



Belarus: An Overview

Recent Developments

Beginning in August 2020, popular unrest has posed a serious political challenge to Belarusian President Alexander Lukashenko (or Lukashenka). In advance of an early August presidential election, opposition candidate Svetlana Tikhonovskaya (Tsikhanouskaya) mounted an unexpectedly strong campaign to replace Lukashenko, who has ruled Belarus for 26 years. Given Lukashenko's authoritarian rule, observers did not expect Tikhonovskaya to win the election. However, the official pronouncement that Lukashenko won with a seemingly exaggerated 80% of the vote (to 10% for Tikhonovskaya) led to protests. A brutal and seemingly indiscriminate crackdown has led to larger protests and strikes of government workers on a scale unseen since Belarus became independent in 1991 after the collapse of the Soviet Union.

Authorities have released most of the several thousand individuals they detained, but dozens reportedly remain in prison or are missing. Tikhonovskaya and her children have left Belarus for their protection. Tikhonovskaya is part of a new Coordination Council, which is calling for new elections and has been targeted by authorities for prosecution.

The United States, other countries, and international organizations have condemned violence against protestors and detainees and criticized the elections as neither free nor fair. The European Council, composed of the leaders of European Union (EU) member states, further stated that the EU does “not recognize the results” of the election and would impose sanctions against those responsible for “violence, repression and the falsification of election results.”

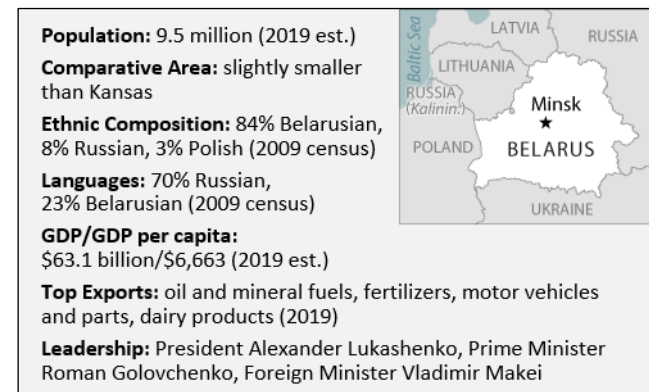
Belarus's closest security and economic partner is Russia. Tensions between Belarus and Russia have increased in recent years, with the two countries at odds over energy, debt, trade, and transit. Since Russia's 2014 invasion of Ukraine, Lukashenko has been wary of Russian intentions. Many observers believe Moscow's preference is for a weakened Lukashenko to stay in power dependent on Russia. Some have noted Russia's acceptance of political change in Armenia, another Russian ally, as evidence that Moscow could be satisfied by a political change in Belarus that would not reduce Russian influence.

Politics and the Coronavirus Pandemic

In recent years, observers have debated whether Lukashenko could be encouraged to preside over a “softer” and more development-oriented authoritarian regime. The government released several political prisoners in 2015. In 2016, for the first time in years, opposition candidates were allowed to win 2 of the 110 seats in the lower house of

Belarus's legislature. In 2018, Lukashenko appointed a relatively capable technocrat as prime minister.

Figure 1. Belarus at a Glance



Sources: World Bank; U.N. Comtrade Database.

Prior to the August 9, 2020, election, however, Lukashenko appeared to be interested in tightening Belarus's authoritarian system. In November 2019 parliamentary elections, pro-government candidates won all 110 seats. In June 2020, Lukashenko removed the prime minister and other technocratic officials, instead appointing as prime minister an official from the security and defense sector.

Since May 2020, Belarusian authorities have tried—but failed—to suppress an unexpectedly energetic electoral opposition. Leading opposition candidate and political novice Tikhonovskaya (aged 37) entered the race after her spouse, a popular antigovernment video blogger, was denied his own candidate registration while he and dozens of other government critics were in temporary detention. Soon after Tikhonovskaya's release, he again was arrested while collecting signatures in support of his wife's candidacy; he remains in prison.

Tikhonovskaya became a united opposition candidate after two other prominent individuals were denied registration. Victor Babariko, the longtime head of Belgazprombank, a bank owned by Russian energy company Gazprom, was arrested in June 2020 for alleged financial crimes. The next month, Valery Tsepkalo, a former ambassador to the United States and longtime head of Belarus's Hi-Tech Park, an information and communications technology (ICT) hub, left the country under threat. Babariko's campaign manager and Tsepkalo's wife joined Tikhonovskaya on the campaign trail; the three women attracted tens of thousands to demonstrations. Tikhonovskaya pledged to be a transitional figure who would reintroduce democracy to Belarus.

Many observers attributed the strength of Tikhonovskaya's campaign to popular disillusionment with Lukashenko's response to the coronavirus pandemic. Lukashenko, who

says he contracted Coronavirus Disease 2019, repeatedly derided the kind of public health measures other countries have taken in response to the pandemic. The government did not institute stay-at-home orders or other closures. Many Belarusians, local governments, and other institutions took preventative measures on their own. As of August 24, 2020, Belarus officially had reported more than 70,000 coronavirus cases and 646 deaths. Many observers believe the number of deaths is understated; in April 2020, Lukashenko said that “no one will die of coronavirus in our country” and that seemingly related deaths were due to preexisting conditions.

Economy

After independence, the state retained a dominant role in Belarus’s economy. Some argue that because Belarus avoided difficult market reforms, it experienced a relatively milder post-Soviet decline in the 1990s than its neighbors. Others contend that Belarus merely postponed necessary reforms. In 2018, the International Monetary Fund stated that the government’s preference for a “gradual, incremental approach” to reform may lead to “protracted vulnerabilities.”

The export of refined oil products, based on subsidized crude imported from Russia, is a major part of Belarus’s economy. In 2015–2016, Belarus experienced a recession amid declining global oil prices and Russia’s own economic downturn. Economic growth averaged 2.8% a year in 2017–2018 and slowed to 1.2% in 2019, due to the rising cost of Russian crude (see below). Belarus’s gross domestic product (GDP) is expected to decline by at least 4% in 2020 due to the coronavirus pandemic.

In 2019, half of Belarus’s merchandise trade was with Russia. The EU as a whole was Belarus’s second-largest trading partner, making up more than 20% of its merchandise trade. Belarus’s next-largest trading partners were Ukraine (8%) and China (6%). Less than 1% of Belarus’s total trade is with the United States. In 2019, Belarus’s main exports were mineral fuels (mainly refined oil products, 22%), potassium fertilizers (potash, 11%), motor vehicles and parts (8%), and dairy products (8%). Belarus has a developing ICT industry that exports digital products and services globally, including to U.S.-based companies.

Relations with Russia

Belarus is a member of the Russia-led Collective Security Treaty Organization and shares an air defense system with Russia. Belarus also is a member of the Russia-led Eurasian Economic Union (EEU) and relies heavily on Russian subsidized natural gas and oil and Russian (and Chinese) loans. Belarus and Russia also are members of a bilateral “union state” that came into effect in 2000. This union is largely aspirational; a common labor market is the main characteristic distinguishing it from the economic integration Belarus and Russia have via EEU membership.

In 2019, Russia began reducing subsidies for Belarus’s crude oil imports, leading to a decline in Belarus’s revenues from its own refined oil exports. For months, the Russian government said compensation for Belarus’s losses would

be possible only as part of an agreement to deepen the integration of the two countries, something Lukashenko has sought to avoid.

In late 2019, negotiations on oil prices and increased integration failed, leading to a temporary halt and then reduction in Russian oil exports to Belarus. Shipments returned to their usual volumes in April 2020, reportedly at lower cost (in part due to a decline in global oil prices). The dispute led Belarus to seek alternative suppliers to supplement oil imports from Russia.

Belarus’s relations with Russia were strained in advance of the August 2020 election when Belarusian authorities arrested more than 30 individuals alleged to be members of the Wagner Group, a Russian private military company. The mercenaries were ostensibly en route to another country; they were released after the election.

Relations with the United States and EU

U.S. and EU relations with Belarus have been challenging for years, although all parties periodically have sought to improve relations. Efforts to achieve a new rapprochement began in 2015, after the Belarusian government released several political prisoners. The U.S. government waived human rights-related sanctions it had imposed on a major state-owned petrochemical company and eight subsidiaries. The EU suspended and then lifted most of its human rights-related sanctions on Belarus.

As of May 2020, the United States retains sanctions on 16 Belarusians, including Lukashenko. Sanctions on Belarus were introduced in the Belarus Democracy Act of 2004 (P.L. 108-347, 22 U.S.C. §5811) and expanded in 2006 and 2011.

The United States and Belarus have taken steps to normalize relations. Since 2008, the United States had a limited diplomatic presence and no ambassador in Belarus, originally due to restrictions imposed by Belarus. Since 2015, senior U.S. officials have made periodic public visits to Belarus. In May 2020, President Trump nominated Julie D. Fisher to be the first U.S. ambassador to Belarus in more than a decade; her confirmation process is ongoing.

During a September 2019 visit to Minsk, Under Secretary of State for Political Affairs David Hale said the United States “welcomes Belarus’ increased cooperation on issues of non-proliferation, border security, economic cooperation, and information sharing on matters of shared security.” In May 2020, Secretary of State Michael Pompeo announced a shipment of U.S. crude oil to Belarus as part of an effort to help Belarus improve its energy security.

The United States provided a total of about \$51 million in assistance to Belarus from FY2014 to FY2019. U.S. assistance to Belarus has been designed to support civil society, small business development, and vulnerable populations. EU assistance to Belarus from 2014 to 2020 amounted to more than €170 million (about \$200 million). The European Bank for Reconstruction and Development and the European Investment Bank also have financed a variety of development projects in Belarus.

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