




COMMENTARY

Continuing the EU-Belarus Sanctions Saga: What Hope for the Fourth Package of Sanctions?

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I. Background

On 23rd of May, Alyaksandr Lukashenka's brazen clampdown on his opposition came once more under heavy international criticism, after a Ryanair plane, flying from Athens to Vilnius, was forced to land in Minsk under an alleged bomb threat in order to arrest the dissident journalist and activist Raman Pratasevich and his partner, Sofia Sapega. The EU's reaction to this event came remarkably fast, the leaders of the 27 Member States assuming a hard-line position towards what some leaders described as an act of 'state-sponsored terrorism'.¹

Despite the international outrage, state repression of anti-regime activism in Belarus does not represent a novelty on the EU's crises roster. Since the fraudulent elections in August 2020 more than 33.000 protesters have been thrown in detention and physically abused by the security forces, while 454 political sentences were meted as of June 1st, with thousands more still on a roll, according to the human rights group *Viasna*.² In response, the EU imposed so far three sanction packages on the current leadership, which consist of asset freezes and travel bans to the EU for 88 individuals associated with the violent repressions, including Lukashenka himself as well as his son, Viktor Lukashenka, who is the National Security Advisor.³

The Ryanair incident represents, however, a wake-up call for the EU in its approach vis-à-vis Belarus. Much like in 2014, when the EU started paying close attention to Ukraine only after the downing of the MH17, Lukashenka's violation of international civil aviation codes and abusive detainment of EU passengers in Minsk turned the domestic political crisis in Belarus into an international one. This prompted the EU to immediately restrict its air traffic over Belarus and close down its airspace to Belarusian airlines, as well as consider the imposition of a fourth package of sanctions, which is to be discussed at the Foreign Affairs Council in Luxembourg on 21st of June.

Unlike the previous sanction packages, the fourth package is expected to target vital sectors of the Belarusian economy - such as its big potash exports, oil and finance sectors - with the intent on dealing a far-reaching blow to the current regime's finances.⁴ While this decision will undoubtedly raise the EU's pressure on Belarus to an unprecedented level, some considerations pertaining to the scope and potential effects of these sanctions, as well as Belarus' Union State with Russia, are yet to be assessed. More precisely, a question worth asking at the moment is in what ways could the EU's fourth package of sanctions stifle the ongoing assault of the Belarusian regime against its opposition.

II. Current State of Play

The EU's engagement with Belarus: seasonal sanctions, perennial repressions

For as far back as the EU's Neighbourhood Policy goes, its engagement with Belarus has been characterised by the imposition of sanctions over the state repression of political opposition. In an almost traditional fashion, sanctions were introduced after the fraudulent parliamentary elections of

¹ Mateusz Morawiecki [@MorawieckiM]. (2021, May 23rd). *Hijacking of a civilian plane is an unprecedented act of state terrorism. It cannot go unpunished.* Twitter. Available at: <https://twitter.com/MorawieckiM/status/1396486258747183106>

² Viasna Human Rights Center (2021, June 2nd). *Human Rights Situation in Belarus: May 2021.* Available at: <http://spring96.org/en/news/103670>

³ Council of the European Union (2021, May 25th). *Timeline – Eu restrictive measures against Belarus.* Available at: <https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-following-the-2020-belarus-presidential-elections/belarus-timeline/>

⁴ Walderssee, V. (2021, May 27th). Reuters. 'EU sanctions expected to hit Belarus' potash, oil and finance'. Available at: <https://www.reuters.com/world/europe/eu-starting-work-economic-sanctions-belarus-borrell-says-2021-05-27/>

2004, the presidential elections of 2006 and 2010, ending in 2015, when Brussels turned a blind eye to the fraudulent elections of that year in favour of rapprochement towards Minsk, due to the situation in Ukraine.⁵ The scenario from August 2020 was therefore not that unique in Belarus' recent political history, epitomising the EU's inability to influence Belarus' cycle of political repression through sanctions.

Although an argument could be made about the previous sanctions' ineffectiveness due to their restricted scope on travel bans, asset freezes and arms embargo, their ebb and flow throughout the years reveals a more fundamental deficiency in the EU's diplomacy: a lack of foresight and reluctance to accept the protracted political realities in Belarus. In previous interactions with Lukashenka's regime, the EU has treated its abuses as something temporary, rather than a decades-old systematic behaviour, that could be repairable in the short-term and traded in for the appropriate favours at later times.⁶ Hence, the EU's responses to Lukashenka's abuses have always come belatedly, usually after the height of an exceptional episode, in a pattern that one commentator accurately termed a *diplomacy of post-factum*.⁷

Likewise, the Ryanair incident was treated as an exceptional occurrence, a contingency which the EU could not have preemptively acted on. Nevertheless, Lukashenka's clampdown on dissenting voices did not start with the kidnapping of Pratasevich. Since the beginning of May, Lukashenka has taken active steps in creating the legislative framework for an effective suppression of his opposition. For example, on May 14th, during a series of legislative addendums designed to limit the right to free speech, public forms of protest and data privacy, Lukashenka approved amendments to an anti-extremism law, which redefined extremism as any 'anti-state' activity aimed at the 'illegal usurpation of power' or 'overthrowing the constitutional order', providing for a broad criteria of eliminating any opposition fitting the definition.⁸

For the EU, these reforms, which were publicly announced since late January, did not constitute enough of a reason to update its sanctions policy from December 2020, despite Lukashenka's obvious emboldenment to defy the West after each subsequent round. Instead, the EU adopted a 'wait and see' strategy until it was faced with an international crisis requiring an immediate decision to punish an act of 'state terrorism', just to avoid establishing a precedent.

With land borders closed since December 2020 over alleged pandemic concerns, the EU's decision to completely prohibit all air traffic to and from Belarus has deprived ordinary Belarusians of any possibility to escape Lukashenka's dictatorship. According to Belarusian political commentator Pavel Slunkin, protesters would like to see stronger sanctions from the EU on the incumbent regime; yet, there is growing frustration over the EU's course action in recent months and with its decision to cut off the country from the rest of Europe the collective disillusionment with Western support is only growing.⁹

⁵ Bosse, G. (2017). 'EU-Belarus relations in the context of the European Neighbourhood Policy', in T. Schumacher, A. Marchetti & T. Demmelhuber (Eds.). *The Routledge Handbook on the European Neighbourhood Policy*. Routledge.

⁶ *Ibid.* p. 292-293. The EU always leveraged its sanctions as a short-term solution for Lukashenka's release of political prisoners, rather than a tool for incentivising structural change.

⁷ Cenuşa, D. (2020, November 14th). IPN. 'The EU and the "changing" Eastern neighbourhood – between "post-factum diplomacy" and realpolitik'. Available at: https://www.ipn.md/en/the-eu-and-the-changing-eastern-neighborhood-between-post-factum-diplomacy-and-r-7978_1077619.html

⁸ Klysiński, K. and Żochowski, P. (2021, May 21st). OSW. 'The legalisation of terror. The Belarussian regime expands the legal basis for repression'. Available at: <https://www.osw.waw.pl/en/publikacje/analyses/2021-05-21/legalisation-terror-belarusian-regime-expands-legal-basis-repression>

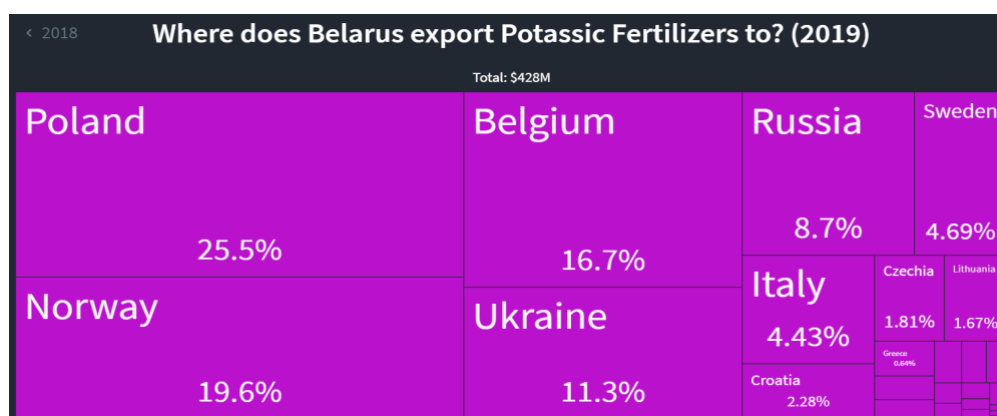
⁹ Tcherneva, V. (Host). (2021, May 28th). How the EU should respond to Belarus. In *Mark Leonard's world in 30 minutes*. ECFR. Available at: <https://ecfr.eu/podcasts/episode/how-the-eu-should-respond-to-belarus/>

Belarus' linkage with Russia

Besides the need for a comprehensive approach, the most salient issue for the EU's fourth package of sanctions is without a doubt Belarus' Union State with Russia. Signed in 1999, the Union Treaty between the two countries involves a degree of politico-economic integration similar to the one provided by the EU and NATO combined.¹⁰ While some observers suggested that sanctions against Belarus should not be linked with the EU's Russia policy, the fact of the matter is that no sanction against Lukashenka's regime can be considered separately from its relation with Russia.

European leaders are aware of this, and by designing a package of sanctions meant to dwindle Lukashenka's financial resources, they hope that the costlier Russia's support for his regime will become, so will the voices critical of him within the Kremlin. With Moscow's recent announcement of another \$500 million assistance to Belarus,¹¹ this latter consideration deserves careful examination.

By targeting Belarus' potash exports, which were the world's second largest in 2019 with 17.2% of the total share, followed by Russia with 15.1%,¹² the EU seems committed to a more resolute posture towards the current regime. Nonetheless, as encouraging as this approach might sound, the EU hardly represents an important market for Belarus' potash industry. Based on data from the Observatory of Economic Complexity, in 2019, of Belarus' total of \$2.78 billion revenue from potash exports, \$428 million came from Europe and only \$252 million from EU countries (figure 1).¹³



(Figure 1. Source: OEC)

In fact, by imposing an embargo on Belarus' potash industry, the EU will not achieve anything more than strengthening Russia's position within the European markets. The Russian fertiliser producers Uralkhem and Uralkhali are two companies which would benefit the most from the EU's sanctions on Belarus' fertiliser industry. Suleiman Kerimov, a Kremlin associated oligarch and owner of Russian potash company Uralkhali, has been trying for years to acquire Belarus' state-owned giant Belaruskhali, while Russian chemical producer Uralkhem, owned by Russian tycoon Dmitri

¹⁰ Preiherman, Y. (2019, April 1st). Minsk Dialogue. *Treaty on the Establishment of the Union State of Belarus and Russia*.

Available at: <http://minskdialogue.by/en/research/memorable-notes/treaty-on-the-establishment-of-the-union-state-of-belarus-and-russia>

¹¹ Al Jazeera (2021, May 30th). *Russia confirms \$500m loan for Belarus as West toughens sanctions*. Available at: <https://www.aljazeera.com/news/2021/5/30/russia-confirms-500m-loan-for-belarus-as-west-toughens-sanctions>

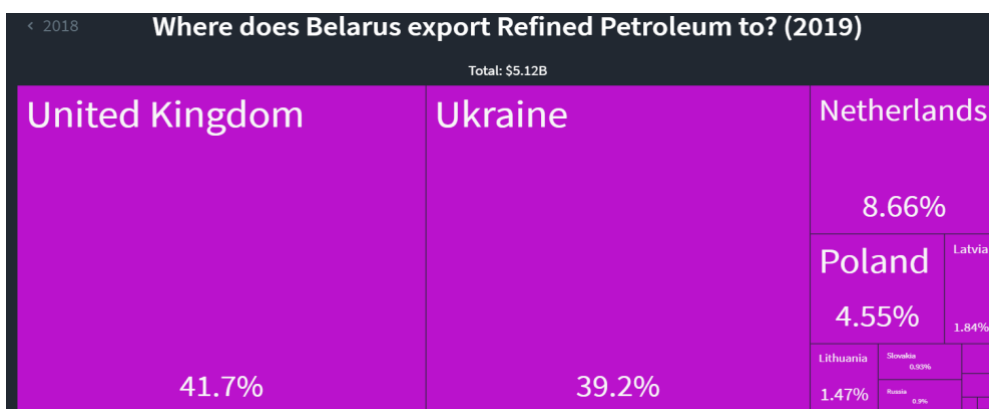
¹² OEC. (2019). *Which countries export potassic fertilizers?* Available at: https://oec.world/en/visualize/tree_map/hs92/export/show/all/63104/2019/

¹³ OEC. (2019). *Where does Belarus export Potassic Fertilizers to?* Available at: https://oec.world/en/visualize/tree_map/hs92/export/blr/show/63104/2019/

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Mazepin, has its eyes set on acquiring Belarus' major chemical and fertiliser producer, Hrodna Azot.¹⁴

Similarly, Belarus' oil sector does not rely that much on the EU either. In 2019, from Belarus' total \$5.12 billion revenue of refined petroleum exports to Europe, almost 80% came from outside the EU (figure 2).¹⁵ The only EU country having leverage over Belarus in this instance is Germany, which has 100% monopoly over Belarus' crude oil exports.¹⁶ However, Germany is a country that consistently bypasses the EU's policies when it comes to energy deals with Russia, and considering Belarus' intricate energy relations with Russia which sustain its entire oil sector,¹⁷ it remains very possible for Belarus to just reverse its oil exports to the EU through Russia in case of an embargo, much like Russia did with Belarus over Ukraine.



(Figure 2. Source: OEC)

III. Policy Recommendations

Since Belarus' economy is largely reliant on trade with CIS and non-EU countries, devising a meaningful package of sanctions against Lukashenka's regime will require strategic coordination with partner countries. Therefore, to affect Belarus' potash and oil exports, the EU should seek close cooperation with the UK and Ukraine, as they are Belarus' biggest markets in Europe outside the EU. The UK is already mirroring the EU's individual sanctions on Belarus, while Ukraine has signalled its solidarity with Brussels in boycotting the Belarusian airspace since late May. Furthermore, for Ukraine, a strategic partnership with the EU on this matter could provide a good opportunity to entrench its position vis-à-vis Russia's gas transits through its territory, as with Moscow's continued support to Lukashenka's regime, the EU is again in a position to leverage talks over Nord Stream II in Kiev's favour.

Besides strategic coordination, it would be well-advised for the EU to consider the imposition of sanctions on Belarus' metal and wood exports, as these are actually two industries that rely on the EU market for revenue. In 2019, the EU accounted for \$760 million of Belarus' \$2.53 billion metal

¹⁴ Sivitsky, A. (2021, April 24th). Center for Strategic and Foreign Policy Studies. *Moscow's man in Minsk*. Available at: <https://forstrategy.org/en/posts/20210424>

¹⁵ OEC. (2019). *Where does Belarus export Refined Petroleum to?* Available at: https://oec.world/en/visualize/tree_map/hs92/export/blr/show/52710/2019/

¹⁶ OEC. (2019). *Where does Belarus export Crude Petroleum to?* Available at: https://oec.world/en/visualize/tree_map/hs92/export/blr/show/52709/2019/

¹⁷ Mammadov, R. (2020, January 31st). The Jamestown Foundation. *Belarus' role in Eastern European Energy Geopolitics*. Available at: <https://jamestown.org/program/belaruss-role-in-east-european-energy-geopolitics/>

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exports¹⁸ and for \$958 million of its \$1.43 billion wood exports.¹⁹ Additionally, as some observers pointed out, Brussels should further expand its list of visa restrictions and asset freezes to include hundreds of names of officials associated with the repressions, as well as Russian businessmen and companies that leverage Russian state-power to acquire Belarusian companies, since many of them still enjoy regular travel and holidays to EU resorts.²⁰ Extending this list could act as an important deterrent for the regime's cronies subsidizing Lukashenka's lawlessness, as this previously proved to be an important bargaining chip for the political prisoners' release.

Lastly, the EU should be seeking solutions 'on the ground, not in the air'.²¹ Sanctions have a potential for change, but without positive action in support of the civil society it is often wasted. In the following period, it should be paramount for the EU to revitalise its agenda for the Belarusian opposition and send a clear signal that its struggles are not going unnoticed. In the short term, this could amount to discussions on topics like free Schengen visas for the Belarusian population and a comprehensive border opening of the EU to Belarus in all cultural and social aspects. For the long term, the EU should send a clear message to Belarus on what it has to offer once democratic elections will finally be held and repressions ended. The message will not be important to Lukashenka, but it will be to the civil society and people currently in the regime, who understand that the more Lukashenka stays in power the higher will be the price for Belarus' future.

¹⁸ Calculations made by the author based on data available. OEC. (2019). *Where does Belarus export Metals to?* Available at: https://oec.world/en/visualize/tree_map/hs92/export/blr/show/15/2019/

¹⁹ Calculations made by the author based on data available. OEC. (2019). *Where does Belarus export Wood Products to?* Available at: https://oec.world/en/visualize/tree_map/hs92/export/blr/show/9/2019/

²⁰ Åslund, A. (2020, September 18th). Atlantic Council. *Sanctions Against Belarus must also target Russia*. Available at: <https://www.atlanticcouncil.org/blogs/ukrainealert/sanctions-against-belarus-must-also-target-russia/>

²¹ Slunkin, P in Tcherneva, V. (Host). (2021, May 28th). How the EU should respond to Belarus. In *Mark Leonard's world in 30 minutes*. ECFR. Available at: <https://ecfr.eu/podcasts/episode/how-the-eu-should-respond-to-belarus/>

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