



## SAILORS WITHOUT A COMPASS

Month after month relations between Belarus and Russia become more and more compulsive. This time the ban on import of Belarusian dairy products imposed by Russia has triggered a wave of accusations and mutual irritation. Each side has resorted to its strongest trump: Belarus has imposed customs control and Russia has threatened with a gas war. Although it is recently claimed that a new energy war is clearly underway, one may assume that a more 'subtle' solution of the problem might be found. Like the oil sector, gas transportation system in Belarus has not been yet entirely privatized by Russia. Drawing conclusions from the contribution by *Tatiana Manenok*, who claims that in the near future the drying up of the oil pipelines in Belarus will be avoided only if Belarusian Druzhba together with national oil refineries is privatized, one can anticipate similar payoff instead of suspension of gas supply to Belarus.

The problem over the dairy products export to Russia is not the sole one that concerns Ministry of Economy of Belarus as well as all the 'crisis fighters'. Much less speculated but not least important is the fact that one of the main export sectors – the rural household enginery – suffers from harshly shrinking volumes of export to Russia. Thus tough

negotiations with Russian officials are one side of the coin when speaking of anti-crisis measures. The other side is the word 'liberalization'. It has become 'magic' since too much can go into it. At the same time it is like a curse since everybody is talking about it but not everyone conceives what it really means in Belarus. The article by *Sergei Nikoliuk* offers a sociological explanation of the process of liberalization in Belarus.

In turmoil of political developments in Belarus a number of events have been overshadowed or not paid enough attention to. One of them is A. Milinkevich's announcement of his intentions to summon a congress of pro-European forces. An analysis by *Pavel Usov* presents an analytical evaluation of such a positive - on the face of it - development.

Belarus is among the few not maritime countries. However, its authorities often find themselves swimming in stormy waters. Quite frequently they give an impression of sailors without a compass. So does the opposition.

*Julija Narkeviciute, Editor*

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## UNDER THE RUSSIAN OIL UMBRELLA

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Participation of Belarus in the Euro-Asian Oil-Transportation Corridor (EAOTC) will depend on how soon the national oil-refineries (NOR) of Belarus will face a shortage of Russian raw materials.

Escalation of the relations with Russia in 2007 called forth by the changes in the conditions of the supply of the Russian oil into the country made the Belarusian authorities perceive that it was wrong to be fully dependent on Russian energy resources. The country has to think of the national security, including economic and energy security.

In early 2007 the official Minsk made many statements related to its plans to find alternatives to the Russian oil supply. The energy secu-

rity concept of Belarus foresaw that by 2010 20 % of total demand for oil will be supplied with energy resources alternative to Russian ones.

### Statements and the Reality

New conditions for the supply of Russian energy resources made the Belarusian authorities look for oil hastily in all parts of the globe – in Venezuela, UAE, Iran and Azerbaijan.

Two years ago Ambassador of Belarus to Lithuania Vladimir Drazhin went so far as to voice the exact figure – according to him, starting with 2008 Belarus will be purchasing 7 million tons of alternative oil (today the demand of the country for oil makes up 21.5 million tons). The supply, as V. Drazhin pointed out at that time, could have started in 2008 while

## The project Odessa-Brody has already many times been at the stage of preparedness.

by 2010 Belarus planned to obtain 5 million tons per year in Venezuela.

Vilnius was prepared to accept the Belarusian proposal should it have been made officially. The 1<sup>st</sup> secretary of the Embassy of Lithuania in Belarus Vidmantas Verbickas stressed that the implementation of the project of oil supply to Belarus via Lithuania would depend on the interest of the Belarusian party in the long-term cooperation since the resolution of the given issue would demand additional investments (quite large at that) of the Lithuanian companies into the infrastructure of the Klaipeda port and Butinge oil terminal.

Lithuania, however, failed to receive any official proposal on the technical cooperation in the field of oil transit via Klaipeda and Butinge. Apart from Lithuanian direction, official Minsk declared in early 2007 about the possible transit of oil to Belarus via Latvian port Ventspils. The first vice-Prime Minister of the Government Vladimir Semashko spoke at the meeting in Novopolotsk in late January about the options of the oil supply by the pipeline Surgut – Unecha – Polotsk – Ventspils in the reverse direction to supply *Naftan* with raw oil, which might be coming from the ports of the Baltic States. The given pipeline is at a standstill from 2003 when Russia terminated the supply of oil via Latvia.

But the Latvian party also failed to receive any official proposals from Minsk to implement the given project.

### Kiev Attempts to Boost the Implementation of the EAOTC

In the wake of the oil-gas conflict with Russia in 2007 the subject of the supply of the Caspian oil to Belarus was made topical. The given issue was discussed in early May 2009 in Gomel during the talks of the President of Belarus Alexander Lukashenka and the President of the Ukraine Victor Yushchenko. That was said openly to journalists by the President of Ukraine. At present V. Yushchenko tries to speed up the reversal to the European direction of the pipeline Odessa-Brody<sup>1</sup>, which initially was planned as a part of the EAOTC for the transportation of Caspian oil to Europe.

On 14 May 2009 V. Yushchenko approved the plan for the implementation of the EAOTC project, which is an alternative to the already existing route of the Caspian oil supply to Europe. The document informs that Ukraine is prepared to accept Belarus,

<sup>1</sup> Oil pipeline *Odessa-Brody* is constructed between Odessa and Brody (Lvov district) towns and is in the close proximity to the oil pipeline *Druzhba*. Initially the project was meant to transit Caspian oil to Central Europe and in the future to the Baltic Sea ports.

Its construction was completed in May 2002. The arterial pipeline is 674 km long the diameter of the pipe is 1.020 mm. The annual capacity of the first line of the pipeline and the terminal amounts to 9-14 million tons of oil.

From the very beginning of construction Ukraine unsuccessfully attempted to negotiate the transportation of the Caspian oil by it in the direct operation regime. At the end of June 2004 the Ukrainian Government gave the permission to make use of the pipeline for the transportation of Russian oil in the reverse direction.



Picture 1.

*The Euro-Asian Oil Transporting Corridor.*

Kazakhstan, Russia, Slovakia and Czech Republic to the implementation of the given project.

In accordance with the plan Ministry of Foreign Affairs, *Mintopenergo*, *Neftegaz Ukrainy* and *Ukrtransneft* have to work out a resolution related to the given issue in June this year.

In August preparation of the conditions for the use of the oil pipeline Odessa-Brody in the planned regime - to transport oil to the Ukrainian and foreign oil refineries - is planned.

In September the Cabinet of Ministers has to pass a decision related to the exploitation of the pipeline Odessa-Brody in the designed direction by taking into account the Technical-Economic Substantiation (TES) of the EAOTC and results of the talks with the interested partners.

At present the project of the EAOTC is being implemented by the Polish-Ukrainian international pipeline enterprise *Sarmatia* stakeholders of which are Azerbaijan, Georgia, Lithuania, Poland and the Ukraine.

According to the project the pipeline Odessa-Brody has to start operating in an averse regime and has to be extended to Poland (it operates in the reverse regime since late 2004 and supplies around 9 million tons of Russian oil to the port *Yuzhniy*). Already in June the Cabinet of Ministers, *Neftegaz Ukrainy* and *Ukratransneft* have to initiate the issue of the enlargement of the authorized capital of the enterprise *Sarmatia*. In July the acceleration of the activities to attract additional investments in the project are planned, including the setting up of the international investment fund.

The project Odessa-Brody has already many times been at the stage of preparedness. The main issue, however, has always been the issue of the raw material for the pipeline. And although the situation with the raw materials in principle failed to change, nevertheless, the Ukrainian President is obstinate in pushing the given project forward.

On 24 April 2009 in Warsaw the general meeting of the shareholders of the five-lateral International Oil Transport Enterprise *Sarmatia* approved the TES of the given project, whereby the availability of the sufficient amount of oil for the implementation of the project had been approved. Thus, extraction of oil in the Caspian region till 2015 has to grow

by 100 million tons per year and in the period till 2025 – by 150 million tons per year. The demand of light oil from the Caspian region along the route of EAOTC will amount to no less than 30 million tons per year.

Those calculations seem to have been made by taking into account the Kazakhstan oil. However, Kazakhstan - the main potential supplier of oil for the Odessa-Brody pipeline in an averse regime – has not joined the project officially. President of Kazakhstan Nursultan Nazarbayev is quoted to have said that Kazakhstan ‘has the potential to meet the needs of the Ukraine in energy carriers’ and ‘is willing to do it’ but is careful to avoid conflict with Moscow and insists on the talks with its participation. Since it is namely Kazakhstan oil that should fill the Russian project Burgas – Alexandropoli pipeline, the potential competitor whereof is Odessa-Brody.

So far it is only Azerbaijan that is prepared to supply oil to the new route. President of Azerbaijan Ilham Aliyev confirmed that Azerbaijan is in possession of around 5 million tons of oil per year. Azerbaijan has



Picture 2.  
The pipeline Burgas – Alexandropoli.

its own interests. The Azerbaijan party counts on the receiving of assets outside Azerbaijan as well as on the entrance into the EU market and the markets of the EU-adjacent countries. The Ukrainian project in this sense is a good opportunity.

Keeping in mind the present absence of raw oil supply guarantees the project Odessa-Brody approved in Warsaw is split into some stages. The initial stage provides for the transportation of 5 to 10 million tons of Caspian oil per year to the Ukrainian, Austrian and Polish oil refineries. It has been noted that at the given stage no considerable additional capital investments into the project will be needed.

The second and the third stages provide for the gradual construction of new objects of the infrastructure along all routes of the EAOTC for the gradual increase of the transportation of oil up to 20 million, 30 million and over 40 million of tons per year. The scope of investments at the given stage ranges from USD 2 billion to USD 8 billion in accordance with the transit capacities and needs.

Kiev views the implementation of the EAOTC project quite optimistically. ‘I hope that in about two months we, 6 Presidents, will submit the given

project to Brussels. And we will start its implementation as one of the most cost-effective in the supply of energy carriers’ - the newspaper *Ukrainskaja Pravda* of 3 April 2009 quoted V. Yushchenko.

However, at the energy summit in Vilnius in October 2007 the project related to the linking of the Ukrainian ‘pipe’ Odessa - Brody with the Polish town Plotsk and the seaport Gdansk on the Baltic Sea, which will become an alternative to the oil supply from Russia, was supported by five Presidents – of Azerbaijan, Georgia, Lithuania, Poland and the Ukraine.

Who V. Yushchenko had in mind being the 6<sup>th</sup> President - N. Nazarbayev or maybe A. Lukashenka? Both candidates raise doubts – the first as well as the second.

### Belarusian Interest

It has already been a long time since Belarus was invited to participate in the creation of the new route for the transportation of the Caspian oil in the direction of Europe, which would also enable Belarus to have an alternative corridor for the supply of alternative oil. The issue is related to the broadening of the project by way of connecting the oil pipeline *Druzhba*<sup>2</sup> to it.

Last year Poland invited Belarus to join the club to complete the construction of the oil pipeline Odessa-Brody. Minsk, however, never joined the given project officially although the Belarusian party has a strong interest in it.

There are technical facilities to ‘include’ the new route of the Caspian oil into the existing grid of Belarusian oil pipelines. To this end a ‘cross-piece’ between the pipelines of Odessa-Brody and *Druzhba* has to be constructed on the Belarusian territory. In the long run this corridor might be used to transport Caspian oil not only to Belarus but to Lithuania and Latvia as well. Although the energy security concept of Belarus includes the given project as a route to supply alternative oil, the Belarusian party so far maintains a certain distance and carries out only the monitoring of the given issue.

Scepticism of Belarusian professionals is called forth by the stance of Kazakhstan on the participation in the project *Sarmatia*. They argue that in the absence of Kazakhstan oil the European oil pipeline will never reach ultimate output.

Still, the main reason of such reserve to the given project is different: today no country can ensure

2 Russian oil via Belarus is transited by means of the oil pipeline *Druzhba*, which has two directions – southern (RUE Gomeltransneft *Druzhba*), through which oil is transported to Poland and the Ukraine and northern (Novopolotsk Republican Unitary Enterprise for Transportation of Oil *Druzhba*) – to this pipeline oil was pumped from Surgut and Unechi and further on to the Lithuanian Oil Refinery *Mazeikiu nafta* and *Butinge* terminal. Since 29 July 2006 Russia terminated the supply of oil via Belarus to Lithuania. Since 1 January 2003 the transit of Russian oil by means of *Novopolotsk Druzhba* to Latvia was cancelled. Transit supply of Russian oil by means of RUE *Gomeltransneft Druzhba* amounted to around 64 million tons in 2008.

**Kazakhstan - the main potential supplier of oil for the Odessa-Brody pipeline in an averse regime – has not joined the project officially.**



## Belarusian *Druzhba* will not dry up only if it together with NOR is privatized and Russian *Transneft*.

more profitable supply of oil to Belarus than Russia.

It is evident that as long as Russia is interested in the supply of oil to the Belarusian refineries for prices that are considerably lower than the world ones the official Minsk would hardly show any real support to the alternative project. It is also evident that the participation of Belarus in the given project is the problem of the choice between Russia and the West. The problem is, first and foremost, the price of the given choice. The basic criterion of the search for alternative sources of oil for Belarus has always been the economic efficiency.

Belarusian officials also invariably point to the fact that in accordance with the energy security concept alternative supply of oil to the country has to be regarded only in terms of its economic and ecological expediency.

In December 2008 the given issue was taken up again at the meeting of the working group for cooperation in the energy field between the Ukraine and Belarus. The discussions resulted in the Belarusian officials delivering the following verdict: the possibility of the implementation of the given project in the near foreseeable future is considered to be slim due to the absence of the approved resource basis.

It is evident that as long as Russia supplies the Belarusian oil refineries with cheap oil the issue of alternative supplies will never come to the fore.

### Baltic Pipeline System (BPS) as Energy Stimulus

The process may be accelerated by the decision to construct an alternative to Belarusian *Druzhba* transit pipeline – Baltic Pipeline System-2 (BPS-2)<sup>3</sup> the construction of which got underway on June 10<sup>th</sup>.

The resolution on the construction of BPS-2 by-passing Belarus was signed by the Prime Minister of Russia Vladimir Putin as early as November of 2008. That decision was taken in the wake of the Russian-Belarusian oil conflict in 2007, which resulted in the slowing down of the transit of oil via Belarus into the European countries. Not long ago Reuters released an unbiased statement that the oil pipeline BPS-2 with its 50 million tons capacity would allow Russia to forsake fully the transit of oil via the territory of Belarus by substitution of the present oil pipeline *Druzhba* whereby Russian oil is supplied via Belarus to Germany and East European countries.

3 The framework of the project BPS-2 provides for the construction of the 1170 km long arterial pipeline with the capacity of 50 million tons of oil per year (the capacity at the first stage is 30 million tons), 7 oil pump stations, reconstruction of the existing OPS Unecha, OPS Andreapol and the construction of 172 km long branching to the Kirishkiy OR.

Completion of the second stage of the construction of the pipeline BPS-2 and the increase of its capacity to 50 million tons per year is planned for December 2013. The first stage, which presupposes the construction of the starting complex of 30 million tons capacity, has to be completed by September 2012.

So far it is not clear where Belarus will end up after the construction of BPS-2 in the future – decrease of transit or complete drying up of the Belarusian pipes. Are there any reasons to assume that *Druzhba* may become completely shallow? It goes without saying that this extreme scenario is possible only in the case when Russia builds BPS-2 and fills it up with oil from the Belarusian *Druzhba*.

In spring of 2008 the Russian company *Transneft* proposed a pattern of filling BPS-2 up, which is a



Picture 3.  
The oil pipeline Baltic Pipeline System – 2.

compromise with respect to Belarus. It was assumed that 19 million tons of oil, which would be available after the supply to the Ukrainian ports *Yuzhnyj* and *Odessa* had been cancelled, would be used to fill up BPS-2, additional 12 million were intended to be taken from the *Surgutneftegaz* reserves at the expense of cancelling the supply of those volumes from the existing export directions. Further plans were to obtain 10 million tons by increasing the volume of oil transit from Kazakhstan, 7 million – as a result of the cancellation of the supply to the Polish port Gdansk and 2 million tons at the expense of the decrease of oil supply by railway from the oil pump station Unecha in the direction of Belarus.

It is not clear so far whether this half-measure plan will be implemented or the situation will develop according to a much tougher scenario. Taking into account the pragmatic policy of Russia oriented to the construction of its own transit corridors it may be assumed that Belarusian *Druzhba* will not dry up only if it together with NOR is privatized and Russian *Transneft* will be able to control their activities. In any case, Belarusian authorities accelerated the drafting of documents to issue stock of *Druzhba* and intend to do it in 2009 although earlier privatization of the pipeline was prohibited.

Apart from increasing the capacities of BPS-2, however, Russia started the construction of a grand oil pipeline in the eastern direction *Eastern Siberia – Pacific Ocean (ESPO)* (rus. *Vostochnaja Sibir - Tichij Okean*). Besides, *Transneft* is active in increasing the export via the Russian port in Primorsk, Novorosiysk, Visotsk, Tuapse.

At present the construction of the oil pipeline Burgas – Alexandropoli is underway, which will not only

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enable to decrease the workload of Novorosiysk but will also increase the supply to South Europe by 30 million tons of oil per year.

Most probably, West Siberian oil, which is at present pumped to Belarus, will have to be redirected to the oil pipeline ESPO constructed in the direction of China since there might be the shortage of oil to fill it up. According to the forecasts of Russian and international experts, the first stage will require a redirection of the export flows going at present to Europe. This means annual diversion of around 30 million tons of oil. This will inevitably result either in the prices going up for Russian oil, or Russia will lose part of its traditional European market. Since the new direction appears to be economically attractive, old markets, including Belarus, might suffer.

The first deputy Minister of fuel and energy of the Ukraine Oleg Bugaev anticipating the prospects of the drying up of *Druzhba* declared in January this year that as an alternative for such a prospect Ukraine and Belarus have to prepare the Belarusian oil pipeline *Druzhba* for the operation in an averse regime.

Commenting on the situation deputy Minister of Economy of Belarus Anatoly Filonov stated that Russian oil resources are really not limitless and the possibilities of the supply of Kazakhstan and Azerbaijan oil to the Belarusian oil refineries have to be studied. He noted that so far the participation of Belarus in the project of EAOTC is non-existent. He failed to exclude, however, the fact that in the long run the given project might become interesting for Belarus.

Enjoying the most preferential conditions for the supply of oil to the country in all post-soviet space and fearing the exasperation of Moscow Minsk can hardly be expected to state publicly about its intentions to participate in the alternative project.

Nevertheless, it becomes evident that taking into account the political decision of Russia on the construction of the alternative to the Belarusian oil pipeline BPS-2 and the forced construction of ESPO the Belarusian party will study in great detail the possible alternative scenarios for the supply of oil to the NOR so that it could, if the necessity arises, make use of the new corridor of raw materials.



Picture 3.  
The oil pipeline Eastern Siberia – Pacific Ocean.

The fundamental idea is 'Europeanisation' of Belarus avoiding radical political modifications.

## A. MILINKEVICH: THIRD FORCE WITH NO FORCE?

*Pavel Usov, New Europe*

The intentions of Alexander Milinkevich to summon a *Congress of Pro-European Forces* have triggered a violent and hardly positive reaction from the Belarusian democratic community. Representatives of opposition parties comprising *The United Democratic Forces (UIDF)* have given particularly harsh assessments.

A. Milinkevich and his supporters are primarily accused of allegedly splitting the Belarusian opposition and that his actions and political rhetoric to a certain extent 'legitimize' the Lukashenka's regime in the eyes of the West. There is even a speculation that A. Lukashenka has entered into a 'secret agreement' with A. Milinkevich as an oppositional politician loyal to the regime. In the long run this agreement is said to reserve him a 'good seat' in the government.

All these accusations and speculations would be grounded if the opposition had been united indeed – then it would be possible to talk about a split – and if the existing regime was in need of its own legitimization and A. Milinkevich's assistance.

To understand and analyze the current political situation in Belarus one has to consider several statements that essentially are axioms.

First, the Belarusian opposition resides in the permanent state of disunity, which has become an inalienable characteristic of its political existence. The unification of the opposition into a single political camp is impossible either now or in the foreseeable future.

Second, in the framework of the Belarusian democratic and oppositional movement the promotion of a single leader who would be unanimously acknowledged by the entire democratic community and would become a feasible alternative to A. Lukashenka is impossible.

Third, a temporary unification of the opposition may take place only given the pressure from the Western partners. However, this unification while integral in shape will be split in essence, which paralyzes all efforts in the struggle with the regime.

Last but not least, the Belarusian political regime cannot be democratized from the outside, while the present leadership of the country will not concede to internal political changes.

A. Milinkevich's actions cannot be referred to as actions directed at the split of the united opposition, since the phenomenon of 'the united Belarusian opposition' does not exist. Even in the good old times when there indeed was a minor opportunity to influence the political situation in the country,

the disparate oppositional parties could not arrive at a compromise and design a common ideological and political platform. There always were secessionists who would lure part of the active population. Meanwhile, in the current situation there is no one who could be lured. The confidence rate as well as readiness of the population to support candidates from the opposition does not exceed 8%. The only thing left to the democratic leaders, A. Milinkevich included, is to 'win' supporters away from traditional oppositional parties by pretending to be the 'third force'. What A. Milinkevich does is an attempt to create a new structure that is doomed to remain old in content, as it will be incapable of signing up new people and activists.

Besides, the very idea of the 'third force', in this case a pro-European one, is not new in the Belarusian political reality. Suffice it to remember that in 2005-2006, before and during the 2006 presidential campaign, Alexander Kozulin set up a movement 'Volya Naroda' ('The Will of the People'), which was to become an alternative both to the opposition and the authorities. Eventually this endeavor failed.

The political alienation from the poles of the authorities and the opposition had always seemed tempting to those oppositionists who tried to act independently. However, such alienation has never brought tangible political success and has remained but a temporary endeavor used to promote a presidential candidate. One has to bear in mind the fact that for the majority of the population as well as the authorities any alternative to A. Lukashenka is regarded as oppositional, whatever its name. Likewise, the opposition regards such alternative exclusively as an initiative of the authorities. In this way any 'third force' created artificially turns alien and unacceptable for either political camp.

Nevertheless one may discern a certain peculiarity in the initiative put forward by A. Milinkevich. The congress of pro-European forces (possibly followed by establishment of a 'pro-European movement' is broader ideologically and is not loaded with a specific political direction, i.e. it does not posit the need to democratize Belarus as its goal. The fundamental idea is 'Europeanisation' of Belarus avoiding radical political modifications. It is on these grounds that the Belarusian authorities currently base themselves in their pursuit to reach Europe without the political transformation of the authoritarian system. For the regime a dialogue with Europe warrants a certain stability and safety. Moreover, it is obvious that by acknowledging the absence of internal alternatives and possibility to make political changes the West has ventured upon a comprehensive dialogue with the Belarusian regime. As the status of the opposition weakened significantly in the West,



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First, given the conflict with Russia and the stance of the regime, A. Milinkevich's movement and the EU are getting closer to each other. A. Milinkevich's initiative fits ideally the general European political climate with respect to the existing Belarusian regime. Given the great disillusionment with the actions and state of affairs within the opposition the West has started approaching the regime, which has significantly diminished the role the opposition played as the only foreign policy actor. Favouring constructive relations between the West and Belarus, A. Milinkevich reserves the right to be one of the significant political actors for the West due to the fact that his rhetoric conforms to the rhetoric and policy of the EU.

Second, the convocation of the congress and a possible organization of the 'pro-European movement' put the opposition parties into an embarrassing situation. For, following a banal logic, if the opposition does not support the idea of the establishment of such 'pro-European' movement and refrains from taking part in the congress, it will be automatically regarded as making a stand against the idea of 'European Belarus'. Thus representatives of the Belarusian opposition find themselves in narrow circumstances. On the one hand, they cannot avoid taking part in this congress and, therefore, the movement. On the other hand they cannot participate in it. For if they do, they will tacitly acknowledge A. Milinkevich's leadership and headship, while refraining from participation they highlight their 'non-European' nature. Even if they do participate in this process, representatives of the UDF will most likely do this under an apparent pressure from Western partners.

However, A. Milinkevich's steps will not influence the factual political situation in the country. The split of the opposition will remain unchanged. One may already envisage at least four candidates for the forthcoming presidential elections in 2011. These are A. Milinkevich, A. Sannikov, S. Kaliakin, and A. Lebedko. Given the growing tension and conflict between the representatives of the oppositional movement, A. Lukashenka's position will only be strengthened. Even as a sole candidate A. Milinkevich does not constitute a real threat for the political regime as was demonstrated by the elections in 2006. Neither does he present a threat for the regime as one of the leaders of the opposition for he is incapable of uniting all oppositional forces around himself. A. Milinkevich annoys and displeases the rest of the opposition since he enjoys great trust of the West, which readily sup-

ports and finances his projects rather than those of his opponents. For ideologically the former are closer to the kind of the policy the EU is currently implementing with respect to Belarus.

Under these conditions one can hardly assert the existence of an agreement between A. Milinkevich and the political regime, since the latter faces neither internal nor external threats. The opposition is weak, largely disunited and does not constitute a real political force. The West and the EU in particular are open for collaboration with the regime, despite the resentment of the opposition.

A. Milinkevich has comfortably merged with the formed environment, which is also beneficial for the authorities, as it creates additional pressure inside the oppositional camp.

If one assumes that there is an agreement between A. Lukashenka and A. Milinkevich and the latter's loyalty can be bribed by a good seat or a formal and meaningless post, it only provides evidence to the fact that no one in the present-day opposition posits any serious goals. Realizing their weakness and inutility they therefore seek to get at least a small bit of the power pie. Moreover, this means that there is no serious opposition in Belarus whatsoever and that if an agreement had indeed been made, it was not made in the present time. This means that A. Milinkevich has been a controlled figure from the outset, which is also supported by the fact that the regime has total control over the entire oppositional movement. In these circumstances the existence of an independent political force is impossible.

Moreover, A. Lukashenka is not a leader who is ready to share posts, even if they are insignificant. In addition, one should realize that in authoritarian societies the post itself may mean nothing in the practical sense, yet as a symbol it may evoke absolutely unexpected reactions. This primarily would mean that A. Milinkevich is a strong leader indeed, and the authorities are afraid of him if it entered into an agreement. In the authoritarian regime even a minor concession, a post for the 'bought' oppositionist may be pointing to the weakness of the system and strength of the opposition, as the regime has to make concessions to an insignificant leader. As the last elections to the House of Representatives, demonstrated, the hopes that certain 'loyal' oppositionists would be elected into the Parliament did not come true. Therefore, even if some agreements do exist, the regime will act solely in its own interests and play by its own rules.

‘The project of Liberalizers is to relax social tension and to strengthen their position in the power bloc by broadening the social base of the regime: to allow some autonomous organization of the civil society and to incorporate the new groups into the authoritarian institutions’.

## THE SECOND ADVENT OF BELARUSIAN LIBERALIZATION

*Sergey Nikoliuk, Political Analyst*

Since late 2008 the word ‘liberalization’ has been often heard in Belarus. Again, since in 2001, on the eve of the second presidential elections and some time after their close, ‘the only Belarusian politician’<sup>1</sup> was already raising the issue of liberalization, but then it remained but an issue discussed. Today the authorities have moved from something on mind to something in kind, although many independent experts have not yet started to regard this transition seriously. Such resistance may be due to the fact that experts are attempting to discover the first outcomes of liberalization on the political field, while the authorities seek to place their innovations exclusively within the economic framework, and so far have been successful.

In addition, there is also a problem of the description language. At the heart of the matter is the fact that the majority of Belarusian experts understand Belarus exclusively from the perspective of Western political science. However, attempts at describing Belarusian reality by applying terminology borrowed from another culture cannot be efficient. On many occasions the author of the present article has been accused of insisting on the development of a special Belarusian political science. Yet this is indeed true. To justify myself I will turn to the authority of Emile Durkheim who, by asserting that there are only ‘societies’, and each one of them should be viewed as a separate species, has denied ‘the society’ the right to exist.

To illustrate the language problem let us consider specific examples. To do that we shall turn to what at first sight seems like a univocal concept, e. g., the concept ‘state’. In all major European languages the word ‘state’ sounds the same: state, Staat, etat, stati, esta-do (from Latin ‘status’).

As for the origins and the nature of the state, very significant observations have been made by Schmidt: ‘State’ is an individual, specific, phenomenon determined temporarily, which should be dated within the epoch between the 16<sup>th</sup> and 20<sup>th</sup> centuries, and which had emerged from these four centuries, from Renaissance, Humanism, Restoration, and Counter-Restoration... The state is primarily an outcome of a religious civil war, its negotiation by means of neutralization and secularization of the confessional fronts’<sup>2</sup>.

1 On July 27, 2000, addressing his minions during a teleconference, President A. Lukashenko asserted literally the following: ‘There is only one politician in Belarus! It’s me!’

2 Cited from an article by Y. Pivovarov *Mezhdru kazachestvom i knutom. K stoletiju ruskoy konstitucii i ruskogo parlamenta* <Between the Cossacks and the Whip. To Commemorate Russian Constitution and Russian Parliament>. Polis, No. 2, 2006.

Let us now have a look at the etymology of the Russian word for ‘state’, or ‘gosudarstvo’. It absolutely clearly reveals the essence of the economic relations that formed in the past on the territory of the Russian Empire. The word conceals a different (non-European) way of development, which ultimately resulted in the formation of a different society. Thus ‘go’ is the first syllable of the word ‘gospodin’ (‘lord’), ‘su’ - is the first ancient form of address in Russia (hence ‘sudar’, or ‘sir’), and ‘darstvo’ – ‘to donate’. In this way the term ‘gosudarstvo’ itself refers to a structure of economy based on service and distributing, and markedly different from the market structure, based on commodity-money relations.

It is little wonder that the word ‘liberalization’ evokes similar translation difficulties. Let us now turn to Adam Przeworski, American political scientist of Polish descent: ‘The project of Liberalizers is to relax social tension and to strengthen their position in the power bloc by broadening the social base of the regime: to allow some autonomous organization of the civil society and to incorporate the new groups into the authoritarian institutions’<sup>3</sup>.

With respect to Belarus, it is clear that there can be no ‘new groups’ of the civil society which the authority would ‘allow some autonomous organization’ in order to incorporate them into the authoritarian institutions. Only private persons were invited to the Social Consultative Council created under President’s Administration in spring 2009. The absence of representatives from parties and social organizations in the Council is yet other evidence to the fact that the authorities are not ready to have any relations with oppositional structures. Therefore one should acknowledge the rectitude of many Belarusian experts who state that liberalization, as understood in the Western terms (following Przeworski), is not taking place in Belarus.

To understand the direction where the ‘Belarusian economic model of development’<sup>4</sup> is moving, its origin must be defined. Since the origin could be hardly found in the market economy based on the acts of purchase and sale, let us turn for assistance to the theory of a state with ‘razdatok-economy’ by Olga Bessonova, Russian social scientist<sup>5</sup>. She has shown that the total of ‘collections’ (Rus. ‘sdacha’) (natural and financial collections from the population and

3 Przeworski, A. *Democracy and the market*. New York: Cambridge University Press, 1991. p. 57.

4 Speech by President A. Lukashenko delivered at the final plenary meeting of the permanent seminar of high personnel from republican and local state bodies, 22.03.2002, <http://www.president.gov.by/press13375.print.html>.

5 Bessonova O. *Razdatochnaya ekonomika Rossii. Evoliuciya cherez transformacii*, M.: ROSSPEN, 2006.



Based on the acts of collection and distribution, the economy may only be centralized. It is incompatible with private ownership.

execution of compulsory services) combined with the total of 'distributions' (Rus. 'razdacha'), i.e., salaries, pensions, benefits and privileges, form the basic structure of the state-society.

Based on the acts of collection and distribution, the economy may only be centralized. It is incompatible

ability to develop rules of living together in a state and ensure the compliance of all economic and political subjects with these rules, but rather in the share of material resources which the state manages to locate in the budget with a view to further centralized allocation.

#### Income and Corruption Perception Index

	95	00	01	02	03	04	05	06	07	08
Budget incomes (percentage from GDP)	29	34	33	33	44	47	47	48	50	51
Place with respect to the Corruption Perception Index*	-	-	-	36	53	74				151

\*According to Transparency International data

with private ownership. One must not be misled by the existence of relevant articles in the Constitution. Belarusian economic and social reality is regulated not by the Constitution, but rather by the opinions of the Head of the State. 'It is always easier to deal with a private trader. You tell him – he will do it. This is because otherwise he risks to lose his property'<sup>6</sup>. In other words, in Belarus property may only be bound with service, i.e. individual citizens are granted an opportunity to use it on condition that they serve the state.

A. Lukashenka believes that his main merit as President is the creation of 'a strong state'. At this point, however, we face another language problem. The strength of the Belarusian state is not in its

Table 1 clearly depicts the outcomes of the construction of a strong state under the leadership of the first Belarusian President. One should pay attention to the leap that took place in 2003. It is related to the beginning of activities of 'the Belarusian oil offshore' which emerged due to the processing of cheap Russian oil. In full accordance with the essence of the razdatok-based state all additional income entered the state pantry for further distribution. The dynamics of movement of Belarus with respect to the Corruption Perceptions Index depicts the extent to which the distribution is successful (see table).

<sup>6</sup> Press-conference of President A. Lukashenka, <http://pda.sb.by/post/37595/>.



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