

MINSK FORUM XIX: MINUTES OF THE MAIN THESES

BY – 30 Years of Independence

History, Civil Society, Culture,
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CONFRONTATION WITHOUT AN EXIT? THE REGIME, THE OPPOSITION & EUROPEAN POLITICS

Matthias Lüttenberg, Director for Eastern Europe, Caucasus and Central Asia at the German Foreign Office, noted that Lukashenka is instrumentalising migrants for his own ends. To prevent him from doing so, it is important not to give in to pressure and show European solidarity despite Lukashenka's new threats (such as cutting off gas transit). As the first four packages of sanctions have not brought about any change in Lukashenka's behaviour, it is important to introduce new restrictions and use every tool at the EU's disposal.

Matthias Lüttenberg emphasized that Poland is protecting the border of the entire EU, and all European countries are interested in it. They are doing everything not to send a signal that such migration is the way to Germany. At the same time, Matthias Lüttenberg believes it is important to develop a German action plan for Belarusian civil society, including access to visas and media support. The visits of representatives of the Belarusian opposition to the EU countries are useful for this purpose: they help understand the situation and disseminate information.

Pavel Latushka, member of the Presidium of the Coordination Council, head of the National Anti-Crisis Management, former minister and diplomat, points out that it is important not to look at the migration crisis separately from the problems of the Belarusian people. In his opinion, the launch of the vaccination campaign for migrants shows that Belarusian authorities do not expect them to leave soon. Speaking about allocation of 700 thousand euros for humanitarian aid to migrants Latushka noted that it is important to prevent the money from falling into the hands of the Belarusian authorities (including the Belarusian Red Cross, which Latushka called "part of the repressive machine" as its representatives took part in election rigging and do not help political prisoners). Matthias Lüttenberg explained that the money would be allocated to the Red Cross in Poland and Lithuania, not in Belarus.

Pavel Latushka considers the reason for the weak effectiveness of the current sanctions to be „inflated expectations of Belarusian society from the EU“ and „underestimated readiness of the EU to use the available tools“ (including criminal prosecution of Lukashenka). The diplomat does not believe that as a result of the dialogue with the EU, Lukashenka will release political prisoners, return registration of NGOs and restore independent media. Latushka is also sceptical about Putin's words that Lukashenka needs to have a dialogue with the opposition: „If Putin meant Haidukevich and Vaskrasenski, we will not be disappointed. It's another confirmation that we should not rely on Russia or the West, but on ourselves, the Belarusian society“.

Marina Rakhlei of the German Marshall Fund also points out that although the migration crisis is polarising society, it is important to combine a humanitarian approach with support for Belarusians and their interests. Despite the fact that under the impact of repression, protest becomes outwardly invisible, civil society is waiting for solidarity.

Marina Rakhlei sees two important tracks for Brussels: to increase pressure on the regime (to demonstrate what can happen after red lines are crossed), and to send a message of solidarity to the Belarusians. As to Russia's influence, the expert compares it with the elephant in the room or the fox in the henhouse: if Moscow resolved the crisis in Belarus, it would be in the interests of the Kremlin.

Nils Schmid, a member of the Bundestag from the SPD, emphasized in his video, that he considers the support of democracy and free elections in Belarus, as well as the liberation of political prisoners, to be the most important. The MP considers important the fifth sanctions package to show the Lukashenka regime that it cannot continue the line of pressure.

CURRENT STATUS OF EU SANCTIONS IN BELARUS AND ITS IMPACT ON BUSINESS

Dmitry Chervyakov, Project Coordinator for Belarus of the German Economic Team (GET), sees a generally stable macroeconomic situation and does not see a specific effect of the sanctions. However, he notes stagnation in economic growth and a spike in inflation, which will be in double digits by the end of the year. Trade in commodities and digital goods is growing, but Dmitry is sceptical about the growth of reserves: they have grown largely due to SDRs from the IMF, which are difficult to convert into real money. As for Russian loans, they will be used to pay Belarus' foreign debt to Russia.

Lev Lvovsky, a senior researcher at BEROC, notes that the EU sanctions in their current form are largely personal and cannot have a macroeconomic effect. And sectoral sanctions, while not influencing old contracts, give the regime a time lag to adapt: for example, to redirect supply flows through Russia at the expense of some profits. Lev calls it „Schrödinger sanctions“: they have no visible effect, with some officials bragging about their harmlessness or even usefulness, while others call for criminalisation of calls for sanctions.

Lev cites export miracle and professionalism of the National Bank as the reason for the economic upturn. However, in 2022 Belarus is to repay \$3 billion in foreign loans, and with reserves of \$8 billion the only source is Russia (and it is as a state, as placing bonds in the Russian market is unlikely to bring in more than \$0.5 billion).

Daniel Krutzinna, an economic advisor, managing partner at CIVITTA Consulting and former non-executive board member of the Development Bank of Belarus, notes that „most of our clients have not felt the direct effect of the sanctions“. Daniel does not foresee a serious effect of the sanctions further, unless they are extended to third countries. After all, the export markets for Belarusian potash are Asia and South America, and transit through Russia just slightly increases the cost, but will not stop supplies.

Daniel sees as a threat to business the dramatically increased cost of raising money, as well as the difficulty of long-term planning in the political situation and possible new sanctions. Due to emigration, Belarus has lost 50,000 or more specialists - „young, smart, and with money“. Even if not the whole business but the management with their families is relocated, the profits are no longer reinvested in Belarus.

All these processes influence the future reforms in Belarus in two ways. On the one hand, the emigration of the most mobile and socially active citizens reduces the demand for reforms inside the country. On the other hand, the ability of the economy to grow and of state institutions to work, even in the current environment, inspires optimism that with this solidity, the new government will be able to implement reforms quickly.

FOUR SCENARIOS FOR BELARUS-2022: MAIN INSIGHTS, TENDENCIES AND RISKS IN POLITICAL AND SOCIAL DEVELOPMENTS

Olga Dryndova, representing Network for Belarus / Arbeitskreis Belarus, DRA e.V. (Berlin), moderated the discussion based on the presentation of a policy brief edited by her, „Four scenarios for Belarus by the end of 2022“. The scenarios are based on a different combination of progress and regress in two trends: social mobilisation and democratic transition.

Katsiaryna Shmatsina, analyst at the Belarusian Institute for Strategic Studies (BISS), presented the worst-case scenario „Stable Swamp“ (regression in both trends). People return to political apathy, repression continues, elites consolidate. The West shifts attention in other directions, Belarusian migrants are confused. The constitutional referendum is used not for transit, but for cosmetic reforms and further consolidation of power.

Marina Rakhlei of the German Marshall Fund presented the „Bitter Entrenchment“ scenario (regression of democratic transit and increased social mobilisation): if repression continues, „black swans“ may provoke increased discontent. In addition to street protests, such mobilisation may manifest itself in the regions, online, with periodic protests at enterprises. In such a scenario, Lukashenka does not hold a referendum, as he is afraid of the results, and the loyalty of the elites may be shaken amid the protests.

Agata Wierzbowska-Miazga of the Leaders of Change Foundation (Warsaw), presented the „Belazakhstan“ scenario (progress in the transit of power and weakening of social mobilisation). In that case, a constitutional All-Belarusian People's Assembly, headed by Lukashenka, emerges from the referendum. Although he remains the main political actor, his position will depend more on formal rules. In the new - not very fair - elections, only representatives of the authorities are running.

Fabian Burkhardt from Leibniz Institute for East and Southeast European Studies presented the most interesting and most fantastic scenario „Transit by mistake“ (with strengthening of both trends). In this scenario, repression unfolds against not only the middle, but also the top level of government, which motivates the leadership of the security services to conspire against Lukashenka. This is followed by round-table talks and a general revitalisation of political life.

Andrei Kazakevich, director of the Institute for Political Studies „Political Sphere“, stressed that in order for a positive scenario to occur, society must be resistant to repression, propaganda and reformatting of the political field to maintain horizontal communications independent of the state. And the opposition in exile must maintain a level of trust and communication with society inside Belarus.

For Belarusian elites to be more interested in dialogue, they must not only feel political discomfort from maintaining the current situation, but also bear direct financial costs.

Merkel's call demonstrates that mediators and guarantors in crisis management can still be strong nation states rather than international structures, where it is difficult to find consensus and work out procedures.

And for the transit scenario not to provoke Moscow's opposition, it should not feel that Belarus is withdrawing from the Russian geopolitical orbit. If Russia has more incentives to establish a dialogue with the West, there will be more motivation for changes in Belarus. If the confrontation continues to escalate, it will be more profitable for Russia to turn Belarus into a frozen conflict.

As for the recommendations, **Marina Rakhlei** stressed the importance of participation in the resolution of the Belarusian crisis not only by Brussels, but also by various institutions: parliaments, donors, think tanks, universities, and business associations. In parallel with the sanctions, a kind of „Marshall Plan for Belarus“ is needed: support for civil society, facilitation of visas, scholarships for young people and support for artists. International guidelines for doing business with Belarus are also needed, so as not to continue business as usual.

Katsiaryna Shmatsina also added that it would be effective to involve Belarusian experts as consultants on the IMF and EBRD programs, as well as to include them in the work of foreign think tanks. Donors could be flexible in financing, including cryptocurrencies, and monitor the diversity of the supported initiatives, diasporas could develop interstate cooperation, and the opposition could find a balance between personal ambitions and unity of purpose.

30 YEARS OF INDEPENDENCE: POLITICAL AND ECONOMIC STATUS QUO IN BELARUS

Sergey Lagodinsky, Member of the European Parliament, sees no concrete effect of personal sanctions, while sectoral sanctions, in his view, have not yet been activated to the full power available to the EU. In general, the assessment of the impact of sanctions is always contradictory: for example, Crimea did not return to Ukraine as a result of sanctions against Russia, but there were no new annexations either. However, there should always be dialogue, but it is a question of level and context. High political dialogue in the context of humanitarian blackmail is not something Europe should do, as any wrong signals to the regime should be avoided.

Sergey believes that when Moscow is discussed, Belarus should not always be discussed as well: such a linkage rather gives Moscow a trump card. And in general, the solution of the Belarusian crisis is complicated by the fact that for Putin it is a geopolitical game.

Stefan Kägebein, Regional Director for Eastern Europe at the Eastern Committee of the German Economy, considers continued support for the private sector in Belarus to be key. In his opinion, this supports the demand for public dialogue, and this is the potential that has been growing in the past years. All the more so because in its current state the Belarusian economy is strategically dependent on Russia, which accounts for more than half of its imports and exports. In the long run, the EU should be prepared to offer Belarus support for reforms, even if it is not yet possible.

Katsiaryna Shmatsina, analyst at the Belarusian Institute for Strategic Studies (BISS), drew attention to the attitude of the Belarusians who, according to sociological data, are in favour of the free movement of people, goods and services across the border with Russia, but at the same time support Belarus' independence. The current aid provided by Moscow to Lukashenka has a negative impact on the support of Russia by the Belarusians. Therefore, Katerina believes it is not in Russia's interest to annex Belarus.

At the same time, we do not know how much it costs Russia to support Lukashenka's regime, and his personal relationship with Putin is not the best. Therefore, Moscow would not generally mind replacing him with a more acceptable figure. According to Shmatsina, such a figure for the Kremlin may not be Tsikhanouskaya, but rather Babaryka, who combines business ties with Russia and recognition of the cultural environment in Belarus. It is therefore important for Belarusian politicians not to use confrontational rhetoric and not to provoke the Russian bear.

Discussion moderator **Markus Meckel**, former foreign minister of the GDR, considers the position of special representative for Belarus (both in Germany and in the European Union as a whole) absolutely necessary. Then there would be someone to develop long-term strategies with regard to Belarus. In particular, Markus sees potential in the politicisation of diasporas. Although they cannot operate in the country now, it is an opportunity for Europe to interact with them: „we cannot export democracy to Belarus, but we can support those who can contribute to it“.