.5%. In 2004, they accounted for 40%.

It is notable that collection of signatures and registration of initiative groups and candidates was almost unobstructed, although some cases of pressure upon opposition candidates were reported. For instance, candidate V. Korotysh put forward by the Belarusian Popular Front was urgently drafted into the army; employment of A. Mekh, member of the same party, was terminated and he was pressurized by the KGB.

Opposition parties did not cherish any illusions that the election campaign would meet international standards and requirements of the Belarusian legislation. Their main objective was to prove unfairness of the elections rather than to fight for seats in parliament. Some candidates probably hoped that the authorities would admit few of them to the parliament to satisfy the West, which would dismiss the elections otherwise. It was a popular point of view that the elections would be an “acid test” indicating Belarus’ willingness to change the situation for the better and a turning point in the Belarusian-European dialogue. However, nothing like this really happened: in spite of certain political mitigation, the result was still predetermined. None of opposition candidates entered the fourth House of Representatives.

Elections to the Council of the Republic of the National Assembly – the upper chamber of the Belarusian parliament – did not attract much attention of political parties, because members of the upper chamber are elected indirectly and stage-by-stage, which makes participation of parties impossible.

The authorities ignored attempts of the United Civic Party and some other political institutions to nominate their representatives, and even attempts of few opposition members of local councils to declare parties’ priorities at the initial stage of nomination of candidates for the Council of the Republic.
Political agenda and major events in the party environment

In 2008, most of political parties held regular or extraordinary congresses. According to the Belarusian election legislation, decisions of supreme bodies of political parties, i.e. congresses, are required to nominate candidates for the parliament. Apart from the elections, the congresses addressed issues connected with relevant political events, including personnel rotations and the fight for leadership positions. The most heated and even scandalous clashes were observed in the Belarusian Social-Democratic Party Gramada and Belarusian Popular Front Party.

No one expected that the extraordinary congress of the Belarusian Social-Democratic Party Gramada held on August 3, 2008 would be anything but a habitual routine: delegates were supposed to nominate particular candidates for several constituencies, consider the party platform for the forthcoming elections, party factions, alterations and amendments to the charter, and some technical questions. At the time of the congress, the party chairman, former presidential candidate Alexander Kozulin had been serving his term for over two years. He was sentenced for participation in actions of protest against ballot-rigging during the presidential elections-2006 that was officially interpreted as “organization of group actions disturbing the public peace”. Foreign observers regarded Kozulin’s release as a crucial requirement for development of the Belarusian-European dialogue. At the same time, many believed that Kozulin was a personal enemy of Lukashenko’s and, consequently, his discharge was highly improbable. In February 2008, Kozulin was freed from prison for a few days to let him attend his wife’s funeral. Judging by Lukashenko’s comments on that occasion, Kozulin could win back his freedom in exchange for emigration.

While the party leader was in prison, his deputy Anatoly Levkovich managed the BSDP Gramada, organized the congress, and represented the party in UDF agencies.

As far back as February 2008, Kozulin suggested evicting Levkovich out of the post of the first deputy chairman and accused him of struggling for “virtual power within a small group of people.” Opposing Levkovich was also the group called “For Intra-Party Democracy”, which included Kozulin’s daughter O. Kozulina, his lawyer A. Rynkev-
ich, O. Volchek and some other politicians. Levkovitch enjoyed support of two other vice-chairmen, I. Antashkevich and A. Sidorevich. However, when Kozulin was released to attend his wife’s funeral, the opponents worked out a compromise and the first vice-chairman kept his post.

On August 3, after delegates of the congress considered nominations to the parliament, they were unexpectedly suggested to elect a new chairman under the “organizational matters” item of the agenda. There were two nominees: former presidential candidate and current Chairman of the party Kozulin and first Vice-Chairman of the party Levkovitch. The Grodno branch proposed to elect former head of the Supreme Council of Belarus Mechislav Grib most likely as a compromise solution, but the latter refused to accept the nomination. Levkovitch polled 53 votes; 24 delegates voted against him; Kozulin polled 22 votes with 55 votes against him. Fifty-five delegates supported the suggestion to make Kozulin an honorary chairman of the party, 22 voted against. On September 9, 2008, the Ministry of Justice registered alterations and amendments to the charter approved at the congress of the Belarusian Social-Democratic Party Gramada, and also issued a new registration certificate thus rendering the congress and all of its decisions competent.

Part of the opposition, including former political prisoners, leaders of some independent factions, and Kozulin’s supporters, believed that replacement of the party leader while he stayed behind bars was illegitimate and immoral. At the same time, Kozulin’s early release that followed shortly after he was evicted out of his post looked like some kind of a deal with the authorities. Political observers say that the conflict and its effect illustrated the nature of intra-party strife in Belarusian parties: Levkovitch once helped Kozulin to take control over the Belarusian Social-Democratic Party Gramada when the latter was just a newcomer, and the previous leader of the party, Nikolai Statkevich, was kicked out with Levkovitch’s direct involvement. Then Levkovitch took the party back. After the release, Kozulin condemned actions of the new management of the party and called Levkovitch a traitor. On December 21, 2008, Kozulin announced his withdrawal from the Social-Democratic Party Gramada.

Expulsion of Vice-Chairman of the Belarusian Popular Front Party Alyes Mikhalevich also stirred up heated disputes outside the par-
ty. At a regular report-back election congress of the Belarusian Popular Front held on December 2007, the politician stood for the post of party chairman and was close to victory polling about a half of delegates’ votes. But neither Mikhalevich, nor Chairman of the party Vechorka had more than a half of votes as required for election and the congress elected L. Borschevsky as a compromise. Then Mikhalevich broke the gentlemen’s agreement of candidates not to apply for the position of vice-chairman in case of a failure to assume chairmanship. The agreement was concluded before the congress to prevent a split in the party predicted by the mass media.

Mikhalevich was elected vice-chairman and kept severely criticizing the party management. He declared the intention to nominate himself and run for presidency, accused the party of thoughtless following scenarios offered by other entities outside the party referring perhaps to the probable nomination of Charter’97 leader Sannikov as a presidential candidate and the idea to boycott the parliamentary elections.

It was obviously Mikhalevich’s actions that prompted the Belarusian Popular Front Sojm – the stirring body of the party – to adopt the resolution on party ethics and discipline in February 2008. The paragraph on “inadmissibility of public criticism of congress resolutions, actions, or statements of the chairman in the presence of members of other political parties or non-party persons or in the nonparty press” stirred up the sharpest disputes. The party formed a special commission to consider Mikhalevich’s public criticism of party’s decisions in the nonparty press and recognized violation of the specified resolution. On June 14, 2008, the Belarusian Popular Front Sojm expelled Mikhalevich from the party. He continued in office of vice-chairman of the NGO Belarusian Popular Front Adradzhenne, though.

Many regional organizations of the party condemned Mikhalevich’s expulsion. For instance, at a session held on June 15, the council of the Brest regional organization of the Belarusian Popular Front addressed the Sojm asking to revoke the resolution. Yuri Gubarevich, vice-chairman of the Belarusian Popular Front and For Freedom Movement on concurrent, was also against expulsion. An extraordinary congress of August 9, 2008, which basically focused on nomination of candidates for the parliament, supported the Sojm’s decision. Mikhalevich was ex-
pelled by a majority of 33 votes to 28 with two delegates abstained and one delegate unpoll ed. Mikhalevich was given an opportunity to apply to any regional branch for membership, but no applications followed. In spite of the expulsion, the politician’s name remained on the list of UDF parliamentary candidates for Uruchye constituency № 109 of Minsk.

On August 9, the Belarusian Popular Front congress condemned Russia’s aggression against Georgia, considered nonparticipation of the party in the parliamentary elections unless the authorities stop reprisals against democratic candidates, and disagreement of the Belarusian Popular Front with the attempt of some European politicians to conduct negotiations with Lukashenko’s regime. The last two topics – participation in the elections and attitude to the Belarusian-European dialogue, including that in the context of the Belarusian-Russian relations, were debated most heatedly in the Belarusian opposition environment.

The regular 11th congress of the Liberal-Democratic Party held on February 23, 2008 did not result in any reshuffles. S. Gaidukevich, member of the House of Representatives of the third convocation, kept the post of party chairman. At the 12th extraordinary congress of August 3, the Liberal-Democratic Party put up seven candidates for parliament in spite of the fact that the supreme council and central committee of the party earlier declared nonparticipation of the LDP in the elections.

On March 15, 2008, Minsk hosted the 5th regular congress of the Belarusian Agrarian Party, which woke up after a long interruption. The previous congress took place in 2000. Member of the House of Representatives of the National Assembly M. Rusy was elected chairman of the pro-presidential party and replaced M. Shimansky.

At the 11th regular congress of the United Civic Party held on April 20, A. Lebedko was reelected chairman by a majority of 127 votes. Twenty-two delegates voted for N. Gavrilenko, representative of the Lelchitsa city organization of the United Civic Party (Gomel region). The number of deputy chairmen reduced from four to two. Y. Romanchuk was reelected Lebedko’s deputy. L. Margolin, former head of the Minsk regional organization of the party, became the second deputy chairman.

The United Civic Party did not have a univocal attitude to participation in the parliamentary elections. At the 12th extraordinary congress held on August 10, 2008, the party nominated 14 candidates for parlia-
The congress declared that the election campaign was going on in conditions of continuous reprisals and pressure upon representatives of democratic parties and public initiatives, that candidates of the authorities used administrative resources for collection of signatures and meetings with voters. Later on, on September 19, five candidates of the United Civic Party – S. Bogdankevich, A. Dobrovolsky, V. Polevikova, E. Molosaeva, and A. Egorova – withdrew from the election campaign accusing the authorities of impeding issuing of their agitprop materials, and publicly refused to participate in the “farce”. It should be noted that the United Civic Party encountered huge problems when searching for a premise to hold the congresses and had to use the office of the Belarusian Popular Front, which also hosted congresses of other opposition parties and movements, including that of the Belarusian Social-Democratic Party Gramada.

The Party of Communists Belorusskaya persistently advocated participation in the parliamentary elections. An extraordinary congress of the party held on August 10 put up 11 candidates and approved a pre-election platform.

Contrary to expectations, the pro-presidential NGO White Russia did not transform into a political party in 2008. In spite of the fact that the number of its members exceeded 82 thousand persons, the association stayed marginal. White Russia, which was founded in November 2007 “to promote construction of strong and prospering Belarus and to contribute to development of the country”, held its first congress on October 25, 2008 in the Minsk Palace of the Republic. NGO representatives believe that White Russia will be eventually transformed into a political party.

The parliamentary elections and dialogue between Belarus and the West were the major issues addressed by political parties. The elections were regarded not so much as an occasion for presentation of party platforms and promotion of their representatives, but as a criterion of political changes in the country. As to the dialogue between Belarus with the West, the attitude was mostly negative. UDF members did not oppose the dialogue, but set a lot of requirements. After the European Union suspended visa sanctions against Belarusian officials for six months, the UDF came out with a criterion of evaluation of possible changes during this period.
Parties also paid much attention to the issues of political prisoners, other forms of political persecution, a decline in social guarantees, negative consequences of the global financial and economic crisis, destruction of monuments of architecture in Belarusian cities, and construction of a nuclear power plant in Belarus. These topics were considered for the most part in the context of reaction to the authorities’ policies, while putting their own offers on the public agenda was more likely to be an exception. The UDF was rather negative concerning the dialogue between the government and society connected with invitation of some representatives of the civil society to public consultation councils suspecting them of being just an imitation of positive steps towards Europe. At the same time, a number of members of opposition parties entered the public councils as independent consultants.
Public Opinion in the Year before the Crisis

Sergei Nikolyuk

The Principal Ideas:

- the sharpest reaction of the public in 2008 was provoked by the initial effects of the economic crisis (price increases, unemployment, etc.);
- the share of respondents that believe that the country is moving in the right direction has decreased;
- there were no serious changes in political preferences of Belarusians.

Some 42.8% of respondents believe the year 2008 was harder than the previous year, and only 7.7% of them maintain that 2008 was easier. If we go down from the macro level to the level of individuals, 46.3% of all respondents called 2008 a lucky year, whereas 33.1% said it was unlucky.¹

In late 2008, the global crisis, still in its initial phase, shaped public opinion mostly through its media dimension; therefore the estimates were “politicized”: the younger and better-educated Belarusians that as a rule do not trust the head of state were more critical in their evaluation of last year’s developments than their political opponents (55% versus 33.2%).

Table 1 makes it possible to juxtapose the reactions to the most serious challenges to the country and its citizens in the past decade.

¹ All results of public opinion polls presented in the article are taken from the IISEPT website www.iiseps.ru, unless stated otherwise.
Table 1.
Chronology of answers to the question “Which of the following are the toughest challenges to Belarus and its citizens?”, per cent (more than one answer is possible)

<table>
<thead>
<tr>
<th>Answer</th>
<th>06 '99</th>
<th>06 '06</th>
<th>12 '08</th>
<th>Trust Lukashenko</th>
<th>Do not trust Lukashenko</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price increases</td>
<td>82.7</td>
<td>60.1</td>
<td>82.5</td>
<td>81.7</td>
<td>82.2</td>
</tr>
<tr>
<td>Impoverishment of the population</td>
<td>73.2</td>
<td>19.5</td>
<td>37.8</td>
<td>29.6</td>
<td>49.0</td>
</tr>
<tr>
<td>Unemployment</td>
<td>35.7</td>
<td>37.0</td>
<td>35.7</td>
<td>28.9</td>
<td>40.9</td>
</tr>
<tr>
<td>Drop in production</td>
<td>31.8</td>
<td>18.7</td>
<td>31.7</td>
<td>28.2</td>
<td>35.3</td>
</tr>
<tr>
<td>Corruption, bribery</td>
<td>29.7</td>
<td>27.6</td>
<td>26.0</td>
<td>23.2</td>
<td>30.5</td>
</tr>
<tr>
<td>Crime</td>
<td>44.6</td>
<td>23.2</td>
<td>20.8</td>
<td>26.4</td>
<td>16.0</td>
</tr>
<tr>
<td>Lack of order, legality</td>
<td>24.6</td>
<td>22.1</td>
<td>20.6</td>
<td>18.3</td>
<td>26.1</td>
</tr>
<tr>
<td>Abuse of human rights</td>
<td>23.3</td>
<td>22.1</td>
<td>20.1</td>
<td>9.1</td>
<td>36.3</td>
</tr>
<tr>
<td>Decrease in population</td>
<td>–</td>
<td>21.9</td>
<td>14.9</td>
<td>18.1</td>
<td>9.5</td>
</tr>
<tr>
<td>Threats from the West</td>
<td>9.3</td>
<td>18.2</td>
<td>13.0</td>
<td>17.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Chernobyl disaster aftermath</td>
<td>29.5</td>
<td>25.5</td>
<td>10.6</td>
<td>12.9</td>
<td>5.8</td>
</tr>
<tr>
<td>International isolation of Belarus</td>
<td>9.1</td>
<td>14.4</td>
<td>9.8</td>
<td>7.7</td>
<td>14.3</td>
</tr>
<tr>
<td>Decay of Belarusian culture</td>
<td>13.1</td>
<td>10.8</td>
<td>8.1</td>
<td>7.7</td>
<td>10.2</td>
</tr>
<tr>
<td>Threats to sovereignty</td>
<td>–</td>
<td>8.3</td>
<td>5.2</td>
<td>5.8</td>
<td>5.2</td>
</tr>
<tr>
<td>Public dissent</td>
<td>5.0</td>
<td>7.3</td>
<td>4.0</td>
<td>2.6</td>
<td>5.8</td>
</tr>
</tbody>
</table>

The major social effect of the crisis is a hike in consumer prices (inflation), which people easily notice without cues from analysts. The last two columns show that the rise in prices is considered a very serious challenge both by supporters of Lukashenko and his opponents, but when it comes to other problems, opinions differ. Those who trust the head of state are more concerned over their idol’s struggle against modern scourges (crime, decrease in population, threats from the West and Chernobyl aftermath). Their political opponents are traditionally worried about the likelihood of poverty, corruption, lack of order and legality and international isolation of the country. But public opinion varies the most on the issue of violation of human rights in Belarus.

Table 2 offers a transition from the key problems of 2008 to its main events. The rise in prices expectedly was in the lead (ticked by almost 50% of respondents). The global crisis and increases in wages and pensions were the second and third most crucial events of the year, according to respondents. They also mentioned the blast during the celebrations of Independence Day and parliamentary elections in September.
2008. The rest of the developments, whether or not connected with politics, remained on the edge of the public interest.

Table 2.
Breakdown of answers to the question “Which of the following do you believe are the most important events of 2008?” (more than one answer is possible)

<table>
<thead>
<tr>
<th>Answer</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rise in prices for basic goods and services</td>
<td>47.2</td>
</tr>
<tr>
<td>Manifestations of the global economic crisis in Belarus</td>
<td>34.2</td>
</tr>
<tr>
<td>Rise in wages and pensions</td>
<td>31.5</td>
</tr>
<tr>
<td>Explosion during Independence Day festivities on July 4</td>
<td>23.2</td>
</tr>
<tr>
<td>September 28 parliamentary elections</td>
<td>22.0</td>
</tr>
<tr>
<td>Final decision on the construction of the nuclear power plant in Belarus</td>
<td>21.6</td>
</tr>
<tr>
<td>Decision of the Russian administration to lend U.S. $2 billion to Belarus</td>
<td>18.3</td>
</tr>
<tr>
<td>Release of former presidential candidate A. Kozulin and other political prisoners</td>
<td>9.7</td>
</tr>
<tr>
<td>Belarusian-U.S. diplomatic conflict</td>
<td>9.3</td>
</tr>
<tr>
<td>Decision of the European Union to cut the list of Belarusian officials subject to travel ban from 41 to 5 persons</td>
<td>9.1</td>
</tr>
<tr>
<td>Non-recognition of the outcome of the Belarusian parliamentary elections by the European Union</td>
<td>8.7</td>
</tr>
<tr>
<td>Other events</td>
<td>1.3</td>
</tr>
<tr>
<td>No answer</td>
<td>7.4</td>
</tr>
</tbody>
</table>

Over the past three months the share of respondents that believe that the country is moving in the right direction fell by 8.1 percentage points (see Table 3). In late 2007, the share of optimists was even lower, but the drop was due to the hike in prices then. In December, the key reason behind the large number of those doubting the correctness of the policy the country pursues was the economic crisis, which seems to be gathering momentum, so the reaction may become even more poignant.

Table 3.
Chronology of answers to the question “Do you believe things are moving in the right direction in our country?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>06 '06</th>
<th>12 '07</th>
<th>03 '08</th>
<th>06 '08</th>
<th>09 '08</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right direction</td>
<td>56.9</td>
<td>41.2</td>
<td>50.2</td>
<td>48.3</td>
<td>53.4</td>
<td>45.3</td>
</tr>
<tr>
<td>Wrong direction</td>
<td>31.0</td>
<td>39.3</td>
<td>34.5</td>
<td>37.5</td>
<td>30.0</td>
<td>34.0</td>
</tr>
<tr>
<td>Difficult to say / no answer</td>
<td>12.1</td>
<td>19.6</td>
<td>15.3</td>
<td>14.2</td>
<td>16.6</td>
<td>20.7</td>
</tr>
</tbody>
</table>

Another reaction to the economic crisis (and a quite unexpected one) was a reduction in the number of those wishing they could get back to
the Soviet past (see Table 4). In that smaller group of respondents that dream of going back to the USSR, the share of young people aged between 18 and 29 shrank by 6.1 percentage points, whereas the share of respondents over 60 years of age decreased by 39.9 percentage points. The crisis must have reminded them of the chaos of the Gorbachev perestroika rather than the stability of the Brezhnev epoch.

Table 4.
Chronology of attitudes towards the restoration of the USSR, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 ’93</th>
<th>11 ’97</th>
<th>04 ’02</th>
<th>06 ’04</th>
<th>12 ’05</th>
<th>04 ’06</th>
<th>06 ’08</th>
<th>12 ’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (wish to get back)</td>
<td>55.1</td>
<td>49.9</td>
<td>38.8</td>
<td>39.5</td>
<td>38.0</td>
<td>26.7</td>
<td>36.7</td>
<td>21.5</td>
</tr>
<tr>
<td>No</td>
<td>22.3</td>
<td>25.5</td>
<td>42.6</td>
<td>50.8</td>
<td>48.3</td>
<td>63.4</td>
<td>51.4</td>
<td>63.3</td>
</tr>
<tr>
<td>Difficult to say / no answer</td>
<td>22.6</td>
<td>24.6</td>
<td>18.6</td>
<td>9.7</td>
<td>13.7</td>
<td>9.9</td>
<td>11.9</td>
<td>15.2</td>
</tr>
</tbody>
</table>

The early phase of the crisis was worrisome enough to make people change their opinions when answering the question: “Which do you think is more important – to improve the economic situation in the country or enhance its independence?” (see Table 5). In 2006, the share of “materialistic” Belarusians was just 6.6 percentage points above the share of “patriots”. The December 2008 questionnaire revealed a positively indecent gap of 53.2 percentage points!

Table 5.
Chronology of answers to the question “Which do you think is more important – to improve the economic situation in the country or secure its independence?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>06 ’04</th>
<th>08 ’06</th>
<th>09 ’07</th>
<th>03 ’08</th>
<th>12 ’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic situation</td>
<td>73.7</td>
<td>48.5</td>
<td>59.4</td>
<td>64.5</td>
<td>71.9</td>
</tr>
<tr>
<td>Independence of the country</td>
<td>19.2</td>
<td>41.9</td>
<td>32.2</td>
<td>24.1</td>
<td>18.7</td>
</tr>
<tr>
<td>Difficult to say / no answer</td>
<td>7.1</td>
<td>9.6</td>
<td>8.4</td>
<td>11.4</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Table 6 shows the list of events that may take place in 2009 and respondents’ views on the likelihood of these events. These reactions, if compared, enable us to outline the main fears that are likely to “haunt” Belarusians. We will observe substantial changes in attitudes to three possible developments, namely, a banking crisis that might result in a
loss of deposits (the share of optimists was 17.8 percentage points higher in early 2008); forthcoming corruption-related scandals (which hardly surprised anyone: in November, Alexander Lukashenko offered an “exhibitory anti-corruption show” and promised that it would be regular), and expectations of mass dismissals, price hikes and impoverishment (no comments are required).

Table 6.
**Chronology of answers to the question “Do you think the following events are possible in Belarus in 2008 (2009)?”, per cent**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>03 ’08</td>
</tr>
<tr>
<td>Banking crisis, loss of deposits and savings</td>
<td>38.4</td>
</tr>
<tr>
<td>Major corruption scandals</td>
<td>45.2</td>
</tr>
<tr>
<td>Rise in prices, unemployment rate and impoverishment of population</td>
<td>49.0</td>
</tr>
<tr>
<td>Large man-caused disasters</td>
<td>25.3</td>
</tr>
<tr>
<td>Military invasion of a foreign state</td>
<td>15.7</td>
</tr>
<tr>
<td>Integration with Russia into a single state</td>
<td>27.9</td>
</tr>
<tr>
<td>Sharp restriction of democratic rights and freedoms</td>
<td>46.1</td>
</tr>
<tr>
<td>Pre-term termination of Lukashenko’s powers and new presidential elections</td>
<td>13.2</td>
</tr>
<tr>
<td>Loss of moral values, spread of drug and alcohol abuse</td>
<td>58.6</td>
</tr>
<tr>
<td>Criminalization of society, rise in crime</td>
<td>46.9</td>
</tr>
<tr>
<td>Mass unrest and rallies</td>
<td>43.4</td>
</tr>
</tbody>
</table>

As for other possible events, they are not connected with the global crisis, therefore expectations were not really high (the increase in the likelihood of the first three must have played its part – respondents got distracted). It is worth mentioning that the global crisis did not make mass unrest or premature termination of presidential powers likelier, according to respondents.

At the same time, when it comes to the trust in Lukashenko’s ability to lead his country into the exclusive group of highly developed European countries, Belarusians seem less ambitious (see Table 7). About half of all respondents expected a banking crisis this year, so the growing pessimism about the “radiant future” looks logical.

**Table 7.**
Chronology of answers to the question “President Alexander Lukashenko set the Belarusian economy the ambitious task of making our country a highly-developed European state. Which of the following opinions do you support?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>06 '06</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>This goal will be attained in the next five years</td>
<td>18.1</td>
<td>14.7</td>
</tr>
<tr>
<td>To attain this goal more than a decade will be required</td>
<td>45.5</td>
<td>34.7</td>
</tr>
<tr>
<td>This goal is unattainable in conditions of the Belarusian economic model</td>
<td>24.5</td>
<td>35.7</td>
</tr>
<tr>
<td>Difficult to say / No answer</td>
<td>11.9</td>
<td>14.9</td>
</tr>
</tbody>
</table>

To measure the social mood during nationwide opinion polls, specialists with the IISEPS traditionally use two questions: “How has your standard of living changed over the past three months?” and “How will the Belarusian socioeconomic situation change in the next few years?” Both questions offer the same set of answers, enabling a valid comparison. The difference in opinions become more evident if we make use of the standard-of-living index (SLI) and index of expectations (IE), which are defined as the difference between the extremes (“got better” vs. “got worse”).

Table 8.
Chronology of answers to the question “How has your standard of living changed over the past three months?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 '06</th>
<th>01 '07</th>
<th>12 '07</th>
<th>03 '08</th>
<th>06 '08</th>
<th>10 '08</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Got better</td>
<td>21.0</td>
<td>21.3</td>
<td>10.8</td>
<td>15.7</td>
<td>15.6</td>
<td>17.6</td>
<td>9.4</td>
</tr>
<tr>
<td>Showed no change</td>
<td>64.7</td>
<td>61.0</td>
<td>55.3</td>
<td>57.6</td>
<td>62.2</td>
<td>58.3</td>
<td>55.4</td>
</tr>
<tr>
<td>Got worse</td>
<td>12.8</td>
<td>16.8</td>
<td>32.4</td>
<td>25.0</td>
<td>21.8</td>
<td>23.0</td>
<td>33.8</td>
</tr>
<tr>
<td>SLI</td>
<td>8.2</td>
<td>4.5</td>
<td>-21.6</td>
<td>-9.3</td>
<td>-6.2</td>
<td>-5.4</td>
<td>-21.4</td>
</tr>
</tbody>
</table>

Table 9.
Timeline of answers to the question “How will the Belarusian socioeconomic situation change in the next few years?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 '06</th>
<th>01 '07</th>
<th>12 '07</th>
<th>03 '08</th>
<th>06 '08</th>
<th>10 '08</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will get better</td>
<td>42.5</td>
<td>25.6</td>
<td>23.2</td>
<td>29.8</td>
<td>31.4</td>
<td>29.4</td>
<td>14.2</td>
</tr>
<tr>
<td>Will show no change</td>
<td>37.7</td>
<td>35.0</td>
<td>37.6</td>
<td>37.1</td>
<td>40.9</td>
<td>38.7</td>
<td>35.2</td>
</tr>
<tr>
<td>Will get worse</td>
<td>10.7</td>
<td>30.6</td>
<td>28.5</td>
<td>26.0</td>
<td>21.8</td>
<td>17.4</td>
<td>38.2</td>
</tr>
<tr>
<td>IE</td>
<td>31.8</td>
<td>-5.0</td>
<td>-5.3</td>
<td>3.8</td>
<td>9.6</td>
<td>12.0</td>
<td>-24.0</td>
</tr>
</tbody>
</table>
Tables 8 and 9 show that the SLI fell from minus 5.4 to minus 21.4 in the last three months of the year, and the IE fell from minus 12 to minus 24. Those were very serious changes, although the SLI was once at minus 62.6 (November 1994), whereas the IE was at minus 56.6.

The dramatic reduction in the IE in late 2008 proved that in early December households perceived the global crisis as a “phantom menace”: the uneasiness was caused by the media coverage of the crisis rather than the real deterioration in the living standards. This may explain the fact that only 20.8% of those who trust Lukashenko admitted that their financial situation had been affected, whereas 50.7% of his opponents said things were getting worse. Nevertheless, we cannot call the situation unambiguous: the initial phase of the crisis had an adverse impact on the workforce, while pensioners, who make up a considerable part of Lukashenko’s supporters, were affected later.

Table 10 proves that we can only speak about the primary reaction of public opinion to the global crisis. The crisis has had no effect on the living strategies of Belarusians. The differences are well within the margin of error.

Table 10.
Chronology of answers to the question “What are your and your family’s objectives?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>12 ’07</th>
<th>12 ’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>To survive, even if standards of living are primitive</td>
<td>13.2</td>
<td>12.1</td>
</tr>
<tr>
<td>To live at least as well as most of the households in our city, community</td>
<td>48.8</td>
<td>45.3</td>
</tr>
<tr>
<td>To live better than most of the households in your city, community</td>
<td>18.5</td>
<td>20.2</td>
</tr>
<tr>
<td>To live as an average family in the West</td>
<td>11.9</td>
<td>15.0</td>
</tr>
<tr>
<td>To live better than an average family in the West</td>
<td>5.7</td>
<td>5.2</td>
</tr>
</tbody>
</table>

When asked whether Belarus was in for an economic crisis, 64.3% of respondents answered in the affirmative in early December (20.4% disagreed, and 15.3% were undecided), which meant the crisis had not affected about a third of all Belarusians and they still felt a part of a stable country. Most of those who admitted they were aware of the effects of the global crisis, 46.4% of all respondents, believed the country would be faced with serious challenges. The share of optimists who
believed that economic difficulties were temporary and things would soon change for the better made up 20.8% of respondents.

The official propaganda is doing its best to blame the crisis on the United States, global corruption, etc., and it seems it succeeds (see Table 11). Note the first line: the proportion of respondents that believe the emerging crisis in Belarus is a consequence of the global turmoil and nothing else stands 13 percentage points above the share of those who mention internal causes.

Table 11.
Breakdown of answers to the question “If you believe that an economic crisis has started in Belarus, to what extent do you agree that it is a result of the economic policy of the administration, or a consequence of the global financial crisis?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>Policy of the administration</th>
<th>Global crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost totally</td>
<td>14.5</td>
<td>27.5</td>
</tr>
<tr>
<td>To a great extent</td>
<td>24.3</td>
<td>29.7</td>
</tr>
<tr>
<td>Insignificantly</td>
<td>17.1</td>
<td>10.8</td>
</tr>
<tr>
<td>It is not a cause of the Belarusian crisis</td>
<td>13.1</td>
<td>3.6</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>31.0</td>
<td>28.4</td>
</tr>
</tbody>
</table>

The economic crisis has been unfolding not only in the media space, but also in the everyday life. The crisis affects individuals through dismissals, delays in wage payments, etc. Judging by column 3 in Table 12 below, there have been no mass dismissals in Belarus yet, while one in five households has seen cuts in wages.

Table 12.
Breakdown of answers to the question “Do you and your family expect delays in wage payments, reductions in wages or dismissals in the foreseeable future?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>Delay</th>
<th>Reduction</th>
<th>Dismissal</th>
</tr>
</thead>
<tbody>
<tr>
<td>It has already taken place</td>
<td>10.5</td>
<td>19.6</td>
<td>3.6</td>
</tr>
<tr>
<td>It may happen within the next few weeks</td>
<td>14.0</td>
<td>13.3</td>
<td>10.5</td>
</tr>
<tr>
<td>Unless the situation changes, it may happen within the next few months</td>
<td>20.2</td>
<td>18.3</td>
<td>17.1</td>
</tr>
<tr>
<td>I don’t think it will happen in the foreseeable future</td>
<td>37.6</td>
<td>30.2</td>
<td>48.9</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>6.4</td>
<td>6.3</td>
<td>7.4</td>
</tr>
<tr>
<td>There are no employed persons in my family</td>
<td>11.3</td>
<td>12.3</td>
<td>12.5</td>
</tr>
</tbody>
</table>
The concerns over the possible devaluation of the Belarusian ruble increased by 12.8 percentage points (see Table 13), whereas decree #22 extending a full guarantee to household deposits and accounts with commercial banks did not manage to allay that anxiety (and on January 2, 2009 those expectations were proved right).

**Table 13.**
**Chronology of answers to the question “Do you believe the Belarusian ruble may be devaluated against the U.S. dollar and euro?”, per cent**

<table>
<thead>
<tr>
<th>Answer</th>
<th>09 '07</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly likely</td>
<td>39.4</td>
<td>52.2</td>
</tr>
<tr>
<td>Unlikely</td>
<td>35.3</td>
<td>23.1</td>
</tr>
<tr>
<td>Impossible</td>
<td>14.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>10.5</td>
<td>16.7</td>
</tr>
</tbody>
</table>

The plummeting standard-of-living index and expectations of Belarusians did not affect the rating of the head of state (see Tables 14 and 15). Last year’s hikes in prices caused a more serious drop in Lukashenko’s approval rating. A simple explanation would be that the economic crisis has so far affected Belarusians only by its media dimension (it has not had a devastating impact on incomes, while ratings traditionally depend on personal prosperity). There has been a definite correlation between Lukashenko’s ratings and changes in real incomes of households throughout the 2000s. However, recent public opinion polls conducted in Russia may challenge the regular pattern. Amid the global crisis, which, according to most households, has been caused by external factors, some additional stimuli may appear for Belarusians to unite around their authoritarian leader.

**Table 14.**
**Chronology of answers to the question “If the presidential elections were held tomorrow, who would you vote for?”, per cent (open-ended question)**

<table>
<thead>
<tr>
<th>Answer</th>
<th>04 '06</th>
<th>12 '07</th>
<th>03 '08</th>
<th>06 '08</th>
<th>09 '08</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Alexander Lukashenko</td>
<td>60.3</td>
<td>39.9</td>
<td>42.5</td>
<td>38.9</td>
<td>42.5</td>
<td>40.2</td>
</tr>
</tbody>
</table>
Table 15.  
Timeline of answers to the question “Do you trust President Alexander Lukashenko?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 ’06</th>
<th>12 ’07</th>
<th>03 ’08</th>
<th>06 ’08</th>
<th>09 ’08</th>
<th>12 ’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do</td>
<td>60.3</td>
<td>50.9</td>
<td>47.3</td>
<td>47.3</td>
<td>51.9</td>
<td>48.4</td>
</tr>
<tr>
<td>I do not</td>
<td>26.0</td>
<td>35.5</td>
<td>38.0</td>
<td>39.5</td>
<td>32.1</td>
<td>34.1</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>13.7</td>
<td>13.6</td>
<td>14.7</td>
<td>13.2</td>
<td>16.0</td>
<td>17.5</td>
</tr>
</tbody>
</table>

If we juxtapose the progress President Lukashenko made in 2008 and in 2006 (when he was reelected president), we will see that social and economic failures made their mark on public opinion. Only the considerable international efforts of the state throughout 2008 were appreciated by the public.

Table 16.  
Chronology of answers to the question “How well do you think President Lukashenko manages to handle the challenges that Belarus is faced with now?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>06 ’06</th>
<th>12 ’08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring economic revival, growth in prosperity</td>
<td>55.6</td>
<td>33.3</td>
<td>–22.3</td>
</tr>
<tr>
<td>Maintaining social stability</td>
<td>70.0</td>
<td>54.5</td>
<td>–15.5</td>
</tr>
<tr>
<td>Securing social justice</td>
<td>42.5</td>
<td>36.6</td>
<td>–5.9</td>
</tr>
<tr>
<td>Protecting democracy and political freedoms</td>
<td>37.6</td>
<td>34.4</td>
<td>–3.2</td>
</tr>
<tr>
<td>Fighting corruption</td>
<td>41.7</td>
<td>38.7</td>
<td>–3.0</td>
</tr>
<tr>
<td>Fighting bureaucracy</td>
<td>34.8</td>
<td>32.2</td>
<td>–2.6</td>
</tr>
<tr>
<td>Strengthening international position of the state</td>
<td>41.0</td>
<td>46.5</td>
<td>+5.5</td>
</tr>
</tbody>
</table>

Where there any changes in the perception of Alexander Lukashenko by the public over the past few years? The ability to reform reality using revolutionary methods, which is characteristic of all charismatic leaders, seems to have halved, while the intention to keep the existing management system unchanged trebled, according to respondents (see Table 17). Also, Belarusians believe the president has higher aspirations towards strengthening his authority. Lukashenko is just one short step away from having this feature turn into his dominating quality.
There were no substantial changes in geopolitical preferences of Belarusians in 2008, despite the immense westward efforts of the administration (see Table 18). September saw a surge in pro-Russian moods, mostly because of the “small victorious war” in the Caucasus and owing to the common media space of the Union State. At the same time, there was a temporary fall in people’s wish to integrate into the western community. Anyway, the September emotional charge did not last long, and the victory was ousted by day-to-day hassles, which were dependent on the unfolding economic crisis.

Opinions about specific forms of integration with the eastern partner remained almost unchanged compared to previous years (see Table 19). Around 10% of respondents traditionally support a complete integration of the two countries into a single state, and a relative (not absolute) majority supports a union of two sovereign states. The figures have remained more or less the same for five years now.
Table 19.
Chronology of answers to the question “Which option of integration with Russia would you prefer?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>03 '03</th>
<th>11 '04</th>
<th>12 '05</th>
<th>12 '07</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belarus and Russia should form a union of independent states with tight political and economic relations</td>
<td>48.0</td>
<td>47.8</td>
<td>52.3</td>
<td>43.8</td>
<td>43.9</td>
</tr>
<tr>
<td>The relations between Belarus and Russia should be the same as with other CIS states</td>
<td>19.3</td>
<td>32.1</td>
<td>20.7</td>
<td>36.3</td>
<td>31.0</td>
</tr>
<tr>
<td>Belarus and Russia should become one state, with a single president, government, army, banner, etc.</td>
<td>25.6</td>
<td>11.6</td>
<td>12.0</td>
<td>13.1</td>
<td>12.1</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>7.1</td>
<td>8.5</td>
<td>15.0</td>
<td>6.8</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Lukashenko owes his first election victory back in 1994 to his image of a fighter against corruption. In 2008, Lukashenko summed up the results of his 14-year crusade against corruption: “Corruption has escalated from a chronic disease into a cancerous growth.” The reports of Transparency International prove this: the country ranked 36th by Corruption Perception Index in 2002, but dropped to rank 151 in 2006 and 2008.

The answers presented in Table 20 confirm the Transparency International data.

Table 20.
Chronology of answers to the question “Have you personally encountered any manifestations of corruption in recent years?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>03 '05</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>Those who trust Lukashenko</td>
</tr>
<tr>
<td>No</td>
<td>62.6</td>
<td>54.8</td>
</tr>
<tr>
<td>Yes, once</td>
<td>28.3</td>
<td>12.1</td>
</tr>
<tr>
<td>Yes, many times</td>
<td>8.8</td>
<td>24.4</td>
</tr>
</tbody>
</table>

Those Belarusians who trust Lukashenko seem to witness corruption less frequently than those who distrust him. Although this looks like a politically motivated trend, the frequency of “corruption sightings” depends on Belarusians’ professional status rather than their political creed. Below is a brief “professional” breakdown: those who are “often faced with corruption” include 66.7% of top managers of private enterprises,
65.2% of owners of private businesses, 45.8% of self-employed workers, 42.9% of employees of private enterprises and only 28.0% of top managers of state-run enterprises. The three bottom lines are students with 16.2%, the unemployed with 14.9% and pensioners with 9.4%. Homemakers have formed the only group of respondents that did not come across corruption many times.

Finally, Belarusians tend not only to encounter corrupted practices more frequently, but also to evaluate them more critically when commenting on the progress of the head of state in his campaign against the “cancerous growth” (see Table 21).

Table 21.
Chronology of answers to the question “How well do you think President Lukashenko has tackled the problem of corruption?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>01 '07</th>
<th>03 '08</th>
<th>12 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well</td>
<td>48.7</td>
<td>49.6</td>
<td>38.7</td>
</tr>
</tbody>
</table>

In September, Belarus held a “boring” parliamentary election (attribute coined by Lukashenko). The authorities must have thought there was no need for a large-scale advertising campaign; therefore the turnout was at 66.1%, according to IISEPS research (and 75.5% according to the Central Election Commission). To compare: some 82.7% of all Belarusian eligible to vote cast their ballots during the previous parliamentary elections (IISEPS data).

Asked “Has the fact that the authorities failed to meet the requirements of the opposition and the OSCE influenced your decision to go to the polls?” only 14.4% of respondents answered in the affirmative (64.2% said it did not influence their choice, and 31.4% were undecided). That proportion corresponds to the size of the core of the opposition electorate in Belarus. It seems they would not have come to polling stations even if there had been no demands of the opposition and the OSCE.

The answers to the question “Were you interested in who would be elected members of parliament?” proved that the elections were indeed “boring”: only 60.1% of the respondents answered in the affirmative, which is a couple of percentage points below the actual turnout. One
should not be surprised by the absence of voters’ interest: some 19.8% of all respondents chose their candidates at voting stations.

The boycott of the elections proposed by some politicians would not have stood a chance amid what seemed the lowest turnout in years (caused by the “anti-mobilization” efforts of the authorities). It is a small wonder that only 4.4% of the respondents said they had neglected the elections because of the boycott.

Over the recent years IISEPS research has showed that the structure of political preferences of Belarusians remains stable. The 2008 parliamentary elections were no exception (see Table 22), given the slower-than-usual turnout.

Table 22.

Chronology of answers to the question “Who did you vote for at the parliamentary elections?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 ’04</th>
<th>10 ’08</th>
</tr>
</thead>
<tbody>
<tr>
<td>For a supporter of the president</td>
<td>35.2</td>
<td>31.6</td>
</tr>
<tr>
<td>For a supporter of the opposition</td>
<td>9.6</td>
<td>4.2</td>
</tr>
<tr>
<td>For an independent candidate</td>
<td>21.3</td>
<td>13.7</td>
</tr>
</tbody>
</table>

The ambitious task the authorities had set themselves before the elections, namely, to have election outcomes officially recognized by western monitors, was not carried out. The reaction of the West to the propaganda efforts of Belarus was discreet, while Belarusian society appeared to be more susceptible (see Table 23).

Table 23.

Chronology of answers to the question “Do you think the parliamentary elections were free and fair?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 ’04</th>
<th>10 ’08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>48.5</td>
<td>56.3</td>
<td>7.8</td>
</tr>
<tr>
<td>No</td>
<td>35.2</td>
<td>24.2</td>
<td>–11.0</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>16.3</td>
<td>19.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Table 24 and 25 will complete the analysis of the election campaign. They prove that the advertising efforts of the authorities, which aimed at convincing the public of the transparent and democratic nature of the elections, were successful enough: the share of respond-
ents that believe that all candidates had been offered equal opportunities increased by 8.7 percentage points from the period of the previous lower house elections (see Table 24), while the share of those who believe the authorities did not back any candidates rose by 7.3 percentage points. (see Table 25).

Table 24.  
Chronology of answers to the question “Do you believe all candidates enjoyed equal conditions?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 '04</th>
<th>10 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>40.7</td>
<td>49.4</td>
</tr>
<tr>
<td>No</td>
<td>27.9</td>
<td>30.0</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>31.4</td>
<td>20.6</td>
</tr>
</tbody>
</table>

Table 25.  
Chronology of answers to the question “Do you think the authorities support any candidates in your district?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 '04</th>
<th>10 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>33.5</td>
<td>34.6</td>
</tr>
<tr>
<td>No</td>
<td>15.8</td>
<td>23.1</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>50.7</td>
<td>42.3</td>
</tr>
</tbody>
</table>

Another important peculiarity of the 2008 election campaign is that the “more democratic” elections were held amid a “higher pressure’ on voters (see Table 26).

Table 26.  
Chronology of answers to the question “Did you feel you were under any sort of pressure to make you vote for a particular candidate?”, per cent

<table>
<thead>
<tr>
<th>Answer</th>
<th>11 '04</th>
<th>10 '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>85.2</td>
<td>83.6</td>
</tr>
<tr>
<td>Yes</td>
<td>3.8</td>
<td>8.9</td>
</tr>
<tr>
<td>Difficult to answer / no answer</td>
<td>11.0</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Summing up the short survey of the evolution of public opinion in Belarus in 2008, we need to remind you that there is not such a thing as ‘public opinion’ (as Western sociologists understand it) in Belarus. It is impossible to imagine a newspaper article starting with “Under the pressure of public opinion the Belarusian parliament yesterday passed/
rejected the bill on…” We believe the words of Russian sociologist Lev Gudkov reflect this very well: “At present public opinion polls and community studies only enable us to tally the effects of propaganda and manipulation of popular consciousness and public moods”.

Elections to the House of Representatives of the National Assembly of the Republic of Belarus: mass media monitoring

by Novak Axiometric Research Laboratory

The Novak Laboratory conducted monitoring of media coverage of the election campaign during the last month prior to the parliamentary elections-2008 – August 27 through September 27. Theoretically, informing voters about candidates running for parliament is supposed to be the prime objective of a final phase of an election campaign. This monitoring therefore focuses on the degree of attainment of this objective by the Belarusian mass media.

The Laboratory analyzed 100% of the election campaign coverage over the specified period offered by the following media sources:

- TV Channel One (Panorama);
- Radio Channel One (Radiofact);
- Belorusy i Rynok (Belarusians and the Market) weekly newspaper;
- Komsomolskaya Pravda (Komsomol Truth) weekly newspaper;
- Narodnaya Volya (People’s Will) weekly newspaper;
- SB. Belarus Segodnya (SB. Belarus Today) daily newspaper;
- Respublika (Republic) daily newspaper;
- Gomelskaya Prauda (Gomel Truth) regional newspaper;
- Grodzenskaya Prauda (Grodno Truth) regional newspaper.

The selected mass media sources included electronic and printed periodicals, governmental, nongovernmental, nationwide, and regional media.
The following characteristics of broadcasted information were taken into account:

- closeness of attention to the elections and candidates evaluated, based on the number of seconds on air (for the electronic media) and newspaper space (for the printed media) allocated for relevant information;
- genres (character) of information presented as information reports, analytical reviews, interviews (debates, candidates’ addresses), and political advertising;
- attitude to candidates: positive (+), negative (-), neutral (0);
- subjective criteria: authors’ attitude to candidates.

Closeness of attention to the elections and candidates

The monitoring revealed different strategies of the mass media during the final phase of the pre-election campaign from extensive and deep coverage of efforts of parliamentary candidates and their personal characteristics (Narodnaya Volya: 5,000 out of 7,000 square centimeters of space allocated for the elections coverage were used to provide information about candidates) to almost a total absence of information about candidates (Radiofact: nothing was said about nominated persons during the 42 minutes of the elections coverage; SB. Belarus Segodnya: only 11 out of 600 square centimeters of the allocated space were used to inform readers about candidates, and this was just a listing and mentioning of their party or NGO affiliation).

In general, the governmental mass media at the national level paid less attention to candidates than the nongovernmental and regional mass media did.

Narodnaya Volya was a leader in presentation of candidates for the House of Representatives of the National Assembly. Owing to the newspaper they actually had an additional channel for self-presentation and proclaiming of their priorities.

The following diagrams show how many broadcasting time (in minutes) and newspaper space was used to cover the parliamentary elections and to provide information about candidates.
TV Channel One, *Panorama*:

Channel One of the Belarusian Radio, *Radiofact*

*Narodnaya Volya* newspaper
Genres (character) of information

Over the period under report, the mass media lacked political advertising timed to the elections. Even on TV and radio there were almost no debates or interviews with candidates, which would be quite natural in that situation.

Genres of information about the elections and candidates in the mass media

During the final phase of the pre-election campaign, the mass media did not publish political advertising connected with the elections. There were almost no debates or interviews with candidates.

Information messages dominated in media; analytical reviews – done by journalists for the most part – were provided to a lesser degree.

Interviews with candidates were mostly published by *Narodnaya Volya*, *Respublika*, and regional media.
TV Channel One, *Panorama*:

![Pie chart showing percentages of analytics and information](chart_1.png)

Channel One of the Belarusian Radio, *Radiofact*

![Pie chart showing percentages of analytical and informational content](chart_2.png)

*Narodnaya Volya* newspaper

![Pie chart showing percentages of different types of content](chart_3.png)
Regional press

<table>
<thead>
<tr>
<th>analytic</th>
<th>informational</th>
<th>interview</th>
<th>advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>25</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Attitude to candidates, subjective criteria

All mass media, including governmental periodicals, mentioned opposition candidates. Most frequently, these were members of the Belarusian Popular Front Party and United Democratic Forces. A neutral attitude dominated and few critical statements were made occasionally. No positive evaluations were stated on TV, radio or in the governmental press except for Narodnaya Volya.

Whose attitude to candidates was presented in the mass media, or who was evaluated?

Besides the attitude of journalists, the governmental mass media presented evaluations of candidates and the election process made by the Central Election Commission, the president, and local authorities. SB. Belarus Segodnya was most indicative in this respect. The local press basically quoted election commissions of various levels.

Alongside with evaluations made by the authorities and media, most of information sources published comments and evaluations of invited experts, in particular, observers from the Russian Federation and OSCE. At the same time, few opinions of Belarusian experts or voters were presented.
TV Channel One, Panorama:

Channel One of the Belarusian Radio, Radiofact:

Narodnaya Volya newspaper
Regional press

SB. Belarus Segodnya newspaper

Prepared by Nadezhda Yefimova
Religion in Belarus: 1020th Anniversary of Christianity

Natalia Vasilevich

Summary
A few distinctive trends were noticeable in Belarusian religious life in 2008. Firstly, the state maintained tight control over the religious sector within the regulatory framework outlined by the Law on Freedom of Conscience and Religious Organizations. Persecution of religious organizations and leaders continued, and in some aspects the situation deteriorated, especially as far as the religious activity of foreign citizens is concerned. Meanwhile, the relations with the Roman Catholic Church are getting closer. Secondly, there was a clear decline in mass religious protests, such as the campaign “For Freedom of Conscience”, which collected 50,000 signatures supporting amendments to the Law on Freedom of Conscience, and the campaign to reinstate the St. Joseph Church. Thirdly, the political engagement of Christian leaders, joining forces in the future political party “Belarusian Christian Democracy”, was growing stronger.

The Principal Ideas:

• religious rights are still under pressure and religious communities’ resistance to this pressure is getting weaker;
• the engagement between the state and the Roman Catholic Church is getting closer, but fails to achieve great efficiency;
• the movement of Belarusian Christian Democracy is gathering momentum, its social foundation being formed by believers.

General information
In 2008, religious communities summed up the development results following the celebration of the 1020th anniversary of the Baptism of Russia, or rather the 20th anniversary of celebration of 1000 years of Christianity in Russia, which was a time reference point for the so-called
“religious renaissance”. According to the official statistics, the number of church-goers in Belarus has not changed over the past decade making up 50% of the population. At the same time, Gallup research says Belarus is among the least religious countries in the world with 27% of worshippers. It should be noted that Belarus does not keep count of believers or monitor religious affiliation. Researchers do not have unified criteria of piousness or degree of devoutness that gives basis for data speculations. As to the quantitative data, in 2008, Belarus totaled 1,437 communities of the Belarusian Orthodox Church, including 43 new ones registered last year and 1,499 priests; 474 communities of the Roman Catholic Church, including 10 new ones registered in 2008 with 398 priests, 179 of whom are foreign citizens. The number of Protestant communities is also increasing but the rate is going down. Only one new community of Evangelical Christians-Baptists and six of Evangelical Christians emerged last year.

Summing up the results of the year, Commissioner for Religious and Ethnic Affairs Leonid Gulyako said, “Belarus represents a pattern of constructive cooperation between state, public, and religious institutions in the field of ensuring the rights and liberties, and preservation of traditions of spiritual evolution … The ethno-confessional sphere in Belarus remains stable and controllable”. Head of the religious affairs department of the Minsk city administration Alexander Kalinov stated a similar point of view. “Relations between the state and religious confessions are based on a legal foundation, which meets requirements of international law in the field of the freedom of religion and conscience … The Republic of Belarus has created favorable conditions for religious organizations and execution of the right of conscience and religious liberty,” he said at an

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1 Kalinov A. The speech at the annual OSCE Human Dimension Implementation Meeting in Warsaw (Poland), October 7, 2008 // HDIM.DEL/335/08 7 October 2008.
4 Ibid.
5 INFORMATION about securing the right of freedom of conscience in the Republic of Belarus, annual OSCE Human Dimension Implementation Meeting in Warsaw (Poland), October 7, 2008 // HDIM.DEL/336/08 7 October 2008.
6 http://www.belta.by/ru/print?id=324661.
OSCE Human Dimension Implementation Meeting held in October 2008 in Warsaw. As before, government officials try to characterize interdenominational relations as stable and to present conflicts and displays of the policy of reprisals against religious organizations as conflicts of some other nature or attempts to assist such organizations.

So, for instance, the authorities do not extend work permits of foreign Catholic priests – there were four cases in 2008, including that of dedicated activist, Polish Catholic priest Father Zbigniew Grygorcewicz – saying that “the peculiarity of the Catholic environment is the great number of foreigners”7. “In 2009, the government and Catholic episcopates will continue substitution of foreign priests with Belarusians,” BelTA News Agency quoted Belarusian officials as saying.8

As to the conflict with the Novaya Zhizn (“New Life”) Protestant Church, it is presented as a mere economic issue connected with appropriation of the church building. Many Protestant churches are fined for violation of fire safety regulations.9

In February 2008, when asked about probable introduction of religious studies in curricula of educational institutions, President Lukashenko was rather harsh saying about Protestants, “They are worse than the opposition”.10

The major religious organizations also speak about stability. The Belarusian Orthodox Church, which enjoys a privileged status provided by the law, concluded a concordat with the government and receives financial support, in particular funds for construction of the Church of All Saints in Minsk; 3.8 billion Belarusian rubles for reconstruction of the Zhirovichy Orthodox Monastery and seminaries, and six billion Belarusian rubles for construction of a religious enlightenment center in Minsk. “In turn, the country has the right to expect cooperation of the clergy,” the president said.11

10 http://belgazeta.by/20080218.7/010044881/.
The Vatican in the person of Secretary of State Cardinal Tarcisio Bertone, who visited Belarus in June 2008, appreciates the status of the Catholic Church in Belarus, the legal framework, state policy in the sector of religion, and interdenominational dialog, which the Belarusian authorities often refers to when speaking about stability and conflict-free relations between different confessions in Belarus.\textsuperscript{12}

At the same time, analysts and institutions, which conduct monitoring of infringements of the right of consciousness, such as Forum 18, informed about the authorities’ pressure on religious communities\textsuperscript{13} like mentioned termination of labor permits, attacks on the New Life Church and other Protestant churches in the form of penalties for breaking fire safety regulations (Brest), unauthorized religious activities (Ushachi\textsuperscript{14}, Svisloch\textsuperscript{15}, etc.), and deportation of Protestant priests (for instance, Bishop of the Full Gospel Church Veniamin Brukh\textsuperscript{16}).

The signature collection campaign for amending the law on the freedom of conscience and religious organizations – more than 50,000 signatures were collected by March 2008 – was an unprecedented non-political campaign, which showed a great interest in freedom of conscience issues in Belarus. However, the authorities paid no attention to the campaign. Neither the parliament, nor the Presidential Administration, nor the Constitutional Court responded adequately doing their best to ignore problems in the sector. On the contrary, European institutions, which were addressed with the collected signatures, took much interest in those problems. The freedom of conscience was a kind of a calling card of the Belarusian Christian Democracy as a political force.

The For Freedom of Conscience campaign, which peaked in 2007, faded away by mid-2008 despite the achieved success.

\textsuperscript{12}Kalinov A. The speech at the annual OSCE Human Dimension Implementation Meeting in Warsaw (Poland), October 7, 2008 // HDIM.DEL/335/08 7 October 2008.

\textsuperscript{13}http://www.forum18.org/Analyses.php?region=16.

\textsuperscript{14}http://www.forum18.org/Archive.php?article_id=1147.

\textsuperscript{15}http://www.forum18.org/Archive.php?article_id=1163.

\textsuperscript{16}http://www.forum18.org/Archive.php?article_id=1207.
**Legal framework**

The legal framework of relations between the state and the Church based on the law on the freedom of conscience and religious organizations, which came into force in 2002, remained the major source of tension in the sector. The law was not altered or amended in spite of the 50,000 signatures collected by activists of the For Freedom of Conscience campaign. Government agencies did not react in any way. The paragraphs, which stipulated repressive measures remained unchanged and were not even considered. In January 2009, the European Parliament adopted a resolution on the EU strategy towards Belarus among other things taking into account the civic campaign on collection of signatures. The EU urged the Belarusian authorities to “respect the freedom of religion” and “condemned the fact that European citizens, including priests, were being repeatedly expelled from Belarus, which was contrary to the confidence-building process with the EU”.17 It should be noted that the European institutions paid no attention to the repressive law, which actually serves as a basis for the policy of increasing pressure upon religious organizations. Moreover, on January 30, 2008, the Council of Ministers of Belarus issued resolution № 123 on invitation of foreign citizens and stateless persons to the Republic of Belarus for engaging in religious activities. The resolution establishes that foreign nationals can be only invited to Belarus for religious purposes by religious associations upon coordination with the commissioner for religious and ethnic affairs, who is entitled to deny permits without any explanation or reasons given. Besides, foreign clergymen must speak a state language of Belarus to carry out religious activities in the country. The resolution mostly hit the Roman Catholic Church and a number of Protestant denominations.

Several other legislative acts are worth noting. Belarusian Christian Democracy campaigned against occultism and initiated a statutory act, which restricts activities of psychics, fortune-tellers, astrologists, enchanters, etc. The Belarusian Orthodox Church addressed the authorities with a similar request apparently under the influence of the Bela-
Russian Christian Democracy party, thus distancing itself from the civic campaign. As a result, the law № 428-3 on alterations and amendments to some laws of the Republic of Belarus on advertising regulations was adopted on August 5, 2008. It banned advertising of “services (activities) of hypnotizers, psychics … and other persons, who claim the ability or are believed to be able to foretell future events, influence people, inward habit, properties, or environment by using supernatural abilities or forces.” These kinds of services are nevertheless advertised as hot lines and psychological consultations up to now.

“Liberalization” and the Roman Catholic Church

In 2008, the government proclaimed liberalization and orientation to the West. The Catholic Church played the leading role in this process as far as religion was concerned. In May 2008, Commissioner for Religious and Ethnic Affairs Leonid Gulyako informed that the Belarusian government and Roman Catholic Church were about to sign a concordat that evoked a broad public response and suggested that the government’s attitude to the Catholic Church was changing for the better and, moreover, that it signaled “Europeanization” of Belarus and turning to the Western World from the “single-vector policy oriented to Russia and Eastern Christianity”\(^\text{18}\). The concordat with the Orthodox Church was widely criticized, while in this case society’s reaction was mostly positive. Step by step, Catholic “foes” turned friends. Vatican Secretary of State Tarcisio Bertone visited Belarus in June. At a meeting with the cardinal, the Belarusian president confirmed the intention to conclude the concordat and made a quite unexpected step by inviting Pope Benedict XVI to Belarus.

It is well-known that the Russian Orthodox Church is extremely negative about any visits of the kind, which have been therefore impossible for Belarus and Russia. So it looked like “Orthodox” President Lukashenko acted against geopolitical interests of the Russian Orthodox Church and Russia, but the Church pretended to ignore the changed priorities of the ally towards friendship with Catholics.

This unexpected turn of the state policy set thinking whether the authorities would demand loyalty of the Catholic Church in reply to the

\(^{18}\text{http://www.svaboda.org/content/Transcript/1117824.html.}
concordat, and whether hopes of Belarusian Catholics would come true. The answer came in no time. Cardinal Bertone was quick to praise Belarusian leaders for their policy and ideology, in particular in relation to the Church, mutual understanding and the dialog with the Orthodox Church.19

It is notable that Catholics have been main protagonists in the field of religion since late 2007 starting with the appointment of the new metropolitan, Archbishop Tadeusz Kondrusiewicz, who put the hand to the plough with great energy, which culminated right by the time of the visit of Cardinal Bertone and speculations about the concordat and a probable visit of the Pope to Belarus. The initiative for returning of the Minsk St. Joseph Church to Catholics backed by 30,000 signatures was also in full swing. Believers declared an open-ended fasting in September 2008. Head of the religious affairs department of the Minsk city administration Alexander Kalinov asked them to stop the fasting and promised to transfer the building into ownership of the Catholic Church.20

The euphoria about “liberalization” and “turning to Catholics” was dying out as early as autumn. Metropolitan Kondrusiewicz even came out with criticism of government’s actions against Catholics. The Pope does not plan to come to Belarus; the concordat was mentioned on rare occasions; its preparation slowed down, and instead of the Pope, Patriarch of Moscow and All Russia Alexy II paid a visit to Belarus timed to the celebration of the 1020th anniversary of the Baptism of Russia.

1020th anniversary of the Baptist of Russia and Belarusian Orthodox Church

The visit of Patriarch of Moscow and All Russia Alexy II – one month before he passed away – was the most important event to the Belarusian Orthodox Church. The visit was timed to the celebration of the 1020th anniversary of the Baptism of Russia with the center in Kiev, Ukraine. Ecumenical Patriarch Bartholomew I of Constantinople came to Kiev at that time. Top officials of Ukraine welcomed him hoping that the Universal Patriarch would recognize independency of the Ukrainian Orthodox Church of the Kiev Patriarchy that would break up the monop-

19 http://churchby.info/bel/246/.
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oly of the Moscow Patriarchy over canonical Orthodoxy. This scenario might have an effect on the Belarusian Church.

The anniversary celebration in Belarus was much more modest than in Kiev. The quite unexpected visit of Alexy II did not attract much attention of the authorities. Nevertheless, top hierarchs addressed the Synod of the Belarusian Orthodox Church with an ideologically charged message about the trinity of “Great, Little, and White Russia” (Russian tsars had the title of sovereigns of all Rus: the Great, the Little, and the White, which means Russia, Ukraine, and Belarus), called the Soviet Union a “family of nations” and spoke about its collapse as a tragedy. The Patriarch’s visit and the message to the Synod were considered as alarming symptoms few days before signing of the Constitutional Act of the Belarusian-Russian Union State announced by Speaker of the House of Representatives V. Popov, which never happened by the way.

In spite of these activities of the Belarusian Orthodox Church, the year 2008 was declared the year of K. Ostrozhsky, nobleman of the Grand Duchy of Lithuania. The topic of the Grand Duchy had not been very popular before as against the personality of Konstanty Kalinowski or contribution of the Orthodox Church to the victory in the Great Patriotic War of 1941–1945. A series of church and public events and scientific conferences were dedicated to Kalinowski’s legacy.

Alongside with that, the Belarusian Orthodox Church was busy trying to distance itself from notorious Orthodox entrepreneur V. Chartovich and his Christian Initiative Company. The Church condemned Chartovich’s actions, but his book shop called Pravoslavnaya Kniga (“Orthodox Book”) and publishing house were still freely offering anti-Semitic literature. In November 2008, the Belarusian Orthodox Church condemned Chartovich’s undertakings as destructive once more, but this time, on December 19, the Church was seconded by the court of Sovetsky district of Minsk, which recognized 13 books published by the Christian Initiative extremist and inciting national and religious hatred. It should be noted that deputy editor-

21 http://churchby.info/rus/263/.
22 http://churchby.info/rus/264/.
in-chief of the independent weekly Zgoda (“Concord”) A. Zdvizhk-

ov was sentenced to imprisonment on a similar charge under section

130 of the criminal code of Belarus for reprinting Danish drawings

of the Prophet Muhammad in 2006. The term was later shortened to

three months, which he already spent in a remand prison, so he was

free to go after the trial.

Election of Archpriest Fyodor Povny, prior of the All Saints parish

of Minsk and one of the most influential religious activists, to the upper

chamber of the Belarusian parliament\(^\text{25}\) was one more important event

to the Church. Povny rejected the senator’s seat, though. The case of

35 fundamentalists, who stayed in caverns in the Penza region of Rus-

sia waiting for the Judgment Day, was at another pole of Orthodoxy.

Many of them left the caverns in April 2008 and were taken to Belarus

as most of them were residents of the Brest region. It should be noted

that the Brest region is quite disturbing for the Church since it hosts sev-

eral fundamentalist movements of Orthodox believers known for apoc-

alyptic moods, denying national passports, etc. Despite a semblance of

unity with the official Orthodox Church, they are slowly drifting to-

wards alternative Orthodoxy.

Alternative Orthodoxy in Belarus

Apart from the mentioned marginal movements, the alternative Ortho-

dodoxy got several other shots in the arm. Firstly, it was the election of new

Bishop of Novograd and North America of the Belarusian Autocephal-

ous Orthodox Church in North America Svyatoslav Longin. Secondly,

it was the so-called Greek Orthodox Movement headed by Bishop of

Baranovichi and Brooklyn Vasily Kostyuk supported by former Bish-

op of the Belarusian Autocephalous Orthodox Church Jovan. Thirdly,

it was the activity of the Belarusian Popular Autocephalous Orthodox

Church and priest Leonid Akalovich and penalty under administrative

law imposed on him for erection and blessing of a cross in the village

of Drazhna. The authorities continue persecution of religious organiza-

tions of the Crimean Diocese of the Russian Orthodox Church Abroad

run by Bishop Agafangel (Pashkovsky).

\(^{25}\text{http://churchby.info/bel/news/2008/09/12-2/}.\)
Belarusian Greek Catholic Church

Belarusian Greek Catholic Church was also active in 2008, which was connected with the opening of the St. Joseph Center with a chapel and library in Minsk. The St. Joseph Church was supposed to be given to believers, who had not their own building and used rented premises. The situation changed in 2008, but it still leaves much to be desired. The Belarusian Greek Catholic Church is gaining respect little by little. Apostolic Visitor Father Alexander Nadson came to Belarus last year, which was a widely discussed event, among other things owing to the honoris causa degree awarded to him by the European Humanitarian University.

Interdenominational relations and cooperation

In 2008, interdenominational cooperation in Belarus was basically maintained within the framework of the Declaration of Social Partnership in combating HIV/AIDS signed as far back as November 2007. Most of official interdenominational events were dedicated to this issue.

Independent activists campaigned for alteration of the law on the freedom of conscience by collecting signatures, and strove for creation of the Belarusian Christian Democracy Party. The authorities denied permission to hold the independent Christian Music Festival near Borisov. Participation in the festival was one of the reasons of deportation of Father Grygorcewicz, one of eminent activists of interdenominational cooperation, including that at the official level.

The efforts to form the Belarusian Christian Democracy Party and its projects cannot be regarded as entirely political, because they have certain religious components, such as freedom of conscience issues, exposing of occult practices, the Pokayanie (“Penitence”) Project, Christian history studies, questions of demography and family, etc. Pavel Severinets, one of the organizing committee heads, mastermind and ideologist of the project, says the East-European Christian democracy is specific, because “believers are the propulsive force of the Christian democracy”.

26 http://imcss.org/content/view/34/32/.
27 http://www.svaboda.org/content/Transcript/764583.html.
strongest parties in the political field, while its opposition colleagues treat it more likely as a religious affairs bureau, not a political force or a religious organization as it proclaims itself.

**Forecast**

The situation in the sector remains tensed, but this tension is stable. Infringements of religious rights are isolated and do not stir up notable public response or mass actions of protest as it was in 2007–2008. The commissioner for religious and ethnic affairs says the authorities will focus on fire safety of churches’ buildings, unauthorized erection of monuments to religious activists, and also the expert council at the commissioner’s office, which will examine literary works, audio and video materials. Religious organizations will most likely feel pressure of the authorities in these areas.

The year 2009 can become a year of the Belarusian Christian Democracy Party regardless of its registration or denial of registration, which will build up capacities owing to attraction of believers of various confessions, or to be more exact, believers from other opposition parties and civic protest movements, but it will hardly enjoy much support beyond these circles.

The Belarusian Orthodox Church will lobby introduction of extracurricular religious classes in educational institutions at the local and national levels and will probably achieve minor success. Relations between the Roman Catholic Church and the government are likely to worsen because of the situation with the independent Union of Poles in Belarus.

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Society

Education: Evolution or Stagnation?

Svetlana Matskevich

Summary
In 2008, Belarus completed the reform of secondary and higher education that had been initiated in the mid-1990s. Both reforms were criticized by the state and the general public. The counter-reform in the educational system contributes to the inadequacy of the existing educational program to the requirements of the country and widens the gap separating the Belarusian and European educational systems. The Education Ministry and main universities are completely unprepared for reform, neither by purely administrative methods nor by of civil society efforts based on democratization the educational sector.

The Principal Ideas:
- the general education reform, launched back in 1994, was completed and declared inefficient by the authorities. Belarus returned to the pre-reform 11-year general education system. School reform was suspended. Dissatisfied with the system of general education as they are, neither the teaching community nor the Belarusian public seem eager to attempt to design or direct new transformation processes in the educational system;
- the system of higher education was officially declared as being unable to train qualified staff that could meet market requirements. The inclusion in the Bologna and Copenhagen processes is stalled. The higher education management system is entangled in red tape, despite the announced policy of development, innovation and investment;
- the quality of education in the general education system is deteriorating notwithstanding the high demand for education services among the population. The broad range of new business education programs, informal education services and extensive network of exchange and training programs may to some extent compensate for the general degradation of Belarusian higher education. How-
ever, the non-systemic and provisional nature of such services cannot plug all the holes in the Belarusian educational system.

**General education reform in the Belarusian way: beginning or end?**

Belarus announced the education system reform in the mid-1990s after the collapse of the Soviet Union. The main emphasis was put on reforming of secondary and general education. Higher and vocational education remained untouched, but underwent natural changes without a pronounced task-specific orientation. The 15 years of the reform saw some essential transformations, such as transition from a 10-year to a 12-year training program, compulsory education from the age of six instead of seven as before. Aside from those changes of age and terms, there were procedural innovations, as for instance introduction of new standards of education and a new person-oriented approach, establishment of new types of educational institutions, such as gymnasiums, lyceums, colleges, a 10-point grading system to measure students’ scores, centralized graduation testing, etc. New procedures and training periods were regarded as the essence of the reform. A targeted plan of reform or introducing distinctive objectives of training of the new generation of Belarusians seemed to be a matter of minor concern and had not been addressed by the education authorities since 1997.

However, fleshing out the program is crucial. Techniques and procedures are important, but they should be targeted specifically. If there is no elaborated content, any changed procedures and terms make no sense and remain incomprehensible to all those involved in the educational process. That’s what happened to Belarusian education. The system cycled all through the procedural reforming – from declaration of relevancy of the system alteration in 1991–1996, introduction of new techniques in 1996-2000, to quality monitoring in 2000–2007.

In 2008, it was time to evaluate the results. This was allowed to be done by referring to established objectives. But those were defined in an abstract and vague form with the use of such notions as “harmoniously developed personality”, “digestion of bulk information”, or were substituted with instruments and procedures like “overwork reduction”, “improvement of students’ health”, “extension or abridgement of time pe-
riods”, etc. A particular answer to the main question – what knowledge should be present and what skills Belarusian children should acquire – has never been given at the level of the relevant authorities. Teachers were supposed to know all about it, but there is no such thing as blankness rich in content. If it is not established conceptually, and then officially, objectives are guessed or interpreted as the situation may demand. Education is always directly connected with politics; therefore all guidelines provided by the high and mighty were taken as basic content of the education program. As a result, Belarusian schools were busy trying to discern political trends rather than developing new subject matter.

By 2006, schools peaked in changing objectives. Instead of performing their main function, which is to train and educate the new generation, schools turned into an institution of authority pointed towards elections, patriotic education, and socialization of the youth in a new environment. In that situation, the reform outcomes could only be evaluated at the top political level.

On April 17, 2008, President of Belarus Alexander Lukashenko held a meeting with a single question on the agenda: the reform of the education system and its relevancy. Prior to the meeting, the National Academy of Sciences of Belarus represented by Academician Anatoly Rubinov examined the school reform as to feasibility; a public-opinion poll was taken to find out people’s attitude to the proposed training period. The Ministry of Education, lower chamber’s commission for education, and Presidential Administration worked hard to get their act together. Participants in the meeting came out with markedly different approaches to the reform potential. Academician Rubinov and head of the National Academy of Sciences Mikhail Myasnikovich argued against the 12-year-long program referring to public opinion and experience of western institutions, and to severe criticism of the curriculum by the Supreme Certifying Commission.

Education Minister A. Radkov advocated the old 11-year program, emphasized poor feasibility of transition to 12 years, relevant experience of foreign countries, high cost of the reform and compilation of

1 About 65% of respondents (parents and teachers) speak against transition to the 12-year training program.
new textbooks, etc. All arguments came to mere criticism of reforming procedures but had nothing to do with the contents of education. When it is all about the length of the program in years, there is no room for the content, and probable outcomes are speculated about instead of considering the prime cause.

Similar disputes – probably a bit more meaningful – were stirred up in the early 1990s. An arbitrary decision about the training program length was made at that time, while objectives remained uncertain. A conceptual discussion and going to the heart of the matter was put into semblance, but in fact, the actual goal was to stop any transformations, retain power, and pretend to care about people’s interests.

As a result of heated debates, the transition to 12-year training was stopped, and the 11-year secondary school program was restored. Presidential decree № 15 “On some questions of the general secondary education” came into effect on July 17, 2008. The decree announced the end of the education reform and turning back to the 11-year program. The president promised to scale up salaries of teachers and to elaborate a new education code by January 2010.

The final estimation of quality and efficiency of the reform was not given. The president could not publicly admit inefficiency of all previous stages of the reform, as this would mean laying bare his total inadequacy in this field. The education reform was the only officially announced reform since the early 1990s. Reforms in other sectors were declarative, and “evolutionary” approaches were usually outlined after paneling instead of reformatory ones. Participants in the meeting with the president made pseudo-pluralistic plays with kind of different points of view and exchange of opinions through the intermediary and under the supervision of the authorities. However, there was no profound estimation of the government’s efforts whatsoever. The decisions made were more likely a message to society that there would be no more reforms, but only stability and evolution.

Unfortunately, the decisions reached at the meeting and all efforts of the teachers’ community and civil society that followed were given an inadequate estimation. They were treated as another reform, rather than suspension and termination of a previous reforming stage. Termination, as well as the reform itself, needs a certain procedure of smooth rehabil-
ivation and regeneration. Such procedures were actually carried out in the second half of the year. They do not take much time or resources, as against long-term reforming. By early next academic year 2008-2009, teachers were to urgently alter curriculums, staff schedules, extracurricular programs, pretending that unemployment was not hanging over. There is no room here to dwell on such “minor issues” as the stress and hectic environment caused by the regulation mess. Institutions of higher education were not affected that much. Universities will reap the bitter fruits of the counter-reform as early as 2009 in the form of under-trained applicants, changed admission regulations, and doubled influx, because students of the two last grades will graduate in the same year.

However, whatever actions the Ministry of Education may eventually decide to take, they could not be referred to as a reform in any way. They will be nothing but a logical end to a might-have-been reform and interruption of development, not development per se.

**Who is to blame, or who should be in charge of the reform?**

The matter of responsibility is paramount in any reform process. Apart from troubles of the scientific and teachers’ communities, the completed education reform exposed a total mess in the field of the state administration. The reform affects almost the entire population of the country – parents, students, teachers, scholars, office-holders, and politicians. The statistics about those, who can and should be interested in education effects, should not be submitted as a bare listing of graduates and age composition of teacher resources (http://giac.unibel.by). The official statistics is more likely intended to draw the curtain on the root of the matter, rather than to unveil it.

It can be said for certain that only the government took responsibility for the education reform and should offer an account of what went wrong. The question is who the report should be aimed at, who should

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2 There will be 20,000 more secondary school graduates this academic year following the transition to the 11-year school program, Deputy Minister of Education Kazimir Farino told the House of Representatives of the National Assembly. “This academic year, Belarus will total 107,000 thousand secondary school graduates. They were around 89,000 last year,” Farino said. He referred to the national statistics, which says that nearly a half of school graduates enter universities (*BelTA*, October 3, 2008).
accept the conclusions and recommendations, and screen its aftereffects.
In conditions of the destroyed political structure in Belarus with the civil society and intellectual elite atomized and dissociated, it is practically impossible to exercise civilian and individual monitoring of the government’s movements. The monitoring can only be performed within the framework of the vertical state management system. Which is to say the government ordered itself the music (when requested the reform in 1994), composed it (when elaborated the concept of the secondary school reform, its program, standards, etc.), played it for 15 years, evaluated the performance (when it monitored education quality and considered outcomes at the presidential meeting), and then egged itself for the failure. Belarusian people stayed hostages.

The non-reflexibility of state management is abundantly clear considering the attempts to introduce market relations in education. It turned out that there is an official plan for acquisition of extra-budgetary funds of educational institutions! What about consumers and clients’ demand for education services? How revenues are distributed under a controlled system? Do government officials realize that the fundamental principle of supply and demand is not working in this situation? Governmental educational institutions find themselves between the hammer and the anvil: on the one hand, they are instructed by the Ministry of Education to earn money; on the other hand, the demand for education services and consumer behavior are not surveyed at all. Is the system capable of service quality enhancement? These are just few questions that may be addressed to the education authorities. One thing is clear, though: market relations in the education sector can only evolve with limited intervention of the state, a democratic managerial system, and great competence of education managers at all levels.

In late 2007, the authorities came out with an idea to form a public council at the Ministry of Education. However, if formed by the ministry, the council would be kind of playing democracy, not democracy as it should be.

The area of responsibility in implementation of the education reform cannot be regarded as democratic. Authoritarian methods of man-

agagement, technological and program illiteracy of government officials, civic incapacity of education sector entities and consumers of education services are the main cause of the education reform inefficiency and restrict new ideas and judgments.

**Higher education in Belarus: how real is the Bologna process?**

Belarus is the only country in the post-Soviet space that has not joined the Bologna process. Government’s heaviness and cautiousness deprives the country of many benefits provided by the Bologna process. First of all, instead of confirmation of the higher education system with Anglo-Saxon standards (bachelor/master of science), in 2004, the Belarusian authorities started inventing a two-tier specialist/master gradation (the concept of the two-tier system of higher education).\(^4\) In April 2008, the ministry reported that the two-tier system had been introduced and would be finally nailed down by 2010.\(^5\)

Academician A. Rubinov criticized the education reform and efforts of the Ministry of Education more than once. He emphasized inadequacy of the education system to meet the needs of the times. A completely different approach to the matter was presented at a session of the Council of Ministers on September 9, 2008.\(^6\) Chairman of the National Bank P. Prokopovitch and Vice-Premier A. Kosinets entered the debates with their own viewpoints and came down on Radkov and Rubinov. Cardinal changes or personnel reshuffles would be natural after the scorching criticism of the education reform at a high level, but nothing followed. This suggests that there are neither new ideas, nor new personnel. First of all, no research has been conducted in the education sector. Scientists do not have access to statistics, which gives basis to assuming that there are none. There are no methods for projecting branches of study; administrators of the ministry and universities are helpless in the market environment. Decisions of the ministry basically concern “strengthening of the material base of universities as the major aspect of quality enhancement”. It is certainly impossible to develop education without a

\(^6\)http://news.tut.by/economics/116826.html.
strong material base, but legal and organizational factors should be focused on today. It is the archaic organizational and legal forms – which totally contradict the Bologna standards – that entail lagging of Belarusian universities behind those in neighboring countries.

The rhetoric of Belarusian politicians in charge of education mainly boils down to few aspects, in particular securing of availability and mass character of higher education, and innovation processes. Unfortunately, all the talks do not result in a meaningful consideration of mechanisms and probable consequences. These parameters are always relative. Availability of education, including higher education, was one of the major achievements of the Soviet education system. The problem of availability looks far-fetched and fashionable now, as if taken from debates about education in Africa and less developed countries.

It seems more important to consider regulations and procedures of admission to institutions of higher education and expansion of education services, including an upgrade of the private education sector. The current system of admission tests and examinations cannot be compared with that in Europe, where applicants have the right to choose one or more universities almost without tests. But such system would be only possible if Belarus had at least 100 universities, not 40 or 50. The government is hardly able to expand the range of services on the education market alone. Therefore, the vertical system of continuing education with a limited choice for citizens is preserved.

Availability of education is not a numeric matter, but a question of having an opportunity to continue training and choose education services at all ages for all groups of the population. Unfortunately, Belarus has not developed such a system, except for the system of retraining and professional development, which logically continues the vertical formal education system. Therefore, the primary goals for the next education reform could be creation of a large-scale system of adult education in line with the European declarations of Lifelong Training and Education for All.

Several approaches can be outlined when it comes to innovation processes. The economic approach is the most traditional one. Innovations are directly connected with investments. Also, officials tend to advocate innovations not to implement comprehensive ideas, but to ob-
taint greater funds. Little by little, investments become a primary target of the education policy, while innovations and education quality are put aside. The second approach to innovations is a content oriented one with a focus on project ideas. The declared innovation approach to education revealed an obvious lack of new ideas, especially in the field of social and humanitarian studies. Most of currently supported innovations are those in the field of natural science and engineering, while Belarus desperately needs humanitarian innovations, which could help to regulate the political and social life of the Belarusian society and to join the European community by progressive stages.

“Unnoticed” transformations

New education ideas occur in the non-formal sector. The civil education concept elaborated last year is used by some NGOs. New techniques and approaches more or less similar to European ones, for instance the competence approach, are used in adult education. Some new ideas, methods, and approaches were presented at the Non-Formal Education Festival in October 2008 in Minsk. Changes in Belarusian spelling were adopted without due attention and evaluation. Liberalization of education proclaimed in the second half of 2008 remains imperceptible. It all shrank to discussion about returning the European Humanitarian University – the only university in the world to function in exile – from Vilnius to Minsk.

The governments’ toughened control over the teachers’ community and students during the parliamentary elections remained unnoticed and was not mentioned in the mass media in any way. Preventive measures against ideologically unreliable persons, state regulation of student exchange programs and traineeship abroad were not something extraordinary any more. The scale and consequences of those measures have not been apprehended or analyzed yet. It should be emphasized that such “imponderable” security-minded steps have already displayed a strong tendency toward intimidation and control, and affected the culture of mutual relations in the teachers’ community and student environment.

Forecast

The year 2008 was a year of overall suspension of education reforms. No efforts aimed to upgrade or initiate education processes were ob-
served. The situation reminds of a computer hang-up: the reset button has been pressed, but reboot has not taken place yet.

What can motivate and give an impulse to transformations in this sector? The question is still open. Many believe that economic changes – in particular, the global financial crisis – can trigger changes in education. The previous experience of reforms, both in the post-Soviet period and in western countries, shows that it is not true. It has been clear for a long time that changes in the education sector are never natural, but stimulated, i.e. organized. Both initiation and quality of reforms depend on ideas and concepts taken as a basis. Modern politicians and public figures consider buildup of human resources as a paramount objective for advancement of the economy and other branches. Education should be forward-looking and fundamental, and should not be treated as an auxiliary and subsidiary domain. Education is more likely directly connected with politics, rather than the economy. Education development can stimulate development of democratic mechanisms of management quicker than the financial crisis or apparent lack of qualified personnel can.

Belarusian education can be only reformed in the modern way providing that a considerable part of the administrative staff is replaced. But it should not be just a rotation of ministers, but a change of the way of thinking and primary orientation of politicians and executives in relation to the role of human resources in development of the country. This personnel updating has become highly relevant for a long time. The question is when and how it should be done.

Joining the Bologna process as a crucial component of European integration could help Belarus to bring about changes in the education system. If Belarus wants to continue a constructive dialogue with Europe at the top level, the Bologna process would be a not-so-distant dream. With democratization of education, the Bologna process could promote freedom of speech and intellectual liberty essential for education development. A technology (mechanism) of making changes will be of key importance alongside with ideology and value paradigms.
Belarusian Science: Advanced Retardation

Alexander Gritsanov

Summary
The dominating features of development of Belarusian science and research institutes in 2008 saw drastic changes at the end of the year as a result of the mounting global economic crisis. Another reason why a comprehensive and adequate estimate of modern trends in Belarusian science is hard to carry out is the opposing positioning of assessing entities: the task of advocating the existing state policies performed by official statistics agencies of Belarus traditionally runs counter to the need for critical appraisal, which is necessary to take emergency measures. The Principal Ideas:

- the leaders of the national system of scientific establishments (primarily, the National Academy of Sciences of Belarus) continued pursuing their policy to ensure maximum possible direct budget allocations to science (their volume shrank dramatically, though);
- the possibilities of direct and indirect financing of Belarusian science by domestic and foreign business, which were limited by the existing economic model before the harsh times, dwindled even faster amid the global crisis;
- the declared improvements in material conditions for science and science service employees are financed “from leftovers”, compared to state allocations for the state machine and law-enforcement agencies;
- the prerequisites for the full-scale demographic crisis of ageing of the Belarusian scientific manpower are getting stronger. The efforts of the science management team to staff this undermanned segment with professional personnel have a very little chance of becoming successful (which for the first time showed in 2008);
• the productiveness of scientific research in Belarus keeps falling;
• as of late 2008 – early 2009, the prevailing development trends in Belarusian science looked like this (there is a fair chance they will dominate in 2010–2011):

**The growing loss of resources required to gain positive results in the scope of “state-corporate science”**

Over the last 20 years the share of institutional elements of “fundamental science” of the Republic of Belarus, which used to be part of the scientific potential of the Soviet Union, shrank dramatically. These difficulties notwithstanding, the resource of “corporate science” in the country that represented the legacy of the former Belarusian Soviet Socialist Republic has not been exhausted.

According to the World Patent Report published in 2008, Belarus ranked first by the number of patent filings per million U.S. dollars of expenditures on research and development. Of the 375 advanced manufacturing technologies in industry and science elaborated in Belarus in 2007 and the first half of 2008, 293 were recognized as “innovative”, 76 as “innovative abroad”, and six as “conceptually new”. The number of patents issued per million persons in Belarus is three times as small as that in developed economies.

A thematic roundtable meeting arranged on the eve of the Belarusian Industrial Forum – 2008 noted that the efforts of Belarusian enterprises put in large-scale innovative activities were at least thrice as weak as in the European Union. The key reasons included shortage of financing, poor knowledge of the international market of technologies and insufficient engagement of small and medium-sized business. Domestic enterprises opt for imported foreign-branded equipment and solutions rather than outsource production technologies or software from a Belarusian maker. Research and development costs account for only

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1 *Vremya Soyuza* weekly (Union State of Belarus and Russia), № 2, January 19, 2009.
2 *Respublika* daily (Belarus), 01.10.2008.
3 *Economic and Social Developments: Facts, Tendencies, and Forecast* magazine (Russia), № 2, 2009.
24% of innovation expenses in Belarus, twice as little as in Europe. In the EU, 80% of all innovative productions are involved in R&D, whereas in Belarus this figure is below 50%.4

Investment in marketing studies of know-how is minute, making up not more than 0.1% of all innovation costs. As a result, Belarusian business is generally unaware of the global market situation, prices, potential partners and rivals. The involvement of the Belarusian economy in the global R&D trade is negligible: payments for R&D in the Czech Republic alone are tenfold bigger.

The share of innovative small companies in Belarus is less than 1.5%, which compares to 21% in the EU. Investment and innovation programs are traditionally developed for and by larger state-run companies or joint-stock companies with the state holding a majority stake.5

The director of the High Technologies Park (HTP), Valery Tsepkalo, said on November 26, 2008 that Belarus must do away with the Beltaelecom monopoly on international Internet traffic for the scientific sector and IT to develop without restrictions. According to the United Nations statistics, Belarus ranks 98th in the world by access of the public to state Internet resources, behind Niger, Mauritania, Ecuador, Angola, etc.6 Two months later, on February 2, 2009, Tsepkalo said over 60 resident companies, receiving orders from 35 countries across the globe, had been registered in the HTP since its inception three years before.7 The HTP companies had around 6,000 personnel with the average monthly salary of U.S. $1,000 in mid-2008. However, while in January-September 2008 software output showed an increase of 83% over the previous year to reach U.S. $76 million (and there were plans for further growth to U.S. $120 million), the situation deteriorated in the fourth quarter. The HTP failed to meet the investment target (managing just 40% of the U.S. $160 million forecast). Domestic and foreign companies almost unanimously suspended their applications for membership in the Park.

The Belarusian state budget also supports nanotechnology specialists via the specialized Nanotech state-controlled research facility. But

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4 Economistskaya gazeta (Belarus), 23.05.2008.
5 Ibid.
6 Data published by Interfax, Interfax-Zapad news services (Russia).
7 Radio Liberty information service. 02.02.2009.
experts doubt the efficiency of the nanotech program launched in 2006. It will be apportioned some 1.2 billion Belarusian rubles in 2009, or around U.S. $400,000, so the “budget” of each project will stand close to 10 million Belarusian rubles, or U.S. $3,500, annually. The total naturally covers salaries and wages, acquisition of equipment and materials, overhead charges and travel expenses.8

**Crisis of academic science**

The high level of compensation packages in research and development departments of some manufacturing companies is enough to attract experts and create innovative solutions without engaging professional scientific institutions (in 2008, in-house developments accounted for 65% of the total, while research institutes provided only 15%).9

Guaranteed budgetary financing of academic science, that is, science not accountable to any specific industry, amounted to 45% of the overall financing volume, and only about a third of the total remuneration of research workers (this does not include payments for academic degrees and titles) comes from the state budget. Even highly skilled specialists with impressive work experience are underpaid or paid irregularly. Without foreign grants and financial contracts for specific developments, a budget-financed scientific organization pays an average monthly salary of U.S. $120-U.S. $150 to a degreeless employee in accordance with the official rates of pay and bonuses for seniority. As a rule, in the first months of the year labor compensations in state-financed research institutes hardly exceed the official base pay rate.10

Recent community studies showed that up to 40% of employees of Belarusian academic scientific institutions have to look for extra earnings. Most academic scientists seek additional projects and earnings from various sources (grants, foreign research, double jobholding, contractual work, and also work that is not connected with science). Only 12% to 13% of scientists boast salaries above U.S. $400 a month (these are

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8 *Economicheskaya gazeta* (Belarus), 23.01.2009.
9 *Economic and Social Developments: Facts, Tendencies, and Forecast* magazine (Russia), № 2, 2009.
10 *Economic and Social Developments: Facts, Tendencies, and Forecast* magazine (Russia), № 2, 2009.
mostly candidates of science and doctors of science (PhDs) aged over 40). Up to 57% of researchers working in academic institutes are dissatisfied with their pay.\textsuperscript{11}

As for additional – contractual – services, especially in branch and sectoral research institutes, there are certain difficulties, because to get budget financing, which is normally enough to cover only 30% of the average compensation in Belarusian science, workers are supposed to work on state-financed topics full time, which means the value of their work for the state budget is almost thrice as big as the real pay. This makes contractual research quite hard, since researchers have to work in their spare time after working hours. To perform contractual work they choose to extend their workday and work on weekends.\textsuperscript{12}

**Official strategies to address the crisis**

The chief task to preserve the potential of Belarusian science was set by the chairman of the Presidium of the National Academy of Sciences Mikhail Myasnikovich on January 22, 2009 during the conference Science for Innovative Development of Society: “I believe countries across the globe should support science amid the global financial turmoil, increase direct investment and facilitate indirect financing of science by business”.

According to Myasnikovich’s data, Belarus’ R&D expenditures rose 170\% in the past decade. Research intensity of GDP has amounted to 0.97\% (contrary to the data presented by Academician A. Voitovich, who claims it stands between 0.7\% and 0.8\%). Myasnikovich believes it is unacceptable that the role of business in financing of research and development remains insignificant. In Europe, business finances 70\% of research and development initiatives, and in Belarus, 61\%. It is planned to create a “flexible system of tax and loan stimuli for such entities [financing R&D],” Myasnikovich said.\textsuperscript{13} “When it comes to applied research, the state programs are expected to attract off-budget funds sufficient for at least 15\% of the total cost of R&D programs”.\textsuperscript{14}

\textsuperscript{11}Ibid.
\textsuperscript{12}Ibid.
\textsuperscript{13}Data published by BelaPAN news service (Belarus).
\textsuperscript{14}Data published by Interfax, Interfax-Zapad news services (Russia).
Presidential ordinance № 662 dated December 4, 2008 On Taxation of High-Tech Organizations approved the list of high-tech organizations (around 10 of them) included in the Register of High-Tech Productions, whose profits generated from sale of high-tech commodities (services and operations) of their own production (except for trade and procurement operations) are subject to taxation at a rate making 50% of the regular tax. The document defines high-tech commodities, services and operations as products made by using high-tech equipment that has passed relevant state scientific and technical reviews, while profits released from taxation are expected to be channeled into financing of their technical re-equipment and upgrade.\textsuperscript{15}

On May 26, 2008 another move was made to encourage administrative stimuli to efficient R&D. It was proposed to codify such state management elements in the realm of science as “priority directions for research and development”, “state R&D programs”, and “state scientific examination”. It is also planned to classify scientific and technical examination as scientific activities and carry out state accreditation of legal entities and expert councils (commissions) they establish to authorize them to conduct reviews; introduce the mechanism of accrediting scientific organizations on the basis of the evaluation of R&D, design and experimental and engineering operations they perform, and add independent supervision of efficient spending to the mandatory supervision of proper disbursement of republican budget funds apportioned for financing of scientific, scientific and technical and innovative activities.\textsuperscript{16}

The National Academy of Sciences also expects to cut R&D expenses by phasing out inefficient research: “It is planned to certify scientific organizations and examine research initiatives in order to cease inefficient scientific studies,” the press service of the Academy told Interfax news service. The decision is part of the order On the Package of Measures to Increase the Efficiency of Scientific and Technical Activities (issued in January 2009) of Mikhail Myasnikovich, the chairman of the presidium. The order “increases personal responsibility of

\textsuperscript{15} Official reports (Belarus).
\textsuperscript{16} Ibid.
research managers and directors of scientific organizations for quality and timeliness of implementation of state programs and fulfillment of state forecasts.”

The State Control Committee of Belarus inquired whether investment in science was disbursed efficiently enough. The Committee checked 85 scientific organizations subordinate to various ministries, and violations were detected in almost all of them. The total amount of funds received without a plausible reason, misused funds and financing received in contravention of current regulations amounted to 5 billion Belarusian rubles (around U.S. $1.7 million). Inefficient spending totaled 9 billion Belarusian rubles, or over U.S. $3 million. As a result of inspections, some officials were brought to administrative and disciplinary liability.

**Decay of scientific brainpower training system**

Last year, the Supreme Certification Commission conferred advanced degrees to 621 students, up from 584 in 2007, of them 53 doctor’s degrees and 568 degrees of candidate of science, a rise from 531 in 2007. The total includes 21 foreigners from 10 countries.

Medical sciences top the list by the number of degrees conferred in 2008 with 124 scholars, followed by technical sciences with 121 degrees, physics-mathematical sciences with 59, economic sciences with 46, linguistic sciences with 41 and agricultural sciences with 39.

Certification commissions conferred 71 professor titles in 2008, and 664 assistant professor titles, almost 60% above the 2007 level.

There were 178 councils for defense of theses in 2008, of them 131 doctoral councils and 47 councils for candidates of science. Thirty-four examination boards reviewed theses in the Supreme Certification Commission.

There is a network of postgraduate training centers for those working for a candidate’s degree and doctor’s degree covering 381 disciplines in 119 organizations.¹⁸

On August 7, 2008 the Supreme Certification Commission came out with a proposal to confer the scientific qualification of Researcher

¹⁷ *Economicheskaya gazeta* (Belarus), 20.06.2008.

¹⁸ Data published by *BelTA* news agency (Belarus).
to specialists that successfully complete postgraduate courses (adjunct courses). A draft presidential ordinance was worked out to award specialists that complete postgraduate courses (adjunct courses) with diplomas of researchers and confer the scientific qualification of Researcher based on results of the final certification.19 The move is expected to improve conditions for scientific and innovative activities in Belarus and facilitate the fulfillment of creative potential of persons that complete postgraduate courses.

As of early 2009, over 70% of researchers had no degree.20 According to the information available, nearly all technical research establishments developing new engineering solutions and advanced energy-saving technologies have reported shortages of specialists with academic degrees.

Of more than 9,000 researchers in engineering sciences, only 12% have scientific degrees; and of 250-300 postgraduates that complete their studies annually only 12 to 15 defend theses in engineering sciences.21

Only 40% of scientists on the payroll of academic institutes have scientific degrees, while 60% have no degrees or academic titles. Doctors account for only 5% of the total number of researchers, and candidates of science, for about 20%.

Researchers make up 60% of the staff now involved in R&D; however, there are only 19,000 of them at present, whereas in 1990, the Belarusian Soviet Socialist Republic had 59,400 researchers.

Currently, doctors and candidates of science represent 25% of the total number of researchers in the “Science and Science Service” branch, but the share might reach 30% as a result of transfers of scientists from other branches and additional efforts to defend theses. This means degreeless specialists will continue performing most of the research and development programs.22

The low prestige accorded to jobs in the realm of science in Belarus has resulted in an unprecedented failure to enroll a sufficient number

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19 Official reports (Belarus).
20 Economic and Social Developments: Facts, Tendencies, and Forecast magazine (Russia), № 2, 2009.
21 Ibid.
22 Ibid.
of applicants for postgraduate courses and persons seeking doctor’s degrees in 2008 (the figures were released at a board meeting of the Education Ministry on January 24, 2009).\textsuperscript{23}

The following conclusions may be drawn:

1. Corporate science in Belarus will preserve its position inside the country, but on a global scale, the gap between Belarus’ achievements and the progress showed in foreign countries will be widening. The most advanced solutions will more frequently be financed by foreign research facilities, which will often act as sole guarantors of survival of local scientific institutions.

2. Those who attempt to shift the burden of science funding to privately-owned business structures clearly fight a losing battle: watching many elements of the free market purposefully smothered over the past 10 years, domestic entrepreneurs would rather avoid an additional financial burden (especially given the need of modern science for “longer term money”).

3. The suggested reform of Belarusian academic science leads to its ultimate bureaucratization and transfer of interpersonal distribution of budgetary provisions into the “shadow”: we observe a growing share of unofficial participation of senior representatives of research institutes in R&D programs, with payment of a considerable part of salaries meant for the whole staff “cash in envelopes”, that is, unofficial and unaccounted.

4. Training of postgraduate students and doctoral students has finally turned into a battlefield for representatives of various scientific clans, mostly because of the harsher requirements for the completion of theses.

5. The ongoing economic crisis will deepen and intensify the negative trends in Belarusian science.

\textsuperscript{23} Official reports (Belarus).
Belarusian culture: between Batleika and Belsat

Maksim Zhbankov

Summary
Last year’s “performance” of the culture sector was marked by the evident lack of any real breakthrough or developments that could adequately “mirror” the crucial social shifts. To brand this situation as a “culture pause” would not be a mistake: cultural experiments are conducted amidst total depreciation of earlier guidelines and values, stalled development of the cultural elite and absence of a competitive market environment for culture projects. Because of the above reasons Belarusian culture – which has failed to elaborate an efficient industry of cultural texts so far – keeps operating on a self-citation basis and tacit censorial selection of “proper” authors and statements. The exhaustion of the ideological confrontation is observed in the latent surrender of protest-driven authors and increased levels of pollution of the official culture, which tends to produce information noise instead of a generally recognized culture product.

A striking characteristic feature of the 2008 developments in the realm of Belarusian culture is a severe crisis in the concept and style of various life forms of “Belarusian culture in exile” – from traveling rock-feasts to foreign media projects for Belarus. Generation of new value concepts is substituted, at best, for new jobs, or, at worst, for banal spending of apportioned funds, which goes hand in hand with a vulgar “nationalization” of the servile budget-funded culture: the administrative resuscitation of national pride takes the form of “bulbashization” [“bulbash” meaning a “potato-eater”; i.e. a Belarusian peasant, tolerant and often indifferent] – an aggressive replication and distribution of tawdry cheapjack attributes of the “genuine Belarusian character”.

The Principal Ideas:
• culture in creative crisis: intensive replication and reproduction of outdated formats of cultural communication and author’s presentation techniques;
erosion of traditional borderlines between official culture and “guerrilla” underground;

Creative exhaustion of the leading foreign culture projects for (or about) Belarus;

Global “bulbashization” (see below) of the official pop culture.

Heroes of bygone days diagnosed with self-citation

The absence of exciting developments and remarkable cultural texts itself was quite indicative last year. Most of Belarusian culture still exists as “archipelago Belarus” (V. Akudovich) – a complex of local initiatives, diverse both in their conceptual references and aesthetic preferences. When it comes to ideology, Belarusian culture develops in the scope of a conflict, that is, by reproducing scarcely compatible global schemes of world outlook rather than being fuelled by competition, like it happens in the West. Instead of cultural policies, Belarus is regulated by politics (and politicians), while market mechanisms that are normally used to develop culture are replaced with command and administrative methods. The cultural process turns into a hostage of ideological confrontation, which gives the audience an impression that the author is engaged by either pro-regime or protest forces, whereas creative research is substituted for the search for the best sponsor. The audience is clearly not an active part of this equation, as it plays the role of a humble observer that monitors the results of yet another contract between the author and the party that pays. This situation discourages culture protagonists from growing: why evolve if the cozy nook of the archipelago Belarus is already comfortable and well-wishing? Beyond this island they sell themselves not as Global Deejays, but as exotic visitors from Lukashenko’s land. Creative challenges threaten the chronic brand; it is safer to replicate the copy-book. We believe it is for this reason that the majority of art personas in 2008 candidly duplicated their earlier selves. The new project “Razbitae sertsa patsana” (“Dude’s Broken Heart”) plays the early Lyapis Trubetskoy; the director of the legendary “Occupation. Mysteries” Andrei Kudienko shoots a remake of “Rozygrysh” (also in Russia); the best Belarusian songwriter Lyavon Volski releases an album of stories from the neighborhood “Kuplety i prypevy” (“Couplets and Refrains”); and the Belsat New Year show buries the viewer under an avalanche of 1960s pop imitations.
The chief theatrical project of the 2000s “Free Theatre” seems to feel fine in the format of a “shock social amusement”, which is successfully presented across the globe. It is a pity there is a single amusement for a multitude of shows. Even anti-globalists from alternative pop band Lyapis Trubetskoy made their new disc (“Manifest”) look almost identical to the previous one (“Capital”). Their new video (“Ogon’ki”) looks exactly the same as the previous one (“Capital”), too.

The culture of the ruling elite is a much easier case: all its manifestations prove that it is stuck in the youthful phase of the current administration and persistently duplicates the pop style of the 1980s. It is especially evident in the recent feature films: the spy flick “Shield of Motherland” (director Denis Skvortsov) – a collection of late Soviet clichés, and the romantic comedy “On the Back of a Black Cat” (director Ivan Pavlov) – a wildish hybrid of trends and deadly embrace of Tarkovsky, Hollywood and “Belye Rosy”. The trite methods of the Soviet countryside fables dating from the 1970s coexist with direct allusions to Hollywood comedies about saucy old men (from “Grumpy Old Men” to the fresh “The Bucket List”) and extensive references to the European hit “Sin noticias de Dios / No News From God”. The diagnosis is definite – culture products based on grants. To please the customer is more significant than to attract the viewer. To avoid misuse of funds is even more important.

Crisis of underground, noise of servility

The “case of visitors” (the meeting of Belarus’ leading rockers with then chief ideologist Mr. Proleskovski in late 2007) had a serious response and brought about new cultural trends in 2008. What was initially declared as a private visit of forbidden musicians in search of the truth to the state functionary gradually acquired the status of a momentous event: the romantic epoch of “protest” enthusiasm and political rock is no more. Alternative music as the “voice of Freedom” and “collective agitator” (V. Lenin) exhausted its mobilizing potential and left real politics for good. The alliance of progressive musicians and politicians was a temporary union that fell to pieces because of mutual disappointment: artists did not see the expected material support and rapid victory of democratic forces, while politicians nurtured by good old Kom-
somol methods failed to turn independent artists unfamiliar with party discipline into a stable propaganda tool. It is indicative that the rock ballads (Brecht songs) that were most transparent in content and poster-like in form (like N.R.M.’s “Gadzyuchnik”) appeared as the revolutionary spring of 2006 was losing its force and remained among the weakest songs of their authors. The crisis of underground is linked to the crisis of the struggle mythology. The romanticism of countercultural Resistance ran counter to the normal practice of the abnormal Belarusian showbiz. The “corporate” pay niches dug by alternative artists could not replace official legalization, that is, a symbolic rehabilitation by the authorities. “Symbolic” is important here, because “forbidden” musicians never had their discs withdrawn from trade even when there was an embargo on club concerts. Musicians were unwanted not as authors, but as an encouragement of “mass disorders”, which is why their (symbolic) pledge that they would never perform under anyone’s banner was sufficient for the regime. As a result, there was not a single fully-fledged concert under the banner of the opposition in the past year. The former “forbidden” bands were also unpretentious: there was an N.R.M. tour of large cities, there were Krama and Zmicier Vaityushkevich lip-synching in Belarusian Television’s New Year shows, there was Palats trying to get shortlisted for the Eurovision song contest, and Oleg Khamenko and Alexander Pomidorov making appearance in quite unexpected TV shows…

There was no breakthrough, “our guys” finally got to bigger stages and on TV… to be swallowed by the crowd of extras in the Belarusian showbiz.

Another indicative incident last year was a round of talks of the director of the “illicit” “Occupation” with Belarusfilm motion picture studio over a new project – another attempt to get legal, another step to meet halfway, and another failure.

The counterculture members of the “Free Theatre” were sensible enough to choose the role of Belarus’ culture ambassadors oversees and spent most of the year abroad, thus minimizing their presence in the local culture framework.

One should bear in mind that the “Proleskovski casus” did not envisage any reciprocal moves. On the contrary, it had counted on mutual
passiveness: officials were supposed to stop prohibiting, whereas musicians were expected to stay away from disputes. The existing cultural field may be identified as void of any concept: the authorities have no ideological resources to fill the emptiness of Belarusians’ world outlook and prefer to have an “empty sky” that is not invaded by protest formulae.

If the current public rhetoric persists, we may be talking about the evolution of a new ideologically neutral model of the global vision for the public consciousness of Belarus: the emotional dependence on the leader displaces all attempts of critical thinking. Propaganda appears to be superfluous: the popular “FOR Belarus!” adverts and straightforward video agitprop are not relevant any longer. Political mobilization is substituted for the campaign for national solidarity “We are Belarusians!”

This configuration makes the previous guerrilla culture formats and outdated official propaganda equally inefficient. Moreover, the boundary between “underground” and official culture gets eroded. Under the circumstances, the projects that have no political coloring seem to have a certain competitive edge, including the new guitar wave (Dali, Hair Peace Salon, The Anyway), ethno (Troitsa, Akana-NHS, Jambibum), or exogenous nonconformist texts, like the book of poems by Sergei Prilutski “Nineties forever”.

Project Belarus: external impetus towards change?

The year 2008 saw redoubled efforts to shape the Belarusian cultural field from the outside – especially a variety of media projects targeting Belarus from beyond the western border (Belsat, European radio) and a series of traveling musical festivals (Basovschina, Be Free, Solidary with Belarus, and, partially, Be2gether). The preliminary results of cultural import injections in the Belarusian reality are quite ambiguous.

The television channel Belsat, which had seemed the safest bet, became the worst disappointment. The attempts to create an alternative television for the Belarusians showed a desperate shortage of professional personnel (including top managers) and inarticulate concept of the whole channel. Few original programs, gaps filled with Polish and U.S. series (and movies made in the former Soviet bloc), monotonous funnies from “Sasha and Sirozha”, unavoidable “alternative rock”, stories
about Europe and enlightening documentaries, verbose political discussions and random selections of news reports, village New Year get-togethers… For over a year of its existence Belsat failed to determine its format and identify its primary audience. A culture and education channel (as they must have designed it)? A channel to promote political education of the passive electorate (as the opposition would like to see it)? An unambitious youth channel for parochial teenagers? An information and analytical resource for critical minds? So far three hours of every-day broadcasting (with reruns on the same day) is considered enough to please all. But with uncharismatic anchormen, poor editing and banal visuals Belsat is now working as a provincial TV channel that replicates well known ideas instead of creating new ones.

Traveling rock shows from Belarus also seem to be facing a creative crisis. The Polish project “Solidary with Belarus” (2006-2008) is a spectacular example. The latest Warsaw concert of the series, in March 2008, especially the performance of the Belarusian visitors, was marked by an explicit déjá vu feeling (the same “Narodny albom” and “Ja naradziasya tut”, the same N.R.M.’s ballads, the footage of police outrage – the same that was demonstrated a couple of years before) and presence of Belarusian musicians on stage that was reduced to almost zero (IQ48 was the only band in full force). Quite unexpectedly (but explicity), last year’s “Solidary with Belarus” ended in a fraternization of Poles, Belarusians and… Tibetan monks right on the stage. The final song sounded amidst Tibetan banners mixed with the white-red-white flags of Belarus.

The political aspect is more frequently replaced with neutral culture, in which case all Belarusian feasts held abroad lose any sense, as they transform from an instrument to promote national consciousness into innocent “bring your own public” guest tours. The Belarusian theme turns into an element of regional entertainment, diluted to a set of corny pictures and posh battle-cries. We definitely observe a stepwise wipe-off of the “solidarity with Belarus” project from the range of vision of the potential participants in mass actions, because it fails to develop the Belarusian theme, while other sources offer fresh subjects requiring public manifestations of support.
**You are a Bulbash, and so am I: nation light**

The intense desecration of the national idea at the level of official pop culture is as interesting and illustrative, though. The “new course” of the state cultural policy (let’s call it “bulbashization”) aims to achieve two objectives at once, although they seem quite different. The first goal is to have a cautious controllable reanimation of the national morale by way of “tuteishiya” (indigenous) pop-texts with a recognizable local relish. Secondly, the authorities wanted to reverse the weapons of nationalist rhetoric: they used to belong to the political and cultural alternative, but they may be as efficient in the hands of the regime. The main site for “bulbashization” is the national television (special projects, music videos, stills and logos).

Two ONT (nationwide television) projects, both directed by Alexandra Butor, are especially indicative. The former – Paulinka New – opened the year 2008, while the latter – Batleika – was on air during 2009 New Year festivities. Paulinka New, a modern version of the classical piece by Yanka Kupala, depicts Belarus as an operetta-based reserve of glamorous agro-tourism. The rivers teem in mermaids, idiotic protagonists in weird suits dating from the 1930s NEP epoch speak “trasyanka”, or pidgin Belarusian, only the villain speaks perfect Belarusian, while well-groomed peasants dance to “pan Koldun” and chant the final hymn: “You are a Bulbash, and so am I, We all know this, Let’s sing, our native land!” (by the way, Bulbash vodka became a sponsor of the show). It was not a Moscow TV product for sure, but neither was it a Belarusian show. The viewer is recommended to take pride in “vernacular” virtues – gullibility, naivety and ability to dance to any tune. Batleika – another example of speculation in schoolbook texts – crossed the obsolete fables by Kandrat Krapiva and repertory of Pesnyary band (in all their reincarnations), which included artists in wildish attire playing in the yard of Mir Castle, which had just been through a major overhaul. The Belarusian language did not suffer in this very case, and the primary sources remained unstained, but the final product was not at all convincing (the portrait of the poet Maxim Bogdanovich in the room of the protagonist did not help). The result was yet another trite aboriginal operetta – a spectacle for those deprived of national pride.
The pompous concert of Belarusian pop music in Warsaw last December is a logical continuation of the first two projects. The short list of local and Belarusian officials, special buses with Polish Belarusians, deficit of information in Polish media, Belarusian hosts crouching before Poles and lip-synched performances (under the pretence of “shooting for television”) – and, finally, the same songs and singers that had been recorded for Batleika.

The pro-regime mass culture has evidently transformed. We could be speaking about attempts to “tame” the symbols of national identity, reduce them to a shallow decorative politically neutered image adapted to the existing elites. The national idea (with its heroes and martyrs) is presented as a bright comic strip about featherheaded peasants with a serious inferiority complex. This well-orchestrated consistent reprogramming of the electorate replaces the outmodeed fairy-tale about a “Slavonic fraternity” with the thoroughly disseminated mentality of an isolated farmstead: “we are individuals, but kind-hearted and harmless.”

“Nation light” is the most convenient option for the authorities both for the external and internal theatres of operations: in the former case it is a mild signal to the West and Russia (“we have our own songs to sing”), and in the latter, it is blatant expropriation of the national rhetoric through complete demolition of the former opposition foundation and protest verve. As a result, we are left with mainstream conformist nationalism, a passive loyalty to the “Belarusian scenario” and scriptwriters.
Healthcare: from Birth to Transplantation

Maria Eismont

Summary
In 2008, the government set the Healthcare Ministry the task to “curb the morbidity graphs” and bring down the high death rate, dubbed 2008 the Year of Health and announced a nationwide preventive medical examination. The long-term effect of the ministry’s campaign (which was left without additional financing) remains vague and somewhat ambiguous.

The new Law On Health Service, passed on June 20, 2008, failed to provide a breakthrough, merely adjusting some of the provisions of the previous law, which had been in effect since 1993.

Belarus in 2008 shifted its focus to new technologies and scheduled more high-tech surgeries. Transplantation medicine received special attention.

The perinatal service of the Belarusian health system showed considerable progress in 2008; over 100,000 babies were born in 2008, nearly the same as in 2007.

The Principal Ideas:
• the year 2008 was dubbed the Year of Health. The Healthcare Ministry announced a nationwide preventive medical examination designed to assess the health status of Belarusian’s;
• a new version of the Law On Health Service was adopted;
• focus was shifted to introducing high technologies in medicine and improving public access to high-tech medical assistance;
• the targets set in the National Demographic Program remained the key priority in the Belarusian health care service.

Is it the year of health?
Every year, Belarus loses people enough to populate an average regional centre: the population decline was 18,400 people in 2008; 20,100

people in 2007, and 37,800 people in 2006. The idiopathy rate went up over the past decade (some sources report an increase by 5.2%). The economic losses of the state caused by it exceed four billion Belarusian rubles. In 2007, sick leaves alone cost 551 billion Belarusian rubles. That is why the government wanted the Ministry of Health “to bridle” the disease incidence and mortality rate in the country.

In order to accomplish this task, 2008 was declared the Year of Health, and the nation-wide medical prophylactic surveillance was advertised in a big way. At the same time, no additional funds were allocated from the state budget over the amount established for the year 2007. The budget-2008 approved by the House of Representatives of the National Assembly provided the amount equal to 4.1% of the gross domestic product (1,026 billion Belarusian rubles) to the public health system. It is notable that the “socially focused” state allocated a lot more to feed agencies that wield power. For instance, 1,240 billion Belarusian rubles were given to the army in 2008; the Ministry of the Interior and the KGB received 1,949 billion Belarusian rubles, which is twice as more as the funding of the entire public health system.

In view of the gross domestic product growth and expenditures of regional and departmental health budgets, expenditures of the public health system made 4,500 billion Belarusian rubles in 2008. The figure was even a bit higher in 2007 (4,600 billion Belarusian rubles). Here comes the first question: did the authorities find money for medical examination of 92% of Belarusians, who underwent prophylactic medical examination as Minister of Health Vassily Zharko claims?2

The Ministry of Health provided a detailed plan of the prophylactic medical examination earlier that year. In line with Ministry’s resolution № 92 of October 12, 2007 entitled “On organization of dispensary observation of the adult population of the Republic of Belarus”, each resident of the country could address an out-patient clinic to take blood and urine tests, fluorography, and a cardiogram. Persons at the age of 45 and over could also request additional tests, such as biochemical analysis of blood and ultrasonic examination. At one press confer-

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ence, Elena Tkacheva, head of the central department for planning and health economics of the Ministry of Health, specified that considering the entire range of the established tests, one visit to a physician under the preventive examination campaign will cost 11,000 Belarusian rubles. Supposing that 92% of the population (about nine million people) have underwent the examination this year, the expenditures in view would amount to 99 billion Belarusian rubles, which is almost 10% of the total public health services’ budget in 2008. (The on-budget health expenditures include those connected with delivery of health care to the population, scientific and technical research programs, maintaining of the sanitation-and-epidemiological services and medical science, salaries to medical workers and research officers, public facilities charges, and patients’ nutrition. At the same time, the survey could bring to light the need of additional tests and examinations, which means additional expenditures.

There is reason to doubt that 92% of Belarus’ residents passed medical examination, as the number of visits to doctors did not increase. This would imply 12.7 visits to a doctor per year, which is a very high number of course. The same rate was reported in 2007 and 2006, though.

Some experts believe the prophylactic medical surveillance in Belarus should be targeted to detect particular diseases. The prime cause of mortality in Belarus is cardiovascular and oncological diseases. Therefore, the prophylactic medical examination should focus on child health screening, and detection of hypertension and incipient-stage tumors among the adult population. Legal mechanisms were needed to make employers and citizens responsible for the medical surveillance together with physicians engaged in the program.3

Primary health care physicians, who actually meet the burden of the prophylactic medical examination in the first place, were not motivated for it in any way. In 2008, salaries in the health care sector remained one of the lowest in the country being the eighth lowest among 14 major branches of the national economy. According to Minister Zharko, over 10 months of 2008, the average monthly salary in the

health care sector stood at 680,000 Belarusian rubles: physicians were paid 1,152,000 rubles; paramedical workers received 664,000 rubles, and salaries of basic health workers averaged 417,000 rubles. It should be noted that those amounts included dual jobholding, night and public holiday shifts, etc.4

The problem of personnel shortage remained acute in 2008. At present, the city of Minsk alone reports 2,500 vacant positions for physicians. In some regions health care institutions are 50% unmanned. Belarusian physicians work additional hours to earn an average of 1.23 standard wage rates. Besides, 23.5% of physicians engaged in the primary health care have attained retirement age. Therefore, in 2008, Mr. Zharko informed that the Ministry of Health suggested extending the period of obligatory work on assignment for medical schools graduates.5

New wording of the law on public health services

On June 20, 2008, President of Belarus Alexander Lukashenko signed the new law on public health services.6

No essential alterations or amendments to the law of 1993 were made. The new wording only adjusted few provisions. Perhaps, that is why its adoption was not accompanied with heated debates among experts and in the mass media. Minister Zharko was available with extensive comments.

“The new law provides more precise definitions of a number of terms used in the law, such as “diagnostics”, “disease”, “public health services”, “prosthetics”, “prophylaxis”, “diagnosis”, “medical service”, “medical rehabilitation”, “medical treatment”, “public health management”, etc.; definitions of new terms, such as “clinical protocol”, “government health care institution”, “healthcare professionals”, etc.; section 4 of the new law secures access to health services, including free-of-charge medical aid to be provided by government health care institutions at

the expense of the republican and/or local budgets,” the minister said, “The new law includes provisions, which regulate kinds and conditions of delivery of health care to citizens, the obligatory statement of a patient’s consent to medical intervention, the new definition of the term “euthanasia”, and also provisions, which secure the right of citizens to receive medical treatment at their own expense, or at the expense of legal entities from state unitary enterprises, organizations of the private pattern of ownership, and individual entrepreneurs engaged in health care activities, as established by the legislation of the Republic of Belarus. Besides, the law specifies the persons entitled to provide information about state of health of patients, establishes rights and liabilities of patients and healthcare professionals. The new law introduces updated regulations in the field of temporary disability examination, medico-social, medico-military, forensic medical examination etc.”

Transplantation operations to be a flow line

In 2008, the Ministry of Health’s website introduced the Medical Science Achievement section.  

The high technologies primarily refer to transplantation operations, cardiac surgery, and endoprosthesis replacement. This list also includes some kinds of surgical interventions in case of neurological and oncological diseases.

The year 2008 can be really called a year of breakthrough in the field of transplantology. A liver transplantation was performed in April 2008 for the first time. There were 17 operations of the kind by the end of the year.

In April, the Government House hosted a special session dedicated to transplantation of organs and tissues. Alexander Kosinets, then vice-premier of Belarus, said transplantation of organs should have been a routine practice. He referred to statistics saying that the 10-million population of Belarus required at least 2,000 transplantations. However, at the international conference on the status and prospects of transplantology held in October in Minsk, it was reported that only 40 patients survived kidney

transplantation in 2007. The year 2008 saw only 70 kidney transplants. It is notable that the first operation of the kind was performed in Belarus as far back as in 1970. It means that whatever loud statements Belarus’ ranking officials make, it is far behind its nearby neighbors (Russia, Lithuania, and Poland) in this field, and even has not managed to take advantage of achievements of Belarusian medicine of the past years.

Officials hope the new Republican Scientific-Practical Centre for Transplantation of Organs and Tissues to be launched in 2009 will hugely contribute to expansion of the transplantation branch. The first heart transplantation and simultaneous transplantation of a kidney and pancreas are also planned for 2009.

It is recognized that transplantology is high-priced. For instance, transplantation of one heart costs over U.S. $100,000; liver transplantation is over U.S. $50,000. Belarusian experts calculated that the first ten heart transplantations will cost the state budget U.S. $1.2 million. However, doctors believe it is much more effective to save patients’ lives by transplanting organs, than to treat seriously ill patients for years. This argument may be beyond dispute. But it does not answer another question: what would happen to other sectors of the public health system, if those enormous financial resources go to transplantology from the same health budget? Who is supposed to cut expenditures? Regional hospitals? Polyclinics?

New objectives of cardiosurgery and prosthetics

The cardiac surgery rate went up considerably in 2008. They were 2,000 in 2007, and 4,500 in 2008. Operations are performed not only at the Republican Cardiology Centre. As many as 1,546 operations of the kind were performed at the Gomel Regional Clinical Cardiologic Dispensary. All regional cities have cardiac surgery units, which perform stenting and cardioacceleration.


Patients are allowed to pay for expandable materials required for replacement arthroplasty, while it is strictly prohibited in cardiosurgery.
Experts believe that is why this hi-tech medical aid is inaccessible to many patients.

The ban on paid cardiac surgery followed two criminal charges against surgeons in 2005-2008 in Belarus. January through May 2008, the Moskovsky district court of Minsk adjudged the case of cardiac surgeon Alexander Shket, head of the second cardiac surgery unit of the Republican Cardiology Centre. He was accused of failure to assist an ill person, abuse of official position, and corrupt practices. The counsel for the prosecution demanded seven years of imprisonment. Shket was sentenced to three years of restraint of liberty without serving term in a penitentiary, seizure of property or prohibition to occupy managerial positions.

**Who will want to be a mother in three years?**

As many as 107,900 children were born in 2008 in Belarus, which is 4,500 more that a year before. This birth rate (more than 100,000 children in one year) was achieved for the first time only in 2007. It was quite opportune considering that in 2006 the government of Belarus launched the National Demographic Program aimed to lower the death rate and increase in the birth rate in the country.

It is generally admitted that the Belarusian obstetric-gynecologic service is one of the most advanced in the region. Maternity hospitals have been renovated; obstetric-gynecologic institutions have strengthened their physical infrastructure. Well equipped perinatal centers are functioning in all regional centers. The country has developed a four-level obstetrics system.

Belarus approached the perinatal mortality rates observed in developed countries of Europe and Japan. The infant mortality rate in Belarus is reported at a level of 5.5 cases per 100,000 newborns; child mortality stands at 4.5 cases per 100 thousand people. The maternal mortality rate has decreased three-fold since 1997. This accomplishment was possible owing to the high qualification of doctors, the state-of-the-art diagnostic equipment, and new technologies. For instance, the Mother and Child Republican Scientific Practical Center has the equipment,

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which makes it possible to nurse newborns with extremely low birth weight of one kilogram and below.

However, the increasing birth rate should not be only connected with achievements of Belarusian obstetrics. The tendency of the past few years towards higher birth rates is relatively strong, because almost 70% of Belarusian mothers are 20 to 29 years old, i.e. they are women born during the so-called baby boom of 1980–1987.

At one of press conferences, Tatiana Shemetovets, head of the central department for employment policy and population of the Ministry of Labor and Social Protection, admitted that the number of women of the most fertile age would increase till 2010–2011, and then it would go down. “In order to avoid problems thereafter, measures should be taken to stimulate the birth of two or more children per family,” Shemetovets said.  

Belarusian women do not want to give birth to two or more children, which is the major cause of the demographic problem in Belarus. Until now, more than 50% of families in the country have only one child, and only a little more than 6% of families have more than three children; 36% of families bring up two children. The years 2007 and 2008 saw an indistinctive tendency to have two or three children, but it is highly unlikely that it would last long, having in mind the effect of the economic crisis, and the fact that the Belarusian government failed to fulfill the promise to raise family allowances for one or more children.  

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Sports: Achievements and Failures

Alexander Zayats

Summary
The Olympics, held every leap year, traditionally became the key sports event of the whole year, but this time the sensational breakthrough of BATE Borisov, which got into the group stage of the Champions League, became an equally newsworthy event for this country. Belarusian sport fans definitely focused on these two – the summer Olympics in Beijing and BATE Borisov crusade.

This short time span brought many a pleasant surprise, for instance, Belarusian athletes won 17 Olympic medals, but for some the victory was clouded by doping-related controversies.

The sports life beyond actual competitions was also marked by “youthful” escapades. FIFA-listed referee Sergei Shmolik had wet his whistle before refereeing the second half of a Belarus Premier League match. The director of the sports and physical culture research institute Alexander Bondar was professional enough to award himself an annual salary in just one month.

The Principal Ideas:
Belarusian football admitted into exclusive heights of the Champions League group stage;
- doping scandals on a large scale;
- team sports (especially volleyball, handball and basketball) get serious state backing;
- new sports facilities are built.

BATE and all that football

BATE Borisov debut in the final phase of the most prestigious European club tournament was quite successful. BATE had two unexpected draws against Juventus, and managed to tie with Zenit in St. Peters-
burg, whereas the remaining three games were lost to Real Madrid and Zenit (home match). As a result, BATE Borisov finished bottom of the group and lost its chance to get the trophy.

Anyway, the exciting performance of Anatoli Kapski and Viktor Goncharenko’s team gave Belarusian fans a perfect chance to see world maestros at play with their own eyes, whereas previously the intensity of Champions League games was only available on TV. The Dynamo stadium was filled up: the three home matches in Minsk gathered a capacity crowd of almost 100,000 fans. BATE home qualifiers with Icelandic champions Valur, Belgian Anderlecht and Bulgarian Levski Sofia in Borisov also filled up the local stadium.

BATE’s huge success in the Champions League enabled Belarus to rewrite its football statistics. BATE Borisov got 11 conventional points, three more than Dynamo Minsk scored in its best season of 1995/96.

Belarus went up to rank 33 in the FIFA Ranking for European National Football Teams from position 40. It could have done better if it had been not for other Belarusian clubs, which are traditionally beaten at the earliest phases of the European qualifiers.

Unlike BATE Borisov, the national team did not please its fans. Belarus settled for draws in friendlies against Germany, Turkey and Argentina, but failed to impress during the World Cup qualifiers. Beaten by Ukraine and England, Belarus earned a tough win against Andorra, but was beaten against Cyprus in the final match of the season. The team slid to № 84 in the FIFA World Ranking, all the way down from № 64. Belarusian star midfielder Aliaksandr Hleb, who had left Arsenal for Barcelona in the summer, was clearly not enough to save the whole team.

Belarusian youngsters were luckier: the national under-21 football team led by Yury Kurnenin made it into the European Cup group stage for the second time in its history; the under-19 team coached by Sergei Solodovnikov scraped through the first qualification round; the under-17 national team headed by Pavel Rodnenok followed in the footsteps of the seniors.

**Doping mars the Olympics**

The summer Olympics in Beijing proved outstandingly successful for the Belarusian national team: Belarusians did astonishingly well win-
ning 19 medals (four gold, five silver and 10 bronze ones), a new record high for Belarus as a sovereign nation. But the scandalous media reports that appeared immediately after the Olympics put a damper on Belarus’ celebratory mood: two Belarusian hammer throwers – Vadim Devyatovskiy and Ivan Tsikhan – were reported to have been tested positive for banned drugs. Despite desperate Belarusian efforts to have the decision reversed, the International Olympic Committee (IOC) executive board was inexorable. The hammerers still have a slight chance to prove their innocence in the Court of Arbitration for Sport (CAS) in Lausanne, but it seems Belarus will be stripped of its medals – a silver and a bronze – for the first time ever.

Bad news of positive doping tests shocked Belarusian athletics last year: during the Winter Cup Sergei Galeshov (high jump) tested positive for doping, and so did Yulia Leontyuk (shot put) and Irina Bokhanovskaya (steeplechase) during the European Cup. The eminent runner Alesya Turava failed her drug test between competitions, but later she announced her career was over. Leontyuk, for her part, had her victory annulled.

All of Belarus’ national women’s weightlifting team nearly missed the Olympics because of the drug-related controversy, but after paying a huge fine, Belarus managed to have only the culprits – Oksana Zolotareva, Valentina Lyakhovets, Olga Nedorezova and Yekaterina Shkuratova – face the ban.

17 medal moments of Beijing

Anyway, Belarus is proud of some truly tremendous achievements of its athletes. Kayaking and canoeing were the luckiest sports for Belarus: Raman Piatrushenka, Aliaksei Abalmasau, Artur Litvinchuk, and Vadzim Makhneu won the kayak four 1000-m gold; Andrei Bahdanovich and Aliaksandr Bahdanovich won the canoe double 1000-m gold; and Raman Piatrushenka and Vadzim Makhneu won the kayak two 500-m bronze. Belarus’ 20-year-old Andrei Aramnau broke three world records to win the men’s 105kg weightlifting gold medal. Aramnau hoisted 200 kilograms in snatch and 236 kilograms in clean and jerk for a combined total of 436 kilograms. Aksana Miankova won the gold medal in the women’s hammer throw, after qualifying at the 11th spot.
Andrei Rybakou won the silver in the 85kg men’s weightlifting, Andrei Krauchanka got the decathlon silver, Natallia Mikhnevich received her shot put silver and Inna Zhukava was rhythmic gymnastics all-round runner up.

Bronze medals went to Nastassia Novikava (women’s weightlifting, 53kg), Katerina Karsten (single sculls), Natallia Gelakh and Yulia Bichyk (double sculls), Murad Gaidarov (men’s 74kg freestyle wrestling), Mikhail Siamionau (men’s Greco-Roman 66kg), Andrei Mikhnevich and Nadezhda Ostapchuk (both shot put), Olesya Babushkina, Anastasia Ivankova, Zinaida Lunina, Glafira Martinovich, Ksenia Sankovich, Alina Tumilovich (women’s group gymnastics).

Belarusian athletes were paid a total of U.S. $1.56 million in prize money.

Apart from global victories, there were splendid local achievements. Vasili Kiriyenka became the world champion in the points race and was the first Belarusian ever to win a Giro d’Italia stage. Another Belarusian cyclist Alexander Lisovski unexpectedly won the World Championships gold medal in the scratch race and omnium. Alexander Buikovich became the first Belarusian to win the sabre gold medal in European Fencing Championships.

Team sports shored up

Basketball, volleyball and handball used to stay in the shadow of football and hockey for years, despite the fact that these team sports once were a matter of national pride. They were “rediscovered” in 2008, and new attainments came almost immediately. The national men’s and women’s handball teams made it into the final phase of the European Championship. The national championship nurtured a new “superclub” – Dynamo Minsk, led by world-famous Andrei Parashchenko and Alexander Malinovski.

The women’s basketball team was the first Belarusian national team to qualify for the Olympics, where their sixth place was almost as good as the bronze of the European Championship that Yury Buyalski’s team had won earlier. The chairman of the Supreme Economic Court, Viktor Kamenkov, was appointed head of the Belarusian Basketball Association in late 2008.
Bondar and Zakharov

A few weeks before the Olympics the executive committee of the National Olympic Committee (NOC) stripped the popular sports weekly Pressball of its Beijing accreditation. The Belarusian officials accused the newspaper of “publishing materials insulting Olympic champions and damaging the business reputation of the NOC.” The truth is that Pressball reporters had uncovered serious tendering manipulations and a financial fraud committed by the staff of the sports and physical culture research institute headed by Alexander Bondar. The publication prompted the State Control Committee to carry out an official inspection of the research facility. Bondar was first dismissed and then arrested and indicted for abuse of authority, including misapplication of budget funds. According to Pressball reports, Bondar’s salary in April alone amounted to 22.7 million Belarusian rubles, about $10,500. His accomplice, the former head coach of the national biathlon teams Nikolai Zakharov, in May faced criminal charges for manipulating sports equipment procurement contracts (the investigation was conducted by the anti-corruption and economic crimes office of the interior department with Minsk City Administration). New inspections carried out a bit later revealed that Zakharov had embezzled 326 million Belarusian rubles, but, unlike Bondar, the former biathlon coach contrived to leave the country.

Cocktailed Shmolik

FIFA-listed referee Sergei Shmolik was a real treat for the lovers of public embarrassment (the “Drunk Referee” clips were among the top-viewed videos on Internet services). The thing is Shmolik officiated at a Belarus Premier League match between FC Vitebsk and FC Naftan under the influence. He was escorted off the pitch, ostensibly because of back pain, but a blood test later that day showed he was heavily drunk (with blood alcohol level of 2.6 per mil). As a result, the referee received a lifetime ban, and so did assistant referee Nikolai Metelski. The ban for the latter was later cut to five years.

Equestrian sport was marked by another embarrassing episode: a 400,000-euro horse was bought for Iryna Lis to ride during the Olympic equestrian tournament. The bay gelding Redford that was born in
the Grodno Region, sold to Russia and then to Austria, proved an un-
wise investment – Lis came 30th.

**Sports facilities grow in number**

Belarus continued building sports facilities (arenas) at an astonishing
pace. A new international track-and-field arena was built in Brest; Be-
larus’ first velodrome was unveiled in Minsk as part of the Minsk-Are-
na sports project, which envisages the construction of a versatile sports
hall with 15,000 seats and a covered skating rink. Bobruisk and Bereza
built new palaces of winter sports; and a new seven-court lawn tennis
center was inaugurated in Minsk’s Serebryanka sports and recreation
complex (it includes a tennis school with four more courts).

**Kostitsyn and Azarenko go places**

Belarusian 23-year-old professional ice hockey forward Andrei Kostit-
syn had an excellent NHL season in Montreal Canadiens, amassing 53
points in 78 games (26 goals and 27 assists) and beating Vladimir Tsy-
plakov’s record for Belarusian players in the NHL. Kostitsyn managed
eight points in 12 Stanley Cup games, enough to secure him a three-
year extension worth an annual salary of U.S. $3.25 million with the
Canadiens.

Andrei Kostitsyn and his younger brother Sergei (who also plays for
Montreal) represented Belarus at the 2008 World Championships, but
failed to help the team progress.

Belarusian tennis player Victoria Azarenka, 19, kept climbing up the
WTA Ranking, achieving her career high of number 15 in singles, up
from number 30 in 2007. She could have done better if it had not been
for injuries. She made it to WTA finals twice and played in semifinals
three times. Her first win came only in 2009, though.

In Belarusian men’s tennis, Vladimir Volchkov ended his career, and
after a series of losses Max Mirnyi decided to focus on doubles, losing
his top-seeded status to 18-year-old Vladimir Ignatik.

**Dynamo in KHL**

The Continental (or Kontinental) Hockey League (KHL) was presented
in 2008 and became a successor to the USSR Championship. HC Dina-
mo Minsk was among the few non-Russian teams to take part, but Head Coach Paul Gardner was faced with difficulties when manning his team. Gardner was soon dismissed for “failing to comply with regulations”, and Canadian Jim Hughes took over. First, the Belarusian team invited nine North American players, although the original plan was to use Dinamo as a framework for the national team. The slapdash team was losing one game after another, and in October Hughes was substituted for Russian specialist Vasili Spiridonov, who had a good track record of coaching Belarusian teams. The move brought a few more points, definite improvements in the game and a larger proportion of Belarusian players.
Belarusian Media: On the Road to Freedom

Janina Melnikova

Summary
The year 2008 was probably the most ambiguous one for Belarusian journalism ever. The massive campaign to intimidate journalists that was waged early in the year, showing an unprecedented scope and uncanny “teamwork”, and the return of the two most prominent independent newspapers of the country to official subscription catalogues and Belsoyuzpechat official retail network were two extremes that Belarusian independent journalism experienced. Between those two poles came the hasty adoption of the new Law on Mass Media and the parliamentary election.

However optimistic the end of the year might have sounded, the cardinal problems of Belarusian journalism remained unresolved. The government maintained its monopoly over most printed and electronic media, as well as publishing and distribution services. The state media were financed from the central and local budgets as essential instruments promoting state ideology.

Belarusian media regulations still provide for criminal and administrative liability for defamation. The most recent version of the Law on Mass Media falls short of European or international standards.

The Principal Ideas:
- a few legal acts, including the Law on Mass Media, were passed, introducing more stringent rules of the game and tightening the legal framework for the media;
- independent journalists and media were being put under a lot of pressure throughout the year;
- relations between the state and media thawed slightly in autumn; the first indication being the return of two newspapers to the official press circuit, however, the legal platform for the regulation and distribution of media remained unchanged.
Crackdown on independent mass media

Early 2008 was marked by several sensational proceedings against journalists. Right after the New Year holidays, on January 18, Alexander Sdvizhkov, former deputy editor-in-chief of independent weekly Zgoda which was forced to close down, stood his own trial. The journalist was accused of inciting religious hatred (part 2 of section 130 of the criminal code), and was sentenced to three years of imprisonment after the newspaper reprinted the notorious Danish drawings of the Prophet Muhammad. The Supreme Court reduced the term of imprisonment to three months after the convict appealed on question of law.

The breathing period that followed in the media sector was disturbed on March 25 during the traditional procession of the Day of Freedom. Dispersals of the opposition’s massive demonstrations have never been safe for representatives of the mass media. Journalists’ IDs, badges, and equipment that they were holding in their hands were more likely acting as a red rag on law enforcers. Two journalists of Nasha Niva daily, press photographer Andrei Lenkevich and reporter Semion Pechenko were unlucky that day. The footage showing bloodstained Lenkevich was aired by many news agencies.

Pechenko was sentenced to 15 days of administrative arrest for participation in the non-authorized rally. The court ignored testimony of the Nasha Niva editor, who said the journalist was there on the newspaper’s assignment. Charges against Lenkevich were dropped.

The authorities obviously cut it too fat trying to hush up the brutal dispersion of the peaceful demonstration in the capital of Belarus. On the same day, March 25, a group of journalists of the Lithuanian national radio and TV was detained, videotapes were confiscated, and the camcorder was damaged. Besides, many foreign journalists, who witnessed the action that day, could not send the footage via the retransmitter of Myr Broadcasting Company “for technical reasons”.

To all seeming, on the next day, the authorities realized what they did. Since there is no rewind option, another solution was needed, a newsbreak that would take the shine out of the incident, and, at the same time, would show Belarusian journalists, who cooperate with foreign media – and therefore labeled as “slanderers” – who the boss is.
On early March 27, 2008, the KGB set loose by the Attorney’s Office conducted unprecedented large-scale searches in offices of independent radio stations and TV channels almost simultaneously all over Belarus. In some regions searches were continued on March 28. KGB officers rummaged 13 apartments and four offices from top to bottom. They confiscated equipment, documents, and books of journalists and even members of their families.

The Attorney’s Office informed that the criminal case on libel against the president, namely the satirical cartoons published on the Internet in 2005, which allegedly tarnished the president’s reputation, was the official cause of the law enforcers’ action. Nothing was said however what journalists, radio and TV reporters had to do with the notorious escapade. Nobody explained why the journalists – mere witnesses as a matter of fact – were subject to the searches.

Representative of the Foreign Ministry Maria Vanshina dotted her “i”s saying the security agencies took actions against persons who cooperated with foreign media without accreditation. In such a way, the Belarusian authorities unequivocally confirmed reprisals against independent journalists.

**More than law**

June 2008 was the next milestone in the Belarusian independent media sector: during the last days of the parliament’s authority, the House of Representatives of the National Assembly gave journalists a farewell gift by passing a new mass media law.

Although the journalistic community had little or no time to respond to the news about the first reading, some odious provisions were withdrawn from the final formulation of the law. It happened in many respects owing to recommendations worked out by lawyers of the NGO Belarusian Association of Journalists and OSCE Representative on Freedom of the Media Miklos Haraszti.

However, many provisions remained untouched regardless of the negative attitude of Belarusian and international experts. As a result, the new “statute” effective since February 8, 2009 entitles government agencies to close periodicals at any level for violation of any section of the law. Besides, the law stipulates re-registration of all periodicals, issuing of
unified journalists’ certificates, and an opportunity to regulate activities of the Internet mass media with the use of government’s by-laws.

The Internet control issue stirred up the most heated disputes among journalists. The Belarusian Internet community still enjoys relative freedom while the press remains under pressure. Many periodicals which were closed and forced to close, exist in web versions. Internet users, their number constantly growing, as the Belarusian telecommunications monopolist Beltelecom reports, have got accustomed to receive the most updated information about notable events from independent Internet resources.

The authorities’ attempts to block the most popular news sites during opposition actions were effective at first until moderators and users learned to circumvent the obstacles. And then it was time for the law, which was supposed to take the place of merely technological tools of combating unwanted news resources. The authorities had been speaking about stricter control over the Internet for a long time.

A special interdepartmental group was formed to study the relevant international experience. The proclaimed objective was predictable enough: care for morality and struggle against child pornography, human trafficking through dating websites, and, of course, global terrorism, rather than fencing off undesirable information sources.

It was initially planned that the legal framework of Internet regulation will be provided by the law on information, informatization and protection of information, but then the mission was entrusted to developers of the law on the mass media. Although the latter neither contains a precise definition of the Internet mass media, nor a mechanism of registration of news websites, it raises serious concern of lawyers and the journalistic community, mainly because it gives the Council of Ministers charge over Internet regulation.

Lawyers of the Belarusian Association of Journalists say the new law on the mass media restrains the mass media’s operation conditions, but all will depend on its application practice.

In 2008, the Belarusian authorities adopted several regulatory legal acts, which have direct or indirect impact on development of the national mass media. For instance, on July 15 2008, the law on government services in the Republic of Belarus was supplemented with para-
graph 22-1, which says that public officers must coordinate publications and statements connected with execution of office with the state agency they work for.

The law on information, informatization and protection of information passed on November 10, 2008 does not directly cover the mass media, but restrains the civil right to receive and distribute information, and gives opportunities to restrict and monitor distribution of information through information networks.

Presidential decree № 70 of February 8, 2008 limits the very access to journalist status. Enrollees for the university departments of journalism and international journalism have to pass interviews. College admission offices make decisions based on vocational and psychological profiles.

The authorities have emphasized many times that the journalist trade in Belarus is more than just a trade, “the mass media are a vehicle of propaganda and ideology”, and the press is “the major mechanism of actualization of the state ideology.” For this reason the government’s approach to the freedom of speech had always been uncompromising till autumn 2008.

Thaw

Changes in the media sector of Belarus occurred in autumn. The policy of liberalization that the Belarusian authorities announced after the parliamentary elections of October 2008 affected the Belarusian news media in the first place. Wishing to express willingness to maintain a dialogue with the West, the authorities made several quite demonstrative steps apparently supposed to signal the intention to meet the 12 requirements of the European Union.

The return of newspapers Narodnaya Volya (Will of the People) and Nasha Niva (Our Field of Grain) to the state system of distribution (postal service Belpochta and kiosk network Belsoyuzpechat) was one of the most positive events of late 2008 in the field of the mass media. Narodnaya Volya obtained a permit to print its issues in Belarus. For several years Belarusian printing houses had refused to deal with the newspaper, which therefore had to be printed in Smolensk (Russia). At the end of the year, Narodnaya Volya was offered the facilities of Minsk Printing House.
However, 10 more independent regional periodicals were not included in the subscription catalogue of *Belpochta* and were kept away from Belsoyuzpechat news stalls. Over three years starting in 2005, they had to limit their circulations and incurred losses by delivering copies to subscribers at their own expense.

Some newspapers are still printed outside Belarus, in the Smolensk region of Russia (*Tovarishch (Comrade), Vitebski Kourier M (Vitebsk Courier M)*). The contract on printing of *Borisovskie Novosti (Borisov News)* newspaper was unilaterally terminated on the New Year’s eve. The publisher of the newspaper, which was thrown out from the state distribution network, was stripped of the retail trade license.

At the same time, the loyal media, which dominate the press landscape, enjoyed all possible preferences. Subscription to most government periodicals was obligatory for workers of state-controlled enterprises and public agencies; the state and local budgets allocated considerable funds to support them, in particular U.S. $74 million were provided by public funds in 2008, which is U.S. $10 million more than a year before.

The government attempted to make some semblance of a dialogue with independent journalists in the country to please the West. President of the NGO Belarusian Association of Journalists Janna Litvina was invited to participate in the public coordination council on the mass media, which had not held a single session till the end of 2008.

Experts of the Belarusian Association of Journalists believe even the most positive steps of the Belarusian government in late 2008 can be regarded as changes only in part. As a matter of fact, the admittance of periodicals to the state system of distribution, and sending back the equipment confiscated from journalists in March was only a hark back, rather than a valiant effort to secure freedom of speech in Belarus.

Besides, alongside with certain positive steps, the authorities hunted down previously uncensored information using the law on counteraction to extremism.

Copies of some books and unregistered newspapers, records of films and concerts were destroyed on the initiative of the KGB for having extremist content. In September, videotapes of the “Solidarity with Belarus” Concert of 2006, the Polish documentary *Lekcja Białoruskiego (“A Lesson of Belarusian”)* – winner of international film festivals – cop-
ies of the unregistered newspaper Svaboda (“Freedom”), etc., were recognized extremist. Courts of cassation later cancelled the decisions for procedural reasons.

Later on, the court of the Oktyabrsky district of Grodno shelved other requests of the regional KGB, which gave no peace to the newspaper of Belarusian Poles Glos znad Niemna na uchodzstwie (“Voice From Over the Neman in Emigration”) Analytical Review “Violations of Human Rights in Belarus in 2004”, etc.

Nevertheless, in November 2008, the Brest regional KGB “revealed” calls for extremist activity and extremist propaganda in numbers 7 and 8 of ARCHE-Pachatak magazine (the only Belarusian periodical invited to Eurozine, European cultural journal network) and took legal action to destroy the copies. It was the first case when the KGB tried to brand materials of a properly registered periodical as extremist.

At the same time, in spite of such inconsistency of the Belarusian government in the field of freedom of speech, the end of year was quite encouraging for the democratic community of Belarus. On December 20, 2008, Belsat TV channel – made by Belarusians for Belarusians – applied to the Belarusian Foreign Ministry for permission to open a country office. The ministry said it would take two months to make a decision at the level of the Council of Ministers in accordance with the established procedure.

Over the entire year, the authorities were stonewalling the channel. The notorious searches conducted by the KGB on March 27–28 hit many journalists working with Belsat. Local administrations dismantled satellite dishes “to keep buildings’ facades neat”.

Registration of the Belsat office would be one of the main indicators of the Belarusian authorities’ readiness for democratic changes.

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Equal economic conditions for periodicals of different patterns of ownership, real access to information (abolition of some sections of the law on public service, free accreditation of journalists, and opening of foreign media offices), and also bringing the Belarusian legislation in line with international standards would serve as criteria of improvement of the situation.
The legislation of Belarus should be tailored to impose a moratorium on some sections of the criminal code, which stipulate prosecution of journalists for criticising the president, public officials, and discrediting Belarus, and then to abolish them altogether.

The probability of settling the press freedom crisis in many respects depends on negotiations between Belarus and the West, which both parties have sought due to the global financial crisis.

*This article uses information from the monitoring team of the Belarusian Association of Journalists, resolutions of the conference on democratization of the mass media in Belarus (June 6-7, 2008, Warsaw), the conference “Civil Accord and the Mass Media in Belarus Before the Parliamentary Elections of 2008” (July 23, 2008, Vilnius).*
Evolution of the Internet

Pavlyuk Bykowski

Summary
There are no reliable data on the number of Internet users in Belarus, but we could be talking about 30%. The access fee remains much higher than in neighboring countries. The number of broadband subscribers in the country stood at 250,000 as of late 2008 (clients of all Internet providers), or around 9% of all Internet users in Belarus and 3% of Belarusians aged over 15. Republican Unitary Enterprise (RUP) BELTELECOM sees the number of broadband subscriptions treble in 2009, and the Communication and IT Ministry expects it to grow fivefold in 2009-2010. In 2008 alone, the figure increased 640%. One should expect the number of Internet users to keep growing as the range of solutions to access the global network expands, the key ones being Wi-Fi-based services and mobile Internet.

The four Belarusian sites with most hits — Komsomolskaya Pravda in Belarus, Pressball, Charter’97 and Belorusski Partizan — are responsible for about a half of the whole Internet audience. Business concepts of Belarusian media projects constitute a trade secret and are not disclosed.

The Principal Ideas:
• despite very high Internet connection fees, the Belarusian Internet audience is growing fast;
• most Belarusian Internet users surf the net to chat with friends or meet new ones;
• the four most popular web resources (Komsomolskaya Pravda in Belarus, Pressball, Charter’97 and Belorusski Partizan) account for a half of all users visiting media sites;
• BELTELECOM will monopolize international traffic transfer for long.
Network sociology

Since there is no accurate information about the exact number of Internet connections, it is close to impossible to give the precise number of corporate, private and individual users or provide a connection rate breakdown. Social studies only offer general data, which might differ greatly from one service to another.

The International Telecommunication Union (ITU) estimates Internet penetration rate in Belarus at 61.9%, which most local experts call a mistake. FactumBel social studies agency in August 2008 held a nationwide questionnaire for Gemius, which specializes in CEE Internet audience studies. FactumBel interviewed 1,484 Belarusians aged 15 to 74 and reported Belarusian Internet penetration rate at 28.17%, or about 2.724 million users.\(^1\) Other services report the same proportion, with slight differences within reasonable errors.

The Communication and IT Ministry of Belarus offers similar data: some 2.8 million Belarusians have access to the global network (of 9.671 million inhabitants, or 8.29 million Belarusians aged over 15).\(^2\)

For a more accurate figure let’s compare the ministry’s statistics with other data, provided by popular search engines. Some 700,000–800,000 Belarusians make inquiries on www.yandex.ru, one of Russia’s most popular portals, so the gap between the 2.8 million potential users and those who actually use the Internet on a regular basis is huge.

According to Director of Novak axiometrical research laboratory Andrei Vardomatski, PhD in sociology, “younger people are much more efficient users than the rest of the audience... Belarusians aged between 15 and 29 use the global net at least twice as much as the average for the country”.\(^3\)

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Some 33% of all respondents said they were using the Internet, whereas teenagers and young adults seem almost twice as active, reporting 63%. In Vardomatski’s words, the Belarusian Internet audience has been growing around 10% annually over the past few years.

Belarus’ Akavita hit counter (http://www.akavita.com/) calls those who access the Internet less than four times a month the dominating group of users in Belarus, with a proportion of 54%. What can one do in the Internet once in, say, ten days? Sociologists claim they must be checking their mailboxes. Those surfing the net four times a month or more, branded “consistent users,” make up 17% of the pie, while “active users” who use the Internet three times a week or more make up 29% of the total.

The “active users” part shows a steady upward tendency: in October 2008, Gemius ordered another study from FactumBel, which circulated an offline questionnaire, asking 1,504 Belarusians, aged 15–74, about their Internet experience. The study showed that 44% of all users accessed the net only to check their mail, while 23% downloaded music, 10% updated blogs and took part in forum discussions, 6% watched videos, 4% used online banking services, and 6% did not use the Internet at all, although they had access to the net.

In his tibo’2008 presentation4, Communication and IT Minister Nikolai Pantelei reported the number of broadband subscriptions (as opposed to dial-up access) at 70,760 as of January 1, 2008. Broadband users are enabled to listen to radio, watch television and use a wide range of multimedia services. Dial-up users (typically using a 56k modem) have no such privileges.

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The number of broadband subscriptions is growing at an impressive pace, according to Deputy General Director of Beltelecom Sergei Sivodedov. He said the figure increased “to 65,000 users as of April 1, 2008 from 12,000 users as of the same date in the previous year, or 5.4 times”. All providers taken together, the number of broadband subscribers in Belarus totaled 250,000 users in late 2008, about 9% of Belarusian Internet users and 3% of Belarusians aged over 15.

When it comes to the share of key broadband operators, Beltelecom is dominating the market, whereas other providers, few in number, may go into competition with the state-run leader only in Minsk. As for the regions, Beltelecom remains the absolute monopoly everywhere except for the Grodno, Gomel, and partially Mogilev Regions.

The August 2008 nationwide FactumBel study made exclusively for Gemius (1,484 Belarusians aged 15 to 74) indicated that 44.7% of Belarusian Internet users, or around 1.218 million inhabitants, live in Minsk, which means the capital city had reached an estimated average 66.6% penetration rate by last August.

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Society

Users by regions, per cent

- Minsk 44.7%
- Gomel 17.5%
- Vitebsk 15.1%
- Brest 11.5%
- Mogilev 6%
- Grodno 5.3%

Statistics provided by GEMUIS

Sergei Sivodedov, Beltelecom deputy general director for technical issues, announced at the Business Internet conference last year that the country’s external gateway had reached a new record high capacity of 5.2 Gbps, with a network backbone that, according to General Director of Nadezhnye Sistemy Yury Zisser (the founding father of TUT.BY), has a capacity of 10 Gbps.⁶

In December 2008, Beltelecom further expanded the network capacity of the country’s international Internet gateway in the European direction to 2 Gbps. Minister Nikolai Pantelei attributed frequent network delays of western servers to the growing number of data transfer subscribers and users’ keen interest in gaming content, provided from foreign servers located beyond the Russian-speaking space.⁷

Prior to the upgrade, the capacity of the Internet gateway on the Russian border was at 4 Gbps, and on the European border, only 1.2 Gbps.

Under Belarusian law on telecommunications, the national operator Beltelecom still holds the exclusive right to transfer international traf-

fic and connect to telecom networks of other countries, as well as pro-
vide internet work communications between domestic mobile carriers.

The Communication and IT Ministry prepared a package of amend-
ments to the law on telecommunications to spare operators the need to
interconnect via Beltelecom networks; the changes reached the lower
house of parliament in early summer of 2008. Both chambers endorsed
the proposals of the ministry and sent the bill to the president, who dis-
missed them and sent back for revision. MPs naturally agreed with the
president and removed the bill to amend the law on telecommunications
from their agenda.8 Specialists believe easy interconnect bypassing Belt-	elecom would enable telecom operators to cut their rates.

How much per megabyte?

There is no definite answer: providers charge per megabyte of traffic de-
pending on the rate plan and time of the day. Unlimited traffic rates are much
easier to count, although they appear too expensive for Belarusians. There
are some quite popular price plans, though. Below is a comparison.

<table>
<thead>
<tr>
<th>Provider</th>
<th>Tariff plan</th>
<th>Fee, per month</th>
<th>Traffic rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlant-telecom</td>
<td>HIT (unlimited traffic, evening-night,</td>
<td>Br54,500</td>
<td>320/256 kbps</td>
</tr>
<tr>
<td></td>
<td>18.00 till 9.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Byfly (Beltelecom)</td>
<td>Domosed (unlimited traffic, 24/7)</td>
<td>Br60,000</td>
<td>up to 128 kbps</td>
</tr>
<tr>
<td>Byfly (Beltelecom)</td>
<td>Domosed (unlimited traffic, 24/7)</td>
<td>Br120,000</td>
<td>up to 256 kbps</td>
</tr>
<tr>
<td>Byfly (Beltelecom)</td>
<td>EVENING (unlimited traffic, evening,</td>
<td>Br37,000</td>
<td>128/32 kbps</td>
</tr>
<tr>
<td></td>
<td>19.00 till 23.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delovaya Syet (Business Network)</td>
<td>SML night (unlimited traffic, evening-night,</td>
<td>Br62,000</td>
<td>320 kbps</td>
</tr>
<tr>
<td></td>
<td>18.00 till 9.00)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

An individual will pay around U.S. $400 a month per 1 Mbps unlim-
ited traffic ADSL connection, and privately-owned Internet providers
will get the same package for a monthly fee of U.S. $1,243. Belarusian
Internet providers do not divulge their ARPU, as it is commercial secret.
ARPU is estimated between U.S. $30 and U.S. $50 a month.

Most popular Internet resources in Belarus

Alexa.com’s TOP Sites Belarus (http://www.alexa.com/site/ds/top_sites?cc=BY&ts_mode=country&lang=none) places social networks Vkontakte.ru and Odnoklassniki.ru on the second and fifth spots of Belarus’ rankings, respectively. Mail.ru is № 1, followed by TUT.BY and Yandex (which rank third and fourth) – these three are popular mail services with a huge array of additional capabilities. TUT.BY is a versatile web portal with a news reader.

Akavita’s Top-10 (http://top.akavita.com/All/) includes a few Nadezhnye Sistemy products (which operates under the TUT.BY brand). It is the best-known and most promoted advertising place in the Belarusian Internet. TUT.BY incorporates a variety of services, including electronic mail, forums, blogs, and news). Belorusskie Novosti (http://naviny.by) is published by the privately-owned news service BelaPAN. The public organization Charter ‘97 offers its own information and propaganda web resource http://www.charter97.org/.

Content

TUT.BY news columns aggregate news reports using information content from news agencies BelTA, BelaPAN, Interfax-Zapad and websites of other media. TUT.BY’s exclusive reports include surveys and overviews, as well as Nadezhnye Sistemy product info updates.

Belorusskie Novosti makes use of BelaPAN content, offers exclusive reports and compiles news reports posted by other services and web portals. Charter ‘97 picks news reports from everywhere, but processes them before posting in order to criticize the existing regime or strengthen its own information campaigns.

Business concepts of Belarusian media projects constitute commercial secret.

Try opening the Mass Media and News section on Akavita web counter http://top.akavita.com/Mass_Media_and_News/: the top-30 is formed by professional Internet media, Internet versions of national and regional media, politically motivated and nonpolitical Internet resources. On November 20, 2008, Akavita’s top-rated media site was Komsomolskaya Pravda in Belarus.
## Akivita Mass Media and News website rankings, November 20, 2008, 18:42

<table>
<thead>
<tr>
<th>Name</th>
<th>All Visitors</th>
<th>Belarusian Visitors</th>
<th>Page Views</th>
<th>Frequent Visitors</th>
<th>Active Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Komsomolskaya Pravda in Belarus</td>
<td>13,046</td>
<td>7,878 (60%)</td>
<td>90,536</td>
<td>14,695</td>
<td>7,724</td>
</tr>
<tr>
<td>Pressball 97</td>
<td>8,884</td>
<td>6,780 (76%)</td>
<td>81,116</td>
<td>17,604</td>
<td>9,334</td>
</tr>
<tr>
<td>Charter'97</td>
<td>9,297</td>
<td>6,445 (69%)</td>
<td>66,486</td>
<td>14,687</td>
<td>8,620</td>
</tr>
<tr>
<td>Belorusski Partizan</td>
<td>6,489</td>
<td>5,453 (84%)</td>
<td>49,216</td>
<td>11,456</td>
<td>6,641</td>
</tr>
<tr>
<td>AFN</td>
<td>5,944</td>
<td>5,049 (84%)</td>
<td>25,184</td>
<td>8,827</td>
<td>4,768</td>
</tr>
<tr>
<td>Belorusskie Novosti</td>
<td>6,774</td>
<td>4,069 (60%)</td>
<td>19,351</td>
<td>8,819</td>
<td>3,948</td>
</tr>
<tr>
<td>BELTA</td>
<td>3,443</td>
<td>1,934 (56%)</td>
<td>10,687</td>
<td>3,412</td>
<td>1,364</td>
</tr>
<tr>
<td>Glavny Buhgalter</td>
<td>2,090</td>
<td>1,524 (72%)</td>
<td>8,666</td>
<td>1,258</td>
<td>411</td>
</tr>
<tr>
<td>Salidarnast'</td>
<td>1,961</td>
<td>1,480 (75%)</td>
<td>10,169</td>
<td>2,749</td>
<td>1,604</td>
</tr>
<tr>
<td>Sovetskaya Belorussia</td>
<td>2,242</td>
<td>1,309 (58%)</td>
<td>6,837</td>
<td>1,981</td>
<td>818</td>
</tr>
<tr>
<td>Nasha Niva</td>
<td>1,791</td>
<td>1,198 (66%)</td>
<td>8,634</td>
<td>3,531</td>
<td>1,761</td>
</tr>
<tr>
<td>Radio Svaboda</td>
<td>1,659</td>
<td>1,034 (62%)</td>
<td>7,310</td>
<td>3,441</td>
<td>1,632</td>
</tr>
<tr>
<td>BelGazeta</td>
<td>1,683</td>
<td>955 (56%)</td>
<td>4,546</td>
<td>904</td>
<td>242</td>
</tr>
<tr>
<td>Narodnaya Volya</td>
<td>1,032</td>
<td>792 (76%)</td>
<td>2,950</td>
<td>972</td>
<td>407</td>
</tr>
<tr>
<td>BGD Online</td>
<td>919</td>
<td>592 (64%)</td>
<td>3,084</td>
<td>1,795</td>
<td>882</td>
</tr>
<tr>
<td>Respublika</td>
<td>795</td>
<td>561 (70%)</td>
<td>2,284</td>
<td>378</td>
<td>191</td>
</tr>
<tr>
<td>Turizm i otdyih</td>
<td>908</td>
<td>553 (60%)</td>
<td>3,587</td>
<td>347</td>
<td>98</td>
</tr>
<tr>
<td>Vecherni Minsk</td>
<td>1,220</td>
<td>543 (44%)</td>
<td>2,147</td>
<td>535</td>
<td>222</td>
</tr>
<tr>
<td>BelPAN</td>
<td>737</td>
<td>506 (68%)</td>
<td>3,108</td>
<td>680</td>
<td>349</td>
</tr>
<tr>
<td>NewsBY.Org news section</td>
<td>1,081</td>
<td>478 (44%)</td>
<td>1,885</td>
<td>303</td>
<td>117</td>
</tr>
<tr>
<td>ITV.BY</td>
<td>453</td>
<td>431 (95%)</td>
<td>1,269</td>
<td>830</td>
<td>376</td>
</tr>
<tr>
<td>Minsk Geometria</td>
<td>502</td>
<td>428 (85%)</td>
<td>8,880</td>
<td>1,557</td>
<td>472</td>
</tr>
<tr>
<td>Nashe Mneniye</td>
<td>666</td>
<td>410 (61%)</td>
<td>1,133</td>
<td>492</td>
<td>206</td>
</tr>
<tr>
<td>Belorusy i rynok</td>
<td>518</td>
<td>405 (78%)</td>
<td>1,430</td>
<td>487</td>
<td>127</td>
</tr>
<tr>
<td>European Radio for Belarus</td>
<td>492</td>
<td>316 (64%)</td>
<td>1,655</td>
<td>714</td>
<td>344</td>
</tr>
<tr>
<td>Television of Belarus TUT</td>
<td>535</td>
<td>278 (51%)</td>
<td>1,062</td>
<td>964</td>
<td>362</td>
</tr>
<tr>
<td>We (Internet newspaper)</td>
<td>313</td>
<td>267 (85%)</td>
<td>1,241</td>
<td>308</td>
<td>137</td>
</tr>
<tr>
<td>Express novosti</td>
<td>400</td>
<td>229 (57%)</td>
<td>687</td>
<td>115</td>
<td>29</td>
</tr>
<tr>
<td>Vecherni Brest</td>
<td>311</td>
<td>208 (66%)</td>
<td>1,215</td>
<td>375</td>
<td>119</td>
</tr>
<tr>
<td>Infobaza.by</td>
<td>344</td>
<td>200 (58%)</td>
<td>821</td>
<td>129</td>
<td>48</td>
</tr>
</tbody>
</table>

Only 12 Internet projects in the top-30 have no offline versions. The top 30 websites had 76,000 visitors in one day; “purely” Internet projects had 34,000. Of all state-controlled Internet projects only the website of BELTA news agency has a more or less decent ranking and stands close to the most popular resources. The four most popular web resources (Kom-
somolskaya Pravda in Belarus, Pressball, Charter’97 and Belorusski Partizan) are responsible for about a half of all visitors.

Forecast

RUP Beltelecom in 2009 hopes to increase the broadband subscriber base 110% over the 2008 level to 400,000 subscriptions. The Communication and IT Ministry hopes the number of broadband users will quintuple to 500,000 subscribers by 2010.

The state radio frequencies commission with the Security Council of Belarus has decided that all providers licensed to sell data transfer services will be enabled to provide Wi-Fi-based services. At the present time only Beltelecom offers Wi-Fi services on a commercial basis (2400 MHz, launched in July 2008). Beltelecom has around 210 hot spots around Belarus, of them 130 in Minsk.

The state commission for radio frequencies allocates a 2400–2483.5 MHz band for wireless broadband access facilities with radiated power limited to 100 mW. Deployment of facilities of this kind inside buildings and constructions does not require special authorizations. The decision of the commission will be effective until December 31, 2013.

Data transfer licenses have been taken out by three dozen companies so far, including Internet providers – around 30 of them – and mobile operators COOO MTS, JV Velcom, ZAO BeST and OOO BelCel.

Beltelecom on October 1, 2008 launched pre-WiMAX Motorola Canopy solution in the test mode, enabling its clients to use high-speed broadband telecom services in the 5.6 GHz band.

Gemius Belarus program manager Mikhail Doroshevich believes the number of Internet users will keep growing in 2009, whereas mobile Internet solutions will become a real highlight. As far as the content is concerned, Doroshevich believes some new projects will appear offering content compatible with mobile operators’ services and offline facilities, thus increasing interactivity.

Footnotes:

9 Belarus to Enable All Providers Licensed to Sell Data Transfer Services to Offer Wi-Fi-based Services – Telecom Ministry // Prime-Tass, 01.09.2009.
Local projects will also continue. The dominating role of TUT.BY will remain, but runners-up will get closer to the leader, Doroshevich warns. The key trends for this year, according to him, are the fall in Internet fees in Minsk and the regions, rise in numbers of active users, and further development of mobile Internet and local national projects.
Expert Networks

Anatoly Pankovsky

Summary
Belarusian expert communities seem to be working out of sync with society as a whole: the year 2008, which saw an acute crisis in Belarus and the entire region, cannot be called a prolific period for Belarusian expert networks, but it certainly featured landmark decisions on the future of expert communities and ways out of the crisis (or stalemate) they had experienced in the past few years. The peak of the crisis for Belarusian intellectuals and experts was observed in 2004 and 2005, when the authorities closed down the few experts organizations operating in Belarus – the Center for Constitutionalism and Comparative Legal Studies, International Institute for Political Studies, Independent Institute of Socio-Economic and Political Studies, NGO Social Technologies, and finally the European Humanities University, which sponsored a few research centers. The research and education centers were later relocated (mostly to Lithuania), whereas the Belarusian Institute for Strategic Studies, founded in 2006, was originally registered abroad. In 2008, Belarusian expert communities intensified their activity (this includes provision of regular intellectual products), thus paving the way for the development of the Belarusian expert network.

The Principal Ideas:

- expert products began to be provided on a regular basis under the auspices of the Belarusian Institute for Strategic Studies (BISS);
- expert intercommunication is stepped up;
- a general trend is observed towards accumulation of specialist capital amidst growing problems with demand for the products offered by experts.

“Initial state” and positive differentiations
The movement towards accumulation of expert competence was one of the key tendencies of 2008, which can be regarded as positive referring
to expert networks of Belarus, because it serves to surmounting the major problem of civil society, namely its heteronomy and fragmentation caused by weak interconnections. In the ultimate yield aspect, heteronomy and fragmentation of Belarusian expertise as the basic factors of an “initial condition” make it possible to speak about regressive expertise caused by inertia of existing institutions or their absence.¹

Heteronomy – as opposed to autonomy – is an indicator of a lack of “internal” rules of interaction between experts, absence of internal regulation, laws of the expert field. It means that rates, assets, and rules effective in expert activity, are mostly not internal, but adopted. To some extent, it is a consequence of the short “accumulative” history of this segment, and is partly a direct consequence of the government’s efforts aimed at purging the third sector, which is particularly obvious taking into account the closing of most of independent research institutions. As a result, a considerable part of the expert community has to orbit around educational institutions, including state-controlled ones, the mass media, or political parties, i.e. institutions, which follow their own rules and therefore deprive experts of their autonomy.

Fragmentation means absence or weakness of interconnection between experts, fragments of expert networks, research centers, etc. that in the long run manifests itself in a group of isolated discourses not connected with each other and not referring to each other. As a result, independent experts rarely use each other’s products, which undermines the quality of expertise in Belarus to a high degree.

In the most general sense, regressive expertise can be observed in the situation when expertise or an expert community is declining and almost ceases to exist, i.e. there are few eligible intellectuals, political writers and moralists, who prefer to speak about a “political regime” in general, or about a “situation” in general, taking little care about arguments related to specificity of issues whether they be national, regional, or universal, which frequently causes those problems.

The year 2008 may be regarded as critical as far as overcoming or minimization of regressive expertise effects is concerned. Firstly, the

expert community saw a certain internal differentiation, and, secondly, self-determination in relation to other communities.

Internal differentiation means differentiation of expert competences and, accordingly, distribution of areas (segments of knowledge) where these competences apply. This is a result of collective understanding that the society and public policy are quite sophisticated matters, that adequate knowledge frequently eludes general intuitions and brilliant metaphors, and that social objects have a complex structure. Still, fully apprehending them is only possible through intensive communication between experts in various areas. This means that their interdisciplinary character is only attainable through preliminary disciplinary differentiation and accumulation of expertise.

Self-determination is a task achieved in the course of expert communication in 2008, which still remains relevant, i.e. self-determination of experts in their capacity of experts can take place through separation from political, journalistic, and teacher communities, and also from bureaucrats, who often take on expert functions.

Below we shall specify events and processes, which in our opinion are significant in terms of the two specified tendencies of differentiation, overlapping of which is equivalent to creating an independent expert platform.

**Core activities**

Two points should be emphasized. The first one is connected with the emergence of a young generation in the sphere of broad expert publicity no matter how narrow it actually is; a generation of young or relatively young researchers, political scientists, economists, and sociologists, in particular Andrei Kazakevich, Denis Melyantsov, Alexei Pikušik, Dmitry Kruk, Kiril Gaiduk, and Nikolai Katsuk. The second point concerns the increased activity of the Belarusian Institute for Strategic Studies founded in 2006 and headed by Vitaly Silitsky, who was elected executive director in 2007.

In 2007, BISS focused on organizational efforts, while in 2008 the institute started output of intellectual products. These products, alongside with reports about conferences, were basically presented in three main forms: (i) records of expert panels and round table sessions conducted by BISS
The second basic component of BISS’ activity is organization and implementation of large-scale research programs. Three out of five scheduled programs had been launched by early 2009: (i) social contracts survey (the Belarusian political regime as a result of a certain system of social contracts); (ii) ruling elite survey (a database of the ruling class is supposed to be compiled at the first stage); (iii) problems and prospects of privatization of the energy sector. The research has the following basic aspects: firstly, these programs are a kind of a collective action, i.e. it is taken by a number of people, which in its turn provides for an intensive negotiation process with allocation of functions; secondly, the programs are interdisciplinary, as they involve experts in various knowledge areas, which naturally assumes achievement of at least a baseline research agreement on some questions, in particular on reference terms of analysis and methodology of research. So, for instance, economists (Institute for Privatization and Management Research Center) and sociologists (Novak Laboratory) take part in the social contracts survey; at the preparation stage, the topic of social contracts was focused at one of the round table sessions of the project entitled “Dialogue of Expert Communities” (see below for details). Finally, the organizational form of BISS research programs itself presupposes specialist differentiation of participants and subsequent outlining of a crucially new thematic and domain-specific bloc that had been almost unfeasible earlier in the

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2 Three institutions, namely the Institute for Privatization and Management Research Center (economic policy), Independent Institute Of Socio-Economic and Political Studies, and Novak Axiometrical Research Laboratory (mainly public opinion research) were engaged in regular monitoring and analysis for the most part until 2008.

context of mostly isolated intellectual circles. Therefore, among other things, the mentioned programs actualize the problem of regular expert communications aimed at overcoming group, disciplinary, and political barriers, which have been fettering Belarusian expert networks so far.

The research project called “Social Transformations in the Border Region – Belarus, Ukraine, Moldova” implemented under the aegis of the European Humanitarian University and supported by Carnegie Corporation (New York) was one more significant result of research efforts. This project included a series of thematic seminars started in 2006, which were dedicated to the publicity area issue. The collection of scientific papers entitled “Post-Soviet Publicity: Belarus, Ukraine” was presented on December 1, 2008. This work is valuable because of its (i) international dimension owing to involvement of Belarusian and Ukrainian authors, which made it possible to draw a certain comparison between different contexts of publicity, (ii) expert dimension as an approach to thematic segmentation, since the book presents various aspects of publicity in the post-Soviet context, including the public domain in the structure and inter-temporal changes of post-Soviet societies, publicity and politics, mediatization of the public domain (mass media, the Internet), political implications of art publicity, etc. Vladimir Furs, coordinator of the project, says, “The book turned out to be more heterogeneous than we wanted it to be, because, firstly, there are quite a lot of aspects of publicity, and many of them were not considered in the book. Therefore, the book is rather aggregative. Secondly, consideration of publicity issues refers to other topics beyond the framework of this book. What’s done is done. And I, as the book editor, have nothing to be ashamed of. I believe appearance of the book was a notable event. We at least analyzed some aspects of our social life”.

Communications and an imaginary community

At least three programs compete for implementation as platforms of regular expert communication.

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On August 11–12, 2008, Kiev hosted the 2nd International Conference of BISS called “Belarus: Shaping the Space for Change”. Participants continued discussions on a group of questions stipulated during the 1st conference held on August 10–11, 2007. One burning question: is an authoritarian regime capable of internal transformation, and, if yes, can such a transformation entail essential political changes? On the one hand, the conference is of interest because of rather extensive representation of the Belarusian expert community – in particular, there was a quite detailed map of judgments concerning the outlined series of questions – and, on the other hand, because of participation of foreign experts, politicians and representatives of European organizations engaged in studying Belarusian matters.\(^6\)

On October 17, 2008 the Eastern Europe Studies Centre (EESC, Lithuania) jointly with BISS held the first conference under the project entitled “Enhancing Research Centers’ Activities in Belarus”.\(^7\)

Representatives of Belarusian “idea factories”, in particular, CASE Belarus, International Internet Portal for Wider Europe, Agency of Humanitarian Technologies, Institute for Privatization and Management Research Center, Palitychnaya Sfera (“Political Sphere”) magazine, Nashe Mneniye (“Our Opinion”) website, Novak Laboratory, BISS, and Novaya Europa (“New Europe”) website, together with colleagues from Lithuania, Poland and Sweden, namely the EESC, Stefan Batory Foundation, Swedish International Liberal Centre, focused on the situation with expert agencies in Belarus and their cooperation with foreign research centers. Participants made offers concerning joint activity. The problem of a shortage of analytical material in the English language in Belarus was tackled by publication of BELL monthly bulletin available to western research centers since early 2009.

The joint project entitled “Dialogue of Expert Communities” initiated by moderators of Our Opinion website (www.nmnby.eu) in partnership with ARCHE magazine (http://arche.bymedia.net) and New Europe website (http://n-europe.eu) and launched in July 2008 with the


support of Belarus Public Policy Fund is one of the regular channels of expert communication. The project aims to expand the public political sector of Belarus with experts, politicians, journalists, and public figures acting as its agents. The project pursues the following main goals: (i) to promote trust between agents engaged in decision making or influencing politically and socially significant decisions on the one hand, and experts in their capacity of agents determining topology of a social reality, in which those decisions are reached on the other hand; (ii) promotion of credibility of expert communities and results of their efforts. Accordingly, results of the project are targeted at expert suppliers of opinions, i.e. the experts themselves, because the intensity of communication between them, coordination inside the community, and – as a long-term effect – productivity of their efforts, will presumably increase during the project implementation process.

Active consumers of expert opinions, i.e. experts themselves, politicians, managers (including government officials), public leaders and activists, journalists, and students majoring in socio-humanitarian studies form another crucial target group, which is partly overlapping with the first one.

Eighteen round table sessions were held during the first stage of the Dialogue of Expert Communities implemented since July 1, 2008 to December 30, 2008. The minutes are available on the websites of the project participants, Our Opinion, New Europe, ARCHE, and BISS.

The project has the following specific features: representatives of different areas of socio-humanitarian knowledge were invited to participate, which made it possible to comprehend social and political objects as more complex and multifaceted; the thematic agenda was not externally dictated, but was completely generated by the project participants, who sometimes acted as moderators of the round tables; finally, debates covered some of the most significant areas including those directly connected with BISS research programs. It first of all concerns the round tables dedicated to social contracts and survey of elites.

**Interaction and an ordering issue**

A group of key problems, which the Belarusian expert community somehow had to deal with in 2008, includes specific problems of the com-
munity itself. Relevant questions were posed during BISS conferences, while the program implemented under the aegis of the EESS–BISS – the second conference was held on February 19–20, 2009 – focused on overcoming (at least partial) of difficulties that Belarusian independent researchers encounter, and that future humanitarian professionals may encounter. For this reason, students of the European Humanitarian University were invited to the conference.

Peculiar problems of the expert community, in particular specificity of decision making mechanisms, elements of publicity, features of an expert dialogue and interaction, the problem of expertise on the part of customers, were addressed during at least four round table sessions held under the Dialogue of Expert Communities project.

Apart from the usual effects of the “yield” aspect, such as poor quality and quantity of knowledge-based services, experts refer to a whole group of various institutional, cultural, organizational, political, social and economic factors, which determine the present state of expertise, but the very consideration of customer issues can be regarded as a significant tendency of the year. Who is supposed to be a user of expert products? Who consumes it, or at least could have consumed it?

With this approach in mind, it is possible to conclude that the mentioned projects and research programs are rather successful within the expert community and politically concerned public, which consumes expert products. But it is also possible to speak about an aggravating discordance between expert communities and, for instance, organized political movements, which in particular concerns opposition parties. Unfortunately, all these projects have not contributed to bridging the gap and it is therefore premature to announce the beginning of a fruitful interaction between politicians and experts that was distinctly pointed out during the discussion of the Expertise and Social Order topic.8

So, efficiency of some kind of a basis for apprehension and consumption of knowledge-based services, i.e. shaping of demand for independent expert opinions is a matter of the near future. It should be also noted

that this problem is not specifically Belarusian, but is typical of many post-Soviet countries, for instance Ukraine, where the situation with independent “idea factories” seems to be much better, while, as some observers say, this problem was not even publicly phrased at all.9

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9See for instance About Politicians and Analysts by: Gerasimchuk C., Matyychik J. Zerkalo Nedeli, № 8(736), March 7–13, 2009: http://www.zn.ua/1000/1600/65592/.
ECONOMY

Belarusian Economy in 2008

Alexander Chubrik

Summary
The year 2008 saw the Belarusian economy grow more sensitive to the developments in the outer world than ever since 1992. By late 2008 the adverse external factors had grown so strong that the key economic security indicators that had been growing at a remarkable pace started to slow.

GDP growth also slowed in late 2008, whereas in 2009 Belarus expects its gross domestic product to remain unchanged year-on-year or even fall below the 2008 level (the latter is likelier, according to experts). The official statistics may not reflect the real situation, though, since manufacturing targets for 2009 are still unrevised.

The future of the Belarusian manufacturing sector is not really bright: if production growth persists, which the official statistics will diligently report, the real situation will worsen because of the fall in exports and domestic demand.

Wages were the first to react to the crisis: the government reversed its decision to push wages to new highs and cut the first grade wage 15.4% on December 1, 2008 after a 24.7% increase four weeks earlier. One should expect both real wages (adjusted for inflation) and the U.S. dollar equivalent of wages to decline in 2009.

Channeling bank loans into investment stood behind the growing demand for imports and contributed to a considerable pressure on the money market, while the hikes in demand for foreign exchange late in 2008 led to a dramatic drop in banking sector liquidity.
The Principal Ideas:

- both internal (investment and consumption) and external (exports) sources of expansion seem pretty much exhausted;
- the 2009 state budget is likely to see its revenues decline, so expenditures will have to be cut to keep the budget balanced;
- amid the drop in foreign demand for Belarusian export goods, devaluation does not promote competitiveness, but appears to be a handy instrument to restrain imports. The poor access to foreign financing and protracted crisis in the ranks of the main foreign consumers of Belarusian products make ruble devaluation one of the few mechanisms to balance the money market;
- should the central bank fail to introduce more rigid monetary controls, an upward devaluation-inflation spiral will become likelier.

Introduction

In 2008, the Belarusian economy was more vulnerable to external shocks than ever since Belarus became a sovereign country. The main reasons behind its dependence on the outer world were as follows:

- world oil price (according the Privatization and Management Institute’s research center, when the Russian Urals blend is traded below U.S. $84 per barrel, Belarus starts generating less foreign exchange revenues from its exports of refined oil than it spends on regular crude imports from Russia, which means oil trade shows a deficit);
- world potash price (because the price of potash fertilizers quadrupled in 2008, they became the second most important export commodity for the country);
- economic expansion of the Russian Federation (which boosted the demand for Belarusian exports);
- Russian natural gas price (standing at less than one-third of what European consumers were charged in 2008);
- Russian crude oil price (in 2009, the Russian special export duty on crude deliveries to Belarus stands at 35.6% of the duty for other foreign importers; however, there is no agreement on the size of the duty for Belarus after 2009);
• external sources of financing of the foreign trade deficit (foreign borrowings and investments in 2007–2008 became the key sources to finance the Belarusian foreign trade deficit).

The six factors above, contributing to the impressive economic expansion of Belarus in the first three quarters of the year, all of a sudden reversed their trends in the final quarter of 2008: oil prices fell, and so did exports of potash fertilizers, the Russian economy stagnated after a short period of boisterous growth, while foreign sources of financing of the foreign trade deficit appeared strictly limited.

Following is a survey of the macroeconomic situation in Belarus in late 2008, when basic structural changes in the national economy began to take place. The survey analyzes the sources of economic growth, price behavior and living standards, terms of trade and innovation in the fiscal and monetary policies of the state.

**Economic growth**

*GDP*

According to official statistics, the gross domestic product grew 10% year-on-year in real terms in 2008, which compares to 8.6% in 2007. However, in October-December 2008, economic expansion slowed to 7.5% year-on-year from 11.2% in the previous quarter, mostly because of the fall in domestic demand (especially household consumption) and reduction in net exports (export supplies edged down, while imports increased). Nevertheless, Belarus seemed very far from what is called a crisis in other countries. The slower increase in consumption in the fourth quarter looked like a step back from the breakthrough third quarter (oil prices were high as never before in July-September, and wages grew 30.6% year-on-year in U.S. dollar terms – the only wage push of this kind was observed before the presidential elections back in 2006).

The hike in capital investments in the fourth quarter, at 23.4%, looked abnormal (and even exceeded the third quarter record of 23%), but more than 50% of those extra investments were from domestic bank loans. According to our estimates, contributions of companies’ own funds shrank from 7.8 percentage points in January-September to 4.4 percentage points in the fourth quarter, whereas the share of investments financed from the consolidated budget accounted for only 1.6 percent-
age points of that amazing 23.4% growth, down from 7.2 percentage points previously. There will be no room for further increase in investment volumes in 2009, since financing from bank loans amid the crisis entails additional bank risks and imposes a crippling burden on the money market while encouraging imports. Under our best-case scenario, Belarus is in for a zero-rated GDP growth this year, but a slump would be likelier: domestic demand will certainly drop, and there is hardly any chance exports will soar (the only faint possibility is that imports will be cut enough for net exports to cushion the effects of the feeble domestic demand). Official statistics may not reflect the slump, though, because manufacturing targets have never been revised.

**Real sector**

The GDP growth observed in the first half of 2008 slowed at the end of the year. The National Statistics Committee “blamed” the insufficient industrial output, which rose only 1.8% on the year in the fourth quarter, compared to a growth of 13.2% on a yearly basis logged in the previous quarter. However, it seems that even that minor increase was overstated: in November and December, Belarusian exports were falling, domestic demand was getting sluggish, but manufacturing output kept growing, while inventories remained almost the same (in fact, they went down a bit in December). The final quarter of 2008 saw the manufacturing deflator drop to 3.2% in November and minus 9.5% in December from 28.6% in October, but there was no adequate deceleration in producer prices. Our research showed (see the brief below) that the Belarusian industrial output decreased 9%-14% on an annual basis in November and 19%-23% in December; in 2008, it expanded between 7% and 8%. Of that increase, mechanical engineering accounted for 2.3 percentage points, the fuel industry for 2.2 percentage points and “other industries” for 2.9 percentage points. The serious contribution of “other industries” shows that official statistical data might be distorted – the output of “other industries” (which include the nonferrous industry, flour-and-cereals industry, fodder industry, glass and porcelain industry, microbiological industry, medical industry, printing industry and “other industrial productions”) was growing almost twice as fast as the average annual industrial output in Belarus.
Brief: Manufacturing deflator and producer prices

In late 2008, namely, in November and December, the balance between deflators was disturbed: the increase in producer prices slowed by 0.6 of a percentage point in November from the previous month and by 4.1 percentage points in December from the October level, whereas the increase in “comparable” prices was down by 25.4 percentage points in November and 12.7% percentage points in December. This behavior of the manufacturing deflator is not normal. Our economic research showed that the industrial deflator and the producer price index (PPI) are co-integrated, that is, the behavior of the industrial deflator in the long term is attributable to the behavior of the PPI. Based on the model with an equilibrium correction mechanism and given PPI trends in November and December, the manufacturing deflator was supposed to reach 16.4%-29.0% year-on-year in November (the lower and upper bounds of the 5% confidence band) and 14.9%-30.2% in December, instead of 3.2% and minus 9.8% in November and December, respectively.

Even if we assume that it corresponded to the lower bound of the confidence band, Belarus would have recorded an 8.8% fall in its industrial output in November and a 19.1% plunge in December. One possible reason why the deflator fell in the last two months of the year is that the producer price index does not account for export prices. The global landslide of prices could not but affect Belarusian manufacturers. But even in this case the increase in industrial output looks unusual, since exports fell 20% year-on-year in November (the December data have not been published yet). According to official statistics, in November stocks of finished products increased insignificantly, and in December they went down.

If this pattern is correct, the growing industrial production was almost entirely consumed by the domestic market; therefore, the share of cheaper export commodities in the “deflator basket” should have decreased, whereas the share of costlier goods for the domestic market was supposed to grow. This scheme looks credible enough to explain the slump in production at the end of the year.

Specialists forecast a dire future for the Belarusian manufacturing sector in 2009. The official statistics may report a stable increase in output, but the real situation will be getting more and more difficult because of the decline in exports and domestic demand. The National Bank’s Monitoring of Real Sector Companies showed that in Decem-
ber 2008 almost 40% of Belarusian producers expected a reduction in demand for their products and a fall in production volumes in January-March 2009. Only 17.4% of all respondents expected an increase in demand, while 22.8% of producers said their output would probably increase (which means more than 5% of Belarusian manufacturers will be working just to fill up stocks).

Corporate finance
Another manifestation of the global crisis is the evident deterioration in the financial health of Belarusian producers late in 2008. Even the official statistics services reported net profit of Belarusian companies down 10% year-on-year in nominal terms in the fourth quarter, while their profitability rate went down by 2 percentage points. The manufacturing sector seemed to have been affected more than any other sector, seeing its net profit go down 62.9% on the year in October-December; the food-processing industry, ferrous industry and agricultural engineering reported net losses (with profitability rates estimated at minus 11.0%, minus 46.7% and minus 306.1%, respectively\(^1\)). The nosedive in profits can be attributed to export restraints. It threatens the investment forecasts (in 2008, only about a third of the increase in investments (in annualized terms) was financed from companies’ own funds, that is, from profits) and budget revenues (the profit tax was responsible for 9.1% of the consolidated budget revenues last year).

Incomes and prices

Incomes
The growth in real wages accelerated at the end of the year: wages rose 8.3% in real terms in April-June 2008 year-on-year, 10.5% in July-September and 12.1% in October-December. As a result, real wages rose 10% on an annual basis in 2008, according to official statistics, up from 9.3% in 2007. The increase was mostly owing to the slower growth in prices, which was also reflected in official statistical reports. In nominal

\(^1\)Return on sales (and other indicators) here is the difference between the annual data and the January-September 2008 statistics. Since the National Statistics Committee may have adjusted the January-September results by the time the annual performance was reported, the indicators presented herein may be inaccurate.
terms, wages were growing slower, though. In fact, wages became the first domain to suffer from the effects of the global turmoil – after raising the first grade wage 24.7% on November 1, 2008, the government cut it 15.4% four weeks later, on December 1. There was a linkage between the drop in wages and the demand of the IMF that the government should restrain the growing domestic demand, but it is clear that even without this “recommendation” the Belarusian authorities had no other choice but to reduce compensations. In U.S. dollar equivalent, the growth in wages slowed in the last quarter (because of the gradual devaluation of the Belarusian ruble against the U.S. dollar to 2,200 from 2,111), while in annualized terms wages rose 29.9%, which compares to the 18.4% rise logged in January-December 2007. But even that serious rise in wages was not enough to measure up to the hike in labor productivity, which showed a 33% increase in U.S. dollar terms last year. Wages had averaged the equivalent of U.S. $450 by January 1, 2009, but the one-off devaluation of the ruble on January 2, 2009 drove them back to the December 2007 level. In 2009, real wages and the U.S. equivalent of wages are expected to go down, because the government will put a 5% cap on wage growth this year.

**Prices**

According to the Statistics Committee, the tendency towards an acceleration in consumer price inflation reversed in October 2008, when inflation reached an annual rate of 13.3%, down from 16.3% year-on-year in September. The increase in all three components of consumer prices – foods, fee-based services and non-foods – also slowed in October, to 15.9% from 19.4%, 16.7% from 20.7% and 6.8% from 7.6%, respectively. Consumer inflation was slowing amid the ruble devaluation campaign and negative exchange rate expectations.

There is an alternative way to estimate the food price rise, based on the structure of household expenditures, published by the Statistics Committee. Given the official data about the annualized increase in prices for certain foodstuffs and their share in final consumption in the fourth quarter, the official October 2008 food price rise was 0.4 of a percentage point below the real increase, whereas the increases in food prices reported in November and December were below the actual rise by at least half of
a percentage point. These calculations are not always accurate, because the Statistics Committee does not divulge the figures for all categories of foods, and even more so because the Statistics Committee makes use of official information about price increases. It is interesting, though, that if food prices had been growing faster in 2008, consumer inflation would have reached a rate of 14.2% year-on-year, above the 14% threshold that some officials with the government called the ceiling allowed for 2008.

The behavior of consumer inflation in 2009 will depend entirely on the rigidity of the central bank policies and increases in utility fees. But in any case, the devaluation of the national currency (the one-off devaluation of January 2, 2009 and further devaluation moves that the government will have to resort to) will contribute to consumer prices as much as possible; moreover, the track record of devaluation efforts (in late 2008 and on January 2, 2009) proves that even devaluation expectations are “included” in prices. According to our estimates, if the central bank plans to pursue a strict monetary policy this year, consumer price inflation may accelerate to around 30% year-on-year.

**External sector**

**Money market**

The situation on the currency market was truly dramatic in the fourth quarter of 2008. In the first two quarters of the year the foreign exchange deficit (meaning that sales of foreign exchange by banks were above purchases) in the three segments of the currency market – residents, non-residents and households (cash currency) – did not exceed U.S. $500 million, whereas in the third quarter it expanded to U.S. $900 million, and in the fourth quarter, to U.S. $2.9 billion. A surge in demand for foreign exchange cash was registered in the fourth quarter, when that segment alone showed a U.S. $1.3 billion deficit, after a surplus recorded in the third quarter of 2008, when sales of currency in cash to commercial banks were almost U.S. $100 million above purchases from banks. The deficit in the segment of resident (domestic) economic entities also increased, but not so substantially, to U.S. $1.6 billion in October-December from U.S. $600 million in July-September.

It was not the growing demand for currency, especially cash, that was truly alarming, but the reaction of the monetary authorities: in September,
when the demand for foreign exchange was U.S. $600 million above the supply, the Belarusian ruble lost just 0.06% of its value; the central bank responded to the U.S. $700 million deficit in October by devaluing the national currency by only 0.24%, in November, by 1.49% (with a foreign exchange deficit of U.S. $900 million), and finally, in December, the central bank devaluated the ruble by 2.14% to tackle what seemed a record high deficit of U.S. $1.3 billion. The deficit was thus covered exclusively from gold and foreign exchange reserves of the National Bank, which shrank by U.S. $1.9 billion in the last four months of the year (in accordance with the domestic methodology) immediately after Belarus had received the first U.S. $1 billion tranche of the Russian state loan and a U.S. $500 million loan from Venezuela.

The loss of about a third of all foreign exchange reserves was only because of the intention of the central bank to meet the annual exchange rate target of 2,200 rubles per dollar as of December 31, 2008.

The NBB opted for a gradual devaluation in the final quarter of 2008 in order to prevent panic and mass withdrawals of deposits denominated in Belarusian rubles. Nevertheless, in a somewhat belated attempt to bring things back to normal the central bank devaluated the ruble by more than 20% on January 2, 2009. However, the move appeared not only untimely, but also inefficient: the one-off devaluation was not sufficient to balance the money market. In January 2009, foreign exchange reserves fell by another U.S. $300 million despite further devaluation of the ruble (by 3.9% in January alone) and receipt of the first U.S. $800 million tranche of the loan from the International Monetary Fund, which is indicative of the futility of the January 2 devaluation move.

The real exchange rate of the Belarusian ruble strengthened both against the U.S. dollar and the Russian ruble in late 2008, whereas the January 2 devaluation weakened the Belarusian ruble only against the U.S. dollar, since the Russian central bank had devaluated the Russian national currency even more.

Foreign trade
In the fourth quarter of 2008, the structure of Belarusian foreign trade underwent serious changes. Firstly, exports fell both in monetary terms and in terms of tonnes, while imports kept growing, albeit slowly. Sec-
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ondly, the commodity structure of exports and imports saw major changes, and so did the sales geography. Thirdly, the Belarusian commodity trade deficit rose to a new record high in the fourth quarter, reaching U.S. $2.5 billion, which represents a rise by U.S. $900 million from the fourth quarter of 2007. In October-December 2008, Belarus reduced exports of most of the key commodities, save for ferrous metals, dairy products and oil products (however, the increase in export volumes was accompanied by a fall in export prices). Mechanical engineering companies seemed affected more than any other sector: exports of truck tractors fell 61.5% from the fourth quarter of 2007, of trucks dropped 46.3%, of parts and components decreased 43.6% and exports of tires went down 41.8%. Finally, exports of potash fertilizers fell 41.8% in the fourth quarter in terms of tonnes: China and India – the key consumers – cut their imports from Belarus because of exorbitant prices (anyway, the contracts were close to expiry).

As for imports, the crisis had a massive impact on supplies of raw materials from Russia. The share of the eastern partner in Belarusian imports fell 11.5 percentage points on the year in October-December 2008 (the fall in import prices accounted for 55% of the reduction, and the fall in the volume of supplies accounted for 45%). Meanwhile, imports of raw materials and investments from countries beyond the CIS kept growing, and their share in Belarusian imports increased 11.1 percentage points (the rise in prices made up 48% of that increase, and the rise in the volume, 52%). There were no major modifications in the structure of exports: the share of Russian imports went down 3.7 percentage points, while the share of non-CIS foreign countries increased 3.9 percentage points (mostly because overseas exports were falling much slower than supplies to Russia, due to the high share of semi-processed raw materials in Belarusian exports beyond the CIS).

The foreign trade situation has been extremely unfavorable lately: exports to foreign countries outside the CIS have been falling in real terms since April 2008, exports to Russia since October 2008 and exports to the CIS since November 2008. At the same time, until quite recently the fall in the volume of exports used to be covered by the rise in prices, but at the end of the year export prices started a long fall, first gradual, and then steep, almost identical to the fall in import prices. Im-
ports, on the other hand, were growing in real terms despite the fact that the fall in prices was a bit more serious than the decline in import volumes. Exports were thus falling too fast to be able to cover the foreign trade deficit. Belarus did not revise production plans, and manufacturers were still importing raw materials and components to meet production targets (and then sell on the domestic market or take their output directly to warehouses) and contributed to the enormous pressure on the money market.

**Balance of payments**
Belarusian current account deficit amounted to U.S. $5 billion in 2008, or 8.4% of GDP\(^2\) (which compares to 6.8% of GDP in 2007). Trade in commodities came to a deficit of U.S. $6.1 billion last year, making up 10.1% of GDP, and the surplus showed by trade in services, at 2.8% of GDP, was enough to cover only 27.1% of that deficit. Back in 2007, trade in services with its surplus of 2.7% of GDP was sufficient to compensate for 30.3% of the commodity trade deficit.

The increase in the current account deficit amid the limited access to traditional sources of financing - “other investment” - called for new sources to finance the deficit. Foreign direct investment in Belarus did rise in 2008 (net FDI inflow was estimated at U.S. $2.1 billion), but the global crisis put an end to that channel of financing in late 2008. As a result, the National Bank had to finance most of the current account deficit from its reserve assets: they decreased by only U.S. $80.4 million in January-September, while October-December saw a dramatic fall by U.S. $900 million. The reserves were replenished from foreign loans (U.S. $1 billion from Russia and U.S. $500 million from Venezuela), hence a serious increase in the foreign debt. In early 2009, the foreign debt expanded further, but new borrowings will hardly help tackle the current account deficit, since the NBB is trying its best to restrain devaluation and encourage deposits in the national currency, while households seem unwilling to save in “unsafe” Belarusian rubles.

\(^2\)Belarus registered a similar deficit in 1997, which was followed by the crisis of 1998, when the current account deficit amounted to 14.9% of GDP. It was “neutralized” by a devaluation of the ruble by 11.6 times, or 1,060%, in the period between August 1, 1998 and January 1, 2000.
According to tentative data, budget revenues were at 51% of GDP in 2008, a rise by 1.5 percentage points from the 2007 level, and expenditures reached 49.5% of GDP, an increase by 0.5 of a percentage point. This colossal redistribution of GDP via the state budget could be attributed to the fact that the state returns over 50% of these funds to the national economy through subsidies and investments. In 2008, “national economy expenditures” (including payments for utilities) amounted to 16.7% of GDP, up from 16% of GDP in 2007. “National expenditures” (on investment, state administration, law enforcement and defense) rose to 8.3% of GDP from 6.7%, while social spending was cut: healthcare and education saw financing cut by 0.5% of GDP each, social policy expenditures fell by 0.8% of GDP, and environmental protection, sports and the mass media lost financing totaling 0.1% of GDP each. The government seemed eager to support producers rather than households.

The most interesting changes in the structure of budget expenditures took place at the end of the fiscal year, when the government traditionally spends the funds that were not disbursed in the first 11 months of the year. In December 2008\(^3\), the state administration spent nearly all the extra funds accumulated in January-November (only 1.85 trillion rubles was left of the 6.76 trillion-ruble surplus as of December 1). As a result, consolidated budget expenditures reached 87.3% of GDP in December 2008, a rise of 18.2 percentage points from previous December. “National expenditures” accounted for most of the increase in spending (17.9 percentage points or 98.3%) – there was indirect proof that state budget funds were used to finance investments in January 2009\(^4\). The influx of Belarusian rubles in the economy could not but affect the money market, despite the efforts of the central bank to curtail the growth in ruble money supply.

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\(^3\)In fact, it happened in December 2008 and January 2009, because the fiscal year ends on January 20.

\(^4\)There were no official statistics on the sources of investment financing in January 2009. However, the access to bank lending was restricted, while producers had no “extra” money to finance investments. This means the state budget was the only source to finance investments in early 2009 (they showed a 24.9% increase year-on-year).
The structure of budget revenues remained almost unchanged in 2008. Revenues based on foreign trade proceeds increased by 1.8 percentage points year-on-year to 8.3% of GDP (mostly because of the rise in export duties on oil products from the 2007 level), revenues based on the profit tax increased to 4.6% of GDP, or by 0.7 of a percentage point (because of the hikes in prices of potash and refined oil) and revenues from the utilization of state property edged up to 2.2% of GDP, an increase by 0.6 of a percentage point from 2007. At the same time, the share of commodity tax revenues decreased 1.4 percentage points to 15.9% of GDP due to the reduction in transfers to the agribusiness support fund. In October, the lower house of parliament adopted a budget bill for 2009. The document halves the rate of obligatory transfers to the agribusiness support fund to 1% of revenues, cuts local taxes on retail of imported products to 5% from 15% and excludes the “active part of basic production assets” from the property tax base. Furthermore, taxation of small business will be modified in 2009: starting January 1 individual entrepreneurs involved in sales of imported products will have to pay their unified tax multiplied by 2 (the new adjusting factor; the previous one stood at 1.5). To balance that move the government reduced simplified taxation rates to 8% of sales proceeds from 10% for entrepreneurs that choose not to pay the value-added tax, to 6% from 8% for those who choose to pay the VAT, and to 15% from 20% for entrepreneurs that use gross incomes as the tax base. The budget bill for 2009 had been adopted with a deficit of 1.81% of GDP, but in January 2009 President Lukashenko approved a central government budget with a zero deficit (again as a structural benchmark under the IMF Stand-By Arrangement).

**Monetary policy**

The tightening of monetary policy in December proved insufficient after the October-November expansion.

Last year, the increase in the monetary base slowed to 11.7% January-on-January, but the sources of money supply growth were markedly different: in 2007, the monetary base was increased using net foreign assets, and its increase was sterilized on the government’s accounts, whereas in 2008 net foreign assets shrank, net borrowings of the central
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authorities increased (for the first time since 2003), and the monetary base was mostly increased from bank refinancing operations. In fact, the NBB alleviated its rigid monetary policy, which had adverse consequences amid the tough situation on the money market. The negative consequences of the mild monetary policies were very conspicuous in October and November: in January-October, refinancing of banks accounted for 31.9 percentage points of the increase in the monetary base (it expanded 24.7% in January-October) and for 51.7 percentage points of the growth in the monetary base in the first 11 months of the year (in January-November, the monetary base grew 10.1%). These policies resulted in an additional financing of investments from bank loans, which encouraged the demand for imports and exerted pressure on the money market. The tight approaches introduced in December (in January-December, refinancing of banks contributed 22.5 percentage points to the increase in the monetary base) did not prove efficient to neutralize the consequences of the October-November expansion, especially in conditions of growing budget expenditures.

The hike in the demand for foreign exchange in late 2008 entailed serious liquidity risks in the banking sector; besides, in December banks were buying currency on their own account, thus revealing their devaluation expectations. Interbank loan rates kept growing amid banks’ credit rationing efforts. The growing demand for foreign exchange was the main reason why the demand for cash rose only 15.4% in 2008, which was slower than the rise in prices on a GDP deflator basis. Another effect of the high demand for foreign currency was a rapid withdrawal of ruble-denominated bank deposits, which increased only 13.7% on an annual basis in 2008. Nevertheless, households were not discouraged to deposit their savings with banks: although the ruble had lost the confidence of individual depositors, they were still eager to save in foreign currency, furthermore, corporate deposits helped compensate for withdrawals of retail ruble deposits. As a result, the ruble money supply expanded by 22.5% in 2008 (January 1-on-January 1), whereas the broad money supply showed a 26.3% increase.

January 2009 saw further attempts to toughen monetary policies, but they were mostly due to the reduction in claims on the central government by 3.8 trillion rubles, whereas the National Bank increased refinancing
of banks (raising claims on commercial banks by 1.5 trillion rubles). It looks like the government was spending previous year’s money (and reducing its liabilities) while trying to save the 2009 revenues, whereas the central bank was supporting the liquidity of the banks which had suffered from withdrawals of deposits. In January alone, ruble-denominated deposits of households fell 5.7% year-on-year, while retail deposits denominated in foreign exchange almost doubled (they increased 97% year-on-year). Dollarization of the broad money supply was at 44.5% in late January 2008, getting back to the early 2004 level, and the reduction in the monetary base by 9.3% in the first month of the year did not suffice to overcome the negative money market trends.
Labor Market and Welfare Policy

Kirill Haiduk

Summary

The economic and financial crisis had an adverse impact on the Belarussian social security system and labor market in 2008. The government had to revise its wage targets. Besides, the administration of the country made additional efforts to “streamline” the system of social benefits. The main challenge the authorities will be faced with in 2009 is how to adjust the employment pattern to the consequences of the financial turmoil. Belarus is an open economy with a very high dollarization rate and current account deficit, and it is highly sensitive to changes in terms of trade and export price fluctuations. The crisis is perceived as a real threat to the perfect employment figures and short-term wage targets. The initial response of the authorities to the new challenge included half-time working weeks and then “inflation taxes”. Whether or not the government will alter its approach will depend on how long the crisis will last and how fast foreign markets manage to recover to resume purchases of Belarussian commodities. The more complicated the situation, the stronger impetus the government will be given to reform its labor market and welfare system.

The Principal Ideas:

- unemployment statistics fail to reflect the real increase in the number of jobless Belarusians, because only a registration in a placement center makes a person without a job officially “unemployed”;
- labor markets in small towns give serious cause for concern, and so do problems with youth employment;
- the authorities have taken recourse to part-time employment to address the new challenge at the initial stage, which may be regarded as latent unemployment;
The social safety net has not been adjusted to the effects of the global economic crisis.

**Labor market**

Belarus had 9.671 million inhabitants as of late 2008; the number of Belarusians fell by 24,800 people in 2008 alone, the decrease being less dramatic than in previous years (although a downward trend has been recorded for 15 years now). Last year was marked by a larger gap between the number of able-bodied citizens and economically active population (workforce). The share of able-bodied citizens, at around 6.63 million people, was at 62.7% of the total population, whereas the Belarusian workforce accounted for 46.7% of the total population, with about 4.52 million people.

Most experts forecast a reduction in the share of able-bodied citizens in the next 10–15 years, in which case the pressure on the pension system will increase enormously. The Ministry of Labor and Social Security projects the number of able-bodied Belarusians between 6.12 million and 6.15 million people by 2010, the key reason being the decline in birth rate in the 1990s. Migration could be one way out for Belarus, but the net migration inflow is still insignificant: in 2008, the figure was at 8,145 people.

The structure of employment remained unchanged in 2008: some 40% of the workforce is involved in the service sector, while the manufacturing sector and agribusiness account for 27.6% and 12% respectively. The service sector saw a minor increase in the number of employed, by 0.6 of a percentage point, while the proportion of the workforce involved in the material sphere decreased a bit.

At the same time, job centers report that almost 77% of all vacancies were for blue-collar workers. The most popular professions were that of construction worker and farm worker. There were around 60,700 vacancies in state employment centers in late 2008, and about 80% of them were blue-collar jobs. As for the professions that require tertiary education, the jobs of engineers (especially software engineers) and doctors were more popular than other white-collar workers. Employment services also help those who agree to move from towns to rural areas for the sake of new jobs. Last year, 102 families moved to villages, up from 73
in 2007. At the same time, the capital city offered almost 30% of all vacancies available in the country: the number of openings was 5.7 times as high as the number of officially registered jobless Minsk citizens.

Some 71,600 new jobs were created in 2008, which makes up only 7.5% of the total number of newly employed personnel, at 952,800 people, representing a 6.5% increase year-on-year.

Belarus does not register employees that lose their jobs as a result of the termination of their contracts, although according to some reports, over 70% of all employees work on the basis of labor contracts. The initiatives of some trade unions (mostly those that are not members of the Federation of Trade Unions of Belarus) to abolish the system of social contracts were not successful. Statistical services only take into account those who lose jobs “by mutual consent of the parties” (around 80% of all dismissals in recent years); those who are fired for violations of labor discipline (7% to 8% of all dismissals), and those who are made redundant because of staff reductions and liquidation of organizations (just 1% of the total). It looks like the remaining 10%-12% of unlucky workers lose their jobs after their labor contracts expire.

In late October 2008, the government adopted an employment promotion program for 2009–2010. The program will cost taxpayers about 174 billion Belarusian rubles (of which 75% will be financed from the Social Security Fund and spent to provide employment). The program aims to keep the unemployment rate within 1.1–1.2% of the economically active population throughout 2009, which will be a slight rise from 0.9% in December 2008. The previous employment promotion program was passed on February 29, 2008.

Unemployment

The exceptionally low unemployment rate may be attributed to the peculiar Belarusian statistical methods. Belarusians acquire the “unemployed” status only if they get registered in employment centers, while the International Labor Organization offers a different procedure to get the exact number of jobless citizens. Belarus applied the international method once back in 2006, when a pilot questionnaire was distributed among the workforce. According to the Ministry of Labor and Social Security, the estimated number of unoccupied population (those who
look for jobs, those who work without officially registering their labor relations, including those who work abroad) may exceed the number of officially unemployed Belarusians sevenfold. Unfortunately, there were no questionnaires of this kind in 2007–2008.

There were sample household surveys providing alternative data about the number of the unemployed, though. Preliminary estimates indeed show that the real unemployment rate is close to 4%-5%, standing at least six times as high as the official indicator. The main reasons why jobless Belarusians choose not to get registered include a very low unemployment benefit (at 20% of the minimum subsistence wage of 230,000 Belarusian rubles in December 2008), mandatory social work (about 26% of the unemployed were involved in social work last year) and denial of the “unemployed” status – only 62.2% of the 322,300 people who applied for registration were officially recognized as jobless citizens.

The sharp increase in the underemployment rate also gives clear proof that the gap between the real number of the unemployed and those officially registered in job centers was widening. Almost 141,000 workers (4% of the average monthly workforce or 3.1% of the economically active citizens) worked short weeks in 2008, an increase of 17.6% year-on-year. In December, the number of employees working part-time hiked 140% month-on-month, whereas the number of workers who were forced to go on vacation increased 260% on the month.

The manufacturing sector was affected more than any other branch of the economy. Manufacturers of Brest and Minsk Regions accounted for 82% of all idle working hours in 2008. The official statistics, which take into account only registered unemployed Belarusians, should thus be adjusted upwards by an estimated 4–5%.

When it comes to the social structure of the unemployed, the share of women shrank to 60.7% in 2008 from 65.5% in 2007, while the share of young people (under 35 years of age) remained high, close to 40%. Another major problem is the labor market in smaller settlements. Brest Region towns and villages were responsible for up to 20% of all jobless citizens, while the Minsk Region accounted for only 14%. Small towns offer fewer vacancies than the total number of the officially registered unemployed (with at least three jobless citizens per vacancy in the Vitebsk Region and more than three job seekers per vacancy in the Gomel Region).
Informal aspects of the labor market

The gap between the able-bodied population and economically active population signifies that some of the workforce is involved in “shadow” business. The Belarusian shadow economy is estimated at 15% of the gross domestic product. Chairman of the Trade Unions Federation Leonid Kozik believes unofficial remuneration amounts to around 5% of overall wages. At the same time, the International Fund for Agricultural Development (IFAD) in early 2008 reported that labor migrants from Belarus had netted at least U.S. $2.3 billion in incomes in 2006, which made up 6.3% of that year’s GDP.\(^1\) The official estimate of the National Bank of Belarus is at least ten times as low. The IFAD data were based on the International Organization for Migration (IOM) statistics, which were almost the same as estimates of independent experts, namely, between 400,000 and 700,000 labor migrants from Belarus annually. Informal migration was encouraged in October 2008, when Russia passed an act enabling Belarusian citizens to stay in Russia without a registration for up to 30 days. However, the global crisis resulted in major reductions in the number of jobs available to Belarusian migrants.

Wages and salaries

In 2008, Belarusians’ real (adjusted for inflation) incomes increased 12.7% year-on-year, reaching an average of 657,200 Belarusian rubles a month, or around U.S. $300. The average monthly wage was at U.S. $400, or 885,600 rubles (up from U.S. $325, or 701,000 rubles in 2007). In ruble terms, real wages rose almost 10%. In the first half of 2008 the government passed a few regulatory acts allowing a serious increase in salaries of directors and top managers (which envisaged bonuses and sanctioned a more significant difference between the average wage at the enterprise and the salary of the director). Some tariff aspects were changed, too.

The first grade wage (which serves as the basis for calculation of compensation packages) was revised thrice in 2008. On April 1, it was raised to 73,000 rubles and on November 1, to 91,000 rubles. However, what followed seemed quite illogical. The original idea was that the

\(^1\) Remittance forum: http://www.ifad.org/events/remittances/maps/europe.htm.
wage push would cut the number of workers with monthly incomes below U.S. $200 by 327,000 people, while the average wage of public sector employees was expected to rise 21.4%. But once the International Monetary Fund (IMF) demanded that the Belarusian government pursue prudent wage targets (as a major condition to approve a Stand-By Arrangement (SBA), the government reduced the first grade wage to 77,000 rubles from 91,000 rubles (the decision was backdated to November 29). Also, the government abolished the wage increment for civil servants (around 250,000 rubles a month) that had been introduced just four weeks earlier; therefore, civil servants saw their wages increase only 5%. At the same time, in December 2008, the Labor Ministry revised the variable factors used to adjust the size of wages in order to secure a uniform increase in public sector employees’ wages, by an estimated 5.5%.

**Social safety net**

The government revised the subsistence wage four times in 2008, and all welfare payments pegged to the subsistence wage were recalculated (including the child care allowance and lump-sum allowance for the first-born child, etc.). The child care allowance was raised to 80% of the subsistence wage in January 2008 (since 2004 the government had been making plans to raise the child care allowance to 100% of the subsistence wage by 2010, but these plans look very unlikely now that the government has undertaken to cut budget expenditures (again, because of the IMF performance criteria). In November 2008, Prime Minister Sergei Sidorski announced a major reduction in budget expenditures by 5 trillion rubles (around U.S. $2.3 billion), or 12% of the total budget spending in 2008. The curtailment will affect most of the welfare programs, except for healthcare. In early 2008, the government altered the procedure for the provision of allowances for parents taking care of a sick child under 5 years of age. One of the parents was entitled to the allowance for the whole period of treatment (whereas in 2007 the allowance was provided only after a doctor officially certified that the child required additional care).

The abolition of social benefits back in December 2007 brought about serious changes in the state welfare system in 2008. The conditions for
receiving targeted social assistance were revised in early 2008, although
the government had planned to change them in 2009-2010. The needi-
ness limit was raised to 100% of the subsistence wage from 60%, which
means those earning more than 60% of the minimum wage (but less
than 100%) are now eligible to social assistance, and the total volume
of support rose to more than 31 billion rubles in 2008, while the number
of beneficiaries tripled (most of them were either large or single-parent
families). Social assistance was granted to 90% of applicants.

**Challenges of 2009**

The global economic and financial crisis is naturally the greatest chal-
lenge to the Belarusian labor market and welfare system in 2009. The
significant reductions in export prices and drop in demand on foreign
markets (as growth in trading partners slows down) have cut foreign ex-
change receipts, which in turn results in a tremendous pressure on the
exchange rate. The one-off devaluation of the national currency ear-
ly in 2009 was clearly insufficient to tackle the current account deficit
and boost export supplies. Under the circumstances, the government
will have to either impose caps on wages or devaluate the Belarusian
ruble again. On the other hand, Belarusian companies are not competi-
tive enough to stand their ground in foreign outlets, hence a hike in un-
sold inventories, cutback in production and finally, an increase in la-
tent employment.

The following problem arises: will the government make up its mind
to divulge the real unemployment figures or opt for latent unemploy-
ment and optimistic official statistics? A proposal was voiced in early
2009 to raise unemployment benefits, which would have become the
first step to shore up those who have lost their jobs. The decision of the
government still depends on how serious the crisis really is, according
to the Belarusian authorities. So far they chose to cut working weeks,
thus encouraging latent unemployment, which means the government
does not really believe the crisis will last very long. Should the chang-
ing situation prove the authorities wrong, it would be too “costly” for
Belarus to support underemployment using budget funds. If the crisis
deepens beyond the limit the government can fathom now, a drastic re-
form of the welfare system will be inevitable.
Energy Sector

Yelena Rakova

Summary
The energy sector of Belarus retained its dominating position last year, both by economic indicators and production importance for the whole country. The first six months were especially favorable: the growth in crude oil prices resulted in higher profitability of Belarusian oil processing, whereas Russian natural gas fees were three to four times as low as what European consumers had to pay. The favorable terms of trade enabled the administration to keep fuel and energy prices for producers and individual consumers relatively low throughout January-June. The second half of the year saw a historic turning point, though. Oil prices plummeted, and return on foreign sales of oil products shrank to almost nil. As a result, export receipts and budget revenues fell dramatically, making cuts in domestic gasoline and diesel prices impossible. The year was also marked by extensive prospecting and preparatory work to select the best site for the first nuclear power plant in Belarus and to choose the developer. Although there were no concrete contracts and concluding documents at the end of the year, experts at the level of the Energy Ministry and Academy of Sciences speak about the Ostrovetskaya site in the Grodno Region (best location) and Russia’s Rosatomstroy (probable developer).

The Principal Ideas:
- oil sector was one of the key sources of export receipts and budget revenues;
- Russian natural gas prices remained beneficial for Belarus;
- preliminary operations to build the nuclear power plant continued.
Oil sector

Structure and general information
The oil-producing and oil-refining industries are crucial for the national economy. Crude and oil products accounted for 40% of Belarus’ exports in 2008.

Imports of crude rose in the period 2004 through 2008 rose to 21.5 million tonnes from 17.8 million tonnes, a 20.8% increase. Belarus processes imported oil both for domestic consumption and exports. The country operates two large refineries, Novopolotsk-based OAO Naftan, in the Vitebsk Region, and OAO Mozyr NPZ, in the Gomel Region. Both were transformed into open joint-stock companies, or OAOs, in 2002, with a view to selling controlling stakes to Russian investors, but negotiators failed to work out mutually beneficial conditions. At the same time, even though there was no strategic investor, the state managed to upgrade both refineries in the scope of budget-financed programs in order to increase the volume of processing and crude processing rate.

Belarus’ own crude production has remained close to 1.8 million tonnes for the last few years. The share of Belarusian-made crude supplied to the domestic market has been falling, though, to 19.3% of the total in 2008 from 41.7% in 2004 and 80.9% in 2000.

Belarusian crude oil transit amounted to 85.1 million tonnes in 2008, 93.6% of the 2007 level. Belarus has two oil transport companies, RUP Gomeltransneft Druzhba and Novopolotsk-based oil transport company Druzhba. Both of them were included in the three-year privatization plan of the government in 2008; they are supposed to be transformed into open joint-stock companies in 2009 (with further privatization plans envisaging investment from Russia’s oil transporter Transneft). However, Belarus has been cutting transit of Russian crude for a few years now, mostly because the Latvian and Lithuanian Druzhba spurs were closed for some technical reasons.

The construction of BTS-2 will make Belarusian transit capabilities even less wanted by Russian exporters, hence a decrease in transit-based revenues of the state budget.

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1 The Russian government plans to start operating BTS-2 pipeline, connecting Unecha station on the Belarusian border and Ust-Luga port in the Leningrad Region, in the third quarter of 2012.
**Oil processing and exports of oil products**

Belarusian refineries processed 21.3 million tonnes of crude in 2008, at the 2007 level. OAO Naftan refined 10.4 million tonnes of crude oil, down 3% year-on-year, while OAO Mozyr NPZ’s oil refining increased 2.4% on the year to 10.92 million tonnes.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Exports of oil products</th>
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<tbody>
<tr>
<td></td>
<td>2005</td>
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<tr>
<td>Share of oil product exports in total exports, per cent</td>
<td>30.4</td>
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<tr>
<td>Share of oil products in total exports beyond the CIS, per cent</td>
<td>51.7</td>
</tr>
<tr>
<td>Increase in oil product exports, yr-on-yr, per cent</td>
<td>47.2</td>
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</tbody>
</table>

*Source: National Statistics Committee*

The price factor dominated Belarus’ foreign trade in oil and oil products for years, as it was the rise in prices that accounted for the stable export growth in monetary terms. In 2007, the rise in prices was behind the 11.2% increase in exports, while the growth in the volume of supplies was responsible for only 1.8% of the overall increase. In January-June 2008, exports of oil products showed an impressive 80.2% growth year-on-year, of which the rise in prices alone accounted for 67.7%.

The drop in oil prices registered in the second half of the year resulted in a slower export growth: foreign supplies of oil products expanded only 13.1% on an annual basis in July-December 2008.

Fuel oil remained the key oil product Belarus exports, accounting for 40% of the total; diesel fuel follows with a 30% share, and gasoline accounts for 20%. Below is the list of the main importers and their share in overall exports of Belarusian oil products:

- the Netherlands – 50.4%;
- the UK – 12.7%;
- Latvia – 14.9%;
- Poland – 2.6%.

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2 Primary crude processing edged up 0.5% year-on-year in 2007 to 21.342 million tonnes.
Pursuant to the agreement between Belarus and Russia on distribution of customs duties dated January 12, 2007, when importing crude from Russia in 2008, Belarus was paying 33.5% of the Russian export duty. The size of the Russian export duty on crude oil was changing throughout 2008 depending on global oil prices – from almost U.S. $500 per tonne in August to U.S. $192.1 per tonne on December 1, 2008. The special duty for Belarus was changing accordingly, to U.S. $64.4 per tonne in December 2008 from U.S. $96.2 per tonne in November and U.S. $166.1 per tonne in August. The Belarusian government has initiated the abolition of Russian duty on crude exports to Belarus referring to the plans to create a fully-fledged Customs Union by 2011.

Once the early 2007 deal on distribution of customs duties came into effect, the profitability of crude supplies to Belarus and local processing for further exports dropped dramatically, which called for emergency measures to shore up oil refiners. They were offered budget subsidies, since it was the state budget that benefited from the increase in export duties. The government revised the amount of oil subsidies a few times in 2008. The oil-processing industry logged a 7.7% return rate in Jan-

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3 Belarus used to get cheap Russian crude oil while exporting oil products at high prices – the difference resulted in significant incomes. The Russian side insisted on complete unification of customs duties, and the disagreement provoked a conflict in early 2007, when Russia finally imposed a duty on crude oil exports to Belarus. The two countries could not agree on a fair distribution of the duty, and Belneftekhim concern suspended contracts with Russian suppliers. On January 3, Belarus responded to the Russian initiative by introducing a customs duty on oil transport through its territory. Belneftekhim blocked oil supplies to Europe via Druzhba oil-main late at night on January 7. Russia’s Transneft oil transporter immediately accused the Belarusian side of illegally siphoning off oil intended for European consumers. Belarus abolished its duties on January 10 and resumed oil transport to Europe on the night of January 11. After that the two allies signed an agreement on Russian oil supplies to Belarus. Russia agreed to cut the oil export duty for Belarus to U.S. $53 per tonne, 29.3% of the export duty imposed on European consumers, at U.S. $180 per tonne. In 2009, Belarus pays 35.6% of the Russian export duty. The same agreement included the mechanism of distribution of the export duty on light oil products refined in Belarus. Russia received 70% of the duty in 2007, 80% in 2008 and will get 85% in 2009.

4 The subsidy does not depend on the price of oil and oil products and is based on the following formula: oil supplied to Belarus in the accounting period (month) multiplied by the export duty as of the date of shipment (U.S. $96.2 per tonne) multiplied by 0.335 (the rate fixed for 2008) multiplied by the float factor set by Belneftekhim on a monthly basis: for instance, 0.9 in October and 0.7 in November.
The net profit reported by the fuel industry in November-December amounted to 30%-35% of the average monthly net profit in January-September 2008.

The state budget netted around 6 trillion Belarusian rubles, or U.S. $8 billion in revenue from the export duty on oil products in 2008. The duty accounted for 12.3% of all budget revenues in the first half of the year, whereas in July-December, the figure shrank to about 11.7% because of the adjustments in export structure: fuel oil stayed in Belarus, while exports of more expensive light oil products went up, thus keeping exports unchanged (in monetary terms) and budget receipts stable.

Domestic fuel prices were raised thrice last year and decreased only once, on December 1, by 10%, to 2,020 Belarusian rubles per liter of diesel fuel, 1,760 rubles per liter of A-76 (76-octane) gasoline, 2,220 rubles per liter of AI-92 (92-octane) gasoline and 2,530 rubles per liter of AI-95 (95-octane) gasoline. The high fuel prices that domestic consumers have to pay now are mostly due to the reduction in refineries’ export proceeds, their demands to have higher state subsidies and a very high share of excise taxes in the final price (exceeding 50% in the price of gasoline and diesel fuel). As a result, wholesale price quotations for foreign and domestic consumers were markedly different: AI-92 gasoline price quotation for the domestic market was at U.S. $1,168 per tonne, compared to U.S. $450 per tonne for foreign consumers; the figures were at U.S. $1,337 per tonne and U.S. $468.5 per tonne for AI-95 gasoline, respectively, and for diesel fuel, at U.S. $848.8 and U.S. $646.5. It appears that in late 2008, supplies to the domestic market were twice as profitable as exports, but the domestic market of Belarus requires around 6 million tonnes of refined oil annually, while exports have grown to 15 million tonnes a year.

**Gas sector**

*Structure and general information*

Natural gas is a strategic raw material for the Belarusian economy. Trying to cut the costs of domestic producers Belarus was encouraging them to change to cheap Russian gas, thus raising the share of natural gas in the energy consumption package from 43% in 1990 to 80% currently.
Belarus imported 21.1 billion cubic meters of natural gas for its domestic consumption in 2008, up 2.1% on the 2007 level.

This country’s gas consumption structure differs from that in Moldova and Ukraine. The key consumer is the state-run concern Belenergo, which gets 58% of all gas imports. Ninety-five per cent of its electrical power plants burn gas to generate power and heat. The manufacturing sector accounts for 22% of all imports, of which a few petrochemical giants consume more than half. The largest Belarusian natural gas consumers, OAO Grodno Azot and OAO Khimvolokno, based in Mogilev, are among this country’s largest exporters and taxpayers. An unexpected hike in fees or deficit of natural gas would result in grave economic consequences not only for these few producers (especially continuous cycle plants), but also for the economy as a whole.

The gas sector of Belarus is represented by the gas transport company Beltransgaz and state concern Beltopgaz, controlled by the Energy Ministry. Beltransgaz is responsible for gas transport to domestic consumers and transit of Russian gas to Western Europe, whereas Beltopgaz distributes and sells natural gas to final consumers in Belarus.\(^5\)

The Russian side in 2008 controlled 25% in OAO Beltransgaz.\(^6\) Gas transport and distribution among ultimate consumers normally follow the procedure described below. Russia’s gas monopoly OAO Gazprom supplies natural gas to OAO Beltransgaz, which supplies it to Beltopgaz concern, which, in turn, distributes gas among final consumers and individuals via its regional sales organizations (oblgaz).

Belarus’ role in Russian gas transit is less significant than Ukraine’s, but the volume of transit has been growing lately. Belarus transported 72.4 billion cubic meters of Russian gas in 2008, up 3.2% year-on-year, a serious increase from 40.8 billion cubic meters transited in 2005. Bel-

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\(^5\) OAO Beltransgaz operates a network of seven gas mains, 231 gas distribution stations, Osipovichskoe underground gas storage facility and Pribugskoe underground gas storage facility. The total length of gas pipelines is 7,377 kilometers calculated on a one-line basis. The system of gas-main pipelines is used to supply natural gas to domestic consumers.

\(^6\) Under the five-year contract between OAO Beltransgaz and OAO Gazprom, signed on December 31, 2006, OAO Gazprom will acquire a 50% stake in OAO Beltransgaz for U.S. $2.5 billion. The Russian gas giant will acquire 12.5% in Beltransgaz annually in 2007-2010 and pay four annual installments, each amounting to U.S. $650 million.
transgaz networks are used to transit Russian gas to the Baltic States and Russia’s exclave Kaliningrad Region, while Yamal-Europe gas-main (owned by Gazprom and maintained by Beltransgaz) is used to pump gas to Poland and then to Germany.

**Price formation in the gas sector**

Under the contract between Beltransgaz and Gazprom for natural gas supplies and transit dated December 31, 2006, the gas price formula for Belarus is pegged to the average European price and is subject to a discount. Last year, Belarus paid 67% of the average European gas fee minus transport costs and the export duty (30% of Gazprom’s selling price), in 2009 it is supposed to pay 80% of what Europeans pay, in 2010, the figure will increase to 90%, and the year 2011 will see Belarus pay as much as European consumers minus transport costs. Also, Belarus is supposed to pay in monetary assets (barter and offset schemes must be ruled out).

Belarus was paying U.S. $119 per 1,000 cubic meters of gas in the first quarter of 2008, up 19% from the 2007 level, and U.S. $127.9 per 1,000 cubic meters starting April 1, 2008, up 7.5% from January-March. The average European price stood at U.S. $400 per 1,000 cubic meters. See the picture below for the change in gas prices since 2001.

Since import prices rose only 28% year-on-year, the rise in prices for final consumers was also moderate. Gas fees for most of Belarus’ manufacturers were raised to U.S. $145.18 per 1,000 cubic meters, VAT not included, on January 1, 2008, up 7% on the year. On August 1, 2008, domestic gas prices rose another 9.3% to U.S. $158.67 per 1,000 cubic meters, minus VAT. The second increase was due to the rise in import prices on April 1, 2008. Some consumers enjoyed preferential prices, paying just 50% to 80% of the official price (Belenergo, selected petrochemical, peat-producing and light industry companies).

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7 Belarus provides transit of Russian natural gas using the following pipelines: three-line 1,220-millimeter Torzhok-Minsk-Ivatsevichi gas main, two-line 1,220-millimeter Ivatsevichi-Dolina gas main, 1,020-millimeter Kobrin-Brest-State Border gas pipeline, 1,220-millimeter Minsk-Vilnius gas pipeline, 1,420-millimeters Torzhok-Dolina gas pipeline, and 273-millimeter Volkovysk-State Border gas pipeline. Belarus operates over 2,500 kilometers of gas pipelines (on a one-line basis) to provide transit of Russian natural gas to Europe. OAO Beltransgaz operates and maintains 575-kilometer Yamal-Europe gas main with a diameter of 1,420 millimeters, which is owned by Russia’s Gazprom.
Gas tariffs for individuals rose 10% to 90% on January 1, 2008. The 90.9% increase in fees applied to households that reside in apartments with central hot water supply equipped with gas cookers. Tenants were paying 3,696 Belarusian rubles, or U.S. $1.72 a month per person. If there is a gas cooker and gas water heater (and no central hot water supply), tenants paid 8,648 Belarusian rubles, or about U.S. $4 on a monthly basis, which was up 55% from the previous level. During the heating season, tenants of apartments without central hot water supply equipped with gas cookers and gas water heaters paid 172,700 Belarusian rubles, or U.S. $80, per 1,000 cubic meters, a rise of around 20%; in the summer, they were supposed to pay 376,000 Belarusian rubles, or U.S. $175. Liquefied gas prices also rose significantly, to about U.S. $1.4 per cubic meter in winter and U.S. $0.50 per cubic meter in summer, which was a serious impact on those using this type of gas in villages and summerhouses (dachas).

Gas fees for households rose 37% year-on-year on average, enough to cover only 67.1% of the cost of natural gas delivered to households.

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Non-uniform gas tariffs for individuals who use gas for cooking, heating and hot water supply are due to the necessity to equalize terms of payment of utility fees for tenants of apartments in blocks of flats with central heating and hot water supply that use gas only for cooking and owners of dwelling houses that use gas for cooking, heating and hot water supply.
Electrical power engineering

Structure
The Belarusian power grid includes six independent regional republican unitary companies, or RUPs, also called oblenergos\(^9\) and HV power lines connecting them to power networks of neighboring countries (Russia, Ukraine, Lithuania and Poland). This system is governed by Belenergo, which is accountable to the Energy Ministry of Belarus. The power grid of the country is a vertically integrated company, in which generation, transfer and distribution are not separated.

Belenergo has been using two types of fossil fuels – natural gas (92%-95% of the total) and fuel oil – as crude energy for years. Belarus is capable to meet most of the domestic requirement for electrical power independently, and imports from Russia, Ukraine and Lithuania are not significant.

The state program of modernization and upgrade of the power engineering sector envisages a reduction in the share of natural gas in the structure of fuel and energy consumption to 50% by 2020 from 70% currently, and to 95% from 75% in power generation. It is also planned to increase the share of local and renewable fuels in the generation of electrical power and heat energy to 30% by 2012.\(^{10}\)

Power supply organizations of Belenergo concern generated 34.9 billion kilowatt-hours (kWh) of electrical power in 2008, a rise of 9.8% over 2007. Although Belarus is capable of generating enough power, imports remain more profitable in summer (besides, extra power can be exported to Poland). In 2007, Belarus imported 4.34 billion kWh of power, down 20% year-on-year, which included 800 million kWh of imports from Ukraine and 3.54 billion kWh of power from Russia. Last year’s imports were at 2.394 billion kWh of electrical power, just 55.1% of the 2007 level, including 2.2 billion kWh of power from Russia (imports from Lithuania, Latvia and Ukraine were insignificant).

\(^9\) An RUP is a republican unitary enterprise. All oblenergos are state-run enterprises; the government has no plans for them to go public.

Electricity tariffs

Electrical power fees are set on a cost-plus basis. Power is supplied to consumers at unified rates that are differentiated depending on the category of consumers. All in all, there are 11 groups (manufacturers, state-financed organizations, individuals, etc.).

During 2008 electrical power tariffs for industrial consumers were raised once. Since April 1 they amounted to 11 U.S. cents for 1 kWh for industrial consumers, 10.5 cents – for budget consumers, 5.3 cents – for agricultural consumers. Meanwhile Belenergo kept selling power at reduced rates to some privileged consumers, especially a few crucial producers like RUP Belarusian Metal Plant, OAO Svetlogorsk Khimvolokno, OAO Grodno Azot, OAO Beltransgaz, some of the companies subordinate to Beltopgaz and a few more energy-intensive enterprises.¹¹

Tariffs for households changed twice, having amounted to 6.5 U.S. cents since May 1 till the end of the year. Individuals covered around 34% of power and heat generation and supply costs.

Power tariffs for Belarusian manufacturers stand close to European rates, at 0.01-0.012 euros per kWh, despite the fact that the price of gas that is used to generate power and heat is much lower than in Europe. The reason for this discrepancy is the cross-subsidy mechanism. On the one hand, higher electrical power tariffs contribute to lower heat power rates, but on the other hand, it is the industrial sector that bears the burden of gas price hikes, while fees for the population are kept very low (they are markedly lower than in Russia or Ukraine). Households pay for electrical power twice as little as industrial consumers, whereas developed countries charge individuals at least twice as much as producers, as it is costlier to supply power to households.

Construction of a nuclear power plant

Last year the Security Council of Belarus determined that Belarus would build its own nuclear power plant. It took months to complete preparatory operations and administrative work.¹² Belarus adopted the law On the Use of Nuclear Power, started training personnel and began build-

¹¹ Major decisions regarding such companies are taken by the government; the list of these companies is confidential.
¹² The original decision to construct the plant was made in 2006.
ing up the regulatory framework for the new industry. The Belarusian nuclear plant will operate two 1,000-megawatt units with water-cooled and water-moderated reactors. The first unit is expected to be launched in 2016, and the second one will take two more years to finish and launch. The nuclear plant is projected to be effective enough to save the country around 5 billion cubic meters of natural gas a year (about 20% of what is consumed now) and enable additional electrical power exports.

The management board of the nuclear power plant and special state commission selected the Ostrovetskaya site in the Grodno Region as the primary location for the plant, while two Mogilev Region sites, Kran-
sopolyanskaya and Kukshinovskaya, were designated as “reserve sites”. The final decision had been expected prior to December 1, 2008, but there was no presidential ordinance to approve the choice.\textsuperscript{13}

As a result of competitive bidding and direct negotiations with potential developers, Belarus decided that Russia’s state corporation Rosatom would be awarded the contract to build the plant. Belarus will complete the talks with Rosatom and ink the contract in 2009. The Belarusian government hopes the construction cost will not exceed U.S. $4–6 billion, most of which will be borrowed from the Russian side.

The decision to build the nuclear plant was taken behind closed doors; the discussion of the main characteristics of the plant and construction peculiarities was not public, either. Many energy sector experts doubt that the project will be feasible and efficient.

\textsuperscript{13} Under the law On Nuclear Power, the decision on the construction of the nuclear power plant and the location of the plant is taken by the president.
Privatization. Case-by-Case Sales as a Last Resort

Tatiana Manenok

Summary
The Belarusian authorities used to have no problems at all with financial resources owing to cheap energy coming from Russia and excellent terms of trade on the global oil product and potash markets up until the year 2007, but once Russia decided to change to European prices in energy trade with its western neighbor within four years, making 2007 the first year that saw a hike in fees, the Belarusian authorities had to redouble their efforts to find new sources to finance the national economy.

It became clear that the state reserves that used to be sufficient to back domestic producers were dwindling fast, making the threat of exhaustion very likely. This is why in the summer of 2008 the government hastily announced a three-year plan to transform all unitary state-controlled enterprises into joint-stock companies and then to privatize all enterprises subject to privatization, including oil pipelines, which were on the list of economic entities not subject to privatization.

Being aware of the simple fact that it would be possible to attract money in domestic enterprises only on condition that the country has a healthy stock market, the government spared no effort in a very complicated matter, lifting the decade-old moratorium on trade in securities.

The authorities had frozen the stock market 10 years before lest they should lose control of the shares that individuals acquired during the preferential privatization on the 1990s; thousands of Belarusians that managed to acquire stockholdings in Belarusian enterprises in exchange for Property vouchers had no chance to dispose of their assets for a whole decade. But circumstances were harsh enough to make the government change its mind: a stock market is an integral part of a market economy enabling businesses to attract foreign investment in development. Even the government understood that without a considerable
inflow of foreign investment the national economy would face terrible shocks, if not bankruptcy, amid new foreign challenges and an imminent rise in energy prices. In late 2007, a working group led by Deputy Prime Minister Andrei Kobyakov, responsible for the action plan to liberalize the economy, included the abolition of the moratorium in the liberalization basket.

After lengthy backroom discussions, the program to lift the moratorium took off in early 2009, although with a six-month delay.

2008 key trends:

- while in search of new sources to cover the balance of payments gap, the government finally ended the long-lived slack privatization phase, and in summer 2008 announced a large-scale three-year plan of transformation of state-run enterprises into joint-stock companies, giving it an ambitious name of the “privatization campaign”;  
- foreign challenges prompted the government to give an impetus to the stock market development. Beating the opposition of branch and industry lobbyists and mossbacks in high places that tried to block the reforms, the country by late 2008 had managed to shape a regulatory framework to abolish the decade-long moratorium on circulation of the shares that people acquired during the voucher privatization campaign;  
- the authorities finally took a few cautious steps to alleviate the requirements for businesses wishing to acquire illiquid assets and potential bankrupts. The government seems very circumspect here, since simplified acquisition procedures now only apply to the property located in smaller towns and villages;  
- on the threshold of the forthcoming privatization the government took steps to insure itself against any surprise and “plug the loophole”: the leading companies of the country were crossed out of the list of enterprises subject to easy privatization terms;  
- the interest of foreign investors in the privatization processes in Belarus will ultimately crash into the barriers that the authorities call the advantages of the socially-driven economy;  
- the attempts of the Russian Federation to speed up its entry in the Belarusian market through vertically-integrated holdings with Belarusian enterprises are getting more evident.
Going public like there is no tomorrow

The Belarusian authorities had never regarded privatization as a way to help companies work more efficiently, so when the administration had enough resources, there was no chance for domestic enterprises to turn private. All more or less serious state property transactions over the past two years were involuntary.

In the year 2007, there were three deals of this kind. It was Russia’s enormous pressure that got things going with the privatization of Beltransgaz gas transport monopoly (Russia’s Gazprom gas giant acquires 12.5% annually for U.S. $625 million to finally gain control of 50% in the pipeline operator). The 99.7% state stake in OAO Motove-lo, a producer of bicycles and motorcycles, was sold to Austria’s AT-EC Holding GmbH (for about U.S. $7.2 million, at book value, and allowing the investor to pay in installments), only after the state found itself unable to save one of the country’s biggest brands. Last but not least, the state shareholding in Velcom, the second-largest GSM operator, was sold to Austria’s Mobilkom Austria for U.S. $556 million in two phases, via a Cypriot company, when it was crucial to pay for Russian gas supplies, while the long-awaited Russian loan was still on its way to Belarus.

The privatization strategy did not change in 2008, although a large-scale campaign for state enterprises to go public was declared, dubbed a “privatization program” with what seemed too much ambition.

The government approved the list of 519 state-controlled companies subject to privatization by way of share issue with further sale of stakes in 2008–2010. The government approved the lists by its resolution #1,021 dated July 14, 2008.

Among the 176 state-run companies to be privatized as early as 2008 were Minsk Motor Plant (MMZ), Minsk Automobile Plant (MAZ), Termoplast plant, Minsk Vavilov mechanical plant, etc.

In 2009, 213 state-owned companies were supposed to change ownership, including Gomselmash, BelAZ, Minsk Wheeled Tractor Plant (MZKT), Vityaz, Gomeltransneft Druzhba, etc.

Finally, the year 2010 was supposed to see transformation and possible privatization of 130 enterprises, among them Minsk Masherov au-
tomated line plant, Minsk research institute of radio materials, Orsha flax factory, Minsk Kirov machine-tool factory, etc.

The plans of the government were later adjusted under pressure of the manufacturing lobby. The original resolution of the government that launched the privatization campaign was altered by resolutions #1,709 and #1,939 of the Council of Ministers.

The adjusted plan had 169 enterprises on the list of producers subject to share issue (which means seven were crossed out) in 2008, of them 50 enterprises with the Industry Ministry, 45 with the Transport Ministry, 20 with the Agriculture Ministry, 14 with the Trade Ministry, six with the Architecture and Construction Ministry, 11 with the Energy Ministry, eight with the Housing Utility Services Ministry, six with Bellegrom light industry concern, three with the Culture Ministry, two with the State Military and Industrial Committee, two with Belgospischeprom concern, one with the Communication Ministry and one with Belbiopharm pharmaceuticals concern.

The government contrived to manage the complicated task of changing the status of state-run enterprises in 2008, but only very late in December. The failures were two enterprises subordinate to the Architecture and Construction Ministry, two companies under the Trade Ministry and one agricultural enterprise.

Last year, 156 state-controlled enterprises with estimated 89,000 personnel were transformed into open joint-stock companies (or OAOs) in Belarus. The charter capitals of those open joint-stock companies received over 4 trillion Belarusian rubles’ worth of state property as contributions.

OAOs were established either on the basis of a single enterprise or a few property complexes at once. Last year, three open joint-stock companies were established using assets of three enterprises as property complexes.

It took 18 years of property reforms to finally issue shares of the largest Belarusian republican unitary enterprises, including MAZ, BelOMO, Minsk Motor Plant, Minsk Vavilov mechanical plant, etc. Not a single large company was privatized, though. Only one joint-stock company – Motex – was established with a Russian investor, the chairman of the State Property Committee Georgy Kuznetsov reported to the government on February 10, 2009.
When it comes to communal ownership enterprises, last year only 37 were privatized, although the original plan for 2008 included at least a third of all communal enterprises subject to privatization in 2008-2010, and there were 466 of them.

Despite the ambitious declarations of the government about the coming privatization of the leading enterprises of the country, it was clear that in 2008 it was all about transforming them into open joint-stock companies with no plans to sell yet.

In September 2008, President Alexander Lukashenko told representatives of Russian media outlets: “Our state enterprises are going public. If we see an interesting investor wishing to acquire, say, 10% of the shares, we will consider the proposal, but we will keep control.” As he puts it, there will be no “all-round privatization”, as “we will be selling only the assets that we won’t manage independently. As for manageable property, we will not sell it at all.”

**Incomplete projects – 2008**

The first half of the year, right until the global crisis erupted, was filled with rumors about the probable privatization of Belarus’ MAZ, which seemed an attractive asset for Russian engineering giants GAZ and KAMAZ.

Other plans discussed early in 2008 included tentative projects of OAO Grodno Azot, Gomel Chemical Plant, Naftan and Polimir to set up joint ventures with Russian companies. By December 1, 2008, Naftan oil refinery and Polimir chemical company had merged into a single entity expecting a rapid privatization.

OAO Grodno Azot and Gazprom’s 100% subsidiary Gaz-Oil had been in talks over a joint production of ammonia and carbamide, which could have an easy access to natural gas.

In early 2008, Russia’s OAO Sibur-Minudobreniya – another Gazprom subsidiary – sent a proposal to the Belarusian government to take part in the privatization of OAO Grodno Azot. The Russian investor was ready to pay around U.S. $400 million for 75% plus one share or U.S. $260 million for 50% plus one share. Furthermore, OAO Sibur-Minudobreniya was ready to pay only on condition OAO Grodno Azot was not in the red.
The project was discussed in the Belarusian government, but it did not seem willing to back it. After the global crisis shockwave reached Belarus, both the sides considered the project untimely and irrelevant, at least for the time being.

Also in 2008, Gomel Chemical Plant held talks with Russia’s Euro-Chem group of chemical companies over a joint venture (supposedly, on a par basis). The process of project coordination was taking too long, because the potential partner could not agree with the established practice of loss-making domestic supplies by Gomel Chemical Plant.

The government promised it would allow the newly-created joint venture to supply fertilizers to the domestic market with a profitability rate of up to 10%. The deal was not completed, though.

Belneftekhim concern had completed the merger of OAO Naftan and OAO Polimir by December 1, 2008, and was going to submit a proposal to attract a strategic investor by the end of the year. There were two potential investors, as a matter of fact, both of them Russian oil majors – LUKOIL and Rosneft. The former was going to present its business plan in September, and the latter had planned to take a few more weeks. Russia’s Ambassador to Belarus Alexander Surikov told a news conference in Minsk last August that Russian investors would insist on having a controlling stake in the Naftan-Polimir conglomerate, “in order to avoid squabble” that normally happens when the stock is split into two equal parts, like in the case with Beltransgaz.

The initial plan of the government (ironically, worked out before the crisis) to have a market valuation of the new petrochemical association as soon as possible to put up the state stake for sale before the end of the year did not work. Both the companies require investment in upgrade programs: OAO Polimir needs U.S. $1.8 billion, and OAO Naftan requires about U.S. $600 million. The financial crisis cooled off both investors, and they seem to have lost interest in the Belarusian project.

The leading pharmaceutical concern of the Baltic States Grindex showed a serious interest in Borisov Medications Plant. Talks over a joint venture were underway throughout 2008, but negotiators failed to agree, since Grindex’s conditions were impossible for Belarus. The Latvian company wanted a 51% stake, profitable supplies to the Bela-
rusian domestic market and withdrawal of the state farm that was earlier “attached” to the pharmaceutical company.

There was only one successful privatization deal in 2008: the state sold an 80% shareholding in the GSM operator BeST to Turkey’s Turkcell for U.S. $600 million. The agreement was signed in Minsk on July 29, 2008.

**Secondary market: a bit luckier**

The large investment projects involving real sector companies that were completed on the secondary market in 2008 can be counted on the fingers of one hand. The Netherlands’ Heineken N.V. in spring 2008 bought 51% in Belarus’ OAO Rechitsapivo brewery through an additional share issue. OAO Rechitsapivo had been transformed into a joint Belarusian-Lithuanian venture in 2000. With a national production share of 8.1%, the brewery has a technical capacity of 5.2 million decaliters annually. Under the terms of the transaction, the state-owned stake was reduced to 7.2% from 14.7%.

Heineken, the third-largest beer company in the world and Europe’s largest beer maker, came to the Belarusian market in late 2007 by acquiring SZAO Syabar.

The U.S.’ Detroit Investments in spring 2008 completed a U.S. $20 million investment project to open a juice-making plant under the brand Staraya Krepost with an annual capacity of 10 million decaliters in Belarus’ town of Bobruisk by the end of the year. The investor used the facilities of a bankrupt cannery.

Detroit Belarus Juice Company is a special-purpose vehicle set up in the U.S. in 2006 in partnership with the IFC and Detroit Investments Group to carry out the juice project in Belarus. In 2002, the IFC and Detroit Investments Group established Detroit Belarus Brewing Company LLC/DBB Company to launch beer production at OAO Dednovo, also in Bobruisk.

In late 2008, Finland’s Olvi Oyj, which controls beer-making companies in Estonia, Latvia and Lithuania, acquired a 51% holding in the Belarusian brewery Lidskoe Pivo through a private placing for an estimated U.S. $16 million.

Lidskoe Pivo issued an additional 38,549 shares worth 23.764 billion Belarusian rubles to more than double its authorized fund to 46.561
billion Belarusian rubles from 22.816 billion Belarusian rubles. Olvi bought the 51% stake at 886,975 Belarusian rubles per share with a par value of 616,000 Belarusian rubles. The remaining 49% is distributed evenly among the brewery’s personnel.

In early October, the Belarusian Currency and Stock Exchange (BCSE) registered large-scale acquisitions by South Africa’s Harvest Invest Group. The investor bought 49.26% in OAO Brest knitting factory Elma and 30.8% in OAO Brest household chemistry plant.

According to the BCSE, Harvest Invest Group purchased 16,987 shares of the Brest-based plant for 1,977.6 million Belarusian rubles (with par at 116,240 Belarusian rubles), and 140,000 shares of Elma for 1,847.16 million Belarusian rubles (the par is 13,194 Belarusian rubles).

Elma is one of the leading light industry companies of the country. It went public in 1998. There is no state shareholding. Brest household chemistry plant is one of the largest producers of household cleaning products and perfumes in the CIS. The state controls a 0.35% stake.

**Legal liberalization: too slow and discreet**

The fundamentals of Belarus’ privatization policy never changed in 2008. All transactions with property worth over 10,000 base (benchmark) units (one unit of the kind is 35,000 Belarusian rubles), and with shares, irrespective of the amount of the deal, are controlled by the president. The government is incapable of having the powers of the privatization agency extended, despite quite considerable efforts. Last year, the State Property Committee once again proposed to expand its authority by adding the transactions with illiquid assets to its jurisdiction, but even those sound propositions were turned down by the Presidential Administration. Nevertheless, there was some progress in Belarus’ privatization regulations last year, and amid the “dead calm” those few modest achievements could be called “landmark changes”.

Presidential ordinance #144, signed into effect on Mach 4, 2008, cancelled one of the most illogical obstacles to investment – the “golden share”, a special right of the state to interfere in the management of any business that has a state shareholding or has no state stake at all, but used to be a state-controlled enterprise. It is noteworthy that Lukashenko signed the most radical version of the ordinance, totally abolishing the
whole institute of the “golden share”, although there had been options to phase down the special right or transform it step-by-step.

Entrepreneurs were authorized to purchase state property at a starting price of one base unit, or about 15 euros, but only in rural areas, small and medium-sized towns. A list of entities subject to auctioning at a starting price of a single base unit was drawn up, with around 100 types of entities, including industrial facilities, social premises, shops and stores, garages, drugstores, kindergartens, etc. The government was ready to sell off its property subject to a few conditions, like creation of new jobs and continuous production operations. The sale and purchase agreements may include additional conditions for each property unit, though. These conditions are imposed by special commissions responsible for involvement of unused property in economic operations. Commissions of the kind are established with region administrations, ministries and concerns. They may wish to stipulate a specific number of jobs the enterprise requires, or some definite volume of investments.

Auctions offering state property at a starting price of one base unit are arranged by the State Property Committee and its territorial funds. Entrepreneurs seem to be interested in the new opportunities: in the period May 1, 2007 through December 31, 2007 some 80 property units were sold, and 128 more were sold in the first half of 2008.

Furthermore, entrepreneurs working in rural settlements and urban-type settlements subordinate to district authorities may acquire unused state property free of charge. Naturally, they are supposed to have concrete investment projects and business plans to develop the productions they get. Apart from new jobs and uninterrupted manufacturing, the conditions set by auctioning commissions normally include a ban on resale of property or other type of disposal before the new investor amply fulfills all conditions of the purchase and sale deal.

The demand for such unused entities is far from enormous. Only one property unit of the kind was sold in 2008, whereas the target for the State Property Committee is to reanimate over 3,500 unused property units of republican ownership and around 8,000 entities of communal ownership.

Also, there are more than 8,000 half-constructed buildings and constructions that will have to find new owners. Starting January 1, 2008,
alienation of state property, including real estate sold for one base unit, was possible simultaneously with the lease of the land plot, on which that property is located. Alienation of state-owned buildings is subject to simultaneous registration of ownership rights for the land plot, and local executive committees are informed about the transfer of property rights as soon as the transaction is completed.

Enterprises facing bad problems can be acquired simultaneously with land lease rights and paid for in convenient installments. This year the state plans to put up for auction a number of enterprises that are “one step from bankruptcy” (all of them have been insolvent for three years) for one base unit (only 35,000 Belarusian rubles). Last year, there were 192 persistent loss-makers, most of them in the light industry, food-processing industry, construction sector, agribusiness, etc.

Such enterprises will be sold by tender. Potential buyers will have to present an examined investment project to develop the loss-maker. The new owner is supposed to meet social and investment requirements, as well as some other conditions, especially to preserve the number of jobs until the new acquisition pays up previous debts, create new jobs in accordance with the business plan and undertake to repay tax, budget and interest arrears.

The initial price of an enterprise sold as a property complex is set at 20% of its estimated value as of January 1. If the estimated value stands at zero or below zero, the property complex may be sold for a single base unit, at 15 euros. The new owner will have a respite to repay old debts of the new acquisition, including tax arrears, outstanding budget payments (except for the value-added tax imposed on imports of commodities from Russia), unpaid customs duties (imposed in accordance with customs regulations), and unsettled budget loans, including interests.

Furthermore, the new owner will be enabled to pay for the newly acquired enterprise in installments within six years.

**Large companies not subject to voucher privatization**

Although there were no real privatization transactions last year, the government took additional measures to “plug the loophole” in expectation of the potential sale of large enterprises.

Presidential ordinance #605 of November 10 (you may see the whole document at www.president.gov.by, the official web portal of the presi-
imposed a ban on preferential sales of shares of 151 state-run enterprises that will issue shares in 2008-2010 for monetary assets and Property privatization vouchers. The original idea to restrict easy sale of some essential companies was expressed in resolution #1,021 of the government dated July 14, 2008. The resolution, envisaging a three-year privatization plan, includes a “forbidden list” of the leading enterprises – MAZ, Minsk Termoplast plant, Minsk Vavilov mechanical plant, Mogilev Electrodvigatel plant, Gomselmash, Gomel Tsentrolit plant, Vityaz, Minsk Wheeled Tractor Plant (MZKT), Novopolotsk-based Druzhba pipeline company, Gomeltransneft Druzhba, Borisov pharmaceutical plant, a few machine-tool factories, Orsha flax factory, etc.

Ordinance #605 thus amended the Belarusian privatization mechanism: preferential privatization, that is, sale for money or exchange for Property vouchers on easy terms, used to be applied to stockholdings of up to 50% in state companies-turned-OAOs. Failing to complete the voucher privatization in 15 years the government played an all-or-nothing game: it excluded the most attractive enterprises that could have attracted voucher holders from the list of enterprises subject to easy privatization.

The process of withdrawal of the leading enterprises from the realm of mass privatization started a few years ago. There was a special instruction of the president not to exchange shares of the strategic petrochemical companies for Property vouchers in Belarusbank offices. There was an exception, though: the staff could still buy shares using vouchers or for cash at the book value with a 20% discount, although events proved that personnel of large companies preferred using vouchers to paying hard cash.

Beltransgaz stands apart: it was a minority stake in that company sold to its personnel that “prevented” the Belarusian side from establishing a joint venture on a parity basis with Russia’s Gazprom as quickly as the gas giant wanted it. To get a 50–50 deal Beltransgaz had to buy back the shares that the staff had exchanged for vouchers.

Even though the short track record of privatization showed that the personnel is only capable of buying a tiny stake of 0.01–0.02% in large companies, the government won’t make the same mistake, hence the ban on preferential privatization of the leading domestic manufacturing companies that could be sold for good money.
There is another serious advantage for the state as a potential seller: if the company is crossed out of the voucher list, the government spares itself the punishing work of collecting the diffused stockholding via intermediaries.

**Campaign to abolish the moratorium starts with a six-month delay**

A truly momentous event for the privatization process in Belarus last year was the abolition of the moratorium on circulation of shares acquired during the preferential privatization. The ban had been there for a decade.

The decision to lift the moratorium, imposed back in 1998, paves the way for real privatization through sales of securities by minority stockholders.

There were several options for the abrogation of the moratorium, the most radical one envisaging a one-off abolition instead of a phase-down. After some debate, Lukashenko chose the moderate scenario and on April 16, 2008 signed Decree #7 to amend Decree #3 dated March 20, 1998 On Denationalization and Privatization of State Property in the Republic of Belarus. The new document was supposed to add impetus to the development of the stock market.

The original plan was to phase out the restrictions in three waves. The first stage of the campaign (June 1, 2008 through December 31, 2008) was expected to lift the moratorium on sales of shares in OAOs, in which the state either had no stake at all or controlled a shareholding of 75% and more as of March 31, 2008. The second stage (January 1, 2009 through December 31, 2010) will see the ban lifted for the joint-stock companies with a state stake above 50%. On January 1, 2011, when the third phase of the campaign starts, all limitations will be lifted.

Securities market players hailed the move of the authorities and praised Decree #7. That was a real breakthrough in the evolution of the stock market regulations, including a program to develop the securities market, measures to streamline taxation of operations with securities and, finally, the long-awaited cancellation of the prohibition to sell shares.

Even market traders had to admit the new rules were so good they caused “dizziness”.
The National Bank led the way. Member of the Board Sergei Dubkov made a statement for the record during a workshop, saying there was no alternative to the development of the stock market. According to Dubkov, without a strong market the country would not manage to meet the ambitious economic expansion targets or attain the objective set in the Banking sector expansion plan covering the period until 2010, namely, to create a national banking system that would be competitive on a European scale.

Russian experts that kept an eye on Belarus’ progress made hasty remarks that “in the next two or three years we will see a rapid development of the Belarusian stock market.”

It was planned to preserve the moratorium only in so-called “strategic” OAOs, which “ensure the operation of strategically important branches of economy or other significant state needs.” The list of such entities was to be drawn up by the Council of Ministers and approved by the state leader. The government was supposed to submit the list of strategic entities to the president by May 1, 2008, for the first stage of the anti-moratorium campaign to blast off on July 17, 2008. In accordance with the initial plan, the “law of serfdom” was expected to be abolished for about 800 open joint-stock companies on that midsummer day, but it was the Finance Ministry and the State Property Committee that were to make the final decision. Simultaneously, the government and president were to approve the list of companies, in which the prohibition remained.

It was that list of “strategic” entities that became the stumbling block on the way of the reform in 2008, for rarely had a draft document seen so much heated debate in backrooms.

On the eve of July 17, the promised date, the two lists were not ready.

The story of preparation and coordination of the strategic list that became a major obstacle to the anti-moratorium campaign is dramatic and poignant. The process of coordination took more time than one could have expected (by the way, in contravention of the presidential decree), mostly due to backroom clashes between the advocates of the reform and reactionaries, and contribution of lobbyists that tried to channel the privatization flow as they wanted. The list of “strategic” com-
panies appeared late in 2008. Resolution #1,927 of the government issued on December 15, 2008 adopted the list of joint-stock companies that would not be subject to the abolition of the moratorium on the sale of shares, because they were said to maintain the operation of strategic branches of economy. The text of the resolution and the full list of strategic companies were published on the official website of the government (http://www.government.by/public/shared/rus/solutions/rus_solution101870_1.pdf).

As a result of backroom intrigues, 162 companies were included in the list, of them eight subordinate to the Architecture and Construction Ministry, 11 to the Industry Ministry, 40 to the Agriculture Ministry, eight to the Energy Ministry, 15 to Belgospischeprom concern, nine to Belneftekhim oil and chemistry concern, 14 to Bellegprom light industry concern, and three to Bellesbumprom pulp and paper concern.

There are nine strategic companies in the Brest Region, 14 in the Vitebsk Region, six in the Gomel Region, six in the Grodno Region, nine in the Minsk Region, six in the Mogilev Region, and four in the city of Minsk.

The list includes the largest companies of the country Mozyr NPZ and OAO Naftan, the two oil refineries, Belshina tire maker, Mogilev-khimvolokno chemical company, Horizont, a producer of household appliances, Minsk Bearings Plant, Gomeloboi wallpaper maker, Belkard cardan-joint producer, Krinitsa brewery, Belsolod, the only malt producer in Belarus, Brestgazoapparat cooker producer, Gomelsteklo glass factory and Keramin, a producer of ceramic tiles.

Experts note an unusually large number of “strategic companies” for such a small country as Belarus, although it would have been logical to make a shorter list of monopolies.

However, the list includes nearly all animal feed mills and grain product factories. Small wonder: during the first stage of the campaign it was planned to lift the ban on share trade for all food-processing open joint-stock companies subordinate to agricultural producers, and all baking product factories. However, the administrations of those companies and branch lobbyists joined efforts to prevent privatization. Experts also note that the list includes most of the “juicy” companies clearly left “for afters”, when some worthy investor arrives.
The last obstacle to free trade in shares was removed during the final hours of the year. It took the government a few days to prepare the ultimate document (following the list of “strategic” companies) — the list of OAOs that would not be subject to the moratorium on trade in shares acquired in the process of the preferential privatization during the first and second phases of the campaign (the second one started on January 1, 2009). The Securities Department with the Finance Ministry of Belarus on December 31, 2008 said in an official statement that the State Property Committee and the Finance Ministry had drawn up and approved the list of open joint-stock companies, in which there was no state shareholding as of March 31, 2008, or there was a state shareholding of 75% and more (companies “released” during the first stage), and enterprises with a state shareholding of more than 50% (companies “liberated” during the second phase).

After depositories completed relevant technical procedures to lift the limitations on the circulation of shares, the moratorium was finally abolished. The full list of companies, for which the share trade ban was lifted, is available at http://www.centraldepo.by/prescentre/news/.

Forecasts for 2009: sporadic sales as measure of last resort

A. Merciful gas prices postpone the privatization

The average annual natural gas price for Belarus in 2009 is projected at U.S. $148 per 1,000 cubic meters, half as much as Europe will be paying for Russian gas. It seems Moscow has given up its plans to increase prices for Belarus to the European level, minus transport costs, by 2011.

Gazprom, the Russian gas monopoly, said late last year that the average annual gas price for European consumers would reach U.S. $280 per 1,000 cubic meters. If Russia had kept to the principles stipulated in the four-year contract with Belarus signed in December 2006, the average gas price for Belarus this year would stand between U.S. $180 and $200 per 1,000 cubic meters. The Belarusian administration must have managed to get yet another essential concession, that is, to synchronize the change to European gas prices with Russia itself. Russia had planned to introduce domestic gas prices that would be equally profitable with supplies to Europe by 2011, but the prices appeared to be rising too fast, and the move was postponed for seven years. If Belarus
were really granted the same respite, gas prices could be growing much slower for this country.

Furthermore, it looks like Moscow is ready to meet halfway with Belarus not only as far as the gas price is concerned, but also in the terms of payment. Russia’s Ambassador to Belarus Alexander Surikov on February 6 said, given Belarus’ problems with the balance of payments, the country could pay for gas on the basis of the annual average price (prices are higher in early 2009 and will be falling throughout the year) and could be using various offset mechanisms. For instance, Russia could buy Belarusian machines for Russian rubles, and “take these Russian rubles back afterwards as a payment for natural gas.” “I believe any mechanism is possible here; the main objective being to rule out barter operations,” the diplomat said.

The political gas prices and payment terms indicate that the Belarusian authorities will not hasten the privatization process, as current terms of trade are favorable enough for the country to take a pause and wait until things change for the better.

B. Russia shifts focus to holdings

Ambassador Surikov on February 6 told reporters in Minsk that Russian investment projects in Belarus would be adjusted amid the global financial turmoil, but there were no plans to suspend them. He mentioned some projects that both the countries were working on. One of them is a joint auto making holding, which is likely to include the largest Belarusian and Russian truck builders that work in close cooperation. According to the diplomat, the two countries were working “on a conglomerate of companies operating on lease terms.” There are plans to establish joint leasing companies under Rosagroleasing.

Other plans include the creation of a large Belarusian-Russian holding dealing in production, transportation and processing of crude oil. The structure and composition of the holding have not been determined yet, Surikov said. The Russian side would like to see Belarus’ Druzhba pipeline, the two oil refineries, Naftan and Mozyr NPZ, and petrochemical companies as members of the holding. Russia will contribute the leading oil-producing companies, transporters and petrochemical companies. Special working groups have been set up in Belarus and Russia to tackle the “formalization” of the holding.
The ambassador said there was a direct linkage between the oil holding and the progress of the Baltic Pipeline System (BTS-2), an export pipeline alternative to Belarus’ Druzhba. Russia plans to start the construction of BTS-2 in the first quarter of 2009 and complete the first phase of the project, with an annual capacity of 20 million tons, in the fourth quarter of 2011.

“The decision to construct BTS-2 was officially approved. This pipeline will be there to reduce the dependence on transit, even though there is a friendly nation ensuring this transit. How fast or slow this construction will be depends on the negotiations over joint actions, including the creation of a holding of extracting, transporting and processing facilities at the junction of Belarus and Russia. That’s what I can say for now,” Surikov said.

As far as our information goes, the oil holding is being discussed in the framework of the instructions that Russia’s Deputy Prime Minister Igor Sechin and Belarus’ First Deputy Prime Minister Vladimir Semashko gave in late 2008.

Sechin used to be the deputy head of the Presidential Administration of Russia. He is also the Chairman of the Board of OAO Oil Company Rosneft. Russian experts claim it is with Sechin that the Kremlin discusses all major business projects. According to information available, the discussion of the Belarusian-Russian oil holding also addressed the possibility of a new route to transport Belarusian oil products. Belarus is proposed to redirect its transit from the lucrative Baltic seaports to the less profitable Batareinaya Bay in the Leningrad Region.

The Russian government has a clear scenario for Belarus and its exports, and most importantly, it has got its levers. The global crisis notwithstanding, Moscow won’t give up BTS-2, the alternative to Belarus’ Druzhba. Furthermore, there are plans to end the new pipeline in a new refinery with a capacity of 10 million to 15 million tonnes a year, which might become a serious competitor of Belarus’ OAO Naftan.

It is not clear yet how long the financial crisis will prevent Russia from pursuing its plans, but the Kremlin’s bargaining chip is strong enough to “encourage” Belarus to take the right decision.

Who could have thought Belarus would make up its mind to ultimately privatize its two oil transporting companies? Both of them are
still on the list of strategic entities that cannot be privatized, although
the situation has changed dramatically. Novopolotsk-based Druzhba
does not provide oil transit services: it lost all transit contracts for the
Lithuanian route on July 29, 2006, and for the Latvian route even ear-
lier, on January 1, 2003.

C. Even though the gas price is unexpectedly low this year, Belarus is
bound to face new foreign challenges in 2008
Foreign loans to Belarus’ commercial banks and the real sector in 2008
amounted to around U.S. $6.5 billion, but the country requires another
U.S. $10 billion to achieve stability, specialists believe.

Now that currency receipts are exceptionally low, the manufactur-
ing sector is in decline and earlier disbursed loans require repayment,
privatization seems a logical way to find money.

The government is not ready to go this way amid the crisis, though.
President Alexander Lukashenko made this clear when talking to the Be-
larusian mass media on December 18. He said the plans of the govern-
ment to liberalize the economy did not envisage “bulk, unscrupulous”
privatization. In his words, all Belarus’ systemic companies “may be
sold in exceptional cases, but there are no cases of the kind in Belarus
yet despite the crisis.” “If they think they can come here from a foreign
country and buy something on the cheap only because the stock mar-
et has fallen, they won’t have it. We have nothing for sale in this sit-
uation, because prices are “below the knee”. It takes a fool to sell now.
Will Gazprom sell anything if its capitalization falls five times, or three
times? It won’t, until the price gets back to normal,” Lukashenko said.

One can expect that deals with property will become the last resort
for the Belarusian administration to get more money in conditions of
the global crisis. It could first of all sell a 2% stake in the joint Belaru-
sian-Russian mobile carrier COOO MTS, in which the Russian inves-
tor holds only 49% now, but naturally wishes to gain control.

Case-by-case privatization can help Belarus stabilize the financial
situation when hard comes to hard.

The favorable terms of trade on foreign markets back in 2007–2008
did not call for prompt privatization decisions. However, after the sit-
uation on the key foreign outlets deteriorated rapidly, bringing about a
dramatic increase in the adverse balance and limited availability of new loans, the Belarusian authorities will be forced to resort to privatization schemes to search for money and gain a footing in foreign markets, especially in Russia.
Agriculture

Konstantin Skuratovich

Summary
The slower growth in real household incomes and high likelihood of income drops in the summer of 2008 questions the viability of any further farm produce output growth. The same holds for exports, since Russian market demand, the chief outlet for Belarusian farm produce, has fallen dramatically. This justifies a pessimistic financial outlook for farmers. The sector is definitely in for a serious reduction in profitability, which could plunge below zero, as it did in 2003.

Earlier, the problem of loss-making entities was solved by transferring them to efficient owners, such as privately-owned firms, banks and industrial enterprises. Now, the new owners themselves need financial support.

One thing is still unclear: will the current crisis necessitate a major reform of Belarusian agribusiness?

The Principal Ideas:
- all forecasts in Belarusian agriculture were met in 2008;
- the financial situation at Belarusian agro companies deteriorated.

Agriculture, like all other branches of the national economy, was set a task subject to compulsory implementation. The target was defined in the form of a socioeconomic forecast approved by the president of the country.

The branch was supposed to expand export deliveries, and substantially increase the surplus in the foreign trade in farm products.

Agricultural enterprises were supposed to raise their financial status allowing for non-subsidy financing as the president demanded.

The State Program for Countryside Revival is one of the major long-term programs. The goal is to raise the quality of production to modern
standards, and to enhance the quality of life in rural communities.

There were some other local tasks, including special ones, such as cultivation of particular crops or production of particular kinds of agricultural goods. Some of the tasks were fulfilled in full or in part, as the official statistics reports; other accomplishments give rise to doubt.

For instance, the agricultural sector has to constantly secure quantitative and qualitative rates to meet the national food security requirements. The targets of the year 2008 were definitely achieved. The major task – gross grain crops harvesting – was even exceeded owing to a record bumper corn crop.

The food security doctrine provides for available stocks of food of suitable quality and in good supply to cater the most underpaid population groups. However, the continual rise in retail prices for foodstuffs is likely to make many food items unaffordable for low-income earners.

**Gross figures**

In 2008, output of state farms, private farms and household vegetable gardens reached 26.900 trillion Belarusian rubles on a current basis.

The overall volume of farm produce output was up 8.9% year-on-year in comparable prices, including 10.5% increase in crop production, and 6.7% increase in livestock production.

Requirements to the rates of growth in gross output of agricultural and other farming enterprises were met all over the country, except for the Vitebsk region.

Agricultural and other enterprises of the sector reported a 14% gross output growth rate in 2008, including 20.3% increase in crop production, and 9.6% increase in livestock production.

According to Belstat, output of private households increased 0.7% from the previous year. Crop production was up 2.3%, while livestock production dropped 5.5%, largely as a result of private livestock population decline.

Private farming enterprises, including peasant (farmer) economies, reported a 7.4% increase in gross grain crops harvesting in 2008 from the corresponding period in the previous year, including vegetable by 3.2%, fruit and berry by 44%. At the same time the potato output was

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1 Belstat is the National Statistical Committee of the Republic of Belarus (Ministry of Statistics and Analysis of the Republic of Belarus, Minstat, until August 2008).
down 174,000 tonnes or by 2.2% year-on-year.

In 2008, only the potato harvest came in 1,300 tonnes or 0.01% smaller than the previous year, and fruits and berries decreased 85,300 tonnes or 12.5%.

As of January 1, 2009, agricultural and other enterprises and peasant (farmer) companies reported a cattle population increase by 156,600 heads (up 4.2%) year-on-year, including cows by 20,900 heads (up 1.7%). Over this period, the pig stock increased by 131,800 heads (5%), the poultry stock by 1.8 million heads (8%).

In 2008, the milk output task was fulfilled 1.1% shy of the forecast; slaughter of livestock and poultry stock was 1.4% above the target, and the egg production was 3.7% above the target.²

**Foreign trade activity**

The deterioration of the foreign trade balance was one of the major problems of the national economy by the end of 2007. The foreign trade deficit grew rapidly and was too impendent to be ignored by the government. It should be noted that the situation aggravated despite the quite high basic foreign market demand.

Nothing was unexpected for an objective observer, of course. For instance, the beginning of 2005 was good: the first quarter surplus stood at U.S. $440 million. The end of the year saw a foreign trade deficit of over U.S. $700 million. It means that the loss made was more than one billion dollars, which says a lot about the foreign trade efficiency.

Events proved that the social and economic forecasts, which have the status of state specified economic guidelines aimed to surplus achievement, have never been realized.

In particular, ministries and departments were set a task to achieve exports surplus in 2006 by two percentage points in terms of value. However, imports were growing at a rate of 10.1 percentage points in excess of exports growth rate, including 5.9 points of the Ministry of Industry, 42.3 points of the Ministry of Agriculture and Foodstuffs, and 72.2% points of Belgospishcheprom Concern (food industry).

Compared with other departments that just failed to minimize the foreign trade deficit the agricultural sector fell flat on its face.

As a whole, the foreign commodity trade deficit exceeded U.S. $2.6 billion following the results of 2006.³

The socio-economic plan-2007 envisaged a foreign commodity trade surplus of 500-600 million. However, all ministries and departments reported 23.3% exports volume increase (U.S. $4.7 billion) in value terms, while imports increased 28.3 % (by U.S. $6.4 billion). The foreign commodity trade deficit exceeded U.S. $4.3 billion.⁴

In 2007, the food industry output and raw materials made up 7.3% of the total exports and 5.6% of the imports in value terms (U.S. $1.78 billion and U.S. $1.6 billion respectively) that made it possible to achieve the U.S. $180 million surplus.

Considering the total foreign trade volume of U.S. $53.1 billion (U.S. $24.4 billion of exports and U.S. $28.7 billion of imports) in 2007, these parameters indicate a quite low foreign trade potential of the agricultural branch and food-processing industry in Belarus.

If tasks are set, there is no other choice but to fulfill them, especially after Belarus logged what they used to call a harvest of the century in 2007, while a food crisis hit markets worldwide. The rise in prices on world markets gave Belarus a chance to cash in on increasing exports, as one would think.

The Ministry of Agriculture and Foodstuffs was supposed to improve foreign trade parameters under the direction of Semion Shapiro, who took minister’s office on April 18, 2008. The new minister was quite enthusiastic about the tasks that he was assigned, and even promised not only to implement the forecast approved by the Council of Ministers, namely to achieve a surplus of around U.S. $660 million, but also to execute a «counter plan» of the government, which came out with the target figure of 127%, which meant a surplus at the rate of U.S. $780 million in 2008.⁵

By this means, the Ministry of Agriculture and Foodstuffs was supposed to add U.S. $600 million to the balance of trade.

⁴ Information of BELTA News Agency.
⁵ Information of BELTA News Agency.
It certainly did not happen. According to Belstat, the year 2008 saw the produce trade surplus standing at U.S. $73.6 million, or U.S. $102.1 million below 2007.6

The overbalance of food commodities export was achieved owing to the growth in export deliveries of cheese and cottage cheese by U.S. $81.5 million, pork by U.S. $68.2 million, beef by U.S. $66.9 million, dairy butter by U.S. $64.3 million, white sugar by U.S. $37.2 million, canned meat by U.S. $33.5 million, and canned fish by U.S. $26.2 million.

At the same time, the import of pork rose by U.S. $121 million in terms of value, fish by U.S. $44.9 million, vegetable oil by U.S. $35.1 million, cereals by U.S. $22 million, citrus fruits by U.S. $18.4 million, beer by U.S. $14.8 million, bananas by U.S. $13.4 million, soft drinks by U.S. $11.5 million, and flour confectionery by U.S. $U.S. $11 million.

The case is clear with the import of bananas, citrus fruits, fish and other kinds of food commodities not produced in Belarus, or produced in small amounts. The question is why pork (there are certain counter deliveries), beer, and pastry? The brewing industry has been developing under a special government program for a long time, but it not only fails to export beer – at least in the volumes that Belstat would bother to mention – but even loses the domestic market.

Consumers obtain certain benefits, since they can choose better beer from many brands, but it does not make the government happy.

**Finances of agricultural enterprises**

Improvement of financial performance of enterprises of the branch remained one of the primary goals in 2008. At first glance, the task was being fulfilled with success. So, according to Belstat, in January-December, the net profit of the agricultural branch was 1.9 billion Belarusian rubles, or 190% year-on-year.

By that time, the number of unprofitable enterprises had dropped from 35 to 12 (0.7% of all currently accounted agricultural organizations), and the net loss fell from 25 billion Belarusian rubles to 13.4 billion.

The level of return on sales of marketed commodities, works, and services made 8.3% against 6.0% in January-December 2007, which is to say

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that the financial standing of the enterprises seemed to improve. However, the report of Belstat, which covered the year 2008, says the overdue accounts payable of agricultural organizations reached 1.4 billion Belarusian rubles as of January 1, 2009, or 25.6% from the corresponding period of 2008. The overdue accounts payable made up 18.3% of the total amount of the accounts payable, which climbed to 7.7 billion Belarusian rubles.

The share of agricultural enterprises in the total overdue accounts payable in the country constituted 26.3%. The overdue accounts payable exceeded the overdue accounts receivable by 280%.

The overdue debt of agricultural organizations for fuel and energy resources was up 60% (rose to 46.3 billion Belarusian rubles) that made up 7.4% of the total amount of the overdue debt for fuel and energy resources in the country.

The overdue taxes and dues, social insurance, and farm procurement arrears stood at 134.9 billion Belarusian rubles (9.8% of the total amount of overdue accounts payable of agro-producers, and 42.2% of all overdue taxes and dues, social insurance, and farm procurement arrears in the republic). This kind of arrears decreased 24.8% year-on-year.

The overdue accounts payable of agro-producers reached 226.8 billion Belarusian rubles and increased 48.9% as against January 1, 2008. Agro-producers were responsible for 47.3% of all overdue accounts payable in the national economy.7

Agribusiness’ contribution to the gross domestic product is low. In 2008, GDP stood at 128.8 billion Belarusian rubles on a current basis and increased 10% year-on-year. Industry accounted for 28.1% of GDP; agriculture 8.4%, construction 9.4%; transport and communications 8%; trade and public catering 10.6%. With this in mind, the agricultural sector was a major drag as far as debts to partners, creditors, funds and budgets of different levels are concerned.8

Some points here need closer attention. The huge taxes and dues, social insurance, and social security arrears show agro-producers’ inability to adhere to some basic principles of the national social insurance system. In particular, they cannot fully contribute to the social safety net

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8 Ibid.
fund required to pay retirement allowances to present-day pensioners on a solidarity basis, which means that workers pay allowances to present-day pensioners, counting on future pensions to be paid by younger people. Besides, aggravation of the financial situation in the sector paradoxically occurs on the background of gross figures increase. Moreover, the discordance between these two tendencies is so obvious that it is justified to assume that the first tendency is in many respects a result of the second one. Export of foodstuffs is somewhat similar: the higher the rates of growth in export sales are, the greater the import boost is, including purchases of commodities needed to step up production and export.

It can be assumed that in 2008, the volume of financial liabilities of agro-producers stood at or even above the volume of their gross output. Belstat reports that in 2008, output of state and private farms amounted to 26.9 billion Belarusian rubles in money terms. According to the author’s calculations based on the official data, the private sector produces nearly one third of the total output. In other words, last year’s gross output of agricultural and other organizations, and farming enterprises amounted to approximately 18 billion Belarusian rubles, while the output of the private sector output stood at nine billion Belarusian rubles. It should be noted that the private sector works without government subsidies and almost without bank loans, being maintained owing to self-investments. Their products are basically intended for their own consumption. Only surpluses go to the market for cash. Therefore, they do not incur any debt, to say nothing of overdue ones.

Farming enterprises are mainly commodity exchange economies with mutual obligations to partners and banking institutions, although they operate under strict control of relevant government institutions, and therefore do not go into debt either. If there is no money to pay, bankruptcy proceedings are launched.

That is to say, large enterprises, such as state-run agricultural organizations and economic entities, which used to be collective farms and state farms before legal transformation, are most notorious non-payers to the national economy.

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9 *Belarus in figures-2008*. Minstat Data Book.
It stands to reason that the share of farming enterprises in the gross output of agricultural products is so insignificant that it can be neglected. But it should be emphasized that unlike former collective farms, they have no arrears.

At a board meeting of the Ministry of Agriculture and Foodstuffs, Head of the Chief Economics Department Tamara Vusko announced the results of the first nine months of the year: as of October 1, 2008, the total liabilities of the farms and auxiliary companies subordinate to the ministry amounted to 24.4 billion Belarusian rubles, including 13.9 billion Belarusian rubles of the agricultural sector; 48.8% of financial liabilities of agriculture were debts under credits and loans.\(^{10}\)

According to Belstat methodology, accounts payable are debts resulting from settlements with suppliers and contractors for delivered material assets, performed works and services; arrears of payments to suppliers, contractors and other debt holders whom a farm gave their own bills as securities for the deliveries, works and services; arrears of advance payments, remuneration of labor and other operations with personnel; arrears of taxes and dues collected to the budget and extra-budgetary funds, social insurance and security; arrears of payments to stockholders (founders), payment of incomes (distributed profits), and to different debt holders.

Accounts receivable are debts resulting from settlements with buyers and customers for their goods, performed works and services, under received bills, granted advance payments, with the budget and extra-budgetary funds, personnel, debts of founders (partners) of the organization under contributions to the authorized fund, and by settlements with different debtors.

An effective debt under liabilities includes accounts payable, debt under credits of banks and loan contracts.

A debt in arrears is a debt unsettled within the time-limit established by contracts and acts.

However, all these precise definitions only make sense if the state enforces financial discipline among all economic entities, compelling them to fulfill their liabilities, and at the same time protects their interests and rights against infringement by other partners or the state itself.

\(^{10}\) Information of BELTA News Agency.
That is to say, in terms of the law, a great number of agricultural enterprises have gone bankrupt by now. Any other government would have initiated bankruptcy proceedings long ago, and new proprietors would have already decided what to do with them.

Enterprises displaying low performance indicators are not necessarily on top of the list of insolvent debtors. On the contrary, leading enterprises, which obtained loans for construction of advanced farming facilities, for introduction of European technologies of cattle breeding, for livestock update and creation of modern industrial and social infrastructure, turned out to be up to their ears in debt. Development of industrial and social infrastructure requires heavy spending mostly for construction of agro-towns, and is not directly connected with agricultural production. But debts are supposed to be paid off out of profits from agricultural activities.

It is beyond reason to hope that they will be able to do it, if for no other reason than, as stated above, escalation of agro-exports in conditions of the present business environment and external markets behavior result in decreasing trade surplus. The balance would be negative with a substantial export growth. Such a policy would have sense if only the government wants currency at any cost.

In 2008, the effective debt of farming enterprises, including those in arrears, has increased and considerably exceeds the cost of their gross output on a current basis.

Generally speaking, the problem is acute and requires immediate measures. Remedial actions of the past few years, such as prolongation of debts, direct transfer of financial resources intended for farm works to manufacturers and suppliers of agricultural equipment, fuel, fertilizers, and for other managerial measures are obviously ineffective.

The government sees a solution in using a part of the Agribusiness Support Fund used to pay for essential commodities and services, to cover overdue credits and loans with a simultaneous cut of farm subsides. It is supposed to solve the problem in a few years with several dozens of large profit-making entities surviving.

It is unclear whether this will work or not. In fact, cattle breeding, especially dairy stock farming, remain low-income or even loss-making activities. According to the Ministry of Agriculture and Foodstuffs, the dairy products industry of the Vitebsk, Gomel, Grodno, and Minsk
regions, and the city of Minsk was unprofitable last year. The ministry
believes it happened because of the raised milk procurement prices and
delayed adequate increase in the maximum allowed selling prices.

The conclusion is plain: the Ministry of Agriculture and Foodstuffs
hopes to strengthen its enterprises by raising procurement and retail
prices, which means that Belarusian consumers are supposed to pay
for it after all.

Needless to say, consumers will not favor this wise approach. If so,
weak sales and domestic market decline are highly probable, and the
agro-industry will have to deal with a classical sales crisis that will in-
evitably entail a decline of production in addition to all other troubles
of the sector.
Overview

The Republic of Belarus is a unitary democratic social state with the rule of law. The present Constitution of the Republic of Belarus has been in force since 1994 with alterations and amendments introduced following republican referenda of November 24, 1996 and October 17, 2004.

The President of the Republic of Belarus is a head of state. The National Assembly of the Republic of Belarus, which consisting of two chambers – the House of Representatives (110 members) and Council of the Republic (64 members) is the representative agency of state power and body of legislation. The Council of Ministers of the Republic of Belarus headed by prime minister performs functions of an executive authority.

The governmental power in the Republic of Belarus is exercised on the basis of its division into the legislative, executive and judicial branches. Government agencies are independent within their mandates: they interact, constrain, and counterbalance each other.

The Constitutional Court of the Republic of Belarus exercises supervision over constitutionality of statutory acts.

According to the United Nations Human Development Report 2007/2008, the Republic of Belarus takes the 64th position among 177 countries with a high level of human development. The development human index in Belarus increased from 0.704 in 1990 to 0.804 in 2005.
Authorities

President of the Republic of Belarus

The President of the Republic of Belarus is the Head of State, guarantor of the Constitution of the Republic of Belarus, human rights and liberties. The President is elected directly by the people of the Republic of Belarus for a term of office of five years by universal, free, equal, direct, and secret ballot without re-election restriction.

The rights, duties and the status of the President of the Republic of Belarus are laid down in the Constitution of the Republic of Belarus of and the law on the President of the Republic of Belarus of February 21, 1995.

According to the Constitution (paragraph 84), the President of the Republic of Belarus:

- calls national referenda;
- calls regular and extraordinary elections to the House of Representatives, the Council of the Republic, and local representative bodies;
- dissolves the chambers of the Parliament to the order and instances determined by the Constitution;
- appoints six members of the Central Commission of the Republic of Belarus for Elections and National Referenda;
- forms, dissolves, and reorganizes the Administration of the President of the Republic of Belarus, other bodies of state administration, as well as consultative advisory councils, other bodies attached to the Presidency;
- appoints the Prime Minister of the Republic of Belarus with the consent of the House of Representatives;
- determines structure of the Government of the Republic of Belarus, appoints and dismisses deputy prime ministers, ministers, and other members of the Government, takes decisions on resignation of the Government, or any of its members;
appoints a chairperson of the Constitutional, Supreme and Economic Courts from among the judges of these courts with the consent of the Council of the Republic;

appoints judges of the Supreme and Economic Courts, chairpersons of the Central Commission of the Republic of Belarus for Elections and National Referenda, attorneys general, chairpersons and members of the Governing Board of the National Bank with the consent of the Council of the Republic;

appoints six members of the Constitutional Court, and other judges of the Republic of Belarus;

dismisses chairpersons and judges of the Constitutional, Supreme and Economic Courts, chairpersons of the Central Commission of the Republic of Belarus for Elections and National Referenda, attorneys general, chairpersons and members of the Board of the National Bank to the order and instances determined by the law, and to the notification of the Council of the Republic;

appoints and dismisses chairpersons of the State Control Committee;

addresses the people of the Republic of Belarus outlining guidelines of the domestic and foreign policy;

delivers annual addresses to the Parliament, which are not open to discussion at the sittings of the House of Representatives and Council of the Republic; has the right to participate in sessions of the Parliament and its bodies; delivers speeches and addresses to the Parliament at any requested time;

is entitled to chair sessions of the Government of the Republic of Belarus;

appoints leading officials of bodies of state administration and determines their status; appoints official representatives of the President in the Parliament and other officials, whose offices are determined by the law, unless otherwise is specified in the Constitution;

makes decisions on granting citizenship of the Republic of Belarus, termination thereof and granting of asylum;

institutes state holidays and red-letter days, bestows state awards, ranks and titles;
• grants pardons to convicted citizens;
• conducts negotiations and signs international treaties, appoints and recalls diplomatic representatives of the Republic of Belarus in foreign countries and at international organizations;
• receives credentials and letters of recall of accredited diplomatic representatives of foreign countries;
• in the event of a natural disaster, catastrophe, or unrest involving violence or threat of violence on the part of a group of persons or organizations that endangers peoples’ lives and health or jeopardizes territorial integrity and existence of the State, declares state of emergency in the territory of the Republic of Belarus or in specified areas thereof and addresses the Council of the Republic for approval within three days;
• in instances specified in the law, is entitled to defer a strike or suspend it for a period not exceeding three months;
• signs bills and has the right to return it or some of its provisions with objections to the House of Representatives to the order determined by the Constitution;
• has the right to abolish acts of the Government;
• exercises supervision directly or through specially formed bodies of observance of laws by local organs of administration or self-government and has the right to suspend decisions of local councils of deputies, or abolish decisions of local executive and administrative bodies in case they do not conform to the requirements of the law;
• forms and heads the Security Council of the Republic of Belarus, appoints and dismisses state secretaries of the Security Council;
• performs functions of a commander-in-chief of the armed forces of the Republic of Belarus; appoints and dismisses the supreme command of the armed forces;
• in the event of a military threat or attack, declares martial law in the territory of the Republic of Belarus and announces general or partial mobilization with the submission of the decision for approval of the Council of the Republic within 3 days;
• exercises other powers entrusted to him by the Constitution and laws.
The President issues decrees and ordinances on the basis and in accordance with the Constitution, which are mandatory in the territory of the Republic of Belarus.

In instances determined by the Constitution, the President issues decrees, which have the force of laws. The President ensures execution of decrees, ordinances, and instructions directly or through specially formed bodies.

Alexander Lukashenko has been the President of the Republic of Belarus since 1994. He was re-elected twice in 2001 and 2006. In 2004, President Lukashenko initiated the third referendum, following which the ban on more than two tenures was abolished that allowed him to be elected for the third term.

**Administration of the President of the Republic of Belarus**

The Administration of the President of the Republic of Belarus is an agency of state administration, which renders assistance to the President of the Republic of Belarus in the field of the state personnel policy, ideology of the Belarusian state, law, development, execution, and supervision over execution of decisions of the President of the Republic of Belarus.

**Legislative regulation of activity of the Presidential Administration**

The Constitution of the Republic of Belarus (the wording of 1996) entitles the President to form, dismiss, and reorganize the Administration of the President of the Republic of Belarus.

The law on the President of the Republic of Belarus of February 21, 1995 establishes that the Administration of the President is formed to ensure direct support to activities of the President in line with regulations and staffing pattern approved by the President.

Provision 1 on the Administration of the President of the Republic of Belarus was approved by decree of the President of August 5, 1994. Decree № 97 of January 23, 1997 on the Administration of the President of the Republic of Belarus, which approved the new provision on the Administration of the President of the Republic of Belarus and also its structure, was issued following adoption of a new wording of the Constitution of the Republic of Belarus in 1996. In 2008, decree № 58 of the President of
the Republic of Belarus of January 31, 2008 and decree № 572 of the President of the Republic of Belarus of October 22, 2008 introduced alterations and amendments to the provision on the Administration of the President of the Republic of Belarus and its structure.

Presidential decree № 21 of January 11, 2001 (with alterations and amendments under decree № 65 of the President of the Republic of Belarus of February 11, 2005) approved regulations on an assistant to the President of the Republic of Belarus, which established the procedure of appointment and relief from duty of assistants to the President, and their official duties.

As of late 2008, the composition of the Presidential Administration was as follows:

Head of the Administration of the President of the Republic of Belarus: Vladimir Vladimirovich Makey

First Deputy Head of the Administration of the President of the Republic of Belarus: Natalia Vladimirovna Petkevich

Deputy Heads of the Administration of the President of the Republic of Belarus:

Leonid Vasilyevich Anfimov
Nikolai Gennadyevich Snopkov
Alexander Andreievich Popkov (before retirement on October 24, 2008)

National Assembly of the Republic of Belarus

The National Assembly of the Republic of Belarus is a two-chamber representative and legislative body of the Republic of Belarus.

The Parliament consists of two chambers: the House of Representatives and the Council of the Republic.

The House of Representatives totals 110 deputies.

Election of deputies to the House of Representatives is carried out in accordance with the law on the basis of universal, equal, free, direct electoral suffrage and by secret ballot.

According to the Constitution of the Republic of Belarus the House of Representatives:

• considers draft laws put forward by the President or initiated by at least 150 thousand citizens of the Republic of Belarus eligi-
able to vote, to make amendments and alterations to the Constitution and provide its interpretation;

- consider draft laws, including guidelines for the domestic and foreign policy of the Republic of Belarus; a military doctrine; ratification and denunciation of international treaties; fundamental concepts and principles of execution of rights, liberties and duties of citizens; citizenship issues, the status of foreigners and persons without citizenship; rights of ethnic minorities: approval of the budget of the republic and the account on its implementation; introduction of national taxes and dues; principles of ownership; basics of social security; principles regulating labor and employment, marriage, family, childhood, maternity, paternity, education, upbringing, culture and public health; environmental protection and rational utilization of natural resources; determination of the procedure of resolving issues related to the administrative-territorial structure of the state; local self-government; administration of justice and the status of judges; issues of criminal liability and amnesty; declaration of war and conclusion of peace; martial law and a state of emergency; institution of state awards; interpretation of laws;
- calls presidential elections;
- grants consent to the President concerning appointment of a prime minister;
- considers reports of prime ministers on policy of the Government and approves or rejects them (a second rejection of the policy of the Government is deemed as initiation of the vote of censure to the Government);
- considers initiatives of prime ministers a call for a vote of confidence;
- on an initiative of at least one-third of all members of the House of Representatives, initiates the vote of censure to the Government; liability of the Government may not be discussed for one-year period after approval of a government policy program;
- accepts resignation of the President;
- present charges of treason or a grave crime against the President by a majority of vote; on the basis of a decision of the Council
of the Republic and with no less than a two-thirds majority of the full composition of the House, take the decision to remove the President from office;

• abolishes orders of chairpersons of the House of Representatives.

The Council of the Republic of the National Assembly of the Republic of Belarus is a chamber of territorial representation. The Council of the Republic consists of eight deputies from every region (oblast) and the city of Minsk elected at meetings of deputies of local councils of deputies of the primary level of every region (oblast) and the city of Minsk. Eight members of the Council of the Republic are appointed by the President of the Republic of Belarus.

Election procedures are established by the Election Code of the Republic of Belarus № 370-3 of February 11, 2000.

The term of powers of the Parliament is four years.

Decisions of the House of Representatives are taken by laws or enactments. Enactments of the House of Representatives are taken with regard to issues of order and supervision.

The legal status, principles, contents, procedures of organization and activities of the National Assembly are established by law № 370-3 of July 8, 2008 on the National Assembly of the Republic of Belarus.

Rights and obligations of members of the House of Representatives and members of the Council of the Republic of the National Assembly, basic legal and social guarantees of performance of their duties are established by law № 196-3 of November 4, 1998 on the status of deputies of the House of Representatives and members of the Council of the Republic of the National Assembly of the Republic of Belarus. In 2008, alterations and amendments to the law were introduced twice by law of the Republic of Belarus № 408-3 of July 15, 2008 and law № 409-3 of the Republic of Belarus of July 15, 2008.

Activities of the House of Representatives, its bodies and deputies are regulated by the rules of procedure of the House of Representatives of the National Assembly adopted by resolution № 1033-П3/IX of the House of Representatives of October 9, 2008.

Activities of the Council of the Republic, its bodies and members are regulated by the rules of procedure of the Council of the Republic of

**Composition of the House of Representatives of the National Assembly of the Republic of Belarus**

A chairperson of the House of Representatives, vice-chairperson and the Council of the House of Representatives represent directing bodies of the House of Representatives.

After the elections to the National Assembly of 2008, the following persons head the directing bodies of the House of Representatives:

Chairman of the House of Representatives: *Vladimir Pavlovich Andreichenko*

Vice-Chairman of the House of Representatives: *Valery Nikolaevich Ivanov*

The Council of the House of Representatives includes the chairman, vice-chairman of the chamber and chairpersons of all standing commissions of the chamber:

- *Nikolai Leonidovich Samoseyko*, chairman of the standing commission for legislation and judicial-legal matters;
- *Victor Aleksandrovich Guminsky*, chairman of the standing commission for national security;
- *Vasily Mikhaylovich Baikov*, chairman of the standing commission for state construction, local self-government and rules of procedure;
- *Sergey Ivanovich Kryzhevich*, chairman of the standing commission for agrarian matters;
- *Vladimir Matveyevich Zdanovich*, chairman of the standing commission for education, culture, science and scientific and technical progress;
- *Alexander Nikolaevich Yushkevich*, chairman of the standing commission for human rights, national relations and the mass media;
- *Sergey Aleksandrovich Maskevich*, chairman of the standing commission for international affairs and connections with the CIS;
- *Mikhail Ivanovich Rusy*, chairman of the standing commission for Chernobyl issues, ecology, and wildlife management;
• Alexander Ilyich Antonenko, chairman of the standing commission for budget, finances and tax policy;
• Evgeny Antonovich Artyushenko, chairman of the standing commission for monetary policy and banking;
• Anna Nikolaevna Lavrukevich, chairperson of the standing commission for labor, social protection, affairs of veterans and disabled persons;
• Oleg Ivanovich Velichko, chairman of the standing commission for health protection, physical culture, affairs of family and youth;
• Galina Vladimirovna Polyanskaya, chairperson of the standing commission for housing policy, construction, trade and privatization;
• Sergey Aleksandrovich Semashko, chairman of the standing commission for industry, fuel and energy complex, transport, communications and entrepreneurship

Composition of the Council of the Republic of the National Assembly of the Republic of Belarus
A chairperson of the Council of the Republic, vice-chairperson and the Presidium of the Council of the Republic represent the directing bodies of the Council of the Republic.

Chairman of the Council of the Republic: Boris Vasilyevich Batura
Vice-Chairman of the Council of the Republic: Anatoly Nikolaevich Rubinov

The Presidium of the Council of the Republic includes a chairperson, vice-chairperson, and chairpersons of standing commissions, namely
• Eugeny Aleksandrovich Smirnov, chairman of the standing commission of the Council of the Republic for legislation and state construction;
• Vadim Aleksandrovich Popov, chairman of the standing commission of the Council of the Republic for economy, budget, and finances;
• Antonina Petrovna Morova, chairperson of the standing commission of the Council of the Republic for education, science, culture, and social development;
• Gennady Vasilyevich Novitsky, chairman of the standing commission of the Council of the Republic for regional policy and local self-government;
• Nina Nikolaevna Mazai, chairperson of the standing commission of the Council of the Republic for international affairs and national security.

**Council of Ministers**

The executive power in the Republic of Belarus is exercised by the Government, the Council of Ministers of the Republic of Belarus, the central body of state administration, which administers the system of subordinate bodies of state administration and other executive organs. Its major powers are established by the Constitution and law № 424-З of July 23, 2008 on the Council of Ministers of the Republic of Belarus.

The Government is accountable to the President of the Republic of Belarus and responsible to the Parliament of the Republic of Belarus.

The Government of the Republic of Belarus:
• administers the system of subordinate bodies of state administration and other executive organs;
• elaborates basic guidelines of the domestic and foreign policy, and takes measures to its implementation;
• elaborates and submits to the President for further parliamentary consideration draft national budgets and accounts of its implementation;
• ensures execution of a uniform economic, financial, credit and monetary policy, and state policy in the field of science, culture, education, health care, ecology, social security, and remuneration of labor;
• takes measures to secure rights and liberties of citizens, safeguards interests of the state, national security and defense, protection of property, maintains public order and crime control;
• acts on behalf of property owners with regard to assets, which represent sole property of the Republic of Belarus, and exercises management of state property;
• ensures implementation of the Constitution, laws, decrees, ordinances, and instructions of the President;
• repeals acts of ministries and other central bodies of state administration; exercises other powers entrusted by the Constitution, laws, and acts of the President.
The Government of the Republic of Belarus issues resolutions, which have binding force in the entire territory of the Republic of Belarus.

Decisions of the Council of Ministers of the Republic of Belarus can be abolished by acts of the President of the Republic of Belarus.

According to the Constitution, the Government of the Republic of Belarus consists of a prime minister, his deputies, and ministers. The list of ministries is not established by the Constitution; its structure is determined by the President in line with paragraph 7 of article 84 of the Constitution. He appoints and dismisses deputies of a prime minister, ministers, and other members of the Government.

The structure of the Council of Ministers is established by the law on the Council of Ministers of the Republic of Belarus.

Presidium of the Council of Ministers of the Republic of Belarus
For operating decisions, which fall under competence of the Council of Ministers of the Republic of Belarus, its forms a standing body, the Presidium of the Council of Ministers of the Republic of Belarus, which includes a prime minister of the Republic of Belarus, his deputies, head of the Administration of the President of the Republic of Belarus, chairperson of the State Control Committee of the Republic of Belarus, chairperson of the board of the National Bank of the Republic of Belarus, minister of economy of the Republic of Belarus, minister of finance of the Republic of Belarus, minister of foreign affairs of the Republic of Belarus.

The Council of Ministers of the Republic of Belarus is entitled to form standing or temporary commissions and other groups to elaborate offers on particular question, development of draft decisions of the Council of Ministers of the Republic of Belarus, and also for performance of particular missions.

A prime minister supervises work of the Government.

Composition of the Council of Ministers

Heads:
Prime Minister*: Sergey Sergeyevich Sidorsky

* Members of the Presidium of the Council of Ministers.
First Deputy Prime Minister*: Vladimir Ilyich Semashko
Deputy Prime Minister*: Ivan Mikhaylovich Bambiza
Deputy Prime Minister*: Victor Pavlovich Burya
Deputy Prime Minister*: Andrei Vladimirovich Kobyakov

Other members of the government
Head of the Presidential Administration*: Vladimir Vladimirovich Makey
Chairman of the State Control Committee*: Zenon Kuzmich Lomat
Chairman of the Board of the National Bank*: Pyotr Petrovich Prokopovich
Chairman of the Presidium of the National Academy of Sciences of the Republic of Belarus: Mikhail Vladimirovich Myasnikovich
Head of the Council of Ministers Machinery: Konstantin Alekseyevich Martynetsky

Ministries:
Minister of Architecture and Construction: Alexander Ilyich Seleznyov
Minister of the Interior: Vladimir Vladimirovich Naumov
Minister of Municipal Housing Economy: Vladimir Maksimovich Belokhvostov
Minister of Health: Vasily Ivanovich Zharko
Minister of Foreign Affairs*: Sergey Nikolaevich Martynov
Minister of Information: Vladimir Vasilyevich Rusakevich
Minister of Culture: Vladimir Fedorovich Matveichuk
Minister of Forestry: Pyotr Mikhailovich Semashko
Minister of Defense: Leonid Semyonovich Maltsev
Minister of Education: Alexander Mikhailovych Radkov
Minister of Taxes and Dues: Anna Konstantinovna Deyko
Minister of Emergency Situations: Enver Rizaevich Bariev
Minister of Natural Resources and Environment Protection: Leonid Ivanovich Khoruzhik
Minister of Industry: Anatoly Maksimovich Rusetsky
Minister of Communications and Informatization: Nikolai Petrovich Panteley
Minister of Agriculture and Foodstuffs: Semyon Borisovich Shapiro
Minister of Sports and Tourism: Alexander Vladimirovich Grigorov
Minister of Trade: Valentin Sergeyevich Chekanov
Minister of Transport and Communication: Vladimir Georgievich Sosnovsky
Minister of Labor and Social Protection: Vladimir Nikolaevich Potupchik
Minister of Finance*: Andrei Mikhaylovich Kharkovets
Minister of Economy*: Nikolai Petrovich Zaichenko
Minister of Energy: Alexander Vladimirovich Ozerets
Minister of Justice: Victor Grigoryevich Golovanov

State committees:
Chairman of the State Security Committee: Vadim Yurievich Zaitsev
Chairman of the State Military-Industrial Committee: Nikolai Ilyasovich Azamatov
Chairman of the State Committee for Property: Georgy Ivanovich Kuznetsov
Chairman of the State Committee for Science and Technologies: Vladimir Yegorovich Matyushkov
Chairman of the State Committee for Standardization: Valery Korshkov
Chairman of the State Boundary Committee: Igor Anatolyevich Rachkovsky
Chairman of the State Customs Committee: Alexander Frantsevich Shpilevsky

Government organizations subordinate to the Council of Ministers:
Chairman of the Belarusian State Concern of the Food Processing Industry Belgospishcheprom (Belgospishcheprom Concern): Ivan Ivanovich Danchenko
Chairman of the Belarusian State Concern for Oil and Chemistry (Belneftekhim Concern): Valery Vladimirovich Kazakevich
Chairman of the Belarusian State Concern for Manufacture and Sale of Light Industry Products (Bellegprom Concern): Eduard Mikhaylovich Naryshkin

Chairman of the Belarusian State Concern for Manufacture and Sale of Pharmaceutical and Microbiological Products (Belbiofarm Concern): Mikhail Mikhaylovich Cherepok

Chairman of the Belarusian Industrial and Trade Concern of the Forest, Wood-Working and Paper-Pulp Industry (Bellesbumprom Concern): Vladimir Edvardovich Shulga

Chairman of the Board of the Belarusian Republican Union of Consumer Societies (Belkoopsoyuz): Vladimir Viktorovich Kuleshov

Director of the Republican Center for Recuperation and Sanatorium Treatment of the Population: Nikolai Vladimirovich Mazur

Commissioner for Affairs of Religions and Nationalities: Leonid Pavlovich Gulyako

Constitutional Court

Supervision over constitutionality of enforceable enactments of the state is exercised by the Constitutional Court of the Republic of Belarus.


At suggestions of the President of the Republic of Belarus, House of Representatives, Council of the Republic, Supreme Court of the Republic of Belarus, Supreme Economic Court of the Republic of Belarus, and Constitutional Court of the Republic of Belarus, the Council of Ministers examines cases and counsels on: conformity of laws, decrees, and ordinances of the President of the Republic of Belarus, international contractual and other obligations of the Republic of Belarus to the Constitution and international legal acts ratified by Republic of Belarus, etc.
The decree of the President on improvement of activities of the Constitutional Court of the Republic of Belarus establishes that the Constitutional Court of the Republic of Belarus exercises preliminary supervision over constitutionality of all laws passed by the House of Representatives of the National Assembly of the Republic of Belarus and approved by the Council of the Republic of the National Assembly of the Republic of Belarus or passed by the House of Representatives of the National Assembly of the Republic of Belarus in line with the procedure stipulated by part 5 of article 100 of the Constitution of the Republic of Belarus, before signing of the laws by the President of the Republic of Belarus.

According to article 116 of the Constitution of the Republic of Belarus, the Constitutional Court of the Republic of Belarus is formed of 12 judges from among highly qualified specialists in the field of law, who, as a rule, have scientific degrees.

Six judges of the Constitutional Court are appointed by the President of the Republic of Belarus and six judges are elected by the Council of the Republic.

A chairperson of the Constitutional Court is appointed by the President with the consent of the Council of the Republic. The tenure of the members of the Constitutional Court is 11 years, but reappointment is possible in line with the law.

According to paragraph 84 of article 11 of the Constitution of the Republic of Belarus, the President of the Republic of Belarus dismisses chairpersons and judges of the Constitutional Court as established by the law and to the notification of the Council of the Republic.

The Constitutional Court of the Republic of Belarus initiates work and is entitled to make decisions as soon as at least eight judges of the Constitutional Court of the Republic of Belarus are appointed (elected).

**Composition of the Constitutional Court**

Chairman of the Constitutional Court: Pyotr Petrovich Miklashevich
Vice-Chairman of the Constitutional Court: Alexander Vladimirovich Maryskin

Judges:
Tatiana Semyonovna Boyko
Stanislav Evgenyevich Danilyuk
Supreme Court of the Republic of Belarus

The Supreme Court of the Republic of Belarus heads the system of law courts being the supreme judicial body, which execute justice on civil and criminal cases and cases on administrative offences, exercises supervision over judicial activity of law courts and exercises other powers in line with legislative acts.

The Supreme Court of the Republic of Belarus is guided by the Constitution of the Republic of Belarus, Code № 139-З of the Republic of Belarus of June 29, 2006 on the judicial system and status of judges, decree № 54 of the President of the Republic of Belarus of January 25, 1999 on some matters of activity of the Supreme Court ».

The Supreme Court of the Republic of Belarus operates in the following structure:

- Plenum of the Supreme Court of the Republic of Belarus,
- Presidium of the Supreme Court of the Republic of Belarus,
- Judicial board on civil cases of the Supreme Court of the Republic of Belarus,
- Judicial board on criminal cases of the Supreme Court of the Republic of Belarus,
- Judicial board on affairs of intellectual property of the Supreme Court of the Republic of Belarus,
- Military board of the Supreme Court of the Republic of Belarus.

Jurisdiction

The Supreme Court of the Republic of Belarus:
- within the limits of its competence as a court of primary jurisdiction examines in exercise of supervisory functions and in the
light of newly discovered circumstances civil and criminal cases, and also administrative offence cases in exercise of supervisory functions;

- is entitled to examine civil and criminal cases in line with legislative acts on the appeal and cassation procedure within the limits of its competence;
- submits counseling offers to the Constitutional Court of the Republic of Belarus according to part 2 of article 112 and part 4 of article 116 of the Constitution of the Republic of Belarus;
- studies and generalizes judicial practices, analyzes judicial statistics of ordinary courts, and gives explanations for administration of legislation;
- supervises execution of resolutions of the Plenum of the Supreme Court of the Republic of Belarus by courts of the Republic of Belarus;
- assists judges of law courts in administration of legislation;
- elaborates offers on improvement of the legislation;
- examines activities of ordinary courts, hears information provided by chairpersons, deputy chairpersons, and judges of law courts concerning activities of corresponding courts;
- within the limits of its competence addresses issues arising from international agreements of the Republic of Belarus, and also questions of cooperation with courts of foreign states, foreign and international organizations;
- exercises other powers in line with legislative acts.

System of the ordinary courts
The system of law courts is based on the territorial principle and specialization.

According to Code № 139-3 of the Republic of Belarus of June 29, 2006 on the judicial system and status of judges, law courts of the Republic of Belarus include the Supreme Court of the Republic of Belarus, regional, Minsk city, district (city), and military courts (the Belarusian military court and inter-garrison military courts), in particular the Minsk city military court, Belarusian military court, 6 regional courts, 142 district (city) courts in districts, cities of regional subordination,
which do not have district division, and districts in cities, and also 6 in-
ter-garrison military courts in view of strength and deployment of mil-
itary units of the armed forces of the Republic of Belarus, other troops
and military units.

Composition of the Presidium of the Supreme Court

Chairman of the Supreme Court: Valentin Olegovich Sukalo
First Vice-Chairman: Alexander Adamovich Fedortsov
Vice-Chairman: Valery Leonidovich Kalinkovich
Vice-Chairman: Valery Nikolaevich Vyshekevich
Vice-Chairman: Evgeny Mikhaylovich Tsarenko
Vice-Chairperson: Zhanna Borisovna Shkurdyuk
Judges:
Mikhail Mikhaylovich Kashko
Leonida Iosifovna Bakinovskaya
Nikolai Ivanovich Germenchuk
Galina Kazimirovna Zhukovskaya
Alexander Timofeyevich Raidudin
Victor Adamovich Rakitsky
Vladimir Vasilyevich Sukach
Victor Petrovich Chertovich
Feodor Ivanovich Chubkovets

Supreme Economic Court

The Supreme Economic Court of the Republic of Belarus heads the
system of economic courts being a judicial authority, which executes
justice by resolution of economic disputes arising from civil, admin-
istrative, and other legal relations, exercises supervision over judicial
activities of economic courts and exercises other powers in line with
legislative acts.

The Supreme Economic Court examines:
• cases on contestation of non-normative legal acts of the President
  of the Republic of Belarus, Council of the Republic and House
  of Representatives of the National Assembly of the Republic of
  Belarus, Government of the Republic of Belarus, republican au-
  thorities of public administration and other republican bodies,
which do not comply with the law and infringe rights and legitimate interests of applicants in the field of entrepreneurial and other economic activities;

- economic disputes between the Republic of Belarus and administrative and territorial units of the Republic of Belarus, as well as between administrative and territorial units of the Republic of Belarus;
- cases related to state secrets;
- other cases attributed to the jurisdiction of the Supreme Economic Court of the Republic of Belarus by legislative acts.


The judicial procedure in economic courts is established by the Constitution of the Republic of Belarus, the Economic remedial code of the Republic of Belarus (the wording of law № 137 of June 29, 2006).

**System of economic courts**

The Republic of Belarus has a uniform system of economic courts based on the territorial principle. The system includes 8 economic courts, namely the Supreme Economic Court of the Republic of Belarus and economic courts of regions and the city of Minsk.

**Structure:**

- Plenum of the Supreme Economic Court;
- Presidium of the Supreme Economic Court;
- Judicial board for consideration of cases as a court of primary jurisdiction;
- Cassation board.

Besides, the Supreme Economic Court forms judicial boards for resolution of particular categories of disputes on legal investigations with the participation of tax authorities and legal investigations on economic insolvency (bankruptcy).

In order to elaborate scientifically grounded offers in the field of economic activities and legislation, the Supreme Economic Court has a scientific and advisory council in its structure.
Composition of the Supreme Economic Court

Chairman of the Supreme Economic Court: Victor Sergeyevich Kamenkov
Vice-Chairman of the Supreme Economic Court: Alexei Petrovich Yegorov
Vice-Chairman of the Supreme Economic Court: Vasily Nikolaevich Demidovich

Judges of the Supreme Economic Court:
Dmitry Petrovich Aleksandrov
Valery Vladimirovich Zhandarov
Elena Vladimirovna Karavai
Ekaterina Aleksandrovna Karatkevich
Tamara Boleslavovna Kitaeva
Lyudmila Anatolyevna Kolesnikova
Nikolai Dmitrievich Madudin
Oksana Nikolaevna Mikhnyuk
Margarita Cheslavovna Posled
Tatyana Mikhaylovna Protashchik
Victor Nikolaevich Ryabtsev
Stepan Petrovich Turmovich
Alexander Ivanovich Fedorensky
Vladimir Viktorovich Filippovsky
Valery Vasileyvich Shobik
Ruslan Khadyevich Yumaguzhin
Attorney’s Office

The Attorney’s Office of the Republic of Belarus is an integrated and centralized system of bodies of the Attorney’s Office entitled to supervise strict and consistent execution of laws, decrees, regulations and other enforceable enactments.

The area of expertise, structure, and operating procedures of the Attorney’s Office are established by the Constitution, law of May 8, 2007 on the Attorney’s Office of the Republic of Belarus, regulation on performing the service in bodies of the Attorney’s Office of the Republic of Belarus (presidential decree № 181 of March 27, 2008) and other legislative acts.

The Attorney’s Office is entrusted to ensure supremacy of law, legality, law and order, protection of rights and legitimate interests of citizens and organizations, and public and state interests.

The Attorney’s Office coordinates law-enforcement activities of government agencies engaged in combating crime and corrupt practices, and also crime control executed by other organizations engaged in anti-criminal warfare.

The Attorney’s Office conducts preliminary investigations in cases stipulated by the code of criminal procedure of the Republic of Belarus.

Prosecuting attorneys take part in court examination of civil-law cases, cases connected with entrepreneurship and other economic activities, prosecute indictments, participate in the adjudicatory process as established by the code of civil procedure of the Republic of Belarus, economic code of judicial practice of the Republic of Belarus, code of criminal procedure of the Republic of Belarus, and code of execution procedure of the Republic of Belarus.

The Attorney’s Office of the Republic of Belarus includes the Attorney General’s Office, which acts as a central machinery of the system of bodies of Attorney’s Office, Attorney’s Offices of regions, the city of Minsk, Attorney’s Offices of districts (cities), inter-district Attorney’s Offices, and also specialized Attorney’s Offices equated to At-
Attorney’s Offices of regions, districts (cities), and inter-district Attorney’s Offices.

Attorney general is subordinate to the president.

*Attorney General of the Republic of Belarus*
State Counsellor in Justice of the 1st Grade Grigory Alekseevich Vasilevich
(appointed by presidential decree #72 of February 08, 2008).

*Deputies of the attorney general of the Republic of Belarus:*
Senior Counsellor in Justice Sergey Ivanovich Myshkovets
State Counsellor in Justice of the 3rd Grade Alexander Mikhailovich Lashin
( replaced Nikolai Kupriyanov, who was dismissed on November 14, 2008 for abuse of official position)

*Attorneys of regions, the Belarusian transport attorney, Belarusian military attorney:*

Attorney of the Brest region: Senior Counsellor in Justice Sergey Konstantinovich Khmaruk
Attorney of the Vitebsk region: Senior Counsellor in Justice Gennady Iosifovich Dysko
Attorney of the Gomel region: State Counsellor in Justice of the 3rd Grade Oleg Pavlovich Polovinko
Attorney of the Grodno region: Senior Counsellor in Justice Victor Nikolaevich Morozov
Attorney of the Minsk region: the post is vacant (Mikhail Snegir was dismissed on November 14, 2008 for abuse of official position)
Attorney of the Mogilev region: Senior Counsellor in Justice Eduard Aleksandrovich Senkevich
Attorney of the City of Minsk: State Counsellor in Justice of the 3rd Grade Nikolai Nikolaevich Kulik
Belarusian Transport Attorney: State Counsellor in Justice of the 3rd
Grade Anatoly Konstantinovich Dudkin
Belarusian Military Attorney: Colonel in Justice Alexander Nikolaevich Dranitsa

State Control Committee

The State Control Committee exercises supervision over execution of the republican budget, use of state property, execution of acts of the president, parliament, government, and other government agencies, which regulate state property relations, economic, financial, and tax relations.

The State Control Committee is formed by the president; chairman of the committee is appointed by the president.

The Committee is guided by the Constitution, law № 369-3 of February 9, 2000 on the State Control Committee of the Republic of Belarus, law № 414-3 of July 16, 2008 on financial investigations agencies of the State Control Committee of the Republic of Belarus, and other legislative acts.

Management of structural units of the State Control Committee and its bodies

Chairman of the State Control Committee: Zenon Kuzmich Lomat

First Deputy Chairperson of the State Control Committee: Lyudmila Aleksandrovna Borovskaya

Deputy Chairman of the State Control Committee: Director of the Financial Investigations Department Sergey Konstantinovich Baranovskiy

Department for Financial Monitoring of the State Control Committee: Valery Pavlovich Yaroshesky

State Security Committee

Being a component of the national security system of the Republic of Belarus, state security agencies ensure security of person, society, and state from internal and external threats within the delegated powers.

The president and Council of Ministers exercise direction of state security agencies within the powers delegated by the president. Attor-
ney general of the Republic of Belarus and attorneys subordinate to the attorney general exercise supervision over exact and consistent observance of laws and other legislative acts of the Republic of Belarus by state security agencies within the limits of their jurisdiction.


State security agencies form an integrated centralized system. The State Security Committee (KGB) of the Republic of Belarus is a republican organ of government, which ensures security of person, society, and state within the delegated powers.

*Composition of the State Security Committee and its bodies*

Chairman of the KGB of the Republic of Belarus: Major General *Vadim Yurievich Zaitsev*

First Deputy Chairman of the KGB of the Republic of Belarus for Counterintelligence: Major General *Victor Pavlovich Vegera*

Deputy Chairman of the KGB of the Republic of Belarus for Economic Security and Fight against Corruption: Colonel *Ivan Stanislavovich Tertel*

Deputy Chairman of the KGB of the Republic of Belarus for Operational-Investigative Activity: Major General *Pyotr Vladimirovich Tretyak*

Deputy Chairman of the KGB of the Republic of Belarus for Staffing Support and Logistics: Major General *Nikolai Zinovyevich Smolensky*

Head of the KGB Bureau for the City of Minsk and Minsk Region: Major General *Igor Nikonovich Kuznetsov*

Head of the KGB Bureau for the Brest Region: Colonel *Leonid Nikolaevich Dedkov*

Head of the KGB Bureau for the Vitebsk Region: Colonel *Gennady Anatolyevich Gerasimenko*
Head of the KGB Bureau for the Gomel Region: Major General Ivan Alekseyevich Korzh
Head of the KGB Bureau for the Grodno Region: Major General Igor Petrovich Sergeyenko
Head of the KGB Bureau for the Mogilev Region: Major General Valery Anatolyevich Maslakov
Head of the Bureau for Military Counter-Intelligence of the KGB: Colonel Alexei Ivanovich Zakharov
Head of the Institute for National Security of the Republic of Belarus: Colonel Igor Andreyevich Bakhmatov

State Boundary Committee

The State Boundary Committee of the Republic of Belarus is a republic- can organ of government, which implements state boundary policy, ensures boundary security, regulates and manages activities in this sector, coordinates activities of organs of government and other organizations in the field of state boundary policy and boundary security. The State Boundary Committee heads the integrated system of boundary service agencies of the Republic of Belarus

The State Boundary Committee is guided by the Constitution of the Republic of Belarus, legislative acts on state boundary policy and boundary security.

Chairman of the State Boundary Committee of the Republic of Belarus exercises direction of the State Boundary Committee. Chairmen are appointed to the post and are dismissed from the post by the president of the Republic of Belarus.

Chairman is subordinate to the president of the Republic of Belarus, and – in cases within the jurisdiction of the Council of Ministers under the Constitution of the Republic of Belarus, laws of the Republic of Belarus, and instruments of the president of the Republic of Belarus – to the prime minister of the Republic of Belarus.

Chairman has deputies, one of which is a first deputy appointed to the post and dismissed from the post by the president of the Republic of Belarus. The number of deputy chairmen is determined by the president of the Republic of Belarus. The State Boundary Committee includes directorates general, directorates, departments, sectors (groups), and services (with the rights of sectors (groups)).
Management:
Chairman of the State Boundary Committee of the Republic of Belarus: Major General Igor Anatolyevich Rachkovsky
First Deputy Chairman: Colonel Andrei Georgievich Gorulko (chief of the Main Operations Directorate)
Deputy Chairman: Colonel Oleg Borisovich Abyzov (chief of the Main Directorate for Ideology and Staffing Support)
Deputy Chairman: Colonel Anatoly Petrovich Lappo (chief of the Main Directorate for Materiel Control)
Deputy Chairman for Regime and Organizational Support: Colonel Dmitry Grigoryevich Shugai

Ministry of the Interior
Internal Affairs Agencies are law-enforcement agencies engaged in crime control, protection of public order, and ensuring of public safety consistent with the tasks allotted by the law on internal affairs agencies and other legislative acts of the Republic of Belarus.

Law-enforcement bodies are a component of the system of maintenance of national security of the Republic of Belarus.

Law-enforcement bodies are guided by the Constitution of the Republic of Belarus, law № 263-З of July 17, 2007 on law-enforcement bodies of the Republic of Belarus, decrees and ordinances of the president of the Republic of Belarus, other legislative acts of the Republic of Belarus.

Composition:
Minister: Lieutenant General of the Police Vladimir Vladimirovich Naumov (resigned on April 6, 2009)

Ministry of Defense
The armed forces of the Republic of Belarus are a structural element of the state military establishment intended to ensure military security and armed protection of the Republic of Belarus, its sovereignty, independence and territorial integrity.

The armed forces act in line with the Constitution of the Republic of Belarus, international agreements of the Republic of Belarus, law № 1904-XII of November 3, 1992 on the armed forces of the Repub-
lic of Belarus, regulations on performance of active duty, other regula-
tory enactments.

The military posture of the Republic of Belarus is determined by law № 1902-XII of November 3, 1992 on defense; law № 74-3 of January 3, 2002 on the military doctrine.

The armed forces include the central management authority; branch-
es of the armed forces; service arms; special task forces; military educa-
tional institutions, and organizations of the Ministry of Defense.

The central management authority includes the Ministry of Defense and Joint Staff of the armed forces, which is an organizational unit of the Ministry of Defense.

The branches of the armed forces are the land forces; air force and air defense troops.

The overall direction of the armed forces is carried out by the president of the Republic of Belarus, commander-in-chief of the armed forces, and the Council of Ministers within the power delegated by the President.

Minister of defense exercises direct leadership of the armed forces, and is personally liable for troop readiness and mobilization prepared-
ness, military preparedness of armies and headquarters for ensuring mil-
itary security and armed protection of the Republic of Belarus, its sov-
eignty, independence, and territorial integrity.

The Ministry of Defense is in charge of development of the armed forces and their preparedness for ensuring military security and armed protection of the Republic of Belarus, its sovereignty, independence, and territorial integrity.

The Joint Staff performs operative functions for the armed forces direction, interaction, and coordination of activities of the armed forces, other armies and military units aimed at securing defense of the Republic of Belarus.

Management:

Minister of Defense of the Republic of Belarus: Colonel General Leonid Semyonovich Maltsev

Chief of the Joint Staff of the Armed Forces: First Deputy Minis-
ter of Defense of the Republic of Belarus Lieutenant General Sergey Petrovich Gurulev
Deputy Minister of Defense for Personnel and Military Training: Chief of the Central Personnel Administration of the Ministry of Defense of the Republic of Belarus Major General **Yuri Ivanovich Merentsev**

Deputy Minister of Defense of the Republic of Belarus for Arms Materiel: Chief of Arms of the Armed Forces of the Republic of Belarus Major General **Ivan Vasilyevich Dyrman**

Deputy Minister of Defense for Logistics: Service Support Commander of the Armed Forces of the Republic of Belarus Major General **Alexander Vasilyevich Boligatov**

Commander of the Land Forces of the Armed forces of the Republic of Belarus: Major General **Alexander Nikolaevich Nikitin**

Commander of the Air Force and Air Defense of the Armed Forces of the Republic of Belarus: Major General **Igor Pavlovich Azaryonok**
The Ministry for Foreign Affairs of the Republic of Belarus (MFA) is a republican agency of state administration subordinate to the Government of the Republic of Belarus, which carries out state policy in the field of external relations, regulation (management) and coordination of foreign policy, and general coordination of foreign trade of the Republic of Belarus.

In some particular cases specified in legislative acts, the MFA is subordinate solely to the president of the Republic of Belarus.


A minister of foreign affairs supervises activities of the MFA, foreign representations of the Republic of Belarus, organizations subordinate to the ministry, and is personally liable for fulfillment of tasks set to the MFA, and performance of his official duties.

In order to address most relevant questions and work out solutions, the MFA forms a collegium, which includes the minister (chairman of board) and his deputies, director of the foreign trade department, other officers of the central staff, and heads of foreign representations of the Republic of Belarus. Representatives of state organizations subordinate to the ministry can take part in the collegium should such need arise.

The Republic of Belarus currently (as of December 2008) maintains diplomatic relations with 164 states of the world, in 47 of which it has 60 diplomatic representations, including 45 embassies, seven permanent
missions at international organizations, seven consulates general, and one consulate. Twelve branches of embassies of the Republic of Belarus are functioning in foreign countries.

Foreign states are represented in Belarus by 44 embassies, one embassy branch, one trade mission, 18 consular establishments (including honorary consuls); international organizations have 13 representations. Ninety accredited foreign diplomatic missions work in Belarus on concurrent.

The Republic of Belarus executes over 3,000 international agreements, including 1,700 bilateral and 1,500 multilateral ones.

Composition:
Minister of Foreign Affairs: Sergey Nikolaevich Martynov

First Deputy Minister: Igor Viktorovich Petrishenko
- Central contractual legal department
- Department of Russia and the Union State
- Department of regions of Russia
- Department of the CIS and EurAsEC
- Department of mutual relations with the CIS countries

Deputy Minister for international security and arms control: Sergey Fedorovich Aleynik
- Central organizational and controlling department
- Department of America
- Department of Asia and Africa
- Department of international organizations
- Department of humanitarian cooperation and human rights
- Secretary of UNESCO

Deputy Minister: Valery Iosifovich Voronetsky
- Central department of Europe
- Department of foreign policy analysis
- Department of information
- Service of official ceremonies
- Central consular department
- Currency and finance administration
- Department of diplomatic service provision
Deputy Minister: Andrei Aleksandrovich Yevdochenko
- Department of foreign trade
- Department of information technologies
- Department of diplomatic security

- Special envoys
- Personnel administration
Public health services

According to the National Statistics Committee of the Republic of Belarus, as of February 1, 2009, the population of Belarus was estimated at 9,669,600. In 2008, the Committee reported a population decline of 16,700 people.

In January 2009, the birth rate stood at 11.3 pro mille (per 1,000 population), compared to 11.1 pro mille a year ago. The mortality rate increased to 15.4 pro mille against 15.2 pro mille in January 2008. The child mortality rate (children below the age of one year) increased to 4.4 pro mille, compared to 4.3 pro mille in January 2008.

According to the World Health Organization (http://www.euro.who.int/Belarus), *Life expectancy* is 76.2 years for women and 64.6 years for men. The leading causes of death are diseases of the circulatory system; external causes such as accidents, poisoning, homicide and suicide; and cancer.

*Average life expectancy at birth:* 63 years for men and 75 years for women.

*Healthy life expectancy at birth:* 57 years for men and 65 years for women (as estimated in 2003).

*Probability of dying* per 1,000 live births below the age of five: 8.

*Probability of dying* between the ages of 15 and 60 years per 1,000 population: 366 for men and 131 for women.


*Public expenditure on health* as a % of total health expenditure: 74.9.

*Private expenditure on health* as a % of total health expenditure: 25.1.

*Public sector health expenditure* as a % of GDP: 4.7%.

According to the United Nations Human Development Report 2007/2008, in 2004, public expenditure on health accounted for 4.6% of GDP; private expenditure constituted 1.6% of GDP; expenditure per capita stood at 427 US$ PPP.
According to the World Health Organization, health expenditure as a % of GDP in Belarus has been gradually reducing since 2001. In 2004, the share of health expenditure from public sources as a percentage of total health expenditure was 78.2%, private households’ out-of-pocket expenditure on health accounted for 18.2%, and 3.6% came from other sources.

According to Minister of Health V. Zharko, in 2008 the number of doctors in the country increased 1% from the previous year and reached 42,000 (43.6 per 10,000 population). At the same time, the number of paramedical personnel dropped 0.7% (by 807 persons).

The number of doctors per capita in Belarus is one of the highest in the world. The World Health Organization informs that the average number of doctors per 10,000 population in Europe stands at 36.0 and 33.2 in Eastern Europe. For instance, this figure reaches 33.6 in Germany; 22.4 in Poland; 19.0 in Romania; and 37.2 in the CIS on the average.

According to the World Health Organization (http://www.who.int), the population coverage in Belarus is 48 per 10,000 population for doctors (46,359 doctors in total) and 121.36 per 10,000 population for paramedics.

The staffing level remained the same in 2008 and accounted for 95%. Three thousand doctors’ posts and almost three thousand paramedics’ posts were vacant in late 2008. Admission to medical universities in 2008 reached 3,290 persons, including 2,100 persons, whose education was free of charge.

Most doctors’ posts are concentrated in Minsk: 62.2 per 10,000 population in 2006.

The number of hospital beds per capita in Belarus stays high – even after a steady decrease since 1990 – compared with the CIS and Eastern Europe countries. In 2006, the total number of hospital beds was 100,272 in in-patient clinics and 6,545 in mental health clinics.

According to Minister of Health V. Zharko, an average length of stay in hospitals is one of the basic parameters of hospital beds stock utilization. In 1990 and 1994, the average length of stay in hospitals was 15.3 days. There has been a reduction in the length of stay in hospitals since 1997. In 2006, the average length of stay in all in-patient clinics was 11.8 days (11.7 days in 2004) with the longest period of stay in Minsk
in-patient clinics reaching 12.4 days. Short periods of stay in hospitals of the Gomel and Minsk regions were 11.3 days, and 11.5 days in the Brest and Mogilev regions.

Although the number of hospital beds decreased 17.3% in 1994–2006 and the average number of occupied beds dropped 11.9%, hospital admissions figures are still high with 266 hospitalizations per 1,000 population in 2006.

The World Health Organization says the Belarusian health system has not yet been very successful in reducing excess hospital capacities and emphasized the necessity of moving forward with a reform program.
Science

The scientific potential of Belarus is concentrated in the National Academy of Sciences of Belarus, institutions of higher education, scientific research institutes and centers, and design bureaus. Fundamental and applied research is conducted by nearly 30,000 persons at 300 institutions. Over 2,500 out of 17,000 scholars with academic degrees are doctors of science. 73% of research and scientific institutions are based in the capital; 10.4% and 5.2% are in the Gomel and Minsk regions respectively; lower percent of research and scientific institutions is observed in the Mogilev, Grodno, Vitebsk, and Brest regions.

According to Mikhail Myasnikovich, head of the National Academy of Sciences, informed that Belarus was ranked above India, Slovakia, Portugal, and Poland by research and development expenses, but is still behind countries of the European Union, where the R&D expenses reaches 1.76% of GDP. According to Mikhail Myasnikovich (http://www.embassybel.ru/press/publications/2009/01/09/19901/), the R&D expenses in Belarus made up 0.7% of GDP on the average, including 0.35% covered by the state budget. For comparison, in 2007, the R&D expenses constituted 0.9% in Ukraine and 1.3% in Russia. As accounted by the European procedure, the R&D expenses of Belarus made up 0.97% of GDP against 2% to 3% in the countries of the Organization for Economic Cooperation and Development.

Over the period of 1990-2009, Belarus reduced the R&D expenses from 2.1% to 0.7%. In 2005, the share of high-technology commodities in industrial exports decreased to the miserable value of 2.6%, as specified in the United Nations Human Development Report 2007/2008.

According to the Institute of Economy of the Ministry of Economy of Belarus, the period of application of industrial technologies in Belarus is 20 to 30 years. For comparison, the United States replaces equipment every five years to ensure competitiveness of production.

_Ekonomicheskaya Gazeta_ ("Economic Newspaper") ranks Belarus below Russia and Ukraine among the CIS countries by the R&D ex-
penses. Although the R&D expenses per capita in Russia and Belarus are approximately the same – 70 and 64 U.S. dollars respectively – but when it comes to payment of royalty and license fee, this figure is higher ten-fold in Russia and 800-fold in advanced countries.
APPENDIX. References information

Education

The Ministry of Education of the Republic of Belarus pursues governmental policies in the field of education, provides regulation, management and governmental monitoring in the education sector. (http://www.minedu.unibel.by/).

In 2008, UNESCO ranked Belarus 41st among countries with high Education Development Index. For comparison: Estonia takes the 25th position; Kyrgyzstan is 32nd; Latvia is 36th; Lithuania is 39th; Georgia is 40th; Armenia is 43rd; Moldova is 57th. Belarus is ahead of all CIS countries with the highest level of adult literacy (99.6%), and reports quite high level of youth literacy (99.8%).


Anatoly Kuchinsky, head of the analysis and legal affairs bureau of the Ministry of Education, says the ratio of university students is 438 per 10,000 population (409 students per 10,000 population in 2007), which is “one of the highest index values among European countries. All children of preschool age undergo preschool training, which is also the highest index among the CIS countries.

In line with the law on education in the Republic of Belarus, the national education system guarantees the right to education secured by:

- development of a network of educational institutions of all patterns of ownership, various forms of training and education, creation of conditions for reception of general and vocational training in view of national traditions, individual requirements, and abilities of students;
- availability of free-of-charge training in official institutions of general, elementary, and occupational (vocational technical) training;
free-of-charge secondary-level occupational (secondary vocational) education on a competitive basis; higher and postgraduate education in official institutions regardless of the forms of training for reception of this educational level for the first time in accordance with the state standards of education;

• continuity of education and succession of its stages;

• partial or full covering of living expenses for citizens in need of social aid during their training.

All state and non-state educational institutions in the republic relate to the national education system of Belarus which includes:

• preschool education

• general secondary education

• out-of-school forms of education

• vocational technical training

• specialized secondary education

• higher education

• training of scientific and teaching personnel

• professional development and retraining of personnel

• self-maintained education of citizens

The following legislative and statutory acts constitute the legal framework of the education system:

Law № 1202-X II of the Republic of Belarus on education of October 29, 1991;

Law № 252-З of the Republic of Belarus on higher education of July 11, 2007;

Law № 141-3 of the Republic of Belarus on general secondary education of July 5, 2006;


In 2007, the Ministry of Education totaled 3,893 state general education institutions, including 2,643 in rural localities and 1,250 in urban localities, with 1,145,131 students, including 283,951 in rural localities and 861,180 in urban localities.
Basic quantitative indexes of the education system of Belarus in 2006-2007

Preschool education

Preschool educational institutions: 4,135, including 3,893 controlled by the Ministry of Education;
Number of students: 365,594

General secondary education

General education institutions (full-time attendance) of the state pattern of ownership: 3,979, including 3,974 controlled by the Ministry of Education;
in rural localities: 2,643;
in urban localities: 1,250, including:
312 elementary schools
in rural localities: 272;
in urban localities: 40;
762 basic schools
in rural localities: 724;
in urban localities: 38;
2,612 secondary schools
in rural localities: 1,637;
in urban localities: 975;
165 gymnasiums
in rural localities: 7;
in urban localities: 158;
36 lyceums
in rural localities: 3;
in urban localities: 33;
6 training-pedagogical complexes in the form of schools (grammar schools) / colleges
The number of students stands at 1,145,131, including 283951 in rural localities and 861,180 in urban localities.

Vocational technical training

Vocational technical training institutions: 228, including 226 supervised by the Ministry of Education
Number of students in the academic year 2006-1007: 114,600
Vocational-technical colleges: 53;
Vocational lyceums: 63;
Vocational-technical schools: 112, including 15 vocational-technical schools at correctional institutions of the Ministry of the Interior and 2 custodial vocational-technical schools.
Vocational-technical training is also provided by 10 educational institutions of other levels. In 2006, the number of qualified graduates with vocational-technical degrees amounted to 50,000 persons.

Average special education
Institutions of specialized secondary education: 123 governmental and 10 private.
Besides, specialized secondary education is provided by:
3 supreme colleges;
9 universities having colleges in their structure;
53 professional colleges;
Republican Institute for Vocational Education;
7 training-pedagogical complexes
Education in more than 150 branches of study and 300 areas of expertise is provided to over 152,500 students of these institutions. 136,700 persons are trained in state educational institutions, including 32,800 students of full-time attendance; 22,200 of them undergo training on a free-of-charge basis.

Higher education
Institutions of higher education: 53
State institutions of higher education: 43 (the Ministry of Education supervises 23 of them), including:
universities: 31;
academies: 7;
supreme colleges: 3;
institutes: 2;
private institutions of higher education: 12.
Higher education is provided in 360 branches of study and more than 1,000 areas of expertise.
In the academic year 2006–2007, institutions of higher education totaled 396,910 students (383,401 in 2005), which is over 407 students per 10,000 population. The number of rural schools graduates admitted to state institutions of higher education increased and reached 18% of the total number of first-year students.

Ninety-one schools were closed in 2008. Lydia Zaitseva, head of the material base development department of the Ministry of Education, all closed schools were located in rural areas, including 30 in the Vitebsk region, 20 in the Minsk region, 13 in the Mogilev region, 12 in the Grodno region, nine in the Gomel region, and seven in the Brest region.

As many as 444 rural schools are planned to be closed by 2010 because of the low number of students, which in the opinion of the Ministry of Education is connected with the current demographic situation: according to official estimations, the number of students in rural areas will most likely decrease 257,000 by the year 2010.
Nongovernmental Organizations

In 2008, the Ministry of Justice registered 94 new NGOs, including five international, 13 republican, 76 local (six regional, 69 district and city, and one other local NGOs); three unions (associations) of NGOs; 14 funds, including four international and 10 local ones.

The ministry also registered (put on records) 28 new organizational units of political parties; 1,297 new organizational units of trade unions, and 10,017 new organizational units of other public associations.

As of January 1, 2009, Belarus totaled 15 political parties, 36 trade unions, 2,221 NGOs (224 international, 702 republican and 1,295 local ones), 22 unions (associations) of NGOs, and 75 funds (eight international, three republican, and 64 local ones); 1,008 registered (put on records) organizational units of political parties (68 regional, 361 district and city, and 579 primary ones), 23,746 organizational units of trade unions (138 regional, 796 district and city, 22,751 primary, and 61 joint ones), and 25,298 organizational units of other NGOs (699 regional, 3,383 district and city, and 21,216 other ones).

Registered NGOs act in the following sectors: 521 are sports NGOs; 350 are charitable NGOs; 289 are enlightened, cultural-recreational, and educational NGOs; 168 are youth NGOs, including 23 children’s public associations; 138 are public associations of disabled veterans and disabled workers, and war veterans; 103 are NGOs of national minorities; 98 are scientific and technical NGOs; 71 are NGOs of environmentalists, history and culture activists; 42 are NGOs of art workers; 33 are women’s NGOs, and 408 NGOs have some other goals.

In 2007, the Ministry of Justice registered 100 NGOs, including five international; 15 republican; 12 regional; 63 district and city, and five other NGOs, and also two unions (associations) of NGOs and nine funds, including one international and eight local ones.
Basic regulatory documents in the public sector:

- Law of the Republic of Belarus on public associations;
- Law of the Republic of Belarus on trade unions;
- Decree № 302 of the President of the Republic of Belarus of July 1, 2005 on particular measures aimed at regulation of activities of funds;
- Resolution № 48 of the Ministry of Justice of the Republic of Belarus of August 30, 2005 on approval of regulatory legal acts on registration and examination of documents connected with state registration of political parties, trade unions, other public associations, their unions (associations), and also state registration and taking of state register, putting on and taking off records of their organizational units (templates attached)
- Resolution № 43 of the Ministry of Justice of the Republic of Belarus of August 3, 2005 on the procedure of publication and information about use of property by a fund subject to reporting

According to the website www.spring96.org, section 193-1 of the criminal code of the Republic of Belarus, which stipulates punishment for participation in activities of unregistered NGOs, political parties, religious organizations, or funds, has the most negative effect on development of the Belarusian civil society.

Activist of the unregistered Youth Front Katerina Solovyeva was charged under this section and fined upon court order to the amount of 1,750,000 Belarusian rubles (approximately 830 U.S. dollars) in April, 2008. The section has not been applied since then, but it is widely used to intimidate civil activists during custodial interrogations.

The threat of punishment for social activity makes normal development of the civil society impossible, and drives it underground

The ban on using private apartments of founders of noncommercial organizations (NGOs, political parties, funds, establishments) as legal addresses of such entities, practiced on the basis of section 272 of the civil code and section 8 of the housing code poses one more obstacle to the civil society development. The ban can be lifted by a regulatory enactment by analogy with presidential decree № 29 of December 17, 2002, which permitted the use of founders’ residences as legal addresses of unitary enterprises.

The government also poses obstacles to constituent and other assemblies of NGOs, initiative groups, and organizing committees.
In April 2008, reduced rental rates for nongovernmental organizations were abolished by presidential decree № 533 of October 23, 2007. According to the Belarusian legislation, only office premises must be used as legal address of NGOs, hundreds of nongovernmental organizations had to pay ten times more for their offices.
Information about political parties registered in the Republic of Belarus

As of December 31, 2008

Name: Liberal Democratic Party
Address: 89а Sadovaya St., Minsk district, Minsk region, 220000
Head: Gaidukevich, Sergey Vasilyevich
Steering body: Supreme Council
Goals: Construction of a law-governed state with mixed economy by parliamentary methods through advocacy of liberalism and liberal democracy, recognition of the multi-party system, pluralism of opinions, securing of civic rights and liberties, non-violent acts; creation of favorable conditions for dignified life for all citizens of the Republic of Belarus, free development of human personality in the economic, political and cultural spheres.

Date of formation: 05.02.1994
Date of registration: 24.02.1994
Date of re-registration: 15.06.1999
Registration number: 025
Political platform: The party supports the present political regime, but proclaims itself as “constructive opposition”.
Belarusian Social Sports Party
Address: 77а/B Kalinovskogo St. #3, Minsk, 220000
Head: Aleksandrovich, Vladimir
Steering body: Council
Goals: Assistance in strengthening economically advanced, socially focused, stable state by means of upgrading public regulations; association of progressive forces of the Republic of Belarus for implementation of social programs promoting enhancement of spiritual, cultural and economic potential of Belarusian people; drawing of public attention to issues of upbringing of the younger generation, advocacy of ideas of civilization, patriotism, healthy lifestyle; involvement of citizens in local self-government and fulfillment of social tasks.

Date of formation: 06.11.1994
Date of registration: 09.12.1994
Date of re-registration: 13.09.1999
Registration number: 024
Political platform: The party supports the present political regime.

Belarusian Green Party
Address: 6 Brestskaya St., Gomel, 246023
Head: Novikov, Oleg Anatolyevich
Steering body: Central Council
**Goals:**

Creation of healthy life environment for a human, with its social and natural parameters to provide maximum possibilities for his development; development of spirituality, high moral attitude to everything alive, formation and spreading of ecological style of thinking, in all spheres of life of people, including the political sphere; peace between nations and states, prohibition and perspective extermination of nuclear, chemical and biological weapons, as well as the most destructive types of general weapons.

**Date of formation:** 17.04.1994  
**Date of registration:** 03.06.1994  
**Date of re-registration:** 13.09.1999  
**Registration number:** 032  
**Political platform:** Opposition party; member of the United Democratic Forces Coalition.

**Name:** Social Democratic Party of People’s Concord

**Address:** 10 Marksa St., Minsk, 220050  
**Head:** Yermak, Sergey Vladimirovich  
**Steering body:** Council  
**Goals:** Construction of civilized law-governed state, promotion to democratic reforms.

**Date of formation:** 15.03.1997  
**Date of registration:** 21.05.1997  
**Date of re-registration:** 30.09.1999  
**Registration number:** 014  
**Political platform:** The party supports the present political regime.
Belarusian Agrarian Party
7A Fabritsiusa St., Minsk, 220007
Rusy, Mikhail Ivanovich
Central Council

Goals:
Full-scale participation of party members in activities of governmental and local authorities by delegating elected representatives of the party; political education of citizens, development of the sense of patriotism and statehood; opinion research in the field of public and political policies and bringing it to notice of public, governmental institutions and agencies of local self-government; participation in elections in line with the legislation in force; participation in adoption and implementation of programs aimed at economic and social development of rural areas; preservation of spiritual and moral values of the nation, development of the potential of material and spiritual culture of Belarusian village.

Date of formation: 13.06.1992
Date of registration: 13.07.1992
Date of re-registration: 22.09.1999
Registration number: 034
Political platform: The party supports the present political regime.

Republican Party
34 Pritytskogo St., Minsk, 220082
Belozor, Vladimir Yakovlevich
Central Board
Goals: Revival and strengthening of the sovereign, humane, democratic state of Belarus with fair alliance with the republics of the former USSR and countries of the West, maintenance of high standards of living; construction of economy on an essentially new basis based on market mechanisms and political sovereignty of the Republic of Belarus and prosperity of its people; strict securing of human rights in the Republic of Belarus.

Date of formation: 12.03.1994
Date of registration: 25.05.1994
Date of re-registration: 30.09.1999
Registration number: 030

Political platform: The party supports the present political regime.

Name: **Conservative Christian Party**

Address: 8 Masherova Ave., Minsk, 220005

Head: Poznyak, Zenon Stanislavovich

Steering body: Sojm

Goals: Establishment of democratic society and construction of strong Belarusian state.

Date of formation: 26.09.1999
Date of registration: 28.02.2000
Registration number: 0018

Political platform: Opposition party; does not enter any coalitions.

Name: **Belarusian Popular Front**

Address: 8 Masherova Ave., Minsk, 220005
**Head:**  Borshchevsky, Leonid Petrovich  
**Steering body:**  Sojm  
**Goals:**  Implementation of the Program of the Public Association Belarusian Popular Front Adradzhenne (“Revival”) by means of participation and formation of governmental authorities of the Republic of Belarus.

**Date of formation:**  30.05.1993  
**Date of registration:**  19.08.1993  
**Date of re-registration:**  30.09.1999  
**Registration number:**  028  
**Political platform:**  Opposition party; member of the United Democratic Forces Coalition.

**Name:**  Republican Party of Labor and Justice  
**Address:**  17 Kaliningradsky Lane, #21, Minsk, 220012  
**Head:**  Zadnepryany, Vasily Vasilyevich  
**Steering body:**  Political Council  
**Goals:**  Creation of society of economic security and social justice.

**Date of formation:**  26.06.1993  
**Date of registration:**  18.08.1993  
**Date of re-registration:**  18.06.1999  
**Registration number:**  022  
**Political platform:**  The party supports the present political regime.

**Name:**  Party of Communists Beloruskaya  
**Address:**  12 Kalinina Lane, #312, Minsk, 220012  
**Head:**  Kalyakin, Sergey Ivanovich  
**Steering body:**  Central Committee
APPENDIX. References information

**Goals:** Association and political development of wage and salary workers for total liberation from all kinds of exploitation of man by man and construction of classless society of social justice.

**Date of formation:** 07.12.1991
**Date of registration:** 26.05.1992
**Date of re-registration:** 05.07.1999
**Registration number:** 027
**Political platform:** Opposition party; member of the United Democratic Forces Coalition.

**Name:** United Civic Party

**Address:** 22 Khoruzhei St., office 38, Minsk, 220123

**Head:** Lebedko, Anatoly Vladimirovich

**Steering body:** National Committee

**Goals:** Assistance in constructing civil society and lawful state on the basis of free market relations, priority of human rights, universal values and pluralism of all development trends of society; protection of rights, liberties and legitimate interests of citizens of Belarus within the framework of the current Belarusian legislation; assistance in creating conditions for higher standards of living of citizens by decisive reforming of economy and integration into the global economical community.

**Date of formation:** 01.10.1995
**Date of registration:** 28.11.1995
**Date of re-registration:** 30.07.1999
**Registration number:** 026
**Political platform:** Opposition party; member of the United Democratic Forces Coalition.
Belarusian Patriotic Party

Name: Belarusian Patriotic Party
Address: 7 Papanina St., #107, Minsk, 220089
Head: Ulakhovich, Nikolai Dmitrievich
Steering body: Council
Goals: Promotion to construction of socially just society; assistance in formation of a renewed union of brotherly nations, first of all Russia, Belarus, and Ukraine; support to the President in his efforts to implement the election program and immediate anti-crisis measures; protection of national interests, honor and dignity of Motherland in all domains.

Date of formation: 08.10.1994
Date of registration: 10.11.1994
Date of re-registration: 25.08.1999
Registration number: 006
Political platform: The party supports the present political regime.

Name: Belarusian Social Democratic Gramada
Address: 4 Kulman St., Minsk, 220013
Head: Shushkevich, Stanislav Stanislavovich
Steering body: Central Council
Goals: Creation of humane democratic society on a mixed economy basis and multi-party system; legal and social protection of workers; advocacy of the fundamentals of freedom of person, social justice, and solidarity.

Date of formation: 15.02.1998
Date of registration: 27.05.1998
Date of re-registration: 30.08.1999
Registration number: 033
Political platform: Opposition party; member of the United Democratic Forces Coalition.
<table>
<thead>
<tr>
<th>Name:</th>
<th>Belarusian Social Democratic Party (Gramada)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address:</strong></td>
<td>52/1 Rokossovskogo Ave., 241A, Minsk, 220095</td>
</tr>
<tr>
<td><strong>Head:</strong></td>
<td>Levkovich, Anatoly Iosifovich</td>
</tr>
<tr>
<td><strong>Steering body:</strong></td>
<td>Central Committee</td>
</tr>
<tr>
<td><strong>Goals:</strong></td>
<td>Construction of consolidated society on the basis of freedom, equality, social justice, democracy, and precedence of law; construction of independent, democratic, law-governed, and social Belarusian state, an equal member of the European and world communities.</td>
</tr>
<tr>
<td><strong>Date of formation:</strong></td>
<td>29.06.1996</td>
</tr>
<tr>
<td><strong>Date of registration:</strong></td>
<td>29.01.1997</td>
</tr>
<tr>
<td><strong>Date of re-registration:</strong></td>
<td>09.09.1999</td>
</tr>
<tr>
<td><strong>Registration number:</strong></td>
<td>023</td>
</tr>
<tr>
<td><strong>Political platform:</strong></td>
<td>Opposition party; member of the United Democratic Forces Coalition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Communist Party of Belarus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address:</strong></td>
<td>21 Chicherina St., #412, Minsk, 220029</td>
</tr>
<tr>
<td><strong>Head:</strong></td>
<td>Golubeva, Tatiana Gennadievna</td>
</tr>
<tr>
<td><strong>Steering body:</strong></td>
<td>Central Committee</td>
</tr>
<tr>
<td><strong>Goals:</strong></td>
<td>Orientation of society to the socialist way of development leading to construction of society of social justice based on the fundamentals of collectivism, freedom and equality; support to democracy, strengthening of Belarusian statehood and reconstitution of the state union of Soviet peoples on a voluntary basis.</td>
</tr>
<tr>
<td><strong>Date of formation:</strong></td>
<td>02.11.1996</td>
</tr>
<tr>
<td><strong>Date of registration:</strong></td>
<td>21.11.1996</td>
</tr>
<tr>
<td><strong>Date of re-registration:</strong></td>
<td>09.09.1999</td>
</tr>
</tbody>
</table>
Registration number: 029
Political platform: The party supports the present political regime.
Mass Media

According to the Ministry of Information, as of February 1, 2009, Belarus totals 1,305 registered periodicals, including:

<table>
<thead>
<tr>
<th>Types</th>
<th>Total</th>
<th>Governmental</th>
<th>Nongovernmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>663</td>
<td>218</td>
<td>445</td>
</tr>
<tr>
<td>Magazines</td>
<td>594</td>
<td>179</td>
<td>415</td>
</tr>
<tr>
<td>Bulletins</td>
<td>42</td>
<td>16</td>
<td>26</td>
</tr>
<tr>
<td>Catalogues</td>
<td>6</td>
<td>–</td>
<td>6</td>
</tr>
</tbody>
</table>

There are nine registered news agencies

Although the nongovernmental mass media outnumber the governmental media, the Belarusian Association of Journalists says there are less than 30 nongovernmental media outlets covering socio-political matters.

Most of the printed media, 572, are published in the Russian language, and only 71 media use Belarusian; 357 registration certificates specify “the Russian and other languages”; 299 ones specify “the Belarusian and other languages”; eight media use English, English and other languages, Polish, Polish and other languages, and Ukrainian.

In November 2008, the Ministry of Information revoked 26 registration certificates of the printed media.

Sovetskaya Byelorussia (“Soviet Belarus”) newspaper still has the highest circulation with 418,000 thousand readers in early Q1 of 2008. The total one-time circulation of other leading political newspapers is as follows: Respublika (“Republic”) – 57,200 copies; Zvyazda (“Star”) – 35,000 copies; Narodnaya Gazeta (“People’s Newspaper”) – 31,400 copies (41,200 copies on Fridays); Belorusskaya Niva (“Belarusian Field of Grain”) – 30,300 copies; 7 Dney (“7 Days”) – 37,600 copies; Znamya Yunosti (“Banner of Youth”) – 32,400 copies.

The total one-time circulation of local governmental press (136 regional, city, and district newspapers) stands at 882,700 copies, including 162,200 copies in the Brest region; 181,100 copies in the Vitebsk region; 150,300 copies in the Gomel region; 108,500 copies in the Grod-
no region; 156,000 copies in the Minsk region; 124,400 copies in the Mogilev region.

**Electronic mass media**

As of January 1, 2009, the Ministry of Information of Belarus registered **227 TV and radio programs**: **158 radio programs**, including 137 state-run programs and 21 non-state ones, and **69 TV programs**, including 28 state-run programs and 41 non-state ones.

There are five national TV channels in the country, namely Channel One, Lad, ONT (Nation-Wide TV), STV (Capital TV), international satellite TV channel Belarus-TV, and also NTV-Belarus and RTR-Belarus channels.

*Regulatory documents in the media sector*

Decree № 65 of the President of the Republic of Belarus of February 6, 2009 on improvement of government agencies and other state organizations’ work with the mass media.

Decree № 60 of the President of the Republic of Belarus of February 6, 2009.


The law on the press and other mass media.

The law on the freedom of conscience and religious organizations.

The law on advertising.

Decree № 17 of the President of the Republic of Belarus of July 14, 2003 on licensing of particular kinds of activity in the wording of Decree #7 of the President of the Republic of Belarus.

*Situation with the mass media in Belarus in 2008 as rated by international organizations:*

Reporters Without Borders: Freedom of the Press World Ranking – Belarus is 154th among 173 countries;

Freedom House: World Press Freedom Review – Belarus is 188th among 195 countries;

Freedom House: Nations in Transit 2008 – Independence of the mass media in Belarus was put at 6.75 points on the 1 to 7 scale (7 being the lowest degree of independence).
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**Novak Axiometric Research Laboratory**
Privately-owned independent service specializing in social studies, created by PhD in Sociology Andrei Petrovich Vardomatski in 1992. Novak carries out over 100 qualitative studies annually (focus groups, in-depth interviews), with five to seven surveys based on nationally representative samples. Since its inception 16 years ago, Novak has been monitoring public opinion of Belarus on major political and economic issues on a monthly basis.

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**Konstantin Skuratovich**
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