

Belarus–China Relations

BY

PETER BRAGA

Jelisiejė, A.

Some Aspects of Belarusian-Chinese Relations
in the Regional Dimension: Much Sound and Little Sense.
The Belarusian Institute for Strategic Studies: Minsk, 2013, 22 pp.
Report No. SA #08/2013RU.

Šrajbman, A.

Belorussko-kitaiskie otnosheniia: ozhidaniia, problemy i perspektivy.
Friedrich Ebert Stiftung Foundation: Kyiv, 2014, 11 pp.
Report No. 2014.

Jakoŭčyk, K.

The Good, the Bad, and the Ambitious:
Democracy and Autocracy Promoters Competing in Belarus.
European Political Science Review, 2015, 30 pp.
DOI:10.1017/S1755773914000459.

According to the official narrative in Minsk, Belarus–China relations have been one long success story of fast-rising trade figures and ever larger Chinese investments. Among independent analysts, however, there is unease over the relationship. Critics worry that Belarus is sacrificing precious state funds on costly joint projects with little to show for it. Three recent articles—when taken together—explain the nature of Belarus–China relations and rectify the disparities between the conflicting official and independent narratives.

The three articles make two things clear about Belarus–China relations: (1) the regime’s drive to bring in Chinese investment has committed it to a high-risk strategy; (2) if cooperation continues to deepen, there will be political and economic implications for China, the EU, Belarus and the surrounding region.

The first article, written by Andrej Jelisiejeŭ, offers an insightful and candid narrative of the development of China–Belarus relations. The second is a fascinating piece by Arciom Šrajbman. It inspects micro-level details on China’s foreign direct investment (FDI) in Belarus. The third, by Kaciaryna Jakoŭčyk, is extremely useful, because it considers the Belarus–China relationship within a wider, geopolitical context. Together, the three articles compliment each another – moving first from a general, then to a detailed, and finally to a global perspective.

Belarus–China relations have only really begun to develop in the last decade. Leading into 2006, it became apparent that Russian companies would soon stop transiting natural gas through Belarus at subsidised rates. Belarus had been able to capitalise on this arrangement by selling gas onward to Europe at world market prices. The Belarusian authorities were about to lose a substantial source of revenue. Deepening economic cooperation with China was seen as a possible solution.

Starting in 2006, Andrej Jelisiejeŭ, an analyst with the Belarusian Institute for Strategic Studies, summarises the development of relations with a critical eye. For Jelisiejeŭ, the issues lie in what gets overlooked or misinterpreted. He sees a disconnect between official rhetoric and the reality on the ground. In particular, Jelisiejeŭ demonstrates that Belarus is neither a unique nor a favoured partner of China’s. He accomplishes this by first defining the levels of importance China applies to its foreign partnerships. Then, he shows that Belarus did not receive the highest status of relations with China – a ‘strategic partnership’ – until 2013, years behind Ukraine, Poland and Russia. He also shows that Belarusian officials seem to have been wholly unaware of China’s hierarchy of foreign partnerships. Neither are fast rising trade figures exclusive to Belarus–China relations. Belarus shares comparable, if not lower trade growth statistics with neighbouring East European states.

Jelisiejeŭ uses several revealing quotes from a trove of diplomatic cables published on Wikileaks to argue that China is hesitant, if not entirely uninterested in Belarus as an investment destination. ‘The Soviet economic mind-set remains, and Belarusian technology that may have been of interest ten years ago has deteriorated, while Chinese standards and demands have risen,’ a former Chinese Ambassador is quoted to have said (Jelisiejeŭ, p. 15). Beyond specialised potash fertilisers, the author argues, Belarus can only offer China its political support (taking China’s position on UN resolutions for example). In comparison to EU member states, such as Poland, Belarus is a poor ‘gateway’ for Chinese trade to Europe, cautions Jelisiejeŭ. He concludes that Belarus–China relations are more hype than substance.

To some readers, Jelisiejeŭ may appear overly negative. Perhaps there may come a day when ‘Belarus will hardly interest China with enough promising projects to disburse the entire amount [of loans China has put forward]’ (Jelisiejeŭ,

p. 16). In the meantime, however, China continues to extend new lines of credit, and Belarus would be hard pressed to find better borrowing terms elsewhere. At the same time, his negativity is refreshing (and perhaps needed); it helps to shake off the stupor of Minsk's seemingly blind optimism.

Jelisijeŭ's study provides a strong foundation to evaluate bilateral ties as they continue to develop. However, it does have one (forgivable) deficiency: timing. Months after the publication of Jelisijeŭ's paper, President Xi Jinping announced China's ambitious 'One Belt, One Road' infrastructure project (often referred to as the Silk Road project). Since then, the argument for Belarus to act as a Chinese manufacturing and logistics hub on Europe's eastern doorstep has gained greater momentum.

The One Belt, One Road (OBOR) project is an ambitious plan to expand rail links from China to Europe and coordinate them with seaports and maritime trade (reminiscent of the ancient Silk Road). The oddly named 'One Road' component consists of ports and shipping facilities to increase seaborne trade from East Asia, which in turn are supposed to integrate with the railways of the 'One Belt' to move goods overland, rather than crossing two oceans along the current route. Belarusian officials claim that Belarus is a perfectly placed 'gateway' for Central Asian and Russian railways from China to merge before entering Europe.

Arciom Šrajbman, a political commentator for the online news portal TUT.BY, has the benefit of writing a year following the announcement of the OBOR. Šrajbman targets a similar audience to Jelisijeŭ – foreign observers and Belarusian analysts – and scrutinises China's foreign aid and joint projects in Belarus. He pays particular attention to Belarus's 'springboard' for the OBOR into Europe – the Great Stone Industrial Park (GSIP). The GSIP is a massive manufacturing and logistics joint development lying southeast of Minsk. It is modelled on the China–Singapore Suzhou Industrial Park, and is intended to handle incoming freight from the OBOR.

Unlike Jelisijeŭ, who sees relations as being essentially dead in the water, Šrajbman understands that Belarus–China relations are still evolving. However, it becomes clear the Belarusian strategy to attract Chinese investment involves a great deal of risk. Šrajbman reveals that while China may offer loans free of political conditionality (no requirements to hold democratic elections, release political prisoners, promote freedom of the press, or reduce state involvement in the economy), it attaches commercial conditionality (explained below) to ensure its own economic benefit.

For Šrajbman, a core problem for the Belarus–China relationship is the expectation that Belarus intends to gain more from China, rather than the other way around. This expectation permeates all two-way interactions. The result is

that bilateral relations can be summarised as Belarusian enthusiasm and Chinese caution.

In order to hedge against its concerns, Beijing takes measures to ensure the credit it doles out turns a profit. These measures are commercial conditions that govern when and how its loans can be used. For example, 50 percent (and sometimes 70 percent) of Chinese credit to Belarus must come in the form of Chinese sourced goods, equipment and services. In effect, China is ensuring both its investment in the Belarusian economy and export of its own finished products.

With reference to several existing joint projects, Šrajbman illustrates that China's calculating approach confronts Belarus with three problems. First, commercial conditionality means that Chinese credit is essentially tied up until Belarus can satisfy Chinese requirements. For example, Belarus has already invested 'a great deal of money in the [GSIP],' but the Chinese side is holding back on its side of the investment until Belarus satisfies more conditions (Šrajbman, p. 8). Second, stipulations that it must buy finished Chinese industrial goods restricts how Belarus can spend what it borrows. Third, it loses control over its suppliers, and must rely on quality decisions from the Chinese side. In their effort to bring in Chinese investment, Belarusian officials have unwittingly placed their country in a somewhat compromised position.

What Šrajbman does not do is convincingly explain why Minsk is willing to take these risks. He notes that Belarusian officials wish to break the tiring dichotomy of playing the EU off against Russia for external support. However, beyond acknowledging this fact, Šrajbman does not elaborate on the rationale for using China as a third, great power partner to balance Belarus's foreign relations. Neither does he discuss the wider, geopolitical implications of China's growing presence and influence in Belarus. This is what Jakoūčyk's study provides.

Kaciaryna Jakoūčyk, Jean Monnet Chair for European Politics at the University of Passau, Germany, places China's growing presence in Belarus into geopolitical context. She details the strong external influences major powers have upon Belarus, which the other two authors only refer to in passing.

Jakoūčyk views the Belarus–China relationship under the lens of democracy and autocracy promotion. This approach focuses on how states use foreign policy instruments to promote the spread of democratic or authoritarian political systems. The system in Belarus is electoral authoritarianism. Despite having elections, political pluralism is limited and checks on power are subverted to suit the incumbent regime. The EU, Russia and China act as either democracy or autocracy promoters.

In her theoretical framework, Jakoůčyk systematizes the competition between promoters. The EU – via its Eastern Partnership initiative – is an active democracy promoter. Russia uses a range of foreign policy tools to actively promote autocracy. She argues that China, on the other hand, is a *passive* autocracy promoter. Unlike the EU or Russia, China is committed to a noninterventionist foreign policy and politics-free deal making. Therefore, China does not deliberately spread autocracy. Rather, it either indirectly competes for or complements the spread of authoritarian rule.

Lying between the EU and Russia, Belarus is a geopolitical battle ground within a larger global struggle of democracy versus autocracy. She argues the Belarus–China relationship could both prolong undemocratic rule in Belarus and enable China – a potential future authoritarian great power rival – to establish a presence along the EU’s eastern borders.

For Belarus, the ideal geopolitical relationship is for China to act as a stabiliser, which will allow Minsk to balance its linkages (cultural, diplomatic, economic and military ties) with Russia and the EU. In this scenario, China represents strings-free economic support, because of its non-intervention foreign policy and willingness to engage without political conditionality. This ‘is convenient for Belarus, which does not plan to voluntarily conduct any political liberalisation that might threaten the current regime’ (Jakoůčyk, p. 19).

However, at times Jakoůčyk almost seems carried away by her own narrative. She characterises Chinese policy towards Belarus as a ‘charm offensive,’ which is the approach China took with Central Asian regimes (Jakoůčyk, p. 13–14). The development of Belarus–China ties is different to that of Central Asia. As Jelisiejew shows, Belarus has been the one constantly trying to woo China, not the other way around.

There are other deficiencies. In figure 4 and table 1, she compares sources of FDI and loans to Belarus. However, she does not explore the structure or effectiveness of the investments and aid. It is important to do so because as Šrajbman shows, commercial conditionality can, in fact, have political implications. For example, the stalling of a joint project, such as the GSIP, due to nonfulfillment of commercial conditionality will reflect poorly on the regime’s image of legitimacy and competence in guiding the economy.

Lastly, Jakoůčyk’s definition of China as a passive autocracy promoter is ambiguous. China apparently competes for or complements the promotion of autocracy. At the same time, ‘China does not have any intention to export to Belarus any model of a particular form of rule or to shape its political system’ (Jakoůčyk, p. 23).

The problem is that Jakoŭčyk's theoretical model is too one-dimensional: Belarus must be given greater agency. Perspective must be shifted from the autocratic patron (China) to the illiberal client (Belarus). The Belarusian regime seeks support from China to prolong its own survival and continue authoritarian rule. Therefore, China neither actively nor passively promotes, and is better understood as a patron. As Jakoŭčyk herself notes, China does not intend to promote any kind of autocracy in Belarus, but '[n]evertheless, China is supporting the Belarusian regime' (Jakoŭčyk, p. 23).

Despite all the potential pitfalls, Belarus–China relations continue to develop. China's presence in Belarus and its influence in Eastern Europe continues to grow. In their desperation to bring in Chinese investment, however, policy makers have locked Belarus into costly joint projects with reduced bargaining power. In many ways, China has not been the escape from EU and Russian cross-conditionality the Belarusian regime was hoping for.

The three articles reviewed here get to the heart of Belarus–China relations. Jelisiejeŭ produces an excellent overview of the development of bilateral ties. Šrajbman complements this with a fascinating analysis of joint projects in Belarus. Jakoŭčyk provides a much needed discussion on China–Belarus relations at the level of geopolitics, although at times she fails to take important realities into account.

Future studies need to consider regional developments, such as Russia's economic slowdown, Western sanctions, the 2014 Ukraine crisis and, in due course, Brexit. All these events will likely have an effect on the Belarus–China relationship. Other studies that focus more directly on bilateral ties between China and Belarus must account for the continued development of the OBOR infrastructure project. In addition, Jelisiejeŭ only briefly touches on Belarusian FDI (or lack thereof) to China. A more detailed study on the subject is needed.

The three papers reviewed here may be a year or so behind current events. Nevertheless, the hierarchy of Chinese diplomatic relations cited by Jelisiejeŭ, the detail on Chinese commercial conditionality provided by Šrajbman, and the geopolitical context modelled by Jakoŭčyk make these studies essential for properly understanding the nature of Belarus–China relations.
