

# The Union State: Belarus' Increasing Dependence on Russia and the Risk of Sovereignty Erosion, 2020–2023

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## Executive Summary

Belarusian-Russian integration, increased Belarusian dependency on Russia and reduced Belarusian sovereignty and independence have been parts of an ongoing trend for several decades. This trend accelerated after 2020 and even more so after Russia's full-scale invasion of Ukraine in 2022, culminating in the stationing of Russian tactical nuclear weapons in Belarus in 2023. Behind these dramatic political changes there is also an ongoing integration, based on the Union State roadmaps and their implementation, that increases Belarus' dependency and threatens its sovereignty. The divergent interests of Russia and Belarus resulted in a freezing of integration negotiations within the Union State until 2020. After Lukashenka was weakened as a result of the 2020 post-electoral political crisis, however, Russia used the momentum to revive integration negotiations. As a result, 28 roadmaps on the Union State were signed in 2021, encompassing nearly all strategically important areas from transport and finance to taxation and customs. Moscow's main aim is to unify and standardize these areas. The roadmaps that pose the greatest threat to Belarusian sovereignty encompass customs control, taxation, macroeconomic management, banking and transport. An accurate assessment of these dynamics is needed to analyse the evolving dependence of Belarus on Russia. Either underestimating or overestimating this process carries risks from an analytical and political standpoint. It should be understood that implementation of these roadmaps is being partially undermined by the Belarusian authorities.

## Major Integration Steps Before 2020

Several important steps towards Belarusian-Russian integration were taken before 2020. [A Concept of Foreign Policy of the Russian Federation](#) published in November 2016 made a “deepening integration processes, which serves Russia's interests, and strategic cooperation with Belarus” a regional priority.

The concept of “roadmaps” was initially introduced in December 2018, in a [statement](#) by Dmitry Medvedev who was Russia's prime minister at the time. These aimed to create a unified economic space and advance political integration between Russia and Belarus. Medvedev emphasized the need to establish supranational governing bodies, signalling the Kremlin's intention to revive the project to absorb Belarus as a no longer fully independent state. Following his statement, a joint working group was formed to prepare an [Action program for Russia and Belarus](#) on implementation of the Treaty on the Creation of the Union State. It was planned that this would be signed and adopted in December 2019 but a complex array of divergent interests between Russia and Belarus led to a pause in the negotiations between December 2019 and September 2020.

## Divergent Interests of Russia and Belarus

Lukashenka had initiated the creation of the Union State in the 1990s. At the time, the political landscape was significantly different, however, and an aging President Yeltsin served as a convenient negotiating partner. The ambitions of the Belarusian leader extended far beyond the position of the President of Belarus.

After Vladimir Putin came to power, however, the situation changed drastically and negotiations were frozen between 2005 and 2018. According to Lukashenka, Belarusian interests included reducing gas prices, opening Russian markets to Belarusian goods and compensation for the “tax manoeuvre” ([The tax manoeuvre](#) in the Russian oil industry consists of zeroing out export duties on oil and petroleum products and increasing the tax on mineral extraction, resulting in cheap oil for Belarusian refineries.) These interests did not coincide with those of Russia, however, and the negotiations on deep integration within the Union State stalled as a result. Following the 2020 presidential elections in Belarus and the subsequent political crisis, which weakened Lukashenka, Putin provided political and financial support to the Belarusian regime with the aim of reviving integration. Intensified negotiations on the roadmaps resumed in September 2020.

Initial significant outcomes from the Belarus-Russia negotiations were announced in April 2021. In November that year, the Supreme State Council of the Union State signed [Decree No 6](#), which became the main document for the first stage of “deepening integration” for 2021–2023. This decree outlined the 28 union programmes, or “road maps”, that covered almost all strategically important sectors, from transport to trade, manufacturing, agriculture, communications, finance and taxation. Russia's overarching objective is to establish unified standardized domains covering transport control, financial and banking services, taxation and customs control, among other things, through integrated information management systems.

## Implementation Process

The implementation process is only partly outlined in the roadmaps and the methodology for assessing implementation can be found [here](#). The programmes, which set as a goal the gradual absorption of Belarus as a sovereign state, focus on customs control, taxation, macroeconomic governance, banking and transport control.

From a technical standpoint, implementation of the union programmes will be carried out by responsible ministries preparing intergovernmental agreements, which are to be ratified by the parliaments of Russia and Belarus and then signed by both presidents and subsequently enacted as national law. Once these agreements have been drafted, implementation can begin. In a formal sense, the process has the appearance of a democratic procedure, but it is not possible to speak of any democratic control in Belarus given that its democratic institutions, such as its parliament, do not truly function as such. In reality, Lukashenka has no limitations on his power. However, he is personally dependent on Putin, who provided him with decisive support during the political crisis of 2020. Consequently, the vulnerability of Lukashenka's negotiating positions is obvious. This explains his serious concessions on important issues such as customs and taxes, and also provides a reason for the lack of transparency in the negotiation process.

Assessments of the implementation of road maps carried out from August 2022 to January 2023 reveal that a significant number of them are not being implemented for two reasons: first, the lack of technical solutions; and, second, sabotage on the part of the Lukashenka administration. As of the beginning of 2023, only seven of the 28 programmes of the Union State had been implemented and three were close to completion. There was insufficient information on the rest. By the end of 2023, there had been no noticeable change in this situation.

Of the roadmaps that have been implemented, the most important are the convergence of macroeconomic policies, harmonization of tax and customs legislation, and unified rules of competition. Significant hindrances to implementation were observed on the roadmaps focused on integration of payment systems, the creation of a single gas market and coordinating policies in the social-labour sphere.

### **Strengthening of Russia's Influence and the Threat to Sovereignty**

Practically all the roadmaps lead to a strengthening of Russian influence in one way or another as the technical solutions for their implementation require changes mostly to Belarusian legislation in all declared areas. Russian laws, norms and technical regulations are taken as a model for this process. Even when it comes to the creation of software for information systems and platforms for integration, only Russian companies are included as the actors.

More importantly, some roadmaps pose a direct threat to the national sovereignty of Belarus. For example, implementation of the Union State programme on the harmonization of tax and customs legislation and cooperation in the customs sphere has become the subject of public contestation. The "Agreement on Common Principles of Indirect Taxation" was ratified in December 2022. This establishes a Supranational Tax Committee but, more importantly, creates an integrated system of indirect tax administration. The Belarusian authorities present this as an achievement, as it compensates for the tax manoeuvre (see above), but this overlooks an important fact: the Russian authorities gain access to information about indirect taxes, which must be synchronized with Russian taxes. This signals the beginning of a de facto attack on Belarusian economic sovereignty. There are also plans to sign a similar roadmap on direct taxes at the next stage of integration (2024–2026).

## Transition to the Second Stage of Integration, 2024–2026

At an official meeting in January 2024, Putin and Lukashenka signed a decree launching the second stage of the Integration Plan, for 2024–2026. The plan outlines 11 main directions for integration. It is notable that areas such as culture, education, healthcare and information policy, as well as the creation of a legal framework are included in the Integration Plan for the first time. It should not be overlooked that the incorporation of initiatives such as the establishment of a common financial market and legal framework seems to represent a genuine attempt to merge the activities of the two states into a single entity.

Among the most concerning aspects, alongside integration in the areas of the financial and legal frameworks, is the endeavour to incorporate an ideological component into the integration plans. This is evidenced by the initiatives to establish joint educational programmes and develop shared history textbooks between Russia and Belarus.

## Conclusions

The 2020 political crisis in Belarus increased Russia's influence there. Putin's support for Lukashenka during a critical moment for him personally made the Belarusian ruler's position more vulnerable during negotiations on the Union State. As this analysis of the negotiation process shows, the goal of the Russian government since 2018 has been political integration with or actual absorption of Belarus, while the interests of the Belarusian side, articulated by Lukashenka as “national economic interests”, include reduced gas prices, opening up the Russian market to Belarusian goods and compensation for the above-mentioned tax manoeuvre.

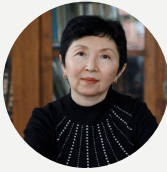
The negotiations of 2020–2021 revealed that the most challenging aspects of the first stage of integration were indirect taxes and customs administration. Belarusian national sovereignty continues to be at risk, particularly in key areas such as taxation, customs and financial management. The risk is heightened by the new areas for integration in the socio-humanitarian sphere that have been included in the proposed Integration Plan.

In addition, of particular concern is the establishment of a legal framework aimed at merging repressive tools targeted at Belarusian and Russian civil society. However, Lukashenka's efforts to thwart the Kremlin's plans, partly evidenced by his refusal to unify direct taxes, are noteworthy.

## Recommendations

- Western analysts should pay attention not only to the military-political aspects of the Union State, but also to the process of bureaucratic integration in the sphere of public administration, where the degree of threat to Belarusian sovereignty is most clearly visible. Analysis of roadmap implementation should be conducted by specialists in finance, banking, taxation, industry and transportation, as well as other fields.
- Both independent Belarusian journalists and western reporters should recognize that Belarusian sovereignty has not yet been entirely lost. It is important that they approach their reporting with greater attention to detail and consider the nuanced regional context without oversimplifying Belarus' relations with Russia, calling it “part of Russia” or spreading the view that “nothing in Belarus can be resolved without Russia”.

- Western policymakers should maintain contacts with Minsk and target messages to those individuals and government agencies that are not involved in repressive policies or Russia's war against Ukraine.
- It is crucial to support and expand people-to-people contacts between Belarusians and western states to preserve the European and Euro-Atlantic orientation of certain segments of Belarusian society. This approach would also serve as a strategic tool to counteract the growing influence of Russkiy Mir ideology in Belarus.



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