

Research report

BELARUS AND THE BALTIC STATES: REPERCUSSIONS OF THE LINGERING POLITICAL CRISIS

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The political crisis in Belarus is not yet over. Its continuation risks turning the country into a source of constant challenges for the Baltic states and the EU, as shown by the Ryanair flight incident.



A return to the pre-crisis state of relations is impossible without resolution of the Belarusian crisis. New factors have appeared, including non-recognition of Lukashenka's legitimacy and Vilnius's hosting of Tsikhanouskaya.



Although economic relations have shown resistance to negative political impulses, in the long run the ongoing crisis will inevitably lead to more serious economic repercussions.

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INTRODUCTION. OBJECTIVES, METHODOLOGY AND PAPER STRUCTURE

The Belarusian political crisis, which began as a purely internal confrontation in the summer of 2020, soon generated far-reaching repercussions for the whole Eastern European region and beyond. The crisis has changed the basic framework conditions for Belarus's relations with its neighbours, and in some cases has reversed trends in bilateral relations formed over many years.

This study examines the effects of this lingering crisis on relations between Belarus and the three Baltic states — Lithuania, Latvia and Estonia. The study is not limited only to political implications and also analyzes the impact of the crisis on economic and people-to-people relations between Minsk and the Baltic countries. Beyond an examination of the changes that have already taken place, the paper includes a scenario analysis of the development of relations between Belarus and the Baltic states for the coming year (June 2021 to June 2022) as well as policy recommendations to facilitate a constructive resolution of the Belarusian crisis.

To ensure the validity of research results, the authors used methodological triangulation of case study analysis, semi-structured interviews and scenario analysis. The case study was carried out in the form of analysis of relevant documents, statements and decisions of the parties on a designated topic. In addition, six semi-structured interviews with experts from the three Baltic states and representatives of the diplomatic corps were conducted. To forecast the developments in relations between Belarus and the Baltic states in a one-year perspective, a scenario-based approach was adopted, that is, an analysis of four scenarios built on possible combinations of two variables: (a) depth of integration with Russia and (b) whether the power transition has taken place in Belarus by mid-2022.

The report is divided into four chapters. The first is devoted to the analysis of key factors and trends in relations between Belarus and the Baltic states before and at the beginning of the political crisis. The second chapter deals with consequences of the crisis for Minsk's relations with each of the Baltic countries (separately in the political, economic and humanitarian spheres). The third chapter covers the Russian factor. Finally, the fourth chapter sets out a scenario analysis for the development of relations and offers recommendations for Baltic and European policy makers.

1

KEY DRIVERS AND TENDENCIES OF RELATIONS PRIOR TO AND AT THE BEGINNING OF THE CRISIS

The relationship between Belarus and the Baltic states has never been straightforward. Deep interconnectedness, pragmatic and economic interests, but also close civil society and cultural ties have always gone hand in hand with contrasting geopolitical and military objectives and conflicting perspectives on human rights issues. Many mythologemes in the bilateral political and security relations of the Baltic states and Belarus are based on each side's delusion about the other side's excessive dependence on its strategic allies. Lithuanian officials have repeatedly referred to Belarus's subordinate status in its relations with Russia. To a certain extent, Latvia¹ and Estonia² share this opinion, albeit the thesis is rarely found in the rhetoric of public officials. Belarusian policymakers, mentally stuck in the Cold War era of power bloc antagonism, generally view almost any action by its Baltic neighbours as "dictated from the White House". A direct consequence of this misconception is a high level of mutual mistrust and reluctance to build predictable long-term relations.

The significance of relations with Belarus varies among the three Baltic states. The reasons for this include different economic interests, divergent perceptions of military and political threats, intensity of civil society cooperation and the presence or absence of shared borders. The approaches to Belarus adopted by Lithuania, Latvia, and Estonia have been influenced by the general context of Belarus–EU cooperation, the latter steering the direction of bilateral relations. On the other hand, the Baltic states themselves often act as locomotives in the formation of the EU's policy towards Belarus.

Lithuania traditionally plays the most proactive role, offering itself as an expert on post-Soviet interstate cooperation. It has also tried to formulate the basic framework and priorities for cooperation with Minsk at the EU level, both during periods of "frozen" and "thawed" relations. Latvia managed to portray itself as a politically "convenient"



Photo: depositphotos.com

European neighbour for Belarus and a reliable business partner in the years before the crisis. This has been achieved through restrained rhetoric driven, among other things, by economic pragmatism. Estonia, in contrast to its Baltic allies, is less tied to Belarus. This explains its relatively passive and often ad hoc stance towards Minsk. Tallinn is not constrained by significant economic risks and has therefore been a more active human rights advocate. At the same time, it prefers to remain in the shadow of its Baltic neighbours when forming policy on Belarus.

Military and political cooperation between Belarus and Russia is one of the most critical concerns in the sphere of security shared by all Baltic countries. Regular joint military exercises and close cooperation between security and

1 https://www.sab.gov.lv/files/Public_report_2020.pdf

2 <https://www.valisluureamet.ee/pdf/raport/2018-ENG.pdf>

intelligence agencies, as perceived by Lithuania and other states in the region^{3,4}, pose threats to regional security and lay the groundwork for potential aggression towards the Baltic states from Belarusian territory. Official Minsk sees such concerns as nothing other than an aggressive defence of their political, economic and military interests as well as a manifestation of anti-Belarusian sentiment.

The similar initial reaction of the three Baltic states to the Belarusian crisis that broke out in August 2020 testified to their continued hopes of cooperation with the Belarusian authorities and an unwillingness to immediately revert to sanctions. The reaction can be partly explained by concerns that Belarus's independence and sovereignty could be compromised by Russia's integration plans or a possible military/police intervention in the event of Aliaksandr Lukashenka's downfall. Another explanation is the significant political capital invested in the gradual rapprochement of Belarus and the EU in the preceding years.

The similarity of attitudes among the three Baltic states allowed them to act in a coordinated manner. On 13 August, the presidents of Lithuania, Latvia, Estonia and Poland issued a joint declaration on approaches to resolving the crisis.⁵ It included three points, or conditions, for the Belarusian authorities: to cease violence, to release all detainees, and to start a dialogue with civil society, and also called for a "national reconciliation roundtable". The four states signalled their readiness to "cooperate with the goal of achieving a peaceful crisis resolution in Belarus and strengthening its independence and sovereignty". They threatened sanctions should the repressions escalate.⁶

Further developments in Belarus, however, recalibrated the previously formulated approaches of the three Baltic states. On the one hand, the opposition managed to turn the tables on the Belarusian authorities, as both protest marches with several thousand participants and labour strikes were occurring throughout the country. On the other hand, Aliaksandr Lukashenka flatly rejected all offers of mediation and help in establishing dialogue with the protesters.⁷ The rhetoric of the Belarusian authorities was growing increasingly hostile towards Western states, most notably to Belarus's neighbouring states. Unscheduled military exercises were held and Belarus's military presence was increased near Lithuania's border.^{8,9} This effectively forced the authorities of Lithuania, Latvia and Estonia to throw their weight behind protesters and step up political and economic pressure on the regime in Belarus. The three Baltic states became some of the most active advocates of EU sanctions and even issued their own national restrictions against Belarusian officials and members of the security apparatus. At the same time, they continued to provide humanitarian and medical assistance to Belarusians who suffered from repressions.

³ Same source

⁴ <https://www.unian.net/politics/2084384-genshtab-predusmotrel-meryi-v-sluchae-ugrozyi-vtorjeniya-voysk-rf-v-hode-ucheniya-v-belarusi-poltorak.html>

⁵ <https://www.lrp.lt/en/media-center/news/the-presidents-of-lithuania-poland-latvia-and-estonia-issued-a-joint-declaration-on-belarus/34521>

⁶ Same source

⁷ Lukashenka: We Don't Need Any Foreign Governments, Any Mediators, 15 August 2020. <https://www.belta.by/president/view/lukashenko-nam-ne-nuzhny-nikakie-zarubezhnye-pravitelstva-nikakie-posredniki-402950-2020/>

⁸ <https://www.mil.by/ru/news/104498/>

⁹ <https://www.belta.by/president/view/lukashenko-nam-gotovili-etu-zavarushku-planirujut-eto-i-napravljajut-ssha-403655-2020/>

2

EFFECTS OF THE POLITICAL CRISIS ON BILATERAL RELATIONS

2.1 LITHUANIA



POLITICS AND SECURITY

Relations between Belarus and Lithuania were not in the best shape long before the onset of the crisis. Belarus under Lukashenka is a state dependent on Russia, with which it has strong institutional ties in the military, political and economic spheres. Political conflict between Belarus and Lithuania also resulted from differences in internal political organization and attitudes to human rights. At the same time, Lithuania's economy was closely tied to Belarus through work with Belarusian contract partners. This challenged Lithuanian politicians to strike the right political balance: how to cooperate with the Belarusian authorities while supporting democratization processes in their neighbouring state.

The political crisis in Belarus accentuated these systemic contradictions. It also presented Lithuania with a difficult choice. If Lukashenka were to remain in power, severance of political relations with the EU would inevitably increase Minsk's already high dependence on Moscow. The threat of Russia's military intervention caused additional concern. On the other hand, a radical slide of Belarusian political elites in a pro-democracy direction would have opened a chance for Lithuania to fully relaunch its relations and to obtain an ally on its south-eastern border. As a result, on the basis of the logic of the Belarusian crisis, the Lithuanian authorities decided to throw their weight behind sanctions and support of the opposition. Lithuania succeeded in reaching broad internal political consensus on policy towards Belarus.¹⁰

From the very moment mass protests started, Lukashenka accused the West of orchestrating a coup d'état and of plans to occupy parts of Belarus's territory.¹¹ While

during the pre-election campaign Russia was portrayed as an external enemy,¹² shortly after the election it quickly became the only ally. The rhetoric of the Belarusian authorities grew increasingly anti-Western. Lithuania was identified as one of Belarus's major enemies, the military presence at its borders was temporarily increased and unscheduled tactical¹³ and joint Belarusian-Russian military exercises were held.¹⁴

One of the key consequences of the crisis for Lithuania was Belarus's growing military and political dependence on Russia. Lithuania's relevant agencies had previously assessed Belarus as dependent on Russia, which was believed to be a challenge for national security.¹⁵ In the post-crisis situation, Belarus's international identity as a neutral state¹⁶ and a negotiation platform for issues pertaining to regional security was annulled. Finding themselves in completely new circumstances the authorities began openly renouncing its commitment to the neutrality status (proposing to eliminate the respective provision from the Constitution) and deepening integration with Russia. For Lithuania this meant Russia's strengthened position in Belarus, increased regional tensions as well as growing risks to its national security. Several rounds of negotiations between Lukashenka and Putin, with an undisclosed agenda, served as an indirect confirmation of ongoing debates on problematic issues in bilateral relations which, according to the two leaders, included integration and military issues.¹⁷

Lithuania's Department of State Security and Military Intelligence assessed that: "During the political crisis in

¹⁰ Interviews with Maksimas Milta, Andrzej Pukszt, and Vytis Jurkonis

¹¹ Lukashenka: this mess was prepared for us, it is planned and directed by the United States, 21 August 2020, <https://www.belta.by/president/view/lukashenko-nam-gotovili-etu-zavarushku-planirujut-eto-i-napravljajut-ssha-403655-2020/>

¹² <https://www.belta.by/incident/view/pod-minskom-zaderzhany-32-boevika-inostrannyj-chastnoj-voennoj-kompanii-400470-2020/>

¹³ <https://www.mil.by/ru/news/104498/>

¹⁴ <https://www.bbc.com/russian/features-54167158>

¹⁵ <https://www.vsd.lt/wp-content/uploads/2020/02/2020-Gresmes-En.pdf>

¹⁶ <http://minskdialogue.by/research/opinions/situacjonnyi-neitralitet-popytka-kontseptualizacii>

¹⁷ <https://president.gov.by/ru/events/soveshchanie-po-voprosu-belorussko-rossijskogo-sotrudnichestva-v-voennoj-sfere>



Photo: depositphotos.com

Belarus, the cooperation between the Russian and Belarusian services even intensified, with heads of Russian intelligence and security services visiting Minsk and providing their support."¹⁸ At the same time, in the view of some Lithuanian experts, "not much has changed. Russia already controlled the border between Belarus and Lithuania,"¹⁹ and "Belarus already *de facto* constituted a Russian federal district in the military and security spheres."²⁰

The decision to deny Aliaksandr Lukashenka recognition as legitimate president, formalized in legislature, is bound to complicate considerably Lithuania's future political contacts with Belarus, should the status quo persist in the country. Neighbouring states always need to coordinate actions and cooperate in resolving local issues (for example, cross-border cooperation, environment, transit, or nuclear power). Considering the nature of political organization in Belarus, any request for cooperation from Lithuania, even of a purely technical kind, could be used by Minsk in its own interests. Minsk would deliberately recourse to "arm-twisting", forcing the Lithuanian state authorities to address the "illegitimate" leader directly or to wait courteously for him to grant a favour. In this case, any choice would have consequences for Lithuania: in the form of either reputational risks or real-life consequences.

The same holds true for Lithuania's decision to officially support Belarus's alternative leader Sviatlana Tsikhanouskaya and her team. A potential improvement in Belarus-EU relations would present Vilnius with a difficult moral, ethical and political choice: at what moment would the close cooperation with "the government in exile" cease to cater to Lithuania's national interests? What actions would be necessary to honour them? The presence in Vilnius of an "opposition headquarters" is bound to remain an irritant in relations between the two states. That said, neither side will have a simple way of neutralizing this irritant in the future.

The political crisis in Belarus led to a diplomatic conflict between the two states. Upon a request of the Belarusian authorities, Lithuania had to reduce considerably the size of its diplomatic staff in Minsk and ambassadors of both states had to return to their respective capitals.²¹ A return of the diplomatic mission heads to their states of destination is likely to take a long time. By way of analogy, in the case of Belarus and the USA, the process has dragged on for over twelve years.²² For neighbouring states, this could of course happen more quickly, although there would need to have been at least symbolic progress towards the normalization of relations. Lithuania itself would run into its non-recognition of Lukashenka were it to

¹⁸ https://www.vsd.lt/wp-content/uploads/2021/03/2021-EN-el_.pdf, page 44

¹⁹ Interview with Andrzej Puksztó

²⁰ Interview with Maksimas Milta

²¹ <https://www.belta.by/politics/view/belarus-otzyvaet-dlja-konsultatsij-svoih-poslov-v-polshe-i-litve-409269-2020/>

²² The ambassador of the USA has been appointed, but has not arrived to Minsk and is based in Vilnius.

appoint a new ambassador. Lithuania's president would have to accept an ambassadorial letter of credence sent in Lukashenka's name. The ambassador of Lithuania, in turn, would need to hand the letter of credence to Belarus's "illegitimate president" or find a way to circumvent the established diplomatic practice.

Another consequence of the crisis was the adoption of national sanctions by Lithuania, targeted against those Belarusian individuals responsible, from Vilnius's point of view, for mass repressions in Belarus.²³ The sanctions list comprises 274 people, including Aliaksandr Lukashenka and his eldest son, many high-level officials, civil servants, and law enforcement officers. They are denied entry to Lithuania. Although the sanctions are primarily symbolic, for some individuals on the list such restrictions could mean missing out on tourist trips to Vilnius, popular among residents of Minsk.

Belarus responded with reciprocal measures and issued an entry ban for "approximately 100 officials" from Lithuania.²⁴ Traditionally, such lists are not made public, listing and delisting occur in a non-transparent manner. It is therefore impossible to find out the identities of those sanctioned, but it is likely that they are high-level officials. It is important to keep in mind that many people on the list will not have had the option of travelling freely to Belarus even before the sanctions. Belarus and Russia share a common database of "the inadmissible", and the Russian list is very long (it contains over 1.5 million individuals).²⁵ It seems likely that many people placed onto Belarus's blacklist were already mentioned in the Russian document. Moreover, guided by pragmatic considerations, Minsk has been known to allow and deny entry to Belarus whenever that was of political advantage. In this context, the adoption of reciprocal sanctions should therefore be understood as a largely symbolic move.

The special operation of the Belarusian authorities to force a Ryanair flight from Athens to Vilnius to land in Minsk led to a yet another escalation of the Belarusian crisis.²⁶ In the eyes of European politicians, this incident internationalized the up to that point internal crisis, bringing it to a new level and forcing them to rethink their approaches to resolving it.²⁷ Lithuania once again found itself on the front flank of the fight against Lukashenka. Direct flights between the two countries were terminated due to restrictions on the airline Belavia;²⁸ Lithuania

also banned aircraft from transiting Belarusian airspace²⁹ and additionally expelled two more Belarusian diplomats, accusing them of involvement in special services operations.³⁰

Beyond the increase in aggressive militaristic rhetoric, sounding the alarm about external enemy threats and demonstrative preparations for an alleged future act of NATO aggression, the Belarusian authorities had to work on a positive internal agenda. In order to compensate for a temporary loss of internal control in the crisis context and to demonstrate their achievements, they expedited the launch of the Belarusian NPP. The haste might have contributed to a range of technical problems at the station and its repeated shut-off from the energy system.³¹

In its dialogue with Latvia and Estonia, Lithuania tried to use the reaction of the Belarusian authorities to the political crisis to advance its stand on the Belarusian NPP. In broad terms, the Belarusian crisis "brought the positions of the three states closer together"³² and "allowed Lithuania to consolidate the Baltic states around its standpoint".³³ Another significant effect was the fact that Lithuania ceased to be viewed by its Baltic neighbours and European partners as a "one-issue country" that builds its foreign policies on Belarus exclusively around the Belarusian NPP issue.³⁴ Although validated by the three states, the agreement not to buy energy produced at the Belarusian NPP is essentially a token measure, declarative in its nature.³⁵ The parties did not outline any means through which they would implement the decision. According to Lithuania's energy minister Dainius Kreivys, as of early March 2021 the electrical energy trade volume between Latvia and Russia had tripled since the launch of the Belarusian NPP,³⁶ which means the energy produced at the plant quite possibly reaches the Baltic market and may be sold to Lithuanian companies. Should this trend continue, the total value of electrical energy annually reaching the Lithuanian market of at least partially Belarusian production could amount to 120 million euros.³⁷

²³ Minister Landsbergis welcomes the decision of the European Union to extend sanctions against Belarus, 18 December 2020 (Lit), <https://www.urm.lt/default/lt/naujienos/ministras-g-landsbergis-sveikina-europos-sajungos-sprendima-isplesti-sankcijas-baltarusijai>

²⁴ www.belta.by/politics/view/belarus-prinjala-otvetnye-mery-na-sanktsii-stran-baltii-408732-2020/

²⁵ <https://www.ria.ru/20170228/1488945942.html>

²⁶ www.bbc.com/news/world-europe-57236086

²⁷ www.consilium.europa.eu/en/press/press-releases/2021/05/24/european-council-conclusions-on-belarus-24-may-2021/

²⁸ <https://belavia.by/novosti/4674374/>

²⁹ <https://www.delfi.lt/ru/news/politics/pravitelstvo-litvy-zapretilo-vse-aviarejsy-v-stranu-kotorye-prohodyat-cherez-territoriyu-belarusi.d?id=87275439>

³⁰ <https://www.urm.lt/default/en/news/lithuania-to-expel-two-employees-of-the-embassy-of-belarus-in-vilnius>

³¹ <https://www.interfax.ru/world/739808>

³² Interview with Andrzej Puksztó

³³ Interview with Maksimas Milla

³⁴ Interview with Vytis Jurkonis

³⁵ <https://www.lrt.lt/ru/novosti/17/1225660/u-lukashenko-otniali-shtepsel-strany-baltii-obiavili-boikot-belaes>

³⁶ <https://www.delfi.lt/ru/news/economy/ministr-energetiki-litva-nadeetsya-do-iyulya-dogovoritsya-s-sosednyami-o-bloka-de-belaes.d?id=86600797>

³⁷ D.Kreis: Lithuania indeed uses electricity from the Astravets NPP, having paid 4 million euros for it over ten days (Lit.), 3 February 2020. <https://www.15min.lt/verslas/naujiena/energetika/d-kreivys-lietuva-isties-vartoja-as-travo-ae-elektra-per-desimt-dienu-uz-ja-sumokejo-4-mln-euru-664-1450082>



The electrical grid in the wider Baltic region.

In all likelihood, Lithuania will not manage to secure a full implementation of its own ban on buying energy produced at the Belarusian NPP until its complete exit from the common electrical energy system with Belarus and Russia (BRELL) and a synchronization of the electrical power systems of the Baltic states and the EU.



ECONOMY

The reaction of the economy to the deep crisis of bilateral relations has been moderate. This could be explained by the fact that both governments, which are responsible for key interstate decisions, and business in both countries had become used to functioning in a "demo version" of the current adversities in the preceding years.

Traditional markers of the state of the two countries' economic relations did not take a nosedive. With 1.377 billion dollars, trade volume at year-end 2020 was down by only 67 million dollars as compared to 2019.³⁸ Both exports and imports remained at levels comparable to the year before. The first months of 2021 even demonstrated growth with trade volume rising to 120.3% in January-February as compared to the same period of the previous year.³⁹

At year-end 2020, Lithuania ranked seventh on the list of states investing in the Belarusian economy, with direct investments of 225.3 million dollars made (in 2019—185.1 million dollars).⁴⁰ It is beyond doubt, however, that the negative political fallout of the crisis will have effects in the long run.

As of June 2021, the most palpable loss for the two states was the re-orientation of the transit of Belarusian oil products from Lithuania's Klaipeda port to Russian seaports. Belarus and Russia reached an inter-governmental agreement on the transit of 9.8 million tonnes of cargo. Despite attempts by the Russian and Belarusian state-run media to portray it as "the beginning of an end" of the Klaipeda seaport, it certainly is not. While it is true that Belarusian cargo comprises around 30% of the port's cargo traffic, the largest part of Belarusian cargo comprises potassium fertilizers, not oil products. The agreement reached with Russia is valid until the end of 2023 and makes provisions for annual transit of around three million tonnes of oil products.⁴¹ The total volume of cargo loaded through Klaipeda seaport in 2020 was 47.7 million tonnes.⁴² Lithuania's losses from re-orientation of Belarusian oil products would therefore amount to around 6.3% of the total volume, which can be compensated for by other product categories.

³⁸ https://lithuania.mfa.gov.by/ru/bilateral_relations/trade_economic_cooperation/mutual_trade/

³⁹ <https://www.belstat.gov.by/ofitsialnaya-statistika/realnyy-sektor-ekonomiki/vneshnyaya-torgovlya/vneshnyaya-torgovlya-tovarami/operativnye-dannye/>

⁴⁰ https://lithuania.mfa.gov.by/ru/bilateral_relations/trade_economic_cooperation/investment_cooperation/

⁴¹ <https://tass.ru/ekonomika/10741351>

⁴² <https://www.portofklaipeda.lt/statistika-porta-klaipeda>



Even though Belarus officially announced the suspension of oil product transshipments through Klaipėda in December 2020,⁴³ performance indicators of the first months of 2021 demonstrate that the port's management has done a good job at tackling the challenge. The seaport's cargo turnover, as of January 2021, showed year-to-year growth of 12.8%.⁴⁴

Another sector of the Lithuanian economy bound to sustain losses as a result of the oil product transit re-orientation is carriage by rail. LTG Cargo, a Lithuanian company which carried two million tonnes of crude oil and oil products from the Belarusian Oil Company in 2020, is a good example. In total, this amounted to 3.7% of the annual cargo turnover of the Lithuanian company, which is not a critical volume for the business's survival.⁴⁵ Lithuanian experts agree that while a complete diversion of Belarusian cargo away from Klaipėda would be a big loss, "It is beyond doubt that businesses would manage to re-orient themselves and win new customers."⁴⁶ Similar events had already taken place in Lithuania's relations with Russia. "Minsk's counter-sanctions are an inevitable price Lithuania is prepared to pay. Minsk's previous

threats forced Lithuania to hold discussions, assess the likelihood of such an event and think through scenarios and action plans. Lithuania is therefore fully prepared now."⁴⁷

On the other hand, the Belarusian authorities' desire to punish Lithuania for its political position is damaging Belarus's own interests. Under the new scheme, Belarus will buy crude oil from Russia, refine it and then send it back, thus bearing transport costs twice.

As claimed by Belarus's transport ministry, the conditions offered by the Russian ports are "totally on a par with the prices at the Baltic ports", even taking into account the obvious increase in the logistical burden. This already raises questions which are likely to remain unanswered for a lack of public access to the contract details, since it is the usual practice to keep details of such agreements undisclosed. There are finer points too. For example, the withdrawal from Klaipėda means lost revenue for the Belarusian Railway, since the new agreement with Russia lays down that cargo transportation is to be provided exclusively by the Russian Railways company. Another potential issue lies in the "take or pay" contract clause agreed by the parties.⁴⁸ It deprives Belarusian business actors of mobility and the flexibility to adapt to changing market

⁴³ <https://www.kn.lt/en/news/news/information-about-belarusian-oil-products-transshipment-in-klaipeda/3649>

⁴⁴ <https://www.delfi.lt/ru/news/economy/sumel-li-klaipeds-kij-port-sohranit-liderstvo-po-tempam-rosta-gruzoob-rota-v-nachale-2021-goda.d?id=86547169>

⁴⁵ <https://interfax.by/news/biznes/businesses/1289634/>

⁴⁶ Interview with Maksimas Milta

⁴⁷ Interview with Vytis Jurkonis

⁴⁸ https://ru.wikipedia.org/wiki/%D0%91%D0%B5%D1%80%D0%B8_%D0%B8%D0%BB%D0%B8_%D0%BF%D0%B8%D0%B0%D1%82%D0%B8

conditions by fixing must-have expenditures for several years ahead. In the end Belarus, which first imports Russian oil for processing and then needs to meet financial obligations for fixed volumes of oil products to be delivered to Russian ports, will have to pay Russia for port services even in the event of Russian companies reducing or stopping oil exports to the Belarusian market.

All things considered, the agreement is advantageous neither for Lithuania nor for Belarus, leaving Russia as the only beneficiary. The issue of cargo transport will almost certainly become another source of tensions in the negotiations between Minsk and Moscow and will be bargained over in the same manner as happens with gas and oil prices. Belarus is driving itself deeper and deeper towards economic and political dependence on Russia. This makes a return of Belarusian oil products to Klaipėda very unlikely since the issue is becoming distinctly political. For Lithuania, the unwanted financial losses will create an impulse for supplier diversification, reduction of dependence on Belarus and a minimization of associated risks of an instantaneous crash of a whole economic sector.

From Lukashenka's perspective, active participation of IT specialists in the protests rendered the whole high-tech sector a danger to his rule. As reported by some influential market actors, "even the possibility of a politically motivated shutdown of the High-Tech Park was on the table."⁴⁹ The post-election climate in Belarus triggered a wave of emigration of IT professionals, with IT companies opening offices in neighbouring states. As of April 2021, over 15% of all IT specialists have already emigrated from Belarus, most of them are considered to be the "elite" of the Belarusian IT industry.⁵⁰ 43 Belarusian companies have already started relocation of their staff to Lithuania, another 37 are considering this option. In total, 110 Belarusian companies are showing interest at the possibility of relocating to Lithuania, which could translate into around three thousand new jobs there.⁵¹ Such widely known Belarusian IT brands as EPAM, Wargaming, and Flo have already opened their offices in Vilnius.⁵²

For Lithuania, the situation brings plenty of advantages. First, those who relocate are usually among the most qualified and well-paid participants in the labour market. Secondly, the arrival of globally known companies boosts Vilnius's attractiveness in a highly competitive business world. It brings tax revenue, creates jobs for local professionals and gives a development impulse to the whole business sector. This is why the local government

encourages the migration of Belarusian capital to Lithuania.⁵³ Conditions for receiving a work permit have been simplified significantly. In 2020, the country ranked highest in the EU in terms of new registered fintech businesses.⁵⁴



PEOPLE-TO-PEOPLE CONTACTS AND HUMANITARIAN ASSISTANCE

The deteriorating human rights and civil liberties situation, brought about in the aftermath of the election,⁵⁵ forced many Belarusians to seek shelter in neighbouring states. Not for the first time in its history, Lithuania became one of the main hubs of emigrant and foreign NGOs supporting Belarusian nationals. "If in the past Lithuania worked primarily with the opposition, a whole spectrum of civil society organizations has sprung up here now."⁵⁶ The Lithuanian government is supportive of such initiatives and officially declares its adherence to providing humanitarian aid to Belarusian society. Those who suffered from repressions have been exempted by Lithuanian diplomatic missions from consular fees and stamp duties.⁵⁷ Despite international borders being closed owing to the epidemiological situation, Lithuania reserved for Belarusians the possibility of entry through a humanitarian corridor.⁵⁸ Between August 2020 and April 2021, Lithuania issued 800 Belarusians with humanitarian visas, 133 of whom requested political asylum.⁵⁹ Another 7,490 citizens of Belarus received temporary residence permits from Lithuania and 12,496 received Lithuanian national visas (between August 2020 and February 2021).⁶⁰ It was in Lithuania that the first criminal case to investigate violence and torture in Belarus was opened under the principle of universal jurisdiction.⁶¹ In this context, the restriction of flights from Belarus at the end of May 2021 significantly exacerbated the situation for potential victims of political persecution. With land borders closed, chances of fleeing the country have further diminished.⁶²

⁴⁹ Mamonenka: "There was an idea to close the HTP for political reasons", 19 February 2021, <https://dev.by/news/mamonen-ko-pro-it>

⁵⁰ <https://dev.by/news/relocate-april-2021>

⁵¹ <https://www.lrt.lt/ru/novosti/17/1407917/interes-k-litve-proia-vliaut-110-belorusskikh-kompanii>

⁵² <https://dev.by/news/molchalivyi-ishod>

⁵³ <https://finance.tut.by/news729093.html>

⁵⁴ <https://www.bloomberg.com/news/articles/2021-02-17/tech-brains-in-viber-birthplace-flee-belarus-leader-s-crack-down?sref=l3J6d079>

⁵⁵ <https://freedomhouse.org/country/belarus/freedom-world/2021>

⁵⁶ Interview with Vytis Jurkonis

⁵⁷ <https://www.delfi.lt/ru/news/live/litovskie-vizy-dlya-post-radavshih-ot-repressij-belorusov-budut-besplatny-mi.d?id=85890337>

⁵⁸ <https://naviny.online/article/20201012/1602493686-bez-vizy-v-litvu-instruktazh-na-sem-shagov-kak-belorusu-bezhat-ot>

⁵⁹ <https://vrm.lrv.lt/lt/naujienos/vrm-atvykti-i-lietuva-del-humanitariniu-prieziariu-leista-805-baltarusijos-pilieciais>

⁶⁰ <https://news.tut.by/society/719449.html>

⁶¹ <https://www.delfi.lt/en/politics/prosecutor-generals-office-launches-probe-into-police-violence-in-minsk.d?id=85955159>

⁶² <https://gpk.gov.by/covid-19/>



Photo: depositphotos.com

Numerous initiatives emerged in Vilnius aiming to provide help to political migrants. Their founders, staff or volunteers had often been victims of repressions themselves. The largest Belarusian solidarity fund, BySol, also based in Lithuania, has paid out around three million euros to victims of repressions since the beginning of the crisis.⁶³

Two major Lithuanian universities offered scholarships to students from Belarus who had been expelled or otherwise affected by repressions. Vytautas Magnus University in Kaunas allocated a quota of 50 student places,⁶⁴ while Vilnius University accepted 90 students from Belarus and exempted them from fees for the whole period of their education.⁶⁵

At the same time, Lithuania aimed to prevent European cooperation funds from reaching the hands of the Belarusian authorities over fears that they could be misused. For this reason, payments to Belarusian beneficiaries within the Latvia-Lithuania-Belarus programme were interrupted. The programme's 2021 budget had made provisions for payments valuing 10.7 million euros, with another 3.5 million euros to have been paid out in 2022–2024.⁶⁶ For Belarus, this signifies a loss of financing for large infrastructure and technology

projects such as the modernization of the Urbany–Silene border checkpoint (between Belarus and Latvia) and the development of telecommunications infrastructure at the Belarus–Lithuania border (BOMBEL-4).⁶⁷ On a smaller scale, one could mention lost funding for nature protection, agriculture, tourism, climate and family projects.⁶⁸ Under conditions of budget deficit in Belarus, the loss of European money will be palpable for already underfinanced regions. In the last 5–7 years of a thaw in relations with the EU, local authorities have got used to the option of attracting foreign financing for coping with problematic issues.

One of the most telling stories of the Belarusian crisis and the ensuing conflict with the West is the story of "BELORUS", a health resort located in the Lithuanian town Druskininkai. The third package of EU sanctions included the "Main Economic Office" of the Administrative Affairs Office of the President of the Republic of Belarus,⁶⁹ the official owner of the resort. All activities at the resort, with a staff of around 400 people (the majority of whom are Lithuanian nationals),⁷⁰ were paralyzed. Its servicing bank blocked the resort's accounts and staff have not received wages but have refused to quit. As a result, Lithuania's budget loses tax revenue (around one million euros annually), hundreds of locals lose their income, local authorities lose a major employer, the

⁶³ <https://bysol.org/#rec270155439>

⁶⁴ <https://www.vdu.lt/en/international-cooperation/vmu-support-fund-for-belarusian-students/?fbclid=IwAR11T-2bEAKLUXSMPORG3QGIQpTABRe-E8AEPgZntic9ols4ekeVz-Bx5Eg7Y>

⁶⁵ <https://www.lrt.lt/ru/novosti/17/1355479/vil-ni-us-eto-mir-bez-genotsida-belorusskie-studenty-ob-uch-ebe-v-vu-protestakh-i-budushchem-belarusi>

⁶⁶ <https://www.eni-cbc.eu/llb/ru/novosti/informacija-dlja-beneficiarov-proektov-po-vyplate-sredstv-programmy/5346>

⁶⁷ <https://www.eni-cbc.eu/llb/ru/programma/krupnye-infra-strukturnye-proekty/588>

⁶⁸ <https://www.eni-cbc.eu/llb/ru/proekty/4105?sqid=fa8gdb-80d7a42618f9daed74c74b516c1ec18da3>

⁶⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D2130>

⁷⁰ <https://tass.ru/ekonomika/10624087>

Belarusian owner loses revenue and dozens of thousands of children lose a chance to receive specialized treatment.

2.2 LATVIA



POLITICS AND SECURITY

Unlike Lithuania, Latvia had a significantly less comfortable baseline for transitioning towards a new phase in relations with Belarus after the political crisis broke out there. During the past seven years, if not longer, Riga advocated developing tighter relations with Minsk. Political contacts of the two states were probably the most uncomplicated and positive among all of Belarus's neighbours. Despite their membership in different military alliances and integration projects, Belarus and Latvia managed to build sufficient mutual trust and successful cooperation for regional security.

As a result, the toll that the Belarusian crisis took on bilateral political relations was more painful for Riga than for its Baltic neighbours. Latvia had hoped to be the first European state to host an official visit by Lukashenko following his relief from EU sanctions in 2016. However, Belarus chose Austria for this. The Latvian trip was postponed repeatedly by both sides for various reasons. Among those, a lack of specific economic projects to be discussed and agreements to be signed were mentioned. Following the crisis, Latvia first had to publicly renounce its invitation,⁷¹ and later even announced the non-recognition of Lukashenko as legitimate president,⁷² adding him to the list of people under its travel ban.⁷³

As the EU dragged out its adoption of sanctions against Belarus, Latvia supported the idea of introducing national restrictions. Riga banned entry for 277 individuals from Belarus including ministers, senior and other officials in the security apparatus, judges, civil servants and journalists.^{74, 75, 76, 77} Such lists were prepared by the Baltic

states in a coordinated manner and are therefore almost identical. They included Belarus's sports minister and the president of the National Ice Hockey Federation.⁷⁸ Notably, this happened long before the International Ice Hockey Federation decided to deprive Minsk of the right to host the World Championship which was planned to take place in Belarus and Latvia. Latvia's prime minister Karinš questioned the possibility of holding the championship together with Belarus as early as on 13 August.⁷⁹ Since then Latvia has adhered to this position and eventually successfully insisted on hosting the World Championship alone.⁸⁰

Latvia was also active on international platforms in regard to the Belarusian situation, where it has made some progress. Latvia's MFA suggested that the UN Human Rights Council should prepare a report on media freedoms, torture and violence in Belarus and establish a monitoring mission.⁸¹ The report was prepared and presented by the UN High Commissioner Michelle Bachelet. It describes "an unprecedented human rights crisis" in Belarus.⁸² Acting within the framework of OSCE along with 16 other member states, Latvia initiated the creation of a mission of independent experts (under the Moscow mechanism) for the evaluation of human rights violations in Belarus. The OSCE report was presented in late 2020.⁸³ The Belarusian authorities severely criticized both documents and accused their authors of partiality, lack of objectivity and meddling in Belarus's internal affairs.⁸⁴

At the same time, the Belarusian authorities sent Latvia a request for the extradition of Valery Tsapkala, an oppositional politician who tried to stand as a candidate in the 2020 election, who is currently based in Riga. Latvian officials refused to satisfy the request instead classifying it as "an undisguised retaliation attempt."⁸⁵

Such a committed stance could not be observed in all matters. During the discussions of the third EU sanctions package, the name of Belarusian entrepreneur Aliaksei Aleksin, who owns a range of businesses in Latvia and is believed to belong to Lukashenko's inner circle, could be seen on the draft list. Reportedly, it was Riga that blocked sanctions against Aleksin out of concern for Latvia's own

⁷¹ Lukashenko's planned visit to Riga "removed from the agenda" — Latvian Foreign Minister, 31 August 2020, www.sva-boda.org/a/30812749.html

⁷² titania.saeima.lv/LIVS13/saeimalivs_lmp.nsf/0/837A4AAD-0D65EC69C22585F40022B8E9?OpenDocument

⁷³ www.mfa.gov.lv/en/news/latest-news/66445-for-eign-minister-edgars-rinkevics-places-30-belarusian-citizens-on-list-of-personae-non-gratae

⁷⁴ www.mfa.gov.lv/aktualitates/zinas/66444-arlietu-ministrs-edgars-rinkevics-ieklaui-30-baltkrievijas-pilsonus-latvijai-nevelamu-personu-saraksta
www.mfa.gov.lv/aktualitates/zinas/66632-arlietu-ministrs-edgars-rinkevics-ieklaui-101-baltkrievijas-amatpersonu-latvijai-nevelamu-personu-saraksta
www.mfa.gov.lv/ru/novosti/novosti-ministerstva/67045-26
www.mfa.gov.lv/ru/novosti/novosti-ministerstva/67715-118

⁷⁵ www.mfa.gov.lv/aktualitates/zinas/66632-arlietu-ministrs-edgars-rinkevics-ieklaui-101-baltkrievijas-amatpersonu-latvijai-nevelamu-personu-saraksta

⁷⁶ www.mfa.gov.lv/ru/novosti/novosti-ministerstva/67045-26

⁷⁷ www.mfa.gov.lv/ru/novosti/novosti-ministerstva/67715-118

⁷⁸ twitter.com/edgarsrinkevics/status/1328291460383465472

⁷⁹ <https://www.insidethegames.biz/articles/1097328/latvia-belarus-ice-hockey-co-hosting>

⁸⁰ <https://www.iihf.com/en/events/2021/wm/news/24333/latvia-confirmed-as-worlds-host>

⁸¹ The Foreign Minister [of Latvia] called on the UN Human Rights Council to establish a UN Human Rights Monitoring Mission on Belarus, 18 September 2020, <https://www.mfa.gov.lv/aktualitates/zinas/66564-arlietu-ministrs-aicina-ano-cilvektiesibu-padomi-izveidot-ano-cilvektiesibu-uzraudzibas-misiju-baltkrievija>

⁸² <https://news.un.org/ru/story/2021/02/1397472>

⁸³ <https://www.osce.org/files/f/documents/7/9/469542.pdf>

⁸⁴ <https://www.mfa.gov.by/press/statements/dbbd47202cf-c82ba.html>
<https://tass.ru/mezhdunarodnaya-panorama/10783933>

⁸⁵ <https://www.rbc.ru/rbcfreenews/6025327c9a7947d030190b6a>

economic interests. A Latvian expert confirms that the rumours "are most likely true".⁸⁶ Latvia's MFA refused to comment, noting that "this is a normal work process within the EU, when the originally suggested list differs from the approved final version. This is defined by various political, economic and legal aspects, such as the presence of evidence for enlisting a certain person in the EU's sanctions lists."⁸⁷

After the replacement of the official flag of Belarus with the historic white-red-white flag in Riga on 24 May 2021 by Riga city mayor and Head of the Latvian Foreign Ministry⁸⁸ (criminal cases were opened against them in Belarus⁸⁹), diplomatic relations between the countries were effectively terminated. Belarus expelled the entire Latvian embassy, allowing only one technical officer to remain.⁹⁰ Latvia reciprocated.⁹¹

Although the government refused to recognize Tsikhounskaya as president, citing its view that large-scale electoral fraud had rendered the entire election null and void,⁹² in November 2020 Tsikhounskaya travelled to Riga.⁹³ Her full-fledged working visit included meetings with Latvia's president, prime minister and the head of the MFA. She called on Latvia to revise its agreements on purchases of oil, metal products, wood and timber industry products, and alcohol from Belarus. She urged the National Bank of Latvia to pause cooperation with Belarusian state banks and issue economic sanctions against Belarusian enterprises which fire strikers.⁹⁴ None of her appeals were acted on by the Latvian authorities, primarily because they would hurt Latvia's own economic interests.

Repercussions of the crisis will be felt in defence ministries too. If the earlier level of cooperation and mutual trust allowed Belarus and Latvia to exchange sensitive information, pay visits at the level of chiefs of general staff, the current

state of relations has made this impossible. Minsk's anti-NATO rhetoric, although not targeted directly at Riga, burns the bridges leading back to constructive contacts in the foreseeable future.



ECONOMY

Talks on directing larger volumes of Belarusian cargo from Lithuanian to Latvian seaports, held in the pre-crisis times, did not yield results. For the Belarusian authorities, it was economically unprofitable to change Klaipėda for Ventspils or Riga, and the motivation to punish Lithuania for its fight against the Belarusian NPP was clearly not enough on its own. Following the onset of the political conflict between Belarus and the EU such negotiations lost their practical sense. Having imposed sanctions against Belarus, Latvia automatically became Lukashenka's enemy and lost any chance of attracting additional cargo transit.

The volume of Belarusian cargo carried on the Latvian railway dropped in quantitative terms at year-end 2020 (only annual reports can be found in the public domain). The total volume of Belarusian cargo meanwhile rose to 26.6%.⁹⁵ There have been no public announcements of re-orientation of cargo flow from Latvia to Russia and deliveries continued as usual in early 2021.⁹⁶ Belarus predominantly transports oil products through Latvian ports, which is exactly the product category diverted away from Klaipėda. Belarus's selective approach can be interpreted as a warning to Riga. Like a sword of Damocles, it would hang over Latvia were it to discuss further sanctions against Minsk. It is likely that the message will be decoded correctly and have an influence on decision-making: both the profitability and financial stability of Latvian ports have been deteriorating from year to year.⁹⁷ Belarus itself does not suffer losses in these circumstances, considering that it would be politically and economically unprofitable for it to redirect cargo from Latvian seaports to Russian ports in Ust-Luga and Saint Petersburg. As estimated by the expert community, however, "Latvian business could re-orient itself" in the event of an unfavourable turn in affairs. "Latvia has already had this experience in its relations with Russia. Back then, it successfully re-oriented its trade turnover from Russia to the EU."⁹⁸

At year-end 2020, serious drops could be observed in trade turnover, volumes of Belarusian exports and Latvian investments. All three markers showed a decline of over 20%.⁹⁹ It is reasonable to assume that this downturn

⁸⁶ Interview with Andis Kudors

⁸⁷ <https://rus.lsm.lv/statja/analitika/analitika/blagodarja-latvii-belorusskiy-oligarh-ne-popal-v-sankcionniy-spisok--de-facto.a392867/>

⁸⁸ <https://www.reuters.com/lifestyle/sports/ice-hockey-federation-criticises-latvian-officials-over-belarus-flag-swap-2021-05-25/>

⁸⁹ <https://eng.belta.by/society/view/criminal-case-opened-in-to-belarusian-flag-incident-in-riga-140350-2021/>

⁹⁰ www.mfa.gov.by/press/news_mfa/a328d84054bc7d67.html

⁹¹ www.mfa.gov.lv/en/news/latest-news/67998-in-response-to-the-actions-by-belarus-latvia-expels-belarusian-diplomats

⁹² Foreign Minister: Belarus best scenario would be re-elections, 17 August 2020, <https://eng.lsm.lv/article/politics/politics/foreign-minister-belarus-best-scenario-would-be-re-elections.a370783/>

⁹³ President of Latvia: opposition in Belarus needs to remain united to achieve democratic goals and replace the current regime, 13 November 2020, <https://www.president.lv/en/news/news/president-of-latvia-opposition-in-belarus-needs-to-remain-united-to-achieve-democratic-goals-and-replace-the-current-regime-26485#gsc.tab=0>

⁹⁴ <https://www.dw.com/ru/tihanovskaja-obsudila-v-latvii-sankcii-protiv-lukashenko/a-55602096>

⁹⁵ https://ldzcargo.ldz.lv/sites/cargo.ldz.lv/files/LDZ_CARGO_saisinatais_2020_gada_parskats_0.pdf
https://ldzcargo.ldz.lv/sites/cargo.ldz.lv/files/Neauditets_LDZ_CARGO_2019_gada_parskats_0.pdf

⁹⁶ <https://www.brecorder.com/news/40068365/belarus-to-export-up-to-300000-tonne-of-oil-products-via-estonia-latvia>

⁹⁷ www.portofventspils.lv/ru/o-svobodnom-porte/fakti-i-cisla/rop.lv/ru/ostas-statistika

⁹⁸ Interview with Andis Kudors

⁹⁹ latvia.mfa.gov.by/ru/bilateral_relations/trade_economic/



Photo: depositphotos.com

does not directly follow from the political crisis in Belarus. The key negative factor was a drop in business activities and closed borders owing to the COVID-19 pandemic, which creates a low base effect for the next year. This is additionally confirmed by the positive dynamics of the first two months of 2021: year-on-year trade turnover between Belarus and Latvia in January-February was at 152.9%.¹⁰⁰

Under pressure from both the events in Belarus and Lithuania's reactions to the crisis, Latvia had to publicly renounce its plans to purchase electrical energy from the Belarusian NPP.¹⁰¹ However, even before the crisis started, the plans of making profit on re-selling Russian-Belarusian electrical energy on the Baltic markets raised a number of political, financial and technical questions. Still, Riga deliberately reserved some room for manoeuvre by avoiding inconsiderate moves in this regard. Its statement itself should be interpreted as a mere political declaration. It does not guarantee that electrical energy produced by the Belarusian NPP will not end up in Latvia. It is nearly impossible to identify the provenance of electrical energy. Moreover, methods might vary considerably from country to country. However, if it transpires that Latvia has deliberately imported electrical energy from Belarus by means of non-transparent schemes, then the reputational and political damage would be considerable.

¹⁰⁰ <https://www.belstat.gov.by/ofitsialnaya-statistika/realnyy-sektor-ekonomiki/vneshnyaya-torgovlya/vneshnyaya-torgovlya-tovarami/operativnye-dannye/>

¹⁰¹ <https://www.lrt.lt/ru/novosti/17/1225660/u-lukashenko-otniali-shtepsel-strany-baltii-obiavili-boikot-belaes>

So far, Latvia has failed to grow into an attractive destination for relocation of senior IT professionals from Belarus. In the rating of top destinations for relocation of IT specialists, as of April 2021, it ranked 9th, behind all other states neighbouring Belarus except for Russia.¹⁰² Lithuania, in contrast, can now boast every 10th relocated IT specialist from Belarus.



PEOPLE-TO-PEOPLE CONTACTS AND HUMANITARIAN ASSISTANCE

From the very beginning of the Belarusian crisis, representatives of all branches of power in Latvia have called on Belarus to cease repressions and violence and voiced support for rights and freedoms. They have also expressed willingness to provide aid to victims of repressions, those seeking asylum in Latvia and civil society at large. A humanitarian corridor has been opened for those fleeing from persecution. Despite the existing epidemiological situation and visa application rules Latvia reserved a possibility for those crossing the border from the Belarusian side. Those who were forced to relocate reported very modest accommodation provided to them in Latvia, while the average waiting period for a work permit, it was reported, lasts about half a year.¹⁰³ Latvia's Department of Citizenship and Migration explained that this reflected the

¹⁰² <https://dev.by/news/relocate-january-2021>

¹⁰³ <https://rus.delfi.lv/news/daily/latvia/chto-teper-beloruskie-bezhency-obeschannogo-statusa-i-raboty-do-polgoda-zhdut.d?id=52771245>

fears of Latvia becoming "a magnet attracting other refugees who are, in fact, not in need of asylum."¹⁰⁴ The Latvian authorities even justified their refusal to accept refugees from Greece by expectations of an influx of asylum seekers from Belarus.¹⁰⁵

Experts explain Latvia's policy with reference to two factors: "a generally negative attitude towards migration in the context of the crises in the Middle East and the lack of motivation on the part of some migrants from Russian-speaking countries to fully integrate into society. This has an impact on existing attitudes towards Belarusians too."¹⁰⁶

In 2020, Latvia provided legal counselling and medical and psychological help to Belarusians at a total value of approximately 250 thousand euros. Another 120 thousand euros is planned for 2021.¹⁰⁷ Six students from Belarus have been enrolled in various programmes at Vidzeme University of Applied Sciences.¹⁰⁸

When compared to Lithuania, the volume of relief provided by Latvia appears rather modest. The difference is largely explained by the comparably low number of migrants to Latvia. The closure of Belarusian land borders for exit, imposed in December 2020 officially due to the difficult epidemiological situation with COVID-19,¹⁰⁹ further limited refugee outflow and made emergency exits without a European travel permit impossible.

Discontinuance of payments to Belarusian beneficiaries within the Latvia–Lithuania–Belarus programme put at risk the realization of a large cross-border infrastructure project on the Belarusian–Latvian border. The Urbany–Silene border checkpoint was scheduled for modernization works, including widening of lanes between terminals, implementing safety measures for pedestrian border-crossing, construction of a customs inspection point and optimization of traffic infrastructure. Launched in 2019, the project was expected to be completed in 2022. The project cost was at five million euros, of which four-and-a-half million euros was to be provided by the EU.¹¹⁰

2.3 ESTONIA



POLITICS AND SECURITY

Belarus was not a focus of Estonia's attention before the crisis, neither was it central to Estonia's foreign affairs agenda as the crisis unfolded. Nonetheless, Tallinn stepped up its game in regard to Belarus and this can be considered the main effect of the Belarusian crisis on Belarusian–Estonian relations.¹¹¹

The Estonian government did not recognize the official results of the election in Belarus.¹¹² Instead, it announced that Lukashenka had "lost his mandate" and condemned his inauguration as illegitimate.¹¹³ This policy was affirmed by the Estonian parliament.¹¹⁴ In the international arena, Estonian MPs made similar statements on non-recognition of the election results.^{115, 116} Unlike their colleagues from other Baltic states, however, parliamentary deputies did not adopt special resolutions that would formally affirm Lukashenka's illegitimacy. According to a diplomatic source, "Estonia has no hidden agendas or policies conflicting with Latvia's and Lithuania's policies. There are no separate announcements about Lukashenka's illegitimacy either, for the simple reason that it already follows from non-recognition of the election results."

The expected rotation of the Estonian ambassador to Belarus will soon challenge Estonia to deal with the issue of "Lukashenka's illegitimacy". Tallinn will need to pass through the presentation of credentials. The way France and the USA, who find themselves in a similar situation, deal with this situation will largely dictate Estonia's actions.

Estonia was the first country to impose sanctions on selected Belarusian officials following the election.¹¹⁷ Acting in agreement with Lithuania and Latvia, Estonia has expanded its list several times to include 273 Belarusian citizens who, according to the Estonian authorities, are responsible for human rights and other violations.¹¹⁸ Maksim Ryzhankou,

¹⁰⁴ https://ltv.lsm.lv/lv/raksts/08.11.2020-de-facto.id201662/?fbclid=IwAR1nC8p4j7V6ESHZQbLIR7MF6LQOoNTVHe_FGgHRC-TJhqRi2iQCejcGvHt8

¹⁰⁵ <https://rus.lsm.lv/statja/analitika/analitika/latvija-opasaets-ja-potoka-bezhencev-iz-belarusi-i-poetomu-ne-prinja-lah-iz-grecii.a375413/>

¹⁰⁶ Interview with Andis Kudors

¹⁰⁷ Ministry of Foreign Affairs of Latvia: Belarus Received 246,500 Euros of Assistance, 17 December 2020, <https://bnn-news.ru/mid-latvii-belorussii-okazana-pomoshh-na-246-500-evro-243279>

¹⁰⁸ <https://www.izm.gov.lv/lv/jaunums/valdiba-atbalsta-merkstipendiju-pieskirsanu-baltkrievu-studentiem-un-petniekiem>

¹⁰⁹ <https://pravo.by/document/?guid=12551&p0=C22000705&p1=1&p5=0>

¹¹⁰ <https://www.eni-cbc.eu/llb/ru/proekty/modernizacija-punkta-pogranperekhoda-urbany-silene-latvija-belarus-krupnyi-infrastrukturnyi-proekt/4517>

¹¹¹ According to the source in the diplomatic sphere

¹¹² <https://news.err.ee/1125073/estonian-government-does-not-recognize-belarus-election-results>

¹¹³ <https://twitter.com/UrmasReinsalu/status/1308714594907676672?s=20>

¹¹⁴ https://www.riigikogu.ee/tegevus/eelnoud/eelnou/c6ab8997-7f10-43a1-b421-7c428f513e10/Riigikogu%20avaldus%20_Demokraatia%20ja%20kodaniku%C3%BChiskonna%20toetuseks%20Valgevenes_

¹¹⁵ https://kaptur.house.gov/sites/kaptur.house.gov/files/documents/2020.g.24_LETTER_Belarus%20Lukashenko%20Open%20Letter.pdf

¹¹⁶ <https://www.riigikogu.ee/en/news-from-factions/news-from-associations/riigikogu-delegation-pace-support-organising-new-transparent-elections-belarus/>

¹¹⁷ <https://www.rbc.ru/politics/27/08/2020/5f4779209a7947db2b219d76>

¹¹⁸ <https://vm.ee/et/vabariigi-valitsuse-sanktsioon-seoses-olukorraga-valgevenes>

first deputy head of the presidential administration, appears twice both in the Estonian and Latvian lists. He initially appeared on the first list of 30 people¹¹⁹ and was later included on the second, expanded list, this time with a different transliteration of his last name.¹²⁰ This can either be interpreted as indirect evidence of debates around his placement on the list during approval of the first list, or point to the rushed adoption of the second package of national sanctions.

Another peculiarity of the Estonian list is that it includes Aliaksandr Agafonau, head of the Investigative Committee, who led the investigation into the case against Siarhei Tsikhanouski.¹²¹ He also ran the investigation in the "Wagner Group" case.¹²² His name was not added to the Latvian and the open parts of the Lithuanian lists.¹²³ For reasons unknown, when working on the sanctions list, Estonia chose to spare four individuals: three security officers (Yahor Huk, Andrei Huz, Yauheni Savich) and one public official (Anton Kulak).¹²⁴ Moreover, Stanislau Lupanosau,¹²⁵ former officer of the Main Directorate for Combating Organized Crime and Corruption in the Ministry of Internal Affairs, who secretly leaked sensitive insider information to the regime's opponents and later left Belarus,¹²⁶ was not included in the Estonian list (although his name appears on the Latvian list¹²⁷). Unlike Latvia, which issued its entry bans for an indefinite period of time, Estonia's sanctions are limited to a five-year term. When discussing sanctions within the EU institutions, Estonia advocated their expansion and tightening.

An "Arria formula" meeting of the UN Security Council, initiated by Estonia in respect of the Belarusian crisis, was a serious diplomatic defeat for Belarus. Tallinn used its status as a non-permanent member of the UN Security Council in 2020–2021 to draw international attention to human rights abuses¹²⁸ and media freedom concerns in Belarus.¹²⁹ These informal online meetings became the first

and (so far) only occasion where the leaders of the opposition (Tsikhanouskaya and Latushka) met representatives of both the Belarusian and Russian authorities together.¹³⁰

One of these meetings occurred during Tsikhanouskaya's visit to Estonia. During the visit, she met with Estonia's president,¹³¹ prime minister¹³² and minister of foreign affairs,¹³³ as well as with the Foreign Affairs Committee of the Estonian parliament.¹³⁴ Although the trip did not yield any significant political decisions, the very fact that Tsikhanouskaya participated in talks with Estonia's leadership is not to be underestimated. In almost 30 years of diplomatic relations, Belarusian authorities have never taken part in meetings at this level in Estonia.¹³⁵ For her contribution to the struggle for freedom in Belarus, Tsikhanouskaya was even awarded the Cross of Merit, Estonia's state award.¹³⁶

Despite Estonia's hardline policy, the Belarusian authorities do not seem to be willing to completely break off relations. Instead, they differentiate between the Estonian authorities and the Estonian people: for example, Lukashenka's traditional congratulatory message on Independence Day was addressed not to the Estonian president, but to the "people of Estonia".¹³⁷

In security matters, the Estonian foreign intelligence service's conclusions about 2020's events in Belarus deserve special attention. They speculate that the political crisis increases the likelihood of a Russian invasion of Belarus "in the event of protests being close to victory".¹³⁸ The extent of Belarus's military dependence on Russia leads the report to consider the country as "a Belarusian military district [of Russia]".¹³⁹ The Estonian intelligence service believes that for Moscow, maintaining the current level of Russian-Belarusian military cooperation is more valuable than building a Russian military airbase. However, taking into account the political situation and the imminent threat of Belarus leaving Russia's sphere of influence,

¹¹⁹ <https://www.mfa.gov.lv/aktualitates/zinas/66444-arlietu-ministrs-edgars-rinkevics-ieklauj-30-baltkrievijas-pilsonus-latvijai-nevelamu-personu-saraksta>

¹²⁰ <https://www.mfa.gov.lv/aktualitates/zinas/66632-arlietu-ministrs-edgars-rinkevics-ieklauj-101-baltkrievijas-amatpersonu-latvijai-nevelamu-personu-saraksta>

¹²¹ <https://telegra.ph/GUBOPiK-12-28>

¹²² <https://www.belta.by/incident/view/sk-pokazaniya-zaderzhannyh-pod-minskom-boevikov-neposledovatelny-i-protivorechiv-400888-2020/>

¹²³ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/bfg1382202df11ebbedbd456d2fb030d?positionInSearchResults=4&searchModelUUID=18b-4d1e1-9f40-4437-8747-4557b1a1b3da>

¹²⁴ http://belapan.com/archive/2020/09/26/eu_1061513/

¹²⁵ <https://vm.ee/en/sanctions-government-republic-view-situation-belarus>

¹²⁶ The GUBOPiK officer who transmitted information to Bypol gave the first interview: Let them think that I am the only one, let them calm themselves down, 25 March 2021, <https://nn.by/?c=ar&i=270383&lang=ru>

¹²⁷ <https://www.mfa.gov.lv/ru/novosti/novosti-ministerstva/67715-118>

¹²⁸ <https://www.youtube.com/watch?v=F4mQE8taqJA>

¹²⁹ <https://www.youtube.com/watch?v=WGwv6MWAJJE>

¹³⁰ <https://ria.ru/20201113/vstrecha-1584414943.html>

¹³¹ <https://president.ee/ru/mediae/press-releases/16409-prezident-kalyulajd-vstretilas-s-liderom-belorusskoj-oppozitsii-svetlanoj-tsikhanovskoj/index.html>

¹³² Ratas at a meeting with Tsikhanouskaya: we support the people of the Republic of Belarus in the struggle for democracy, 22 January 2021, <https://www.valitsus.ee/ru/novosti/ratas-na-vstreche-s-tsikhanovskoy-my-podderzhivaem-narod-respubliki-belarus-v-borbe-za>

¹³³ <https://vm.ee/ru/novosti/ministr-inostrannyh-del-urmas-reynsalu-vstretilsya-s-nahodyashcheyssya-s-vizitom-v-estonii>

¹³⁴ <https://www.riigikogu.ee/pressiteated/valiskomisjon-et-et/valiskomisjon-kinnitas-tsikhanovskajale-eesti-jatkuvat-toetust-valgevene-rahvale/>

¹³⁵ https://estonia.mfa.gov.by/ru/bilateral_relations/politic/

¹³⁶ <https://tsikhanouskaya.org/ru/events/news/c5121d-2fb6f090d.html>

¹³⁷ Lukashenka: Belarus, as before, stands for the continuation of comprehensive cooperation with Estonia, 24 February 2021, <https://www.belta.by/president/view/lukashenko-belarus-kak-i-ranshe-vystupaet-za-prodolzhenie-vsestoronnego-sotrudnichestva-s-estoni-429872-2021/>

¹³⁸ <https://www.valisluureamet.ee/pdf/raport/2021-ENG.pdf>

¹³⁹ Same source



Photo: depositphotos.com

the possibility of a permanent deployment of Russian troops cannot be ruled out even in peacetime. "In the event of an armed crisis or a war, Russia could use Belarus as a bridgehead and deploy its troops in order to block NATO access to the Suwalki Gap, which provides freedom of airspace communication to the adjacent states. This move would lead to the establishment of ground communication with the Kaliningrad region of Russia."¹⁴⁰ The accuracy of these conclusions by Estonia's intelligence service concerning deepening Belarusian-Russian cooperation in the military sphere are confirmed, among other things, by an agreement on creating three joint training and combat centers. These are to be created in the Nizhny Novgorod and Kaliningrad regions of Russia and in the Hrodna region of Belarus and to be used for joint training of air forces and air defence forces.¹⁴¹



ECONOMY

The political crisis in Belarus did not have a critical impact on economic cooperation between the two countries. At the end of 2020, Belarusian exports dropped by 13.5% year-on-year (14.5 million dollars), while mutual trade turnover rose by almost 20% (to 25 million dollars).¹⁴² With year-on-year growth of 146.9%, the first months of 2021 also demonstrated a very positive dynamic.¹⁴³

¹⁴⁰ Same source

¹⁴¹ <https://www.mil.by/ru/news/111189/>
<https://naviny.online/new/20210305/1614956906-ministry-oborony-belarusi-i-rf-dogovorilis-sozdat-sovmestnye-uchebno-boevye>

¹⁴² https://estonia.mfa.gov.by/ru/bilateral_relations/trade/

¹⁴³ <https://www.belstat.gov.by/ofitsialnaya-statistika/realnyy-sektor-ekonomiki/vneshnyaya-torgovlya/vneshnyaya-torgovlya-tovarami/operativnye-dannye/>

In respect of both Estonia and Latvia, the Belarusian authorities chose not to retaliate for the Baltic state's political stance through economic warfare. Transshipment of Belarusian cargo through Estonian seaports has been preserved and continues in 2021.¹⁴⁴ The volumes of oil products transshipped through Russian ports, agreed by Belarus and Russia, also indicate that Lithuania remains the only Baltic state to take the toll, although the parties did announce a planned increase of cargo transshipment volumes through Russia in the years to come, therefore this practice, once tried and tested on Lithuania, could theoretically be applied to Latvia and Estonia as well.

Even before the crisis, Estonia's stance on the Belarusian NPP was that of disapproval, although it chose not to support the Lithuanian ban on electrical energy imports. Once, "for this reason and in the nick of time, Lithuania's President Nausėda even cancelled his visit to Estonia, where he was supposed to meet with the two other Baltic leaders. But the crisis has toughened the Estonian position."¹⁴⁵ Since the beginning of the crisis, Estonia, along with Latvia and Lithuania, refused to purchase electrical energy produced at the power station.¹⁴⁶ This decision does not incur serious economic losses for Estonia. If Belarus finds a way to export its energy to the Baltic markets, the responsibility for this will fall on Latvia, since this is possible only through the Latvian-Russian connection. Besides, it would be impossible to establish unambiguously the origin of the electrical energy. Estonia will therefore simply obtain

¹⁴⁴ <https://www.brecorder.com/news/40068365/belarus-to-export-up-to-300000-tonne-of-oil-products-via-estonia-latvia>

¹⁴⁵ According to the diplomatic source already mentioned

¹⁴⁶ <https://www.lrt.lt/ru/novosti/17/1225660/u-lukashenko-otniali-shtepsel-strany-baltii-obiavili-boikot-belaes>

access to the cheapest energy on the market with no reputational risks.

The “exodus” of IT companies from Belarus affected Estonia too. Despite Estonia’s high popularity ratings (it is among the ten favorite relocation destination countries),¹⁴⁷ only 1.5% of all Belarusian IT specialists actually moved there, as of April 2021,¹⁴⁸ which is not at all bad for a country that does not share a border with Belarus. Latvia, for example, despite sharing common border with Belarus and therefore being more easily accessible, can boast only 1.1% of the relocated IT specialists.¹⁴⁹



PEOPLE-TO-PEOPLE CONTACTS AND HUMANITARIAN ASSISTANCE

For objective reasons, the Belarusian question has always been less relevant for Estonia than it was for Lithuania and Latvia. This also holds true for cooperation between civil societies: the refugee flow is smaller between Belarus and Estonia due to the absence of a common border, a significantly smaller diaspora and looser cultural ties. Nonetheless, Estonia does a lot to support victims of repression, and does so not only rhetorically, but also through provision of generous financial aid. The Estonian Foreign Ministry allocated 800 thousand euros for cooperation projects in the spheres of education, civil society, mass media and healthcare in Belarus.¹⁵⁰

On the other hand, the Estonian authorities did not follow Lithuania and did not introduce the same conditions for issuing national visas to Belarusian citizens. They remained on a fee basis, no ad hoc changes to regulatory documents were made. The head of the Estonian foreign ministry justified this by the fact that the country does not share a common border with Belarus but affirmed that Estonia was open to making exceptions on a case-by-case basis.¹⁵¹ Simultaneously with this statement, he expressed a special interest in IT specialists from Belarus, for whom certain changes were eventually introduced in the legislation.¹⁵²

In general, the political crisis in Belarus has not resulted in any serious consequences for Belarusian-Estonian civic cooperation which would transform the established format of relations. The Belarusian diaspora in Estonia will grow in number and remain as predominantly disapproving of the Belarusian authorities as it is now. The Belarusian embassy in Tallinn will resume work with local cultural and diaspora organizations that do not publicly criticize developments in Belarus. If the governments of the two countries were to resume cooperation, it will begin with projects on people-to-people and cultural levels.

Perhaps one of the most unpleasant effects of the crisis for Estonian citizens will be the special attention they receive when travelling to Belarus (which the Lithuanian authorities already complain about).¹⁵³ In the short term, however, the combination of the epidemiological situation caused by the COVID-19 pandemic, the generally unstable situation in Belarus and flight restrictions will most likely make such trips a rarity.

¹⁴⁷ <https://dev.by/news/relocate-january-2021>

¹⁴⁸ <https://dev.by/news/relocate-april-2021>

¹⁴⁹ Same source

¹⁵⁰ <https://vm.ee/et/uudised/valisministeerium-rahastab-hariduse-kodanikulikumise-ning-tervise-teemalisi-arengukoostoo>

¹⁵¹ Reinsalu: Estonia ready to accept IT firms from Belarus, but not refugees, 17 September 2020, <https://news.err.ee/1136031/reinsalu-estonia-ready-to-accept-it-firms-from-belarus-but-not-refugees>

¹⁵² Same source

¹⁵³ https://www.vsd.lt/wp-content/uploads/2021/03/2021-EN-eL_.pdf

3

THE RUSSIAN FACTOR

The Russian factor has always played a key role in relations between Belarus and its Western partners. For the Baltic states, it has been of particular importance. Their own relations with Russia have been invariably troubled over the past decades.¹⁵⁴ In the event of a hypothetical military conflict between Russia and NATO, Moscow would be able to “cut off” Lithuania, Latvia and Estonia from the rest of the alliance by blocking the Suwalki Gap from Belarusian territory.¹⁵⁵

A military advance in the Baltic direction is regarded by many experts as one of the most likely scenarios in the event of a full-fledged military confrontation.¹⁵⁶ As estimated by RAND, it would take the Russian army 36 to 60 hours to take the Baltic region under control.¹⁵⁷ In this context, Belarus's ability to preserve its independence and maintain a sufficient level of military and political sovereignty takes on existential significance for the whole region. This explains why the Baltic countries are so active in shaping European policy on Belarus.

The difficulty of choosing an optimal strategy lies both in the pro-Russian nature of Lukashenka's regime and in his authoritarian rule. On the one hand, his governance has led to Belarus growing more dependent than it has ever been on Russia in certain respects. Belarus's hands are now tied in foreign and security policies by obligations arising from integration politics.^{158, 159} Moreover, Belarus's economy is directly dependent on access to the Russian market and cheap Russian energy. Belarus's media space is vulnerable to Russian propaganda and, considering the dominance of Russian as the main language among the population, this poses a serious threat. According to all the interviewed Lithuanian experts,¹⁶⁰ Lukashenka himself is the main reason for Minsk's deep dependence on Moscow.

On the other hand, Lukashenka's power in Belarus is nearly absolute. While his toxicity lies in his long-established reputation as “the last dictator in Europe”,¹⁶¹ he remains the only point of contact for other states' interaction with Belarus. The combination of these factors has limited possible work formats with Belarus to just two policy choices: isolation or engagement.

The last rapprochement with Minsk directly ensued from Russia's actions in Ukraine. The annexation of Crimea and occupation of Ukraine's eastern regions prompted Belarus and the EU to rethink their mutual policies. Lukashenka perceived a real threat to his own power coming from Russia, while the EU also seriously feared that Belarus might become the next target of Russia's aggression. The gradual normalization of relations was beneficial for both sides. The EU was happy with Minsk's stance on the Ukrainian crisis. Meanwhile, Belarus jumped at the opportunity to transform its image into that of a peacemaker and a “donor of regional stability”.

The Belarusian case divided the Baltic states to a certain extent. Lithuania, in contrast to the policy adopted by the EU, was in no hurry to believe in the sincerity of the Belarusian authorities' intentions. Vilnius strongly suspected that Minsk's peacekeeping initiatives (such as “Helsinki-2”) were nothing other than a veiled attempt by Russia to legitimize the post-Crimean order. Lithuania also considered the Belarusian NPP to be Moscow's unconventional weapon — an instrument for establishing control over the Baltic energy market. Latvia, on the contrary, became one of Minsk's key supporters within European institutions.

Lukashenka's rapprochement with the EU irritated Russia, although it did not pose any serious threats. In its turn, Moscow raised the stakes for Lukashenka by putting forward, as an ultimatum, a proposal to deepen integration,¹⁶² which further pushed him into dialogue with the West. During the 2020 election campaign, Minsk as usual played the “external enemy” card, only this time the enemy role was given to Russia, which testified to the existence of strong disagreements between the two countries.

¹⁵⁴ <https://carnegie.ru/commentary/83612>

¹⁵⁵ https://www.rand.org/content/dam/rand/pubs/research_reports/RR1200/RR1253/RAND_RR1253.pdf

¹⁵⁶ <https://www.militairespectator.nl/thema/strategie-operaties/artikel/suwalki-gap-dilemma>

¹⁵⁷ https://www.rand.org/content/dam/rand/pubs/research_reports/RR1200/RR1253/RAND_RR1253.pdf

¹⁵⁸ <https://soyuz.by/dogovor-o-sozdanii-soyuznogo-gosudarstva>

¹⁵⁹ <https://e-cis.info/news/568/91577/>

¹⁶⁰ Interview with Maximas Miltas, Andrzej Puskto and Vytis Jurkonis

¹⁶¹ <https://www.euractiv.com/section/med-south/news/rice-belarus-is-last-dictatorship-in-central-europe/>

¹⁶² <http://government.ru/news/35083/>



The rapprochement between Minsk and the EU would have almost certainly continued, had it not been for the rapid political mobilization of civil society and the unprecedentedly brutal crackdown on mass post-election protests. First, concerned about the growth of Russia's influence, European countries demonstrated a high level of tolerance towards repressions in Belarus (during the pre-election period). Secondly, the Belarusian authorities did not want to lose the Western vector of Belarus's proclaimed "multi-vector" foreign policy.

Even in the first post-election days, which brought a brutal crackdown on protests, the EU still had hopes of resuming dialogue with Minsk. The EU's central concern was that a sanctions policy and cessation of dialogue would only drive Belarus more tightly into Russia's grip. European officials thought (with good reason) that in the event of Lukashenka's regime collapsing, Russia could intervene and send in its troops. The experience of the Ukrainian crisis, Lukashenka's appeal to Russia through the CSTO,¹⁶³ followed by placement of Russia's reserve troops at the border with Belarus¹⁶⁴ — all pointed to the probability of this scenario.

Recognition of Russia's special role in resolving the Belarus crisis forced the EU to touch on the subject in talks with

Moscow. Immediately following the election, several EU leaders reached out to Vladimir Putin. However, the starting positions of the parties and their plans for Belarus varied widely. For this reason, Russia has supported Lukashenka and continues to tighten its grip on Belarus. Despite the Belarusian protest proclaiming its geopolitical neutrality, Russia views it as an attempt to wrest Belarus out of Moscow's sphere of influence.

Partially due to their scepticism in regard to any geopolitical dialogue with the Kremlin, and partially due to the low level of bilateral relations, the Baltic states did not attempt to involve Moscow in their efforts to find a constructive resolution of the Belarusian crisis. Such initiatives came from major European actors (such as France and Germany) who time after time raised this issue in talks with the Kremlin, as well as from the United States — both during diplomatic contacts and indirectly through threats of sanctions against "Russian individuals involved in the repressions."¹⁶⁵ The abatement of the Belarusian crisis prevented it from gaining a foothold in dialogue between Russia and the West. The dialogue itself soon suffered from an erosion of trust following a dramatic deterioration of relations in 2021 owing to, among other things, Alexey Navalny's poisoning, cyber-attacks against the American electoral infrastructure, escalation of tensions in Donbass and President Biden's strong-worded statements.

¹⁶³ <https://www.belta.by/president/view/lukashenko-dogovorilsja-s-putinyem-rossija-pri-pervom-zaprose-okazhet-pomosch-po-obespecheniju-402964-2020/>

¹⁶⁴ Putin: Russia has formed a reserve of security officers to help Belarus, 27 August 2020, <https://www.bbc.com/russian/news-53929091>

¹⁶⁵ <https://www.congress.gov/bill/116th-congress/house-bill/8438/text>

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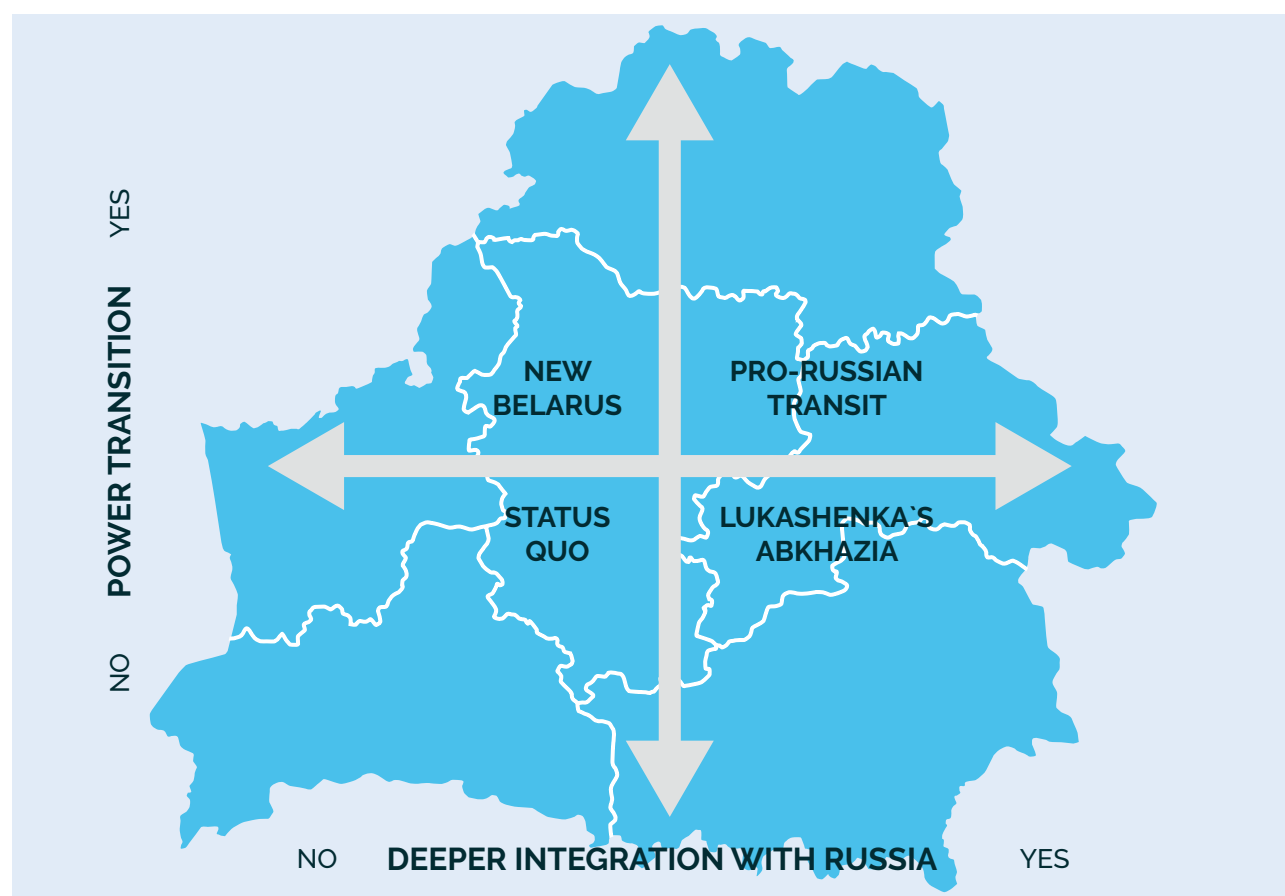
SCENARIOS AND RECOMMENDATIONS

Based on the situation in Belarus in June 2021 and with the goal of analyzing potential developments, the authors have carried out a scenario analysis based on two variables: whether (1) a power transition and (2) deeper integration with Russia have become a reality by June 2022.

With the situation being highly dynamic, it has been decided to limit the prognosis to the period of one year. The paper therefore aims to outline possible scenarios for the period between June 2021 and June 2022. Power transition is defined as a loss of control over the levers of domestic governance by Lukashenka and transition of these to autonomous forces and politicians.

4.1 SCENARIO 1. NO POWER TRANSITION, NO DEEPENING OF INTEGRATION

In essence, this scenario corresponds to a preservation of the status quo. Lukashenka continues to rule Belarus, while increasing legislative pressure and continuing repressions render political activities of the opposition impossible. The quality of public governance declines, population groups with the highest education and qualification levels emigrate. This leads to regular technological accidents at outdated enterprises and non-nuclear incidents at the Belarusian NPP. Lithuania manages to use the negative atmosphere



around Belarus and coordinate international steps to "counter the threats emanating from the station". Relations with the Baltic states continue to deteriorate, embassy staff are significantly reduced after a series of diplomatic and spy scandals. Belarus regularly carries out military manoeuvres near its borders with the Baltic states and turns a blind eye to illegal migration and drug trafficking flows in the Baltic and Polish directions.

With members of the security apparatus in control of the government, any economic reforms towards liberalization are impossible in Belarus. The Baltic states continue to lobby for tougher EU economic sanctions. Minsk struggles to replenish its budget and service external debt while Russia remains the only international lender. Moscow continues to make loans, subsidies and other forms of economic aid conditional on the progress in the integration process. For fear that Russia gains control over Belarus at his cost, Lukashenka imitates rapprochement of the two states. In reality, he approves only insignificant concessions, such as approximation of phytosanitary norms or unification thereof, establishment of a joint body for combating cyber threats, abolition of roaming, and similar, none of which fully satisfies Moscow.

Economic problems and pressure from Russia force Lukashenka to search for one-off concessions in other directions. In relations with the West, efforts of the Belarusian authorities are directed at presenting Lukashenka as the only party to enter negotiations on Belarus, discrediting the position of the Baltic states and calling for a return to more pragmatic relations. It seems probable that the theme of "a threat from the East" might resurface, with references to Russia's military build-up and Belarus's eventual loss of independence used to blackmail Western partners. Minsk is on the lookout for potential "weak links" in the EU who might lobby for a gradual return to a policy of engagement with Belarus. Belarus uses economic incentives and threats (trade in seaports, access to the Russian market, cheap electricity, nationalization / tax prosecution of Baltic capital, etc.) to shatter the unity of views among the Baltic states.

These tactics are unlikely to bring much success. Experts are united in the opinion that a return to a policy of dialogue is unlikely, since it would bear reputational risks for political actors.¹⁶⁶ Nonetheless, should the Belarusian crisis freeze in its current state for a long time, the appearance of a larger number of "pragmatic approach advocates" favouring economic cooperation is foreseeable.¹⁶⁷ The Belarusian authorities would be on the lookout for such figures in the Baltic states. At the same time, the Baltic experts are convinced that "the position of non-recognition of Lukashenka is not going anywhere".¹⁶⁸ Economic cooperation will

continue, but it becomes ever more difficult and riskier for businesses on both sides.

The recognition by the Baltic states (and not only) of the Belarusian society as a separate actor independent from the authorities since 2020 is an important factor. This shift constitutes the major difference between the situation now and previously, and this is precisely the reason why "the current policy will not adapt as it did in 2008 or 2014".¹⁶⁹ The Baltic states will continue to support civil society in Belarus, their communication with the authorities will remain on a technical and low political level. Political relations with the Baltic states will be marked by incessant conflicts in anticipation of next aggravation of the crisis and resumption of protest activity in Belarus. The Baltic states will in every way facilitate these processes in the hope of political changes in Belarus.

4.2 SCENARIO 2. NO POWER TRANSITION, BUT DEEPENING OF INTEGRATION

Lukashenka preserves his rule at the cost of broken relations with the West, a serious aggravation of the economic situation and growing domestic unpopularity. Under pressure from all these factors, he is forced to make concessions to Russia. Belarus and Russia sign a package of "integration roadmaps", which provision for the creation of subnational bodies of the Union State and Belarus's gradual transition towards Russian legislature in financial, fiscal, customs, judicial, industrial and other spheres. Belarus renounces its stance on Crimea and claims willingness to recognize the independence of South Ossetia and Abkhazia. The two sides agree on a Russian military base on Belarusian territory and permanent presence of Russia's troops near the EU's borders.

Russia provides economic support, helps the Belarusian authorities in their fight with disaffected population groups and voices support for Lukashenka in the global arena, insisting on both the legality and legitimacy of his rule. Lukashenka's political rule in Belarus is only secured by Russia's support. He loses independence and is obliged to seek Russia's approval for important decisions regarding domestic and foreign politics.

Within the EU, voices critical of the sanctions policy towards the Belarusian authorities, who advocate "saving Belarus by helping Lukashenka", grow louder and more popular too. Such voices fail to gain ground in the Baltic states: for too long here there has been a wide consensus that "Belarus is not a truly sovereign state",¹⁷⁰ and "Lukashenka has never been free in his choices".¹⁷¹ Lithuania, Latvia and Estonia will block attempts to "reverse" EU policy and try to convince

¹⁶⁶ Interviews with Maksimas Milta, Vytis Jurkonis, Andrzej Puksztzto, Andis Kudors

¹⁶⁷ Interview with Vytis Jurkonis

¹⁶⁸ Interview with Vytis Jurkonis

¹⁶⁹ Interview with Andis Kudors

¹⁷⁰ Interview with Maksimas Milta

¹⁷¹ Interview with Andrzej Puksztzto

their partners that there are no resources for saving Lukashenka from Russia, because “the Belarusian people, and not Lukashenka, represent the backbone of Belarus’s independence”.¹⁷² The Baltic states will lobby for tough EU sanctions against Moscow for “annexation of Belarus”, a “normative approach” to Belarus and Russia will be adopted (linking human rights and sanctions).¹⁷³ NATO and the United States will increase their military presence in the region in response to the growing concerns of their Baltic partners due to the increased security threats in the Suwalki gap area.

A return to the policy of dialogue, if at all possible, will be loaded with “merciless preliminary conditions”.¹⁷⁴ The Baltic states will “demand guarantees that this [is] not the same old game Minsk played before”.¹⁷⁵ It is most likely that the discussions would pivot around one topic — how Lukashenka could “exit gracefully”.¹⁷⁶

In any case, a return to past formats of relations is unlikely. At the same time, European diplomats admit lacking a definite plan of action for the moment when Lukashenka yields Belarus’s sovereignty to Moscow.¹⁷⁷

4.3 SCENARIO 3. POWER TRANSITION AND DEEPENING OF INTEGRATION

In this scenario, pro-Russian forces sweep to power at Lukashenka’s cost and initiate the unification of Belarus with Russia. In many respects, global recognition of integration as a legitimate process depends on the manner the new forces come to power — whether it happens through a “palace coup” (that is, by senior officials within the administration and with the support of Moscow) or through a democratic election.

In the event of Lukashenka’s overthrow, the new leaders would find themselves in the same situation as Lukashenka would in Scenario 2. The international community demands that such forces gain a public mandate and legitimacy through a free and fair election. Western countries exert influence on the developments in Belarus through pressure on Russia and support of civil society. With a high degree of probability, mass protests resume in Belarus, which puts the new authorities on the horns of a dilemma: they could either bring back the kinds of violence Lukashenka resorted to or make concessions.

If a new election is announced in Belarus, the Baltic states will demand the release and rehabilitation of all political

prisoners, as well as access to participation in the electoral campaign for them. Tsikhanouskaya’s and Tsapkala’s offices return to Minsk. If the OSCE ODIHR recognizes the election as free, inclusive and democratic, even victory of Russia-oriented politicians will lead to an improvement of relations between the Baltic states and Belarus. Considering that current expectations of Belarus are not geopolitical, a realignment towards Russia would not “constitute an impediment to cooperation” according to the interviewed experts. “Lithuania does not expect Belarus to move towards the EU or NATO in the nearest future”.¹⁷⁸ At the latest round of talks on integration of Belarus and Russia, “the authorities of the Baltic states advocated support of sovereignty and independence of Belarus because it was obvious that Lukashenka does not take in consideration public opinion on this matter. Should the new authorities have a public mandate to proceed, this would change Vilnius’s, Riga’s and Tallinn’s stance on the situation”.¹⁷⁹ It is fair to assume though that certain problems and conflicts could still arise. In particular, this could happen “were Belarus to recognize the independence of South Ossetia and Abkhazia and the legality of Crimea’s annexation”.¹⁸⁰ Lithuania will continue to insist on the closure of the Belarusian NPP, which will hinder normalization of relations with Belarus.

In this scenario, the Baltic interviewees do not foresee the appearance of any new threats to the Baltic states, not least because they already view Belarus as staunchly pro-Russian.¹⁸¹ Additional tensions are possible in the event of Moscow starting to use the closely integrated Belarusian territory as a bridgehead for military “muscle-flexing” in the proximity of NATO borders, which could be viewed by the Baltic neighbours as a provocation backed up by Minsk.

4.4 SCENARIO 4. POWER TRANSITION, BUT NO DEEPENING OF INTEGRATION

This scenario foresees the dismantling of the current power system in Belarus. In its place emerges a new, truly independent and likely more pro-Western foreign policy than has previously been the case.

Lukashenka is removed from power and replaced by new democratically elected leaders. Tens of thousands of emigrants return to Belarus, all political prisoners are released, repressive laws and practices are made obsolete and are abandoned. As a result, a massive improvement across the board in relations between Belarus and the West can be observed. The Baltic states become the main advocates of Belarus’s swift Euro-Atlantic integration (contrary to the position of some large EU member states); they advocate

¹⁷² Interview with Vytis Jurkonis

¹⁷³ Interview with Andis Kudors

¹⁷⁴ Interview with Maksimas Milta, Andrzej Pukszt, and Vytis Jurkonis

¹⁷⁵ Interview with Vytis Jurkonis

¹⁷⁶ Interview with Andrzej Pukszt

¹⁷⁷ Interview with a source in the diplomatic sphere.

¹⁷⁸ Interview with Maksimas Milta

¹⁷⁹ Interview with a diplomatic source

¹⁸⁰ Interview with a diplomatic source

¹⁸¹ Interview with Vytis Jurkonis



Photo: depositphotos.com

the provision of economic, humanitarian and other types of international aid for Belarus, as well as a simplification of visa requirements for Belarusian citizens. Changes in the political climate prompt an upsurge in economic cooperation, European investment, and technical support for Belarus. Lithuania offers its services in foreign policy and finance in exchange for closure of the Belarusian NPP.

The new Belarusian authorities abrogate some of the agreements with Russia signed by Lukashenko, while talks of integration and the Union State are now impossible. This scenario is the least attractive one to Russia, since it loses much of its leverage for controlling the situation in Belarus. Moscow plans revenge and moves to a hardline policy in respect of Belarus. Gas, oil and food “wars” begin to dominate the relations between the two states. Russia tries to instigate social tensions related to nationality, language and foreign policy, among others. There is an increased probability of special hybrid operations or even of a direct military intervention (both at the moment of Lukashenko’s overthrow and under the new authorities). As estimated both by the authors of this paper and by the interviewees, however, the probability of a military intervention from Russia is small in the scenario when Lukashenko’s removal from office is not accompanied by a popular revolt comparable to the events in Ukraine in 2014.

Taking into account compromised energy security due to a deterioration of relations with Russia and the potentially huge financial burden, it seems unlikely that Minsk would give up on the Belarusian NPP. This means that the topic

of the NPP continues to cast a shadow on Belarus’s relations with Lithuania. At the same time, the new and improved climate of dialogue and mutual trust opens the door for new cooperation formats such as EU and Lithuanian inspections, which would help ensure safe operation of the NPP.

4.5 RECOMMENDATIONS

When defining their new strategy for dealing with Belarus, **the Baltic states must realistically assess their ability to influence the situation.** Many years of experience of co-operation with Belarus under Lukashenko have shown with clarity that both policies previously adopted by Brussels — **whether based on sanctions or engagement — have proven to be ineffective at fostering democratization processes in Belarus.** Whenever Lukashenko feels his position is threatened, the fear of losing power dwarfs the value of relations with the Baltic neighbours and other partners in the EU or arguments from Brussels. Unless he feels secure, no sanctions will ever force him to make concessions to his opponents. It appears similarly impossible to achieve a level in Belarus-EU relations which would keep Lukashenko from applying repressions once domestic political threats arise.

The distinctive feature of the current situation in domestic and international affairs is that Lukashenko has so far failed to stabilize the internal political situation despite the unprecedented scale and duration of persecutions against the opposition. Consequently, the Belarusian authorities

will not be able to de-escalate repressions and make concessions to civil society any time soon. The forced landing of the Ryanair flight¹⁸² internationalized the internal Belarusian political crisis and is viewed by Lithuania as an act of aggression against it.¹⁸³ All these factors block any chance of resuming constructive dialogue with the West and intensify Belarus's dependence on Russia. **A return, in the future, to pragmatic cooperation with Lukashenka without transformation of the political regime in Belarus can no longer be considered by the Baltic countries as acceptable.**

It is also crucial that the Baltic states prevent the EU from repeating its past mistakes, when Brussels quite easily agreed to a "thaw" in relations with Minsk in exchange for slightly weakening repressions and the release of some political prisoners (now bargaining might be for the release of Raman Pratasevich), while many of the EU's initial conditions, such as "the rehabilitation of all political prisoners" and "investigations into electoral fraud", would sink into oblivion, much to the satisfaction of the Belarusian authorities.

The Baltic states must also accept that, should Lukashenka remain in power, they have no chance of defeating Russia in a battle over Belarus. Any attempt to "outbid" Moscow would inevitably fail.

The Baltic states should hinder the propositions recently voiced in certain Western political quarters to treat the cases of Belarus and Russia as one and pursue a single sanctions policy against the two countries. The burden of the problem-saturated history of Russia-EU relations would reduce the chances of a successful resolution of the Belarusian crisis down to zero. Against the backdrop of a common external threat looming from the West, it would allow Lukashenka to cajole "ally compensation" out of Moscow and Putin to strengthen his hand incrementally in Belarus.

Instead, the Baltic states should work to develop such a line of behaviour that would accentuate the existing differences between Minsk and Moscow to thus strengthen the EU's position. EU's work to resolve the Belarusian crisis should be carried out in parallel along both Minsk and Moscow tracks.

Taking into account Moscow's sway over Lukashenka, any attempts to influence him without involving Russia will be ineffective. **The situation in Belarus should be brought up often in the dialogue between the West and Russia. Negotiation efforts should be directed towards overcoming the humanitarian and legal crisis and supporting power transition in Belarus.** Moscow has a vested interest in the latter, albeit for different reasons to the EU. Any invocation of geopolitical dimensions of the crisis, especially the

possibility of Belarus drifting towards European integration, only reinforce the Kremlin's determination to support Lukashenka — this support becomes an integral part of its own global confrontation with the West.

At the same time, it is crucial to incrementally increase the price Moscow pays for supporting Lukashenka. This should incline Russia towards more agile solutions and willingness to compromise. Russia must be fully aware of the implications of imposing deeper economic, political, and military integration upon an increasingly vulnerable Lukashenka. Insofar as the authorities in Minsk have largely lost both external and internal legitimacy, any deals they make with the Kremlin must be viewed as unilateral actions by Moscow in disregard of the Belarusian people's will. **A clearly articulated threat of painful sanctions against Russia should act as a deterrent to a potential takeover of strategic Belarusian enterprises, the deployment of troops and military bases on Belarusian territory, and the creation of supranational bodies for control over Belarus.**

The Baltic states' main ally in achieving progress in Belarus is that part of the society which has been transformed into a meaningful political actor by its active participation in the pre- and post-election fight for civil rights. Therefore, major efforts must be directed towards broadening this support base and consolidating their own image as reliable allies. When allocating resources, **the Baltic states should prioritize humanitarian assistance to victims of repressions, simplification of migration procedures, support of civil society members who stay in the country (primarily human rights defenders, trade unions and journalists, especially in non-metropolitan areas).** In contrast, generous hand-outs to the opposition abroad could lead to its increasing fragmentation as competition intensifies for funds. The ensuing focus on sponsors' interests could corrupt the original motivations to the detriment of the opposition's (former) electorate.

When insisting on expansion of economic sanctions against Belarus, Lithuania, Latvia and Estonia should emphasize that they are only one component of the complex resolution of the Belarusian crisis. If not used in conjunction with other instruments, they could yield unwanted results. At the moment, the key task should be the formulation by the European Union of a positive agenda as a counterweight to the currently dominant sanctions policy. The EU should consequently draw attention to the benefits Belarus would receive by complying with some basic conditions such as cessation of violence, release of political prisoners, and holding a new election. The EU should constantly reiterate its three-billion euros plan to support a future democratic Belarus,¹⁸⁴ with the Belarusian society, sensible members of the state apparatus and large businesses as the message's target audience, rather than Lukashenka. Ordinary Belarusian citizens and officials

¹⁸² <https://www.nytimes.com/2021/05/23/world/europe/ryanair-belarus.html>

¹⁸³ <https://www.dw.com/ru/v-litve-vozbuzhdeno-delo-o-zahvate-belarusju-samoleta-ryanair/a-57640217>

¹⁸⁴ tsikhanouskaya.org/ru/events/news/e42dcfd3ab281d.html

should see both the growing toll on the political crisis for the future of Belarus and clear tangible benefits (personal and for the country in general) of its swift resolution. It is critical that the programmes are not linked to issues such as Belarus's geopolitical choices or the reduction of Russia's influence, since these are the very issues that divide Belarusian society rather than help achieve reconciliation.

Against a backdrop of political isolation, the key for preserving Belarusian sovereignty is economic cooperation with Belarusian businesses not tainted by direct involvement in repressions or close association with Lukashenka's inner circle. By raising the stakes for the authorities, such cooperation would serve as a deterrent both to deepening Belarus's dependence on Russia and to voluntary political decisions directed against the EU. It is crucial that the Baltic states stay calm in the face of provocative steps from Minsk, do not compromise in the face of schemes such as the relocation of Belarusian cargo to Russian ports, and do not try to retaliate. **The Baltic states should, as far as possible, support mutual trade and empower small and medium enterprises in Belarus, with the exception of "regime-affiliated" businesses.** The development of interregional cooperation should continue, whenever possible, without the involvement of the Belarusian authorities. Investment in people-to-people contacts should also continue.

The Baltic states should also refrain from sanctions which, although aimed at protecting the interests of EU citizens, pose a threat to civil society in Belarus and complicate humanitarian contacts with the EU while not posing a serious threat to the stability of the authoritarian rule. The almost complete air blockade of Belarus is one such example.

At the same time, Lithuania and Latvia should **massively increase their efforts against smuggling of goods from Belarus into the EU across their shared borders.**¹⁸⁵ This may require upgrading the technological capabilities of customs services and conducting independent investigations into the involvement of local businesses and government services in illegal corruption schemes.

The Baltic countries should also be prepared to confront Minsk's attempts to split their solidarity position by means of economic incentives (in respect of increasing trade in seaports, access to the Russian market, or the sale of cheap electricity from Belarusian NPP, for example).

Perhaps the biggest takeaway for the Baltic states from the Belarusian crisis is as follows: in the next few years, Belarus will be the source of various crises at their borders, which will require the EU both to act and react. This means that the entire EU should make every effort to resolve the current crisis and stop it from further aggravating the situation in the region. To this end, it is imperative to develop a clearly formulated long-term strategy on Belarus. The Belarusian case should be mainstreamed, so that the European institutes keep a constant focus on it. One possible step in this direction could be to appoint **a special envoy of the European Commission on Belarus, whose mandate would include not only monitoring of the situation in the country and regular reporting to the European Parliament,**¹⁸⁶ but also efforts to reconcile conflicting views on Belarus within the EU. Considering their level of expertise, those former public servants and diplomats from the Baltic states who are known as neither "hawks" nor "doves" in the Belarusian and Russian cases, could be eligible candidates for the position.

¹⁸⁵ <https://belsat.eu/ru/programs/04-02-2021-biznes-imperiya-lukashenko-rassledovanie-belsata/>

¹⁸⁶ [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/603469/EXPO_STU\(2019\)603469_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/603469/EXPO_STU(2019)603469_EN.pdf)

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Research report

BELARUS AND THE BALTIC STATES: REPERCUSSIONS OF THE LINGERING POLITICAL CRISIS



The political crisis in Belarus is not yet over. Its continuation risks turning the country into a source of constant challenges for the Baltic states and the EU, as shown by the Ryanair flight incident.



A return to the pre-crisis state of relations is impossible without resolution of the Belarusian crisis. New factors have appeared, including non-recognition of Lukashenka's legitimacy and Vilnius's hosting of Tsikhanouskaya.



Although economic relations have shown resistance to negative political impulses, in the long run the ongoing crisis will inevitably lead to more serious economic repercussions.