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Bringing Belarus Out of Its Darkness

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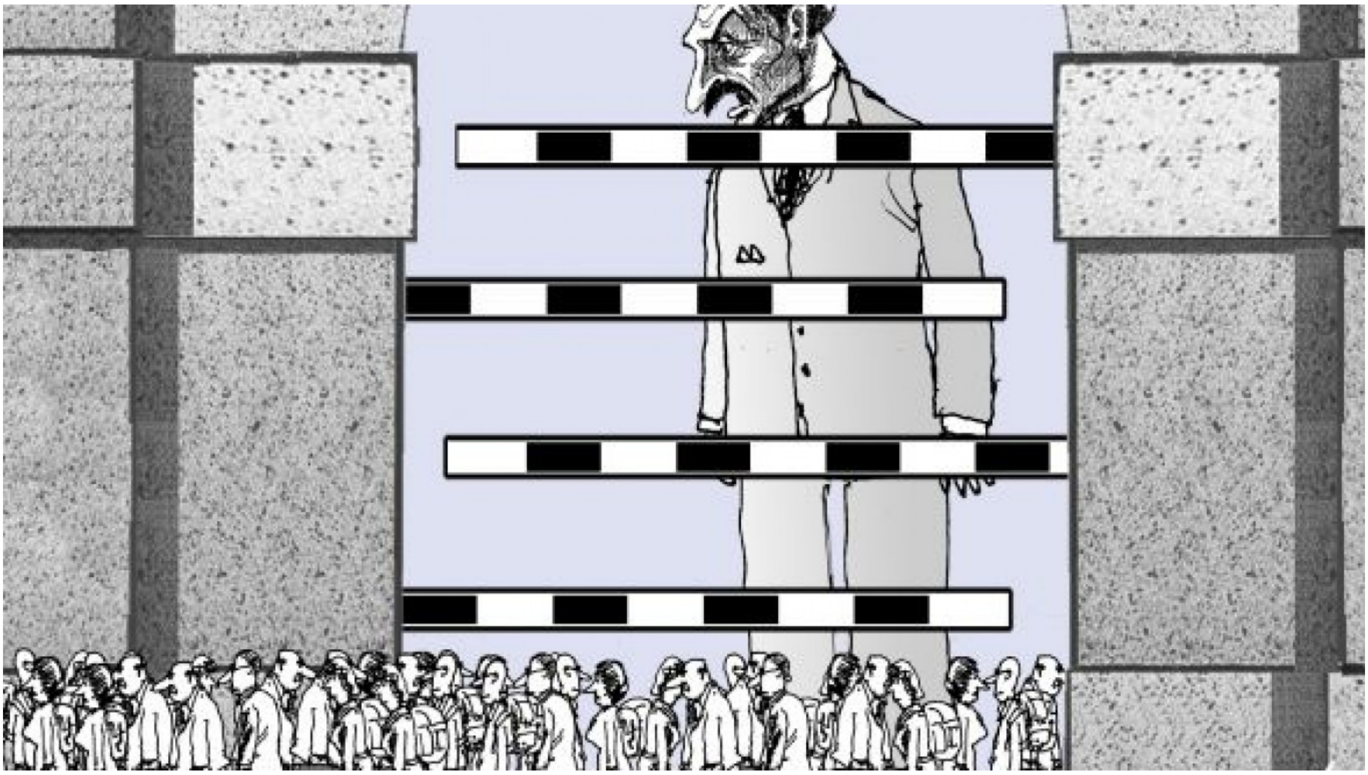

As pro-democracy protests sweep the Arab world, Belarus, Europe's grim quasi-Soviet redoubt, has taken a turn for the worse since President Alexander Lukashenko violently suppressed post-election demonstrations in December and imprisoned seven of the nine candidates who stood against him. But as Western governments — and those in the European Union, in particular — respond, they should view Lukashenko's brutal crackdown as a major turning point: the moment when the regime could no longer claim popular support and was forced to confront the failure of its antediluvian socioeconomic model.

Lukashenko's regime has rested on three pillars: a social contract that promises national independence and a guaranteed low income in exchange for tacit consent to dictatorial rule; a propaganda machine that reinforces the value and necessity of this deal; and a massive security apparatus to enforce it.

For many years after Lukashenko was first elected in 1994, most Belarussians did perhaps tolerate the regime, because they believed that it protected them from the worst excesses of neighboring Russia's "Wild East" capitalism: corrupt privatization, job losses and mafia rule. But over time and with more Belarussians traveling to the West, belief in Lukashenko's leadership has become unsustainable.

Wages are much lower than official figures suggest — perhaps as low as $200 to $300 per month. Officially, the unemployment rate is 0.7 percent, but this is largely because those who register at labor offices are put to work in community-service jobs paying $10 to $15 per month. Prices are high, owing to trade restrictions and government support for inefficient state enterprises. Economic growth, pumped up during the run-up to the presidential election by enormous fiscal spending — two-thirds of the economy is state-owned — was officially 7.6 percent in 2010, but the rate has plummeted since, though no one is saying by how much.

Whatever its past successes in maintaining basic living standards, today it is evident that Belarus cannot match its neighbors' dynamism. While many pensioners and some workers remain content with life under Lukashenko, young people, and those with the most education and talent, voted against him in December. Evidence suggests that he won less than 50 percent of the vote.

Apparently, that was too much for the president's fragile ego. Amid mounting repression and growing Western protest, Lukashenko vowed in his inauguration address in January that he would tolerate no threat to "stability."

At the same time, however, Lukashenko is no fool. He might not respect the outcome of elections, but he cannot afford to ignore what the last one revealed about the depths of his regime's unpopularity. His problem is the regime's utter loss of legitimacy, which means that repression will not be enough. He needs to strike a new bargain with Belarussians, and he knows it: economic modernization with political "stability."

The first steps will be taken this year. The regime currently operates a bloated, inefficient industrial sector to maintain employment, which is possible because the government derives most of its revenue from natural-resources trade — mainly refined Russian oil and domestic potash deposits — and transit fees for deliveries of Russian oil and natural gas to Europe. Yet now, Lukashenko wishes to harness entrepreneurship and foreign direct investment in a bid to modernize the economy.

Belarus already has a budding software industry that reports net annual revenues of $300 million. In addition, officials are drawing up a privatization program — with Austrian money and World Bank support — that will cover a significant proportion of the country's mainly state-owned industry.

Lukashenko hopes that dramatic economic reforms will win Western support, disarm foreign and domestic critics and achieve economic modernization under authoritarian rule. But he risks angering laid-off workers and empowering inefficient crony capitalists, while moving too slowly to satisfy the desires of those who voted and protested against him. And Belarus is no China: It is not that big to avoid global punishment for its government's abuses.

Yet Western policy toward Belarus must be carefully modulated, and it should emphasize Europe's soft power — the attractiveness of its social model to an increasing number of Belarussians. The West needs to cultivate relations with these people and invest in the economy. At the same time, the West should reject the brutality of the regime, which may become easier if privatization moves ahead.

Visa policy will be a big part of the solution. Belarussians currently pay 60 euros ($82) for a European Union tourist visa, which is a major obstacle in view of low wages. Poland has announced that it will grant Belarussians visas at no cost, while denying visas to a long list of regime officials that it says were involved in the recent electoral fraud. The rest of the EU has followed suit on sanctions against top officials, but it could do more to liberalize travel for citizens.

Economic engagement is more controversial. Investment in Belarus arguably strengthens the regime, but it also may be necessary for the eventual emergence of a democratic Belarus. Person-to-

person exchanges should also be encouraged, and the support that countries like Poland give to the Belarussian opposition should be stepped up.

The bottom line is that Belarus' ordinary people and victims of repression need help today. But so does its decrepit regime. The West should use that fact to its fullest advantage.

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