

The Economization of Russian Foreign Policy

The Conflict between Russia and Belarus Escalates

by Stefan Meister

Russia is using the global financial crisis to strengthen its position in the post-Soviet neighborhood. The current escalation in Russo-Belarusian affairs is a testimonial to the fundamental change in the relationship between Russia and its "allies" in the post-Soviet neighborhood. Russia no longer considers close alliance partners and instead asserts its own economic and political interests. In contrast, the Belarusian leadership is not ready without a fight to give up the privileges that have united it and secured its political survival. After the Russo-Georgian war of August 2008 it once more became clear that Russia does not have any real allies in its "near abroad" and that the post-Soviet elites are only held under control through economic and political leverage by Russia.

More Than a Ritual

After a number of quickly-reconciled gas and oil crises between Russia and Belarus since 2006, relations between Minsk and Moscow have been shaky for months. Both sides are ready to escalate the conflict and are unafraid of attacking political opponents personally. After a renewed conflict over a rise in oil prices at the beginning of 2010, both sides continued to find reasons to increase tension. The Russian leadership temporarily suspended importing Belarusian milk products and allowed TV news reports to air that defamed Belarus' president as a "reckless psychopath". In an effort to demonstrate its independence from Moscow, Minsk countered by questioning Russia's alliance policies in the region, of which it is an integral part. At the same time, Belarus, led by President Alexander Lukashenko, sought to develop alternative economic relationships with China and Venezuela and offered asylum to former Kyrgyz President Kurmanbek Bakiev, who was anything but beloved in Moscow.

Russia sees the Belarusian leadership as having overplayed their hand in the post-Soviet bargaining game,

and Moscow now sees a chance at bringing the Lukashenko regime, which was badly hurt by the global financial crisis, under control. By not recognizing the independence of South Ossetia and Abkhazia, joining closer with the European Union through the Eastern Partnership, and challenging the joint Customs Union with Kazakhstan, Lukashenko has gone too far in the eyes of the Russian leadership. As with the conflicts in Ukraine and Georgia, Russia wants to make an example out of Belarus for everyone to see and regardless of the consequences. The personal attacks on Lukashenko just months before presidential elections is a kind of declaration of war on one of its most important allies in the post-Soviet neighborhood.

Lukashenko's main concern is political survival: since 2006, Russia has been reducing subsidies for the neighboring country—by 2011, Minsk will pay the same gas prices as other EU countries—and has weakened the Belarusian economy and thereby one of the central pillars of Lukashenko's hold on power. Cheap oil and gas deliveries, duty-free access to the Russian market, and Russian cheap credits have made financing Belarus'

social system and subsidies for its outdated industrial sector possible. The end of these policies brings the present Belarusian social contract into question: social stability for political passivity. Lukashenko does not have much wiggle room in this conflict. If he decides to further ally his country economically with the European Union, he will have to make political concessions. The resulting openness and democratization could result in a loss of power that he surely wouldn't accept. In the long run, China and Venezuela are not the solution to Belarus' innovation and financial deficits, which leaves cooperation with Russia as the only option.

Russian Pragmatism

In the last five years, Russian foreign policy in the post-Soviet neighborhood has gone from being strongly ideological to highly pragmatic. The realistic assessment of Russia's resources that took place under Vladimir Putin led to an economization of foreign policy, in other words, the use of energy independence and economic stimulus / sanctions to assert Russia's economic and foreign policy goals. The realization of its limited influence in the post-Soviet states came with the shock of the "color revolutions" in Ukraine and Georgia and led to the cutback of its subsidy policies in its "near abroad." Russia no longer subsidizes the economies of post-Soviet states that show questionable loyalty. Rather, it seeks to award credits for those who meet clear political demands and pave the way for Russian firms to take over strategic branches of the economies of neighboring countries.

This new Russian policy can be seen in Ukraine, where new president Viktor Yanukovich has been offered a merger between Gazprom and Ukrainian gas monopoly Naftogas, as well as the opportunity to include Russian firms as partners or owners in other key sectors of the Ukrainian economy. This is also the case in Belarus, where Lukashenko is expected to relinquish control of Beltransgas to Gazprom and is ready to sell other important assets of the Belarusian economy – such as the export-heavy petrochemical industry – to Russian firms. The Russian elite is ready to accept any conflicts that arise from the achievement of this goal,

which shows how strong an interest they have in expanding their economic gains in the post-Soviet neighborhood. It is also important that although the new Ukrainian leadership has allied itself closer with Russia, and despite developments in Kyrgyzstan and Armenia that suggest a move towards increased cooperation with Russia, Moscow is well aware that economic hegemony is the only way to guarantee a strong influence in the region for the long-term.

Belarus between Russia and the EU

In the last 15 years, Russia's policies regarding Belarus have allowed the political and economic system under Alexander Lukashenko to survive. Moscow has subsidized its neighbor and thus kept the country free of western influence. The European Union and its member states were helpless in their policies towards Minsk and ultimately accepted Russia as a "protecting power." The change in Russia's policies towards Belarus has resulted in a rapprochement between Lukashenko and the European Union. Belarus' integration in the Eastern Partnership awoke hopes that the country might slowly begin to reform. Meanwhile, it has become clear that Lukashenko is not ready to open up his country politically and thereby lose power. The Belarusian president certainly won't take the EU's feelings into consideration in light of the upcoming presidential elections in December 2010, which he is preparing for by ratcheting up political repression against opposition candidates and the media.

Conversely, the European Union lacks the instruments and, for the most part, the desire to actually reform Belarus. The EU member states have thus far failed to develop new policies for dealing with states that do not wish to join the European Union. Because of this, the European Union is only a "bargaining chip" between Russia and Belarus. Consequently, Lukashenko's most dangerous opponent is not the European Union or the Belarusian opposition, but Russia. Only Moscow is capable of applying the pressure needed to bring Lukashenko's re-election in doubt and to hold his economic policies for ransom in the medium-term. Nevertheless, it is doubtful that Russia has any inter-

est in overthrowing the Belarusian president. Given Lukashenko's fierce opposition to joining NATO or the European Union, there is no better neighbor for Russia to have. Both sides are aware of this, which is why they are carrying the conflict to the extremes. Lukashenko believes that Russia ultimately doesn't want to overthrow him, while the Russian leadership is certain of Lukashenko's absolute dependence on them.

The Reintegration of the Post-Soviet Neighborhood

The conflict between Russia and Belarus can be seen as exemplary of Russia's affairs with its near abroad, Belarus is actually, next to Kazakhstan, Russia's most important ally in the region. The realization that the alliance policy has not resulted in real control over the states in this region has led to a change in Russian policies in the post-Soviet neighborhood. Russia is currently taking advantage of their structural dependence and the grave consequences of the global financial crisis to bring most states in the region under her economic control. Connected to this is the interests of the Russian elite, who seek to increase their economic gains in the region. In the last few years, post-Soviet states have sought to create alliances with new partners

to balance out Russia's influence in the region. But while doing so, they missed an opportunity to implement important political and economic structural reforms in their societies. Neither the United States nor the European Union, however, are ready to offer these states a real alternative to Russian policies. EU member states were particularly unable to decide on their interests in the post-Soviet neighborhood. This resulted in a lack of workable policies for dealing with countries in this region. The Russian leadership realized that they needed new instruments to re-gain economic and political control over the post-Soviet neighborhood, while EU member states continued to bicker about the division of foreign policy responsibilities after the Lisbon Treaty.



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