

## Table of contents:

- 1 Opening remarks
- 2 Executive Summary
- 3 Political Liberalization and Democratization
- 5 Economic liberalization
- 7 Good governance and the rule of law
- 9 Geopolitical orientation
- 11 Cultural Policy



On June 11, 2011, we lost a dear friend, colleague and inspirator Vital Silitski. He was the most professional, best-known and most quoted Belarusian political analyst. It is through his strenuous efforts that BISS has become a leading Belarusian think-tank with an excellent international reputation. He always gave himself unselfishly to the cause that he had made his priority and the country that he was devoted to entirely.

Vital was also a friend to us all. Kind-hearted, emotional, plain-speaking, but always sincere, and – loving... We, too, love you and remember.

Team BISS

## BISS-Trends focuses on five main trends:

The report consists of two parts.

### Part 1:

- a) Executive summary;
- b) Description of each of the sixth issue. The authors were invited to structure their reports as follows:
  - Assessment of the forecast given in the last issue of BISS Trends;
  - Justification of a new trend (March–May 2011);
  - Description of key events that define the assessment of the trend;
  - Description of additional events;
  - Description of events that ran contrary to the trend but failed to affect the overall assessment;
  - Brief forecast for the next quarter and next year.

### Part 2:

- c) The reference catalog of events, facts, changes, based on which the experts assessed the trend (in Russian only).

## Symbols used in the report:

- ▲ progress (upward trend)
- status quo
- ▲ minimal progress
- ▼ minimal regress
- ▼ regress (downward trend)

**Authors:** Aliaksei Pikulik, Aliaksei Lashuk, Dzianis Melyantsou, Tatsiana Astrouskaya, Siarhei Chaly, Yury Chavusau.

## EXECUTIVE SUMMARY

Deterioration, setback, recession – there are hardly any other words to describe the five trends we monitor. It seems time was running faster in the spring of 2011: trials of political prisoners, Minsk metro bombing, full-scale currency crisis, Belarusian ruble devaluation...

The general pessimism tends to reveal the things that used to be vague and doubtful. Firstly, the Belarusian regime is hardly able to pursue even a cosmetic democratization; secondly, the government is not ready to undertake the necessary economic reforms, still keeping to the previous inefficient model; thirdly, the Belarusian authorities are short both of the action plan to surmount the crisis (to say nothing of a strategic vision of the country's sustainable development in the long run) and a professional team of top managers. Furthermore, the regime proved helpless when faced with spontaneous social protests, which occur because of the price hikes, absence of foreign exchange and major changes in welfare patterns of an average Belarusian.

In the political liberalization and democratization domain, the setback is quite significant. Repression has affected almost all spheres of life of Belarusian society.

Instead of the promised economic liberalization, the authorities have made a huge step back. The government has reestablished administrative levers, the so-called “manual control” of economic processes, in order to stabilize the situation in the country.

When it comes to the quality of governance and rule of law, we observe selective enforcement, which represents a throwback from the previous period.

The geopolitical trend is still characterized by (at the very least) a pause, or “timeout”, as President Lukashenka put it, in Belarus' relations with the European Union; and the growing gravitation of Russia, which, amid the shortage of balance from the West, imposes new rules of the game on the Belarusian president.

The repression aimed against civil society has eventually had a serious impact on the country's culture policy. “Black lists” of unwanted musicians and writers prompt a sad return to the darkest USSR times. ■

# Trend 1

## Political liberalization ▼ , political democratization ▼

### Was the forecast made in the previous issue of BISS-Trends accurate?

The forecast that the de-liberalization peak would be observed in February, and the level of repression would go downward from there, was not accurate. The de-liberalization processes are as intense as they used to be, although the emphasis has been somewhat shifted. Alongside the increase in the number of political prisoners (which was predicted), new manifestations of limitations of civil rights and freedoms were recorded.

Limitation of the freedom of assembly reached its peak in March-May 2011, which was not part of our forecast. The previous report mentioned NGOs and political parties as the likeliest targets for repression, rather than the media. However, repression against the media proved more severe than against other civil society institutions.

### Justification for the new trend

The completion in spring 2011 of the politically-motivated trials of those involved in the notorious December 19 case seemed to have closed the chapter on the escalation of repression and crackdown in Belarusian society. The high level of intimidation in society was attained through blatantly severe (up to six years in prison) mass (dozens of sentences) verdicts.

The country has therefore entered the period of economic predicament amid the total weakening of the opposition. Opposition structures suffered enormously as a result of the presidential election, and activists who managed to stay out of prison are now busy restoring opposition institutions and are making little use of the escalating protest moods and favorable environment to criticize the regime.

The Minsk metro bombing of April 11, 2011 could have started a new wave of repression, but nothing happened (although a few opposition activists were detained and interrogated in connection with the terrorist attack, including the former leader of the youth wing of Party Belarusian Popular Front Ales Kalita). Since approximately the beginning of May 2011, the situation with limitation of freedoms in Belarus has remained at the same level, albeit quite high. The April 11 blast became a sort of a symbolic benchmark indicating a change from a very high level of repression to a period when the pressure has turned into a routine, and the most serious de-liberalization phase seems to be coming to an end.

This trend is also characterized by the rhetoric of a “besieged stronghold”, domestic witch-hunt and low activity of the opposition, which makes further de-liberalization step-up unnecessary; it would be sufficient to keep up the current fear of repression

in society and “weed out” civil society institutions once in a while.

Starting December 19, 2010, a new system of interrelations within the regime has been formed. It is characterized by a crackdown within the state authorities, priority status of political security of elites and disregard for national economic issues as matters of secondary importance. After April 11, the regime has consolidated and gained internal stability.

### Description of key events that define the trend

The key events include the financial and economic crisis, step devaluation and galloping inflation, and the April 11 metro bombing. They are all beyond the “liberalization – de-liberalization” trend, however, their influence on the trend is considerable.

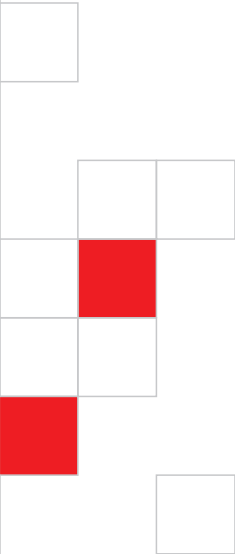
The politically motivated trials became landmark events for the spring of 2011. By June 1, Belarusian courts had completed 13 trials and passed sentences on those involved in the December 19 events. Forty-three people were given prison sentences, and about 20 people were either accused or suspects as of the first day of summer.

The fact that the list of convicts included five former presidential candidates, and three of them – Mikalai Statkevich, Dzmitry Uss and Andrei Sannikau – have been given long sentences in prison (from five to six years) is unprecedented. The sentencing of a few former presidential candidates at once is unheard of and seems impossible not only in Europe, but also in the entire former Soviet Union and even in the entire world. This turn of events will be shaping the attitude to Belarus on the international scene for years.

As for the impact on the internal policy, neither the early parole of the political prisoners, nor the liberalization and democratization efforts will ever offset the detrimental effect of the trials on the development of the national political system. The sentences imposed on the former presidential candidates have doomed any “color revolution” plans and any attempts to build a “controlled democracy” model in the medium term. The adverse impact of the sentences can only be compared to the disappearances of opponents to the current regime.

### Description of additional events

The Minsk authorities turned down the applications for traditional events that were allowed in previous years, for example, the Day of Will (Freedom), banned or interfered with indoor meetings and conferences, for instance, a presentation of Uladzimir Matskevich's book, seminar in the town of Zhodzina, roundtable



meeting addressing the Interior Ministry's reform in Minsk, and concerts of unwanted rock bands.

It was the freedom of assembly that has seen most restrictions. People were allowed to take part in the Chernobyl Shliakh (Path) event (authorized as a meeting, not the traditional march) only after they passed through metal detectors and searched. Viasna (Spring) human rights center recorded over a hundred cases of politically motivated administrative detentions; in 13 cases, courts sentenced the detainees to administrative arrests (as a rule, under far-fetched pretexts of disorderly conduct).

Some opposition activists were reported to have been detained, interrogated and arrested in connection with the April 11 Minsk metro bombing. The president said there was a possible connection between terrorists and the political opposition, although those words did not trigger a new opposition persecution campaign.

The Information Ministry issued a number of warnings for independent media and finally filed lawsuits to shut down "Nasha Niva" and "Narodnaya Volia" newspapers. This could be a severe blow on the freedom of speech in Belarus. Even the online freedom of speech encountered restraints: it was the president that gave a cue to limit the freedom of speech in blogs and social networks. A few cases of restrictions of access to some websites in state institutions were registered; blogger Yauhen Lipkovich experienced well-organized badgering.

When it comes to the freedom of association, the situation is stagnating. There are some indications that the moratorium on the

registration of institutions by way of declaration (as opposed to licensing and authorization) has weakened. However, some organizations have come across habitual denials (Youth Association "Impulse", Association of Belarusian Litvins, "Kobzar" Association of Baranovich Ukrainians, Volunteerism Promotion Center, Cultural and Outreach Public Organization "Golden Lion", etc.). In the case of the Volunteerism Promotion Center, an attempt to recruit the head of the organization was reported during the presentation of the documents for registration, in a bid to use the Center as a fake NGO to lure grants from foreign funds. Article 193-1 of the Criminal Offenses Code is still used, but mostly as warnings. Warnings were issued for head of "Viasna" human rights center Ales Bialiatski, members of "Malady Front" (Youth Front, registered in the Czech Republic), of the unregistered party Belarusian Christian Democracy and some unregistered religious organizations.

#### Description of events contradicting the trend and why they do not change the trend

As expected, the contradictory bill "On non-profit organizations" was not submitted to the House of Representatives at the set date because of the negative verdicts of some agencies that conducted its reviews and, maybe, due to concerns expressed by many civil society organizations. The Justice Ministry said it was ready to take into account the public opinion when finalizing the bill, including its provisions expanding the application of registration by declaration, mitigating the liability for the activity of unregistered organizations and simplifying the registration of legal address for non-profit organizations. ■

### Brief forecast for the next quarter

The summer of 2011 does not seem to have great potential for democratization or liberalization developments in Belarus. One should not expect a release of political prisoners, or alleviation (to say nothing of the abolition) of the established practice to disallow all mass events, or easier NGO and party registration rules. Even insignificant deviations from the policy of total crackdown (such as a decision to leave the remainder of the independent media alone or non-sentencing of the remaining suspects in the December 19 case) would not mean a suspension or reversal of the de-liberalization process. One should expect slow, latent processes paving the way for a new period of liberalization before talks begin over a resumption of the economic cooperation between Belarus and the West.

### Brief forecast for 2011

The likeliest scenario for the year is the gradual transition of the Belarusian regime towards readiness for dialogue with the West. The regime will demonstrate its consent to "pardon" the most significant prisoners of conscience (not all of them, though) and refrain from further attempts to finish the half-smothered opposition. The state may once again mention possible adjustments to the election regulations prior to the parliamentary elections of 2012 and may even speak about the possible introduction of the proportional election system. The real reform of the election process is quite unlikely, and there will be no change to the proportional election system for sure.

## Trend 2

### Economic liberalization ▼

#### Was the forecast made in the previous issue of BISS-Trends accurate?

The forecast we made in March was accurate, and we are a bit sorry, because we predicted a step devaluation of the national currency, forced search for external borrowing to salvage the Belarusian economy and case-by-case privatization of some enterprises... The only forecast that did not come true was the one about simpler business rules for small and medium-sized enterprises, although there are definite preconditions for these modifications. This trend was temporarily affected by the currency crisis.

#### Justification for the new trend

In the period March 1 through June 1, Belarus observed a marked de-liberalization of economic regulations, as well as unscrupulous use of administrative levers. We believe the administrative measures contributed to the deterioration of the crisis, as they pushed the economy deeper into a trap, instead of leading it out of the crisis.

#### Description of key events that define the trend

Belarus tumbled into a full-scale economic crisis resulting from the government's populist macroeconomic policy conducted in the past few years, shortage of fiscal discipline, damaged trust in the national currency after the December 19 election amid the promised wage push to an equivalent of USD 500 a month prior to the election, and the huge foreign trade deficit. As of today, the Belarusian government pins high hopes on the IMF loan as a lifebuoy capable of preventing a collapse of the Belarusian banking system and full-scale default.

In all appearances, foreign loans will be used to "postpone" the crisis instead of eradicating the reason for the crisis. The following factors prove this assumption: a) insufficient devaluation of the Belarusian ruble (the NBB must have opted for one of the poorer methodologies to calculate the equilibrium rate of the Belarusian ruble); b) absence of political will to pursue structural reforms; c) lack of strategy and action plan (which is apparent from the package of "anti-crisis measures"); d) lack of a professional team; and e) shortage of substantial loans from the EurAsEC.

We will start with the final point – the EurAsEC loans. The credit line opened to Belarus cannot change anything, given the scale of the crisis. The gradually deteriorating lending terms, partition of the lump-sum loan into installments to be provided within three years and a half, accompanied with privatization demands totaling USD 7.5 billion indicate that Russia is not ready to save the Belarusian economy free of charge. The amount provided to Belarus (provided via an intermediary) is unable to resuscitate the cash

currency market, given the accumulated demand of the population and companies for foreign exchange.

Paradoxically, the situation that developed after the May 23 devaluation proved even worse than the state of things before the devaluation move. On May 20, Prime Minister Mikhail Miasnikovich said Belarus would reach an equilibrium ruble rate in two steps: the first one would be to reduce the "grey" exchange rate, and the second one would unify all rates. The first phase was carried out on May 23; however, both the National Bank and the government must have miscalculated the real depreciation level of the ruble and went short of the true equilibrium rate. The thing is that the government was trying to compute the equilibrium rate based on statistics of the Interbank currency exchange, however, since the exchange had been given verbal instructions to keep to certain limits, all transactions were reported at lower rates, while in reality there were schemes enabling transactions at much higher rates, hence mistakes at early stages of equilibrium rate computation.

As a result, the exchange rate was unified at a level below the real market rate (with the same 2% band around the basket parity), and the situation was even worse than before the devaluation decision, when there were multiple rates. The statement of the president that the ruble would not depreciate any more leaves the only chance of depreciation within the allowed 12% band this year. It means if there is no political will to reach the real equilibrium rate, the situation will have to be supported with purely administrative crutches.

To find a way out of the situation, the authorities adopted the "Action plan of the government to ensure a balanced development of the economy in conditions of adjustments in the official rate of the Belarusian rubles" (hereinafter the Plan), which many experts believed was a plan for the EurAsEC.

The Plan is a symbiosis of liberal and anti-liberal measures, because the government found itself in a situation when it was incapable of saying "b" after it made up its mind and said "a". The Plan has positive sides, especially a provision on the stabilization of the financial system, which envisages a curtailment of budget expenditures, reduction in the investment program by 30%, budget cuts and revision of housing construction volumes. However, the following provision on the stabilization of the situation on the currency market suggests measures to increase the share of foreign exchange in currency circulation and cancel preferential surrender of currency proceeds within the 30% limit (previously, the president could allow selected companies to sell less foreign exchange proceeds at the official rate). These measures are needed only in case there are doubts that the equilibrium rate has been

attained; otherwise mandatory currency surrender is not required at all. Furthermore, the government issued a ruling allowing companies to include exchange rate differences in costs. It means the government is morally ready to reestablish the multiple rate system in order to re-launch the Interbank currency exchange.

One consequence of the unification of rates settled at a non-market level was a panic demand for exportable commodities, which stripped the domestic market of many marketable goods because of price disparities. It is profitable to sell everything outside the country and sell nothing domestically.

In a situation when all these internal imbalances accumulate, and it is impossible to deal with emerging problems using market instruments, administrative levers appear to be the only pillars the authorities can rely on. How are they used? The government compiles lists of products, assigns operators responsible for availability, forms a de facto monopoly on the consumer market, because the importers that cannot officially buy exchange on the interbank market will soon get extinct.

In a situation when foreign exchange for importers is rationed, state operators will be determining the range of goods available in stores, hence inevitable non-equilibrium rise in prices for tradables. Prices for goods that can be exported will rise even more than prices translated using grey exchange rates. It is likely that the institute of special importers will reappear in Belarus, the government will demand that importers and retailers provide a set range of commodities and make believe that prices are controlled; however, prices will be raised using administrative leverage under the pretext of disparities.

**Description of events contradicting the trend and why they do not change the trend**

First of all, the Plan has a section that is said to cover measures to protect the population: public sector employees will see their incomes indexed, and pensions and educational allowances will be raised. However, a detailed analysis of the document shows that the government is getting ready for a possible increase in unemployment. Sooner or later, the government will have to undertake a restructuring of enterprises, which means workforce will be released. The government is trying to expand the system of targeted housing subsidies, a move that was not resorted to back in 2009, when the authorities implemented an economic program under a Stand-By Arrangement with the IMF.

Secondly, individual entrepreneurs will be allowed to hire workers who have been released or dismissed. This means the government is preparing a legal framework to create new jobs for released labor force. New jobs can only be created by private businesses, and in this context the authorities will not do without labor market liberalization.

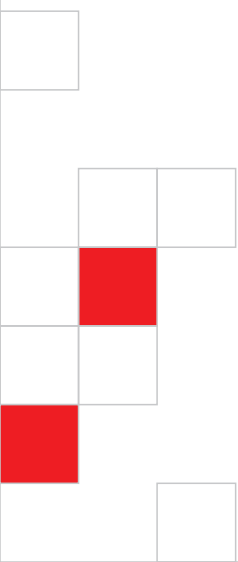
Thirdly, Belarus is ready to start selling its assets. In spring, there appeared the first media reports that Belaruskali potash maker would be sold to tycoon Suleiman Kerimov. Lukashenko evaluated 100% in Belaruskali at USD 30 billion, and a controlling stake was offered to Kerimov for USD 15 billion. Furthermore, Belarus is getting ready to sell the remaining 50% in Beltransgaz to Russian gas giant Gazprom for USD 2.5 billion. These attempts may hardly be tagged as “liberalization”, though. ■

**Brief forecast for the next quarter and 2011**

The program adopted by the government is an attempt to conserve the recession, to slow the fall. It will not resolve economic problems, but turn the wildfire into smolder. This program, alongside the USD 800 million EurAsEC loan installment, is expected to help the economy linger until the first tranche of the loan from the IMF. There are no options for Belarus now (other than the sale of assets).

Belarus is very likely to receive new loans from the IMF, but the main problem for the Fund is the lending terms. It needs to formulate lending conditions in a way to avoid political wording, but eventually bring about both political and economic transformations.

Privatization is inevitable. The main question is how exactly it will be conducted. On the one hand, Russia is interested in a non-transparent privatization (the Belarusian authorities would not mind it, either) to acquire Belarusian assets without competition. The IMF, on the contrary, is interested in having all sales as transparent as possible, that is, via open tenders and auctions.



## Trend 3

### Quality of governance and rule of law — ▼

#### Was the forecast made in the previous issue of BISS-Trends accurate?

As had been expected, the government approved the action plan to implement Directive #4 “On the Promotion of Entrepreneurial Initiative and Encouragement of Business Activity in the Republic of Belarus.” But the simultaneous currency and consumer price crises showed the imperfection of coordination patterns in the Belarusian state authorities when sensible concerted actions are called for. The “manual control” of the economy without a clear strategy proved inadequate yet again, whereas trials and sentences passed on those involved in the December 19 events showed the real face of the Belarusian justice system.

#### Justification for the new trend

Prodded by the economic crisis, the authorities stepped up efforts to implement Directive #4. However, the activities designed to reduce state domination in all spheres of life and lend more rights to private ownership were taking place amid the general crackdown in currency, import and price regulations, as well as flagrant selectiveness of the justice system regarding the participants in the December 19 events. All these factors characterize the trend as the absence of progress/regress.

#### Description of key events that define the trend

The main event in the period we monitored was the Action Plan to implement Directive #4, which must be carried out in 2011. The Plan incorporates 133 arrangements, including the adoption of specific regulatory acts, drawing up of projects, proposals and programs to further improve legislative practices, as well as information and media efforts to popularize the ideas of Directive #4. According to the state media, the authorities are working 24/7 to implement the Directive. A few documents have been adopted, however, we have seen no results whatsoever in such areas as the protection and development of private ownership, improvement and streamlining of controlling and supervisory activities, promotion of Public Private Partnership, and ensuring of consistent regulations and high quality of newly drafted regulatory legal acts.

We admit, though, that it is not yet the end of the second quarter, and it is by the end of June that 90% of all proposals on regulatory changes are supposed to have been made.

#### Description of additional events

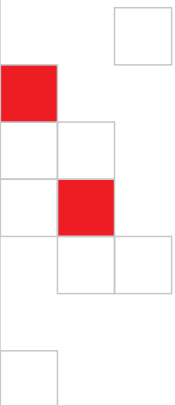
Some provisions of the Action Plan have already been implemented. Ordinance #181 of the president abolished the compulsory application of the unified wage scale by private organizations and joint ventures. The number of mandatory primary accounting documents was slashed to eight from 1,600. From now on, companies themselves, not the state, will approve the procedures for the use of most of the accounting documents, their format and information to be filled, although the minimum required set of data will have to be entered. On April 14, the government approved the limited list of commodities, operations and services with prices regulated by the state. The move seriously simplified price formation and enabled economic entities to pursue an independent price policy. However, as early as May 28, an additional list of socially significant commodities subject to temporary price regulation by the state for up to 90 days was adopted.

The Program for the development of the securities market and Program of innovation development for 2011-2015 adopted by the government in the analyzed period are commendable; however, they should have specific results to be called efficient.

#### Description of events contradicting the trend and why they do not change the trend

One event that clearly contradicted the trend was the “agreement on curbing the increase in retail prices” reached between the Minsk City Executive Committee and large retail chains working in the capital city. The deal, which any antitrust regulator would naturally condemn as a move to restrain competition, was signed by around 20 commercial companies not without administrative pressure.

The contradictory trials in the framework of the criminal case of “mass riots” instituted against those involved in the December 19 events are also indicative of a major setback in the domain of symmetrical law enforcement in Belarus. Punishments for crimes stipulated in the same article of the Criminal Offenses Code varied depending on critical remarks each specific person made about the state authorities and political pressure on the regime coming from abroad. ■



---

**Brief forecast for the next quarter**

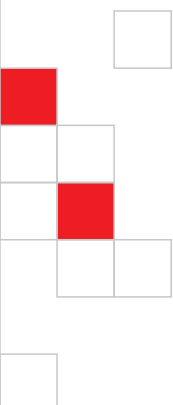
New regulatory acts to discourage monopolies and promote competition, introduce flexible employment forms, change the principles of healthcare financing, launch a pension reform, protect property rights, ensure irreversibility of privatization, simplify land provision to entrepreneurs and administrative procedures, as well as to simplify tax and accounting regulations are expected to be prepared by the end of the second quarter. The quarter will result in numerous proposals, projects and programs, which, after all concerned parties have approved them, which will take quite a long time, will be implemented within the next 12 months. In summer, we will likely get regular updates on the progress of the lawmaking process, often concealed and unavailable to an outward observer.

**Brief forecast for 2011**

Because of the general deterioration of the economic situation and indications of social tensions, the administration of the state will have to not only declare a “year of enterprise”, but also create favorable terms for doing business, with transparent conditions and legal equality of all market players, private and state-controlled.

We should not expect that this process will be efficient and irreversible. Because of the gained momentum and for fear of losing control of market entities, the state will keep interfering with their activities by using directive methods. By the way, the very term “directive” is naturally opposed to the notion of “liberalization”. In 2011, we will see what this symbiosis of liberalization measures expressed in directive rulings will bring us. If the situation in the country remains manageable this year, the trend of the “controlled liberalization” with carefully measured injections of liberalization regulations will continue. If the current system persists, one should not expect improvements in the law-enforcement process in general and consistency of legislation in particular.

---





## Trend 4

### Geopolitical orientation

#### Pro-European vector ▼

#### Pro-Russian vector ▲

#### Was the forecast made in the previous issue of BISS-Trends accurate?

Our forecast came true. The relations between Minsk and Brussels did not change; Belarus focused entirely on resolving internal problems. The trials of the former presidential candidates and other participants in the December 19 events and unreasonably severe sentences caused a number of critical statements by the EU and governments of EU member-states.

#### Justification for the new trend

The geopolitical pattern that Belarus found itself in after the presidential election has changed very little. The relations with the European Union stay at a very low level. Throughout the period in question, the EU held internal debate over the possible introduction of targeted economic sanctions against designated Belarusian enterprises, however, the Council of the European Union did not approve those proposals.

Belarus has been shut out of the processes taking place within the Eastern Partnership. The politically motivated trials and insults that President Alexander Lukashenka hurled at the EU leaders aggravated the already tense relations with the West.

Belarus is still under a great pressure from Russia, which it cannot offset with any counterbalance in the West. At the same time, the Russian administration is eager to take its relations with the Belarusian authorities to a multilateral track. Furthermore, Russia made privatization in Belarus an essential condition to provide a stabilization loan, which almost equalized the “political price” of the Russian loan with the “political price” of the IMF loan. The Russian leaders have repeatedly criticized political repression in Belarus, and the Russian media were quite far from using delicate diplomatic parlance when covering the Belarusian economic crisis. Nevertheless, this did not stop the Kremlin from safeguarding its ally against the application of the “Moscow mechanism” of the OSCE.

It appears that after the presidential election of 2010, we should be speaking about a trend towards a stronger self-isolation of Belarus rather than another geopolitical turn from the West to the East.

#### Description of key events that define the trend

On March 21, 2011, the EU Foreign Affairs Council decided to extend the list of Belarusian officials who are denied entry to the EU by adding 19 more names to the list (mostly judges and prosecutors, as well as rectors of Belarusian universities).

Minsk's response was not long in coming: on March 22, Foreign Ministry Spokesman Andrey Savinykh announced that a similar list of EU officials was prepared in Belarus to deny them visas. According to Savinykh, the list “includes the persons who pursue destructive activities regarding Belarus and damage international cooperation.”<sup>1</sup>

The “Belarusian issue” was once again on the agenda of the Council of the European Union on April 12, but no official decisions were made, despite earlier reports that it was at that session that targeted economic sanctions could have been slapped on Belarus.

May 3 saw the completion of the lengthy poignant process of the creation of Euronest Parliamentary Assembly, the parliamentary component of the Eastern Partnership. On that day, the inaugural meeting of the Assembly was held without a Belarusian delegation, despite the positions of parliamentary delegations of six EaP members. The long debate over Belarus' representation in that parliamentary structure was therefore over. Amid the general crisis in Belarusian-European relations, the non-invitation of Belarus did not shock anyone, but the Belarusian authorities were disgruntled.

The Council of the European Union got back to the “Belarusian issue” on May 23 and added 13 new names to the list of persons subject to travel ban. The expected economic sanctions were not imposed. European politicians must have had concerns that additional punitive measures would escalate tensions between Minsk and Brussels even more.

On May 18-19, Minsk hosted a series of summits of former Soviet Union integration bodies, where a stabilization loan for Belarus from the EurAsEC Bailout Fund was preliminarily agreed. The Russian side made a large-scale privatization in Belarus an essential condition for Belarus to receive the loan.

<sup>1</sup> <http://belapan.com/archive/2011/03/22/458013/>

### Description of additional events

Belarusian-European relations faced another shock on April 26, when President Lukashenka, asked why he had not been invited to Chernobyl anniversary events in Ukraine, called European Commission President Jose Manuel Barroso a “bastard” and the Ukrainian leadership “lousy”. It seems Lukashenka was hurt that Viktor Yanukovich had preferred the European Commission president to his northern neighbor (there were reports prior to the meeting in Ukraine that Barroso only agreed to come if Lukashenka was not around).

As for Belarusian-Russian relations, there were a few diplomatic mishaps. Firstly, there was a scandal over an alleged illegal casino operating in the premises of the Belarusian Embassy in Moscow and official request of the Russian Foreign Ministry to Belarusian counterpart to comment on those reports; and secondly, there were two official statements of the Russian Foreign Ministry

regarding the detention and following expulsion from Belarus of Russian human rights activists. Furthermore, the Russian media actively provided alternative information about the investigation of the Minsk metro bombing and state of things on the Belarusian money market and economy as a whole.

### Description of events contradicting the trend and why they do not change the trend

Despite the generally unfavorable background of Belarusian-European relations, Alexander Lukashenka spoke a few times about getting back to dialogue. In his annual address to the parliament and the nation on April 21, Lukashenka said Belarus had taken a “time-out” in its relations with the EU, but “this timeout won’t last long, because we need each other.” Furthermore, he noted that Belarus was “susceptible to universal European values”. On May 9, Lukashenka told reporters “Belarus is open to dialogue with Europe.” ■

---

### Brief forecast for the next quarter

The foreign political situation is unlikely to change significantly. However, because of the deteriorating economic situation, additional financial assistance will be called for, and the pro-European rhetoric of the Belarusian authorities will likely grow stronger, while officials will conduct exploratory talks with a view of getting back to dialogue.

The relations with Russia are likely to get sour because of the Kremlin's unwillingness to stabilize the Belarusian economy and growing pressure on Belarus to expedite the privatization of assets that Russian capital is interested in.

### Brief forecast for 2011

The Belarusian authorities will be doing their best to return to dialogue with the EU in order to be able to offset the gravitation of Russia and procure additional sources of financing. The economic crisis may substantially speed up this process.

The next parliamentary elections are due in 2012, which means the Belarusian authorities will have to address foreign political problems to deal with the legitimacy of the Belarusian parliament in the eyes of the European Union at a later phase. On this basis, this autumn and winter will likely witness the commencement of talks over a restoration of the full-scale dialogue between Minsk and Brussels.

---

## Trend 5

### Culture policy: regress of liberalization ▼ and Europeanization trends ▼

#### Was the forecast made in the previous issue of BISS-Trends accurate?

The main trends of the second quarter of 2011 met our expectations: the authorities went on with repression and as good as halted the dialogue with civil society. The period of liberalization in the culture domain is over. The discord between attempts to establish connections with European cultures and consistent pressure on representatives of informal culture domestically is getting more distinct.

The authorities clearly have a distorted vision of the specific nature of Belarusian culture and its Europeanization. In the former case, the regime is unwilling to give up the established rules of the game in the cultural landscape of the country, whereas in the latter case, Europeanization is reduced to an increase in communication with representatives of the European cultural tradition and attempts to rectify the negative image of the state. The inadequacy of this strategy is growing more evident; for instance, the inclusion of well-known British, American and Russian actors, musicians, directors and playwrights in Belarusian “black lists” naturally provoked an increase in criticism of the Belarusian regime in the European and American theatrical and cinematographic circles.

There has been an apparent throwback in the process of culture liberalization, which discredits the previous efforts of the state to fit it into the European context.

#### Justification for the new trend

The second quarter of 2011 was marked by the reappearance of unofficial “black lists” of unwanted culture personalities in local administrations. Neither the Information Ministry nor the Presidential Administration assumed responsibility for compiling and disseminating the “black lists”.

Such notorious lists first appeared in Belarus long before 2011, but after December 19, 2010, new names have been added, including those of foreign actors, writers and musicians. The reappearance of the “black lists” was in revenge for the criticism of political repression in Belarus. Marginalization and prohibition of activity of some of the Belarusian culture entities is exclusively due to the authorities' inability to establish a full-scale dialogue with civil society. In a recent interview with BelaPAN, writer Uladzimir Arlou said the

struggle of the authorities against “disagreeing” culture personalities went beyond the framework of the “black lists”. Belarusian authors who fail to express their loyalty to the regime become personae non gratae in all state-controlled publishing houses. Their books have not been accepted for publication at all in the past few years. According to the writer, such retaliatory measures are bringing closer the fiasco of the state itself, because without vernacular Belarusian culture the state will not be able to exist.

This emphasizes the growing de-liberalization even in the culture domain, where repression has become a reality, and attempts to depoliticize culture have no sense for the authorities, which are trying to control all sectors of public life.

The previously declared Belarusization policy and references to symbols that are not traditional for state ideology have been manifested only partially and within the framework of less significant events.

#### Description of key events that define the trend

The main event that most convincingly demonstrates the reversal of liberalization trends is the virtual ban on the activity of artists who openly expressed their negative attitude to the “witch-hunt” and the war between the authorities and civil society. For instance, concerts of Liapis Trubetskoy, Neuro Dubel, Krambambulia, performances of Zmitser Vaitiushkevich and tour of Russian Tarakany band were cancelled.

Two essential aspects of the cultural policy currently pursued by the state are now apparent: first of all, this strategy has no author: local representatives of the executive vertical are trying to predict the priorities of the “center” and tend to respond to unarticulated calls from high places. Furthermore, self-preservation instinct is working well: no one is eager to take on responsibility for legally nontransparent decisions. Secondly, functions in the culture policy of the state are sort of redistributed, when the Information Ministry initiates repression against independent media resources, which are to a great extent aimed at preserving the distinctness of the Belarusian cultural landscape (shutting down of Avtoradio FM station and warnings issued for “Narodnaya Volia” and “Nasha Niva”). In turn, the Culture Ministry ignores any conflicts between public authorities and civil society.

### Description of additional events

The setback in the country's culture policy is manifested not only in the events we described above, but also in the absence of a qualitatively new development program that would contain basic European principles and values: the freedom of creativity, autonomy of artists, minimum role of the state in the determination of the pricing policy of culture products, etc.

It is for a good reason that most of the culture development indicators in the culture promotion program for 2011-2015 are quantitative parameters. The regime is still willing to regulate the culture sphere using directive methods. The Culture Ministry is eager to meet quantitative targets: for instance, in the next five years, reconstruction and restoration must be completed at 50 entities; however, specialists have doubts about the quality of work.

The pompous celebration of Victory Day on May 9 also shows the inability of the authorities to give up the manipulation of the Soviet mythology and rhetoric of the Great Victory, which form the cornerstone of Belarusian ideology. Alexander Lukashenka on May 9 drew a connection between the events of the Great Patriotic War and current isolation of the country. Indicatively, ambassadors of European states were not invited to the celebration. The Europeanization vector in

Belarus' cultural policy is to a great extent contextual and is designed to serve short-term purposes. The exploitation of the Victory topic and Belarus' merits during WWII by the Belarusian authorities aims at seeking a sort of grace in a difficult economic and political environment.

The unsuccessful performance of the country at the Eurovision song contest is also indicative: the authorities interpreted the fiasco of the Belarusian performer in the context of the conflict with the political administration of the European Union. However, under the circumstances, the reason for the failure was rather a peculiar conflict between Belarusian culture and ideology and values of the European cultural tradition.

### Description of events contradicting the trend and why they do not change the trend

The events that do not fit in the basic trends are rather scarce. First of all, we should mention the organization of Days of Culture of Ireland, Sweden and Ukraine, and the participation of an official Belarusian delegation in the Cannes International Film Festival. Also noteworthy are periodic attempts to engage private investors in the Belarusian culture sphere; however, none has proved successful so far, mostly because of the inconsistent approach of the authorities towards the liberalization of the culture sector. ■

### Brief forecast for the next quarter

The current situation suggests that the key trends of the period – de-liberalization and withdrawal from Europeanization of the Belarusian cultural tradition – will remain

The authorities will strive for total control of civil society, which in the culture policy will be expressed in a growing censorship and prohibition of any activities of artists, writers, etc. who are not openly loyal to the Belarusian authorities.

### Brief forecast for 2011

One can expect a growth in conflict situations that will be initiated primarily by repressive strategies of the regime. The authorities will hardly give up their attempts to split the culture segment: it will “export” signals about the convergence with the European cultural tradition while waging a war on civil society, which will only impoverish Belarusian culture.