



# Belarus: Background and U.S. Policy Concerns

**Steven Woehrel**

Specialist in European Affairs

April 15, 2010

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

RL32534

**CRS Report for Congress**

*Prepared for Members and Committees of Congress*

## Summary

Belarusian President Aleksandr Lukashenko snuffed out Belarus's modest progress toward democracy and a free market economy in the early 1990s and created an authoritarian, Soviet-style regime. In 2008, Belarus released political prisoners and made very modest improvements in its human rights policies, in a successful effort to secure the suspension of some U.S. and EU sanctions against Belarus. The international financial crisis has forced Belarus to seek international help, including loans from Russia and the International Monetary Fund.

Belarus has close historical and cultural ties to Russia. Efforts to establish a political and economic "union" between the two countries have had substantial public support in Belarus. Nevertheless, the pace of integration between Belarus and Russia has been fitful. Current Russian policy toward Belarus appears to be focused on gaining control of Belarus's economic assets while reducing the costs of subsidizing the Belarusian economy.

For many years, the United States pursued a policy of "selective engagement," which limited ties to the regime while providing modest support to pro-democracy organizations in Belarus. The United States and the European Union also imposed sanctions on Belarusian leaders. In March 2008, Belarus withdrew its ambassador from Washington and forced the United States to recall its ambassador from Minsk, in response to what Belarus perceived as a tightening of U.S. sanctions.

In 2008, the United States and European Union changed tactics in their policy toward to Belarus. They moved to suspend some sanctions against the regime in exchange for very modest improvements on human rights issues. In October 2008, the EU suspended a travel ban on Lukashenko and other Belarusian leaders, and has extended the suspension several times since then. The United States has relaxed sanctions against several subsidiaries of the state-owned oil and petrochemicals firm Belneftekhim. Analysts have attributed the policy shift, in which the EU has played the leading role, to a variety of factors, including concerns about Russia's increasing assertiveness in its relations with neighboring countries, especially after Russia's military assault on Georgia in August 2008. In May 2009, Belarus was permitted to join the EU's Eastern Partnership program, which could provide Belarus with EU aid and other forms of cooperation. This EU opening toward Belarus has continued despite the fact that Belarus has failed to make progress on human rights issues and has even regressed in some areas.

Congress has responded to the situation in Belarus with legislation. The Belarus Democracy Act (P.L. 108-347) authorized aid for pro-democracy forces in Belarus and funding for increased U.S.-sponsored broadcasting to Belarus. The bill supported sanctions on Belarus and top leaders of the Lukashenko regime until Belarus met specific democratic and human rights criteria. The bill also required the President to report to Congress on the sale by Belarus of weapons or weapons-related assistance to regimes supporting terrorism, and on the personal wealth of Lukashenko and other senior Belarusian leaders. The 109<sup>th</sup> Congress passed several resolutions criticizing human rights abuses and calling on Belarus to hold free and fair elections. In January 2007, President Bush signed the Belarus Democracy Reauthorization Act (P.L. 109-480), which reauthorized and updated the provisions of the original Belarus Democracy Act.

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## **Introduction**

Belarusian President Aleksandr Lukashenko snuffed out Belarus's modest progress toward democracy and a free market economy and created an authoritarian regime shortly after being elected as president in 1994. His regime is in rhetoric and policies a throwback to the Soviet era. Those advocating a stronger U.S. role in trying to bring democratic change to Belarus say that the country is important to the United States because, as what U.S. officials once called "Europe's last dictatorship," Belarus is an obstacle to the U.S. goal of making Europe "whole and free." Another concern is Belarus's support for pariah regimes, including through arms sales.

In 2008, the United States and European Union changed tactics in their policy toward Belarus. They moved to suspend some sanctions against the regime in exchange for what were, at best, very modest improvements on human rights issues. Analysts have attributed the policy shift, in which the EU has played the leading role, to a variety of factors, including concerns about Russia's increasing assertiveness in its relations with neighboring countries, especially after Russia's military assault on Georgia in August 2008. On the other hand, some EU countries want to reassure Russia that the EU's improved relations with Belarus will not come at Russia's expense.

## **Political and Economic Situation**

Lukashenko was first elected as President of Belarus in 1994 on a populist, anti-corruption platform. He dominates the Belarusian political scene, controlling the parliament, government, security services, and judiciary through a large presidential administration and substantial extra-budgetary resources. He has reduced potential threats from within his regime by frequently removing or transferring officials at all levels, often claiming they are incompetent or corrupt. Former regime figures who move into opposition are singled out for particularly harsh punishment. His tight control over an unreformed economy has prevented the rise of powerful "oligarchs," as occurred in Ukraine and Russia. The Lukashenko regime also controls almost all of the media, which it uses to burnish Lukashenko's image and attack real and imagined adversaries. Lukashenko is known for his political unpredictability and for making rambling and rhetorically colorful public statements.

The State Department's Country Reports on Human Rights for 2009 judged Belarus's human rights record to be "very poor." It says the government has harassed, arrested, and beaten opposition figures. The regime has forced the closure of independent media and non-governmental organizations (NGOs) dealing with political issues and human rights. The regime sharply restricts activities of independent trade unions and some religious groups.

Belarus held its most recent presidential elections in March 2006. According to monitors from the Organization for Security and Cooperation in Europe (OSCE), the elections failed to meet OSCE standards for free and fair elections. The observers noted many serious shortcomings in the elections, including harassment, arrests, and police violence against opposition campaign workers, including the beating and arrest of presidential candidate Aleksandr Kazulin. (Kazulin was later sentenced to five and a half years in prison for "hooliganism" and disorderly conduct, charges U.S. and European officials denounced as politically motivated.)

The observers also noted that the largely government-controlled media was heavily biased against opposition candidates; domestic election observers were arrested; and almost no opposition figures were included in the administration of the elections, resulting in a vote count that was not “transparent.” The observers said that the KGB (Belarus’s security service) issued statements just before the vote associating opposition and civil society groups with terrorism and charged that they were plotting a violent uprising.<sup>1</sup>

Belarusian election officials announced that Lukashenko had won the election, with over 82% of the vote. His closest opponent, opposition leader Aleksandr Milinkevich, won only 6%. Milinkevich and other opposition candidates denounced the vote as fraudulent and called for massive demonstrations to force the authorities to hold a new, free, and fair election. More than 10,000 persons attended the first demonstrations in the capital, Minsk. The size of the protests soon dwindled, however. The regime refrained from a massive, violent crackdown on the demonstrators, but scores of persons were arrested, including opposition campaign leaders. Russian leaders praised the conduct of the election and congratulated Lukashenko on his victory.

Opposition groups and leaders in Belarus have so far posed little threat to the Lukashenko regime. The opposition’s weakness is in large part due to the regime’s repression, but divisions over ideology and the conflicting personal ambitions of its leaders have also been factors.

During 2008, the regime made some minor changes in its human rights policies, in response to offers by the United States and the European Union to improve ties with Belarus if certain conditions were met, including the liberation of all persons designated as political prisoners by the international community. The government released nine political prisoners during the year, including Kazulin, who was freed in August 2008. However, despite the release of Kazulin and others, the Lukashenko regime has continued to harass and detain opposition figures and independent journalists, and suppress opposition demonstrations.

The United States and EU conditioned an upgrading of their ties with Belarus on a significant improvement in the conduct of Belarus’s parliamentary elections on September 28, 2008 over previous elections. However, although over 70 opposition figures were permitted to run as candidates, government-supported candidates won all the seats in the 110-seat legislature. A report by an OSCE election observation mission said the vote “fell short of OSCE commitments for democratic elections,” but noted “some minor improvements” in such areas as access for OSCE observers and participation of a few opposition representatives in district election commissions. The observers said the vote was well-conducted, but that many observers rated the vote count as “bad or very bad,” including cases of falsification of vote totals. Media access for opposition candidates was also very limited.<sup>2</sup>

At the urging of the EU, Lukashenko set up consultative councils on media, human rights, and improving Belarus's international image and invited opposition groups to join them. However, Lukashenko appeared to undercut their potential effectiveness by saying that the councils would not become a “parliamentary tribune” where the opposition can “shout and push their dirty ideas.” □

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<sup>1</sup> “Statement of Preliminary Findings and Conclusions on the Presidential Election of Belarus,” at <http://www.osce.org/odihr/>.

<sup>2</sup> “Statement of Preliminary Findings and Conclusions on the Parliamentary Election of Belarus,” at <http://www.osce.org/odihr/>.

In December 2009, the Belarus parliament passed legislation modifying the country's electoral legislation, which incorporated suggestions by the EU and the OSCE. The new law makes it easier for independent candidates to register, allows candidates to hold electoral rallies without having to secure official permission, and provides for representation of political parties and non-governmental organizations on electoral commissions. However, opposition leaders complained they were not consulted on the legislation.

In February 2010, the Belarusian government issued a decree that requires Internet providers to store information on Internet use of individuals for a full year and turn it over to the government on demand. The providers are also required to block any website within 24 hours of a government demand to do so. Critics say the move is an attempt to stifle one of the few remaining avenues for free expression, given that fact that Belarus has only a handful of independent media outlets, which have very limited distribution and continue to face government harassment and threats of closure.

On March 30, 2010, High Representative of the European Union for Foreign and Security Policy, Catherine Ashton issued a statement on behalf of the EU expressing "grave concern" about harassment of independent media, NGOs, and opposition parties in the run-up of local elections scheduled for April 25, 2010.

## **Economic Situation**

Belarus's economy is the most unreformed in Europe, according to most observers. Nevertheless, until the global economic crisis, Belarus's economy appeared to be doing quite well, at least on paper. Belarus's economy has been buoyed by exports to a growing Russia, and, until recently, Belarusian refineries have profited from refining cheap Russian crude oil and exporting it to Western countries. In addition, many experts doubt that Belarusian statistics are entirely accurate. Growth in industrial production is made possible by subsidies to ailing state firms. Goods are often produced to meet targets set by state planners rather than market demand. This economic system keeps official unemployment very low. Wage and pension increases are mandated by the government. Collective farms are also propped up by subsidies, although private plots held by peasants are more productive. Prices of key consumer goods are controlled. Lukashenko's policies have provided a low but stable standard of living for many Belarusians and are a key reason for the public support that he enjoys, particularly among older and rurally based Belarusians.

However, the global economic crisis has hurt Belarus's economic growth. In 2008, real Gross Domestic Product (GDP) increased by a reported 10%, but growth slowed to 0.2% in 2009. The Economist Intelligence Unit projects real GDP growth of 2.5% in 2010. The crisis has forced Belarus to seek international help. Belarus's foreign exchange reserves dwindled as the government has tried to defend the Belarusian rubel, leading it to request and receive a \$2 billion stabilization loan from Russia. Belarus has agreed to Moscow's demand that trade between the two countries be settled only in Russian rubles.

Belarus agreed to a \$2.5 billion loan from the International Monetary Fund in January 2009, which forced a 20% devaluation in the rubel. The IMF added another \$1 billion to the loan in July 2009. The World Bank provided a new \$200 million loan in December 2009, expanding on existing programs. The IMF called for wide-ranging reforms in Belarus's largely state-controlled economy in such areas as price and wage liberalization, deregulation, privatization, and reducing the size of government. The government has simplified the tax system and cut red tape needed to

establish new companies. Foreign investors are exempted from many regulations that affect local firms. However, the regime has so far shown few signs that it is willing to make more sweeping changes, such as sharply reducing government control of industry or breaking up the collective farm system. Perhaps due to a need to raise funds for government coffers, Belarus has sold a few large companies to foreign investors. In December 2009, Belarus sold BPS Bank, the country's third-largest bank, to a Russian investor. Lukashenko is also reportedly considering the sale of chemical plants and an oil refinery to Russian buyers.<sup>3</sup> Western buyers have shown little interest in buying Belarusian firms, given the uncertain investment climate in the country.

## **Relations with Russia**

Belarus has close historical and cultural ties with Russia. Efforts to establish a political and economic "union" between the two countries have had substantial public support in Belarus. However, the pace of integration between Belarus and Russia remains slow. As Russian President, Putin was openly contemptuous of Lukashenko's grandiose rhetoric about integration.

Belarus is a member of the Eurasian Economic Community (also known as Eurasec), also which includes Russia, Kazakhstan, Tajikistan, and Kyrgyzstan. In January 2010, Russia, Belarus, and Kazakhstan declared the creation of a customs union within Eurasec. The regulations to implement the union are supposed to be in place by July 2010. Efforts to deepen the economic union with Russia have been hindered by Belarus's resistance to Russia's demands that it adopt the Russian ruble, which would cede control over monetary policy to Moscow.

Russian policy toward Belarus appears to be focused on gaining control of Belarus's key economic assets, while limiting subsidies to Belarus. After the collapse of the Soviet Union, Russia's state-owned natural gas firm Gazprom supplied Belarus with natural gas at Russian domestic prices, providing a large indirect subsidy to the Lukashenko regime. About 20% of Russia's natural gas exports and about half of its oil exports to Europe flow through Belarusian pipelines.

In late 2006, Gazprom strongly pressured Belarus to sell to it half of the Beltransgaz natural gas firm (which controls the pipelines and other infrastructure on Belarusian territory) and other key Belarusian energy firms, or face the quadrupling of the price Belarus would pay for Russian natural gas. Belarus would face a cut-off in supplies on January 1, 2007, if it did not agree to pay the higher price. Just hours before the deadline, however, the two sides reached agreement that averted a gas shutoff. Belarus agreed to pay more than double what it paid in 2006. Moreover, prices were scheduled to rise steadily over the next few years, reaching world market levels in 2011. Belarus agreed to sell Gazprom a majority stake in Beltransgaz. In 2007, the first 12.5% stake was sold to Gazprom for \$625 million. Gazprom paid the same amount for additional 12.5% shares each year through 2010. Gazprom has said that it is interested in establishing a larger stake in Beltransgaz.

After settling the gas dispute, the two countries were soon embroiled in conflict over oil supplies. In addition to receiving cheap natural gas, Belarus has also benefitted from inexpensive and duty-free crude oil supplies that are processed at Belarusian refineries. Belarus then sold the bulk of these refined products to EU countries at a hefty profit. In January 2007, Russia moved to sharply

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<sup>3</sup> Economist Intelligence Unit Country Report: Belarus, February 2010.

reduce this subsidy to the Belarusian economy. Russia imposed a tariff on oil exports to Belarus. Belarus retaliated by increasing transit fees for Russian oil supplies to Western Europe. When Russia refused to pay, Belarus cut off oil supplies to Western European countries, angering their governments. Belarus and Russia ended the crisis by agreeing that Belarus would raise its export duty on crude and refined oil products to Western Europe to match that imposed by Russia. Russia would then exempt Belarus from most of the new Russian oil export duty. The drop in this subsidy from Moscow caused Lukashenko to cut some government spending and to look to Western banks for loans

Another oil crisis occurred in January 2010. Russia demanded a another revision in the oil export arrangements between the two countries. Russia offered to supply a fixed amount of oil duty-free for Belarus's domestic use, but any amounts over that limit would be subjected to the full duty. In addition to a reduction of the Russian subsidy to Belarus, the plan would also put Russia's own refineries on a more equal footing with the subsidized Belarusian ones. Russian Deputy Prime Minister Igor Sechin (who is also chairman of the state-owned Rosneft oil company) said that if Belarus wants better terms it will have to sell equity stakes in its refineries to Russian firms. To put pressure on Belarus, Russia cut its supplies to Belarus by as much as 70% on January 23<sup>rd</sup>. Faced with a shutdown of its refineries, Belarus quickly agreed to a modified version of Russia's terms on January 27. It is estimated that the new oil supply deal will cut Russia's subsidy to Minsk by about \$1.8 billion. Some analysts believe that it may make Belarus's refineries unprofitable. The crisis did not have an impact on oil supplies to Western Europe.<sup>4</sup> This conflict over oil export duties and other trade issues may cast doubt on the effectiveness of the customs union.

Russia continues to provide Belarus with subsidized natural gas, but is reducing the subsidy. Belarus paid 70% of the price paid by western European countries in 2009, but Moscow set the 2010 price for Minsk at 90% of the European price. Minsk has had difficulty in paying its debts to Gazprom for gas supplies, raising the possibility of a gas shutoff in the future. To hedge his bets, Lukashenko has tried to diversify Belarus's energy supplies through imports from such countries as Venezuela, Kazakhstan, Iran, and Azerbaijan, as well as development of coal reserves and a nuclear power plant within Belarus.

Lukashenko has pointed to close military cooperation between the two countries and Belarus's geographical position between NATO and Russia as reasons for Russia to subsidize energy supplies to Belarus. Belarus is a member of the Russian-dominated Collective Security Treaty Organization (CSTO), which Russia hopes to make into a counterweight to NATO influence. In 2009, Belarus announced that it would join the CSTO rapid reaction force. However, Belarus continues to stress that it will not deploy its forces outside its borders.

Russian and Belarusian air defenses have been closely integrated. Russia has supplied Belarus with up-to-date air defense equipment. In February 2009, the two countries signed a treaty on creating a joint air defense system. A regional task force of Belarusian and Russian ground forces conducts joint military exercises. There are a small number of Russian troops in Belarus, in part to run a naval radio station and an early warning radar station. Lukashenko offered to deploy Russian Iskandar short-range missile in Belarus in response to U.S.-led missile defense plans, although Moscow seems unlikely to do so now that it has renounced making such a deployment in its own Kaliningrad region.

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<sup>4</sup> Economist Intelligence Unit, Country Report: Belarus, February 2010.



Lukashenko was slow to praise Russia's military assault on Georgia in August 2008, perhaps reflecting fear that the move would presage greater Russian pressure on Belarus. However, after substantial Russian prodding, Lukashenko offered public support of Russia's military actions. Nevertheless, Belarus has refrained so far from following Russia's lead in recognizing the Georgian breakaway regions of South Ossetia and Abkhazia as independent countries, despite pressure from Moscow to do so.

## **NATO, the European Union, and Belarus**

Belarus's relations with NATO are poor. Belarus strongly opposed NATO enlargement and Lukashenko has continued to claim that NATO represents a military threat to Belarus. Belarus is a member of NATO's Partnership for Peace program, but has not been very active in it.

Belarus's ties with the European Union have also been difficult. Although Lukashenko has often called for closer economic ties with the EU, he has condemned EU criticisms of his regime as interference in the country's affairs. After 1997, the EU followed a policy of limiting its official contacts with the Lukashenko regime. Belarus is the only ex-Soviet country without a Partnership and Cooperation Agreement (PCA) with the EU in force. Because of this, Belarus was long excluded from the EU's "European Neighborhood" policy, which seeks to improve ties with countries around the EU. The strategy included "action plans" for Ukraine, Moldova and countries in the Middle East and North Africa, but not Belarus.

The EU budgeted 20 million Euro in aid to Belarus under the European Neighborhood and Partnership Instrument program for 2007-2010. The aid assists NGOs, as well as efforts in such areas as health, the environment, and the regions affected by the Chernobyl nuclear accident. In January 2006, the EU started a modest program to beam independent information via radio and television into Belarus from Poland, Lithuania, and Russia. It has also provided funding for scholarships abroad for Belarusian students, as well as support for the European Humanities University, formerly located in Belarus, but relocated in Lithuania, owing to harassment from the Lukashenko regime.

In September 2004, the EU barred from its territory high officials involved in the murder of four murdered and disappeared journalists and politicians, as well as those involved in subsequent cover-ups. In December 2004 elections, the EU announced an extension of its visa ban to "persons who are directly responsible for the fraudulent elections and referendum in Belarus on October 17, 2004 and those who are responsible for severe human rights violations in the repression of peaceful demonstrators in the aftermath of the elections and referendum in Belarus."<sup>5</sup> After the March 2006 presidential elections, the EU imposed a visa ban and an asset freeze on 31 high-ranking Belarusian officials, including Lukashenko, key members of the Belarusian presidential administration, parliament, law enforcement ministries, and election authorities. The EU has not supported economic sanctions on Belarus as a whole. However, in June 2007 the EU suspended tariff reductions that Belarus enjoyed under the Generalized System of Preferences (GSP). The move was taken in response to Lukashenko's repression of independent trade unions.

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<sup>5</sup> "EU's Relations with Belarus," EU Commission website, [http://europa.eu.int/comm/external\\_relations/belarus/intro/index.htm#initiatives](http://europa.eu.int/comm/external_relations/belarus/intro/index.htm#initiatives).

The conflict over energy prices between Belarus and Russia in 2006 and 2007 led the EU to explore the possibility of improved relations with Belarus in exchange for political and economic liberalization. In November 2006, the EU presented a document to Belarus reminding Minsk of the benefits it would receive under the European Neighborhood program if it engaged in democratization. However, Lukashenko rebuffed the EU approach, saying that while he favored better relations with the EU, he would not allow any changes in Belarus's political system.

In 2008, Lukashenko adopted a more conciliatory policy toward the EU. In January and February 2008, Belarus freed political prisoners whose release was demanded by the United States and the EU. On March 7, Belarus signed an agreement with the EU to open an EU Commission delegation in Minsk. The moves contrasted with a sharp deterioration in relations with the United States at the same time, leading to speculation that Belarus was trying to split the US and EU. Lukashenko freed the final three political prisoners in Belarus in August 2008. However, EU and US efforts to encourage real political reform suffered a setback when Belarus' September 2008 parliamentary elections fell short of OSCE standards, although the OSCE noted a few "minor" improvements.

Nevertheless, given Russia's continuing pressure on Belarus's energy supplies, increasing Russian investment in Belarus, and the perceived threat posed to Russia's neighbors by its military actions in Georgia, the EU has expanded its policy of engagement with the Lukashenko regime. On October 13, 2008, EU foreign ministers agreed to suspend the travel ban on Lukashenko, as well as most of the other Belarusian leaders banned from travel to the EU, for six months. The EU has since extended the travel ban suspension for several additional six-month periods. A few Belarusian officials remain under travel sanctions, including the head of the Belarusian Central Electoral Commission, and officials believed implicated in the disappearance of three opposition figures and a Russian television cameraman in 1999. The EU and Belarus have exchanged high-level visits.

In May 2009, the EU invited Belarus to join its Eastern Partnership Initiative, part of the EU's European Neighborhood program. The Partnership is aimed at developing a regional approach to the EU's relations with the countries lying between the EU and Russia, rather than the bilateral ties that the EU has at present with these states. The program could lead to greater aid and advice from the EU to Belarus. Long-term goals of the Partnership include a free trade zone and visa-free travel to the EU.

Many opposition leaders have been skeptical of aspects of the EU's rapprochement with Lukashenko. Kazulin and Anatol Lyabedzka, the leader of the United Civic Party, have not opposed in principle the suspension of sanctions and the Eastern Partnership for Belarus, but have stressed that in exchange for these concessions the EU must insist far more strongly on a specific timetable for real democratic reforms rather than what they view as the merely cosmetic ones offered at present. They note that Lukashenko has openly avowed a desire to cut the opposition out of the EU's relationship with Belarus. They express concern that the EU is sacrificing them for geopolitical reasons and perhaps also to participate in the purchase of Belarus's economic assets. On the other hand, Alyaksandr Milinkevich, the joint opposition candidate in the 2006 presidential election and head of the Movement for Freedom, has been more supportive of the EU initiative.

Some analysts attribute the EU's more accommodating stance toward Belarus as a geopolitical response to the Russian assault on Georgia. EU leaders reportedly fear that a resurgent Russia could move to completely dominate Belarus unless the EU moves quickly to engage it. On the

other hand, EU countries with a particularly close relationship with Russia, such as Germany, France, and Italy, are anxious to reassure Moscow that any improvement of EU ties with Belarus will not come at the expense of Russia's own special relationship with Minsk. Analysts also claim that a new policy of engagement was needed, as the old one of near-isolation had done nothing to make the country more democratic.

Some countries that have traditionally been more skeptical of Moscow, such as Poland and Lithuania, have also favored the new opening to Belarus. As neighbors of Belarus, they want to foster increased economic and other exchanges across their common border. In addition, they also hope engagement will improve the situation of ethnic Polish and Lithuanian minorities in Belarus. However, despite the EU's new policy, Lukashenko has continued his efforts to exert control over ethnic Polish organizations in Belarus, in particular by harassing the Union of Poles, an independent organization backed by Warsaw. In February 2010, EU foreign policy representative Baroness Catherine Ashton issued a statement on behalf of the EU expressing "disappointment" over the arrest of the leader of the Union of Poles and other members of the organization. She warned that the success of the EU's engagement with Belarus would depend on progress in democratization and human rights.

For his part, Lukashenko wants to increase EU investment in Belarus. Minsk also hopes to become a more important and reliable energy transit state for Europe, although this would depend in large part on Russia, Belarus's energy supplier.<sup>6</sup> Despite his support for closer ties with the EU, Lukashenko has continued to make clear his continued support for very close ties with Moscow. He has also complained about EU pressure for democratic reforms. Lukashenko has not ruled out recognizing South Ossetia and Abkhazia, despite EU warnings not to do so. If Belarus were to recognize the two regions, it would prove an embarrassing setback to EU-Belarus relations.

## **U.S. Policy**

The United States recognized independent Belarus on December 25, 1991. U.S. officials hailed the removal of all nuclear weapons from Belarus in November 1996. However, U.S.-Belarus relations deteriorated as Lukashenko became increasingly authoritarian. In March 1997, a State Department spokesman announced a policy of "selective engagement" with Belarus on issues of U.S. national interests and "very limited dealings" on other issues.

U.S. aid to Belarus has been meager, reflecting the selective engagement strategy. The United States provided \$1.5 million in aid for FY2009 and has allocated \$15 million in aid to Belarus in FY2010. The Obama Administration requested \$14 million in aid to Belarus in FY2011. U.S. aid is focused on supporting pro-democracy NGOs and independent media and fighting trafficking in persons. Modest aid is also targeted to promoting economic reforms and assisting the country's health and education sectors.

U.S. officials have noted that implementation of U.S. programs has been made difficult by the Lukashenko regime. The Bush Administration noted that the regime's harassment of NGOs, including by banning foreign aid to NGOs even remotely dealing with politics and jailing members of NGOs not registered with the authorities, hindered the delivery of U.S. aid. In its

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<sup>6</sup> Ahto Lobjakas, "EU Says Belarus 'Halfway' in European Partnership Process," from the Radio Free Europe/Radio Liberty website, <http://www.rferl.org>, accessed on January 27, 2009.

FY2011 Congressional Budget Justification, the Obama Administration noted that the sharp reduction in the number of U.S. diplomats in Belarus forced by the Belarusian government makes monitoring and assessing program performance difficult. For this reason, the report says, the Administration is not planning to increase U.S. aid for political reform in Belarus.<sup>7</sup>

In addition to U.S. opposition to Lukashenko's human rights violations, the United States has criticized Belarus's relations with rogue regimes. In April 2003, Deputy Assistant Secretary of State Stephen Pifer charged that substantial evidence existed that Belarus had provided weapons and training to countries and groups that support terrorism, including Iran and Saddam Hussein's Iraq.<sup>8</sup> Belarus's assistance to Saddam's regime may have also extended beyond the regime's collapse. One high-ranking aide to Saddam was reportedly captured by U.S. forces with Belarusian passports for himself and other key regime leaders, including Saddam's sons.<sup>9</sup> More recently, Belarus has sold weapons to Syria, another U.S.-designated state sponsor of terrorism. Belarus has also reportedly served as a conduit for sales by Russia of highly sophisticated arms to Iran and Syria.<sup>10</sup> In July 2007, Venezuela announced plans to buy \$1 billion in arms from Belarus.

On October 20, 2004, in a statement announcing his signing of the Belarus Democracy Act of 2004 (P.L. 108-347), President Bush said the October 17 Belarusian elections were undertaken "in a climate of abuse and fear," noting that OSCE and other observers found that Lukashenko's victory "was achieved by fraudulent means." He added that "at a time when freedom is advancing around the world... there is no place in a Europe whole and free for a regime of this kind." The President stressed that "the fate of Belarus will rest not with a dictator, but with the students, trade unionists, civic and religious leaders, journalists, and all citizens of Belarus claiming freedom for their nation."

In December 2004, the United States, in concert with the EU, enacted a visa ban on Belarusian officials involved in electoral fraud and human rights violations. A March 2006 Administration report, required by Congress as part of the Belarus Democracy Act, accused Lukashenko and his regime of corruption on a massive scale and selling arms to state supporters of terrorism such as Iran and Sudan.

U.S. officials were sharply critical of the conduct of the Belarus presidential election. On March 20, 2006, a White House spokesman said that the United States "does not accept the results of the election," saying that it was conducted in a "climate of fear" and adding that the U.S. supported opposition calls for a new vote to be held. In May 2006, at a meeting of post-communist nations in Lithuania, Vice President Dick Cheney called Belarus "the last dictatorship in Europe," echoing similar statements made by Administration officials in the past. Cheney noted that "peaceful demonstrators have been beaten, dissidents vanished, and a climate of fear prevails under a government that subverts free elections. There is no place in a Europe whole and free for a regime of this kind."<sup>11</sup>

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<sup>7</sup> State Department FY2011 Congressional Presentation on Foreign Assistance, February 2010.

<sup>8</sup> AP wire dispatch, April 16, 2003.

<sup>9</sup> Andrei Sannikov and Mark Lenzi, "Belarus's Terrorist Ties," *Washington Post*, June 12, 2004, 21.

<sup>10</sup> Vladimir Isachenkov, "Dead Russian Newsmen was Probing Arms Sales to Syria and Iran," Associated Press wire dispatch, March 6, 2007.

<sup>11</sup> Reuters news agency dispatch, May 4, 2006.

The United States imposed sanctions on key members of the Lukashenko regime after the 2006 Belarusian presidential elections. On May 15, 2006, President Bush announced a visa ban for the travel of senior Belarusian leaders to the United States. On June 19, 2006, the United States froze the assets of senior Belarusian officials. In addition to Lukashenko himself, the financial sanctions affect fifteen other persons, including Lukashenko's closest advisors, the head of the Belarusian KGB, the Ministers of Justice and Interior, the head of the Belarusian state television and radio company, and the head of the central election commission. In a message to Congress, the President said that these persons were chosen because they undermined democratic processes in Belarus, violated human rights of Belarusians, or engaged in corruption.<sup>12</sup>

On November 13, 2007, the Administration froze the U.S. assets of the state-owned oil and petrochemicals firm Belneftekhim and prohibited U.S. persons or businesses from doing business with it. Belneftekhim makes chemical fertilizers and oil products. It accounts for 35% of Belarus's exports and over 30% of the country's industrial output. U.S. officials said the move was aimed at tightening financial sanctions against a massive conglomerate under the regime's control. However, the material impact of the sanctions was not expected to be great, given the company has only modest assets in the United States, and that the EU, the main market for Belneftekhim's products, has not imposed sanctions of its own on the firm.<sup>13</sup> Nevertheless, Lukashenko reacted angrily to the U.S. move.

On March 6, 2008, the Administration issued a clarification on the Belneftekhim sanctions that said that the freezing of Belneftekhim's assets included the assets of any firms in which Belneftekhim owns a 50% or greater interest. Lukashenko responded by recalling Belarus's ambassador to the United States on March 7 and pressing for the removal of the U.S. Ambassador to Belarus, Karen Stewart. Ambassador Stewart left Minsk on March 12 for consultations in Washington. Belarus reduced the number of its diplomats in Washington to five persons, and demanded that the United States do the same. The United States complied with Belarus's request. The United States has not appointed a new Ambassador to Belarus.

After this low point in U.S.-Belarusian ties, the United States has appeared to attempt to improve relations, in line with the European Union's desire to engage Belarus by easing sanctions in exchange for small steps forward on democratization. In early September 2008, the United States suspended sanctions for six months on two Belneftekhim entities, while leaving sanctions on others. The move was a reward for the release of the last Belarusian political prisoners in August and an incentive to hold freer and fairer parliamentary elections on September 28. In testimony before the Commission on Security and Cooperation in Europe on September 16, 2008, Assistant Secretary of State David J. Kramer said that the United States did not seek "regime change" in Belarus, only "a change in regime behavior."

However, the overture to Belarus appeared to suffer a setback as a result of the parliamentary election. In a statement, the State Department expressed disappointment that the vote "fell significantly short" of international standards. It said that the United States would "maintain the dialogue" with the Belarusian government, but that better elections and a better human rights record would be needed before ties could improve "significantly."<sup>14</sup> Despite Belarus's lack of

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<sup>12</sup> White House press release, June 19, 2005, available online from the White House website at <http://www.whitehouse.gov/news/releases/2006/06/20060619-4.html>.

<sup>13</sup> Eurasia Daily Monitor, November 29, 2007. Information on the financial sanctions can be found at the U.S. Treasury Department website, <http://www.treasury.gov/offices/enforcement/ofac/programs/belarus/belarus.shtml>.

<sup>14</sup> "Belarus: Parliamentary Elections," State Department press statement, September 29, 2008, from the State (continued...)

significant progress on democratic reform, the United States has extended the suspension of sanctions on the two Belneftekhimi entities several times, most recently in November 2009.

The United States is concerned about human trafficking in Belarus. According to the State Department's 2009 Trafficking in Persons report, Belarus is a country of origin and transit for women and children trafficked for sexual exploitation. It is listed as a "Tier 2" country. This means that it does not meet minimum standards for the elimination of trafficking, but is making "significant" efforts to do so. The report says Belarus has demonstrated "sustained efforts to prosecute and punish trafficking offenders," but needs to do more in protection of and assistance to victims.

Belarusian officials expressed "bewilderment and regret" at the non-invitation of Lukashenko to participate in the Nuclear Security Summit in Washington in April 2010. Lukashenko claimed that Belarus has hundreds of kilograms of highly enriched uranium and that world leaders should sit down and discuss what to do with it. Lukashenko's remarks may have been prompted by a deal signed at the summit between the United States and Ukraine on the disposal of Ukraine's highly enriched uranium stockpile.

## **Congressional Action**

Members of Congress have spoken out strongly against human rights abuses in Belarus in Congressional hearings, floor statements, speeches and proposed legislation. In the first session of the 108<sup>th</sup> Congress, the Belarus Democracy Act was introduced. On February 25, 2004, the House International Relations Committee unanimously approved a modified version of the bill. It authorizes aid for pro-democracy forces in Belarus, as well as funds for increased broadcasting to Belarus by Voice of America and Radio Free Europe/Radio Liberty. The bill calls for sanctions on Belarus, including expressing the sense of the Congress in favor of a visa ban against senior Belarusian officials; a prohibition on strategic exports to Belarus; a prohibition on U.S. financial assistance to the Belarusian government; and expressing the sense of the Congress that the United States should oppose multilateral financial aid to Belarus. These conditions would remain in place until Belarus meets specific democratic and human rights criteria. The President can waive the sanctions if he certifies that it is in the U.S. "national interest" to do so. The bill expresses the sense of the Congress that the President should coordinate with European countries to take similar measures against Belarus.

The bill also requires the President to report within 90 days and every year thereafter on the sale of weapons or weapons-related assistance to regimes supporting terrorism, and on the personal wealth of Lukashenko and other senior Belarusian leaders. While supporting the bill's objectives, the Administration opposed mandated sanctions included in previous versions of the bill, saying they would reduce needed diplomatic flexibility.<sup>15</sup> The President signed the modified Belarus Democracy Act on October 20, 2004 (P.L. 108-347). On July 22, 2004, the House passed H.Res. 652 by a vote of 421-0. The resolution called on Belarus to hold free and fair parliamentary elections.

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Department website, <http://www.state.gov>.

<sup>15</sup> Discussions with U.S. officials.

Before the Belarusian presidential election, the House and Senate each passed resolutions in March 2006 calling on Belarus to hold a free and fair vote. The House resolution (H.Res. 673) listed the shortcomings of the election campaign, called for specific improvements before the vote, and held out the possibility of better relations between Belarus and the United States if the election were free and fair. The Senate resolution (S.Res. 401) contains similar provisions but adopts a more critical tone, sharply condemning the “tyranny” of the Lukashenko regime. S.Res. 530, which dealt with U.S.-Russian relations on the eve of the G-8 summit in Moscow, criticized Russia for being the only G-8 country to applaud the outcome of the Belarusian presidential election.

On July 27, 2006, Representative Christopher Smith introduced the Belarus Democracy Reauthorization Act of 2006 (H.R. 5948). The bill contains many of the same provisions as the 2004 law, such as authorizing U.S. aid for pro-democracy groups, banning U.S. aid to the Belarusian government, supporting U.S. broadcasting to Belarus, and proposing sanctions against high-level Belarusian officials. The bill was approved by the House by a vote of 397-2 on December 8 and by the Senate by unanimous consent on the next day. It was signed by the President on January 12, 2007 (P.L. 109-480). On May 6, 2008, Representative Smith introduced the Belarus Democracy Reauthorization Act of 2008 (H.R. 5970), which included necessary updates and changes to the 2006 Act in order to reauthorize it.

On June 10, 2009, the House passed H.R. 2410, the Foreign Relations Authorization Act 2010 and 2011. Section 1121 of the bill contains a sense-of-the-Congress provision that notes that, despite modest improvements, the Belarusian government’s human rights record remains poor. It says U.S. policy is to support democratic development, free markets in Belarus, as well as that country’s sovereignty. It says that the United States remains open to re-evaluating U.S. sanctions against Belarus, if demonstrable progress is made in democracy and human rights. It calls on the United States to furnish assistance to Belarus to promote independent media, non-governmental organizations, democratic political parties, free elections, international exchanges, and educational initiatives. Section 1121 also calls for support for international broadcasting to Belarus, including Radio Free Europe/Radio Liberty.

On January 13, 2010, Representative Ileana Ros-Lehtinen introduced H.R. 4436. The bill would require an annual report by the Secretary of State to the House Foreign Affairs Committee and the Senate Foreign Relations Committee on Belarus’s arms sales and weapons-related technology transfers, including to countries designated as state sponsors of terrorism.

## **Author Contact Information**

Steven Woehrel  
Specialist in European Affairs  
swoehrel@crs.loc.gov, 7-2291