



# Belarus: Background and U.S. Policy Concerns

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## 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. Belarus has close historical and cultural ties to Russia. Russian policy toward Belarus appears to be focused on gaining control of Belarus's key economic assets while reducing the costs of subsidizing the Lukashenko regime.

For many years, the United States has 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 against Belneftekhim, the state-owned petrochemicals firm. Belarus also limited the number of U.S. diplomats in Belarus to five persons.

From 2008 to 2010, the United States and European Union suspended some sanctions in exchange for very modest improvements on human rights issues. This policy suffered a setback in December 2010, when Belarus held presidential elections that observers from the OSCE viewed as falling far short of international standards. Moreover, in response to an election-night demonstration against electoral fraud in a square in central Minsk, the Lukashenko regime arrested over 700 persons, including most of his opponents in the election, as well as activists, journalists, and civil society representatives. Some of them were viciously beaten by police.

In January 2011, the EU and the United States imposed enhanced visa and financial sanctions against top Belarusian officials. The United States re-imposed sanctions against two key subsidiaries of Belneftekhim. They also pledged enhanced support for Belarusian pro-democracy and civil society groups. Although Lukashenko has released most of the political prisoners, about a dozen remain imprisoned. In response, the United States and the EU have imposed sanctions against additional prominent Belarusian officials, and businessmen and firms associated with them.

Congress has responded to the situation in Belarus with legislation. In January 2012, President Obama signed the Belarus Democracy and Human Rights Act. The legislation reauthorized the Belarus Democracy Act of 2004. It updated the provisions of the legislation to include the fraudulent December 2010 election and the ensuing crackdown. It also updated the report the Administration is required to file to include assistance provided by other governments or organizations to assist the Belarusian government's efforts to control the Internet. The legislation stated that it is the policy of the United States to call on the International Ice Hockey Federation to not hold the 2014 International World Ice Hockey championship in Minsk unless the government of Belarus releases all political prisoners. The move would be a serious blow to Lukashenko personally, as he is known to be an avid hockey fan.

## **Contents**

Introduction.....	1
Political and Economic Situation.....	1
Economic Situation .....	2
Relations with Russia .....	3
Relations with NATO and the European Union.....	5
U.S. Policy .....	6
Policy Issues .....	9
Congressional Action.....	9

## **Contacts**

Author Contact Information.....	10
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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 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.

Relations between Belarus and the United States have been particularly poor since Lukashenko's brutal repression of the opposition after fraudulent presidential elections in December 2010. In response, the EU and United States have imposed strengthened sanctions against key Belarusian leaders, businessmen, and firms. Russia has taken advantage of this situation to increase its political and economic influence in Belarus.

## **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 kept the Belarusian business elite dependent on him. 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.

Opposition groups and leaders in Belarus have so far posed little threat to the Lukashenko regime. The opposition's weakness is in part due to the regime's repression, but divisions over ideology and the conflicting personal ambitions of its leaders have also been factors. Lukashenko also appears to have succeeded in convincing some Belarusians, especially in the countryside, that his leadership has provided them with stable (if very modest) living standards and public order, in contrast to the vast disparities in wealth and rampant criminality prevalent in neighboring Russia.

The State Department's Country Reports on Human Rights for 2011 said the regime harassed, arrested, and beat opposition figures. The regime forced the closure of independent media and non-governmental organizations (NGOs) dealing with political issues and human rights. The regime sharply restricted activities of independent trade unions and some religious groups. In January 2012, a law went into effect that strengthened the government's ability to control Internet use in Belarus.

Belarus held presidential elections in December 2010. According to monitors from the Organization for Security and Cooperation in Europe (OSCE), the elections failed to meet international standards for free and fair elections. The observers noted a few positive trends, including limited but uncensored television airtime for opposition candidates. However, the observers also detailed serious shortcomings in the vote. The government used its administrative

resources to support Lukashenko's candidacy and broadcast media (entirely state-owned) focused overwhelmingly on positive coverage of Lukashenko. The vote count was conducted in a non-transparent way, with observers assessing almost half of observed vote counts as "bad or very bad." According to the Belarusian Central Election Commission, Lukashenko was reelected with nearly 80% of the vote. His top opponent, Andrei Sannikau, purportedly won under 3%.

The government responded to an election-night demonstration against electoral fraud in central Minsk with the arrest (and in several cases vicious beatings) of seven of the nine opposition candidates as well as the detention of over 700 other persons, including activists, journalists, and civil society representatives.<sup>1</sup> Since early 2011, Lukashenko has released most, but not all, of the political prisoners. In April 2012, Lukashenko released Sannikau and Dzmitry Bandarenka, his chief campaign aide. In order to secure their release, Sannikau, Bandarenka, and others had to request pardons from Lukashenko and apologize for their alleged misdeeds. About a dozen persons are still held as political prisoners by the Belarusian government.

Belarus held parliamentary elections in September 2012. As expected, supporters of the regime won all 110 seats in the parliament. Two opposition political parties boycotted the vote, and two others withdrew before election day, citing the unfairness of the electoral process. A team of observers led by the OSCE concluded that the elections did not meet international standards due to such issues as the imprisonment of some political leaders, the lack of impartiality of the central electoral commission, and the lack of transparency of the vote count.

## **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. Russia has also provided Belarus with cheap natural gas. In addition, many experts doubt that Belarusian statistics are entirely accurate. Growth in industrial production is made possible by subsidies to ailing state firms. This economic system keeps official unemployment very low. Wage and pension increases are mandated by the government. Some prices are controlled. Collective farms are also propped up by subsidies, although private plots held by peasants are more productive.

For much of his reign, 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 has enjoyed, particularly among older and rurally based Belarusians. State control of most of the economy can also provide a way of pressuring potential opponents into silence. Most persons in Belarus work at state-owned enterprises on one-year labor contracts, which the government can decline to renew if an employee displeases it.

The global economic crisis caused a slowdown in Belarus's economic growth. In 2008, real Gross Domestic Product (GDP) increased by a reported 10%, but growth slowed to 0.2% in 2009. Reported GDP growth surged again in 2010 to 7.6%. Belarus's foreign exchange reserves dwindled as the government tried to defend the Belarusian ruble, leading it to request and receive

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<sup>1</sup> The OSCE election observers' preliminary report can be found at <http://www.osce.org/odihr/documents/74638>

a \$2 billion stabilization loan from Russia. Belarus received \$3.5 billion in loans from the International Monetary Fund in 2009-2010. Belarus also received loans from the World Bank.

Belarus suffered another economic crisis in 2011 due to rapidly dwindling foreign exchange reserves, in part as a result of government overspending prior to the December 2010 election. The government sought an IMF loan, which was refused due to Belarus's failure to agree to structural economic reforms. Instead, in October 2011, the government allowed the Belarusian ruble to float freely, which resulted in an immediate devaluation of the Belarusian currency by more than 50%. This move, plus loans from Russia and asset sales to Russian firms, helped to stabilize Belarus's external position, at least temporarily. The devaluation caused a deterioration of living standards for many Belarusians, who depend on imports, which are now more expensive, for high-quality consumer goods. It has also added to Belarus's problem with hyperinflation. Average consumer price inflation jumped from 7.8% in 2010 to an estimated 68% in 2012. Real GDP growth slowed to 5.3% in 2011 and to an estimated 2% in 2012.

Some experts believe that the Belarusian economy could suffer yet another crisis in 2013, including further devaluation of the Belarusian ruble. Belarus continues to increase its external indebtedness in an effort to prop up its unreformed economy and service existing debts. In 2005, Belarus's external debt was \$589 million. In January 2013, it was \$12 billion. Given that it is unlikely to receive an IMF loan due to its failure to undertake comprehensive reforms, the Belarusian government has sought high-interest loans from the Eurobond market. The government has also borrowed heavily in Belarus's internal debt market.<sup>2</sup>

## **Relations with Russia**

Belarus has close historical and cultural ties with Russia. The two countries also have close economic relations. Belarus is a member of the Eurasian Economic Community (also known as EurAsEC), also which includes Russia, Kazakhstan, Tajikistan, and Kyrgyzstan. Belarus is also a member of a customs union within EurAsEC, with Russian and Kazakhstan. These countries have started the process of creating a single Economic Space, or common market.

Russian policy toward Belarus appears to be focused on gaining control of Belarus's key economic assets, while limiting subsidies to the country. 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 2006, Gazprom 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, if it did not agree to pay the higher price. Belarus agreed to sell Gazprom a 50% majority stake in stages between 2007 and 2010. 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 2007, Russia started reducing this subsidy to the Belarusian

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<sup>2</sup> Economist Intelligence Unit Country Report: Belarus, February 2013.

economy, as well. 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 Russia and Belarus, 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 are closely integrated. Russia has supplied Belarus with up-to-date air defense equipment. 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.

Although the Kremlin's most loyal ally, Lukashenko has shown some independence from Moscow's foreign policy. Belarus has refrained from following Russia's lead in recognizing the Georgian breakaway regions of South Ossetia and Abkhazia as independent countries, despite continuing pressure from Moscow to do so. Belarus provided asylum to former Kyrgyzstan President Kurmanbek Bakiyev, whose 2010 ouster was supported by Moscow. Lukashenko has also played host to Georgian President and Kremlin antagonist Mikheil Shaakashvili.

Tensions between Moscow and Minsk increased as a result of attacks on Lukashenko in government-controlled Russian media in the second half of 2010. However, just days before the December 2010 presidential election the two sides signed an agreement on oil export duties that Minsk claimed was worth an estimated \$4 billion a year to Belarus. Lukashenko agreed that Belarus would further integrate its economy with Russia's in a regional "Single Economic Space." In contrast to U.S. and EU condemnation of what was widely perceived as a fraudulent election and of an ensuing crackdown against the opposition, Russian President Medvedev congratulated Lukashenko on his "reelection."

Russia has taken advantage of Minsk's international isolation since the presidential election and its foreign exchange shortfall to gain control of key Belarusian economic assets. In June 2011, Russia, through the Eurasian Economic Community, granted Belarus a \$3 billion stabilization loan. Release of the loan tranches is conditioned on the privatization of Belarusian companies. In November 2011, Belarus agreed to sell its remaining portion of Beltransgaz to Gazprom, giving the Russian state-owned company a 100% share. In exchange, Belarus received a substantial reduction in the price charged by Gazprom for natural gas supplies. Russia also cut the price of oil supplies to Belarus. In addition, Belarus received a \$1 billion loan from the Russian Sberbank and the Eurasian Development Bank. As collateral, Belarus had to put up 35% of the key Belarusian fertilizer company Belaruskali.

Russia will likely continue to exercise substantial economic leverage over Belarus. Russia has threatened to cut crude oil supplies to Belarusian refineries in 2013 over what appeared to be a Belarusian attempt in 2012 to evade export duties on the products of its refineries by mislabeling them as solvents. Russian efforts to secure control of key Belarusian assets, such as Belaruskali and oil refineries, are likely.

## **Relations with NATO and the European Union**

Belarus's cooperation with NATO has been limited in most respects. Belarus strongly opposed NATO enlargement to include neighboring central European countries. Lukashenko continues to claim that NATO represents a military threat to Belarus. However, Belarus is a member of NATO's Partnership for Peace (PFP) program, and participates in some PFP exercises. More importantly, since January 2011, Belarus has cooperated with the United States and NATO on the Northern Distribution Network, a supply line that runs from Baltic ports to rail lines in Belarus and other countries to NATO-led troops in Afghanistan.

Belarus-EU ties (and to some extent U.S.-Belarus relations) have followed a familiar pattern—the Lukashenko regime conducts fraudulent elections and engages in repressive actions against opposition figures. The EU responds with sanctions against persons responsible for those actions, but refrains from sanctions against Belarus as a whole. Lukashenko, perhaps seeking international loans and feeling particularly strong pressure from Russia, liberates political prisoners, while keeping the fundamentally undemocratic nature of the regime intact. The EU responds by suspending sanctions and enhancing contacts with the government. Another cycle of repression ensues, often after the next fraudulent election, and the cycle repeats itself.

The most recent thaw in EU-Belarus relations occurred in 2008-2010. This period ended after the fraudulent December 19, 2010, elections and the ensuing repression of the opposition. On January 31, 2011, European Union foreign ministers agreed to re-implement visa bans against top Belarusian leaders, which had been imposed in 2004 and 2006 and suspended in 2008. In addition, they agreed to impose visa bans and asset freezes on those responsible for the fraudulent December 2010 election and the ensuing crackdown on the opposition and civil society. The ministers said that the sanctions would be lifted only after the release and “rehabilitation” of those persons detained on political grounds. They added that in addition to this, “further reforms of the Electoral Code, the freedom of expression and of the media, the freedom of assembly and association, would pave the way for the lifting of the restrictive measures.” The ministers said the EU would provide “urgent support to those repressed and detained on political grounds and their families” and strengthen other aid to civil society, “targeting in particular NGOs and students.”

The statement said the EU looked forward to opening talks with Belarus for “visa facilitation” to permit more ordinary Belarusians to visit the EU. In the meantime, the ministers expressed support for EU member states' waiver or reduction of visa fees for Belarusians. The EU statement stated that the EU remains committed to dialogue with the Belarusian authorities and to the Eastern Partnership program, but that “deepening” EU relations with Belarus “is conditional on progress towards respect by the Belarusian authorities for the principles of democracy, the rule of law and human rights.”<sup>3</sup>

In 2011, it seemed that another cycle in the EU-Belarus relationship would begin as the regime liberated many of its political prisoners. However, others remained in captivity and additional arrests and persecution of the opposition took place. In addition, those imprisoned were reportedly subjected to ill-treatment and torture. In response, the EU has added names to its list of persons subject to a visa ban and asset freeze on several occasions, most recently in March 2012.

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<sup>3</sup> The EU foreign ministers' statement can be found at [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/119038.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/119038.pdf)



The list contains not only senior Belarusian leaders responsible for repression, but also wealthy businessmen (often referred to as “oligarchs”) with close connections to the regime. The EU’s sanctions list contains 243 persons. In addition, 32 firms associated with the regime have had their assets frozen by the EU. In addition to Lukashenko, the list of persons includes current Belarusian Foreign Minister Vladimir Makei.

Some analysts have pointed out Lukashenko has found ways to pressure the EU to not push sanctions too far. For example, press reports claimed that during talks over adding certain Belarusian oligarchs to the sanctions list in early 2012, Slovenia, Latvia, and other countries were hesitant to include some names on the list, because of the investments of the oligarchs in their countries. In addition, Belarusian officials have hinted that, if EU pressure is too intense, Belarusian border guards could focus more on holding up the transit of EU exports through Belarus, rather than intercepting asylum-seekers seeking to enter EU territory. In November 2012 Lukashenko announced that Belarus (which is landlocked) will use Russian ports for its exports rather than ports in the Baltic States, as it does now. Such a move would have a significant negative impact on the economies of Lithuania and Latvia.

Lukashenko has also barred opposition figures from attending conferences in the EU, in retaliation for visa sanctions against his officials and supporters. Perhaps for the same reason, the regime has declined to agree to an accord with the EU on visa facilitation for ordinary Belarusians. But while the lack of an agreement means the EU visa process remains expensive and burdensome, in 2011 Belarusians nevertheless received far more “Schengen” visas (permitting travel to 25 countries, including most but not all EU countries) on a per capita basis than any other country in the world. Poland and Lithuania have been particularly generous in providing visas to Belarusians, some of whom visit to buy high-quality consumer goods in their countries.

The EU allocated a total of 19.3 million Euro (\$25.5 million) for aid for civil society and independent media in Belarus between 2011 and 2013. In March 2012, the EU launched a dialogue with Belarusian civil society and the opposition on the reforms needed to modernize Belarus and to improve EU-Belarusian cooperation.

## **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 become increasingly authoritarian. In 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. In addition to U.S. opposition to Lukashenko’s human rights violations, the United States has criticized Belarus’s relations with rogue regimes, such as Iran and Venezuela.

U.S. aid to Belarus has been meager. According to the FY2013 Congressional Budget Justification for Foreign Operations, in FY2011, the United States provided \$13.864 million in aid for Belarus. In FY2012, Belarus was expected to receive \$11 million in U.S. aid. For FY2013, the Administration requested \$11 million in aid for Belarus. Over three-quarters of this aid is slated for strengthening democratic political parties, civil society, and independent media. U.S. aid funds exchange programs and education programs for Belarusian students. The U.S.

assistance program also supports anti-trafficking efforts and the strengthening of small and medium-sized businesses in Belarus

U.S. officials have noted that implementation of U.S. programs has been made difficult by the Lukashenko regime. 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, has hindered the delivery of U.S. aid. The sharp reduction in the number of U.S. diplomats in Belarus forced by the Belarusian government has made monitoring and assessing program performance difficult.

In concert with the EU, the United States has imposed a visa ban against Lukashenko and top Belarusian officials since 2004 for undermining democratic processes, violating human rights, and engaging in corruption. In addition, in November 2007 the United States 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>4</sup>

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. Belarus interpreted the move as a tightening of the sanctions. 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 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. However, the overture to Belarus appeared to suffer a setback after Belarus's 2008 parliamentary elections, which the State Department said "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>5</sup> Despite Belarus's lack of significant progress on democratic reform, the United

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<sup>4</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>5</sup> "Belarus: Parliamentary Elections," State Department press statement, September 29, 2008, from the State Department website, <http://www.state.gov>.

States extended the suspension of sanctions on the two Belneftekhim entities for additional six-month periods through November 2010.

The U.S.-Belarus rapprochement continued in early December 2010, when Secretary of State Clinton and Belarusian Foreign Minister Sergei Martynov, meeting in Astana, Kazakhstan, announced that Belarus had agreed to eliminate its supply of highly enriched uranium (HEU) by the Nuclear Security Summit in March 2012 in Korea. In return, Belarus was to receive an invitation to that summit, as well as U.S. aid to help Belarus dispose of its HEU. The United States would continue to provide assistance for security upgrades at the Belarus Joint Institute for Power and Nuclear Research, where all of the HEU is kept. The United States also offered unspecified support for Belarus's desire to build a new civilian nuclear power plant. Finally, the two sides agreed that "enhanced respect for democracy and human rights in Belarus remains central to improving bilateral relations." Belarus's agreement to give up its HEU may have been part of an effort to secure better ties with the United States, given the importance with which the United States views nuclear proliferation.

However, the positive impact of the HEU agreement on U.S.-Belarusian relations was sharply diminished by the December 19, 2010, presidential election debacle. In a statement released by the White House press secretary on December 20, the Administration said it

strongly condemns the actions that the Government of Belarus has taken to undermine the democratic process and use disproportionate force against political activists, civil society representatives and journalists, and we call for the immediate release of all presidential candidates and the hundreds of protestors who were detained on December 19 and 20. The United States cannot accept as legitimate the results of the presidential election announced by the Belarusian Central Election Commission.

The statement said that "the Belarusian government's actions are a clear step backwards on issues central to our relationship with Belarus."

On January 31, 2011, in a move timed to coincide with a similar EU statement, the United States announced a package of measures in response to the situation in Belarus. The Administration reimposed sanctions against Lakokraska OAO and Polotsk Steklovolokno OAO, the two key subsidiaries of Belneftekhim against which sanctions had previously been suspended. The statement also said the United States will "significantly" expand the number of Belarusian officials (and their families) subject to a visa ban to include those responsible for the fraudulent December 2010 election and the repression that followed. The United States would also increase the number of persons and entities subject to asset freezes.

The statement said that the United States would increase its support to Belarusian civil society, independent media, and democratic political parties. The Administration said that the United States will review its policy based on whether Belarus takes certain actions, including "the immediate release of all detainees and the dropping of all charges associated with the crackdown; a halt to the harassment of civil society, independent media and the political opposition; and space for the free expression of political views, the development of a civil society, and freedom of the media."<sup>6</sup>

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<sup>6</sup> For a text of the statement, see <http://www.state.gov/r/pa/prs/ps/2011/01/155640.htm#>

In August 2011, the United States imposed sanctions against four additional Belarusian state-owned enterprises: the Belshina tire factory; Grodno Azot, which manufactures fertilizer; Grodno Khimvolokno, a fiber manufacturer; and Naftan, a major oil refinery. All four companies are deemed to be controlled by Belneftekhim. In response to the U.S. announcement, Belarus suspended the elimination of its stock of highly enriched uranium, which it had undertaken as part of the December 2010 agreement with the United States.

In September 2012, a State Department spokesperson said the Belarusian parliamentary elections “fell short of international standards and their conduct cannot be considered free or fair.” The spokesperson added that “enhanced respect for democracy and human rights in Belarus, including the release and rehabilitation of all political prisoners, remains central to improving bilateral relations with the United States.”

In addition to sanctions against persons and firms for the regime’s undemocratic actions, the United States has imposed sanctions on Belarusian firms on non-proliferation grounds. Most recently, in February 2013, the United States imposed sanctions on TM Services Limited and Scientific and Industrial Republic Unitary Enterprise (also known as DB Radar) for violating the Iran, North Korea, and Syria Non-Proliferation Act (P.L. 109-353). The sanctions prohibit the U.S. government from working with these firms, including the sale of arms and granting of export licenses.

The United States is concerned about human trafficking in Belarus. According to the State Department’s 2012 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” Watch List country. This means that it does not meet minimum standards for the elimination of trafficking, and has not made significant efforts in the previous year to do so.

## **Policy Issues**

There has been some debate among policy analysts in Belarus, the United States, and Europe about whether the current sanctions policy against Belarus is effective or even in some respects counterproductive. Supporters, including some Belarusian opposition leaders, credit them with being responsible for their liberation from prison. However, some Belarusian opposition figures also criticize the sanctions for being largely symbolic in character, given that they permit the regime to continue to do highly lucrative business in the EU and elsewhere. Some who favor increasing pressure on the Lukashenko regime call for sanctions on Belaruskali, a very large potash producer that is a mainstay of the Belarusian economy.

On the other hand, experts in the United States and Europe who are concerned about Russian efforts to strengthen its sphere of influence in the region warn that by isolating Belarus, the EU and United States are playing into Moscow’s hands, without achieving real gains on democratization. They call for a policy of greater engagement with Belarus.

## **Congressional Action**

In the 112<sup>th</sup> Congress, Members of Congress spoke out strongly against human rights abuses in Belarus in congressional hearings, floor statements, speeches, and legislation. On January 26, 2011, Representative Smith introduced H.R. 515, the Belarus Democracy and Human Rights Act of 2011. On July 6, 2011, the House agreed to the bill by voice vote. The Senate passed an

amended version of H.R. 515 on December 14. The House agreed to the Senate version by voice vote on December 20. President Obama signed the bill into law on January 3 (P.L. 112-82).

The law reauthorizes the Belarus Democracy Act (BDA) of 2004. It updates the provisions of the legislation to sharply condemn the fraudulent December 2010 presidential election and the ensuing crackdown. It expresses support for continuing radio, television, and Internet broadcasting to Belarus by Radio Free Europe/Radio Liberty, the Voice of America, European Radio for Belarus, and Belsat.

The legislation updates the BDA by including the post-December 2010 events in the section of the earlier law that expressed support for U.S. sanctions against Belarus. These include 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 are to remain in place until the President determines Belarus meets specific democratic and human rights criteria. The section expresses the sense of the Congress that the President should coordinate with European countries to take similar measures against Belarus.

The BDA also required 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. P.L. 112-82 expands that report to include weapons technology and training, as well as support from foreign governments or organizations for the surveillance or censorship of the Internet. The law also says it is the policy of the United States to call on the International Ice Hockey Federation to suspend its plan to hold the 2014 International World Ice Hockey championship in Minsk until the government of Belarus releases all political prisoners. The move would be a serious blow to Lukashenko personally, as he is known to be an avid hockey fan.

On March 17, 2011, the Senate approved S.Res. 105 by unanimous consent. S.Res. 105 sharply condemned the conduct of the December 2010 presidential vote, applauded the sanctions imposed by the United States and EU on the Lukashenko regime and their commitment to provide assistance to civil society in Belarus, and called for the 2014 World Hockey Championship not to be held in Belarus unless all political prisoners are released.

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