

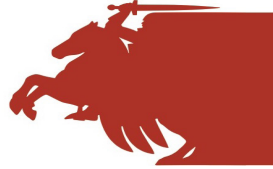
WEBSITE OF THE EXPERT COMMUNITY OF BELARUS
NASHE MNENIE ('OUR OPINION')

AGENCY FOR SOCIAL AND POLITICAL EXPERT APPRAISAL

Belarusian YEARBOOK 2021

A survey and analysis of developments
in the Republic of Belarus in 2020

Vilnius 2021



COMPILED AND EDITED BY
Anatoly Pankovski and Valeria Kostyugova

SCIENTIFIC REVIEWERS AND CONSULTANTS
Andrei Vardomatski, Doctor of sociology
(NOVAK Laboratory of Axiometrical Research);
Piotr Rudkoŭski, Doctor of Philosophy
(Belarusian Institute for Strategic Studies – BISS);
Irina Dounaeva, PhD (independent expert);
Olga Shparaga, PhD, Associate Professor
(European College of Liberal Arts in Belarus – ECLAB);
Andrei Kazakevich, Doctor of Political Sciences
(Institute of Political Studies “Political Sphere”);
Pavel Daneiko (Belarusian Economic Research and Outreach
Center – BEROC).

ENGLISH VERSION TRANSLATED BY
Volha Hapeyeva, Andrey Kuznetsov, Vladimir Kuznetsov

ENGLISH VERSION EDITED BY Max Nuijens

EDITED FOR PRINTING BY Stefani Kalinowskaya

THE YEARBOOK IS PUBLISHED WITH SUPPORT OF

G | M | F The German Marshall Fund
of the United States
STRENGTHENING TRANSATLANTIC COOPERATION

The ideas expressed are solely the opinions of the authors and do not necessarily represent the opinions of the editorial board.

ISSN 1822-4091

© Website of the Expert Community of Belarus Nashe Mnenie (nmnby.eu), 2021
© Agency for Social and Political Expert Appraisal, 2021

CONTENTS

EDITORIAL FOREWORD	6
ELECTIONS 2020	
PIOTR RUDKOŃSKI Election Campaign: Background, process and consequences	11
STATE AUTHORITIES	
NIKOLAI BUROV Presidential Administration: Delegation of powers to the Security Council	23
POLINA MAKAROVA Government: Optimistic paralysis	32
ANDREI POROTNIKOV Catastrophic disruption of security balance	41
DMITRY KUKHLEI Local Authorities: Covid decentralisation and the election test	51
FOREIGN POLICY	
DENIS MELYANTSOV Belarus – European Union: Coming full circle	63
ANATOLY PANKOVSKI Belarus – Russia: Presidents’ games	73
GENNADY MAKSAK Belarus – Ukraine: Into the cold	83

ANNA MARIA DYNER		
	Belarus – Poland: Return to the past	90
ANDREI FYODOROV		
	Belarusian-American Relations: A wreck again	99
SERGEI BOGDAN		
	Asian, African, and Latin American Countries: Trade diversification despite crises?	108
SOCIETY		
GENNADY KORSHUNOV		
	Systemic Crisis of Relations between the Government and the Society	123
VADIM MOZHEYKO		
	Civil Society: From house checks and criminal cases to unprecedented growth of volunteering and donations	131
DMITRY KUKHLEI		
	Democratic Organizations: Fragmented, but with a single agenda	138
ELENA ARTIOMENKO-MELIANTSOVA		
	Media: Lost control and destroyed infrastructure	147
KONSTANTIN NEMANOV		
	Double Shock to the Education System	158
ANDREI LAVRUKHIN		
	Science and Innovation in the Face of Political Turbulence	168
ALEXANDER SHRAMKO		
	Religious Sphere: A year of challenges and trials	178
MAXIM ZHBANKOV		
	Belarusian Culture: At the turn of times	186

NATALIA RYABOVA		
Research and Analytical Centers:		
The growing role of independent expertise		196
ECONOMY		
DMITRY KRUK		
Macroeconomic Situation:		
Mixed results, growing uncertainty		209
ALEXANDER MUKHA		
Foreign Exchange Market:		
Intensified negative trends amid political crisis		220
ALEXANDER AVTUSHKO-SIKORSKI		
Energy Sector: From the resource supplying		
rentier state to the consumer state		230
MARIA AKULOVA		
Foreign Investment: Growing uncertainty		238
OLGA LOIKO		
IT Sector: Economic hope		
and political disillusionment		247
AUTHORS		259

EDITORIAL FOREWORD

Belarusian Yearbook 2021 constitutes a comprehensive analysis of developments in the key segments of the state and society in the year 2020, which became an obvious landmark for the nation. The COVID-19 pandemic, the summer presidential election campaign amid exhausted resources for recovery growth and a gradual sinking into recession, the mass protests against the election fraud from August through December, the violence of law enforcers that turned out to be unprecedented for the 21st century Europe, and the grave political crisis were the main drivers of the political agenda. In 2020, the Belarusian state and society went through a sort of the “perfect storm”, which will definitely have a long-lasting impact on the country.

Main trends of the year:

- growth of grassroots initiatives and horizontal solidarity following the onset of the coronavirus epidemic and the significant increase in activism ahead of the presidential election (August 2020) and especially in its wake;
- development of local communities based on a network of self-regulated local Telegram chats both in Minsk and in the regions;
- crisis of state power, collapse of trust in social institutions;

- loss of Lukashenka’s political legitimacy – both internal (stunning election) and external (non-recognition as president by the West);
- ideological unification of the state policy, its complete subjection to political directives;
- failure of the regime’s positive agenda, change (starting late May) to the strategy of mass repression;
- foreign policy default: return to political confrontation with the West, including defiant acts and military declarations;
- fixation on Russia (starting the second half of the year): Belarus’s increased political, military and economic dependence on the Russian Federation, degradation of Belarus’s state sovereignty;
- growing economic risks and threats (financial stability, inflation behavior, fiscal policy, state debt management) as a result of a specific anti-crisis policy;
- marked narrowing of access to international financial markets, which exacerbates the challenge of repayment and servicing of the external debt of Belarusian residents.

Since 2003, the *Belarusian Yearbook* project has evolved as a joint endeavor of the Belarusian expert community to compile, conceptualize, and deliver a chronicle of Belarus’s contemporary history.

Contributing to *Belarusian Yearbook 2021* were independent analysts and experts, as well as specialists representing various think tanks, including the Institute of Political Studies “Political Sphere”, Belarusian Institute for Strategic Studies (BISS), Belarusian Institute for Public Administration Reform and Transformation (BIPART), School of Young Managers in Public

Administration (SYMPA), Minsk Dialogue Expert Initiative, Ostrogorski Centre, Belarusian Economic Research and Outreach Center (BEROC), Macrocenter Macroeconomic Research Center, *Belarus Security Blog* analytical project, Foreign Policy Council Ukrainian Prism (Kyiv), Institute of International Relations (Warsaw, Poland), Public Bologna Committee, Agency for Social and Political Expert Appraisal (Vilnius), *Tut.by* portal and the website of the expert community of Belarus *Nashe Mnenie* (“Our Opinion”).

ELECTIONS
2020

ELECTION CAMPAIGN: BACKGROUND, PROCESS AND CONSEQUENCES

Piotr Rudkoŭski

Summary

For the Belarusian regime, the 2020 presidential campaign was very costly, both domestically and internationally. The need to constantly adjust the scenario of the fake election generated a lot of contradictions that could not be concealed. At the same time, opponents of the regime managed to gain an important advantage – a shared understanding in the opposition-minded part of society that it constitutes a majority. Severe repression and rhetorical loyalty to Russia allow the authorities to buy some time, but this does not eliminate the very cause of the crisis – popular wide demand for a new social contract.

Trends:

- The protest sentiments turn latent, and may break out again at any moment;
- The sense of injustice in society grows painful;
- The deficit of internal and international legitimacy of the regime increases;
- Repressions intensify to maintain the visibility of public peace in the near term;
- The regime is testing the idea of constitutional reform and formation of a party of power.

The 2020 presidential election was held against the backdrop of increased popular demand for a new social contract, in particular, a new culture of public administration, and broader involvement in political decision-making. This demand was preconditioned by changes in the composition of the population in terms of education and economics, as well as a decline in paternalistic

expectations. Also, there was a crisis of confidence in such key institutions as the Central Election Commission (CEC)¹ and state-controlled media.

The national authorities recognized these trends to some extent, as evidenced by an attempt to improve the image of law enforcement agencies, cautious economic liberalization and the vague promise of constitutional reform. However, society could no longer accept cosmetic reforms or abstract talks about constitutional amendments somewhen in the future. Besides, the Belarusian authoritarian system was not ready for profound systemic reforms.

Election tactics of the authorities

As noted above, the authorities, or rather its intellectual segment, were aware that Belarusian society was changing, and that the absence of reforms might threaten the system itself. This was one of the reasons why economic liberalization was on the agenda in 2015–2016. As the elections were approaching (parliamentary in November 2019 and presidential in 2020), the authorities decided to get rid of one of the major irritants – the arrogance of the police.

The PR campaign aimed at ‘humanizing’ the image of the police began in June 2019, when Yuri Karayev replaced Igor Shu-nevich as interior minister. One of the tasks of the new minister was to improve the image of law enforcement agencies, so that the people trust them more and no longer associate them exclusively with their punitive functions.

¹ «Институт социологии НАН: В апреле уровень доверия Лукашенко в Минске составлял 24%.» *Tut.by*, 19 June 2020, <https://news.tut.by/economics/689489.html>.

However, in view of the forthcoming election, the campaign to humanize the police collided with measures to ensure a harsh response to the political mobilization of society. Instead of building a positive image of law enforcers, the efforts reversed towards greater repression and coercion.

As part of the chosen tactics, the authorities played the independence card again. In December 2019, the state media announced that “half of Belarusians were against a union with Russia, preferring a partnership instead”². When controverting in May 2020 with Lukashenko’s main potential contenders Viktor Babariko, Sergei Tikhonovskiy and Valery Tsepkalo³, the state propaganda highlighted the threat to sovereignty and national identity.⁴ Lukashenko himself and high-ranking officials used a similar rhetoric.⁵

This anti-Russian and pro-independence information campaign peaked when 33 mercenaries of the Wagner Private Military Company patronized by the Kremlin were detained in Belarus in late July 2020. (Shortly after the election, all of them

² Домбровский, Александр. «Половина белорусов выступает не за союзнические, а за партнёрские отношения с Россией.» *Институт социологии Национальной академии наук*, 04 Dec. 2019, <https://socio.bas-net.by/polovina-belorusov-vystupaet-ne-za-soyuznicheskie-a-za-partnerskie-otnosheniya-s-rossiej/>.

³ In the materials, the state media lambasted political opponents without naming them, but it was clear from the context who was the target of the attack.

⁴ Марзалюк, Игорь. “Вестуны грамадзянскай вайны”. *БелТА*, 31 May 2020, <https://www.belta.by/opinions/view/vestuny-gramadzjanskaj-vajny-7333/>.

⁵ «Массовые пикеты за Тихановских и аресты, “Свободу”, “Уходи!”» *Belarus in Focus*, 25–31 May 2020, <https://belarusinfofocus.info/by/vybarchaya-kampaniya/massovye-pikety-za-tihanovskih-i-aresty-svobodu-uhodi>; «Лукашенко пообещал напомнить белорусам, что “Грузия потеряла почти треть своей территории”» *Эхо Кавказа*, 05 June 2020, <https://www.ekhokavkaza.com/a/30654678.html>.

were released, and Lukashenko apologized to the Russians through his son.)

It is noteworthy that the president's regular address to the nation and the parliament was postponed. The event used to be held in the second half of April or early May. This time, it took place on August 4, the first day of early voting. Since Lukashenko considers it beneath him to conduct a standard election campaign with meetings with voters, debates, etc., his campaigns have been disguised over the past two decades as the performance of routine presidential duties. The 2020 address to the nation and the parliament was used as a powerful election tool.

Other pre-election techniques, such as keeping the opposition uncertain about the election date, nomination of sham candidates to disorient the public, and spreading rumors about alleged terrorist attacks, have been applied during presidential campaigns since 2001. The year 2020 stood out, as sham candidates had never pulled out of the race in favor of the incumbent president, and harsh repressions had not started at the stage of signature collection.

In 2020, Lukashenko's major contenders⁶ were imprisoned before the registration of candidates. Over 1,200 arbitrary detentions and 23 politically motivated criminal cases were reported during the campaign.⁷ More than 700 criminal cases against protesters were filed as of late March 2021. Tens of thousands were sentenced to administrative arrests and fines.⁸

⁶ We mean Pavel Seviarynets, Mikola Statkevich, Siarhei Tsikhanouski, and Viktar Babaryka.

⁷ «Аналитический отчёт по результатам наблюдения за выборами президента Республики Беларусь.» *Праваабарончы цэнтр "Вясна"*, БХК, 10 Aug. 2020, <http://elections2020.spring96.org/ru/news/98937>.

⁸ "Сітуацыя з правамі чалавека ў Беларусі ў 2020 годзе. Аналітычны агляд ПЦ "Вясна". *Праваабарончы цэнтр "Вясна"*, 06 Jan. 2021, <http://spring96.org/be/news/101214>.

Five presidential candidates were registered on July 14, 2020: co-Chair of the Tell the Truth campaign Andrei Dmitriev, lawyer Anna Kanopatskaya, Alexander Lukashenko, and translator Svetlana Tikhanovskaya, and businessman Sergei Cherechen. Procedural and legal criteria played the least role in selecting the candidates, which is evidenced by anecdotic situations when the Central Election Commission (CEC) validated more signatures collected for some candidates than they actually submitted. For example, Anna Kanopatskaya reported 110,000 signatures, while the CEC registered 146,000. There were similar discrepancies with the signatures collected for the registration of Cherechen. This could not be just an honest mistake, since they would not undercount support they enlisted.

The candidates were most likely selected based on some particular criteria: to keep away popular and strong candidates (Tikhanovskaya was little-known at that time), to disorient opposition-minded voters, and to make Lukashenko look good in the media, including on posters, where his picture was put in the middle between two women, Kanopatskaya and Tikhanovskaya. This looked like a coincidence, as the names were listed alphabetically in Russian and Belarusian.

Opposition: a failure of planning and success of spontaneity

The Belarusian opposition began preparing for the presidential election back in February 2019, when the Centre-Right Coalition⁹ came out with the idea to nominate a joint candidate through primaries. The nomination procedure was elaborated in early

⁹ It consists of Organizing Committee on Foundation of the Belarusian Christian Democratic Party (BCD), For Freedom Movement (FFM), and United Civic Party (UCP).

2020. The Coalition candidate was supposed to poll a majority vote in offline voting in the regions and online nationwide. Five contenders – Pavel Severinets (Belarusian Christian Democracy party), Yuri Gubarevich (For Freedom movement), Olga Kovalkova (Belarusian Christian Democracy self-nominee for the primaries), Nikolai Kozlov (United Civic Party) and Alexei Yanukevich (Belarusian Popular Front) – began touring to the regions in February 2020.

In less than a month, a conflict arose within the Coalition over whether the votes of government officials, who began massively attending opposition meetings at some point, should be considered as a ‘voice of the people.’ Besides, the advisability of personal meetings was questioned during the COVID-19 pandemic. It did not take long before the very idea of the primaries was dropped.

The failure of the primaries obviously relaxed the Lukashenko Administration. The usual unhindered scenario was expected with the neutralization of opposition heavy-weights, admission of little-known oppositionists and/or sham candidates, implanting the thought that there is no alternative to Lukashenko, and targeted repressive measures. The election year, however, saw a combination of unpredictable factors that thwarted the initial plan.

The first one was the decision of Belgazprombank Chairman Viktor Babariko and former head of the High Technology Park Valery Tsepkalov to run for office. Both have vast experience of work in government and business institutions; maintain extensive international contacts, primarily in Russia (which was a pain in the neck for the regime); are perceived by senior officials as proponents of a new long-awaited managerial style, and wealthy enough to finance their campaigns without foreign grants.

On July 15, Babariko, Tsepkalov, and Tikhonovskaya’s headquarters united to send a simple and clear message: Belarus must return to the path of democracy through a fair election.

Three women came to the fore: Maria Kolesnikova (Babariko's team), Veronica Tsepkało (Valery Tsepkało's wife) and Tikhanovskaya herself as the central figure.

Lukashenko's political technologists mocked this trio in every way possible to distract the attention from serious topics and relieve the pre-election tension. In fact, this female alliance not only united the protest-minded electorate, but also mobilized many of those who used to stay away from politics. The authorities had to once again rewrite their scenario, and again with multiple side effects.

Under the pressure, some local election commissions had to rehearse the vote count and announcements of 'correct' results, which brought up new risks. Largely exposed to public inquiries, those stunts triggered an even more vigorous response to the fraud.¹⁰

The situation deteriorated when the authorities resorted to an unprecedentedly brutal crackdown on the post-election protests. People were tortured in detention prisons, and several demonstrators were killed, which outraged previously apolitical or loyal social groups, such as health professionals, civil servants, journalists of the state media, security officers, the clergy, and blue collar workers.

Although the Kremlin took a supportive position, the international response was extremely uncomfortable for the regime. Most countries and organizations of the western world did not recognize Lukashenko as a legitimate president re-elected, and imposed sanctions, first personal and then economic. A large number of professionals have been resigning from state agencies, and the economic stability of the regime is seriously threatened.

¹⁰ Рудкоўскі, Пётр. "Кошт аўтарытарызму." *Беларускі інстытут стратэгічных даследаванняў* (BISS), 10 Aug. 2020, <https://belinstitute.com/be/article/kosht-autarytaryzmu>.

Aftermath: suppressing symptoms

In the post-election period, after some hesitation, the authorities chose to take tough repressive measures to cope with the political crisis. Internationally, the declared attitude to Russia changed pivotally. Before the election, Russia was presented as the main source of threat, whereas after the election, it was called a brotherly nation again, at least rhetorically.

Also, the regime began entertaining two strategic ideas: formation of a party of power and constitutional amendments. Belarus is one of the few autocracies that function without a party of power. Although the regime has so far managed to ensure continuity, the Lukashenko Administration began thinking about such party to diminish the risk of losing control over society and the political establishment amid the political crisis.

As for constitutional reform, there are hesitations about its profoundness and manageability of its effects. Apparently, three options are being considered: (a) to keep the debate over the Constitution away from politics, focusing on traditional values, the death penalty, etc., leaving the governance architecture as it is; (b) to delegate a part of presidential powers to other institutions, and grant a constitutional status and real powers to the All-Belarusian People's Assembly, as it was done in Libya under Muammar Gaddafi; (c) take some powers from the president and grant them to the parliament, government, courts and local councils.

Lukashenko is thus facing a dilemma: to step down as president in the next 3 or 4 years, or cling to power for a decade or more. In case of resignation, the options (b) or (c) seem to be acceptable the most. Should he decide to stay in office, option (a) would be the one. As it is not typical of Lukashenko to make crucial decisions for a distant future, constitutional reform will remain undecided until the last minute. Keeping constitutional

reform on the agenda is meant to create a counterbalance to the idea of a transfer of power and to buy some time for the time being.

Conclusion

The last year's presidential campaign was very costly for the regime, both internally and internationally. The need to revise the scenario of the rigged election all the time generated a lot of contradictions that were impossible to conceal. At the same time, opponents of the regime managed to gain an important advantage, i. e. a common understanding that the part of society that wants changes is in a majority.

In order to reboot the system, the regime needs to command support of professionals, especially experts in economics, IT, management, diplomacy, and law. This did work in some authoritarian states, such as Singapore, Taiwan and South Korea, where autocrats once managed to find a balance between loyalty and professionalism of their people. The Belarusian regime, which has a long history of imposing a social contract through repression in a command and control style, is unlikely to succeed in finding this balance.

STATE
AUTHORITIES

PRESIDENTIAL ADMINISTRATION: DELEGATION OF POWERS TO THE SECURITY COUNCIL

Nikolai Burov

Summary

The trends in the Presidential Administration, which we wrote about in the previous *Yearbook*¹, continued in 2020. The most important political task set to the Administration was to ensure a smooth re-election of Alexander Lukashenko for a new term. The Administration apparently failed, as the country was driven into a severe crisis. The ideological narrative chosen for the presidential election did not work, and the acutest problems in domestic policies remained unresolved. As a result, a significant part of the Administration's powers in political decision-making, staffing and information policy were de facto transferred to the Security Council and security and defense agencies.

Trends:

- Further de-professionalization of the Presidential Administration as a political and outreach headquarters;
- Active involvement of the Administration in the hard internal struggle against Speaker of the Upper Chamber of the Parliament Natalia Kochanova and Presidential Press Secretary Natalia Eismont;
- Decreased relevance of the Administration in political decision-making, personnel appointments and information policy against the increased role of the Security Council;
- Failure to establish a positive political agenda.

¹ Буров, Николай. «Администрация президента: подготовка к шестому президентскому сроку.» *Белорусский ежегодник 2020 / Наше мнение*, <https://nmnby.eu/yearbook/2020/page1.html>.

Securing the presidential election

The year 2020 can be considered one of the most difficult periods for the Administration, which played the role of Alexander Lukashenko's political headquarters. That was connected with the preparation for the presidential election, designing a COVID-19 response strategy, and, most importantly, looking for ways out of the political crisis, which sharply escalated after the events of August 9–12.

The Presidential Administration entered 2020 with some optimism, considering that the November 2019 parliamentary elections followed the usual scenario, despite some red flags that many political analysts and the Administration itself pointed at. In essence, the parliamentary elections were a kind of a rehearsal of the presidential campaign.

The Administration was aware of the opinion polls that showed that Lukashenko's rating was quite low. There were no strong contenders in sight, which was comforting to some extent. Besides, the rating of the incumbent president could still be inflated in the few months left before the election by presenting Lukashenko

(1) as a leader who defeated the coronavirus without imposing severe restrictions;

(2) as a leader who successfully equivocates, collaborating with both Russia and the West. In the course of the election campaign, an agreement was signed to liberalize visa regulations with the European Union and to reduce the Schengen visa price for Belarusians to EUR 35. Also, a U. S. ambassador was expected to arrive shortly, while anti-Russian propaganda was in full swing, positioning Lukashenko as the sole guarantor of Belarus' sovereignty;

(3) as a leader who ensured Belarus' technological development by launching the nuclear power plant, opening new subway stations in Minsk, etc.

This strategy turned out to be a failure.

First, the experience of Japan, South Korea and Singapore² was eagerly cited, but transformations of this kind require professionalism, which Belarusian state administrators apparently are lacking, so the chosen strategy turned into a mocking farce that, to all appearances, considerably shook the paternalistic sentiment in society.

Second, benefits of the rapprochement with the European Union, especially the relaxation of the visa regulations, could not be enjoyed since the pandemic shut the borders. The rejection of further integration with Russia and intensification of the anti-Russian rhetoric resulted in the use of long-established political technologies against Lukashenko by the Kremlin. Given the de-professionalization of political analysts in Belarus (represented by such ‘stalwarts’ as A. Shpakovsky, A. Avdonin, A. Lazutkin and others³) they proved quite effective.

Third, important infrastructure projects, including the third line of the Minsk subway and the Belarusian NPP, were not commissioned before the presidential election, which, in many respects, was a result of de-professionalization of Belarusian engineers and technicians.

In the meantime, the Presidential Administration was preparing a brutal solution to the problem of Lukashenko’s low rating. The question, the exact answer to which can only be received under a new central leadership, is at what point it was decided to apply force as the only effective response to the protests, and to forget about an “elegant” victory in the election?

² Буров, Николай. «Государственное аналитическое сопровождение президентской кампании 2020 года.» *Наше мнение*, 13 July 2020, <https://nmbny.eu/news/analytics/7158.html>.

³ The unfounded statements made by Stanislav Knyazev of the Academy of Public Administration in 2021 about 150 SUVs and the forthcoming invasion of NATO troops cannot but be mentioned. Such statements perfectly characterize the intellectual and political potential of this educational institution.

During his election campaign, Lukashenko preferred visiting military units. On July 16, he went to the 103rd airborne brigade, where he met with Special Operations Troops Commander Vadim Denisenko; on June 24 – to the 5th Special Operations Brigade stationed in Maryina Gorka where he met with Denisenko again; on July 28 – to unit #3214 of the Interior Ministry's Troops in Minsk.

Analyst Andrei Porotnikov believes that the Security Council secretly decided on the crackdown on protesters after Ivan Tertel was appointed chairman of the State Control Committee (SCC), which automatically made him a member of the Security Council, and one of the persons responsible for the repression.⁴ Ivan Tertel was appointed to the SCC on June 4, so the authorities, apparently, envisaged a violent scenario as early as May or even earlier.

At the meeting on amnesty held on April 16 (Olga Chupris in charge), it was suggested to release about two thousand persons with a demonstrable justification: to make room in detention facilities and penitentiaries. We can only guess whether this was dictated by the expectation of mass arrests in August.

Lukashenko's statement made on March 27 during his visit to BelGips JSC is worth noting. Speaking about the possibility to identify those who contracted the coronavirus and their contacts, he said, "We are monitoring all those arriving at the airports and crossing the border. If we find even one such person, we immediately apply the police, the KGB and video surveillance cameras to find out with whom the person was in contact."⁵ A little later, video surveillance was used to track and identify

⁴ Поротников, Андрей. «Появятся ли у белорусского Совбеза новые функции?» *Наше мнение*, 04 Sep. 2020, <https://nmnby.eu/news/analytics/7205.html>.

⁵ «Лукашенко о борьбе с коронавирусом: занимаемся без шума и пыли.» *БелТА*, 27 Mar. 2020, <https://www.belta.by/president/view/lukashenko-o-borbe-s-koronavirusom-zanimaemsja-bez-shuma-i-pyli-384934-2020/>.

protesters. Given that the arrangement of the cameras takes time and money, and that the pandemic did not begin until late 2019, obviously, the authorities were preparing for something other than to identify infection bearers.

The transfer of Igor Sergeyenko from the position of first deputy chairman of the KGB to the office of presidential chief of staff in December 2019 was one of the indicators of the preparation for a crackdown during and after the presidential election.

It is likely that in the spring of 2020, the authorities were ready to combine two scenarios: a carrot for the loyal and a stick for the protesters. It was assumed that nothing would change in comparison with 2010, i.e. protest actions would be quickly and easily dispersed following the preemptive neutralization of significant socio-political activists and disorganization of the protesters.

So, the stake was finally placed in April-May 2020 on the violent scenario in the face of the rising negative public sentiment against the incumbent authorities and the failure of the plan to inflate Lukashenko's rating. The detention of Sergei Tikhanovsky on May 29 can be viewed as an indicator of this change. It was done unprofessionally. Lukashenko even announced the incident a few days before it happened, and an easily identifiable prostitute was brought from Minsk to put up a fight. However, the law enforcers, probably, did not see it coming, and the decision was most likely made under the final election scenario.

Personnel changes

A certain cutback in the powers of Chief of Staff Igor Sergeyenko was an important trend in personnel policy of early 2020. Officially he was vested all the powers assigned to his office, but, de facto, his involvement in making personnel decisions, which is one of the most important functions of the Administration,

was considerably limited until August 2020. Personnel decisions were largely influenced by Natalia Kochanova, former presidential chief of staff, now speaker of the Council of the Republic (the upper chamber of the parliament), although, formally, this is not in her job description.

After the events of August 9-12, judging by circumstantial evidence and some personnel decisions, Sergeyenko managed to take this important function back from Kochanova⁶, as he became in charge of “turning the page.” However, a coronavirus infection hit him hard, so he had to take a break in the height of the political crisis. Kochanova regained her position by November, and even presented herself as one of the key figures who ensured normalization of the political situation, albeit seeming.

The sharply increased role of the Security Council and security services both in political decision-making and in the shaping of personnel and information policy was a more significant change, though.

Before and after the election, there were numerous appointments of security and law enforcement officials as regional watchdogs. In April, Andrei Ravkov, then state secretary of the Security Council, was appointed authorized representative of the head of state in the Brest Region. In July, Ivan Tertel was appointed authorized representative to the Vitebsk Region. On October 29, former KGB head Valery Vakulchik was appointed presidential assistant, inspector of the Brest Region. Former Interior Minister Yuri Karayev was appointed inspector of the Grodno Region, and his deputy Alexander Barsukov became inspector of the Minsk Region.

Their functions are not strictly defined, which raised questions in the expert community about their appointments. Previously, presidential assistants/inspectors failed to compete

⁶ In particular, Kochanova's protégé Gennady Palchik, the rector of the Academy of Public Administration, was quickly dismissed.

with governors in terms of powers assigned. For instance, former assistant/inspector of the Brest Region Anatoly Markevich, who had to urgently vacate his office for Vakulchik, accidentally became minister of culture. The most alarmist forecasts that the generals would actually replace the governors did not come true, but the strengthening of security officers at all levels of the presidential vertical is beyond dispute.

Among other appointments, the one of agriculture economist Valery Belsky, an advocate of firm state supervision, as deputy presidential chief of staff for lending and finances should be pointed at. Experts saw it as the strengthening of those in favor of greater administrative intervention in the economy.

“Turning the page”⁷

The second important function of the Administration, which Sergeyenko is unable to fully supervise, was the informational and ideological component that was controlled by Lukashenko’s Press Secretary Natalia Eismont (formally, her staff and herself are part of the Administration) and, again, Natalia Kochanova. As mentioned above, state propaganda failed to inflate Lukashenko’s rating before the election. On the contrary, some efforts of propagandists led to opposite (negative) results for the incumbent authorities, especially when it came to the official coverage of COVID-19 response measures.

At the meeting with the economic bloc held on July 23, Lukashenko expressed his dissatisfaction with the Administration and Kochanova’s performance during the information campaign. In April 2021, Deputy Chief of Staff Andrei Kuntsevich

⁷ «Лукашенко призвал белорусов “перевернуть страницу” в истории страны.» РИА Новости, 01 Jan. 2021, <https://ria.ru/20210101/lukashenko-1591742190.html>.

was replaced by propaganda hardliner, ex-Minister of Information Igor Lutsky.

The failure of state information policy peaked on August 9–12. When shutting down the Internet, the authorities were confident that information about the crackdown on protesters would not become public, but it did. Reports of violence catalyzed the protest sentiment in society, finally destroying what had left of Lukashenko's positive image. The Presidential Administration proved unable to promptly react to the change, and the authorities had to turn to Russia for help.

Following the August 9–12 events, state propagandists synchronized their narrative with the Russian propaganda, and the Administration's capacity to contribute to the shaping of the information agenda reduced. Belarusian propaganda had not been truly professional before. After a number of employees resigned, those who stayed were a sorry sight. The writings published by Grigory Azarenok, Alexei Golikov, Alexander Shpakovsky and others, who consider themselves journalists and political analysts, showed that they know nothing about journalism or political analysis, but also about conducting a more or less effective propaganda campaign.

Furthermore, the attempts to whitewash Lukashenko and recover his image of a "people's president", including through updated coverage of anti-COVID-19 efforts (Lukashenko's numerous visits to hospitals in autumn 2020), did not produce tangible results. A rally in support of Lukashenko held on August 16 under Sergeyenko's personal supervision was the first step towards "turning the page." The initiative was then overtaken by Kochanova and Eismont, who basically control the information agenda now.

It became clear by the end of the autumn that the authorities were failing to assemble a representative pro-government rally. The emphasis mostly shifted onto the defamation of the opponents of the regime and justification of mass repression.

The fight against the white-red-white flag and the labeling of the protesters as “fascist thugs” is an important part of this campaign. The goal is to justify the violence applied in the summer and autumn of 2020 by demonizing the opponents of the regime. However, the authorities proved unable to generate a positive information agenda in 2020.

Conclusion

In 2020, the Presidential Administration did not manage to ensure a smooth reelection of Lukashenko, and engaged in the preparation for the brutal scenario. Efforts were made to create an information vacuum and neutralize protest activists, the number of whom was estimated at around 2,000. Both jobs were done poorly. In many respects, the Administration contributed to the escalation of the political crisis, as a result of which the heft of the Security Council and the law enforcement agencies increased considerably, while the Administration’s capacity to make political, personnel and information decisions significantly declined.

GOVERNMENT: OPTIMISTIC PARALYSIS

Polina Makarova

Summary

The state of affairs in the government as a collective body in 2020 can be described as progressing paralysis manifested in its inability to carry out coherent national development policy. In this paralyzed government, the security bloc came to the fore, only using means of control and punishment as state policy instruments. Pushed away from the decision-making centers, the social and economic blocs were left with nothing but medium- and long-term hare-brained plans out of synch with both baseline data and popular demands.

Trends:

- The fragmentation of activities of the ministries, heads of which compose the Council of Ministers is increasing;
- The Council of Ministers has completely lost its role of a holder of an at least moderately alternative view that might diverge from the Presidential Administration's policies;
- State policy has been ideologically unified and totally subordinated to political guidelines, while loyalty is valued much more than professionalism;
- The feedback from the reform-minded community is no longer requested.

Paralysis as a consequence of the coronavirus pandemic

The beginning of 2020 was quite routine in terms of the government's performance. Experts praised the Sergei Rumas Cabinet for revenue growth and low inflation, subtly hinting

that planned economic growth by 5% per year was impossible without systemic reforms, for which the government had no political mandate¹ regardless of how many market advocates were there. The appointment of Alexander Chervyakov as new minister of economy did not suggest that breakthrough initiatives were about to begin, considering that he had been building his career for the most part in this very ministry and the affiliated research institute.

Upholding the reputation of moderate marketeers, the government once again hinted at the need to “significantly reduce the involvement of the public sector in the economy” to achieve hoped-for GDP of USD 100 billion by 2025.² The presidential election, which was supposed to be approached without any shocks and with positive dynamics in all areas, was regarded as the main test for the Cabinet in 2020. Shocks were nowhere in sight, except for a regular dispute with Moscow over crude oil prices.

However, the black swan decked out in the spiky COVID-19 virus shell showed up long before the start of the election campaign. Despite the political leadership vacuum at the beginning of the pandemic (COVID denial and scoffing recommendations to use tractors and goats as means to combat the disease³), the government failed to fill the void and to effectively respond to any of the challenges posed by the pandemic in all areas, from logistics to sports.

¹ «Отставка правительства за невыполнение ключевых экономических показателей в ближайшее время маловероятна, считают эксперты.» *БелаПАН*, 27 Jan. 2020, https://belapan.by/archive/2020/01/27/ru_1030782/.

² «Румас критически высказался о проекте концепции программы социально-экономического развития Беларуси на 2021–2025 годы.» *БелаПАН*, 02 Feb. 2020, https://belapan.by/archive/2020/02/04/ru_1031752/.

³ «Новый способ лечения коронавируса от Лукашенко – козочки.» *Reformation*, 03 Apr. 2020, <https://reform.by/novyj-sposob-lechenija-koronavirusa-ot-lukashenko-kozochki>.

It was the coronavirus spring that suddenly brought to realization that there is no council of ministers as a coordinating institution in the country, and that the line ministries retreated into their designated shells.⁴ The prime minister did not show up in public for half of the spring (he was only seen bargaining with Russia over oil supplies), and neither did his deputies, while some other ministers had to find their own ways out of the situation, which often contradicted each other.

The economic bloc was still mechanically collecting proposals from business associations on measures to support the economy during the pandemic. A certain anti-crisis program was mentioned⁵, but none of the proposals was accepted, and support was only provided to state-owned enterprises. The statistics published in 2021 showed that Belarus provided the least support to households and businesses (1.4% of GDP⁶) to compare with other members of the Eurasian Economic Union. For instance, Kazakhstan spent 9.0% of GDP on this support, and Russia provided 6.5%, not to mention the European Union.

Public appeals to take social distancing measures for the period of the pandemic were left unanswered. It is noteworthy that while understating the gravity of the situation and refusing to take any decisive measures to alleviate the burden on the population and the economy, the government repeatedly requested international financial support during the first wave of the pandemic.⁷

⁴ «Полуразпад кабинета.» *Наше мнение*, 21 Apr. 2020, <https://nmnby.eu/news/analytics/7090.html>.

⁵ «Антикризисная программа скоро ляжет на стол Лукашенко.» *БелаПАН*, 26 Mar. 2020, https://belapan.by/archive/2020/03/26/ru_1037431.

⁶ «Власти Беларуси выделили в 2020 году 1.4% ВВП на поддержку населения во время коронавируса.» *Telegraf.by*, 26 Mar. 2021, <https://telegraf.by/ehkonomika/vlasti-belarusi-vydelili-v-2020-godu-1-4-ot-vvp-na-podderzhku-naseleniya-vo-vremya-koronavirusa-eto-mnogo-ili-malo/>.

⁷ «МИД: Беларусь обратилась в ЕС за дополнительными средствами на борьбу с “глобальным коронакризисом”.» *БелаПАН*, 09 Apr. 2020, https://belapan.by/archive/2020/04/09/eu_1039042/.

When the socio-political crisis came along in the post-election period, the government went on the defensive and stopped responding to appeals of the business community to support private businesses until the crisis is over. A prime minister's meeting with representatives of business associations was deemed inexpedient and was postponed indefinitely.⁸

A micromanaging prime minister

In May, after the date of the presidential election was specified, Alexander Lukashenko announced that a new government would be installed.⁹ He did not specify what the sitting government was to be blamed for, but replacement was the order of the day, so Presidential Chief of Staff Igor Sergeyenko was instructed at the meeting on a new composition of the government to consider the matter and “look once again at the available top officials.” “We should decide on them as well: either to leave them where they are, or find them new jobs,” said Lukashenko.

For some reason, he cited a certain “tradition” to appoint a new government after an election is called, although, in the recent history, new members of the Cabinet had been appointed either after elections or without any reference to them. Those in attendance at the meeting are worth noting in this respect. Alongside the presidential chief of staff, i.e. the head of the body in charge of staffing, there were the speakers of both chambers of the National Assembly and the state secretary of the Security Council. Based on this attendance list, observers came to the conclusion that the government was replaced not for some

⁸ «Бизнес-союзы, не дождавшись диалога с правительством, выработали свой план действий.» Tut.by, 23 Sep. 2020, <https://news.tut.by/economics/701499.html>.

⁹ «Лукашенко анонсировал смену правительства.» *Наша Ніва*, 25 May 2020, https://belapan.by/archive/2020/05/25/ru_1044181/.

actual or implied failures, but in view of the forthcoming election campaign.

The Sergei Rumas government was dismissed on the same day. However, contrary to the experts' assumptions, the office of prime minister was taken by a dark horse – ex-chairman of the State Military-Industrial Committee Roman Golovchenko – instead of Deputy Prime Minister Dmitry Krutoy, who was appointed deputy chief of staff, or Finance Minister Maxim Yermolovich, who was sent to the UK as an ambassador after a while.

Those replacements were basically of little importance. The deputy prime minister and deputy chief of staff switched places, which was the only more or less noteworthy reshuffle. Also, four ministers and three heads of committees were appointed. This gave grounds to assume that the appointment of the new prime minister was the main objective. Interestingly, the moderate liberal and market-driven economy advocate (as experts tended to believe) was replaced by the person with first-hand knowledge of how the production sector and the entire economy work, yet he had been mostly dealing with foreign policy and the defense industry. Lukashenko explained that this choice was based on the trust and patriotism considerations. “Most importantly, he is a reliable person who can be trusted, the man who rose from grassroots settings. He is a reliable person, a patriot of his country, who was born and raised in Belarus,” he said.¹⁰

Experts interpreted the new appointments as mobilization of president's supporters in the pre-election period. According to analyst Alexander Klaskovsky, “bets were apparently placed on loyal hard-liners, people with administrative, militaristic and security mentality, the ‘yes men’ free of hesitation.”¹¹

¹⁰ «Лукашенко о Головченко: надёжный человек, патриот своей страны.» *БелРынок*, 04 June 2020, <https://www.belrynok.by/2020/06/04/lukashenko-o-golovchenko-nadezhnyj-chelovek-patriot-svoej-strany/>.

¹¹ «Взять экономику и недовольных за жабры. Лукашенко перетрянул правительство.» *Naviny.by*, 04 June 2020, <https://naviny.online/>

In one of his first statements on the functioning of the economy, the new prime minister spoke in favor of micromanaging state-run enterprises. “From my own experience gained, in particular in the Orsha District, it is possible to bring enterprises to the trajectory of development by micromanaging them,” he said.¹²

Daydreaming as a consequence of the paralysis

In late March, in the heat of the first wave of the coronavirus pandemic, the government appointed an ad hoc group to draft a socioeconomic development program for 2021-2025 under the supervision of the economy minister. Two days prior to that, Lukashenko criticized the government’s preliminary plans, reiterating his demand that GDP must reach USD 100 billion before 2026.¹³

Independent experts criticized the very fact of the appointment of the group in a situation of high uncertainty. Academic Director of the Belarusian Economic Research and Outreach Center (BEROC) Katerina Bornukova said “it was time to put aside the five-year program and all fantasies about a bright future, and get to handling the negative effects of the ongoing economic processes in the country.”¹⁴

article/20200604/1591282884-vzyat-ekonomiku-i-nedovolnyh-za-zhabry-lukashenko-peretryahnul.

¹² «Головченко: МАЗ должен быть устойчив к внешним шокам.» *Reformation*, 12 June 2020, <https://reform.by/139220-pravitelstvo-rassmatrivaet-rabotumaza>.

¹³ «Лукашенко правительству: нужно строить гибкую экономику, а не реагировать на любой шорох.» *БелТА*, 17 Mar. 2020, <https://www.belta.by/president/view/lukashenko-pravitelstvu-nuzhno-stroit-gibkuju-ekonomiku-a-ne-reagirovat-na-ljuboj-shoroh-383584-2020>.

¹⁴ «Белорусские власти в кризис рискуют увлечься фантазиями.» *Naviny*.by, 06 June 2020, <https://naviny.online/article/20200406/1586151852-beloruskie-vlasti-v-krizis-riskuyut-uvlechsya-fantazyami>.

Even in the acute phase of the post-election political crisis, i. e. in mid-September 2020, the government continued working on a five-year plan, forecasting economic growth above the global average, inflation below 5%, an increase in the gold and foreign exchange reserves, and a reduction in the debt burden, whereas experts kept insisting that the government should have been looking for ways out of the sociopolitical crisis, rather than engage in hopelessly optimistic planning, for which there is no prerequisite.¹⁵

Judging by what the prime minister said at the session of the Council of Ministers Presidium held in early October, neither the pandemic, nor the socio-political crisis affected the government's position on the medium-term national development. Making a presentation of the fleshed out socioeconomic development program for the period to 2025, Golovchenko made an appeal to develop the regions, substitute imports and services, and ordered to work out "concrete tools to enhance the quality of public administration." Furthermore, the program provides for setting up new industries in the near future in addition to those, which, according to the prime minister, had been showing a steady advancement in the past five years, i.e. the IT sector, nuclear power engineering and the space industry.¹⁶

According to the prime minister, Belarus' "new economy" will be driven by innovation and investment in the next five-year period, and will be based on intellectual products and services, which Belarus was successfully exporting.

¹⁵ См., напр.: «Сто дней премьера: чего ждать от "боеспособного" правительства.» *Naviny.by*, 14 Sep. 2020, <https://naviny.online/article/20200914/1600071924-sto-dney-premera-chego-zhdat-ot-boesposobnogo-pravitelstva>.

¹⁶ «Головченко: В Беларуси к концу 2025 года не должно быть отстающих регионов.» *БелТА*, 06 Oct. 2020, <https://www.belta.by/economics/view/golovchenko-v-belarusi-k-kontsu-2025-goda-ne-dolzno-byt-ostajuschih-regionov-409737-2020/>.

Those large-scale projects, as it follows from Golovchenko's speech, should comprise successes in the promotion of electric transport, innovative health care and production of pharmaceuticals, and introduction of smart cities and precision farming. Commenting on Golovchenko's statements, experts pointed out the necessity to develop line institutions, first of all, to attract investments and a skilled workforce, which seems doubtful, to say the least, amid the legal default, the massive relocation of professionals from Belarus, and a sharp decline of the country's investment attractiveness.¹⁷

Conclusion

The Sergei Rumas government worked well in 2019, ensuring income growth and relatively low inflation (by Belarusian standards), although it did not accelerate economic growth to the desired figures. Experts agreed that it was impossible to step up economic growth to 5% a year without fundamental reforms, and this underperformance should not be laid at the door of the government alone, since it had no mandate for reforms.

The coronavirus epidemic was the threshold the government stumbled over at the very beginning of 2020. While the political authorities kept denying the very existence of the problem, the Rumas Cabinet was unable to fill the administrative vacuum and use its strengths to coordinate government policy during this period. In fairness it must be said that the leaders of the economic bloc managed to begin a dialogue with the business community and make an anti-crisis plan to support the economy, most of the provisions of which were subsequently rejected, and

¹⁷ «Нормальное экономическое развитие Беларуси невозможно, пока в стране правит дубинка.» БелаПАН, 12 Dec. 2020, https://belapan.by/archive/2020/12/02/ru_1070118/.

state support was limited to keeping state-owned enterprises afloat.

The situation went from bad to worse during the pre-election period and reached a low with the post-election crisis. The appointment of the new prime minister, according to experts, marked a new stage of personnel policy in relation to the government: from now on, loyalty was the priority as opposed to professionalism. The government was gradually losing even its minor role of opposition to the political decision-making center, which it had so far been able to retain to a certain extent. As the preparation and elaboration of decisions was becoming the sole prerogative of the Presidential Administration and the security bloc, the Golovchenko Cabinet concentrated its efforts on making optimistic medium-term national development plans.

Up until the end of 2020, the government had been increasingly successful in ignoring the reality of growing economic, financial, industrial, health care, education, infrastructure and other problems, thus focusing on making plans totally divorced from reality. The planners completely disregarded the trends that will be observed during the current five-year period, its last year in particular. Consultations with the business community and international and independent experts virtually stopped, and will hardly resume in the foreseeable future.

CATASTROPHIC DISRUPTION OF SECURITY BALANCE

Andrei Porotnikov

Summary

The Belarus – West relationship in the security sector has been razed to the ground, and it will take years to restore it. Foreign defenders of the opinion that Belarus lacks independence in terms of military security have received eloquent evidence of that from the Belarusian regime.

Products of the domestic defense industry have basically exhausted their export potential. A wide range of innovative developments is needed to stay on the market, which requires considerable investments, but, in 2020, defense enterprises of Belarus only invested around USD 30 million in fixed assets.

The COVID-19 pandemic made a massive and profound impact on the entire national security and defense system, although the authorities kept denying the gravity of the pandemic.

The past year saw an unprecedented scale of personnel reshuffles in security and defense agencies. The role of the security bloc in preserving the current political system has increased dramatically.

Trends:

- Return to political confrontation practices in relation to the West, including demonstrative actions and militaristic statements;
- Deterioration (since 2018) of the financial and export performance of the defense industry, including with regard to exports to Russia;
- Development of promising weapon prototypes with an unclear timeframe for putting them into service;
- The transformation of repressive mechanisms into the only tool for retaining power.

Belarus – West: good start, disastrous end

The year 2020 was marked by positive dynamics in security and defense cooperation between Belarus and the West. Minsk voiced concern over NATO's increasing activity near the Belarusian border, but did not show an intention to respond in any explicit way.

A joint exercise of Belarusian paratroopers and British marines was held in March 2020. It was just the level of a company, but it was still a breakthrough: for the first time, NATO soldiers stayed in Belarus with their own combat weapons.¹ There was also a joint session of the Belarusian and Polish air force to exchange flight information.²

In June, for the first time ever, Chief of General Staff of Belarus Alexander Volfovich and UK Chief of Defense Staff Nick Carter had a phone talk to discuss bilateral cooperation events.³

Belarusian-British and Belarusian-Polish contacts can be regarded as attempts to find points of convergence of interests for dialogue and cooperation, and, generally, a display of Minsk's wish to promote security dialogue with NATO and the United States.

After the presidential election of August 9, 2020 and the eruption of protests that followed, Belarus' relationship with NATO and Poland changed fundamentally. The Belarusian leadership accused them not only of interfering in internal affairs

¹ «Миротворцы обмениваются опытом.» *Министерство обороны Республики Беларусь*, 04 Mar. 2020, <https://www.mil.by/ru/news/98340/accordion-1>.

² «Совместная тренировка ВВС и войск ПВО Вооружённых сил Беларуси и Воздушных сил Польши.» *Министерство обороны Республики Беларусь*, 20 Mar. 2020, <https://www.mil.by/ru/news/98885/>.

³ «Военные Беларуси и Великобритании будут развивать взаимодействие в миротворческой деятельности.» *БелТА*, 29 June 2020, <https://www.belta.by/society/view/voennye-belarusi-i-velikobritanii-budut-razvivat-vzaimodejstvie-v-mirotvorcheskoj-dejatelnosti-396597-2020/>.

(as usual), but also of preparing for an armed intervention to capture a part of the Belarusian territory. Belarus demonstratively redeployed brigade-size troops with the Polonez and Tochka-U strike missile systems to the Belarusian-Polish and the Belarusian-Lithuanian borders.

Eastern vector:
from enmity to hugging

The pre-election period in Belarusian-Russian defense cooperation was pretty smooth despite the disagreements accumulated in the previous few years over the terms of military hardware supplies and the military doctrine of the so-called “Union State,” the draft of which was approved by Vladimir Putin in December 2018, while Alexander Lukashenko had not.

Shortly before the election, on July 29, the Belarusian KGB detained 33 Russian nationals, who, as the Belarusian authorities claimed, were soldiers of the so-called “Wagner Private Military Company” patronized by the Kremlin. According to Belarusian officials, nearly 200 Russians arrived to organize terrorist attacks. Despite the gravity of the charges brought at the highest level, the story ended in nothing: the detainees were released to Russia with apologies, and the rest of the “soldiers” were just forgotten.

The period after the presidential election can be described as Belarus’ drift toward Russia. Apart from verbal interventions, some demonstrative actions took place, such as the traditional Slavic Brotherhood 2020 anti-terror exercise that involved 800 servicemen, including about 300 delegated by Russia, and 170 pieces of materiel. It expanded later, when *two additional* battalion tactical groups of the Russian airborne troops arrived. One of them landed at the Brest training range. The initial anti-terror scenario of the exercise turned into an explicitly

offensive one with troop landing, capture of the landing area, blockage of a populated locality, etc.

Russia sent Tu-160 strategic bombers and Tu-22 long-range bombers. As a result, the troops that took part in the final phase of the exercise numbered around 6,000 servicemen (over 900 Russians) and more than 550 pieces of hardware.⁴

The deployment of the Tu-160 strategic bombers was totally redundant, even in the final scenario of the exercise. External observers saw this as evidence of Minsk's dependence in military security matters and Belarus' overall inability to remain neutral in the event of an armed confrontation between Russia and NATO with all the consequences that come with this.

A scheduled visit of Russian Defense Minister Sergei Shoigu to Minsk took place in September. For the first time since June 2013, Lukashenko met publicly with a high-ranking military official, whose visits to Belarus he had ignored for the past seven years because of the disputes over the plans to place a Russian airbase in Belarus. Lukashenko gave his endorsement to that in spring 2013, and then, in autumn 2015, he said he had never heard about this idea before.

Defense industry: downward trend

The Belarusian defense industry continued working on the domestic Buk-MB3K medium-range anti-aircraft missile system. Test launches of the 9M318 anti-aircraft guided missiles without warheads took place on February 19 and 25.⁵ Target-hitting

⁴ «Корреспондент «СОЮЗа» рассказал об учениях «Славянское братство 2020».» *Новости ВПК*, 24 Sep. 2020, https://vpk.name/news/447354_korrespondent_soyuza_rasskazal_ob_ucheniayah_slavyanskoe_bratstvo-2020.html.

⁵ «Первые успешные испытания отечественной зенитной ракеты прошли в Беларуси.» *Belarus Security Blog*, 28 Feb. 2020, <https://bsblog.info/>

launches were scheduled for late 2020, but were canceled for unknown reasons.

It was said that a kamikaze UAV with a range of 25 km was worked on, and the integration of destruction means into the available unmanned aerial systems was under consideration. However, no specific results of the kamikaze UAV development have been reported so far, and it turned out that the integration of destruction means was about aerial bombs of the World War II period.

On May 22, Lukashenko visited TSP Design Bureau, where he was shown promising prototypes of domestically developed missile weapons. It was officially acknowledged for the first time that the country was assembling Chinese missiles for the Polonez system instead of making its own ones. Belarus was developing a missile with a range of 300 km. The industry was tasked to substitute imported expensive components and units, such as warheads, explosives and fuels with domestically-made analogues, which is currently at the initial stage.

Meanwhile, China has actually refused to provide the required technologies, and Russia refuses to provide its testing grounds to Belarus, largely because Beijing and Moscow do not want to help Minsk become a competitor in the arms market.

On the whole, 2020 was a year of challenges for the national defense industry. The financial standing of defense enterprises further deteriorated. When explaining this, officials pointed at the coronavirus epidemic that caused foreign customers and component suppliers to suspend operations. Some other problems were also acknowledged, in particular, difficulties with exports of products and services, growth of overdue accounts payable and receivable, indebtedness under loans, increasing understaffing, and wage payment delays.

pervee-uspeshnye-ispytaniya-otechestvennoj-zenitnoj-rakety-proshli-v-belarusi/.

Not all R&D entities supervised by the State Military-Industrial Committee reported promising developments. Their cooperation with manufacturers of military equipment leaves much to be desired. Wages paid from bank loans have increased more than threefold.

The State Military-Industrial Committee declined to provide the 2020 export statistics, which suggests that exports, including those to Russia, have decreased. This is evidenced by the poorer financial performance of some enterprises that almost entirely focus on Russian customers. Defense exports to Russia have been showing a decrease for years now.

COVID-19 impacts

Despite the bravado of official propaganda, the COVID-19 pandemic directly affects the law enforcement and defense agencies. Some combat training events that involved the recalling of reservists were cancelled. The targets set for international defense cooperation, particularly with the Collective Security Treaty Organization members, were not fully achieved. The plan of cooperation with Russia was only implemented by around 70%.

The autumn conscription was extended until January 1, 2021. Reportedly, there was not enough time for all conscripts to pass medical tests, because many medical centers were reassigned to combat COVID-19, and a large number of draft-age persons contracted the coronavirus and were unavailable.

The statistics on the COVID-19 incidence rate in the army were not published. The Interior Ministry reported in April 2020 that at least 1% of personnel was infected. Judging by the quarantine measures taken by the armed forces, the situation in the army was no better. The military faced a shortage of personal protection equipment. A high coronavirus incidence rate at defense enterprises was registered.

Personnel reshuffles

The year 2020 was unprecedented in terms of the scale of personnel changes in the defense and security bloc. The heads of the State Control Committee, KGB, Interior Ministry, Military-Industrial Committee, Security Council, Defense Ministry, and General Staff of the Armed Forces were replaced (the latter three in January 2020).

In February, Alexander Lukashenko appointed the new KGB chief and the interior minister. General Sergei Terebov took the office of first deputy chairman of the KGB. By virtue of his position, he is in charge of investigation in political cases and monitoring of the loyalty of civil and military officials. Colonel Genady Kazakevich was appointed first deputy interior minister, chief of criminal police.

The appointees made several statements. Terebov said that the KGB needed to be reinforced “to prevent external destructive influence on Belarus”; Kazakevich named the fight against corruption and extremism as priorities of his ministry. The commitment to counter extremism and destructive influence meant the direct instruction to be ready for political repressions.

On June 4, Lukashenko appointed a new government headed by Roman Golovchenko (previously the State Military-Industrial Committee director). His deputy in the Committee Dmitry Pantus took over from him.

On September 3, Lukashenko transferred KGB chief Valery Vakulchik to the position of state secretary of the Security Council. However, as soon as October, Vakulchik, Interior Minister Yuri Karayev and his deputy Alexander Barsukov were appointed to the regions to keep the situation there under control.

In autumn, Chief of Minsk Police Ivan Kubrakov was appointed interior minister. Introducing him to the ministry leadership on October 30, Lukashenko said that:

- the new appointments of the generals were part of the reorganization of the management system through

the placement of security officers on senior positions to perform the monitoring and staffing functions in the state machinery;

- the main task was to ensure suppression of dissidence and to achieve unquestioning obedience of civil servants;
- the protests were a rebellion, so the authorities would not handle the opponents led by blue collars and students with kid gloves.

Lukashenko also asked the police not to betray him, and warned that wars begin with internal destabilization.⁶

On November 19, Lukashenko appointed Interior Ministry's Troops Commander Yuri Nazarenko first deputy minister of the interior, chief of public security police. His previous position was given to Nikolai Karpenkov, who is known for his involvement in the violent crackdown on protesters in Minsk.

Stake on force

It did not come as a surprise that Alexander Lukashenko chose a violent scenario to stay in power. On the other hand, the large-scale involvement of the army in suppressing popular protests was a surprise, although the Belarusian ruler did not conceal this plan. During the meetings with voters as part of the 2020 election campaign, he actually only met with special operations forces of the army and the police. He said then that:

- Belarus should produce weapons and ammunition domestically as much as possible;
- the spending on the army will largely depend on the economic situation in the country;

⁶ Представление в должности министра внутренних дел. Сайт президента Республики Беларусь, 30 Oct. 2020, <https://president.gov.by/ru/events/predstavlenie-v-dolzhnosti-ministra-vnutrennix-del-i-nachalnika-gvud-minska-24786/>.

- one of the tasks set to the army is to maintain stability and harmony in society;
- a war might be caused by internal political instability.⁷

Secretary of State of the Security Council Andrei Ravkov, who was accompanying Lukashenko, assured that the army was strongly committed to stand ready for any development. Being a tool of force of the state, it can be applied in an internal political crisis to “prevent the state from collapsing or from bloodshed among civilians.”

During his pre-election meetings with the military, Lukashenko said that the 5th special operations brigade and the 120th infantry brigade were trained, among other things, to suppress protests.

Later, as the regime failed to extinguish protests right away, it started to demonstratively place army units in front of the protesters.⁸ In order to discredit the protests and divert attention from their cause, the authorities made numerous allegations that the collective West in various combinations (the United States, Poland, the Czech Republic, Lithuania, the Netherlands, Ukraine, NATO, and the European Union as a whole) unleashed a hybrid war against Belarus, with internal protests accompanied by NATO’s external pressure.

As far as we know, allegations that Poland planned to annex a part of the Belarusian territory have been actively used in the official narrative to indoctrinate the military. The idea was implanted that the army was fighting not against rebels,

⁷ «Лукашенко – военным: сделайте всё возможное, чтобы защитить суверенитет и обеспечить безопасность государства.» БелТА, 22 June 2020, <https://www.belta.by/president/view/lukashenko-voennym-sdelajte-vse-vozmozhnoe-chtoby-zaschitit-suverenitet-i-obespechit-bezopasnost-395692-2020/>.

⁸ «Псевдо-политизация армии: пропаганда, а не субъектность.» *Belarus Security Blog*, 25 Aug. 2020, <https://bsblog.info/psevdo-politizaciya-armii-propaganda-a-ne-subektnost/>.

but separatists who wanted to compromise the integrity of the country, as was done, for instance, in Ukraine's Donbass region.

Conclusion

The aggressive and unsubstantiated statements made by the Belarusian regime against the West in general and Poland in particular, as well as the massive repression inside the country, have led to a virtual collapse of regional security dialogue. External observers had the impression that the Belarusian regime exchanged its international security independence for the Kremlin's support.

The Belarusian defense industry has hit the ceiling of its capabilities. Since the sources of investment are few, stagnation is the most probable scenario, and not the worst one for the industry in the years to come. Missile weapons development is a project of strategic importance from the point of view of both meeting the needs of the national armed forces and boosting defense exports.

The COVID-19 pandemic showed the inability of the country's leadership to respond promptly to emerging challenges.

The role of the coercive component in the Belarusian political system will increase, because it is the only tool to preserve the ruling elite in the current situation. Alexander Lukashenko's reliance on law enforcement and defense agencies was evident even at the beginning of the electoral campaign in 2020. It is unlikely that the Belarusian ruler regarded it as a new norm, but rather hoped for a short-term empowerment of the agencies and the regime's ability to quickly overcome the political crisis.

LOCAL AUTHORITIES: COVID DECENTRALISATION AND THE ELECTION TEST

Dmitry Kukhlei

Summary

In 2020, local authorities faced two challenges that were significant factors in their activities: COVID-19 and the presidential election. Regarding the spread of the coronavirus infection, local authorities received more powers from the center. Decisions on the introduction of quarantine and other measures for COVID-19 (including support for the public sector and entrepreneurs) were significantly decentralized. These measures were taken by local officials under their own responsibility and were more consistent with the development of the epidemiological situation in the regions than the reaction of the top leadership of the state.

Local authorities testified loyalty to Alexander Lukashenka during the political crisis that unfolded after the presidential election. After the first days of disorientation and shock from the mass protests, the leaders of the protest cities turned to the tactics of negotiations with the demonstrators, and then, with a slowing momentum of the street protests, to repressions against the opponents of the current leadership.

The launch of dialogue platforms in the autumn demonstrated the popularity of the reform agenda among the local vertical and the deputy corps in terms of decentralization, the redistribution of powers to local authorities and the development of self-government.

Trends:

- Decentralizing economic and epidemiological decision-making as a result of COVID-19;
- Spreading reformist expectations among the local executive and representative vertical;
- The cautious development of lower-level self-government and the expansion of public influence due to budget cuts.

COVID-19: Decentralization of responsibility and financial support for businesses

Together with the growth of COVID-19 cases, the responsibility of local authorities for the sanitary and epidemiological situation in the subordinate territories is expanding. The district and regional authorities were allowed to make their own decisions on the introduction of measures against the coronavirus, which they did depending on the situation in their regions.

Unlike Alexander Lukashenka, the local authorities have taken a more responsible approach to countering COVID-19. Most likely, this is due to the greater feedback that the local leadership has from the population compared to the top person of the state. In some districts and village councils, the implementation of quarantine measures in case of self-isolation, including after returning from abroad, was strictly monitored.

At the end of 2019, the legislative powers of the councils of deputies and local executive committees for the preparation and approval of investment projects were expanded.

Along with the development of negative consequences of the pandemic, the republican leadership transferred greater powers to local authorities to support business. According to decree No. 143 “On support of the economy”, local authorities were given the authority to change the terms of payment of taxes, which are fully included in local budgets, as well as to reduce property taxes and rent for land plots (for the second and third quarters).¹ As a result, the regional councils and Minsk City Council reduced the single tax rate for individual entrepreneurs by half for the second and third quarters of 2020.

¹ «Указ Президента Республики Беларусь от 24 апреля 2020 года № 143 “О поддержке экономики”» Национально-правовой интернет-портал Республики Беларусь, 25 Feb. 2021, https://pravo.by/upload/docs/op/P32000143_1587762000.pdf.

Basic-level councils (district and city) have reduced property tax, land tax, and land rents by using decreasing coefficients depending on the type of activity. The size of the reduction coefficients was determined by the local authorities independently and differed depending on the district or city. So, in Minsk, the real estate tax and land tax for the second and third quarters of 2020 were reduced by half.

As a result of the quarantine measures and the economic consequences of the pandemic, local budget revenues decreased by 4.4% in real terms compared to 2019, although they nominally increased by 5.3%. As a result, the ratio of personal income of local budgets and revenues from the republican budget decreased to the lowest level in the last five-year period and amounted to 75.7% (Table 1). The republican authorities were forced to increase subsidies to local budgets to compensate for losses.

Table 1. Personal income in the structure of local budgets, 2016–2020²

	2016	2017	2018	2019	2020
Personal income of local budgets, %	78.8	79.6	79.0	77.8	75.7

At the same time, the public sector received the most support, deferrals and installments. In 2020, local authorities were forced to provide guarantees for loans to state-owned companies in the amount of BYN 313.5 million³.

Regions continue to reduce budget spending on certain types of utilities. This is possible due to state programs for infrastructure modernization, often in cooperation with

² «Бюллетень об исполнении местных бюджетов за 2020 год.» Министерство финансов Республики Беларусь, 2021, http://www.minfin.gov.by/budgetary_policy/bulletin/.

³ Селиверстов, Юрий. «Адаптироваться к новым условиям.» Финансы, учёт, аудит, № 3, Мар. 2021, http://minfin.gov.by/upload/jurnal/2021/2021_3_6.pdf.

international credit institutions, such as the program “Clean Water of the Viciebsk region” with the involvement of the resources of the European Bank for Reconstruction and Development.

However, at the end of the year, in the search for additional sources to replenish local budgets, the regional council was allowed to introduce local fees when leaving the country. Regional councils and Minsk City Council were able to increase the single tax rates for individual entrepreneurs by 2 and 4 times, respectively. Most likely, local authorities will use the opportunity to introduce fees and increase the tax rate to compensate for the losses of budgets in 2020 due to COVID benefits, as well as to increase the level of their own revenues of local budgets in 2021.

At the same time, agro-business lobbyists from some regions of the country continue to have significant influence in the leadership of Belarus. Despite the statements of Alexander Lukashenka about the need for full repayment of loans by agricultural enterprises, some agricultural organizations of Viciebsk region still seek to write off millions of debts.

The pandemic has prompted local authorities to increase the use of new information and communication technologies in their activities. The Councils of Deputies begin to hold their sessions via videoconference. At the same time, while ratings of state-owned media are falling, the local leadership began to actively develop alternative media. In July, the head of Brest City Executive Committee Alexander Rahachuk created his official Telegram channel, which became a quite popular regional medium with more than 7.0 thousand subscribers.

Elections and the political crisis: maintaining the loyalty of the heads of the protest cities

With the start of the presidential election, local authorities and deputies at all levels joined the campaign to criticize

the opponents of the current leadership and support state policy. During the first week of the post-election protests, the local authorities were in a state of shock from the unexpected mass nature of the protests, but they remained loyal to the top leadership.

Across the country, only a few cases are known where individual deputies of local councils (as in Minsk and in Vaŭkavysk) publicly condemned the violence and supported the demands of the demonstrators. At the same time, despite the continued loyalty of Lukashenka among the leadership of the local authorities, the position of the first president of Belarus was significantly shaken among officials, according to his own testimony.⁴

After a failed attempt to violently clear the streets of protest cities of demonstrators on the day of the vote and the next few days, local authorities eased the repression, and in many places went to protesters in an attempt to establish a dialogue. In the most protesting cities, the leadership made concessions to the demonstrators. Hrodna City Executive Committee fulfilled all the demands of the opposition, although the agreement was valid for only a few days: the Council of Public Consent was established, places for mass events were expanded, arrests were suspended, proceedings were initiated against the harsh actions of the security forces, etc.

The leadership of the local vertical in the protest cities actively participated in negotiations with labor collectives. In cooperation with the managers of state-owned companies, the local authorities were able to quite successfully relieve tension at enterprises and avoid mass strikes in the public sector.

The loyalty of the deputy corps, the regional and local vertical did not go unnoticed by Alexander Lukashenka, who

⁴ «Лукашенко рассказал, почему “плевать хотел” на Бабарико и почему бизнесу не стоит лезть в политику.» Tut.by, 12 Feb. 2021, <https://news.tut.by/economics/718677.html>.

entrusted the deputy corps with the duty to determine candidates for the All-Belarusian People's Assembly, which was held in February 2021. It should be noted that the deputy corps consists of a directorate of organizations and institutions of various fields of activity, including loyal private businesses.

Personnel rotations:
slowing down during a political crisis

In 2020, most personnel changes occurred during the first quarter, and with the beginning of the election campaign and the acute phase of the political crisis, it was put on hold. Usually, during the year, the head of state changes about 20–25% of the heads of districts and cities. However, in 2020, the personnel cycle was slowing down, which is most likely due to Alexander Lukashenka's attempt to consolidate the vertical and strengthen its loyalty during the crisis. Of the 128 basic level managers (district and city executive committees), 22 managers (17%) were replaced, and the vast majority (15 people) even before the start of the presidential campaign.

In August, after one of the most massive demonstrations in the country on the streets of Hrodna, negotiations of the protesters with the local authorities and concessions from the latter, the chairman of the Hrodna Regional Executive Committee was replaced. The former Minister of Health Uladzimir Karanik, who had an extremely negative image in society because of the approaches to fight the spread of the coronavirus during the spring wave of the epidemic, was appointed to this position. During the peak of the protests in Minsk in early September, a new head of the Minsk City Executive Committee was also appointed.

The top leadership tightened security forces' control over the country's most protesting regions during the acute political

crisis in the second half of the year. Thus, former Interior Minister Yury Karajeŭ was appointed inspector for Hrodna region, and former KGB chairman and former State Secretary of the Security Council Valery Vakulchyk was appointed inspector for Brest region. Former deputy head of the Ministry of Internal Affairs A. Barsukoŭ became an inspector for Minsk.

Local authorities:
dialogue platforms and reform
rhetoric

Among the regional and local leadership, there is support for the reform of the power system and changes in regional policy. At the beginning of 2020, a cautious discussion of possible adjustments began with the participation of officials and independent experts. In the autumn, at closed dialogue platforms, representatives of local authorities sounded bolder arguments about the need for reforms.

At the beginning of the year, a round table was organized to discuss and update regional policy. Independent experts and representatives of the management elite considered the possibility of concentrating resources on the development of industrial centers with 11 cities as drivers that should economically pull up the adjacent territories. The state no longer has the funds for large-scale programs for the development of rural areas and infrastructure.

In the autumn, the discussion of possible constitutional changes showed that there is support for reforms among the local elites, although there is certainly no consensus on the circumstances. While the chairman of Hrodna Regional Council of Deputies Ihar Zhuk supported the idea of electing mayors of cities and the heads of districts, in Viciebsk there was support for appointing the leadership of the local government.

The ideas of reforming the system of local government and self-government, as well as the administrative and territorial structure, are popular on dialogue platforms. Among local managers, there is broad support for the idea of abolishing the primary level of self-government and refusing to elect deputies to village councils. This may include the creation of a village administration instead of village councils with executive committees. The Central Election Commission has long voiced, and local officials support complaints about the difficulties that one has to face when searching for candidates for village councils. It is worth noting that among 18,111 deputies of local councils, the village councils account for the vast majority – 13,225 seats. At the same time, only about 22.4% live in rural areas, and the urbanization of the population continues to increase along with the decline in the number of villagers.

With the abolition of village councils, it is proposed to increase the powers and the role of territorial public self-government heads or heads in rural areas, as well as to improve the self-taxation mechanism, which allows village councils to attract additional funds from residents, for example, for landscaping. It should be noted that the budgets of the village councils are limited by the costs of workers' salaries and lighting. In the total expenditures of local budgets, the share of the primary level is only about 1.0%.

During the first half of 2020, local authorities in some regions showed interest in the development of territorial public self-government, especially in rural areas. Village heads allow the authorities to engage with active citizens, partially compensate for the passivity of village council deputies, and attract additional funds in a situation of budget cuts.

At the same time, local authorities promote the expansion of public participation in landscaping, as well as attracting additional funds from residents for the development of territories. It should be noted that budget support and competitions for

territorial public self-government are significantly expanding. And most often, resources are allocated on the basis of co-financing of improvement activities and taking into account the activity of citizens: part of the funds is made by residents, and the rest is allocated from local budgets.

In some regions, the authorities are positive about increasing public participation in the distribution of budget funds. For example, Hrodna Regional Council publicly supports the idea of a budget for civic participation, which is popularized by independent experts, such as the Leŭ Sapieha Foundation.

A positive factor in expanding the influence of citizens and self-government is the cooperation of local authorities with the European Union in the framework of international technical assistance programs. Foreign aid has a positive impact on the exchange of experience and the improvement of the quality of governance in the regions. Five districts of Hrodna region planned to create a partner group for sustainable development. At the same time, with the financial support of the European Union, local authorities are beginning to adopt the European experience in developing water supply and sanitation safety plans.

At the same time, local councils are increasingly engaged in the distribution of funds within the framework of international aid projects, most often through established regional associations of local councils. These associations operate in Hrodna, Mahilioŭ and Viciebsk regions, and the experience of their creation was planned to be expanded to other regions. However, the process of developing associations was put on hold in 2020, first in connection with the preparation for the presidential elections, and then due to the political crisis.

The development of cooperation between local authorities and the creation of a network of local governments takes place not only with Western partners, but also with Russian regions within the framework of the Eurasian Economic Union. The EAEU plans to create an Association of Youth Self-Government Bodies.

Most likely, the creation of new local councils and the development of effective associations of local councils will be frozen in the coming year due to Western sanctions, the reduction of international aid, and the wariness of such initiatives on the part of the top leadership of the state.

Conclusion

The competition for a deputy seat in the next local elections, which must be held no later than January 2022, may significantly increase. However, it is likely that the authorities will restrict the participation of potential independent candidates through the registration procedure, and will also try to depoliticize society with repressions.

Constitutional changes, if they are carried out, may affect the primary level of local self-government, the probability of cancellation of which is very high and has support among local authorities and part of the top management. Village councils with executive committees can be replaced by village administrations with the choice of the leadership of these entities.

The powers of local authorities may be expanded in relation to the economic development of their territories, the introduction of new taxes, the amount of taxes and benefits for businesses, and the sale of property.

FOREIGN
POLICY

BELARUS – EUROPEAN UNION: COMING FULL CIRCLE

Denis Melyantsov

Summary

The 2020 presidential campaign broke the long-standing process of normalizing relations between Belarus and the European Union, as a result of which political contacts were frozen, sanctions were re-imposed, and the sides returned to their usual accusatory rhetoric. At the same time, at the beginning of the year, it was possible to complete a long and complex process of negotiations on agreements on visa facilitation and readmission.

The COVID-19 pandemic also left a negative mark on bilateral relations even before the election campaign began, radically limiting diplomatic contacts and opportunities for informal communication.

Trends:

- Reducing to a minimum the opportunities for traditional diplomatic contacts with the countries and institutions of the European Union and their transfer to a virtual mode in view of the COVID-19 pandemic;
- Non-recognition by the European Union of the election results and the presidency of Alexander Lukashenko;
- Minsk's unwillingness to step back from the harsh scenario of suppressing protests and reprisals against Belarusian citizens who were already behind bars, as well as unwillingness to make concessions to the West;
- The unfolding of the 'war' of sanctions between the European Union and Belarus, accompanied by 'high-pitched' rhetoric on both sides;
- Escalation of the conflict in relations with the European Union.

Active start

The year 2020 started very dynamically in the Belarusian-European relations. Already on January 8, there was an event that

could be called historical. After almost six years of difficult negotiations, Minsk and Brussels concluded the visa facilitation and readmission agreements included in the package. For other “Eastern Partnership” countries, these agreements were a long-passed stage, so they did not look like a special achievement in the regional context. However, in the case of Minsk, this was the *first* politically significant agreement with the European Union in many years. The signing of the documents creates a kind of precedent: despite all the fundamental contradictions, Minsk and Brussels were able to reach a documented compromise on mutually beneficial issues.

On February 14–15, Foreign Minister Vladimir Makei took part in the Munich Security Conference, on the sidelines of which he held meetings with the European Commissioner for Budget, the Latvian Foreign Minister, members of the Bundestag, the chairperson of the Eastern Committee of the German Economy, and also spoke at a high-level round table for investors.

In the German direction, another event should be highlighted – the start of the work of the bilateral strategic advisory group, the idea of which was agreed upon by the Foreign Ministers of Belarus and Germany in October 2019.

In early February, President of the European Bank for Reconstruction and Development (EBRD) Sir Suma Chakrabarti visited Minsk. The next visit reflected the fast-growing dynamics of cooperation: in 2019, Belarus ranked *ninth* among all countries in terms of the annual volume of operations of the EBRD.

The pandemic effect

The coronavirus pandemic has made significant changes in the foreign policy activities of Minsk, reducing to a minimum the opportunities for traditional diplomatic contacts with the countries and institutions of the European Union, transferring them

to the mode of telephone conversations and online conferences. In March–April, only one high-level visit took place: Hungarian Foreign Minister Péter Szijjártó visited Minsk.

On 23 April, Alexander Lukashenko had a conversation with President Gitanas Nausėda at the initiative of the Lithuanian president, who held similar conversations with the heads of all six EU “Eastern Partnership” partner countries on the eve of the initiative summit. This conversation was the first high-level bilateral contact between the two countries in a decade.

Minsk appealed to the European Union and its affiliated international financial institutions for financial assistance in overcoming the consequences of the pandemic. Belarus has requested a loan of USD 1 billion from the EBRD and has agreed that the bank will not apply penalties due to difficulties with the implementation of current projects due to quarantine measures.

The Belarusian authorities requested additional funds from Brussels in addition to those allocated by the European Union to the Eastern Partnership countries to finance urgent purchases for medical institutions and minimize the projected economic consequences. In general, this appeal received a positive reaction from the European Union, and the High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell, clarified during a telephone conversation with Vladimir Makei that it was the case of about more than EUR 60 million.

The impact of the election campaign and inertia

The presidential campaign in Belarus was a key factor in relations with the European Union. Unlike most of the previous ones, it began to have a sharply negative impact on Belarusian relations with the European Union already at the first stages, that is, after the forceful actions of law enforcement agencies

in relation to the protests and after the arrest of Viktor Babariko and members of his team.

On 26 June, Foreign Minister Vladimir Makei said: “If there are undesirable events that will throw us back to 2010, there will be no third thaw. Restoring normal relations with other countries will take much longer than after 2010”¹. However, some of the contacts continued according to the inertia gained during the normalization.

On 18 June, an online summit of the Eastern Partnership heads of State and Governments was held. The newly appointed Prime Minister, Roman Golovchenko, spoke on behalf of Belarus.

Another significant event of the period was the visit of the Hungarian Prime Minister to Minsk on 5 June. The visit was notable for *two* things: *firstly*, this is the first official visit of the head of the Hungarian government to Belarus, which, *secondly*, took place in the context of the pandemic. Speaking with Viktor Orbán, Alexander Lukashenko called Hungary “the closest partner for Belarus in the European Union”. Viktor Orbán himself stressed this by publicly calling for the lifting of all existing EU sanctions against Belarus.

Finally, after many years of difficult negotiations that had begun in 2014, the topic of visa facilitation and readmission agreements reached its logical conclusion. Minsk held internal procedures for the ratification of the agreements made back in April, and now similar procedures were completed in the European Union: on 13 May, the European Parliament approved the agreements, and on 27 May, the Council of the European Union approved them. After the exchange of instruments of ratification, the agreements entered into force on 1 July 2020.

¹ «Макей сделал прогноз о развитии отношений Беларуси с ЕС после выборов.» БелТА, 29 June 2020, <https://www.belta.by/politics/view/makej-sdelal-prognoz-o-razvitii-otnoshenij-belarusi-s-es-posle-vyborov-396330-2020/>.

Elections and a return to the conflict cycle

From the start of the presidential campaign 2020, it was obvious that it would have a negative impact on relations between Belarus and the European Union. However, there was reason to believe that the extent of such influence would be limited. In many member states and institutions of the European Union, an informal opinion prevailed on the need to avoid a slide in relations to the level of 2011–2012, when, after the December 2010 presidential elections, Brussels imposed sanctions against a large number of Belarusian officials and effectively froze relations with Minsk at a minimum working level.

The reason for the EU's unwillingness to repeat the experience of a decade ago was the fear that another breakdown in relations would lead to negative consequences for the sovereignty of Belarus. In this case, Minsk would again remain one-on-one with Moscow, unable to compensate for Russian pressure with relations with the European Union. As a result, the military and political risks and challenges for the European Union itself, especially for the member states neighboring Belarus, inevitably increase. Therefore, even despite the numerous negative statements of the European Union during the election campaign, in general, European capitals tried to take a cautious position on the future of relations with Belarus.

Despite the inevitability of the cooling of relations between Belarus and the European Union following the presidential campaign, something extremely serious had to happen for them to be fundamentally broken. In the end, according to the European Union, this is exactly what happened. The harsh actions of the Belarusian security forces and, especially, the footage of the beating of detainees during the protests shocked the European public. In such circumstances, it was difficult to expect anything other than extremely negative assessments and the introduction

of sanctions from the European Union, which were announced on 19 August. Moreover, many observers, both in Belarus and in the European Union, came to the conclusion that the fall of the regime of Lukashenko was inevitable. Therefore, it was likely that the initial reaction on the part of the European Union was at least partially based on such expectations.

Official Minsk, for its part, also quickly began to make accusations against specific EU states in supporting attempts to unconstitutionally change the government in Belarus. In addition to Poland and Lithuania, the Czech Republic was also mentioned among such states. Moreover, Minsk escalated the situation by statements about possible aggression on the part of NATO and the strengthening of its own army group in Hrodna region on the border with Lithuania and Poland.

On 29 September, Belarus announced the introduction of retaliatory individual sanctions against officials from the *three* Baltic countries, which had previously been the first in the European Union to publish their sanctions lists for Belarus. Earlier, on 7 September, “Belneftekhim” confirmed that negotiations and preparations for redirecting the export flows of Belarusian oil products from Lithuania to Russian ports had begun. This work began after Alexander Lukashenko’s August order to review economic cooperation with Lithuania in response to the sanctions imposed by Vilnius.

On 1 October, the European Council approved the conclusions on the Belarusian situation, in which it did not recognize the official results of the elections and – for the first time – did not recognize Lukashenko as president. The European Union called on Minsk to stop the violence and violations of citizens’ rights and freedoms, as well as to start an inclusive national dialogue².

² “European Council conclusions on external relations, 1 October 2020.” *Council of the European Union*, 01 Oct. 2020, <https://www.consilium.europa>.

The leaders of the EU member states instructed the Council of the European Union to immediately take restrictive measures against the Belarusian authorities, and the European Commission was called upon to prepare a comprehensive plan of economic support for a democratic Belarus. The very next day, on 2 October, the Council of the European Union imposed individual sanctions against 40 citizens of Belarus (without including Alexander Lukashenko in the list), who, according to the European Union, are responsible for falsifying the results of the presidential elections, as well as for reprisals against peaceful demonstrators, opposition representatives and journalists. The sanctions include a ban on entry into and transit through the territory of the European Union, the freezing of assets under the jurisdiction of EU states, and a ban on EU citizens and companies from providing financial resources to persons included in the specified list.

In response to the sanctions decisions of Brussels, the Belarusian Foreign Ministry issued a sharp statement, in which it stressed that by the decision “the European Union distanced its neighbor from itself.”³ The official Minsk announced the introduction of a retaliatory sanctions list. In addition, the statement of the Belarusian Foreign Ministry stressed that the further application of sanctions against Belarus “may lead to even more serious consequences, for example, the withdrawal of Belarus from joint programs and projects, the revision of the level and modality of the diplomatic presence, up to the decision on the expediency of maintaining diplomatic relations.” On 2 October, an announcement was made about the cancellation of

[eu/en/press/press-releases/2020/10/01/european-council-conclusions-on-external-relations-1-october-2020/](https://europa.eu/en/press/press-releases/2020/10/01/european-council-conclusions-on-external-relations-1-october-2020/).

³ «Заявление МИД Республики Беларусь в связи с решениями Совета Европейского Союза от 02.10.2020.» *Министерство иностранных дел Республики Беларусь*, 02 Oct. 2020, https://mfa.gov.by/press/news_mfa/ebc31df82ed60387.html.

the accreditation of foreign media operating in Belarus and the large-scale re-accreditation under the new rules.

On the same day, Minsk recalled the Belarusian ambassadors from Warsaw and Vilnius for consultations and invited Poland and Lithuania to do the same with their ambassadors in Belarus. To demonstrate unity and solidarity with Lithuania and Poland, most of the ambassadors accredited in Minsk from other EU member states also left Belarus. However, after two weeks, they began to return.

On 6 November, the Council of the European Union confirmed the second package of sanctions and added a sanctions list for 15 more high-ranking officials, including Lukashenko himself. Not including him for the first time was considered as a kind of invitation to negotiations with the opposition mediated either by representatives of the European Union or the OSCE.

On 17 November, a large meeting on foreign policy issues was held at the Palace of Independence, where decisions were made on Minsk's response to the second EU sanctions package. Minsk announced that:

- it “mirror complements its retaliatory sanctions list” for each of the EU countries, who are banned from entering not only Belarus, but also the entire territory of the Union State of Belarus and Russia;
- it downgrades its participation in the “Eastern Partnership” to an expert level;
- it suspends the work of the “Belarus – European Union” Co-ordination Group and the human rights Dialogue until “the European Union decides to change the policy of the European Bank for Reconstruction and Development and the European Investment Bank, which at this stage decided to freeze cooperation programs with Belarus.”

On 17 December, the Council of the European Union approved the third package of sanctions. The package includes 36 new positions: high-ranking officials, representatives of the business

community and companies that, according to the European Union, “benefit from and/or support the regime of Alexander Lukashenko”. As before, Brussels stressed that the purpose of the sanctions is “to put pressure on the political leadership of Belarus in order to prevent further violence and repression, to release all political prisoners and other unjustly detained persons, as well as to initiate a real and inclusive national dialogue with the broad strata of society”.

In response, Minsk announced the expansion of its own personal list of officials from the European Union countries and its intention to take “a number of legal actions in response to the absolutely unjustified inclusion of a number of enterprises and individuals in the EU list”. In addition, according to Vladimir Makei, “a decision has been made to restrict the activities of a number of political foundations in the Republic of Belarus, as well as to review the implementation of a number of so-called humanitarian, educational, and cultural programs that are being implemented by the relevant political institutions in Belarus, including those operating under the auspices of foreign embassies.”⁴

Thus, the rhetoric and actions of official Minsk in response to the European Union sanctions packages indicate that the Belarusian authorities have an obvious political attitude to respond to each new restrictive decision of Brussels. Due to economic restrictions, Minsk can launch “counter-strikes” only in three directions: (1) the introduction and expansion of its own list of persons prohibited from entering Belarus and the territory of the Union State; (2) limiting or excluding the ability of European Union countries and institutions to work within the framework of political and humanitarian projects within Belarus;

⁴ «Беларусь в ответ на санкции ЕС ограничит деятельность ряда политических фондов – Макей.» *Интерфакс-Запад*, 22 Dec. 2020, https://interfax.by/news/policy/vneshnyaya_politika/1288817/.

(3) the most drastic measure possible is limiting or even terminating cooperation on the most sensitive issues of cross-border security. This may include, for example, illegal migration, drug and weapons trafficking, and international crime. But Minsk's reaction is more likely to extend to cooperation in the field of peaceful nuclear energy.

Conclusion

In 2020, relations between Belarus and the European Union were significantly divided into two qualitatively different periods – before and after the August presidential elections. If the first half of the year was characterized by positive dynamics and even notable achievements (as in the case of visa facilitation), the events of August and the following months led to the actual curtailment of political relations, mutual sanctions and extremely harsh rhetoric on both sides. Thus, one can talk about the resumption of the conflict cycle in Belarusian-European relations, which was interrupted by the 2015 elections.

Judging by the dynamics of the protests in Belarus, as well as the changing international agenda, one can expect that in the near future the intensity of the development of the diplomatic conflict between Minsk and the European Union will weaken. At least, if some new event does not occur in Belarus, which may become another trigger of domestic and foreign policy escalation. Most European capitals have taken a wait-and-see attitude, assessing the behavior of Minsk, Moscow and the effect of the already imposed sanctions.

The likelihood of a fourth package of sanctions remains high, but the tightening of sanctions against Belarus will cause more and more lengthy discussions between European capitals.

BELARUS – RUSSIA: PRESIDENTS' GAMES

Anatoly Pankovski

Summary

Belarus' multiple trade and economic conflicts with Russia, which continued in the first half of 2020, turned political. Tensions in the bilateral relationship continued to grow all the way to the presidential election and the crackdown on the first protest actions in Belarus (August 9–12, 2020). After the election, the Belarusian leadership lost its legitimacy inside the country, completely abandoned any dialogue with the West, and became critically dependent on Moscow, which largely reduced support for the Belarusian authorities. The preservation of Belarus' sovereignty and Lukashenko's full-fledged presidency were compromised.

Trends:

- Aggravated trade and economic disputes, and fewer reasons for Belarus to be part of integration projects;
- Degradation of political institutions of the two countries amid the increasing scale of the "presidents' games";
- Belarus' increased political, military and economic dependence on Russia; undermined national sovereignty of Belarus.

Alliance drama: the new beginning

The process of 'greater integration' started in late 2018 to resolve accumulated conflicts with a convergence of the regulatory framework for economic entities of Russia and Belarus was unsuccessful. It even worsened the terms for doing business.

The beginning of 2020 was marked by one of the biggest conflicts over supplies of Russian crude oil yet. For more than

four months, Minsk and Moscow had no framework oil agreement, as Belarus disagreed with Russia's tax policy. Russian oil supplies to Belarusian refineries declined to a minimum during that period.

After the Lukashenko-Putin talks held on February 7 in Sochi, Russia agreed to give independent oil producers, who were not part of the vertically integrated companies oligopoly, access to the Russian section of the *Druzhba* oil main. A contract was signed with Rosneft as late as mid-May to restore oil supplies to Belarus on the terms that reduced the benefits that the Belarusian oil refining industry had enjoyed.

The oil conflict was significant for Belarus' pendulous policy, which swung to the West. U. S. Secretary of State Michael Pompeo, who visited Minsk on February 1, stated that America was ready to fully meet Belarus' oil needs "at a competitive price."

The year 2020 was one of the rare periods in the history of Belarusian-Russian relations when Belarus resorted to procuring crude oil from sources alternative to Russia, in particular, in oil tankers via the ports of Klaipeda of Lithuania and Odessa of Ukraine.¹ As a result, in the first five months of 2020, every fifth ton out of 5.4 million tons of oil processed by Belarusian refineries was purchased from alternative sources: Azerbaijan, Norway, Saudi Arabia and the U. S.

In addition to the oil supply problems, the disputes over some other strategic points arose in March-April, the natural gas price among them. As the spot prices of gas were falling in European markets, the contract price of Russian gas turned out to be 'unjustifiably' high for Belarus. Attempts to lower it produced a zero result. In late May, Belarus received an ultimatum presented by Gazprom head Alexei Miller, who stated that

¹ «Альтернативная нефть и альтернативные инфраструктурные проекты.» *Belarus in Focus*, 2-8 Mar. 2020, <https://belarusinfocus.info/by/belarus-rasiya/alternativnaya-neft-i-alternativnye-infrastrukturnye-proekty>.

Russia was not going to revise the price under the contract in effect. Gazprom was willing to negotiate gas prices for 2021 only once Belarus had paid off its debt to the Russian monopolist, which, according to Gazprom, stood at USD 165.6 million at that time.² Furthermore, Belarus' plan to lower the gas price through the tariff policy of the Eurasian Economic Union for the period to 2025 also failed.³

Minsk achieved a certain success in the revision of the terms of Russia's state loan for the construction of the Belarusian nuclear power plant, which had been a matter of talks for over a year and a half. Russia agreed in late April to consider Belarus' request to restructure the debt, extend the loan use period for two years, push back the date of the start of the principal debt repayment from April 1, 2021 to April 1, 2023, and apply the fixed rate of 3.3% per annum instead of the blended interest rate established before. Vladimir Putin ratified a draft protocol to the loan agreement on March 24, 2021.⁴

The COVID-19 response strategy was one more point of tension in the bilateral relationship. Russia followed the World Health Organization's recommendations and imposed quarantine restrictions, while Belarus chose to be a COVID dissident, criticizing the international community for its "inadequate" reaction to the pandemic.

On March 16, Russia shut its borders, including the border shared with Belarus, to prevent the spread of the coronavirus,

² «“Газпром” заявил, что Беларусь должна за газ USD 165.57 миллиона. Минэнерго: никаких долгов нет.» *Tut.by*, 29 May 2020, <https://belarusinfocus.info/by/belarus-rasiya/pravitelstva-belarusi-i-rossii-vozobnovlyayut-peregovory-prodvizheniya-v-reshenii>.

³ «ЕАЭС: стратегия есть, нет “тарифа.”» *Belarus in Focus*, 18–24 Mar. 2020, <https://belarusinfocus.info/by/belarus-rasiya/eaes-strategiya-est-net-tarifa>.

⁴ «Путин подписал закон о реструктуризации кредита Белоруссии на строительство АЭС.» ТАСС, 24 Mar. 2021, <https://tass.ru/ekonomika/10983689>.

which the Belarusian leadership interpreted as a violation of the spirit of the Union. (During the pandemic, many EU countries shut their borders unilaterally without consent of their neighbors or allies.) Belarus began to severely criticize the Kremlin, saying, among other things, that Russia had ruined its health care system, and that the Russian political establishment was pandering to Western elites, rather than defending the interests of the nation.

Minsk's decision to hold the Victory Parade in Minsk on May 9, even though Moscow postponed it to a later date, added an emotional edge to the COVID-related conflict between the countries.

Middle of the story: standoff

The goals that Alexander Lukashenko and Vladimir Putin set themselves in 2020 were, at first view, supposed to promote political rapprochement between the two countries. The former was going to run for the sixth presidential term in August, and the latter was preparing for a referendum on constitutional amendments scheduled for July to extend his tenure. Things went a different way.

Independence and sovereignty were the core points of Lukashenko's election program, so the Belarusian authorities presented Russia as a hostile force that was encroaching on Belarus' sovereignty and directly interfering in the internal affairs of the country. Lukashenko's main contenders in the election were claimed to be agents of the Kremlin, who sought to destroy Belarus' statehood in the interests of "puppeteers" in the Russian ruling elite.

The Kremlin had to respond at the highest level to Lukashenko's claims that those running for president opposite him were

supported by Russian oligarchs. Putin's Press Secretary Dmitry Peskov paraded his erudition, defining "oligarch." He said that he was unaware of the presence of any oligarchs in Russia, not to speak of anyone pushing advantages in Belarus.⁵

Contrary to expectations voiced by some analysts, who believed that Moscow would somehow respond to the hostile takeover of Belgazprombank, which, in fact, belonged to Gazprom, and the appointment of an interim administration to the bank led by a person from the Lukashenko team, nothing like that actually happened. The Kremlin looked stoically indifferent when, at the June 19 meeting on support for the real sector of the economy, Lukashenko tried to spike media speculations about the possible transfer of the accounts of state-controlled enterprises from subsidiaries of Russian banks to Belarusian state banks. He assured that the Belgazprombank case was a separate matter.⁶

Finally, the scandalous detention of 33 soldiers of the Kremlin-affiliated Wagner Private Military Company in late July⁷ (who were released shortly without further consequences for both sides), in general, fits into a bigger picture of the Belarusian-Russian relationship of that period. Minsk probably hoped that its standoff policy in relation to Russia would be understood and appreciated by the West, and, for this reason, the international community would turn a blind eye to what was going on in Belarus during the presidential election.

⁵ «Песков: в России нет олигархов, которые спонсируют оппозицию в Белоруссии.» *Коммерсантъ*, 10 June 2020, <https://www.kommersant.ru/doc/4376984>.

⁶ «"Кукловоды" не торопят события.» *Belarus in Focus*, 15–21 June 2020, <https://belarusinfocus.info/by/belarus-rasiya/kuklovody-ne-toropyat-sobytiya>.

⁷ «Последствия громкого разоблачения.» *Наше мнение*, 30 July 2020, <https://nmnby.eu/news/analytics/7172.html>.

Happy end: deviation from non-interference policy

After the forceful suppression of protests on August 9–11 amid the continuing political awakening of civil society, Lukashenko began persistently seeking Putin's support. The propaganda weathercock made a U-turn from the anti-Russian to the sharply anti-Western rhetoric. Although the Kremlin recognized Lukashenko's victory right away and decided to deviate from its non-interference policy, assistance was provided in an unhurried manner, especially when it was coming to money.

Putin said on August 27 that Russia formed a reserve of law enforcers to help Belarus at Lukashenko's request, which agitated many. According to Putin, the reserve would not be applied until the "extremist element" starts "setting cars and houses on fire."⁸ As of early September, Russia's real assistance was limited to the deployment of propaganda 'troops' – Russian political technologists and journalists – to replace Belarusian media workers who resigned as a token of protest. This seemingly insignificant aid turned out to be essential: in many respects, thanks to the Kremlin, Lukashenko stayed in power.

Lukashenko's first foreign visit to Russia after his self-reelection for the sixth term in office resulted in limited support from the Kremlin based on the 'small-but-precious' principal. After fourteen-hour talks in Sochi, Putin promised Belarus a USD 1.5 billion loan in three tranches (two in 2020 and the third in 2021), which was the main result of the negotiations apart from moral support.

Both the size and the terms of the loan that was partly intended for refinancing Belarus' debts to Russia can hardly be

⁸ «Путин заявил о создании резерва силовиков для Белоруссии.» РБК, 27 Aug. 2020, <https://www.rbc.ru/politics/27/08/2020/5f478b809a7947e8079f1cb7>.

described as a bailout. Experts called it a “credit of (dis)trust.”⁹ In exchange, Putin asked Lukashenko to take steps to resolve the political crisis in the country and (as it seemed to him) received the latter’s promise to conduct constitutional reform in the near future.

Later on, the Kremlin continued to insist on constitutional reform and nationwide dialogue in Belarus, having finally determined its policy towards the Belarusian leadership based on peacemaking and sharing of political risks. Formally, the Kremlin insists on nearly the same (although with different accents) as the EU does, thus demonstratively disagreeing with the EU’s position. The “nationwide dialogue” the Kremlin keeps talking about must be controlled by political elites, in particular the Russian ones.

Eager to show that he is neither weak, nor fainthearted, Lukashenko predictably responded to the threat to “constitutional sovereignty” by making no significant steps towards constitutional reform, the content of which remains a mystery to everyone, including, by all appearances, to Lukashenko and Putin themselves. As the protests in Belarus have faded out by winter 2020/2021, Lukashenko was less and less willingly speaking about constitutional amendments, and more and more willingly about a threat from the West, trying to sell the idea of an anti-Western alliance to the Kremlin instead of initiating the transit of power.

The end of the year was much more boring and prosaic than its beginning and middle. Contrary to the experts’ forecasts, oil and gas agreements for 2021 were signed without scandals on the terms set for 2020, although Belarus considered them inadequate, being Russia’s closest ally.

⁹ «Кредит (не)доверия. РФ обещает Беларуси рефинансирование с неизвестными условиями» *Экономическая газета*, 18 Sep. 2020, <https://neg.by/novosti/otkrytj/kredit-nedoveriya>.

Belarus derived virtually no benefits from its presidency of the Eurasian Economic Union and the Collective Security Treaty Organization in 2020, but Lukashenko, nevertheless, continued making plans for the new CIS presidency with keen optimism. At the meeting with Chairman of the CIS Executive Committee Sergei Lebedev on December 19, Belarusian Foreign Minister Vladimir Makei promised that a special emphasis would be placed on the conjugacy of integration processes in the CIS and EEU and projects in knowledge-intensive industries.

Trade exchanges

In 2020, the Belarusian-Russian trade turnover in monetary terms dropped by 17.3% due to the global economic recession, COVID-19 pandemic impacts, and secondary effects of the political crisis in Belarus. The good news was that Belarusian exports fell not as much (down 4.0%) as imports (down 25.6%). The trade deficit stood at USD 3.255 billion (Table 1). This is a significant achievement compared with 2019, which was largely thanks to a reduction in oil procurement.

The trend observed in the past 10–12 years continued: the share of food supplies to Russia increased, while exports of products of Belarus' major GDP generating enterprises were in decline. According to the Belarusian embassy in Russia, Belarus' leading export items in 2020 were:

- cheese and cottage cheese – 7.6% of total exports to Russia (up 0.7% from 2019);
- butter – 2.7% (no change year on year);
- trucks – 2.6% (down 2.9%);
- tractors and truck tractors – 2.6% (up 0.2%);
- condensed and dry milk and cream – 2.5% (up 0.6%);
- parts and accessories for cars and tractors – 1.9% (down 0.3%).

Table 1. Dynamics of Belarus–Russia foreign trade in commodities in 2014–2020, USD million¹⁰

	2014	2015	2016	2017	2018	2019	2020	% against 2019
Trade turnover	37,371	27,533	26,114	32,424	35,561	35,552	29,519	82.7
Exports	15,181	10,398	10,948	12,898	12,986	13,569	13,132	96.0
Imports	22,190	17,143	15,306	19,599	22,619	21,982	16,387	74.4
Deficit	-7,009	-6,745	-4,558	-6,701	-9,633	-8,414	-3,255	

The top *imports* from Russia were:

- crude oil, including gas condensate – 21.0% of total imports of commodities from Russia (down 8.9% from 2019);
- petroleum gases and other gaseous hydrocarbons – 15.4% (up 3.4%);
- passenger cars – 3.5% (down 0.8%);
- ferrous waste and scrap – 1.7% (up 0.3%).¹¹

Russia accounted for 47.9% of Belarus' total trade turnover: 45.2% of exports (41.5% in 2019) and 50.2% of imports (55.8%). The objective to ensure an even distribution of trade flows has been just a pious hope for years now, and Russia basically remains Belarus' non-alternative trading partner.

¹⁰ «Data from the interactive informational/analytical official statistics system.» *National Statistics Committee of the Republic of Belarus*. 29 Apr. 2018, <http://dataportal.belstat.gov.by/AggregatedDb>.

¹¹ «Об итогах внешней торговли Беларуси с Россией в 2020 году.» *Посольство Республики Беларусь в Российской Федерации*, <http://embassybel.ru/trade-relations/>.

Conclusion

In 2020, the collapse of the post-Soviet imperial complex centered in Russia was given an extra impetus, and the political crisis in Belarus is only a part of this process. Last year, Armenia and Azerbaijan unleashed a war again, and Kyrgyzstan was engulfed in a political crisis (one more revolution). Protests continued in Russian Khabarovsk, and mass rallies in support of Alexei Navalny in Russia began in early 2021. Only one of the five EEU members – Kazakhstan – remains in a state of relative dynamic equilibrium.

Apart from internal processes, Russia showed no or little fervor towards unrests in the post-Soviet countries, demonstrating reluctance to pay money for loyalty, or intervene with military force or political authority. This concerns Belarus as well, considering that support for Lukashenko in the crisis situation did not exceed the amount of regular assistance in the previous relatively stress-free years. This trend will highly likely continue, although the upcoming 2021 elections to the Russian parliament may bring surprises.

December 8, 2021 is the 30th anniversary of the Belovezha Accords, which ended the USSR and gave a start to the CIS. Time will tell what the upcoming CIS summit in Belovezhskaya Pushcha will result in.

BELARUS – UKRAINE: INTO THE COLD

Gennady Maksak

Summary

Belarus and Ukraine seemed to open new horizons for cooperation in all areas, as they stepped up dialogue at the highest level closer to the end of 2019. The first half of 2020 encouraged some optimism in the bilateral diplomatic and economic interaction. However, massive human rights violations during the presidential election campaign in Belarus forced Kiev to solidarize with the European Union and the United States, and support Belarusians that sought refuge from political repression.

The Belarusian authorities added fuel to the fire during the election by claiming that Ukraine was directly or indirectly involved in the incitement of the mass unrest in Belarus, pushing the leadership of Ukraine to support the democratic segment and civil society of Belarus.

The Belarusian-Ukrainian political crisis aggravated the situation, which was heavily influenced by the coronavirus pandemic, affecting the economic component of cooperation.

By the end of 2020, the bilateral political agenda was frozen completely.

Trends:

- Breakdown of Alexander Lukashenko's years-long strategy of building trust-based personal relationships with Ukrainian presidents;
- Alignment of Ukraine's position with that of Western partners regarding the assessment of the crisis in Belarus;
- A nearly 20% contraction of the bilateral trade turnover caused by anti-pandemic restrictions and the political crisis in Belarus;
- Putting of Minsk's role as a regional peacemaker in question by Kiev, taking into account Russia's growing influence on domestic political processes in Belarus and Lukashenko's active involvement in disrupting the international operation to deliver soldiers of the Wagner Private Military Company to Ukraine.

Political dialogue

In 2019, the Belarusian-Ukrainian relationship was largely influenced by the presidential election campaign in Ukraine, while in 2020, it was entirely determined by the presidential election in Belarus and its aftermath.

Alexander Lukashenko and Volodymyr Zelensky maintained regular contacts in the first half of 2020. Their meeting in late 2019 in Zhytomyr heralded positive transformations of the bilateral agenda. The president of Belarus spoke flatteringly about his Ukrainian counterpart after the meeting, and stated his willingness to establish a mutually beneficial dialogue and enrich the bilateral agenda with new initiatives.

Institutionally, the heads of state were expected to at least keep up annual face-to-face communication during the Forums of Regions. The third annual Forum was scheduled for the autumn of 2020 in Grodno. Lukashenko saw the Forums as means to build trust with Zelensky, maintain the illusion of neutrality in the Russian-Ukrainian military conflict, and offer his assistance in ending the confrontation.

In addition to the efforts to be taken under the political consultations plan for 2020–2021, the Foreign Ministries of Belarus and Ukraine worked on the alleviation of the impact of the coronavirus pandemic. The ministers discussed this matter over the phone in April 2020.

A large Ukrainian government delegation led by Deputy Prime Minister Oleksii Reznikov visited Minsk in June together with high-ranking representatives of the parliament and the Presidential Administration. An online meeting of the ad hoc group on cross-border cooperation was also held.

The situation changed fundamentally after the rigged presidential election in Belarus and the crackdown on the opposition, journalists, and participants in mass protest rallies during the election campaign.

Lukashenko's refusal to meet Ukraine halfway by extraditing the soldiers of the Wagner Private Military Company (PMC) was an alarming signal. President Zelensky asked him personally for that, and that was the last telephone talk between the two presidents in 2020.

The internal political crisis in Belarus in August 2020 and the intensified hostile rhetoric of the Belarusian leadership towards Ukraine forced Kiev to make an unprecedented diplomatic demarche. In mid-August, Ukraine's ambassador to Belarus Ihor Kyzym was recalled to Kiev for consultations (he returned to Minsk in mid-September). The inspection of the Ukrainian ambassador's car by Belarusian customs officers in September 2020 also attest to the heightened tension in the bilateral relationship.

The Ukrainian foreign minister announced in late August the suspension of official contacts with Belarus. All meetings and international events were put on pause, but the diplomatic relations were not severed.

To be noticed is that President Zelensky's first reaction to the August 9–10 protests in Belarus was very restrained. He only called for tolerance and rejection of street violence. He was strongly criticized in Ukraine for his ambiguous and indecisive stand, while the foreign ministers of Ukraine, Lithuania and Poland (the so-called "Lublin Triangle") were much more definitive, appealing to the Belarusian authorities to refrain from the use of force and release those detained during the protest actions.

Ukraine did not recognize the results of the presidential election in Belarus, but Kiev tried to minimize its open support for Svetlana Tikhanovskaya, and refrained from official meetings with representatives of the Coordination Council, on the one hand, because of Tikhanovskaya's ambiguous statements, and, on the other hand, because Ukraine wanted to maintain economic and humanitarian cooperation with Belarus.

Zelensky's decision to facilitate the relocation of Belarusian IT specialists to Ukraine had some underlying political reasons, though, which enraged the Belarusian president.

Security

The failure of the international operation that involved Ukrainian security agencies which tried to bring the Wagner PMC soldiers to Ukraine was kind of a breaking point in bilateral personal contacts. The soldiers previously fought in Donbas on the side of the separatists, and Belarus was a transit point to their destination.

According to the information leaked to the press, the operation had been prepared by Ukrainian security services backed by their partners since 2018. It was expected that the plane with the Wagner soldiers on board, would fly from Minsk and urgently landed on Ukrainian territory, where the soldiers would be arrested and criminally prosecuted. However, the 32 mercenaries, nationals of the Russian Federation and Ukraine, were arrested in Belarus on July 29, which was widely covered in a massive media campaign.

This came as a surprise to Ukraine. Its Prosecutor General's Office requested the extradition of 28 persons suspected of involvement in war crimes in Ukraine. Zelensky called the Belarusian president in early August, asking to hand the suspects over to Kiev. Lukashenko promised he would think about granting the request.

Lukashenko, certainly, wanted to use the situation with the presence of mercenaries in Belarus as a vivid demonstration of external actors' attempts to influence the outcome of the election, a real threat to his personal security, and an attempt to overthrow him by force. This situation also gave him an extra bargaining chip in talks with Russia before the voting day and

expected disorder in the country, since few would believe in the flawlessness of the vote count.

It became known as soon as August 14 that Lukashenko returned the detained mercenaries to Russia, showing once again that Kiev was right doubting Belarus' deal making capacity and its independence from Russia. The Ukrainian Foreign Ministry reacted harshly to the frustrated extradition deal, speaking about mutuality. (Belarus ranks second in Ukraine in terms of the number of legal assistance and extradition requests.)

Lukashenko's political invectives against Ukraine and accusations of preparing and supporting mass protests in Belarus addressed to Kiev foregrounded the discussion in Ukraine of moving sessions of the Trilateral Contact Group for the resolution of the conflict in eastern Ukraine from Minsk elsewhere, among other things, taking into account Belarus and Russia's stepped up military cooperation, in particular, intensified joint military exercises and the idea of setting up a separate military district at the borders shared with the European Union and Ukraine. This was a point of consideration by the National Security and Defense Council of Ukraine.

Trade and economic cooperation

Trade and economic cooperation in 2020 were largely affected by anti-COVID-19 restrictions and curtailed Belarus-Ukraine political dialogue in the second half of the year. The 2nd Forum of Regions of Belarus and Ukraine was the major economic event in 2019, while in 2020, the Forum became impossible, mainly due to the suspension of official contacts between the countries since August.

Minsk hosted a meeting of the Belarus-Ukraine High Level Group on Mutual Trade in February, but the meeting of

the Intergovernmental Commission for Trade and Economic Cooperation did not take place.

According to official statistics, Belarus was Ukraine's second major trading partner among the CIS member states and sixth largest in the world after China, Germany, Russia, Poland, and the United States. Belarus' trade turnover with Ukraine stood at USD 4.4 billion, down by almost USD 1.1 billion or 20.7% against the pre-crisis year 2019. Imports of Ukrainian goods and services decreased during this period by 14.6% to around USD 444.3 million.

Exports of Belarusian goods and services to Ukraine amounted to USD 3 billion, down 23.4% year on year.

Conclusion

The sharp deterioration of Belarus' relations with its Western partners and the growing political dependence on Russia changed the Belarusian-Ukrainian relationship pivotally. Kiev did not recognize the results of the presidential election in Belarus, and its political stand towards Minsk has been based on this henceforth. Despite the strategic importance of trade to both parties, Kiev will not take a wait-and-see attitude to the political processes inside Belarus, but will adhere to the official policy of the European Union and the United States both verbally and by taking measures to force the Belarusian leadership to respect human rights and democratic principles.

Kiev will further solidarize with Washington and Brussels in imposing tougher personal and sectoral sanctions on Minsk. Given the situation with the extradition of the Wagner soldiers to Ukraine, it is unlikely that Lukashenko and Zelensky will resume personal contact. The degree of trust between the two presidents is at its lowest point ever.

In terms of national security, Belarus will increasingly pose a threat to Ukraine in the medium term, among other things, by strengthening military cooperation with Russia, using hostile rhetoric in relation to Ukraine, accusing it of organizing and sponsoring the mass unrest in Belarus. The Belarusian-Russian West 2021 strategic exercise will aggravate the situation as well.

It is highly probable that Minsk will no longer host sessions of the Trilateral Contact Group on Ukraine, which will be transferred to another country. So far, as the sessions are held online, this issue does not top the agenda for now.

Although Belarus and Ukraine are equally interested in de-politicized trade, it is quite possible that Belarus will use its exports of strategic commodities, for example, oil products, as leverage to put political pressure on Ukraine, or as a tool of retaliation in response to additional EU and Ukrainian sanctions.

BELARUS – POLAND: RETURN TO THE PAST

Anna Maria Dyner

Summary

In the first two months of 2020, the interaction between Belarus and Poland remained at the level achieved in the last three years. Parliamentary representatives met regularly to discuss regional security and oil supplies through Poland to Belarus.

The first factor that disrupted mutual contacts was the coronavirus pandemic and restrictions associated with it. The other one was the presidential election in Belarus in August, the mass protests and repressions that followed immediately after the election. Alexander Lukashenko accused Poland, among others, of seeking to undermine the Belarusian statehood and interfere in internal affairs.

In the following months, Belarus demanded that Poland drastically reduce its diplomatic staff. Activists of the Polish minority faced more and more problems. The Polish authorities did not recognize Alexander Lukashenko as a legitimate president and went to strengthen sanctions against representatives of the regime, supporting Belarusian independent organizations and mass media and providing assistance to the repressed. Thus, as of the end of 2020, bilateral relations were the worst since 2011.

Trends:

- Growing diplomatic conflict amid post-election protests in Belarus;
- Increasing hostility, open accusation of Poland of territorial claims and undermining the Belarusian statehood;
- Reduction of economic interaction;
- Increased persecution of the Catholic Church and the Polish minority in Belarus.

Political relations

The beginning of 2020 foreshadowed the deepening of Belarusian-Polish relations. In January, Marshal of the Polish Senate Tomasz Grodzki and Belarusian Ambassador Vladimir Chushev met in Warsaw to discuss inter-parliamentary cooperation. On February 10, Belarus and Poland signed an agreement on the protection of transboundary waters. Both countries were to create a special commission for cooperation in this area.

On February 4, a solemn ceremony dedicated to the 274th anniversary of the birth of Tadeusz Kosciuszko was held in Minsk, organized by the Embassies of the Republic of Poland and the United States. In addition to the Polish Ambassador and the US Charge d'affaires, the event was attended by the Foreign Ministers of Belarus and Lithuania.

Belarusian Foreign Minister Vladimir Makei was scheduled to visit Poland in March, but due to the COVID-19 pandemic and the closure of Poland's borders on March 14, the meeting was held online on March 20. One of the important topics raised during the negotiations was the issue of crude oil supplies through Poland to Belarus.

The second issue was the coronavirus joint pandemic response. Already in April, it became clear that these were not only declarations: the first large humanitarian convoy was sent to Belarus – including with personal protective equipment necessary to fight COVID-19. The second large batch was sent in early June. Despite the difficulties associated with the coronavirus crisis, in 2020 Poland allocated almost 170 million PLN for the implementation of development projects, including the fight against the pandemic in Belarus.

On May 6, in a telephone conversation, the Foreign Ministers of the two countries touched upon the further development of bilateral relations and cooperation within the framework of the Eastern Partnership. Another telephone conversation between

Ministers Jacek Czaputowicz and Vladimir Makei took place on July 31 at the Polish initiative. The Ministers discussed the upcoming presidential elections in Belarus.

It should also be emphasized that the Foreign Ministers of Poland, Lithuania and Ukraine expressed hope that the new format of cooperation called the “Lublin Triangle”¹ would be expanded in the future at the expense of Belarus.

However, the factor that changed almost everything in Belarusian–Polish relations was the presidential election in Belarus and the events that followed – mass protests of Belarusians against election fraud, as well as an unprecedented scale of repression against demonstrators. After the election, Alexander Lukashenko repeatedly accused Poland (along with Lithuania, other EU and NATO countries) of inciting protests, trying to destabilize the internal situation in the country, supporting the opposition and waging an information war against Belarus (in particular, the BELSAT TV channel and the NEXTA telegram channel). Warsaw was accused of wanting to annex the western part of Belarus.

At the same time, Poland did not recognize either the election, or its results and the presidency of Alexander Lukashenko. At international forums, the Polish government demanded the introduction of sanctions, pointing out that the Belarusian authorities violate human rights. Moreover, Poland provided significant support to repressed citizens and opposition activists who were forced to flee Belarus.

In October 2020, there was a serious decline in bilateral diplomatic relations. At the beginning of the month, the Belarusian Foreign Ministry decided to summon its ambassadors to Poland and Lithuania to Minsk, demanding the same from Warsaw and

¹ The Joint Declaration of the Foreign Ministers of Lithuania, Poland and Ukraine on the creation of the format was signed on July 28, 2020 in Lublin, Poland.

Vilnius. The Belarusian side also demanded that the Polish and Lithuanian authorities reduce the diplomatic staff to the number of Belarusian diplomats working in each of these states. Poland, in particular, should have reduced the number of diplomats from 50 to 18 people.

Historical issues also remained controversial. Another scandal in Belarus was caused by the march organized in February in Hajnówka in honor of Romuald Rajs. Polish right-wing circles consider him one of the “cursed soldiers”, while most Polish and Belarusian historians recognize that he is responsible for the murder of civilians of Belarusian nationality, which was committed by a squadron under his command in 1946. Another reason for controversy is the idea to declare “National Unity Day” on 17 September² – the day of the Soviet attack on the Second Polish Republic.

Economic relations

As in the case of political relations, the beginning of 2020 seemed promising in terms of the development of economic contacts. In mid-January, “Homieltransneft Druzhba” announced that Belarus has the technical capacity to import crude oil through Poland. The physical reverse of the raw materials pumped through the *Druzhba* pipeline was used back in 2019 when carrying out work to eliminate the consequences of contaminated Russian oil that entered this system. The problem, however, is that the Polish *Druzhba* pipeline system at the section between the border with Belarus (Adamava) and the oil refinery in Plock is not

² The liberation campaign of the Red Army, which began on September 17, 1939 and ended with the reunification of Western Belarus and Western Ukraine with the BSSR and the USSR, according to some Belarusian ideologists, is a good reason for establishing a new state holiday – “National Unity Day”.

adapted for the simultaneous transportation of crude oil in both directions. However, in March, PERN Przyjań SA issued a statement that the Adamawa – Plock section would be under construction.

Belarus can import oil through the oil port in Gdansk. Negotiations on the implementation of these opportunities were conducted by the Belneftekhim concern and partners from the Polish side in February–March 2020. However, the projects were suspended after the presidential elections in Belarus due to the sharp deterioration of bilateral political relations.

In turn, the COVID-19 pandemic was a factor that, since March, has actually hindered mutual contacts between the business circles of neighboring countries. As a result, many cyclical events, congresses, exhibitions, and conferences were canceled or organized online in a limited format. Moreover, Belarus, pointing to phytosanitary problems, temporarily restricted the import of poultry meat from Poland to its territory several times. Despite this, in 2020, Poland, with a share of 4%, was the fifth trading partner of Belarus.³

According to *Belstat*, in 2020, the trade turnover between the two countries amounted to USD 2.489 billion, a decrease of 5.1% compared to 2019.⁴ Interestingly, *Belstat* reported a positive balance of trade in goods for the second year in a row, which in 2019 was not confirmed by the data of the Ministry of Development of the Republic of Poland.⁵

³ «Товарооборот Беларуси с ЕС упал на 9.2%.» *Naviny.by*, 25 Feb. 2021, <https://naviny.online/new/20210225/1614278493-tovarooborot-belarusi-so-es-upal-na-92>.

⁴ «Внешняя торговля.» *Национальный статистический комитет Республики Беларусь*, 2021, <https://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>.

⁵ “Syntetyczna informacja o eksporcie i imporcie Polski (styczeń-grudzień 2019).” *Ministerstwo Rozwoju RP*, 2021, <https://www.gov.pl/web/rozwoj/analizy-z-obszaru-handlu-zagranicznego>.

Security relations

The rapid deterioration of Belarusian–Polish political relations after the presidential election in Belarus had a negative impact on security cooperation. Here, as in the case of political issues, the beginning of the year did not indicate any drastic changes.

On January 30, a group of Belarusian servicemen arrived in Poland to check one of the units, which was carried out in accordance with the provisions of the Vienna Document of 2011.

In March, the Air Force and Air Defense exercises of Poland and Belarus were held, the purpose of which was to prevent incidents in the border airspace of both countries. The event was planned in 2019 as part of cooperation during the 2021 IIHF World Championship in Minsk and the 2023 European Games to be held in Krakow. Deputy Foreign Minister of Belarus Oleg Kravchenko spoke about the joint responsibility for security in the region during the celebration of the Constitution Day, organized by the Embassy of the Republic of Poland on May 3 in Minsk.

At the same time, due to the COVID-19 pandemic, the full implementation of the NATO Defender Europe 2020 exercise was not completed. The events planned in Poland could become a source of tension in bilateral relations.

However, security cooperation stopped after the presidential election in Belarus. In particular, Alexander Lukashenko said that NATO has hostile intentions towards Belarus, unreasonably increases its military presence in Poland and the Baltic states and conducts intensive exercises on the eastern flank.

The Belarusian leader accused Warsaw of wanting to annex Hrodna region to Poland. The alleged threat from NATO countries, especially Poland and the Baltic states, was also repeatedly mentioned by Alexander Lukashenko during the CSTO meetings. As a response, Belarus organized military exercises on the border with Poland, and also changed the scenario of the maneuvers of the “Slavic Brotherhood”.

At the second stage of the exercise, the number of soldiers involved increased to 6,000 people, including 1,000 people from Russia. 500 weapon units were used, including tanks and aircraft (100 units from Russia). In addition, the scenario was adapted to the need to work out the defense of the Union State against threats from NATO, which Belarus signaled.

The intensification of the exercises on the Polish border led to several military incidents. All this, along with the deepening of the Belarusian-Russian military integration, stopped the existing security cooperation between Poland and Belarus.

Social relations and regional cooperation

Further development of social contacts was primarily hindered by the outbreak of the global COVID-19 pandemic, which at times hindered cross-border contacts. According to the Polish Border Service, in 2020, the border between Poland and Belarus was crossed a little more than three million times, which is 66% less than in 2019. The coronavirus pandemic also caused Poland to issue only 170,000 visas to Belarusian citizens in 2020.⁶

At the same time, according to a survey conducted by the Center for Oriental Studies, almost 60.0% of the Belarusians surveyed positively assessed their attitude to Poland, and 74.4% – to the Poles. In turn, according to a CBOS survey conducted in March 2021, 47% of polled Poles expressed their sympathy for Belarusians, compared to 31% a year earlier⁷. Such a sharp increase in sympathy is most likely the result of the reaction of

⁶ “Informacja statystyczna za 2020 r.” *Straż Graniczna*, 2021, <https://www.strazgraniczna.pl/pl/granica/statystyki-sg/2206,Statystyki-SG.html>.

⁷ “Polacy najbardziej lubią Czechów, Włochów i Słowaków.” *Polska Agencja Prasowa*, 10 Mar. 2021, [https://www.pap.pl/aktualnosci/news%2C830454%2Cpolacy-najbardziej-lubia-czechow-wlochow-i-slowakow-najmniej-arabow-i-romow; “Stosunek do innych narodów.”](https://www.pap.pl/aktualnosci/news%2C830454%2Cpolacy-najbardziej-lubia-czechow-wlochow-i-slowakow-najmniej-arabow-i-romow;Stosunek%20do%20innych%20narodow)

Poles to the ongoing protests in Belarus since August, as well as the growing economic migration of Belarusians to Poland. It should be noted that this is the best result since the CBOS studies, that is, since the early 1990s.

Thanks to the “Poland – Belarus – Ukraine 2020” program, it became possible to further modernize border control at the Kuznica – Bialostocka – Bruzhi, Bobrowniki – Berastavica, Sławatycze – Damačava crossings. Within the framework of this program, Belarusian institutions received eight grants for projects related to historical heritage. The money was also transferred to the reconstruction of the estate of the nobles of the Rejtans, which is located in the village of Hrušaŭka in Liachaviči district.

In addition, as part of the fight against the COVID-19 pandemic, the purchase of six respirators and two oxygen concentrators for the Brest Regional Hospital was funded. As part of the “Poland – Belarus – Ukraine 2020” program, the construction of a center for helping children with autism spectrum disorders began in Brest. The construction of the Emergency Services Security Center was also completed here.

Conclusion

The events of 2020 showed how fragile the foundations on which Belarusian-Polish relations develop, are, and how much these relations depend on the internal political dynamics in Belarus. In this context, it is not an exaggeration to say that four years of striving for better relationships were crossed out in a few days.

Given the high probability that Alexander Lukashenko will remain in power in the next few months, no improvement in

CBOS, Komunikat z badań, nr 31/2020, https://www.cbos.pl/SPISKOM.POL/2020/K_031_20.PDF, s. 2.

the Belarusian-Polish bilateral relations should be expected. At the same time, it should be feared that the Polish minority in Belarus will become a victim of the deterioration of the situation in the country, as it happened in previous years. All contentious issues, such as those related to the historical policies of both countries, are likely to be escalated as well.

Bilateral relations will be negatively affected by the deepening integration of Belarus and Russia, which limits the sovereignty of Belarus. The Polish side is concerned about the rapid acceleration of these processes, especially in the military dimension, which will negatively affect regional security in general.

The development of bilateral relations will also be negatively affected by the ongoing COVID-19 pandemic, which restricts trade, regional cooperation and tourism.

2021 will be a very difficult year for bilateral relations, and this will affect trade, investment and social contacts.

BELARUSIAN-AMERICAN RELATIONS: A WRECK AGAIN

Andrei Fyodorov

Summary

The first half of 2020 saw continued positive dynamics in the Belarus – U. S. relationship, which had been observed in the past few years. Political contacts intensified, and headway was made in economic cooperation. Bilateral relations showed the best progress over a quarter of a century.

Almost everything was ruined after the presidential election in Belarus held on August 9, 2020. The Belarusian-American relationship was down to the lowest point ever with little hope for normalization.

Trends:

- The Belarus – U. S. bilateral relationship changed pivotally after the August 2020 presidential election in Belarus;
- The United States got back to the policy of sanctions against Minsk;
- Bilateral trade declined insignificantly, yet this trend may continue towards considerable economic cooperation cutbacks.

The frigid period is over.
Not for long, though

The two countries had been raising the bar in the bilateral relationship since early 2020. The third person in the U.S. Administration – Secretary of State Mike Pompeo – went to Minsk on February 1 for the first time since January 1994. The high-ranking visitor had a talk with Alexander Lukashenko, who described

the Belarus – U. S. relationship as the end of the “frigid period.”¹ Pompeo also spoke with Belarusian Foreign Minister Vladimir Makei, visited the High Technology Park (HTP), and met with a group of civil society representatives.

Importantly, apart from the very fact of the visit, Pompeo stated America’s readiness to satisfy 100% of Belarus’ crude oil demand “at a competitive price.” Experts were rather skeptical about the economic benefits of this, but, amid the heated disputes with Russia over the oil price, Belarus showed genuine enthusiasm about this alternative. Expectations increased when the first sea tanker with Texas oil arrived in Klaipeda on June 5.

Perhaps, the only negative aspect of the visit for the Belarusian leadership was that Pompeo called it premature to lift the sanctions previously imposed on a number of Belarusian former and sitting top officials, although he acknowledged a certain improvement in the human rights situation in Belarus. Therefore, the extension of the sanctions by the U. S. President did not come as a surprise.

Cooperation in other areas continued, albeit less fast-paced. On February 25, the State Forensic Examination Committee of Belarus and the U.S. Drug Enforcement Agency signed a memorandum of cooperation for combating drug trafficking. The U. S. Department of Energy provided Belarus with equipment for border protection. The United States allocated USD 1.7 million for Belarus’ COVID-19 pandemic response program.

Neither the report by the State Department that criticized human rights violations in Belarus, nor the U. S. withdrawal from the Open Skies Treaty strongly affected the bilateral

¹ «Встреча с Государственным секретарем США Майклом Помпео.» *Официальный интернет-портал президента Республики Беларусь*, 01 Feb. 2020, http://president.gov.by/ru/news_ru/view/vstrecha-s-gosudarstvennym-sekretarem-ssha-majklom-pompeo-22969.

relationship, so it was not extraordinary that Donald Trump congratulated Lukashenko on Belarus' Independence Day.

On May 5, the U. S. President nominated Deputy Assistant Secretary of State for Western Europe and the European Union in the State Department's Bureau of European and Eurasian Affairs Julie D. Fisher for ambassador to Belarus. On July 20, Minsk responded with the expected appointment of Deputy Foreign Minister Oleg Kravchenko as ambassador to the U.S.

Clouds began piling up when the presidential election campaign started in Belarus. Massive popular support for opposition candidates was very disturbing for the Belarusian authorities. Out of all possible response strategies, they chose the forceful one with mass detentions of peaceful protesters and arrests of the presidential candidates.

The U. S. Department of State repeatedly released statements, voicing concern over the detention of presidential candidate Viktor Babariko and repressions against participants in protest rallies. The United States called on to respect human rights, rules of democracy, and commitments that Belarus took on as an OSCE member, including to hold free and fair elections.

On July 22, Under Secretary of State for Political Affairs David Hale called Foreign Minister Vladimir Makei, which analysts interpreted as an attempt to warn the Belarusian regime against heavy-handed actions. Minsk apparently disregarded those warnings.

Washington puts pressure, Minsk strikes back

The United States immediately responded to the events in Belarus, which began right after the election. As soon as August 10, Pompeo called the elections unfree and unfair, and urged the Belarusian authorities to respect the right of peaceful assembly and to abstain from the use of force.

Three days later, the state secretary once again voiced “keen disappointment”, and said that oil supplies to Belarus might be discontinued. Supplies did stop, though. The second oil tanker (which, symbolically, arrived on August 9) turned out to be the last.

The U. S. kept releasing all kinds of appeals, admonitions and warnings regarding the situation in Belarus. Importantly, it warned Russia against direct interference with processes in Belarus, threatening with new sanctions if this warning was ignored.

The State Department played a key role in this, while President Trump responded only once, saying, “It’s terrible. That’s a terrible situation, Belarus. We’ll be following it very closely.” Unlike Trump, Democratic Party candidate Joe Biden frequently talked tough about the actions of the Belarusian regime.

In practice, however, the White House did not show any particular resolve in the matter. The U. S. declared support for the sanctions imposed on Belarus by its European partners, and urged Cyprus to stop blocking the package of the EU sanctions. However, it took quite a while for the United States to initiate restrictions, and they appeared to be much less severe.

On the whole, as of late 2020, the U. S. Treasury Department imposed restrictions on 25 individuals and 13 legal entities of Belarus, and the Department of State put 63 persons on its sanctions list, mostly officers of the Central Election Commission and security agencies. The U.S. Department of Commerce decided on October 19 to deny Minsk’s request filed in February to revoke Belarus’ remaining non-market economy status.

The Belarus Democracy, Human Rights, and Sovereignty Act of 2020, which took effect on December 28, was potentially the most important step made by Washington.² The Act authorized

² “Belarus Democracy, Human Rights, and Sovereignty Act of 2020.” H.R.8438, 21 Dec. 2020, <https://www.congress.gov/bill/116th-congress/house-bill/8438/text>.

the U. S. president to impose personal visa sanctions against those involved in election fraud, human rights violations and repression, and every government official responsible for the persecution of independent media. This also applied to nationals of any state, including Russia. The Act calls for

- a new presidential election in Belarus;
- the recognition of the Coordination Council as a legitimate institution to participate in a dialogue on a peaceful transition of power;
- the immediate release without preconditions of all political prisoners in Belarus;
- continued support for the aspirations of the people of Belarus for democracy, human rights, and the rule of law, and for exercising their religion freely;
- help promote democracy and support Belarusian civil society;
- not to recognize any incorporation of Belarus into a ‘Union State’ with Russia;
- working out a U. S. strategy to develop television and radio broadcasting, Internet freedom and access to information; support for Belarus’ independent media and the IT sector.

The Belarusian leadership, at first, seemed to be hoping that Washington would not take an extremely tough stance in light of the recent years’ achievements, but when it happened otherwise, Minsk launched a counteroffensive with an emphasis on the geopolitical component and direct military threat.

On August 21, Alexander Lukashenko, for the first time, openly accused the United States of plotting a coup in Belarus to capture a part of its territory. “The United States is planning and orchestrating all this, and the Europeans are playing along... Because they have set the goal to first cut off this territory – Grodno. They have already hanged out Polish flags recently. Our Motherland is in danger. This is not a matter of

joke, the more so, as those are not weak troops, NATO,” said Lukashenko.³

He resorted to this narrative more than once. In particular, Defense Minister Viktor Khrenin reported on September 12 that American troops and armaments were being redeployed to the Belarusian border. This rhetoric was basically used to embroil Russia in the confrontation.

Russia did not have to be persuaded for long. President Vladimir Putin and Foreign Minister Sergei Lavrov were constantly stressing the inadmissibility of foreign interference with the internal affairs of Russia’s “ally.” Russian Foreign Intelligence chief Sergei Naryshkin claimed that the United States played a “key role” in organizing the protests. Defense Minister Sergei Shoigu accused “the United States and its satellites” of using color revolution technologies, and purposefully heightening tensions to aggravate the internal political situation in a number of countries.

Mike Pompeo’s phone call to Alexander Lukashenko on October 24 did not improve anything. They mostly negotiated the release of U.S. citizen, political technologist Vitaly Shklyarov, who was detained shortly before the presidential election in Belarus. Minsk made certain concessions in this matter, so some experts assumed that it was willing to enter into a dialogue, but no confirmation followed.

Julie Fischer took the office of ambassador to Belarus on December 24, but the long-anticipated exchange of ambassadors did not happen. Besides, ambassador nominee Oleg Kravchenko passed away the next day.

Meanwhile, political disagreements that grew sharper over that period had almost no effect on economic cooperation.

³ «Рабочая поездка в Минскую область.» *Официальный интернет-портал президента Республики Беларусь*, 21 Aug. 2020, <https://president.gov.by/ru/events/rabochaya-poezdka-v-minskuyu-oblast-1598018566/>

The bilateral trade turnover fell from USD 855 million (USD 470 million in Belarus' deficit) to USD 735 million (minus USD 335 million), or by 14% year on year, which concurred with the overall contraction of Belarus' foreign trade. At the same time, sales of intellectual products brought about a much more substantial effect: residents of the Belarusian High-Tech Park boosted exports to the United States in January–September 2020 to USD 816 million.

Conclusion

Belarus' usual top priority in its relationship with the United States was to enlist support to protect itself from potential encroachments of Russia, of course, without “relinquishing principles.” Although Minsk is worrying about possible changes in U.S. policies, attempts to return to pragmatic relations will definitely continue, and the Russian threat will surely be cited whenever possible, although, under the circumstances, it is highly unlikely that this goal will be achieved.

The United States' strategic interests with respect to Belarus largely concern the preservation of Belarus' sovereignty. Therefore, any form of annexation cannot be recognized. Given the fundamental divergence of views on the future of Belarus, especially in the context of aggravated Russian-American confrontation, a compromise with the Kremlin on this point is hardly possible.

The U.S. cannot completely ignore the constant deviations from the norms of democracy and violations of human rights in Belarus. However, there are reasonable concerns that excessive pressure on Minsk may lead to an undesirable geopolitical outcome. For this reason, Washington will avoid a direct conflict with Moscow on this issue.

Since Belarus does not pose a global challenge to the United States, it is doubtful that there will be some special strategy towards the country. Hypothetically, the new Belarus Democracy Act offers significant opportunities to help fight for human rights and democracy. However, it is just a framework document, and its effectiveness will depend on the willingness to apply it, which hardly tops President Biden's to-do list, regardless of his declared commitments. It will be clear whether the U.S. has not imposed sanctions against the Belarusian economic sector, because it does not want to burn all the bridges once the moratorium on the sanctions against Belneftekhim enterprises has expired at the end of April 2021.

The U.S. accounts for a little over one percent in Belarus' total trade turnover, so its reduction will not result in significant losses for Belarus, while the massive relocation of IT companies and specialists can cause quite extensive damages.

As a tool of economic influence, the United States can use its leverage so that international financial institutions stop providing assistance to Minsk. However, but radical measures, like the disconnection of Belarus from SWIFT, are virtually impossible.

The reinstatement of the ambassadors is pretty much doubtful. The Belarusian authorities certainly hope for Julie Fischer's arrival in Minsk, because she would have to present credentials to Lukashenko, which would mean that America recognizes him as a legitimate president, but Washington has already stated that this would not happen.

Besides, the presence of the ambassador in the country would not make her work effective. At present, all Western embassies in Belarus mostly just monitor the developments, and the American embassy would be the most toxic for Belarusian officials.

In general, the Belarusian dilemma arises again, and attempts to find a solution through external influence have not been successful so far.

Perhaps, the events of 2020, most importantly, the awakening of Belarusian civil society, will lead to a different outcome this time. There are reasons to believe that in case of fundamental political changes in Belarus, the United States will provide large-scale economic assistance. Otherwise, the Belarus – U.S. relationship is destined to remain sorrowful.

ASIA, AFRICA AND LATIN AMERICA: TRADE DIVERSIFICATION DESPITE CRISES?

Sergei Bohdan

Summary

In 2020, Belarus relations with developing countries were negatively affected by the pandemic and the domestic and foreign policy crisis after the August Presidential election. This led to a reduction in direct contacts, but, according to official data, it did not prevent the achievement of the goals set for the diversification of foreign trade. In addition, Minsk was able to rely on open political support from Beijing for the first time in the face of Western pressure, but did not receive it from the rest of the so-called “far arc” countries.

Problems in the western direction did not lead to any activation of Belarusian diplomacy in the direction of the former Third World, and the Belarusian leadership despised this direction even in its rhetoric.

Trends:

- Declining relations with developing countries, apart from China and some Middle Eastern states;
- Achieving diversification of Belarusian foreign economic relations;
- For the first time, the PRC clearly provided political support to the Belarusian government in the post-election crisis situation, but most of the other former Third World countries refrained from doing so.

Belarusian relations with developing countries began to wither at the end of the decade. The year 2020 has put a clear question mark on most of them. The subjective factor also played a role: to a large extent, relations with developing non-Western states continued to be based on the activity of the country's top leadership. Therefore, the restrictions on contacts in connection with the pandemic and the involvement of the Belarusian leadership

in the election campaign and the further political crisis further undermined this political course.

Even the rhetoric about the countries of the “far arc”, which was previously an obligatory part of the official discourse of the Belarusian leaders, was reduced to a minimum. President Lukashenka was not forced to return to it by the serious deterioration of relations with the West – a constant reason to look for friends in other areas. At a regular meeting on foreign policy issues on November 17, the Belarusian leader limited himself to a brief mentioning of the “multi-vector” nature of the Belarusian policy.

Geography: China and the Middle East

The main partner among the countries of the former Third World, undoubtedly, was China, cooperation with which will be discussed below. In addition, there have been only a few notable contacts in the Middle East. The Belarusian foreign policy managed to combine interaction with the warring countries there, collaborating with Turkey, on the one hand, and Egypt and the United Arab Emirates, on the other. The visit of President Lukashenka to Egypt on February 19–20 was not accompanied by the signing of significant documents, but given the close ties of the Egyptian regime with wealthy Arab monarchies (able to finance projects in third countries), it was a logical step.

Minsk also continued its long-standing policy of developing relations with large Middle Eastern businesses. On October 1, Alexander Lukashenka met with the Chairman of the Board of Directors of the large Emirati Company Emaar Properties, Muhammad Ali al-Abbar. The meeting, which was probably devoted to construction projects, was held in the presence of the Prime Minister, the chairman of the Minsk City Executive Committee and the Assistant to the President for National Security.

Relations with Latin American countries have been reduced to a minimum. For example, trade with Venezuela again amounted to a small amount – about a million US dollars (mainly Belarusian exports), despite the presence of the Belarusian embassy there.

There was also limited cooperation with Africa, cooperation with which remained within the competence of the Presidential Affairs Department – the decision to initiate such liability was made two year ago. In November, during a meeting between Alexander Lukashenka and Viktor Sheiman, an announcement was made about some “even if not large-scale” changes in the sale of equipment. Minsk tries to work there with the participation of third parties, as Mr. Sheiman announced that regional banking organizations with which Belarus cooperates in Africa start to finance joint projects.¹ Wealthy third countries in the Middle East, such as the United Arab Emirates, can also pay for such projects. This is indirectly evidenced by the data that emerged after the arrest in the Congo of one of the businessmen involved in the Belarusian-African cooperation.²

Who supported Minsk after the elections?

In 2020, cooperation with China reached a qualitatively new level, because for the first time in the history of relations between Minsk and Beijing, the latter brought political aspects to the

¹ «Доклад Управляющего делами Президента Виктора Шеймана». *Сайт президента Республики Беларусь*, 03 Nov. 2020, <https://president.gov.by/ru/events/doklad-upravlyayushchego-delami-prezidenta-viktora-sheymana-1604394606>.

² “Alleged arms dealer Alexander Zingman arrested in DRC.” *Daily Maverick*, 23 Mar. 2021, <https://www.dailymaverick.co.za/article/2021-03-23-alleged-arms-dealer-alexander-zingman-arrested-in-drc/>.

fore and demonstrated its support for the Belarusian leadership. According to Belarusian state institutions, Chinese President Xi Jinping was the first head of state to congratulate Alexander Lukashenka on his re-election on August 10, ahead of Vladimir Putin.

It was not only Lukashenka himself who expressed gratitude for the Chinese support during the crisis. On September 4, Defense Minister Viktor Khrenin, during a joint meeting of the defense ministers of the CIS, SCO and CSTO countries in Moscow, thanked the “military-political leadership” China, as well as Russia, for this assistance.³

Chinese support probably went beyond political statements, but also included technical and advisory components. This is indirectly indicated by the fact of a telephone conversation on November 23 between the Minister of Internal Affairs Ivan Kubrakoŭ and the Minister of Public Security of the People’s Republic of China Zhao Kezhi. It is important that the Chinese media were not only the first to publish the fact of the conversation, but also quoted the words of their minister that the Chinese side is strongly opposed to the attempts of external forces to provoke division and unrest in the Belarusian society.

It is noteworthy that, in addition to China, none of the countries of the “far arc” decided to demonstrate support for the leadership of Belarus after the elections. Only Turkey, Venezuela, Vietnam, Syria, and Cuba (the latter with a significant week’s delay) sent simple congratulations – in that order. This indicates the failure of the policy of building solidarity with the countries of the developing world, which has been much discussed in Minsk since the late 1990s.

³ “Хрэнін падзякаваў Расіі і Кітаю за падтрымку Беларусі ў існуючай сітуацыі”. БелТА, 04 Sep. 2020, <https://blr.belta.by/society/view/hrenin-padzjakavau-rasii-i-kitaju-za-padtrymku-belarusi-u-isnujuchaj-situatsyi-91422-2020/>.

However, this is not surprising, because the Belarusian leadership also stayed away from the policy of solidarity in its relations with non-Western and non-post-Soviet countries. On May 5, Prime Minister Siarhiey Rumas took part in the summit of the contact group of the Non-Aligned Movement “United against COVID-19”. He refrained from sharp political statements and even clear support for the ideology of this international association, limiting himself to calls to prevent the rupture of cooperative ties, supply chains, the termination of international trade and investment, to support social guarantees, etc.⁴

It is noteworthy that even after the elections, when the international situation of Minsk deteriorated sharply due to the reaction of the West and Western allies to the events in Belarus, the political aspects of cooperation with developing countries remained pushed aside, and Prime Minister Raman Haloŭchanka was ordered to hold to account the Foreign Ministry first of all for the “economic component”, because the main task of representative offices abroad is “to promote our products in all markets. Export is the main task for the work of the diplomatic corps”.⁵

A clear illustration of the fact that even demonstrative criticism of the United States by the Belarusian authorities does not lead to changes in their real policy was the Foreign Ministry’s emphasis on the apolitical nature of relations with Washington’s well-known opponent on the international arena – Iran. The Belarusian diplomats stressed “the mutual intention to strengthen the Belarusian-Iranian relations with an emphasis

⁴ «Сергей Румас: Борьба с пандемией не должна привести к разрыву связей и остановке международной торговли.» *Совет министров Республики Беларусь*, 05 May 2020, <http://www.government.by/ru/content/9405>.

⁵ «Совещание по актуальным вопросам внешней политики.» *Сайт президента Республики Беларусь*, 17 Nov. 2020, <https://president.gov.by/ru/events/soveshchanie-po-voprosam-vneshney-politiki>.

on cooperation in the cultural, educational and agricultural sectors.”⁶

Strategic steps

In August, the Council of Ministers noted among its achievements not only the increase in the positive balance of foreign trade in goods and services in 2020, but also the success in implementing the “export formula”, according to which the supply of goods and services should go to the markets of the EAEU, the European Union and the countries of Asia, Africa and Latin America in approximately equal shares. According to official data, the ratio reached 50%, 17% and 33%, respectively.⁷ This achievement is especially remarkable against the background of a reduction in the share of Belarusian non-potassium exports in the case of the largest markets of China and India.

The importance of diversification should be emphasized both at the level of the entire Belarusian economy and at the level of its individual sectors. For example, according to Deputy Prime Minister Alexander Subocin, it was due to the diversification of sugar exports to Asia, Africa and Latin America that the Belarusian sugar industry was able to mitigate the problem of lower prices and overproduction in the EAEU. In particular, Russia’s share in exports almost halved (from 73.3% in 2019 to 39.6% in 2020). For the first time, Belarusian sugar factories

⁶ «О встрече заместителя министра иностранных дел Беларуси С. Алейника с послом Ирана.» *Министерство иностранных дел Республики Беларусь*, 08 Dec. 2020, https://mfa.gov.by/press/news_mfa/cd3cdf800a0e5066.html.

⁷ «Роман Головченко: В первом полугодии сложилось положительное сальдо внешней торговли товарами и услугами.» *Совет министров Республики Беларусь*, 25 Aug. 2020, <http://www.government.by/ru/content/9554>.

have implemented a quota for supplies to China in the amount of 20 thousand tons. Also, for the first time, deliveries were made to Africa – 8.3 thousand tons worth USD 2.5 million. However, this is only five percent of the volume delivered to the Russian Federation.⁸

Another modest but strategically important step was the purchase of 87 million tons of oil from Saudi Arabia for the first time in late April. The raw material was delivered to the country via Klaipeda in mid-May. At the same time, it turned out that Minsk is looking for opportunities to test its new missile in Saudi Arabia (although also in China and some post-Soviet states).

Trade: China overtook Ukraine

In 2020, China took the second place (after Russia) in the list of Belarusian trade partners, switching places with Ukraine, which became the third. This does not cause euphoria among Belarusian officials, who recognize the existing difficulties, and in March, President Lukashenka spoke about overcoming a certain “break”, which official commentators attributed to the epidemic (although he spoke about the need to “overcome a certain gap” in general).⁹

Indeed, the negative balance in trade with China in 2020 remained huge – USD 3,033 million – although it decreased by 4.1% compared to the previous year. In part, this could be achieved due to the easing that Beijing has recently continued

⁸ «Александр Субботин: Сахарные заводы будут работать в рыночных условиях.» *Совет министров Республики Беларусь*, 10 Dec. 2020, <http://www.government.by/ru/content/9680>.

⁹ «Встреча с Чрезвычайным и Полномочным Послом Китая Цуй Циминном.» *Сайт президента Республики Беларусь*, 24 Mar. 2020, <https://president.gov.by/ru/events/vstrecha-s-chrezvychajnym-i-polnomochnym-poslom-kitaja-tsuj-tsiminom-23287>.

to provide to Belarusian companies, which allowed in 2020 to increase exports to China to USD 1,196 million (in 2019 – USD 1,034 million). A certain reduction in Chinese import also played a role in this.

The problem of a huge trade deficit was regularly raised by the Belarusian side, and the Chinese government reacted to it in a certain way. There are grounds to consider the Chinese assistance to Belarus in this context. For example, as part of the fight against the coronavirus, China sent 110 tons of medical cargo and two machines for the production of masks to Belarus. In addition, in June, First Deputy Prime Minister Mikalai Snapkoŭ (until early 2020 ambassador to China) announced: “During 8 years till 2015, we generally received technical and economic assistance from the PRC in the amount of USD 130 million. Since 2015, after the meeting of our leaders, we have received USD 130 million of technical and economic assistance annually... This is only technical and economic assistance, without investment, trade and economic sphere, social and political aspects”.¹⁰ A new example of this assistance was the start of construction of a national football stadium and an international-standard swimming pool in Minsk on June 30, for which China irrevocably allocated about USD 240 million.

In December, at a meeting of the Intergovernmental Committee on Cooperation, M. Snapkoŭ noted the “positive dynamics” in trade with China, achieved due to the change in the structure of exports. Indeed, the share of potash fertilizers in Belarusian exports decreased from 81% in 2015 to 43% in 2020, and even despite price fluctuations, this is an achievement. Exports of other goods last year amounted to USD 443 million

¹⁰ «Николай Снопков: Беларусь ежегодно получает от Китая технико-экономическую помощь в размере около USD 130 млн.» Совет министров Республики Беларусь, 30 June 2020, <http://www.government.by/ru/content/9491>.

(128%), primarily due to a twofold increase in the supply of agricultural and woodworking products. This was made possible thanks to the accreditation of 12 more Belarusian food producers for export to China, and the extension of the accreditation of Belarusian dairy baby food.¹¹

It is worth noting that Minsk pursues a less ambitious course in relations with China than in relations with other countries of this group. For example, speaking about priority measures to expand economic ties Belarusian officials not only declare the supply of agricultural products as a “new export driver” and seek to create joint production facilities for processing Belarusian raw materials on the territory of the People’s Republic of China. This indicates the modesty of the goals, although it is a step forward compared to the simple export of raw materials. But it is noteworthy that the task of exporting finished products with a high share of added value has not yet been set at all, despite the fact that initially developing countries were considered as the most promising market for products of the Belarusian industry.

The search for money: on empty paths?

In the spring, Belarus began working with a number of foreign and international financial institutions to borrow money to support the country’s banking system in the face of the pandemic. Next to the Western institutions on the list were the China Development Bank and also the de facto Chinese-run Asian Infrastructure Investment Bank. Minsk tried to get USD 350 million from the latter, but the case was not approved until the end of the year.

¹¹ «Торгово-экономическое сотрудничество.» *Посольство Республики Беларусь в КНР*, 2021, <https://china.mfa.gov.by/ru/bilateral/trade/>.

The only known example of raising funds was the March agreement to receive an external state debt from the Kuwait Fund for Arab Economic Development for the reconstruction of the clinical hospital No. 3 in Hrodna into a regional clinical dispensary in 2020–2025. The 24-year loan was approximately USD 28 million.¹²

The difficulties in finding external financing are also explained by the statements made on November 30 by Prime Minister R. Haloŭchanka at a video conference of the Council of Heads of Government of the Shanghai Cooperation Organization (SCO), dedicated to cooperation in trade, economic and investment spheres. He not only supported the expansion of the powers of the observer countries in the SCO and called for the creation of a mechanism for consultations on nuclear energy issues, but also called for the creation of a financial institution within the SCO “independent of the decisions and actions of Western structures”, which would be engaged in lending and issuing stabilization loans.¹³

Goodbye, weapons?

There were also almost no relations in the military and military-technical fields, which was a significant component of relations with developing countries. The most important exception to this trend was again China. Although the planned Belarusian-Chinese military exercises were canceled, Defense Minister Viktor Khrenin held telephone talks with his Chinese counterpart

¹² «Комментарий к Указу № 89 от 10 марта 2020 года.» *Сайт президента Республики Беларусь*, 10 Mar. 2020, <https://president.gov.by/ru/events/kommentarij-k-ukazu-89-ot-10-marta-2020-g-23203>.

¹³ «Роман Головченко: Беларусь поддерживает расширение полномочий стран-наблюдателей в ШОС.» *Совет министров Республики Беларусь*, 30 Nov. 2020, <http://www.government.by/ru/content/9665>.

Wei Fenghe on May 14. In late June, the Chinese Defense Ministry handed over medical equipment and personal protective equipment to the Belarusian military. Belarusian representatives also took part in joint events of the CIS, the SCO and the CSTO, which allowed them to establish relations with their Chinese colleagues and with the military of other Asian countries.

The only notable non-Chinese contact in this area was a video conference between the Chairman of the State Military Industry Committee, Dmitry Pantus, and the Chairman of the Defense Industry Presidium of the Turkish Presidential Administration, Ismail Demir, on July 17. Indirect signs indicate that the topic of the talks could be joint developments, including the missile industry.

Conclusion

The powerful crises of 2020 revealed the peculiar nature of Belarusian relations with the developing countries of Asia, Africa and Latin America. Despite many years of effort, there are few examples of consistently built and maintained relationships. Despite the problems in relations with the West, non-Western countries – even those that themselves have problems with the West – did not provide Minsk with any noticeable support.

At the same time, the Belarusian government has achieved two things that may be of fundamental importance for the future of the Belarusian state. Firstly, it has practically proven that foreign trade can be seriously diversified at the expense of the developing world even though it might be not quite sustainable. Secondly, for the first time, China demonstrated its political support for the Belarusian leadership in times of crisis.

Since relations with non-Western and non-post-Soviet countries were a means of reducing dependence on ties not only with the West, but also with Russia, the recent revolutionary

reorientation of Minsk towards closer ties with Moscow may lead to a decrease in the activity of the Belarusian side in the former Third World. In any case, Minsk has no chance of achieving better results in this area without revising its previous policy, developing not just new methods, but strategies and visions, supported by a more professional and expert approach to the development of such relations.

A separate case is the relationship with the PRC, which the Belarusian leadership would like to see as its benefactor and protector in the longer term, rather than the Russian Federation. Perhaps the experience of 2020 will push Minsk to further strengthen its policy of rapprochement with Beijing, especially since the latter has finally begun to reciprocate the Belarusian leadership's demonstration of strategic sympathies towards China.

SOCIETY

SYSTEMIC CRISIS OF RELATIONS BETWEEN THE GOVERNMENT AND THE SOCIETY

Gennady Korshunov

Summary

The year 2020 was marked by a global crisis that accelerated the processes of social dynamics at all levels. A wave of forced anti-epidemic measures swept across the planet and revealed all hidden trends and contradictions. Each country, state and society had to take their own tests of strength – to find answers to the challenges of COVID-19, which, even if it did not strengthen the trust between the state and its citizens, at least would not destroy mutual understanding between them.

In Belarus, the crisis caused by COVID-19 overlapped with trends that had been maturing for decades and became systemic.

Trends:

- Problematization of the social contract due to the state's rejection of social obligations against the background of increased political alienation of society;
- The growth of grassroots initiatives and horizontal solidarity following the outbreak of the COVID-19 epidemic and a sharp increase in political activity before and especially after the presidential election (August 2020);
- The formation of a new subjectivity in the situation of a crisis of state power and a crisis of trust in social institutions.

Devaluation and denunciation of the social contract

The basis of the social contract concluded between the Belarusian society and the current government in 1994 was the tacit

distribution of powers in the following format: the government received exclusive rights to normalize and regulate the order in the country, in return committing to maintain at the proper level (low, but acceptable) social standards inherited from the Soviet Union. In turn, the society reserved for itself the role of a socio-political object that does not pretend to actively participate in political life, but has guarantees of security, stability and a certain well-being.

For the next 10–12 years, the government worked hard on the domestic political front in two directions – building a “social state” for society and creating its own “vertical of power” to maintain stability. However, the series of crises¹ that began in the second half of the 2000s put the authorities in a state of declining resources and actualized the need to review priorities – a gradual reduction in the financing of the “social state” began, while the function of rationing and establishing order remained entirely at the disposal of the authorities.

At the same time, the authorities went to a certain expansion of the “territories of freedom” to increase the possibilities of society in self-sufficiency, self-satisfaction of their needs. As a result, since the second half of the 2000s, the state’s support for the welfare system has become less financial and economic, and more ideological and propagandistic, while the development of the power vertical was carried out in the mode of strengthening preventive authoritarianism.

If the initial departure from the socialist foundations of the social contract was primarily concerned with reducing the cost of the welfare system and liberalizing the business environment, then after the events in Ukraine in 2014, the authorities came to realize the need for some liberalization in relation to

¹ 2006–2007 was the beginning of oil and gas and customs-product conflicts with the Russian Federation, 2008 was the beginning of the global economic crisis, 2011 and 2014 were monetary and financial crises.

civil society but in the conditions of the “glass ceiling” set by the authorities.

By the beginning of 2020, Belarus had come in a state of latent, unmanifested, problematization of the social contract – on both sides. On the one hand, the authorities gradually renounced their obligations to support social standards while maintaining their own advantage – the position of the main (and only) political subject in the state. On the other hand, society had already gained some experience of self-preservation and self-reproduction, without significant support from the government or the state.

The events that unfolded during the first wave of COVID-19² gave a powerful impetus to the trend of denouncing the social contract: the idea that the government is not able to fulfill its obligations to ensure the safety of society’s life was formed in the mass consciousness. This trend was finalized by measures to pacify protest activity, which were considered excessive by a majority. The last line was drawn under this case by further actions of law enforcement and judicial authorities, which created a situation of legal default. The guarantees of security and stability, and in the long term – of economic well-being, which the government had been obliged to provide to society under the social contract of the 1990s, were finally destroyed.

Self-organization and subjectification of the Belarusian society

One of the key features of the Belarusian society is the phenomenon of “local sociality”. The essence of this type of sociality

² In fact, the lack of information support for the anti-epidemic campaign, specific issues with the publication of official statistics, and, especially, the extraordinary rhetoric of the highest echelons of power on the topic of coronavirus.

is to focus life interests on the basic levels of social organization (the family and the immediate social environment) and primarily distance themselves from hierarchical structures. This is a kind of extended absenteeism, which involves not only the “rejection” of the claim to power, but also a certain autonomy from it, that is, the habit of relying rather on one’s own strength and horizontal self-organization than on vertical systems.

The development of network technologies provided Belarusians with tools for self-organization and synchronization of localities, creating opportunities for independent solutions to everyday problems without involving hierarchical structures. In turn, the “shrinkage” of the welfare system was an incentive both for the development of all kinds of horizontal ties (according to professional characteristics, the criterion of hobbies, the fact of joint territorial residence, etc.), and for the induction of various initiatives, activities, collaborations that can compensate for the lack of services from traditional institutions. These trends were not only in line with the devaluation of the existing social contract, but also led to the formation of a new collective subject – so far a distributed and web-based one.³

Subjectivity is the ability to make decisions and take responsibility for what is happening. When the idea began to form in the mass consciousness that the government does not recognize the degree of threat of COVID-19 and refuses to take

³ Data from international comparative studies have revealed a significant decrease in the paternalistic attitudes of Belarusians and a significant increase in the willingness to take responsibility for their lives. See: “Global Index of Economic Mentality.” *Atlas Network*, 12 Nov. 2020, <https://www.atlasnetwork.org/news/article/a-new-global-index-to-measure-economic-mentality>; Рудкоўскі, Пётр. “Беларусы змяніліся за апошнія дзесяць год. Аб гэтым сведчыць 7-я хваля апытанняў па каштоўнасцях.” Сайт BISS, 27 Jul. 2020, <https://belinstitute.com/be/article/belarusy-zmyanilisya-za-aposhniya-dzesyiac-god-ab-getym-svedchyc-7-aya-khvalya-apytannyaup-a>.

responsibility for what is happening (the second quarter of 2020), in the eyes of the society, the government actually began to lose the quality of a full-fledged subject.

The desubjectification of power in the face of the danger of the coronavirus, confirmed by requests for help from ordinary doctors, launched a spontaneous process of grassroots mutual assistance and self-organization of the society that is the first stage of the process of increasing subjectivity. The key features of this stage are: (a) the popularization of digital platforms and initiatives aimed both at helping doctors and at spreading alternative information; (b) the solidarity of various business structures, civil society and the Belarusian diaspora with doctors; and (c) the rise of the volunteer movement. Also one should mention spontaneous initiative and distribution, that is, the absence of a hierarchy or a single control center.

All these results or features of the first stage – digitalization, inclusivity, individual significance and fundamental horizontality – actually set the paradigm for further waves of self-organization and increasing subjectivity.

The second stage of subjectification is associated with the beginning of the electoral campaign and an attempt to ontologize, to implement social subjectivity in the political field. The results of this stage are ambiguous: on the one hand the preventive and reactive actions of the authorities stopped the full possibility of political and social subjectivity, while on the other hand the society got the understanding of its mass character and the predominance of supporters of change over adherents of the authorities. A sense of a large-scale collective “WE” was formed – a huge Belarusian community that expanded local sociality beyond the borders of Belarus, as well as a sense of great pride of belonging to this “incredible” Belarusian community.

The third stage – post-electoral which began on Election Day (August 19) – is openly crisis-existential. Moreover, the crisis of existence develops in at least three directions: *first*, frustration

about the way the authorities eliminated the possibility of political implementation of the subjectivity of society; *second*, physical threat to existence due to the explosion of unrestrained violence; *third*, critical stress from the deconstruction of the moral, ethical and regulatory spaces, i.e. from social anomie.

In other words, it is a question of traumatic destruction of the stability of the familiar world. Under these conditions the phenomenon of the “social swirling” arose, when mutual assistance and solidarity (which spontaneously manifested at all levels of social organization – from individual to international) became not only conditions of survival but also tools for the formation of new standards and models of joint community, in fact, a new sociality. This new sociality was created by a new collective entity that realized itself as such – the Belarusian society.

Crisis of confidence and horizontal revolution

At the beginning of 2021, the data of the next *Chatham House* study⁴ were published. Among the results of this study, the answers to the question of trust in certain social institutions are noteworthy. They are extremely depressing: in regard to all subjects that are state-owned (from the branches of government to the official media and trade unions), the share of distrust exceeds the number of loyal ones by 35–50%. This is an indicator of a powerful systemic crisis.

The state acts as a super-system of social institutions that normalize and mediate the interaction of social actors at different levels. It is based on a certain level of trust within

⁴ Astapenia, Ryhor. “Why the Belarusian Revolution Has Stalled”. *Chatham House*. 9 Feb. 2021, <https://www.chathamhouse.org/2021/02/why-belarusian-revolution-has-stalled>.

the system; if this trust is not there, the deconstruction of the state is inevitable. Moreover, this process takes place both on the part of society and on the part of the authorities. In the first case, in the mass consciousness, there is a consistent desacralization, delegitimization, delegalization and demonization of social institutions (primarily those of government and security); in the second case – the involution of politics, the reduction of the tools of power to the methodological archaic and the collapse of the administrative apparatus to loyalty without admixture of professionalism.

At the same time, it should be understood that deconstruction is not a destruction (at least immediately), but a rethinking, reactivation of the true values and functions of the state. And if the government has chosen to strengthen the vertical and forcefully suppress all alternative strategies of social activity (private, civil, digital, symbolic, etc.), then society has taken the path of increasing resources at all levels:

- at the individual level, there is a politicization of the population, an increase in national-civil knowledge and skills;
- on the territorial level – the evolution of yard and district chats into self-organizing cores of future local self-government;
- at the level of large groups and communities, communities of interests, especially professional communities become the prototype of future structures of civil society and trade unions;
- at the national level, global platforms of solidarity, communication and mutual assistance are being created, competing with classical institutions or functioning in parallel;
- at the international level, a comprehensive strategy of foreign policy delegitimization of the regime with the suppression of its initiatives and investments in it, is being implemented.

In fact, one could say that today a new type of revolution is being implemented in Belarus – horizontal, in which hierarchical systems become dysfunctional and begin to be replaced by horizontal, initiative and self-organizing structures.

Here it should be mentioned that the tendency to move from vertical to horizontal types of social relations (actually social, communicative, political, economic, etc.) is characteristic of Western civilization for more than a decade. However, it is probably only in Belarus that this confrontation has become so obvious and immeasurable.

Conclusion

In Belarus, it is impossible to predict the further development of events in any way. Despite the incessant intensity of repression on the part of the authorities, the protest potential of society did not “fizzle out”. The trends and contradictions that led to the creation of a systemic crisis in the country and gave rise to an unprecedented wave of protests remain in force.

The third wave of COVID-19, the approaching financial and economic crisis, and political sanctions from the West will add additional volatility to the processes of social dynamics. At the same time, another stochastic factor is the Kremlin.

At the same time, it seems obvious that the launched processes of solidarization, self-organization and subjectification of society exclude the possibility of a simple return to the pre-crisis state of affairs. The main question is formulated regarding the further vectors of social dynamics – the political and economic collapse of the vertical power and the destruction of the state, or the construction of a new “horizontal state” that will replace the current government.

CIVIL SOCIETY: FROM HOUSE CHECKS AND CRIMINAL CASES TO UNPRECEDENTED GROWTH OF VOLUNTEERING AND DONATIONS

Vadim Mozheyko

Summary

In 2020, civil society organizations (CSOs) of Belarus were powerfully reinforced by tens of thousands of volunteers. Millions of euros in donations were raised. Significant initiatives were launched, including relief foundations and proto trade unions. Many CSOs were subject to repression, as civic activism was often treated as a crime, and crowdfunding platforms were closed. The CSO-state communication framework is being ruined amid the political crisis. Public officers consider interaction dangerous, while public activists regard it as immoral.

Trends:

- Participation in CSO activities and local initiatives to help victims of repression are de facto criminalized;
- Human capital showed unprecedented growth, and so did the number of volunteers in CSOs, and grassroots self-organization of local communities through Telegram chat rooms;
- Mutual financial assistance (including in cryptocurrencies) reached an all-time high;
- The CSO-state communication framework is being ruined amid the political crisis;
- Repressive pressure on society in the face of legal default increased.

Public activism as a widespread crime

Belarusian authorities have never perceived independent CSOs as friends or allies. In 2020, civil activism began to be treated as a crime. It is enough to be a member of the Coordination Council or the Union of Belarusian Students to be interrogated or to go to jail.

Repressions (searches, seizure of equipment, criminal cases and arrests) hit many CSOs, including the St. Hubert Children's Hospice of Grodno, Press Club, Office for the Rights of People with Disabilities, Belarusian Association of Journalists (BAJ) and Viasna Human Rights Center. A similar approach is applied to new local initiatives guided through local Telegram chat rooms: instead of supporting grassroots self-organization, they are subjected to unmotivated repression, and the administration of local chat rooms is considered a crime.

This all is a result of the legal default. Anything can be recognized as illegal or extremist regardless of the letter and intent of the law. The announced adoption of the law on foreign agents, which copies Russia's worst practices of restricting activities of CSOs, can expand the application of repressive tools.

Despite this pressure, CSOs' human capital has been growing as never before: tens of thousands of people are contributing their efforts towards the common goal. At first, people massively volunteered to respond to the coronavirus pandemic, joining the ByCovid-19 civic initiative, which demonstrated the strong potential of CSOs. Experienced activists (Andrei Strizhak, Anton Motolko, etc.) chose the right time for the country to provide inputs to cope with the most difficult tasks, in particular, by raising funds, purchasing and producing personal protection means and medical equipment, and delivering them to health professionals that needed them the most.

In less than a month, ByCovid-19 began cooperating with the United Nations International Children's Emergency Fund.

A UNICEF representative in Belarus said that the Fund's offices only cooperated "with organizations that had an extensive organizational capacity and a consistently good reputation." "The results achieved by ByCovid-19 give us the right to consider it a reliable peer partner in the Belarusian civil sector," he said.¹

With the beginning of the presidential election campaign (May 2020), people not only joined the initiative groups of presidential candidates, but also started civic initiatives, (Honest People, Golos, Zubr, etc.). The Human Rights Activists for Free Elections campaign shows this dynamics: 1,800 volunteers in 2020 to compare with 240 in 2019.²

Under the enormous post-election pressure, volunteers began gathering near detention centers. Detainees' families were helped in searching for their disappeared relatives. The released detainees were met at the doors, provided with medical and psychological assistance, fed, and driven home.

After the election, many of the new activists did not join any of the existing organizations and did not form large associations, but they did engage in building local communities. In the previous years, neighborhoods organized celebratory parties every now and then, like that in the Kotovka Park of Minsk³, which used to be newsworthy events for both the authorities and civil society, whereas in 2020, there were dozens and hundreds of such events across the country. The Flying University coordinated lectures for local communities with topics ranging

¹ «ЮНИСЕФ в Беларуси начинает сотрудничество с гражданской инициативой ByCovid-19.» Представительство ЮНИСЕФ в Республике Беларусь, 30 Apr. 2020, <https://www.unicef.by/press-centr/319.html>.

² Можейко, Вадим. «Наблюдение за выборами-2020: новые ограничения и возможности.» *Наше мнение*, 05 Aug. 2020, <https://nmnby.eu/news/discussions/7175.html>.

³ Можейко, Вадим. «Трансформация социального контракта в Беларуси: кейс Котовки.» *Наше мнение*, 19 Jul. 2018, <https://nmnby.eu/news/analytics/6660.html>.

from history and politics to economics and physics.⁴ The COTOS initiative was launched to form legitimate collegial bodies of territorial public self-government, which united neighborhood communities.⁵

While the official Federation of Trade Unions of Belarus (FTUB) was only busy collecting signatures against EU sanctions, sectoral proto trade unions emerged, such as White Coats (medics), ByPol (law enforcement officers), and medical and cultural solidarity funds. Fifteen university associations formed the National Student Council in the reshaped Union of Belarusian Students

Internal funding grows,
as legal mechanisms are no longer available

Donations to CSOs showed snowballing growth in 2020. USD 500 raised from the sale of tickets to a lecture organized by a CSO was quite an accomplishment in 2019, while in 2020, hundreds of thousands and even millions were raised. For example, Honest People initiative raised EUR 185,000; ByCovid-19 – USD 335,000; BySOL – EUR 3.5 million.⁶

The authorities are doing everything possible to put a restraint upon CSOs' financial activities for political reasons. *Ulei* and *MolaMola* crowdfunding platforms were shut down, which significantly narrowed small CSOs' possibilities to quickly generate donated funds. In an effort to limit the flow of aid from solidarity funds, the government blocked the bank cards of recipients of such aid. Journalist Irina Zlobina and journalist and

⁴ “Лекцыі.” *Летуцый універсітэт*, 2020, <http://fly-uni.org/lekcyi/>.

⁵ «Ініцыятыва КОТОС.» *КОТОС*, 2020, <https://kotos.org/>.

⁶ PrimeBridge Netherlands B.V., “BYSOL_Annual report 2020”, 24 Mar. 2021, <https://bit.ly/2PiBjCE>.

media manager Andrei Aleksandrov were detained and placed in a pre-trial detention facility, after their efforts to provide financial aid to victims of repression were defined as “financing of extremist activities.” In this environment, the use of cryptocurrencies, which are legal and exempted from taxes in Belarus, is the only safe way to transfer funds. BySOL Foundation is already providing financial assistance in bitcoins.

Alongside donations for the purchase of anti-COVID-19 protection gears, CSOs tried to lobby liberalization of legislation on the reception of foreign humanitarian aid. Decree No.3 on foreign gratuitous aid was issued in May 2020, but CSOs’ basic proposals were ignored, and human rights activists reported stricter requirements compared with the previous regulations.

Breakdown of the framework of communication with the state

Amid the political crisis, even the scarce opportunities for the CSO-state interaction have been evaporating. Public officers consider this interaction dangerous, even with the organizations they had been safely communicating with. CSOs consider this communication immoral: how can one address the Interior Ministry, seeking to combat domestic violence, thus being aware of numerous documented episodes of torture and ill-treatment by the police? This largely shackles any advocacy attempts.

Besides, the government fears any forms of grassroots activism, seeing (not without reason) the seeds of political discontent and popular mobilization in it. The authorities have equally ignored the 100,000 signatures in defense of the white-red-white flag⁷ and 52,000 ones against the request to ordain a law

⁷ «Мы против признания бело-красно-белого флага экстремистским!» Petitions.by, 29 Jan. 2021, <https://petitions.by/petitions/4636>.

that would restrict “LGBT propaganda in relation to children and young people.”⁸

Brest activists strongly protested against the launch of a local battery plant that they consider hazardous. Lukashenko met with them during the election campaign and promised to hold a local referendum. However, the plant began operating after the election, and the referendum never took place.

Big conferences, which were used for dialogue between representatives of CSOs and the state, either were held in 2020 (Kastrychnitski Economic Forum) or were held online (Minsk Forum, Minsk Dialogue). Ranking officials (ministers, the presidential chief of staff and the president himself) had been no strangers to such events, while in 2020, government bodies were only represented by Oleg Makarov, Director of the presidential Belarusian Institute for Strategic Research think-tank (at the Minsk Dialogue Forum), and Viktor Shadursky, Dean of the International Relations Department at the Belarusian State University. By the way, Shadursky had to resign from the Belarusian State University in March 2021 after 12 years of service. Meanwhile, the Minsk Forum was attended by representatives of the alternative political forces Svetlana Tikhanovskaya, Pavel Latushko, Tatiana Korotkevich and Andrei Dmitriev.

Conclusion

New local initiatives that unite residents of neighborhoods and districts in Telegram chat rooms will remain a permanent reality in Belarus. Although each particular initiative will develop in its own way, combined, they will bring along new CSO activists,

⁸ Касперович, Любовь. «Верующие собрали тысячи подписей против пропаганды ЛГБТ – к ней отнесли и семинары по гендерному равенству.» Tut.by, 09 Mar. 2020, <https://news.tut.by/society/675551.html>.

give them first-hand experience of activism and motivate for further self-actualization. There will also be movement in the opposite direction: the case of the Flying University lecture center showed that 'old expertise' is in demand with new initiatives. Educational programs for community leaders will most likely expand.

Internal funding will not be able to maintain its impressive momentum in 2021. Emergencies that will require fundraising (the coronavirus pandemic, crackdown on street protests, etc.) will either disappear altogether or become not urgent, and will be perceived as the new normal. The debilitating economic recession and the overall decline in the standards of living in Belarus will also cause a reduction in donations.

CSO-state communication venues will recover slowly, since mutual mistrust and fears are greater than ever. International organizations, which previously used to call on state agencies and CSOs to engage in joint projects, will soon tend to avoid the involvement of the state in the projects because of substantial reputational risks.

Against the backdrop of the ongoing political crisis, any popular advocacy will be perceived by the state as a dangerous rise of uncontrolled grassroots activism, and, therefore, it will not be successful. Nevertheless, advocacy campaigns will continue as a de jure legal instrument of political mobilization.

DEMOCRATIC ORGANIZATIONS: FRAGMENTED, BUT WITH A SINGLE AGENDA

Dmitry Kukhley

Summary

In 2020, political organizations faced two contradictory challenges that defined their future. On the one hand, the August 2020 presidential election and politicization of society helped draw public attention to the parties and party nominees, increased their role with respect to the national agenda, and attracted new activists. On the other hand, the legal default and post-election repression significantly narrowed the legal field for democratic organizations and the party system as a whole.

Government's postelection policy towards a civil society purge froze the party building. In this repressive environment, democratic organizations could hardly convert their political points accumulated during the election period into organizational development. Nevertheless, some of them (the center-rightists) successfully integrated into Svetlana Tikhanovskaya's campaign without losing their party status, and, later, into the Coordination Council for the resolution of the political crisis and the National Anti-Crisis Administration. The Belarusian Social Democratic Hramada and Tell the Truth campaign managed to register their candidates and capture the attention of some moderate critics of the Belarusian leadership.

Politicization of society and the increased number of those hungry for change became a breeding ground for new popular leaders with presidential ambitions eager to form new political parties.

Trends:

- Intensified party building around new popular and charismatic leaders;
- Increased competition between the party opposition and political projects of new leaders, who, despite the rivalry, consolidated their position in the face of harsh repression;

- Attempts to integrate the party opposition into coalition projects with new leaders (Coordination Council, Anti-Crisis Administration and Gathering platform of people's representatives) to broaden the audience.

Preamble

The Primaries coalition formed to nominate a joint presidential candidate got into the media spotlight in the first months of 2020. The Belarusian Popular Front (BPF), Belarusian Social Democratic Hramada (BSDH), organizing committee of the Belarusian Christian Democracy (BCD) party, United Civil Party (UCP), and For Freedom movement took part in the initiative at the early stages. The parties later found themselves on the sidelines of the protest movement, though. The political agenda was shaped by new leaders and their headquarters, planning to establish democratic organizations without relying on the existing party opposition.

After the election, the registered parties tried to retain their sympathizers or strengthen their positions through concerted actions in the hope of being admitted to negotiations with the authorities as a political entity. The leaders of six opposition parties released a joint resolution with demands addressed to the Belarusian leadership. The resolution was also signed by four parties that had been regarded as loyal to the authorities.

In the second half of 2020, political organizations had to limit their activities amid growing repression that followed the August events. The authorities sought to diminish the mobilization capacity of the parties through repression and threats to revoke registration for their criticism, solidarity and pursuance of the declared agenda, as they wanted violence stopped, political prisoners released, Alexander Lukashenko stepped down, and a new election called.

Party opposition: in the shadow of new leaders and political projects

For the *third* presidential campaign in a row, the party opposition has been failing to nominate a joint candidate, despite persistent attempts to form an extensive alliance of democratic forces.¹ Non-coalition candidates Andrei Dmitriev of Tell the Truth and Sergei Cherechen of the Belarusian Social Democratic Party managed to pass registration as candidates for president thanks to the high activity of the population during the collection of signatures.

Registered political organizations attracted new activists in the post-election period, who, in response to the crackdown, were looking for new legal ways to act.

Since the very beginning of the year, some parties (mostly led by center-rightists) engaged in selecting a joint opposition candidate through primaries, and attempted to form a coalition, involving their nominees, opposition organizations and outside candidates. The parties failed to engage the broad public in the primary voting. Opposition activists, who got quite exhausted by the long confrontation with the authorities before 2020, began communicating with the contenders for the status of a joint candidate during the latter's field trips.

Traditionally, opposition activists are more determined against the regime. Street leaders with a strident rhetoric against the incumbent president are popular with activists the most, while protest sentiments grew again amid the public discontent.

The joint candidate primaries were initially welcomed by civil society and independent media, but the project was ruined

¹ Кухлей, Зміцер. “Праймерыз 2020: lite version.” *Наше мнение*, 20 Mar. 2020, <https://nmnby.eu/news/analytics/7066.html>.

shortly by internal quarrels and scandals. After campaign favorite Pavel Severinets (Belarusian Christian Democracy) withdrew, and so did one of the five candidates Alexei Yanukevich (Belarusian Popular Front), the initiative began losing momentum.

Some participants in the 'popular vote' (Christian Democrat Olga Kovalkova, Nikolai Kozlov of the United Civil Party and Yuri Gubarevich of For Freedom movement) tried to use the collection of signatures to strengthen their positions and popularize their organizations, but none of them coped to collect the number of signatures required for registration as presidential candidates. Besides, they initially stated that they would not apply for registration.

While the primaries were going on, most democratic organizations joined efforts in the Right of Choice initiative. The Belarusian Popular Front, the Belarusian Social-Democratic Party, the Greens, the organizing committee of the Party of Freedom and Progress, and the Trade Union of the Radio-Electronics Industry played an active role in the election campaign observation alongside the center-rightists. Despite the high organizational potential, this observation was largely inferior to the new initiatives ('Golos', 'Zubr', 'Honest People') in engaging volunteers, and in terms of influence on the national agenda.

Once the primaries were officially dead, the center-rightists joined Svetlana Tikhanovskaya's election campaign, and then continued cooperating within the Coordination Council and the National Anti-Crisis Administration.

In turn, the registered parties tried to intercept the agenda and offer the authorities their own negotiating venue after Tikhanovskaya was forced to leave the country, and the Anti-Crisis Administration was mopped up. Ten political parties, including those previously considered loyal (four out of seven), published a joint declaration with demands addressed to the

Belarusian leadership.² However, as street protests were fading out, the authorities saw no need to enter into negotiations, and the Ministry of Justice began inspecting the parties-signatories, threatening with their liquidation.

Tell the Truth was sticking to its strategy of transforming into a political party of a moderate opposition nature, and working with groups critical of the regime that were not ready for street confrontation, expecting the system to gradually transform. The organization nominated its leader, Andrei Dmitriev, as a presidential candidate. He managed to obtain registration and attract attention of some advocates of change. In the post-election and street protest period, the campaign has been concentrating efforts on transforming into Our Party.

The Belarusian Social Democratic Hramada grew stronger and attracted supporters by nominating its leader Sergei Cherechen for president, moderately criticizing the incumbent government. Later, Hramada suspended activities, seeing no opportunities under the intense pressure of the state.

The unregistered People's Hramada led by Nikolai Statkevich tried quite successfully to unite the most determined part of activists, including popular blogger with presidential ambitions Sergei Tikhonovskiy. The 'candidates of protest' became one of the triggers for the so-called "signature revolution."³ Even before the election, law enforcers went hard on the party's activists and put its leaders, including Statkevich, in jail.

Some parties, such as Fair World and some other ones loyal to the authorities, entered sleep mode, waiting for a window

² «За прекращение насилия и новые выборы выступили четыре провластные партии.» *Европейское радио для Беларуси*, 10 Sept. 2020, <https://euroradio.by/ru/za-prekrashchenie-nasiliya-i-novye-vybory-vystupili-4-provlastnye-partii>.

³ Костюгова, Валерия. «Демократические организации: наращивание возможностей.» *Белорусский ежегодник 2020*, <https://nmnby.eu/yearbook/2020/page13.html>.

of opportunity and political liberalization. To all appearances, many of the hibernating parties have already lost their activists and will hardly be able to report to the Ministry of Justice the necessary minimum of 1,000 party members in case of re-registration. They are unlikely to retain their official status, especially if the authorities decide to transit to managed democracy with a ruling party, and to comb out the political field.

New democratic organizations: popular leaders and ideological neutrality

Society got mobilized to the point when new leaders began to pop up, trying to convert their political capital into organizations and to articulate the interests of previously apolitical social groups that were tired of prolonged economic stagnation and Alexander Lukashenko's rule. They were mainly focused on the private sector, i.e. small and medium businesses, which account for around 35% of the working population, and not just them.

The new leaders and their teams announced political parties to be formed right after the presidential election or after a democratic transformation of the political regime in Belarus.

Former presidential contender, ex-banker Viktor Babariko confirmed his plan to form Together party after the election, as per his team's long-term strategy. Babariko was not allowed to run for office, and was jailed. Initially, some democratic organizations, media and experts disapproved of his headquarters' plan to form a party, believing that this might cause a split in the protest movement. In the post-election weeks, Svetlana Tikhanovskaya established the Coordination Council with several members of Babariko's headquarters on it. The Council was trusted by many, and hundreds of thousands of demonstrators united by common goals went to the streets of the capital and regional cities.

The founding congress of Together party was postponed more than once for understandable reasons related to repression. Thanks to Babariko's popularity, the organizing committee managed to attract about 14,000 active supporters: 2,700 applied to join the party within a day since its announcement⁴, which showed the high degree of politicization of society and, among other things, the willingness to develop a party system in the country. It is noteworthy that the founders took a rather neutral position regarding the ideological aspects and the party program, which they planned to shape together with their sympathizers.

After Babariko's team announced the party, another former presidential aspirant Valery Tsepkalo also stated his intent to stay in politics with a political party, but only after a democratic transformation of Belarus. Tsepkalo was less popular in the media than Babariko, and had less influence on the political agenda. He failed to attract as many volunteers as Babariko's HQ, and his team actually stopped its activities in Belarus after the election. Besides, Tsepkalo was heavily criticized by a large part of the IT community, which was considered by his headquarters as his main target audience.

Since August 2020, diplomat Pavel Latushko has been building his popularity with the protesters, and formed the National Anti-Crisis Administration, which condemned police brutality and harshly criticized the Belarusian leadership. Despite his forced emigration, Latushko confirmed his intent to stay in politics and establish a political party, but only after the political crisis had been resolved. Latushko's party has a good chance to become a popular political force thanks to the vast experience gained by its potential members, and its leader's connections in the state machinery, as well as because a considerable part of national democrats agree with his views.

⁴ «В партию Бабарико уже хотят вступить около трёх тысяч человек.» *Naviny.by*, 30 Mar. 2021, <https://naviny.online/new/20210330/1617091238-v-partiyu-babariko-uzhe-hotyat-vstupit-okolo-treh-tysyach-chelovek>.

Spoilers:
Kanopatskaya's anti-Russian front
and Voskresensky's repentant "protesters"

Former MP, presidential candidate Anna Kanopatskaya also said she was going to form a political party. She cooperated with a part of Belarusian Popular Front members, and engaged in anti-Russian rhetoric during the 2020 presidential election. However, opposition politicians and independent experts did not consider Kanopatskaya as an independent figure, believing that her only task was to pull in votes of national democrats who might support Babariko and, after his detainment, Tikhanovskaya. Her campaign was largely based on harsh criticism of alternative candidates, whom she called "pro-Kremlin puppets", which had a negative impact on her reputation among the advocates of change.

Later, former political prisoner Yuri Voskresensky also tried to sow discord within Together party. He said he was going to establish an organization, recruiting former members of Babariko's headquarters, but only attracted a few dozen activists. He solidarized with the authorities, justified violence and criticized the protest leaders and demonstrators, which made him look bad in the media, so he failed to fill the niche of constructive opposition, shape an opposition agenda, or win support among the protesters.

Sergei Gaidukevich's Liberal-Democratic Party had to fully side with the regime and support Lukashenko during the acute political crisis. Previously, the LDP tried to distance itself from the ruling elites, and positioned itself as a moderate opposition or a center-right party, seeking to win over those dissatisfied with government's socioeconomic policies, thus not contesting Lukashenko's leadership. So Gaidukevich's long-standing efforts to enlist support of the moderate opponents of the regime were not much of a success. The LDP's audience is narrowed down to

sympathizers of Lukashenko, without any chance to attract the opposition-minded electorate.

Conclusion

Democratic organizations will continue attempts to create alliances and use their connections to maintain positions and strengthen their competitive advantages next to organizations united by popular and charismatic leaders. In the context of rigid repression, the party opposition will continue coordinating efforts with new initiatives and projects of popular leaders.

For most democratic organizations, the loss of official registration is not a determining factor or an obstacle, especially in the situation of legal default, when the official status does not provide guarantees against persecution. However, some parties may halt their activities for the period of harsh repressions and overall uncertainty.

The formation of new political parties (such as Together and Our Cause) is postponed until the opening of a window of opportunity, i.e. democratic transformations and Lukashenko's resignation, or another period of liberalization, which can be expected after the constitutional referendum.

If the ruling class decides to develop the party system, it will most likely happen as a transition to managed democracy similar to that in Russia. This means toughened discriminatory conditions for most parties and their possible liquidation after re-registration denial, as well as the gradual formation of a ruling party out of one or more loyal parties. However, Alexander Lukashenko keeps looking for simple solutions, and, if he stays in power, he will curb intentions of the political establishment to build a party system, and will postpone political reforms indefinitely.

MEDIA: LOST CONTROL AND DESTROYED INFRASTRUCTURE

Elena Artiomenko-Meliantsova

Summary

Potential threats to information security and media management inadequacies manifested themselves to the full extent in 2020. The COVID-19 pandemic and the political crisis that followed the August 9 presidential election revealed the incapacity of outdated approaches to media management.

The government's response to the challenges posed to the media exacerbated the situation, and even led to the loss of sovereignty in the information area (when Russian specialists were invited to state TV channels) and the destruction of independent media infrastructure. As a result, the polarization of the information space and public views increased, and conflicting narratives emerged in the communications space. There is no room left in the country for unbiased journalism and balanced coverage of social and political events.

Trends:

- State-controlled media lose confidence of the protest-minded part of society;
- New media are used to amplify hate language;
- Unprecedented repression is applied against independent journalists;
- Information security infrastructure is destroyed.

Media in the context of major nationwide events

The 2020 events not only affected the media landscape in Belarus, but also entailed fundamental changes in the relationship

between the media, society and the state, as the latter lost control over the media scene, and information security infrastructure was destroyed.

According to many experts, the authorities' strategy on the COVID-19 pandemic coverage undermined credibility of the state media, while Belarus' pandemic response measures were the most lukewarm in the region. During the first wave of the pandemic, the official media primarily aimed at preventing a panic. Instead of the fullest possible awareness building and safety measures, top officials downplayed the seriousness of the problem and disease after-effects, and statistics was heavily redacted to be nearly incomprehensible.

Information about the COVID-19 morbidity and mortality rates was published irregularly; no region-wise comparative figures were provided; and many health professionals with knowledge of the matter dismissed the published figures as inaccurate. Eventually, the data provided were no longer credible to the public, since they did not match the overall global trends.

Since mid-April, representatives of the Health Ministry stopped answering reporters' questions about the morbidity rate during regular briefings, and only posted press releases, although the Belarusian Association of Journalists seconded by *tut.by*, *BelaPAN* newswire and *Naviny.by* released in late March a request for exhaustive information about the spread of COVID-19. Access to reliable information about the situation got even poorer after that.¹

According to the authors of the COVID-19 Disinformation Response Index report², President Lukashenko along with

¹ «СМИ Беларуси во время коронавируса. Электронный бюллетень № 2.» *Беларуская асацыяцыя журналістаў*, 02 June 2020, <https://baj.by/sites/default/files/analytics/files/2020/smi-02612020-ru.pdf>.

² “COVID-19 Disinformation Response Index.” *Foreign Policy Council “Ukrainian Prism”*, 2020, <http://prismua.org/wp-content/uploads/2020/09/DRI2020WebFIN.pdf>.

Russian publications were the main sources of false data on the pandemic. Among the misinformation narratives, the report highlighted the downplaying of the danger of the disease, coverage of the pandemic in the context of the geopolitical confrontation between the United States and China, and numerous rumors about the severity of the situation in Belarusian cities. The cumulative COVID-19 disinformation response index of Belarus was lower than that of all other countries named in the report (Eastern Partnership members and Romania). Belarus only scored 1 point in the disinformation response by (a) the state, (b) the media, and (c) society each, i.e. a total of 3 points out of 8.4 points (the Eastern Partnership average) and 9.0 points (Romania).

Independent media were subjected to repression for their attempts to advocate more substantial anti-COVID-19 measures and for voicing concern over the situation. The Belarusian president publicly called for combating independent media, accusing them of “stirring up a psychosis” and “throwing in fakes.” Reporters Without Borders believed that criminal charges against Yezhednevnik Editor Sergei Satsuk were pressed for the criticism of the authorities’ response to the pandemic. Officially, he was charged with bribery. Satsuk was released from custody, but the charges have not been dropped.³

The administrative case against Media-Polesye portal, which informed about a patient’s death, is another example of repression against media for pandemic-related reports. The Ministry of Information called this information unreliable and detrimental to the state. Despite a prompt correction, an administrative case was brought against the portal under section 22.9.3-1 of the Administrative Offences Code (dissemination by a media outlet

³ «СМИ Беларуси во время коронавируса. Электронный бюллетень № 2.» *Беларуская асацыяцыя журналістаў*, 02 June 2020, <https://baj.by/sites/default/files/analytics/files/2020/smi-02612020-ru.pdf>.

of information prohibited from publication in media). According to the Belarusian Association of Journalists, that was the first case when section 22.9.3-1 (added to the Code in 2018) was applied.⁴

The presidential election campaign in Belarus was much more intensive than the previous ones. Opposition candidates, including those who can be considered present or former part of the power elites and political establishment (Viktor Babariko and Valery Tsepkalo) were very active; political technologies with elements of performance art events (Sergei Tikhanovsky) were applied; massive information campaigns of the candidates were conducted on the Internet, including on YouTube and social media. Voters showed unprecedented activism in many respects caused by anxiety, frustration and discontent with the authorities' rhetoric about the pandemic.

In terms of the electoral behavior, the campaign was accompanied by mass rallies and actions of solidarity with victims of repression, activism of volunteers at candidates' election headquarters, and the unprecedentedly large number of signatures collected for the nomination of the candidates that acted as an alternative to the incumbent president. The regions also showed a high degree of political mobilization.

Independent media actively covered the campaign and supported the alternative candidates. Repressions against independent journalists grew in momentum during the election campaign: from May 8 to August 9, the Association of Journalists registered 23 violations of journalists' rights.

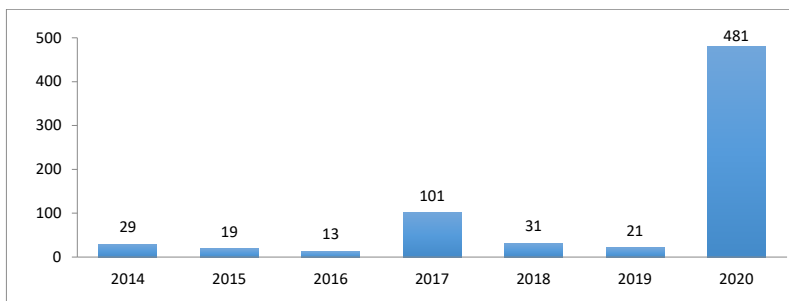
Mass protests against the election rigging began right after the official result was reported. Following the crackdown on protesters, Belarusians began to protest against police brutality as well. The mass rallies of August-September 2020 were huge as never before; the regions were active more than ever, and so

⁴ Ibid

was the severity of repression, including against the independent media and the mass media as a whole.

As many as 481 detentions of journalists were reported in 2020, which is almost *three times* more than during the 2011 protests (Figure 1). It is also important to note the use of force: violence during arrests and detentions was reported by 57 journalists; firearms were used in *three* episodes.⁵

Figure 1. Number of detentions of journalists, 2014–2020



Source: Belarusian Association of Journalists

Journalists were also subjected to criminal prosecution. According to the Association of Journalists, in 2020, criminal cases were initiated against 15 media representatives, including Bel-sat journalists Ekaterina Andreyeva and Daria Chultsova, tut.by journalist Ekaterina Borisevich (disclosure of privileged medical information), and heads and employees of the Press Club.

Many journalists of foreign periodicals were denied accreditation, and representatives of foreign media, who worked in Belarus during the election campaign, were stripped of accreditation. Independent media websites were blocked in

⁵ “СМІ падчас выбараў і ў поствыбарчы перыяд.” Беларуская асацыяцыя журналістаў, 19 Nov. 2020, <https://baj.by/be/analytics/elektronny-byuлетен-smi-u-belarusi-no3-2020-cmi-padchas-vybarau-i-u-postvybarchy-peryad>.

circumvention of the legal procedure. As of late August, the Information Ministry restricted access to more than 70 websites. The country's largest news portal tut.by lost its status of a media outlet. State printing houses refused to print independent newspapers *Narodnaya Volya*, *Komsomolskaya Pravda v Belarusi*, *Svobodnye Novosti Plus*, and *BelGazeta*, and their issues printed abroad were not accepted for distribution through the networks of Belposhta and Belsayuzdruk postal operators.⁶

Loss of trust and polarization of the information space

Authorities' efforts to influence public opinion and ensure information security under the above circumstances produced poor results and often led to an opposite effect. In general, state-controlled media were losing credibility, and the central government was losing control over the media space.

According to a representative opinion poll by the Eastern Neighborhood of the European Union, in 2017, 36% of the population used traditional media alone as a source of information, 52% used the Internet and social media, and 12% generally did not use any media to obtain information.⁷ In 2020, these proportions made up 34%, 52% and 14%, respectively.⁸

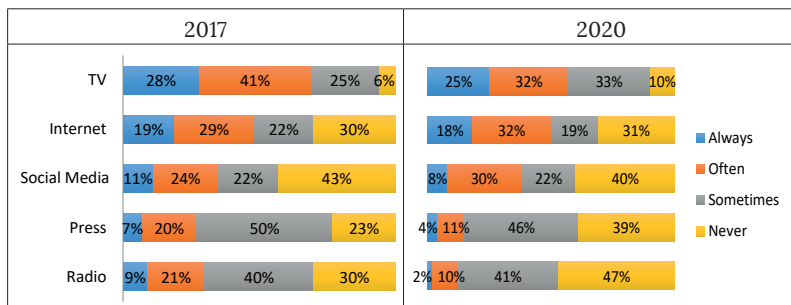
In 2017, television was a source of information (always or often) for 69% of respondents to compare with 58% in 2020; 48% obtained information online against 50% in 2020 (Figure 2).

⁶ Ibid.

⁷ "Annual Survey Report: Belarus 2nd Wave (Spring 2017)." *EU Neighbours East*, 2017, https://www.euneighbours.eu/sites/default/files/publications/2017-10/EUNEIGHBOURSeast_AnnualSurvey2017report_BELARUS.pdf.

⁸ "Annual Survey Report: Belarus 5th Wave (Spring 2020)." *EU Neighbours East*, 2020, https://www.euneighbours.eu/sites/default/files/publications/2020-06/EUNEIGHBOURS_east_AS2020report_BELARUS.pdf.

Figure 2. Answers to the question, “How often do you use the following media as a source of information?”, 2017 vs 2020



Source: EU Eastern Neighborhood

This shows that the consumption of media content did not fundamentally change. However, the share of those who watch television is steadily decreasing, although it still constitutes more than a half of the audience. The share of those who only use traditional media is decreasing, and it is currently around one-third of households.

Following the 2020 events in Belarus, the share of active Internet users (data of opinion polls conducted online can be extended to this group) show little trust in the state-controlled media. According to the Chatham House’s online survey, 16% of respondents trust state-controlled media, while 50% trust independent periodicals. It is also noteworthy that the survey primarily targeted at the opposition-minded electorate: 24% trusted the incumbent president, 43% trusted Viktor Babariko’s headquarters, and 39% trusted Svetlana Tikhonovskaya’s team.⁹

The decline of trust in traditional state media and increased demand for up-to-date information is indirectly indicated by

⁹ «Chatham House: У негосударственных СМИ в Беларуси уровень доверия выше, чем у церкви.» *Thinktanks.by*, 04 Feb. 2021, <https://thinktanks.by/publication/2021/02/04/chatham-house-u-negosudarstvennyh-smi-v-belarusi-uroven-doveriya-vyshe-chem-u-tserkvi.html>.

active growth of popularity of Telegram news channels. According to the statistics on the Belarusian segment of Telegram, the audience of the largest channels averaged 1.3 million subscribers a year (1.8 million at the peaks). A part of the subscribers could be foreigners, but they definitely do not constitute a majority (Table 1).

Table 1. Popular Telegram channels and their subscribers, 2020

	Link	Average annual number of subscribers
NEXTA Live	@nexta_live	1,300,000
NEXTA	@nexta_tv	626,400
Tut.by news	@tutby_official	404,800
Belarus of the Brain	@belamova	278,900
Tea with Raspberry Jam	@belteanews	163,300
LUXTA	@luxta_tv	149,400
My Country Belarus	@mkbelarus	142,000
Typical Belarus	@tpbela	139,300
Onliner	@onlinerby	137,100
MotolkoHelp	@motolkohelp	134,900

Source: <https://by.tgstat.com/>

In 2020, state media were fiercely attacking supporters of the protests, and, therefore, largely lost their credibility among those who obtain information from alternative sources. According to a scientifically based approach to changing public opinion, promotion of attitudes that radically differ from the audience's perceptions leads to a consolidation of the audience's opinion and even repudiation, i. e. larger dismissal of the ideas meant to be implanted. The state media chose the strategy of counterbalancing independent communication channels with aggressive rhetoric, including through new media channels, such as paid online advertising (instream advertising on YouTube, etc.). As a result, the media agenda and public opinion became

polarized, and a tangible lack of media with well-thought-out, unbiased information policy was observed.

Due to the erupted social conflict and the firing of some state media employees, Russian media professionals were invited to the country. After that, the rhetoric of the state media became even harsher, and new guest experts began to show up. The protests in Belarus began to be compared with the events in Ukraine in 2014 and it was insistently claimed that Western intelligence services were interfering in Belarus' internal processes. The skyrocketing popularity of Telegram channels and media outlets that broadcast from outside the country, as well as the work of Russian journalists on the Belarusian TV testify to the loss of information sovereignty and significant undermining of information security.

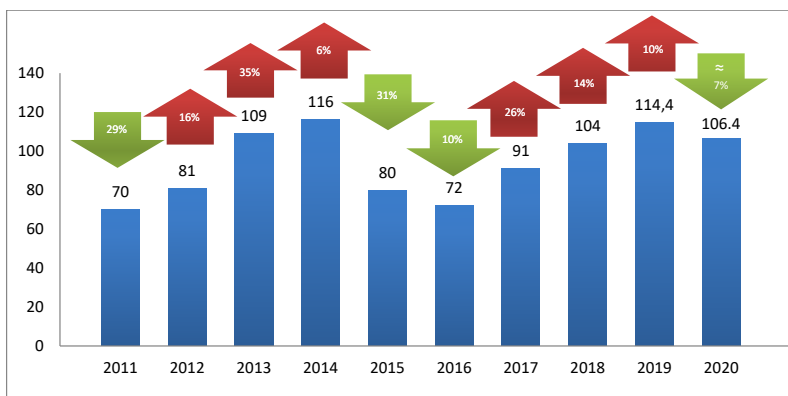
Degradation of media infrastructure

Repressions against the Press Club, increasing complexity of the registration of humanitarian aid, and the narrower framework established for foreign charity programs limit the possibilities for professional development and competence building in the field of Belarusian journalism and media management, which can be considered a threat to media infrastructure.

The deteriorated economic situation and the acute political crisis also could not but affect media infrastructure. An optimistic forecast for 2019 assumed 8% growth of the advertising market. However, the October 2020 estimate shows that the advertising market may shrink by 7%, primarily because of the decline in traditional media (down 7% on TV, 15% on radio, and 30% in the printed press) (Figure 3).¹⁰

¹⁰ «Беларусский рынок ТВ рекламы упал на 7%, радио – на 15%. Подведены итоги 10-ти месяцев рекламного года в Беларуси.» *Marketing.by*, 18 Dec.

Figure 3. Dynamics of advertising in the media market, 2011–2020, USD million



Source: WebExpert, Alcazar.

The situation was also affected by the political crisis. In August 2020, some major advertisers reduced their presence on state TV channels. Online advertising volume in Belarusian rubles changed insignificantly: investment in online advertising rose by 3% in October, and by 2% in contextual advertising, although considerable growth was expected in the 2019 forecast.

In addition to insignificant growth of investment in online advertising, government agencies restricted the free distribution of information on the Internet in order to prevent mass protests. In the first week after the August 9 election, the Internet was shut down on the days of mass rallies, and some Internet services were slowed down and/or suspended, which can also be regarded as undermining of information infrastructure.

2020, <https://marketing.by/novosti-rynka/belaruskiy-rynok-tv-reklamy-upal-na-7-radio-na-15-podvedeny-itogi-10-ti-mesyatsev-reklamnogo-goda-v-/>.

Conclusion

In response to the 2020 events (the pandemic, election campaign and post-election protests), Belarusian authorities chose a strategy of limiting access to information, pushing out and suppressing independent media and severest on-record repressions against journalists. This strategy polarized public opinion and compromised information security. It is fair to say that the country's leadership lost control over the information space in 2020. The measures taken and the rhetoric chosen give no reason to hope that this control will be re-established, and that state-controlled media will regain credibility among the protest-minded part of the population.

The year 2021 is likely to see a further decrease in the funding of state and independent media due to the economic recession and obstacles posed to international technical and financial assistance.

DOUBLE SHOCK TO THE EDUCATION SYSTEM

Konstantin Nemanov

Summary

The Ministry of Education failed to retain control over the education system, which was exposed to the double shock of the COVID-19 pandemic and mass post-election protests. Focusing on securing the desired result of the presidential election, it ignored popular demand for safe learning amid the pandemic, and gave up the initiative to other education actors.

In the face of the growing political crisis, the authorities failed to neutralize the discontent of education system stakeholders or to adjust education policy. Although the attempt to suppress students' protests through unprecedented administrative repressions and psychological pressure was successful in terms of reducing the scale of explicit protests, it stimulated growth of self-awareness and self-organization of students' communities and the emergence of subversive academic resistance.

Trends:

- The state loses control over the education system, having no strategy for suppressing popular discontent;
- Authorities engage in large-scale administrative and academic repression against the faculty and students' communities in an effort to make up for the lost control;
- Independent associations of liberal-minded students and teachers strengthen their credibility and influence on public opinion;
- The role of competitive digital education platforms in the government-society conflict increases.

Introduction

The year 2020 began with a very sensitive blow to the international reputation of Belarusian education. The PISA (Programme for International Students Assessment) results displayed the enormous social inequality in accessing quality secondary education. In the Index of Academic Freedom, Belarus ranked between Libya and Sudan.¹ The Ministry of Education demonstratively ignored this assessment, and continued to shamelessly extol successes both domestically and internationally. Education stakeholders seemed to get used to that and adapt themselves to this bureaucratic hypocrisy. The COVID-19 pandemic and the post-election protests exploded the system and turned it into a field of clash of antagonistic values and academic resistance to repressive practices and administrative arbitrariness.

First shock: COVID-19

The government had no coherent strategy whatsoever to prevent the spread of the coronavirus in educational institutions, so the safety issue got politicized since the very beginning of the pandemic. The Education Ministry, expectedly, turned out to be demoralized and unable to think out a consistent line of action. Under the pressure of public sentiment on the one hand, and Alexander Lukashenko's extravagant coronavirus denial escapades on the other, officials got lost in their own instructions and fell into the gravest sin of the Belarusian bureaucracy: they lost control over the education system. A terrifying nightmare for all Belarusian ministers, the loss of control manifested itself

¹ Kinzelbach, Katrin, et al. "Free Universities Putting the Academic Freedom Index into Action." *Global Public Policy Institute (GPPi)*, Mar. 2020, https://www.gppi.net/media/KinzelbachEtAl_2020_Free_Universities.pdf.

in the decision of students, their parents and even university rectors to independently establish procedures for conducting classes.

The situation was out of control as early as the beginning of March. Although quarantine was not officially imposed, universities began rewriting class schedules and putting off lectures, while many students' parents chose home schooling. The Health Ministry was hopelessly tardy with recommendations, the COVID-19 incidence rate was on the rise, and no one dared to declare a quarantine.

The Education Ministry was at a loss, deciding whether to make a break for holidays, for how long, and what to do next. This hesitancy lasted until March 30, and no one had the heart to interrupt the scheduled spring break. This went on until Lukashenko ordered to end the three-week break and to bring everyone back to schools. However, according to official data, only 30% to 40% of children returned to schools. The threat to deny grade progression to the non-attenders had no effect, so the Education Ministry had to relax its stance.

Attempts to organize distance learning failed as well. Deputy Minister Irina Starovoitova claimed that 99% of educational institutions in Belarus had access to the Internet, and 85% of the teachers had been trained to use information technologies, but this turned out to be untrue. Then the question came up: on what millions of rubles intended for state IT penetration and digitalization programs in education had been spent?²

A petition was filed on April 25 to dismiss Minister of Education Igor Karpenko for his inability to organize distance learning for schoolchildren and students, ensure their safety, allow

² «Почти все учреждения образования Беларуси имеют доступ в Интернет.» Министерство образования Республики Беларусь, 16 Apr. 2020, <https://edu.gov.by/news/pochti-vse-uchrezhdeniya-obrazovaniya-belarusi-imeyut-dostup-v-internet/>.

home-schooled students to receive grades, take steps to overcome the digital divide, etc.³

The ministry had nothing to say, basically, except that there were no regulations on distance education in Belarus, so the ministry could hardly be blamed for that. That was true, since the development of the regulatory framework for e-learning has been paralyzed since 2007. The legalization of distance education has been addressed regularly since the 2013 education reform hearings in the National Assembly, but nothing has been so far signed into law.

In 2019, the Republican Council of Rectors asked to amend ministerial instructions on online education and grading of students' performance, but in vain, so the Belarusian education system faced the COVID-19 pandemic totally unprepared. In order to somehow quell the worries, the Education Ministry promised to work out a unified online platform for distance learning by the end of 2020, which it, apparently, could not do without legislative backing. It will become clear in 2021 what this promise is worth, considering that similar promises have been made more than once. In the meantime, those involved in the online education process have to deal with the amateurism of untrained and overburdened teachers and equally unprepared students.

The pandemic came as a challenge not only for Belarus, but the leadership of the Belarusian educational system stood out for the amazing illogicalness of its actions. In the heat of the pandemic, it was decided not to conduct the centralized testing distantly, but to just push it back for two weeks. The ministry did not ban prom-night parties and graduation ceremonies. Calls for a quarantine were rudely rejected, probably, in an attempt to regain control over the education system.

³ «Петиция “За адстаўку міністра адукацыі Ігара Карпенка”» *Удобный город*, 25 Apr. 2020, petitions.by/petitions/3912?fbclid=IwAR16Yo0_ollgwINhriI0GumDTdXQ-XYYP68GD9jXzo_Rp4XxFYoWDIOhN8.

Several members of the Youth Bloc, who were detained during an action of protest against the coercion of students to participate in mass festive events to celebrate the Victory Day (May 9) were the first victims of repression. Minsk State Linguistic University student Liza Prokopchik was expelled, which was the first case in the chain of subsequent arrests and expulsions of university students and faculty members.

The Education Ministry responded to the second wave of the pandemic with recommendations to increase the number of breaks between classes, to wash hands, and to maintain social distancing. Another petition to switch to distance learning because of the high coronavirus incidence and unrealistic recommendations was answered the same way: distance learning was not stipulated by law.⁴ Let the world perish, but the law is the law.

No one is obliged to speed up the long-drawn-out legalization of distance education amid the pandemic. Moreover, the Prosecutor's Office threatened to punish parents for home schooling. And still some parents kept their children at home. According to official data, 86% percent of pupils returned to school after the autumn break.

The situation with the transition to distance learning at universities was different. Although there was no overall strategy, some universities partly switched to online learning, and even practiced distance performance grading, but this was done by individual faculty members, depending on the preparedness of the academic staff and perseverance of students.

In general, the experience of distance learning was disappointing due to the technological and pedagogical

⁴ «Белорусы поинтересовались, почему не переводят школьников на дистанционку. В Минобре ответили.» *Белновости*, 10 Dec. 2020, <https://www.belnovosti.by/obshchestvo/belorusy-pointeresovalis-pochemu-ne-perevodyat-shkolnikov-na-distancionku-v-minobre>.

unpreparedness of professors, the lack of adapted content, appropriate organization and technical capabilities.

Students were not ready for the effective use of modern information technologies either. Attempts to remedy the situation could not be effective due to the absence of a coherent strategy, tardiness and the modest scale. Not only the ministry, but the entire education system suffered a defeat.

Second shock: protests

Presumably, the impotence and indifference of the Education Ministry was due to the fact that a pandemic response was not a priority. The emphasis was put on the presidential election, in which teachers have traditionally played a leading role, sitting in election commissions.

The growing tension and discontent among most education stakeholders before the election prompted the government to seek ways to appease and make up to its traditional allies, but there was no money to extinguish the discontent this time, so only promises were to be satisfied with.

At the June 29 meeting with educators, Lukashenko promised to raise teachers' salaries to 150% of the national average within the next five years, provide dormitories to 100% of students in need of accommodation, and to ensure access to higher education for residents of rural areas and socially vulnerable groups.⁵ In exchange, teachers were required to step up morale building.

⁵ «Встреча с педагогическим активом Беларуси.» *Официальный интернет-портал Президента Республики Беларусь*, 29 June 2020, <https://president.gov.by/ru/events/vstrecha-s-pedagogicheskim-aktivom-belarusi>.

These promises were disavowed almost immediately after the election. Decree No. 27 on salaries of employees of state-financed organizations actually cut the real salaries paid to teachers. The promise to amend the university admission rules in favor of rural youngsters was buried at the elaboration and approval stage before the next admission period. The Education Ministry said that no significant changes to the admission rules were planned before 2023. Military personnel with recommendations from their commanders were the only category of applicants who received advantages.

Promises turned to be insufficient to neutralize the protest sentiment in the education system after the August 9 presidential election and, especially, after the brutal crackdown on protesters. In response to the involvement of teachers in the election rigging, parents, students and graduates showed disappointment and indignation, and threatened to boycott classes.

The country's leadership took the possible loss of control over pupils quite seriously. On September 4, the Prosecutor's Office threatened the parents who intended to switch to home schooling with "socially dangerous consequences", and the Education Ministry tightened requirements to private schools. Early in the year, the authorities tried to integrate the latter into the system, while after the election, private schools began to be tormented with numerous inspections and license revocation threats, which, in the Belarusian environment, means total bureaucratic arbitrariness. The 17 private secondary schools with 1,353 pupils hardly posed a threat to the public school system, but it was necessary to suppress popular demand for independent education.

Protests at universities were larger in scale and better organized than at secondary schools. Thousands of students and faculty members signed a petition, demanding that the violence is stopped, detainees are released, and a new election is called. However, the peaceful demonstrations were not numerous.

According to journalists' estimates, one to two thousand students out of almost 100,000 full-time students in Minsk participated in a rally on September 1. At first, administrations of some universities tried to avoid a conflict with the protesters, and even contributed to the release of detainees, but enunciations, intimidation, expulsions of students and firing of unwanted teachers began shortly after.

Criminal prosecution and administrative arrests were applied for the first time on a large scale alongside the unprecedented massive academic repression: 418 students were detained, 103 were put under administrative arrests for up to 114 days, 65 were fined, 30 were jailed on criminal charges, and 5 were sentenced to 1.5 to 4 years in prison; 106 cases of reprisals against university lecturers, including arrests, fines, dismissals, and forced resignations, were registered. Nine rectors who were not active enough in suppressing students' protests were fired.⁶

The atmosphere of terror in universities was supplemented with threats to stop academic exchanges with Western universities, deny the recognition of foreign degrees, restrict graduate migration, tighten the forced post-graduate job placement, etc.

Resistance

In 2020, along with the negative revision of the Bologna commitments of Belarus, there were noticeable changes in the growing interest and sympathy for fundamental academic values, self-organization and resistance by academic communities to repressive ideological and administrative practices. In fact, there was an intense struggle between conservative and

⁶ "Ціск на Акадэмію." *Общественный болонский комитет*, 12 Mar. 2021, <http://bolognaby.org/index.php/124-news-and-events-ru/839-ts-sk-na-akadem-yu>.

repressive policies of university administrations and the attempts to promote some Bologna values and reforms with a risk to academic careers and personal safety.

This struggle was vivid in 15 universities, where strike committees and cells of the Free Trade Union of Belarus were appointed. Students were leaving the Belarusian Republican Youth Union and joining the Union of Belarusian Students and the national student association formed on its basis.

The international reaction to the repression in Belarusian universities was contradictory. A number of international organizations continued cooperating with the Belarusian Education Ministry. In November 2020, the EHEA Ministerial Conference did not adopt a resolution condemning academic repression in Belarus because of Russia's interference. Nevertheless, the repression was condemned by the co-chairs of the Bologna Follow-Up Group (BFUG), the European Association of Universities, the European Union of Students, and many European countries. Neither UNICEF, nor the World Bank, which gave a USD 100 million loan for the higher education modernization, refused to cooperate with the Belarusian Education Ministry.

At the same time, the scale of academic solidarity was unprecedented. Six German universities joined the program to support repressed students and faculty members. They stated their readiness to accept more than 150 students for free education and subsidize internships.

The Polish National Agency for Academic Exchange and the Polish Conference of Rectors of Academic Schools awarded scholarships to nearly 900 Belarusian nationals for studying at 73 universities of Poland. The Education Ministry of the Czech Republic announced that it would support Belarusian students that would study at 11 universities of the country. Romania accepts 100 Belarusian students in 13 universities. The state will fully cover the tuition, living expenses, and scholarships. Norway accepts 23 students under postgraduate programs. Lithuanian

universities took part in support programs for repressed Belarusian academicians and students. Vytautas Magnus University of Kaunas awarded 50 scholarships, and the Vilnius University also provides scholarships to Belarusian students. The Lithuanian government decided to allocate EUR 200,000 to support Belarusian students admitted to the Vilnius-based European Humanities University.

Conclusion

Two events shaped the Belarusian education system in 2020: the COVID-19 response and the post-election shocks. One of them would be enough to shake the whole system. Combined, they drove Belarus into the past, and, more importantly, into a reality that no one has experience to live in.

The scale of confrontation, arbitrariness, repression, and absurdity is unprecedented. At the same time, the profound and unbearable humiliation has produced the biggest ever rise of self-awareness and self-organization of the academic community, leading to the emergence of university resistance. The contours of this new reality are just beginning to take shape. It is very likely that post-crisis education policy will be determined by a latent confrontation between the state-run and independent schools (both secondary and tertiary).

The legal arbitrariness of the authorities has untied the hands of alternative education and freed it from the need to constantly justify its existence and beg for permission to maintain at least its marginal status. And now, new education enjoys all the benefits of cross-border information technologies.

SCIENCE AND INNOVATION IN THE FACE OF POLITICAL TURBULENCE

Andrei Lavrukhin

Summary

The year 2020 summed up the results of the implementation of the State Program for Innovative Development (SPID) for the next five-year period (2016–2020). The forecast of the growth of the R&D/GDP intensity of Belarus of 1.0% presented in the SPID 2016–2020 did not prove to be practically relevant: as of the beginning of 2020, the growth was only 0.09%, and the level of R&D/GDP intensity stopped at 0.59%. This means that according to the results of the implementation of two state programs – SPID 2011–2015 and SPID 2016–2020 – it was not possible to reach the level of R&D/GDP intensity that had taken place before their implementation (in 2010, the R&D/GDP intensity was 0.69%). At the same time, as 10 years ago, the current level of R&D/GDP intensity is almost twice lower than the threshold value required to ensure the scientific and technological security of the country (according to the calculations of EU experts, it should be at least 1.0%).

Trends:

- Stagnation of the level of R&D/GDP intensity;
- An improving ranking of the country in the Global Innovation Index 2020;
- Reduction of the share of researchers with academic degrees in the total number of academic personnel;
- Increase in the number of academic personnel and the number of organizations in the business sector and the higher education sector against the background of their reduction in the public sector;
- Increasing negative political and ideological influence on science and innovation.

Results of the implementation of the SPIR 2016–2020

According to the results of 2020, 89 projects for the creation of new production facilities were completed, and 37 more projects were completed in 2016–2019. Of the BYN 11.5 billion allocated for the implementation of projects in 2016–2020, more than 70% were foreign investments (including credit lines). The volume of production exceeded BYN 5.8 billion, and more than 60% of the products were exported.

74 new production facilities were put into operation, 13 units of which – in 2020. In general, according to the results of the implementation of the SPIR 2016–2020, more than 11,000 new high-performance jobs were created (with a task of just over 10,000), the share of exports of high-tech products, according to the results of January–November 2020, was more than 38% (with a goal of 33%).

In 2020, 1,157 innovations were developed and brought to the stage of practical application within the framework of state, industry and regional scientific and technical programs. The total value of scientific and technical products sold exceeded BYN 1.240 billion. At the same time, the budget costs for the development on the basis of which this product was created and sold did not exceed BYN 70 million.¹

The effectiveness of the implementation of the GPIR 2016–2020 is estimated by *seven* indicative indicators, *two* of which are completed, *two* more are close to implementation and *three* are not implemented.

The “hare of innovation-active organizations” in the industry increased from 19.6 to 24.5% (it was planned to reach 26.0%).

¹ «В следующей пятилетке предстоит увеличить вклад науки в инновационное развитие – Шумилин.» ГКНТ, 10 Feb. 2021, http://www.gknt.gov.by/news/2021/v_sleduyushchey_pyatiletke_predstoit_uvelichit_vklad_nauki_v_innovatsionnoe_razvitie_shumilin/.

The share of innovative products in the total volume of industrial products sold increased from 13.1 to 16.6% (21.0% was planned). “The share of extra-budgetary sources in domestic research and development expenditures” increased from 55.3% to 55.8%, although it was planned to reach 60.0%. A negative result was also obtained for the indicator “internal expenditures on research and development, as a percentage of GDP”: with the planned growth of 1.0% (from 0.5 to 1.5%), at the beginning of 2020, the real growth was only 0.09%. The planned 5% increase in the share of exports of high-tech products in total exports was almost achieved by the beginning of 2020 (4.7%).²

A more detailed analysis of domestic and European (European Innovation Scoreboard) indicators of the level of development of science and innovation based on the results of the implementation of the SPID 2016–2020 (in comparison with 2015) gives the following picture: *the share of domestic expenditures on research and development (as a percentage of GDP) increased by 0.09% and amounted to 0.59% by the beginning of 2020, which is still below the threshold value according to the standards of the EU countries and similar indicators of Belarus in the 1990s (in 1990, for example, it was 1.47%)³; the share of the higher education sector in domestic research and development expenditures decreased by 0.7% and is currently 10.1%; the share of R&D expenditures in the GDP of the public sector (including the higher education sector) increased by 0.04% (to 0.21%), in the commercial sector – by 0.05% (to 0.38%); the number of personnel engaged in research and development increased by 1,582 people; the number of organizations that performed research and development increased by 21 units; the coefficient of inventive activity (the*

² Наука и инновационная деятельность в Республике Беларусь. Статистический сборник. Мн., 2020, с. 12, 14, 28, 43, 68, 71.

³ О состоянии и перспективах развития науки в Республике Беларусь по итогам 2014 года. Аналитический доклад. Мн., 2015, с. 17.

number of domestic patent applications for inventions filed in Belarus per 10,000 people) fell by 0.2 percentage points and at the beginning of 2020 was 0.4; the share of innovation-active organizations in the total number of organizations surveyed increased by 0.9%, primarily due to an increase in the share of industrial organizations (by 4.9%) against the background of a decrease in the share of service organizations (by 4.9%)⁴.

Innovative development of Belarus in the context of GII 2020 indicators

In the Global Innovation Index 2020 (GII 2020), Belarus improved its position in the ranking by 8 points, rising from the 72nd place in 2019 to the 64th place in 2020 (Table 1).

Table 1. Global Innovation Index data, Belarus, 2016–2020

	2019	2018	2017	2016	2020
Global Innovation Index					
Index value*	32.07	29.35	30.0	30.9	31.27
International position	72	86	88	79	64
Entry indicators					
	50	60	63	64	67
<i>Institutions</i>					
Index value	57.7	55.5	54.1	56.0	58.4
International position	83	81	81	77	84
<i>Human capital and research</i>					
Index value	41.6	41.9	41.9	42.6	40.9
International position	39	34	36	35	37

⁴ For details see: Наука и инновационная деятельность в Республике Беларусь. Статистический сборник. Мн., 2020, с. 28–30, 39.

<i>Infrastructure</i>					
Index value	48.2	42.2	46.1	43.6	43.2
International position	60	73	67	63	58
<i>Market stability</i>					
Index value	50.0	42.5	41.9	39.1	39.1
International position	56	91	90	89	107
<i>Business sustainability</i>					
Index value	32.6	33.0	32.2	28.7	24.9
International position	56	53	65	81	67
Output indicators	95	110	109	103	61
<i>Results of the use of knowledge and technology</i>					
Index value	25.5	21.7	21.7	28.1	27.7
International position	51	65	61	49	46
<i>Creative results</i>					
Index value	10.8	9.7	11.7	9.5	14.8
International position	126	122	123	124	97

Note. The index values range from 0 (minimum) to 100 (maximum).

Source: The Global Innovation Index 2016, 2017, 2018, 2019, 2020.⁵

Academic organizations and personnel: commercializing, feminizing, aging, and retiring

As of early 2020, the number of employees engaged in research and development increased by 1,582 people (compared to 2015). The growth was provided primarily by researchers without a degree (+910 people), technicians (+226 people) and support staff (+446 people).

⁵ See <https://www.globalinnovationindex.org>.

The number of researchers with an academic degree, on the contrary, decreased: doctors of science – by 41 people (-6.3%), candidates of science – by 19 people (-0.67%). This negatively affected the change in the proportion of researchers with academic degrees in the total number of researchers: over five years, the share of candidates of science decreased by 0.9% (to 15.7%), the share of doctors of science – by 0.4% (to 3.4%). However, in general, the growth was “made” by researchers with higher education (+1838 people), and the decline was provided due to researchers with secondary special education (-199 people) and “other” types of education (-57 people).

All these changes did not significantly affect the structure of staff by category. For example, the share of researchers (by 0.4%) and support staff (by 0.1%) decreased slightly over the past five years, and the share of technicians (by 0.5%) also increased slightly. The changes in staff structure by level of education are slightly more significant: the share of researchers with higher education increased by 2.1% (compared to 2015), with secondary specialized and “other” education decreased by 1.3 and 0.8%, respectively.

It is noteworthy that the decline in academic personnel took place in the public sector (-252 people), and the growth – in the sector of commercial organizations (+1565 people) and in the higher education sector (+276 people). As a result of these changes, as of the beginning of 2020, the distribution of academic personnel by sector of activity has acquired the following form: 24.2% – the public sector, 65.4% – the business sector, 10.4% – the higher education sector.

At the organizational level, the same trend of decline in the public sector and growth in the business sector and the higher education sector is noticeable: in the public sector, the number of organizations performing research and development increased by *two* units, in the business sector and the higher education sector – by *ten* in each. As a result of these changes, the

structure of organizations that performed research and development, as of the beginning of 2020, was as follows: the share of public sector organizations was 19.3% of all organizations engaged in research and development, the share of the business sector – 64.3%, the higher education sector – 16.0%.

In the gender dimension, *the trend of feminization of Belarusian science* remains unchanged: against the background of a slight decrease in the share of women in the total number of researchers (by 1.5% compared to 2015), their share increased among doctors (by 2.2%) and candidates of science (by 0.9%). At the same time, if the increase in the share of women among doctors of science (by 6 people) was determined primarily by a significant decrease in the total number of doctors of science (-41 people), then in the category of candidates of science, a delicate balance was provided mainly by women: against the background of a decrease in the total number of candidates of science by 19 people, the number of women candidates of science increased by 16 people. The increase in the number of women among researchers is observed in all fields of science, with the exception of technical (-35 people) and medical (-58 people): in the natural sciences, it was 127 people, in agriculture – 13 people, in socio-economic and social – 40 people, in the humanities – 15 people. In the age structure, the trend of aging of academic personnel remained. Despite the increase in the total number of researchers in the age cohorts of 30–39 years (by 60 people) and 40–49 years (by 239 people), for the period from 2018 to the beginning of 2020, there was a decrease in all age cohorts of researchers with candidate degrees (except for the cohort of 40–49 – an increase of 30 people) and doctors of science. Only one age cohort – “70 years and older” – consistently grew. As a result, in just 1 year (from the beginning of 2019 to the beginning of 2020), the proportion of scientists of retirement age (age cohorts 60–69 years and 70+) increased by 0.5% in the total number of researchers (up to 19.5%), by 2% – among doctors of

science (up to 82.5%) and by 0.1% – among candidates of science (up to 37.4%). A slightly smaller increase in the proportion of scientists of the age cohort 40–49 years occurred among candidates of science – by 1.28% (up to 24.2% of the total number of candidates of science).⁶

One of the significant factors of aging of academic personnel at the highest level of qualification (Doctor of Science) is the small number of doctoral dissertations: in 2020, *four* people defended their doctoral dissertation at the National Academy of Sciences of Belarus. For comparison: in 2000, with the number of all employees of the NASB 1.5 times less, 31 people defended their doctoral theses (almost 8 times more).

In addition to the traditional systemic problems that negatively affect the human resource potential of science, a new factor has emerged since August 2020 – political. According to the Office for Education of the Cabinet of Svetlana Tikhanovskaya, over the past six months, 113 university teachers and scientists have experienced pressure for political reasons. 30 teachers of the country's universities were dismissed, 17 employees of the National Academy of Sciences of Belarus were also dismissed or they left themselves, as a sign of solidarity with their colleagues who were deprived of their jobs.”⁷

Funding: science at your own expense,
preferably without research

The trend of commercialization of science can also be seen in the structure of internal research and development costs by sector

⁶ Наука и инновационная деятельность в Республике Беларусь. Статистический сборник. Мн., 2020, с. 39–68.

⁷ «113 преподавателей и учёных пострадали от давления. Половине помогли найти работу.» *Dev.by*, 26 Feb. 2021, <https://dev.by/news/113-prepodavatelei>

of activity. As of the beginning of 2020, the size of financing of internal expenditures on research and development of the business sector (of the total funding) amounted to 64.8%, the public sector – 25.0%, higher education – 10.1%.

Over the past 5 years, the structure of internal research and development expenditures by source of funding has changed quite significantly. If at the end of 2015 – beginning of 2016 the share of own funds was 19.1% of the total funding, by the beginning of 2020 it increased to 34.0%. The share of “funds of other organizations”, on the contrary, decreased by almost 2 times: from 22.1 to 10.9%. The share of “funds of foreign investors, including foreign loans and borrowings” decreased by 3.1%. Only the share of “budget funds” remained virtually unchanged (it decreased by 0.5%).

Changes in the structure of internal operating costs for research and development by type of work indicate a decrease in research funding (both fundamental and applied). Over 5 years (from 2016 to 2020), the share of funds allocated to support basic research (from the total amount of internal current expenditures) decreased by 0.9% (to 13.8%), and applied research – by 5.2% (to 26.5%). The growth in the share of experimental developments during this period was respectively 6.1% (up to 59.7%).⁸

Conclusion

To the systematic factors that hinder the development of science and innovation in Belarus such as underfunding, reduction in the number of researchers and aging of academic personnel, marginalization of publication activity – new factors have been

⁸ Наука и инновационная деятельность в Республике Беларусь. Статистический сборник. Мн., 2020, с. 68–77.

added: the dominance of the business sector (against the background of a reduction in the public sector) and the reduction of academic personnel for political (ideological) reasons.

The dominance of the business sector in the organizational and personnel structure of science, on the one hand, makes scientific research less dependent on public funding, which has been declining in all previous years and will inevitably decline in the conditions of political and economic turbulence in the coming years. On the other hand, this will also inevitably exacerbate the existing imbalance between research (fundamental and applied) and experimental development, since research is practically not supported in the business sector.

Meanwhile, the full, long-term and sustainable development of science is impossible without research – both applied and strategically significant fundamental. This is extremely important in a situation where the accumulation of scientific and innovative potential of the country is slowing down, as noted in the GII 2020 report.

The only reasonable solution in this situation is to prioritize government funding for research. But to what extent such a priority is possible and relevant for a state that is primarily concerned with building up its repressive apparatus and military potential is an open question.

RELIGIOUS SPHERE: A YEAR OF CHALLENGES AND TRIALS

Alexander Shramko

Summary

In 2020, two unprecedented phenomena – the COVID pandemic and the presidential election with subsequent protests determined the main trends of religious life as well as in the society in general. Moreover, it is in their context that the religious component acquired a much greater than usual significance and influence on the life of society. In turn, religious denominations were subjected to tests that revealed latent trends – both internal confessional and general.

Trends:

- Increased initiative of laypeople and ordinary clergy, awareness of the importance of social activity of believers;
- The desire of believers for greater independence, self-organization and autonomy, similar to civil society;
- Increasing Christian solidarity, which contributes to the development of ecumenical cooperation and dialogue;
- Changing the attitude in society to the religious sphere, represented by non-indifferent bearers of faith who follow their beliefs in specific cases;
- Increasing control over the religious sphere by the official authorities and the use of religious discourse in propaganda.

Churches and the pandemic

The coronavirus was a problem on a global scale even before its spread affected Belarus. This allowed religious organizations to sort out the situation to some extent ahead of time. The problems of the coronavirus pandemic in the religious sphere appeared in two aspects.

Firstly, a purely pastoral, spiritual aspect: it was necessary to formulate the attitude of the church to such an unexpected test for people, to respond to their fears, to respond to the need for spiritual and prayerful help to the sick. Secondly, the sanitary and epidemiological aspect related to sanitary measures and the extent to which they are permissible in the organization of rites.

The official response to the epidemiological situation followed almost simultaneously from the two main religious denominations of the country in the middle of March.

The Moscow leadership of the Russian Orthodox Church, of which the Belarusian Exarchate is also a part, was the first to react. The Synod issued a statement addressing both of the above-mentioned aspects. Sanitary and preventive measures were prescribed in detail in the instructions for parishes and monasteries of the Moscow diocese approved by Patriarch Kirill of Moscow and All Russia. It served as a model for instructions on the ground, including within the Belarusian Exarchate. Subsequently, the corresponding appeal of the Synod of the BOC and a circular letter from the Patriarchal Exarch, Metropolitan Pavel (Ponomarev), were published.

The Catholic Church immediately started from the inter-church level. At the initiative of the Catholic hierarchy, an ecumenical prayer for getting rid of the coronavirus was organized, which was attended not only by Christians (Roman and Greek Catholics, Orthodox, Lutherans and Baptists), but also by Muslims and Jews.

Special attention was paid to the safe organization of Easter services, which are associated with a special concentration of believers. Following the order of Metropolitan Tadevuš Kandrusievič, other bishops issued similar documents.

Religious denominations of the Republic of Belarus followed different strategies in relation to the epidemic, while most of them did not fundamentally refuse to hold festive services with

the mass participation of believers. Nevertheless, everyone tried to limit the excessive crowding of people.

The Catholic Metropolitan Tadevuš Kandrusievič called “to refrain from visiting churches and to participate in festive services on broadcast”¹. The press secretary of the Catholic Church in Belarus, Priest Yuriy Sanko, made an even more urgent appeal to the faithful: “Stay at home today, all of you, so that everyone can come to the church later!” He also reminded that Catholics can use the *dispensation* (exemption) from the obligation to attend services issued by Catholic priests in connection with the epidemic.

Orthodox Metropolitan Pavel also made a similar appeal to refrain from visiting churches on Easter days.

Protestants and other confessions, due to their autonomy, demonstrated approaches of varying degrees of rigor. If, for example, the Minsk church of HVE “Grace” limited itself to appeals to those who had symptoms of the disease and the elderly to stay at home, participating in the service, if possible, online, the Minsk church of the Evangelical Christian Baptists “Bethlehem” transferred all the services online completely.

It should be noted that the pandemic made even conservative churches significantly increase their presence on the Internet, especially in terms of live broadcasts of services. In addition, the Orthodox Church held unusual actions in the form of “the cross flight” of clergymen with icons, first by helicopter around Minsk, and then by plane along the borders of the whole country. These events were led by the Exarch Metropolitan Pavel himself.

Unfortunately, the measures announced by the management were not strictly implemented everywhere. Even in the

¹ “Арцыбіскуп Кандрусевіч просіць вернікаў заставацца дома.” *Catholic. By*, 03 Apr. 2020, <https://catholic.by/3/news/belarus/11325-artsybiskup-kandrusevich-prosits-vernika-zastavatstva-doma>.

comparatively disciplined Catholic Church, there were cases of frivolity in some parishes regarding sanitary safety.

But the most difficult problems arose in the Orthodox Church. This is due, firstly, to the greater ritual tradition of the denomination, where any innovations in the order of worship are painfully perceived, and secondly, to the much more contact nature of some rites, especially communion, which traditionally takes place using a common spoon.

Among the Belarusian parishes and monasteries, the most advanced flagship of the COVID-dissidence was the St. Elizabeth Monastery in Minsk, mostly represented by its confessor and de facto leader, Archpriest Andrei Lemeshonok. He consistently and steadily rejected all sanitary measures, completely ignoring the instructions of the Synod and Metropolitan Pavel, even despite warnings for such disobedience on the part of the latter. Subsequently, an infection spread in the monastery, which was carefully hidden until the last moment. When it was discovered, and the monastery was closed for quarantine, then all this was presented as “the machinations of the enemies”.

The St. Elizabethan Monastery was in the center of attention only because of the openness of its position. Many parishes and monasteries in one way or another also ignored sanitary and preventive measures, only doing it in silence. Suffice it to say that the measures provided for were practically not implemented even in the Minsk Cathedral, in which Metropolitan Pavel himself was the rector. It seems that the loud statements and instructions were taken not so much for execution, but for a show of concession to society and loyalty to the authorities.

As it became clear later, the situation with the coronavirus infection in the religious sphere was largely a harbinger of the trends that were fully felt in connection with the elections and protests. Even then, the authorities showed a much cooler and more distrustful attitude towards the Catholic Church. Thus, the Minister of Health V. Karanik refused the request to send

one of the responsible persons for consultations at the meeting of representatives of the main confessions of Belarus initiated by the Catholic Church. At the same time, Deputy Minister Y. Bogdan honored with her presence a much smaller meeting of the leadership of the Minsk diocese of the BOC.

In the Orthodox Church, distrust of the leadership and the heterogeneity of positions among the parishioners and clergy became evident, which later fully manifested itself in connection with the election and protests.

Churches in election and protests

Widespread falsifications, facts of illegal detentions and intimidation were recorded at the stage of the election campaign. The Church reflection on these phenomena resulted in two initiatives from below: on the part of the Catholics – the public campaign “A Catholic does not falsify”², on the part of the Orthodox – the distribution of the poster “The Orthodox are against: falsifications, humiliation of the individual, pressure on the individual”³, which was signed by a number of priests and employees of church structures. And here there was already a cardinal separation between the majority of active believers and the Orthodox hierarchy, some representatives of which, such as Archbishop Gury of Navahrudak and Slonim (Apalko), took an openly pro-government position.

At the second stage, the question arose about the attitude of the church to mass violence and beatings of citizens. Here, too,

² «“Католик не фальсифицирует”. Верующие выступают против фальсификации выборов.» *Флагшток*, 14 July 2020, <https://flagshtok.info/by/vybyary-2020/katolik-ne-falsificiruet-verujuscie-vystupajut-protiv-falsifikacii-vyborov.html>.

³ Дмитрий Павлюкевич. *Facebook*, 08 Aug. 2020, <https://www.facebook.com/dzmitry.pavlioukevich/posts/3172898266079840>.

there was a difference not only between confessions, but also between different hierarchs of the same denomination.

Catholic Metropolitan Tadevuš Kandrusievič and Orthodox Metropolitan Pavel spoke neutrally. More sharply and definitely from the Catholics was the Viciebsk bishop Oleg Butkevich⁴, and from the Orthodox – Hrodna Archbishop Artemiy (Kishchenko)⁵. Among the Protestants, Viacheslav Goncharenko, the pastor of the New Life Church, stood out with his bright sermons against lies and violence.

Initially, Metropolitan Pavel after Patriarch Kirill hurried to congratulate Alexander Lukashenko on his election victory, which many Orthodox Christians took with indignation. But soon there was a different trend in his attitude to the events in the country. He eventually supported a rejected prayer service with a procession against violence initiated by a group of Orthodox laypeople. During the conversation with the believers, he even asked for forgiveness for the rush to congratulate Alexander Lukashenko.

From this initiative, a regular tradition of joint Christian prayer at the town hall was subsequently formed, which was one of the evidences of cooperation and rapprochement of ordinary believers of different faiths. In the same spirit, the Christian action “Chain of Repentance” unfolded, when in Minsk believers of different denominations lined up in a prayer chain from Kurapaty to the pre-trial detention center at Okrescina.

At the official level, a common Prayer for Belarus was held with the participation of representatives of different faiths and

⁴ “Зварот Біскупа Віцебскага Алега Буткевіча з нагоды масавых пратэстаў у краіне.” *CatholicNews.by*, 12 Aug. 2020, <http://catholicnews.by/zvarot-biskupa-vicebskaga-alega-butkevicha-z-nagody-masavyh-pratjesta-u-kraينه/>.

⁵ «Обращение архиепископа Гродненского и Волковысского Артемия к клиру и пастве Гродненской епархии.» *Гродненская епархия БПЦ*, 14 Aug. 2020, <https://orthos.org/eparhiya/bishop/speech/2020/08/14/obrashchenie-arhiepiskopa-grodnenskogo-volkovysskogo-artemiya-k>.

religions. The creation of the “Christian Vision”⁶ group in the Coordination Council, as well as the joint website “The Church and the Political Crisis in Belarus”⁷ can be called the fruits of private cooperation between Christians of different denominations.

Although the position of Metropolitan Pavel was not very stable, and he sometimes returned to a firm pro-government track, even to the point of indirectly condemning the sermon of Archbishop Artemiy, he still called on the authorities to “stop the violence”⁸, showed sympathy for the victims of violence, visiting them in hospitals. This was enough for the head of the regime to make loud statements to the clergy: he called on them to “settle down and mind their own business” and warned that “the state will not look at this with indifference.”⁹ As a result, the heads of the two main denominations were effectively expelled and replaced by other personalities. At the head of the BOC, Bishop Veniamin (Tupeko), who had been already completely loyal to the regime, was appointed as the head of the BOC, who, hiding behind general words about the “neutrality” of the church, began to directly support the authorities. At the same time, other apologists of the regime from Orthodoxy became more active: Archbishop Guriy (Apalko) and Abbess Gavriila (Glukhova).

At the same time, some priests, including Orthodox ones, continued to speak out against lies and violence, often quoting the Bible during protest actions. For expressing their Christian position, the priests were also subjected to repression by

⁶ “Хрысціянская візія”, <https://t.me/christianvision>.

⁷ “Царква і палітычны крызіс у Беларусі”, <https://belarus2020.churchby.info>.

⁸ «Митрополит Павел призвал Лукашенко сделать всё, чтобы остановить насилие.» *Tut.by*, 14 Aug. 2020, <https://news.tut.by/society/696638.html>.

⁹ «“Займитесь своим делом!” Лукашенко высказался о позиции священнослужителей по ситуации в стране.» *Tut.by*, 22 Aug. 2020, <https://news.tut.by/society/697701.html>.

the regime. Among them are Orthodox priest Vladimir Drobyshesky, Catholic priest Vyacheslav Barok, Christian activists Artiom Tkachuk and Dmitry Dashkevich.

A significant event is the summons of the Vicar General of the Catholic diocese of Minsk-Mahilioŭ, Bishop Yuri Kosobutsky, and the chairman of the Synodic Information Department of the BOC, Archpriest Sergiy Lepin to the prosecutor's office. Their private notes about the destruction of the memorial to Roman Bondarenko, who died at the hands of the punishers, were regarded as "public statements leading to a confrontation in society."¹⁰

Conclusion

As a result of the new challenges of 2020, the initiative of believers increased and their participation in politics and other social processes intensified. The formation of an independent worldview, independent of the attitudes of the hierarchy, was especially evident in the Orthodox Church, where there was a radical divergence between the pro-government hierarchy and the majority of active conscious believers who sympathized with the protests.

Against this background, mutual understanding and solidarity of believers of different Christian denominations increased dramatically, which opens up new opportunities for cooperation based on a Christian worldview, regardless of confessional affiliation.

¹⁰ «Генеральная прокуратура отреагировала на публичные заявления священнослужителей, ведущие к конфронтации в обществе.» *Генеральная прокуратура Республики Беларусь*, 18 Nov. 2020, <https://t.me/prokuraturabelarus/507>

BELARUSIAN CULTURE: AT THE TURN OF TIMES

Maxim Zhbankov

Summary

The cultural results of 2020 are fundamentally different from those of recent years. The global coronavirus pandemic and the 2020 presidential election greatly dramatized the public sentiment, bringing pivotal changes to the cultural field. The previously observed conceptual coexistence – atonic administration from upstairs and niche partisanship downstairs – entered a phase of acute aesthetic (and essentially political) strife. The authorities' cultural policy turned into a police regime.

The established forms of informal author's expression, project thinking, and organization of creative processes of the era of inertial stability have been destroyed, repressed, or pushed into a cultural exile. The state culture industry finally proved its impotence, even in terms of serving the propagandistic interests of the government.

Virtually none of the prominent cultural opinion leaders were prepared for the sharp and catastrophic reformatting of their semantic and stylistic attitudes, and, therefore, the time of political breakdown and civic activism was aesthetically arranged as a protest collage, montage, citation, lampoonish reel, a spontaneous zero stage of the coming cultural revolution.

Trends:

- Heightened political confrontation and repression, which turned legal Belarusian culture into a scorched earth of redacted meanings, banned artists, and propagandistic ecstasies;
- Inability of the key figures of yesterday's stagnation to respond adequately to the breaking of matrices, the search for new solutions outside the habitual cultural ghetto–street activism, semantic interventions, and reanimation of the cultural archive;
- The end of 'mild Belarusization' and designation of the basic guidelines of the grassroots national identity of a new type: linguistic pluralism, stylistic mobility, and civil liberty.

Crisis of cultural conventions instead of meaning

Over the past few years, Belarusian culture had been living in the mode of soft disagreement and decorative protest. The absence of real grassroots leverage for changing the existing system implied the upper reaches' non-intervention for adjusting the underground. The tiers of the cultural system learned to ignore each other demonstratively. The mutual indifference of the cultural field segments gave each of them a chance to exist comfortably within the bounds of the flight schedule without reaching for a surgical correction of the reality. Problems came with demand for a redistribution of power.

Changes were basically triggered by the synchronicity of two manifestations of helplessness of the powers that be: the molluscous and much-too-late response to the coronavirus and provocative blocking of alternative candidates in the course of the presidential election. The formation of a culture of 'new pragmatists', free of both the protective rhetoric of the authorities and the traumatic-heroic national romanticism, which we wrote about in the previous reviews, led to the understanding of the urgent need for new management in the critical situation in the country, and, consequently, identified non-partisans of the 'creative class' as political opponents to the system, an immediate threat to its irremovable leader.

Together, the coronavirus and the authoritarian regime thinned out the cultural landscape. The pandemic ruined the spring touring plans, and state terror finished it off in the summer and autumn, scaring away all more or less conscious visiting artists. In the spring, art galleries were repurposed into venues to raise funds to fight the coronavirus. Art managers began to be questioned on suspicion of anti-state activity, and painters and artists began to be sentenced to administrative arrests.

In the spring, actors began dying in local theaters that were not promptly quarantined. The summer saw a mass exodus of “politically undesirable” actors (both voluntary and forced). Clubs were closed for medical reasons first, and then blacklists of protesting musicians were compiled. Detentions at neighborhood concerts became a routine practice.

The Ministry of Culture decided to finance four independent films, including those based on literary bestsellers by Viktor Martinovich and Andrei Gorvat, but came to senses shortly, and halved the list, leaving the least controversial ones: the series about *Pesnyary* band frontman Mulyavin and wrestler Medved.

The leading cultural venue OK 16 and crowdfunding platform ULEJ were shut down on ridiculous charges, in fact, because of their association with members of the election team of opposition candidate, banker Viktor Babariko.

Almost all literary prize events were rescheduled. The *Pradmova* book festival was postponed from the spring to the autumn. *Listapad* prestigious film festival ventured to respond to the latest events of the summer and autumn, organized a Belarusian cinema special program with several discussion panels, and was cancelled shortly before the opening.

Cultural emigration was the order of the day, increasingly turning into emergency evacuation rather than touring.

The futile expectations for the national premiere of Vladimir Yankovsky’s “Kupala”, which was filmed as far back as 2018, look quite natural against this background. In terms of cultural policy, the authorities live in concrete defense, preferring to block rather than allow. The most accurate metaphor of this was the daring performance by artist and writer Ilya Sin: a head in concrete, waiting for a doctor.¹

¹ “Пісьменнік Ілля Сін замураваў галаву ў бетоне. Віруснае відэа сабрала два мільёны праглядаў.” *Наша Ніва*, 27 Oct. 2020, <https://nn.by/?c=ar&i=261415>.

Time backward:
signs of yesterday's tomorrow

It still seemed in mid-summer that everything would be the same as always, only many would come to the polling stations wearing white ribbons this time. The initial message of the soft pop-protest was not the brutal chants of the *Tor Band*, but tender, melancholic ballads with refrains like “late again” (the duet of Levon Volsky and Vladimir Pugach) or “we are few, but we exist” (Anna Sharkunova with a brigade of local pop stars). The hipster mix of depression and narcissism proved to be absolutely proportionate to the political infantilism of the new generation of dissenters.

Another collectively performed song “To You” (music by Nastya Shpakovskaya of Naka band; lyrics by former presidential candidate Vladimir Neklyayev) released in July before the stolen election and massive repression was a traumatic false start amid overall complacency.² The angry and audacious lyrics written on the heels of the 2010 events and published by the author as late as 2020 sounded like a cry of the defeated before the battle had even begun. All this did not work for the victory whatsoever. In fact, no one wanted to win with this. The role of emotional trigger went to a dead hero: Viktor Tsoi with his eternal “Change!” was the best old news of the season.

The acceleration of social transformations – growth of civic initiatives and self-organization, politicization of the previously neutral creative community, new forms of mutual aid and solidarity – created a totally new reality unexpectedly for the majority within just a few months. A package of overdue cultural texts conceived and rolled out in the time of social stagnation, decorative nationalism and embroidered patriotism was a natural consequence.

² «Белорусские группы записали протестную песню на стихи Некляева.» *Наша Ніва*, 07 July 2020, <https://nn.by/?c=ar&i=254862&lang=ru>.

Levon Volsky's next album "Amerika"³ offered the jolted April country a packet of postcards from the other side, a bunch of song stylized as cowboy songlets, Mexican chants, and Hollywood panache. A couple of striking new songs ("When that Snow Begins" and "Spoils") just underscored the artificiality (and optionality) of the overall concept.

Three other messages from the past won the Giedroyc Award: Sergei Dubavets' "Tantamareski" (a story of the sensational case of Oshmyany customs officers), Andrei Adamovich's "Song about Timur" (chronicles of the literary bohemia of the global inhibition period) and Zaraslava Kaminskaya's retro, cozy "Christmastide Table."

A new release from major literary figure of recent years Algerd Bakharevich, "The Last Book by Mr. A", was positioned as "the main book of the summer", but it clearly lost to the high-wrought lexis of social media and street activism in terms of demand and public attention. A collection of strange stories gathered under one cover in the style of *The Decameron* or *The Manuscript Found in Saragossa* could have pleased both a literary gourmet and a naïve neophyte. But not this time. Explosive reality with its unending catastrophe and perpetual emotional swings proved weakly compatible with the principles of fine fiction and the posture of the stellar author.

The testimony of the jailed was rightly the main literary bestseller of the year.

Country in pieces: post-culture of the post-stability period

The post-election collapse of the conditionally stable cultural constitution of things was a response to the political crisis,

³ Жбанкоў, Максім. "Ліманадны Джо(й). Вэстэрн часоў серыйнай беларушчыны." *Беларусский журнал*, 26 Apr. 2020, <http://journalby.com/news/limanadny-dzhoy-vestern-chasou-seryynay-belaruschyny-1380>.

the mayhem of brutality, and the death of all social guarantees. The decorative obsequious quasi culture was definitely inferior to the aggressive standup of state television info-killers with respect to ideological significance, and finally acquired the status of a suitcase without a handle in the eyes of the authorities: nothing to love, no reason to pay.

After most of Kupala Theater actors left in protests, the country's major stage was filled with folk dancers, improvised vocal groups, and hastily assembled undergraduates. Prima Margarita Levchuk, prominent baritone Ilya Silchukov and conductor Andrei Galanov were kicked out of the Bolshoi Theater during the political purge for appeals in support of strikers, together with violinist Alla Dzhigan and viola player Alexandra Potemina. Philharmonic artists were detained right in the theaters.⁴ Art university teachers were fired for their sociopolitical activism. Some of them quit as a token of disagreement with the administrations' conservatory policies.

Significant light genre artists, who had never been seen as protesters before (Denis Dudinsky, *Litesound*, Anna Sharkunova and government-favored *Tyani Tol kai* band among them) came out in support of changes, and condemned the lawlessness of the authorities. Stellar pop-rockers Nizkiz released "Rules" music video filmed at a large-scale protest march on August 16.⁵

Pop artists from the Slavic Bazaar pool recorded "The Beloved is Never Given Away", a pro-Lukashenko music video. The Free Choir, a partisan band of vocalists, make a statement in the most unexpected public places, like hypermarkets, the city circus and subway and train stations, as soon as August.

⁴ «Как в Беларуси работники культуры попали в опалу.» DW, 22 Jan. 2020, <https://www.dw.com/ru/rabotniki-kultury-w-belarusi-popali-w-opalu/a-56298950>.

⁵ "NIZKIZ – Правілы (official music video)." YouTube, <https://www.youtube.com/watch?v=SaTOst5utL8>

The collapse of former cultural conventions brought the ideological and aesthetic confrontation to the boil. The legal cultural industry lapsed into a coma, and a huge number of brilliant performers found themselves outside the admissible forms of public action. In the absence of authorized venues, the banned music and inconvenient theaters went online. The situation got more complicated when mass terror was unleashed, and the authorities consistently described the protesting artists as political militants and enemies of the state.

Combined with the tour cancellations, coronavirus restrictions and the hunt for dissenters, all this put Belarusian culture in a state of emergency with administrative mayhem, censorship, bans on free actions, criminal prosecution, coercion to loyalty, psychological blackmail, and severe segregation.

In response, the country saw an eruption of protest creativity, from graffiti and political placards to conceptual exhibitions that turned the Belarusian cultural protest into an international event.⁶ Topical poems by persecuted poets Dmitry Strotsev, Anna Komar and Vladimir Lyankevich, protest diaries by Julia Timofeyeva, and “The Last Word of Childhood: Fascism as a Memory” essay by Algerd Bakharevich were promptly translated into a number of European languages. The Belarusian music protest was called unprecedented by respected music critic Artemy Troitsky.⁷

The catatonia of old institutions that supported and protected cultural activities from the intimidated and weak-willed Ministry of Culture to the crowdfunding platforms strangled by

⁶ Амелькович, Дарья. «В Киеве открылась выставка Владимира Цеслера “Верым! Можам! Пераможам!”» *Reformation*, 24 Sep. 2020, <https://reform.by/166563-v-kieve-otkrylas-vystavka-vladimira-ceslera-verym-mozham-peramozham>.

⁷ «“Такого не было в мировой истории, я поражён!” Артемий Троицкий про протестную музыку в Беларуси.» *Onliner.by*, 01 Nov. 2020, <https://people.onliner.by/2020/11/01/artemij-troickij>.

inspections left the niche of a coordinating and strategic center of cultural processes unfilled. Political repression in the cultural sector actualized support for artists under pressure and their projects. In October 2020, artists formed the Belarusian Cultural Solidarity Foundation headed by producer Sergei Budkin. It started with assistance to victims of repression, and then engaged in its own cultural projects, cultural diplomacy and cultural reform strategies. The Foundation organized online concerts to raise funds for persecuted artists.

Cabaret Belarus: easy genres for hard times

The complete decentering and liberation, blurred boundaries of chaotic emotion and professional expression were the main achievements of the 2020 protest art alongside the actualization of the free feuilleton style of light cultural writing in a situation of general cultural nullification and lingering mental calamity. The pushing of creativity from the legal field inevitably means the return of cultural partisanship, parallel forms of creative expression, informal communities, and spontaneous improvisational stylistics.

The etalon artist of this crucial epoch is not a writer, but a scriptwriter. Documentary is the best format of the cinema year. Maxim Shved's "Rearranged Itinerary" film has a high international approval rating.⁸ The simple endeavor to ride with cab drivers through a summer pre-election city and scan public sentiments provided a great opportunity to capture the atmosphere of the eves, when anything is still possible, and no one has died yet. The naïve improvisational style of the rally

⁸ «Разговоры с таксистами о белорусской политике. Премьера документального фильма Максима Шведа.» *Настоящее время*, 16 Oct. 2020, <https://www.currenttime.tv/a/marshrut-perestroen-shved/30896779.html>.

broadsheets, unlooked-for videos, remakes and remixes, loose quotations and militant sarcasm, the folkloric drive with allowance for longhair swagger. The new generation not just came into politics. It made it popular, mosaic and farraginous, carnivalesque and groovy.

The online song blogging, immediate-action music and playfulness on the Titanic were the best defense against the post-election shock therapy. The new music video from Sergei Mikhalok and *Dresden* band (directed by Karolina Polyakova) turned Mikhalokovian usual semantic vinaigrette into a set of markers of a falling apart era, combining the author's stream of consciousness with the footage of violence and pop culture residue. Opera diva on the road Margarita Levchuk went into a pug-nacious cabaret with guitarist and lyricist Andrei Pauk.

The picturesque RSP slobs unexpectedly released caustic, minimalist techno tracks about "Baba Lida", "Kolya in the Armor Vest" and "Not the Feeling that used to Be." A little earlier, the rebellious Kupala theater actors mixed a crazy provincial disco, teaching the whole country to chant "Shchuu-u-chynsh-chyyyna!"

The nation is learning to speak again in all languages at once, slipping into prop playing, rogue songs or arthouse every now and then, making covers of Kobzon or Rotaru's songs, and not really caring about the purity of vocabulary, the rules of the genre or 'high spirituality.' The low-fi comatose state has no time for post-production, but it accurately measures the 'average temperature in the hospital' and unmistakably establishes the diagnosis.

Culture has become a struggle, and the struggle has become performance art, which can be paid for with life, as the tragic case of 31-year-old Roman Bondarenko showed.⁹

⁹ «"Я выхожу!" Жители Минска восприняли как руководство к действию последние слова убитого Романа Бондаренко.» *Новая газета*, 14 Nov. 2020, <https://novayagazeta.ru/articles/2020/11/14/87960-ya-vyhozhu>.

Conclusion

The chain of events of 2020 can be described as a changeover, a no man's land of political and cultural transformation. The ideological and organizational degradation of the regime coincided with the mosaic upswing of civic activism, a general crisis of the old opposition, and a cardinal rotation of opinion leaders.

Systemic attacks on *symbal.by* and other mild Belarusization resources coupled with the wild hunt for dissenters finally buried hopes for a positive transformation of state cultural policy. The previous games with national symbols and historical memory turned out to be fundamentally incompatible with the official "besieged fortress in hedgehog defense" policy. This led to an increase in information clamor, reanimation of the partisan underground, and put into shape yet another version of Belarusian culture in exile. Squeezed out of the country, the vanguard of the creative community greatly impoverished the former picture of 'inner Europe.' At the same time, it has become a noticeable component of global cultural processes.

The absence of a clear strategy of change and consistent work to reset the collective consciousness has led to a chaotic creative movement of the awakening nation in all directions at once, and to a very effective albeit raw and debatable search for a new vocabulary of the turning point era.

RESEARCH AND ANALYTICAL CENTERS: THE GROWING ROLE OF INDEPENDENT EXPERTISE

Natalia Ryabova

Summary

In the crisis year of 2020 for Belarus, research centers managed to meet the sharply increased public demand for explanatory and predictive analytics, increasing their media activity. The agenda of research activity was set by various aspects of the pandemic and the political crisis, as well as changes in the social structure of society.

The forms of presentation of the results of the research sector were significantly diversified – graphic and video materials, podcasts, online conferences, own news channels, lectures in the yard communities.

The trends noted last year in the concentration of research and analytical activity in large centers or associations continued.

Trends:

- Increased attention to coronavirus-related topics;
- A sharp increase in demand for explanatory political analytics and sociological measurements;
- Development of cooperation links within the sector;
- More research – fewer events and contacts with the state.

International context

The main topic that influenced the activities of think tanks around the world was COVID-19. The University of Pennsylvania's

2020 Global Go To Think Tank Index Report¹ even identified a separate category to identify research institutions that best adapted their work and communications to the new “coronavirus” conditions.

The number of registered research centers from Belarus has increased dramatically – 32 (22 a year earlier), which is comparable to the figures of Serbia or Slovakia. The achievement should also be noted: the BERO center took the 78th (out of 109) place in the regional sub-rating of research organizations in Central and Eastern Europe (a year earlier and before, no center from Belarus was present in this rating). BERO also appeared in the list of the best new research centers. Belarusian centers still do not appear in the thematic sub-ratings.

The political crisis not only caused representation of Belarus in the media landscape, but also provoked an increase in interest in our country on the part of academic and research structures. A large number of reviews and papers of various formats were published, including studies with a serious field component (traditional and online surveys), but not all of them are publicly available.

In November, the *Chatham House*² study was published, based on an online survey of urban residents and dedicated to the changing identity of the Belarusian nation. In it, the population of cities is divided according to values into three categories (“supporters of the protest”, “observers”, “opponents of the protest”) and describes the attitude of the selected groups to Russia and the actions of the Russian authorities in relation to Belarus.

¹ McGann, James G. “2020 Global Go To Think Tank Index Report.” *University of Pennsylvania*, 28 Jan. 2021, https://repository.upenn.edu/cgi/viewcontent.cgi?article=1019&context=think_tanks.

² “Amid the crisis, Belarusian identity is changing.” *Chatham House*, 30 Nov. 2020, <https://www.chathamhouse.org/2020/11/amid-crisis-belarusian-identity-changing?fbclid=IwAR0TEoO7xZGYWjGENCC51kiMXwCUTGIySiMPNtFcA8lBof0kPuKODm3UYNg>.

Key players and key research

In 2020, due to coronavirus restrictions, no events and presentations were held, including the most significant annual events for the research community, such as the *Kastryčnicki Economic Forum* (KEF). Paradoxically, during this period, the research sector as a whole produced more products than a year earlier. At the same time, the increased concentration in the sector should be noted: BEROC alone produced approximately 2/3 of all studies – more than 40 analytical notes, studies and working materials (this is higher than in 2019). Including research and reviews of macroeconomics, research in the field of business conditions, social policy, green and circular economy, etc.

BEROC also launched the project “Covideconomy of Belarus”³ with the participation of the Business School of the Institute of Privatization and Management (IPM), the IPM Research Center and SATIO.

BEROC educational activities were not very active due to the pandemic, but at the beginning of the year, the center still managed to hold the KEF-2020 School of Economics for students together with the IPM Research Center, the Tenth Student School, and continued the “League of Analysts” project (together with ZUBR Capital and the IPM Business School).

The IPM Research Center conducted empirical research and produced several types of texts: working materials (focusing mainly on methodological and theoretical issues) and analytical notes/discussion materials (analysis of empirical data and recommendations) – 14 materials in total. The authors analyzed surveys of small and medium-sized businesses regarding their own development, exports, corruption, and Eurasian integration; public surveys on pension reform and the social protection system; and oil and gas relations with Russia. Some materials

³ «Ковидономика Беларусі.» *Covideconomy.by*, <https://covideconomy.by/>.

were created in collaboration with BEROCC. In addition, the center published macroeconomic forecasts, current analytics and comments, a chart of the month and a table of the week, and participated in joint research. Business expectations were summed up in the IPM Index.

CASE *Belarus* (a member of the CASE research network) published an analytical report and a number of notes on Belarusian exports of services (excluding IT) within the framework of the project of the same name, an analytical report on the lessons of economic transformation in Europe for Belarus. In the autumn, the center released a paper with three scenarios of the development of the Belarusian economy depending on political conditions, as well as a paper assessing the effectiveness of various sectors of the Belarusian economy.

Belarus Security Blog has published a study on the public security system in Belarus and a thematic collection on Russian hybrid influence (in Russian and English). It also published monthly reviews of the economic security of Belarus, comments and analysis, and continued to produce the radio program “Varta”.

The expert initiative “Minsk Dialogue” held its conference, which was held in an online format in November and was called “The Belarusian crisis: contours of uncertainty in regional security”. In the past two years, the key speaker of this conference was Alexander Lukashenko, top officials also participated in it. In 2020, the program included a small number of Belarusian speakers, mainly representing the academic and expert community. Within the framework of the *Initiative*, reports, analytical and aide-memoirs were published, and six issues of the report “Minsk Barometer” (an overview of the main directions of foreign policy and the security situation in Belarus) were published.

The expert community “Our Opinion” continued to publish 20–25 analytical materials per month, including individual

studies on the analysis of political processes, security (including anti-COVID policy), public administration, international relations, economics, social, cultural, and other policies. *The Belarusian Yearbook* (in Russian and English) on trends in social development, which continued in 2020, was published and presented in the form of a discussion of experts. Together with the Press Club, *Belarus in Focus* and the Belarusian Institute for Strategic Studies (BISS), “Our Opinion” organized 17 online meetings of the Expert and Analytical Club, which were published in video format and published as summary texts.

The Belarusian Institute for Strategic Studies (BISS) published analysis, reviews, and comments. Together with the expert community, “Our Opinion” produced blitz comments, participated in the organization and conduct of the aforementioned Expert and Analytical Club. The Center has implemented the research project “COVID-19 in Belarus – optimal solutions in an unpredictable situation”, and also created a special website⁴ dedicated to understanding and analyzing the coronavirus pandemic.

Center for European Transformation (CET, part of the international consortium “EuroBelarus”) analyzed the events taking place in Belarusian society: the reaction to COVID-19, the moods and values of the protesters (a series of studies “Voice of the Street”, local telegram chats). A study on the interaction of innovative business and public initiatives and public participation in making environmentally significant decisions were published. The CET conducted operational field studies of the opinions of the actively protesting part of the society. A separate subject for analysis was the pandemic and the response to it.

The BIPART Research Center published studies on civil service reform, civil society organizations, local development, civil participation budgets and civil participation in budget policy, as well as the concept of public administration reform. The center

⁴ See <http://covidresearch.by/>.

also published infographics, analytics and comments for the project “Kosht Urada” (‘The Price of the State’).

The Center for Strategic and Foreign Policy Studies published mostly analysis and commentary. In 2020, there are no “heavy” studies or reports on the Center’s website.

The Institute of Political Studies “Political Sphere” published studies “Power and reforms in the judicial system of Belarus in 2002–2020” and “Personnel policy in the judicial system of Belarus, 2000–2020”. The International Congress of Researchers of Belarus was not held.

The EAST Center (Eurasian States in Transition Research Center, registered in Poland) published a series of studies on the coronavirus (including its impact on democratic institutions); studies on Belarusian foreign policy, civil society activities regarding youth engagement and online services, the work of the Eurasian Economic Union (EAEU) and the possible transformation of the political regime in Belarus. The center also produced monitoring of the news portals “Sputnik Belarus” and “Sputnik Poland” (for propaganda purposes).

The iSANS (International Strategic Action Network for Security) expert network released an analytical note on the situation in the law enforcement agencies of Belarus and a fairly large number of reports, comments and analytical materials. They are devoted to the political crisis in Belarus, military education, monitoring propaganda from Russia, and forecasting development scenarios for Belarus.

The Strategy Research Center and *the Mises Center* produced analysis and commentary, and summed up the year in 16 categories. Together with the entire Belarusian science, the Center suffered a heavy loss – last year, the founder of the center, Leonid Zaiko, died.

The Public Bologna Committee published a Monitoring of the implementation of the Strategic Action Plan for the Implementation of the objectives of the Development of the Belarusian

education System in accordance with the principles and instruments of the European Higher Education Area in 2019, a study on the distribution and employment of Belarusian graduates. Analytics and comments were also published.

The Center for New Ideas, which at the beginning of the year decided to become a research center, held (online) expert discussions, the School of the Young Reformer, published articles, podcasts, and expert answers to questions. No *Re-shape* conference was held, but in early 2021, the Center restored this tradition in an online format.

A new research center – *the Regional Expert Club*⁵ appeared in Mahilioŭ. The creators declare that its goal is to become a think tank, whose activities will cover the eastern regions of Belarus.

The Center for the Study and Development of Continental Integration “Northern Eurasia” (registered in 2020) is positioned as an expert community and a think tank, specializing in the study of humanitarian, economic and military-political integration on the Eurasian continent, on promoting cooperation between Belarus and Russia within the framework of the Union State. At the moment, the organization’s website contains articles on the topics of geopolitics and security.

Unfortunately, some previously active organizations in the reporting period stopped showing “signs of life”, some even lost their websites, such as, for example, *the Liberal Club*. No new research or comments were published on the website of the *Ostrogorsky Center*.

At the end of 2020, work began on uniting non-state research centers into an Association. Its foundation was announced in February 2021.

⁵ «Алексей Карпенко: У нас амбициозная цель – стать региональной фабрикой мысли.» *Thinktanks.by*, 18 Nov. 2020, <https://thinktanks.by/publication/2020/11/18/alexey-karpenko-u-nas-ambitsioznaya-tsel-stat-regionalnoy-fabrikoy-mysli.html>.

Research products are also produced from time to time by NGOs that are not research centers. For example, *The international educational public association* “ACT” annually prepares and publishes the NGO Sustainability Index (together with USAID). The Office of European Expertise and Communications published the results of the Internet audience survey “Public Organizations and Citizens’ Initiatives: the potential for participation” conducted jointly with the Baltic Internet Policy Initiative in 2019. The same tandem carried out a study on the topic “Belarusian culture and ethnography”.

The human rights organization *Human Constanta* published reports, reviews and monitoring related to human rights (including in the context of the pandemic), and also published a study on communication with public authorities in social networks (the field part of the study was conducted in 2019 in cooperation with the Baltic Internet Policy Initiative).

In 2019, the *International non-profit organization* PACT commissioned a national survey (conducted by MIA Research), on the basis of which analytical notes on the attitude of Belarusians to reforms, the social contract, foreign policy, gender problems, civil society, the media and the role of the state were published in 2020.⁶

The Lawtrend Center for Legal Transformation published studies on volunteerism (jointly with “Rada”) and on the access of NGOs to banking services (jointly with the NGO Assembly). Experts from Lawtrend and the Assembly (Olga Smolyanko, Yuri Chausov) became the authors of the first CSO Meter country report for 2019⁷. This report is a new tool for monitoring the conditions of civil society institutions.

⁶ «Что думают белорусы? По вопросу гендерного неравенства – ничего.» *Thinktanks.by*, 31 Mar. 2020, <https://thinktanks.by/project/>.

⁷ «Оценка условий для гражданского общества.» CSO Meter, 2020, <https://csometer.info/sites/default/files/2020-11/CSO-Meter-Country-Report-Belarus-RUS-1.pdf>.

In 2020, the public research sector was even more inconspicuous than a year before. The pandemic and the political crisis weakened the tenuous links between the public and independent research sectors that had developed in the previous two years – the points of intersection (both activities and shared views) become even smaller.

The most prominent in the field of state research centers is the *Belarusian Institute for Strategic Research* (BISR; established in 2019). The experts of this center are actively present in the state media. On the website of the institute “heavy” research is not presented, only the analysis is published in the section “Opinions”. BISR continues to develop its project “Expert Environments” in cooperation with BelTA.

The trend of moving sociology online continues and increases. Both the pandemic and the deterioration of the personal security situation contributed to this. Taking into account the surge of international interest in Belarus in the context of the political crisis, public opinion measurements were carried out much more than in 2019, and some of them were carried out in the traditional way. Some substitute for sociological measurements of public opinion can also be considered “popular polls” conducted on various – most often political – topics by the campaigns “Golos”, “Honest People” and “Zubr”.

Impact on *policy making* and relations with stakeholders

State

As already mentioned, cooperation has shrunk, and the number of points of intersection between the research sector and the state has decreased.

Civil society organizations

Since civil society organizations found themselves in a much

more precarious position in 2020 than they were the year before, it should be said that their commitment to the research sector was more than modest. On the contrary, CSOs were one of the objects of study of the current situation, along with such new objects as yard communities.

Mass media

The media and research centers continue to cooperate. As in the previous year, the media turn for comments and analysis, and research centers publish their materials, columns, and research results in the media. In the wake of the coronavirus, when the public sector was weak in providing information on various aspects of the development of the pandemic, the election campaign and the political crisis, the request from the media became even more pronounced. Some experts can be attributed to the number of media stars with their own audience – Sergey Chaly, Andrey Kazakevich, Maxim Zhibankov, Artem Shraibman.

The dividing line between the public and independent sectors widened even further: the independent analytics sector provides comments exclusively in independent media, and the state analytics sector – in state media.

Political parties and movements

Research centers and individual experts took an active part in developing the programs of candidates for the presidential elections, as well as the strategies of political headquarters and – as lecturers – in the yard meetings during the protests. Many had to leave the country as a result of this activity.

Conclusion

Due to the growing repression, the chances of maintaining the current level of research activity are observed only in centers with “non-political” topics. Those who study topics that are perceived as “political” (human rights, state violence, legal default,

harsh criticism of the authorities) may face various difficulties up to the complete termination of their activities.

Since transparency in the current conditions is a security threat, we can expect that the centers operating in Belarus will not actively promote some research, or even only send it to individual stakeholders without making it publicly available.

We should also expect a significant curtailment of the advocacy activities of research centers due to the complicated or “frozen” nature of contacts with state bodies.

The process of concentrating the main body of research in the largest centers will increase due to financial reasons and political risks, so that relatively large and “non-political” centers will benefit. Political analysts will be able to speak freely mainly from abroad.

ECONOMY

MACROECONOMIC SITUATION: MIXED RESULTS, GROWING UNCERTAINTY

Dmitry Kruk

Summary

The year 2020 was overly eventful, yet controversial with respect to the results achieved. The country experienced *two* major shocks in the first half of the year: the energy conflict with Russia and the coronavirus pandemic. The situation was later exacerbated by the lingering political crisis.

The Belarusian leadership chose its own eclectic way to respond to the pandemic, i.e. limited state support, which was mostly channeled into state-run enterprises. The recovery of external demand, which began for Belarus as early as the beginning of the summer of 2020, made this approach work in terms of GDP dynamics. Net external demand helped achieve a very modest GDP decline. However, numerous new risks that stemmed from this peculiar anti-crisis policy was the price to pay. Threats to the domestic financial stability increased, and a new inflationary trend began to take shape alongside fiscal and state debt management risks. This is highly likely to lead to accumulated deferred consequences.

Trends:

- The environment of economic and long-term growth deteriorates, as the country faces numerous large-scale shocks;
- The government focuses on immediate issues, abandoning institutional reform considerations;
- Anti-crisis support is mainly provided to state-owned enterprises;
- Future threats and challenges (financial instability, inflation, fiscal risks, state debt management) grow stronger as a result of the dubious anti-crisis policy.

Deteriorated economic environment, growing uncertainty and priority given to issues at hand

The economic turbulence began to take shape in early 2020. *First*, specific cycles entered a downward trajectory. The recovery effect (after the recession of 2015–2016) had exhausted itself at the turn of 2018–2019. In the absence of other stable GDP growth acceleration factors, its fading became evident as soon as late 2019.

Second, a new Belarus-Russia energy conflict broke out at the turn of 2019-2020. *Third*, the global economic environment went worse. Growth in Russia and the European Union, which dominate the generation of external demand for Belarusian goods, began to slow down. Besides, the impulses that were unfavorable for Belarus in terms of trade (the export/import price ratio) showed distinct preponderance. This determined the end of the three-year trend of progressive improvement of the trade environment, especially in relation to non-energy commodities.

This predetermined the initial behavior of the economic bloc of the government at the beginning of the year. It halted institutional initiatives to a large extent, and chose to look into routine matters and numerous problems at hand. A series of decrees on state support issued on the last day of 2019, namely on the restructuring of previously granted loans, non-competitive granting of new publicly funded loans, exemption and/or deferral of tax payments, selective exemption from compliance with some legal norms, was kind of a signal that structural matters were put on pause. This was quite emblematic since the tools for providing this state support did not correspond to the list of permissible tools established by framework decree No. 106 of March 23, 2016, which was enacted during the period of constrained reformist efforts of the authorities.

Since the end of the *first* quarter, economic impact of the coronavirus pandemic and political developments became

the new determinatives that, coupled with the above-mentioned economic issues, significantly increased overall uncertainty. The entire economic agenda completely refocused on what could be done here and now, while the problems that could wait were put on the back burner.

Delayed energy conflict with Russia

The Belarus-Russia energy conflict in both its economic and political dimensions was seen coming for almost entire 2019. Russia's tax maneuver in its oil industry led to a gradual rise of the price of crude oil.

In 2020, the tax maneuver would mean a year-on-year increase in the entry price for Belarus by around four percentage points to 83% of the global price. The main problem with accepting these terms would be a decrease in the refineries' profitability to next to zero or even losses in the industry. This problem could be partly resolved, using national budget funds and partly by raising prices on the domestic market. The shock would be reduced to relatively modest output losses to 1.5% of GDP compared with 2019, all else being equal, and a decrease in budget revenues by around USD 300 million.¹

It would be more and more difficult to find solutions to the oil and gas problems in a similar way at the next stages of the tax maneuver in the years to come, though. By 2022, Belarus will have to either reduce the oil refining volumes, or work out other systemic responses to crude oil price rises, which is hard to do, given the profound significance of the oil refining industry

¹ See «Официальная статистика.» Национальный статистический комитет Республики Беларусь (Belstat), 2021, <http://www.belstat.gov.by/ofitsialnaya-statistika/>.

for the national economy. Although it only accounts for less than 1% of GDP, its actual contribution to GDP makes up 8.5% or over, because of the industrial interdependence and the multiplicative influence on demand. Also, the oil refining sector plays an important role in ensuring external, fiscal and financial stability of the entire economy.

As a third option, in 2019, Russia kept suggesting that Belarus adopted a package of agreements on greater integration as a condition for subsidizing Belarusian oil refineries in the form of a reverse excise tax on par with Russian refineries.

Belarusian authorities dismissed all the options as unacceptable, which spread the conflict over almost the entire first quarter of 2020. Russia cut oil supplies to Belarus by nearly 60% year on year, and Belarus' export of oil products decreased accordingly. The reduction in oil refining triggered a recession.

The government did not dare to overextend the conflict against the backdrop of accumulating problems in the economy and impact of the pandemic. Russia also back-pedaled the issue closer to the end of the first quarter, as global oil prices dropped significantly. Among other things, Russia reduced the special premium for Russian companies that supplied crude oil to Belarus. The entry oil price for Belarus increased in 2020, but only by about a half of what Russia initially requested. This enabled the Belarusian refining industry to survive in macro terms. It continued performing its critical functions, but only close to the acceptable profitability minimum.

This largely helps put the resolution of fundamental disagreements on hold. *First*, Belarus rejected the logic of taking the oil refining sector beyond the framework of the Eurasian Economic Union as a result of Russia's tax maneuver. *Second*, the next phases of the maneuver still make systemic changes in the oil refining industry of Belarus inevitable, so it can be expected that this delayed conflict will return to the agenda before 2024.

An idiosyncratic way to respond to economic impact of the COVID-19 pandemic

The coronavirus pandemic and its impact on the economy fundamentally changed the economic landscape. The overall uncertainty about its impact was great as never before. When formulating anti-crisis policies, most countries channeled their efforts toward avoiding the most negative scenarios. Measures were taken to stabilize both supply and demand. Businesses received support to neutralize the potential output erosion and prevent the breaking of production linkages. This support was often offered on condition that jobs were preserved. State support was mainly given to the most affected industries and, sometimes, to small and medium enterprises.

As concerns demand, the vast majority of countries provided massive support to households by means of installments, deferrals of payments and other available tools, which made it possible to solve several problems simultaneously: to maintain consumption and payment discipline, and to avoid income disparities. This largely led to budget deficits and public debt burdens.

Belarus was dealing with the economic effects of the pandemic in quite a different way. *Firstly*, it took a long time to work out responses of any kind. During the first month of the pandemic, the authorities only took pinpoint, small-scale measures.

Secondly, the government resorted to traditional prescriptive policy, first and foremost, price regulation. The list of socially important goods, the prices of which were tightly controlled, was significantly expanded during the first few months of the pandemic. Thereby, the authorities tried to prohibit the negative consequences in a directive way, while other countries focused on providing incentives to producers and buyers to prevent such consequences.

Thirdly, the COVID-19 response, which took much more time than expected and was positioned as systemic, can hardly be considered de facto as such. The key legal act – decree No. 143 – offered a limited list of tools of support for businesses and quite modest support for households. Companies were given an opportunity to apply for installments and deferrals on tax, rent and energy payments. Also, companies were given some new rights in the field of employer–employee relationships, and just some relaxed support rules were set to households.

Fourthly, anti-crisis measures of the largest scale, which were sometimes not even officially described as such, were taken to support state-owned enterprises. On the one hand, the enterprises were administratively forced to maintain output regardless of sagging demand. On the other hand, the negative consequences of this for the financial health of the enterprises was smoothed over through unconventional measures, mainly by means of restructuring old debts and lowering the costs of their servicing. This support was provided, as a rule, on a case-by-case basis. Sometimes, creditors changed, or calling in loans was converted into a creditor’s share in the borrower’s capital. The granting of new directed loans also intensified contrary to the previously declared intention to curtail it by the end of 2020.

In fact, during the COVID-19 crisis, the authorities’ actions were determined by the following key guidelines: limited support for the economy; priority of nonconventional support tools; limited direct financial injections; unconditional priority of large state-owned enterprises when granting support; priority of supply over demand, and minimized direct support for households for conditionally external and internal reasons. The external reasons include a limited room for maneuver in using stimulating economic instruments. Given the numerous structural flaws, such as the dollarization, considerable inflation expectations, and onerous state and corporate debt burden, an active stimulating policy is fraught with risks to macroeconomic and

financial stability. The internal reasons include attitudinal and political viewpoints of the authorities, for example, unswerving support for large state-owned enterprises, regardless of their potential and original financial standing.

Growing threats to financial stability

Financial destabilization was a profound effect of the coronavirus crisis, somewhat inevitable due to numerous structural flaws and, partly, handcrafted due to the peculiarities of anti-crisis policies. First of all, this is about the poorer debt sustainability of the corporate sector resulting from continued surplus production during the pandemic-inflicted crisis. Enterprises accumulated inventories, which led to a washout of already scarce circulating liquid assets and reduced ability to service debts.

Liquidity, especially in foreign exchange, and the exchange rate of the national currency were also the sore points. At the very beginning of the year, households began to withdraw foreign exchange deposits from banks on a large scale basis amid the growing crisis and spiked increase in demand for foreign exchange. These trends grew stronger following the outburst of the political crisis in the second half of the year. As a result, about 25% of all term deposits in foreign exchange (around USD 1.5 billion) was withdrawn in 2020. This was a serious blow to the liquidity of banks, which were only partially able to substitute the outflow with other own resources. The depreciation of the Belarusian ruble was another consequence.

Under the circumstances, the National Bank had to use its foreign exchange reserves to cope with the negative trends in crunch time, and, in the second half of the year, it substantially revised monetary policy mechanisms. The National Bank took ruble liquidity injections into the banking system under almost

total control, trying to curb demand for foreign exchange and to reduce the spending of the gold and FX reserves. Keeping in mind the debt sustainability of state-owned enterprises, the National Bank refrained from raising the refinancing rate, which remained unchanged in the second half of the year, while manual liquidity management was basically no longer a policy tool.

The measures above helped stop the escalation of threats to financial stability. The exchange rate of the ruble, lending volumes, and rates on credits and deposits played a role of some sort of dampers. The Belarusian ruble depreciated by about 14% against the basket of currencies and by nearly 22% against the U.S. dollar in 2020. In the second half of the year, banks substantially reduced lending (except for directed crediting), and significantly raised the lending and deposit rates, which produced some stabilizing effect on liquidity. This somewhat mitigated the symptoms of financial fragility, yet its underlying causes remained.

The mitigation of financial threats in 2020, basically, cost about 20% of the country's gold and foreign exchange reserves (USD 1.9 billion), while the public debt burden was growing. The gold and FX reserves contracted despite the significant external borrowing aimed at replenishing them. Belarus placed USD 1.25 billion in new Eurobonds and borrowed USD 1 billion from Russia and the Eurasian Fund for Stabilization and Development under political agreements.

Foreign trade miracle

The chosen format of anti-crisis measures turned risky not only from the financial stability angle, but also in terms of the output smoothing efficiency. This could only work as a measure to support output, if demand showed rapid recovery. On the upside,

external demand for Belarusian commodities did begin to quickly recover since the middle of the year, which was quite a stroke of luck.

Moreover, external demand was a driver for further output growth in the second half of the year. The physical volume of exports recovered to its pre-crisis level with regard to most commodity items as soon as autumn 2020, and continued to grow. Imports grew at a much slower pace, which was no less important for the output dynamics and external and financial stability. This was a result of a decline in domestic demand (primarily investment demand) amid escalating financial threats and growing uncertainty, sharp fluctuations of the ruble exchange rate, and measures taken by the government to ration imports.

The reorientation of the growth regime towards external demand was an important macroeconomic trend after a four-year period of growth that was mainly based on domestic demand. This foreign trade miracle can be regarded as the leading cause of the good-looking GDP dynamics in 2020. This also helped alleviate the threats to macroeconomic and financial stability.

Contradictory results of the year

The economic results of the year were contradictory. Given the number and scale of the shocks that took place, the most probable scenario was a considerable drop in output and incomes accompanied by intense financial stress. In fact, GDP only declined by 0.9%, which is much less than, for example, during the 2015–2016 recession. Furthermore, the decline in Belarus' GDP amid the coronavirus pandemic was one of the smallest in the world. Despite the pandemic and economic contraction,

the average real wage in Belarus continued to increase by an impressive 8.2%, while the official unemployment rate remained at 4.1%.

Social transfers (pensions, benefits, etc.) showed some growth during the year, and the poverty rate decreased by 0.1 percentage points to 3.3%. Financial stress was limited. Although inflation accelerated considerably to 7.3% as of the end of the year and went beyond the target level of 5%, it remained relatively acceptable.

However, although the results looked pretty good in terms of annual statistics, they were ambiguous when viewed from a longer term perspective. Numerous risks re-emerged as the cost of anti-crisis efforts, *first and foremost* in the form of threats to financial stability, which was largely expected and predictable. They are fraught with delayed financial stresses comparable with the 2011 currency crisis, which, in many respects, was a delayed payback for voluntaristic economic policy in the preceding years.

Secondly, new risks and threats are gradually taking shape and growing both at the micro and macro levels. For example, many state-owned enterprises that had found themselves in a worse financial state with increased labor costs have resorted to deferred cost-cutting measures, and this, accordingly, makes them heavily dependent on state support.

At the *macro level*, the depreciation of the ruble and eclectic monetary policy have led to increased inflationary expectations again. There is a threat of a new inflationary trend, rather than just a short-term acceleration of inflation, as in 2020. Similar risks have emerged in the fiscal and public debt management. The trade surplus reduced dramatically due to declined revenues in many respects caused by Russia's tax maneuver and reluctance to reconsider spending. This brings about a fundamentally new situation in the fiscal sector, and places additional strain on the future foreign debt management.

Conclusion

The year 2020 was an overly eventful and ambiguous in terms of the results achieved. Exacerbated by the political crisis, peculiar anti-COVID policies led to a proliferation of multiple risks. Threats to financial stability have intensified on a large scale, a new inflationary trend is taking shape, and risks have emerged in the fiscal sector and in the public debt management.

These risks make it quite likely that delayed negative consequences will build up in the future. For example, the probability of a delayed and prolonged recession looks high. For Belarus, the coronavirus crisis may well turn out to be a W-shaped rather than V-shaped recession, as we can tentatively conclude based on the 2020 data. Moreover, keeping in mind the structural flaws, which are also exacerbated by the pandemic and the 2020 political crisis, an L-shaped recession may take place, leading to a sharp economic decline.

FOREIGN EXCHANGE MARKET: INTENSIFIED NEGATIVE TRENDS AMID POLITICAL CRISIS

Alexander Mukha

Summary

Demand for foreign exchange and an outflow of FX deposits from banks considerably increased in 2020 amid the burgeoning political crisis. As a result, the banking sector experienced a substantial deficit of liquidity in rubles and foreign exchange, which adversely affected the dynamics and terms of new lending to individuals and businesses.

The deteriorated financial standing of economic entities leads to a marked increase in troubled assets in the banking sector, which is likely to eventually undermine its debt repayment capability.

As the political crisis is deepening and access to international financial markets is getting limited, the repayment of debts in foreign exchange by Belarusian residents becomes the major economic challenge.

Trends:

- Increased demand for foreign exchange and outflow of foreign exchange deposits from banks, which contributes to the acceleration of the depreciation of the ruble and contraction of the gold and foreign exchange reserves;
- Deterioration of the financial health of enterprises coupled with growth of troubled assets in the banking sector;
- Lack of liquidity in the banking system, which worsens the terms of lending to households and businesses;
- Limited access to international financial markets, which exacerbates the problem of the repayment and servicing of the external debt of Belarusian residents.

Political crisis brings about higher demand for foreign exchange

The political crisis that followed the August 2020 presidential election in Belarus triggered considerable growth of households and enterprises' demand for foreign exchange. As a result, for the first time in the past six years, the population became a net buyer of foreign exchange on the domestic FX market.

According to the National Bank of Belarus (NBB), individuals bought USD 1.970 billion on a net basis in 2020¹ (including non-cash) to compare with the net sale of USD 597.7 billion in 2019, USD 1.115 billion in 2018, USD 1.759 billion in 2017 and USD 1.894 billion in 2016 (Table 1), i. e. the analyzed indicator dropped by USD 3.864 billion in 2020 against 2016, which indicates a fundamental change in the behavior of the population in the domestic foreign exchange market.

Business entities bought USD 977.9 million net. Non-residents sold USD 596.7 million on a net basis; banks and non-bank financial institutions sold USD 714.4 million.

Households' net demand for foreign exchange showed the following figures: net cash FX purchases – minus USD 147.5 million; conversion of ruble deposits into FX deposits on a net basis – minus USD 1.822 billion.

Overall net demand for foreign exchange on the domestic foreign exchange market was reported at minus USD 1.637 billion, which, combined with the repayment and servicing of Belarus' public debt in foreign exchange, led to a significant reduction in the gold and FX reserves, which shrank by 20.5% (by USD 1.925 billion) to USD 7.468 billion as of January 1, 2021.

¹ Hereinafter «Статистика.» Национальный банк Республики Беларусь, 2021, <http://nbrb.by/>

Table 1. Net demand and net supply of foreign exchange on the domestic FX market, 2014–2021, USD million

Period	Net demand (-) and net supply of (+) foreign exchange			
	economic entities	households ¹⁾	nonresidents ²⁾	banks, non-bank institutions ³⁾
2014	-495.0	-1,385.0	261.7	...
2015	-403.8	129.6	227.2	...
2016	-206.1	1,894.0	452.5	...
2017	-880.0	1,759.0	313.9	...
2018	-672.4	1,114.8	493.7	617.8
2019	531.7	597.7	571.9	705.9
2020	-977.9	-1,969.8	596.7	714.4
2021, Jan.-Feb.	-127.2	-201.4	133.9	-161.8

Note. ¹⁾Includes transactions of individuals on the foreign exchange cash market (including payment media) and non-cash transactions; ²⁾does not include operations performed in accordance with the Eurasian Economic Union Treaty of May 29, 2014, which regulates the procedure for crediting and distribution of import customs duties in the EEU; ³⁾includes spot transactions with own funds (without conversion operations), including of the Development Bank of the Republic of Belarus and non-bank financial institutions. The symbol ‘...’ means that the data was not published.

Source: author’s research based on the data provided by the National Bank of the Republic of Belarus.

It is noteworthy that all resident foreign exchange market actors were net buyers of FX in January–February 2021. Households bought USD 201.4 million net (including non-cash), economic entities – USD 127.2 million, banks and non-bank financial institutions – USD 161.8 million. The gold and foreign exchange reserves thus decreased by 4.7% (by USD 354 million) in January–February 2021 to USD 7.114 billion as of March 1.

This net demand for foreign exchange could lead to a noticeable acceleration of depreciation of the Belarusian ruble against main basket currencies. The depreciation could be even greater, if the National Bank stopped intervening to support the ruble,

focusing solely on the repayment and servicing of the public debt in foreign exchange amid limitations in external borrowing for residents of Belarus.

Table 2. Dynamics of the average weighted exchange rate of the Belarusian ruble against the dollar, euro and Russian ruble, 2013–2021

Period	Average weighted exchange rate of the Belarusian ruble against ¹⁾					
	USD	% year on year	EUR	% year on year	RUB ²⁾	% year on year
2013	0.8971	107.2	1.1834	109.8	2.7840	103.9
2014	1.0260	114.4	1.3220	111.7	2.6628	95.6
2015	1.6254	158.4	1.7828	134.9	2.6237	98.5
2016	1.9998	123.0	2.2010	123.5	2.9845	113.8
2017	1.9333	96.7	2.1833	99.2	3.3126	111.0
2018	2.0402	105.5	2.4008	110.0	3.2417	97.9
2019	2.0887	102.4	2.3342	97.2	3.2303	99.6
2020	2.4607	117.8	2.7760	118.9	3.3776	104.6
2021, Jan.-Feb.	2.5899	119.8 ³⁾	3.1395	132.4 ³⁾	3.4773	101.6 ³⁾

Note. ¹⁾Taking into account the denomination of the Belarusian ruble since July 1, 2016; ²⁾exchange rate of the Belarusian ruble to 100 Russian rubles (RUB); ³⁾% against January–February 2020.

Source: author's research based on the data provided by the National Bank of the Republic of Belarus.

According to the National Bank, the weighted average exchange rate of the Belarusian ruble against the U. S. dollar fell in January–February 2021 by 19.8% to 2.5899 denominated Belarusian rubles (BYN), and by 32.4% against the euro to BYN 3.1395 (Table 2).

Monetary incomes and wages

Depreciation of the Belarusian ruble will consequently lead to a decrease in households' monetary incomes in real terms and

in a dollar equivalent, which may rekindle social discontent and political tensions in the country.

According to the Belarusian National Statistics Committee (BELSTAT), in 2020, real cash incomes (adjusted for the consumer price index for goods and services) rose by 4.6% year on year to the all-time high of BYN 90.116 billion² (Table 3). However, in dollar terms, according to our calculations, households' cash incomes decreased by USD 2.473 billion (by 6.3%) to USD 36.622 billion.

Table 3. Dynamics of monetary incomes of households in 2013–2020

Period	Monetary incomes ¹⁾ , BYN million	Monetary incomes in USD equivalent, million	% year on year		
			Monetary incomes	Real disposable monetary incomes	Monetary incomes in USD equivalent
2013	44,228.6	49,301.4	137.5	116.3	128.3
2014	52,627.6	51,293.0	119.0	100.9	104.0
2015	56,289.1	34,631.8	107.0	94.1	67.5
2016	58,705.4	29,355.6	104.3	93.1	84.8
2017	64,106.9	33,159.3	109.2	102.8	113.0
2018	72,787.3	35,676.6	113.5	107.9	107.6
2019	81,659.3	39,095.8	112.2	106.1	109.6
2020 ²⁾	90,116.4	36,622.3	110.4	104.6	93.7

Note. ¹⁾Taking into account the denomination of the Belarusian ruble since July 1, 2016; ²⁾preliminary data.

Source: author's research based on the data provided by the National Bank of the Republic of Belarus.

The average accrued wage (not accounting micro and small organizations without departmental subordination) decreased in January–February 2021 by 4.2% to USD 494.9 (Table 4).

² Hereinafter «Официальная статистика.» Национальный статистический комитет Республики Беларусь, 2021, <http://www.belstat.gov.by/ofitsialnaya-statistika/>.

Table 4. Dynamics of accrued average monthly wage in 2013–2021

Period	Nominal wage ¹⁾ , BYN	Wage in USD equivalent	% year on year		
			Nominal wage	Real wage	Wage in USD equivalent
2013	506.1	564.2	137.7	116.4	128.5
2014	605.2	589.9	119.6	101.3	104.6
2015	671.5	413.1	110.9	97.7	70.0
2016	722.7	361.4	107.6	96.2	87.5
2017	822.8	425.6	113.9	107.5	117.8
2018	971.4	476.1	118.1	112.6	111.9
2019	1,092.9	523.2	112.5	106.5	109.9
2020 ²⁾	1,250.9	508.4	114.5	108.2	97.2
2021, Jan.-Feb. ²⁾	1,281.8	494.9	114.8 ³⁾	105.4 ³⁾	95.8 ³⁾

Note. ¹⁾Taking into account the denomination of the Belarusian ruble since July 1, 2016; ²⁾without micro-organizations and small organizations without departmental subordination; ³⁾% against January–February 2020.

Source: author's research based on the data provided by the National Bank of the Republic of Belarus.

Large outflow of deposits from the banking sector

The political crisis evoked a large-scale outflow of deposits from Belarusian banks. According to the NBB, households' deposits in Belarusian rubles decreased by 9.6% (by BYN 783.6 million) to BYN 7.378 billion as of January 1, 2021, while deposits in foreign exchange decreased by 22.4% (by USD 1.688 billion) to USD 5.850 billion. This indicates the growing distrust of the banking sector and a fall of living standards against the backdrop of the economic recession.

Belarus' GDP in U. S. dollar equivalent decreased by 5.3% (USD 3.343 billion) from 2019 to USD 59.742 billion, which is

below the GDP of 2008 (USD 60.746 billion), while the purchasing power of the dollar decreased significantly over the period under review as a result of a large money issue by the Federal Reserve System of the United States.

Alongside the large outflow of households' deposits, the banking sector experienced a significant deficit of ruble and foreign exchange liquidity. On March 17, 2021, the National Bank held credit auction #745 at the announced interest rate of 9.75% per annum for the period of 180 days. Twenty-six bids of 15 banks totaling BYN 3.702 billion were accepted. The NBB only provided commercial banks with BYN 250 million, which makes up 6.8% of the banks' aggregate need for ruble liquidity.

The National Bank fears that if banks' requests are met in full, inflation and depreciation of the Belarusian ruble may sharply accelerate, the more so, as annual inflation in February 2021 reached 8.7%, and double digits were a definite probability in the short run, while the inflation benchmark under the monetary targeting policy is set at or below 5%.

Growing credit risks in the banking sector

In the current environment, banks will limit lending and raise interest rates on new loans, which, consequently, will produce a negative impact on the financial performance of Belarusian enterprises and economic growth of the country.

First of all, the availability of bank loans to the private sector and households will reduce due to the *crowding-out effect*, which means that banks will primarily provide credit support to state-owned enterprises and purchase government bonds. According to the Ministry of Finance, in the first quarter of 2021, Belarus' government long-term bonds worth USD 721 million were placed on the domestic financial market.

As the political crisis was growing acute, the Ministry of Finance lost access to international financial markets. Therefore, the placement of new issues of FX-denominated government bonds will continue on the domestic market, which means that banks will reduce credit support for private companies and households and worsen terms for new lending.

Also, an expected increase in overdue debts in the national banking sector can also add fuel to the fire. According to the National Bank, from January 1, 2020 to March 1, 2021, banks' non-performing assets increased by 35.4% (by BYN 965 million) to BYN 3.692 billion. This is not the entire amount of non-performing assets, as troubled assets of banks attributed to Risk Group III are not taken into account.

Banks increased the reserves accumulated to cover potential losses on assets exposed to credit risk by 23.9% (by BYN 873 million) to BYN 4.532 billion from January 1, 2020 to March 1, 2021. Accordingly, the actual amount of troubled assets in the banking sector is larger.

The increase in overdue debts to banks stems from the deteriorated financial standing of enterprises. BELSTAT reported that in 2020, the net profit of enterprises dropped by 41.2% (by BYN 4.529 billion) to BYN 6.104 billion year on year. The net loss of loss-making companies thus grew by 250% (by BYN 4.515 billion) to minus BYN 6.314 billion against 2019.

Further deterioration of the financial standing of business entities may significantly increase debt repayment risks faced by banks, among other things, in terms of fulfillment of their obligations to counterparties, including depositors and non-residents.

It is noteworthy that, according to the National Bank, in the fourth quarter of 2020, the difference between the reference rates on ruble loans and deposits fell into the negative area to minus 1.2 percentage points. This situation is alarming, since banks are getting in the red.

Repayment of debts in foreign exchange as the key economic challenge

In 2021, Belarus has found itself in a difficult economic situation: accumulated external liabilities of Belarusian residents have reached the all-time high amount of USD 42.149 billion as of January 1, 2021, while access to new borrowings from external sources worsened considerably due to adverse political developments.

The approaching annual payments on the principal debt and interest on the external debt of Belarusian residents total over USD 16.4 billion. In conditions of the political crisis and sanctions imposed by Europe and the U. S., it will be extremely difficult to refinance and pay off the debt routinely as before.

Unfortunately, in the current situation, an increase in overdue foreign debts of Belarusian residents is highly possible. In fact, the repayment and servicing of foreign and domestic debts of Belarusian residents denominated in foreign exchange is the key economic challenge in 2021–2022.

By allocating USD 1.5 billion in three tranches to the Belarusian government, Russia and the Eurasian Fund for Stabilization and Development (EFSD), in fact, just spread over Belarus' liabilities to them. The loans are primarily given to enable the Belarusian government to fulfill its previous obligations to Russia and the EFSD.

Conclusion

The future of the national economy of Belarus largely depends on its ability to overcome the internal political crisis. If it fails, the recession will continue in 2021 under pressure of the sanctions imposed by the European Union, the United States and their partners, large payments on the foreign debt and unavailability

of funds to borrow, as well as the expected depreciation of the Belarusian ruble against major foreign currencies.

Belarus' dependence on its major creditor, Russia, which is unwilling to fully substitute international lenders, will increase, while in case of transition of power and resolution of the political crisis, Belarus would be able to resume external borrowing and ensure sustainable socio-economic and demographic development.

ENERGY SECTOR: FROM THE RESOURCE SUPPLYING RENTIER STATE TO THE CONSUMER STATE

Alexander Avtushko-Sikorski

Summary

The 2020 events in the Belarusian energy sector continued the trend of the past *three* years, and finally made the oil and gas industry primarily worry about its at least minimum acceptable efficiency and profitability, rather than continue ensuring a large part of national budget revenues. The industry has ceased to be a source of income and the oil rent previously used to achieve political goals. The tax maneuver in the Russian oil industry, the Russian leadership's firm stance on the linking oil and gas subsidies with greater integration of the two countries, and political events of the second half of 2020 put an end to the economic efficiency of Belarus' oil industry (and, even more so, the stably large oil and gas subsidies) in the current configuration of the Belarusian-Russian relationship.

Trends:

- Belarus' bargaining position in the oil and gas supply talks with Russia is getting weaker;
- Simultaneously, no progress has been achieved in Belarus-Russia integration, which would have an impact on the terms of supplies of energy commodities;
- An attempt was made to actuate the Venezuelan oil scenario, which, among other things, weakened Belarus' bargaining position.

Gas

Belarus imported 18.766 billion cubic meters of natural gas in 2020, down 7.3% year on year. Despite the rise of the average

annual price of gas, the import also contracted in monetary terms to USD 2.45 billion.

The average annual benchmark price of Russian natural gas at the German border stood at around USD 111 per 1,000 cubic meters. The average annual price of Russian gas for European consumers was for the first time *below* the price set for Belarus (see Table 1). More recent statistics shows the same.

Table 1. Dynamics of Russian gas prices for Belarus and prices at the German border, 2013–2020

	2013	2014	2015	2016	2017	2018	2019	2020
Price of Russian gas for Belarus, USD per 1,000 m ³	165.50	170.00	144.00	137.00	130.00	129.00	127.00	130.70
Average price of Russian gas at the German border, USD per 1,000 m ³	413.30	386.00	268.63	160.63	197.90	269.42	156.00	111.00
Price gap, USD per 1,000 m ³	247.80	216.00	124.63	24.63	67.90	142.42	29.00	-19.00

Source: Belstat¹, IMF², author's calculations.

This difference is not a consequence of an overpricing of Russian gas for Belarus. The low price for Europe resulted solely from external factors. First of all, the fairly warm winter (both at the beginning and at the end of 2020) made it possible to fill the storages outside the peak periods. Besides, the SARS-CoV-2 pandemic led to a considerable decline in the gas consumption in Europe. Among Europe's top ten importers of Russian gas, only the Netherlands and Slovakia increased their consumption

¹ See «Внешняя торговля.» Национальный статистический комитет Республики Беларусь (Belstat), www.belstat.gov.by.

² See “Primary Commodity Prices.” *International Monetary Fund*, www.imf.org.

in 2020, largely because of the big number of gas-fired power plants. The low gas prices enabled them to increase the export of relatively cheap electric energy.

Belarus was expectedly unhappy about the gas price, considering it “unfair” in comparison with the price set for Europe. However, the gas pricing agreements with Russia never de jure implied a price for Belarus lower than for Europe. The price for Belarus is calculated by the formula applied since 2000: the price for the Yamal-Nenets Autonomous District of Russia based on the calorific value (which may vary) adjusted for annual inflation plus the pipeline delivery cost.

In 2000 and many years afterwards, this formula did significantly reduce the gas price for Belarus, but the energy market environment has changed. Once the pandemic is over, gas prices will go up in Europe, while in the years to follow, the gas subsidy for Belarus will either be very small compared with the prices for Europe, or it will be a subsidy relative to the gas prices Belarus would pay without political agreements with Russia.

Given the domestic socio-economic and political situation, Belarus has virtually no bargaining chips in gas formula talks. In fact, a lower price of gas is now only possible in exchange for greater integration, lower gas transportation costs, or if Belarus is equaled to the Smolensk Region of Russia in business terms.

Oil

Belarus failed to enter into long-term contracts for supplies of Russian crude oil in early 2020 due to disagreements over the amount of the so-called “bonus” paid to Russian oil producers. Only small companies of Russia signed contracts with Belarus, but the volumes were many times smaller than those required to fully load the refineries. Belarus even stopped exporting its own oil in the first quarter of 2020 to fill up the gap.

In April, Belarus and Russia reached an agreement on oil supplies, but long-term contracts were still not achieved, so the Belarusian refineries received Russian oil under monthly contracts until the end of 2020. See Table 2 for the 2020 Belarusian oil refining statistics.

Table 2. Export/import of Russian oil and Belarusian oil products to global markets in 2014–2020

	2014	2015	2016	2017	2018	2019	2020
Physical oil import, million tons	21.7	22.5	22.9	18.1	18.0	18.2	16.0
Import value, USD billion	7.625	5.663	3.475	5.292	6.800	6.580	3.890
Oil price, USD per ton	338.90	247.30	192.00	294.00	373.60	365.50	243.12
Price of Russian oil on the world market, USD per ton	820.00	720.00	363.90	388.70	513.70	468.50	305.88
Physical export of oil products, million tons	13.760	16.580	13.000	12.300	11.900	10.500	8.487
Revenue from the import of oil products, USD billion	9.850	6.830	4.040	5.340	6.500	5.200	2.747
Price of oil products, USD per ton	715.98	403.50	311.00	434.14	546.20	495.23	323.70

Source: Belstat, IMF, author's calculations.

Belarus not only reduced its import of oil in 2020, but also was significantly short of oil product export revenues, which, in many respects, stemmed from a decline in demand caused by the pandemic and, consequently, a price downfall. Also, for the

first time, it was impossible to estimate the size of the Russian oil subsidy: as of this writing, the data on the physical volume of oil imported from Russia had not been published, and the final volume indicates the total import from all countries that supplied oil to Belarus in 2020.

In order to substitute Russian oil, Belarus procured small amounts of oil from other countries, particularly from Azerbaijan, the United States, Saudi Arabia, and Norway. The exact amounts per country are unknown. It is known that the largest volume (according to some estimates) – about 1 million metric tons – was purchased from Azerbaijan, while the rest came in small sea tankers.

The promptness of the signing of oil supply contracts and the relatively large number of the supplying countries in early 2020 gave grounds to assume that Belarus had finally endeavored to diversify its oil import in the long term. However, structurally, the situation did not differ from 2010–2012, when Belarus imported oil from Venezuela. By purchasing oil from sources alternative to Russia, the Belarusian leadership rather sought to demonstrate that it can do without Russian oil, if necessary. As for the profitability of Venezuelan oil, for example, Belarus lost over USD 500 per ton compared with supplies from Russia in 2012 (Table 3).

Table 3: Cost of Venezuelan oil supplies to Belarus compared with Russian oil supplies in 2010–2012

	2010	2011	2012
Price of Venezuelan oil inclusive of transportation, USD per ton	656.00	847.75	939.30
Price of Russian oil for Belarus, USD per ton	460.00	459.00	398.00
Price difference, USD per ton (Venezuelan minus Russian for Belarus)	-196.00	-388.75	-541.30

Source: Belstat, IMF, author's calculations

The assumption that Belarus set to diversify oil supplies in the long term is de facto incorrect, since supplies from outside Russia can only be profitable for Belarus in case of steadily low oil prices. Meanwhile, Moscow would by no means agree to supply oil when the prices are high, and let Belarus procure it wherever it wants when the prices are low. Belarus stopped purchasing oil from other countries in April 2020, once Russia had decided to cover oil producers' premiums by means of inter-budget transfers. Importantly, this inter-budget compensation was only in force in 2020 without further extension, and the parties did not even discuss the future compensation.

Electricity and tariff policy

The basic electricity tariff for households in Belarus rose considerably in 2020 from BYN 0.209 to BYN 0.389 per kWh, which was one of the biggest increases in years. For the first time, the straight-line rate for households was above the tariff set for industrial consumers (BYN 0.286). The maximum tariff for households reached 14.4 euro cents in equivalent, while industrial consumers paid 10.59 euro cents.

As a result, the price of electric energy for Belarusian households exceeded the *tax-inclusive* price of electricity for households of some neighboring countries, members of the European Union. For comparison, in 2020, the price of one kilowatt-hour in Estonia stood at 12.9 euro cents for households and 8.3 euro cents for the real sector; Latvia – 14.3 and 10.2 euro cents, respectively; Poland – 15.1 and 10.3 euro cents; Lithuania – 13.2 and 9.43 euro cents.

The first power unit of the Belarusian nuclear power plant, the launch of which had been repeatedly postponed, began functioning in October 2020, and was connected to the national grid in November. The export of electricity generated by the NPP to

Europe or even Russia is in question, though. Although Lithuania purchased small amounts of electricity in 2020 (because of the peculiarities of electricity trading on the exchange), at the initiative of Lithuania, the Baltic States are working on electricity procurement rules based on the location of the generating source. Once (if) these rules have been agreed upon, the export of electricity from Belarus to Europe will be effectively blocked after the events of August 2020.

Conclusion

As we predicted in the previous *Belarusian Yearbook*³, the year 2020 was extremely difficult for the Belarusian oil industry due to the decreased revenues, which resulted from the tax maneuver in the Russian oil industry and changed demand and prices of exported oil products.

Belarus tried to compensate for the insufficient amount of oil received by purchasing oil from sources alternative to Russia, benefitting from favorable oil prices, but the previous import volumes were not achieved. In fact, with low prices, good opportunities to enter into lucrative long-term contracts, and available infrastructure (reverse supplies of oil from Poland, modernization of the oil pipeline string running from Latvia, the accelerated upgrade of the Belarusian refineries and their interconnection by a pipeline), the diversification of oil supplies to Belarus was limited to mere declarations while waiting for a resolution of the conflict with Moscow.

Given the domestic political crisis in Belarus in the second half of 2020, oil and gas wars between Russia and Belarus are highly unlikely in the years to come. The Belarusian leadership

³ “Energy Sector: End of the oil and gas rent.” *Belarusian Yearbook 2020*, <https://nmnby.eu/yearbook/2020/page25.html>.

will try hard to avoid any conflicts, and will agree to supply terms should they be “a little better than they could be.” The oil and gas rent can no longer be utilized as an internal political mechanism, as the oil and gas subsidies from now on become exclusively a matter of refinery economics and of staying afloat by recharging the national budget.

FOREIGN INVESTMENT: GROWING UNCERTAINTY

Maria Akulova

Summary

In 2020, the IT sector continued to show stable development, generating investment demand for its projects and products. However, the national political crisis strongly affected Belarus' investment attractiveness in comparison with other countries of the region. Until the crisis is overcome, investment plans will be most likely put on hold, competitive businesses will be transferred to foreign jurisdictions, and the availability of capital markets for Belarus will reduce substantially.

Trends:

- Low activity in the merger and acquisition (M&A) market;
- Stable investment interest to projects and products of the IT sector;
- Positive dynamics in the market of external portfolio investment;
- Considerable economic uncertainty and credibility chasm as a consequence of the political crisis in the country.

In 2020, Belarus reported a total of USD 2.95 billion in foreign investment against USD 2.4 billion in 2019. The influx of foreign capital was largely thanks to operations with portfolio investments (USD 1.38 billion in net borrowing).

The negative trends observed in 2019 caused by the growing debt burden on GDP persisted. Belarus' external public debt rose by 8.1% in 2020 to 30.9% of GDP, or USD 18.6 billion as of January 1, 2021, to compare with USD 17.2 billion (26.6% of GDP) in 2019. The gross external debt grew by 6.4% to USD 42.2 billion as of January 1, 2021 against USD 40.7 billion as of January 1, 2020.

Foreign direct investment, M&A and venture capital market

Belarus planned to raise USD 1.7 billion in foreign direct investments (FDI) in 2020.¹ The plan was not fulfilled, according to the factual data. Last year, FDI amounted to USD 1.39 billion², up 9.3% from 2019, when they totaled USD 1.27 billion.

The composition of the raised funds is worthy of note. Re-invested earnings of Belarusian enterprises accounted for 72% of total FDI to compare with 49% in 2019; foreign investments in the form of shareholders' equity amounted to USD 290.5 million (20.9%), *down 33.3% year on year* (USD 440 million); operations with debt instruments made up 7%. This means that potential investors showed much less interest in Belarus in 2020.

The most attractive areas in terms of FDI were the manufacturing industry (39.0%), trade (15.6%), financial sector (13.5%), and information and telecommunication (9.1%). The continuing increase in the number of transactions and the amounts channeled into the IT industry indicates stable investment interest over the past few years (around 33% of the entire M&A market in 2019³). However, 2020 saw a 20% year-on-year decrease in FDI in the sector due to the global economic recession largely caused by the COVID-19 pandemic and the internal political crisis.

A number of deals with state-owned assets were closed last year. In spring 2020, Cyprus-based *Beristore Holdings Limited*

¹ «Утверждены параметры прогноза социально-экономического развития Республики Беларусь на 2020 год.» *Pravo.by*, 04 Nov. 2019, <https://pravo.by/novosti/novosti-pravo-by/2019/november/41947/>.

² «Платёжный баланс, международная инвестиционная позиция и валовой внешний долг Республики Беларусь за 2020 год.» *Национальный банк Республики Беларусь*, 2021, <https://www.nbrb.by/publications/balpay/balpay2020.pdf>.

³ «Обзор рынка M&A Беларуси за 2019 год.» *Capital Time*, 2020, https://www.capital-times.com/insights/ma_by_03_2020?utm_source=pressa_by&utm_medium=pressa_by&utm_campaign=ma_by_03_2020.

owned by Russian businessman Said Gutseriev bought 98.83% of Paritetbank. The amount of the deal was not disclosed. It is known that the authorities were willing to sell the stake for USD 50 million.

In summer, the Brest Regional Executive Committee sold 89.7% of the *Brestskoye Pivo* brewery to Bulgarian Multitrade Group for USD 2.5 million. The buyer undertook to spend at least 25 million Belarusian rubles (BYN) on modernization of the production facilities.

In autumn, the Brest Regional Executive Committee sold the GORYN multi-unit agricultural enterprise to Polish *Rolnik* canned fruit and vegetable producer for BYN 9.3 million.

The largest deal in the M&A market was closed in Gomel, where *Mesto Vstrech* company acquired 100% of ZARKO Shopping Center (Gurman Plus ALC) for USD 3.77 million. Belgips OJSC got a new owner in spring. Russian *Volma* sold its 50% stake to German DEG Group. Turkish Welfare Association took control of *Life* telecom operator through the purchase of 26.2% of *Turkcell's* shares.

In the financial sector, Bulgarian *Euroins Insurance Group AD* bought ERGO Insurance Company in spring.

Zubr Capital Private Equity Fund bought a minority stake in *Myfin Group*, an IT platform for banking products, in February. The transaction amount is presumably within the range of USD 5 to 10 million, which is usual for the Fund. In summer, the company added *Realt.by* real estate add classifier to its portfolio.

Alexander Moshensky bought 50% of Ukrainian *Ekotekhnik Velyka Dobron*, producer of electric energy from renewable sources, for an undisclosed amount, which was the largest acquisition outside the country.

In the *greenfield* investment sector, an agreement was reached between Canadian SOCALCO SARL and the National Agency of Investment and Privatization of Belarus to register Belmatch LLC in the Vitebsk Free Economic Zone. The company

will produce match sticks. The estimated investment amount stands at USD 4 million.

Several important deals took place in the IT sector, which has been developing dynamically in recent years, being one of the key economic growth drivers and providers of foreign exchange to the budget. Exports from the High Technology Park (HTP) totaled over USD 2.7 billion (4% of GDP) in 2020. IT companies accounted for 6.2% of GDP in 2019, and the authorities expect the industry to increase its contribution to GDP to 7.5% in 2025.

In December, Israeli *Moon Active Holding* acquired mobile game developer *Melsoft Games*. The amount was not disclosed. It is presumably around USD 0.5 billion. MGVC Fund, the investment division of MY.GAMES, bought minority stakes in Belarusian *Appyfurious* and *Purple Games* mobile application studios with a control option. ASBIS Enterprises IT distributor acquired a 40% stake in Belarusian *Clevetura LLC* startup (intuitive keyboards developer) for USD 584,000. Australian *Aristocrat Digital* bought a stake in the Belarusian *Neskin Games* game studio. The details of the deal remain unknown.

In 2020, venture capital financing totaled USD 36 million, down 21.8% against 2019 (USD 45.6 million)⁴; 85% of the financing went to software related projects. Media and health care were in the top 3 target areas as well in 2019.

The last year's largest deal was closed by workflow automation software developer *PandaDoc*, which raised USD 30 million for the electronic signatures segment. *One Peak Partners*, *Rembrandt Venture Partners*, *Savano Capital Partners* and *Microsoft* were the anchor investors of that round

Video processing app developing startup *Vochi* received USD 1.5 million in seed investment from *Genesis Investments* capital

⁴ «Рынок венчурного финансирования в Республике Беларусь.» ВIK Ratings, Dec. 2020, <https://bikratings.by/wp-content/uploads/2021/01/rynok-venchurnogo-finansirovaniya-v-rb.pdf>.

fund of Ukraine. *Stringershub* media startup raised USD 500 000 from *Angels Band* and *Insta Ventures* in a seed round. *Blinger.io* startup, which optimizes support for business clients of large companies through messengers, raised USD 330,000 from *Admotad Invest* startup studio for product development and entry into international markets.

Mobiwise startup (promotion of educational content) received USD 200,000 from *Angels Band* business angels to enter foreign markets. *EduDo* educational startup (short educational videos portal) received USD 170,000 from *investclub.vc* at the pre-seed stage for putting its product on the market.

BelVEB bank provided USD 3 million to ARTOX to expand the functionality of its *103.by* medical mobile application. The deal is unique for the Belarusian banking sector, because property rights to trademarks were stipulated as transaction security instead of an equity stake in the company.

Belarusian *Bulba Ventures* re-invested USD 2.2 million in the Russian-Singaporean *Gero* biotech startup, which was one of the few deals in foreign markets. The funds will be used to develop an AI platform for analyzing genetic and clinical data.

Portfolio investments

In June, Belarus placed USD 1.25 billion in Eurobonds in two tranches: bonds worth USD 500 million at 6.125% per annum maturing in 2026, and a tranche totaling USD 750 million at 6.325% per annum maturing in 2031. Financial stagnation in global markets caused by the COVID-19 pandemic, as well as Belarus' good bond payment history generated high demand and made it possible to lower the initially planned yield. Also, domestic FX and ruble-denominated government bonds worth USD 463.3 million and BYN 300.0 million, respectively, were placed in 2020.

The banking sector tried to solve the problem of access to the capital market by placing corporate bonds to a total of around USD 820 million in all currencies, a 23.4% decrease from 2019. The corporate segment also raised extra funds by offering its own securities. The total annual placement stood at USD 131.5 million, down 57.3% year on year.

The debut placement of corporate bonds on European markets deserves attention. Belarus' largest retailer *Eurotorg* was the first Belarusian corporate issuer to successfully enter the London Stock Exchange. In autumn 2020, the company placed a USD 300 million Eurobond issue maturing in 2025 with a coupon rate of 9%. In June, the company placed another RUB 5 billion bond issue maturing in 2026 with a coupon rate of 9.45% on the Moscow Exchange.

Other foreign liabilities

Other external liabilities increased in 2020 by USD 152 million. The general government sector acted as the largest borrower. USD 1.64 billion were allocated to repay the external public debt, of which the main part was used to pay off debts to the government and banks of the Russian Federation, banks of China, and the Eurasian Fund for Stabilization and Development (EFSD).⁵

In autumn, Belarus borrowed USD 500 million from the EFSD for a pandemic response program. The loan was used to prevent a budget deficit. An agreement with the Russian government on a USD 1 billion loan for 2020-2021 payable in Russian rubles was signed in December.

⁵ «Государственный долг на 1 января 2021 года.» Министерство финансов Республики Беларусь, 2021, http://www.minfin.gov.by/ru/public_debt/pressreleases/8074d74891f14642.html.

Belarus also received a USD 126 million loan from the Export-Import Bank of China and around USD 78 million under programs of the European Bank for Reconstruction and Development, International Bank for Reconstruction and Development and Nordic Investment Bank. EBRD's support was expected to be much more significant, but the bank had to suspend all programs of support for the Belarusian government sector due to the political crisis that followed the August 2020 presidential election in the country.

As in the previous year, Belarus did not hold talks with the IMF on a new lending program in 2020.

Measures to raise external funds and improve the investment climate

*Draft strategy for attracting of foreign direct investments for the period to 2025.*⁶ The Council of Ministers presented a draft strategy for FDI attraction for the period to 2025, which sets long-range goals, particularly to improve the investment climate and accelerate FDI influx, build up infrastructure, use public-private partnerships, and enhance the efficiency of the investments utilization. According to the draft, Belarus expects FDI to increase to at least USD 3 billion in 2025. The country is supposed to be among the top 30 states with the best business climate in the Doing Business rating, and get into the Venture Capital and Private Equity Country Attractiveness Index of Ernst & Young.

⁶ «Об утверждении Стратегии привлечения прямых иностранных инвестиций в Республику Беларусь до 2025 года. Проект постановления.» Совет министров Республики Беларусь, 2020, https://forumpravo.by/files/Ob_utverzhdenii_Strategii_privlecheniya_pryamyh_inostrannyh_investicij_v_Respubliku_Belarus_do_2025_goda.pdf.

*Council of Ministers' draft resolution on the Foreign Investment Council.*⁷ The draft provides for the appointment of a Foreign Investment Council (FIC), which will replace the current Foreign Investment Advisory Council (FIAC) formed in 2001. The FIC will not report to the government, but to the president alone, which, the government hopes, will reduce bureaucratic difficulties and increase flexibility, motivation and efficiency in attracting FDI to the country.

Conclusion

For the first time in recent years, the authorities did not make a plan to attract FDI. This is a direct consequence of the significant deterioration of the investment attractiveness of Belarus in 2020 compared with the countries of the region.

Business surveys show⁸ that the effects of the COVID-19 pandemic, coupled with the internal political crisis that broke out after the presidential election of August 9, 2020 produced a devastating impact not only on the image of Belarus, but also on the economic health of a considerable part of already functioning agents: 69% of companies assessed their situation as bad; nearly 40% attribute their difficult economic situation to the political crisis; 50% believe that if this crisis is overcome rapidly, gradual recovery may be achieved in 2022 at the earliest.

In the current situation, businesses will strive for survival, preservation of the status quo, and withdrawal of their funds,

⁷ «О Совете по иностранным инвестициям. Проект постановления.» Совет министров Республики Беларусь, 2020, https://forumpravo.by/files/Projekt_postanovlenie_SM_Sovet_inostrannye_investicii_14.02.2020.pdf.

⁸ «Политический кризис бьёт по бизнесу Беларуси сильнее, чем COVID-19. – Результаты исследования.» SATIO, Dec. 2020, <https://satio.by/novosti/politicheskij-krizis-bet-po-biznesu-belarusi-silnee-chem-covid/>.

rather than expansion or growth investing. A study of sentiment in the IT sector, the most dynamic and attractive industry for investment, showed that only 33% of startups have no plans to leave the country⁹, while most of them are either thinking about that, have started relocating, or have already moved to a foreign jurisdiction.

Foreign investors are reluctant to operate in Belarus due to high political and economic uncertainties, the crisis of confidence and property right protection issues.

Placements of Eurobonds are also unlikely in 2021 due to the possible reputational damages. Bond issues are only possible at extremely high rates for Belarus, which makes them inexpedient. The resumption of cooperation programs with international financial institutions, such as the EBRD, is also only possible once the political situation in the country has stabilized.

The floating of foreign exchange-denominated government bonds on the domestic market would be one of the revenue sources, but, because of the economic recession and a decline in demand, the receipts will also be smaller than in previous years.

Under the circumstances, quick recovery from the domestic political crisis would be a priority task. This would accelerate economic recovery and gradually restore economic agents' trust in the actions of the state. Otherwise, the economic recession may take a long while with an outflow of human capital and growing economic distrust, which is fraught with direct risks to the financial stability and investment attractiveness of Belarus.

⁹ «Влияние политического кризиса на стартап-компании в Беларуси. Большой опрос *Imaguru*.» Bel.biz, 16 Oct. 2020, <https://bel.biz/ecosystem/vliyanie-krizisa-na-startap-biznesy-v-belarusi-bolshoj-opros-imaguru-2/>.

IT SECTOR: ECONOMIC HOPE AND POLITICAL DISILLUSIONMENT

Olga Loiko

Summary

The year 2020 was an extremely difficult year for Belarus due to the COVID-19 pandemic and the severe political crisis. The national economy declined by 0.9%, whereas the information and communication technology (IT) sector showed certain growth. Its gross added value grew by 7.0%, which was a significant accomplishment to compare with other industries. The IT sector contributed 0.4 percentage points to GDP growth, but was unable not recuperate the overall decline.

The High Technology Park (HTP) reported record-breaking exports that reached USD 2.7 billion, a 25% increase from 2019 and almost twice as much as in 2018, when the presidential decree on digital development significantly expanded the range of activities business of HTP residents. The second half of the year raised doubts, though, as to whether the IT industry would survive. The results of the presidential election held in August were not recognized neither in the country, nor in the West. It was the IT solutions, in particular GOLOS (“Vote”) platform, that helped gather the impressive evidence of election fraud. IT specialists who had enjoyed affectionate support of the national leadership, fell out of favor. Nevertheless, the government did not dare to destroy this uncontrollable, yet still profitmaking and fast-growing industry.

Trends:

- Continued rapid growth of the ICT sector against the backdrop of a decline of other segments of the economy;
- Application of information technologies by the protest movement after the presidential election;
- Growing political disillusionment with the authorities and increasing civic solidarity and social activism in the IT sector;
- Threat of relocation of IT companies and R&D centers of foreign companies to foreign jurisdictions;
- Promotion of the digital economy as a promising industry; rise of crypto exchanges.

Driver of the economy

The contribution of IT services in economic growth continued to increase in 2020 to 7.3% from 6.2% in 2019. For comparison, back in 2009, the share of the IT sector in total GDP stood at a modest 2.3%. The share of computer services in the total volume of the export of services rose from 18% in 2018 to 29% in 2020, while the industries hit by the coronavirus pandemic the most—transport, tourism and construction – were in decline.

The High Tech Park turned to be one of the key drivers of the Belarusian economy. Its output grew by 43% to BYN 7.4 billion; exports – by 25% to USD 2.735 billion. Nearly 90% of IT products and services were exported to the US and EU. The US, Cyprus, UK, Ireland and Russia were the top five importers. In terms of exports per capita, Belarus led with USD 224, the U. S. was second with USD 110, and Russia was third with USD 31.

In 2020, the High Tech Park's share in GDP was over 4%, although the Park only employs around 1.5% of Belarus' workforce. HTP residents increased their tax payments to the budget by more than one-third to BYN 418 million to compare with BYN 413.6 million paid by telecom companies. Only energy and alcohol traders paid more in taxes.

The HTP registered 236 new residents in 2020; 65 joined the Park in March 2021. Currently, the HTP numbers 1,021 resident companies. More than 10,000 new jobs were created in 2020, whereas public sector entities fired 43,500 employees. As of late 2020, HTP residents employed nearly 70,000 specialists, and offered new jobs in the regions. Despite the granted tax relief, income tax payments per HTP employee exceeded tax payments on national average by 250%.

The foreign direct investment in the HTP rose in 2020 by 26% to USD 331.7 million. The number of development centers of foreign corporations registered in the Park increased by 23 to a total of 107.

HTP residents' successes were impressive. HTP residents AIQA, ITransition and SolbegSoft were put on *The 2021 Global Outsourcing 100*. Several listed companies (Ciklum, IBA Group, Intetics, Artezio) have R&D centers at the HTP. Belarusian women's health application FLO, which hit the top 10 of largest profit-makers, was the most popular on App Store. *Apptopia* ranked it fifth in the U.S. and worldwide.

SayGames made it to the December rating of *SensorTower*. The Belarusian developer and publisher of mobile games ranked *seventh* in the world in terms of installations and *sixth* in terms of downloads from the *App Store*.

Two Belarusian companies were included in the 25th anniversary top 500 of the most dynamically developing high-tech companies in North America. *iTechArt Group* went up 170 positions from the previous rating. *PandaDoc* was rated for the first time.

Underminer of the system

Mass protests began in Belarus after the presidential election of August 9, 2020. A large number of IT sector employees were among the activists. They picketed the HTP, and owners of the largest companies signed an open letter, protesting against police brutality.

Mikita Mikado, one of the *PandaDoc* owners, initiated a fund to assist the law enforcers who did not want to be involved in the crackdown on protesters. In response, top managers of the *PandaDoc* Minsk office were detained, and the company's bank accounts were blocked.¹ As a result, the company, the head office

¹ «PandaDoc попала в топ-500 самых динамично развивающихся технологических компаний Северной Америки.» *Завтра твоей страны*, 07 Dec. 2020, <https://Zautra.by/News/Pandadoc-Popala-v-Top-500->

of which is located in San Francisco, and the central development center is in Minsk, had to stop its operations in Belarus and relocated employees to Ukraine.

Two employees of EPAM, the oldest and most respected Belarusian IT company, were among the leaders of the protest. Senior Vice President Maxim Bogretsov entered the Coordination Council of the opposition. Pavel Liber, Digital Strategy & Experience Design Director, digitalized the results of the election fraud by launching GOLOS platform. Belarusians uploaded their voting ballots for the independent vote count, using GOLOS. Dozens of employees, including top managers of IT companies, were detained during protest actions across the country.

Alexander Lukashenko was outraged by this high degree and profoundness of the protest sentiment in the IT industry. “Tell me what the IT people want?” he said, “We’ll figure it out. Tell me, what do they want? I have created a paradise for them. But no, it is still not enough. They say they want power.”² The HTP management did not speak out publicly, but clouds were gathering over the industry. *BelHard* CEO Igor Mamonenko said later, “According to the information I have, the closure of the HTP for political reasons was even considered.”³

Samykh-Dinamichno-Razvivaiushchikhsia-Tekhnologicheskikh-Kompanii-Severnoi-Ameriki.

² «Александр Лукашенко: А что надо айтишникам? Я уже для них создал рай!» *Столичное телевидение – СТБ*, 01 Sep. 2020, www.ctv.by/novosti-bresta-i-brestskoy-oblasti/aleksandr-lukashenko-chto-nado-aytishnikam-ya-uzhe-dlya-nih.

³ «“Айтишники ещё малой кровью отделались!” – гендиректор BelHard о ПВТ и массовом переходе белорусов на аутсорс.» *Пробизнес*, 19 Feb. 2021, probusiness.io/interview/7870-aytishniki-eshche-maloy-krovuyu-otdelalis-gendirektor-belhard-o-pvt-i-massovom-perekhode-belorusov-na-autsors.html.

Large-scale relocation and targeted sanctions

While the government continued to fight the dissidents in every possible way, Belarusians started heading towards a half-shut border. According to a survey conducted in late 2020, nearly 15% of IT professionals said they had already been working outside Belarus (for comparison, less than 4% left the country in the autumn)⁴; 40% said they were seeking permanent residence abroad or were going on long business trips. Poland was one of the most popular options for relocation after the launch of the Poland: Business Harbour program of assistance to Belarusian IT specialists (800 people took the provided opportunity in the next two months). Ukraine set up the DIIA CITY, which is similar to the Belarusian High Tech Park. Lithuania is also among the top three hosts. EPAM, the largest employer in the industry, opened an office there, planning to hire 600 people. *Wargaming* took part of its business to Lithuania as well.

Around 10–20% of IT companies' employees, including the most qualified and well-paid ones, are expected to move abroad. At the same time, owners of large IT businesses prefer not to take risks. "All those having money, about USD 20 million or more, have left the country. There are no people left in Belarus who would run businesses. Almost no one is willing to come to the country for now," says one of the biggest IT businessmen, who has left Belarus.

In late 2020, the authorities decided to take an unpopular step: to raise taxes for individuals and legal entities. This measure was called temporary and part of the COVID-19 response, as funds were needed to compensate for the loss of budget revenues due to the pandemic. The personal income tax rate for HTP residents rose from 9% to 13%. Eighteen companies questioned

⁴ «15% уже не в стране. Куда и почему уезжают айтишники.» *Dev.by*. 26 Jan. 2021, dev.by/news/relocate-january-2021.

in the survey said they did not expect anything in their businesses to change; 17% said their profits would reduce by more than 4%; 14% strengthened their resolve to relocate.⁵

Lawyer Denis Aleinikov, one of the authors of the “HTP 2.0” decree, which stimulated skyrocketing growth of the industry, stressed that, according to paragraph 1 of presidential decree No.8 of December 21, 2017 “On Digital Economy Development”, the state guaranteed to the international investment and technology community that the special legal regime granted to the High Technology Park (including tax regulations) was to be in force until January 1, 2049. “Stability of the HTP regime over the years is our core value,” he said, “We had been hammering it out for years, and sold it to foreign investors more than once. It is about reputation, which made the HTP the leading IT cluster in Eastern Europe. To raise taxes temporarily means to lose the reputation forever.”⁶

The European Union’s sanctions imposed in the second half of the year posed another risk to the IT sector. The EU approved on December 17 the third package of sanctions. HTP resident Synesis LLC founded by Russian natives was put on the list for providing the Belarusian authorities with a surveillance system that can search and analyze video footage and use facial recognition software. The company was accused of contributing to the suppression of civil society and the democratic opposition in Belarus. Synesis filed a lawsuit with the European Court of Justice, contesting the decision to apply sanctions.

⁵ «Повышение подоходного налога в 2021 году: опрос Belarus IT CEO Club.» BICC, 20 Jan. 2021, www.bicc.co/news/povyshenie-podohodnogo-naloga-v-2021/.

⁶ «Поднять налоги равно потерять репутацию навсегда.» Юрист Денис Алейников и бизнес об инициативе Минфина.» *Dev.by*, 18 Dec. 2020, dev.by/news/nalogi-mneniya.

Cold neutrality

The HTP companies, employees of which were involved in high-profile initiatives or were sentenced to administrative or criminal penalties were neither closed, nor expelled from the Park, but the attitude of the country's leadership to the IT sector changed dramatically. Market players say the government has a strong feeling that the entire IT community is against it, and they account for almost a half of the protesters. There is no substantial evidence that there are more protesters among IT professionals than in other industries or social groups, but the state-IT relationship got frosty anyway. However, the authorities did not dare to choke off the economic growth driver.

Despite grave dissatisfaction on the part of the government, no scandals happened in the IT industry last year, except for that related to the sanctions against Synesis. Many feared that claims might be laid against cryptocurrency exchanges, which were a matter of intense debates before they were legalized in the country. It turned out that Belarusian legislation and the regulator were able to ensure compliance of the exchanges⁷ with the recommendations put forward by the Financial Action Task Force on Money Laundering, which checks owners of companies, their finances and the origin of their assets.

In 2020, the turnover of Belarusian crypto exchanges was around USD 4 billion per month. No claims were voiced by the regulator or law enforcers, so the country did not face reputational risks.

It took a few years to make decree No. 8 work to the fullest. Hundreds of companies were started in the HTP, and new ones are being established exclusively in the Belarusian jurisdiction without numerous branches outside the country. One of them,

⁷ There are *three* crypto exchanges and *one* ICO investment platform in Belarus.

SayGames, is among the world's top 10 companies in terms of game downloads. Before the decree came into force, such companies only had development offices in Belarus, while the parent companies were located elsewhere, in Cyprus, for example. *SayGames* is a Belarusian HTP resident, and all the hundreds of millions of dollars that are being spent on advertising, development and for other purposes go through it.

The post-election protests put an end to the plans of the IT industry to reform the national educational system. The IT University, loans for retraining in in-demand IT specialties remained ink on paper.

The state's ideological pressure on the industry is still unrelenting. "We cannot have a whole enclave inside the country that does not depend on the national economy, with a huge revenue gap to compare with average household incomes and very indistinct from the ideological viewpoint," House Representative Sergei Klishevich said, "We need to establish the direct link between the IT industry and state orders, which would be financed at the expense of tax credits."⁸

Conclusion

Ideological pressure on the IT industry will continue, albeit with an eye to its growing importance to the economy. There are virtually no industry lobbyists in the government now. The only thing that makes the authorities refrain from killing it altogether is that the sector brings to the table over USD 2.4 billion

⁸ «Депутат Клишевич: За девять месяцев попыток государственного переворота его организаторы добились ровно противоположного эффекта.» Палата представителей Национального собрания Республики Беларусь, 10 Mar. 2021, house.gov.by/ru/interview-ru/view/deputat-klishevich-za-devjat-mesjatsev-popytok-gosudarstvennogo-perevorota-ego-organizatory-dobilis-rovno-protivopolozhnogo-7084.

in foreign exchange from exports, pulling up underperforming foreign trade and keeping the ruble from taking a steep dive. Other industries are much more dependent on imports, being unable to substitute the IT industry, should the latter go to wrack. Belarus will develop the knowledge-driven economy regardless of political developments.

Large-scale relocation risks will actualize in waves. The most active and in-demand professionals will continue to leave the country, if the situation does not change for the better. Determined attempts to make the industry ideologically loyal would only accelerate this process.

Belarus' ambition to become a regional IT hub will likely be futile, although the country will look good for a while with respect to some individual indicators.

AUTHORS



ANATOLY PANKOVSKI

Doctor of Philosophy; editor of the *Nashe Mnenie* project (nmnby.eu), editor and compiler of the *Belarusian Yearbook*. *Academic interests*: history of political ideas, political theory, transformation of post-Soviet institutions, political communication, dynamics of scientific and expert communities.



VALERIA KOSTYUGOVA

Political analyst, coordinator of the *Nashe Mnenie* project (nmnby.eu), editor and compiler of the *Belarusian Yearbook*. *Interests*: Belarusian-Russian relations, political and socioeconomic development of the post-Soviet countries.



PIOTR RUDKOŬSKI

PhD, Academic Director of the Belarusian Institute for Strategic Studies (BISS, Lithuania). *Academic interests*: political transformations, Belarusian identity, political capacity of Belarusian churches, Belarusian state ideology and social sciences methodology.



NIKOLAI BUROV

MA in Political Science (Belarusian State University, Minsk). *Specializes in political transformations in the post-Soviet countries.*



POLINA MAKAROVA

MA in Public Administration. *Research interests: public administration reforms, assessment of the effectiveness of public institutions, human resource management in public service.*



ANDREI POROTNIKOV

Head of the *Belarus Security Blog* analytical project; board. *Research interests: domestic policy and national security of Belarus, international and regional security, climate change..*



DMITRY KUKHLEI

MA in Political Science and International Economics, graduate of the Bialystok School of Public Administration (Bialystok, 2006) and the East European School of Political Studies of the Council of Europe (Strasbourg, 2009). *Research interests: political institutions, local and representative authorities, regional policy.*



DENIS MELYANTSOV

MA in Political Science; majored in international relations and diplomacy. Coordinator of the Foreign Policy of Belarus program of the Minsk Dialogue expert initiative. *Academic interests:* foreign policy of Belarus, Belarus – European Union and Belarus – U.S. relations, national and international security.



GENNADY MAKSAK

Head of the Ukrainian Prism Foreign Policy Council, head of the Public Council at the Ministry of Foreign Affairs of Ukraine, coordinator of the Ukrainian National Platform of the Eastern Partnership Civil Society Forum. *Academic interests:* geopolitics, political regionalistics.



ANNA MARIA DYNER

Political analyst, head of Eastern Europe Programme of the *Institute of International Affairs* (Warsaw, Poland). *Academic interests:* international relations, Eastern European policy (Belarus, Russia).



ANDREI FYODOROV

PhD in Physics and Mathematics, *independent expert* in international and foreign policy and security.



SERGEI BOGDAN

PhD in Political Science, guest analyst at the Ostrogorski Center. *Academic interests:* foreign policy of Belarus, Belarus' cooperation with countries of Asia, Africa and Latin America, politics in the Near East and Central Asia, military industrial sector.



GENNADY KORSHUNOV

PhD in Sociology. Director of the Institute of Sociology of the National Academy of Sciences of Belarus until August 2020. *Research interests:* methodological aspects of the study of the structure and dynamics of mass consciousness, the influence of social mythology on social processes, theory and practice for forecasting development of social systems, media sociology.



VADIM MOZHEYKO

PhD in culture studies, analyst at the Belarusian Institute for Strategic Studies (BISS, Lithuania), member of the Council of the Public Association Liberal Club Discussion and Analytical Society (Minsk), ambassador of the *Press Club Belarus*. *Research interests:* mild Belarusization, information security, cultural diplomacy, cultural studies, public administration.



ELENA ARTIOMENKO-MELYANTSOVA
Bachelor of Social and Political Philosophy (European Humanities University, Lithuania), specialist in information and communication, MA in sociology (Belarusian State University). *Research interests:* public opinion, social contracts (welfare, approval rating of the authorities), geopolitical orientation of the population, technical assistance of the European Union, human capital (education, labor market), migration, demography, media influence on the audience.



KONSTANTIN NEMANOV

PhD, an expert in the field of education with experience in international organizations. *Research interests:* higher education, logic, academic culture.



ANDREI LAVRUKHIN

PhD in Philosophy, associate professor at the Department of Sociology of the St. Petersburg School of Social Sciences and Area Studies, National Research University Higher School of Economics (Russia). *Academic interests:* educational, scientific and technical policies, theory and practice of innovations.



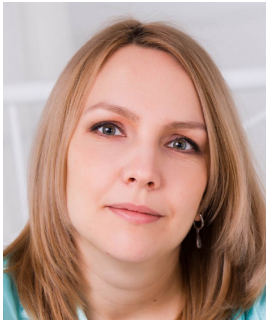
ALEXANDER SHRAMKO

Orthodox priest, journalist. *Academic interests:* Christian denominations, Church and society, human rights, everyday life of the Church.



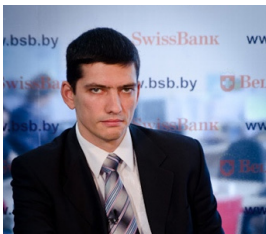
MAXIM ZHBANKOV

PhD in Philosophy, expert in culture studies, journalist, film analyst, author of *No Style. Belarusian Culture between Woodstock and Dažynki*. *Interests:* transformation of post-Soviet culture, cinema, industry of culture.



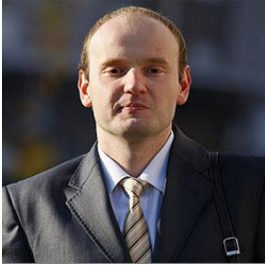
NATALIA RYABOVA

Sociologist, philosopher, MA in business administration, head of the School of Young Managers in Public Administration (SYM-PA), which hosts the Belarusian Institute for Public Administration Reform and Transformation (BIPART). *Academic interests:* public administration, e-government, social psychology.



DMITRY KRUK

MMA in Economics, economist at the Belarusian Economic Research and Outreach Centre (BEROC, Minsk). *Academic interests:* economic growth, monetary policy, financial and credit systems, transitional economies



ALEXANDER MUKHA

Analyst for *BusinessForecast.by*. *Academic interests*: macroeconomics, financial markets, monetary policy, state finances, international ratings, regional economic integration, foreign investments, crypto currencies, econometrics, multivariate statistical analysis.



ALEXANDER AVTUSHKO-SIKORSKI

MA in Political Science (European Humanities University, Lithuania; Central European University, Hungary), analyst for the Belarusian Institute for Strategic Studies (Lithuania). *Research interests*: democratization of autocratic regimes, political economy of oil and gas, political economy of autocratic regimes, institutional transformations, economic regulation systems.



MARIA AKULOVA

MA in Economics, economist at the Belarusian Economic Research and Outreach Center (BEROC, Minsk). *Academic interests*: investments, privatization, labor markets, gender aspects of economics, small and medium businesses.



OLGA LOYKO

Economist, chief editor of political and economic news at *Tut.by*. *Interests*: development of transitional economies, investments, real sector.

