Valdai Discussion Club Report

Valdai | Discussion Club

# Economic Statecraft: Lessons of the Conflict in Ukraine

Dmitry Stefanovich,
Alexander Yermakov

valdaiclub.com
#valdaiclub

April 2023

The infographic presented in the report was prepared by the The Foundation for Development and Support of the Valdai Discussion Club.

ISBN 978-5-907318-82-3




16/1 Tsvetnoy Boulevard St., Moscow, Russia, 127051

# About the Authors

**Alexander Yermakov**
Junior researcher, Center for International Security,
Institute of World Economy and International Relations (IMEMO),
Russian Academy of Sciences

**Dmitry Stefanovich**
Researcher, Center for International Security,
Institute of World Economy and International Relations (IMEMO),
Russian Academy of Sciences

# Contents

# Introduction

Starting in February 2022, the developments in Ukraine have rapidly escalated into a military conflict on a scale that Europe hasn't seen since World War II. The conflict involves large concentrations of ground forces and a broad range of modern weapons. It is radically different from the conflicts of the past few decades, when technologically advanced powers more or less successfully conducted military operations against a technologically much weaker adversary. Their advantage did not always bring the expected result, as confirmed by the record of the Afghan campaigns waged by the USSR and the United States, but the hostilities were clearly of asymmetric nature.

With the Cold War over, the military in different countries prepared for major ground operations against an equal or superior enemy, but for a long while these plans remained mostly theoretical. The Ukrainian conflict has tested the theory in practice. In Ukraine the Russian army is confronting an enemy that possesses similar weapon systems and military equipment and receives arms and cutting-edge ammunition from Western countries. It is yet to be assessed how the conflict is influencing the use of certain types of weapons as well as the strategy and tactics. But what is clear at this point already is a number of political and economic realities that will define the development of military industrial complexes in the advanced countries, the pattern of their defence spending, further R&D trends and priorities, and the like. The conflict shows the following:

- Compact all-volunteer armed forces have their disadvantages. Manpower shortages can restrict operations even for a modern and well-equipped army. In the long term, this can lead to increases in the number of total force, partial revival or expansion of conscript service, and to progress in intermediate forms of recruitment in the shape of government-supported volunteer societies and movements.

- The current production volumes of conventional arms and ammunition fall short of conditions characterising the new type of conflict. The Western countries' arms supplies to Ukraine have largely depleted their stocks, and their replenishment rates, given the current volumes of production, are likely to be extremely slow. We should expect an expansion of industrial assets run by defence industrial complexes (DIC) and a boost in the means of production and the output of advanced arms and military equipment. An environment described by multiple air defences (AD) and sensibility of aircraft losses increases the importance of conventional arms (tanks, artillery, armoured combat vehicles, etc). The defence industry will have to resume their mass production, something that will probably require type standardisation as a way to cut costs. Balancing numbers and technological advance levels will again be high on the agenda.

- Current defence spending is insufficient to prepare a country for a conflict similar to the Ukrainian one and will have to be increased. Investment will be needed in DIC upgrading, production of new arms, and training of more numerous armies.

- High technologies will remain crucial at all levels, from reliable communications and reconnaissance to air superiority or the enemy beginning to gain the upper hand in this area.

- The high cost of DIC development in line with the new objectives will call for cost-cutting via more extensive international cooperation. In the West this process is going smoothly and will develop within NATO and as part of relations between the United States and its Asian allies. It should be expected that Russia will promote cooperation with China, Iran and other countries. Here it is yet to be organised on a comparable scale.

The above trends require a profound and extensive analysis. This report suggests possible solutions to some newly identified problems as well as a number of fundamental conclusions.

# 1. The identified problems

## 1.1. People

One of the key problems that became obvious in the course of the special military operation (SMO) is the shortage of trained personnel, primarily the infantry.

In the late 20th – early 21st century, most advanced countries renounced their former conscription-based recruitment systems or used them as backups. Combined with falling birth rates (fewer volunteers and a higher sensitivity to personnel losses), this has led to a considerable decline in armed forces strength and a switch to the so-called professional armies – highly compact with the exception of the United States.

However, in large-scale armed conflicts, particularly on geographically extensive ground theatres of operations, an army even vastly superior to the enemy in quality but inferior in terms of numbers, experienced serious problems, primarily where control of territory was concerned. The most graphic examples in this sense are the wars of the USSR and the US-led coalition in Afghanistan. Practically always defeating the insurgents in the field, the armies of both superpowers lacked sufficient manpower, even at

the peak of their respective deployments, to control the entire country, which eventually resulted in a failed campaign. Moreover, in the recent period, the Western coalition managed to deploy a force approaching in strength of the one the USSR had deployed in Afghanistan only with assistance from numerous countries and private military companies used for mission support.

Apart from creating conditions for the development of private military companies, one possible way to increase the numbers and potentially the quality of mobilisation resources, primarily in advanced countries, is likely to be – and is already emerging as such – the use of military service as a tool to integrate ethnic and other minorities.

In the 2022 Ukrainian campaign, Russia, after an early stage during which it rapidly occupied vast territories, faced a physical shortage of manpower not only for a continued offensive but also for organising a strong defence, something that forced it to pull back forces in certain cases and launch a partial mobilisation of reservists. We must also note another dimension of human resources: their quality, which means, in application to military scenarios, an ability to perform an assigned combat mission all along the line from private to general.

As noted earlier, Europe has seen nothing like the SMO in scale and intensity for a long time,[1] which, for the most part, is the root cause of various problems in its course. Therefore, it is crucial to study the SMO record in the context of personnel training, including command personnel training.

## 1.2. Munitions

Another SMO-related discovery is that most countries have insufficient stockpiles of weapons, particularly precision (smart) weapons designed for different carriers and with different tasks and range.

Contrary to the myths propagated by the media, the stocks of precision weapons are far from inexhaustible, even in the world's richest countries or military blocs. For example, only a small share of air-to-ground munitions (AGM) of the guided type was used during the first Iraq war in 1991. Most guided AGMs became available only with the development of cheaper devices such as the guidance kit (JDAM) that converts unguided bombs into all-weather precision-guided munitions. To compare: only 6

[1] Кашин В. Первая большая война XXI века // Россия в глобальной политике. 22.06.2022. URL: https://globalaffairs.ru/articles/pervaya-bolshaya-vojna-xxi-veka/

percent of AGM tonnage was guided during Operation Desert Storm, about 42 percent – in Operation Allied Force, and nearly 60 percent – during the first six weeks of intense air raids in Afghanistan in 2001. Even the United States felt the shortage of precision munition during the second stage of its air attacks in Yugoslavia, which lasted for two and a half months, and in the course of an unplanned AGM consumption peak at the start of the Afghan war (Operation Anaconda in March 2002). This became particularly clear in Libya, where many smaller European allies of the United States found that their AGM stocks were not enough for even a brief low-intensity air campaign. Judging by all appearances, the record of these conflicts and the development of mass AGM types in the US helped to solve the problem of smart air weapons to some extent. But it soon transpired that they had overlooked other weapon types, specifically infantry weapons. According to the latest US estimates,[2] JASSM cruise missiles (including their longer-range variety, JASSM ER, and anti-ship LRASM missiles) may be used up within a week or so in the case of large-scale combat operations against a strong enemy. And in general, reserves of practically all main types of weapons and military equipment are assessed as low to middling.

The conflict in Ukraine has shown how fast the reserves of even the most basic and widely available guided weapons can be depleted. The United States, for one, has quickly expended its comfortable limit on supplying infantry anti-tank guided missile systems and portable surface-to-air systems (up to a half or more in several categories). Replenishing the arsenals has been declared a strategic priority in several Western countries, primarily the United States.[3] A number of producers in Eastern Europe have struck gold, at least for the time being, by stepping up the production of weapons that are relatively compatible with or similar to the Soviet standards.[4]

The consumption of artillery shells of the most popular calibres is truly huge. The Ukrainian armed forces use up in a couple of days what the US produces within a month of peacetime operations.[5] A CSIS report[6] estimates

[2] Seth J. Empty Bins in a Wartime Environment: The Challenge to the U.S. Defense Industrial Base // Center for Strategic and International Studies. 23.01.2023. URL: https://www.csis.org/analysis/empty-bins-wartime-environment-challenge-us-defense-industrial-base

[3] Gould J., Harris B.Lawmakers seek emergency powers for Pentagon's Ukraine war contracting // Defense News. 18.10.2022. URL: https://www.defensenews.com/congress/2022/10/17/lawmakers-seek-emergency-powers-for-pentagons-ukraine-war-contracting/

[4] Kahn M.,Koper A.,Muller R. Weapons industry booms as Eastern Europe arms Ukraine // Reuters. 24.11.2022. URL: https://www.reuters.com/world/europe/weapons-industry-booms-eastern-europe-arms-ukraine-2022-11-24/

[5] Erlanger S., Jakes L. U.S. and NATO Scramble to Arm Ukraine and Refill Their Own Arsenals // The New York Times. 26.11.2022. URL: https://www.nytimes.com/2022/11/26/world/europe/nato-weapons-shortage-ukraine.html

[6] Cancian M. Rebuilding U.S. Inventories: Six Critical Systems// Center for Strategic and International Studies. 09.01.2023. URL: https://www.csis.org/analysis/rebuilding-us-inventories-six-critical-systems

that it will take four to five years, even in the event of stepped-up production, to replenish the stocks of the 155mm artillery projectiles that were handed over to Ukraine, five years (in an optimistic scenario) for the Javelin anti-tank guided missiles, and an indefinitely long period for the portable surface-to-air systems, since the relevant production capacities are yet to be restarted. Of course, the US industry and military-industrial complex possess a huge potential capability that has been repeatedly demonstrated. But America's planned strategy of military organisational development geared to a confrontation with China in the Pacific did not envisage any additional efforts. The US Navy command are already showing open discontent and concern.[7] The problem is even more dramatic in European countries.[8]

A deviation from the standards and practices of armed conflicts involving irregular units, the increased intensity of combat employment of weapon systems, primarily missiles and artillery, cannot but lead to an effort to revise specifications of some or other items.[9] It may be deemed expedient to increase reliability at the expense of outstanding range characteristics. Other compromises cannot be ruled out either.

## 1.3. Information support

In certain areas, Ukraine and its "support crew" have attained a very high level of performance. Some cases in point are their communications system using, among other things, the Starlink commercial service, which is largely superior to its military counterparts, their reconnaissance system capable of promptly aggregating data from the entire spectrum of sources, and their logistics support system.

At the same time, we should make allowance for Russia's rather specific approach to combat operations: its strikes at the logistics infrastructure are not systematic, while its relatively intensive attacks on energy infrastructure only began late in 2022.

However, despite regular Western claims that Russia will soon run out of its long-range precision weapons (LRPW) or has already done so, its consumption of cruise missiles of relevant types seems to exceed the

[7] Toropin K., Kheel R. Navy Might Have to Choose Between Arming the Service and Aiding Ukraine Due to Ammo Delays, Officials Say // Military.com. 11.01.2023. URL: https://www.military.com/daily-news/2023/01/11/navy-might-have-choose-between-arming-service-and-aiding-ukraine-due-ammo-delays-officials-say.html

[8] Katz J., Mehta A. Stockpile concerns rising in Europe amid efforts to help Ukraine: Dutch DefMin // Breaking Media. 14.07.2022. URL: https://breakingdefense.com/2022/07/stockpile-concerns-rising-in-europe-amid-efforts-to-help-ukraine-dutch-defmin/

[9] Lillis K., Liebermann O. How Ukraine became a testbed for Western weapons and battlefield innovation // CNN. 16.01.2023. URL: https://edition.cnn.com/2023/01/15/politics/ukraine-russia-war-weapons-lab/index.html

most daring forecasts. It can be assumed that there are both sufficient stocks of components and a potential for stepping up production. At the same time, the fact that the stocks are still available and the rather limited scope of LPRW employment may be due, among other things, to insufficient information and reconnaissance support for these strikes, as well as the distinct specifications and performance characteristics of the relevant weapons.

## 1.4. Restrictions for solutions

Since the end of the Cold War between the USSR and the USA, the military-industrial complexes of practically all leading players have switched primarily to limited commercial orders, often ones intended for export. Having redundant and mostly idle capacities under these circumstances was simply impossible, for in the 1990s the defence-industrial complexes (DIC) in both the USSR and the US were undergoing a sweeping optimisation that was strongly reminiscent of a massacre. It is an illusion to think that the United States, the self-styled Cold War winner, was better off in this sense. On the contrary, the state of affairs in a number of industries was even worse.

A good case in point is the portable surface-to-air missile system known as Stinger. After the United States poured into Ukraine about half of the US Army's arsenal of these weapons, which, judging by all appearances, sufficed for only the first few months of the conflict, it transpired that it was impossible to restart their batch production because some of the components were inaccessible and the original contractors had stopped producing them. Eventually it was decided that a simpler solution would be to develop a new portable surface-to-air system, but this will take several years. A number of producers of other types of precision weapons (for example, anti-tank guided missiles, or multiple rocket launchers) reported plans to increase output, but this will produce a tangible result only in one or two years.

If even some current players calm down after the crisis blows over, it will again become unprofitable and practically impossible to maintain redundant DIC capacities. Constantly producing huge amounts of arms just in case or for regular use in local wars (including proxy wars), as the USSR and the United States did during the Cold War, seems an unacceptable burden on the economy today. But this scenario is likely if the international situation continues deteriorating.

Thus, the most undesirable defence capability option for any nation is a simultaneous shortage of manpower and up-to-date weapons and military equipment, as well as modern reconnaissance and combat command-and-control services. The most vulnerable nations in this sense are those lacking combatants in sufficient numbers, stockpiles of advanced weapons and military equipment, or the capacity to produce them. Accordingly, the majority of countries are likely to seek solutions to these problems in correlating them with their potential and the architecture of their military-political relations.

# 2. Possible solutions

## 2.1. Revise the current approach

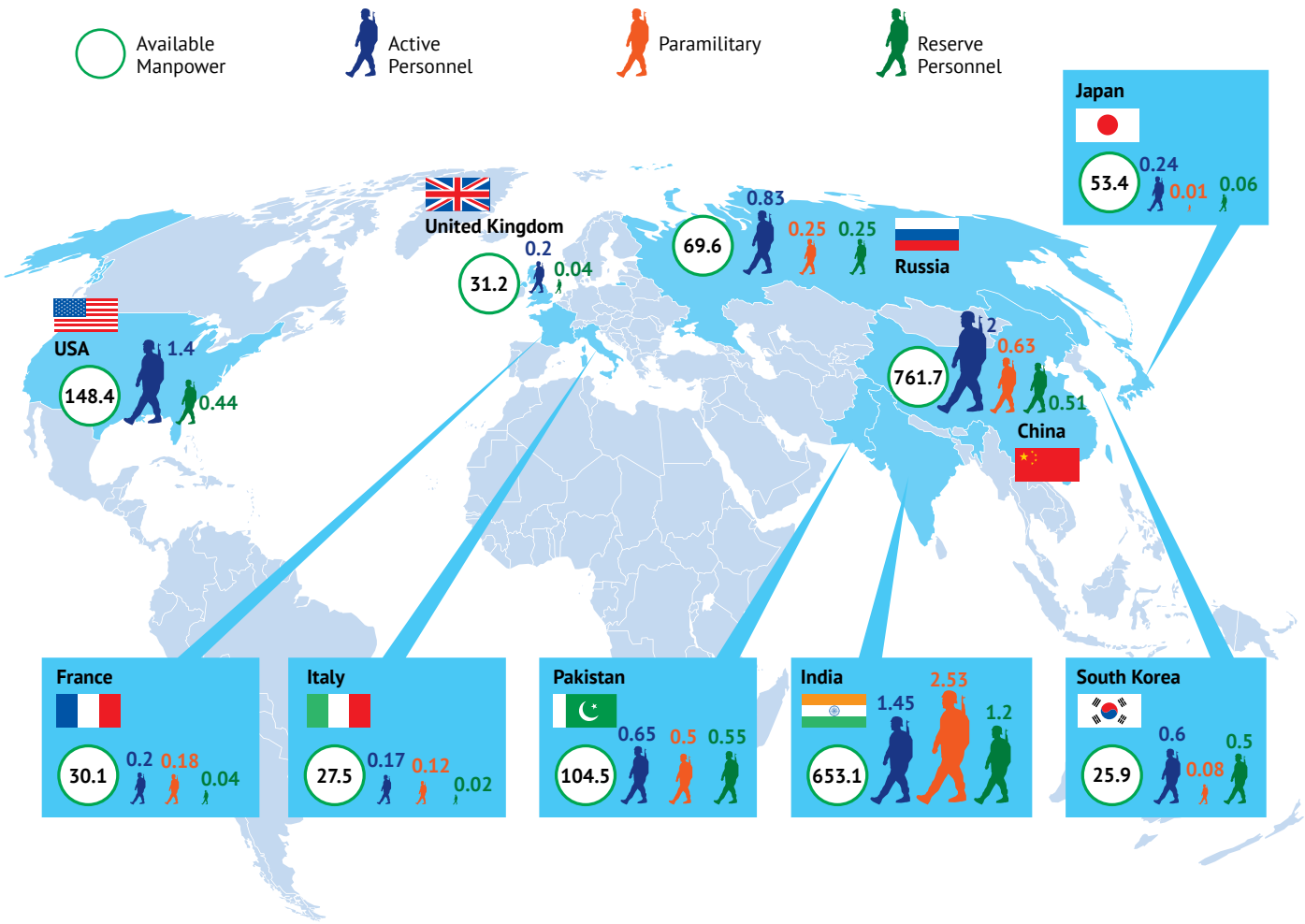
Today, strategists are working to analyse the trends in changing the approaches to defence capability. Many countries have started thinking that it is not enough to purchase advanced weapons because this can require enormous stockpiles. If weapons in America's arsenal are used up or destroyed in today's wars in only months, there is little hope for Europe's armies to resupply them.

However, judging by what we see today, munitions purchases will continue as a trend. One issue is that unlike contracts for the purchase of combat hardware, a munitions build-up is not as obvious to the public and or to analysts. The question is whether governments decide to publicise such purchases or, on the contrary, prefer not to agitate the public against the backdrop of the economic problems in many countries. US officials are loudly talking about restoring the production of weapons that were given to Ukraine, and on a fairly large scale.

Europe is the most active in this respect, but they are mainly increasing spending without fully revising their approach. Europe's leading military countries announced increases in defence spending as early as last spring. They have not given up these plans even though implementation has not been smooth going. Their plans have hardly produced big arms purchase contracts, which is only natural considering the inertia of the budget process.

## TOP-10 GLOBAL MILITARY POWERS

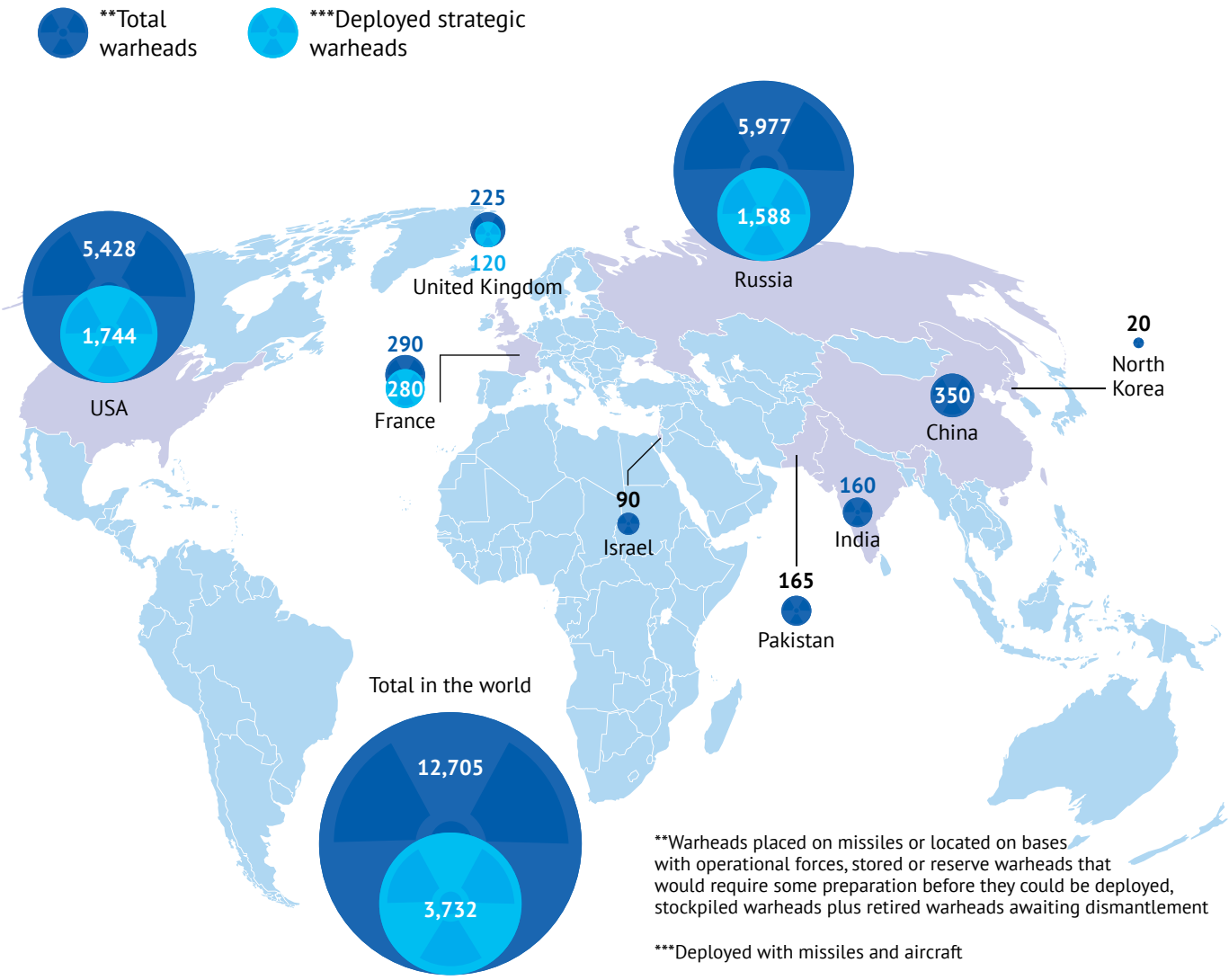
As of 2022, there were 45,503,000 armed combatants around the world, including regular troops, reservists and paramilitaries




Sources: www.globalfirepower.com, www.quora.com, basetop.ru

Germany leads Europe in defence spending increases. As early as February 27, 2022, Chancellor Helmut Scholz announced a new special fund of about 100 billion euros (two annual defence budgets for Germany, normally) “for defence needs.” Such significant unplanned expenses even required amendments to the Constitution, and the Bundestag approved the initiative in June. In addition, Scholz advocated the idea of creating “Europe’s biggest army” but Germany has not yet taken any steps to radically increase

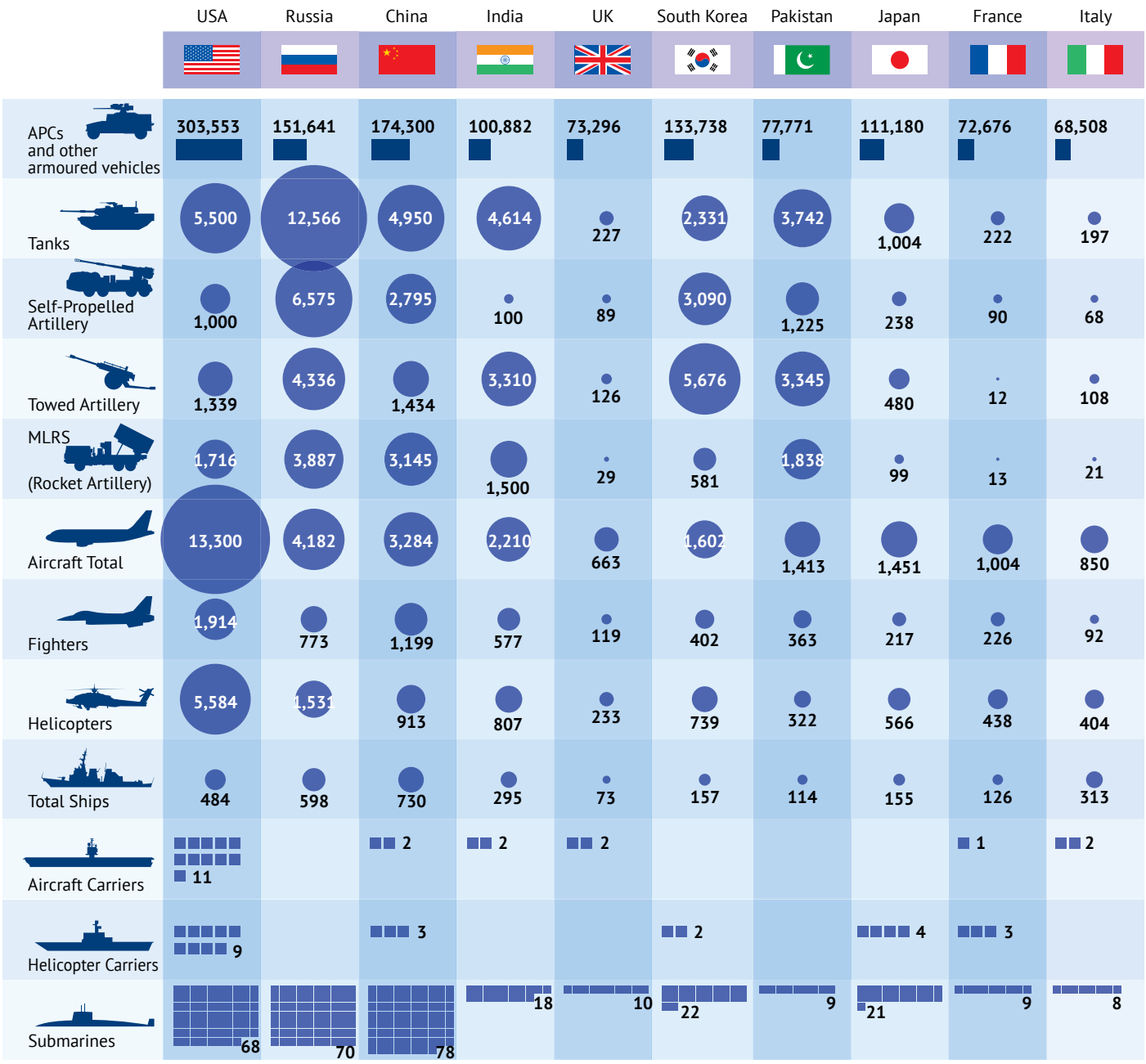
## GLOBAL NUCLEAR FORCES, JANUARY 2022*




Source. sipri.org
*International borders shown as of January 2022

the Bundeswehr's military strength. It may be more difficult to find manpower resources than money. However, Germany has already started its defence purchases with a view to spending the additional funds. Thus, it signed a contract for the purchase of F-35A stealth multirole fighters. This is no surprise since they are basically the only available replacement for the physically and technically obsolete Tornado combat aircraft that is used as a nuclear bomb carrier in NATO nuclear sharing missions of which Germany is part.

## THE LEADING POWERS' MILITARY POTENTIALS: COMBAT VEHICLES, UNITS




Sources: www.globalfirepower.com, www.quora.com, basetop.ru

Overall, according to estimates, Germany will spend almost half of its additional funds (about 41 billion euros) on the purchase of aviation technology and only a fifth of it (about 18.5 billion euros) on hardware for ground troops. Any experience in Ukraine is irrelevant in this respect because the Bundeswehr is relatively well-equipped with armour but short on helicopters, UAVs, and other airborne equipment.

Other NATO countries – Belgium, Denmark, Spain, Italy, the Netherlands, Romania and France – announced a considerable increase in defence spending, along with Germany, almost immediately after the start of the armed conflict in Ukraine. Few of these countries have drafted and approved specific roadmaps for increasing their defence budgets. But the protracted nature of the conflict is conducive to their plans one way or another.

The analysts' estimates in Britain are fairly modest. They suggest that the opportunity to counter a possible munitions depletion can only happen by 2025 or 2026, and, again, with an emphasis on "sustained political will."[10]

Warsaw is definitely a record breaker in defence spending growth in relative figures. Probably, it is also in the lead in absolute figures if we consider the near future and expenses on the purchase of arms and combat hardware. Poland's defence expenses, including those from the specially established Armed Forces Fund will reach $27-29 billion in 2023. By comparison, its defence budget in 2022 was $12.5 billion. It will double spending to reach an enormous 4.5 percent of GDP. Watching the conflict during the past year, Poland, unlike Germany, primarily focused on purchasing hardware for ground troops – tanks, barrel and rocket artillery and combat helicopters. It justifies this, in part, by the transfer of some of its equipment (for instance, T-72 tanks, from reserve) to Ukraine.

One graphic episode is the rapid build-up of military-technical cooperation between Poland and South Korea. Poland bought a broad range of military hardware from South Korea – 180 K2 Black Panther tanks for $3.4 billion; 212 K9PL Thunder self-propelled artillery vehicles for $2.4 billion; K239 Chunmoo multiple launch rocket systems under a framework agreement for up to 288 systems for $6 billion; and 48 FA-50 combat training aircraft/light fighters for $3 billion. Apparently, these are the biggest deals in the European Union for the year. In addition to Korean hardware, the Poles continue buying American military equipment including M1A2 Abrams tanks. Earlier, they signed contracts with the US for F-35A Lightning II fighters and the MIM-104 Patriot air and missile defence systems with the PAC-3 upgrade.

On one hand, some EU countries question this military-technical cooperation with Asia. Instead of encouraging the development of its own military-industrial complex, the EU is opening the gates to a new player in its arms market. But, on the other hand, this is a natural result of the current

[10] Cranny-Evans S. Ramping Up: What Will It Take to Boost the UK's Magazine Depth? // The Royal United Services Institute for Defence and Security Studies. 6.12.2022. URL: https://rusi.org/explore-our-research/publications/commentary/ramping-what-will-it-take-boost-uks-magazine-depth

situation – new ambitious players on the defence market, such as South Korea, Turkey, Iran, Japan and Israel, are receiving unique opportunities for arms sales due to the sharp increase in the global demand for weapons and the inability of traditional suppliers to meet it (Poland, for one, wanted to buy American HIMARS systems but it is impossible to buy many of them quickly due to months-long backorders). Of course, Israel is not a newcomer to military-technical cooperation, but it is substantially expanding its capabilities. Germany's somewhat unexpected choice of the Israeli *IAI Arrow 3* missile interceptor is an example of the expanded presence of new suppliers in the Old World market.

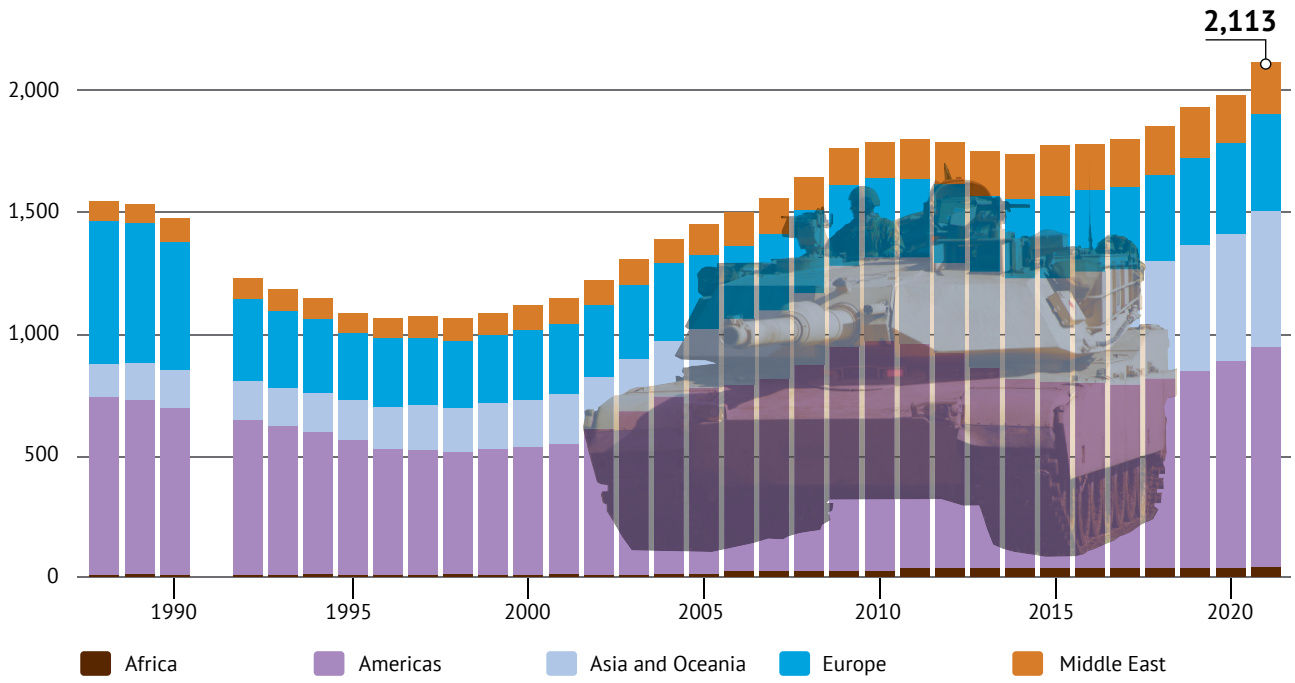
Apparently, additional efforts will be made to equip the armed forces with various types of drones and loitering munitions, including long-distance ones. We cannot rule out that Japan's renewed interest in creating an attack potential based on long-range precision weapons is linked to a certain extent with Ukraine's experience (with Russia, to be exact) in the SMO. In its new doctrine on security, adopted last December, the Japanese government officially announced the need to acquire "weapons for counterstrikes at bases and command posts." It plans to start by purchasing American Tomahawk cruise missiles and use its own systems, including hypersonic systems further on. If Japan implements its plans for a sharp increase in defence spending, it will be competing with Germany for third place in absolute figures.

Special attention will be paid to air and missile defence systems as well as to their aggregation and integration. The SMO has again demonstrated (this time more vividly than before) the need for a layered defence approach against a range of air and space attack weapons and the impossibility of creating impenetrable umbrellas. Of course, today there is no guarantee that bombers will always break through to their targets. Moreover, losing them would be politically sensitive. Meanwhile, missiles and other means of destruction have the guaranteed ability to overload any defensive system.

## 2.2. Efforts in the correct direction

An analysis of the SMO experience will lead to the adoption of specific decisions on enhancing defence potential in the next few months. This applies not only to the direct parties in the conflict but also to its proxy participants. The entire world is watching the combat operations. As soon as these decisions are formalised, we will see a sharp increase in the load on defence industries and logistics infrastructure and attempts to enhance the appeal of service in the armed forces.

## MILITARY EXPENDITURES BY REGION, 1988–2021 (BILLION USD)



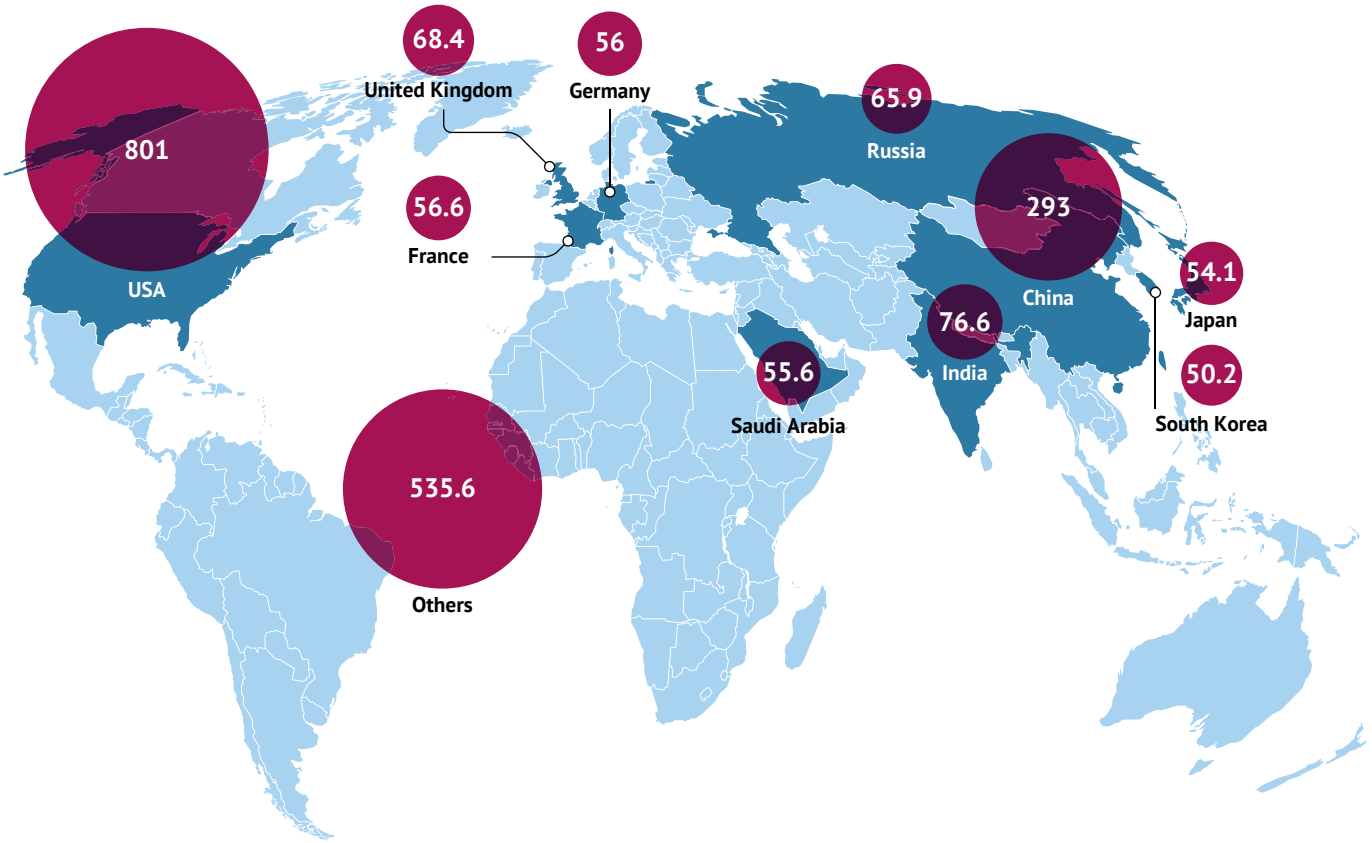

Source: sipri.org

Competition will increase in various areas – from the struggle that buyers face for various products that require time to build up, to the competition for quality personnel between different branches of the armed forces and between the armed forces and commercial companies, including transnationals.

The SMO experience also shows that the military is bound to step up cooperation with the private sector, for instance, commercial digital services and the use of civilian satellites for communications and remote probing of the Earth's surface. The process of defence purchases will speed up, and red tape barriers to innovation or big purchases of munitions will be relaxed. Naturally, this will lead to a merging of buyers and sellers, which is not always legal but often convenient for the parties involved.

A discourse on the peace dividend or arms spending cuts dominated the political discussion on defence until recently, especially in the European countries. Now, arms spending is once again on the rise, which means

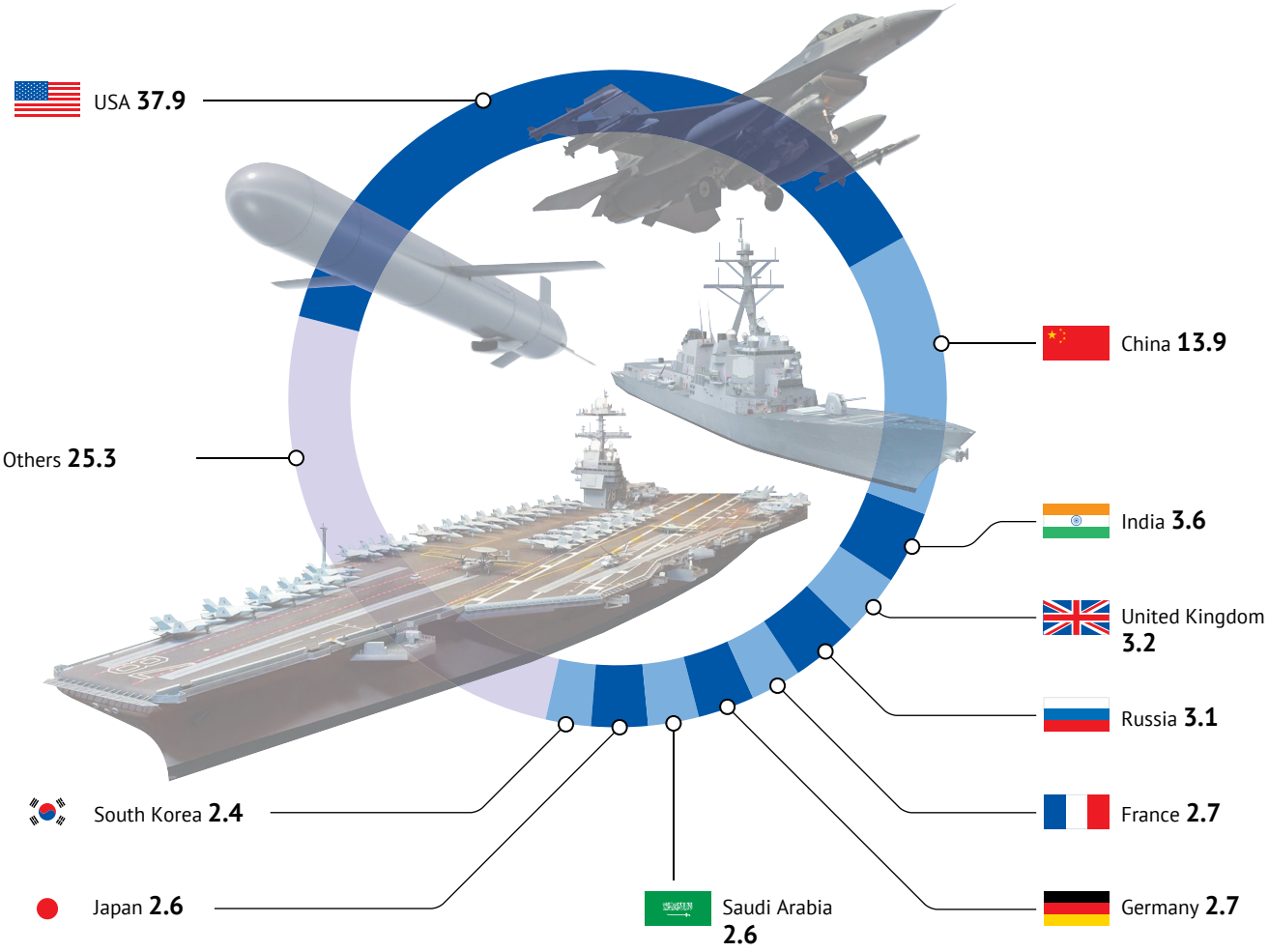
## TOP-10 MILITARY EXPENDITURE LEADERS IN 2021* (BILLION USD)




Source: sipri.org
*International borders shown as of January 2022

both "rogue countries" and the confrontational "great powers" will come up with more creative justifications for the need to counter many kinds of threats. Thus, Japan, for one, explains its growing defence expenditures by the SMO, a mounting threat from the DPRK, and most importantly, by the rising global ambitions of the PRC and their confrontation with the United States and its allies (incidentally, Tokyo is worried about Russia primarily as a Chinese ally). The Republic of Korea is using similar rhetoric, buttressing its arguments with the ill-concealed criticism of Japan. Poland and the Baltic countries continue bleating about "the Russian threat." Most Western European countries are not yet good at rhetoric.

## TOP-10 MILITARY EXPENDITURE LEADERS IN 2021 (%)




Source: sipri.org

The United States has a consensus on the need to modernise its armed forces as soon as possible to reach superiority over China. Some analysts wonder inside this narrative if it's worth using force and spending resources to deter Russia and support Ukraine. They believe this policy only side-tracks the country from opposing Beijing and this opinion is not a marginal musing. The extent to which Washington will be involved in European security in the near-term perspective depends on the twists and turns of America's domestic political struggle that has a strong influence on the global situation (indirectly and without excessive introspection).

# 3. What should we do?

There are several useful recommendations on domestic approaches to the situation.

**a)** It may be time to **revise key performance indicators on arms spending efficiency.** To all intents and purposes, until recently, Russian military-political leadership was proud of its relatively low rankings among countries on defence spending. Apparently, minimisation of these expenses was a key indicator of their efficiency, which was a justified approach before the start of the SMO and in the conditions of crisis events in economics. A new reality has emphasised the negative consequences of this approach, and thus, it is time to expect a change.

**b)** In the current situation, we must **focus on systems that are ready for action "here and now."** Today, it is necessary to rapidly build up the production and purchase of the most needed range of existing arms, military hardware and other types of military products. This process could take place at the expense of the development and testing of advanced systems. Importantly, it is impossible to reverse rapid scientific and technical progress in the military area and hence, a search for a balance of priorities in conditions of the SMO and the aggravation of the overall international situation is all but the main, albeit a very difficult task.

**c) Streamlining procedures for the state defence order** is also overdue. There is no point in going into detail on the domestic system of state defence orders within the scope of this paper. Best global practices suggest the need to create conditions for more active involvement of private contractors in this area. A certain reduction in excessive requirements for military products may help remove obstacles to this process. Eventually, we must build a system that does not rely on the obsolete approach of turning the defence industry into a driver of innovation development. New and changing processes are taking place in the world – the defence industry is using advanced developments from civilian and commercial research.

**d)** At first glance, **an increase in the openness of the defence industry** may seem to contradict the overall trend towards militarisation and rivalry between the great powers. However, increasing feedback between the developers and users of arms and combat hardware, and their

interaction with the scientific and expert community is playing a special role in achieving the afore-mentioned goals. Naturally, the protection of classified state information remains a major element in maintaining the state's defence capability, but reciprocal "pollination" with ideas and evaluations, and a view from the outside may and should play a positive role, in part, in establishing a balance between immediate results and long-term priorities.

**e)** In today's conditions of unprecedented sanctions pressure and the revival of tough export restrictions, it is extremely important to **search for new formats of interaction with allies and partners for sources of technology**. Autarky is impossible today although, overall, Russia is more militarily self-sufficient than most countries. Yet, considering the persistent technological dominance of the "collective West", it is vital for us to create economically and technologically efficient manufacturing, in part, in microelectronics. It seems sensible to develop cooperation with the countries that are equally interested in enhancing self-sufficiency in their armed forces because of the "politically charged" implications. This will make it possible to create markets for new manufacturing lines and establish channels, including grey channels, for access to advanced technology from unfriendly countries.

# Conclusion: A brutal new world

The talk about the rapid degradation of the system of international military and political relations on both the global and regional scales has long become appallingly commonplace. The hostilities in Ukraine have naturally compelled the majority of countries to think twice about the potential that they might need in a high-intensity armed clash between nations either on their own or as part of a coalition. It would be inaccurate to say that February 24, 2022 was totally unexpected (although we could hardly imagine the course of hostilities in the form we have seen for a bit over a year). Hence, there is no reason to hope for a sudden change in the global situation. In the event of the rapid development of defence industries, primarily in Europe, we will quickly approach an explosive situation and face heavily armed adversaries at a line of contact. Importantly, unlike in the Cold War era, it would hardly be possible to speak about the unity of goals and tasks of the states on both sides of this line.

Massive deployment of long-range precision weapons for all basing modes may be particularly dangerous. They can strike anywhere in enemy territory with minimal warning. The Russian merchant fleet and navy could be hit due to the geographical limits of the Baltic Sea and the Black Sea. However, there is no doubt that Russia will also be strengthening its potential and will arrive at a balanced situation that will still lack stability.

It would be wise to start thinking now about new measures for risk reduction and, in perspective, on comprehensive arms control. Naturally, in the current situation, Russia and the United States are unlikely to return to the Open Skies Treaty, things like the CFE Treaty 2.0 are off the table. Yet, nobody has suggested anything better so far.

The only hope is that Europe, including Russia, remembers what happens when European countries fail to agree on pan-European security. Hopefully, when the emotional intensity over the conflict in Ukraine abates, some solutions will be found. By that time, another question will become paramount – what do we do with the accumulated military might? It is easy to assume that Europe would like to consolidate its positions in Africa, while the Americans are bound to try and involve their European contingents in deterring China in the Pacific. The latter may well prove to be successful, and in this case, Russia would have the opportunity to offer China support in deploying, for instance, naval or air force contingents in the direct vicinity of Europe.

Obviously, we are seeing the multipolar world developing in full measure, but it will hardly become a safer place in the near future. Unfortunately, the dilemma of security has again prevailed over the principle of indivisibility of security.

valdaitweets
valdai_club
Международный дискуссионный клуб «Валдай»
admin@valdaiclub.com

Council on Foreign and Defense Policy

RIAC
Russian International Affairs Council

MGIMO UNIVERSITY

HIGHER SCHOOL OF ECONOMICS
NATIONAL RESEARCH UNIVERSITY