

# 11. Impact of Shifts in Arms Trade and Exercises on South Asia and Europe

This chapter focuses on the changing security environment and its impact on South Asia and Europe. Siemon Wezeman uses a statistical overview of decades of shifts in arms sales to explore the reduction in China's dependence on Russian arms over the past decade. He discusses the trends pushing Russia's willingness to sell more advanced military platforms in recent years. Rajeswari Pillai Rajagopalan uses a case study to highlight how Russian sales of more advanced systems to China and increasing Russian military engagement with Pakistan may be shifting security dynamics in South Asia. Ian Anthony offers his assessment of how military exercises and miscalculation could alter the landscape in Europe.

## 11.1. Siemon T. Wezeman<sup>1</sup>

### **Introduction**

Following the end of the cold war and the break-up of the Soviet Union, there were rapid decreases in Russian military budgets. Soviet military expenditure had stood at almost USD \$350 billion in 1988. However, by 1992 it had fallen to USD \$60 billion and in 1998 was only USD \$19 billion. The more flexible parts of the budget suffered the most, such as those for procurement and operations. At the same time, the Russian arms industry saw several major clients for its weapons disappear, chief among them the former Warsaw Pact members and Iraq. By 1992, the arms industry Russia had inherited from the Soviet Union was in serious trouble. Most of its internal market and part of its export market was gone.

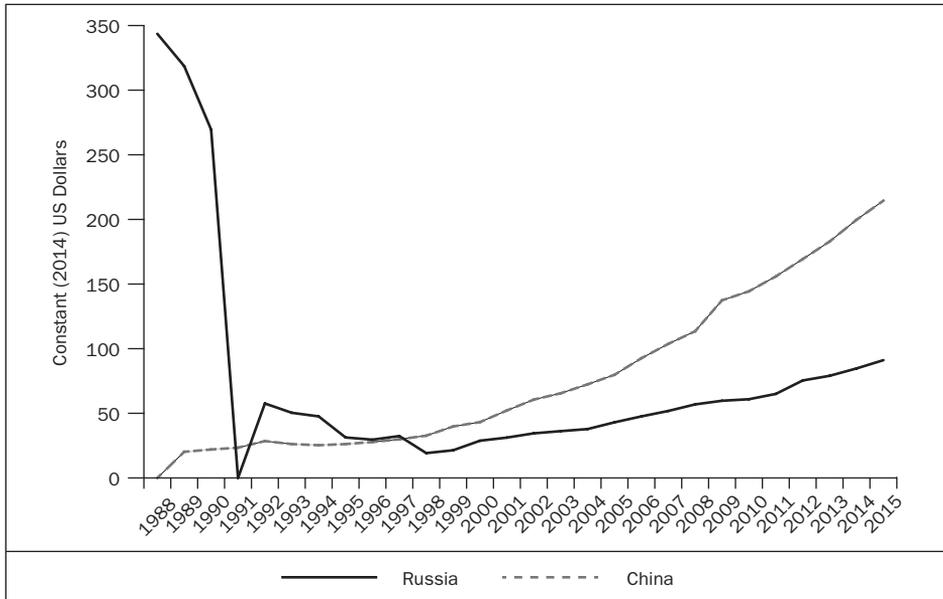
In parallel with this development, China was embarking on a serious military modernization. Boosted by its rapidly growing economy, it began to implement a long-planned reorganization of its armed forces and the acquisition of advanced weaponry.<sup>2</sup> Chinese military spending has increased almost every year since 1989, the first year of Stockholm International Peace Research Institute (SIPRI) data for China, from USD \$21 billion in 1988 to USD \$215 billion in 2015. With this surge, China overtook Russia's spending in 1998 and within five years had become the second largest spender globally behind the United States (see figure 11.1.1).

### **Mutual export and import dependencies**

Because Chinese arms design capabilities had been relatively stagnant since the late 1960s, based on outdated Soviet designs and technologies, its industries sought the help of foreign suppliers and designers of equipment and components.

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<sup>2</sup> This modernization had been planned since the 1970s and was given extra impetus by the poor performance of China's armed forces against Viet Nam in 1979.



**Figure 11.1.1.** Russian and Chinese military spending, 1988–2015

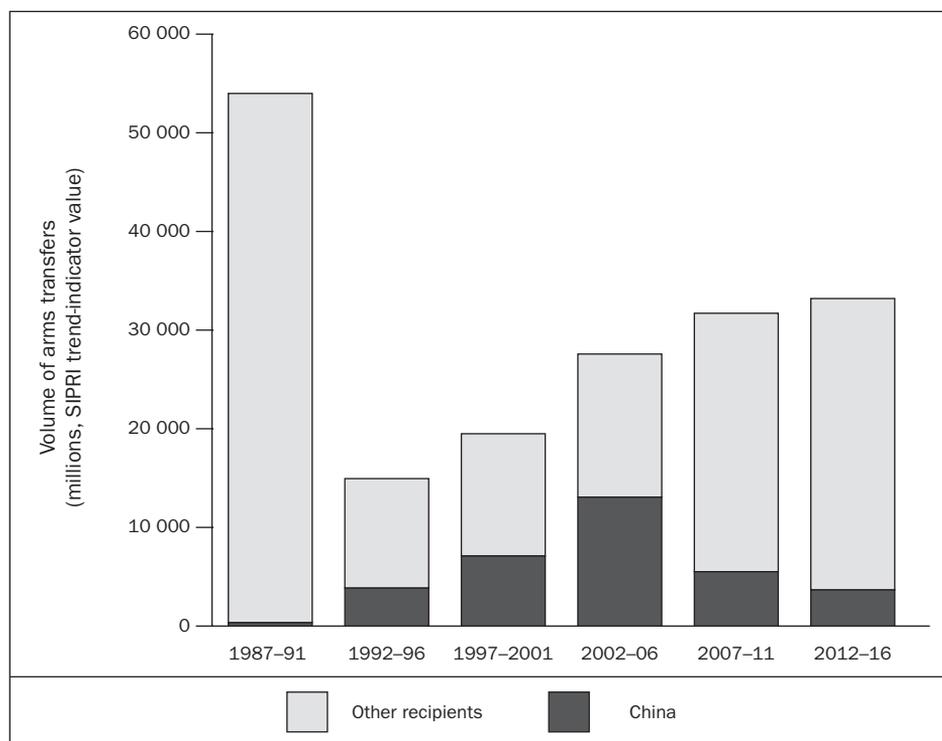
*Notes:* Russian data for 1988–91 is for the Soviet Union; no data available for 1991. No data on China was available for 1988.

*Source:* SIPRI Military Expenditure Database, 2016, <<https://www.sipri.org/databases/milex>>.

In the 1970s and 1980s, these specialists came primarily from Europe and the USA. However, these Western sources were largely closed off in 1989, primarily due to events in Tiananmen Square. Under these constraints, China began a search for alternatives.

By coincidence, rather than design, Russia and China found themselves in desperate need of a market and a source of military equipment respectively. During the 1990s and early 2000s, Russia's arms industry survived largely because of its exports of newly produced combat aircraft, armoured vehicles and warships. China played a crucial role during this period. China was Russia's largest client between 1999 and 2006, accounting annually for 34–60 per cent of the volume of Russia's exports of major weapons (see figure 11.1.2).

The decision to sell weapons to China, however, was not without opposition in Russia. There were warnings that Russia would be arming a potential adversary that many suspected had its eyes on the Russian Far Eastern Federal District. Moreover, concerns were expressed that China would copy, without permission and without paying royalties, whatever Russia delivered. In the longer term, worries grew that China might soon become a serious competitor in the global arms market, often in the same countries and regions as Russia. However, the fact that China needed significant numbers of a variety of weapons—and was willing and able to pay in cash—won the argument. At its peak in 2005, China accounted for 60 per cent of all Russian deliveries of major weapons.



**Figure 11.1.2.** Exports of major weapons by Russia to China, 1987–2016

*Notes:* Volumes in SIPRI trend-indicator value millions; 1987–91 data is for the Soviet Union.

*Source:* SIPRI Arms Transfers Database, 2017, <<https://www.sipri.org/databases/armstransfers>>.

By 2006, however, the mutually beneficial export-import relationship between Russia and China had begun to shift. China's share dropped to below 25 per cent between 2007 and 2009. Moreover, since 2010, the share has halved again to approximately 10 per cent. By that time, however, Russia had consolidated some of its other traditional markets in countries such as India and Algeria and received large orders from newer markets, such as Venezuela. Improvements in the Russian economy also meant that its military spending began to allow for larger orders for its domestic arms industry, reducing the need for exports.

### Reverse engineering and market shifts

China's shift away from Russian exports was in part linked to its own growing manufacturing capabilities. In line with Russia's original concerns over the potential for reverse engineering by China, copies were made without permission of a variety of Russian weapon systems. Just a few years after Russia delivered the Sukhoi-27 (Su-27) combat aircraft, for example, China released the Jian-11 (J-11). While this aircraft was labelled 'indigenous', it was a near-copy of the Su-27. Similarly, new Chinese surface-to-air missiles (SAMs) looked very much like

**Table 11.1.1.** Major Russian weapons delivered to China, 1987–2016

Years	Combat aircraft	Helicopters	Warships	Long-range SAM systems	Aircraft engines
2012–16	4	62			424
2007–11	11	106		16	202
2002–2006	145	72	8	4	70
1997–2001	79	55	4		4
1992–96	45	30	2	4	
1987–91	3	24			

SAM = surface-to-air missile

Notes: Number of items delivered in selected weapon categories.

Source: SIPRI Arms Transfers Database, 2017, <<https://www.sipri.org/databases/armstransfers>>.

S-300 platforms from Russia. Moreover, Chinese submarines sported features of the Russian Project-877 and Project-636 Kilo class submarines supplied by Russia.

China also started to field its own advanced weapons, such as the Jian-10 (J-10) and J-11 combat aircraft, various air-to-air and air-to-ground missiles, and several types of warship. Thus, the emphasis of Chinese imports from Russia switched from complete weapon systems to components, such as engines. Only in the field of helicopters were Chinese efforts to develop indigenous systems slow, mainly because China had not yet mastered the production of propulsion systems, such as engines, transmissions and rotors. In this one area, imports of helicopters from Russia have remained significant (see table 11.1.1).

Beyond the diminished need for Russian imports, China also rapidly transitioned into a major arms exporter. This resulted in Chinese forays into markets in which Russia was active, including Algeria, Nigeria, Venezuela, Indonesia and even the former Soviet state of Turkmenistan.<sup>3</sup> Compounding initial Russian concerns over reverse engineering and loss of market potential, China's L-15 supersonic training and light attack aircraft and the Hongqi-9 (HQ-9) SAM system have also shown signs of 'borrowing' from Russian weapons.

### **New phase or last spasm?**

After almost five years of difficult negotiations, Russia and China moved to a new level of arms trade in 2015. Russia finally agreed to sell China 24 Sukhoi-35 (Su-35) combat aircraft and four S-400 SAM systems for approximately USD \$7 billion. These are currently among the most advanced weapons Russia produces. This agreement marked a turning point. It was the first significant sale of Russian major weapons to China since the mid-2000s, representing a sizeable addition to Russia's total annual value of arms exports, which has hovered between USD \$13.5 billion and USD \$15 billion in recent years.

The agreement could herald a new phase of large sales of Russia's most sophisticated arms to China. However, it could also be viewed as a last chance for Russia to gain some income from arms sales to China before the latter becomes self-suf-

<sup>3</sup> India and Viet Nam are the only important markets where Russia does not face Chinese competition.

ficient. The first scenario would fit the picture of warming Russian–Chinese relations, following the crisis in Ukraine. The second scenario is more tightly bound to Russian financial hardships and the difficulties in its arms industry since 2015. This sale could well be the last chance for Russia to engage in a major sale of military equipment to China. At the same time as the Su-35 and S-400 are due for delivery, China will be introducing its own more advanced Jian-20 (J-20) combat aircraft, as well as its own advanced jet engines, large transport aircraft, helicopters and long-range SAM systems—many of which are on a par with or even better than Russian systems.

### **Takeaways**

When it comes to the arms trade, China has not only learned from Russia, but succeeded in challenging it. Given its financial and defence industrial base, China is likely to have more chances to develop new military technologies than Russia. China's electronics, composites, advanced materials and shipbuilding industries are all more advanced than those in Russia. The size of the Chinese economy means that it has many more resources and much more manpower to invest in research and development. Thus, it is more than likely that China's military technology will surpass that of Russia on all levels.

## **11.2. Rajeswari Pillai Rajagopalan<sup>4</sup>**

### **Introduction**

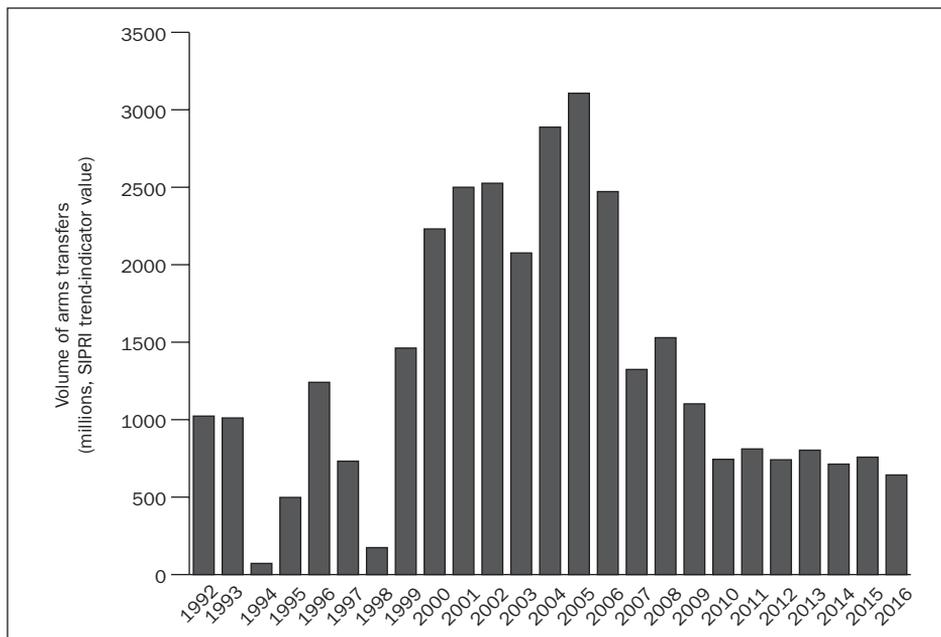
Russian–Chinese relations have undergone many shifts over the years. While the current phase is relatively stable, Russia remains wary of China's increasingly assertive power so close to its borders. Despite this fact, Russia's shifting geopolitical situation and military sales of more capable systems to China indicate that significant changes are occurring. Against this backdrop, Russia's intention to sell China Sukhoi-35 (Su-35) fighter aircraft and other advanced military platforms merits greater attention and analysis, particularly regarding its impact on South Asia.

### **Post-2005 phase in Russia–China arms trade**

As noted in section 11.1, the Russia–China arms trade that began in the early 1990s was driven by mutual necessity. However, it peaked around 2005 (see figure 11.2.1). There were two key reasons for the subsequent fall.

First, by the mid-2000s, China had already established a reasonably strong indigenous defence technological base and was beginning to reduce its dependency on foreign partners. Second, China was concerned that it was not receiv-

<sup>4</sup> Rajeswari Pillai Rajagopalan is a Senior Fellow and Head of the Nuclear and Space Policy Initiative at the Observer Research Foundation.



**Figure 11.2.1.** Russian arms sales to China, 1992–2016

Source: SIPRI Arms Transfers Database, 2017, <<https://www.sipri.org/databases/armstransfers>>.

ing the most technologically advanced equipment, which Russia was supplying to India.

Concurrently, China's demands for joint production and licensed production also dampened Russian enthusiasm for the arms trade relationship. Russia was concerned that concessions to China on licensing would reduce Chinese dependence on Russia, make China a more competitive military power and, in the long term, reduce the financial benefits to Russia. Russia faced the prospect of competing with Chinese reverse-engineered versions of its own platforms in the global arms market, including in Africa and Latin America.

As just one example, China had been promoting sales in Africa of the J-11 combat aircraft, a reverse-engineered version of the Russian SU-27. Thus, Russia and China did not sign any new agreements on arms transfers between 2006 and 2013. However, by the time of the Ukraine crisis, a new impetus had emerged in China's arms trade with Russia. The latter has tried hard to reach out to China since the crisis and these efforts have been converted into lucrative arms deals.

### **Sukhoi platforms and more advanced sales**

Russia's intention to sell Su-35 fighter aircraft to China is significant by any measure of enhanced capabilities. As an improved version of the high-performance Su-27 and Su-30, the SU-35 is a single seat, twin-engine, manoeuvrable, multi-role fighter aircraft. The aircraft has a new advanced airframe, as well as new avi-

onics, propulsion and weapon systems. The Su-35 comes with the Irbis-E passive electronically scanned array radar, which can detect an aerial target with a 3 m<sup>2</sup> radar cross section at a distance of 350 km.

These platforms can track 30 airborne targets and engage eight of them simultaneously. Their durability has been enhanced by the extensive use of alloys, offering 6000 service hours and increasing their maximum take-off weight to 34.5 tonnes. Supply of the Su-35 could dramatically enhance China's airpower, although it is surprising that China is still buying Russian jets given that it is also developing the J-20 and Jian-31 (J-31), which are claimed to be on a par with US F-22 and F-35 fighter aircraft.

More than enhancing basic airpower for China, the Russian sale of the Su-35 could have a significant effect on South Asia. For one, it could alter the balance of power between India and China. Until now, India had been assured that it had technologically more advanced equipment to match China's numerical superiority, especially in terms of combat aircraft. With the advent of the Su-35, this is no longer the case.

If China chooses to reverse engineer some of its systems and pass them on to Pakistan, this platform could also eventually change the balance of airpower between India and Pakistan. This could lead to greater instability in the region, because India will be forced to enhance its own air combat potential, beyond the replacement of obsolete equipment that it is currently undertaking.

These dynamics will have wider international political ramifications. Closer Russia–China arms trade relations could lead to a new axis in the region, binding Russia, China and Pakistan closer together. The newest manifestation of this is the developing arms trade relationship between Russia and Pakistan, which is China's strategic partner and India's strategic competitor.

While these ties are in their early stages, there are suspicions in India that the Russia–Pakistan relationship is an outgrowth of the Russia–China relationship. The larger concern is that this might have spillover effects by not only enhancing Pakistan's military capability, but also weakening India's geopolitical relationships. India may no longer be able to depend on Russia when it comes not only to India–China relations, but also India–Pakistan relations.

Overall, these developments could undermine Russia–India relations, which have been in a steady quasi-alliance for over 50 years. Such a development could accelerate the growth of closer India–USA relations. These ties have been slower to develop, in part due to India's concerns over their negative impact on its ties with Russia. If this is no longer a concern, the India–USA partnership could develop far more rapidly. A tightening of these various alliances could lead to greater tensions overall in the region.

## **Takeaways**

The Russian–Chinese arms trade relationship is already beginning to affect Russia's relations with India. There are several indicators of this burgeoning relationship. Russia's plans to sell advanced fourth generation jet fighter aircraft to China

were solidified in 2014, when President Vladimir Putin visited Beijing. During his stay, Russia signed a memorandum of understanding on the sale of Su-30 MKK and Su-30 MK2 fighter aircraft, which are more advanced than the Su-30 MKI that had previously been sold to India.

There are also reports that Russia confirmed the sale of 24 Su-35s to China. It is believed that this platform will also come with the more advanced S-108 communications system, the production of which has already begun. Russian sources suggest that the decision to sell China the Su-35 has already been taken, and supply will begin in the fourth quarter of 2016.<sup>5</sup> Also part of Russia's intended transfers to China are advanced Kilo class submarines and advanced Russian air defence systems, such as the S-400.

Improved Russian–Chinese relations combined with Russia's enhanced military collaboration with Pakistan mean that India is facing fundamental shifts in its threat perceptions and traditional alliances that extend well beyond the traditional arms trade sphere. This will have major security implications in South Asia and beyond.

### 11.3. Ian Anthony<sup>6</sup>

#### **Introduction**

In various corners of Europe, states are currently increasing their investment in defence capabilities, modernizing their armed forces and rethinking how they approach their national defence. The highest political authorities of the states concerned have deemed that these programmes are necessary and will continue to be implemented. However, there is no reason why they should be undertaken in ways that are perceived as provocative or create additional tensions. One of the issues that future dialogues must address is how to ensure that current modernization plans are implemented in ways that avoid a further corrosion of the European security system.

To test the results of their military modernization and reform programmes, states are increasingly organizing a diverse range of exercises. The question is whether these exercises reduce, rather than enhance, security. Russia organizes major military exercises in its western, eastern, central and southern regions, on a four-year cycle. The last such exercise in the west was in 2013.

It was therefore not a surprise when Russia announced a major military exercise to be held in 2017. Known as Zapad-2017, this exercise is intended to test strategic readiness in the western military district and cooperation with its partners in the Collective Security Treaty Organization, in particular Belarus.<sup>7</sup> In addition to the responses that Zapad-2017 might elicit, it could shed light on a number of

<sup>5</sup> Majumdar, D., 'China to get Russia's lethal Su-35 fighter this year', *The National Interest*, 20 Jan. 2016, <<http://nationalinterest.org/blog/the-buzz/china-get-russias-lethal-su-35-fighter-year-14968>>.

<sup>6</sup> Ian Anthony is the Director of the European Security Programme at SIPRI.

<sup>7</sup> TASS via RBTH, 'Next strategic military exercise due in 2017 in western Russia', 14 Sep. 2016, <[http://rbth.com/news/2016/09/14/next-strategic-military-exercise-due-in-2017-in-western-russia\\_629817](http://rbth.com/news/2016/09/14/next-strategic-military-exercise-due-in-2017-in-western-russia_629817)>.

key issues arising out of Russia's military modernization programme, including its progress under the 'New Look' military reforms. However, depending on how it is carried out, the exercise could also exacerbate threat perceptions through misinterpreted signalling.

### **Sabre rattling and war cries**

Both Russian and European channels are lamenting the rise of destabilizing trends throughout the region. Russia's Foreign Minister, Sergei Lavrov, noted at the Organization for Security and Co-operation in Europe (OSCE) Ministerial meeting in Belgrade in December 2015 that 'today's Europe evokes associations with the period shortly before the First World War, when politicians lacked the wisdom to deal with the impending disaster, and geopolitical ambitions prevailed, no longer sound exotic'.<sup>8</sup>

The German Foreign Minister, Frank-Walter Steinmeier, has echoed this alarm, stating that 'loud sabre-rattling and shrill war cries' could fuel a new arms race in Europe and that increased levels of armament might magnify the dangers if political control is lost in a crisis.<sup>9</sup> In response to the perspective that risks are already reaching unacceptable levels, OSCE participating states agreed to launch a structured dialogue on current and future challenges and risks to security at the December 2016 OSCE Ministerial meeting in Hamburg.<sup>10</sup> Given these trends, close attention will be paid to the Zapad-17 exercise.

However, Russia is not the only country engaged in military exercises. The North Atlantic Treaty Organization (NATO) is also being highly active on this front. In 2017, 26 exercises of different kinds will be conducted to test and improve NATO command structures. Furthermore, NATO members plan to hold another 32 national exercises involving participation by other states.

The number of exercises carried out by both NATO and Russia must be viewed in a broader context. After the annexation of Crimea by Russia in 2014, NATO designed both assurance measures, increasing the military presence and activities in the eastern part of the alliance, and adaptation measures. These long-term changes to military posture and capabilities are intended to permit a timely response to any contingency that may arise to the east or south of NATO territory. All 28 NATO members contribute to the measures, but perhaps the most significant change has been the decision to reconfigure US European Command, which had become a support system for operations in the Middle East and Afghanistan.

In announcing the Zapad-17 exercise, Russia's Defence Minister, Sergei Shoigu, stated that the scenario underpinning the exercises would take account of 'the situation related to increased NATO activity at the border of the "Russia-Belarus

<sup>8</sup> Foreign Minister Sergey Lavrov's remarks at the 22nd OSCE Ministerial Council, Belgrade, 3 Dec. 2015, <[http://www.mid.ru/en/foreign\\_policy/news/-/asset\\_publisher/cKNonkJE02Bw/content/id/1963925](http://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/1963925)>.

<sup>9</sup> Reuters, 'German minister warns NATO of "saber-rattling" against Russia', 18 June 2016, <<http://www.reuters.com/article/us-nato-russia-germany-idUSKCN0Z40LE>>.

<sup>10</sup> Organization for Security and Co-operation in Europe, Doc 4, 'From Lisbon to Hamburg: Declaration on the Twentieth Anniversary of the OSCE Framework for Arms Control', Vienna, 9 Dec. 2016, <<http://www.osce.org/cio/289496>>.

Union State”.<sup>11</sup> It is debatable whether Shoigu’s characterization of Zapad-17 represented a change in substance. In Zapad-13 the scenario was described as a generic counterterrorism operation, with no specific enemy. However, the exercise encompassed escalation from a terrorist attack to a major conflict. In doing so, it tested large-scale combined and joint operations across a wide area, including the mobilization of reservists.

The scale of Zapad-17, compared to the exercise in 2013, is unclear.<sup>12</sup> Russia is implementing plans to reinforce the armed forces in the western and southern military districts. The reactivation of the Russian 1st Guards Tank Army was completed in February 2016 after forces received more up-to-date equipment.<sup>13</sup> Plans also include the formation of three new divisions—a tank division and a motorized infantry division in the western military district and a motorized infantry division in the south.

These measures far outweigh current NATO assurances in terms of manpower and equipment.<sup>14</sup> After many years during which US combat troops were deployed elsewhere, the US military presence in Europe is becoming larger, more active and more visible. Under current NATO assurance measures a US armoured brigade has begun to deploy in Poland and the equipment needed for a second brigade will also be prepositioned.

A division headquarters and an artillery brigade are also being stood up, which would allow the US to deploy a full armoured division at short notice.<sup>15</sup> In addition, four multinational battalions under British, Canadian, German and US command are being deployed, one to each of the Baltic states and Poland.<sup>16</sup> However, while the structure of military formations is not symmetrical in Russia and among the NATO member states, the recent Russian reinforcement of the western military district is adding roughly three times more forces than NATO currently plans.

<sup>11</sup> Sabak, J., ‘Major deployment of Russian equipment to Belarus expected in 2017: Exercise, aggression or a new military base?’, *Defence24*, 29 Nov. 2016, <<http://www.defence24.com/500156,major-deployment-of-russian-equipment-to-belarus-expected-in-2017-exercise-aggression-or-a-new-military-base#>>.

<sup>12</sup> According to some reports the exercise will be much larger, although other sources suggest an exercise of roughly the same size. Sivitski, A., ‘Will Russia occupy Belarus in 2017?’, *Belarus Digest*, 29 Nov. 2016, <<http://belarusdigest.com/story/will-russia-occupy-belarus-2017-28101>>; and Gelagaev, A., ‘Russian Defense Ministry has commented on the order of 4000 cars in Belarus’, *Nasha Niva*, 5 Feb. 2017, <<http://nn.by/?c=ar&i=184897>>.

<sup>13</sup> Novichkov, N., ‘Russia completes reformation of 1st Guards Tank Army’, *IHS Jane’s Defence Weekly*, 9 Feb. 2016, <<http://www.janes.com/article/57828/russia-completes-reformation-of-1st-guards-tank-army>>.

<sup>14</sup> Shlapak, D. and Johnson, M., *Reinforcing Deterrence on NATO’s Eastern Flank: Wargaming the Defense of the Baltics* (RAND Corporation: Santa Monica, CA, 2016), <[http://www.rand.org/pubs/research\\_reports/RR1253.html](http://www.rand.org/pubs/research_reports/RR1253.html)>.

<sup>15</sup> Office of the Under Secretary of Defense, European Reassurance Initiative, US Department of Defense Budget, Fiscal Year 2016, Feb. 2015, <[http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016\\_ERL\\_J-Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016_ERL_J-Book.pdf)>; and Tilghman, A., ‘Pentagon plans for more troops in Europe’, *Military Times*, 14 July 2016, <<http://www.militarytimes.com/story/military/2016/07/14/pentagon-plans-more-troops-europe/87078792/>>.

<sup>16</sup> Dahlburg, J. and Scisłowska, M., ‘NATO chief: 4 battalions going to Baltic states, Poland’, Associated Press, 13 June 2016, <<http://bigstory.ap.org/article/8c3a6a689d19465895880ec9ca3f69f4/nato-chief-alliance-will-agree-week-deploy-four-battalions>>.

## International responses to exercises

Exercising newly created major army formations, along with their associated air support and logistics, is a logical avenue to pursue. However, aspects of the Zapad-17 exercise have caused concern in Belarus, Poland and Ukraine. For Belarus, tight integration into Russian military planning is problematic in terms of both domestic and foreign policy. Opening new economic ties could dilute Belarus' current high dependence on Russia. Moreover, Belarus has made tentative steps to normalize relations with its Western neighbours. It has not recognized the annexation of Crimea and has tried to maintain a neutral position towards the conflict between Russia and Ukraine. In doing so, Belarus has sought to strengthen relations with Ukraine without bringing about a negative reaction in Moscow. Zapad-17 may further complicate relations to its west and the south.

Some in Belarus fear that closer military integration could become a more direct threat to Belarusian sovereignty, in part due to the Russian references to Zapad-17 being a test arrangement to defend the 'Russia–Belarus Union State'. Founded in the mid-1990s through a bilateral treaty, the significance of this bipartite construct appeared limited until roughly 2007. From this point forward, Russian statements increasingly emphasized closer integration through a confederation with a single constitution. By 2011, President Vladimir Putin described such a confederation as 'possible and very desirable'.<sup>17</sup>

Furthermore, following the events of 2014, Belarus has taken steps to increase its national military preparedness. These could be interpreted as efforts to prepare to defeat the kind of 'hybrid war' that has been waged against Ukraine or to respond to incursions across the porous Belarus–Ukraine border.<sup>18</sup> Nonetheless, in spite of efforts by Belarus to strengthen its independent military capability, military-technical cooperation with Russia is extremely tight. Based on a 2009 agreement, Russia and Belarus have created an Integrated Regional Air Defence System, which is thought to have become operational in 2016.<sup>19</sup> The two countries are also said to have developed a single framework for electronic warfare, including an integrated system for secure digital communications. Still, Belarus has resisted a permanent Russian military presence in the country. Russian attempts to establish a military airbase in Belarus have been unsuccessful.<sup>20</sup>

For Poland, the primary concerns are the proximity of large and highly capable Russian armed units close to a particularly sensitive part of the Polish external

<sup>17</sup> Ostaptschuk, M. and Yurin, V., 'Belarus rejects Putin's call for unification with Russia', Deutsche Welle, 4 Aug. 2011, <<http://www.dw.com/en/belarus-rejects-putins-call-for-unification-with-russia/a-15295158>>.

<sup>18</sup> Hansbury, P., 'Brothers in arms: Russia in Belarus's new military doctrine', *Belarus Digest*, 5 Sep. 2016; and Sivitski, A., 'Belarus is preparing for a Donbass-like hybrid war conflict', *Belarus Digest*, 28 Sep. 2016.

<sup>19</sup> Marin, A., 'Trading off sovereignty: the outcome of Belarus's integration with Russia in the security and defence field', *Centre for Eastern Studies*, 29 Apr. 2013, <<https://www.osw.waw.pl/en/publikacje/osw-commentary/2013-04-29/trading-sovereignty-outcome-belarus-integration-russia>>; and TASS, 'Belarus gets Russia fourth battalion of Russian S-300 air defense systems', 5 May 2016, <<http://tass.com/defense/874170>>.

<sup>20</sup> On 18 Sep. 2015, Russian President Vladimir Putin issued a Presidential Order tasking the Ministry of Defence and Ministry of Foreign Affairs with gaining the agreement of Belarus to its offer to establish a Russian airbase on the territory of the Republic of Belarus.



**Figure 11.3.1.** Strategic location of Kaliningrad

border. It also faces the potential impact of a future close integration of Russian and Belarus armed forces. As indicated in figure 11.3.1, the enclave of Kaliningrad, a part of Russia that is bordered by Lithuania and Poland, is a strategic Russian vulnerability. This is because it would be very difficult, if not impossible, to defend using conventional means in a conflict with NATO without the active engagement of Belarus. Statements on sovereignty notwithstanding, if Belarus is a de facto strategic staging post for the Russian armed forces, it would make it much easier to open a corridor to the enclave of Kaliningrad in any future conflict. Such a corridor would separate the Baltic states from Poland. For this reason, recent attention has largely focused on the vulnerability of the so-called Suwalki gap as a potential flashpoint in a crisis between NATO and Russia.<sup>21</sup>

Given this background, there is the potential for increased concern and heightened tension during the Zapad-17 exercise. This is likely to be the case if Poland does not fully understand the scenario on which it is based, if the exercise is not carried out with full transparency or if there appears to be a significant mismatch between the stated scenario and the forces deployed. Ukraine also has several concerns about Zapad-17. As indicated in figure 11.3.2, if it is organized in the south of Belarus, the exercise could involve the deployment of large and capable Russian forces very close to Kyiv.

This reaction on the part of Russia's neighbours is understandable. Russia organized large-scale exercises in the proximity of Georgia immediately before

<sup>21</sup> Grigas, A., 'NATO's vulnerable link in Europe: Poland's Suwalki gap', Atlantic Council, 9 Feb. 2016, <<http://www.atlanticcouncil.org/blogs/natosource/nato-s-vulnerable-link-in-europe-poland-s-suwalki-gap>>.



**Figure 11.3.2.** Potential proximity of Zapad-17 to Kyiv

the 2008 conflict and in the proximity of Ukraine prior to the conflict in Donbas. The 2008 and 2014 activities were so-called snap exercises, organized at short notice and unannounced. However, an exercise on the scale of Zapad-17 might still be cover for a military operation, even if it is planned and notified well in advance. The major strategic exercise in 2016, Kavkaz-16, heightened tension between Russia and Ukraine because it included activities in Crimea, and there was the potential to use the exercise as cover for an intervention on behalf of separatist forces in eastern Ukraine.<sup>22</sup>

For Ukraine, concern about the Zapad-17 exercise is also linked to the build-up of Russian armed forces and military infrastructure in Crimea and along the Ukraine–Russia border.<sup>23</sup> Among the changes to the Russian order of battle in 2016, a new motorized rifle division was formed near Voronezh, to the east of Ukraine, as part of a significant increase in modern forces in the Russian Southern Military District. If Russia established a major military presence in Belarus—or was able to

<sup>22</sup> Dyner, A. M., ‘Kavkaz 2016: The next test of Russia’s Armed Forces’, *PISM Bulletin*, no. 61 (20 Sep. 2016), <<http://www.pism.pl/publications/bulletin/no-61-911>>.

<sup>23</sup> Tomkiw, L., ‘Russia-Ukraine war update: Putin full-scale invasion is possible, Poroshenko says’, *International Business Times*, 18 Aug. 2016, <<http://www.ibtimes.com/russia-ukraine-war-update-putin-full-scale-invasion-possible-poroshenko-says-2403592>>; and Marson, J. and Grove, T., ‘Russia builds up army near Ukraine border’, *Wall Street Journal*, 19 Aug. 2016, <<http://www.wsj.com/articles/russia-builds-up-army-near-ukraine-border-1471537008>>.

move large formations quickly through Belarus to the Belarus–Ukraine border—Ukraine would face the prospect of attack from the north and east by numerically and technologically superior forces in any future Russia–Ukraine conflict. The deployment of Russian forces at the Belarus–Ukraine border would exert immediate military pressure on Kyiv.<sup>24</sup> The concerns raised by the possible implications of Zapad-17 reflect questions that Russia’s neighbours increasingly ponder: will their sovereignty be respected and will observed tendencies to exploit military modernization for political gain continue?

### **Exercises in the context of confidence-building measures**

Europe is the only region to have created an integrated conventional arms control system with legally binding treaty restrictions on conventional armed forces, a binding and verifiable set of confidence-building measures (CBMs) and a legally-binding commitment to facilitate overflight of sovereign territory to enhance transparency. In this context, the Vienna Document agreed by the Commission on Security and Cooperation in Europe participating states in 1990 consists of an extensive set of measures on the exchange of military information, risk reduction, military-to-military contacts, prior notification of military activities and the observation of military activities by teams of observers, as well as a verification system based on inspections and an evaluation mechanism to assess overall compliance of implementation with agreed measures.

Subsequent adaptations to the Vienna Document have led to substantive changes, most notably a requirement for two years of prior notification for military exercises that involve more than 40 000 troops or 900 tanks. These changes further stipulate that only one such activity is allowed per state during that period, and restrict the annual number of exercises involving more than 13 000 troops or 300 tanks to six per country. They have further expanded the General Exchange of Military Information (GEMI) to include a wider spectrum of defence planning and broadened military-to-military contacts. None of these instruments has been cancelled but their effectiveness is impaired by issues over compliance.

Overall, the Vienna Document was designed to increase transparency and predictability across the whole of Europe. However, its effectiveness depends on participating states understanding, well in advance, the military plans and programmes of their peers. The procedures associated with the document provide an opportunity to observe, inspect and, if necessary, challenge the information related to military activities that states find unusual or of potential concern. Nonetheless, there have been a number of questions regarding the level of compliance with the Vienna Document, which suggests that the manner of adherence to the document undermines confidence building.

The main concerns about implementation refer to the sequencing of exercises below notification thresholds to avoid the need for reporting and external observation. There is also frequent use of the provision exempting ‘snap exercises’ from

<sup>24</sup> The distance from Kyiv to the border with Belarus is approximately 70 kilometres.

advance notification, as well as abuse of the provision for additional voluntary inspections. Further concerns surround the provision of outdated, incomplete or incorrect information about military exercises and the failure to use the consultation mechanisms provided for in the document.

In a recent statement General Valery Gerasimov, the Chief of Staff of the Russian Armed Forces, noted that Russia 'continues to inform all countries, including NATO members, of all major events related to the operational and combat training of the Russian Armed Forces', and that 'Russian and foreign media outlets cover all major military exercises'.<sup>25</sup> While useful, however, this kind of unilateral and controlled information release is not equivalent to the use of the Vienna Document CBM provisions, which detail the information that states should provide in connection with exercises and which allow other states opportunities to observe, question and challenge the host state.

Gerasimov also noted that the Russian Ministry of Defence invited external observers to the final stage of the Kavkaz-16 strategic exercises. However, this 'à la carte' approach is also problematic, because states will question whether dividing an integrated activity into separate parts, and inviting observation of some parts but not others, is consistent with the purpose of the Vienna Document.<sup>26</sup>

### **Zapad-17 and its potential demonstration of capabilities**

When it comes to Russia's reporting on Zapad-17, states will pay close attention to activities to assess what they indicate about Russian military capabilities. Since 2008, Russia has been implementing a major military modernization and reform programme. While Russia has launched several initiatives to reform and remodel its armed forces since the end of the cold war, the New Look reforms after 2008 are the most sustained and ambitious.<sup>27</sup> Many indicators suggested that the combat effectiveness of the Russian armed forces was degrading and the New Look military reforms were intended to produce a more professional and effective fighting force.

One objective was to increase the flexibility of the armed forces by transforming a system based on rigid formations to one based on units that can be combined in different configurations. A second objective was to promote more integrated joint operations across the different parts of the Russian armed forces. The reform programme also included an equipment modernization programme, launched in

<sup>25</sup> TASS, 'Chief of Staff says Russia informs NATO of all its military activities', 15 Dec. 2016, <<http://tass.com/defense/919691>>.

<sup>26</sup> This was an issue in the context of Zapad-13, where outside commentators asserted that the notified elements of the exercise only described a relatively small part of the overall activity. Neretnieks, K., 'Zapad 13: observations and perspective', *Försvar och Säkerhet*, Royal Swedish Academy of War Sciences, 12 Oct. 2013, <<http://kkrva.se/zapad-13-observations-and-perspective>>.

<sup>27</sup> Forss, S., Kiiainlinna, L., Inkinen, P. and Hult, H., *Rysslands Militärpolitiska Utveckling och Finland* [Russia's military-political developments and Finland] (Strategiska Institutionen, Försvarshögskolan: Helsinki, 2011), <[https://www.reservilaisliitto.fi/yhdistyspalvelut/yhdistysten\\_ja\\_piirien\\_kotisivut/helsingforsnejdens\\_svenska\\_reservunderofficerare/verksamhet/gamla\\_nyheter/rysslands\\_militarpolitiska\\_utveckling\\_och\\_finland.18167.news](https://www.reservilaisliitto.fi/yhdistyspalvelut/yhdistysten_ja_piirien_kotisivut/helsingforsnejdens_svenska_reservunderofficerare/verksamhet/gamla_nyheter/rysslands_militarpolitiska_utveckling_och_finland.18167.news)>.

the 2010 State Armaments Programme, to ensure that by 2020 ‘modern weapons’ would make up 70 per cent of the inventory of the Russian armed forces.

Zapad-17 will test the different elements of the New Look reforms to see if Russia can mount large-scale, complex military operations. Given Russian plans for new army formations, it seems that the Russian military still believes the expression attributed to Joseph Stalin, former leader of the Soviet Union, that ‘quantity has a quality all of its own’. The newest exercise is likely to test the capacity of the 1st Guard Army to conduct operations along with the newly formed tank and motorized rifle divisions and multiple infantry formations.

After a long period in which Russia’s armed forces have purchased very few new conventional weapons, the newly formed army divisions mainly seem to be armed with tanks, artillery and armoured vehicles designed in the 1980s and 1990s. These were ready for serial production at the point when the New Look reforms were established. Russian missile brigades are now progressively updating their inventories, replacing their SS-21 surface-to-surface missiles with Iskander missiles that have more than twice the range of the weapons they are replacing.

Perhaps more important than the introduction of new but not particularly modern weapons is the extent to which Russia can take advantage of the significant advance in the capacity to network capabilities, combining weapons to enhance firepower at specific locations.

Concentrating firepower by using a mix of weapons—some located at the point of combat and others participating from a great distance—in coordinated attacks that involve long-range missiles, armed unmanned air vehicles, long-range combat aircraft, tactical combat aircraft and artillery of different kinds has been enabled by the digital revolution that occurred after the end of the cold war. Without modern methods of surveillance, situational awareness, targeting and real-time communications, the types of coordinated attack that have been a feature of recent conflicts would not be possible.

Coordinated attacks using a mix of weapons have been a feature of Russian military operations in Syria and Zapad-17 may indicate how this capability might be used in a European conflict. In relation to the more networked approach, the degree to which Russia now employs a mix of advanced, precision weapons alongside less capable weapons will be the object of close attention.

Observers will also be analysing the role, if any, that nuclear weapons play in Zapad-17. A relatively large number of Russian weapons are believed to be dual-capable and equipment that could have a nuclear mission participated in both Zapad-09 and Zapad-13. An assessment of the Zapad-09 exercise by the USA suggested that the use of dual-capable missiles ‘may have simulated the use of tactical nuclear weapons’ against Poland and Lithuania.<sup>28</sup> Yet, the assessment of the role Russian nuclear weapons may have played in these previous exercises is extremely general. Therefore, it could be argued that it is no different from the participation of dual-capable aircraft in NATO exercises.<sup>29</sup>

<sup>28</sup> Wikileaks release of a Cable from the US Mission to NATO, 23 Nov. 2009.

<sup>29</sup> In Apr. 2016, 12 US Air Force F-15E Strike Eagle fighter aircraft participated in a NATO exercise in the eastern Mediterranean. Pawlyk, O., ‘USAF F-15s move across Europe for exercises: Here’s where they are’,

The more frequent activity by Russian dual-capable forces has prompted speculation that the threshold for nuclear-use could be lower than suggested by the public version of Russia's military doctrine.<sup>30</sup> However, the most recent public version of the doctrine tends to emphasize the role of long-range, conventionally armed cruise missiles launched from heavy bombers, submarines and surface ships in war fighting and conventional deterrence. As noted above, this capability is one that has been used in Syria.<sup>31</sup>

The deployment and use of nuclear-capable stand-off weapons does not necessarily indicate intent to use nuclear weapons in a conflict. Nonetheless, as long as nuclear weapons remain in the Russian arsenal, their possible use is increasingly likely to be assessed both in scenarios where Russia is 'winning' on the battlefield to prevent a counter-offensive or where Russia is 'losing' on the battlefield to signal resolve. The latter would stress the risk of strategic weapon use if an attack on Russian forces were to become an existential threat to the state. Zapad-17 will no doubt be analysed to see whether it provides any additional information on this nuclear dynamic.

## Takeaways

Despite the increase in defence budgets, modernization of equipment and restructuring of armed forces, the degree of militarization in Europe remains far below cold war levels. Still, Europe is not at peace. There are deep and persistent divisions over political-military security that have the potential to cause high levels of tension and, under certain conditions, conflict. In the eyes of many European countries, Russia has violated core principles that are at the heart of a stable European security system. Russia, meanwhile, interprets NATO policy as 'coercive containment' as part of an effort to create a new European security system not with, but against Russia.

These deep differences are unlikely to be overcome in the near future. For the time being, the focus will be on limiting the risk of escalation, strengthening deterrence and establishing effective defences. There is a need to focus on the potential for military exercises to increase tension at specific times and in particularly sensitive locations, as well as to think carefully about how such risks can be reduced or managed. In this context, the Zapad-17 exercise has the potential to play a central role. At one level, its scale and nature may cause a degree of destabilization through misinterpreted signals by Russia's neighbours. At another level, this exercise may serve a vital function in providing insights into how Russia views its security environment and the extent to which it is willing to exert conventional and nuclear force to protect its interests.

*Air Force Times*, 4 Apr. 2016, <<https://www.airforcetimes.com/articles/usaf-f-15s-move-across-europe-for-exercises-heres-where-they-are>>.

<sup>30</sup> Durcalek, J., 'Nuclear-backed 'little green men': nuclear messaging in the Ukraine crisis', Polish Institute of International Affairs, July 2015, <<http://www.stratcomcoe.org/jdurkalec-nuclear-backed-little-green-men-nuclear-messaging-ukraine-crisis>>.

<sup>31</sup> TASS via Defence-Aerospace.com, 'Kalibr SLCMs in Syrian theater of operations', 26 Oct. 2016, <<http://www.defense-aerospace.com/articles-view/feature/5/178397/naval-cruise-missiles-and-russian-operations-in-syria.html>>.