



Belarus: An Overview

In recent years, observers have debated the prospects for change in the foreign and domestic policies of Belarus, an authoritarian state in Eastern Europe with close economic and security ties to Russia (see **Figure 1**). Although the U.S.-Belarus relationship has been difficult, the two countries have taken steps to normalize relations, including an agreement to appoint ambassadors for the first time since 2008. Few observers anticipate major governance or foreign policy changes in Belarus in the near term. Some, however, believe incremental shifts may be possible.

Congressional policy toward Belarus previously has focused on the promotion of democracy and human rights, including via the imposition of sanctions. The renewal of U.S. diplomatic relations with Belarus and Belarus's growing rift with Russia may be of interest to some Members of Congress.

Politics

Belarus became independent in 1991, after the collapse of the Soviet Union. President Alexander Lukashenko was first elected president in 1994 and has led Belarus for 26 years. The next presidential election is scheduled for August 2020.

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

In recent years, observers have discussed whether the Belarusian government has taken steps to become a “softer” authoritarian regime or whether such steps are more symbolic than substantive. The government released several political prisoners in 2015. In 2016, for the first time in years, opposition candidates were allowed to win 2 of the 110 seats in the lower house of Belarus's legislature. In November 2019, however, pro-government candidates again won all 110 seats. Human rights observers have detailed how the Belarusian government suppresses independent media and restricts freedom of assembly.

Coronavirus Response

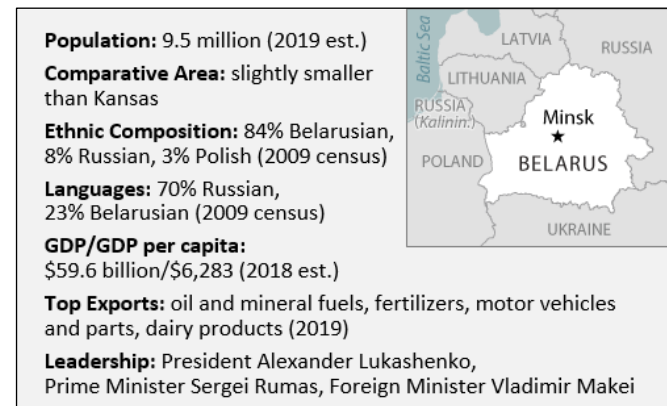
Belarus has been a relative outlier in Europe in its response to the Coronavirus Disease 2019 (COVID-19) pandemic. Lukashenko has spoken derisively about public health measures other countries have taken. The government has not instituted official closures or social distancing policies, although reports indicate that many Belarusians, local government bodies, and some institutions have taken preventative measures on their own. As of May 19, 2020, Belarus officially reported more than 31,500 coronavirus cases and 175 deaths. Many observers believe the number of deaths is understated; Lukashenko has said that “no one

will die of coronavirus in our country” and that seemingly related deaths are due to preexisting conditions.

Economy

After independence, the state continued to play a dominant role in Belarus's economy. Some argue that because the government avoided difficult market reforms, Belarus experienced a relatively milder post-Soviet decline in the 1990s than its neighbors. Others believe Belarus merely postponed necessary reforms; for example, according to the International Monetary Fund (IMF), “reforms of the large state-owned enterprise sector are critical to tackle inefficiencies and increase potential growth.” The IMF states that the Belarusian government's preference for a “gradual, incremental approach” to reform may lead to “protracted vulnerabilities.”

Figure 1. Belarus at a Glance



Sources: International Monetary Fund; U.N. Comtrade Database. Graphic produced by CRS.

The export of refined oil products, based on subsidized crude oil imported from Russia, plays a major role in Belarus's economy. In 2015-2016, Belarus experienced a recession amid declining global oil prices and Russia's economic downturn. Over those two years, Belarus's gross domestic product (GDP) declined by an average of 3.2% annually. Economic growth averaged 2.8% a year in 2017-2018 and slowed to an estimated 1.2% in 2019, due to the rising cost of Russian crude oil imports (see “Relations with Russia,” below). The IMF estimates that Belarus's GDP could decline by 6% in 2020 due to the coronavirus pandemic.

Russia is Belarus's largest trading partner. In 2019, half of Belarus's merchandise trade was with Russia. The European Union (EU) as a whole was Belarus's second-largest trading partner, making up more than 20% of its merchandise trade. Belarus's next-largest trading partners were Ukraine (8%) and China (6%). Less than 1% of Belarus's total merchandise trade is with the United States.

In 2019, Belarus's main exports were mineral fuels (mainly refined oil products, 22%), potassium fertilizers (potash, 11%), motor vehicles and parts (8%), and dairy products (8%). Belarus also has a developing information and communications technology industry that exports digital products and services globally, including to U.S.-based companies.

Relations with Russia

Belarus is one of Russia's closest security and economic partners. It is a member of the Russia-led Collective Security Treaty Organization and shares an air defense system with Russia, although Belarus declines to host a Russian military airbase that Moscow has long requested. Belarus also is a member of the Russia-led Eurasian Economic Union (EEU) and relies heavily on Russian subsidized natural gas and oil and Russian (and Chinese) loans.

In addition, Belarus and Russia are members of a bilateral "union state" that came into effect in 2000. In practice, this union is largely aspirational. A common labor market is the main characteristic distinguishing it from the economic integration Belarus and Russia have via EEU membership.

Tensions between Belarus and Russia have increased in recent years, with the two countries at odds over oil and gas prices and supplies, Belarusian debt, and Russian border controls and trade restrictions. In 2019, Russia began reducing subsidies for Belarus's crude oil imports, leading to a decline in Belarus's revenues from refined oil exports. For months, the Russian government said compensation for Belarus's losses would be possible only as part of an agreement to deepen the integration of the two countries.

In December 2019, negotiations on oil prices and increased integration failed, leading to a temporary halt in Russian oil exports to Belarus. Shipments resumed after a few days, but at a greatly reduced volume. Oil exports to Belarus returned to their usual volumes in April 2020, reportedly at lower cost (due in part to a decline in global oil prices). The dispute led Belarus to seek alternative suppliers to supplement its oil imports from Russia.

Tensions between Belarus and Russia relate in part to Russia's 2014 invasion of Ukraine. Given the possibility that Russia could one day take similar action against Belarus to secure the two countries' integration, Lukashenko reportedly has become wary of Russian intentions and seeks to protect Belarus's national sovereignty and his regime's independence. In part, this has meant making overtures to the United States and the EU.

Nonetheless, Lukashenko remains wary of domestic discontent that could lead to protests and destabilization. This wariness has encouraged him to stay close to Moscow for economic support. The Russian government, for its part, has sought loyalty from Lukashenko while attempting to limit the economic cost of subsidizing his regime.

Relations with the United States and EU

U.S. and EU relations with Belarus have been challenging for many years, although all parties periodically have

sought to improve relations. Efforts to achieve a new rapprochement began in 2015, the year after Russia's invasion of Ukraine. After the Belarusian government released several political prisoners that year, the U.S. government waived human rights-related sanctions it had imposed on a major state-owned petrochemical company and eight subsidiaries. The EU suspended and then lifted most of its human rights-related sanctions on Belarus.

As of May 2020, the United States retains human rights-related sanctions on 16 Belarusians, including Lukashenko. Sanctions on Belarus were first introduced in the Belarus Democracy Act of 2004 (P.L. 108-347, 22 U.S.C. 5811) and were 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).

The United States and Belarus have taken steps to normalize their relations. Since 2008, the United States had a limited diplomatic presence and no ambassador in Belarus, originally due to restrictions imposed by Minsk. Since 2015, senior U.S. officials have made periodic public visits to Belarus. Then-National Security Adviser John Bolton visited Minsk in August 2019, and Secretary of State Michael Pompeo visited in February 2020.

In September 2019, U.S. Under Secretary of State for Political Affairs David Hale and Belarusian Foreign Minister Vladimir Makei stated that the two countries were ready to exchange ambassadors "as the next step in normalizing our relationship." In April 2020, President Trump announced his intent to nominate the first U.S. ambassador to Belarus in more than a decade.

The range of issues in the bilateral U.S.-Belarus relationship has increased. During a September 2019 visit to Minsk, Under Secretary Hale said the United States "welcomes Belarus' increased cooperation on issues of non-proliferation, border security, economic cooperation, and information sharing on matters of shared security." In Minsk in February 2020, Secretary Pompeo said U.S. companies were prepared to export oil to Belarus at competitive market prices in response to Belarus's interest in reducing its dependence on Russian imports. On May 15, 2020, Secretary Pompeo announced the first shipment of U.S. crude oil to Belarus would depart that week.

The United States provided a total of about \$51 million in assistance to Belarus from FY2014 to FY2019. U.S. assistance to Belarus has been designed to support civil society, small business development, and vulnerable populations. For FY2020, the Senate Appropriations Committee recommended \$9 million; the final FY2020 assistance amount is not yet available.

EU assistance to Belarus from 2014 to 2020 amounted to €170 million (about \$185 million). The European Bank for Reconstruction and Development and the European Investment Bank also have financed a variety of development projects in Belarus.

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