Commentary
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Format-Related Problems in Russian-Belarusian Relations

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Summary

On September 21, Sochi hosted a meeting of the presidents of Russia and Belarus, which was also attended by top government officials from both sides. A number of problems have piled up in Russian-Belarusian relations in the recent period, which explains a media focus on the Sochi meeting. Moreover, this is the second Putin-Lukashenko meeting within one month. Last time, the parties agreed to hold an expanded meeting and find solutions to the existing differences.

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Alexander Lukashenko went on record as saying that the talks had been “difficult but productive.” It seems agreements of principle were reached on the most involved problems, with details to be finalized at the expert level. Belarus states that the oil and gas disputes have been finally resolved, disputes that traditionally are the stumbling block for Minsk and Moscow within both the Union State and the EAEU.

Whatever the new agreements might be, the Sochi meeting and the preceding events have again demonstrated two format problems of sorts in relations between Belarus and Russia.

The first problem is that the presidents’ personal involvement is almost always needed to solve problems. Generally, this reflects the special nature of Belarusian-Russian relations, their closeness, scale and intensity. There is a close interaction at different levels, which inevitably generates differences and disputes, particularly between businesses. It is even more difficult to reach solutions because predominantly state-owned Belarusian companies and mostly private or less state-regulated Russian businesses are by definition characterized by different business cultures.

This is why even seemingly petty matters are left unresolved until addressed by the presidents.

> But the problem is that differences tend to pile up before they reach the top level and the longer this lasts, the more they are surrounded by media noise that whips up negative sentiments.

At times, as we have repeatedly witnessed in the recent period, the media hysteria acquires a life of its own, breeding various plants and rumors that the publicity-hungry media picks up and blows out of all proportion. As a result, this impacts on both the public perception of Belarusian-Russian relations and the officials' attitudes.

The second structural problem is not unique for Belarus and Russia and is typical of relations between a small and a big state. Small states always seek to make their relations with a bigger and economically stronger partner more predictable and formalize the rules of the game. Often smaller states achieve these objective needs within integration unions. This is one of the reasons (even though not the sole reason) why Minsk is always actively involved in integration entities in the post-Soviet space.

> While many Western analysts deliberate about a "new USSR," integration for Belarus is primarily a mechanism of economic predictability.

This is particularly clear if we look at energy cooperation. It has always been of fundamental importance for Belarus within both the Union State and the EAEU to create stable and equal conditions of economic competition. Energy prices are a key issue in this regard. In an economic union, everyone should enjoy equal energy prices (without taking into account transportation costs). If this key issue is constantly attended with restrictions and exemptions, a small state is faced with a serious problem that undermines competitiveness of its individual producers and economy as a whole.

For us, this is a permanent situation even after the EAEU came into being. Creating full-scale markets for gas, oil and petrochemicals is constantly postponed, while the current mode of energy relations is made dependent on frequently revised bilateral agreements. For example, this problem came to a head in recent months because of Russia's tax plans, which are likely to result in budget rebates for Russian oil companies. In this case, they will have a clear competitive advantage over Belarusian businesses.

The same is true of the agricultural sector. Minsk's integration logic is periodically supported by the Eurasian Economic Commission. For example, it states in its recent ruling that the regular limitations imposed on Belarusian milk supplies by the Federal Service for Veterinary and Phytosanitary Supervision "unjustifiably restrict

competition.” But Russia did nothing to right the wrongs in the wake of this ruling. The problem remains at the bilateral level, something that only enhances unpredictability and warrants conflicts in the future.

Thus, if both format-related problems remain as they are, Russian-Belarusian relations will continue to flare up periodically. And although these flare-ups are perfectly natural in highly intensive relations between the two countries, this will give their enemies additional opportunities for driving a wedge between Minsk and Moscow. This danger is particularly relevant amid growing geopolitical tensions that make Belarus and Russia face ever new political and economic challenges.

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