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**Belarus:
External Pressure,
Internal Change**



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**Andrey I. Suzdaltsev, Relations between Moscow and Minsk
(2005-2007)**

The immediate future will witness the disappearance of the last Soviet relics of the post-Soviet political and economic landscape due to a set of objective factors. The Republic of Belarus today serves as the most impressive example of the remaining hereditary connection between the authoritarian regimes of the late 20th- early 21st centuries with the Soviet totalitarian pattern. The question of whether Belarusian authoritarianism will survive remains.

For more than a decade, the Belarusian regime has been balancing between external and internal challenges. The struggle for survival adopted by the government results in the tendency to curb international political communications and leads to political isolationism. The authoritarian essence of the regime does not allow Minsk to get involved in European and global political and economic processes, limits the international positioning of the regime, and stimulates and often entails the foreign blockade of Belarus.

On the one hand, relations with the Russian Federation remain the last and the most significant foreign political resource of the Lukashenka regime; on the other hand they pose the biggest threat to its survival. Despite the rapidly worsening relations between Moscow and Minsk in recent years, the joint integration project dubbed the Russian-Belarusian Union State continues to fulfill the function to preserve the Belarusian economic model and, as a result, partially boosts Lukashenka's monopoly of power.

The imperative to power preservation remains the pervasive feature of the Belarusian regime. This rule suggests that only a leader capable of settling Belarusian problems in Moscow may be the head of the Republic. Nevertheless, since 2005, Lukashenka has been unable to solve any vital problem of Russian-Belarusian relations.

Preamble

The paramount economic condition safeguarding the current operation of the Republic of Belarus lies in the access to the cheapest energy resources. Oil products as well as crude oil itself still rank first in the country's exports followed by potassium salts and ferrous metals. Vehicle

production, which also requires the import of most components from Russia, ranks only fourth.

The unlimited access to the Russian market serves as the second economic condition of the longevity of the Republic of Belarus. Belarusian products are generally characterized by low quality and features that prevailed during the 1980s-1990s. Even so, exporting this produce enables the Belarusian government to solve important social issues, ensures employment and gives control over major domestic producers which represent the main source of socio-political unrest. The exports of finished Belarusian goods to EU markets are extremely limited.

The Russian market is currently fully saturated with goods delivered by global manufacturers as well as with those produced by the rapidly developing domestic enterprises. Thus, the Belarusian government has recently focused on retaining its share in the quasi-market sector, namely government procurement. The latter is highly developed in the Russian Federation due to the fact that its military forces number one million people and that there are huge, almost unpopulated spaces in the North and in the Far East.

These efforts are followed by the attempts to establish the presence of Belarusian producers on Russian regional markets through governors and resources of Russia's regions and areas. On the whole, the approach used to expand into the Russian market is rather bureaucratic and definitely non-market.

In the meantime, Minsk has applied a package of measures to curb the trade expansion of Russian corporations into both post-Soviet and Belarusian markets and to close its market to Russian rivals. The relative blockade of Russian goods exports to Belarus still remains.

Having preserved the Soviet economic system, including the monopolistic influence of the public sector and a rigid chain of command, Belarus is not prepared to import oil and natural gas at world prices. In anticipation it is necessary to mention that taking into account the Belarusian political patterns and practices there is every reason to believe that the Belarusian economy will not be ready to operate under true market conditions by the year 2011, the date when Russia will begin to sell energy resources to Belarus at world prices as stipulated by the Russian-Belarusian Agreements signed in December 2006-January 2007. This is a real threat to Belarusian independence and sovereignty. The evolution of re-

lations between Russia and Belarus in the late 1990s represents a case of gradual subsidy component growth in the trade between the partner nations undertaken with a view to the establishment of a Union State. In fact, Russian-Belarusian economic integration has turned out to be a system of direct and indirect Russian subsidies. This point is crucial to understanding the complexity and the hopelessness of the situation in the Republic of Belarus.

The Structure of the Relations

The Union proclaimed in December 1999 has not yet overcome the stagnation stage and the trajectories of its development remain a controversial issue between the Russian and Belarusian governments.

Foreign political coordination between Moscow and Minsk ensures the protection of the Lukashenka regime in the international arena. As a rule, the framework of coordination is limited by the joint actions of the Ministries of Foreign Affairs at such international organizations as the UN, the CIS, OSCE, EURASES, and the CIS Collective Security Treaty. However, Moscow refused to cooperate with Minsk during its accession to the WTO, based on the assumption that the Belarusian non-market economy would impede Russia becoming a WTO member. Belarus, in turn, regardless of the support from Moscow, still pursues its independent foreign policy, which frequently contradicts Russia's international interests and obligations.

- In particular, Minsk refused to support Moscow's imposition of a moratorium on the Treaty on Conventional Armed Forces in Europe;
- During the crisis between Moscow and Tbilisi Minsk kept its visa-free entrance regime to Georgians and thus facilitated their migration to the Russian Federation.

There are negotiations going on between Kiev and Minsk on establishing a coordination scheme for the terms imposed on Russia in regard to the energy transit to EU markets.

The strategic military cooperation between Russia and Belarus is stipulated both in the framework of the bilateral agreements between Moscow and Minsk and as part of the CIS Collective Security Treaty. Still, the military partnership within the Union has not been developed. In the meantime, the Belarusian government is actively using the strategic military cooperation factor during another crisis between Russia and Belarus.

However, there is no real military integration between the two nations.

- Belarus hosts two Russian military bases (the Russian naval communications center and the Volga station for early warning). These are likely to be dismantled in the near future because of their technical degradation. Their functions will be passed on to other Russian-based military infrastructure points;
- The common air-defense system so widely promoted by Minsk has not been created (the treaty has not yet been signed). Russia participates in modernizing the Belarusian air defense system only by lending its equipment, which can be explained by the lack of trust towards the Belarusian government;
- The existing production linkages between Russian and Belarusian enterprises have been preserved since the Soviet era and have not been expanded due to the rapid technical and technological decline of Belarusian production facilities. Taking into account the increasing cooperation between Minsk, Beijing, Tehran, and Caracas, transferring Russian latest military technologies to Belarus for placing Russian military orders presents a threat to Russian national security;
- Economic integration in terms of setting up the Union State is practically nil. The decade since its establishment saw the declaration of a single customs zone, which was later taken under strict control, opening the Russian market to Belarusian goods and simultaneously closing the Belarusian market to Russian exports, the only exception being energy resources. There has been a series of oil and gas conflicts between Moscow and Minsk. In 2001-2005 Belarusian customs office confiscated Russian goods worth \$420 mn, thus practically crippling the transit between Russia and the EU. The most spectacular points during the decade of economic integration were the absence of establishing any Russian-Belarusian corporation and the 2007 foreign trade record consisting in over \$2 bn trade deficit (over 5% of Belarusian GDP) in favor of the Russian Federation;
- Belarus remains a serious transit factor for Russia as it ensures 25% of Russian energy resources transit as well as about 30% of rail and road transit to the EU. Gaining access to Belarusian transit facilities remains the priority of the Russian policy in Belarus;
- Energy integration within the partnership for establishing the Union State is still at its initial stage. The buyout of the 50% stake in the Belarusian gas transit monopoly by Gazprom is scheduled over four years and it started only after five years of the toughest negotiations witnessing several gas crises and even 'wars'. At the same time, this deal will not enable the Russian gas monopoly to manage Beltrans-

gaz. In view of the complex relations between the two nations, the decisions on Russian-Belarusian economic integration taken by the Russian government at the beginning of the year 2007 are final and are not to be revised;

- The Russian government has respected the sovereignty and independence of Belarus observing the principles 'sovereignty is worth money' and 'sovereignty implies world prices'. This attitude of the Russian authorities was extremely hard to perceive for official Minsk. In January 2007, Belarusian state-controlled media unleashed an anti-Russia information war which has been periodically breaking out and calming down ever since.

However, the resolutions by the Russian government have taken effect consistently. First of all, on May 21, 2007, the project to build a new pipeline (BTS-2) was finalized. It is aimed at transporting oil to the Russian terminals at Primorsk on the Gulf of Finland shore without entering the territory of Belarus. The project also outlines building a huge oil refinery at the port. As a result, in 2009 Belarus will lose its transit status in supplying Russian oil to the EU and the Druzhba pipeline is at risk of catering for the needs of Belarusian refineries only.

The construction of the Nord Stream Gas Pipeline is being continued. The capacity of the second stage of this pipeline built at the bottom of the Baltic Sea equals \$50 bn a year, which exceeds the current Russian gas exports via Belarus by 50%. Bearing in mind that in the near future Gazprom is not planning a surge in its gas exports to the EU, there is every reason to believe that the exploitation of the new pipeline at full capacity will require considerable reductions in gas transit via Belarus and Ukraine.

As the Belarusian government does not ensure road transit between the Russian Federation and the European Union as well as between Russia and the Kaliningrad region, the Russian government will have to shift its attention to the transit facilities offered by Finland and Latvia.

Russia as the Guarantor of the Existence of the Belarusian Republic.

Despite all the attempts by the Belarusian government to diversify its economic and political ties, relations between Russia and Belarus remain the basis of the Belarusian Republic's existence. The Belarusian political elite are perfectly aware of the fact that it is Russia that is the main guarantor of the sovereignty and independence of the Republic of Belarus.

Both pro-Western political elites and the Belarusian opposition habitually claim that Russia is solely responsible for the second decade of the authoritarian Lukashenka regime. It is stated that Russian authorities sponsor Lukashenka by providing resources and through other means, including international, support. The preservation of the Union State is regarded as a threat to the Belarusian sovereignty and independence.

Beyond any doubt, since the mid-1990s the Russian government has been interested in developing economic and political integration with Minsk. Extensive political support to Minsk was a natural Russian reaction to the infinite flow of integration initiatives by Lukashenka, who came out for a fast-track unification process of the two nations. Ideally, subsidizing one country by another before uniting seems quite natural as the two economies should be balanced. This was the case with Western Germany and the German Democratic Republic. Granting Belarusian access to Russian domestic energy prices was a perfectly understandable step by the Russian government on the threshold of unity between Russia and Belarus.

Political subsidies and Russian support are, however, not the main reasons for Lukashenka's foreign-policy success. He managed to 'charm' the Russian government by annual promises to enhance political and economic integration with the Russian Federation and thus was able to get a total of \$42 bn in subsidies from Moscow. The Belarusian economy was supported before 1994 (the year Lukashenka came to office) when Belarusian policy makers in both executive and legislative branches had drastically different views not only on the integration with Russia, but on Russia and Russians as a whole (Stanislau Shushkevich, Zenon Paznyak, Nikola Statkevich, etc.). The pro-Russian policy of prime-minister Stanislau Kebich was severely criticized, but no political bloc stood up against the economic support from Moscow.

Throughout all the years of national sovereignty, Belarus has been enjoying substantial and vital economic support by the Russian government as the latter has always had a series of priorities that were impossible to solve without socio-economic stability in the Republic of Belarus:

- Solving strategic military issues on the threshold of NATO expansion to the East;
- Preventing a socio-economic crisis in the country possessing important transit facilities for Russia and Europe;
- Concerns that a large-scale socio-economic crisis in Belarus might

turn out a problem for Russia in terms of economic refugees, transit goods safety, etc.;

- Concerns that economic problems in the country would lead to political destabilization, which would be immediately taken advantage of by NATO.

Russian subsidies into the Belarusian economy are still perceived by the Russian political elite as a form of emergency support to the next-of-kin people of Belarus. It should be mentioned that the Kremlin has never publicly initiated the union of the two nations. Only in June 2002, Russia's President Vladimir Putin used imagery to express this idea by stating that the Belarusian government should 'separate flies from the chops' and define its own integration priorities: to remain independent with the prospect of buying energy sources at world prices, to build the integration project with Russia following the EU model, or to join Russia with Belarusian regions becoming the regions of the Russian Federation.

There has been no comprehensible reply from Belarus ever since. In 2007, Lukashenka continued to insist on the fact that Belarus should be a sovereign and independent nation whose economy has to be subsidized and supported by Russia due to the union agreements. As it is impossible to formalize such an exotic union option into an acceptable and plain legal formula, the Constitutional Act (the Constitution of the Russian-Belarusian Union State) has not yet been framed.

Russian experts believe that the West is no less responsible for the existence of the Lukashenka regime.

The Belarusian oil offshore zone that appeared in the 1990s is an important component of the common European energy market. Even considering that the major part of crude oil is supplied to Belarusian refineries by Russian oil companies, thus paying for processing and exporting their products to the European market, Belarusian oil exports are quite competitive, and, what is crucial, rather inexpensive.

There is no talk about dumping. This is the case of some concessions by the European business community because of the fact that they have to cooperate with a regime that has a most ambiguous reputation. Under the conditions of a severe on-going energy crisis in the West - there is no other name than 'crisis' with the oil price of \$100 per barrel at the time of writing - the views of 'the last dictator in Europe' are undergoing some transformations. Any energy source is invaluable under the existing con-

ditions on the European market. Taking into account different experts' estimates about Belarusian car fuel being usually 5-8% cheaper than that of Lithuania or Poland, the revenue of a business like that is substantial. Considering that the supplies are realized under the aggregated contracts the margin may exceed \$1 bn a year. Lukashenka makes good use of the EU companies' interest in trading with Minsk. All the convertible currency, so precious for the President of Belarus, comes from Europe.

Russia's 2007 Resolutions on the Republic of Belarus

As the foreign political weight and the economic potential of the two nations are incomparable, the Russian government is extremely cautious in its reaction to occasional confrontations between Moscow and Minsk. The Russian government representatives as well as those of the Ministry of Foreign Affairs are also very reserved in their evaluations of the complex current relations between the two nations. The main principles of Russian policy towards Belarus were formulated by President Putin on October 12, 2006. They include:

- Withdrawal from public debates between the leaders of the two nations; conducting negotiations in a consultation format free of populism;
- Gradual withdrawal from the system of direct and indirect subsidies and preferences including the elimination of the low-price crude oil zone on the territory of Belarus;
- Emphasizing economic integration between Russia and Belarus. The introduction of the Russian ruble as a single currency of the Union State was declared the main incentive;
- Political integration (development and strengthening of the Union including the adoption of the Constitutional Act) must follow the economic integration stage.

However, as a result of the gas and oil 'energy wars' that occurred between Moscow and Minsk in 2006-2007 the relations between the two neighboring nations have entered a period of dramatic deterioration.

Currently (2008) the relations between Moscow and Minsk can be described as 'cold war'.

Nevertheless, the reasons why Russian authorities have as yet refrained from open confrontation with the Lukashenka regime lie mainly in the

domain of foreign politics, including the gradual destabilization of the whole complex of the European and Eurasian security (the deployment of the third PRO range position in Poland and the Czech Republic, the degradation of the Treaty on Conventional Armed Forces in Europe, the increasingly bolder stance of both the EU and Poland in Eastern Europe and on the post-Soviet space).

The Problem of Elaborating Russia's Strategy Towards the Republic of Belarus

In 2005-2007 Russia faced the problem of searching for a balance between the necessity of keeping control over the political and economic environment in the Republic of Belarus and the opportunities for mutually beneficial economic integration with this small country (by European standards) with a view to modernizing the Russian economy and enhancing Russia's position on the world arena. By mid-2007, the Russian political class, having analyzed the results of the winter oil and gas wars between Moscow and Minsk, had consolidated their view that the current Belarusian development vector is directed against the creation of a fully-fledged Russian-Belarusian integration project, that it makes the real union between the two nations impossible and casts doubt on the prospects for economic integration.

The Russian ruling elite has come to realize that Belarus, which has traditionally been considered a playing field of Russian political influence, will be ever more persistent in attracting political and economic resources to react to processes, which are generally negative for the Russian Federation, such as drawing the country into orbit of EU and NATO, the degradation of major economic incentives for integration, the emergence of new foreign political priorities, which, in the long run, will wind up in a crisis of Russian policy towards Belarus.

Nevertheless, since Belarus retains at least partial economic and transit value for the Russian state and for Russian business, Belarus holds too high a status in a broad range of geopolitical, military, strategic and international issues of concern for the Russian government. Still, there is every reason to believe that the Belarusian problem will keep drawing the attention of Moscow for the following reasons:

- The increasing political and economic competition between NATO and Russia for domination on Belarusian territory, which is close to Moscow and Russian major research and production centers;

- The emerging rivalry between Russia and the EU for controlling transit and energy communications going through the Belarusian territory;
- The exacerbation of Russian investment problems in the Belarusian economy and of retaining the positions of the Russian business in the Belarusian market;
- The continuing ambition of the Belarusian elite to keep Russia in the role of 'resource appendage' to the developed Belarusian manufacturing industry, to monopolies the status of Russian resources and semi-finished consumer goods with a view to selling them in the EU markets;
- There will be new, more severe counteractions to Russia's attempts to increase its influence in the post-Soviet space in general and in the Republic of Belarus in particular. The Belarusian ruling elite will actively try to involve Russia into bilateral and international crises and conflicts drawing the attention to Belarus and giving it the status of a 'victim' of a more politically and economically powerful nation. The ambition of the EU and US to curb Russia's foreign political bid and make it a purely regional player will objectively correspond to the international goals and objectives of the Belarusian government.

Russia's government is facing the challenge of a dramatic reversal of its policy towards Belarus, its government, and the integration project of the Union State. This policy should be an integral part of Russia's overall strategy towards the countries in the belt of economic proximity to the EU and partly prone to the NATO influence and propaganda.

Russia is using and realizing its economic advantages, but it is trying to refrain from explicit presence in the Belarusian national political arena. Here it should be noted that the Belarusian authorities fiercely prosecute any contacts between the Belarusian political class and Russia, while they only publicly harp on the increasing Western influence on Belarusian political life.

The Russian government is perfectly aware of the fact that in the coming decade Belarus will not become energetically independent from Russia, which will further facilitate Minsk's attempts to search for new political and energetic arena.

The Belarusian government has tried to initiate oil extraction in Iran and Venezuela; it is looking for cheap oil in Azerbaijan. It is highly probable that within 10 years Minsk will be technically prepared to obtain energy resources from the Middle East and the Caspian Region, however, the

efficiency of these supplies is doubtful. Belarus will not be able to adequately replace Russian oil and gas.

The Belarusian government's negotiating potential is rather low and it is constantly struggling for its legitimacy. Therefore it cannot ensure energy transit security to EU markets. The creation of circumventive communications (Nord Stream gas pipeline and BTS-2 oil pipeline) will remain the Russian government's priorities. With the passage of time, the ambiguity of the 50% stake acquisition in Beltransgaz, the Belarusian State Gas Transportation Company, will become absolutely obvious.

The gas demand in Lithuania that saw its peak during the closing of Ignalinskaya Nuclear Power Station, will decrease substantially with the opening of a new power station. Taking into consideration Poland's plans to engage in Norwegian gas import, the prospects of Russian natural gas export expansion to Poland are highly uncertain, which makes it insensible to build the second branch of the Yamal-Europe pipeline. The nearest future will see the Belarusian gas transit decline to the level of satisfying the Belarusian demand only.

Using Belarusian refineries to expand oil product export to the EU seems difficult because of the unstable oil-refining policy of the Belarusian authorities. Russian oil companies planning to build new refining facilities on the Gulf of Finland shore will be likely to return to the projects of acquiring and constructing refineries in the EU. As soon as the transition of the Belarusian economy to importing Russian energy resources at world prices will have been completed, the attractiveness of Belarusian refineries will suffer.

Due to the deterioration of production facilities and decrease in the number and qualification of skilled workers the interest of Russian business in Belarusian enterprises is waning. The Belarusian government, which is still sure of the high attractiveness of Belarusian production assets for foreign investors, is trying to use the opportunities of acquiring small stakes in Belarusian enterprises for obtaining Russian energy resources at discount prices. This official Minsk policy is bound to fail because of the traditional administrative tyranny towards Russian business.

The Foreign Policy Dimension

The Russian political class realizes quite clearly that in using the struggle for national sovereignty and the preservation and strengthening of inde-

pendence as an imperative in its clash with Russia, the Belarusian government actually stimulates the disintegration of the two partner nations in building the Union State.

At the same time, the geopolitical choice has appeared to remain an issue for the Belarusian ruling class. The Lukashenka personality factor, once its foreign policy aspect will have been established, will restrict the spread of pro-European influence among the Belarusian establishment. Though the Belarusian President aims to take advantage of the contradictions between the EU and Russia while using only the union rhetoric towards the latter, he is actively involved in developing the relations with the West. The pre-dialogue stage of relations between Brussels and Minsk does not satisfy any party, but this is an emergency case.

Giving Russia the role of a major economic partner against the background of the EU political dominance, the Belarusian political class is in search of a new regional positioning.

External Forces

The West exerts considerable influence on Belarusian internal affairs thus destabilizing the political situation in the republic. This, in its turn, provokes backlash from the authorities. As a result, the Lukashenka regime declares its openness to conducting a dialogue with the EU and the USA, while toughening its internal policy. It should be mentioned that Russia's partner in building the Union State has dozens of political prisoners, thus having actually recreated GULAG. The criminal code of the republic contains the unprecedented article on criminal prosecution for 'libel on the Republic of Belarus President' with an unlimited scope for interpretation.

Nevertheless, now the EU can adequately fulfill the task of an intermediary in Belarusian national policy. It is highly probable that soon the European Union will try to referee Russian-Belarusian energy disputes. Aiming at a unilateral modification of the Belarusian foreign political strategy, the West tends to use the experience of the Ukrainian 'Orange Revolution' as well as symbolic economic and political resources in order to monopolize the political control over Belarus, which will result in the emergence of a politically unpredictable zone on the Western Russian border. This scenario will require Russia to change the format of its political and economic contacts with the republic drastically and, consequently, to relocate resources to stabilize the volatile situation in Belarus.

The Russian government is perfectly aware that gradual involvement of Belarus in the European economic 'pre-frontier zone' has played a destructive role in the prospects of Russian-Belarusian economic and political integration.

On the other hand, the consistent movement of the Belarusian government towards the EU has indirectly facilitated the shift of the Russian government to pragmatic economic policy towards Belarus. Any developmental option for the Republic of Belarus itself and for its relations with Russia will entail certain attempts by the major part of the political elite to be part of EU and NATO political and economic influence. Belarusian economic, labor, and transit resources will be the cornerstone of the competition between Russia and the EU. The USA and the European Union will actively stimulate the attempts by Belarusian ruling class to use their political tools against the Russian economic expansion, facilitate restrictions on Russian business influence, use information and other resources against Russia's attempts to enhance its economic impact on Belarus.

The Military and Political Dimensions

Russia's use of the Belarusian strategic 'springboard' to arrange the 'asymmetric' response to the deployment of the third US position seems doubtful. The deployment of medium range nuclear missiles in Belarus will destabilize the existing European *status quo* under the latest NATO expansion. The involvement of the Belarusian springboard into the nuclear opposition will mean returning to the Cold-War era, which is unacceptable for both Russian and US elites. The Russian government will have to reconsider the necessity of keeping its two military bases in Belarus. It should be mentioned that the Belarusian government is trying to retain Belarusian participation in Russia's strategic military projects. It is active in the CIS Collective Security Treaty emphasizing the latter's 'stabilizing' role among the member nations. Being concerned about the modernization of its army, Minsk is trying to gain access to Russian armaments and military technologies. It is highly probable that the Shanghai Cooperation Organization will remain pro-American for some time, and Lukashenka will be interested in harnessing the resources of this international organization to maintain his office in Belarus. Taking into account the particular relations between Belarus and China, the government of the former is continuing its efforts to become a SCO member.

The Prospect of Russian-Belarusian Integration

The economic integration between Russia and Belarus has no prospects in the chosen subsidy format. Unilateral preferences of the Belarusian economy encouraged economic nationalism inside the republic. The creation of the free-trade zone (customs zone) in the framework of the Russian-Belarusian integration is currently a burden on the Russian budget due to the irresponsibility of the Belarusian side. In the case of Russia's accession to the WTO, the zone is to be eliminated. There are no obvious preconditions for the common market, economic or currency union, that were to have become the next stages in the economic integration in terms of the Union State. Even the initial conditions to launch these processes will disappear in the foreseeable future.

Belarusian Immediate Future

Taking into consideration that the Belarusian society is still going through the agrarian-industrial development stage, the current shape of the Belarusian political class is not very promising in terms of generating an alternative to the present Belarusian government that would be adequate to the on-going globalization process. In case the incumbent leader and his team retain power, Belarus will find itself on the European frontier zone being an eternal bargaining object between Russia and the USA with the EU.

The situation will be further complicated by Poland that has its own political and economic interests in the Republic of Belarus as some regions of the latter used to be part of Poland. Regardless of the longevity of the Lukashenka regime, the Belarusian government policy will increasingly be drawn into the EU's and NATO's sphere of influence. The return to Russian-Belarusian political integration is impossible as the Belarusian political class is not prepared to hand over part of its sovereignty to the Union State supra-national structures. The attractiveness of the Russian-Belarusian economic integration will remain for a period of time, but the objective differences between the Belarusian economic model and Russian market economy will gradually lead to the erosion of economic integration between the two nations.

There is a lot of doubt whether or not the Belarusian political class is able to reform the economy and, consequently, the political system, a fact that is certainly putting the prospects of Belarusian sovereignty in jeopardy.

Prospects of Russian-Belarusian Relations

All in all, in the near future, Belarus will hold the status of a Russian secondary foreign political arena and zone of fading regional cooperation. The latter, however, will be bound to elaborate a reaction strategy to the destructive processes occurring at its Western frontiers and occasionally involving the Russian Federation in Belarusian internal political affairs. Apart from that, this strategy should include the mechanism of blocking the 'geopolitical rivals' efforts in limiting Russia's role to that of a cheap energy resources supplier to its nominal ally.

Despite the extreme importance of the state of Belarusian internal political affairs, the fate of the republic is in the hands of global players, and the question of Belarus turning into a truly sovereign nation state remains. The Belarusian ruling elite is accustomed to using the Union State partner as a tool in its own struggle for survival and access to tangible resources, but this stage is grinding to a halt.

Moscow no longer considers Belarus a first-rate priority and would most certainly like to reduce subsidies.

However, Russia will still be present in the Republic of Belarus foreign political affairs as this is essential to ensuring its national security interests under the conditions of growing competition with other parties concerned with the post-Soviet space. Russia's presence in the Republic of Belarus is important in terms of economic interests and Russian Federation budget revenues. Moreover, Russian - Belarusian cultural ties are still strong, though they are going to fade with time.

The Russian government is not planning to carry out its own political scenarios in the Republic of Belarus. Nor does it aim to look for successors to Lukashenka. Officially, the Republic of Belarus remains Russia's ally nation. Intervention into the internal affairs of a sovereign state is unacceptable in itself. Besides, in the case of Belarus, this intervention is politically insensible. The fact is that Russian expert community is sure that Lukashenka is a development indicator of the Belarusian political class, which is currently able to generate dictators solely.

This explains the assumption that it makes no sense to enter into negotiations with alternative candidates to the present President of Belarus - they are either absent or reflect foreign players' interests. This explains the absence of the dialogue between Moscow and the Belarusian oppo-

sition. It is easier to negotiate with its sponsors, with governments funding the Belarusian opposition directly or indirectly.

However, there is still no dialogue on Belarus between Moscow, Washington and Brussels. This dialogue has not been demanded yet as the West cannot take responsibility for subsidizing 20% of the Belarusian economy. Now it is only Russia which is involved in this business and the West has nothing to offset Moscow's offers.