

Is Russia's New Belarus Policy Emerging?

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The results of the constitutional referendum in Belarus that cleared the way for prolonging the rule of the country's current leader, Alexander Lukashenko, after 2006 when his present term in office will expire, were extremely important in the Russian context. On that day, October 17, 2004, one more challenge to the Russian policy in the Western NIS and to the assumption that Moscow can block undesired actions in the area was revealed.

It cannot be known for certain whether the Kremlin has acquiesced to the method chosen by Minsk to continue Lukashenko's stay in power. To this author, an indirect answer can be found in President Vladimir Putin's statement on Ukrainian television 10 days after the Belarusian referendum, when Lukashenko was in Kyiv as well as on the occasion of the 60th anniversary of Ukraine liberation from Nazi occupation. According to Putin, the constitutional provision allowing two terms in office should be adhered to, not amended. But even if Russia's initial reaction to Lukashenko's plan was not negative, Moscow could not stay indifferent to the rhetoric that Lukashenko used to win the people's support. The campaign, (started the day Russia was mourning Beslan victims) focused on contrasting Belarus, allegedly stable and secure, with its "eastern sister" that was suffering from terror. This comparison could only provoke Moscow's sensitivities. It should then come as a surprise that Lukashenko received a cold reception in Kyiv and had to leave suddenly, so everyone noticed his absence from the anniversary parade.

Was this a turning point in the bilateral relation? Will Moscow now re-think its Belarusian policy? This paper argues that although immediate changes may not be coming, by the elections in 2006 a new policy will possibly emerge. A crucial role in influencing the Russian position will be played by the European Union, and the final shape of Russian policy will depend on whether a triangular relationship between Russia, EU and their common neighbors will emerge.

Acknowledging Failure

It does not take long to understand that Russian policy toward Belarus is failing and that Moscow cannot achieve any of its explicit or implicit goals there. Although Putin's (as opposed to Yeltsin's) Russia was never interested in continuing the game of "paper integration," and the August 2002 proposal for Belarus to agree to be incorporated into Russia was a clear provocation aimed mainly at depriving Lukashenko of his image as an

advocate of integration, Moscow has always taken full account of the demonstrative potential of Belarus in the CIS. Briefly and simply put, if Moscow has problems influencing Belarus – small, predominantly Russian-speaking, and extremely amenable – the whole paradigm of Russian leadership in the post-Soviet world finds itself in jeopardy.

Within this logic, developments in Belarus look totally unsatisfactory to Russia. In the last two years, Belarusian official propaganda did a lot to reveal to the Belarusian population the value of sovereignty and independent decision-making. Attempts were made to stimulate construction of geography-based (in other words, nonethnic) Belarusian identity. Russian media presence in Belarus was cut drastically. Naturally, the regime behaves this way only in order to strengthen its own viability, (which they see as potentially threatened by Russia,) but the result is the spreading of the “habit of independence” among the population and bureaucracy.

Moscow is less and less able to cultivate Belarusian sympathies to Russia, as a common future is no longer seen by people as the best, or only, alternative. Over the course of the year from April 2003 to April 2004, according to opinion polls conducted by the Minsk-based Independent Institute for Socio-Economic and Political Studies, the number of people supporting the creation of a single state dropped from 25 to approximately 14 percent, whereas the share of those who thought that relations with Russia should be the same as with other CIS states grew from 19 percent to more than a quarter of respondents. Half of all those asked supported a union of two independent states. Forty-eight percent responded in April 2004 against introduction of the Russian ruble in Belarus, and only 33 percent were in favor; a year earlier the ratio was the opposite. In the rating of “currency confidence” (which currency people would trust most) the Belarusian ruble came second after the U.S. dollar, 28 and 50 percent respectively, while Russian currency was the fourth, with a miserable 0.8 percent.

On the pragmatic level, the low level of effectiveness of the policies that were pursued by Russia becomes even more evident. Firstly, the introduction of the Russian ruble in Belarus (which would have given Moscow control over the country’s financial system and eventually facilitated Russian penetration into the Belarusian economy) was postponed. Some officials still speak about a one-year delay only, indicating that this provision of the 1999 treaty on creating the union state may be enforced in January 2006, but these statements are not credible. Minsk has already demanded “equal economic conditions” to be created – meaning above all internal Russian energy prices – which would threaten Russian WTO accession and are, therefore, very difficult to achieve. Even less likely would Lukashenko himself agree to lose the emission rights. The whole project can be counted, along with other items of 1999 treaty, like the Constitutional Act or a directly elected parliament.

Secondly, Russian business has not received the property in Belarus that it has sought. Even Gazprom -- let alone other companies, which have been showing interest in buying assets and investing in oil refineries, chemical enterprises and food industry– with all the political support behind it, failed to obtain control over Belarusian pipelines.

Thirdly, after long and tough negotiations on the price of gas Belarus was to be charged by the Russian gas monopoly Gazprom, the 2004 deal gave Gazprom a rate

below its demands, while the transit fees collected by Belarus were raised. This was accompanied by a drama regarding a cut in deliveries (see below.)

Fourthly, in order to have the gas deal operational, Russia resumed the practice of direct subsidies that contradicted Putin's policy of previous years. In August 2004, the Russian Ministry of Finance gave Minsk a credit of 175 million dollars to pay for gas imports. It is possible that the practice will continue in 2005.

Fifthly, the combined number of relatively small economic conflicts that have surfaced periodically irritates not only economic actors, but also the government as a whole. Minsk constantly raises non-tariff protectionist barriers that strongly impede Russian exports to Belarus and Belarusian customs confiscate goods that are transited to and from Russia. Ad hoc solutions are normally found, but there is no smoothly functioning mechanism, which, presumably, should be in place after nearly ten years of existence of the bilateral customs union.

In February 2004, Moscow learned that the instruments it could use vis-à-vis Minsk were very limited. In order to strengthen the negotiating posture of Gazprom, Moscow cut the supply of gas to Belarus, thus – in an irony of history – making its closest ally thus far the only victim of its energy weapon in the CIS. Lukashenko, however, immediately started to siphon the gas from transit pipelines, mobilizing consumers in Europe and Kaliningrad against Moscow and teaching Russia a lesson on the power of transit states relative to the producers. The blockade lasted less than 20 hours, and then Moscow had to withdraw and admit defeat.

Understanding the Changing Landscape

Seeing the shortcomings and weaknesses of the present policy, however, does not automatically lead to the emergence of a new course. As some people in Moscow and elsewhere argue, as long as Lukashenko stays in power, Belarus will not turn to the West; it will remain Russia's important security partner, thereby eliminating the need to act in an urgent manner. Challenging this argument would be quite difficult as the events in and around Belarus, indeed, display controversial trends and speak in favor of the wait-and-see approach.

Three separate possible scenarios need to be followed attentively. The first one is, of course, the domestic situation. On the one hand, Lukashenko is still very strong inside the country. He enjoys considerable popular support, whereas the opposition movement lacks a charismatic figure with a chance to win even in relatively fair and free elections. According to the results of exit polls conducted by the Gallup Organization/ Baltic Surveys, at the referendum Lukashenko received the support of 48.4 percent of all registered voters. Such a showing would have more than sufficed to win the presidential elections in the first round. On the other hand, the political opposition is going through a process of consolidation and widening. As the parliamentary elections of 2004 demonstrated, the internal fragmentation is being overcome and the opposition sentiment is spreading to new sectors of the elites. Arrests of several top managers of state enterprises, pressure on official trade unions, and constant reshuffles have scared the nomenklatura, parts of which now show less loyalty to the regime.

Betting on a contender would in these circumstances be premature, but thinking of someone and building connections would be wise. Russia's choice lies somewhere between two outcomes: Moscow will probably seek equally to avoid the Milosevic scenario (i.e. supporting the incumbent until it is too late), and that of Saakashvili, when the succession brings more problems than it solves. All in all, Russian attempts to resume contacts with the opposition in Belarus should be expected.

Developments in Ukraine

Developments in Ukraine are the second crucial factor. The disappearance of political conflict with Kyiv, agreement on transit issues, and Leonid Kuchma's interest in Russian-led integration projects in the CIS decreased Russian dependence on Belarus and its leader. Ukraine's 2004 elections revealed, however, how fragile the compromise looked from the Russian point of view. If Ukraine's Euro-Atlantic integration policy reaches the point of prospective membership, the temptation to restore the special partnership with Minsk may grow noticeably stronger.

But the most important role will be played by the European Union. With its enlargement in 2004, the EU received a common border with Belarus. In Brussels and several individual capitals there is no shortage of talk about the need to ensure the democratic transformation of its new eastern neighbors, Belarus included. The willingness to act, however, (except in Warsaw, Vilnius, and Riga) remains low. The so-called European Neighborhood Policy, or ENP, does not give the neighbors a chance for EU membership; the policy lacks sufficient financial backing and promises to bring limited results at best. In regard to Belarus, the ENP may never be implemented, as a bilateral Action Plan – a road map for every individual country – cannot be elaborated at the moment, given the low level of political relations between Minsk and Brussels.

ENP is likely to inherit the major weaknesses of the EU's previous approach to Belarus, namely that it relies on neither carrot nor stick. The regime in Minsk learned years ago how to live without much cooperation, but also without much pressure, being a pariah in European capitals, yet successfully exporting oil products and fertilizers. Among several reasons that contributed to the emergence of such a toothless policy (lack of trust into the viability of Belarusian state and identity, the same unwillingness to raise tensions in relations with Russia) there is one that the EU policymaking community does not like to admit: the EU is not so uncomfortable with Lukashenko. The country is stable. It is not burning like the Balkans. There are no minority problems like in the Baltic States. Energy transit runs smoothly. No assistance packages are requested. The list goes on, but the conclusion is clear: in Europe there is no sense of urgency on the Belarusian dossier. Unless this changes and unless the EU becomes an active player in Belarus – which it is capable of doing as a regional power - engaging Russia into an effort to promote democratic transformation in the country will not be possible.

Conclusions

The Russian approach toward Belarus may well change between now and the presidential elections of 2006. Instead of protecting, even if without much enthusiasm, the current Minsk regime from international criticism, Moscow might support a candidate from the

opposition. At the same time, it is almost certain, that Moscow's favorite will resemble the Kuchma of 1994: someone Moscow would consider suitable for the task of increasing Russia's influence in Belarus, rather than who will look like a champion of systemic transformation.

Those in the United States, who are interested in ensuring democracy and reform in Belarus should first of all seriously raise the issue with European partners and find out how far the EU as well as key capitals are ready to go in exorcizing the conditionality policy. The EU's eastern neighborhood in general and Belarus in particular can become an item of the Transatlantic dialogue. If the consensus emerges between the United States and Europe, this will become a major factor shaping Russian policy toward the area.

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