Commentary
October 25, 2021

Belarus-Russia: Has Bilateral Integration Happened?

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Summary

After about three years of tough talks between Belarus and Russia, the deepening of bilateral integration saga is formally nearing its end. The two governments have approved 28 programmes of sectoral integration within the Union State, which are expected to be signed in November. Yet, since their beginning, the talks have taken place behind closed doors and the public has largely been kept in the dark about their contents. Even now that Moscow and Minsk have announced their successful completion, publicly available information is limited and there are more questions than answers about the actual outcomes.

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Originally published by GET Belarus

From ultimatum to roadmaps to union programmes

The deepening of bilateral integration saga began in December 2018, when the then Prime Minister of Russia Dmitry Medvedev suggested that Belarus-Russia relations be either brought in accordance with the 1999 Union State Treaty (which foresaw much closer integration) or transformed into a standard bilateral relationship without any special status. The offer became known as the “Medvedev ultimatum”. Since Minsk was clearly interested in preserving the special relationship, intense talks on deepening the integration within the Union State began. The negotiating teams adopted the concept of roadmaps to spell out specific integration steps across most economic, as well as some social and political, sectors. However, several fundamental disagreements loomed large from the beginning and complicated further progress.

Minsk objected vehemently to advancing political integration and creating supranational bodies. As a result, in late 2019 the “political roadmap” was off the table and the sides focused on economic roadmaps only. But there, certain differences were also hard to circumvent. Minsk’s top priority was to achieve for its economic entities market conditions that would be fully equal to those Russian companies enjoyed. Primarily, this related to the pricing in the energy sector, where Russian companies have access to gas and oil at significantly lower prices than Belarusian ones, which clearly distorts competition in the former’s favour. Minsk insisted that equal pricing or at least phased movement in that direction had to be introduced before any further institutional integration. Moscow, on its part, did not reject the idea of equal pricing but only after serious advances in the integration have taken place. Also, Russia stressed taxation and customs as the priority areas for institutional integration. For Belarus, however, these areas looked particularly concerning. Another Minsk’s top priority was ensuring uninterrupted access to the Russian market, which Moscow also conditioned on further integration.

In late 2019 – early 2020, the talks reached a stalemate and political will for resolving it lacked on both sides. Belarus was entering the presidential campaign period and the government did not see integration talks as instrumental for its electoral needs. Russia, apparently, hoped that the election would weaken Lukashenko’s position inside Belarus and damage his relations with the West and would, thus, make him less uncompromising on conflicting integration issues. The political crisis in Belarus that erupted in August 2020 proved those expectations right. Several months later, Minsk and Moscow launched a second wave of integration talks already in a qualitatively new political and economic environment. Interestingly, the roadmaps concept was substituted with that of union programmes. The change should not be overexaggerated but at a symbolical level it does imply a calmer and longer-term approach to integration, which generally reflects the post-2020 reality in Belarus wherein Russia is once again the only game in town.

This year has already seen five Putin-Lukashenko summits and numerous intergovernmental talks, which focused primarily on the integration agenda. On 9 September, at a meeting in Moscow the two heads of state announced that “a principled decision to deepen the integration within the Union State” had been made. Already on 10 September, the Union State’s Council of Ministers approved 28 union programmes and the Main Directions for the Implementation of the Provisions of the Union State Treaty for 2021-2023.

What has been agreed?

Following the announcements, the Russian government published a list of the agreed 28 union programmes with short annotations to each one. However, how elaborate the full texts of the programmes are and whether detailed implementation plans have been prepared remains unclear. The real "depth" of the agreements is hard to identify behind the rather vague wording in the programmes' names and annotations: 7 of them foresee the harmonisation of policies; 6 – the creation of common policies, rules, and principles; 5 – policies' unification; another 5 – policies' integration; 3 – the establishment of common markets; 1 – policy convergence; and yet another 1 – agreed policy. Occasionally, it looks as if these different terms were used interchangeably, which further suggests that firm conclusions will only be possible after the programmes are adopted officially and their entire texts become available. This is expected after the meeting of the Union State's Supreme State Council scheduled for November.

Tentatively, however, the programmes look more like a compromise-based agreement rather than one-sided concessions by Minsk. This sounds somewhat counterintuitive, given the Belarusian government's unprecedentedly weakened position. Yet, like the renaming of roadmaps into union programmes, it appears to reflect realisation in Moscow that under the new political conditions time is on its side. Belarus's room for international manoeuvre has shrunk, which has automatic ramifications for the bilateral integration, as Minsk "has nowhere else to go" and, hence, depends on Russia as never before. Thus, the Russian government now seems to be adhering to a different, calmer, and more strategic, approach to Belarus than what was the case before 2020. Especially as the two countries are intensifying cooperation on a new field – countering the effects of Western sanctions.

Officials in Minsk and Moscow emphasise the following key expected effects of the union programmes: Belarus will benefit from improved access to the Russian market, investments, state tenders, and subsidies, as well as the creation of common energy markets; and Russia will gain primarily from long-awaited progress in the tax and customs sectors, as well as overall higher predictability vis-à-vis Belarus. Both governments also maintain that the 28 programmes are in line with the Eurasian Economic Union's (EAEU) development trajectory and set an example for the latter. Minsk appears particularly interested in drawing this parallel with the EAEU, as it positions Belarus-Russia integration as the most advanced bilateral relationship within the EAEU, but at the same time shows that Belarus is not alone in its willingness to deepen integration.

Noteworthy, nothing is being said about the Union State's supranational bodies, single currency, security, and defence policies (even though the latter have clearly been the main focus of the most recent bilateral talks and drills beyond the framework of the union programmes). On the single currency and the prospects for political integration, Putin and Lukashenko repeated the same point at their joint press-conference on 9 September as they stressed multiple times before: the countries still need to walk a long way before these issues become topical.

Conclusion

For several programmes, including in the energy realm, implementation is expected in over two years and the implementation goals look rather unambitious (e.g., in the gas sector they foresee agreements on the principles of the functioning and regulating of the common gas market only by December 2023). The delayed deadlines essentially amount to "leaving the most difficult matters aside", which the negotiation teams spoke about over the summer. In other words, the most complicated knots have not been untied there and, therefore, new disagreements and tough negotiations are only a matter of time.

However, it appears wrong to just conclude, as some commentators do, that the 28 union programmes simply repeat what already happened in Belarus-Russia relations before – fanfare agreements that never get implemented. While the programmes per se are unlikely to turn into a major integration breakthrough, they will still imply a qualitative advancement within the Union State. Given the current political circumstances in and around Belarus, which have unprecedentedly limited Minsk's international options, it looks highly improbable that Belarus will be able to avoid delivering on most of the agreed commitments, even if it preferred to. Therefore, the very fact of the deepening of the bilateral integration is becoming a *fait accompli*, even though its extent and intensity remain to be seen. There is no doubt that Minsk will try to keep it strictly within the formula "two states – one market" suggested by former Belarusian Prime Minister Siarhei Rumas in 2019. Yet, functionalist theories tell us that deepening economic integration will inevitably carry sizeable implications for most other realms of Belarus's policymaking.

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