

# Russia's Armed Forces on Modernisation Course

## Progress and Perspectives of Military Reform

*Margarete Klein and Kristian Pester*

**In 2008 Russia's Defence Minister Anatoly Serdyukov launched a mammoth project of comprehensive military reforms, whose objectives his successor Sergei Shoigu has also upheld since his November 2012 appointment. Despite deficits in recruitment, equipment and funding, Moscow's armed forces have already accomplished the organisational transition from mass mobilisation army to modern combat force. Although the reforms will not fundamentally change the balance of power with the United States, increased military muscle-flexing vis-à-vis Europe must be expected. Above all, however, the reforms expand Moscow's ability to project power in the post-Soviet space and militarily reinforce Putin's efforts to tie that region more closely to Russia.**

In October 2008, immediately after the Russia-Georgia War exposed serious deficits in the Russian armed forces, Moscow initiated the most sweeping military reforms for decades. The Russian leadership was seeking nothing less than massive modernisation of an army that was still to a large extent orientated on the concept of mass mobilisation. For conventional forces in particular this involves deep changes in organisation and concept as well as weaponry and personnel.

Until November 2012, Defence Minister Anatoly Serdyukov and Chief of the General Staff Nikolai Makarov vigorously implemented central elements of the reforms. This caused conflicts, including with the officer corps, which was reduced by one

third, and with the arms industry, towards which the reformers adopted a tougher stance. Serdyukov's dismissal on 6 November 2012 is therefore likely to have had deeper reasons than the officially cited corruption investigations against Oboronervis, a commercial enterprise under the Defence Ministry.

As his successor, Vladimir Putin appointed the former Minister for Emergency Situations and governor of the Moscow region, Sergei Shoigu, a popular politician and capable manager. Now that Shoigu has been in office for a little more than a year, the question arises whether he has altered the reform agenda and if so how. Where can successes and failures be identified in the implementation of the original targets?

And what are the repercussions of the military reform project on Russia's foreign and security policy?

### **A New Style of Leadership**

The first clearly visible sign of change is the leadership style in the defence ministry. Shoigu's predecessor Serdyukov only partly succeeded in communicating the goals and necessity of the reforms internally, especially to critics in the ranks of the military leadership. In contrast to his predecessors, whose professional experience was based on a career in the armed forces or intelligence services, Serdyukov was in the first place an economist. As the former head of the Russian tax service he stood outside the military leadership networks. While this allowed him to push through the radical organisational transformation even against their resistance, the loss of military confidence in the ministerial leadership impaired the implementation of the reform project.

Sergei Shoigu recognised the associated problems and has been working to repair the damaged relationship, also making symbolic gestures underlining his respect for military culture. For example, he wears the uniform of an army general, reversed the dissolution of historic regiments and reinstated critics dismissed by Serdyukov.

In contrast to Serdyukov, Shoigu campaigns energetically within the army for support for the reforms. He also draws more heavily on military expertise in his decision-making, as evidenced by the growing number deputy ministers from military backgrounds. He also removed the civilian officials from the tax service that his predecessor had appointed to top ministerial posts, who were extremely unpopular in large parts of the officer corps.

But the rapprochement with the military leadership is a tightrope walk for Shoigu. It remains to be seen whether he can preserve the autonomy he will need to impose decisions that contradict military opinion. There is certainly no shortage of decisions

to be made, as central reforms ultimately remained unfinished under Serdyukov.

### **Structural Reorganisation of the Armed Forces**

Organisational change is one of the areas where most progress has been made. It seals the fate of the mass mobilisation army designed for large-scale war with NATO and lays the foundations for creating modern armed forces that can be deployed rapidly and flexibly in local and regional conflicts.

To this end all the "skeleton units" were disbanded by December 2009. In the event of mobilisation they would have required up to a year to attain full strength and materiel readiness. The overall size of the army shrank nominally from 1.13 million to 1 million men, and the planned number of reservists from about 20 million to just 700,000. The cumbersome divisions intended for fighting on a long front line were also disbanded by December 2009, replaced instead by smaller more rapidly deployable brigades that are to be in "permanent readiness" even in peacetime, meaning fully staffed, trained and equipped. And finally, the military command structure has been thoroughly overhauled. While the Russian army was still following a twentieth-century operational concept in Georgia in 2008, with army and air force operating largely uncoordinatedly, enabling joint operations is now a key goal of the reformers. To this end four strategic commands were set up by late 2010 (West, East, South, Centre). Each controls all units of all armed services stationed in its area as well as the other armed organs (Interior Ministry, Emergency Situations Ministry, border troops), with the exception of the strategic missile forces.

Important organisational foundations for the "new face" of the Russian armed forces had thus already been established under Serdyukov. Shoigu is building on that and also setting new priorities including expanding special capabilities. In March 2013 it was announced that Russia

would set up a “Special Operations Command”, and according to media reports the founding of a “Cyber Command” is also imminent.

The Special Operations Command serves to intervene as rapidly as possible in local conflicts and countering terrorism, drug trafficking and insurgency. It is a reflection of concern about the unstable situation in the Northern Caucasus and fears that the ISAF withdrawal from Afghanistan could lead to negative spillover effects in the neighbouring Central Asian countries. The role of the Cyber Command is to conduct “information warfare” in virtual space. Alongside real capability expansion, the founding of these two commands also has symbolic character, as it creates a kind of organisational parity with the United States and China.

### Testing Operational Readiness

The new structures and deployment concepts are indispensable, but only the first step on the road to a modernisation. In a second step they must be tested and practised. This was one focus of military activities in 2013.

In addition to the scheduled exercises of the summer and winter training cycle, the Defence Ministry concentrated in particular on a series of unscheduled operations. These included the largest manoeuvre of the post-Soviet era, involving about 160,000 soldiers in the Eastern Military District from 13 to 20 July 2013.

The spring exercises concentrated above all on highly mobile crisis response units with highly developed capabilities for fighting unconventional adversaries such as insurgents and terrorists. The summer and autumn manoeuvres, on the other hand, followed conventional scenarios. This applies for example to the Zapad (West) series of exercises in September 2013, in which about 12,000 Russian and 10,000 Belarussian soldiers took part.

In almost all manoeuvres the participating forces demonstrated improved per-

formance. Most succeeded in attaining combat readiness within no more than fourteen days, completing marches across sometimes strategic distances and thereafter mastering branch-specific tasks. Just five years ago such challenges would have overstretched most units’ personnel and materiel.

Weaknesses were identified above all in individual training of soldiers. The Chief of the General Staff complained in April 2013 that many drivers could not control their vehicles properly and that officers were incapable of operating the new command and control system. Increases in malfunctions and failures in the air and ground forces were partly due to equipment deficits, he said, but above all to operator error.

### Recruitment Problems

This points to a fundamental problem of the Russian armed forces. In order to modernise comprehensively, increased professionalisation would be the logical consequence, if not indeed a transition to a professional army. Serdyukov adopted that argumentation and decreed a target of recruiting 499,000 *kontraktniki* (enlisted soldiers) by 2017. Shoigu is adhering to that goal, and facing similar challenges to his predecessor:

Firstly, a career as soldier is not very attractive. On the one hand, this has socio-economic causes. Although pay was more than doubled in January 2012, bonuses and immaterial benefits were abolished in return. On the other, the reforms appear not to have fundamentally improved the morale of the armed forces. This is not only because of the dissolution and reorganisation of units, but also incisive changes in leadership structure. The officer corps was reduced by one third to 220,000 and the 140,000 warrant officers (*praporščiki/mičmani*) completely abolished. But there is a lack of adequate replacement in the shape of career NCOs. As a result the internal cohesion and discipline of units suffers: the absolute number of crimes committed has

not fallen since 2008 even as the size of the army has fallen, while the *dedovshchina* system of bullying and violence against young conscripts continues nearly unabated.

Secondly, the army competes with other armed organs for new personnel, further complicating the planned recruitment of 499,000 *kontraktniki*. Apart from the Defence Ministry, the Interior Ministry and Emergency Situations Ministry also maintain large armed formations whose recruitment needs are not insignificant. In the Interior Ministry alone 170,000 military posts are to be professionalised by 2015.

Against this background, thirdly, demographic developments weigh heavily. The number of male eighteen-year-olds is set to fall from 1.1 million (2007) to a forecast 630,000 by 2017, of whom on average only two thirds will be fit to serve. Under these circumstances it will be difficult to both fill the depleted ranks of the *kontraktniki* and recruit 220,000 conscripts annually. For years already more than 20 percent of all military posts have remained unfilled.

The political leadership has limited short-term options for improving this critical situation. One of these would be to drastically increase the number of conscripts. Given that domestic political calculus precludes their period of service being extended beyond twelve months, the only remaining option is to expand the recruitment pool. Complementing Serdyukov's approach of reducing the grounds for exemptions, Shoigu increased national conscription quotas at the beginning of 2013, even for North Caucasian ethnic groups that are regarded as a security risk. In parallel the Defence Ministry is seeking to improve public attitudes towards military service. Serdyukov had already improved conditions for the conscripts, who are now permitted to use mobile phones in the barracks and leave at weekends. Serdyukov's successor introduced additional qualification opportunities. Under a legal amendment, from January 2014 conscripts will be able to complete an additional vocational qualification funded out of the fed-

eral budget. However, the service varies regionally and individual wishes cannot always be satisfied.

Other measures to improve the acceptance of military service concentrate on traditional instruments of ideological influence. The Soviet-era state-subsidised Volunteer Society for Cooperation with the Army, Aviation, and Fleet (DOSAAF) is to intensify its para-military training efforts. Fostering patriotism remains a cornerstone.

### **Ambitious Armaments Programme**

Alongside organisational and personnel changes, improving equipment and weaponry is another core element of the military reforms. In 2008 only 10 percent of weapons systems satisfied modern standards; that share is to increase to 70 percent by 2020. As well as replacing outdated aircraft, vehicles and naval vessels, this means above all procuring precision weapons and automated command systems. Only then can the qualitative leap to network-centric operations be accomplished.

Whether this succeeds will depend decisively on the innovation and production capacity of the Russian defence industry. Although it has been able to achieve individual modernisation successes, such as the Iskander short-range ballistic missile, the Armata modular platform for armoured vehicles and the SU-35 fighter, the defence industry complex still suffers from a lack of innovation. Its staff and production facilities are outdated, while central planning relicts and corrupt structures do the rest. For these reasons the arms industry still often fails to meet the needs of the armed forces and/or delivers late. For example, the long-planned introduction of an automated command and control system (ESU TZ) has repeatedly been postponed, and the sorry story of this prestige project is no isolated case. Only 15 to 20 percent of all procurement projects planned for the first half of 2013 were completed on time.

Former Defence Minister Serdyukov took a hard line in negotiations with the defence

industry, criticising poor quality and high prices, insisting on strict cost controls and abandoning preferential treatment of domestic producers. Foreign firms are now increasingly included in procurement tenders, leading for example to helicopters being purchased from France and wheeled vehicles from Italy. The resulting conflicts between Defence Ministry and defence industry likely contributed to Serdyukov's fall.

His successor Shoigu softened the confrontative stance towards the military-industrial complex. This partly reflects altered political circumstances, where the defence industry occupies a central role in Putin's ambitions for economic modernisation as a potential motor for other sectors. Domestic producers are therefore again given preference in tendering. Putin also reshuffled government responsibilities, putting the military-industrial commission headed by the nationalist populist Dmitry Rogozin in charge of procurement pricing rather than the Defence Ministry. This does nothing, however, to rectify the arms industry's structural deficits such as poor innovation and ageing staff.

### **Questions over Funding**

The success of the reform project depends not only on overcoming technological and demographic problems. Adequate and sustainable funding is just as necessary. The military budget is indeed being significantly increased. By 2016 the budget item "national defence" is to increase by 60 percent from 2,098 billion rubels (€47 billion) to 3,377 billion rubels (€75 billion). At the same time Russia plans to spend 23,000 billion rubels (€515 billion) on military equipment by 2020. Yet even if the figures appear impressive, it remains unclear whether these investments will be adequate.

Firstly, it must be remembered that the reforms consist of many parts that are closely interlinked and must therefore be tackled in concert. These include recruitment and adequate pay as well as training

and exercises. But the biggest cost driver is procurement. Because the nuclear forces continue to enjoy priority for political (security) and symbolic reasons, the means for the urgently needed modernisation of conventional forces are constrained. It is estimated that about 40 percent of state arms spending goes on nuclear capabilities. Secondly, it must be assumed that a large proportion of the budget is embezzled. According to the Russian military prosecutor 20 percent of the defence budget vanishes that way each year. Thirdly, there is a fundamental tension between social and military spending. Although major investments are needed in health and education, their share of GDP will probably fall from 4.0 to 2.2 percent and 5.1 to 3.9 percent respectively between 2013 and 2016. On the other hand the defence budget's share will increase in the same period from 3.2 to an estimated 3.8 percent of GDP. In view of stagnating economic growth and a one-sided orientation and dependency on fluctuating energy revenues, this conflict of goals is likely to sharpen in future. These difficulties are so grave as to put a question mark over whether the ambitious military reforms can be adequately funded in the long term.

### **Foreign and Security Policy Implications of Military Reforms**

Russia's armed forces are still heading on a modernisation course. At the organisational and conceptual level the transition to an effective modern combat army has already been successfully accomplished. Nonetheless, problems still remain in recruitment, equipment and funding, as well as open questions for example on the future of conscription.

These impact to differing degrees on Moscow's capability to rebuff security threats and project power. Russia is hardly going to close the technology gap with the United States in the medium term. Its ability to intervene at the global scale also remains limited, lacking as it does a deploy-

able carrier group and a global network of military bases, and making only slow progress on the development of long-range conventional precision weapons. Moscow will therefore continue to prioritise its strategic nuclear forces, which serve as a symbol of parity with the United States and an instrument of deterrence not only against a nuclear first strike but also against large-scale conventional attack.

However, where the European NATO states are concerned, the military reforms bring a slight growth in Russian power. This is amplified by the persistent European trend of falling national defence spending and shrinking armed forces. In view of this, Russia might be tempted to make greater use of its armed forces to assert its interests and resort to demonstrations of power, provocations and open threats. These include violations of Swedish and Finnish airspace, the announced stationing of Iskander short-range ballistic missiles in Kaliningrad in the event of a NATO missile defence complex being established in Poland, or the Zapad exercise series that in 2009 simulated a nuclear strike on Poland and in 2013 concentrated on repelling an attack by “Baltic terrorists”.

Political considerations mean that the “strategic partner” China does not feature as a military threat in any official Russian document. Nonetheless it appears to be becoming increasingly important for the direction of military reforms, as indicated by the fact that the Eastern Military District has been equipped with enhanced modern weaponry and its capabilities for large-scale inter-state confrontation maintained.

That said, the reformers are principally looking to the post-Soviet space. That is where Moscow’s most critical security challenges lie: ethnoterritorial and religious conflicts in the Caucasus (Karabakh, South Ossetia, Abkhazia) and Central Asia, as well as Transnistria, and trans-national risks such as drug smuggling and terrorism. It is also in this region that the will to project power is strongest. In his third term Putin strengthened efforts to tie the “zone of

privileged interests” to Russia through economic, political and military integration projects such as the Customs Union, the Eurasian Union and the Collective Security Treaty Organisation. If Moscow succeeds in positioning itself as the guarantor of security in the post-Soviet space, it could gain greater acceptance and legitimacy for its regional hegemony projects. And Russia’s growing military might could also indirectly restrict the scope of action of NATO and European Union in the shared neighbourhood.

How should Germany and Europe respond to changes in the Russian armed forces? First of all, there are important aspects where it is still crucial simply to obtain a better understanding of murky developments. Although the NATO-Russia Council has a working group where both sides regularly discuss individual issues of military development, greater Russian transparency is needed, especially on the “hard” aspects of the reform like arms modernisation and deployment of forces. But given Moscow’s tense relationship to NATO and the European Union, including the crisis of conventional arms control, unilateral Russian concessions are unlikely here.

But because the Russian military reforms are catching up many developments that Western armies themselves completed in the past two decades, Moscow certainly does possess an interest in mutual exchange in individual areas. This applies in the first place to “soft” issues such as training of NCOs, establishing a military police or changes in the medical and supply systems. Germany and the European states should respond to this interest of the Russian military leadership in order in this way to promote transparency and confidence-building.

Moreover, a Russia whose armed forces have been successfully modernised could become an interesting cooperation partner for Western states. The stabilisation of Afghanistan and its northern periphery represents just one of the possible areas for

initiating greater collaboration. Even if a peacemaking or peacekeeping operation involving both Russia and NATO is currently unthinkable, in the long run it makes sense to continue developing the conceptual and practical foundations for greater interoperability. This can build on shared KFOR experience in Kosovo and the exchanges in the scope of the NATO-Russia Council.

For NATO, however, expanding military cooperation is a tricky matter, especially where it could contribute to improving the capacities of the Russian armed forces. Opinions concerning Moscow's military reforms differ within NATO. Developments like increased Russian combat-readiness in connection with increased defence spending exacerbate traditional fears, especially among new members, and cause demands for a stronger NATO presence in these regions to grow louder. The other alliance members tend to feel less threatened. But Russia's provocations and the enhanced capabilities of its armed forces are grounds enough to work more intensively in NATO for a shared understanding of the consequences of its military reforms.

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**SWP**  
Stiftung Wissenschaft und Politik  
German Institute for International and Security Affairs

Ludwigkirchplatz 3-4  
10719 Berlin  
Telephone +49 30 880 07-0  
Fax +49 30 880 07-100  
[www.swp-berlin.org](http://www.swp-berlin.org)  
[swp@swp-berlin.org](mailto:swp@swp-berlin.org)

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