

Belarus: An Overview

In recent years, observers have looked for signs of change in the foreign and domestic policies of Belarus, a nondemocratic state in Eastern Europe that is highly dependent on Russia. The U.S.-Belarus relationship is not an easy one, though the two countries periodically have sought to increase their engagement. Few anticipate major governance or foreign policy changes in Belarus in the near term. Observers debate, however, whether incremental shifts may be possible.

Political Overview

Belarus became independent in 1991, after the collapse of the Soviet Union. President Alexander Lukashenko, who was first elected president in 1994, has led Belarus for more than 23 years.

Observers consider Belarus to have an authoritarian system of governance that restricts most political and civil liberties. The U.S.-based nongovernmental organization Freedom House gives Belarus a "freedom rating" of "not free," the same score it gives Russia.

In recent years, some observers have suggested that the Belarusian government has taken steps to become a "softer" authoritarian regime, while others consider such steps to be more symbolic than substantive. The government released several political prisoners in 2015. In 2016 elections, opposition candidates were allowed to win 2 of the 110 seats in the lower house of the Belarusian parliament. In 2017, the civic movement Havary Pravdu (Tell the Truth) was officially registered after trying to do so for seven years.

Meanwhile, the government continued to crack down on political protest and opposition. In February-March 2017, the government confronted a rare outburst of economic protest across the country, focused on the government's imposition of what many referred to as a "social parasite" tax of approximately \$250 on the unemployed and underemployed. These protests appeared to be more of a grassroots movement than previous demonstrations, but they dovetailed with more traditional "Freedom Day" protests on March 25, an annual commemoration of Belarus's short-lived independence from Russia in 1918.

Although the government suspended the tax, security forces detained hundreds, including journalists and activists. They also arrested other individuals, accusing them of belonging to nationalist and youth groups intending to foment violent unrest (though the government dropped these charges at the end of November 2017). During the year, some opposition leaders were imprisoned for various infractions, but for several days at a time as opposed to months or years (as has been the case in the past).

January 19, 2018

IN FOCUS

Figure I. Belarus Facts



Sources: CRS Graphic. Map created by Hannah Fischer using data from Department of State (2015) and Esri (2016). CIA World Factbook.

Relations with Russia

Belarus is one of Russia's closest allies and economic partners. It is a member of the Russian-led Collective Security Treaty Organization (a security alliance) and shares a joint air defense system with Russia.

In September 2017, Belarus hosted a portion of the Russialed Zapad 2017 military exercises. The exercises centered on a simulated defense against attack by an alliance of fictional states (including one located in western Belarus) seeking to undermine Belarus's ties to Russia.

Belarus is also a member of the Eurasian Economic Union and relies heavily on Russian loans and subsidized gas and oil. In particular, Belarus benefits from the import of subsidized crude oil, which it refines for export.

Tensions between Belarus and Russia have been visible in recent years. The two countries have been at odds over oil and gas prices and supplies, Belarusian debt, Russian border controls and trade restrictions, and other issues. Belarus also has resisted hosting a Russian military airbase.

In a February 2017 speech, Lukashenko extensively criticized what he characterized as Russia's overbearing policy toward Belarus. Afterward, Lukashenko and Russian President Vladimir Putin struck a deal that appeared to resolve some key differences concerning the oil and gas trade, although some observers consider the deal temporary and anticipate future disputes. Tensions relate in part to Russia's military actions in Ukraine, according to some observers. Given the possibility that Russia could take such action against Belarus one day, Lukashenko reportedly has become more wary of Russian intentions and has sought to protect Belarus's national sovereignty and his own regime's independence. In part, this has meant making overtures to the West (see "Relations with the West," below).

At the same time, Lukashenko is wary of popular protests that could lead to domestic destabilization. This wariness, in addition to Russian subsidies, encourages him to stay close to Moscow. The Russian government, for its part, appears to seek as much loyalty from Lukashenko as it can while limiting the cost of subsidizing his regime with discounted energy prices and loans.

Relations with the West

U.S. and European Union (EU) relations with Belarus have been challenging for many years, although all sides periodically have sought to improve relations. The latest attempt at rapprochement began in 2015, in the wake of Russia's aggression in Ukraine. After the Belarusian government released several political prisoners that year, the EU suspended and then lifted most of its human rightsrelated sanctions against Belarus.

The United States has retained human rights-related sanctions on Belarus. Sanctions were first introduced in the Belarus Democracy Act of 2004 (P.L. 108-347, 22 U.S.C. 5811) and expanded in the Belarus Democracy Reauthorization Act of 2006 (P.L. 109-480) and the Belarus Democracy and Human Rights Act of 2011 (P.L. 112-82). Since 2015, sanctions have been waived for several state-owned companies.

The United States has a limited diplomatic presence and no ambassador in Belarus, originally due to restrictions imposed by Minsk in 2008. In recent years, Belarus has indicated a willingness to again exchange ambassadors.

Belarus recently began to welcome more tourism. In February 2017, Belarus introduced visa-free travel for five days for travelers from around 80 countries. Reportedly, most new travelers came from Germany, Poland, Italy, the United States, and the United Kingdom, and tourism revenues rose in 2017.

Belarus also has been more diplomatically engaged in Europe. In addition to hosting the Minsk process to resolve the conflict in Ukraine, in 2017 Belarus hosted the Organization for Security and Co-operation in Europe (OSCE) Parliamentary Assembly, chaired the Central European Initiative (a regional forum), and hosted several EU delegations. It also invited dozens of foreign representatives, including one from the U.S. Helsinki Commission, to attend events related to Zapad 2017 as "distinguished visitors" (not as part of an observation mission). Despite expectations that Lukashenko would attend the EU's Eastern Partnership Summit in November 2017, he ultimately declined. EU assistance to Belarus from 2014 to 2017 amounted to €91.5 million (around \$110 million at the current exchange rate). The United States provides a smaller amount of assistance to Belarus: around \$35 million from FY2014 to FY2017 (including \$9 million for FY2017). Current U.S. assistance supports civil society, small business development, and vulnerable populations. For FY2018, the Trump Administration requested no assistance for Belarus. The Senate Appropriations Committee recommended \$9 million.

The Economy

Since independence, the Belarusian state has played a large role in the country's economy. Some observers suggest that because the government avoided difficult market reforms, it experienced a relatively milder post-Soviet decline than its neighbors. Between 2004 and 2008, its gross domestic product (GDP) grew 10% a year on average.

At the same time, the International Monetary Fund (IMF) has noted that the state's large role in the economy "distort[s] resource allocation and efficiency." From 2012 to 2014, GDP growth was less than 2% a year. Since 2015, Belarus's economy has suffered further from declining oil prices and Russia's own economic downturn. Belarus's GDP declined by 3.9% in 2015 and 2.7% in 2016. Oil export revenues declined substantially between 2012 and 2016.

Although Belarus's recession has ended, observers estimate growth of less than 2% in 2017. The IMF projects around 2% annual growth for Belarus over the medium term, due to "negative demographics, weak credit conditions, and lagging productivity and competitiveness."

Observers suggest that the Belarusian government recognizes the need for at least some economic reforms. The IMF states that the government is taking steps to improve the operations of state-owned enterprises, which employ around half of Belarusian workers and are responsible for more than 60% of total output. It also states that the government seeks to encourage the growth of small- and medium-sized businesses and attract foreign investment. However, the IMF notes that "progress in many areas is slow and implementation has lagged."

Belarus's largest trading partner is Russia. In 2016, more than 50% of Belarus's merchandise trade was with Russia. The EU as a whole is Belarus's second-largest trading partner, making up more than 20% of its merchandise trade in 2016.

Belarus's next-largest trading partners are Ukraine (less than 10%) and China (around 5%). In 2016, its main exports were oil and mineral fuels (21%), fertilizers (10%), dairy products (8%), motor vehicles (8%), and industrial machinery (6%).

Cory Welt, Analyst in European Affairs

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.