

The Russian-Belarusian Union and the Near Abroad

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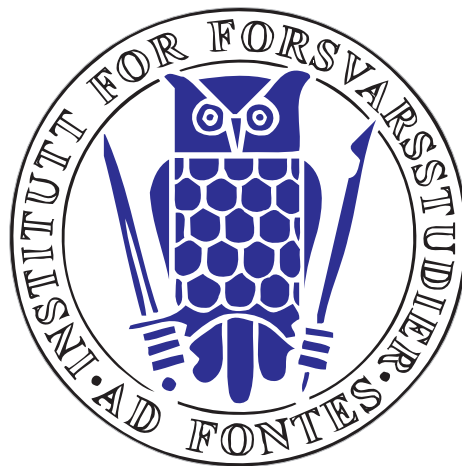


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Introduction

Belarus has been transformed into a Russian military outpost. The process has been gradual. Since the early 1990s, the two countries have signed a number of co-operation agreements. All assert the two country's equal status, but the outcome has been an incremental surrender of sovereignty to Moscow. In this process, integration of the two countries' armed forces and the alignment of Belarus security policy with Russia's have proceeded remarkably fast. A major step was the common Defence Doctrine for the Union agreed in October 1999.¹ It contains the usual preamble asserting the equality of the two parties. Two years later when the Doctrine was to be amended, the Russian prime minister Kasyanov stated that the doctrine would be similar to the Russian with minor amendments reflecting Belarus status as a non-nuclear country.² In April 2002, Russian defence minister Sergei Ivanov declared that the countries would merge their armed forces under the framework of the Belarus-Russian Union.³

Ivanov's announcement is the most recent step in a process whereby the Belarusian leadership has agreed to Russian stationing of troops in the republic, usage of military installations, construction of new ones, and opening up for a Russian takeover of Belarusian defence enterprises. It is suggested here that the Union should not only be regarded solely as the outcome of Russian security political strategies, but as the result of the striking economic imbalance between the two.

In the course of this process, there has been a distinct change in the mechanisms used for exerting control. During Yeltsin's incumbency, rebukes from the Kremlin were virtually unknown. This is no longer the case. Putin is more openly critical and less willing to issue promissory notes be they of a pecuniary or political character. Outlining this change will provide us with some insight into Putin's foreign policy.

A second aspect that will be analysed here concerns the regional impact of Russia's takeover. Whereas Belarus may seem too piffling to matter in Western Europe, politicians and security analysts in the surrounding countries monitor developments closely. They perceive a strong Russian military presence in Belarus as an unwelcome attempt to exert control over the security architecture of the entire region.

¹ "Oboronnaya doktrina Soyoza", *Sovetskaya Belorussiya*, 28 October 1999.

² RFE/RL 29 August 2001.

³ This was officially announced by the presidential press office on 17 April 2002, see Press-Sluzhba Prezidenta Respubliki Belarus, http://www.president.gov.by/rus/president/press/p04_2.shtml; for an independent analysis, see Anatolii Nezvanov, "Sluzhy soyuznomu gosudarstvu", *Belorusskaya Delovaya Gazeta*, 18 April 2002, internet version.

Of these neighbours, Poland and Lithuania are closely linked to the West and may use their access to Western forums to present their concerns and get the support they need. Belarus southern neighbour Ukraine lacks this Western backing. To pro-Western Ukrainian politicians, the Union is a warning that their country is the next in line. A growing number of invitations to Ukraine to join issued by Russian politicians and the Belarusian president support their interpretation.

The Russian takeover of Belarus is worth pondering for the impact it has on these countries' security. Moreover, it reveals the underlying priorities of Russian foreign policy in Central and Eastern Europe. This is apposite not least because many experts writing on Russian perceptions of Central and Eastern Europe have concluded that Russia has withdrawn from the region, that the countries are perceived by Moscow as being lost to Russian influence.⁴ Belarus suggests otherwise. The Russian takeover of Belarus may be regarded as a conceptual revival for "near abroad", a term launched by the Russian foreign minister Andrey Kozyrev (1990-1996) in the early 1990s to denote a special *droit de regard* for Moscow in Central and Eastern Europe.

The model soviet republic

When explaining the close relationship between Belarus and Russia today, Belarusian and Russian experts point to history.⁵ Belarus had no past as an independent state that could serve as a model or common reference point in the building of democracy. Apart from a brief interval of a few months towards the end of the First World War, the last period of Belarusian statehood dated back to the Union of Lublin (1569).

Until the Russian Revolution, the Belarusian population was overwhelmingly rural. The few cities were mainly populated by Jews, Poles, Germans and Russians. The closest institution of higher learning was the university of Vilnius, which was attended by a scattering of Belarusians. They were never sufficiently numerous to constitute a coherent elite.

With the onset of Soviet rule, this changed. Belarus was now endowed with all the institutions characteristic of union republics: a university, an academy of sciences, libraries

⁴ Gerhard Mangott, "Russian Policies on Central and Eastern Europe: An Overview" in *European Security*, 1999, vol. 8, no. 3, pp. 44-81, J.L. Black, *Russia Faces NATO Expansion. Bearing Gifts or Bearing Arms?*, Lanham: Rowman & Littlefield, 2000, and Grzegorz Gromadzki, "Nauka partnerstwa", *Polska Zbrojna*, no. 29, 2000, p. 34.

⁵ Detailed introductions to the historical background can be found in David R. Marples, *Belarus: a Denationalised Nation*, Amsterdam: Harwood Academic publishers, 1999; and Jan Zaprudnik, *Belarus: at a Crossroads in History*, Boulder: Westview 1993.

etc. During the 1920s, a new Belarusian elite emerged only to suffer strongly during the Stalinist purges in the next decade when all signs of independent thinking were quenched. Together with the rebuilding after 1945, this left a strong Soviet imprint on Belarusian society. The post-war elite was either Russian or russified. An increasing number of Belarusians preferred to use Russian in daily life. The number of schools with Belarusian as language of instruction declined rapidly. By 1980 a third of all newspapers and barely a fifth of all books published were in Belarusian.⁶ The current president is more fluent in Russian than Belarusian.

Whereas reformers in other Soviet republics like Ukraine and the Baltic states were found both inside and outside the Communist parties, in Belarus the Party remained adamantly opposed to any attempts to change the political or economic system. Thus, when the Soviet Union collapsed, Belarus was ill prepared. This may explain why the Belarusian Supreme Soviet declared independence in as late as August 1991, i.e. more than two months after Russia. Small, anti-communist groupings had been formed, but remained too weak to make any significant impact on politics.⁷ Not surprisingly, the first post-Soviet government headed by Stanislau Shuskevich, consisted exclusively of former prominent Communist Party members. Shuskevich favoured closer economic co-operation with Russia on a bilateral basis, but feared a transfer of Russian democratisation attempts. To prevent this from happening, the leadership in Minsk reiterated that Belarus had to carve out its own development irrespective of events in the neighbouring countries. This meant a negative attitude to a Russian-led Commonwealth of Independent States (CIS). When the CIS Collective Security Treaty was agreed in Tashkent in May 1992, Belarus refrained from signing on the grounds that it violated the constitutional pledge to neutrality.

This stance was hardly due to any attempt of formulating a policy of non-alignment only to be overturned by the openly pro-Russian Lukashenka two years later. The same year Belarus refused membership, Shuskevich signed a bilateral agreement with Russia opening up for the co-ordination of the two countries' security and defence policies.⁸ Neither party saw any need for the Tashkent Agreement at the time. When Belarus finally

⁶ Narodnoye khozyaystvo Belorusskoy SSR v 1989, Minsk: Belarus, 1990, pp. 118-119.

⁷ This was pointed out in an early analysis of the first democratic groupings emerging in the late 1980s, see the introduction to *Grazhdanskiye dvizheniya v Belorussii, dokumenty i materialy, 1986-1999*, Moscow: Tsentr po izucheniyu mezhnatsional'nykh otnoshenii. Institut etnologii i antropologii AN SSSR, 1991.

⁸ See Anatolii Rozanov, "Belarus – Rossya: integratsiya v sfere bezopasnosti i oboroni", in B. Karbalevits & L. Tzaiko, *Natsionalnaya i regionalnaya bezopasnost*, Minsk: Nessi, 2001, pp.185-205.

joined the agreement a year later, the motives had little to do with security but all the more with economy.⁹

Enter Lukashenka

The efforts to set up independent Belarusian institutions were overshadowed by the rapid drop in living standards resulting from the general collapse in trade with the former Soviet republics, above all Russia. Under Shuskevich, privatisation had been initiated. Small enterprises and shops found purchasers. Very few of the larger enterprises were sold, and then only under circumstances giving rise to accusations of corruption. In the countryside, reforms meant the abolition of fixed prices and subsidies. The tandem implementation of economic reforms with a political emphasis on Belarusian sovereignty undermined popular support for both.

In 1994, Alyaksandr Lukashenka was elected president in a landslide victory. During the election campaign, he had presented himself eloquently as a crusader against corruption.¹⁰ Co-operation, let alone integration with Russia did not figure prominently on his agenda at the time. Moscow was at the time perceived as being in the grip of pro-Western reformers. Lukashenka's political longings were for the Soviet Union not Yeltsin's Russia. One of the first important changes he initiated was to arrange a referendum on the reintroduction of state emblems of the Belarusian Soviet republic. He received the backing of a majority. Soon, Lukashenka had reintroduced state supervision of industry and agriculture, and brought back state-set prices. Schoolbooks were once more rewritten. Again, the constructive roles played by Russia and the Soviet epoch were promoted. References to the medieval Belarusian statehood were removed. Belarusian instruction was severely curtailed and the number of books and journal published in Belarusian has fallen year by year since 1994.

Some of the members of the Supreme Soviet, the country's legislature had kept its old name, started to criticise Lukashenka's dictatorial style of governing. During 1995 relations between the president and parliament deteriorated. In the following year Lukashenka dissolved Parliament, changed the election law and made sure that his own supporters came to dominate the new parliament completely. Protests from OSCE and the European Council failed to have any impact. The Belarusian Supreme Court condemned the

⁹ See *Takeover of defence enterprises*, p. 10.

¹⁰ See Valeriu Karbalevitsch, "Biloruskii fenomen politichnovo populizmy", in O. Gritsenka (ed), *Fenomen Populizmu v Postradyanskomi Prostorii, Materiali ukrainsko-biloruskovo seminari.*, Kyiv, sitchen 1999g, Kiev: YtsKD, 1999, p. 41.

president's actions. He retaliated by dismissing most of the judges and filling the vacant seats with his own appointees. This meant that all positions of power, a scattering of newspapers excepted, had been cleansed of critics.

Lukashenka's views were clearly reflected in the economic reform programme drawn up by the Institute of Economics of the Academy of Sciences in 1995. Privatisation is not mentioned as a realistic solution to the economic inefficiencies prevalent.¹¹ The recommendations are all solidly Soviet in style and contents. The effects on the economy have been disastrous. According to the European Bank of Reconstruction and Development (EBRD), approx. 40 per cent of the population lives below the poverty line.¹² State-set prices fail to cover production costs. As a result, an increasing number of enterprises and collective farms have been made de facto bankrupt and can only keep up production by defaulting on their bills. Some enterprises, in particular in heavy industry, receive state credits to keep production running. But using the printing press to finance state orders has devastating consequences on economic stability. Inflation has remained persistently high. Although official statistics provide an upbeat picture of the situation, real wages have fallen and living standards are still below their 1989 level.¹³ At no point has Lukashenka displayed any will to initiate even modest reforms. His desire to retain as much of the fixtures of planning and thus the greatest extent of political control possible has remained remarkably unperturbed by the developing crisis. Speaking at the inauguration of a new rector of the State Economics University in Minsk, Lukashenka outlined the guidelines for the university thus: *"I'd like [the university] very much to produce specialists who are convinced that what we have done and are doing is necessary for the state and optimal... In other words, we need so-called ideological economists who are confident in the course that we have taken some time ago and been directly involved in it."*¹⁴

¹¹ G. M. Lycha (ed), *Ekonomika Belarusi: puty stabilizatsii i sotsial'no-ekonomicheskovo obnovleniya* (Akademiya Nauk Belarusi, Institut ekonomiki, Minsk: Pravo i ekonomika, 1995).

¹² *Strategy for Belarus*, Document of the European Bank for Reconstruction and development, London: EBRD, 2001, p. 12; for an analysis of the economic problems see Kirk Mildner, *Kritische Überlegungen zu Politik und Wirtschaft des Lukashenko-Regimes*, Berichte der Bundesinstitut für ostwissenschaftliche und internationale Studien, no. 12, 2000.

¹³ It should be added that the CIS Intergovernmental Statistical Committee occasionally publishes data contradicting Lukashenka's rhetorical efforts. In May 2002, inflation levels among CIS members for the first quarter of that year were published. Belarus ranked top with 12.7 per cent way ahead of the 5.4 per cent Russian level. "Belarus – s nachala 2002 goda lider po inflatsii", *Belorusskaya Delovaya Gazeta*, 7 May 2002, internet version. Official numbers can be found in United Nations surveys and statistics.

¹⁴ *RFE/RL Newslines*, 17 June 2002.

The final criteria should be easily fulfilled in the case of the new rector. His name is Uladzimir Shymau; he had previously been minister of economics in Lukashenka's government but had been dismissed by the president because of the poor economic results.

When explaining the bad results, Lukashenka would often point to the loss of the Russian market and the severance of contacts between Russian and Belarusian and Russian enterprises. From 1997 and onwards, Lukashenka led a number of trade missions to Russian industrial cities. They were successful, barter agreements were signed and Russia remained by far the most important trade partner for Belarus. In 2000, slightly over half of all Belarusian exports went to Russia, and 65 per cent of all foreign imports were Russian-made.¹⁵

During his trips, Lukashenka used every opportunity to make political statements. The themes remained invariably the same: a continued strong role for the state in the economy, the reintegration of Belarus, Russia and Ukraine into a Slavic bloc sufficiently powerful to resist NATO. His often maverick behaviour assured him top coverage by the Russian press. This paid off politically. Clear majorities in both countries supported his quest for a union between Belarus and Russia.¹⁶ This was mirrored in the Russian Duma when the Union Treaty was ratified in December 1999. 382 voted in favour and only three against.¹⁷

¹⁵ *Belarus, Investment Profile 2001*, London: EBRD, 2001, p. 9.

¹⁶ In a poll made by the Russian Centre for Sociological Research in Moscow in the summer of 2001 found that 80 per cent of those asked approved of the union with Belarus, but only 26 per cent favoured the incorporation of Belarus into the Russian Federation. *RFE/RL Newslines*, Part II, 23 August 2001.

¹⁷ According to *RFE/RL Newslines*, Part II, 13 December 1999 two members voted against, but according to *Sevodnya* from 12 December 1999, there were three. Both however agree that Yavlinski and 14 other representatives from the liberal *Yabloko* were absent at the time of voting.

Military integration

The Union Treaty ratified in 1999 was the last in a long row of documents with slightly different headings. Only two years before, Yeltsin and Lukashenka had signed a union agreement in Moscow, and before that official declarations, statements, press communiqués all asserted that significant progress was being made towards the creation of a union between the two.¹⁸ Nonetheless, when comparing the documents, the same issues are addressed in the same vague terms as before. Both countries assert their will to create an economic space and remove trade barriers, to harmonise legislation and facilitate co-operation, but the 1999 Treaty text quite like its antecedents provides no indication of how this will be done. After a meeting with president Putin in January 2001, Lukashenka admitted that although the aims of the Union have long been defined, “*tactics...are not yet agreed upon.*”¹⁹

The only exception to the lack of tactics is military issues. One of the first indications of a close relationship in this field came with the bilateral agreement from 1992 already mentioned. Three years later, in January 1995 an agreement was signed between the defence ministries of the two countries granting Russia usage of further military installations.²⁰ Officially, both republics were given the right to use installations on the territory of the other. In practice, this has meant Russian access to Belarusian facilities. The agreement, or to go by the official title “*Memorandum for the Expansion and Deepening of Russian-Belarusian Co-operation*”, further opens up for co-ordinated efforts in the development of new arms, joint industrial production, and standardisation of equipment and the construction of new facilities.

Russian military constructions in Belarus include the enlarging the early-warning missile attack radar in Baranivichi, and the low-frequency radio station used for submarine tracking in Vileyka. The Baranivichi radar is a replacement for the one located in Skrunda in Latvia. Russia tried to negotiate a lease agreement with the Latvian authorities after independence had been restored in 1991. This was refused and the radar was dismantled. Without Skrunda, Russia was left with a considerable gap in the country’s ballistic missile early-warning radar network. Enlarging the one already built in Baranivichi solved this. Its importance has been further enhanced by the declining efficiency of the space-based

¹⁸ The website of the Belorussian president contains a survey of the titles of the main documents, see <http://www.president.gov.by/rus/parliamentassembly/souz/proekt.htm>

¹⁹ *RFE/RL Newslines*, Part II, 4 January 2002, and *Belorusskaya delovaya gazeta*, 6 January 2002.

²⁰ The agreement was signed in January 1995, but came into force in May the following year. See *Byulleten' mezhdunarodnykh Dogovorov*, November 1996, pp. 45-55.

network of Oko and Prognoz early-warning satellites. If working according to intentions and in sufficient numbers, the loss of Skrunnda and the need for Baranivichi would have been less acute.²¹ But their record makes miserable reading. The last Prognoz satellite was shot into space in 1998 without any replacement available. In the case of Oko, the optimal number of satellites in orbit is 9. This has rarely been achieved. The normal state seems to have been four satellites. Due to lack of funding, no upgrading seems to be forthcoming. A ground-based radar is cheaper, and more reliable than satellites. In January 1995, a treaty transferring Vileyka and Baranivichi to the Russian military for 25 years was signed. According to the text, Russia disposes of them free of charge.²²

A month later, in February 1995 an agreement for co-operation between the border troops for the protection of the borders of Belarus was signed.²³ The agreement only applied to Belarus' borders with Poland, Lithuania and Latvia. Lukashenka presented the agreement as the ultimate security guarantee for Belarus against a military attack from the West. The most prominent pro-government newspaper *Sovetskaya Belorussiya* has repeatedly claimed NATO has made detailed plans for a military strike or political subversion.

Tracking this development since the first agreement was signed in 1992 refutes one view presented by some Western observers, namely that the Russian takeover of Belarus must be regarded as a response to NATO enlargement.²⁴ Belarusian and Russian officials alike also proffer this explanation.²⁵ Clearly the strategic value of Belarus has increased in the wake of NATO enlargement, and will be even more enhanced if the neighbouring Baltic countries Latvia and Lithuania are included in the future. But when the first agreement was signed in 1992, NATO had not adopted any common policy on enlargement. Partnership for Peace, which for some countries became a preparatory arrangement, was not launched until January 1994.

²¹ Steven Zaloga, "Russia's strategic forces stumble", *Jane's Intelligence Review*, October 2000, pp.12-14, p. 13.

²² For an account of the financial arrangements, see V. I. Karabalevitch, "Kurs na integratsio s Rossiei: istoki, tendentsii, posledstvia", in L. Tzaiko ed., *Natsionalno-gosudarstvennie interesy Respubliki Belarus*, Minsk: Izd. V. M. Skakyn, 1999, pp.185-205.

²³ Rozanov, op. cit. p. 194.

²⁴ E.g. Clelia Rontoyanni, *A Russo-Belarusian 'Union state': a defensive response to Western enlargement*, Glasgow University: Department of Politics, 2000.

²⁵ Nadezhda Pastukhova, "The Union between Russia and Belarus", *International Affairs, Russian Journal of World Politics, Diplomacy and International Relations*, no. 4, 2002, pp. 126-131.

Russian security concerns

The importance of Belarus for Russian security may be deduced from the Russian Military Doctrine approved by the Security Council in early 2000.²⁶ Two important changes made in comparison to the previous doctrine valid from 1994 underlines Belarus' value. The 1994 version had started with a preamble stating that ideological confrontation was waning as the result of varied efforts made to increase international co-operation and reduce risks. As a consequence, the Russian military could now distinguish between threats and dangers, and concentrate their efforts on countering the latter. In the current version, both the preamble and the distinction, and the resultant need to prioritise, are removed. Instead, the new definition was reduced to: *"The guidelines that are decisive for the military political, military strategic and military economic basis for the maintenance of the military security of the Russian Federation and her allies."*²⁷

Although the expression *"the Russian federation and her allies"* is frequently used in the text, only Belarus is given a separate and rather lengthy treatment. In the section entitled *"Military-political conditions"*, priority is to be given to *"the implementation of a joint defence policy with Belarus, the co-ordination of the development of armed forces and military infrastructure of both Union states"*. This was a novelty; the 1999 draft did not mention Belarus.

Lukashenka has responded by portraying himself as a guarantor of this relationship and of Belarus as a trustworthy ally: *"The Belarusian army is the only thing Russia has in the west. And I say it does not need anything else, because we shall guarantee security in the west both to Belarus and to Russia, provided the Russian armed forces give us certain assistance."*²⁸ To achieve that, Lukashenka announced that a "military group" consisting of approx. 300.000 troops, a third of them Belarusian, was to be established.²⁹ The announcement was made only days before Putin was due to meet Lukashenka for the first time as Russian president. A joint force would also render his claim that Russia would protect Belarus in case of attack more credible. But Putin rejected Lukashenka's proposal outright, stating that there could be no further integration progress before the economic problems were solved.³⁰

²⁶ "Voyennaya doktrina Rossiiskoi Federatsii", *Rossiskaya gazeta*, 21 April 2000, internet version.

²⁷ "Voennaya doktrina", 2000, Preamble.

²⁸ Ibid. p. 20.

²⁹ *RFE/RL Newslines* 11 April 2000.

³⁰ *RFE/RL Newslines* 14 April 2000.

In May 2002, the 10th anniversary of the CIS Collective Security treaty was celebrated in Moscow. The Treaty had received scant attention in the decade that had passed, Russian and western scholars regarded it as somewhere between stillborn and moribund. Russia had preferred to establish bilateral relationships with those former Soviet republics regarded as important to Russian security, in particular Armenia, Kazakhstan, Kyrgyzstan and Tajikistan.³¹ Some overarching projects had been initiated, the most prominent example being common air defence radars and joint exercises. The exercises, especially those involving Belarus had pronounced political overtones, aimed at NATO. One of the few concrete outcomes has been the Russian-led “military Commonwealth-99” exercise held near Astrakhan during the summer of 1999. Modelled on NATO’s war against Yugoslavia, attacks with U.S. Tomahawk missiles were simulated. The largest non-Russian contingent came from Belarus.

At the anniversary celebrations, it was declared that the Treaty was now going to be transformed into a regional security organisation and named Collective Security Treaty Organisation. The announcement was made on the basis of a joint recommendation made by the signatory state’s defence and foreign ministers. However, the declaration contained little else. No agreement had been reached on the institutional framework needed to endow the Treaty with the instruments necessary to transform it into an institution. The Russia hosts had apparently wanted to create a joint military force under the control of the Russian army’s General Staff.³² Although Belarus seems to have supported this, the reply from the other members was negative. In stead it was agreed to maintain trade in armaments at privileged prices.

Takeover of defence enterprises

While a Soviet republic, military production in Belarus was tightly connected with other enterprises in the Union for designs, parts and often the final assembly of the items. Whereas the hardware was usually produced in other republics, most notably Russia, Belarus supplied advanced technological equipment. For instance, the electronic control system for the S 300 anti-aircraft missiles was and still is made in Belarus.

The dissolution of the Soviet Union and the creation of trade barriers hit Belarusian armaments producers badly. Trade in spare parts resumed soon after 1991, but production orders were no longer forthcoming from Moscow. Enterprises in Russia and Belarus

³¹ See Lynch, op. cit.

³² *RFE/RL Newslines*, 15 May 2002,

struggled to avoid closure lobbying their national governments for new production orders. Research-intensive production, the sector where Belarusian enterprises had played a central role before 1991, seemed particularly ill-fated. Belarus might have expected that the close relationship in military and security affairs that had evolved by 1992, would have sufficed to entice Russian producers to resume contacts. This did not happen. Only by resuming contacts with their Russian counterparts could some production be resumed. When the Belarusian leadership decided to sign the Tashkent Treaty in 1993, i.e. only a year after having declined, the fact that the treaty was intended to facilitate cross-border armaments production played a significant role.

Russian interest in Belarusian defence enterprises is not only due to low pay and the high level of technical expertise; they also represent unwelcome competition. For many of these products, like armed vehicles, virtually the only factor distinguishing them from parallel Russian products is the low price.³³ A Russian takeover of an enterprise is an effective antidote to any competition. In some cases, the long-term consequences seem to be not so much co-operation as downsizing of Belarusian research and development resources effectively reducing it an assembly line.³⁴ This division of labour is clearly encouraged by the low price of labour and energy.

Moreover, joint production has meant that Belarusian producers are affected by the rivalry between their Russian counterparts. If their Russian partners lose a contract, the Belarusian enterprise suffers. This was made clear in January 2001, when the Russian association of armaments producers Defence Systems lost a contract for the development of a new missile system.³⁵

President Lukashenka has officially endorsed Russian takeovers in the defence sector. The first industrial agreements signed under the auspices of the Union Council in February 2000, concerned Russian involvement in Belarusian defence enterprises. Like in the case of other key industries that have attracted Russian interest, a special Financial Industrial Group (FIG) for the defence sector has been established. The group, labelled Defense Systems (Oboritelnye Systemy) consists of 17 Russian and 2 Belarusian enterprises.³⁶ Other Belarusian enterprises would most certainly have preferred to join the

³³ Alexander Vasilevitch & Oleg Belosludtsev, "Ukraine and Belarus in Search of a Niche on the Arms Market", *Eksport Vooruzheniy*, no. 1, 2001, pp. 8-21.

³⁴ Juri Strigel'skii, "Konkurenti dershata udar", *Belorusskaya Delovaya Gazeta*, 5 January 2001, p. 6.

³⁵ *Ibid.*

³⁶ Vadim Sekhovich, "Interes Il'i Klebanova k Minskomu zavodu kolesnikh tyagatsei uzhe podkreplen den'gami", *Belorusskaya Delovaya Gazeta*, 11 February 2000, internet version. The

group since membership facilitates Russian investments and production orders. But the two enterprises in question manufacture advanced electronic systems, products that are not only saleable on the international market, but in demand in Russia as well. Other Belarusian defence enterprises often produce goods that are similar to Russian products. The lower production costs means that they represent undesirable competition. Barring them from the FIG makes sense.

Nevertheless, being part of the FIG is no guarantee for new orders. Plans have been made for the development for S 400, a more advanced version of the S 300 missile control system now used. A Belarusian contribution is difficult to identify. Much depends on the man in charge of Defence Systems. The Belarusian government pressed hard to have their man elected as vice-chairman, but lost due to the pressure of the Russian enterprises, and most likely the Russian government backing them.³⁷

This forms a striking contrast to official Belarusian rhetoric. According to President Lukashenka, Defence Systems would be the “*knot tying both countries together in a union state.*”³⁸ Rather, Russian producers have been in a position to pick the best parts. There are some factors that seem to indicate that the Belarusian leadership was aware of this possibility. Defence System was established remarkably late. FIGs were established in other industrial sectors by the mid 90s. But the Belarusian leadership may have wanted to avoid a Russian takeover of armaments enterprises. Being a large employer, full state control meant that funding could be channelled from the few profitable enterprises to the losers. This may be difficult in the future with the two leading money-makers under Russian control.

Russian strategies will be affected by the ongoing process of defence production restructuring spurred on by Putin’s decision to reduce state supervision and financing of this sector.³⁹ To survive, the enterprises will have to concentrate on the most profitable activities. Purchasing Belarusian plants that may supply parts cheaper than Russian enterprises makes sense, but so does buying up unwelcome competition only to close it down.

two enterprises singled out were the Belorusskaya optiko-mekhanicheskogo ob’edineniya, and the OAO Peleng

³⁷ Anatolii Nezvanov, “Almaznii barier”, *Belorusskaya Delovaya Gazeta*, 17 January 2001, p. 1.

³⁸ *RFE/RL Newslines*, vol. 4, no. 31, Part II, 14 February 2000.

³⁹ *Parlamentskaya gazeta*, 31 October 2001. p. 1.

Controversies over armaments exports

Ever since dissolution of the Soviet Union, Russian armaments producers have protested vigorously whenever military equipment has been exported from one of the successor states. Clearly this means unwelcome competition, not least since the prices involved have been set very low. Equipment is sometimes dumped because maintenance costs exceed the financial resources available. This practice has wider implications. Russian producers claim that the sale of second-hand equipment violates intellectual property rights. For the Russian government, this kind of 'rogue' export is perceived as undermining national military capacities and is therefore regarded as a challenge to national security.

Belarus plays a particular role here.⁴⁰ In 1992, the Swedish Peace Research Institute reported that foreign, especially US intelligence had purchased modern Soviet equipment from Belarus to assess its combat effectiveness.⁴¹ Three years later, it was reported that Belarus had sold part of one S 300 air defence system and two Su-27 fighter aircrafts to the US. Both have been top of the list for Russian export ventures, but US access to them is perceived as a strong disincentive for prospective buyers.

The election of Lukashenka in 1994 had no impact on Belarusian sales of Russian equipment. In 1996-97, 18 MiG-29 fighters and 18 Su-Frogfoot ground attack aircraft were sold to Peru. At the same time, the Russian armaments export agency Rosvooruzheniye had worked hard to gain a foothold in Latin America. Belarus was able to provide Peru with spare parts, tools and some accessories, but could not come up with the full range of technical support needed to maintain the aircraft and keep it operational.

A special case concerns Belarusian export of armaments to rogue states like Iraq, Iran and Libya. Much of the equipment sold has been purchased from Russia at low prices with the difference being pocketed by Belarusian middlemen. An alternative explanation that cannot be entirely ruled out is that Russian producers are aware of this arrangement but prefers to use Belarus as an export channel thus avoiding being associated with rogue states. Some of these receivers are uncomfortably close. Judging from reports issued in the

⁴⁰ See Vyachaslau Paznyak and Anatoli Rozanov, "NIS Security and Nonproliferation Export Controls", in Gary. K. Bertsch and William. C. Potter (eds). *Dangerous Weapons, Desperate States, Russia, Belarus, Kazakstan, and Ukraine*, New York: Routledge, 1999. pp. 8-223.

⁴¹ "Russian and Belarus: Cooperation and competition in military-technical and arms export fields", Swedish Institute of Peace Research, no year given.
<http://www.projects.sipri.se/expcon/CIS/rusbyr1.htm>.

Russian press, weapons exported to Libya from Belarus ended up in the hands of Chechen terrorists.⁴²

Not surprisingly, in bilateral negotiations Russia has pressed hard for an accelerated harmonization of the legal systems. The Defence Doctrine Of The Union emphasises the need for harmonisation.⁴³ Every press communiqué issued after bilateral talks has promised stronger efforts in this field. But even with broadly similar export laws, as the recent cases referred to above show, Belarusian exporters will find a lucrative export agreement hard to resist.⁴⁴

⁴² *Moscow News*, no. 45, 7 November 2001. p. 4. In November, a delegation of US Congressmen went to Minsk to discuss the weapons exports. As could be expected, the press reports were decried as slanderous by the Belarusian authorities. However, only the year before, Lukashenka openly stated that he rejected any arms control regime imposed from abroad: “...*I think no country should demand that either Belarus or Russia, or both countries together, stop trading in high-tech commodities.*” *RFE/RL Newslines* 15 November 2001.

⁴³ “Oboronnaya doktrina Soyozha”, *Sovetskaya Belorussiya*, 28 October 1999.

⁴⁴ The basic legal text on arms exports is the Council of Ministers of the Republic of Belarus resolution No. 218, march 18, 1997 “On imposing bans and restrictions on the movement of commodities across the customs border of the Republic of Belarus”, and English translation can be found at <http://projects.sipri.se/expcon/natexpcon/Belarus/belcust.htm>

Russian subsidies

So far, the minion status of Belarus in military affairs has been outlined. This is only one aspect of the relationship. Another concerns Russian subsidies.

Russian subsidies are rendered in various ways. The simplest is direct cash transfers. Following the signing of an Agreement on Friendship, Good Neighbourliness and Cooperation, and a Customs Union in February 1995, Belarus received 150 million rubles.⁴⁵ In February the following year, Russian usage of Belarusian military facilities was agreed. Belarus also pledged to refrain from requiring financial compensation for the transfer of nuclear arms from Belarus to Russia, and received in return 300 million rubles.⁴⁶ During the first CIS summit meeting in St. Petersburg in June 1997, Russia agreed to transfer 500 million rubles on the condition that the sum would be spent on the import of Russian goods.⁴⁷ According to Irina Selivanova, a Belarusian expert on the economic aspects of the Union, the Belarusian president had originally demanded five times that sum.⁴⁸ The Russian side rejected this. Instead, it was agreed that another 500 million would be transferred at a later stage. Whether this has been done cannot be ascertained but is doubtful since no mentioning has been made in the government press of any Russian transfer of this size. For instance, in December 2001 it was announced that Russia would provide \$70 million in loans for during the period 2001-2002.⁴⁹ In fact it seems as if the Russian government only agrees to cash transfers to avert immediate financial collapse.

How Belarus repays these loans is difficult to assess. Any repayment in cash is unlikely, the country has been desperately short of hard currency even since independence. The preferred arrangement is payment in kind. But the fact that Russia can use military installations on Belarusian territory free of charge, and this includes the installations in Baranivichi and Vileyka, reduces somewhat the economic burden Belarus undoubtedly represents.⁵⁰

⁴⁵ Irina Selivanova, "Ekonomitscheskaya integratsiya Rossii i Belorussii", in D. E. Furman (ed), *Belorussiya i Rossiya: Obshestva i gosudarstva*, Moscow: Prava cheloveka, 1998, p. 320.

⁴⁶ Ibid. p. 320.

⁴⁷ Ibid. p. 323.

⁴⁸ Ibid.

⁴⁹ Belapan, 1 December 2001.

⁵⁰ V. I. Karabalevitch, "Kurs na integratsio c Rossiei: istoki, tendentsii, posledstvia", in L. Tzaiko (ed), *Natsionalno- gosudarstvennie interesi Respubliki Belarus*, Minsk: Izd. V. M. Skakyn, 1999, pp.185-205, p. 186.

Cheating on trade

Subsidies are an issue rarely discussed, but it is by no means taboo. Russian politicians and commentators have in the past admitted that Belarus receives money, usually claiming that this has been done out of Slavic solidarity and brotherly feelings.⁵¹ This sentimental approach was in stark contrast to the Belarusian systematic tapping the income generated by the transit trade crossing the republic en route to or from Russia. This was done at regular intervals, and would always generate severe criticism in Moscow. Below, an outline of how this was done is provided.

According to an agreement signed between Minsk and Moscow in 1995 establishing a common market, goods crossing the internal border are not subject to duty. Duties are only levied when crossing the external border of the customs area. The duties are then to be divided between the two countries and transferred to the other partner. Although the basis principles were established then, the key to how the duties should be divided let alone how the other party could verify the sums transferred were never specified. Perhaps most surprising is the fact that they failed to agree on a common tariff level. This left ample scope for fraud, something the Belarusian side soon discovered.

Belarus was already by a major transit artery for Western trade with Russia. By lowering customs on the Belarusian-Polish border, goods that else might have been sent via Estonia, Latvia, Ukraine or a Russian harbour could be transited through Belarus at a much lower cost. This practice represents a direct loss to the Russian state. How large the loss is, remains uncertain. But continuous Russian pressure for a tax harmonization indicates that the sums involved are significant. Belarus yielded to Russian pressure and drew up a new set of customs regulations in early 1998, but did not implement it. The Russian response has been a reintroduction of customs barriers on the common border. Then in January 2001, Russian import duties were lowered in an effort to reduce the gap.⁵² Belarus responded by lowering the export duties on crude oil and oil products. Russian officials raised the issue repeatedly throughout the year, but without any success. Only towards the end of 2001, when Belarus once again applied for cash, could Russia demand that Belarus increased its duties to the Russian level. The Belarusian side acquiesced and after lengthy negotiations Russia agreed to a loan totalling \$70 million to mitigate the loss.⁵³

⁵¹ See Clelia Rontoyanni, "Building the Wider Europe, Ambitions and Constraints in Russia's policies towards Belarus and Ukraine", Glasgow: *The Glasgow Papers*, No. 3, 2000.

⁵² Vadim Sekhovitch, "Sami sebe virili yamu", *Belorusskaya Delovaya Gazeta*, 11 January 2001.

⁵³ "Prosto tak krediti ne dadut", *Belorusskaya Delovaya Gazeta*, 3 December 2001.

Compared with previous credits, the sum is not very impressive. But for the first time, Russia has imposed a set of conditions with far-reaching consequences for the regime in Minsk. First of all the, the first instalment of \$30 million will only be transferred if Belarus honours previous loans. If this means that the fresh capital simply will be used to cover already defaulted loans, thus avoiding a detour to Minsk, is not clear. Secondly, Belarus must introduce a competitive procedure for state purchases. So far, state orders have been handed out to a select group of state enterprises with close links to the presidential administration. Russian firms have been barred from participating. Changing this practice will reduce the president's ability to exchange state contracts for political support, not to mention that Belarusian enterprises might easily find Russian competition difficult to resist. Finally, Russia demands a stop to state subsidies for loss-making collective farms and agricultural enterprises. With more than half of all collective farms de facto bankrupt, this will easily be the most difficult requirement to fulfil.⁵⁴

The political repercussions of the Russian demands cannot be underestimated. Even a partial reduction of subsidies will have drastic consequences for the countryside, but even more so for the president. His hold on power is in no small respect due to the comparative economic stability prevailing in Belarus when compared with both Russia and Ukraine. For long, wages and pensions were paid on time and prices kept low. The combination of Russia's demands with increasing economic difficulties has made this policy increasingly difficult to pursue. In the course of 2001, occasional reports over delays in wage payments, compulsory un-paid holidays, and four-days working weeks surfaced in the press. This usually happened in the larger provincial towns with Minsk relatively unaffected. Judging from newspapers reports, the problems became more widespread from early 2001 and were now affecting enterprises in the capital. Lukashenka responded in two ways, one was to scold the government in front of television cameras.⁵⁵ The other was to arrest an increasing number of enterprise directors.

⁵⁴ European Bank for Reconstruction and Development, *Strategy for Belarus*, London: EBRD, 2001, p. 12. Nevertheless, the United Nations still reprint the official Belarusian growth rates in their statistical surveys. For a Belarusian explanation of how economic statistics are doctored, see Tatiana Kalinouskaja, "Kulisy wzrostu gospodarczego na Białorusi", in Agnieszka Magdziak-Miszewska ed., *Inna Białorus*, Warsaw: Centrum Stosunków Międzynarodowych, 1999, pp. 146-154.

⁵⁵ This was done on the evening news 29 April 2002. Lukashenka blasted the entire cabinet collectively, and then each member particularly. During the show, he fired the health minister and four directors of state companies. At the same time, he stated that if any of those fired got a job in the private sector, the companies employing them would be liquidated. See *RFE/RL Newslines* 30 April 2002.

Gas transit

Russian subsidies are not limited to cash transfers. Belarus imports gas at a favourable rate. After the Treaty on the Establishment of a Union State had been agreed in December 1999, the price charged per 1000 cubic meters fell from approx. \$30 to \$26 according to a Moscow newspaper.⁵⁶ These numbers, although plausible, have not been corroborated by other sources. The main point here is not so much the actual sums asked by Russia, but the fact that Belarusian consumers have been utterly incapable of paying in cash. Russia has therefore agreed to receive payment in kind. In January 1998, it was reported that the Russian gas export company Gazprom had cancelled debts amounting to \$200 mill. in return for Belarusian foodstuff exported to the Russian armed forces.⁵⁷ Fearing radioactive contamination, few other countries have been willing to purchase agricultural products from Belarus.

Although Belarus is an important transit country for Russian trade, goods can be redirected through neighbouring countries to the north and south. Gas and oil is a different matter. Without access to pipelines, Russia cannot export. Currently, close to 95 per cent of all Russian gas exports pass through Ukraine.⁵⁸ West European gas demand is increasing and the Russian exporters are eager to secure a second route reducing dependence on Ukraine. With Ukrainian independence, Moscow lost control over the pipelines. Ukraine failed to pay for all the gas consumed, and in the course of the 1990s energy debts increased considerably. Gazprom, the Russian energy exporter decided to reduce the quantities delivered until Ukraine paid. This failed to have any effect, Ukrainian gas distributors simply siphoned off the quantities they needed from the volumes destined for western consumers.

Belarus is ideally suited for a new pipeline. Already today, gas from the Yamal fields in Siberia is pumped across Belarus to Western Europe. But the volumes involved are small, they amounted to 25 billion cubic metres, or less than a third of volumes transited across Ukraine.⁵⁹ The pipeline is currently being modernised and the capacity expanded to 30 BCM. This will not threaten Ukraine's near-monopoly on transit. But in October 2000, Gazprom announced plans for a new pipeline running from Yamal to Central and Western

⁵⁶ *Nezavisimaya gazeta*, 28 January 2000, these claims are corroborated Rontoyanni p. 14.

⁵⁷ *Izvestiya* 17 October 1998.

⁵⁸ Margarita Balmaceda, "Economic Relations and the Ukrainian-Central European-Russian Triangle", in M. Balmaceda (ed), *ON THE EDGE, Ukrainian-Central European-Russian Security Triangle*, Budapest: Central European University Press. pp. 165-218. p. 167.

⁵⁹ Javier Estrada, Arild Moe, Kåre Dahl Martinsen, *The Development of the European Gas Markets*, Chichester: John Wiley 1995, p. 181.

Europe. It will cross Belarus, Poland and connect with the German network. If completed, the transit fees would mean a steady source of income, either in cash or in gas volumes for Poland. The construction would also mean employment opportunities for Polish workers and contracts for the engineering industry. Moreover, the gas line might compel Russia to change its policy towards Poland to that of an industrial and economic partnership. The fact that the pipeline will go through Belarus may possibly serve as an entry for Polish enterprises to the Belarusian market as well.

But Russian plans went further. During negotiations with the Polish government, Gazprom launched plans for a trunk line running southward through Poland connecting with the transit lines crossing Slovakia. That would make it possible for Gazprom to reroute gas away from Ukraine. The implications of this suggestion for Ukraine were not lost on the government in Warsaw.⁶⁰ If implemented, Ukrainian authorities would be in a very weak bargaining position. So far, control over the transit lines has meant a stable source of income, even if written off against Ukrainian debts. With an alternative trajectory available, Gazprom can press for a reduction in transit fees and Ukraine will find it difficult to do anything but accept. This will weaken the Ukrainian economy.

Polish reactions

The new pipeline would not only circumvent the Ukraine and undermine the relationship between Kyiv and Warsaw, but it would increase Moscow's control over Belarus even further. Polish response has so far been limited to reassurances that Poland will refrain from entering any projects that would be to the detriment of the Ukraine, although as President Kwasniewski stated in September 2000, Poland remained interested in "...*the development of oil and gas infrastructure in Europe*".⁶¹ This was interpreted as a shift in the Polish position.

Polish authorities are forced to move with utmost care to avoid upsetting relations with the Ukraine while at the same time remain open to Russian suggestions. Just how delicate the situation was became clear in May 2000 when Deputy Economics Minister Jan Szluzak resigned. Officially, this was due to the slow restructuring of the coalmining sector. Yet, the Warsaw weekly *Polityka* claimed that Szluzak was forced to quit after a letter written to Gazprom in February.⁶² According to the magazine, Gazprom had suggested

⁶⁰ Grzegorz Gromadzki, "Niewygodny gazociąg", *Polska Zbrojna*, 21 July, 2000, p. 31.

⁶¹ *RFE/RL Newslines*, vol. 4, No. 169 Part II, 1 September 2000.

⁶² J. Dziadul, "W oparach gazu", *Polityka*, no. 22, 27. May 2000, p. 16.

building a pipeline from Poland to Slovakia, thus connecting the planned pipeline with the transit network running westwards from the Ukrainian-Slovak border. This would reduce reliance on the Ukraine even more. Szlazak wrote that although he had not discussed the proposal with his fellow ministers, he expressed his interest.

Whereas the article in *Polityka* at the time could be described as rumours, the Russian plans apparently were not. During President Kwasniewski's visit to Moscow in July 2000, the Russian side re-launched the proposal both in the bilateral talks between the presidents and during plenary meetings. In an interview after the meeting, Kwasniewski admitted that the issue had been raised but claimed that no final decision had been made. Moreover, he regarded the issue as primarily of an economic and not a political nature.⁶³ That assessment was taken as an affront to the Ukraine by the leadership in Kyiv. Thus, Foreign Minister Bronislaw Geremek rapidly issued a statement where exactly the political nature of the plan was used as the reason for Poland's refusal: "*I am convinced there will be no such agreement, for it's not in Poland's interest, and I think the Russian side is also aware of that.*"⁶⁴ In the following months, senior Polish politicians and government ministers repeatedly made official statements reassuring the Ukraine their interest would be given weight. Most explicitly by the new Deputy Minister for the Economy Janusz Steinhoff who assured the Ukrainian Fuel and Energy Minister Serhyi Yermilov in Warsaw 21 July 2000, that Poland would agree to any plans that would allow Moscow to bypass the Ukraine.⁶⁵

That statement hardly amounted to more than a temporary comfort for the Ukrainian government. Russia's role as the sole supplier of energy and the accumulating debts has increased Moscow's pressure for ownership over the pipelines. In 2000, the Ukrainian debts were assessed to be approx. \$1.4 billion.⁶⁶ The authorities in Kyiv have been compelled to search for a compromise. A possible outcome may be joint Russo-Ukrainian ownership over the pipelines for a time-limited period, according to Ukrainian papers 25 years seem a likely outcome.⁶⁷ This would be a politically palatable solution since Ukrainian sovereignty would be secured formally. But in reality, this would mean Russian

⁶³ *Poland, Belarus, and Ukraine Report*, RFE/RL, 25 July 2000, Volume 2, No. 26.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Michael Lelyveld, "Ukraine: Government Faces Dire Decisions On Gas Pipeline Project", RFE/RL, 2000 <http://www.rferl.org/nca/features/2000/08/F.RU.000828123748.html>

⁶⁷ *ibid*

control over a key sector of the country's economy and consequently a strong influence on Ukrainian politics.⁶⁸

This leads onto the next chapter where the regional impact of the Russian takeover of Belarus is assessed.

⁶⁸ According to a statement issued after a meeting between Putin and Kuchma in St. Petersburg on 9 June 2002, some kind of shared ownership now seems to be the preferred option to the construction of a new pipeline across Belarus. ITAR-TASS 9 June 2002.

Regional impact

The impact of Russia's takeover of Belarus on regional stability may be differentiated according to the geographic proximity of the countries concerned. Neighbouring countries like Ukraine, Lithuania and Poland are more keenly aware of developments in Belarus and Russia's growing role, than are geographically more distant areas. The United States is the main exception to which I will later return.

Below, a survey of the main problems and the policy responses adopted are outlined. Attention is also given to the long absence of any Western interest in Belarusian developments. Finally, an attempt is made to sketch some of the forces that might if not derail, then delay and dilute further Russian dominance.

Wavering resisters: Poland and Lithuania

Poland and Lithuania have serious concerns due to their location as neighbouring states. They serve as asylum for an increasing number of Belarusian refugees. The exiled community in Poland has organised several seminars, lectures and exhibitions about developments inside Belarus. Belarusian journalists having fled persecution at home have set up a radio station sending news and discussion programmes aimed at the listeners inside Belarus. Polish and Lithuanian scientists have managed to maintain contacts with their Belarusian colleagues, inviting them for seminars and lectures. Doing that, they are able to further independent thinking and prepare for a return to democracy.

These activities at grassroots level contrast sharply with the passivity displayed by the political leadership in both Vilnius and Warsaw. This has not only been the case. Around the mid-1990s, attempts were made to adopt a common position towards the regime in Belarus. For instance, when Lukashenka dissolved Parliament in 1996, the presidents of Poland, Lithuania and Ukraine issued a joint protest. This was a unique example of trilateral unanimity; the three countries have later adapted policies towards Belarus reflecting their rather different relationship with the West and Russia.

Polish authorities have strongly condemned Lukashenka's dissolution of Parliament and the oppression of political dissent. Poland does not recognise the current Belarusian parliament as legally elected, and has therefore refused to develop the bilateral relationship in any way beyond the level of diplomatic presence. Relegating official contacts has had little impact on Poland. Trade with Belarus is marginal. It was regarded as highly unlikely that Belarusian authorities would retaliate by stopping the transit of goods en route to Poland from Russia. That would have meant bringing Russia into the conflict and a considerable loss of income both to Russia and Belarus, and as previously outlined

the end of a very profitable income source for the regime. But Polish political calm is also the result of Poland being more firmly anchored in the West than either Ukraine or Lithuania.

Since the beginning of 2000, an increasing number of Polish foreign policy experts and politicians have started to question the wisdom of this policy.⁶⁹ By curbing all official contacts, what little scope of influence Poland had at the beginning of the 1990s has been erased. Isolating Belarus has only increased Russia's hold. This conclusion may also be valid in the case of other western countries and organisations like the Council of Europe, OSCE, the World Bank, the IMF and the European Bank for Reconstruction and Development. They have either scaled down their activities in Belarus to a minimum, or withdrawn completely. OSCE maintains an office in Minsk, but the organisation and especially its former head, Hans-Georg Wiecek have been vilified as instruments of western powers. A majority of the members in the Council of Europe has decided to suspend Belarus' right to vote. The Western policy is repeatedly used by the regime when it wants to justify its policy of integration with Russia.⁷⁰

During the first months of 2002 the official Polish attitude seemed to change. A meeting between the two countries' ministers of culture was arranged. Polish representatives in OSCE and the Council of Europe have tentatively questioned whether these organisations should adopt a more cooperative line. Whether Poland's efforts will lead anywhere, remains to be seen.

In the case of Lithuania, the authorities have chosen a rather different approach reflecting the lack of close institutional co-operation with the West similar to Polish NATO-membership. Moreover, Lithuania is economically more dependent on Belarus than is Poland. Until quite recently, Lithuania has exported considerable quantities of agricultural products, consumer goods and electricity to Belarus. Belarusian payment arrears have meant that this trade has dwindled rapidly and thus deprived Lithuania of significant export earnings. Lithuania has therefore opted for a more low-key approach than Poland, maintaining contacts with the president's office and the government. Nevertheless relations deteriorated sharply when Lukashenka appointed Vladimir Uskhopchik as deputy defence minister in the summer of 2001. Uskhopchik had been in charge of the Soviet soldiers who

⁶⁹ See Maria Graczyk and Michal Szacki: "Cala wstecz" in *Wprost*, 31. March 1996, and for a summary of this debate Sebastian Gerhardt, "Der polnische Streit um die richtige Ostpolitik", *Osteuropa*, vol. 51, no. 8 (August 2001) pp. 910-921.

⁷⁰ See Viktor Chernov, *Ideologiya sovetskoi reaktsii*, Minsk, 2000.. The views of the democratic opposition in Belarus on the Western policy are mixed, see Dimitrii Drigailo, "Okno v Evropu nam rubit' ne nado", *Belorusskaya Delovaya Gazeta*, 30 January 2001, internet version.

killed civilians during Lithuanian independence demonstrations in 1991. Lithuanian authorities have issued an international arrest warrant for him.

One area where contacts seem to have continued relatively unperturbed by the political conflicts is cross-border co-operation. Assistance projects have been initiated and funded by either Poland and Lithuania, or the EU. This is of great importance to the Belarusian villages and small towns benefiting from these initiatives. Moreover, they provide the perfect anti-dote to the official propaganda depicting the West, and this includes Poland and Lithuania, as harbouring belligerent intentions.

This being said, neither Lithuania nor Poland has been able to influence official Belarusian policies to any significant degree. It is perhaps a small comfort that no other state has managed to sway the regime in Minsk towards reforms and greater respects for human rights.

When Poland and Lithuania become fully-fledged EU members, their problems with Belarus will increasingly be an all-union concern. The EU is a stronger spokesman than either government in Vilnius or Warsaw, but this is of course no guarantee that anybody within the ruling elite in Minsk is willing to listen. At present, there is no indication that Lukashenka is inclined to revise his policy towards the west and invite Western economic organisations back into the country. He knows that they will only return if he initiates some forms of economic and political reforms.⁷¹

Ukraine

In 1993, the Ukrainian government adopted a policy of “Neutrality, Non-Nuclear and Non-Block Status”. This was primarily intended as an instrument against any attempts from Moscow to include the Ukraine in a new security alliance either inside or outside the framework of CIS, let alone inclusion in the Russian-Belarusian Union project. The non-block status did not prevent the Ukraine from engaging in an increasingly closer co-operation with other CIS countries apprehensive about Moscow’s role.

These countries consisted of Georgia, Azerbaijan and Moldova in addition to the Ukraine and were initially known under the acronym GUAM, later an additional U was added after Uzbekistan joined the group. The countries were geographically dispersed and shared no common denominators apart from their distrust in Moscow’s motives, suspecting that Russia would attempt to exploit CIS to play a hegemonic role within the borders of the

⁷¹ The European Bank for Reconstruction and Development issued a press communiqué 20 May 2002 declaring that bank activities, already very limited, would be even further reduced. <http://www.ebrd.com/new/pressrel/2002/53may20.htm>.

former Soviet Union.⁷² They perceive NATO differently from Russia poignantly expressed when GUUAM congratulated Poland, Hungary and the Czech Republic upon their membership claiming that NATO was a source of stability. Like the Baltic countries, they have rejected Russia's position on further NATO enlargement, refusing to accept any sort of Russian *droit de regard* over former Soviet republics.

Nevertheless, GUUAM was a short-lived attempt, institutional underpinnings lacking completely. Ukrainian politics played a key role, both in its infancy as well as its decline. The main causes are none too difficult to detect, economic decline and political disarray impeded all efforts to carve out a space for an independent and neutral Ukraine.⁷³ And it should be added, disarray within had a negative impact on Western assistance efforts to the Ukraine. Compared with Russia reforms had made scant progress, money and attention instead being directed to Moscow.⁷⁴

The volatility of Ukrainian politics was amply illustrated when the pro-Western Foreign Minister Borys Tarasiuk was dismissed in late 2000. His replacement, Anatoly Zlenko declared that the course of the foreign policy would only undergo a few tactical changes.⁷⁵ These changes concerned Ukrainian-Russian relations. Here, Zlenko maintained, the potential of co-operation had not been fully tapped. Trade between the two countries had deteriorated sharply. Despite signing a bilateral agreement on economic co-operation in 1998, trade had been halved since 1996.⁷⁶ This has probably less to do with political animosity than the Russian economic crisis occurring in August 1998.

The economic upswing in both countries has had beneficial effects on trade. Military co-operation is also envisaged to play an important role. The Moscow newspaper *Kommersant* commented on 24 January that: "*Russian-Ukrainian military co-operation is set to develop to such an extent that Ukraine, which has been tilting toward NATO, will now lean toward Moscow.*"⁷⁷ Plans have been launched for large-scale co-operation in space

⁷² For an analysis of Russian CIS politics, see Dov Lynch, *RUSSIAN PEACEKEEPING STRATEGIES IN THE CIS, The cases of Moldova, Georgia and Tajikistan*, The Royal Institute of International Affairs, Basingstoke: Macmillan Press Ltd. 2000, pp. 81-82.

⁷³ For a detailed account, see Roman Solchanyk, *Ukraine and Russia, The Post-Soviet Transition*, Lanham: Rowman and Littlefield Publishers, 2001.

⁷⁴ Ulrich Thießen, "Zum wirtschaftspolitischen Reformfortschritt der Ukraine und zur Konditionalität der westlichen Hilfe", Berlin: Deutsches Institut für Wirtschaftsforschung, *Diskussionspapiere* no. 192, 2000.

⁷⁵ Taras Kuzio, "Giving substance to the Ukrainian-Russian 'Strategic Partnership'", *RFE/RL Newline*, vol. 4, no. 216, part I, 7 November 2000.

⁷⁶ *ibid.*

⁷⁷ *Ibid.*

research and aviation.⁷⁸ This may have a spillover effect on the armaments industries. Resuming joint production of intercontinental ballistic missiles has been mentioned as one option.⁷⁹ The production facilities are located in the Ukraine and President Kuchma was managing director of the manufacturing plant before turning to politics.

Russian interests in the Ukrainian economy are already strongly felt. This is not only a matter of Ukrainian enterprises reliance on Russian deliveries and the Russian market, but also Russian property interests in Ukrainian enterprises. During the February 2001 meeting, the two countries agreed to integrate the electricity grids and open up for Russian purchases of shares in Ukrainian heavy industry. If carried through, this will increase Russian hold of the key sectors of the Ukrainian economy. It should be added that shares in these enterprises have been offered repeatedly to Western investors without much success.

If the aspirations expressed in the *Kommersant* article quoted above come true, Ukrainian security politics and defence will be “belarusified” with strong implications for the entire region. On the other hand, increased military co-operation between Moscow and Kyiv may be a factor of stability, provided that the Ukraine manages to withstand pressure from Moscow towards an ever-closer degree of integration. To do so, the Ukraine will need to retain and deepen its western relations. The application for membership NATO sent in May 2002 should be viewed in this light. The improved relationship between Moscow and Brussels may have provided Ukraine with some much-needed scope for political manoeuvring.

Moldova

Russian members of the Duma coming from either the Communist Party or the Liberal Democrats have repeatedly expressed their desire to use the Russian-Belarusian Union as a vehicle for a closer integration with other former Soviet republics.⁸⁰ The prospect of membership has a strong appeal in the Republic of Moldova. The parliamentary elections held in April 2001 gave the Communist Party both a parliamentary majority and the president. Soon after taking office, president Voronin stated that alone the access to cheap

⁷⁸ P. Tyler, “Russia Offers a Motherly Embrace for Ukraine Industry”, *New York Times*, 13 February 2001.

⁷⁹ Ibid.

⁸⁰ This is discussed in Alexander Kotikov, “Belorussiya – Rossiya, Model postsovetskoi integratsii?”, in A. Zverev, B. Koppiters, D. Trenin (eds) *Rossiia, Ukraina, Belorussiya*, Moscow: Ves mir, 1997, pp. 214-217.

energy was a strong reason in favour of joining the Union.⁸¹ The Russian Duma responded in July by issuing an invitation to him and to the president of the “Dniester Moldovan Republic” to join the Union. But Moldova objected to the reference to Transdniestria as a separate state. Ever since it broke away from Moldova in 1992, Moldovan politicians have pressed Russia to support a reintegration of Transdniestria by withdrawing its military support. Although some progress towards the reintegration of the region with Moldova was made in the course of the 1990s, the strong Russian military presence came to be regarded not only as an obstacle, but also as a source of instability. In particular the Ukraine regarded developments with considerable apprehension. The Russian reluctance to withdraw from the region was interpreted as being less due to the situation in the Transdniestria region than Russian attempts to exert pressure on the Ukraine at a time when both the status of the Crimea and the division of the Black Sea Fleet were disputed by Moscow.⁸²

The new Moldovan government is unlikely to press Russia to withdraw its forces from the Transdniestria region. In fact, in a public statement made by the Russian ambassador to Moldova in April 2001, previous pledges to withdraw had suddenly been rescinded. Russia, it was stated, wanted to keep its troops in the region indefinitely in order to protect munitions there.⁸³ As far as can be ascertained, the Moldovan government did not respond publicly to this *volte-face*.

The Russian Duma responded to the Moldovan leadership’s negative attitude by rephrasing the invitation and deleting the reference, instead calling on the peoples of Transdniestria and Moldova to support membership in the Union.⁸⁴ Yet, this compromise is unlikely to lead to the desired results. This is not only due to lack of support from the Kremlin, but internal unrest in Moldova. A possible membership in the Russian-Belarusian Union played a significant part in the growing mass demonstrations in Chisinau during spring 2002.

A small comparison with the regional security plans launched 1992 by the Ukrainian president Kravchuk will illustrate how radically regional perceptions of Russia’s role have changed. Kravchuk invited Lithuania, Poland, Belarus, and Moldova to join Ukraine in establishing the Baltic-Black Sea Axis. It would serve as a *cordon sanitaire*

⁸¹ *RFE/RL Newslines*, 18 May 2001.

⁸² See J. Kozakiewicz, *Rosja w polityce niepodległej Ukrainy*, Warszawa: Instytut Studiów Politycznych Polskiej Akademii Nauk, 1999, esp. ch. 5 & 7.

⁸³ *RFE/RL Newslines*, vol. 5, no. 81, 26 April 2001.

⁸⁴ *RFE/RL Newslines*, 9 July 2001.

against Russian hegemonic aspirations.⁸⁵ Today, the Union between Russia and Belarus, the Moldovan leaderships' desire to join, Ukraine's closer relations with Russia; all give Moscow ample scope to influence politics in the region.

Western absence

The concentration on only the neighbouring countries may appear somewhat puzzling; why not include important western organisations like NATO and the EU? An answer is given below.

Upon the dissolution of the Soviet Union, the most urgent task seen from a Western perspective was the safe transfer of nuclear arms away from Ukraine, Kazakhstan, and Belarus and into Russia. Less urgent, but infinitely larger and more complex was the support of democratisation and a market economy in Russia proper. Only in the former did Belarus play a role, but with the transfer completed before Lukashenka assumed power in 1994, western attention faded. Official statements, politely encouraging strengthening reforms that were never implemented were issued from time to time by Western organisations. Even well beyond Lukashenka's assumption of power and at a time when the modest reforms had been scrapped, statements like the following from the West European Union's Council of Ministers were issued with no attention being paid to the actual conditions prevailing 'on the ground': "*...an effective economic and political transformation of these countries [Belarus and Moldova, KDM] is also an important element for European security. A continuation of the reform process is dependent upon stable political conditions which will help bolster their independence. Cooperation with these two countries is important for WEU countries.*"⁸⁶

This importance was never translated into financial assistance comparable to that offered to Ukraine, the central European countries, the Baltic republics, let alone Russia.

It may serve as a meagre comfort that at the time neither Lithuania nor Poland paid much attention to developments in Belarus either, instead vesting all their resources on creating the closest possible links with the West. Moreover, Lukashenka's confrontational and isolationist style only served to encourage the lack of outside attention. European organisations like the OSCE (at the time CSCE), the European Council, NATO and EU were all uncertain of how the new democracies in the East should be treated and helped. For

⁸⁵ See Roman Solchanyk, *Ukraine and Russia. The Post-Soviet Transition* (Lanham: Rowman & Littlefield, 2001) pp. 89-110.

⁸⁶ <http://www.weu.int/eng/comm/d951114d.htm>

understandable reasons they chose to focus on Russia since developments there would have a direct impact on the security of the rest of the continent. This meant that Belarus was overlooked, but so were Poland, Czechoslovakia and Hungary. At the time, these three would frequently complain that the West pursued a Russia-first strategy at the expense of the problems and security concerns of the other countries in the region.

Nevertheless, after Lukashenka assumed power in 1994, the some human rights organisations started to take notice of internal developments. Among the first were Amnesty International and the International League for Human Rights. Western media started to pay attention to developments, not so much the infringements on human rights as Lukashenka's anti-western rhetoric and his explicit longing for the Soviet Union.

In the relationship with the European Union, the first confrontation occurred in the wake of the 1996 referendum. The EU refused to acknowledge the outcome, continuing instead to regard the 1994 constitution as legitimate. After the referendum, the EU produced a report on the situation in the country. It was given to Lukashenka in March 1997. The report contained a list of requirements that would have to be fulfilled before the EU would lift its sanctions. Central among these was the return to the 1994 constitutional order. Needless to say, Lukashenka did not comply. With only a very limited economic intercourse taking place, EU threats to curb trade failed to have an impact. The EU decided to suspend bilateral relations at the ministerial level. With the exception of humanitarian aid, regional programmes and democratisations projects, all other forms of bilateral assistance were suspended. The EU does not maintain any representation office in Minsk.

Since 1997, the relationship has been marked by mutual antipathy. Several crises have occurred. The most notable occurring in 1998 when Lukashenka decided to evict Western diplomats from the Drozhdy residential area on the outskirts of Minsk. The EU retaliated by imposing a travel ban on Belarusian officials. After 15 months, Belarusian authorities agreed to pay compensation. The most persistent problem however, has been the Belarusian authorities' persecution of all groups and associations that receive financial support from abroad, including the EU. Their members run the whole gamut of penalties from heavy fines to beatings and long imprisonments.

Providing a survey of the relationship between Belarus and NATO may seem pointless insofar as Lukashenka has repeatedly portrayed NATO enlargement as *sine qua non* for a union with Russia. This would, one might assume, mean that the shift and changes in the bilateral relations between Moscow and NATO has had an immediate impact on Lukashenka's policies. That is not necessarily so. In the years past, when a joint meeting between Russian and NATO officials indicated a mutual understanding and the possibility

for further co-operative progress, he would voiced his disquiet and warn against any rashness on Russia's side. When US military advisors arrived in Georgia in 2002, he protested vociferously. He also expressed his objections to operation Enduring Freedom using former bases in the former Soviet Central-Asian republics.

During the autumn and winter of 2001, Putin's relationship with NATO was improving. Reservations against Baltic membership were eased, and Putin declared that NATO had to set the limits for how closely it would co-operate with Russia.⁸⁷ Especially Putin's acceptance of Baltic NATO membership meant that Lukashenka no longer could conjure up the image of Belarus being surrounded by hostile forces.

The impact of the improved relations was not only observed in Minsk, but in Kyiv as well. In May 2002, Yevhen Marchuk, chairman of the Ukrainian parliament's Defence and Security Council announced that the country intended to apply for membership in the Alliance.⁸⁸ Although most observers seem to agree that the likelihood of this happening is extremely remote, Kyiv's application has only accentuated Belarus isolation. To get out of this quandary, Lukashenka expressed his support for the rapprochement between Moscow and NATO at a bilateral meeting with the Ukrainian president a few days after the application had been made known.⁸⁹ Lukashenka stated that he would carefully study Kyiv's bid to become member so as better to make "*appropriate conclusions and, possibly, appropriate moves.*"⁹⁰

Where these moves will lead, is too early to say. One option might be to thaw the relationship with NATO. The country joined the Partnership-for-Peace programme on 11 January 1995. But relations hardly moved forward. According to the programme, the partnership country has to cover all the expenses resulting from participation. Even during the initial phase, i.e. just after signing on, Belarusian authorities did not come forward with adequate funding.

Minsk has tried to get NATO's response to two, separate initiatives. The first one occurred after Russia and NATO signed the Founding Act in 1997 acknowledging Russia's special role in Europe. Belarus wanted a similar document that would provide the country with special security guarantees. NATO did not respond favourably. Belarus reluctance to

⁸⁷ "Russia: Putin Says Not Interested In NATO Membership", *RFE/RL Newslines*, 22 November 2001.

⁸⁸ Askold Krushelnycky, "Ukraine: Kyiv, In Policy Shift, Seeks NATO Membership", *RFE/RL Newslines*, 29 May 2002.

⁸⁹ *RFE/RL Newslines*, 30 May 2002.

⁹⁰ *Ibid.*

take advantage of the possibilities inherent in the PfP programme was hardly conducive to any special relationship. The second initiative, launched in 1998, concerned the establishment of a nuclear-weapons-free zone encompassing Belarus, Ukraine, the Baltic States and the Central-European NATO-applicants. This was met with no interest among any of those listed.

At that time, the relationship had already reached a nadir in March 1997 when the NATO Parliamentary Assembly decided to freeze all relations with Belarus. This was due to Lukashenka's anti-democratic measures. With hardly any relationship to "freeze", the Assembly's decision failed to have any effect beyond lending itself to be exploited by Lukashenka as an example of NATO hostility towards Belarus.

The Western policy towards Belarus has been trapped in a dilemma. On the one hand, the anti-democratic nature of the regime has repeatedly been criticised and the presidential and parliamentary elections held have not been recognised as fair and free. But interest is neither equally shared among the western countries, nor has it been consistent. Nonetheless, some notable exceptions can be found. In the United States, congressional hearings on developments in Belarus have been conducted. They have served not only to focus political and media attention on the human rights record of the regime, but have also served to discuss the role of the OSCE representation in the republic. In 2001, the Belarus Democracy Act was passed by the US Senate.⁹¹ This is a powerful sign of support with considerable consequences economically as well as politically. The Act opens up for financial assistance to the opposition. Furthermore, the Act means that its fate is a political concern for the United States. This quality has of course not been lost upon the opposition, the regime in Minsk, or perhaps more importantly the Kremlin.

⁹¹ Senate Bill S.1645 "Belarus Democracy Act of 2001".

Summing up: Russian interests

Above, an outline of the integration process has been provided, and the impact on regional security sketched. Implicit in this discussion has been the assumption that Russia has distinct security interests making Belarus useful and the Union an adequate instrument. In this final, concluding part, an attempt will be made to identify the Russian security interests more closely, and assess how the growing rapprochement between Russia and the west has affected the integration process.

This discussion runs the danger of leaving the reader with a one-sided impression, of the Union process running ahead ending with the complete merger. Impediments in the form of economic problems have been introduced, the importance allotted to the by the present leadership in the Kremlin forms a stark contrast to the Yeltsin years. The difference surfaced when Yeltsin paid a visit to Belarus in late June 2002, only days after a joint Russian-Belarusian presidential meeting in Moscow had ended disarray with Putin accusing Lukashenka from suffering under the illusion that the Soviet Union could once more be recreated.⁹² Yeltsin on his part regretted that the Kremlin now seemed to be backtracking from the 1999 Union Agreement.⁹³

Yeltsin and Putin differ in the importance attributed to economic factors.⁹⁴ Belarus is an economic burden to Russia. Only economic reforms will reduce it. But economic reforms will have considerable repercussions on Belarusian society. In the next section some of these aspects will be addressed. Doing that is admittedly both premature and hypothetical insofar as nothing even remotely resembling reforms has been initiated yet.

Countering Russian influence

Belarus' economic weakness combined with the overwhelming dependence on Russia for trade, subsidies and investments, has rendered it virtually defenceless against Russian industrial takeovers. Belarusian enterprises are gradually becoming more and more indebted to Russian firms. According to statistics released by the Belarusian Ministry of Statistics in May 2002, total debt exceeded 1 trillion Belarusian rubles, or \$604 million at the official state-set exchange rate.⁹⁵ Any payment in the near future is unlikely. With

⁹² *RFE/RL Newslines* 19 June 2002.

⁹³ *RFE/RL Newslines* 24 June 2002.

⁹⁴ For an early analysis of Putin's impact on the relationship, see Petr Martsev, "Chto ponimaet budushchii president?" *Belorusskaya Delovaya Gazeta*, 7 February 2001, pp.4-5..

⁹⁵ *RFE/RL Newslines* 6 May 2002, vol. 6, no. 84.

bankruptcy only a remote possibility, the only alternative will be for Belarusian firms to offer shares to clear debts. To what extent that is already being done cannot be ascertained. Information is more readily accessible in the case of the defence industry and the energy sector where Russian takeover attempts have been crowned with success. Of a more inconspicuous kind has been the slow expansion of Russian banks both inside the country and as financiers of Russian ventures. The Belarusian banking sector is primitive; utterly unable to offer any competition to the Russian banks had they wished to do so. This is not so much the case of Belarusian banks having been taken-over by Russian banks, as having no constructive role to play at all. Those few Belarusian enterprises that are creditworthy, would most certainly find Russian banks able to offer a better bargain than Belarusian ones.

Belarusian democratic politicians have addressed this development; articles in the independent press have questioned what the impact will be for Belarusian sovereignty.⁹⁶ As has been pointed out, the president has also objected to this development but for entirely different reasons. His concern has never been the lack of economic growth, but how increased Russian control undermines his.

Finally, a word of moderation concerning the title is apposite. 'Russian influence' is here understood as covering those politically influential elements within the Russian administration that have favoured the closest possible integration with Belarus while at the same time paying no attention to human or political rights in the republic. These elements have had the upper hand since the early 1990s, although as has pointed out, Russian economic concerns have served as a powerful brake. Quite like the forces furthering integration, whether Lukashenka respects human rights or not does not enter into the calculation. As mentioned, Russian media have at times written critically about the clampdown on human rights and the disappearances of journalists and dissidents. But these have been isolated cases. As far as can be ascertained, the political costs for the Russian democracy resulting from the Union have not been questioned.

Since 2001, new forms of oppression in Belarus have attracted Russian attention in a far greater extent than before. To quell growing labour unrest, Lukashenka has attacked trade union leaders and severely constricted the unions' ability to function. Belarusian trade unions have used their close contacts with their Russian counterparts to arouse concern and support. What the effects of the alliance between the trade unions will be, remain to be seen.

⁹⁶ See "Oligarkhi uzhe 'nakhimichili'", *Belorusskaya Delovaya Gazeta*, 2 October 2001, internet version; a detailed Western analysis can be found in Kirk Mildner, *Kritische Überlegungen zu Politik und Wirtschaft des Lukaschenko-regimes*, Köln: Bundesinstitut für internationale und ostwissenschaftliche Studien, 2000.

A more perfect Union?

In the run-up to the presidential elections in Belarus in 2001, attempts were made to assess how the different candidates viewed the Union with Russia. These efforts were futile. None of the hopefuls disputed the importance of Russia to Belarus. This had been aptly illustrated when five of them jointly went on a trip to Moscow in May 2001 to inform Russian politicians of their will to maintain and develop the Union further. The Russian press aptly dubbed this “*a bride show*”.

Gauging the political opposition to Lukashenka’s regime in Belarus is difficult. Independent polls show that his support is dwindling. But the population has problems finding an alternative. None of those going to Moscow had any plausible chance of winning the election. This is partly due to the fact that independent media coverage hardly exists at all. Lukashenka strictly controls television, the main source of information for most of the population. Whenever Russian TV has aired critical programmes, he has personally threatened to revoke their transmission license. The only channels open to the opposition are a couple of newspapers constantly subjected to harassment from the regime. But the cause of the opposition has been weakened by internal rivalry. A single leader, like Walesa, Havel or Yeltsin for that matter, has not emerged in Belarus.⁹⁷ Opposition towards the integration policy seems to run from sources and interests that are not necessarily compatible. In addition to the political opposition, which is open, and therefore relatively easy to identify, some analysts have claimed that the state bureaucracy is afraid that integration with Russia will make it increasingly redundant.⁹⁸ But how they will be able to translate this fear into obstructivist behaviour is far from clear. In other reform economies, the state bureaucracy has been described as a major obstacle to any reforms, without having been able to derail a the transition to a market economy and open society as long as it was subjected to strong political pressure and offered clear guidelines.

Failure to live up to pre-election promises of a brighter economic future has led to a sharp reduction in support for Lukashenka during the spring of 2002. According to an opinion poll made by the Independent Institute for Social and Economic Studies in Minsk in May 2002, Lukashenka’s approval rating dropped from 57 per cent to 30 per cent. The

⁹⁷ The fact that the opposition is centred around widely different interest does not necessarily spell doom. Again, Slovakia provides an encouraging alternative. Vladimír Mečiar lost the parliamentary elections in 1998 to a coalition of parties spanning the right, left and centre. Their only common ground was a desire to topple the incumbent government and terminate the prime minister’s dictatorial policies.

⁹⁸ See Anna Naumczuk et al. *The Forgotten Neighbour – Belarus in the Context of EU Eastern Enlargement*, Warsaw: East European Democratic Center, 2001, p. 10; and Viktor Chernov, *Ideologiya sovetskoi reaktsii*, Minsk, 2000.

same poll showed that more than 60 per cent of the respondents had suffered from wage delays and pension arrears.⁹⁹

In the past years, Lukashenka had developed close relations with Yeltsin, even claiming that he was like a father to him. Yeltsin himself would occasionally gloss over Lukashenka's attacks on the West by referring to his youth and inexperience. The different opinions over the relationship that occasionally surfaced in the past, have now for the first time been addressed openly by Moscow.

Despite the congratulations issued by Putin on Lukashenka's 2001 election, the relationship with Moscow has grown tenser during the latter half of 2001. In the past, reports about the Russian leadership's disapproval have appeared at regular intervals. In true Kremlinologist fashion, Lukashenka's times of departure have been used as evidence in favour of his pending downfall, and Moscow's role in staging it.

But the leadership in Moscow does not have to lift a finger. Lukashenka's power base is weakening day by day. Economically, the state cannot generate income in the same way as before. Russia has recently simplified its customs regulations by reducing differentiations of goods and tariffs drastically. Various forms of state support have been deployed in the past in order to keep productions costs low and thus boosting Belarusian exports. Russian producers have, not surprisingly perceived this as dumping goods on their home market while at the same time erecting trade barriers against Russian competition. This will now have to end, with dire for Belarusian industry.¹⁰⁰ It is somewhat ironical that Russia is now pursuing the very policy that had Lukashenka rejecting the advice of the World Bank, the IMF and the EBRD. The only difference being that these loathed institutions would have provided quite generous credits to sugar the pill.

Russian subsidies are no longer flowing in sufficient amount to prevent an economic collapse. Basic commodities are no longer to be subsidised, some price rises have already been introduced. This is a dangerous game for the regime. To cover the gap, the regime is trying once more to tax enterprises. In the past, the few that traded with the West had to exchange their earnings made in hard currency at ridiculously low rates in the state bank. Now, also those trading with Russia will have to do the same at least until 2002.¹⁰¹ Enterprise directors, so far a backbone of Lukashenka's regime, have protested strongly, but

⁹⁹ The results were quoted in International League for Human Rights, *Belarus Update*, vol. 5, no. 17-18, May 2002.

¹⁰⁰ Vadim Sekhovitch, "Prazdnik, kotoryi vseгда s nami", *Belorusskaya Delovaya Gazeta*, 24 May 2002, interbnet version.

¹⁰¹ Belapan, 22 November 2001.

to no avail. Strapped of cash, the only response possible is to stop paying wages. This has happened at a number of smaller enterprises. But recent reports indicate that the larger ones have followed suit. Lukashenka will then no longer be able to claim that in Belarus, wages are paid on time. Wage arrears have spurred labour protests.¹⁰² This is nothing new but was in the past limited to the provincial towns like Mogilev, Brest, Gomel and Hrodna. Minsk enterprises have apparently been allocated more generous transfers or had easier access to state coffers.

Wages are no longer the only issue. The lack of free unions has become an issue. In some of the larger enterprises, workers have organised their own unions. Every time they have been denied official registration and the authorities have initiated reprisals against labour leaders. But reprisals are far milder than in the case of the independent press. Labour leaders run the danger of losing their jobs and arrests. But they are not harassed in the same way as political opponents or the free press where repercussions affect not only the person in question, but the entire family as well. The regime's hesitation is easy to understand. Political opponents are isolated, badly organised, relatively unknown outside Minsk and even there none of them enjoy strong support. Labour leaders are different. If attacked, they may draw upon the solidarity of their colleagues.

Russia is the only likely source of investments. Paradoxically, an influx of Russian capital is a direct threat to Lukashenka's hold on power. Russian investors are only interested in enterprises that stand a good chance of making a profit. The number is, needless to say, not very large. These enterprises have traditionally played the role as generators of income that is subsequently redistributed to the loss-makers. Russian takeovers mean that this practice will become more difficult. For a long time, Russian enterprises have been requested to contribute fuel during harvest time, but seizure of profits under the guise of a presidential decree is quite another matter. If Belarus adopts Russian economic legislations and taxation, this practice will become impossible. This is the explanation why Russia has pressed the issue of economic "harmonization" repeatedly during joint meetings.

With his hold on the economy being undermined by Russian business, his claim to be Russia's defence against NATO is also running out of date. NATO expansion is no longer regarded as a direct threat to Russian interests. This change in Russian policy was evident before the September 11 attacks, but became even clearer with the rapprochement between Russian and the West in the aftermath. Portraying NATO as an aggressive block

¹⁰² Belapan, 26 November 2001.

just waiting to attack Belarus and Russia will be increasingly difficult. Lukashenka's relationship with Putin seems distinctly cooler than his relations with Yeltsin. Lukashenka has repeatedly referred to Yeltsin as a father figure, and Yeltsin defended Lukashenka's rhetoric by pointing to his lack of political experience. Putin is unlikely to make any such excuses. Judging from press reports, Putin has no understanding for Lukashenka's anti-western statements. When Lukashenka suddenly cut short a visit to Moscow in January 2001, the press claimed that this was due to Lukashenka's claim that the US had stolen \$1 trillion from Russia. This kind of statements had endeared him in the past to sections of the Russian electorate and communist politicians, but did not go down well with the new leadership in Moscow.

This does not mean that Russia is losing interest in Belarus. The country will remain an important asset for Russia's security. What it does mean is that Lukashenka is becoming increasingly irrelevant. He represents no serious obstacle to Russian interests.