

BELARUS



Polity: Presidential

Economy: Statist

Population: 10,000,000

GNI per capita at PPP \$ (2000): 7,550

Capital: Minsk

Ethnic Groups: Byelorussian (78 percent), Russian (11 percent), other, including Polish and Ukrainian 11 percent)

Size of private sector as % of GDP (mid-2001): 20

The scores and ratings for this country reflect the consensus of Freedom House, its academic advisors, and the author of this report. The opinions expressed in this report are those of the author.

↓↓ and ↑↑ indicate score changes of .25 or more. ↓ and ↑ indicate changes of less than .25.

NATIONS IN TRANSIT SCORES

	1997	1998	1999-2000	2001	2002
Democratization	5.90	↓↓ 6.20	↓ 6.44	↓ 6.56	6.56
Rule of Law	na	na	5.88	↓ 6.00	6.00
Economic Liberalization	6.00	↓↓ 6.25	6.25	6.25	6.25

KEY ANNUAL INDICATORS

	1995	1996	1997	1998	1999	2000	2001
GDP per capita (\$)	1,009.2	1,349.9	1,368.2	1,483.8	1,210.8	1,275.4	1,095.5
Real GDP growth (% change)	-10.4	2.8	11.4	8.4	3.4	5.8	2.5
Inflation rate	709.3	52.7	63.8	73.2	293.8	168.9	59.8
Exports (\$ millions)	4,803.0	5,790.0	6,919.0	6,172.0	5,646.0	6,987.0	7,335.0
Imports (\$ millions)	5,469.0	6,939.0	8,326.0	7,673.0	6,216.0	7,825.0	7,981.0
Foreign Direct Investment (\$ millions)	15.0	105.0	350.0	201.0	443.0	90.0	100.0
Unemployment rate	2.7	3.9	2.8	2.3	2.2	2.1	2.2
Life Expectancy (years)	68.5	68.6	68.5	68.4	67.9	68.1	68.0

INTRODUCTION

In the decade since the collapse of the Soviet Union, Belarus has become a presidential dictatorship and a consolidated autocracy. President Alyaksandr Lukashenka came to power in 1994 following an election that international observers deemed free and fair. Since then, though, he has steadily strengthened his grip on power by reintroducing censorship, frustrating the work of independent trade unions, and limiting the rights of candidates for elected office. His government has also severely limited civil liberties, including freedom of association, assembly, religion, movement, speech, and the press. A 1996 referendum on amendments to the Constitution extended Lukashenka's term in office from five to seven years and broadened his control over the legislative, executive, and judicial branches of government. Lukashenka received an additional five years in office when he proved victorious in the presidential election of September 9, 2001.

A weak opposition, a passive and apathetic population, a popular president, and a historical legacy of weak dissident movements have all contributed to the stability of Belarus's political system. Internal security forces have also been key to the endurance of Lukashenka's authoritarian regime. This fact is reflected in the 2002 state budget, which allocates \$3 million to the presidential guards—a sum greater than the amount allocated to Parliament and the government combined.

Lukashenka halted economic liberalization in 1995 because it contradicted his plans to establish a neo-Soviet regime. Instead, he has fostered an atmosphere that is hostile to private enterprise and inhibits foreign investment. Since the government is largely committed to a planned economy, it has generally blocked privatization and has continued to provide subsidies to loss-making state enterprises. To date, only 10 percent of state enterprises and 40 percent of communal enterprises have been privatized.

Following his reelection in September 2001, Lukashenka announced that he would support tentative steps toward economic liberalization, and he ordered the government to submit a new reform plan to him before the end of the year. He did so in large part because he was under pressure from high inflation rates, reduced subsidies from Russia, and strict requirements from the International Monetary Fund and the World Bank to introduce reforms. Although implementation of any such program would represent a sea change in Lukashenka's attitude toward the market, international financial organizations remain cautious about the president's new enthusiasm. Just prior to the election, Belarus failed to complete a six-month reform program that the IMF had considered a prerequisite to new loan negotiations. Likewise, at year's end the president rejected "shock therapy" as part of any reform plan.

Belarus's deteriorating human rights situation has led to the isolation of the Lukashenka regime. Western govern-

ments and international organizations, including the United States, the European Union, the Organization for Security and Cooperation in Europe, and the Council of Europe, have systematically documented the spread of authoritarianism and antidemocratic practices in the country and have refused to recognize the 1996 referendum that disbanded the Supreme Soviet. They have also concluded that the parliamentary elections of 2000 and the presidential election of 2001 were not democratic.

In 1997, in response to the 1996 referendum on presidential power, the Council of Europe suspended Belarus's guest status. In November 2001, the COE's Parliamentary Assembly recommended that the suspension remain in place until the Belarusian regime shows greater respect for human rights. Also in 2001, Radio Liberty doubled its broadcasts to Belarus, and the U.S. Congress introduced the Belarus Democracy Act, which seeks to impose sanctions on Belarus and provide \$30 million in assistance for Belarusian democratic forces (including political parties), the development of independent media, and other democracy-building activities. Although the opposition hailed the bill, Foreign Minister Mikhail Khvastou warned that it could lead to the severance of diplomatic relations between Belarus and the United States. President Lukashenka decried the provision as "colossal support to the forces that have already started to destabilize the situation in the country." He then refused to hold any further talks with the opposition. As of November 2001, the bill had been read twice and referred to the U.S. Senate Committee on Foreign Relations.

In December 1999, Russia and Belarus signed a treaty that outlined plans for the creation of a union state, including a unified legal and economic space and extensive political and military integration. In July 2000, the 10th anniversary of the declaration of Belarusian sovereignty, an all-Belarusian congress declared its opposition to the union treaty and called for democratic reforms. Western and Central European diplomatic envoys were in attendance. To date, the Belarus-Russia union remains amorphous, and the two sides have made tangible progress only in the security sphere.

DEMOCRATIZATION

Political Process

1997	1998	1999-2000	2001	2002
6.00	6.25	6.75	6.75	6.75

President Alyaksandr Lukashenka's regime is clearly authoritarian. It is neither as harsh as the former Soviet regime nor as liberal as a Western democracy. Instead, it is an ideological amalgam of pan-Eastern Slavism, Russian Orthodoxy, and Soviet-style Belarusian nationalism.

In a 1999 interview with *Rossiyskaya Gazeta*, Lukashenka admitted that "elements" of authoritarianism existed

in Belarus. Since then, he has increasingly introduced Soviet-style practices such as creating political parties, civic organizations, trade unions, and youth groups that are loyal to the authorities and help project the appearance of pluralism. At state enterprises and offices, he has also reappointed political informants whose assignment is to explain and mobilize support for government policies.

Belarus's education system also remains a vehicle for propagating the regime's ideological policies. President Lukashenka has controlled entrance examinations for institutions of higher education for several years. In 2001, he imposed additional restrictions on school curricula after complaining to a congress of teachers that classrooms were "places for [the] ideological deprivation of the youth." Even the Academy of Sciences lost its independence when, in 2001, Lukashenka decreed that henceforth he would appoint the body's president and approve members of its presidium. He then appointed the former head of his presidential administration, Mikhail Myasnikovich, as the academy's president. The Belarusian Helsinki Committee denounced the new policies as evidence of the state's increasingly "totalitarian character."

During the period covered by this report, new evidence surfaced about the existence of an official death squad that might be responsible for the disappearance of leading opposition figures, including former Interior Minister Yuriy Zakharank, former Deputy Chairman of the Supreme Soviet Viktor Ganchar, and Ganchar's business colleague Anatol Krasovsky. First, in November 2000, the independent news agency Belapan received an anonymous letter from an officer in the Belarusian security services that detailed how a special unit of the Presidential Protective Service allegedly had murdered both Ganchar and Dmitry Zavadsky, a cameraman with Russian Public Television (ORT). This special unit is known as *Almaz*.

Second, in 2001, Ivan Tsitsyankou, the former head of the presidential administration, gave an interview to the independent newspaper *Den* in which he suggested that Lukashenka's involvement in the disappearance of opposition leaders was "obvious." Since the interview, Tsitsyankou's family has accused Lukashenka of ordering the prosecutor-general's office to take revenge on them. The offices of *Den* have been burglarized twice.

Third, the newspaper *Belorusskaya Delovaya Gazeta* published an interview with Aleh Alkayeu, the former warden of Minsk's death row prison, who claimed that Almaz commander Dmitry Pavlyuchenka had borrowed the prison's execution pistol on a number of occasions. Fourth, during the 2001 presidential campaign, Uladzimir Hancharyk, head of the Federation of Trade Unions of Belarus (FTUB) and the united opposition candidate in the election, released documents that appear to implicate several government authorities in the disappearance of opposition politicians. Belarusian officials denied the accusations. And fifth, during the same period, Dmitry Petrushkevich and Aleh Sluchek, two former investigators with the state procuracy,

requested asylum in the United States after revealing additional documents that appear to point to Lukashenka's involvement in the death squad.

In October 2001, during a visit to Gomel, Lukashenka admitted the existence of a special unit that had been established to murder organized crime bosses. However, mounting evidence suggests that the same death squad went on to murder the president's political opponents—a fact Lukashenka vehemently denies. The prosecutor-general's office has refused to open an investigation into the squad and the disappearances. However, it is important to note that Almaz allegedly operates under the direction of Prosecutor-General Viktor Sheiman, the former head of the National Security Council.

In November 1996, Belarus held a controversial referendum in which 84.14 percent of voters approved substantial changes to the 1994 Constitution. These included extending the presidential term from five to seven years, expanding presidential powers, and creating a pliant bicameral *Natsionalnoye Sobranie*, or Parliament. The Supreme Soviet, which voters had elected freely in 1995, was subsequently dissolved. Western governments have refused to recognize the legitimacy of the new assembly.

In October 2000, Belarus held its first parliamentary elections since the creation of its new Parliament. In advance of the election, the Chamber of Representatives unanimously accepted 10 amendments to the electoral code. These included provisions on the regulation of election observers, the ability of candidates to run in locales in which their parties do not have registered branches, and the collection of signatures in support of candidates. Lukashenka rejected proposals to allow members of the opposition to fill up to 30 percent of the seats on electoral commissions, to lower the valid turnout rate to 25 percent, to make authorized copies of electoral commission records available to election observers, and to abolish the practice of early voting.

The Organization for Security and Cooperation in Europe, the Council of Europe, and the European Union concluded that the new electoral code did not meet international democratic norms, and they refused to send official observers. Instead, they sent one technical team to gather information on the campaign and a second team to monitor the balloting. The only international observers present during the elections were from Russia and the Inter-Parliamentary Assembly of the Commonwealth of Independent States.

In addition, the OSCE had organized a dialogue between the opposition and government authorities that was intended to ensure a free and fair campaign. Specifically, opposition parties agreed to participate in the elections if the government passed a more democratic and transparent electoral code; guaranteed equal access of candidates to state media; ceased its harassment and imprisonment of opposition figures; and granted Parliament more substantial duties. However, when Lukashenka stacked the dialogue with 81 pro-government parties and nongovernmental organizations and failed to meet the opposition's demands, sev-

eral opposition parties decided to boycott the election. (After the 2001 presidential election, Lukashenka again offered to launch another “sociopolitical dialogue,” and eight opposition parties confirmed their willingness to participate. However, President Lukashenka rescinded his offer two months later in response to U.S. proposals to grant \$30 million in aid to Belarusian democratic forces.)

Ultimately, seven opposition parties boycotted the elections. Several opposition leaders, including Mihalay Statkevich and Mikhail Chyhir, registered as candidates. However, Chyhir withdrew from the second round after accusing the authorities of using “dirty techniques” against him.

In September 2000, Lukashenka addressed 2,500 delegates of the Congress of Soviets of Peoples Deputies, a reconstituted Soviet-era institution, and asked them to campaign for pro-regime candidates. The congress unanimously backed Lukashenka’s domestic and foreign policies. That same month, police confiscated a special edition of *Rabochy*, the newspaper of the Belarusian Free Trade Union, that was devoted to the election and called for a boycott. Police also arrested the newspaper’s editor, its legal adviser, and the owner of its printing house on charges of “propagandizing an election boycott,” an activity that is illegal under the administrative offenses code but not under the electoral code.

Voting in the election began five days early, and managers at state-owned enterprises ordered workers to vote or risk dismissal. University staff also held mass meetings with students and demanded that they vote. Lukashenka considered the election a dress rehearsal for the 2001 presidential election, and he aimed to secure an overwhelmingly pro-regime majority in the lower house.

The Belarusian Central Election Commission (CEC) reported that voter turnout was 60.6 percent. It validated the results in 96 out of 110 constituencies and confirmed the election of 43 deputies. Runoffs in 53 constituencies and new elections in the 28 constituencies in which voter turnout was less than 50 percent took place on October 29. The Coordinating Council for Election Observation, which fielded 5,500 observers, disputed the election commission’s findings. It reported 5,000 infringements such as voter intimidation, campaigning for pro-regime candidates on election day, ballot box stuffing, early compulsory voting in military units and institutions of higher education, and shortening of election lists to obtain the necessary turnout figures. Opposition observers also reported that turnout was below 50 percent in 31 constituencies—not in 13, as officially reported—and that overall turnout was 15 percent less than the official results. They claimed that voter turnout in Minsk was less than 50 percent and, therefore, invalid.

In 1994, the Supreme Soviet overwhelmingly approved a new Constitution that called for a strong presidency. That same year, voters elected Lukashenka, a 39-year-old non-party populist who had campaigned on an anticorruption platform, as president. In an election that international observers considered free and fair, Lukashenka took 45 percent of the vote in the first round. His closest challenger

was then Prime Minister Vyacheslau Kebich, a pro-Russian centrist, who finished the first round with 17 percent of the vote. In a runoff, Lukashenka defeated Kebich with an overwhelming 80 percent of the vote.

Under the 1994 Constitution, Lukashenka’s presidential term expired on July 20, 1999, and an election should have been held before May 20. Opposition members held an unofficial election on May 16, and claimed that approximately four million voters, or 53 percent of the electorate, participated. Nevertheless, the ballot results were declared invalid and the opposition CEC was unable to declare a winner because of problems encountered during the voting process. Between March and May 1999, the Belarusian Helsinki Committee recorded more than 100 cases of persecution of persons who had participated in the unofficial election. According to the 1994 Constitution, since a valid election was not held after the expiry of Lukashenka’s official term in office, the legal head of state is Siamion Sharetski, chairman of the disbanded 1994 Supreme Soviet.

The Belarusian Civic Initiative promoted a challenger to Lukashenka in the September 2001 presidential election and created the Election 2001 bloc that united opposition groups such as the Belarusian Helsinki Committee and members of the 1994 Supreme Soviet. By July 2001, only 4 out of 25 candidates had collected the legally required signatures to register as candidates. These were Lukashenka, Hancharyk, Syamyon Domash, and Liberal Democratic Party (LDPB) leader Syarhey Haydukevich. Domash subsequently withdrew from the campaign and gave his support to Hancharyk. The opposition bloc that backed Hancharyk consisted of national democrats and centrists from the former state bureaucracy, Russophone liberals, and new business interests.

Official state media and Lukashenka poured Soviet-style scorn upon Hancharyk and the opposition and accused them of being “anti-Russian” and “fascist.” Hancharyk received only a quarter of the media’s campaign coverage, and almost all of it was negative. In contrast, the official media’s coverage of the incumbent was positive.

Several foreigners were accused of espionage or other crimes on behalf of the opposition. Robert Fielding, a representative of the AFL-CIO, was expelled from the country and accused of plotting to overthrow Lukashenka. A German citizen, Christoph Lez, and an Italian citizen, Antonio Piu, were arrested as spies and sentenced to seven and four years, respectively, in prison. They received pardons after the election. Prior to the election, President Lukashenka also banned the use of foreign assistance to support election campaigns, rallies, seminars, and propaganda. The OSCE was unable to organize a full-fledged monitoring mission because it was not allowed into Belarus until three weeks before the election. State media continually portrayed the OSCE as a Trojan horse for the Western-backed opposition, and Lukashenka accused it of conspiring with the opposition to destabilize the country with 14,000 to 18,000 “militants” disguised as election monitors.

The campaign itself was fraught with irregularities. The media in particular were subject to manipulation. When official newspapers carried Lukashenka's campaign material, they increased their circulation and distributed copies free of charge. In contrast, state media censored Hancharyk's election materials. When opposition newspapers tried to publish his campaign platform, authorities forced them to print blank pages. Beltelecom, the state Internet service provider, shut down their Web sites on election day.

Authorities also seized issues of opposition newspapers such as *Nasha Svaboda*. The State Committee on the Press issued warnings to newspapers like *Svobodniye Novosti* for the "dissemination of false information." Likewise, in an attempt to halt the publication of opposition newspapers, authorities raided the Magic printing house on several occasions, sealed Magic's premises, and froze its bank account during a tax inspection. Tax police also seized computers from *Nasha Svaboda*, *Belaruskiy Uschod*, *Volny Horad*, *Novaya Gazeta Smorgoni*, *Kutseyna*, and *Narodnaya Volya*. The KGB threatened the Grodno newspaper *Pahonya* with closure. The office of *Den* was burgled twice and its computer disks stolen.

During the campaign, police raided the offices of the following NGOs: Voters' Club, Charter-97, Spring (Viasna) 96, the Union of Belarusian Students (ZBS), the Association of Journalists, Aslon, Civic Initiatives, Gart, Ratusha, Kontur, and Vilenshina. Several months after the election, the Ministry of Justice banned the ZBS. According to Krystyna Sidun, the head of the ZBS, the organization was closed "because most students voted against Lukashenka in the presidential elections." Riot police also broke up campaign meetings with Hancharyk in Soligorsk.

The election itself proved open to massive fraud. Authorities encouraged early voting as a way of manipulating the vote count in favor of the incumbent, and 14 percent of the electorate allegedly voted early. The opposition Belarusian Party of Communists (BPC) claimed that authorities had distributed blank voting ballots to rural councils. Territorial electoral commissions consisted mainly of pro-Lukashenka representatives, and applications to the commissions by approximately 600 persons with ties to the opposition were rejected. As the OSCE noted in its final report on the election, "With only 239 out of some 80,000 commission members nominated by political parties, the Electoral Code clearly failed to ensure a balanced representation of both pro-governmental and opposition political interests in the commissions."

According to official election results, President Lukashenka proved victorious in the first round with 75.65 percent of the vote. Uladzimir Hancharyk, the opposition-backed candidate, received only 15.65 percent. Syarhey Haydukevich, the leader of the LDPB, received only 2.48 percent. However, the official outcome contradicted many public opinion polls, which projected public support for Lukashenka at only 33–48 percent. Hancharyk and the opposition alleged that the first-round

results had been falsified and that the real result was closer to 46 percent for Lukashenka and 40 percent for Hancharyk. If accurate, this outcome would have forced a second round of voting—something Lukashenka wanted to avoid, since it would have presented voters with a clear choice between the incumbent and the democratic opposition. The Club of Voters, an NGO that monitored the election, claimed that up to 25 percent of all votes cast for Hancharyk were given to Lukashenka. This provides further support for Hancharyk's claim that Lukashenka did not win in the first round.

The OSCE concluded that the election had "fundamental flaws," and the U.S. State Department called it a "facade." Only the CIS Inter-Parliamentary Assembly concluded that the election had been free and fair.

Since 1990, voter turnout at the municipal, provincial, and national levels has been declining. Although official figures are typically high, opposition parties and election observers challenge them consistently. For example, when official turnout for the 1996 referendum on presidential powers was reported at 84 percent, opposition parties claimed that the figure had been falsified. Voter turnout had allegedly surged by 26 percent in the last four hours of polling. Viktor Gonchar, the head of the election commission until just before the referendum, called the figure "simply fantastic." Similarly, official turnout in the October 2000 parliamentary elections was 60 percent, but the opposition claimed that the true figure was closer to 45 percent.

According to official figures, voter turnout for the September 2001 presidential election was 84 percent. The united opposition disputed these results and claimed instead that the elections should have gone to a second round between Lukashenka and Uladzimir Hancharyk. In its final report, the OSCE Office for Democratic Institutions and Human Rights confirmed that the elections failed to meet COE and OSCE standards for democratic elections. Since the election, the OSCE has criticized the purges and arrests of managers and state officials who backed Hancharyk. Even the chairman of the Russian Central Election Commission concluded that the elections had complied with only some international election standards.

Section I, Article 5, of the Constitution states that "political parties and other public associations acting within the framework of the Constitution and laws of the Republic of Belarus shall contribute toward ascertaining and expressing the political will of the citizens and participate in elections." Section II, Article 36, enshrines "freedom of association." However, the Constitution also states that parties can be banned if they aim to change the government by force or to propagate war or ethnic hatred.

Opposition parties face numerous restrictions and regular harassment in Belarus. In recent years, authorities have raided the headquarters of numerous opposition parties, suspended or seized their publications, and arrested and detained their leaders. Some opposition leaders have even been forced to seek asylum in the West.

One notable case of harassment is that involving former Prime Minister Mikhail Chyhir. In November 1999, authorities released Chyhir after he served eight months in prison on embezzlement charges. In May 2000, though, a Minsk court convicted him on new charges of abuse of power, gave him a three-year suspended sentence, and fined him \$220,000. Although the conviction deprived Chyhir the right to hold office for five years, he was allowed to register as a candidate in the 2000 parliamentary elections. Chyhir's son, Alyaksandr, went to trial in December 2001 for car theft. However, he claims that prosecutors have trumped up the charges in order to apply political pressure on his father.

As of December 2000, there were 18 registered political parties in Belarus. Of these, only 10 or 12 function at the oblast and raion levels. Belarusian parties are divided into two camps: pro-Lukashenka and anti-Lukashenka. Pro-Lukashenka parties share similar ideological programs that combine dislike of economic reform, support for an authoritarian regime, disinterest in reviving the Belarusian language and culture, hostility toward the West and NATO, and strong support for a union with Russia and a revived Soviet Union. These parties, which form the base of support for the Lukashenka regime, include the Agrarians, the Patriotic Party, the CPB, the LDPB, and the Party of Labor and Justice.

The parties in opposition to Lukashenka have diametrically opposed ideological platforms. They range from nationalist parties that oppose Lukashenka's support for a union with Russia and his hostility toward Belarusian independence to reformist parties that support economic reform and democratization, as well as national revival. The former include parties such as the Conservative Christian Party and the National Party. The latter include the BPF, the Social Sport Party, the United Civic Party (UCP), the Belarusian Social Democratic Party (Narodnaya Hramada), the Social Democratic Party of Popular Accord, the Peasant Party, the Belarusian Christian-Democratic Party, and Hope. Other smaller reformist parties include the Party of Common Sense, the Party for Social Justice, the Party of Labor, the People's Party "Rebirth," the Green Party, the Republican Party, and the National Democratic Party. The most influential members of the opposition established the Coordinating Council of Democratic Forces in 1999. It consists of the BPF, the Belarusian Social Democratic Party (Narodnaya Hramada), the UCP, the Assembly of NGOs, the Congress of Democratic Trade Unions, and Charter-97. The Belarusian Party of Communists, unlike its rival the Communist Party of Belarus, is anti-Lukashenka.

On January 26, 1999, Lukashenka issued the presidential decree "On Some Measures to Regulate the Activities of Political Parties, Trade Unions, and Other Public Associations," which required all political parties to reregister. Although the government reregistered the majority of Belarusian parties, some, including the Belarusian Peasant Party, the Belarusian Socialist Party and the Christian-Democratic Choice Party, did not bother to reregister. The government refused to reregister the Belarusian Christian

Democratic Union and the Party of Common Sense because they lacked sufficient membership. The opposition BPC was denied registration because the Justice Ministry stated that it could not claim in its charter to be a successor to the Soviet-era Communist Party. Instead, the authorities registered the pro-government and hard-line CPB.

The proportion of the population belonging to political parties is minuscule. Membership figures are very unreliable but suggest that less than 1 percent of the population belongs to a party. In 1999, Belarus's opposition parties reported the following levels of membership: BPC, 20,000 members; Peasant Party, 12,000; Social Sport Party, 7,000; BPF, 5,000 (reported before its split in 1999–2000); Hope, 5,000; UCP, 3,000; and Social-Democratic Hramada, 2,000. The figures for pro-Lukashenka parties were LDPB, 18,000 members; Agrarians, 12,000; Patriotic Party, 12,000; and CPB, 7,000. Several pro-Lukashenka parties reported fewer than 3,000 members each.

The representation of women in Belarusian politics has declined since the abolition of the Soviet quota system. Only 13 women were elected to the Supreme Soviet in 1990 and only 9 women in 1995. Only 5 women joined the lower house of the new Parliament in 1996; 19 joined the upper house (thus accounting for 30.1 percent of the total number of deputies). In the current government, only 1 of the 27 ministers is a woman. Likewise, there are no female chairs of local authority councils.

Although women do exceptionally well in higher education, they are looked over for higher-paid and more influential professional positions. As a result, they represent a smaller percent of business executives, politicians, government officials, and members of the media. Women account for 20–50 percent of membership in political parties.

Civil Society

1997	1998	1999-2000	2001	2002
5.25	5.75	6.00	6.50	6.25

Belarus's state-controlled economy and its authoritarian political system have worked against the development of private philanthropic institutions and have made citizens wary of joining NGOs. As of January 2000, there were 8 confederations of associations, 153 international NGOs, and 709 national NGOs registered with the Ministry of Justice. There were also 955 local NGOs. Many of these groups maintain close ties to the government.

International organizations have criticized the Belarusian government's lack of tolerance for NGOs. Local NGOs face serious political and bureaucratic obstacles to registration and find it difficult to carry out their activities. The Law on Public Associations, which was adopted in 1994 and amended in 1995, regulates NGO activities. Since the law does not distinguish between for-profit and nonprofit NGOs, the latter do not receive any tax privileges. The government taxes in-

ternational humanitarian aid, and private businesses cannot write off donations to NGOs. There are no specific regulations on interest-group participation in politics. Article 40 of the Constitution protects freedom of assembly and the right to petition the government and state bodies.

Public demonstrations remain the main vehicle for expressing opposition to government policies. However, government restrictions have forced organizers to hold demonstrations on the outskirts of cities, to reduce the number of participants, and to prohibit the display of unregistered flags, symbols, and placards that “threaten the state.” Authorities have also tried to deter protests by imposing heavy fines on demonstration organizers and by subjecting them to administrative arrest. They have also used violence to break up unsanctioned meetings and marches. In February 2000, an undercover police officer detailed in the independent newspaper *Narodnaya Volya* how police are required to mingle with demonstrators, incite clashes, and provoke ambushes by riot police.

The majority of Belarus’s NGOs are based in large urban centers. More than 50 percent are concentrated in the capital, Minsk. These include educational, women’s, cultural, environmental, youth, religious, media, and business groups, and their total membership is estimated at approximately 100,000 people. However, according to some unofficial calculations, the number of opposition-minded individuals who are truly active in civil society hardly exceeds 20,000 nationwide. These include educational, women’s, cultural, environmental, youth, religious, media, and business groups. Some of the largest and most well-known NGOs are the Congress of Military Officers, the PEN Center, the F. Skaryna Language Association, the International Discussion Club, and the International Foundation for the Humanities. Most NGOs lack experience, skills, funds, staff, and overall organization.

Belarus’s 23 women’s NGOs engage in advocacy work related to employment, participation in political decision making, violence against women, and legal rights. Some of the most prominent women’s groups are the Belarusian Union of Women, the Independent Democratic Movement of Women, the All-Belarusian Women’s League, the Association of Young Christian Women, the Women’s Discussion Club, and the Belarusian Association of Women-Lawyers. There is also one opposition women’s political party, the Women’s Party Nadezhda (Hope). Women’s groups represent only a minority of the NGOs in the Assembly of Democratic NGOs in Belarus.

The fact that the number of youth NGOs and youth wings of political parties is growing in Belarus is a reflection of the radicalization of young people living under the Lukashenka regime. These groups include the Youth Information Center, the Belarusian National Scout Association, the Belarusian Student Association, the Youth Democratic Initiative, and the Youth Union. Groups with links to political parties, including the Leninist Young Communist League, Mlady Front (the youth wing of the BPF), Malada

Hramada (the youth wing of the Social-Democratic Hramada), UCP Youth (the youth wing of the United Civic Party), and the student movement Zubr, espouse views that range across the political spectrum.

The Belarusian Patriotic Youth Union and the Republican Pioneer Organization are among the pro-Lukashenka youth groups that receive funding from the state. These two groups are similar to the Soviet-era Pioneer and Komsomol youth organizations, and their creation in 1997–1998 helped mark the country’s return to a Soviet-style orientation. The antiregime Union of Belarusian Students was banned in December 2001.

Some NGOs provide independent legal assistance, defend human rights, and collect information on human rights abuses. These include the Association for Legal Assistance to the Population, the Center for Legal Protection, the League for Human Rights, the Association of Journalists, the Association of Prisoners of the Lukashenka Regime, the Center for Legal Protection of the Media, the Foundation for Legal Cooperation, the Helsinki Committee, the Human Rights Association, the Center for Human Rights, the Civil Society Center, Charter-97, the Movement for Free and Democratic Elections, and the local office of ProMedia (a program sponsored by the Washington-based International Research and Exchanges Board). The League for the Freedom of Sexual Minorities is a forum for gay and lesbian rights activists. Belarus has a few public policy research institutes, but they have no influence on the policy process.

In recent years, the state’s treatment of NGOs has worsened. Refusals of, or delays in, registration, intimidation and repression of NGO leaders, refusals to rent office space, and slander campaigns in the state media are common occurrences. In 1999, the president issued a decree that required all NGOs to reregister. The pro-regime officials who led the registration followed a new civic code that contained 20 reasons why an NGO might be denied registration, including its nonrecognition under the 1996 Constitution. Many NGOs did not even try to reregister because they assumed the state would refuse their application anyway.

In 1999, any activity on behalf of an unregistered NGO was made punishable by law. In addition, new regulations prohibited private organizations from using private residences as their legal address. Since the state also controls the use of public office space, this policy essentially denied many NGOs a place to work. Unregistered NGOs are subject to severe administrative and criminal penalties.

Government intimidation has forced many international philanthropic organizations such as the Soros Foundation to close their operations in Belarus. Prior to the 2001 presidential election, the president issued a decree, “On Certain Measures of Regulation of the Procedure of Receipt and Use of Foreign Charitable Aid,” which restricted the ability of NGOs to use foreign assistance for many activities, including election monitoring.

Despite all of these limitations, the role of NGOs in the 2001 presidential elections provided a glimmer of hope for

the future of Belarusian civil society. That is, even though Belarusian civil society is still weak overall, large numbers of citizens worked together to educate voters about their constitutional rights and alternatives to the current regime. Throughout the country, small groups led programs to encourage high voter turnout, especially among the country's younger generation. One coalition of NGOs called "Civic Initiative—Independent Observation" mobilized more than 10,000 domestic observers. In a preliminary election report, the OSCE noted that "civil society in Belarus showed encouraging and significant signs of substantive engagement by citizens on democracy issues."

Larger NGOs, particularly groups that work with Western institutions or have several years of experience, issue publications and have leadership structures with full-time and volunteer staff. Both local organizations and Western institutions have backed NGO development programs, including the creation of the Belarusian Association of Resource Centers, a network of 25 regional NGO resource centers. They have also made information on management issues available in the native language. Some NGOs, including the United Belarus Way, the Centre Supolnosc, the L. Sapieha Foundation, and the American group Counterpart Alliance for Partnership, have developed core groups of experienced trainers who serve as consultants to other NGOs. Nevertheless, the bulk of NGOs remain inexperienced, inadequately staffed, and unorganized.

Belarusian NGOs receive financing from three major sources: voluntary fees from NGO members, foreign NGOs that target resources to specific projects, and international organizations that provide technical support and professional services. The majority of assistance comes from Western governments and organizations. Financial sustainability is difficult to achieve because NGOs do not know how to apply for foreign grants, domestic funds are limited, and their leaders simply lack experience. Government authorities often harass NGOs with financial audits and tax collections.

In August 1995, the independent Free Trade Union of Belarus, the Minsk Metro Union, and the Railroad and Transport Facilities Workers' Union were banned—a move that led to a transport workers strike. Several strike leaders were arrested and sentenced to brief terms of forced labor. In 1997, under international pressure, the government reregistered the Free Trade Union of Belarus and registered the new Congress of Democratic Trade Unions.

More than 25,000 workers belong to independent trade unions. In contrast, the FTUB, the successor to the official Soviet-era trade union, claims 5 million members, or nearly 95 percent of the workforce. Workers are discouraged from joining independent trade unions. The practice of forcing workers to join the FTUB ended when the organization joined the anti-Lukashenka opposition in 2000.

In May 2001, when the FTUB established a coordinating body that would represent the organization's 600,000 members in Minsk, the authorities failed to impose their candidate as the head of the new body. Other labor activity

in 2001 included a nationwide strike by the Free Trade Union of Entrepreneurs against excessive taxation and government pressure on small businesses. The independent Trade Union of the Armed Forces complained late in the year about the miserable socioeconomic conditions in which conscripts and officers live.

Although 20 percent of Belarus's workforce is employed in collectivized agriculture, few workers belong to the Union of Cooperatives. A small number of NGOs, including the Union of Entrepreneurs and Lease Holders and the Belarusian Association of Journalists (BAJ), represent the private sector. In addition to parties and NGOs, the state forced independent trade unions to reregister in 1999. This process was complicated, though, by the fact that a union either had to prove the existence of members in every region of the country or had to account for at least 10 percent of the workforce in one enterprise.

In April 2001, the International Labor Organization demanded that Belarusian authorities improve labor legislation, halt violations of trade union rights, and follow ILO recommendations. The ILO accused the authorities of orchestrating a smear campaign in the state media, sacking trade union leaders critical of the regime, and denying registration to independent trade unions. Earlier in the year, for example, when workers organized strikes over unpaid wages, the state media launched a smear campaign against the FTUB and its leader, Uladzimir Hancharyk. The state's campaign against the FTUB intensified when Hancharyk announced his intention to run in the 2001 presidential election.

Independent Media

1997	1998	1999-2000	2001	2002
6.25	6.50	6.75	6.75	6.75

"The only journalist who can have poor relations with me is one who, if you will pardon the expression, is abnormal," Lukashenka told *Rossiyskaya Gazeta* on May 23, 1998. That is, although Belarus's Constitution enshrines freedom of expression, access to information, and a free press, President Lukashenka tolerates little criticism of his regime. Over the years, he has placed increasing restrictions on the media.

In 1997, the Chamber of Representatives passed the law "On Amendments and Corrections to the Law on Press and Other Means of Media," which prohibited defamation of the president, senior government officials, and other individuals in the ruling elite. The law, which took effect in January 1998, also allowed the State Committee on the Press to suspend a publication for one year without a court ruling and banned imported publications that allegedly "do harm to the political and economic interests of the Republic of Belarus." The Belarusian Association of Journalists believes that a new draft law, which was submitted to Parliament in November 2001, would erode freedom of the

press even further. If approved, the law would ban any mention of unregistered parties and NGOs in the media, simplify procedures for the state to close newspapers, and prohibit media outlets from receiving assistance from abroad.

Government authorities have increasingly used the tax police to impose restrictions on independent publications. In January 2001, tax police raided the Magic publishing house and confiscated its printing equipment. In August, they raided Magic again. Magic prints many independent newspapers, including *Narodnaya Volya*, *Rabochy*, *Belorusskaya Delovaya Gazeta*, and others.

During the presidential election campaign of 2001, government authorities increased their harassment of independent media because they supported the opposition. In July, for example, when police raided the offices of *Volny Horad*, a newspaper in Krychau that backed opposition candidate Syamyon Domash, they arrested three journalists and confiscated computers and publications. Police also confiscated six computers from *Narodnaya Volya*; 40,000 copies of *Rabochy*, which published allegations of corruption against President Lukashenka; and 400,000 copies of *Nasha Svoboda*, which had devoted an entire issue to opposition candidate Uladzimir Hancharyk.

Following the election, the Minsk regional committee launched a libel case against Iosif Syaredzich, the editor of *Narodnaya Volya*, for publishing allegations that the committee head had instructed village-level committees to falsify the outcome. Other newspapers came under fire for supporting Hancharyk (*Bretskii Kurier*) or for publishing materials that linked Lukashenka to a death squad (*Pahonyia* and *Naviny*). In addition, the tax police filed a request to close *Belaruskaya Maladzyozhnaya*. The charge? Failure to occupy offices at that paper's registered address.

In July 1997, the Council of Ministers introduced strict regulations that have forced foreign correspondents in Belarus to censor their reporting and thereby have prevented them from filing articles that are critical of conditions in the country. Foreign correspondents are held personally liable for critical remarks they make about officials in the regime. Since March 1998, state officials have been prevented from sharing official information with independent publications and from placing advertisements in them. The intention is to deny the independent media access to information and finances.

In February 2000, six of the country's largest independent publications—*Narodnaya Volya*, *Belorusskaya Delovaya Gazeta*, *Belorusskaya Gazeta*, *Svobodniye Novosti*, *Belorusskiy Rynok*, and *Komsomolskaya Pravda v Belorussii*—sent an open letter to Prime Minister Uladzimir Yarmoshyn demanding an end to discrimination against nonstate publications. They noted that although the state postal service had raised the distribution rates for independent publications by 400–600 percent, it had offered subsidies to state media. This letter was followed by a demonstration in Minsk at which participants demanded “equal economic conditions for state and independent media” and access to official information.

In 2000, the State Committee on the Press issued a

warning to the cultural magazine *Arche* about the unauthorized alteration of its title and its distribution abroad. Under Belarusian law, two warnings in a year are sufficient grounds to shut down a publication. In addition, the state distributor, Belkniga, refused to distribute an issue of *Arche* that was devoted to Jewish culture. The state-run House of the Press halted printing of its subsequent edition. The same year, the State Committee on the Press issued a warning to the independent newspaper *Nasha Niva* for “fomenting interethnic enmity” when it published material that was critical of the Russian military intervention in Chechnya.

Nearly half of the Belarusian press is independent. However, the independent press accounts for only 10–15 percent of the official circulation of printed media and generally consists of local publications that are devoted to entertainment and socioeconomic issues. It is largely devoid of political commentary.

Belarus has only 10 independent newspapers, 1 independent news agency, and a few local newspapers that provide unfettered political comment. The state controls and provides subsidies to a number of large publications, including *Sovietskaya Belorussiya*, *Zvyazda*, *Narodnaya Gazeta*, *Respublika*, and *Znamia Yunosti*. It reports that *Sovietskaya Belorussiya* enjoys a weekly circulation of 331,000, the largest in the country.

Official publications receive state subsidies for paper, printing, and distribution. Publishing costs are much higher for independent media, and high cover prices dissuade many readers. The state has also utilized high taxes and heavy fines to try to close down independent publications.

State media promote government policies and attack the opposition. Lukashenka, for example, has told the State Broadcasting Company (SBC) that he would like it to act as a conduit for state ideology. He has also promised that he will never allow private and wealthy individuals to launch their own television and radio stations. Mikhail Padhajny, the head of the State Committee on the Press, has denied that the country's independent media are censored and suppressed.

In July 2000, only three months before parliamentary elections, Viktor Chykin, the head of the pro-regime CPB, became the new SBC chairman. In his capacity as the deputy mayor of Minsk, Chykin had earned a reputation for restricting opposition rallies and organizing media campaigns that denounced the opposition as “fascists.” During the parliamentary campaign, Lukashenka also ordered the creation of a new information agency that “should be absolutely state-run.”

Since March 1997, print, audio, and video materials have been restricted for importation into Belarus. Likewise, Belarus's postal service is not allowed to deliver opposition publications that have been banned in Belarus but are now printed in Lithuania. Belarusian border guards have been told to confiscate them. In general, the government uses its control of the distribution system and the only newspaper printing facility in Minsk to block the circulation of independent print media.

The Ministry of Information has licensed more than 40 radio and 165 television entities, the largest of which are controlled by the State Committee on Television and Radio. Although Belarusian television and radio suffers from Russian competition, the state has suspended some Russian broadcasts for their critical reports on the Lukashenka regime. Some independent radio and television stations do exist. According to the U.S. Department of State, though, “[a]ll nationally available radio and television broadcasts originating in the country are government-owned.” The Belarusian service of Radio Liberty continues to provide independent coverage of events in Belarus, and in August 2001 it doubled its daily broadcast from four to eight hours. Radio Racja, an independent radio station that was shut down in 1996, now broadcasts from Lithuania and Poland on shortwave.

There are two major journalistic associations in Belarus. The first, the Belarusian Association of Journalists, is an independent group that unites more than 750 members throughout Belarus. BAJ is a member of the International Federation of Journalists. The second, the state-controlled Belarusian Union of Journalists, has 2,000 members. Other NGOs that support the independent media include the Belarusian PEN Center, the Law Center for Media Protection, the Association of Belarusian Editors and Publishers, and the Association of Regional Press. Freedom House’s *Annual Survey of Press Freedom* rated Belarus “Partly Free” from 1992 to 1993 and “Not Free” from 1994 to 2001.

Governance and Public Administration

1997	1998	1999-2000	2001	2002
6.00	6.25	6.25	6.25	6.50

Belarus’s bicameral Parliament is completely subservient to the executive, which rules by decree. It holds no real power but, rather, performs the same role of rubber stamp authority as the former Soviet-era Supreme Soviet. The Chamber of Representatives, Parliament’s 110-member lower house, originally consisted of former Supreme Soviet deputies who were loyal to the regime. The Council of the Republic, the 64-member upper house, is made up of 8 presidential appointees and 8 deputies from each of the country’s six oblasts and the city of Minsk. Local councils elect the body’s remaining members. The manner in which seats in the upper house are filled guarantees that all 64 members are pro-presidential supporters. Women account for one-eighth of the deputies in the upper house but less than 10 percent of deputies in the lower house.

Local councils are elected for four-year terms and work alongside presidential prefects whom the executive appoints. The executive also nominates chairpersons of local councils. According to the 1996 Constitution, the jurisdiction of local councils includes local budgets, local taxes,

socioeconomic development, and the disposal of communal property. In reality, though, these councils function just as they did in the Soviet era. They have failed to reform the municipal system and to stave off centralization. A September 1997 presidential decree that banned civil servants from undertaking activities outside their formal duties was intended to prevent corrupt practices.

RULE OF LAW

Constitutional, Legislative, and Judicial Framework

1997	1998	1999-2000	2001	2002
6.00	6.25	6.50	6.75	6.75

The now disbanded Supreme Soviet adopted Belarus’s first post-Soviet Constitution on March 15, 1994. Two years later, a highly controversial referendum resulted in amendments to and the creation of a presidential autocracy. The amendments expanded the presidential term in office from five to seven years and gave the executive power to annul local council decisions, set election dates, and dissolve Parliament. The president also appoints judges, including half of the members of the Constitutional Court and one-third of the deputies in the upper house of Parliament. The Constitutional Court ruled that the 1996 referendum was unconstitutional, but Lukashenka ignored the ruling and filled the Court with pro-executive loyalists. Since 1997, the Constitutional Court has had no right to examine presidential decrees or edicts.

Since 1996, Lukashenka has ruled by presidential fiat. Between 1997 and 2001, he issued more than 200 decrees and edicts. The amended Constitution’s provisions on human rights resemble the same freedoms that Soviet citizens enjoyed in name but not in practice. Likewise, under Article 23, the state may restrict these rights in the interests of “national security.” The executive, of course, defines the threat.

The Constitution also has numerous internal contradictions that deliberately create a sense of vagueness in the rule of law and thereby allow the courts and security forces to use selected articles against the opposition. The presence of the OSCE Advisory and Monitoring Group in Belarus since 1998 has not led to improvements in Belarus’s human rights record. Relations between the OSCE and Lukashenka are tense, particularly during election campaigns.

Constitutional and legislative guarantees for minority rights are used only to protect the status of Russians and the Russian language in Belarus. Under Lukashenka the Belarusian language, national churches, and Belarusian culture have been progressively downgraded in the media, among state officials, and in education. In February 2001, for example, when Lukashenka addressed a conference of

the cultural and creative unions, he advised members of the audience to “defend the cultural heritage and spiritual wealth of the entire Slavic civilization” from Americanization.

Police have arrested members of the opposition for carrying the banned white-red-white national flag, which they wave instead of the official Soviet-style flag. Belarusian authorities have also incited and encouraged anti-Semitic and anti-Catholic sentiments in ways that resemble the “antinationalist” propaganda campaigns of the Soviet era. Government officials and the media have even accused the opposition of displaying “fascist” tendencies. In Minsk there is no longer a single Belarusian-language school.

The 2002 government budget allocates state funding only for the Belarusian Orthodox Church, which represents the Belarusian exarchate of the Russian Orthodox Church and supports President Lukashenka’s pan-Eastern Slavic ideology and foreign orientation. In 2002, Parliament will consider amendments to laws on education and religion that would expand the role of the Belarusian Orthodox Church in the “spiritual-patriotic education of younger generations.” Opposition groups, particularly national democrats, tend to favor the Greek Catholic and Autocephalous Churches, which are more pro-Western in their orientation. These two churches and the Roman Catholic Church are subject to various forms of discrimination. Religious groups do not play a role in NGO and charitable activity.

The 1991 criminal code was amended in May 1994 to prohibit “dangerous crimes against the state,” defamation of the president, and plots to seize power by violent means or through the overthrow of the state. A 1997 decree introduced additional measures against “terrorism.” The Belarusian Helsinki Committee and the Belarusian League for Human Rights have documented the government’s use of these provisions against the opposition to justify beatings, torture, administrative imprisonments, denials of medical care, heavy fines, and psychological duress. At times, opposition activists have been detained up to two years while their cases were being considered. A draft law on combating terrorism, which was submitted to Parliament in November 2001, may envision further restrictions on freedom of assembly.

Although Belarus introduced new criminal codes in January 2001, these provisions do not radically alter the law. Investigative bodies are still under the control of the Ministry of Interior, the State Prosecution Service, and the KGB, and the executive still determines judicial appointments, dismissals, salaries, and housing. As the result, Belarus’s judiciary remains neither independent nor impartial, particularly when dealing with the opposition.

Since 1997, the Ministry of Justice has overseen the licensing of all lawyers. This practice has led to a decline in private legal practice. Lawyers who have assisted the opposition or come into personal conflict with the president have had their licenses revoked. Public defenders are usually afraid to act as impartial defenders or even to participate in court proceedings.

Corruption

1999-2000	2001	2002
5.25	5.25	5.25

Belarus’s Soviet-style regime and illiberal economy have shielded the country from the high levels of corruption that exist elsewhere in the region. Nevertheless, petty corruption is widespread among local customs, border, medical, tax, and higher education officials. In a July–August 2001 poll among owners of small and medium-size businesses, for example, the International Finance Corporation found that 85 percent of respondents had offered bribes to state officials. Of these, 44 percent gave occasional bribes and 41 percent regular bribes.

When Lukashenka first ran for president, he campaigned on an anticorruption platform. Since his election, though, he often has used anticorruption measures to restrict the private sector and persecute high-ranking members of the opposition. Authorities also use alleged corruption charges as a means of deflecting attention from their own acts of political repression against individuals who have joined the opposition. In June 2001, for example, Yuryy Bandazhewski, the rector of Gomel University, received an eight-year prison sentence for alleged corruption. However, authorities launched the case against him only after he exposed a state cover-up of the radiation effects of the 1986 Chernobyl nuclear accident.

Other individuals who have been arrested on corruption charges after criticizing the regime include Vasil Staravoytav, the head of a food-processing firm; Vasil Lyavomov, a former agricultural minister; Tamara Vinnikova, a former national bank chairwoman; and Andrey Klimau, a successful businessman. Klimau was arrested in 1998 for signing an appeal to the Constitutional Court to impeach Lukashenka. In March 2000, he was sentenced to six years in prison on charges of fraud and misappropriation of funds.

Belarus’s budget process is not transparent, and the opposition has accused Lukashenka of running an extra-budgetary and unconstitutional presidential fund. In addition, shadow sector economic interests and private entrepreneurs who have connections to the presidential administration have been known to make donations to funds controlled by the executive. Lukashenka often uses private funds to finance targeted projects such as pro-regime NGOs.

Numerous laws, presidential decrees, and government resolutions regulate the private business sector; many date to the early 1990s. Since the Lukashenka regime is hostile to private enterprise, attempts to create private companies are usually thwarted by overregulation and resistance from civil servants. More than 20 government agencies have the power to inspect enterprises at any time, and fines are a common occurrence. Regulations concerning the private sector are vague, unpredictable, and ever changing. Charges of financial impropriety and corruption are leveled frequently at private entrepreneurs and oppositionists, and since the

executive controls the judiciary, entrepreneurs who have been wrongly accused of crimes do not receive fair treatment in courts.

Transparency International did not rank Belarus in its 2001 Corruption Perceptions Index. Since business interests in Belarus are few, very little data on public perception of corruption is available. In its 2000 index, Transparency International gave Belarus a score of 4.1 (where 10 represents the least corrupt and 0 the most corrupt) and ranked it 43rd out of 90 countries. This ranking was lower than Russia's and Ukraine's.

ECONOMIC LIBERALIZATION & SOCIAL INDICATORS

Privatization				
1997	1998	1999-2000	2001	2002
6.00	6.00	6.00	6.00	6.00
Macroeconomic Policy				
1998	1999-2000	2001	2002	
6.25	6.25	6.25	6.25	
Microeconomic Policy				
1998	1999-2000	2001	2002	
6.50	6.50	6.50	6.50	

The Belarusian economy remains largely in state hands. This is a reflection of Lukashenka's support for an authoritarian, neo-Soviet state and a command administrative economy. Large and centrally controlled industrial enterprises continue to dominate the economy. The country's strong links with Russia since 1996 and preferential prices on Russian energy have encouraged Lukashenka to avoid economic reforms.

The state also indirectly controls nonstate joint stock enterprises either by acting as a major shareholder or by delegating responsibilities to employees who enjoy veto rights on enterprise boards. This practice has created opportunities for insider trading by corrupt officials who maintain close political ties to government authorities and serve as directors of joint stock enterprises or loss-making subsidized firms. It has also engendered a corporatist state in which promotion and affluence are dependent on the personal whim of the leader.

The Heritage Foundation's most recent *Index of Economic Freedom* describes Belarus's economy as "repressed" and gives the country a world ranking of 146 out of 155 countries. Belarus's economic liberalization score in the Heritage survey has declined steadily since 1995, when Lukashenka began to reintroduce a Soviet-style political and economic regime. The country's score was 3.70 in 1995 and 4.25 in 2001.

In its 2001 *Transition Report*, the EBRD welcomed the recent liberalization of Belarus's foreign exchange market and the reduction of some administrative controls. Nevertheless, it remained concerned about the country's high inflation rate, its vulnerability to microeconomic instability, and government's intention to remain heavily involved in the economy. In general, international financial organizations remain cautious in their assessment of the new economic reform plan that Lukashenka outlined after his election victory in September 2001. In the past, he has broken pledges to introduce similar policies.

During the second half of the 1990s, the share of industry and agriculture in gross domestic product declined by nearly half, while the service sector share increased by a third. A large shadow economy also exists in Belarus, particularly in the smuggling of goods to and from Russia, Poland, and Lithuania. In October 2001, Lukashenka offered a one-year amnesty on declarations of shadow capital and capital that has been sent abroad.

Lukashenka relies on soft credits and monetary emissions to boost production and keep prices low. Three major state banks account for 75 percent of all loans. The president's distrust of structural reform and private enterprise and his support for a state-controlled economy have made this policy central to the government's program. Price and wage controls—the principal means of controlling inflation—have led to further shortages of goods.

During the period covered by this report, the economies of Russia and Ukraine began to grow for the first time, but Belarus's economy remained in decline. The combined debts of the agricultural sector total 1.1 trillion Belarusian rubles (\$720 million). The number of collective farms that operate at a loss continues to grow and now accounts for 57 percent of the total. Nearly 2,000 other enterprises (or 17.5 percent of the total) also operate at a loss. Lax monetary expansion has given Belarus the highest inflation rate in the CIS: 27.9 percent.

Poor economic indicators and Russia's unwillingness to continue subsidizing the Belarusian economy forced President Lukashenka to pay lip service to moderate economic liberalization in fall 2001. Following his reelection, Lukashenka told the upper house of Parliament that the new government must ensure macroeconomic and financial stability, reform the state sector, and foster entrepreneurship. In addition, the number of government ministries was reduced from 44 to 28 to help save costs.

During the presidential election, Lukashenka promised to raise the average wage to \$100 in 2002—a move that would only add to the country's inflationary and budgetary pressures. In addition, the IMF warned that if rising wages were not matched by rising labor productivity, the increase in living standards would prove illusory. The December 2001 government program sets a target monthly wage of \$250 by 2005 and anticipates raising monthly pensions to 48 percent of this amount. Belarus will also feel inflationary pressure if commercial banks follow

through on plans to make large loans to the country's loss-making agricultural sector.

After his reelection, Lukashenka promised to "open the floodgates for the development of transparent and fair entrepreneurship." In his estimate, nearly two million people already work outside the state sector, and it is on this foundation that Belarus's private sector would be built. Lukashenka also promised Belarusian entrepreneurs that they would be given first choice when the state transforms its enterprises into joint stock companies.

At the same time, though, the president declared that privatized companies would not be allowed to lay off employees or decrease their wages and that the state would maintain a controlling stake in industries in the first stage of privatization. He also warned that privatization would be based on a "very complex mechanism" that would require the approval of employees, managers, and local authorities. The program that the government unveiled in December 2001 included provisions on liberalizing the economy, promoting a favorable investment climate, easing the tax burden, and simplifying licensing regulations.

These moderate economic reform measures are aimed partly at satisfying the World Bank and the IMF, which has not provided assistance to Belarus since Lukashenka's consolidation of power in 1995. The IMF in particular remains wary of the plan. Only months before the plan's announcement, the Belarusian government had failed to carry out a six-month IMF-monitored program that was a precondition for possible renewed lending. This program's key goal was to achieve microeconomic stability by tightening monetary policy, increasing foreign exchange reserves, and providing strict fiscal discipline. Under the program, Belarus was also supposed to end its interference in commercial banks, cut subsidies to housing services and transport, and raise value-added, excise, and profit taxes.

At a November 2001 meeting, newly appointed Prime Minister Henadz Navitsky assured the IMF that his government would further liberalize monetary controls, tighten tax policy, curb inflation, speed up price liberalization, remove cross-subsidies, increase privatization, and remove obstacles to free trade. The latter requirement is aimed at securing Belarusian membership in the World Trade Organization. The World Bank has promised to finance various projects only after the government liberalizes its monetary and pricing policies. The EBRD's new strategy for Belarus takes into account the recommendations of the OSCE and the COE, both of which described the 2000 parliamentary and the 2001 presidential elections as undemocratic. In response, the EBRD has frozen public sector projects until Belarus shows progress in democratic reform.

Lukashenka's plan to make moderate steps toward economic liberalization would not touch the agricultural sector, which in 2001 lost 147 billion Belarusian rubles (\$94 million). According to the president, this sector of the economy does not need reform—just "improvement." The

profitability of the agricultural sector declined from 45 percent in 1991 to 12 percent in 1999 and 2.9 percent in 2001. Official figures recorded a year-on-year increase in GDP of 4 percent from January to November 2001, compared to 6 percent in 2000. Industrial output in 2001 was also lower.

Earlier budgets were based on highly unrealistic assumptions and unachievable targets of growth and inflation. High inflationary pressures will continue to be fueled by a lack of international financial assistance and the printing of money to cover government deficits in areas such as agriculture, housing construction, and compensation to individuals who have lost their savings. In the first half of 2001, the budget experienced a revenue shortfall of 2.8 percent from its target. The State Tax Committee blamed this on the increasing number of loss-making enterprises, lower than expected growth in agricultural output, and VAT exemptions for enterprises that totaled 27.6 billion rubles (around \$16.5 million). Enterprise arrears to the state budget increased to 100 billion rubles (approximately \$60 million).

Article 44 of the Constitution and Article 86 of the civil code establish the right to property ownership in Belarus. They do not, however, apply to land, which citizens and foreigners can only lease. The November 1996 referendum effectively outlawed the privatization of land. The government has never fully compensated individuals for its expropriation of their properties and institutions.

In 1992 and 1994, the government of Vyacheslau Kebich liberalized prices as part of its modest economic reform program. Since Lukashenka's accession to power in 1994, though, the state has controlled prices more tightly. Due to the government's loose monetary policy, wages and price controls became the only means of controlling inflation. However, this policy has led to acute shortages of foodstuffs and consumer commodities and has pushed these items into the unofficial economy, where they cost 3 to 3.5 times more. Likewise, Belarus still has the highest inflation rate in the CIS—a factor that has further impoverished the population. As part of its modest plan for agricultural reform, the government has promised to free agricultural prices in spring 2002.

The country's lack of hard currency creates serious impediments to trade with non-CIS states. Likewise, although Belarus has eliminated most import duties on Russia goods, duties on goods from other countries still range from 5 to 90 percent. In addition, imported goods have to be delivered within 60 days of the date of prepayment; exporters must sell 40 percent of their hard-currency earnings to the state; and commercial banks may not issue more than \$10,000 in prepayment for imported goods. In July 2000, Belarus lost its duty-free access to the U.S. market.

Prior to independence, 80–90 percent of Belarus's trade was with the USSR. Today, 60 percent of its exports and 64.3 percent of its imports remain within the CIS. Since the early 1990s, when trade turnover collapsed, im-

port growth has outstripped exports and Belarus has had a growing trade deficit, especially with Russia for energy. Trade turnover declined in 1998 and 1999 because of the economic crisis in Russia.

Belarus has not restructured or privatized its energy sector, even though it possesses a large refining capacity for oil and gas. The country produces only 10 percent of its energy needs and imports the rest from Russia. Owing to its plans for a close political-military union with Russia, Belarus pays less than a third of what neighboring Ukraine pays. It does so through a combination of barter deals, refinancing, and government agreements that allow it to export substandard goods. The Russian firms Lukoil and Yukos also have a controlling stake in large Belarusian refineries such as the joint stock company Naftan.

Late in 2000, Russia agreed to construct a new energy pipeline that would go through Belarus and bypass Ukraine. Belarus would earn nearly \$1 billion annually in transit fees. If this plan goes forward, in the face of opposition from Poland but with support from Western Europe and the EU, Belarus could earn enough from transit fees to offset the cost of its annual imports of Russian energy.

Belarus's labor force numbered 4.3 million in 1999, with women making up 51.4 percent of this number. The highest rates of employment for women are in communications, trade and public catering, health care, education, culture, finances, credit, and insurance. Tens of thousands of women suffer violence each year, according to the Women's Education and Consulting Center. However, most women do not report this violence to the police.

Women are unable to find employment that complements their achievements in higher education. State funding for sectors in which women are employed is lower, and the positions women hold enjoy lower social status and salaries than the positions men hold. Women's wages are, on average, two-thirds of men's. Likewise, women suffer from higher rates of poverty.

Unemployment figures are very low but do not reflect high hidden unemployment in industry and agriculture. Unemployment is higher among women than men. In December 2001, authorities jailed two women for 10 days and fined two others \$950 each when they picketed

Lukashenka's residence to protest unfair distribution of housing. The women had also just lost their jobs.

Pensioners account for a large percentage of the population and are Lukashenka's bedrock of support. There are few problems with pension arrears, unlike in Russia or until recently in Ukraine, and the value of pensions has been maintained. Wage arrears are also low. A poll conducted in 2001 by the Ministry of Economy found that half of Belarusians could not make ends meet; 59 percent of respondents said their standards of living had declined during the year. Per capita consumption of staple foods fell by more than one-third during the 1990s.

Education makes up 15–20 percent of the state budget. Primary and secondary education is compulsory and free of charge for children between the ages of 6 and 17. Education largely took place in the Russian language until 1990, when the number of Belarusian-language schools began to grow. Under Lukashenka, however, the situation has reverted to the Soviet-era policy and Belarusian has gradually been squeezed out of secondary schools. The Russian language completely dominates higher education.

Although health spending as a proportion of the budget is also around 15 percent, this has not prevented a decline in the provision of health care. Health care expenditures equal 5.1 percent of the GDP—higher than that in Ukraine but similar to that in Poland. Since 1990, all major health indicators have worsened. Life expectancy, for example, has declined among men because of high rates of alcoholism. Infant mortality has risen. According to the *Human Development Report 2001*, life expectancy at birth in Belarus has declined from 71.5 years for the period 1970–1975 to 68.5 years for the period 1995–2000. Likewise, for the period 1995–2000, the probability of surviving to age 65 was 80 percent for women but only 51.3 percent for men. Although the estimated birth rate was only 9.7 per 1,000 population in 1999, the infant mortality rate was 23 per 1,000 live births.

Taras Kuzio is a research associate at the Center for Russian and East European Studies at the University of Toronto. He is the author, most recently, of Ukraine: Perestroika to Independence (Macmillan, 2000).