



THE CLOSEST NEIGHBOURS

In September Lithuania became the second EU member after Italy that welcomed the President of Belarus after the period of sanctions and isolation in EU – Belarus relations. Lithuania's interest in Belarusian market is obvious and understandable. However, A. Lukashenka is not solely an observer in this game. While opening the door for investments and funds from the EU he is trying to maintain Kremlin's support. *Vytautas Sirijos Gira* presents an assessment of A. Lukashenka's 'multi-vector' foreign policy from a Lithuanian perspective in this edition.

During his visit to Lithuania A. Lukashenka presented plans to build a new nuclear power plant close to the Lithuanian border. The President of Lithuania D. Grybauskaitė judged this intention critically and rejected the invitation to join the project. Many factors stand against construction of this power plant: from environmental concerns to absence of financing. *Alena Daneika's* article brings answers to the questions whether any of these arguments will keep A. Lukashenka from building the power plant.

Julija Narkevičiute, Editor

A. LUKASHENKA'S VISIT TO VILNIUS : ARE WE FULLY AWARE OF THE GAME WE ARE PLAYING?

Vytautas Sirijos Gira,
Eastern Europe Studies Center

The President of Belarus Alexander Lukashenka visited Vilnius on September 16. The timetable of the visit provided that he would meet the President of Lithuania Dalia Grybauskaitė, participate in the opening of the Lithuanian-Belarusian International Economic Forum *Belarus and the Baltic Sea States: New Opportunities for Enhanced Cooperation*, open the Belarusian national exhibition Belarus Expo 2009. This was the first visit of the Belarusian leader to Lithuania since 1998 and the second to the EU member state in the recent decade. What is the meaning of the pending A. Lukashenka's visit for the EU, Lithuania and Belarus itself, which at present tries to improve its relations with the West? There should be no doubts that the visit is a constituent part of the new political game 'who gets Belarus'. In the wake of the military conflict between Georgia and Russia qualitative changes took place in the EU policy towards Belarus. The political line of the democratization of Belarus and isolation of A. Lukashenka's regime that was so far predominant was gradually substituted by the 'twofold' strategy. On the one hand, the activities related to the opposition forces of Belarus are continued (the line of democratization). On the other hand, the policy of the 'selective' inclusion

of the Belarusian political regime the aim whereof is to decrease the dependence of the country on Russia gains momentum. Otherwise stated, the EU considers the political and economic independence of Belarus to be a priority. Nevertheless, the work in the direction of the democratization of the regime is also considered, if somewhat less stressed, to be very important.

A. Lukashenka's visit fits nicely into the framework of the said 'twofold' strategy. The event is also fully in line with the interests of some business groups on Lithuania (export of fertilizers via Klaipėda port and entrance into the internal market of Belarus). On the other hand, this opens the window of the possibility for the Belarusian president to play his political game. A. Lukashenka assesses the 'thaw' in the relationship with the EU proceeding from very simple logic – to 'put everybody over'. A. Lukashenka needs the EU and Lithuania as a window into Europe only to the extent, which enables him to receive financial resources for the floundering economy of the country, open the EU market for Belarusian products or consolidate negotiation powers in its relation with Moscow. But as soon the EU requirements will start permeating the internal policy of Belarus A. Lukashenka will be the first to close all those 'opened windows' and 'new historical pages of mutual relations'. The President of Belarus understands perfectly well that further prospects

CONTENTS

A. LUKASHENKA'S VISIT TO VILNIUS: ARE WE FULLY AWARE OF THE GAME WE ARE PLAYING?

Vytautas Sirijos Gira,
Eastern Europe
Studies Center

1

WHAT CAN STOP THE CONSTRUCTION OF A NUCLEAR POWER STATION IN BELARUS?

Elena Daneika,
AC Wider Europe,
www.w-europe.org

3

In his relations with Russia A. Lukashenka tries to solve the dilemma between independence and loyalty, whereas in the West front the dilemma is of a totally different character: persistence of the regime or democracy

for the development of his regime depend mostly not on the EU but on Moscow.

Comparing the levers possessed by the EU and Russia with respect to A. Lukashenka's regime it becomes increasingly evident that Moscow is in a much stronger position. At any time Moscow can draw its 'energy card' (make Belarus pay the European price for the gas supplied) and thus destroy the clay-footed social and economic system of the country. So far A. Lukashenka managed to escape from the given scenario by allowing the Russian capital to privatize state enterprises operating in a certain strategic branch of economy. This, however, may turn out to be insufficient in the future. Does the EU possess a similar channel of influence on Belarus? Apparently not, since all sanctions so far imposed by the EU (removal of Belarus from the EU preferential trade system, refusal to issue visas to A. Lukashenka and dozens of the top officials of Belarus, freeze of bilateral relations as well as other measures) failed to produce any effect. Thus, as long as the EU fails to possess a lever of similar strength that is possessed by Moscow with respect to Minsk the 'thaw' of the EU and Belarus relations will continue to be conducted according to A. Lukashenka's scenario.

Thus, the most important question that should be posed by the EU and Lithuanian foreign policy decision makers is the following: how should the rules of the game of mutual relations with Belarus be consolidated in order to obviate the possibility for A. Lukashenka to unilaterally alter them? One of the outstanding examples of such unilateral 'rules of the game' was the IMF loan of 2.5 billion USD devoted to the stabilization of the economy of Belarus on condition that Belarus consolidates its monetary control and liberalizes its economy. Having assessed the actions of Belarus' authorities to liberalize its economy, the IMF had to state that the process of the liberalization of the economy of Belarus is only 'cosmetic'. The fact that the processes of privatization and liberalization of the economy (private sector of the Belarusian economy produces

25-30 per cent of the GDP) are fragmentary and fail to exercise considerable influence on the economy is also apparent. A. Lukashenka continues to be the pioneer, arbiter and the final decision maker of the given processes. All privatization contracts for the period 2007-2008 have been concluded only with A. Lukashenka's approval. Centralization of the Belarusian economy enables A. Lukashenka to maintain control of the bureaucratic apparatus and ensure political loyalty in exchange for restricted access to economic resources. Otherwise stated, all reforms are under control and therefore there is no sense of speaking about some stable 'rules of the game' in the given state. Even if a Lithuanian capital enterprise manages to find a way into the Belarusian market, the change of political wind (A. Lukashenka's political games) may result in the elimination of those Lithuanian investments. Therefore, it is vital to cautiously assess A. Lukashenka's aspiration to play 'rapprochement' with the EU.

A. Lukashenka's 'multi-vector' foreign policy, 'gripping' between the EU and Russia show that his ultimate aim is to receive as much financial assistance as possible (loans, grants and subsidies) as well as avoid any commitments to carry out structural reforms, to liberalize the country's economy and alter the political system. A. Lukashenka's concessions to the West may be only strictly limited. In the long term perspective the West sees Belarus as a democratic country free of A. Lukashenka and there should be no doubts that in the long run the EU will raise the democratic crossbar. This will automatically mean that A. Lukashenka's game of the 'rapprochement' with the West is over. In other words, in his relations with Russia A. Lukashenka tries to solve the dilemma between independence or loyalty, whereas in the West front the dilemma is of a totally different character: persistence of the regime or democracy. Those dilemmas are of a completely different character since in the first case A. Lukashenka can still design his political future (at least on the level of the Russian governor status), whereas in the second - definitely not.

Belarusian physicians who for a long time have been working in the field of nuclear energy stress that even specialists do not have access to the information on the technical characteristics of the future Belarusian NPS.

WHAT CAN STOP THE CONSTRUCTION OF A NUCLEAR POWER STATION IN BELARUS?

Elena Daneika, AC Wider Europe, www.w-europe.org

The decision to construct a nuclear power station (NPS) has been made. However, the implementation of the construction schedule may be hindered by the absence of financing.

The agreement between Russian JSC *AtomStroyExport* and national design and scientific research enterprise *BelNPIenergoprom* to develop the investment plan for the construction of the NPS in Belarus was signed on August 31st, 2009 in Minsk. This was officially announced by the *AtomStroyExport's* media service, a state engineering company subject to *Rosatom* that is implementing intergovernmental agreements on the construction of nuclear power objects abroad. Currently *AtomStroyExport* makes up approximately 20% of the global nuclear market.

Consequently, in late August the President of Belarus stated that the agreement with Russia on the financing of the NPS in Belarus has been reached, the first credit should be provided in 2010. While the amount of the credit is still being negotiated, the infrastructure for the NPS is being developed in the Ostrovets district of Grodno region. Full-fledged construction is scheduled to start on January 1, 2010.

The answer to the question what can stop the construction of the NPS pertains to the domain of hypothetical speculations. The only thing that can thwart the implementation of the current plan is the absence of financing. Belarusian specialists who are already engaged in preparatory work for the construction allow for this possibility. However, they are confident that the idea itself will hardly be abandoned. They point out that even in democratic countries having traditions of open public debates environmentalists' protests and scholars' arguments do not always lead to renunciation of the idea to construct NPS.

There is no doubt that the Chernobyl disaster came as one of the most powerful arguments for the opponents of the NPS. After the fall of the Berlin wall the NPS constructed by Soviet specialists near German town Greifswald on the Baltic coast was shut down. The construction of the station at the western borders of the former Democratic Republic of Germany was terminated. Nonetheless, it is being claimed that there is no realistic replacement for electric energy generated by NPS. Renewable energy sources comprise but a small part of necessary energy. This approach is supported by the fact that a number of NPS are operating in various countries across the world as well as new projects are being developed in the USA, Japan, China, and Russia.

In France 70% of consumed energy is generated by the NPS. In Belarus' neighbour Lithuania, Ignalina's NPS, which has the Chernobyl-type reactor, is to be replaced by a new NPS with a reactor of a different, non-Russian type. Yet in Europe, unlike in Belarus, nuclear energy develops concurrently with the debates on its appropriateness and dangers.

Belarusian analysts refer to Germany's experience in particular since Germany, unlike Belarus, has a tradition of conducting public debates. In European countries debates and their conclusions as well as the system of political structure provide a mechanism for public opinion to influence various political forces that consequently affect state-level decision making process. As far as the construction of the NPS in Belarus is concerned, there has been no public debate on the issue. Even if such a debate took place, it would hardly affect the final decision given the present-day power system in Belarus.

In the past President A. Lukashenka has voiced an idea of holding a referendum on the construction of the NPS. However, neither the debates, nor the referendum has been conducted despite the fact that Belarus has signed two international conventions (Espoo Convention and Aarhus Convention) that oblige it to promote public participation in environmental decision-making, which apparently comprises the construction of a NPS. Yet the decision to build a nuclear power station was made a year ago at a Security Council meeting without any debates.

Setting aside the political aspect, Belarusian specialists believe that the community protesting against the NPS relies on universally known facts concerning dangers and ecological harm that nuclear power industry poses. Besides, one should bear in mind circumstances of force majeure, disasters and catastrophes, consequences of which affect generations to come.

However, the public hardly has the possibility to assess the NPS project, the extent of its safety and reliability. Certain confidentiality of technical documentation, even in democratic countries, is explained by trade secret considerations. Nevertheless, specialists believe that it is possible to familiarize the public with nuclear project and provide the society with clues for its reasonable evaluation. In the case of Belarus, the decision making authorities or, to be more precise, those who are engaged in the implementation of the decision made by the country's leadership, up till now have been disseminating vague statements: our NPS will be the safest, the most reliable, etc.

Belarusian physicians who for a long time have been working in the field of nuclear energy stress that even specialists do not have access to the informa-

As for the Belarus' aspirations to become independent from Russia's energy resources, the construction of the NPS is clearly not the way out.

tion on the technical characteristics of the future Belarusian NPS. Georgij Lepin, professor, doctor of science and activist of the movement *Scientists for nuclear-free Belarus*, points out that any attempt to make a stand against nuclear power is regarded nearly as an attempt against the President himself. During his speech in Chojniki, A. Lukashenka claimed straightforwardly that opponents of the NPS are not scientists, but bandits in science and enemies of the people.

Defending his right to protest and access expert assessment of the construction plans, Georgij Lepin refers to West European practices, in particular the experience of German colleagues, opponents of nuclear energy. According to Mr. Lepin, they may freely make their opinion, scientific conclusions and expert evaluations available to the public, familiarize members of various state institutions, political and social organizations with the results of their scientific research.

The decision to abandon the construction of the NPS (yet not the idea in general) may be made not so much due to pragmatic and rational considerations and estimates of expenses related to personnel training, safety enforcement, but rather due to the negative economic context. Such a conclusion is supported in the study *A system analysis of the transformation of the security of the Republic of Belarus in the process of developing nuclear energy*, conducted by Vyachaslau Pazdnyak, head of analytical centre *Wider Europe* and recently presented in Minsk. In the study Mr. Pazdnyak points out to the risks of making a decision on the construction of a NPS construction under the conditions of an economic crisis since real costs are hard to estimate. Besides, the shutdown of the station costs approximately the same as its construction. Should the crisis affect the financial capacity of Russian Federation, it will not be able to provide financing that would automatically mean grave losses. Moreover, one has to have in mind geopolitical risks related to the selection of a Russian contractor. Belarus already has the experience of economic wars with Russia. Should a situation aggravate, focus solely on Russian partners jeopardizes the plans of building the nuclear station in Belarus.

Nuclear energy researchers forecast in about 30 years new, more reliable and efficient nuclear as well as alternative energy technologies will emerge. If the first unit of the Belarusian NPS is to be launched in 2016, one cannot disregard the risk that during the station will become technologically outdated. Moreover, a number of scholars believe that raw uranium may be exhausted in the coming 60 years. Given that countries which have announced the intention to resolve the energy security problem by way of constructing a NPS implement their plans, the aggravation of competition under the conditions of the shrinking natural resource cannot be avoided, which will cause price surge, and consequently, the economic substantiality of nuclear energy will be questioned.

Another aspect highlighted in the aforementioned research is the interdependence between nuclear energy development and national security system. The construction of the NPS may mean a dramatic quantitative and qualitative change of the national security system that would be expensive, complex and time-consuming. The extent and seriousness of this assumption is supported by a statement made by Janis Aizsalnieks, attaché of the Minsk Office of the European Commission (EC). During a training that took place on August 9th, 2009 in the framework of the project *Strengthening Regional Capabilities for Prevention and Response to Chemical Emergencies with a Threat of Trans-Boundary Effects in the Region Belarus-Latvia-Lithuania*, Aizsalnieks stated that EC is prepared to provide Belarus with technical aid in developing the nuclear safety programme.

As for the Belarus' aspirations to become independent from Russia's energy resources, the construction of the NPS is clearly not the way out. Primarily since no other country would take up financing the its construction, except for Russia. Secondly, Russia will provide the station with everything needed, from equipment to nuclear waste removal. Thirdly, Russia will be supplying uranium. Eventually, rather than being 'gas-dependent' on Russia, Belarus will be 'uranium-dependent' on the same Eastern neighbour.



norden

Nordic Council of Ministers

TO CONTRIBUTE TO THE NEXT ISSUE OF "BELL"; PLEASE CONTACT:

Julija Narkeviciute
Phone: +37067805634
Fax: +37052736953
E-mail: julija.narkeviciute@eesc.lt
EASTERN EUROPE STUDIES CENTRE