

# Putin's Plan for 2024: Will the Union of Russia and Belarus be Successful?

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**Vladimir Putin is in his last presidential term, but nobody expects that after his term expires he will remain outside of politics.**

Russia is a democratic republic on paper: it has a constitution, an elective parliament, political parties and other political institutions. The reality, however, is that Putin's 20-year rule revived the traditions and culture of samoderzhavie (the absolutist regime in Russia before the 1917 February revolution), which existed in Russia's imperialist history. A Russian model of authoritarianism called sovereign democracy has been created. Since this model is based on Putin's identity and unifying leadership, it would not be a mistake to call modern Russia "Putin's state" in the words of Vladislav Surkov, a Kremlin ideologist. There is no guarantee that the political structure as well as the internal and the domestic power balance, which have been built over many years, will continue to survive after Putin's departure. Moreover, it should not be forgotten that Russia is now in a geopolitical competition with the West reminiscent of the Cold War and it is unreasonable for the author of this policy to think of retirement at such a time

Thus, currently the most important issue in Kremlin is this: what should be done to guarantee that Putin remains in power even if he leaves the presidency? The first ideas were to remove the presidential term limits from the Constitution or to make Russia a parliamentary republic so that Putin can be elected prime minister. However, in 2008, Putin did not accept these options and took control of the country by becoming

prime minister without changing the Constitution. It is frequently emphasized by Russian analysts that Putin is still not considering a constitutional amendment and will not use this method to stay in power.

This year Nursultan Nazarbayev showed a different model of staying in power while leaving the presidency in Kazakhstan: to continue to be the head of the Security Council, powers of which had been expanded, as chairman. This model requires constitutional amendments and the new division or redefinition of powers among the state authorities, and there is still no information as to whether Putin likes this model. In recent months, another model became more pressing: the deeper integration within the Union State of Russia and Belarus, that is the unification of these two countries, under the leadership of Vladimir Putin as the head of this new state. It is an original idea that is in line with Putin's personal political ambitions – his intention to continue his rule – as well as the geopolitical situation around Russia, and it might be impossible to think of anything better.

**A short reminder:** The treaty on the Union between Russia and Belarus and its charter were signed in 1997. An intergovernmental agreement on the establishment of the Union State was signed on December 8, 1999, and an action plan was adopted for the implementation of the agreement. The document was ratified by the parliaments of both countries in January 2000 and entered into force. The Supreme Council of the Union, the Council of Ministers, the Standing Committee and the Parliamentary Assembly of the Union State were established in accordance with the Treaty. The agreement covers important steps such as common economic legislation and taxation, transition to a common currency with an emission center, common pricing policy and tariffs, common stock market and government bonds, common financial-credit policy and customs duties, common energy, transport, and telecommunication systems, and a unified pension provision. If these had all been implemented, full economic integration would have taken

place between the two countries. However, since then, these provisions have remained on paper. Only a single customs space and a free trade zone have been created, which are, in fact, the requirements of the Eurasian Economic Union. A single symbol, an anthem as well as a constitution act that defines the state structure and the legal system of the Union have yet to be adopted.

### **How the Integration Issue Became More Relevant**

The topic began to attract media attention after the meeting of the Eurasian Economic Union at the level of heads of state in St. Petersburg on December 6, 2018. At that meeting, presidents Vladimir Putin and Alexander Lukashenko had a dispute on the price of Russian gas sold to Belarus. While Lukashenko complained about the high gas price, Putin argued that Belarus purchases the Russian gas at a much lower price than Europe, and then their discussion continued behind closed doors.

Another issue that caused a dispute was an amendment to the Russian legislation on the oil industry called a “tax maneuver.” The tax maneuver, which came into force for a period of 6 years from January 1 2019, envisages the abolition of export duties for oil and oil products until 2024 and an increase in tax on the extraction of minerals. Until this decision, Belarus purchased Russian oil without paying any duty and imported 24 million tons of oil a year from Russia on favorable terms. The tax maneuver deprived Belarus of this privilege. The Belarusian government, which calculates that it will suffer a loss of \$10.8 billion over the next six years, demands compensation from Russia. According to another calculation, the losses of Belarus might amount to \$11 billion over 4 years. President Lukashenko has ordered his government to seek alternative sources and reduce dependence on Russia.

At a meeting of the Council of Ministers of the Union State in Brest on December 13, 2018, Russian Prime Minister Dmitry

Medvedev raised the issue of deepening integration as a solution to the problems for the first time. Pointing out that the solution of economic problems depends on the level of political cooperation, Medvedev suggested two integration scenarios: first, according to the conservative scenario, the integration should be continued without raising to the level envisaged in the treaty of December 8, 1999; the second is a scenario of progress and includes the implementation of all the provisions of the 1999 treaty, the enhancement of the mutual dependence of economies and assistance to Belarus during the alliance-building process. Medvedev considered the adoption of a single tariff policy, in other words, the acceptance of Belarusian demands only within the framework of the second scenario. Last year on December 28, Prime Minister Medvedev signed a decree on the establishment of a working group on the integration between Russia and Belarus. On April 17, 2019, in his speech at the State Duma, Medvedev announced that his proposals concerning the integration had been submitted to the Belarusian government.

As it is clear, Russia believes in the possibility of the idea of deep integration (which, in fact, means a single state) and has taken real steps in this direction. The Russian government uses carrot and stick diplomacy to convince or force the Belarusian side. It demonstrates what Belarus will lose if it disagrees and what it will gain if it agrees.

The stick, i.e. the pressure policy, is not limited to the oil and gas industry. Russia imposed a temporary ban on the import of boned meat from Belarus on April 4. In 2018, Belarus exported \$517 million worth of beef to Russia, of which 70% was boned meat. From April 12, 2019, Russia has banned the import of apples and pear from Belarus. Rosselkhoz nadzor (the Federal Service for Veterinary and Phytosanitary Supervision) has announced that the import of mushrooms, Chinese cabbage, and strawberries from Belarus can also be stopped. Many Belarusian enterprises producing dairy and dairy products have already been banned in Russia.

The carrot, i.e. examples of encouraging policies, includes continued lending to Belarus, as in previous years. Russia's Finance Minister Anton Siluanov said he would allocate a \$600 million loan to Belarus to enable it to repay its old debt, and, in addition, \$200 million of the \$2 billion loan of the Eurasian Development and Stabilization Fund to Belarus will be transferred by the end of April. Prime Minister Dmitry Medvedev hinted at the ungratefulness of Belarus by pointing out that Belarus had already received more than \$6.5 billion in loans, and insisted on his dissatisfaction. "We take this money out of our economy and give it to Belarus. We do not even require a refund, at the request of our partner at a time when Western financial markets are closed to us, we extend the repayment period of this loan. It should be appreciated," Medvedev said.

### **Lukashenko's Resistance**

The statements and behavior of Belarusian President Alexander Lukashenko indicate that "the last dictator of Europe" is still committed to maintaining the sovereignty and independence of his country. He explicitly said that Russia's deep integration scenario means the annexation of Belarus to Russia. "I understand these implications: purchase oil, but destroy the country and be a part of Russia. Some say that they are ready to accept Belarus as part of Russia with its six regions. If, as Zhirinovsky suggests, they want to force us to be a part of Russia after Belarus is divided into the regions, it will never happen. Remember: for us sovereignty is sacred, and I have said it before," Lukashenko said. According to him, if today the issue of joining Russia is raised in a referendum in Belarus, 98% of the population will oppose it. Lukashenko also reacted harshly to Russia's ban on economic and trade relations, saying that it was a sanction against Belarus and added that the Russian side had become unbridled. As a response, Minsk announced that starting from May 1, 2019, the transit fee for Russian oil through the Druzhba pipeline to Europe via Belarus will be increased by 23%. Lukashenko

also said that the pipeline passing through Belarus, transporting Russian oil and oil products to Europe, could be halted for repairs.

There was tension between the two countries on the diplomatic level due to the activities of Mikhail Babich, the Russian ambassador to Belarus. Babich is not a professional diplomat, and in August 2018, he was appointed to the post of ambassador to Belarus from the position of an authorized representative of the Russian President in the Privolzhsky Federal District of Russia. In Belarus, Babich's activities were unusual for a Russian ambassador. He often traveled to different cities, towns and districts of Belarus, held meetings with local businesses, business people, and even the opposition. Minsk regarded the Ambassador's actions as disrespect to Belarusian sovereignty. The Belarusian Foreign Ministry stated that the ambassador does not see any difference between a federal district of Russia and a sovereign state. Interesting events took place in the last days of April. First, on April 27, a meeting was held between Putin and Lukashenko in Beijing within the framework of the international forum One Way, One Road. After the meeting, Lukashenko immediately returned to Belarus without participating in the forum. Three days after the meeting, the Russian president signed a decree to recall the ambassador in Belarus. As a replacement, Putin made a new political appointment and a member of the Federation Council, Dmitry Mezentsev, was appointed to Belarus. In Belarus, high-ranking officials were arrested. First, Andrey Vtyurin, the Deputy Chairman of the Security Council and former head of the president's security service, was dismissed and arrested. Then Sergei Sivodedov, Belarusian national operator Beltelekom CEO, was detained. Both arrests were carried out by the agents of the Belarusian State Security Service and both are charged with corruption offenses. However, the timing of the arrests gives us a reason to suspect that they were politically motivated

## **Importance of Belarus for the West and Russia**

The relative improvement of the Belarus-US relations at a time when the relations of Belarus with Russia became complicated, cannot be coincidental. Let us look at the intensity and level of official and non-official visits of Americans to Belarus in recent months: On October 31, 2018, Wess Mitchell, the US Assistant Secretary of State for European and Eurasian Affairs, visited Belarus and met with Lukashenko. The Belarusian president regarded it as a historic visit and felt the need to emphasize the importance of the country's independence and sovereignty once again. Shortly after this visit, on November 5, influential representatives of US analytical centers (including General Ben Hodges, former US Land Forces Commander) visited Belarus and met with Lukashenko. George Kent, the US Deputy Assistant Secretary of State, visited Belarus earlier this year. As a result of the visit, the Belarusian government eliminated the restrictions imposed on the US embassy staff in Minsk since 2008. Until now, only six diplomats had been allowed to work in the embassy, but Washington will now be able to increase that number as much as it wants, which indicates an increase of the US interest in Belarus and the latter's importance to the United States.

Alexander Lukashenko has not shown loyalty to Russia in recent years, leaving Putin alone in the geopolitical struggle with the West. Belarus still does not recognize Crimea as a Russian territory or Abkhazia and South Ossetia as independent states. In addition, while Russia wants to build a military air force base in Belarus, Lukashenko does not think that it is necessary.

Despite the fact that Belarus has no access to the sea, it is in an important geostrategic location, and especially in recent years, the importance of the country has increased in the region. Belarus has borders with three NATO member states (Poland, Lithuania, Latvia) and Ukraine. After Crimea's annexation by Russia and the war in eastern Ukraine, NATO has set a new strategy to adapt to the changing situation. The

Alliance has begun to build a military infrastructure and deploy a military contingent to the member states bordering Russia. In addition, the United States is establishing military bases in Poland, where the second largest US contingent in Europe, after Germany, will be deployed. Russia, in turn, forms new divisions and places them in its western borders. The Russian government would like the defense line to be ahead of, rather than inside, the country. In this respect, Belarus is valuable as a frontline. Strengthening in Belarus, which is the neighbor of Poland where the US forces are deployed, is a desire of Russian military strategists. Belarus's military-strategic significance is also linked to the fact that the country may play a very important role as a potential battlefield in a potential Russia-NATO war. The Polish-Lithuanian border zone has about 100 km of dry corridor called Suwalki. This piece of land is considered the Achilles heel for the NATO. During a potential future war, Russia can quickly take control of this corridor through the territory of Belarus and create direct access to its Kaliningrad exclave as well as isolate the Baltic countries from Poland, that is the other NATO countries. Brussels believes that this attack was tested at the West-2017 trainings of Russia in 2017. NATO, in turn, tested the tactics to protect the Suwalki corridor in its trainings in Lithuania at the same year.

The rationale behind the Western countries' willingness to ignore "the last dictator of Europe" epithet and to establish a dialogue with Lukashenko is their intention to block Russia's plans. Despite his authoritarian rule, Lukashenko managed to maintain his country's independence and sovereignty by various maneuvers. If the government changes in Belarus, there is no guarantee that the country will maintain the existing status quo: if pro-Russian forces come to power, they could agree to Russia's "deep integration" and if the pro-Western forces come to power, Belarus might face a threat of occupation by Russia. For this reason, Lukashenko has become an acceptable and even valuable partner for the West.



If Russia's plans are realized, two important tasks will be fulfilled: First, Putin's policy, starting with the annexation of Crimea, to further consolidate the former empire lands under a single flag, will be successful, and Russia will gain important (military) territory like Belarus on NATO borders; second, Putin's eternal leadership will be maintained without the need to change the constitution and he will continue to be Russia's leader as the head of the alliance. In short, there is no doubt that 2024 will be a critical year in the history of Russia and the world.