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**“Challenges of the Military Reform and
its Impact on Democracy Building in Russia”**

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INTRODUCTION

The research consists of an introduction, five chapters, conclusions and bibliography. The authors' presumption is that Russia is in the midst of an extremely difficult economic and political transformation. We consider that the success of those reforms also demands a major military reform, which will bring Russian defense policies in accordance with the requirements of the democratic principles of government and the realities of the market economy.

The first chapter discusses parliamentary control over defense expenditures and security matters. We emphasized the need to establish a reliable mechanism for the democratic political control over defense and security policies, including reorganization of the existing national security decision-making and creation of a civilian Defense Ministry. It also demands a direct control of the parliament over the military budget, which must be shaped in accordance with the overall anti-deficit budgetary strategy of the government and become the driving force of the stage-by-stage military reform.

The second chapter covers the issue of organizing defense procurement in a private market economy. The maintenance of a large state-owned military industries leads to a snow-balling of quite often defense expenditures. We have to explore the best ways to maintain the high level of the military technological potential of Russia in the 21st century, while relieving the government from the burden to subsidize parallel defense contractors. Only a competitive system of contracts will allow to down-size the military industrial complex and by reducing the number of types of weapons and equipment ease the maintenance and repair problem, which plagues Russian military.

The third chapter deals with the problems of transition from a conscription to an all-volunteer force. This issue has become a measuring rod for the military reform, whose opponents argue that Russia can not pay for the professional army. They also insist that abolition of conscription will violate the principle of social justice. Besides some civilians

are also concerned that an all-volunteer force may be even more separated from the civil society and became a threat to democracy in Russia.

So this issue was analyzed from many angles: as a problem of the necessary force level, as a problem of cost-effectiveness, and as an important component of the overall civil-military relationship. That allowed to conclude that a smaller professional army might be both more combat ready and cheaper than the present inflated but unprepared force structure.

The forth chapter concentrates on military service and civil right. Unfortunately, lack of a clear division between branches of the government produced a wide spread participation of the government officials in elected bodies. In fact the new Constitution of the Russian Federation legalized some of the premises of the old Soviet system. So the political involvement of the executive branch makes the same activities of the military personnel look “normal”.

We presume that is necessary to explain to most military and civilians that while enjoying passive political rights the military personnel can not actively engage into political activities. Thus participation of the officers and general in legislative bodies should be abolished or they should at least temporary terminate their military service.

The fifth chapter is devoted to the social protection of active duty and retired military personnel. The poor social conditions of the military personnel like low pay, poor housing conditions, malnutrition etc. were addressed taking into account the general economic conditions of Russia. We pinpointed that the Russian economy is unable to support the inflated force level and the acceptable social conditions for the active duty personnel can not be maintained without substantial reductions in force structure and the military personnel. At the same time it's necessary to design a system of incentives to encourage enlistment of high quality personnel.

Conclusions. The final part of the study summarizes the major conclusions and formulate recommendations for the options of the military reform issues covered in the

research which might be presented for public discussion, to the Parliament and also to the Defense Ministry and Security Council.

Methods of research. Working on the project we tried to combine analytical approach with historical and descriptive way of presenting facts and events, that helped to analyze the reasons and consequences as well as general regularities of development of a certain process. Such kinds of research demand to take into consideration a lot of factors. For example, making a study on the third chapter of the paper - "Problems of transition from a conscription to an all-volunteer force" - we had a task to show that the mere possibility that this issue can be publicly discussed and has certain developments today is a manifestation of evolution and an integral part of the changes undergoing in the Russian military system under the influence of political, military, technological and other factors. At the same time making a detailed analysis of some aspects of the military personnel service in the armed forces, we have got a more concrete picture of how the matter stands at the Russian armed forces at present.

Literature. The most important sources of information for this research include first of all Federal Government Laws, Parliamentary legislative documents and presidential decrees concerning military issues as well as resolutions of the Defense Ministry on such issues as the conscription, contract service, alternative service etc., scientific reports of the task groups and institutions dealing with military reform in Russia such as "The Future of the Military Reform in Russia" edited by Dr. Sergei Rogov, President of the Center for National Security Problems and International Relations, etc.

Analyses of Russian periodicals such as "Krasnaya Zvezda", "Argumenty I Fakty", "Veteran", "Nezavisimoye Voennoye Obozreniye", "Rossiyskie Vesty" helped in updating this research.

The research works of the Western scientists on military reform issues in Russia were also used in this paper to analyze different views on a certain problems. For example, the papers "Yeltsin's Latest Military Reform Initiative: Operational-Strategic Commands" of Eva

Busza from College of William and Mary, "The Rise and Fall of the Russian Internal Troops?" by Brian Taylor from University of Oklahoma, "The Russian Armed Forces as a Factor in Regional Stability" by Michael Orr from Conflict Studies Research Center and "Military Reform in Russia: Constraints and Risks" done by Hungarian Atlantic Council, were of enormous value.

Valuable facts and conclusions containing in those works demand comparison and summing up of concrete data. Methodology of studying these issues (comparative and system analyses, modeling, different ways of interdisciplinary analyses) also worth great attention of Russian experts on similar issues.

Meetings and interviews with a number of Russian officers and generals, Russian Parliament Members, Defense Ministry and presidential high ranking officials (such as Alexei ARBATOV - Deputy Chairman of the Defense Committee of the State Duma; *Marina DOBROVOLSKAYA* - former Chairman of the Subcommittee on Social Security for the Military and their families, Defense Committee of the State Duma; *Andrei KOKOSHIN* - former Secretary of the Security Council of the Russian Federation; Colonel-General Leonid IVASHOV - Head of the Department for Military and Technical Cooperation of the Russian Defense Ministry; Major General *Pavel ZOLOTAREV* - Head of the Public Foundation for Support of the Military Reform in Russia; *Sergey KORTUNOV* - Consultant to the National Security Advisor to the President of the Russian Federation; *Alexey TSAREV* - Adviser to the Chairman of the State Duma on Military Issues, contributed greatly to this research.

The research conclusions and recommendations are going to be distributed among decision-making bodies, key government officials and parliamentarians of the Russian Federation and also among journalists, political leaders, and educational institutions. A number of copies are provided for general circulation.

CHAPTER 1.

PARLIAMENTARY CONTROL OVER DEFENSE EXPENDITURES

After the collapse of the USSR the political leadership of Russia failed to develop clear guidelines for the defense policy and military reform. And the Russian government failed to develop an economic strategy to support the reduction of the armed forces and conversions of defense industries.

For a long time not only the citizens at large but the key institutions of the executive and legislative branches of the government are kept in the dark about key decisions in military policy. That led to a situation when the military and the society were divided and looked with suspicion at each other. The military have to be relieved from making decisions of a political nature, while being integrated into a civil society, being formed in Russia. That can happen only if unnecessary secrecy is replaced by a reasonable openness in military affairs and the defense policy is designed within the national security strategy, reflecting a realistic set of national priorities.

The present arrangement in Russia keeps the defense policy separate from the other government activities. That's why it's necessary to strengthen the democratic foundation of the government in Russia, giving up the predominance of the executive branch, which is excessively compartmentalized, with the Defense Ministry being the initiator of almost all decisions on military policy.

The important part is that there is no state mechanism of civilian political control over the armed forces. Neither president nor parliament nor the Security Council realistically have such control.

To a considerable extent, this is associated with the incomplete process of building a democratic state in Russia. The Soviet model turned out to be inapplicable. Although in the USSR exercised strict political control over the armed forces, it was never democratic nor

even state control - it was carried out by the Communist party (CPSU), and its organs, the KGB (secret police) and military counterintelligence. After the liquidation of the CPSU, a vacuum emerged, and so far attempts to fill it have not been very successful. The failure to proceed toward creation of a democratic political system has led to the following negative results, especially in the military sphere.

The first negative result has been the rejection of the idea of creating a civilian Ministry of Defense, as is common in most democratic states. It looks now as if the idea has been consigned to oblivion. As a result, the military bureaucracy has a free hand to run its own affairs.

Second, after the adoption of the new Constitution, the military has essentially been taken from under the control of the organs of representative power. The weakness of the parliament's power is especially evident in that it was stripped of the right to appoint the Ministry of Defense leadership and the top brass. The parliament and its committees' capabilities in controlling the defense budget are extremely limited. Russian lawmakers do not get any exhaustive information - just the most general (and not very convincing) figures. Moreover, it looks as if they remember well how the previous conflicts between the executive and legislative branches ended, and so they do not want "to turn a deaf ear to the military's requests."

The next negative result is the fact that the Ministry of Defense and other "muscle" agencies are practically no longer subordinated to the government. As a result, for instance, an amazing situation is developing whereby the budget prepared by the government, including defense expenditures, and the Ministry of Defense's budget request differ greatly. And in executing the budget, the Ministry of Finance allocates the money whenever it feels like it, and the Ministry of Defense spends the money as it sees fit, without accountability.

Finally, the Security Council, which could have become a key organ in drafting and coordinating defense and foreign policy, turns to these matters only sporadically. The sphere

of its responsibilities includes the entire range of “burning” problems - from ecology and health care to finding out what caused the “bank crises ” in August 1998. It looks as if having (correctly) rejected a strictly military (and KGB) interpretation of national security, we thereby made this notion boundless. In the present system of executive authority, the Security Council occupies a strange place and we think it needs some structural changes.

According to various estimates, by the mid-1980s the Soviet Union’s gross domestic product (GDP) was about 50-60 % of U.S. GDP, making it the second largest economy in the world. Given the nature of its command economy, the Soviet Union was able to allocate around 12-13 % of GDP directly to defense spending, while the United States spent about 6.5 %. The Soviet defense budget - estimated at \$250-300 billion per year, which was close to the United States for the same period- comprised 45-50 % of the state budget, compared with 25-27 % for the United States¹.

In this new system, the share of national defense as a percentage of GDP decreased to 5.6 % in 1994, to 3.5 % in 1996² and to 2,6% as it is planned in 1999³. Correspondingly, allocations for national defense in the federal budget were 20.8 % in 1994, 18.4 % in 1996; they are planned at 19.7 % in 1999⁴.

Regardless of the state of Russia’s economy and its finances, it would be highly unlikely for the government to increase defense appropriations to more than 3.5 % of GDP and 20 % of federal expenditures during the next ten years. Only a major change in the country’s external security environment or in its political regime could lead to much higher military spending.

The NATO military operation in Yugoslavia appears to have drawn the attention of

¹ World Military Expenditures and Arms Transfers 1995 (Washington, D.C., 1996), pp.80-83, 86-87.

² Reference information on the 1997 Federal Budget Law and the 1997 Federal Budget Sequestering Draft Law, Committee on Defense, State Duma, the Federal Assembly of the Russian Federation (Moscow, December 1996 and June 1997).

³ A. Karelov. “Sergeev accepts the Balkans Challenge”. Vremya MN, April 23, 1999.

the Russian leaders to the problems of the army. Despite the crisis, the financing of the armed forces has become more regular of late, especially after the beginning of the Balkans crisis, combat training has become more energetic, and large-scale serious maneuvers are held. Defense Minister Marshal of Russia Igor Sergeev announced a stop to troop reductions, but this entails a hidden contradiction. The ministry leaders said more than once that the Russian army would not be reduced to less than 1.2 million troops.

Some experts think that the ceiling of 1.2 million servicemen is unattainable. We should have 1.2 million servicemen in order to maintain strength parity with the US army, but the Russian economy will not bear this. Here are direct proof of this statement, taken from the "Forecast of the Financial and Economic Backing of the Development of the Armed Forces of the Russian Federation Until 2010," which was published in *Nezavisimoye Voennoye Obozreniye*⁵. Analyzing the long-term financing of the armed forces from the viewpoint of the national economic situation, an anonymous author suggests several variants of the development of Defense Ministry structures.

The most optimistic of them corresponds to the military reform plan on which the Defense Ministry is working under the guidance of the Security Council and several special government commissions. Their plan is based on the assumption that the Russian economy will grow by 8-10% a year. However, even if this comes true, the Defense Ministry will get the requisite amount of money only in 2004-05, which means that the deadlines of certain functions stipulated by the military reform should be reviewed.

But everybody knows today that such economic indices are utopian, which makes the military reform plans unrealistic, too.

The report also analyzed a pessimistic variant, which is optimistic, to a degree, and

⁴ Y. Lyuboshits. "1999 Military Budget Remains Imperfect". *Nezavisimoye Voennoye Obozreniye* # 11 (March 23- April 4), 1999, p.4.

⁵ Y. Lyuboshits. "1999 Military Budget Remains Imperfect". *Nezavisimoye Voennoye Obozreniye* # 11 (March 23- April 4), 1999, p.4.

provides for the annual economic growth rate of 0.5-1.5%. This is somewhat more believable. But this means that this money will suffice only for maintaining 550,000-600,000 servicemen. Moreover, these calculations do not take into account spending on personnel reductions.

It should be said that the leaders of the Main Military-Financial Directorate of the Defense Ministry more than once reported to the political leadership that with the current allocations, the army and the navy will have to be halved. Otherwise the social problems of servicemen will not be settled, debts will not be repaid, training will not be organized as it should be, and so forth. But the main thing is that we will not keep the armed forces from self-induced dissolution. We should live on what budget we have.

The situation could be saved, in a measure, by a stable allocation of 3-3.5% of the GDP on defenses. But the practice of the past few years shows that our budgets are not fulfilled. Wage arrears to servicemen amounted to 10 billion roubles as of 1 February this year, while debts for hardware, electricity, water, foodstuffs and other things are hovering about 60 billion roubles⁶. This is nearly as much as the military budget.

It is not clear where we will find the money, although some debts are to be covered by "state securities." Cash is not acceptable for settlements, because this would raise the military budget to a catastrophic ceiling of 7% of the GDP.

Military development plans should be reviewed also from the viewpoint of the current distribution of allocations within the military budget. In the early 1990s, spending on personnel and pensioners did not exceed one-third of the military budget, while in 1998 they topped two-thirds. In fact, this money is spent on meals, leaving mere trifles for the other items of the military budget.

In 1992 Russia inherited about 60 % of the Soviet Union's GDP⁷. Since then, Russia's GDP has declined by 50 % and now stands at about \$400 billion (according to the commercial

⁶ V.Solovyov "Russian Armed Forces Must Be Halved", *Nezavisimaya Gazeta*, February 4, 1999.

⁷ S.Rogov, "Will Russia's Armed Forces Survive?", *Nezavisimaya Gazeta*, November 3, 1994.

exchange rate), or 20 times as less as comparing with U.S. GDP⁸. Federal budget for 1999 envisages expenditures to a sum total of 575,4 billion roubles, and national defense allocations for 1999 are planned at 113,5 billion roubles⁹ (around \$5 billion according to the exchange rate). Hence, in just five years, in terms of economic power Russia has fallen from second place behind the United States to fifteenth place, behind Brazil and Canada. Domestic purchasing power of the ruble in the defense sector is higher than the commercial exchange rate would indicate, but a majority of experts agree that even with such corrections, Russia's defense budget is no more than \$10 billion.

The Russian authorities declared more than once that the military doctrine will be reviewed "in connection with the NATO aggression against Yugoslavia." Defense Minister Igor Sergeev said that from now on, "the focus will be on the maintenance of top combat readiness of the Nuclear Deterrence Forces and on the development of the Air Defense Force."¹⁰

It is indicative that the minister mentioned the Air Defense Force on a par with the Nuclear Deterrence Forces. The national Air Defense Force lost independence in 1998, when it was incorporated into the Air Force. That decision was presented by the defense ministry as a bright example of the gradual development of the military reform, its bold but substantiated innovations. But today the Air Defense Force can possibly regain its independence. It is even possible that the Military Space Command would gradually move away from the Air Force, as the task of thwarting the enemy air and space strikes is again coming to the fore.

⁸ S. Rogov, "A man With a Gun", Krasnaya Zvezda, October 1, 1998, p.1.

⁹ Y. Lyuboshits, "1999 Military Budget Remains Imperfect". Nezavisimoye Voennoye Obozreniye # 11 (March 23- April 4), 1999, p.4.

¹⁰ A. Karelov, "Sergeev accepts the Balkans Challenge". Vremya MN, April 23, 1999.

The fact that Russia's armed forces, comparable in number to those of the United States, are supported at a level that is only 10 % of the U.S. defense budget¹¹ goes far in explaining the unprecedented crisis affecting the Russian military. Moreover, even by Russian standards, a wide gap exists between the financial resources available for the Russian armed forces and the minimal requirements for their support and modernization.

The present level of Russian military expenditures is too high for the shrinking Russian economy, while being totally insufficient to preserve the existing force structure. This gap has serious implications and has to be bridged before either the economy or the armed forces collapse.

So the parliament has to establish the procedure of scrutinizing the defense requests item by item, while also ensuring that the appropriated money should be spent exactly for the purposes they are allocated. While some secrecy is of course unavoidable, the entire budget process should become transparent. The budgetary control will allow to choose the right priorities at different stages of the military reform (social issues, combat readiness, modernization etc.)

How can these problems be resolved?

First, it is time to recall that democracy cannot exist without glasnost and openness. Of course, one must always have some secrets in the military sphere, but today even the most general data on the numerical strength of the armed forces and the quantity of armaments as their disposal, as well as at the budget data are being concealed from the public. Manipulation of information amounts to a shell game. Any abuses and corruption are possible in this situation. The informational "iron curtain" made possible such tragedies as draftees dying of emaciation on Russkiy Island and the murder of journalist Dmitriy Kholodov. Lack of openness and misinformation was obvious during the war in the Chechen republic.

¹¹ A. Arbatov, "Military Reform in Russia", *International Security*, Vol.22, No.4 (Spring 1998), pp.83-134.

In the final count, the military itself needs openness. Russian society simply does not realize what colossal efforts are required to resolve the problems Russia has inherited in the military sphere. Half-measures, which only preserve, and sometimes even exacerbate, these problems, will not do. The tasks of demilitarization - first and foremost among them the settlement of military servicemen into society and defense industry conversion - must be perceived by the public as priorities. This is not going to happen if truthful information is not available.

Second, it is time to return to the idea of a civilian Ministry of Defense. An important step in this direction could be made by the president creating a civilian consultative body on military issues. He could bring into it, on a strictly individual bases, civilians possessing relevant knowledge in related spheres; for instance, specialists in economics and finance, international affairs, information sciences, and so on. Working in interaction with the Ministry of Defense leadership, such a body would allow us to acquire in time, as in the United States and a number of other Western countries, a layer of qualified civilians brought in by the political leadership to work in the military sphere.

Next it is necessary to separate the functions of the Ministry of Defense and the General Staff. The ministry would engage in administrative matters, and the General Staff - the military's brain - would become an organ of operational leadership of the troops. It could also be possible to propose to the present military minister and his deputies that they resign their commissions and continue work in the same positions, but as civilians.

As a result, in a few years we would create the necessary conditions for a final transition to a truly civilian Ministry of Defense.

Third, it is expedient to reorganize the Security Council. Since the Security Council cannot deal with all issues simultaneously, it would be logical to concentrate its activities in the traditional sphere (defense, foreign policy, intelligence, and counter-intelligence), and transfer

all other issues to the competence of a different organ - the Economic Security Council, whose secretary could be the president's economic affairs adviser.

Fourth, it is time to recognize the need for reasonable parliamentary control over the military sphere. This involves first and foremost the defense budget, which today is practically completely classified and kept secret, not only from the public, but also from the parliament. The point is not just that abuse and waste are inevitable without control on the part of the representative authority. Only close interaction between the Ministry of Defense and the parliament will ensure stability of defense policy and prevent the military from jumping from one extreme to another.

The role of the State Duma and Federation Council committees that deal with defense issues should be particularly noted. They must possess all the necessary capabilities for a thorough analysis of defense policy, and on the this basis facilitate formation of competent opinions among the entire corps of deputies. Otherwise, attempts to use the discussion of military issues for demagogic interests are inevitable.

CHAPTER 2.

ORGANIZING DEFENSE PROCUREMENT IN A PRIVATE MARKET ECONOMY

Arms and weapons systems procurement is one of the key issues of the national policy, being, in essence, the crossroads and interaction point for different systems of national priorities. But the military industries of Russia found the Defense Ministry procurement reduced by 93% in 5 years¹², because the military used almost their entire budget on maintenance of the military infrastructure. They lobbied for the restoration of contracts and other government subsidies, sometimes successfully, and at the same time used the relaxation of control by the central government to independently sell their production abroad. Sometimes

¹² "Civil-Military Relations in a Democratic Society", p.38, ISKRAN Publications, Moscow, 1996.

these efforts were spearheaded by the government ministries, for instance in sales of missiles to India and nuclear technology to Iran, and sophisticated conventional weapons to China.

Problems of the Russian armed forces and arms procurement are linked only barely either to the process of changes of national economic model as a whole or changes in the forms of ownership in the military-industrial complex of the nation

Arms and weapons systems market (AWS) is actually a specific area of the national procurement market and is a highly specialized market with one single buyer. However, this fact is far from being the predominating factor determining specifics of the AWS market. Against the background of increasing sophistication of military equipment, military market becomes, in addition to being a market of one single buyer, a market of a limited number of producers-sellers. The number of these producers-sellers determines their inter-dependency. Under the circumstances, the price of the product, is not formed, in most cases, by the classic demand and supply market mechanisms alone, and product quality criteria in this market is often significantly different from those in the civil market.

One can go on enumerating differences between civil and military markets, but the majority of those present here know them perfectly well. Therefore, instead of going into detail, we should simply note that military market is far from being an exemplary case of the market economy. Moreover, even taking into account many dissimilarities between the Soviet and, say, US economic models, the economy of military purchases has always had more common features than differences.

As for the US experience, it is noteworthy that for the past, at least, 20 years all numerous attempts to reform the system of arms procurement were governed by the drive to use market tools which would include such inevitable attributes as competition of producers, the latter being actually the only prerequisite of quality improvement and lower prices. Taking into consideration that those reforms could be regarded as having achieved rather limited success, it is necessary to emphasize that they were carried out during the period when

military expenditures went noticeably up and when the military establishment was in a position to take certain measures to create some sort of artificial competition between producers by financing development of several prototypes of one and the same weapon system. Besides, one has to watch carefully how these quasi-market tools will function at the time of reduction or zero-growth of the military budget.

The forms of ownership of the involved producers constituted, probably, the basic difference between the Soviet and US systems of arms procurement. Almost all US arms and weapons systems producers were private companies, while in the USSR 100% of all property was owned by the state. The world experience, however, testifies to the fact that these two instances illustrate but extreme cases. The world models of military economy represent, actually, a combination of different forms of ownership. Considering specifics of the arms procurement system's functioning in the economy with different forms of ownership, Russia exhibits but limited interest in these specifics and only from educational point of view, such an attitude being explained by the fact that she already has a mixed military economy where 60%¹³ of production is being put out by private enterprises (joint stock companies).

Therefore, again, present-day problems of the Russian defense industry are not, in fact, problems of forms of ownership or undeveloped market structures, but the problem of scarce resources. The scarcity of resources has acquired such magnitude that it raises the question of the Russian defense industry's survival. The problem raises also both the question of defense capabilities of Russia in the observable future and of the technological image of Russia in the 21st century considering, especially, the fact that the national military-industrial complex is still the main source of high-tech technologies.

The problem is too complex to be solved by mere increase of the budget expenditures for arms procurement.

¹³ Krasnaya Zvezda, November 1998, p.3

Russia is not the USSR any more. There are other threats and domestic/foreign-policy priorities for Russia, and any additional appropriations for defense needs may well make military industry to oversupply.

The situation has reached the point where the entire Russian military-industrial complex needs not merely resolute, but emergency measures to be reformed. In this respect, experience of similar processes in the West might be worth considering.

As for the uniqueness of the present Russian situation from the point of view of the profundity and pace of reduction of the military budget and of the military production in Russia, as well as the uniqueness of the resulting macroeconomic effects, principal military producers in other countries have been facing similar problems for several years already. But the budget reductions there have not led to similarly destructive consequences, as those faced by the Russian defense industry.

In our opinion, reasons for this dissimilarity can be explained not only by difference in the volume of the "budget pie" reduction, but also by the difference in the reaction of the defense industries to the abrupt change of financial terms of their performance, both here and in the West. Hence, it deems necessary to follow developments which have been going on in the US defense industry for several years already, and to try to find the way out of the crisis in our military industry.

While these numbers are not comparable with the scale of reduction of the Russian military budget, the Western military industry, having quickly estimated long-term prospect of changes which occurred in the second half of the 1980's, promptly reacted to the new conditions.

In fact, at the very beginning, all the major American companies – producers of military equipment – reacted practically the same way to changes in the financial parameters of the market. Measures to increase effectiveness of the production turned out to be the first stage of the adaptation of the US military industry to the new circumstances. These

measures included, first and above all, personnel reduction (for the past several years employment in the US military industry dropped, on the whole, more than 30%)¹⁴ and introduction of changes in the internal structure of companies and management systems.

All in all, there is every reason to say today that reduction of military appropriations which has created the danger of crisis in American defense industry, initiated, instead, an incentive for its structural reconstruction, recovery and continuous development. After these processes are over, the United States will have more compact and, at the same time, more economically effective and powerful military industry based upon unconditional government support, both on the domestic and foreign markets.

This situation represents a sharp contrast with that in the Russian MIC. It seems that this contrast of results in reduction of military appropriations for respective sectors of the economy of both countries is contingent upon not only the size of these reductions, but upon the fact that the American industry has actively and timely reacted to new conditions, while wait-and-see policy has been the main tendency in Russia. Today, there is no well-substantiated national program of reorganization and reduction of the defense complex. At the same time, exclusion of the MIC enterprises from the process of privatization deprives them of the ability to start this reorganization independently and with due account of market tendencies.

In the situation of general decline of defense contracts, the majority of national MIC enterprises has retained approximately 40% of their production capacities. These capacities are actually being transformed into non-productive overhead expenses which, today, are reaching 900% and more¹⁵. It is clear that under these circumstances no economically effective activity of the defense enterprises either in military spheres or in civil production is feasible.

¹⁴The Economist, April 2, 1994, p.72.

¹⁵ "Civil-Military Relations in a Democratic Society", p.49, ISKRAN Publications, Moscow, 1996

All in all, there is every reason to say that the Russian defense industry is put in such a state that it cannot be competitive either on domestic or foreign markets, it cannot survive on government contract system and it cannot diversify due to lack of investment resources. Neither it can start restructuring because of the environment created by the national privatization program.

For Russia, where rates of reduction of military appropriations are still unprecedented, where the surplus of defense-production capacities is significantly larger than in the West and is estimated approximately as 60%¹⁶, the task of carrying out an urgent structural "perestroika" of the defense industry is believed to be vitally important. Today, efforts to create financial-industrial groups in Russia are regarded as a first step in the right direction, provided defense enterprises will not convert into an additional burden for civil industry and financial institutions.

Restructuring of the national defense industry which could be based on merger and reduction of analogous production facilities with subsequent creation of leaders of particular industries and, perhaps, even monopolists, is seen as a much more complicated task which could be solved through a clear system of priorities for industrial and military-technical development worked out by the government. The development of such a system would allow to carry out radical reductions of excessive production capacities in the defense industry and, concurrently, provide government contracts to the remaining enterprises which correspond adequately to the criteria of economic profitability. In the face of the existing vertical integration scheme of organization of MIC enterprises, such measures can provide significant saving reserves both for creating enterprises and for the national budget.

Obviously, the suggested strategy of solving the problem is linked to rather meaningful social consequences, mostly relating to the growth of unemployment. But, today, the actually

¹⁶ Nezavisimoye Voennoye Obozreniye # 12, 1998, p.2.

existing hidden unemployment in the defense industry is seen no less dangerous, and carries in its train significantly harder economic burden for the nation. An attempt to fairly divide the sharply reduced "budget pie" will, in the long run, threaten with full destruction of the defense industry and the elimination of both, excessive production capacities and productions which are badly needed by the nation today and will be still needed tomorrow. Expectations that military-technical cooperation of Russia with other countries will solve all problems of the national MIC are regarded not only naive, but dangerous as well, because they delay the adoption of complex and urgent decisions. With an active government support, military-technical cooperation can become a very important factor in supporting economically sound defense industry in Russia. However, it will happen only in the case of radical reduction and consolidation of the Russian MIC. In any other case, even the most extensive sale of the Russian-made military equipment will not save the national defense industry from a complete fiasco already in the near future.

This is only one aspect of the problem, but it has strategic implications. Functioning of the private military industry brings up a whole range of other questions, particularly the problem of intellectual property of private enterprises working on government contracts. Solution of this problem is extremely important, but any legislative or executive measures in the respective field will make sense only in case the industry which is capable of realizing these contracts and creating intellectual property is kept alive and functioning.

Still there is a hope that the Russian new Prime Minister Sergei Stepashin is very serious about reformation of military and industrial complex. At the beginning of June 1999 a new program of reorganizing the management of the military and industrial complex has been adopted at the session with the heads of the country's leading defense enterprises.

The session specified that there would be five and not six sectoral agencies to incorporate the entire military and industrial complex: apart from the Russian Aero-Space Agency, there will appear the agencies for ammunition, conventional armaments, control

systems and ship repairs. The Prime Minister also resolved to select already this week the respective heads for all the five agencies. The Economics Ministry was assigned to determine for each agency the ultimate size of personnel of no less than 120 employees with the proportionate transfer of wage funds to them. The agencies will incorporate all defense enterprises and organizations. The Economics Ministry will keep the general functions involving state defense order, the armaments programs and mobilization issues.

It was admitted that for the past ten years the defense industry has been under control of so different departments and ministries: the Russian Defense Industry Ministry, the State Defense Industry Ministry, the Ministry of State Defense and then personally by the Economics Ministry. But the state did not pay attention to one of its outstanding sectors. As a result, it is possible to speak today not about profits but only about sad facts: out of 1,600 defense enterprises checked by the Defense Ministry, 62% proved to be unable to fulfill their mobilization assignments. It was also difficult to determine at once who possessed these enterprises. It turned out that only 625 enterprises remained in state ownership; 507 producers were joint stock companies with state participation and about 400 were privately-owned¹⁷. But it is not so difficult to put things in order in this field. It is more difficult, however, to sort out things with military science capable of producing top-class dual technologies. The part of it which was personally supervised by defense minister Igor Sergeev has been preserved best of all. But on the whole, the picture is gloomy: the average age of employees of defense design bureaus is 55 years and the average age of the heads of defense enterprises is 69 years¹⁸.

In the opinion of Sergei Stepashin, reorganization of the defense complex is one of the few remaining chances for the revival of our industry. Russia has developments of the 5th-generation weapons but is unable so far to master their serial production since there are no

¹⁷ O. Odnokolenko, "Prime Minister Serious about reformation of military and industrial complex". *Segodnya*, June 9, 1999, p.2.

funds to modernize the outdated industrial base. These funds, as was noted, are expected to be obtained through the sale of intellectual labor. Incidentally, no country in the world sits rigidly on the ideas which tend to become outdated with time. Germany, for example, invests up to 70% of its defense funds into international cooperation programs. Even the USA (the sole state which can produce the entire range of modern armaments) participates in 120 international programs¹⁹.

However, the current concept of the reformation of the military and industrial complex also has its opponents - basically, from among bureaucrats. At the same time, the defense industry heads seemed to accept this idea readily. However, Sergei Stepashin does not intend to engage in long lasting discussions and demanded from the participants in the session to work actively. If the experiment with the military and industrial complex turns out to be a success, according to the Prime Minister, the same approach may be applied to other sectors of industry as well.

We prepared suggestions concerning the guidelines for conversion and privatization of the defense industries, and development of a cost-efficient contract system for R&D and defense procurement in a private market economy. We made some practical suggestions concerning private and government efforts towards social rehabilitation of the workers of defense enterprises who face the prospect of unemployment.

CHAPTER 3.

PROBLEMS OF TRANSITION FROM A CONSCRIPTION TO AN ALL-VOLUNTEER FORCE

We think that the structural changes in the Russian armed forces are the easiest part of reform because they address problems that can be treated by decrees of the minister of defense. The real problems facing the Russian armed forces cannot be solved by paper orders

¹⁸ Ibid.

and involve factors beyond the control of the ministry of defense. They are generally human, not structural, problems but they most directly influence the military effectiveness of the Russian army.

Manning the Russian armed forces is the greatest problem. It is not just a question of quantity but, even more crucially, of quality. Some of the reasons for the army's manpower shortage have already been mentioned. Russia's demographic situation is unfavorable; almost 85,9% of 1999 conscripts have been able to claim exemption from military service ²⁰. The greatest part (64%) claim exemption because they are students of different educational institutions. As a result educational potential of the military forces personnel has reduced drastically. During the last ten years the number of citizens with secondary and high education has reduced by more than 20% and in 1998 constituted only 70%²¹.

In addition young men have simply not bothered to turn up for conscription and their evasion has generally gone unpunished. The number of deserters from units has been steadily growing and the official figures probably understate the problem.

The reality behind the figures is that Russian society no longer accepts the necessity of military service, at least in its present form. The appalling conditions within units have been well publicized by the Russian media. Families do not want to see their sons serving in the armed services and young men with the wit or money to avoid conscription do so. There has been an improvement in the manning situation over the last couple of years and from 1998 responsibility for running the military commissariats which organize the conscription process is being transferred to local authorities. It is hoped that this will improve efficiency and end jurisdictional disputes between the military and local authorities, but it is too early to be sure

¹⁹ O. Odnokolenko, "Prime Minister Serious about reformation of military and industrial complex". *Segodnya*, June 9, 1999, p.2.

²⁰ V. Mukhin, "We do not need uneducated personnel in the military forces", *Nezavisimoye Voennoye Obozreniye* #22, June 11-17, 1999.

²¹ V. Mukhin, "We do not need uneducated personnel in the military forces", *Nezavisimoye Voennoye Obozreniye* #22, June 11-17, 1999.

that the change will really bring the armed forces' recruitment up to establishment. It is far from certain that local authorities will take a real interest in their new responsibilities. Even if the numbers improve there will still be problems with the health and educational standards of the intake.

Typical figures quoted by ministry of defense spokesmen suggest that scarcely half the intake have completed secondary education and that 5% of conscripts have criminal records, 12% are habitual drinkers and 8% have used drugs. 15% of conscripts are underweight on enlistment, not a good start in an army which has problems providing basic rations for its soldiers²². The Russian health system has been in decline for some time, with indicators such as average life expectancy at crisis levels. There is nothing the armed forces can do to cure this problem; Russians' physical health will not improve until the country's economic health is better.

Despite these problems the ministry of defense remains committed to the conscription system. In May 1996 President Yeltsin decreed that conscription was to end by 2000. This timescale was generally condemned as unrealistic and a revised target date of 2005 is still considered as impossible by most senior officers. It is not merely that some senior officers still believe in the mass army and the mobilization reserve which conscription provides. It is also because of their current experience of "contract service", as professional recruitment is called in Russia. In 1992 contract service was introduced with the aim that 50% of servicemen would be professionals by the end of the century. At the beginning of 1998 27% of other ranks were contract servicemen, which suggests that the program is on target. In fact, however, there are serious shortcomings in the professional sector. In 1996 there were 270,000 professionals; the figure is now about 200,000, of whom half are women²³. Numbers

²² Michael Orr, "The Russian Armed Forces as a Factor in Regional Stability", Conflict Studies Research Center 1998.

²³ Ibid.

have gone down both because more professionals are leaving the service than are entering it and because the armed services have been forced to get rid of a large number of unsatisfactory 'kontraktniki'. Professional military service has not established itself as an attractive career; pay is low and conditions very poor. Those who do volunteer are often those who are failing in civilian life, with health or social problems. It appears that they receive little formal training before being posted to units, where they arrive as an extra burden, rather than a useful addition to the strength.

It is also no secret that contract servicemen are unwilling to serve where they are most needed, in combat units and particularly in peace-keeping duties in the "Near Abroad". (Service with UN-sponsored forces is popular, because wages are generous by Russian standards and paid in hard currency). Thus 201st Motor Rifle Division in Tajikistan is supposedly Russia's first all professional formation and the template for a new professional army. However the outflow of professionals exceeds the intake, with many simply failing to return from their first leave.

The high proportion of female contract servicemen is also significant. Many of them are the officers' wives who join because they cannot find other work near their husbands' garrisons. They tend to serve in communications, administrative and medical specialties, further reducing the pool of professionals available for duty in combined arms units or other front-line postings.

There are three main approaches to the recruitment problem in Russia:

First, the armed forces should draft conscripts.

Second, the armed forces recruitment must be on contract.

Third, the armed forces must adopt a mixed principle of recruitment.

Advocates of each approach have their own arguments and all of them are politically tinted. Everybody, however, agrees that military service should recruit more often women

and civilian specialists on a contract basis. They also agree that it is necessary to create legal and economic guarantees of public respect for military service.

Let us consider these approaches one by one.

1. Recruitment by drafting.

This principle is advocated basically by representatives of the old generation professing national-patriotic beliefs, raised on the ideals of the Communist party and the USSR.

Clauzewitz's formula "the state – the armed forces – the people" is axiomatic for them, and more than seventy years of the overall militarization which led to the destruction of the nation is not regarded by them as a serious argument. In the Russian society which does not support this principle, they are in minority.

2. Recruitment by contract.

This principle of recruitment is basically supported by the democratically minded part of the Russian society, the youth, various human rights organizations and committees of soldiers' mothers. Lately, more and more combat officers of junior and intermediate ranks support this idea as well, although it should be noted that reasons behind their support are different.

If democrats are afraid of a new militarization of the nation, soldiers' mothers are afraid for the lives and well-being of their children. Human rights activists do not consider military service a necessity, and the youth holds that there is no sense in serving in the armed forces. Junior and intermediate rank officers are simply tired of filling "holes" in combat readiness of their units, which emerge due to serious manpower shortage and its worsening characteristics. Officers are also tired of their burdensome work for which they are paid badly and not regularly, at that..

As we see, almost all reasons are of subjective nature. They are conditional upon situations and moods, characteristic of each of the above enumerated categories of the population.

The top authorities of the Ministry of Defense and other power agencies of Russia have the best understanding of the problem. They both recognize and understand it, and take certain steps to solve it. Measures which they undertake are well known, attitude towards them in our society is not unique, and we won't describe it. But what characterizes all of them is their small effectiveness.

In our opinion, reasons for this small effectiveness are the following:

- there is no approved political decision or concept of molding the armed forces professional entity;
- there is no appropriate level of financing of all spheres of national defense by the federal Government;
- legal basis of federal service, including military and alternative services, etc., has not been worked out (for example, the Law "On the Federal Service in the Russian Federation" doesn't even mention military and alternative services as categories of federal service);
- there is no legal, social, cultural or economic foundation which would provide social and economic guarantees for the high prestige of the military service;
- heads of the national "power" agencies do not wish to consider the question of transition to the contract principle of recruitment in their agencies because of the above mentioned political reasons, and not only due to the absence of incentives and funds, but also because of their "different" vision of how to solve this problem, as a whole.

Let us consider all pros and cons of professional (voluntary-contract) armed forces.

Arguments – PRO:

- increase in combat readiness and fighting ability of troops in peace time;

- possibility of certain reduction of strength of the armed forces and other troops in peace time;
- decrease in accidents, catastrophes, deaths and injuries of servicemen while working with military vehicles, equipment and arms during combat training;
- decrease in losses of troops during combat operations;
- extension of use of military vehicles, equipment and arms;
- elimination of social-political tensions in the society caused by the participation of the troops in military activities in "hot spots" in peace time and by non-code relations in the troops;
- certain level of demilitarization of the state, society and of public consciousness and perceptions;
- certain level of "political tolerance" of the armed forces;
- absorption by the armed forces of a certain part of the presently unemployed labor force of the nation;
- growth of prestige of the military service in the society.

That gives us an opportunity to come to the conclusion that *an objective necessity transition to the contract principle of recruitment exists, and the Russian society is ready for it.*

Arguments – CON:

- sharp increase in the armed forces expenditures. They cannot be afforded by the nation in the near future;
- decline in the level and numerical strength of mobilized reserves of the trained population groups for troops' deployment during a transition of the nation and of the armed forces from the state of peace to that of war;
- decrease in the general level of military preparedness and patriotic education of the population;

- virtual termination of social-integration functions of the armed forces;
- possible loss of bonds between the armed forces and the people;
- possibility of regeneration of the armed forces into a caste organization with its own syndrome of "praetorian guards" wishing to bring to power forces convenient for them;
- necessity to create a powerful social infrastructure (including remote and scarcely populated areas), as well as an infrastructure for restructuring of some military and civil colleges, actual contract recruiting and propagandizing contract recruitment. All this will also require additional expenses.

It allows to make a conclusion that there are serious reasons not to precipitate immediate transition to this principle of recruitment.

Definitely, all those pros and cons are not self-exhaustive and may be elaborated upon further, but the main conclusion is already evident.

In our opinion, economic capabilities of this country, historic ideals of the public, huge territory and the most extended in the world federal borders of Russia do not allow to carry out the contract principle of recruitment of its armed forces in the near future due to unconformity of its application with the Russian realities.

What should be done if "total recruitment" is already impossible, but voluntary service is not feasible yet?

The answer is simple: it is necessary to perfect the third principle – mixed principle of recruitment of the armed forces. Today, it should be accepted as the basic principle. Hence, one should "make haste slowly", preparing conditions for the transition to the contract principle of the armed forces recruitment.

This approach suggests:

- immediate "contractization" of the armed forces deployed in "hot spots";
- enhancing formation of professional-contract corps of junior commanding officers and specialists;

- flexible approach to determining the number and strength of troops, comparative contingents of servicemen enlisted by the draft and by contract, depending on the task faced by the particular force, its location, economic and demographic capacity of the region, social infrastructure, etc.;
- gradual creation of legal, economic and social incentives and conditions which would provide high reputation and advantages of the professional-contract service;
- creation of conditions facilitating education (or qualification standards improvement) and granting academic degrees in civil specialties while still on active duty in the regions of service, etc.;
- creation of militarized territorial detachments of the Russian Cossacks;
- gradual replacement of servicemen-specialists from the rear services, procurement and maintenance services, security outposts and other units by contract personnel;
- creation of the system of Organized Reserve which would provide training and re-qualification of officers and specialists of reserve;
- creation of the national ideology of the military service;
- creation of the national-patriotic education system which will contribute to better understanding by the public of the necessity and importance of tasks which are solved by the armed forces, complete trust in its civic position, reliability and honorable name, its unconditional readiness and ability to defend the Motherland and to carry out constitutionally legal orders of the Supreme Command;
- creation of a national political and civil control system to monitor national power agencies;
- achievement of real departization and legal internal political tolerance in the armed forces;
- and so on... "just be there the will to win".

Enumerating everything that should be done could lead us to other fundamental problems of the Russian military reform, but this is a completely different topic.

We deeply believe that sooner or later (preferably, sooner), thanks to a profound military reform in Russia it will be possible to state (paraphrasing General De Gaulle) that "the armed forces of Russia are a truthful reflection of the greatness of its genius".

CHAPTER 4.

MILITARY SERVICE AND CIVIL RIGHTS

Civil rights in Russia have always been diversified according to a person's position on the "social ladder". That is true for the military personnel who sometimes had more rights and sometimes they were discriminated comparing to civilians.

The existence of the large army in Russia for centuries did not allow to satisfy the interest of citizens in the military service only with the help of federal budget. Funds have always been in shortage. Therefore, there has always been the complex of special rights or privileges for Russian military personnel.

Let's take some examples from the Russian history.

The rule of Nikolai I was the period of special tyranny. The 25 years of his rule resulted in 1,028,650 deaths from illnesses (death from wounds is not included)²⁴.

The serviceman used to be totally dependent on his superior commander, which possessed special legal functions. Even after the military reform of Alexander II, according to the military-judicial code of 1867, the commander of the regiment appointed the regiment's court (three officers subordinated to him), declared orders, sanctioned sentences and, moreover, had the right to increase or alleviate punishments ordered by the regiment courts, The sentence approved by the commander was final and was not subjected for reconsideration. The accused didn't have the right to have a lawyer.

²⁴Historical review of the military-land forces management, 1825-1850, SPb., 1950, p.99.

Up till now the system of military courts still exists in the Russian armed forces and, to a certain extent, it resembles the one in the past. It's not a secret that because of the fact that military lawyers are dependent on a military command, the protection of human rights in the Armed Forces is often conditioned by a commander's personal position.

The Law of the Russian Federation "On Status of Servicemen" arouse big expectations in the Armed Forces, but it not only kept principles of social injustice existed before, but caused new ones.

It seems that the law contains the points which deserves criticism. There are articles in the law "On Status of Servicemen", according to which rights of servicemen depend on a commander's loyalty to them:

For example, a serviceman can be included in the list of people who need improvements of housing conditions only in case a commander gives him recommendations; or citizens discharged from the military service can join state educational establishments of professional education also only through recommendations of commanders, etc.

Unfortunately all these regulations function in the environment of the absence of any mechanisms of control over the activities of commanders. Some time ago that function was performed by political deputies of commanders who had high status and independence and usually were CPSU members. Today, commanders are practically uncontrollable.

There are also regulations that suppose to prohibit political activity of servicemen:

"Servicemen have the right in non-duty time to participate in meetings, street processions, demonstrations, pickets which do not pursue political goals and not prohibited by state authorities and local self-government institutions" (p.2, article 7);

"Servicemen can be members of public organizations and participate in their activities not in his duty time" (p.2, article 9).

But in fact these norms do not contain any prohibitions. Therefore, Minister of Defense cannot discharge officers who are openly engaged in political activity because they are under continuous protection of court.

Comparing this supposedly prohibiting norms with other norms of the same law, we see: "Participation of servicemen in protests is prohibited" (p.3, article 7); "Creation of religious organizations in military units is prohibited" (p.5, article 8). As we see, a lawmaker correctly formulated prohibiting legal norms, where he/she actually wanted to prohibit something.

No doubt that a serviceman has to have a sufficiently high social status. The armed forces must guarantee their citizens peace, public tranquillity and constitutional order. Therefore, the military, along with privileges, must receive strict norms of conduct from a lawmaker. These norms would restrict their participation in politics and barring them from a military intervention in politics as a part of one of the political forces. It is known that there is no progress in this area. Reforms in our society are underway for more than 10 years but the law doesn't prohibit servicemen to be members of political parties and to participate in political activities, including in their duty time.

The fact that some officers and generals are actively participating in political life reflects the troublesome state of civilian-military relations in Russia. But the military are politically divided and sometimes associate themselves with different, often competing political forces. They hardly can act as independent political forces, unless in support of their own self-interest.

During the Chechen war the military often acted on their own, either without specific orders from the government, or (like in cases when the President ordered to stop the bombing of towns and villages) ignoring them. The efforts to negotiate a political solution were understood by many in the Army as a stab in the back and the displeasure of the military seriously complicated the negotiations conducted under the auspices of Chernomyrdin's Government.

The Chechen war have serious consequences for the Russian armed forces. It clearly showed that either the military reform will be taken seriously or the Army may become even more involved in the political developments in Russia.

Also, lawmakers ignore the regulation of the Constitution of the Russian Federation, which prohibits deputies of the State Duma to be on state service, though many of their colleagues belong to the armed forces, which is considered as one of the state services, according to the Law of the Russian Federation "On Military Obligation and Military Service". This law doesn't contain regulation which indicates what he/she particularly must do if he/she receives the order to act against lawful authorities and what particular responsibility he/she will bear if he/she would follow that order.

Almost for 10 years we talk about the inadmissibility of using the Armed Forces in internal political conflicts but nothing has changed. It is not a matter of principle "to forbid". Armed forces, compared to the militia, for example, have several specifics which primarily concern soldiers by the draft. These soldiers are under continuous and direct ideological influence of commanders, and this influence sometimes can be a part of a commander's personal political views.

One-sided propaganda, together with certain isolation of servicemen from day-to-day problems of civil society (they are not supposed to take care of food, housing, work, etc.) may produce an inadequate picture for soldiers about the situation in the society. The isolation of young and healthy boys from many deeds and feelings desired in their age may cause their animosity (unaddressed, as well as toward their colleagues or civil counterparts of the same age). There is sometimes unrestrained wish to get desired thing even through breaking the law. Military psychologists know that tension of the military service results in psychological stresses of soldiers. Unstable state of mind of 18 year-old soldiers doesn't always allow them to control themselves in extreme situations.

It is also therefore doubtful that the Yeltsin government can count on the armed forces

as a political instrument. In particular, if President Yeltsin faced a new round of conflict with parliament it is hard to imagine that the army would agree to a repeat of the October 1993 White House operation. Some units, or parts of units, might be prepared to act against the Duma but it is equally likely that others would be ready to defend it, increasing the risks of the conflict. It is also hard to know how the army would react if the president tried to use only Ministry of Internal Affairs (MVD) troops. There is certainly no love lost between the two organizations, whether at ministry or soldier level. MVD troops are generally better paid and equipped because the Russian government is more concerned about internal security than external threats. Nevertheless in Chechnya the ground forces shouldered the main burden of combat operations and the pampered MVD did not impress as a fighting force.

The Russian government must have doubts about the army's reliability in any trial of strength between the center and the regions. Many units depend on their local political bosses to supply them with the necessities of life. It is unlikely that they would favor a central government which has left their pay in arrears or their families un-housed against their local sponsors. Present organizational trends which will make military districts into more autonomous operational and administrative entities are likely to strengthen these local loyalties and weaken the centre's authority. The harsh conclusion is that any attempt by the Russian government to use military force internally is likely to lead to civil war.

Returning to the rights of servicemen, it is necessary to present the legal provision of their social status. Moreover, this problem is linked to interests of citizens because it is connected with the large expenses from the federal budget. Existing system of benefits doesn't provide neither sufficient social status for servicemen, nor moderate military expenditures. The military sees inadequate financing as the main reason for their unsatisfactory social status. But if to stick to reality, it is obvious that an increase of the share of military expenditures in the Russian state budget is hardly possible, even if it is desired.

Therefore, nobody will answer the question: what programs of the federal budget should be cut to increase its military part?

Therefore, the task is to consider how effectively spend existing means for social security of servicemen.

There is nothing more important than the need for public and civil, as well as parliamentary, control over the military spending.

Our system of benefits and advantages for servicemen needs more logic. It will result in being more economical and will better respond to principles of social justice.

Today, the whole scope of benefits for every veteran of war depends on how many years he/she lives after war, rather than on his personal services comparing to other veterans. Every serviceman must be rewarded not equally with other servicemen, but depending on his personal merit during the period of the military service and on injury he received during that service. Merits must be divided into categories: service in peaceful time, service during the martial time, location in the area of military actions, participation in military actions, committed heroic acts and so on. It would be logical to register the time spent on location of military actions or participation in military actions. Moreover, it would be necessary to categorize the service in peaceful time and the injury received during that service. Rewards for military actions are necessary to present during military actions or right after their completion. Privileges for injuries can be life-long.

It is seen that rights of servicemen not to pay taxes and to use public transport free do not conform to principles of civil equality. Taxes are paid even by the British Queen. Also, why a serviceman needs free ride on transport, when his place of service locates near his residence? If there is necessity to take serviceman's expense for transportation to serviceman's service location, it is necessary to increase serviceman's salary rather than raising question of transportation benefits.

The system of payments oriented on salaries must be eliminated. This system presents unequal compensations for equal injuries or burdens. If salary is paid for performance of duty and the salary is in accordance with this duty, the payments for the injury must be in accordance with the injury.

It is necessary to emphasize equal civil rights of Russians to be called up to the military service by the draft. We have to admit that universal military draft is unreal since not everybody is eligible for military service because, for example, of "health reasons". But the law, in accordance with which some citizens are drafted for two years for performance of difficult military duties and others can easily evade that, cannot be considered to be reasonable.

It is possible to find different methods of alternative service in exchange for military draft. Even financial compensation in the sum of support for one soldier recruited by the contract for two years is possible. However, the most popular method instead of the military draft is alternative service. According to the Russian Constitution: "A citizen of the Russian Federation, in case the military service contradicts his belief or religion, as well as in other cases established by the federal law, has the right for an alternative service".²⁵

However, there is no law about an alternative service. Its draft, born in the Russian Supreme Soviet and presented in the first and second reading in 1994 and 1995, was completely blocked by the State Duma in October 1998²⁶. One of the reasons is a negative attitude of the Ministry of Defense to that law.

We think that in spite of opinion among the military, adoption of the alternative service will not aggravate but it will improve situation with the draft. Today, a person stands before the choice - to serve or not to serve but tomorrow his choice will be where to serve. Of course, the law about the alternative service must be thought through in detail.

²⁵ The Constitution of the Russian Federation, point 3, article 59.

²⁶ State Duma Proceedings, Moscow 1999.

Therefore, adoption of the alternative service in Russia will solve several problems at once: observing civil equality and human rights of citizens whose beliefs contradict the idea of the military service; keeping the military draft which is needed (Russia doesn't need completely mercenary army).

At the end, it is necessary to emphasize the main problem for Russia which must be solved to avoid association of the military service with human rights violations. The goal is to have the Armed Forces where everyone could serve there without fear and shame. Military reform is needed for that under the leadership and control of civil authorities.

The research allow us to make a conclusion that the military service with its institutional system of strict subordination and discipline, resulting with some limitation of the civil and political rights does not necessarily deny civil rights of the servicemen, reducing them to the status of feudal serfs at the mercy of their superiors. It's necessary to clearly define these limitation and create a mechanism to protect the fundamental civil rights of the military personnel and to end the long tradition of abuse of the enlisted men, especially young draftees by their superiors. We also discussed in our study the guidelines concerning the right to disobey illegal or criminal orders and the need to strictly implement the internationally accepted rules of war.

In our study we gave much attention to explanation of methods and limitations of military participation in political activities in a democratic society, while tackling the issue of protection of civil rights of servicemen and officers. And analyzing the experience of transition from the draft to an all-volunteer force we are going to propose some social benefits for active duty and retired military personnel.

We hope that this approach allowed to prepare the ground for a meaningful non-political discussion of the crucial issues of defense policy and stimulate a serious and unemotional debate on military reform in our society.

CHAPTER 5.

THE SOCIAL PROTECTION OF ACTIVE DUTY AND RETIRED MILITARY PERSONNEL

According to the Constitution, the Russian Federation is a social state whose policy is directed at creating special conditions to provide decent living standards and free development of an individual.

Historically, the profession of a military – a defender of the Motherland – has always been considered as one of the most honorable and respected occupations in our multinational country. As a rule, much attention was paid to the military personnel, and, traditionally, this problem was one of the major priorities in Russia. Great support and respect accorded by the government and general public to the military have always been considered as a material and spiritual basis for serving the nation, as well as the most important indicators of its defense capabilities.

Taking this into consideration, the authorities as well as the Russian President are paying much attention to the problem of social protection of the Russian military.

For a relatively short period of time, since the creation of the Russian armed forces (May 7, 1992), an appropriate legislative basis has been formed. This allowed to put into effect more than 30 new benefits together with a number of compensations and guarantees for the military personnel, retired military and their family members.

The existence of normative and legislative basis was instrumental in balancing the social and economic situation within the Russian armed forces despite a poor economic situation in the country and difficulties with financing the Defense Ministry.

Actually, the Russian Defense Ministry has taken upon itself the heaviest burden in realization of all the adopted norms.

What problems of social protection of the military, veterans and their family members we consider as the most complex ones?

Surely, this is *the problem of funding*. For the past several years there is a significant decrease in defense expenditures. Despite the fact that Russian defense budget has become more socially oriented (about 60%²⁷ of all the expenses were designed for salaries, benefits, support of medical institutions, secondary schools, kindergartens) it is becoming more obvious that further cuts in defense budget would cause certain social disturbances.

Military salaries and civilian wages are paid out only after long delays. By mid-1998 the average delay was three months, which means in effect that about 25% less money is delivered for salaries and wages than present personnel level requires²⁸. This along with the housing shortage, are the most persistent and painful problems facing the Russian officer corps.

Delays in payment are sometimes exacerbated by the sheer diversion of funds by corrupt officials and commanders at all levels of the Ministry of Defense and the armed forces. After receiving the money from the Ministry of Finance, these individuals are then responsible for its disbursement. In an atmosphere of near-universal corruption, and with virtually no independent outside auditing control over budget implementation, some of these officials have been tempted to divert funds for their own gain.²⁹ In addition, many Defense Ministry "Field banks" apparently cooperate with commercial banks to divert funds for high interest, short-term credits, split the profits between them, and then transfer the money to the addresses, thus resulting in further delays.³⁰

The house-building problem is also high on the agenda. Despite an extremely irregular provision of funds, the Defense Ministry managed to maintain the number of

²⁷ V.Solovyov "Russian Armed Forces Must Be Halved", *Nezavisimaya Gazeta*, February 4, 1999.

²⁸ A.Arbatov, "Military Reform in Russia", *International Security*, Vol.22, No.4 (Spring 1998), p.105

²⁹ A.Kondrashov and V.Tsepliaev, "The Army Will Have To Be Disbanded: There Is No Money", *Argumenty I Fakty*, No.32 (August 6, 1997).

³⁰ A.Arbatov, "Military Reform in Russia", *International Security*, Vol.22, No.4 (Spring 1998), p.106

servicemen waiting for housing. As of early 1998, there were 98,000 servicemen lining for housing, and the figure was 94,000 in January 1999³¹.

In all, the Defense Ministry provided housing to 20,700 families of servicemen and to 2,000 servicemen of the armed forces³². In addition, the "State Housing Certificates" federal targeted program, which was granted the status of a presidential program, was put into effect in 1998.

Despite the August 1998 problems, this program was used to provide housing to 4,500 families of retiring servicemen, including those who used their certificates for getting a flat. Last year the servicemen of the Defense Ministry received 10,000 such certificates. The remaining 5,500 certificates are being placed with thrift institutions.³³

The Defense Ministry has raised the question of introducing stricter rules for the appointment of servicemen to officer posts in Moscow. In the past, there was a quota of no more than 500 a year. The Defense Ministry has abandoned this quota for several, including very weighty, reasons, which affected the number of officers who have no housing.

Last year the Defense Ministry provided housing to 20,000 servicemen families (out of the registered 97,000)³⁴. This means that the rest will receive housing within the next five years, with each officer waiting for his flat for no more than four years. However, this is not true for Moscow, where some 400 families, who were registered as homeless in 1989, are still waiting for a flat.

As a whole, *the system of health protection* of the military is still working despite a great number of difficulties. However, its logistic base and the range of activities of the military medical institutions are very limited.

³¹ "Officers Line Up For Housing", Interview with V.Nikolsky (Defense Ministry), Krasnaya Zvezda, March 18, 1999.

³² Ibid.

³³ Ibid.

³⁴ Ibid.

The network of military hospitals allows only the military personnel to receive full medical service as inpatients. The number of the retired military that could receive such kind of service is less than 40% and the number of their families comprise 20–25%³⁵.

The capacity of military sanatoriums and health centers can accommodate only 7% of the number of the military who have the right for this kind of treatment. The Defense Ministry has no special sanatoriums either for patients with tuberculosis, kidney disease or for those military who need rehabilitation after serious illness and trauma, including spinal trauma.

Taking into consideration the limited resources of military medical institutions and their rather intensive amount of work in big cities as well as insufficient financing of medical supply, presently this problem requires a detailed study.

Despite all the difficulties, the Russian Defense Ministry managed to solve problems dealing with supply of clothes and food for the military, although in 1998 the troops were provided with only 26% of the clothing they needed³⁶.

Similar comments apply to *food supplies* for the military. In this case, because of insufficient and irregular funding in 1998 the armed forces received only 53%³⁷ of the total sum to cover nutritional needs.

As a result, the military receive very scanty food, since in this situation it is impossible to enrich their menu with a greater choice of food products. More vulnerable in this respect are certain categories of the military personnel (submariners, pilots, students of Suvorov military schools, students of Nakhimov Naval schools and sick people) who should keep diet in strict accordance with required norms that include some specific foodstuffs.

³⁵ "Civil-Military Relations in a Democratic Society", ISKRAN Publication 1996.

³⁶ V. Georgiyev, "Military Budget turns out to be classified", *Nezavisimoye Voennoye Obozreniye*, #8, 4-10 March, 1999.

³⁷ V. Georgiyev, "Military Budget turns out to be classified", *Nezavisimoye Voennoye Obozreniye*, #8, 4-10 March, 1999.

The scale of corruption in this area alone is one of the highest in the military establishment, second only to construction and transportation.³⁸ By 1999 the Defense Ministry's debt to maintenance suppliers (including salaries and food) was 70 billion roubles (around \$3 billion according to the exchange rate).³⁹

Also, many problems have emerged in the sphere of *mandatory federal insurance*. One of them deals with a mandatory personal insurance of soldiers and sergeants on active duty. More than 40% of insurance cases in the military units that participated in operations in Chechnya were the result of traumas, injuries or even deaths of the military of that category. The size of their insurance is several times smaller than those of contract servicemen. During the war in Chechnya parents of a son killed in the war used to receive 3,4 million rubles (around \$650 according to the dollar exchange of that period) that was hardly enough to cover all the burial expenses⁴⁰.

The most important and difficult problem for retired officers, warrant officers and midshipmen is the problem of *getting a new job*. Notwithstanding the reasons for their retirement, a great majority of the military intend to work after they retire from service. In the present economic situation, almost all retired military consider their civilian job as an essential and even the only source of income permitting them to support their family. The average amount of a pension is so small that it is impossible for a 3–4 member family to survive without having an additional source of income.

In this respect, a military serviceman who doesn't have a civilian profession is provided with an opportunity to have free professional training or retraining that can be done at the end of military service and after retirement.

³⁸ A. Zhilin, "Generals in Business", Moscow News, No.24 (June 17-23, 1994).

³⁹ V. Georgiyev. "Military Budget turns out to be classified", Nezavisimoye Voennoye Obozreniye, #8, 4-10 March, 1999.

⁴⁰ "Civil-Military Relations in a Democratic Society", ISKRAN Publications, 1996.

However the realization of this right is also postponed because of lack of funds. There is an urgent demand to develop a federal program for professional training and providing jobs for military servicemen, retired military and their family members. This program should be taken into account while working out the federal budget for the coming years.

All in all, the unfavorable impact resulting from social and legal problems in the armed forces brings a tremendous decline in the prestige of the military service.

Besides, we should take into consideration that, regretfully, as a result of the process of demilitarization of our society, a great number of the most important and basic components of the young generation's training for the military service has been lost, and the whole system of education in the spirit of heroism and patriotism has been ruined.

The constantly changing social structure of our society affects the quality of personnel composition of the Army and the Navy as well as its moral and psychological state. There is also a tendency of reduction of the number of officers in the armed forces.

Low quality of draftees also aggravates the state of the armed forces. We should also take into account the rise of criminal offenses among the young people who consider money and the use of force as major priorities in their lives.

The earlier meaning of the military service as an honorable responsibility and duty of every male citizen has been dramatically changed.

To increase both social protection of the military and prestige of the military service it is absolutely necessary to focus much more attention on the following aspects of the government policy in this field.

First, Constitutional basis for the armed forces activities should be provided, since some arbitrary cases relating to the use of force by the Army can not only reduce the credit of confidence in the armed forces, but also damage the reputation of the military. For a long time the military are expecting certain amendments to the Constitution of the Russian Federation, as well as to the Law "On Defense" and the Law "On the State of Emergency".

Second, it is necessary to improve the legislative and other normative acts with respect to accumulated experience and changes that have taken place in our country, in order to resolve certain problems concerning social protection of the military, discharged military personnel and their family members.

Third, it is necessary to support allocation of funds to provide benefits, guarantees and compensations set up by the state for the military and their family members.

Fourth, spiritual values based on the ideas of patriotism and moral responsibilities should be included in the system of social protection of the military. To reach this objective it is necessary to solve the problem of social protection of the military with regard to formation on the national level of a respectful attitude of the society towards military service and rise of its prestige on the national level.

And, *finally*, we should improve the system of control over social protection of the military. The experience of foreign countries shows that it is necessary to have special structures in the system of power at a very high level designed to solve problems of social protection of the military. In our situation this function should be performed by appropriate committees of the Federal Assembly, state committees within the system of executive power as well as special bodies of the subjects of the Russian Federation.

As of today, the existing bodies of the federal power don't pay much attention to the problems of social protection of the military. Neither the Federal Assembly, nor the Russian Government have ever discussed this problem in detail. The state of social and economic situation of the military is analyzed and estimated only according to the reports made by low-ranking officials. The control is conducted only upon request of deputies, of representatives of the governmental officials of different levels, request applications and complaints coming from the military and other citizens of the Russian Federation.

CONCLUSIONS

There are several urgent tasks to implement the long overdue military reform.

First. It is necessary to put into practice the mechanism of coordination of decision-making and the activities of the top national bodies in the sphere of national security. We mean not only military, but foreign policy, intelligence, counterintelligence and other "power" agencies as well.

Second. In our opinion, within the framework of the Constitution, the parliament has to use to the maximum degree its rights, even if these rights are limited. Without this, civilian political control is impossible in the military sphere.

Third. The limits of participation of the military in politics must be clearly defined. It is necessary to ensure that the armed forces are not involved in the rivalry for power among political parties. On the one hand, it means the elimination of the political involvement of the Military High Command, but, on the other hand, we need to protect the armed forces from any kind of partisan propaganda which was especially vivid during the last election campaign.

Fourth. The armed forces cannot normally exist and cannot normally develop if the government does not define clearly and openly the goals set before the military. The armed forces must be aware of their mission. They should know exactly what to defend and who is the enemy. The situation when the military seek answers to these questions and try to formulate political segment of the military doctrine on their own cannot be tolerated. It's necessary to define specific plans for the armed forces for short, medium and long-term perspective.

Fifth. It's high time to establish at last optimal parameters of our military expenditures. Regretfully, for several years both the military and the defense industry were told to show a little bit more patience and wait for the time when they would get all the money they wanted. But the economic miracle will not happen tomorrow or the day after. The present level of defense expenditures is, probably, the maximum the military can count on in the observable

future. Perhaps, something may change to the better, but in the short-term perspective no radical increases can be expected.

Sixth. It is necessary to clearly define the priorities of the military build-up. We cannot solve all goals of the military reform at the same time. We have to make up our mind as to what we can afford and what we cannot. The first step in this direction was the recognition of the fact that "the Russian Federation doesn't seek quantitative parity in arms and armed forces with leading countries of the world"⁴¹.

Seventh. The 80–90% of the military budget has to be declassified. The secret part of the defense expenditures may, perhaps, keep from the public eye half of Research and Development programs, as well as maybe 10 to 20% of the military procurement and construction. But expenses covering operation and maintenance of the Army and Navy as well as most of other items of the military budget have to be declassified. Only in this case available limited resources can be used efficiently enough.

Eighth. To our mind, problems of the armed forces personnel must be given today a priority. Unsettled social problems make the "man with the gun" feel unprotected in his own country. If social problems of the armed forces are not solved at least to some minimal extent, the process of decline of combat readiness and degradation of the armed forces may become a major problem.

Ninth. Obviously, in the near future (at least before the year 2000 or, perhaps, before the year 2005), our budget will not be able to afford a massive modernization of weapons and military equipment. Therefore, it is necessary to preserve R&D at a certain level, to finance the weapon's utilization programs and to work out a serious approach toward conversion. Support of the excessive mobilization capacities to produce in the next century obsolete

⁴¹Nezavisimaya gazeta, June 14, 1996

technology doesn't make sense. It is much more important to emphasize the need for the development of the dual-use technology.

Tenth. The military reform and, above all, the reform of the armed forces will definitely fail, if the top authorities of the Ministry of Defense pursue the course of the past few years and try to keep the status quo. The cost of this policy in the market economy turned out to be too high; therefore, to save the armed forces from the inevitable collapse is much harder today than it was several years ago. Only in case the society realizes the complexity and importance of the military reform, it will be possible to prevent the development of the catastrophic scenario, and Russia will be able to step into the next century with efficient armed forces.

Consequently, sooner or later Russia will have to return to the issue of a civilian Ministry of Defense, and we should begin to prepare ourselves for this transition already at the very first stage of the military reform.

All these questions of the military reform and relationship between the state, the society and the armed forces must not be overlooked after the Presidential elections of 2000 are over. It's high time both for the experts and high officials at the decision-making level, as well as for the executive and legislative branches of government to stop senseless talk about the military reform and to start elaborating detailed plans for its implementation. It's high time to move to the practical solution of the problems that Russia has been facing in the military sphere for the past seven years.

As a result of our study we hope to build more support in the government and political circles for a comprehensive military reform, which can lead to a reorganization of the relevant government agencies; substantial changes in allocation of resources, including both the level and the proportions of the defense budget, and additional national programs for defense conversions and social rehabilitation of the military; a much greater scrutiny of military expenditures by the parliament; a substantial reorganization of the force structure, the system

of training and procurement, and transitions to an all-volunteer force. Of course, the military reform comparable to political and economic reform in Russia will come only after continued efforts, which will take more than a decade.

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