



Increased Economic Strains for Russian Military Personnel

OE Watch Commentary: In the Kremlin's calculus, where the West poses an existential threat, military readiness remains a top priority--even under economic constraints. However, as the author of the accompanying excerpt from the relatively centrist daily, *Nezavisimaya Gazeta*, points out, while military spending remains robust, those serving in uniform are increasingly finding it difficult to make ends meet.

The author begins by asserting that in 2019, "28.7 percent of budget expenditure in the country (4.9 percent of GDP)" will go toward "national defense, security, and law-enforcement activity." Still, as the title of the article suggests, the lion's share of these hefty defense expenditures will go toward new equipment and current operations and not toward personnel expenses. Indeed, the projected pay raise in 2019 "will merely be index-linked to inflation." The article goes on to cite an estimate from the Duma Defense Committee, which claims that because of inflation, from 2012 to 2017, military "pay lost almost half of its value." These strains on military pay are causing a higher "turnover in personnel -- particularly contract servicemen."

The article points out military pay is not the only personnel benefit affected by economic strains. It quotes a military expert who points out that the program which allows "officers and noncommissioned officers to acquire apartments is annually lagging behind the growth in market prices, which reduces the quality of housing for those in uniform." This expert also asserts that "military clinics are short of many medicines," and that "opportunities for service personnel and military pensioners to be treated at sanitariums and military hospitals have been significantly reduced." The article concludes by speculating that "the military has drawn up proposals in a draft law on increasing the term of service required for service personnel to gain their pension from 20 to 25 years," which "could have a negative impact on the prestige of military service in Russia."

Over the past decade the Kremlin has done much to restore the status and prestige of those serving within the military. It appears that strained economic conditions, however, combined with and ever-increasing operational tempo and an emphasis on new equipment over personnel costs, could be weakening the appeal of military service. **End OE Watch Commentary (Finch)**

"It is ever since the growth in military pay was frozen that the Army has started experiencing turnover in personnel -- particularly contract servicemen."

Source: Vladimir Mukhin, "В бюджете-2019 опять обделили служивых и военных пенсионеров: У государства есть средства на Сирию и новое оружие, но нет денег для людей в погонах (2019 Budget Again Short-Changes Service Personnel and Military Pensioners: State Has Funds for Syria and New Weapons, But No Money for Those in Uniform)," *Nezavisimaya Gazeta*, 2 October 2018. http://www.ng.ru/economics/2018-10-02/2_7323_pensii.html

Next year spending on national defense, security, and law-enforcement activity in Russia will come to R5.15 trillion -- or 28.7 percent of budget expenditure in the country (4.9 percent of GDP). As is the case this year, these will be the biggest items of state expenditure -- bigger than the line-items "Social Policy" (27.1 percent of all expenditure) and "National Economy" (14.7 percent). But the growth in service personnel's pay and military pensions in 2019 is anticipated to be far more modest -- at 4.3 percent. In other words, service personnel's pay and pensions will merely be index-linked to inflation....

...According to the estimates of the Duma Defense Committee, during this period [service] pay lost almost half of its value, since, "according to figures from the Federal Service for State Statistics, overall inflation in the period between 2012 and 2017 was around 46 percent, while the cost of a notional (minimal) selection of foodstuffs rose by virtually 60 percent." ...Yet the material incentives for service personnel remain very modest. It is ever since the growth in military pay was frozen that the Army has started experiencing turnover in personnel -- particularly contract servicemen...

...Nezavisimaya Gazeta was told by Captain First Class Oleg Shvedkov, chairman of the All-Russia Service Personnel Trade Union Central Committee, that "feelings of disillusion prompted by the government's reluctance to tackle the issues of improving the level of social protection for those in uniform are taking shape in the military sphere." He notes the rise in negative sentiment among the military electorate. "The vote against the party of power in the last regional elections at certain military garrisons demonstrated this clearly," the human rights campaigner believes.

In Shvedkov's opinion, apart from cutting material incentives, "the state has lost many other levers that have a substantial impact on the prestige of military service, including on the quality of service activity." In particular, he believes that "the potential of the mortgage and saving system to allow officers and noncommissioned officers to acquire apartments is annually lagging behind the growth in market prices, which reduces the quality of housing for those in uniform." The potential of military medicine as a whole is not improving. "Military clinics are short of many medicines," Shvedkov says.... "Because of the Health Ministry's imposition of so-called medical standards, the opportunities for service personnel and military pensioners to be treated at sanitariums and military hospitals have been significantly reduced."

...Sources at the Defense Ministry said that the military department has drawn up proposals in a draft law on increasing the term of service required for service personnel to gain their pension from 20 to 25 years. This too could have a negative impact on the prestige of military service in Russia.