



BELARUS

Bi-weekly News Digest

July 8– July 22, 2005

July 9: Witch Hunt

Police detained 11 participants in the Brest region during an election meeting for the National Congress of Democratic Forces. The meeting took place in a private home with more than 30 participants.

<http://www.charter97.org/eng/news/2005/07/11/brest>

July 11: No Early Presidential Election Expected?

Deputy Head of the Presidential Administration Natalya Petkevich dismissed expectations of an early presidential election. The next presidential election is scheduled for summer 2006.

<http://www.charter97.org/eng/news/2005/07/11/prez>

July 15: Price Liberalization – Necessity or Requirement?

The Belarusian Ministry of Economics intends to liberalize prices. However, according to the Deputy Minister of Economics, state regulation of prices for housing, communal services, and natural monopolies will be preserved in the future.

<http://en.rian.ru>

July 15: Festival in Belarus

The “Slavic Bazaar,” an international art festival, opened in Vitebsk with a traditional concert, fireworks, and outdoor festivities. The seven day long festival hosted participants from 30 countries and presented over 80 programs.

<http://www.charter97.org/eng/news/2005/07/22/bazar>

July 15: No More Foreigners

Dr. Terry Boesch, a professor of international law and business in the United States, was expelled from Belarus for unexplained reasons. Dr. Boesch had worked at Belarusian State University since 2003. He was denied a visa extension and was forced to leave the country within 72 hours.

<http://www.charter97.org/eng/news/2005/07/18/professor>

July 15: Democratic Unity – Reality or Farce?

More than 1500 people took part in regional conferences to nominate delegates to the National Congress of Democratic Forces. Conferences were held in 42 regions and elected 72 delegates to the Congress. However, eight conferences were recognized as illegitimate for violations of organizational procedure.

<http://www.charter97.org/eng/news/2005/07/14/more>

July 16: Diplomatic Tit-for-Tat

Polish diplomat Andrzej Buczacki, an advisor in the Polish Embassy, was expelled by the Belarusian Foreign Ministry in response to the expulsion of the Belarusian Embassy's counselor in Warsaw.

<http://www.charter97.org/eng/news/2005/07/18/poland>

July 20-21: How Strong are Ties?

Alexander Lukashenko went to Russia for a two-day visit at the invitation of Russian President Vladimir Putin. The two leaders discussed bilateral relations and cooperation in the trade and economic sectors.

http://www.kremlin.ru/appears/2005/07/20/2210_type63377_91638.shtml

July 21: New Arrests

Eight activists from Zubr, a youth pro-democracy organization, were detained by police when they unfurled a three-meter-long banner with the slogan "Freedom to political prisoners!" in the center of Minsk. The protest rally marked the 11th anniversary of Lukashenko's coming to power. The Zubr activists were released later that day.

<http://www.charter97.org/eng/news/2005/07/21/omon>

July 22: Joint TV Channel

A new TV channel "TVCenter-Bel," a joint project between Russia and Belarus, will appear in autumn 2005. Oleg Poptsov, head of the Russian TV company TVC, and Elena Stoikova, general director of the Belarusian company Vivalen, signed an agreement last week in Minsk. The main goal of the new company is to promote mutual integration between the two countries.

http://www.ng.ru/politics/2005-07-19/1_superchannel.html

July 22: New Survey – is hope on the way?

Some 48 percent of Belarusians would vote for the incumbent president, Alexander Lukashenko, in the next presidential election, according to a survey conducted by the Gallup Baltic Service between 6 June and 3 July. The poll was held under a program carried out by the International Republican Institute. The survey found that 38 percent of eligible voters are opposed to the re-election of Lukashenko. Only 22 percent of the respondents under 29 said they would vote for Lukashenko, while 64 percent would like the incumbent to leave office in 2006. Only one in four respondents said they would back opposition forces and some 37 percent refused to reply.

<http://www.charter97.org/eng/news/2005/07/22/48>

Compiled by Natalia Moustafina

Belarusian Model for Development – Reality or Myth?

Natalia Moustafina

President Lukashenko went to Russia on a two-day visit, provoking a great deal of speculation in the media regarding the purpose of the trip. It was the fourth meeting between Putin and Lukashenko this year. In his interview after the visit President Lukashenko talked about threat posed by western forces that attempt to launch a revolution in Belarus. It seems that President Putin shares the same fears. Although President Lukashenko came back confident of Russian support, he did not hide his rage and disbelief regarding unfriendly and rather controversial remarks made by the recently appointed Russian Ambassador Dmitry Ayatskov, earlier that week.

Belarus and Russia are now linked not only through a multitude of bilateral treaties and agreements, but also by a common fear of revolutionary change. Political scientists are working to identify the common factors that contributed to the success of democratic breakthroughs in the countries of Serbia, Georgia, Ukraine and Kyrgyzstan. However, President Lukashenko believes that he is already aware of them, though he emphasizes one crucial factor – economic development. He firmly believes that economic growth, stable jobs, revival of villages and low inflation rates will secure the country from any major calamity including a “color revolution.” Indeed, since 1996 Belarus has enjoyed a rapid recovery of its GDP and steady economic growth, one of the highest in the CIS. Furthermore, the current Belarusian administration has claimed credit for the country’s ranking in the UN Human Development Index, ahead of other CIS countries (2001).

But how strong is the economy of Belarus? The present system in Belarus has been characterized by some analysts as a market-administrative mix with soft budget constraints, non-market allocations of credit, severe administrative interventions and major obstacles to growth of the private sector. Moreover, the reintroduction of central planning institutions, underpinned by the political stance of the regime, became the means to resolve the macroeconomic crisis: price controls limit inflation; obligatory work placement after a student’s graduation counteracts a shortage of professionals in rural areas; numerous fees and user-charges across all the sectors contribute to the state’s budget. Moreover, Russia has boosted Belarusian exports and secured supplies of fuel, raw materials, and industrial commodities, primarily by means of barter transactions. To some extent, the Russian subsidies are used to finance unsustainable economic and social policies. For the most part, Russian economic support has functioned as a disincentive for any reform in the Belarusian economy.

The World Bank recommends that Belarus take advantage of the strong growth the economy is enjoying. The economy currently benefits from favorable external conditions, but it remains vulnerable should these conditions change. The low level of foreign reserves, significant economic dependence on Russia, notably for energy imports, weakness of the banking sector, and instability of the pension system all pose risks to Belarusian economic development. The use of political and administrative means to promote exports to Russia has reduced incentives for industrial restructuring and improving the international competitiveness of Belarusian exports. The World Bank foresees a clear fall in GDP growth rate in Belarus unless these vulnerabilities are addressed through reform. The country should diversify the structure and widen the base of its exports, find other sources for export revenue apart from petroleum products and mineral fertilizers.

However, if economic growth, according to President Lukashenko's beliefs, provides sustainability for autocratic regime, maybe a projected economic downfall will provoke a major democratic breakthrough.