

Table of contents:

1	Summary
2	Executive summary
3	Political liberalization/ political democratiza- tion
6	Economic liberaliza- tion
8	Good governance and rule of law
10	Geopolitical orienta- tion
12	Cultural policy

Summary

This new issue of BISS-Trends is a semiannual monitoring review of the priority trends in the development of the Belarusian state and society in the second half of 2015.

This review focuses on the main trends in the following areas:

- political democratization/political liberalization;
- economic liberalization;
- good governance and rule of law;
- geopolitical orientation; and
- cultural policy.

Each of these five priority areas is described on the basis of the following pattern:

- general characteristic of the main tendencies;
- description of the main developments that determined the rating of the trend;
- description of additional developments;
- brief forecast for the next six months.

At the start of the report, we offer a brief summary of the main trends in the five target areas (Executive Summary). This review also comprises a table that identifies the degree of progress or regress in each area. At the end of the report, we present a reference catalogue of the main events, developments, and changes that were recorded in the second half of 2015 in each of the five areas under analysis.

Executive summary

The *political liberalization* dimension was marked by progress in the second half of 2015. Although the presidential election was held without a slightest deviation from the scenario originally concocted by the authorities and was accompanied by numerous failures to comply with the applicable regulations, the authorities managed to bring down the overall, already quite low, level of repression, and changed to milder restrictive practices. An important development recorded during the period under review was the release of all of the political prisoners. When it comes to *political democratization*, no significant changes were reported.

The *economic liberalization* segment was characterized by a deterioration of the main macroeconomic indicators, as well as the accumulation and aggravation of previous challenges. Structural reforms were postponed again, and the authorities confined themselves to making negligible positive changes, mostly to comply with foreign lenders' requirements.

In the sector that we refer to as *good governance and rule of law* significant progress was registered, driven by the need to improve the effectiveness of state administration ahead of the presidential election amid the less favorable international situation. During the six months under analysis, a series of important documents were approved concerning the country's business environment and investment procedures.

In the second half of the year, Belarus's *geopolitical orientation* was marked by the continued trend towards further normalization of Belarus's relationship with the West and persisting contradictions in its relations with Russia. Belarus met halfway with some of the western countries: it released all of the political prisoners and chose not to increase the level of repression in the course of the presidential campaign. As a result, the European Union and the United States suspended sanctions against Belarus. The relationship with Russia was complicated by the issue of the establishment of a Russian air base in Belarus, as well as protracted negotiations over a new loan to Belarus.

In *cultural policy*, the problems in the implementation of so-called "soft Belarusianization" were especially apparent. The lack of the uniform state cultural policy brought about an interesting phenomenon — a conflict between senior state officials regarding "soft Belarusianization." The period under analysis was also characterized by the controversial policy on permits and bans in the cultural field. ■

Focus area	Main trend
Political liberalization/political democratization	Progress in political liberalization and stagnation in political democratization
Economic liberalization	Stagnation, continued accumulation of challenges and introduction of insignificant positive changes
Good governance and rule of law	Progress in good governance, lack of change in rule of law
Geopolitical orientation	Contradictory relationship with Russia, ongoing normalization of relations with the West
Cultural policy	Complications in the cultural policy of "soft Belarusianization"; increase in manifestations and associated conflicts

Trend 1

Political liberalization/political democratization

Main tendency: progress in political liberalization and stagnation in political democratization

General characteristic of the main tendencies

The presidential election became the chief factor that influenced the observance of the freedom of speech, freedom of peaceful assembly, and freedom of association in the second half of 2015. At the start of the period under analysis, which coincided with the commencement of the election campaign, the former restrictive practices were applied with no changes whatsoever. However, as the election campaign progressed, positive dynamics became apparent — the candidates were guaranteed the basic rights envisaged by the new electoral legislation, and the already minimum repression became markedly less severe.

Specifically, all of the political prisoners were released, and participants in unsanctioned rallies were not arrested. As we had forecast in the previous issue of BISS Trends, in August, the authorities suspended the persecution of journalists representing foreign media who work in Belarus with no accreditation. Following their brutal arrest, those involved in the “graffiti case” were released, and the incident did not cancel the overall trend towards the softening of repressive practices.

When it comes to the freedom of association, no significant dynamics was registered during the entire period under analysis. The authorities continued to refuse to register public associations and political parties; at the same time, registration of NGOs in the format of institutions remains comparatively simple. Changes in the procedure for the registration of foreign gratuitous aid and international technical assistance were minute — the procedures did change; however, the overall registration process remains the same, and criminal liability for violations still applies.

The level of repression during the election campaign was lower than originally projected in the previous issue of BISS Trends. There were no instances of severe repression, or they were sporadic. Reasons for repression (for instance, unsanctioned protest rallies) caused a response in the form of less extreme repressive practices than before (for example, administrative detention without subsequent administrative arrest). Persecution of journalists working for foreign media without accreditation is illustrative — the practice of bringing administrative cases against them that became widespread in the first half of the year had come to naught by late July.

Belarusian human rights organizations defined those alterations in restrictive and repres-

sive activities as a change to the use of “soft practices.” However, as soon as the election campaign was over, not all of the said “soft practices” remained. Administrative liability still applies to those involved in unsanctioned rallies (mostly in the form of fines), but the pressure on journalists working for the media that are not accredited in Belarus resumed.

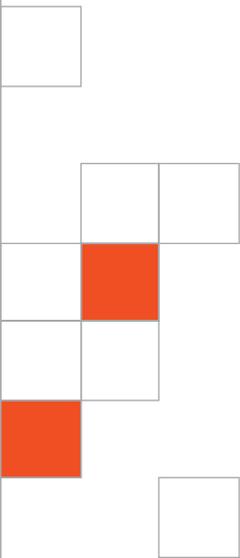
Criminal cases brought against the participants in the street protests of 2010 who returned from political emigration during the election campaign were not terminated. At the same time, there were no new proceedings on those cases. Human rights organizations qualified the imprisoned human rights activist Michail Žemčužny as a new political prisoner. Some organizations claimed the prosecution of the imprisoned human rights activist Andrej Bandarenka was politically motivated as well. As for the second component of the analyzed indicator — democratization — which implies political conditions for equal competition between political forces at elections, no tangible changes were registered in the second half of 2015.

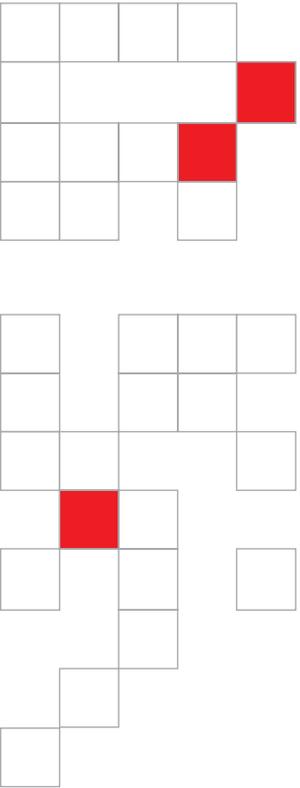
Description of the main developments that determined the trend

1. The presidential election of 11 October became a precondition for certain improvement in political liberalization. However, the election was held according to the traditional Belarusian scenario and was not recognized by domestic and international observers as free and fair. That was the first presidential election campaign that was organized pursuant to the new version of the Electoral Code, passed in 2013. Its practical implementation made it clear that the amendments not only failed to contribute to the openness and free nature of the election process, but also further exacerbated its drawbacks.

Election commissions included even fewer members of the opposition than during previous election campaigns. In most cases, representatives of opposition parties and public associations were denied seats in commissions without any good reason. The mechanism for making court appeals against decisions concerning the formation of election commissions failed to become an instrument for all political forces to be represented in election commissions.

2. The terms and conditions for organizing pickets for the collection of signatures by action groups nominating candidates proved to be quite unconstrained. However, in most other





cases, the freedom of assembly was significantly limited by the applicable regulations and law enforcement practices.

3. The decision not to provide state financing for the candidates' election campaigning had a negative impact on the nature of campaigning, making it nearly invisible for voters. Instances of massive use of administrative leverage were reported, as well as illegal financing of the election campaign of the incumbent president from the state budget. Sources of replenishing electoral funds stayed beyond public control, and only general data on the amount of the funds were available. In the economy that is completely controlled by the executive branch and where state-run enterprises dominate, the incumbent president had incomparably more possibilities for raising funds for his electoral fund.

4. Early voting was characterized by discrepancies between official turnout results and those reported by observers. Manipulations with registers of electors were mentioned, which could aim at artificially increasing the turnout figures. In some cases, forgery and falsification were recorded, including amendments to original vote count protocols.

At the majority of polling stations, where representatives of opposition political parties were present, the vote counting process was not transparent; observers had no possibility to ascertain the authenticity of the figures published by district commissions. In most cases, commissions failed to work as collegiate bodies when counting votes. In the absolute majority of cases, commission members could only count a portion of ballots, while the chairperson or the secretary of the commission announced the overall result. Other commission members and observers had no possibility for making sure that the figures included in the final protocol corresponded to the real results of the vote count at the respective polling station.

District election commissions created unfavorable conditions for observers and denied photo shooting and video recording at stations without any reason, and frequently expelled observers from stations. Instances were reported when observers were being put under pressure by their employers, who forced potential observers to give up on their plans, as well as instances of pressure on participants in the observation campaign that followed the election. Examples of such pressure included threats to dismiss activists.

5. Throughout the election campaign and after its results were reported, the authorities refrained from the habitual practice of severe suppression of various protest rallies. At the same time, administrative offence reports were executed against the organizers of such rallies, and administrative punishments in the form of fines were subsequently administered.

6. The fifth denial of registration of the party Belarusian Christian Democracy in the course

of the election campaign became proof of how broadly the authorities can use the tactics of "soft practices" in limiting civil rights. In this case, the mitigation of repressive activities mostly concerned the severity of possible punishment for the *violation* of the imposed limitations; however, it does not provide for the *removal* of the limitations themselves. The fact that the public campaign "Tell the Truth!" was denied registration after the election became evidence that the "soft" attitude of the authorities to the candidate nominated by that association does not suggest its automatic legalization as systemic opposition.

Description of additional developments

1. On 22 August, all of the six political prisoners that had been sentenced to long prison terms were released: Mikalaj Statkievič, Mikalaj Dziadok, and Ihar Alinievič, Jaŭhien Vaskovič, Arciom Prakapienka, and Jury Rubcoŭ.

Former presidential candidate Alies Michalievič, who still has the status of a defendant in the criminal case of the mass protest rally staged following the presidential election of 2010, returned to Belarus and, after a short-term detention on the state border, was released on his own recognizance. The criminal case against Alies Michalievič was not terminated, and he still has the status of the accused. Some other participants in the protest rally of 2010 also returned to Belarus, which can be attributed to the overall "relaxation of tensions" in the course of the 2015 election campaign.

2. In August, the "graffiti case" generated much public attention. On 11 August, reports appeared about the initiation of another politically motivated criminal case over the spraying of political graffiti on some structures and buildings in Minsk. As part of the case, five persons were detained, and on 20 August, Maksim Piakarski and Vadzim Žeromski were charged with hooliganism (Part 2 of Article 339 of the Criminal Offenses Code). For both, detention in custody was chosen as the measure of restraint; however, they were subsequently released, although investigation into the case is still underway. Searches were conducted in the apartments of the detainees, and law enforcers showed unjustifiable violence when detaining the two. As a result, another person involved in the case, Viačaslaŭ Kasinieraŭ, remained in custody while staying in hospital, where he had been delivered with a double jaw fracture and other bodily injuries.

3. On 7 December, seven leading human rights organizations of Belarus issued a joint declaration about the recognition of Michail Žemčužny — a human rights activist, founder of the Platform Innovation human rights institution, who was sentenced to 6.5 years in prison on 10 July 2015 by the Viciebsk Region court — to be a political prisoner. Žemčužny was found guilty of incitement to intentionally divulge information that constitutes official secret by a person who has or had access to such information. Žemčužny was

found guilty of illegally acquiring special equipment designed to secretly obtain information for the purpose of selling such information and also of selling such information, and committing these activities repeatedly. Further, he was found guilty of giving bribe and repeatedly giving bribe. Judging by the criminal case file, Žemčužny committed all of the charged offenses as part of a strategic experiment that consisted of four phases. The experiment was organized under the control of the Viciebsk Region KGB Department, and its purpose was to identify Žemčužny's contacts with foreign citizens. In this context, representatives of human rights organizations

claimed that Michail Žemčužny's conviction was unjustified and politically motivated.

4. On 31 August, Decree of the President of the Republic of Belarus No. 5 "Concerning Foreign Gratuitous Aid" was issued to approve the Provision on the Procedure for Receiving, Accounting, Registering, and Using Foreign Gratuitous Aid, Controlling its Receipt and Proper Use. Furthermore, rules for the registration of humanitarian programs were amended. The document is of great importance for Belarusian NGOs, which receive foreign donations; however, it did not change the overall system of registration and use of foreign gratuitous aid. ■

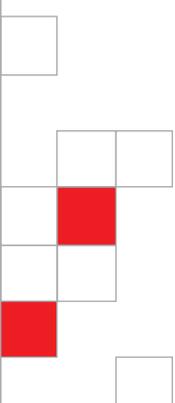
Brief forecast for the next six months

The thaw in the relationship between official Minsk and the West appears to be the main factor that encourages the authorities to make use of "soft practices" in restricting civil rights. At the same time, the complete removal of the sanctions by the European Union expected by the Belarusian administration will hardly further improve the situation with the freedom of speech, freedom of assembly, and freedom of association. The removal of the sanctions will most likely result in the conservation of the situation and preservation of the restrictions and repressive policies of the authorities at the current level. The promotion of the dialogue between official Minsk and the European Union will hardly impact internal political processes in Belarus in terms of further liberalization.

Aggravation in the economic situation with a subsequent increase in the number of spontaneous protest rallies can become an impetus capable of bringing quality changes to the situation. The political opposition can hardly be expected to be actively involved in such rallies: opposition organizations will rather focus on activities within the electoral cycle and use of the capabilities that emerge within the framework of the Belarus–EU dialogue.

The authorities will be making use of preventive measures to deal with spontaneous rallies in order to prevent the appearance of protest hotspots. Should stable protest structures emerge (strike committees, spontaneous long-term protests), the authorities will be applying repressive measures against the leaders of such protests.

Changes in the conditions of the electoral process are very unlikely — one should not expect amendments to the electoral legislation ahead of the parliamentary elections, slated for September 2016. Some changes with a view to following the recommendations of the OSCE ODIHR can only be expected in some of the least important areas regulated at the level of recommendations of the Central Election Commission that cannot alter the essence of the electoral process. The possibility for an opposition candidate to have a seat in the parliament will be all about political decision-making, rather than the creation of equal and fair competitive conditions for political forces in the course of free and fair elections.



Trend 2

Economic liberalization

Main tendency: stagnation, continued accumulation of challenges and introduction of insignificant positive changes

General characteristic of the main tendencies

The most significant factors that influenced the Belarusian economy in the second half of 2015 were the presidential election, expectation of loans from the Eurasian Fund for Stabilization and Development (EFSD) and the IMF, oil price developments, and the situation in the Russian economy.

Oil prices kept falling in the second half of the year, getting close to the USD 30 per barrel mark. No agreements on IMF and EFSD loans were reached, primarily because the lenders proved to be too insistent in imposing very tight lending terms on Belarus. This, along with the unwillingness of the Belarusian authorities to put in place structural reforms, resulted in a “transfer” of challenges from the second half of 2015 into the first half of 2016.

The composed response of market players to the changes in the national economy became an important characteristic feature of those modifications in the second half of 2015. This is true for both the adjustments of the exchange rate of the Belarusian rubles and transformations in the market for bank deposits. In previous years, changes of this kind always caused great concerns, if not panic, among market players.

Further, late 2015 saw the commencement of the period for Belarus to meet its commitments to foreign lenders.

Description of the main developments that determined the trend

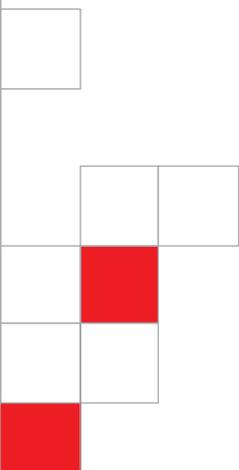
1. The main economic indicators continued to deteriorate throughout the second half of 2015:

- GDP contracted by 3.9% in January – November 2015 in year-on-year terms;
- By 1 December 2015, inventories had grown by 9% from the start of the year;
- Accounts payable had expanded by 20.8% by 1 November since the beginning of the year, and accounts receivable had gone up by 21.1%;
- Net profit of Belarusian enterprises dropped by 20% year-on-year in January–October 2015;
- Consumer inflation amounted to 1.2% in December 2015 and 11.9% in January–December 2015.

2. To be able to repay the foreign debt Belarus resorted to the refinancing of Russian state loans amounting to USD 760 million and employed internal resources. In order to increase inflows of money inside the country, amendments were introduced to the rules for the formation of required reserves in foreign exchange and of authorized funds of commercial banks — these can now be formed exclusively in Belarusian rubles. As a result, in the second half of the year, banks had to sell approximately USD 1 billion. The National Bank and the Ministry of Finance managed to raise a total of USD 2.5 billion through the issue of state bonds denominated in foreign exchange. The country’s tight monetary policy and high rates on ruble deposits, at 25%–30%, curbed the interest in foreign exchange and ensured an increase in the overall amount of borrowed money.

Another new trend observed in 2015 was the financing of the country’s leading manufacturers with the use of their own foreign exchange and ruble-denominated securities. The instrument was used by BMZ, MTZ, Gomselmash and some woodworking companies to improve their financial position. The said measures proved to be effective enough to maintain Belarus’s gold and foreign exchange reserves at a stable level and made it look like moves were being made to make operational conditions equal for companies of all types of ownership, with the state’s direct involvement in the non-market financing of major state-run enterprises being phased down. However, state financing of state enterprises was never stopped, and it is only a matter of visibility — money is injected in state-controlled enterprises in a more hushed way.

3. The slowdown of the world economy and reduction in global trade volumes triggered a new drop in oil prices in July 2015. The trend weakened the Russian ruble vis-à-vis the U.S. dollar, which resulted in a strengthening of the Belarusian ruble against its Russian counterpart. As a result, ahead of the presidential election in Belarus, the administration of the country was faced with a dilemma: either to maintain the exchange rate and suffer losses caused by a reduction in export to Russia or devalue the ruble once again seeking to keep export volumes and foreign exchange receipts. The country opted for the latter, and within a single week, the U.S. gained in value by almost BYR 2,000 per U.S. dollar. Two birds were killed with one stone: con-



ditions for Belarusian supplies to Russia became favorable again, and possible panic in the money market was prevented.

After this, the Belarusian authorities attempted to reduce the cost of money by way of introducing revocable (liable to income tax) and irrevocable deposits. Further, banks will be receiving letters with “recommended deposit rates.” As if to emphasize its confidence, the Belarusian administration announced a redenomination move starting 1 July 2016.

Description of additional developments

1. Given that consumer inflation became the main target indicator for the Belarusian economy, in late summer, the authorities drafted an anti-inflation program to limit consumer inflation to a single digit as early as in 2017. As part of the program and pursuant to the Guidelines for Belarus’s Monetary Policy for 2016, it is planned that consumer inflation will remain within 12% in 2016. It is also planned to further reduce the

refinancing rate by a few points.

2. In the second half of 2015, Belarus started raising utility fees, as well as communication fees and fares within the framework of its arrangements with the IMF. In 2016, natural gas and electricity fees for households will increase due to the cancellation of the VAT rebate.

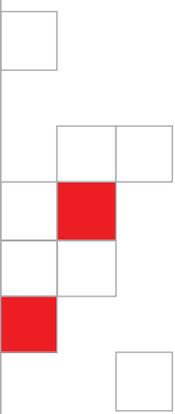
3. The outlook for the year 2016 also includes plans to borrow up to USD 5 billion from the IMF and EFSD. The foreign debt limit of the country had been proactively raised to USD 17 billion. The Belarusian authorities also look to receive more than USD 1 billion in oil duties in 2016.

According to agreements reached in late 2015, Belarus will receive a total of 24 million tonnes of Russian crude oil in 2016. The volume of mandatory supplies of Belarusian oil products to the Russian market was reduced from 1.8 million tonnes to the more realistic 1 million tonnes, caused by the traditional difficulties that Belarus faces when trying to meet its commitments to return oil products to the Russian market. ■

Brief forecast for the next six months

Low oil prices and, consequently, the narrow margin in Belarus’s trade in oil products with Europe, as well as the curtailment of the oil rent in the form of export duties on oil products will force the Belarusian authorities to keep looking for new sources of foreign exchange. With zero chances of investment inflows, the authorities will have to consent to the terms offered by international lenders in order to secure foreign financing. This will lead to further cuts in subsidies for social programs and preservation of the rigid monetary policy.

The recession in the Russian market and changes in terms of trade within the Eurasian Economic Union (EEU) brought about by Kazakhstan’s accession to the WTO — subject to the introduction of two parallel customs tariffs — will cause tension in Belarus’s relationships with its EEU partners. The war of sanctions between Russia and the West will remain an additional reason for conflicts. Belarus will keep using various schemes to supply to the Russian market goods, to which that country applies sanctions. The use of such schemes may even expand, the more so because Russia terminated its FTA with Ukraine starting 2016.



Trend 3

Good governance and rule of law

Main tendency: progress in good governance, lack of change in rule of law

General characteristic of the main tendencies

The presidential election became the main development for the good governance and rule of law trend in the second half of 2015, whereas the backdrop was for the most part formed by the deterioration of external conditions. As a result, the period under review was characterized by steps to liberalize the economy and improve the system of state administration. The moves were aimed both at legitimizing the state system amid the drop in living standards and improving the business environment amid economic stagnation and deficit of investment. The authorities naturally wished to produce the best possible impression on voters, as well as internal and external investors.

Description of the main developments that determined the trend

1. In July 2015, the government approved an action plan to implement Directive No. 2 “Concerning the De-bureaucratization of the State Administration and Improvement in the Living Standards of the Population.” The plan constitutes the second phase of the implementation of the Directive, originally passed in 2006. The document has already produced a positive impact on the population and business as users of state services. Time is needed to assess the effectiveness of the new action plan; however, some points are specific enough to turn into reality. The list of arrangements envisaged in the plan includes the organization of electronic interaction between the state authorities and between the state authorities and citizens, possibilities for making online appointments, introduction of electronic queuing systems, etc.

2. Also in July, the Ministry of Economy published a report on the implementation of Directive No. 4 “Concerning the Development of Entrepreneurial Initiative and Encouragement of Business Activities.” The achievements in the implementation of the Directive indicate consistent progress: Belarus has ranks 43–44 in the World Bank’s Doing Business rankings of the ease of doing business in 2015–2016, which is a marked increase from the level reported in 2014. Other important achievements include the simplification of business registration and licensing procedures, simplification of tax administration, and gradual introduction of electronic document management.

3. In November 2015, Belarusian prime minister issued an instruction on the creation of an

interagency working group for the development of information society and improvement of the “electronic government” led by First Deputy Prime Minister Vasil Maciušeŭski. The interagency group is commissioned to develop the “State Program for the Development of Digital Economy and Information Society for 2016–2020” and a plan for the training and attestation of public officers in electronic communications. Digital economy has so far been developing in Belarus without any state program; however, one can expect the focused attention of the government to this essential component of the effectiveness of state institutions will bear fruit.

4. Presidential Ordinance No. 475, which simplifies the licensing system in Belarus, reduced the list of activities subject to licensing and introduced possibilities for issuing perpetual licenses (previously licenses were issued for a period of up to five or ten years). As a result of the application of the new regulations, entrepreneurs will find it easier to operate in some areas. A positive deregulation example is obvious here.

Description of additional developments

1. Amendments to Decree No. 10 “Concerning Additional Conditions for Investment Activity” clarified the norms regulating investment treaties between the Republic of Belarus and foreign investors. Specifically, it is envisaged that the state will only make investment treaties when an investment project belongs to a priority sector of the national economy. In addition to that, the procedure for foreign investors to enjoy preferences and benefits has been adjusted, and the procedure for terminating relationships between the state and investors depending on grounds for such termination was specified. Legal regulation of investment processes therefore became tighter, but more transparent for foreign investors, which, along with other positive moves, should encourage foreign capital to flow into Belarus’s economy.

2. Some high-ranking officials made important statements on improvements in the system of state administration in the course of the conference “Challenges to Forecasting and State Regulation of Socioeconomic Development.” Specifically, aide to the president with respect to economic issues Kiryl Rudy said that “*manual operation of the economy masks the need for reforms*” and allows “*concealing strategic mistakes, avoiding clear conclusions, and,*

consequently, abstaining from putting in place reforms.” He noted that manual controls in the economy cannot be effective in the current economic structure of the country. According to him, it is also important to separate state finance from the finance of state enterprises. The very fact that such ideas were voiced by a high-ranking official implies full understanding of the key management challenges, which is an important step to progress towards their resolution.

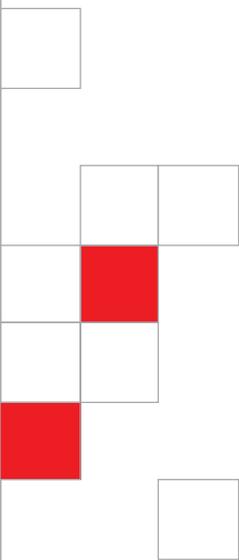
3. Deputy Minister of Economy Aliaksandr Zabaroŭski made a series of important statements at the conference “Role of State Service in the Implementation of Sustainable Development” to describe the relationship between activities by the state authorities and behavior of investors. He noted the importance of the openness of the information of public agencies for economic entities to make the most effective decisions. In his words, the more

uncertainty in the country’s economic policy, the lower the effectiveness of investment and harder the challenge of maintaining economic growth. The deputy minister also mentioned the importance of the electronic government and promptness of approvals by various authorities in order to reduce costs and thus increase the effectiveness of management.

4. According to the Ordinance “Concerning Border Security,” regular citizens can be involved to police the state border — they will be entitled to take enforcement actions against trespassers, including physical force. The approval of the document became a response by the state to the developments in the east of Ukraine. The involvement of regular citizens in the protection of the state border indicates two positive trends: the state takes preventive steps to respond to possible risks and aims to make full use of any available resources. ■

Brief forecast for the next six months

Amid the unfavorable economic situation and aggravating external conditions the state will have to improve the quality of governance and legal regulation in order to encourage internal and external investors to invest in the Belarusian economy. Improvements in the management system will most likely be manifested in the introduction of simpler and more transparent rules for business, as well as the development of information society with a view to improving the effectiveness and speed of exchange of goods and services.



Trend 4

Geopolitical orientation

Main tendency: contradictory relationship with Russia, ongoing normalization of relations with the West

General characteristic of the main tendencies

The trend towards normalization of Belarus's relationship with the West remained in place. Minsk made a series of important concessions: it released all of the political prisoners and refrained from repression against the opposition during the election — the results of that behavior included the suspension of sanctions by the European Union and the United States and a number of important visits.

The relationship with Russia remained controversial. On the one hand, Belarus came under Russia's pressure over the establishment of an air base in Belarus, and a new state loan to Belarus was not finalized; on the other hand, Moscow supported Aliaksandr Lukashenka's victory in the presidential election and gave Minsk freedom in pursuing its relationships with alternative foreign partners.

Description of the main developments that determined the trend

1. On 24 July, the Russian government signed an agreement envisaging a state loan to Belarus equivalent to USD760 million. The loan was provided for 10 years to service and repay the loans previously extended to Belarus by Russia and the Eurasian Fund for Stabilization and Development (EFSD, formerly the Anti-Crisis Fund of the Eurasian Economic Community), with the first payment due on 15 February 2019. On 28 July, the amount of the loan was credited to the account of the Ministry of Finance of Belarus.

Belarus also requested a new loan from Russia, amounting to USD 3 billion. The application was submitted to the EFSD. However, no decision on the loan was taken in 2015, which became one of the reasons why Minsk stepped up its efforts to secure a loan from the International Monetary Fund.

Amid the drop in export deliveries within the framework of the Eurasian Economic Union (EEU) and growing dependence on the status of the financial markets in the partner states, Foreign Minister Uladzimir Makiej publicly stated that Belarus was not completely satisfied with the situation in the bloc and insufficient dynamics of its evolution.

2. The issue of a Russian air base in Belarus remained high on the media and political agenda throughout the second half of 2015. The Russian president heightened the relevance of the

issue as he signed an instruction to carry out talks with Belarus over the establishment of a Russian airbase in the country and made it publicly available at the height of the Belarusian election campaign.

This evoked a sharp reaction from the Belarusian president, who claimed there were no talks underway over the creation of a Russian air base in Belarus.

Despite the rather tense background around the issue of a Russian airbase in Belarus, the military cooperation between Belarus and Russia continued in the normal way. On 10 September, the two countries held a joint air defense exercise, and in December, the Belarusian Armed Forces received four more battalions of S-300 surface-to-air missile systems.

3. In 2015, Lukashenka for the first time ever broke the tradition of making his first foreign visit following his reelection to Russia. Immediately after his reelection he went to Vietnam and then to Turkmenistan. The official reason was that the Kremlin was busy with its combat operation in Syria and conflict with Turkey. However, against the backdrop of Russia's recent international conflicts and Belarus's emphatically neutral position, this move by official Minsk appears to be very symbolic.

4. The most important event for the relations between Belarus and the West was the release on 22 August of six political prisoners, including the 2010 presidential candidate Mikalaj Statkievič. The issue of the political prisoners was one of the main obstacles to further improvement of the relationship between Minsk with Brussels and the West as a whole.

That move by the Belarusian authorities, alongside the "peaceful" nature of the presidential election enabled the Council of the European Union to make a political decision on the suspension of sanctions against Belarus. On 29 October, the decision was adopted by written procedure; however, the Council turned out to have made a middle-of-the-road decision: it prolonged the sanctions, which were supposed to expire on 31 October, for four months, until 29 February 2016, and at the same time suspended them for the same period. The United States limited its sanctions as well.

5. Under Secretary of State for Management Patrick Kennedy paid an official visit to Belarus on 11 September. That was the first visit of that

level in many years. Patrick Kennedy is responsible for personnel policy, consular issues, and budget, which suggests that Minsk and Washington approached direct negotiations over the implementation of some “roadmap” within the framework of consultations at the diplomatic level that have been underway for more than 18 months now with a view to resuming the full operation of the two embassies.

6. On 17–18 November, Belarusian Foreign Minister Uladzimir Makiej visited Berlin at the invitation of the German party to have a meeting with Federal Minister for Foreign Affairs Frank-Walter Steinmeier, Federal Chancellor’s Advisor on Foreign and Security Policy Christoph Heusgen, Chairman of the German-Belarusian Parliamentary Group of the Bundestag Oliver Kaczmarek and members of that group, as well as representatives of the German expert community. According to Steinmeier, Makiej’s visit to Berlin became an “*important indication*” and demonstrated “*a real prospect of step-by-step improvement in the relationship between Belarus and the West.*”

7. On 7–9 December, a mission of EU experts worked in Minsk to identify the priority areas for cooperation with Belarus in 2016. Another visit by EU officials followed: a delegation led by Gunnar Wiegand, Managing Director of Europe and Central Asia Department, Director for Russia, Eastern Partnership, Central Asia, Regional Cooperation and OSCE of the EEAS, and Katarina Mathernova, Deputy Director-General of the Directorate-General for Neighbourhood and Enlargement Negotiations.

For the year 2016, the EU identified the following priority areas of cooperation with Belarus: regional development, small and medium-sized business, mobility, and migration, technical

assistance in the resolution of economic issues and challenges. In order to effectively implement all of these priority arrangements, the EU made a decision to double its financial aid to Minsk in 2016. According to Wiegand, this will help Belarus “*achieve additional competitive capacity and enjoy new opportunities for economic and regional development.*”

8. On 13–14 December, Makiej paid a working visit to Brussels. He held negotiations with High Representative of the Union for Foreign Affairs and Security Policy Federica Mogherini and Commissioner Hahn. He also met with all of the EU foreign ministers.

Description of additional developments

1. On 28 July, Brussels played host to the first round of the Belarus–EU dialogue on human rights. The event turned out to be quite peculiar, as it addressed many of the problematic issues for the relationship between Belarus and the EU, including the freedom of speech, expression, and assembly, death penalty, and fight against inhuman and degrading treatment. Furthermore, the meeting explored possibilities for the establishment of the National Human Rights Institution and discussed children’s rights.

The Belarus–U.S. working group on democracy and human rights held its second meeting on 16 December.

2. On 12 November, Minister of Foreign Affairs of Lithuania Linas Linkevičius paid a visit to Minsk. The visit took place in a constructive atmosphere, as part of the gradually improving relations between the two neighbors that have a broad agenda and numerous issues that both Belarus and Lithuania are ready to openly discuss and resolve. ■

Brief forecast for the next six months

Official Minsk will continue attempts to normalize its relations with the West amid the unfolding crisis in the Russian economy. It is highly likely that if the Belarusian authorities choose to refrain from repression against their political opponents, the EU’s sanctions will be fully removed in February 2016. Nevertheless, Belarus will continue to be actively involved in Eurasian integration processes and seek to expand its presence in the EEU market.

Trend 5

Cultural policy

Main tendency: complications in the cultural policy of “soft Belarusianization”; increase in manifestations and associated conflicts

General characteristic of the main tendencies

In the second half of 2015, the expansion of “soft Belarusianization” remained the main characteristic of the Belarusian cultural policy. It applied to various areas, including football and the operation of law-enforcement agencies. A conclusion can be drawn that the Belarusian authorities do not regard the manifestations of national patriotism — such as the historic white–red–white flag and the Pahonia coat of arms, the Belarusian languages, etc. — as a threat.

However, they are perceived as a threat by organizations that support the ideology of the so-called “Russian world” in Belarus, which in the second half of 2015 markedly intensified their activities (including the work of military and patriotic clubs). At the same time, a significant part of society and some officials actively support “soft Belarusianization.”

However, because there is no single strategy for cultural policy and clear instructions from high places, “soft Belarusianization” activities by state officials remain haphazard and inefficient. Various representatives of the state authorities act at their own discretion in various contexts, and each has their own interpretation of “soft Belarusianization.”

The absence of a single strategy of behavior regarding “soft Belarusianization” led to public conflicts between high-ranking officials during the six months under review.

Description of the main developments that determined the trend

1. Belarusian sport — primarily football — became another dimension for “soft Belarusianization.” The trend, which was especially conspicuous during the second half of 2015, triggered a public conflict between high-rankings Belarusian officials and aggravated the problems caused by the absence of a clear cultural policy in Belarus.

The Hrodna-based Nioman football club is making efforts to promote the Belarusian language: the announcer at the stadium speaks Belarusian, and announcements on the board and official web-pages of the club in social networks are also in the Belarusian language. Fans make use of Belarusian-language banners, and the fan group of the ice hockey club with the same name also undergoes Belarusianization at a very fast pace.

On 12 October, three fans who were wearing scarves with the Pahonia coat of arms were detained at the match between Belarus and Macedonia in Barysaŭ. The incident, which seems quite typical of Belarus at first thought, became a reason for the first public conflict between high-ranking officials around “soft Belarusianization.”

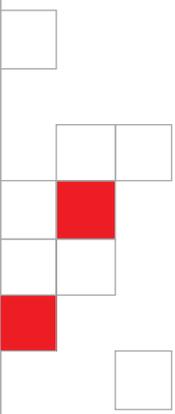
After the three fans were detained, the entire fan sector left the stadium in protest. The said Nioman club and the Belarusian Football Federation made statements to support the detained fans. Specifically, the Federation’s statement reads: “*We have no idea how the symbols that are not prohibited by the legislation of the Republic of Belarus [...] can become grounds for the detention of fans in the course of a game.*”

The Interior Ministry insisted that the fans were detained for swearing and staying in a public establishment in a drunken state, although the video of the detention was never made public despite promises by the minister. The detained fans were charged and fined.

At the following match, between BATE and Barcelona, on 20 October, activists were distributing leaflets with information about the Pahonia coat of arms near the stadium, and fans were making selfies while wearing Pahonia T-shirts and posting their pictures on social media. There were no detentions on that day.

On 28 October, Deputy Chairman of the Belarusian Football Federation Siarhiej Safarian held a press conference, where he announced that the Federation took the situation with the detention of the fans under its control and had proposals concerning the improvement of the work of the police, “*which the Interior Ministry has not heard so far and is unwilling to hear.*” Head of the Federation Siarhiej Rumas, the former deputy prime minister and CEO of Development Bank of the Republic of Belarus, promised that he would personally meet with Minister of the Interior Ihar Šunievič and “*share with him our vision [the vision of the Federation — editor] of how to avoid such situations in the future.*”

The meeting took place on 11 November. Rumas and Šunievič made quite indistinct statements about the “*deficit of the national idea*” at stadiums, spoke against extremist banners and supported the introduction of stewards to replace policemen at stadiums. The conflict was not finished, though: on 11 December, Siarhiej Rumas criticized press releases by the Minis-



try of the Interior, which mentioned that those detained on 12 October at the stadiums were football fans. Rumas countered that “*they do not write that a shop was robbed by a member of the Belarusian Republican Youth Union or a former police officer, do they?*”

This seemingly unimportant incident indicates several significant trends in the country’s cultural policy. First, a portion of society and some high-ranking officials actively support “soft Belarusianization” and are ready to express solidarity with one another on this matter. Second, there is no single strategy of behavior concerning “soft Belarusianization” at the top level. It appears that both Rumas and Šunievič believe they act in compliance with the Belarusian state policy, the only difference being that they interpret it differently. Third, this graphic example shows how the absence of a clearly formulated state cultural policy of “soft Belarusianization” incites public conflicts between state officials of the top level.

2. The policy of permits and prohibitions in culture remained inconsistent throughout the second half of 2015. The liberalization of the overall “atmosphere” was somewhat tarnished by the heightened pressure on public activities by culture figures.

On 20 November, Amaroka band managed to obtain tour cards (artists may not perform in Belarus without special tour cards) and gave their first concert in the Belarusian club Pliacoŭka Hall at the Palace of the Republic. Previously, the band was denied tour cards, which many attributed to the fact that Amaroka had performed at the Maidan stage in Kyiv. On 16 December, the same club hosted a concert by the Belarusian rapper Vinsent, who played the leading role in the movie “Long Live Belarus” and since then had been unable to tour in Belarus for a long time.

At the same time, on 7 July, Zmicier Vajciuškievič was officially denied a tour card without expressly specifying reasons — the only reference was made to the general grounds for such a denial. However, the same Zmicier Vajciuškievič performed at the Belarusian State Philharmonic Hall on 11 November at the memorial evening of Ryhor Baradulin and Hiennadz Buraŭkin.

On 17 November, the culture department of Belarusian State University banned the show “Branislaŭ. Scenes from Life and Dreams” dedicated to the life of Branislaŭ Taraškievič, the author of the first Belarusian grammar book, although the show had premiered a few days before at the BSU student theater “On the Balcony.” No reasons were given why the show had been cancelled.

The “graffiti case” proved to be the most high-profile incident of the six months under review. On 11 August, five persons suspected of spraying the graffiti “Belarus Must be Belarusian” and

other street paintings were detained by law enforcers, who showed unjustified excessive use of force. However, those detained were released on their own recognizance on 31 August, and on 9 December, no features of extremism were found in their graffiti by experts, and charges against people involved in the case were replaced with those providing for less severe punishments. The high-profile case was as good as suspended, which shows that the state has no unfilled demand for repression against uncontrolled nationalist manifestations.

When it comes to the state cultural policy in the second half of 2015, the authorities acted inconsistently and chaotically. It looks like various officials act differently in various situations being guided solely by their own interpretations of the trend of “soft Belarusianization.” Moreover, as can be seen from the Amaroka band case, the same official (V. Rudzikava) can take diametrically opposite decisions regarding whether performances by specific musicians should be allowed or not.

3. During the six months under analysis, the “soft Belarusianization” trend gradually made its way into the educational and training units of law-enforcement institutions. On 16 October, a cadet of the Jastrebielskaja boarding school uploaded a picture on social media with cadets seen wearing Pahonia T-shirts under their uniforms. The picture triggered repression at the school — the cadets had their phones taken from them, and their mobility was limited.

A solidarity campaign, entitled #PahoniaPobač, was launched in social media, where users posted their photos posing in similar T-shirts, among them cadets of the Minsk Suvorov School and soldiers of interior troops. The former presidential candidate Tacciana Karatkievič supported the cadets in a letter addressed to the minister of education.

As a result, the director of the Jastrebielskaja boarding school decided against the expulsion of the cadet N. Hvazdzioŭ and even apologized to him, asking him to resume studies (the cadet had gone home to his parents). On 1 November, the cadet returned to the boarding school; no punishment was administered.

The incident demonstrates not only the degree of the penetration of “soft Belarusianization,” but also the new forms of response by the authorities. Repression can still be observed locally; however, it has become inconsistent. On the contrary, the apologies by the director and the fact that the cadet resumed studies indicate that the state does not perceive the affection of future law enforcers for the Pahonia coat of arms as a danger, threat, or manifestation of opposition moods.

However, the resistance to the trend towards “soft Belarusianization” still remains in law-

enforcement agencies, and its main drivers are pro-Russian organizations. A journalistic investigation by Naša Niva newspaper revealed a connection between military and patriotic clubs, which are established at Orthodox churches (Belarusian Orthodox Church, BOC) and the Cossack organization Kazachiy spas. As it follows from the investigation, the leadership of those organizations, military instructors, and then the youth involved in the activities of military and patriotic clubs of the BOC, support the so-called ideology of the “Russian world.” Official web-pages of those military and patriotic clubs on social media spread appeals of the ultra-right nationalist organization “Russian National Unity” to become volunteers and fight for “Novorossiya.”

The investigation by Ukraine’s InformNapalm claims there is a link between the activity of those pro-Russian organizations and the opening of Rossotrudnichestvo offices in Belarus and the operation of the Gorchakov Fund. The authors of the investigation draw a conclusion that the *“objective of the military training of potential ‘Russian world’ gunmen in Belarus can be a scenario to destabilize the situation in the country with a view to suppressing the possible resistance by pro-Belarusian strongmen and nomenklatura.”*

As a response to the new challenges, on 22 November, the sports and patriotic club Vajar was established, where Youth Front is involved in *“educating the youth in accordance with the national spirit, and physical and preliminary military training,”* The Belarusian authorities notably did not respond to the establishment of the club and do not hinder its operation (including field meets).

A conclusion can be drawn that the authorities assumed a passive position on “soft Belarusianization” in the educational and training establishments of the law-enforcement institutions. It does not enjoy any support from the state, but there is no opposition from the authorities, either. Moreover, according to some media reports, following the investigation by Naša Niva, the pro-Russian instructors of the military and patriotic clubs were suspended from work, and the Interior Ministry launched an investigation into the situation.

4. On 8 October, the Belarusian writer Sviatlana Alieksijevič was awarded the 2015 Nobel Prize in Literature, which became a truly landmark event not only for the six months under review, but also the entire history of contemporary Belarus.

However, Sviatlana Alieksijevič was hardly mentioned by the official state media that cover the country’s cultural policy. The media wrote about her winning the Nobel Prize in passing, and there were no official ceremonies. Aliaksandr

Lukashenka publicly criticized the writer for her civil position. The Ministry of Culture of Belarus refused to grant Alieksijevič the title of the Hero of Belarus, contrary to what public activists were suggesting. Moreover, Sviatlana Alieksijevič is not considered to be a culture and art worker in Belarus, and according to the new Culture Code (as it follows from the words of Deputy Minister of Culture Iryna Dryha), she will not be considered as such.

Description of additional developments

1. As we had forecast in the previous issue of BISS Trends, the new version of the Culture Code was not finalized by the Belarusian parliament in the period from May to November. In its current version, the Code cannot be used by the state to effectively address contemporary challenges (including difficulties in the implementation of the “soft Belarusianization” policy by the state administration). Indeed, the Code fails to provide any distinct landmarks of the state cultural policy, whereas the development and adoption of a respective cultural strategy is envisaged by the Code in the indefinite future.

The Code still includes some absurdities, for example, the provisions concerning the operation of night clubs and DJ bars. The draft Code de facto bans the consumption of alcohol in places, where music plays. The Ministry of Culture has already claimed that the controversial point would be revised by the time the document was submitted to the parliament for its second read. However, the situation made clear the degree of the elaboration of the Culture Code, despite the fact that work on the new version had been underway since 2012.

2. On 17 December, Barys Sviatloŭ was re-appointed the country’s minister of culture, although there had been rumors for the last couple of years about his likely resignation, and the Presidential Executive Office had been looking for an alternative candidate. The expected reshuffle in the leadership of the Ministry of Culture could have given a new impetus to the country’s cultural policy.

For the time being, the Ministry of Culture has adopted a very cautious position on “soft Belarusianization.” The situation becomes quite absurd, when the Football Federation or the Ministry of the Interior appears to be playing a much more active role in the cultural policy of “soft Belarusianization” than the Culture Ministry, for which it is a core activity. The absence of any specific position of the Culture Ministry on “soft Belarusianization” — approval and support or opposition and condemnation — is one of the factors that disorganize the Belarusian system of state administration. ■

Brief forecast for the next six months

“Soft Belarusianization” remains an essential relevant dimension for Belarus’s internal policy. It will definitely continue to be the prevailing trend in the country’s cultural policy in 2016.

Manifestations of “soft Belarusianization” in various segments of public life will be growing. “Soft Belarusianization” will likely be growing stronger in the regions. This growth will be accompanied by further aggravation of the crisis of the state administration of culture, whereas public conflicts between officials and tendencies for making contradictory decisions will remain in place.

The absence of staff changes in what is formally a new government is the reason why the Culture Ministry has neither grown more resolute nor augmented its intellectual potential. Amendments to the Culture Code ahead of the second read in the parliament will be immaterial. They will only rectify some of the obvious local defects, rather than pave the way for the elaboration of a strategy for the effective implementation of the cultural policy of “soft Belarusianization.”
