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## BELARUS: FROM AUTHORITARIAN REGIME TO EXCLUSIVE CRONY STATE

After one year break monthly newsletter Bell is back. It continues its mission to provide a platform to analyze and reflect the most important issues for researchers, scholars and journalists from Belarus. The first Bell issue in 2013 tries to find out what are the main strengths and weaknesses of Aliaksandr Lukashenka's regime. Is there any strategy that would help to find the way towards democratization of Belarus?

European Union used two different approaches towards Belarus – engagement and sanctions policies. None of the two has given the expected results and some experts say that sanctions even moved Belarus closer into Russia's hands. Government controls about 80 percent of the economy, most analysts agree that this control is the main condition, which helps Lukashenka preserve his regime. By controlling the economy Lukashenka has tools to create a social loyalty network – using work places in the public office, pension and social payments, etc. Moreover, the situation protects regime from the alternative powers, which could only arise with the investments from foreign countries. However, controlling economy costs a fortune, so Russia's factor, which funds the regime, is great in this issue. Theoretically the

recipe is clear – liberalize and restructure the current economic system in Belarus but many practical issues arise.

In this Bell issue Belarusian researchers try to find the answers to these questions. Alaksiej Pikulik and Aliaksandr Autushka-Sikorski in their article "The economic crisis and the survival strategy of the Belarusian government" argues that the economic crisis made regime rethink how it should keep social contract with the citizens. They claim that government shifted from inclusive to exclusive support. However, this model does not seem to be sustainable and more questions arise.

In the second article "The Autumn of the Patriarch" Belarusian style Andrei Paratnikau names eight weaknesses of the regime. After all he states that because of Lukashenka's age the West should rethink its strategy towards the regime. Lukashenka is not open for political liberalization; however, he might give some space for changes if his statue will be respected. This would help to create stronger civil society, which is necessary for future ruling of the country, after Lukashenka steps down.

*Vytautas Keršanskas, Editor*

## THE ECONOMIC CRISIS AND THE SURVIVAL STRATEGY OF THE BELARUSIAN GOVERNMENT

*Aliaksandr Autushka - Sikorski,  
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The economic downturn of 2011 in Belarus gave many opposition politicians and independent media a handle to speak about the upcoming 'end' of Aliaksandr Lukashenka's regime under the pressure of popular protests. Such statements were quite well-grounded, as opinion polls both in 2011 and 2012 showed a considerable fall in support for the ruling regime by the citizens and their dissatisfaction with the government's economic policies.

The third quarter of 2011 saw the electoral rating and the level of trust reaching their lowest and

falling below 30 per cent for a first time since 2003. According to the ISEPS surveys, only 24.5 per cent of the respondents trusted the president and as few as 20.5 per cent were willing to vote for him at elections should they happen next weekend, while 61.2 per cent blamed the president for the economic problems of the country. The situation has since then improved, however, with a number of fundamental deformations behind people's attitude towards the president preserved. The ISEPS opinion poll in December 2012 recorded the growth of trust in the president by almost 15 per cent. Still, almost 40 per cent of the population think he is responsible for the country's economic problems, and 51 per cent are sure that the life

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in the country would improve or not change if Lukashenka resigned.

Yet, is it actually true that the economic crisis is a major problem for the Belarusian government? What are the strengths of the Belarusian regime that have helped it out of the 'bottom' and prevented the growth of protest moods, and what are the challenges and risks faced by the regime today?

The economic crisis and the strategies of the authoritarian regime

It is quite a wide-spread opinion in the comparative political science that the advent of an economic crisis (moreover, a second economic shock after the first wave of crisis) damages the regime.

However, an economic crisis is not always a death sentence for authoritarian leaders: some dictatorships fail to survive recessions (Indonesia), but a number of regimes have successfully coped with economic difficulties without losses for the authoritarian status quo (Mexico, Venezuela).

In general, there are following problems faced by the regime, its future transformation depending on the speed and methods of resolving them:

- 1) First is the issue of compliance with the social contract obligations and the problem of income redistribution in favor of the population with a goal to continue purchasing their loyalty. The situation is even more accentuated by the commitment problem, something typical for authoritarian regimes because of their low accountability that might cause a stagnation or decrease of trust in the regime.
- 2) In addition, the economic crisis reduces expenses of protests for people due to falling income levels. It makes some possible alternative future more attractive for them in comparison to what they have now, thus lowering the perceived risks of an open protest and reform demands.
- 3) The growing dissatisfaction with the government offers the opposition an outstanding opportunity for capitalization and growing support. Simultaneously, decreasing protest expenses provide an opportunity for a number of opposition leaders to overcome the collective action problem and launch the mechanism of opposition consolidation.

However, with the protest moods on the rise, the government is not just an onlooker. All in all, there are several survival strategies for an authoritarian regime in a situation of economic crisis, growing public dissatisfaction and a potential for the capitalization of the opposition:

- 1) Economic stabilization and return to the earlier pace of economic growth for

buying the loyalty of the public is the most effective strategy for the regime in terms of a long-term survival. However, this strategy is limited by the fact that the state is in the stage of crisis, causing a certain mutation of methods to purchase loyalty. For instance, a lack of reserves to bribe the broad public might push the regime to switch from inclusive to exclusive type of support.

- 2) In turn, the crackdown strategy both towards the opposition and the citizens is the simplest way out. A long-term previous experience of weakening the opposition by measures of preventive authoritarianism makes such a strategy particularly easy.
- 3) The strategy of democratization is the least desirable for an authoritarian regime, but it can be chosen in a case of a limited potential for economic growth or reprisals. A limited democratization of the regime helps to solve the commitment problem by including citizens into the decision-making. A strategy similar to the appointment of Caudillo-type presidents in the times of the rule of PRI party in Mexico is also a possible variation, i.e. an appointment of a new head of state with all de facto powers preserved by the old 'power centers'.

#### Belarusian authorities on a Y-track

The economic crisis of 2011 has become a missed opportunity for the Belarusian opposition which has failed to use this moment to mobilize the people and to consolidate. First, the cleanup of the political field after the 2010 presidential elections has played its role. Trials against the leaders have blocked the opposition's opportunities to develop effective reach-out strategies and join forces amid the shrinking support of the regime. Its own survival rather than a political mobilization has turned into a key task for the opposition. Second, fundamental 'translation problems' stayed there, constituting a serious challenge for redistribution of support in favor of the alternative political forces. The way they had been doing for years, the opposition forces have failed to build an effective strategy of actions on the population's primary concerns (including the stability of the Belarusian economy). This is why the opposition has in general not succeeded in winning voters lost by the regime; the IISEPS polls demonstrate that the trust in opposition parties was even lower than the one in the president in late 2012, reaching 25 per cent or so.

The 'silent protests' in major cities of Belarus in summer 2011 served an example of relatively successful protest activities. The protest organizers

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found a way to reduce the expenses of the protests by changing the format, with participants peacefully walking around the central squares or clapping in a sign of protest against ineffective governmental policies, rather than rallying and shouting. However, the promptly adopted method of brutal detentions of the participants by unknown people in mufti has pulled the wave of the protests down after several weeks.

Therefore, repressive practices and mechanisms of preventive authoritarianism remain the main leverage for the Belarusian government. The regime has been and is still openly doing everything possible to make the costs of an outspoken protest unaffordable for people and to prevent the consolidation of the opposition.

The open border with Russia is another drain valve for protest moods, allowing Belarusians to leave unchecked with a realistic prospect of employment and resulting in a natural expulsion of the dissatisfied ones.

The potential for repressions, however, is also limited by a simple detail: the level of protest mobilization can at some point exceed technical opportunities for a crackdown. This is why respecting the conditions of the social contract is crucial for the Belarusian regime to prevent another wave of protests. In fact, the traditional social contract has already been breached and is not likely to be reestablished amid the limited economic growth. On the contrary, the economy is reacting to softer monetary policies by showing signs of deformations similar to those seen in the run-up to the crisis of 2011.

To find a solution, the government has opted for a kind of 'mutation' of the social contract and a partial transition from inclusive to exclusive

support. Without a complete 'divorce' with the public, it demonstrates a shifting focus of subsidies to rely on different groups for support. Noteworthy, the main pillars of the old social contract have survived and are still financed. In other words, the old-type social contract has not been abandoned, but given impossibility of reintroducing the previous volume of subsidies, some lost support is being now compensated by the government with the use of other mechanisms.

At the current stage, Belarus is characterized by a transition to cronyism model, with economic elites getting asymmetrical possibilities to gain rent income. In particular, asymmetries are available for a range of actors in the sphere of finances, transit traffic, and customs.

The focus on a different kind of groups to get support from helps to maintain the power, but is hardly a strategic panacea to keep the state under control over a long period. First, the cronyism is economically ineffective in the medium-long run and affects the economic growth negatively. Second, though it is not correct to speak about oligarchs in Belarus nowadays, the cronyism creates risks of increasing state capture. Third, the cronyism offers no solution for a problem of meeting the public demands, something that can, in Belarusian reality, open up a window of opportunities for the capitalization of a 'new' opposition, connected neither with the government, nor with the old alternative political circles.

In general, the current strategy of survival of the authoritarian regime in Belarus is posing more questions on the regime's prospects than answers, recommendations or effective solutions. The regime is challenged by a need to find new proper methods of continuing domination, especially amid uncertainty in relations with the West

## "THE AUTUMN OF THE PATRIARCH" BELARUSIAN STYLE

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Having passed the periods of establishing and the peak force in its historic development, the existing power system in Belarus has entered into the stage of decline. Born in political and economic chaos of 90's, the regime has been all in all successful in creating a functioning state mechanism, accompanied by step-by-step decrease of Belarus' dependence on Russia. However, with external and, notably, domestic conditions fundamentally changing since 2000s, the Belarusian government has so far failed to demonstrate flexibility needed for the transformation and facing new challenges. The Belarusian society has for good and all departed from the socialism, effectively turning into the

community of smallholders with a mentality of a European consumer. Yet, the top leadership of the country sticks to the neo-Soviet style of ruling, with the mobilization-based development model and the overwhelming control of state officials. Both are no longer possible today. Moreover, the public is increasingly tired of the irreplaceable leader who has been dominating the TV screens and front-pages for almost 19 years. These two factors - the neo-Soviet methods of management and the never-changing leader - have resulted in the cancellation by the nation of the 'social contract' that was in place between 1996 and 2011, and allowed the regime to purchase people's loyalty in exchange for rapid (and frequently undeserved) growth of their prosperity.



Though Lukashenka can discuss the level of the regime's repressiveness, he can never agree to political liberalization. Therefore, issues of domestic politics are not negotiable for the regime, meaning that Lukashenka is a hostage of his own status.

In substance, the stability of the existing political system is ensured by just two remaining factors: extraordinary personal qualities of Lukashenka as a politician, and his proficiency in selling myths about his regime's might.

Mr. Lukashenka's regime is to a large extent hopelessly obsolete. This is the reason behind its deep and comprehensive crisis. In my opinion, the existing government is characterized by few strengths, whereas weaknesses are becoming more and more abundant.

#### **Eight weaknesses of the regime**

The first weakness is the **autocratic nature of the regime**, with all major decisions made either personally by Aliaksandr Lukashenka or with his consent. One should understand that all the talks about the clans inside the regime (e.g. Viktor Sheiman's clan, Mahiliou clan or the clan of "young wolves" led by Viktor Lukashenka) are much more about journalistic inventions rather than real institutionalized groups. Clans in Belarus consist of the entourage of one or several top officials, and they only exist as long as their leaders are influential. The influence is only delegated and revoked by Mr. Lukashenka. This is why the health of the leader is the top secret of the state. Should he lose a part of his powers, the country might fall into a chaos, with establishment, business and security players likely to band into real clans. In fact, Belarus risks slipping into a situation Russia and Ukraine passed in 90s. We should also bear in mind that the Soviet generation of officials are leaving the scene now, with their corporate mentality, solidarity and a certain degree of independence. The young newcomers possess no skills of a team game, something logically resulting in the atomization of the state machinery and increasing personal significance of Mr. Lukashenka, as a chief pillar of the government stability.

The second weakness is a **lack of any ideological or historical base for the regime**. Created by a combination of random circumstances, it exists for its own sake and sees the power as the *only* way available to get access to wealth.

The third weakness is a **low level of managers**, with a limited reserve for recruitment of new people for top positions. It is typical for autocratic regimes to promote either the most loyal ones (idiots included) or those favored by upper officials, rather than the most professional and skillful managers. The security services are the only power institutions still demonstrating elements of the merit selection. However, low salaries (especially at the opening of a career) make the public and military service unattractive for the most professional and active part of youth. As a result, the state and national security bodies are increasingly becoming a place to end up for losers of the labor market due to a lack of moral and professional competences. This is what we can call a lumpenization of the state machine. Notably, the professionalism of officials is lower in Minsk than in regions, as the labor market in the capital is more developed compared to the

province, making the state service yet even more unattractive for good professionals.

As an implication of the abovementioned weakness, the fourth one is a **poor strategic planning**. The Belarusian government is not bad in tactics; however, they are barely capable of producing long-term scenarios out of their tactical wins. In addition, the top leadership of the country seems to have a very vague idea about the basics of Western political systems and any ways to build cooperation with Western elites.

The fifth weakness is the **divisions inside the power elite**, both vertical, as the same-level institutions are routinely competing, and horizontal, between officials in Minsk and authorities on the ground. Fellow-countrymen that originate from the same region tend to create 'communities' and establish economic control over their home territory. To prevent local clans from emerging, Lukashenka frequently transfer officials between regions. But it only affects relatively high-level local leaders, while low-to-middle rank officials can hold their positions for decades and create business links or family ties with other officials, law enforcement agencies and businesses. In general, it has resulted in opportunities for local officials to sabotage decisions of even Lukashenka himself, and go unpunished. Classified assessments of the Presidential Administration suggest just 1/3 of the decisions of the supreme authorities are properly carried out locally.

Paradoxically, a **lack of functioning opposition** is a sixth vulnerability of the power system of Belarus. Mr. Lukashenka has spent 15 years to persistently destroy everything capable of challenging his rule. As a result, the current opposition is not politically viable. However, the situation is turning against the ruler himself, as the alliance of the top-level establishment and major businesses under the logo of Belaya Rus NGO is emerging to undertake the opposition's role. This is a lobby group with political ambitions. The Russian role in creating it is a major threat, as Lukashenka was pressed by Moscow to establish something that could be a partner for 'United Russia'. Reacting to Kremlin's complaints about having nobody to talk to in Belarus, Lukashenka incautiously allowed to create a 'partner', and now he does not know how to handle it. Belaya Rus openly declares an intention to turn into a political party. A ruling one, of course. So far, Lukashenka has succeeded to block these attempts. However, a fact that Belaya Rus keeps pushing for a political status, is alarming for the head of the state: the *nomenklatura* is not afraid of him. In fact, there is nobody who can support the ruler in his competition with the privileged class, as the security services are generally sharing the interests of Belaya Rus. An effective opposition could balance out *nomenklatura's* demands and force them to line up behind Lukashenka, as the

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only defender of their privileges. Should Belaya Rus turn into a political party, it will constitute an alternative pillar of power for officials, security forces and large businesses.

The seventh weakness is a **variety of non-transparent international ties**, both in the East and the West, the Belarusian leadership has committed itself to. Notably, even the most sensitive and controversial issues, e.g. arms trade or external trade operations, are usually resolved informally. If Lukashenka lost his power, there are too many influential figures throughout the world who would want to silence him. Milošević and Gaddafi are two examples that we know how to silence a former ruler, suggesting that clinging to power is the only way for the ruling clique to ensure physical survival. Though Lukashenka can discuss the level of the regime's repressiveness, he can never agree to political liberalization. Therefore, issues of domestic politics are not negotiable for the regime, meaning that Lukashenka is a hostage of his own status.

A **lack of strong international allies** is an eighth problem. This is a consequence of the poor strategy and extreme untrustworthiness on international obligations, including informal promises to the West in 2010. Kremlin does not count: Belarus-Russia relations are difficult and controversial, giving no reason to believe that the regime in Minsk is a partner of strategic importance for Moscow. The Russians seem to have no choice but to maintain relations with Lukashenka, as they have no one else to rely on in Belarus.

#### No real alternative

In substance, the stability of the existing political system is ensured by just two remaining factors: extraordinary personal qualities of Lukashenka as a politician, and his proficiency in selling myths about his regime's might. However, he is not young anymore. Though he still succeeds in upholding the showcase of an effective state with clean streets, fields under crop, no poverty and relative safety, a more thorough analysis proves that the so-called Belarusian model is a soap bubble. The ruler has persuaded the public that the bubble is armor-plated. But the truth is that just no one has seriously tried to burst it since 1996. So far.

Why then the regime of Lukashenka is still existing and controlling Belarus, with all its weaknesses? There is a range of reasons for it. First, not always has it been so weak. Second, no one has really tried to oust Lukashenka since 1996, as just mentioned. The Belarusian ruler is smart; he is smarter than

many politicians in Belarus, Russia and the West. He manages to be a friend of Arabs, Iranians and Israeli simultaneously. Basically, he suits all the major players and helps many to make money.

It is also a question of who can replace him. As mentioned above, the opposition is weak and objectively not effective, no matter what democratic politicians are telling their Western donors. Should Lukashenka quit or, moreover, be removed by force, mafia-style politics will prevail, with clans running bloody battles for power and property. It will not be democracy but Moscow to win in Belarus.

#### A recipe for the future – strategic waiting

The mistake of the whole history of struggle against Lukashenka was treating him as a person and a dictator. He is not a person, however. He is a mechanism one needs to be able to use. The only way for the Belarusian leader to survive physically is to keep the power. With their noses held, faces disgusted and no handshakes, the Western politicians should give Lukashenka (him alone!) a promise to respect his status. He should feel free to continue re-electing himself or proclaim his lifelong presidency. No sanctions, condemnations or threats should follow. But he should rigorously observe a number of conditions. He has to guarantee and respect the freedom of media, peaceful assemblies and associations of citizens (political parties and religious organizations included), and, above all, free elections at all levels except for the presidential ones. The latter should be Lukashenka's own discretion.

All electoral authorities can remain a mere decoration with no real powers. Leave all the powers to Lukashenka. Even with purely decorative functions, the membership in electoral institutions would still enable the opposition to see and understand how the power machinery and the system of government work at all levels. Establishing links with real officials is crucial to engage with them. This would be a real chance for the political opposition to learn how to rule the state, something they cannot do now. The civil society would boom. Lukashenka would keep sharing his wisdom with the TV public. Nothing so wrong in it; it is polite to let the elderly speak. The time, however, will do its part much quicker than many might think.

Having replaced Lukashenka's regime, the new system will have a strong civil society to rely on and be capable of running the country from the very first day of existence.



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