

Government reshuffle in Belarus

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On 18 August, Alyaksandr Lukashenka carried out a major government overhaul, dismissing the prime minister, four out of five deputy prime ministers and four ministers in charge of economic sectors (including those of industry and the economy). Siarhei Rumas, who until recently had served as the president of the state-owned Development Bank, was nominated the new prime minister. The series of dismissals is a consequence of a government meeting chaired by Lukashenka on 14 August in Orsha. During the meeting the president harshly criticised the cabinet's activity and announced that its senior officials would be replaced soon due to "ineffective work and the failure to carry out orders from the head of state."

Commentary

- Senior government reshuffles are carried out every few years in the Belarusian political system. The most typical feature of them is the lack of real alternative to the position of President Lukashenka. Towards the end of 2010, Prime Minister Siarhei Sidorsky was replaced by Mikhail Myasnikov, who in 2014 was replaced by Andrei Kobyakov. Each time the new prime minister would conduct a more or less extensive government reshuffle in close consultation with Lukashenka or even as a result of his direct decisions. Government reshuffles are one of the instruments of the exercise of power by the president and are meant to reinforce his image in the eyes of the public as a 'good tsar' who must replace the 'bad boyars' from time to time. The need to stabilise the entire government system and protect the dominant position of the head of state from the strengthening of some groups inside the state administration also plays a major role. Furthermore, after the recent series of media reports suggesting that Lukashenka is seriously ill, it was important to show that he controls the people around him and is able to make firm decisions.
- The replacement of a major part of the government is not a sign of any radical change in the government's policy. The nomination of Siarhei Rumas may at the most mean an improvement in the government's efficiency and the possibility of some selective changes, including liberalisation to a certain extent of the conditions for the operation of the private sector (at present, it accounts for around a third of the Belarusian economy). Rumas over the past few years has earned the reputation of an effective manager, a moderate economic liberal and a supporter of reforms who understands the mechanisms of the economy and is at the same time trusted by Lukashenka. However, no thorough reforms that would change the present economic, let alone political, system

should be expected.

- The key task for the new prime minister will be to find new sources of economic growth, especially given the tense relations with Russia, the regular reduction of Russian subsidies and the preparations for a tax reform of the Russian oil sector, which will lead to a significant growth of oil prices for Belarus. It is worth paying attention to the dismissal of the first deputy prime minister Uladzimir Siemashka, who had supervised the energy sector and was in charge of negotiations with Russia for the past fifteen years. He was replaced by Igor Lyashenko, the CEO of Belneftekhim. Rumas will also be tasked with bringing about an agreement with the international financial institutions (mainly the IMF) because Minsk still hopes that it will be possible to obtain preferential loans that will be necessary to refinance Belarus's foreign debt (its repayments in the coming five years will account for around 7% of Belarus's GDP every year).
- It is worth paying attention to the words used by Lukashenka when he was announcing the government reshuffle. He highlighted that the government's effective operation is a guarantee of "maintaining independence" and that Belarus "will be independent provided that the economy is developing in the right way. If we fail in the area of the economy, there is no way we can stay independent." These words are proof of growing concern shared by Lukashenka and a section of the state administration about future relations with Russia and the need to reinforce the economic foundations of Belarusian statehood. Uladzimir Makei, the head of the Ministry of Foreign Affairs, who is commonly viewed as the author and executor of the policy of dialogue with the West, which has been underway since 2015, and at the same time one of the leaders of the faction which wants Belarus to strengthen its subjectivity, will also be a member of the new cabinet.

APPENDIX. Biography of Siarhei Rumas

Siarhei Rumas (born in 1969 in Homel) – a Belarusian politician, banker and economist. He graduated from the Military Finance and Economics Institute in Yaroslavl (1990) and the Academy of Public Administration under the aegis of the President of the Republic of Belarus (1995). His career began in the banking sector, as he managed branches of the National Bank of Belarus (1992–1994), Belarusbank (until 2005, including as deputy head) and Belagroprombank (2005–2010, president). In 2010–2012, he served as a deputy prime minister in charge of the economy. At that time he presented a package of liberal economic reforms, which was, however, rejected by Lukashenka. Between 2012 and August 2018, he served as the head of Development Bank, a state institution tasked with supporting economic development. Over this timeframe he was a member of several governmental commissions of an economic nature and was a representative of Belarus in the Eurasian Economic Commission. He is a supporter of a moderate liberalisation of the economy, privatisation and greater openness to foreign investment. In the past, he openly criticised the Belarusian economic policy. He has been the head of the Football Federation of Belarus since 2010. He is married and has four children.