"I Love You, You Pay My Rent": Belarusian-Russian Integration[1]

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"There's no fire escape on a submarine"
A folk wisdom

The history of Russian-Belarusian integration is a strange history indeed. Throughout the whole decade ever since 1995, the two countries have engaged in a highly publicized series of diplomatic exchanges about their commitment to the Union state between each other, and ever-closer union it were to be in political, economic and military spheres. Yet despite all public declarations and the expanding bureaucratic machine that work on these declarations, there has been so little achieved in terms of real integration so far, that any student of integration would pose a legitimate question as to whether the purpose of these declarations was the integration or something else entirely. Especially puzzling is the fact that, despite the obvious disparity between these two countries, Belarus manages extract considerable concessions from its more powerful neighbour, giving little in return. For more than a decade, Belarus has sustained this strange process of integration with Russia on a slow burner and retreated each time a serious step towards integration was about to take place despite repeated threats of retaliation from the Kremlin. Yet Belarus has kept receiving considerable economic concessions from Russia in exchange for declarations of loyalty, that allowed the former to sustain its unreformed economy and increasingly authoritarian regime in relative stability. In fact, the title of this paper captures the

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essence of the relationship between these two countries so nicely, that we were tempted to leave at that.

The rulers of Belarus and Russia keep engaging in a series of public appearances, together and separately, in which they try to outperform each other's commitment to the Union state. Sometimes these exchanges end up in the joint declarations of friendship and cooperation, sometimes; to the contrary, they do in a very hostile manner. The culmination of the latter "war of words" became the nineteen-hour gas blockade (result of the disagreement over gas prices imposed on Belarus and gas tariffs for transporting gas through Belarus, for Russia) between Russia and Belarus in the winter of 2004, not unlike similarly brief gas-war between Russia and Ukraine in the beginning of 2006. Indeed, to a large extent the perturbations of this integration process revolve around gas and Belarusian dependence upon it. To quote President Lukashenko, two countries' "relations are poisoned by gas" (REFRL, February 19, 2004), or, when the rulers are able to reach agreement, perhaps, they are lubricated by gas. Yet to reduce this case of strange integration to the geopolitics of energy would be a simplification too far. Bargaining over energy resources is enmeshed with other issues, such as political survival of Belarusian ruler and the Russian attempts to rebuild political influence in its "near abroad". This paper addresses the puzzle of the underlying interests and logic behind this strange integration process between a visibly disadvantaged Belarus and stronger Russia; the process that apparently makes Belarus better off than its Eastern neighbour. In this paper we describe the main stages of Belarusian-Russian integration during the last decade and analyze the interplay between the interests of political survival of Belarusian ruler and the interests of rebuilding influence in the near abroad by the Russian elites and how this interplay is manifested in a bilateral bargaining over energy resources and, crucially, in a series of public declarations and legal acts on integration between two countries. These published statements allow us to compare and evaluate changes poof preference profiles of the two leaders across time in order to understand the fluctuating dynamics of integration process. We will also be able to map the derived positions of these two rulers to the observed outcomes of the bargaining and see whether changes in preference profiles led to more cooperation.

We begin by describing the methodology we employ to derive preferences from texts, then we map these "words" to deeds in the main section devoted to the history of the integration process. Finally, with the help of a simple game theory we show how the regime of Alexander Lukashenko is able rather skilfully to exploit geopolitical interests of Russia at the expense of her economic interests, and how this is manifested in the strange nature of this integration process.

WORDSCORING BELARUSIAN-RUSSIAN INTEGRATION

Analysis of integration games between Belarus and Russia requires information on policy positions of key political actors. Principle ways to derive this information would be through surveys of the actors themselves or "experts" who observe them, an alternative being the analysis of the behaviour of political actors in strategic setting (Laver, Benoit, and Garry 2003).

Here we propose to utilise the latest advances in context analysis methodology and extract policy positions of political actors from the texts they generate. In particular we attempt to infer the changes in policy positions from public statements made by Russian and Belarusian leaders. Constitutions of both countries provide for heads of state to make an annual address to the parliament and the nation at large, and discuss current issues of domestic and international policy (coincidentally, Article 84 in both Constitutions). Presidential addresses usually review the achievements of past year, discuss current problems, and map out plans for immediate future, not unlike State of the Union annual address that the U.S. President makes. In his 2000 address Lukashenko declared that it was meant to formulate tasks for the government for the next year, which should be viewed as mandatory for implementation at all levels of government. In Russia at the end of calendar year the government reports to Duma and faces gruelling questions on its progress in the implementation of tasks outlined by the president in his annual address (Naumov 2005). Annual addresses in Belarus and Russia are written documents with

apparently little room for improvisation on the day. Overall annual presidential addresses in both Belarus and Russia are comprehensive documents that can be reasonably expected to reflect policy positions of country leadership on several policy dimensions, thus allowing us to avoid the 'cheap talk' and enabling us to derive meaningful inference.

Extracting policy positions from parliamentary speeches and written documents usually requires the use of some laborious content analysis technique. However, latest methodological advancements significantly simplify our task. Here we will use computerised wordscoring technique outlined in (Laver, Benoit, and Garry 2003). It has been recently utilised in the analysis of party manifestos (Benoit and Laver 2003; Laver, Benoit, and Garry 2003), legislative speeches (Benoit and Laver 2003; Laver and Giannetti 2005), and speeches at the Convention on the Future of Europe (Benoit et al. 2005).

The technique treats text as data; statistically comparing patterns of word frequencies in 'virgin' texts to the patterns of word frequencies in 'reference' texts on *a priori* policy dimensions. First, relative frequencies of all the words in reference texts are calculated, which allows the calculation of a matrix of conditional probabilities for each word. This matrix has as its elements probabilities that when we are reading word *w* in front of us is our reference text *r*. On any a priori policy dimension with known or assumed positions of reference texts, this in turn allows the calculation of a vector of "word scores", where, given that we are reading word *w*, each element of the vector is an estimated policy position of text *r*. Subsequently, combining word frequencies on virgin texts with the vector of word scores allows identification of the position of a virgin text on *a priori* policy dimension (for more details see Laver, Benoit, and Garry 2003).

When analysing the speeches of Belarusian and Russian presidents we assume that annual parliamentary addresses represent preferences of governing elites (for simplicity we shall view them as personified in the figures of Lukashenko and Putin respectively) of two countries on various policy dimensions. While undoubtedly both addresses are prepared by the teams of the ghost writers, the ultimate decision as to what include and

what exclude from the address rests with the chief executives themselves. Essentially we place underlying preference profiles of Lukashenko and Putin at two ends of *a priori* dimension of analysis. Hence wordscoring the speeches of the presidents would enable us to observe the dynamics of change of their preference profiles relative to reference texts.

Our empirical analysis focuses on the later period of integration games between Belarus and Russia. We easily downloaded all Putin's annual addresses to the parliament (2000-2005) from his official website[4]. Full set of annual addresses of Lukashenko was much more difficult to compile. Official website oddly lists public addresses of the president only from 2001, when he was first elected in 1994; it does however provide texts of 2002-2005 annual addresses to the parliament[5]. Lukashenko's 2000 and 2001 addresses had to be extensively googled and downloaded from elsewhere[6]. The choice of reference texts is primarily influenced by our interest in the integration dynamics summarised in the title of this paper. That is we would like to see why Belarus enjoys free gas in return for kisses. Laver, Benoit, and Garry (2003) suggest the earliest dated texts as a reasonable choice of reference texts. Moreover, speeches by Lukashenko and Putin in 2000 contain similar number of words (5,387 and 5,149 respectively), thus prompting us to adopt them as reference texts. On an artificial metric we assume scores of +1.0 for Putin's 2000 speech and -1.0 for Lukashenko's 2000 speech.

We also supplement our evaluation of integration games with the analysis of the texts that are supposed to regulate the creation of the Union between Belarus and Russia. Hence we focused on 1999 Union treaty, and a 2002 draft of the Constitutional Act of the Union state, with the constitutions of Belarus and Russia taken as reference texts with scores -1.0 and +1.0 respectively. The first two documents were downloaded from the website of the Union information agency[7], and the constitutions from official websites of the presidents of respective states. Analysing these texts we assume that they are the results of a bargaining game between Belarus and Russia. We want to investigate whether it is

[4] http://www.kremlin.ru/sdocs/appears.shtml?type=63372 (last accessed 9.1.2006)
[5] http://president.gov.by/rus/president/speeches/speech/ (last accessed 9.1.2006)
[6] 2001 address was downloaded from an internet archive of *Sovetskaja Belorussija,* a government daily newspaper http://press.bymedia.net/press.article.php?articleID=135094 (last accessed 9.1.2006); and 2000 address from *Evrazijskij Vestnik,* a pro-CIS, pro-Union journal devoted to 'Eurasian' thinking (last accessed 9.1.2006) http://www.e-journal.ru/soyz-st6-1.html
[7] http://www.sinfo.ru/ru/juridical_library/statutory_acts/ (last accessed 9.1.2006)

possible to place these bargaining outcomes on a dimension with extremities representing quintessentially Belarusian and Russian ideal points, epitomised in the constitutions of two countries.

TALKING INTEGRATION VS. DOING INTEGRATION

Alexander Lukashenko, the first and maybe the last president of Belarus, came to power in 1994 on an anti-corruption drive. His election replaced a parliamentary republic with a presidential republic. Subsequent constitutional changes allowed Lukashenko to consolidate personal power leaving Belarus in the words of US President George W. Bush and his Secretary of State Condoleezza Rice the "last dictatorship" in Europe, and an "outpost of tyranny"(Tisdall 2005). Early years of Lukashenko's tenure in office were characterised by his popularisation of the idea of a revival of Soviet Union in the form of ever-closer cooperation within the Commonwealth of Independent States. When he did not find full appreciation of this idea from his partners in the CIS presidents club, Lukashenko focused on the idea of a scale-model of the USSR within the borders of Russia and Belarus.

According to the official outline of integration process the foundation was laid with the signing on January 6, 1995 of the Customs Union, and subsequently, February 21, 1995 of the Friendship and Cooperation agreement between Russia and Belarus. Formalisation of the integration rhetoric became apparent with the signing of a Community agreement between Russia and Belarus on April 4th, 1996. 'Special' relationship received further development one year later under the Union treaty of April 4th, 1997. Details of the Union and concrete integration steps were spelled out in the Declaration of further integration signed a year later on December 25th, 1998. However, again one year later, on December 8th 1999, even further integration between the two states was promulgated with the singing of the Agreement of the creation of the Union State. (2005) These general policy

agreements signed by the heads of state were accompanied by a plethora of policy area specific agreements signed by either heads of state or lower ranking officials[8]. (2005)

There are several objective reasons why the leaders of Russia and Belarus repeatedly stated their preferences for the integration between two states. Official public rhetoric cites ethnic similarities and economic complementarities of these countries. However, this does not explain almost annual schedule of treaties coming out of the integration pipeline. Admittedly, union state building is not an easy process but that cannot be taken as an objective reason for re-iterative process described above. Moreover, we can only speculate about the real reasons behind it. It may be along the lines that Lukashenko and Yeltsin used the idea of the Commonwealth to cement their political position domestically by exploiting very popular nature of the process with the electorate still nostalgic of the Soviet times (Yeltsin was facing a very close election, and Lukashenko was changing the Constitution to boost his powers). Union treaty of 1997 can be seen as the first step to deliver on previous public promises. However by that time Yeltsin was looking more and more ill after a short-lived electioneering energy boost. On the other hand Lukashenko has just completed the restructuring of the political system that left him in sole control of the estate with 'checks-and-balances' persuaded into dissolution with the help of police truncheons. Further integration culminated in the Union state treaty of 1999. That was supposed to be the crown of union state building, resolving all remaining questions and allowing for the final integration of two states into one USSR-type creation. Union State was envisaged to have single currency and budget, with single economic, customs, legal and defence space, common external borders and coordinated foreign policy. (1999) At that time Yeltsin left an impression of a person not in control of the country, while Lukashenko was probably bored in politically levelled out Belarus (Pourgourides 2004). Young ambitious leader viewed with interest the possibility of enlarging his playing field to a country where he was quite popular with the electorate. With the Union state treaty of 1999 Lukashenko put his foot in the door of Russian politics, or rather Union state politics.(Bovt and Grigorieva 2003; Golubev 2001)

[8] See also official Law classifier http://www.pravo.by/classifier/classif.asp?code=17

However Yeltsin still had far more political intuition than allowed by pundits and subsequently chose Vladimir Putin as successor in the presidency of Russian Federation, thus frustrating Lukashenko's possible grand designs. The relationship between Belarus and Russia changed significantly after Putin's accession to the throne. The rulers of these two countries engaged in a series of public appearances trying to outperform each other in talking 'integration', yet no signs could be inferred of them actually doing 'integration'. Although integration rhetoric remained present in the media, it shifted to the periphery of political discourse in Russia. Additionally, the relationship between two presidents was never as cordial as during Yeltsin's rule, and at times was very cool and accompanied by quite bellicose statements. The Union project was effectively put on the back burner until the summer of 2002 when integration rhetoric once again moved to the centre of political discourse. The sides entered the summer with Lukashenko positioning himself as an enthusiastic 'chief integrationist', thus obvious lack of progress in Union making would logically be due to less 'enthusiastic' position of Putin.

To make up for a long period without personal contact Putin spends 9 hours with Lukashenko in St. Petersburg on June 11th, 2002. (Klaskovsky 2002) Immediate comments after the meeting were ordinary and did not draw attention of the media. However, two days later Putin, visiting a medical centre in Moscow, in passing noted that it was time to stop making the appearance of integration and proceed with genuine integration. He suggested that the form of integration had to be identified precisely depending on the depth of integration pursued, also outlining several alternatives: Soviet Union vs. EU type integration. Putin then publicly called for separation of "legal chaff from porridge" when drafting the Constitutional Act (CA), which was intended to formalise government and legal systems of the Union state. Russian president said that it was time to stop "chewing the gum of integration" and decide on the goals of the process, stating that "flies have to be separate from meatballs". (KP 2003) Russian president effectively began the process of undermining Lukashenko's image of leading integrationist.

Next summit of two presidents was scheduled for August. Belarus was busy preparing for the summit, propping up the defences. On July 17th, Belarusian court questioned the legality of Russian ownership of "Zapad-Transnefteprodukt", a company that nominally owns oil pipelines on the territory of Belarus, and belongs to Russian state company "Transnefteprodukt" that manages and owns export oil pipes. With this action Belarus directly threatened Russian strategic exports. (Voloshin 2002) In addition Belarusian government also restricted re-broadcasting of Russian television stations in Belarus, and cancelled re-broadcasting of two Russian radio stations ("Mayak" and "Yunost").(Klaskovsky 2002)

Before the summit Lukashenko declared publicly that Belarus will go in integration as far as Russian leadership is prepared to go. (KP 2003) Moscow summit itself was rather short, compared to the last meeting of two presidents, lasting just over two hours, and again might have proved nothing out of ordinary. However, at the press conference after the meeting, when Lukashenko stated that they discussed three alternatives of integration, but will not disclose them, Putin surprised the journalists and Belarusian president by publicly outlining these three approaches to integration process between two states. He proposed to create the Union state based on the results of a referendum, held in half a year, asking the population of two countries whether they supported integration of Belarusian regions into Russia based on Russian Constitution. Referendum would be followed by the elections of Union legislature and single president a year later. As other alternatives Putin named EU type integration, and a status quo. (Kolesnikov 2002)

Lukashenko did not respond publicly until his plane touched down in Minsk. Then over the next several days Belarusian president publicly became the biggest proponent of sovereignty with some of the rhetoric making nationalist opposition jealous. He famously stated at a press conference at the opening of "Raubichi" sports complex near Minsk that "a bird cannot fly with one wing, at least for a long time. Hence Western direction is very important for us".(Lukashenko 2002c)

On September 7th, Lukashenko re-iterates his position that 1999 Union treaty is the best basis for Union state and instead of inventing new integration alternatives, Belarus and Russia should focus on implementing existing agreements.(Lukashenko 2002a) In an extended interview with BBC Belarusian president states his position clearer. He asserted that in the immediate future, even if somebody did not like it, the relationship with the West would significantly improve. Lukashenko was confident that Belarus had already received "certain signals" from the West, and improving the ties with the US and EU became "one of the priorities of Belarusian multi-vector foreign policy".(Lukashenko 2002b) Belarusian president subsequently announces his intentions to attend a NATO summit in Prague in November. That was by all means a sudden turn around, as Belarus has been isolated at the international arena since 1997, and previously viewed Russia as its priority in international relations with CIS countries realistically comprising full set of vectors of its multi-vector foreign policy.

Belarusian economy heavily depends on gas deliveries with 70 per cent of its energy consumption made up of gas, and 90 per cent of electricity produced at gas-powered power stations.(Vinogradova 2004) These facts help to put into perspective the extent of Russia's "appreciation" of Lukashenko's rhetoric. It became apparent on November 1st, when Gasprom cut gas deliveries to Belarus by 50 per cent. Officially it was explained by Belarus' failure to sign new gas delivery contract with higher price. (Vinogradova 2004) The situation escalated further when on November 6th; Lukashenko chaired an extended Cabinet meeting discussing energy security of the country. He called Gasprom's actions "economic terrorism", also reminding that Belarus had spent its fair share of time in the trenches of WWII.(Lukashenko 2002e)

However, 2002 gas 'blitzkrieg' finished with the capitulation of Belarus, which was forced to accept Gasprom's new contractual demands and pay outstanding debts on old contracts. At the same time Lukashenko's possible overtures towards the West were rebuffed when he was denied visa to attend a NATO summit in Prague. Subsequently in November Lukashenko flew to see Putin in what is reminiscent of the "return of the prodigal son". The homecoming was celebrated with an offer to supply gas to Belarus at

Russian domestic prices. In return Belarus acceded to Gasprom's demand to buy a stake in Beltransgas, state-owned company that owns and operates high-pressure gas pipelines used by Russia to export 20-25 per cent of its gas to Western Europe. Effectively Belarus just agreed to adhere to April 12th agreement that linked cheap gas to the creation of a joint venture to replace Beltransgas in which Gasprom would hold a parity share with Belarusian government. (Bykovski 2004)

Russia also agreed to adhere to another agreement. In that case it was the 1999 Union Treaty stipulating drafting a Constitutional Act as the next stage in Union development. It also heralded the return to the process of legal consultations that were apparently suspended after the "legal chaff" comments earlier. Speakers of lower Houses of Parliaments were now tasked with heading the efforts in drafting the CA, with an official draft being unveiled in March 2003.

The analysis of the document further supports the view that it tilts heavily to Belarusian side. Lukashenko always held that the basis for CA should be the 1999 Union Treaty, which preserved sovereignty of the states while also allowing for Belarusian president's direct involvement and disproportionate (from the point of view of demography, economy, and international standing) influence in the Union's political sphere. Belarusian side also always maintained the need for legal equality of two participant states, which would have resulted in quantum increase in Lukashenko's political power and prestige. In his April 16th address to the Parliament Lukashenko admitted that the draft Constitutional Act satisfied Belarusian expectations in extending on the 1999 Union Treaty in preserving sovereignty and distinct economic systems of two countries.(Lukashenko 2003) However, Russian political leadership never singed up to the ideas preached by Lukashenko and outlined in the draft Constitutional Act. This is evidenced in repeated delays of CA review by the presidents (a necessary step after drafting) and recurring amendments to apparently finalised drafts. As late as this year, now with the completely new version of CA the Russian side still cited some problems with the document that lingered from 2002. (Redichkina and Aptekar 2005)

This suggests that in consultations in 2002 – early 2003 Belarusian side managed to force through a draft that was closer to their preferred outcome than to the outcome favoured by the Russian side. It is surprising, given that it was Lukashenko who flew in to seek Putin's forgiveness. Hence we would expect the position of the Belarusian president in the negotiations to be relatively weak, subsequently influencing the outcome by pushing it closer to the Russian preferred result. That is unless Russia had no intention of following the Constitutional Act through from the beginning, or bargain over the CA being part of some bigger game played simultaneously.

Utilising the methodology discussed in the previous section gives us a chance to test statistically propositions we just put forward. We would like to assess whether draft Constitutional Act was part of Russia's appeasement policy of Lukashenko. As discussed above, estimated position of the Constitutional Act would reflect the outcome of the bargaining game between Russian and Belarusian leaders. The presidents themselves suggested the choice of reference texts for the Wordscore estimation. In his statement at the press conference after August 2002 summit Putin suggested that the Constitution of the Union state should be based on the Russian Constitution, while in his subsequent retorts Lukashenko vehemently and repeatedly denounced this idea defending the Constitution that he allegedly drafted himself in 1996. (Kolesnikov 2002; Lukashenko 2002c) Thus we used Constitutions of Russia and Belarus as reference texts, and estimated the position of the draft CA relative to these two texts. If the Constitutional Act is closer to Belarusian Constitution then it is closer to the position of Lukashenko, and the opposite is true if the text is closer to the Russian Constitution.

Below we present results of wordscoring the draft of the Constitutional Act in relation to the Constitutions on a -1 +1 metric. Metric standardisation procedure in Wordscore is designed for more than one virgin texts, hence for interpretative and comparative reasons we also included the texts of the constitutions as virgin texts in addition to the CA text.[9] Figure 1 presents transformed scores with 95 per cent confidence intervals (see Laver, Benoit and Garry (2003) for more details on scores standardisation and interpretation of

[9] We thank Ken Benoit for this suggestion

the results). We find some support for Lukashenko's boastings in the Parliament about the outcome of the Constitutional Act bargain that we cited above. (Lukashenko 2003) However, statistical analysis of the text is a bit more modest, admittedly being modest compared to Lukashenko is not difficult as can be testified by any Belarus watcher familiar with his public appearances. Wordscoring the draft Constitutional Act places it on the "Belarusian side", though just off the midpoint between two national constitutions with 95% confidence interval marginally overlapping the midpoint.

<<Figure 1. about here>>

Another test of our appeasement policy proposal would be to evaluate how close the Constitutional Act is to the 1999 Union treaty. Since Lukashenko repeatedly stated that the CA would ideally be an extended version of the Treaty, we would expect that the closer is the estimated position of the draft to estimated position of the Treaty, the closer is the outcome of negotiations to Belarusian president's preferred outcome, in turn being a manifestation of presidents' actual bargaining power. Based on Lukashenko's (2003) comments we should expect the draft Constitutional Act to be very close to the 1999 Union Treaty. Wordscore indeed confirms the statement of Belarusian president as illustrated in Figure 2. In fact transformed 95 per cent confidence intervals for CA and 1999 Union Treaty overlap: CA (-0.097, 0.055) and 1999 Treaty (-0.165, -0.0001), with point estimates of -0.021 and -0.0826 respectively. Although their numerical values suggest that the 1999 Union Treaty is slightly more to the left (more "pro-Belarusian") than the draft Constitutional Act, we cannot statistically distinguish between two texts.

<<Figure 2. about here>>

That is we cannot say with statistical confidence that the 1999 Union Treaty is different from the draft Constitutional Act. This result indicates that in the CA game Lukashenko came out a clear winner. Having just lost the first "gas war" Belarusian president staged an amazing come back by forcing through his preferred version of the Constitutional Act. However, contrasting the results in this section with subsequent developments that we discuss below indicates that Lukashenko was probably allowed to win this game, which was nested in a bigger game played simultaneously.

The relationship between two countries and two leaders remained cool over the next year, which became apparent when Lukashenko abruptly cancelled his scheduled speech at the Parliamentary gathering of the Union state on May 21st, 2003. Commentators immediately called it a retaliatory measure to Putin's failure to mention the Union project even once during his annual address to the Duma a week earlier. (Grigorieva and Danejko 2003) About the same time the Euro-Asian Economic Community (economic integration project initially consisting of Kazakhstan, Ukraine, Russian and Belarus) moved to the top of the Russia's foreign policy agenda. (Grigorieva and Danejko 2003) Russia proceeded that year to court Ukraine, with Putin pushing through Kuchma's election as the presiding chairman of the CIS. In what may appear to be a jealousy driven decision Lukashenko alone objected to the appointment, further cooling down the relationship between the leaders of two countries comprising the Union state. (Shishkunova 2003)

The relationship between Union states reached its nadir, so far, in the winter of 2003-2004. At that time Russia was once again applying 'Gasprom diplomacy'. Just as the black ships of Commodore Perry opened up Japan in the 19th century, Gasprom becomes the prime tool of Russian diplomacy to "open" countries in its sphere of interest. With the conflict with Ukraine and Moldova still fresh in memory, earlier sallies included Turkmenistan and Azerbaijan. (Shakhinoglu, Mazaeva, and Skorniakova 2005)

On February 17th, on the pretext that Belarus used up its quota of gas allocated according to previous contract and has not signed a new contract Gasprom reduces gas transit through Belarus by 30 per cent, which is the exact share of Belarusian gas consumption. Instead Gasprom suggests that Belarus signs new short-term contracts with independent gas suppliers that sell gas at a higher price. However, Belarus decides to take gas out of transit volume directed to Western Europe, immediately branded by Gasprom as theft. The next day Gasprom completely stops gas transit through Belarusian territory for 19 hours. (Gubenko and Grigorieva 2004)

Lukashenko reacted to the problems with gas deliveries at first very raucously. He recalled the ambassador from Moscow for consultations on February 19th. Belarusian President also called the whole affair of stopping gas deliveries in freezing temperatures an "act of terrorism", also stating that the "relationship [between Russia and Belarus] is poisoned by gas." (RFERL 2004)

Gas market experts were quoted at the time as saying that without long-term damage to Gasprom's reputation in its main export markets of Western Europe such an extreme measure as shutting down gas transit through Belarusian territory "can be used only once". (Gubenko, Grigorieva, and Danejko 2004) This indicates that Lukashenko's behaviour at the moment was perceived in Kremlin to be warranting the use of extreme measures. One possible explanation is that Belarusian president really believed that he somehow won the first "gas war" with the capitulation agreement by magic turning into the Constitutional Act.

An indicator of the bitterness felt in Kremlin over Lukashenko's behaviour is evident from an unusually blunt statement issued by the Russian Foreign Ministry: "Lukashenko has taken the course that leads to further deterioration of relationship with Russia. (…) President of Belarus bears sole responsibility for systematic mistakes in domestic and foreign policy that inhibit social and economic development of the country and that

already resulted in international isolation of Belarus". (Gubenko, Grigorieva, and Danejko 2004)

Gasprom never relinquished its desire to take over Beltransgas following the gas conflict in 2002 and promises made at the time of Belarus' capitulation. Russian gas monopoly expected to buy a stake in the company that would give some measure of control over export pipelines. However negotiations proceeded very slowly with both sides unable to agree on the price of Beltransgas. Lukashenko publicly declared that the company was worth 5 billion dollars, which is different from Russian evaluation of the whole company at 1 billion dollars and controlling stake at 580 million dollars (Vinogradova 2004). A member of Russian negotiating team was quoted in the press listing the choices open to Minsk: Belarus had to decide between expensive gas and preservation of national pride embodied in pipeline ownership; or cheap gas and a joint-stock company. (Grigorieva 2004) Both choices were outside hitherto prevalent logic of the relationship between two countries within the Union state. The only preference that Minsk enjoyed was the ability to choose the lesser of two evils, and to choose very quickly. The slogan of the Russian side at negotiations became "the main thing is not to push it too far". (Gubenko, Grigorieva, and Litovkin 2004) In turn Lukashenko used Belarusian cooperation with Russia in military sphere as the last remaining bargaining chip: Russia still operated several strategically important military installations in Belarus, in addition to air defence being an integral component of Russian air defence system. Lukashenko claimed that some of these services have never been fully compensated, summarizing the problem over the Russian transit in a one-liner to remember: "they fly, crawl, walk here, and all of it practically for free" (Gubenko, Grigorieva, and Litovkin 2004).

During the second "gas war" Belarus managed to hold out for much longer than in the first Gasprom "blitzkrieg" campaign of 2002. Although this time around the pressure exerted on the Belarusian government was much higher, it preferred to buy gas from independent gas suppliers even on short-term contracts that could not adequately satisfy energy needs of the economy. Belarus agreed to sell a controlling stake in Beltransgas early in the conflict when a nineteen-hour break in gas supplies became a noticeable

argument in the dialogue. In return Gasprom was more willing to discuss the exact terms of the deal, keeping the pressure on by refusing to sign gas delivery contracts until the deal over Beltransgas was finalised, yet at the same time supporting "independent" suppliers (some independent suppliers, like SIBUR, are owned by Gasprom). (Manenok 2004) At the time, the obstacle has been an independent evaluation of Belarusian gas monopoly, with Russian side proposing to use Moscow office of Deloitte&Touche and Belarusian side insisting on the London office to avoid possible conflict of interest. (Bykovski 2004) Lukashenko was holding out until his second round of talks with Russian president on June 5th (two weeks after unsuccessful first summit), when presidents apparently agreed to proceed with integration for kisses exchange.(Naumova, Glanin, and Grivach 2004) As the result long-term gas contract was signed three days later in a compromise over price and transit tariffs. However, in a major concession Belarus surrendered its longstanding claim to "Zapad-Transnefteprodukt", thus securing Russian oil exports. (Kahiani 2004)

Nevertheless, Lukashenko succeeded in keeping his only remaining and most valuable bargaining chip off the agenda, again delaying the takeover of the company by Gasprom. Although Russian gas monopoly never publicly abandoned the idea of gaining control over Beltransgas, statements in the media were never again as bellicose as in the run up to the June 5th summit of the presidents. At the moment of writing negotiations over Beltransgas continue. Evaluation of the company remains the sole formal obstacle to Russia's desire to take over gas transit network in Belarus. (Manenok 2005) What we witness now is that almost four years after signing an agreement to sell Beltransgas, negotiations over the deal are still in progress, while at the same time Belarus enjoys the lowest gas rate outside Russia. The presence of this puzzle in "pragmatic" world of Russian diplomacy indicates that the key to explaining past conflicts and their solutions lies primarily in political arena, with direct implications to integration processes between two countries.

Above we have investigated the outcomes of a bargaining game over the Constitutional Act, and suggested that it should be viewed in the context of a bigger integration game,

thus explaining Russian concessions to Lukashenko. The integration game will be analysed in the last section, however here we would like to evaluate whether preference profiles of political elites of two countries shifted over the years to coincide with the actions we have just described.

We went ahead and again applied wordscoring methodology, however this time to all presidential addresses for Lukashenko and Putin for the period from 2000 to 2005 as described in the first section of our paper. The results are graphically presented on Figure 3. As becomes clear from the figure, while we expected to see shifts in preference profiles of two presidents, we can discern significant movement only on behalf of Lukashenko. For each president it is not statistically possible to distinguish between speeches given in subsequent years, as their 95 per cent confidence intervals overlap. The only exception is Lukashenko's 2002 speech with a significant jump away from the centre. Reading the 2002 text and comparing it to other annual addresses of Lukashenko, we could identify that it is different from previous and subsequent speeches in covering less dimensions of policy, but being more detailed on the dimensions that it covered. For example, international relations section of the speech contained 8 per cent of the words in 2005 and 15 per cent in 2002. When the latter covered extensively only the relationship with Russia and CIS countries, the former discussed the state of relations with UN, EU, US, and Russia, in addition to the "war on terror".(Lukashenko 2002d; Lukashenko 2005) However it remains unknown what are the underlying factors behind unusual composition of the 2002 speech, and we are forced to leave it at that.

<<Figure 3 about here>>

The first interesting thing about Figure 3 is that text, language-blind methodology that we applied here confidently differentiated the speeches of Lukashenko and Putin, proving

again its value for social scientists. The fact that the speeches of two presidents are statistically different, in our interpretation means that they have statistically distinct preference profiles. This is a significant result in itself, as it statistically supports the view among some commentators that Russian elites cannot possibly consider Lukashenko as an acceptable figure for any position in Russian politics. (Bojchuk 2003) This may then be one answer to the question what went wrong with Lukashenko's grand design of the late 1990s. Putin was chosen to succeed Yeltsin instead of Lukashenko because Belarusian president was less acceptable to Russian elites' taste than Somoza was to Franklin D. Roosevelt's.

The position of preference profile of Russian elite remained constant with the exception of insignificant movement towards the centre in 2004. On the other hand, apart from the speech in 2002 the position of the preference profile of the Belarusian side has been constantly moving towards the centre, eventually moving across to the "Russian side" in 2005. This suggests that although the gap in preference profile positions may explain why Lukashenko failed in his earlier attempt to move into Russian politics, the dynamics of his profile shifts are indicative. It appears that he unilaterally decided to move towards the centre, and later over to the Russian side. For now the Belarusian president is still not an acceptable choice to Russian elites. However, with the current rate of change and Russian elections set for 2008 Lukashenko may still find himself an active participant of the succession game, and part of the solution of Problem-2008.

Another interesting observation from the analysis of the texts is that unsurprisingly Lukashenko talks… However, what is surprising is that over the years he talks more and more: while his 2000 address was "mere" 5,387 words, it expanded to 13,558 words by 2005 (mean over 6 years 9163, standard deviation 3443). Putin on average says only 5,573 words (st.dev. 462). Although Lukashenko still does not match the standard set by Fidel Castro's September 26 1960 speech in the United Nations, which lasted 4 hours and 29 minutes, after recent changes to the Constitution that removed term limits and the current rate of increase in wordiness, Lukashenko is set to approach the level of Nicholas

Stadlen QC[10] by the time he reaches the age of a respectable Chinese Politburo member. Such increasing verbosity should be a reason for concern on humanitarian grounds, since all speeches by the President are televised live on all Belarusian channels.

ALL QUIET ON WESTERN FRONT

At this point it is pertinent to ask why Kremlin relented and first allowed Minsk to drag on with the negotiations over the sale of Beltransgas, later effectively putting the whole issue on the back burner. Gasprom, at the same time, continued to supply gas at the lowest possible rate, thus subsidising ineffective Belarusian economy, while apparently receiving nothing in return.

It is possible to speculate that Russian concessions at the June 5th summit were made because Russian leadership was entering an active stage of their campaign on the Ukrainian front and considered it not very convenient to keep one flank exposed. Alternatively, concessions could have been the price Lukashenko asked for playing a supporting role to Russian meddling in Ukrainian politics, with the first opportunity arising already in three weeks when Lukashenko accompanied Putin and Kuchma at the opening of USSR-nostalgic Friendship-2004 festival.(Gamova and Sologub 2004) Preparation for the Ukrainian campaign could be traced to Putin's increased interest in courting Kuchma as early as 2003. (Grigorieva and Danejko 2003) Judging by the intensity of meetings between Russian and Ukrainian presidents by summer 2004 Russia was ready for active involvement.(Vorobjev 2004) Tacit electioneering by Putin began at the above-mentioned Friendship-2004 festival and formalised at the official summit with Kuchma on August 19th, when Yanukovich was officially introduced to Russian president. (Kozhushko 2004) However, Belarus enjoyed exceptional treatment in energy sphere even after the failed Putin's Ukrainian campaign. Special relationship was reiterated recently amid the price hike for Ukraine when Belarus signing an agreement

[10] Nicholas Stadlen QC ended his "opening comments" after talking for 119 days, which proved the longest speech in British legal history. Bowers, Simon. 2005. QC completes longest speech in legal history. *The Guardian*, 25.05.

with Gasprom on gas deliveries that kept the price unchanged from the previous year. (Manenok 2005)

One possible explanation can be the change in preference profiles of Russian leadership. As it has been noted above, and will be elaborated in more detail below, Belarusian-Russian bargaining over energy resources is enmeshed with other issues, such as political survival of Belarusian ruler and Russian attempts to rebuild political influence in its "near abroad".

Support for integration with Belarus in 1990s among Russian elites can be mainly explained by their desire to gain votes of the electorate still very nostalgic for the Soviet Union and politically rewarding any attempt to rebuild it. In similar vein, attempts to streamline the relations with Belarus during Putin's first term were part of a broader drive at strengthening the state and rebuilding Russian influence in the countries of former USSR. On the other hand, the events of the late 2004 Orange revolution in Ukraine seemed to reverse the pattern of Putin's earlier dealings with Lukashenko and led to adoption of a more cautious policy. Despite repeated and visible Putin's support for Yanukovich his failure to win the elections and the prospective for managed succession in other presidential regimes of "Near Abroad" in general threw Russian political elites in state of shock. In the words of Bulgarian political scientist Ivan Krastev: "Ukraine's orange revolution was Russia's 9/11" (Krastev 2005).

Events in neighbouring Ukraine led to frantic counter-revolutionary preparations and proliferation of various pro-Kremlin youth groups designed to offset possible revolutionary activity inside Russia. Ironically, they also made Lukashenko a very valuable partner. It may very well be that Putin was still willing to proceed with his policy of "separating legal chaff from porridge" in relations with Belarus, possibly combining it with launching a pro-Russian candidate not unlike Yanukovich that could be more predictable than Lukashenko. However, unexpected and drastic changes in Ukraine brought home the fact that further undermining Belarusian regime could bring not only concessions but also uncertainty and the possibility of pro-Western victory only this time

in Belarus. During the meeting of two presidents in early December of 2005, Lukashenko cashed in his loyalty chips for Russian gas:

"I would like to thank you, Vladimir Vladimirovich, for the Government and the energy companies which fulfilled your instruction. We have almost worked out the contract on energy carriers supplies to Belarus following our accords… We are getting close to presidential elections in Belarus, and you know what's going on around our country so I'd like to brief you on this too. You also promised to tell me something…".(Kolesnikov 2005)

CHEAP GAS IN RETURN FOR KISSES

The integrationist interplay between Russia and Belarus can be best illustrated with the help of very simple tools of game theory. For the ease of exposition and because of a non-technical nature of this edited volume, the following is rather informal. There are two players in the game, Russia and Belarus. They engage in a strategic game with simultaneous moves. Russia has a choice of either supporting regime of Alexander Lukashenko, or withdrawing its support. Belarus has a choice of either integrating with Russia (real integration), or not (pretending to do so). Let's elaborate on these strategies a little bit. Russia maximizes its geopolitical and economic interests in the region, so it supports Belarusian regime as long as this support advances her interests. If the regime of Alexander Lukashenko harms Russian interests, Russia withdraws her support. As we showed in the preceding section, despite its unpredictability and the lack of legitimacy (and, perhaps, because of it), the current Belarusian regime suits Russian geopolitical interests very well indeed. As long as Alexander Lukashenko is in office, Russia should not concern itself with the possibility of losing its Western ally. Belarus cannot join NATO or apply for E.U. membership as long as it remains a non-democracy. Due to its sore relations with the U.S. and the whole European Union that are hardly possible to improve under the current Belarusian leadership, Belarus also cannot be expected to turn towards the West by evicting Russian military bases from its territory or hosting

American bases instead. In short, under current circumstances regime of Alexander Lukashenko satisfies Russian geopolitical interests and we should not expect withdrawal of her support, all things being equal.

It is the second part of the title of this paper that concerns Russia, however. Indeed, Belarus enjoys many economic benefits from its privileged relationship with Russia that are hardly reciprocated. One has only to recall Russian subsidized oil and gas deliveries to Belarus, as well as its easy access to the Russian market to realize that Russia to a large extent does "pays rent" for Belarusian "economic miracle". While a gas war was raging, this time between Russia and Ukraine in the beginning of 2006, with Russia demanding $230 for a cubic km of gas, and Ukraine agreeing to pay $80 (eventually agreeing to $95), Russia agreed to supply Belarus with gas for $47 (compare with $120 for the Baltic states, $110 for ex-Soviet Caucasus states)[11]. Indeed, Belarusian economy has never been reformed and restructured but it stays afloat largely due to the generous energy prices that even allow Belarus to become the net exporter of energy products to the European markets (after reprocessing Russian oil in its oil refineries) (Pontis Policy Report, 2005). The possibility of investing and participating in Belarusian privatisation so far has been denied to the Russian companies (one has to recall the widely-publicized travails of *Itera*, Russian energy company, for example). The long awaited and much talked about introduction of a single currency is being postponed with a regularity that questions our beliefs whether the purpose of this exercise has ever been single monetary union in the first place. In short, while Belarusian regime serves the political interests of Russia on its Western borders (from the point of view of the Russian leadership), the former defects on economic cooperation, which in turn repeatedly provokes Russia to denounce its ally and to threaten it with sanctions that never materialize.

If we turn to Belarusian strategies vis-à-vis Russia and if we simplify the choice of strategies as well here, we can see that the former has a choice of either continuing the

[11] Whether the price for this has been the long-awaited and much speculated sale of "Beltransgas", Belarusian gas pipeline network, is not known at the time of writing this paper. One has to recall, however, that similar speculations preceded 2001 Belarusian Presidential elections. The sale, however, once elections had passed, did not materialize. See *Talking Integration vs. Doing Integration* section for background on the bargaining over "Beltransgas".

game of promises and "cheap talk" of integration, hosting annual summits and postponing the introduction of a single currency again and again, or, on the contrary, by integrating with Russia economically and politically either in the format of a Union state or some other form of integration. We described the history of the Union state formation in the preceding sections. The latter strategy would necessarily incur reforms of the state-run economy in Belarus that is incompatible with the current form of Russian amalgamation of oligarchic and state-led capitalism. In turn, that would inevitably lead to a full-scale privatisation, in which Russian companies would be allowed to participate. The former would also entail a series of initial social and economic shocks familiar to all transitional countries, but which Belarus still faces to experience in the future and postpones with the help of Russia. As Belarus enters 2006, it exhibits all features of a full-blown personalist dictatorship. (Freedom House, 2005; on the features of these regimes, see Chehabi and Linz, 1998). The key feature of this type of regime is the centrality of the ruler rather than a clique or a ruling party, so that the incentive of ruler to survive in office overrides all policies, and regime survives as long as the ruler survives. In this kind of regime, ruler chooses policies that enhance his survival. To put simply, barring mistakes and uncertainty, policies that are compatible with ruler's survival would be implemented, and those endangering survival would be discarded.

In order to understand the cheap talk of integration, we should understand the incentives of Belarusian ruler. The regime is based on the explicit rejection of economic reforms and private initiative. It maintains a hardly reformed Soviet-type of socialism with the elements of private initiative, not unlike in the Czechoslovakia in the period of "normalization" in 1970s. While average income by the standards of CEE is hardly remarkable, the regime maintains relatively low visible level of unemployment and provides a minimum social safety net that allows it to keep the level of discontent rather low and to claim economic success of its model. Needless to say, the key to political survival in Belarus lies in the continuing existence of its chosen hyper-statist model of economy and control. In order to understand the strange game of promises between Belarusian and Russian regimes, we should analyze it in terms of political survival of Belarusian regime that chooses policies that enhance its survival, and rejects those that

endanger it. As a real integration with Russia would necessarily entail a series of economic reforms that would dismantle the control of the state over economy and, should single currency be adopted, would lead to the loss of a monetary control for Belarusian regime, we should expect Belarusian leadership to prefer a continuation of a game of promises over integration with Russia, that is, the first part of the title in return for the second.

With this in mind, we can easily see that the most preferred outcome for Russia is its continuing support of a Belarusian regime in return for economic (and political) integration, while for Belarus it is a continuing "cheap talk" of integration and continuing Russian support in return. Why Russia, as a stronger player, does not force Belarusian regime to choose real economic and political integration in return for its support? Surely, if Belarus cannot credibly threaten Russian with switching its allegiance to the West due to its pariah status, Russia must be able to advance its interests. The answer, odd as it may seem, is that Russia is in a weaker bargaining position vis-à-vis Belarus, especially after the Orange revolution in Ukraine. In the eyes of the Russian elite, Belarus remains the only loyal ally on its Western borders after 2004. However little substance the integration talk over union state between Belarus and Russia has, and whatever economic costs Russia has to sustain in order to support Belarusian regime, the latter hosts an important military infrastructure necessary for Russian strategic defence, as well as fully participates in military and defence bilateral cooperation.

There is a very high uncertainty whether any future possible Belarusian regime can be as pro-Russian as the current one. Indeed, even if the future ruler of Belarus commits to honour Russian strategic interests and to open Belarusian economy to Russian investments, by virtue of her democratic legitimacy any future Belarusian ruler will have options open towards the West as well, something that Alexander Lukashenko is denied, as he had the opportunity to see during his aborted foray into NATO summit in 2002. While the future leaders of Belarus could be as pro-Russian as the current one, and even be willing to integrate economy with Russia, for Russian elites it would entail a higher uncertainty over eventual outcomes than under the current regime. Alexander

Lukashenko himself did all his best to become and remain the only pro-Russian politician in Belarus. It is no coincidence that Belarusian authorities are much more nervous when Belarusian democratic opposition attempts to establish contacts with Russian policy-makers rather than anywhere in the West, as it threatens their monopolistic position. Most importantly, due to the high personalization and the increasing authoritarianism of Belarusian regime, there are hardly any independent political forces remain in Belarus to which Russia could switch its support. Indeed, as the leader of a personalist authoritarian regime, he is the only veto player in the country. After its failure to promote a pro-Russian candidate in Ukraine, Russia would probably be very cautious to repeat its mistakes in Belarus.

Belarusian regime is aware of Russian dilemma and can exploit it. It does not want to undergo serious integration, as it would threaten its survival. While Russian support is paramount for Alexander Lukashenko, real integration with Russia is tantamount to his political suicide. Barring credible commitments to guarantee his political afterlife in the Union State, Belarusian ruler will hardly be interested in a serious integration with Russia. In the preceding section we mentioned ambitious plans of the Belarusian ruler to venture into the Russian politics at the end of 1990s and the demise of such plans with Putin's election. Nothing short of the top post would guarantee some kind of political continuation for Belarusian ruler.

		RUSSIA	
		support	*withdrawal*
BELARUS	*"words"*	1, 3	2, 4
	integration	3, 1	4, 2

This interplay that we have been witnessing for more than a decade can be represented by a simple 2x2 table, which lists the players' strategies and the outcomes. In each box, the left (first) entry denotes Belarusian payoff, and the right (second) Russian one. 1 stands for the most preferred outcome, 2 for second, and so forth, so that 4 is the worst possible outcome. For example, the top-left quarter contains (1, 3). It can be read as follows: Belarus considers continuation of "cheap talk" integration with Russia and its continuing support as the best possible outcome (1), and Russia considers supporting Belarusian ruler even though he does not intend to integrate as the third best outcome after supporting him in return for integration (1 for Russia) and attempting integrating without guaranteed support for Lukashenka (by applying "gas" pressure, for example. Belarusian regime prefers the continuation of "phoney" integration in return for Russian support, and it would rather continue its economic policies and not integrate with Russia even at the expense of the loss of Russian support. Regime is fully consolidated and by and large it can withstand challengers on its own. Should the situation arise in which regime would not be able to stand on its own without Russian support, it would prefer to receive this support and integrate whatever it would entail rather than having to integrate without guarantees of support. The last outcome is the worst, but also the least likely outcome.

For Russia, the best possible outcome is to support Belarus in exchange for economic integration; the second is to withdraw support for the current Belarusian regime and hence risk the uncertainty and the possibility of "losing" Belarus, and attempt to integrate with either threatened Lukashenka (without Russian back-up) or any other possible regime, the example of such strategy would be the winter "gas war" between Russian and Belarus; then to support and tolerate continuation of a series of promises without substance even without real integration, as Belarus remains the only loyal ally on its Western borders (3); and, finally, not to support at all and no integration, that is, to leave Belarus to its own devices (4).

The order of preferences can be seen as counterintuitive, as Russia should prefer integration with or without support, something that Belarusian opposition counts on. And it does prefers integration to all other strategies, but the caveat is that Lukashenka, however unreliable partner he is, is hooked to remain pro-Russian, and withdrawal of Russian support not only can endanger his survival prospects, but it would also endanger the integrationist prospects as well. In late 2005 the united opposition presidential candidate Alexander Milinkevich promised honouring all existing integrationist acts, whether in military or economic fields, and predictability and certainty in political and economic relations with Russia.(Mazaeva 2005) Should Milinkevich become the next ruler of Belarus, while he could indeed honour his pledges and introduce more predictability into relations between countries, by virtue of his democratic legitimacy, he would be also more flexible as regards relations with other countries. Not supporting the current regime incurs higher probability of emergence of a pro-Western Belarusian regime for Russia, the possibility Kremlin does not consider as favourable, and even if the new regime commits to integrate, it could still renege and turn to the West, something that the current regime is not in a position to achieve. This is why, all things being equal, Kremlin keeps supporting the Belarusian ruler all these years and in all likelihood will keep doing that, something that many international organizations that encourage Russian to assist democratization of Belarus fail to understand.

As typically with these kinds of games, we should see for any dominant strategy. A dominant strategy is the one when a player has one strategy that outperforms all others no matter what the other player does. If we look at the table, we could immediately see that Belarusian regime has such a strategy: continue with "words", no matter what Russia does. Real integration entails economic reforms that could mortally threaten ruler's survival, so it is better not to reform even without Russian support than to reform with or without support. Russian side engages in the similar thinking exercise and realizes that no matter what it does, Belarus has a dominant strategy. So it has to choose between supporting and withdrawal of support and as we established before, Russia chooses to "pay rent in exchange for love".

The fact that we design this game as simultaneous simplifies things a lot. Indeed, more plausible is to construct bargaining game with sequential moves, where Belarus first promises to integrate with Russia, Russia supports it, then Belarus promises to integrate later, and so on and so forth. But we believe that the essence of the relationship between these two countries can be captured by this elemental model just fine.

IMPLICATIONS AND CONCLUSIONS

The strange case of the Belarusian-Russian integration cannot be grasped fully unless we take non-economic reasons into consideration. We utilized the tools of context analysis methodology, simple game theory and analytical narrative in order to disentangle the preferences profiles of Russian and Belarusian elites and their bargaining over integration. Indeed, while the bargaining over gas became the most prominent and visible accompaniment to this integration, the dynamics of this bargaining and the outcomes thereof could only be understood if we turn to the preferences of both actors: the preferences of the Russian elite to rebuild its geopolitical influence in its "Near Abroad" and the role of Belarus thereof, and the political survival policies of Belarusian ruler and his inability and unwillingness to commit. Propping up unreformed Belarusian economy in exchange for the vague promises of participating in the future privatization of

Belarusian industry becomes a rational long-term strategy of a Russian elite that values geopolitical influence above all else and does not have other actors in Belarus to commit to. The regime of Belarusian ruler is aware of this, and exploits Russian position to his advantage. Another explanation for the apparent inability to share sovereignty for the sake of political integration is that both states are controlled by very narrow winning coalitions with few constraints. We know from the work of North and Weingast (1989) that unconstrained rulers cannot credibly commit. Political integration between these two states undoubtedly requires rulers to commit for a long-term cooperation. Short of a full and irrevocable integration of Belarus into the Russian Federation, any other form of integration can hardly prevent one or another ruler from reneging on his pledges to another. Belarusian ruler, as the head of a smaller and weaker state, is in a more vulnerable position, as increasing "real" integration with Russia would almost inevitably signal the loss of his authority. While Belarusian regime has been rather authoritarian ever since Alexander Lukashenko came into power, Russia has also become increasingly authoritarian in 2000s. Integration between countries requires trust and credible commitments, something that only democratic regime with a well-functioning system of civil society oversight over the state is able to provide. Yoram Barzel wrote about impossibility of coalitions between dictators, as the latter cannot commit and relinquish any form of authority that is necessary for political integration (Barzel 2002). Belarusian-Russian integration provides a splendid example of such "integration".

Last but not the least, however, is the possibility that this uncertain and hence open-ended integration with Belarus could present for the Russian ruler for his political purposes in the future. While it is more likely than not that the current Russian President intends to depart from the political scene in 2008 as it is stipulated by Constitution, and almost certain that the figure of Belarusian ruler would not play any prominent role in the succession game in 2008 due to the unreliability of the latter, this very open-ended and iterative nature of Belarusian-Russian integration introduces an additional degree of uncertainty over possible strategies of political survival for the Russian ruler. In the words of Borodin, an integrationist official who made a career greasing the wheels of Belarusian-Russian integration and a series of treaties and acts thereof, the words could

be considered as the trial balloon from the Kremlin or the private opinion of the official, the Union State between these two countries should have an institution of strong presidency. “Recently the pollster ROMIR found that 44 per cent in the sample supported the collegial head of [Union} State, 52 per cent supported the institution of presidency and vice-presidency, 4 per cent preferred monarchy. Therefore, if majority of the citizens support the institution of presidency, so why not Putin? I am confident that his candidacy will be approved” (Panfilova 2005).

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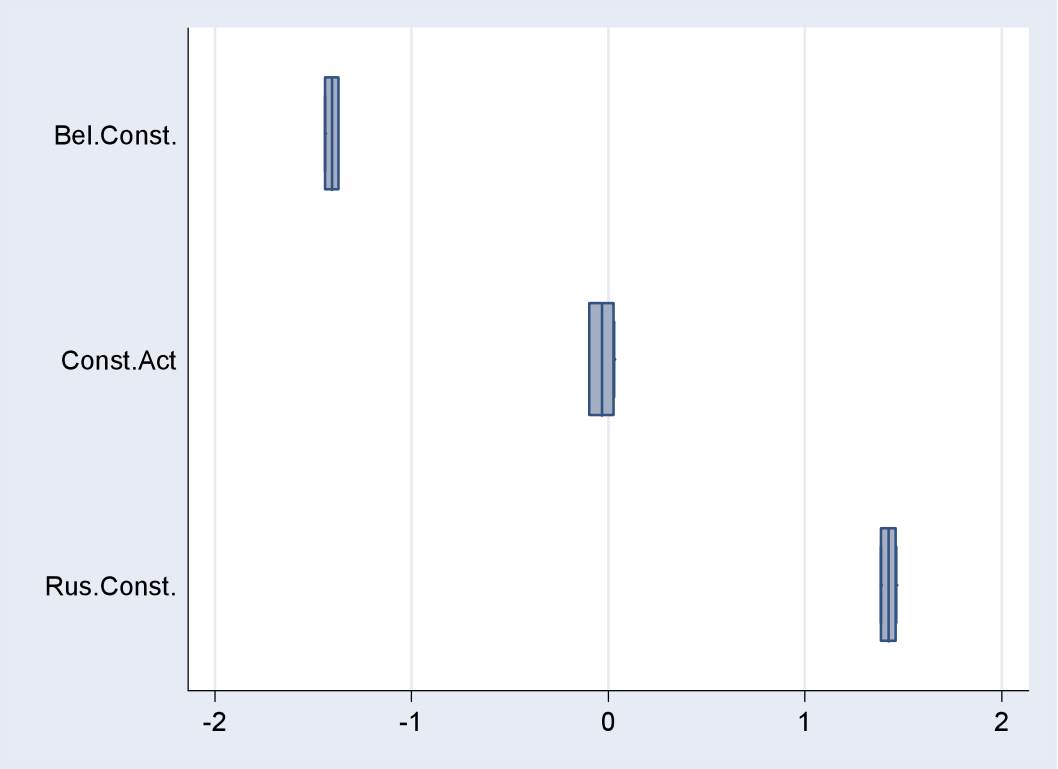
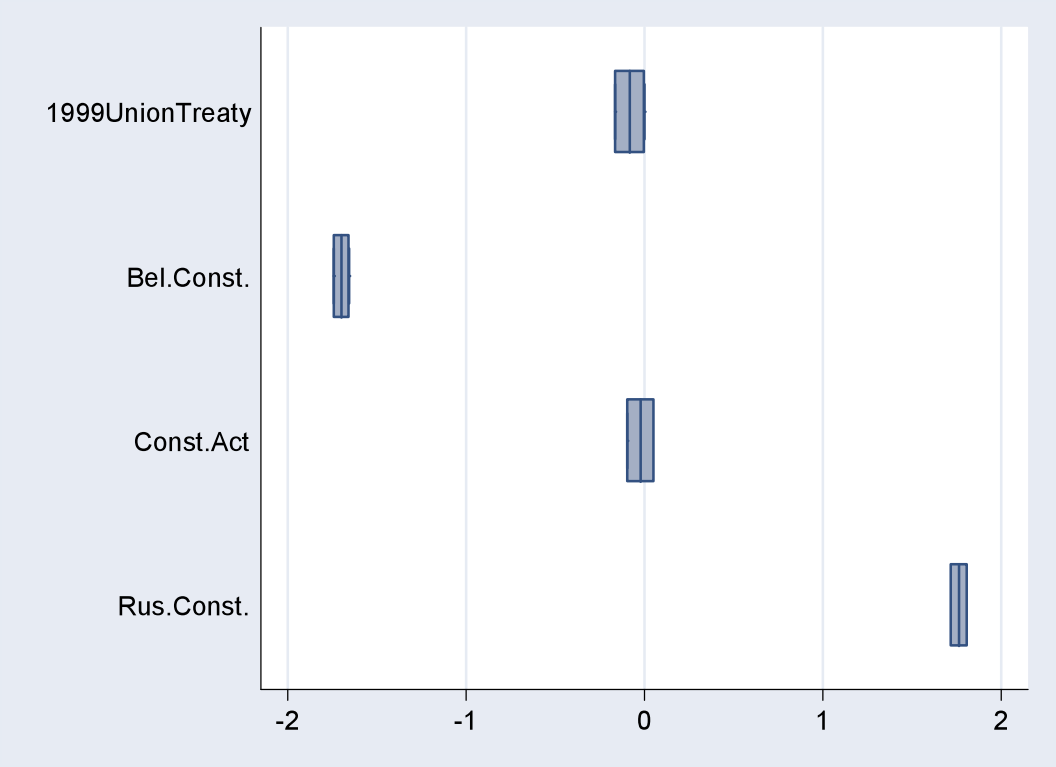
Figure 1. Draft Constitutional Act Relative to Belarusian and Russian Constitutions



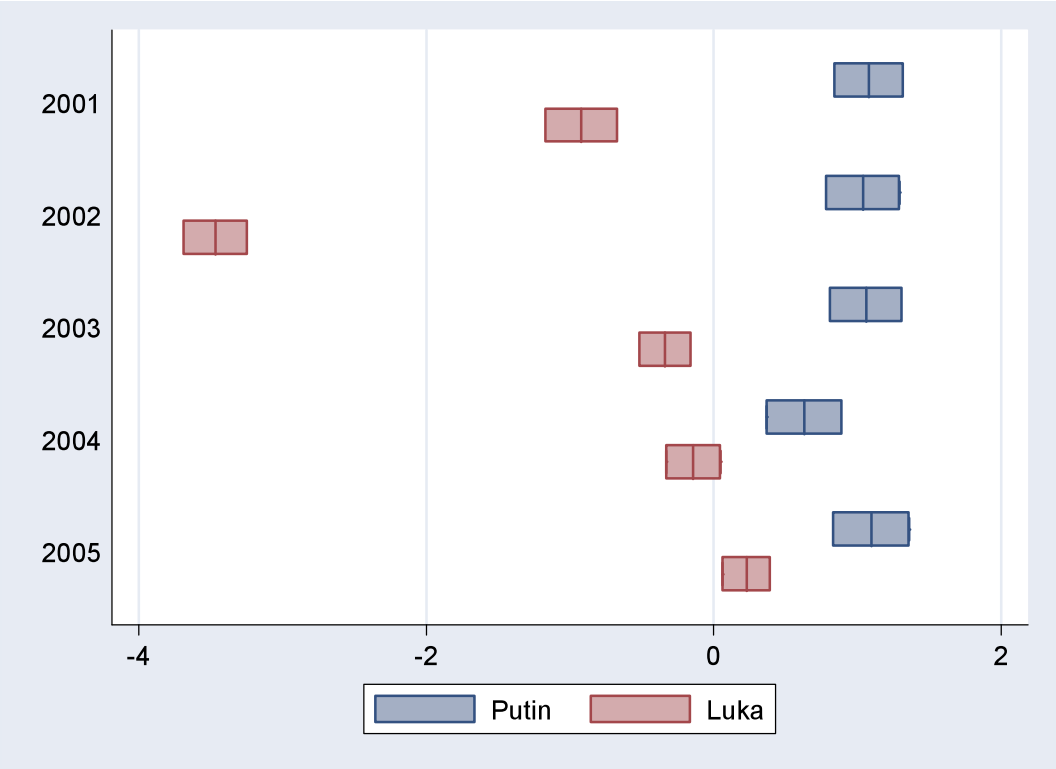
Note: Transformed scores with 95 per cent confidence intervals, and Belarusian and Russian Constitutions as reference texts

Figure 2. Draft Constitutional Act and 1999 Union Treaty Relative to Belarusian and Russian Constitutions



Note: Transformed scores with 95 per cent confidence intervals, and Belarusian and Russian Constitutions as reference texts

Figure 3. Presidential addresses to the parliament



Note: Transformed scores with 95 per cent confidence intervals, and 2005 speeches as reference texts