



Prospects for Relations between the EU and Belarus

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Due to strong ties with Russia, Belarus has limited ability to shape its own foreign policy, especially in relations with the European Union. However, the Belarusian authorities are interested in increasing cooperation with the EU, in order to reduce their dependence on Russia and convince Belarusians of the importance of their state in international politics. The European Union should use its political and economic instruments to engage the Belarusian authorities in this respect. Signing a new document on partnership and cooperation will also be important in the long term. Together with support for civil society, these steps should strengthen Belarusian statehood.

Opening Relations between the EU and Belarus. Continuous political, economic and military dependence on Russia is of growing concern to the Belarusian authorities. That is why they are seeking, at least according to public declarations, possibilities to extend cooperation with the EU. This was demonstrated by the manner in which the 2015 presidential election and 2016 parliamentary election were conducted. Although OSCE observers raised numerous objections about both, there was no repression of activists representing independent organisations, as had happened in previous years. Moreover, in 2015 the Belarusian authorities released the final people recognised by the EU as political prisoners. At the same time, Belarus engaged in the Ukrainian peace process, which allowed the renewal of diplomatic contacts with representatives of the EU and its Member States.

All this led the EU, in February 2016, to lift sanctions imposed against Belarus in 2011. However, the 2004 EU entry ban on the president of the Central Election Commission and individuals suspected of involvement in political murders at the turn of the 20th and 21st centuries remain in place. This decision was a signal to the Belarusian authorities that the EU is ready for the next stage in political dialogue.

In 2015, the European Union made Belarus several offers. These included the inauguration of a Mobility Scheme for Targeted People to People Contacts (MOST), acceleration of work on the liberalisation of the visa regime, support in negotiating with the International Monetary Fund and Belarusian efforts to join the World Trade Organisation (WTO), and use of the Technical Assistance and Information Exchange instrument of the European Commission (TAIEX) for increasing the transfer of technology to Belarus.

Some of these proposals were implemented very quickly. The MOST programme began in 2015 and is due to run until the end of 2017. During this time, it is planned that 1,700 Belarusian specialists in such fields as education, culture, science and technology, economy, energy and public administration will be trained in the EU. Belarus and the EU have intensified talks on visa liberalisation and readmission. In October of 2016, both sides also signed a declaration of partnership for mobility, which envisages closer cooperation in issues related to migration (including combating illegal migration) and asylum policy.

Belarusian Expectations. By expanding cooperation with the EU, the Belarusian authorities want to strengthen the political and economic independence of the state. Belarus hopes that the European Parliament, despite its resolution calling for a change in the electoral system, will recognise the legality of the House of Representatives (the lower chamber of the parliament). This will allow Belarusian MPs to participate fully in the work of the Euronest Parliamentary Assembly, which includes 60 deputies from the European Parliament and 10 MPs from each of the Eastern Partnership countries. Cooperation in the framework of Euronest includes four thematic platforms. These are one, democracy, the rule of law and respect for human rights; two, a market economy, economic integration between the EU and partnership countries, and convergence with EU policies; three, energy security; and four, people-to-

people contacts, culture, education, and science. For the Belarusian authorities, this decision will be an important political signal, which will be used both in foreign and internal policy. It will demonstrate the growing importance of the state in the international arena. For the EU, it may be an opportunity to complement dialogue at the governmental level and the activities of the Forum of Civil Society.

The Belarusian authorities also expect that, because of the improvement in political relations, investors from EU countries would be more interested in economic cooperation with Belarus. Support for the development of border infrastructure, transport and energy, as well as investments in new lines of industrial and agricultural production, all enabling Belarusian companies to meet EU standards, will be perceived as the most valuable. This may help to increase the volume of Belarusian exports to the EU (in the first three quarters of 2016 this amounted to \$4.5 billion, which was approximately 25% of Belarusian exports). The reintegration of Belarus with the EU's Generalised Scheme of Preferences may also contribute to this.

Belarus also counts on the support of European Union countries in negotiations on accession to the WTO and in obtaining a loan from the International Monetary Fund. Another round of talks on this subject ended in November, with the Belarusian authorities submitted a request for a loan of \$3 billion. This money would not only increase foreign exchange reserves (\$4.8 billion on 1 November) but would also help to maintain state liquidity (Belarus should pay off \$4 billion in debt in 2017). However, the IMF experts demand major reform of the state sector of the economy. So far, the government of Belarus is not ready for this, because it would require a significant change to its current economic policy, the creation of new institutions (such as the State Property Committee), and the adoption of a new law regulating the functioning of the state sector.

The Russian Factor. Due to its strong ties with Russia, Belarus has limited ability to shape its own foreign policy, especially in terms of relations with the EU. This results in the absence not only of any declaration of integration with the EU but of even broader political cooperation in adopting EU standards. The Belarusian authorities are aware that greater openness to cooperation with the EU may trigger Russian retaliation, both in economic terms (such as banning Belarusian products, blocking the transit of goods through Belarus, denial of credit cooperation, demanding immediate repayment of debt in different sectors) and in the social sphere (information campaigns criticising the policy of the Belarusian government), which would have important consequences on the functioning of the state.

Paradoxically, the lack of a clear EU message related to economic support and political cooperation will also be used by Russia to further subordinate Belarus. Therefore, the EU should define clearly the objectives of its cooperation with Belarus, knowing that they could affect the country's international standing.

Prospects. EU assistance is crucial if the Belarusian government is to maintain the state in as independent a manner as possible. At the same time, taking into account the regional context, the EU should also support the sovereignty and stability of Belarus. Thus, support for that country should be one of the most important objectives of the EU's Eastern Neighbourhood Policy.

First of all, the European Union should consider preparing a new comprehensive document regulating cooperation with Belarus. Current regulations are based mostly on the agreement between the European Economic Community and European Atomic Energy Community, and the Union of Soviet Socialist Republics, on trade and commercial and economic cooperation (signed on 18 December 1989). The ratification of the Partnership and Cooperation Agreement between the EU and Belarus, signed in 1995, was suspended by the EU in 1997 for political reasons. Therefore, the creation of a new document is necessary for the development of further relations between the EU and Belarus.

The further use of extant mechanisms, such as cross-border programmes, the MOST programme, and the TAIEX mechanism, will be particularly important for expanding cooperation. The European Union should also consider the use of European Investment Bank funds dedicated to Belarus but blocked in 2011. These funds (€4.8 billion in the 2014–2020 period, for the countries of the Eastern Neighbourhood, including Russia) can be used for investment in transport infrastructure and energy security. Moreover, European Bank for Reconstruction and Development funds also can be used. In 2015, the EBRD implemented only seven projects in Belarus at a cost of €53 million, which is just a fraction of the €1.8 billion reserved for the country). Economic cooperation should also be geared to support the development of small and medium-sized enterprises and the private sector, which will increase the efficiency of the Belarusian economy.

At the same time, both the EU and its Member States should continue to support independent organisations in Belarus, especially media and NGOs that work for the development of civil society. It will also be very important to launch cooperation mechanisms relating to historical, cultural and linguistic diversity, aiming to maintain and develop Belarusian identity. All these may help to preserve the independence of Belarus. In the long term, depending on the condition of the political system in Belarus (respect for human rights and the rule of law), the EU may consider macro-financial assistance.