

THE BELARUSIAN PARADOX

A COUNTRY OF TODAY VERSUS A PRESIDENT OF THE PAST

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- Belarus is undergoing important societal changes – public attitudes are evolving, the private sector is expanding, and the national culture is experiencing a certain revival – but the country’s old command and repressive model of governance shows no signs of change.
- This widening disjuncture is a race against time. At some point in the future, the societal transformations will require a significant ideational and structural reform in the system of governance. The longer the reform is postponed, the more costly it will be for the country.
- The end of Alexander Lukashenko’s personalist rule, whenever that happens, is likely to put a succession problem and, possibly, even a question about the country’s political independence on the agenda.
- A principal aim of the Western policy towards Belarus should be pushing the country’s regime in the direction of market reforms, political liberalization, independent identity-building and all other means that strengthen the country’s resilience.



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INTRODUCTION

On 20 July 2019, Alexander Lukashenko is going to celebrate his 25th anniversary as the president of Belarus. By the beginning of the 2000s, he had concentrated all the power in the country in his hands. By that time, he had rendered political institutions meaningless, consolidated the bureaucratic vertical, repressed civil society and removed his main opponents, several of whom disappeared under suspicious circumstances and are believed to be dead. As of this moment, he is the only president in the country's history and the longest-serving head of state within the boundaries of geographical Europe.¹

During Lukashenko's rule, Belarus has traditionally been depicted as a "throwback to the Soviet Union", a country "where time stood still". This description, however, is no longer valid. Since the 2000s, Belarusian society has been evolving fast, and in many respects now resembles its Eastern European neighbours more than external observers are usually inclined to acknowledge.

Yet, unlike Belarusian society, the Belarusian president and his personalist system of governance are stuck in the past. Lukashenko has obvious difficulty realizing that the country in which he came to power a quarter of a century ago, and the country in which he rules today, are not one and the same. As time passes, the contrast between the backward-looking presidency and the modernizing society only grows stronger and, sooner or later, the conflict is bound to become apparent.

This Briefing Paper identifies this dilemma and puts it into focus. It argues that ongoing socio-cultural changes require comprehensive economic and institutional reforms as well as further investment in human capital, which the incumbent president and his bureaucratic machinery cannot offer. The longer the reforms are postponed, the more costly for the country they will be both economically and politically.

BELARUS'S NEW FACE

There is significant evidence that Belarus is gradually modernizing. Its bottom-up transformations are being

driven by the private sector and supported by shifts in attitudes and preferences within society.

Away from state economy

After the economic crisis of 2009 and recession of 2012–16, the role of the state in the national economy started to decrease. In 2018, the IMF recorded that since 2014 the state's share in the economy had fallen from 70% to 50% of GDP.

The economic niches that the state abandoned are being filled by the private sector. Significant injections of private capital were recorded in the fast-growing tourism, food, and IT sectors. Even though the public sector remains the largest employer in the country, according to economist Ekaterina Bornukova, employment in the private sector has been growing rapidly in recent years and is expected to reach 50% of the total labour force in the near future.²

Social and economic mobility is increasing apace. According to various estimates, several hundred thousand people work abroad. Russia's officials estimate that 650,000 Belarusian citizens resided in Russia in 2018. The number of Belarusians working in Poland increased 14-fold (!) in 2014–2017.³

These changes go hand in hand with the growth in pro-market views. In 2006, a sociological study recorded that 60% of those polled were supporters of the state-controlled economy, and only 34% preferred the market economy. In 2008, the gap widened even further as the latter group shrank to 25%. Yet ten years later the share of those choosing the state-controlled economy dropped to just 25% while, conversely, that of market economy supporters country-wide increased to 45%. Support for the market economy among young people and in less developed regions increased even more drastically. In the Mogilev region, for instance, the number of market supporters grew fourfold to reach 83% in the last ten years.⁴

1 That is, west of the Urals. Among the OSCE member states, Lukashenko is second to Tajikistan's President Emomali Rahmon.

2 See <http://www.beroc.by/media/tantsy-na-porohovoy-bochke-cto-budet-s-belarskoy-ekonomikoy-v-2019-godu/>.

3 See <https://www.bbc.com/russian/features-46211984>.

4 See http://kef.by/upload/medialibrary/1a7/201809_urban_all.pdf.

Towards a modern and more open society

A rapid rise in living standards during the 2000s sparked modernization processes in society. An expansion of travel opportunities, the internet and education was followed by an increase in social media literacy in society and grassroots participation.

Education within the country and abroad became more affordable. In the 2000s, universities considerably enlarged the offer of self-funded students' slots (i.e. those where tuition is not covered by the state). As a result, today one-fifth of the country's population has a university degree, compared to 14% in 1999. The ratio of students per capita, 33 per 1000 people, is among the highest in Europe. According to UNESCO, the number of students receiving education abroad also increased from 7,000 in 1999 to 41,000 in 2012. In 2017 approximately 26,000 studied abroad, including 4,500 in Poland. The Vilnius-based European Humanitarian University has almost 2,300 graduates from Belarus.⁵ In 2018, the Global Innovation Index estimated the human capital potential of society rather highly, ranking Belarus 34th out of 126 countries.

Belarusians also travel abroad in large numbers. In the 2010s, namely even before visa-free travel with the EU was granted to citizens of Ukraine, Georgia and Moldova, Belarus was a leader according to the number of issued Schengen visas per capita. From 2008, when 300,000 visas were issued, the number increased to a record 880,000 in 2014, and then stabilized at the level of approximately 700,000 per year in 2015–2017.

Internet access has improved considerably. Belarus ranks 1st in the post-Soviet region and 32nd out of 175 countries regarding the development of internet and communication technologies in the 2018 Measuring the Information Society Report. In 2018, 80% of Belarusians used the internet and 65% the mobile internet daily. In 2018, 49% of the population were using social media⁶.

Consequently, Belarusian society is undergoing a value shift. It wants less paternalism and is less inclined to rely on the state. An EBRD study revealed that a plurality now shows a preference for democratic institutions over a "strong hand" (35% to 28%), and prioritizes respect for human rights (43%) and personal freedom (40%) over security and order (32%).⁷

5 It is not possible to establish, however, how many of them resided in Lithuania full-time.

6 <https://ratingby.net/by/smm-v-belarusi-aktualnaya-statistika-ot-servisa-hootsuite/>

7 EBRD, *Life in Transition* 2016, 80–81.



Map: Kauko Kyöstiö

Furthermore, Belarusians possess sufficient knowledge, skills and energy to participate in public life. The PACT study records that the level of civic literacy⁸ in Belarus is estimated to be as high as in Ukraine, and that the Belarusian people are more eager to apply their knowledge. Social activism, volunteering and crowdfunding have skyrocketed in the country since 2011. In 2015–2017, two crowdfunding platforms, *Talaka* and *Ulej*, hosted more than 500 campaigns – including campaigns to pay fines and support victims of the regime's persecution – and raised more than one million USD. This rise of grassroots activism points both to a growing demand for more decentralized and participatory institutions and a lack of satisfaction with the state and public services. Yet, according to the same EBRD report, 87% of respondents realize that they are able to exert no or very little influence on life at local and national levels.

Cultural revival

The conflict in Ukraine boosted the quest for national self-identification and, in particular, revitalized the interest in Belarusian language, history and culture. Importantly, Belarusian history is no longer perceived through the Soviet history lens. Even if the Belarusian Soviet Socialist Republic still has a special place in the official textbooks, ideology and narratives, the long and

8 Civic literacy is knowledge of how to actively participate in and promote changes at local and societal levels.

ancient history of Belarus – for example, the time when it was part of the Grand Duchy of Lithuania – receives wider recognition and acceptance. In 2018 the centenary of the Belarusian People’s Republic, the country’s first short-lived attempt at independent statehood, was commemorated. Public initiatives to preserve the memory of events which, for some reason, are sensitive for the authorities are becoming more vocal. The most well-known is the effort by activists to protect Kurapaty, a mass grave of victims of Stalin’s repressions, which has been neglected by the official structures.

Equally, the Belarusian language is becoming more trendy and is no longer associated with “backwardness” and a lack of education, or viewed merely as a marker of belonging to political opposition to Lukashenko.⁹ Free private language courses such as “Mova Nanova” (“Language Anew”) emerged in 2013–2014 and gained widespread popularity. “Mova Nanova” spread to 14 cities around the country and attracts 650 students every week. Large and small businesses, sports teams and local celebrities increasingly use the Belarusian language. Most importantly, young people consider it fashionable to learn and use it.

THE SYSTEM: TOO RIGID, TOO FAMILIAR

The aforementioned developments are at odds with the command and administrative system, which was built, managed and preserved by President Lukashenko. Below are the five main elements of his regime, which look progressively inadequate in the context of the societal trends.

A command vertical

Belarus is an authoritarian personalist state, in which all powers are concentrated in the presidential office. The president appoints and dismisses the government, regional and local authorities, judges (including six out of twelve members of the Constitutional Court), the chief of the national bank, and directors of state-owned enterprises. Presidential decrees have top legislative priority in the country.

⁹ For a long time, the Belarusian language was losing its status in the country, and this process accelerated after the referendum of 1995, which made Russian a state language in Belarus. Although, according to the national census of 2009, 53% of the population regarded Belarusian as their mother tongue, only 23% spoke it at home. In 1999, the latter figure was still almost 37%. In the 1990s, the main political opponent of Lukashenko was the Belarusian Popular Front, whose members tended to speak exclusively in Belarusian in public, which gave the language political symbolism.

Belarus is a highly centralized state, in which the vertical of power is essentially an instrument to fulfil the president’s commands. It implies and prioritizes loyalty and strict implementation of orders. The practice is characterized by the micro-management style of Alexander Lukashenko and his sometimes erratic behaviour. The president personally controls the harvesting and construction works, the preparation of athletes, and the main public celebrations.¹⁰ He is well-known for his visits to state-owned farms and plants, during which officials are routinely publicly reprimanded and threatened with dismissals and criminal investigations.

The president frequently pledges “to shake up the bureaucracy”, but his numerous decrees on de-bureaucratization are perceived as empty threats. Dismissed, arrested and sentenced officials are often re-appointed, sometimes even to the same positions.

In recent years, commentators identified two specific groups within Belarusian bureaucracy, the so-called “*siloviki*”, stemming from or belonging to the security services, and the “liberals”, which is a reference to a similar analysis made as regards Russia. Yet, unlike in Russia, neither group in Belarus has crucial political weight. In reality, Belarus’s multiple security services compete with each other for the leader’s favour, while local “liberals”, although their expertise is needed to maintain macroeconomic stability, are simply not numerous enough and do not even pretend to struggle for political influence. Both groups benefit from being elements of the system and are instrumental in implementing decisions, not driving them.

State-controlled and “state-sponsored” economy

Lukashenko’s economic model is based on a large public sector and massive state interventions. The state is the largest owner, producer and employer in the country, combining monopolistic control over resources and key industries with regulative, policy-making and prosecution functions. A typical Belarusian enterprise is owned and administered by a ministry, a state trust or a local authority, and is supported by state subsidies. In agriculture, state-owned farms control 87% of the land, compared to 2% which belongs to private farmers. State farms use barter between each other on a large scale.

¹⁰ For example, in December 2018, President Lukashenko introduced a new annual event – the New Year ball in his residence. In his own words, he personally oversaw preparations, matched dancing partners, and controlled their training sessions.

The public sector remains the main structural weakness, plagued by underperforming enterprises. In 2019, according to official reports, over 60% of large enterprises have a maximum 5% profitability.¹¹ Over 15% are officially loss-making, and their losses almost doubled in 2018.

The share of non-performing loans (NPLs) officially increased sharply from 4.3% in 2014 to 12.8% of all loans in 2017. According to the European Investment Bank, at the core of this increase are SOE debts, which continue to rise and account for 68% of NPLs. In 2014–2016 the government refinanced more than two billion USD of non-performing loans of state-owned agricultural farms.¹² Such a high level of debt makes the Belarusian public sector unsustainable and highly vulnerable to any domestic or external shocks.

The economic modernization, according to the view prevalent in the leadership, should be state-driven and state-funded. According to the Ministry of Economy's research department, the state invested 30 billion USD in its modernization projects during 2011–2015. The recently announced “New industrialization of regions” includes 1,740 projects, of which the top 100 will cost four billion USD. The State Programme for the development of Orsha District (Vitebsk Region) alone is estimated to cost 1.2 billion USD in 2019–2023.

The privatization of even dysfunctional SOEs is nearly impossible, as any potential investor should agree to 25 arbitrary conditions set up by the authorities.¹³

In general, despite a certain softening of the state's policies and attitudes in 2015–17, the private sector is viewed as a supportive and subordinated component, but also as a “milking cow” expected to fund certain public needs and some state programmes, or to bail out ineffective state enterprises.

According to Alexander Lukashenko, the state should not abandon the current economic system as it is “time-tested and is the basis of the country's sustainable development”. In October 2018, Lukashenko emphasized: “I have never said that we are moving from a planned to a market economy”. For him, “reforms should support the existing model”. In April 2019, in the annual address to parliament, he noted that “the government had played too much with markets and democracy in the economy”.

One particular explanation is that a market economy is ideologically unacceptable to Lukashenko personally. His economic ideas are statist and rooted in the Soviet times, which results in disdain towards private ownership and market principles as such. He cannot accept that “intermediaries get loans in ‘our’ banks, buy our products and then re-sell them. It is absurd!”.¹⁴ Another plausible explanation is that the leadership fears that market reforms, especially at the initial stage, will turn out to be painful for the population, as they were in other post-Soviet countries, which would threaten Lukashenko's grip on power.

De-nationalized identity

Under Lukashenko, attempts to offer a unifying and legitimate national idea have proved futile. For a long time, Belarusian official nation-building was based on Soviet symbols and ideas. The president described himself as a “Soviet Belarusian”, for whom “Belarus and Russia are one nation”, and a Belarusian is “a Russian with a quality stamp”. The victory in the Great Patriotic War, the unity of Slavic peoples and domination of the Russian language and culture were among the key pillars of the official state ideology. Soviet-style symbols as well as institutions like the state youth organization (BRSM) and the half a million-strong Pioneer organization for schoolchildren were reinstated. A public movement “Belaya Rus” imitates the late CPSU structures, albeit without the Communist – or any – ideology. Soviet-like All-People's Assemblies, as opposed to constitutional parliamentary bodies, approve five-year plans. Victory Day (9 May), the anniversary of Minsk's liberation from Nazi occupation by Soviet troops (3 July), and the anniversary of the October Revolution (7 November) are the main public holidays.

However, this past-oriented nation-building in Belarus failed. On the one hand, it found less and less resonance with the people as time passed. On the other hand, it sounded close to the ideas of the “Russian world” and thus contradicted Lukashenko's wish to appear as the “father” and guarantor of the country's sovereignty. As a result, in 2015, amid the crisis in and over Ukraine, and the attempt at normalizing relations

11 See <https://banki24.by/news/3234-v-zone-riska-nahodyatsya>.

12 See <https://banki24.by/news/2673-belorusskie-vlasti-vbuhali-v>.

13 See <https://www.belta.by/president/view/lukashenko-belorusskaja-mod-el-ekonomicheskogo-razvitiya-proshla-proverku-vremenem-77738-2012>.

14 See http://president.gov.by/ru/news_ru/view/vstrecha-s-premjer-ministrom-sergeem-rumasom-19698/.



Lukashenko inspects a state farm in Minsk region. Image: The Press Service of the President of the Republic of Belarus.

with the West caused by it,¹⁵ a policy called “soft Belarusianization” was implicitly launched.

Yet a qualitative change in the state approach did not occur. The Belarusian language has not made it back to governmental institutions. The president sets the tone, making all his public pronouncements almost exclusively in Russian. There is no Belarusian-language university in the country. In 2017 only 500 university students (0.2% of all students) studied in Belarusian. The official number of schools with pupils studying in Belarusian fell from 21.5% in 2007 to 13% in 2018.¹⁶ Reportedly, in the regional capitals of Grodno, Mogilev and Vitebsk, the absolute numbers of pupils studying in Belarusian are 13, 1, and none (!) respectively.¹⁷ Even in nominally Belarusian-language schools, Belarusian is often not the language of instruction.

Not surprisingly, a productive dialogue with the national-minded part of society could not be established. Symbolically and absolutely unacceptably for the latter, during the intensification of efforts by activists to protect Kurapaty in February 2019, official spokespersons endorsed Stalin’s key role in the formation of

Belarusian statehood. Proposals by national-oriented groups to hold a discussion with the authorities with the aim of finding a unifying national platform were consistently ignored. Instead, Lukashenko continuously speaks about “the risks of nationalism”, which could lead to the “Ukraine scenario” and a “catastrophe”. In his words, he “keeps [nationalists] on a leash, so that they don’t mess things up”.

A mechanism of repressions

An autocratic state with a command-administrative system of government requires strong punitive machinery. Its efficiency is a major factor behind the sustainability of the regime. Today, sixteen different state security agencies function in Belarus, with the State Security Committee, which kept its Soviet name – KGB, in the key position. The president’s son, Viktor Lukashenko, oversees the security services. The size of these agencies is unknown, but when it comes to regular police (*militia*), Belarus has the highest ratio of police officers per capita in the world.

The security services perform three key functions. They suppress regime opponents, prevent mass mobilization, and control the country’s elites. Since 2011, the regime has banned any non-authorized actions, including hand clapping and gatherings of groups of more than three people in public spaces. Key political and social activists, civil society and media representatives are

15 For details, see A. Moshes, Belarus Renewed Subordination to Russia: Unconditional Surrender or Hard Bargaining? PONARS Eurasia Policy Memo No. 329, August 2014, http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/PePm329_Moshes_August2014_2.pdf; A. Moshes, Can EU-Belarusian relations be reset? PONARS Eurasia Policy Memo No. 387, September 2015, http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/PePm387_Moshes_Fall2015.pdf.

16 See <http://www.belstat.gov.by/upload/iblock/b38/b38b23677fd-ba6313942d69b1434f89c.pdf>, pp. 66, 145.

17 See <https://belarusinfofocus.info/by/regiyny/obrazovanie-na-beloruskom-ya-zyke-ostaetsya-na-glubokoy-periferii>.

regularly intimidated and periodically serve administrative detentions.

Political opposition is highly repressed. After the presidential elections in 2006 and 2010, several presidential candidates and leading political activists received prison sentences. In 2017, the authorities organized trials against independent trade union activists. In 2018, journalists of the independent media, the internet portal Tut.by and Belsat TV faced charges and stood trial.

The security services also carefully monitor bureaucracy, the business elite and their own peers. In the collusive, non-transparent and unaccountable machinery of the Belarusian state, in which legislation is often dubious and conflicting, almost any civil servant can be accused of corruption or “an abuse of authority”. Arrests of top businesspeople for tax fraud are routine. In the words of Lukashenko’s main unofficial IT advisor, businessman Victor Prokopenya, who was himself arrested for tax fraud in 2015, “someone [a business executive] is arrested every week”¹⁸. Periodically, the KGB organizes exemplary trials and high-level arrests. In 2018, for example, the KGB arrested over 50 people for corruption in the state’s healthcare system.

Ultimately, the president trusts no one and regularly reshuffles and arrests his top security aides. The most recent example was the arrest in April 2019 of Andrei Vtiurin, Deputy Secretary of Belarus’s Security Council and formerly the head of the country’s Presidential Security Service.

Neopatrimonial state–society relations

In the 1990s, Alexander Lukashenko notoriously defined the needs of his countrymen as “a shot [of alcohol] and lard” (“*charka i shkvarka*”). During the 2010s, he has been promising a 500 USD average salary and continued state social-economic guidance from cradle to retirement. In 2017, the regime introduced the so-called “Social Parasite Tax”, which targeted people without formal employment in the country. The initiative was clearly intended to appeal to the egalitarian sentiment in society, but was off the mark as the latter responded with protests across the country lasting weeks.

Apparently, the regime, once again, has a problem admitting that this approach belongs to the past and no longer works. As a matter of fact, the state-society egalitarian social contract has collapsed. Income inequality

and poverty grew during the 2010s. According to the Belarusian Economic Research and Outreach Center, in 2015–2016 the proportion of the Belarusian population living below the poverty line, if calculated on the basis of internationally approved methodology, reached 29%, which is far higher than the official figure of 5.7%. Poverty in rural areas in 2009–2016 was 44% higher than the country average despite numerous state assistance programmes.¹⁹ Consequently, society no longer believes that the state is capable of guaranteeing employment and social benefits.

CONCLUSION

As Belarusian society is gradually overcoming the post-Soviet phase of its development, the country’s ruling regime continues to resist the change and sticks to old patterns and instincts. At some point, this discrepancy will become intolerable.

It is not possible to predict when this will happen, but whenever and for whatever reason Alexander Lukashenko finishes his presidential marathon, the country will face two paramount challenges – the succession problem and political and economic reforms – for which it is currently completely unprepared.

A failed succession might lead to internal destabilization, intra-elite strife and – almost unavoidably – Russian interference, especially if the situation produces a Belarusian version of the Ukrainian “Maidan” against the new ruler. Whether Belarus would be able to preserve its political independence in such circumstances is an open question. But even if Lukashenko’s successor were able to maintain full control over the situation, staying within the parameters of the personalist system created by somebody else would hardly be possible. At the same time, if any reforms start for real, they will no doubt be painful for the population and therefore hard to sustain.

A positive scenario would emerge if the Lukashenko system started to change without waiting for the succession to happen. This is, of course, not to be expected in the immediate future – if ever. However, pushing the regime in the direction of market reforms, political liberalization, independent identity-building and all other means that strengthen the country’s resilience should remain a principal aim of Western policy towards Belarus.

18 See <https://gazetaby.com/post/prokopenya-u-nas-siloviki-nichego-ne-boyatsya/150406/>.

19 See http://www.beroc.by/webroot/delivery/files/WP47_Aleh_Mazol.pdf.