

# **Social and economic problems of the started transition of military organization of Russia to new recruitment (draft) system**

*(Thesis at a workshop in the IET on 25.02.2004)*

## **1. Description of situation**

It is worth to begin a description of situation from stating that **the problem of modernization of Russian military organization** is one of the major for society, for the state and, it is possible to say, for the majority of citizens of our country. The President of the Russian Federation in his message to Federal assembly of the Russian Federation has named modernization of armed forces among three major problems facing to the state.

Ways out of this problem were discussed as is known on the meeting on October, 2 2003 in the Ministry of Defense with active participation of the President. Vision of military threats and methods of their parrying, statement of problems for military organization have been presented both for Russians, and for all inhabitants of our planet. The corresponding publication has received the name “White book”.

It needs to be noted that after the meeting many commanders have made a conclusion that military reform in Russia has been already completed. And objectives were put supposedly only in sense of perfection of post-reformed development of Russian Armed Forces. It comes so, most likely because after many years of the degradation covered with words “military reform”, this word-combination has acquired negative sense in our country. Though Minister of Defense speaking in the NATO after October, 2 has told: “Russia *is now reforming* the Armed forces and military organization of the state as a whole, taking into account a new level of political relations with the NATO” (“Nezavisimoe Voennoe Obozrenie”, No37, October, 17-23 2003).

It is not worth starting terminological disputes. Let it be so: reform of military organization has been completed; its modernization or up-to-date development has begun.

Modernization as well as military reform is the multidimensional phenomenon. It is necessary to change many things. And it was admitted on the meeting. But **the top-priority is reform of recruitment system of military organization, a manpower problem**. Who will get the weapon of 21-st century, whether soldiers will be able to skillfully use it, whether they will self-denyingly protect the updated Fatherland – these questions require urgent consideration and decision.

Let's notice that the President of the Russian Federation while pointing “priority directions of military construction” has put “perfection of principles of recruitment” on the first place (“Krasnaya Zvezda”, 3.10.2003). In the report of Minister of Defense priorities were set in

other way but anyway a lot of attention was given to this problem. Also was mentioned that on August, 25, 2003 Government of the Russian Federation had accepted the Decree No 523 about the approval of Federal Task Program (FTP) **“Transition of a number of Formations and Military Units to New Recruitment System on Contract basis for years 2004-2007”**. This decision had set the order of financing under the separate task article of functional classification of spending in sections “National Defense” and “Law-enforcement activity and provision of security of the state”. And these funds had been put in the federal budget 2004.

From text of FTP, **“a number of Formations and Military Units”** which are transferring to recruitment mainly by contract was defined for those military units of Ministry of Defense, Ministry of Internal Affairs and Federal Security Service (border troops) which had been placed to a category of "Steady Readiness Forces" (SRF). Definition of this category was officially stated on October, 2. It was “formations and military units capable in peace and war time to carry out combat missions without implementation of mobilization resources”.

Especially important and new thing in comparison with FTP draft was the item 4 of the Decree of Government of the Russian Federation according to which in fourth quarter of 2003 it was necessary to make a draft of Federal Law (FL) which “establishes call-up period equaled to 1 year since January, 1 2008”. It concerns not only Ministry of Defense, the Ministry of Internal Affairs and Federal Security Service but also “other federal enforcement authorities in which the law stipulates a military service” (FEAMS).

Transition to the reduced call-up period should touch all "other" forces. At least it was so told in the Decree of the Government of the Russian Federation. Above all, we in fact still have such document as “Concept of Government Policy of Military Development by the year 2010”. There was mentioned that the transition should be begun with military units of SRF and units on duty. But military units on duty in accepted FTP are not present.

Even this fact can be considered as good cause for criticism of the accepted decision. Explanations of fatal consequences for the military units, which have not got in list SRF, and for society have received response not only among the Russian public, but also among representatives of military organization of the Russian Federation.

The second direction of criticism, which has not yet splashed out in society and military organization but which has already appeared, is connected with legislative definition of new recruitment system and ensuring of the transition to it. The complete set of other necessary regulations (whether knowingly or not?) is shattered. In our opinion not the most important questions are submitted to the foreground of the legislative initiative. In this way amendments to the laws concerning an acceptance of citizens of other states to service under contract have been urgently developed and accepted. The administration bill establishing a trial period for contract

servicemen has been introduced. But as a whole the order of enlistment of the Russian citizens on service under contract has been retained.

In report of Minister of Defense on the meeting on October, 2 (“Krasnaya Zvezda” No184) and in “White book”, FTP was evaluated extremely positively. After ascertaining of necessity of “changes in recruitment system without which it would be impossible to support combat readiness of Armed Forces of the Russian Federation”, the following was spoken: “Recently accepted decisions of the Government of the Russian Federation cardinally change a situation in this area”. Whether they were cardinal? And whether the legislative base is ready to these changes?

These questions are not simple and deserve detailed consideration.

## **2. Consequences of realization of FTP – the qualitative analysis**

The estimation of possible consequences of FTP should be multidimensional. But it should be begun from the point of view of the basic missions which military organization of the Russian Federation should fulfill. In that case it has to state the following.

2.1. Accepted FTP was developed and approved as the program of creation of the elite military units named SRF, in three force departments participating in the decision of problems of “hot spots”: Ministry of Defense, Ministry of Internal Affairs and Federal Security Service. And only in these military units the guaranteed transition to exclusively voluntary principle of recruitment will come true.

If it were possible to permit, that military threats are limited for Russia only to the list of “hot spots” then success of accepted FTP would not cause doubts. The basic staff problems for operations in “hot spots” by force methods soon will appear as solvable. But, first, the role of force methods for example in the Chechen Republic nevertheless is reducing. Second, there are also other military threats. And it was mentioned a lot about them in documents of Ministry of Defense, including “White book”.

If keep in mind possible appearing not only “hot spots”, but also “hot” territories, water and aero-space areas where military missions should be accomplished by various kinds of forces, it will be found out that maintenance of military safety of country even in narrow sense of recruiting staff to these troops and forces by staff becomes rather problematic. And in fact in this troops and forces there is a special category of the military units on duty, which significance even in comparison with SRF units cannot be considered minor.

2.2. Not clearer is the situation with the decision of problems of society. It expected, at first, essential reduction of call-up period as soon as possible and second, - change of draft service designation and conditions. These results could not be explicitly derived from FTP

arrangements. Though “decrease of social dissatisfaction with existing recruitment system where servicemen are serving by draft in Armed Forces of Russian Federation, other forces, military formations and with assignment of these servicemen for a military service to “hot spots”” is called one of “expected results of an implementation of a program”.

The decision on reduction of call-up period and its destination to the present time has a demand forms stated by the President in his annual message and by Government of the Russian Federation in one of items of the decree on approval of FTP. The administration bill on this theme is being delayed.

That is why opponents of this concept realized in FTP not only still have some former questions and objections, but also got new. More detailed analysis and not only qualitative, but also the quantitative is necessary.

And for this purpose it is necessary to analyze in details a situation from the point of view of quantity indicators **of background and present condition** of recruitment system and passage of a military service by private and non-commissioned officers (PNO) in military organization of the Russian Federation and in basic component of military organization - in Armed Forces of the Russian Federation. Basic data are presented schematically on the first illustration.

It follows from the data that the question is not new to Russia. Military organization has been engaged in transition to recruitment in the voluntary order (contractually) more than 10 years. For these years extremely on a contract principle of recruitment has passed only Directorate of penal system belonging nowadays to Ministry of Justice. The others FEAMS have not achieved success. The main among them is the Ministry of Defense reaching in 1995 number of contract servicemen up to 380 thousands, but later on could not support this level. Now it is equal roughly to 135 thousands, from which half are women, in a large part - members of families of servicemen. Recession of this number has not been stopped even after the beginning of the Pskov experiment in 76-th airborne division.

**The reasons of wrecking of the plans scheduled before are instructive:** high losses of our servicemen in the Chechen Republic (in opinion of many servicemen, - unjustifiably high), the lowest level of a money allowance and chronicle neglect to other social obligations to servicemen by the state.

It is important to take into account and the following. In our country there were and there are as those forces and factors, which promote transition to voluntary recruitment system of military organization and those which are not interested in changes and hamper this transition. They are designated in the bottom part of the table displaying key historic factors.

And here is one more major circumstance. In the current legislation there are knowingly unrealizable promises in relation to contract servicemen. In due course there were many

publications both in favour of a voluntary service by contract and versus. And at the same time we **do not know any document in which the military-economic and socio-economic substantiation of accepted laws and plans of transition of military organization of the Russian Federation for the contract would be contained.**

This implies a conclusion: it is possible and is necessary to rely on foreign experience, but **main for us now – to take into account own experience, to learn lessons from it.** And certainly it is necessary to rely on scientific methods of the substantiation and quantitative estimations – where they are possible. The goals of research and some input data are presented on the next illustration.

### **3. Methodology of the quantitative analysis of consequences of FTP and further actions**

Opportunities of mathematically strict description of condition of PNO in dynamics, descriptions of existing and future recruitment systems, as well as an opportunity of a quantitative estimation of consequences of transition to new system are rather limited. It is stipulated by many reasons. Nevertheless there are some results in military economy department in IET. Our research was executed on the basis of a combination of analytical and simulation mathematical models. The basic characteristics of model and factors of results of modeling are also illustrated.

**Main differences** of our substantiations from substantiations of FTP executed by its main developers consist in the following.

**First.** Estimations are carried out not only on a program period of 2004-2007, but also behind its limits because consequences (especially socio-economic) of such programs as a rule are long-run term.

As it will be shown later, many characteristics are evident only at the analysis of processes on an interval till 2011 (inclusive), and many others require much more depth (till 2035). It is necessary, first of all, for the analysis of dynamics of mobilization resources and also spending that will be demanded by retiring contract servicemen from military organization providing them with housing and pensions.

**Second.** The military units that are carrying out transition to new recruitment system were considered not separately from other military units, but together with them – in scope of entire military organization, all FEAMS. The explanation of this lies in the answer to the question: who needs substantiations and estimations?

All citizens of Russia, society drafting its young citizens in military organization of the Russian Federation without separating military units into SRF and out of SRF is important.

For military organization it is also important to estimate its level of full strength and fighting capability as a whole, not componentwise.

For Government, Federal Assembly and the President of the Russian Federation complete financial and economic estimations are needed but not just fragmentary consideration of separate articles of the budget or isolated statutes.

From the substantial and mathematical points of view the system under consideration is multidimensional, dynamic and nonlinear.

During study it is necessary to analyze change in strength, including so-called effective strength. It means that while estimating total strength it is necessary to take into account fighting capability of the soldier depending on a service duration and age. Character of this dependence is shown in the bottom part of an illustration of goals and input data.

We had to formalize also expression for manpower policy extending this concept not only on officers, but also on PNO of military organization that is shown on a corresponding slide. The number of the major measures also included financial and economic characteristics of budget spending (according to budget classification) and socio-economic characteristics that are important for society.

The basic tool in study became, as it has been already mentioned, a simulation computer model. Model state vector has now than 100 components. And it is probably not a limit because new factors, which require the calculations and estimation, appear regularly.

#### **4. The quantitative analysis of consequences of realization of FTP**

Given results concern option, which we have named variant V1 fully corresponding to FTP with variations in its realization since 2008. They are marked as options V1-0, V1-1, V1-2.

For clearness basic results of modeling are presented in diagrams.

4.1. On the first of them is shown change of contract servicemen strength in military organization of the Russian Federation as a whole, stipulated both by increase in SRF, and reduction outside of SRF. In SRF units there will be growth from 22,1 up to 147,6 thousands according to approved schedule. Outside of SRF the quantity of contract servicemen will decrease with present rate (about 5% annually). Prolongation of the further processes (since 2008) was conducted optionally:

V1-0 – if process after 2007 will be suspended;

V1-1 – in case that incorporated in FTP rates of transition will be maintained;

V1-2 – in case of completion of transition in 2011 as it is stated in “Concept of Government Policy of Military Development by the year 2010”

The main conclusion from the analysis of this part is the following: when preserving present rates **even by the year 2112 the total strength of contract servicemen will not reach amount is sufficient for military organization of the Russian Federation.** It was considered that sufficient strength at first should exceed by military efficiency present parameter and second it could be selected from servicemen by draft on competitive conditions.

4.2. Dynamics of contract servicemen recruitment (enlisted personal) is shown on the next diagram. The graph indicates the action of two factors: increase in amount of new appointments in SRF units and necessary regular compensation of those posts, which will be released after an expiry of the term of a contract. We shall remind that a contract serviceman is free to prolong or not his contract and for military organization he can become necessary or not. In model, on experience of many countries, transferred to a voluntary service, was considered, that at the expiration of the next term half of contract servicemen will leave, second half will prolong the contract. The duration of contract has been taken to multiple three years. It was considered that high stimulus to a service by contract will allow to fill released positions of contract servicemen in SRF units completely, and outside of SRF – only in part. Otherwise it will be necessary to fill in them by draft.

It comes from modeling that the total number of persons who are filling up posts of contract servicemen will be high enough and a process oscillatory that is stipulated by the intensive beginning of stirring up transition after 2004. Accordingly, the number of leaving contract servicemen, not prolonging contract, will be high also. Significant as it has appeared is the amount of those contract servicemen which have stepped over 10-years in service, and stay on a service. Extremely important what will be their further status?

4.3. The matter is that within the framework of the present legislation the fair quantity of persons which after 10-12 years of a service become legal owners of some essential preferences could appear, in particular, under some conditions – receiving housing in property and pensions. If the corresponding legislations are not changed, there will be an annual increase in amount of servicemen without dwelling who will have the right on reception of dwelling in the property, with estimated intensity up to 15 thousands annually. Taking into account the existing number now (up to 170 thousands) and present rates of its replenishment by officers and ensigns (more than 30 thousands annually), it is easy to understand, that it will sharply complicate so hard solvable problem. More dangerous the situation will be if the concept stated by V.V.Smirnov (“Voennaya Mysl”, No2, 2003). According to it contract servicemen should stay in military organization for all their life. Then the growth of line in which servicemen demands housing by contract servicemen, will exceed its growth by officers.

4.4. Now let's address to draft. On the next diagram there is dynamics of change in draft level which in considered years would be called up for military service till 2008 – for 2 years, after – for one year. Here you can see obviously rather insignificant reduction in draft level during realization of FTP and increase after 2007.

It is most likely that if we not force FTP after 2007 it will be necessary to refuse from 100% level of military organization strength and to limit growth rate of draftees, for example to 10% per half a year, as it is shown on the graph as an example.

4.5. Moreover, series of the next diagrams taking into account expected demographic "depression", shows that the most successful even on a possible limit (with cancellation of the majority of delays simultaneously with reduction of call-up period) there can be only option V1-2.

4.6. On the separate diagram you can see dynamics of effective strength of PNO. And on the next - specific strength describing military efficiency of transition to new recruitment system.

4.7. Dynamics of a mobilization reserve is illustrated separately. Decreases of both absolute and effective number here are evident. We shall note that for clearing this problem a long run analysis becomes obligate.

Only favorable category ratio could help at occurrence of military danger. It means from 3-4 person in a resource one will be highly experienced contract serviceman.

4.8. The special group of indicators is formed **by spending on PNO** during transition and after its completion. They are counted according to budget classification but on graphs they are shown only totally and not for all options.

The general conclusion can be so: transition – is expensive, but feasible for a present national economy. It is necessary to minimize costs in each budget year. But just so it is not necessary to shift the responsibility for present reforms on descendants.

4.9. Concerning socio-economic consequences for society. The following is shown on diagrams. Annual costs of compulsory service by draft for youth in structure of the military organization, considered as some kind of "tax" and also the costs on illegal avoiding of draft are large enough. But if we compare them with "incomes" which will contract servicemen bring to society the balance can switch for the benefit of society.

Especially it is necessary to note the fact that transition to a service by contract will be useful to regional and local budgets where the corresponding taxes levied from servicemen will arrive. It can solve many problems at location of military units.

4.10. The last series of enclosed diagrams illustrate that even at rational manpower policy which is expressed by return of a half of contract servicemen in civil sphere concluding them consistently three times for 3 years each contract, spending on subsequent then dismissal, on

payments of pensions and dwelling appear significant. They should be taken into account and to plan beforehand. And other concept admitting for each contract serviceman an opportunity of enlistment to military organization “for all his life” that is up to pension, will be categorically excessive for the state.

## **5. Results of modeling of possible consequences**

Thus, in spite of the fact that as a result of realization of FTP we shall only come nearer to that strength of contract servicemen of PNO we had in 1995 the beginning of realization of new attempt of transition to a voluntary service by contract should be regarded as positive phenomenon.

Fundamental difference of started transition to a voluntary principle of recruitment from background is **creation of formations and military units enlisted completely and extremely by contract and for the solving those problems, which are the most important for present political-military state leadership.**

At the same time, by the end of realization of FTP we shall receive an increment of military effect from this program only for a small amount of military units of steady readiness. In other military units (including military units on duty) stimulus for prolongation of a service will decrease and number of contract servicemen and junior officers most likely will be dropped. It can make consequences of FTP negative for military organization of the Russian Federation.

Not less, and for society even more significant is the second of accepted decisions – **reduction of a call-up period not less than twice** in comparison with present duration.

However efficacy of this decision society, enforced to give young citizens for service by draft will recognize as soon as destination and character of this service will be changed.

Preservation of many acting statutes (in particular on manpower policy towards PNO, on the status of contract servicemen in comparison to ensigns and warrant officers, on provision of housing and some other preferences) is further inadmissible. Corresponding statute should be reconsidered before the beginning of a mass enlistment of contract servicemen in military organization. Delay is involved in huge costs, excessive even for the remote prospect of country.

It makes **a problem of stirring up transition to voluntary recruitment system** about which it was spoken in the report of Minister of Defense on October meeting in the ministry extremely important. With an essential difference: minister has named “stirring up transition of Armed Forces towards contract system of recruitment” itself FTP and its realization. If to start with problems of all military organization and requests of society **the present stirring up should become the further acceleration of transition towards voluntary recruitment system over schedules accepted by FTP not canceling them at all.**

In realization of such scenario of stirring up the transition there is nothing impossible. Amendments to the law on conscription and military service and also to other laws and the rules of law determining essentially new order of military service in the Russian Federation, can be accepted within several months. The concept of amendments is clear.

By development of new legislative base it is necessary to achieve that simultaneously with essential reduction of call-up period its contents, destination and conditions should be changed. In this case the question on draft avoiding will lose the urgency. Naturally, the nutrient environment for many criminal structures, which have surrounded system of draft, and also for some illegal acts in the most military organization will be gone.

The main material factor of appeal for military service should become the size of payment for professional military work. As sociological research has shown, it should 10–20% exceed average wages on country with allowance for specificities and dangers inherent in military service. Corresponding extra charges should guarantee competitiveness of military organization of the Russian Federation in comparison with other employers. This position was declared at substantiation of FTP and should be distributed on all contract servicemen. As estimations have shown spending for transition to offered recruitment system of full military organization of the Russian Federation are in this case rather insignificant and quite feasible for the Russian economy.

The necessary network of training military units or training centers of military-trained reserve for military organization of the Russian Federation can be created within the nearest years on the basis of:

- existing training military units (training centers, groups, schools, combines, teams, naval crews) and formations;
- subject to reduction battle and "staffed" military units, storage bases and some military schools which is preparing now redundant officer staff.

It gets urgently necessary simultaneously with reduction of call-up period to enter all training military units (centers) into general system of military education as an obligatory initial step, including for that part of civil youth which makes a decision to come in the military high educational institutions. At the same time so it will be possible cut off "sly fellows" accepting this decision only for the sake of draft avoiding.

Thus the managing and teaching structure of all military educational institutions should not be restrained in social and official positions. Moreover, the staff of lectors and instructors should be placed in exclusive position because comprehensive preparation will lie on them as of those citizens who will consist in reserve and as of those who will wish to continue a military service by contract after finishing training centers of reserve.

Let's note that systems of preparation of military-trained experts and of service in regular armed forces become flexibly connected among each other. It facilitates management of their transformations processes. It is important that the amount trained to military science was sufficient to maintain competition among interested persons to serve and selection worthy.

During transformation of recruitment system of military organization of the Russian Federation should be carried out reorganization of activity of military commissariats, their adaptations to work on new recruitment system.

The policy concerning enlistment and retention of servicemen on service by contract should be aimed on their stay on positions of soldiers (seamen) or sergeants (foremen) at physiologically optimum age – not more than 35 years. The average duration servicemen contract should be close by 6 years. This average life time has been recommended by Charles de Gaulle and confirmed by experience of the foreign armies. Total time of service by contract on posts of private and non-commissioned officers as it was marked should not exceed 10 years. While approaching this service duration and positive testimonial the opportunity should be given to serviceman to pass retraining and to become either junior officer, or ensign (warrant officer), that is the professional millenarian.

Consideration and scientifically reasonable estimation of these and other suggestions on stirring-up of transition to new recruitment system and on parrying undesirable consequences seen necessary to us. And the availability of mathematical model allows us to claim that such estimation is feasible.

V.Tsybal

# Military, Social and Economic Consequences of Transition to New Recruitment System in Russia

in compliance with approved Federal Task Program (FTP) and  
directives of the President

# Chronology of Basic Events

Years	Government's Administrative Decisions	Social Impact
1992	Settlement of Military Organization (MO) of Russian Federation Collegium's of Ministry of Defense Decree of 15.10.1992 → Government Regulation of 30.11.1992 №918 «Concerning Arrangements of Staged Transition to New Recruitment System of Military Organization on Voluntary (Contract) basis»	all political forces
1993	Starting Transition towards Recruiting on a Contract	«Yabloko» and others
1996	Decree of the President of the Russian Federation (RF) on a Transition to Recruiting all of Russia's Military Manpower on a Contract Basis by 2000	«Yabloko» and others
1998	«Concept of Government Policy of Military Developing by the year 2005»	«Yabloko» and others
2001	Security Council's Decree	«Yabloko», «SPS»
2002	President's Message for Federal Assembly, «Concept of Government Policy of Military Developing by the year 2010», Government session, 2 concepts: (partially on contract, 2 year draft) General Staff (transition of full MO RF, 6 month draft) «SPS» Government Regulation of 21.11.2002 №43	«SPS»
2003	Activity of the Interagency Task Force (ITF), President's Message for Federal Assembly, Government Regulation of 25.08.2003 №523: 1) concerning Approval of <b>Federal Task Program (FTP)</b> for Steady Readiness Force (SRF) «Transition a number of Formations and Military Units to New Recruitment System on Contract basis» 2) concerning Reduction of Call-up Period to 1 year since the year 2008 «White Book» Presented by Ministry of Defense on 02.10.2003, <b>Federal Budget-2004</b> which has Approved Funds on FTP	«SPS», «Edinaya Rossiya» and others

# Key Historic Parameters

Characteristics \ Years	1992	3	4	5	6	7	8	9	00	01	02	2003	Later
<b>MO RF</b> millions	4											1,7	1,7
Including Armed Forces ( <b>AF</b> )	2,75				1,6							1,16	1,0
Contract Servicemen ( <b>CS</b> ) in <b>AF</b>	0	120	260	380	240	200	180	170	160	150	140	135	FTP -> options
Military Conflicts	Гр (Аб), Ч, Аз (К), М (Придн)	Бел Дом		Ч1	Ч		Ч2	Ч	Ч	Ч	Ч	Ч	?
<p>CS (out of SRF): Decrease 5-10% per year Service by Draft:</p> <ul style="list-style-type: none"> <li>• Fear of Draft</li> <li>• Drafting Difficulties.</li> <li>• Illegal Discharge of Draft</li> <li>• Criminal Income»</li> </ul> <p>&gt;20 billion rub/yaer</p> <ul style="list-style-type: none"> <li>• Military Departments in Civil Institutes of Higher Education :</li> </ul> <p>70---&gt;250</p> <ul style="list-style-type: none"> <li>• Offences</li> <li>• Low Quality and Effectiveness of Manpower and Reserve</li> </ul>	<p><b>Strength of privates and noncommissioned officers, thousands</b></p> <p>CS (SRF) : 0,02 -&gt; 0,16</p> <p>By draft: Call-up Period: 2—&gt;1 since 2008</p>												

## Important Factors, Affecting Transition to New Recruitment System:

- |                  |                               |                                      |
|------------------|-------------------------------|--------------------------------------|
| <b>Positive:</b> | 1. Society                    | 2. Regular Servicemen                |
| <b>Negative:</b> | 3. Criminal Elements in MO RF | 4. Criminal Elements in Draft System |

# Goal and Input Data

**Goal:** to estimate military and social-economic consequences;  
to work out recommendation for stirring up solution of military and social problems

## Input Data for Simulation of Manpower Strength (thousands):

### Absolute Strength:

Commissioned Officers and Warrant Officers/Private and Noncommissioned Officers (PNO) =  $750 / 945 = 1 / 1,2$ ;

Officers = 450;            Ensigns = 300;

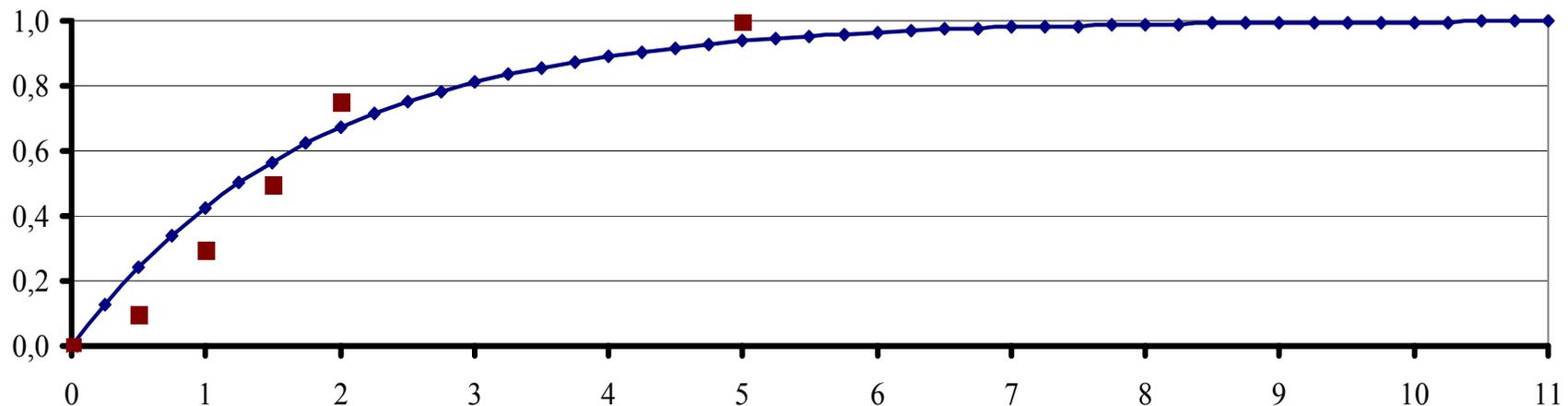
PNO by Draft / PNO on contract =  $720 / 225 = 3,2 : 1$  now in MO RF,

PNO by Draft / PNO on contract =  $125,5 / 22,1 = 5,7 : 1$  now in SR,

Servicemen under 6 months (not included in strength by UN) =  $1/4$  of PNO by Draft for 2 year Draft,  
 $1/2$  of PNO by Draft for 1 year Draft,  
Full PNO by Draft for 6 months Draft

**Mobilization Reserve of 1 Degree MR1** = 5800 in year 2003

**Effective Strength** taking into account Military Efficiency as function of Service Peroid



# Main Tool – Simulation Model

Scale of simulation – Military organization of RF

Dimension: more than 100 components in state vector

Simulation depth: 8 years for regular army,

> 20 years for mobilization contingent and social problems estimations

Step of simulation – 0.5 year

<b>Restrictions, stipulated for nonlinearity of model</b>	
on Strength of PNO (N)	N = 945 000 (N in AR = 542 000)
on Manpower Policy CS <sub>3</sub> : CS <sub>6</sub> : CS <sub>9</sub> : CS <sub>&gt;9</sub>	For options 1 ( by FTP): N req = N des = N pos
on Presence of Possible (N pos), Desirable (N des) and Required (N req) human resources	For option 2-1: N req only in units under SR N des = filling up served draftees + filling up served on contract N pos = expected number of servicemen, willing to sign a contract
on taking into account Concrete Programs and Reform Acts	For options 1 : FTP
	For option 2-1 : President’s message and government decree
on Condition for Administrative Decisions	Option 1: Chronological- FTP Option 2: Parametrical – shift to 0.5 year draft on reaching required number of servicemen on contract
on Age Limits of servicemen	18; 41; 45; 50; 60
on some Functional Dependences	Military Efficiency as function of Service Peroid

# Key Parameters of Simulation's Results

Group of parameters	Kind of parameters	Kind of parameters by components
<b>Strength and Military Efficiency</b>	Regular Army Strength	SR / out of SR / total PNO / COWO Draftees 4 categories (<0.5; <1; <1.5; <2) Contract Servicemen 18 categories (<0.5; <1; ..... <8.5; <9)
	Effective Strength	SR / out of SR / total
	Strength (by UN)	
	Mobilization Reserve	Absolute / effective Total / served on contract / served by draft
	Dynamics of Recruitment on Contract	Required number of servicemen signing a contract Number of servicemen willing to sign a contract Number of servicemen invited from reserve
<b>Government Spendings (Current, Middle Run and Long Run)</b>	Spending on Contract Servicemen	In compliance with Section, Subsection, Target Article and Kind of Spending of budget classification Section : 04, 05 Subsection : 01, 02, 06 Task Article: 683 Kind of Spending : 607, 610, 613, 614, 615, 629, 630, 647
	Spending on Draftees	
	Spending on Retiring and Providing Dwellings and Pensions	
<b>Social and economic consequences</b>	Society costs	Costs on compulsory service by draft Costs on illegal draft avoiding
	Society income	Annual Society Income: Annual income of contract servicemen Annual income of draftees Income of local and regional budgets (income tax)
	Society balance	Difference between incomes and costs

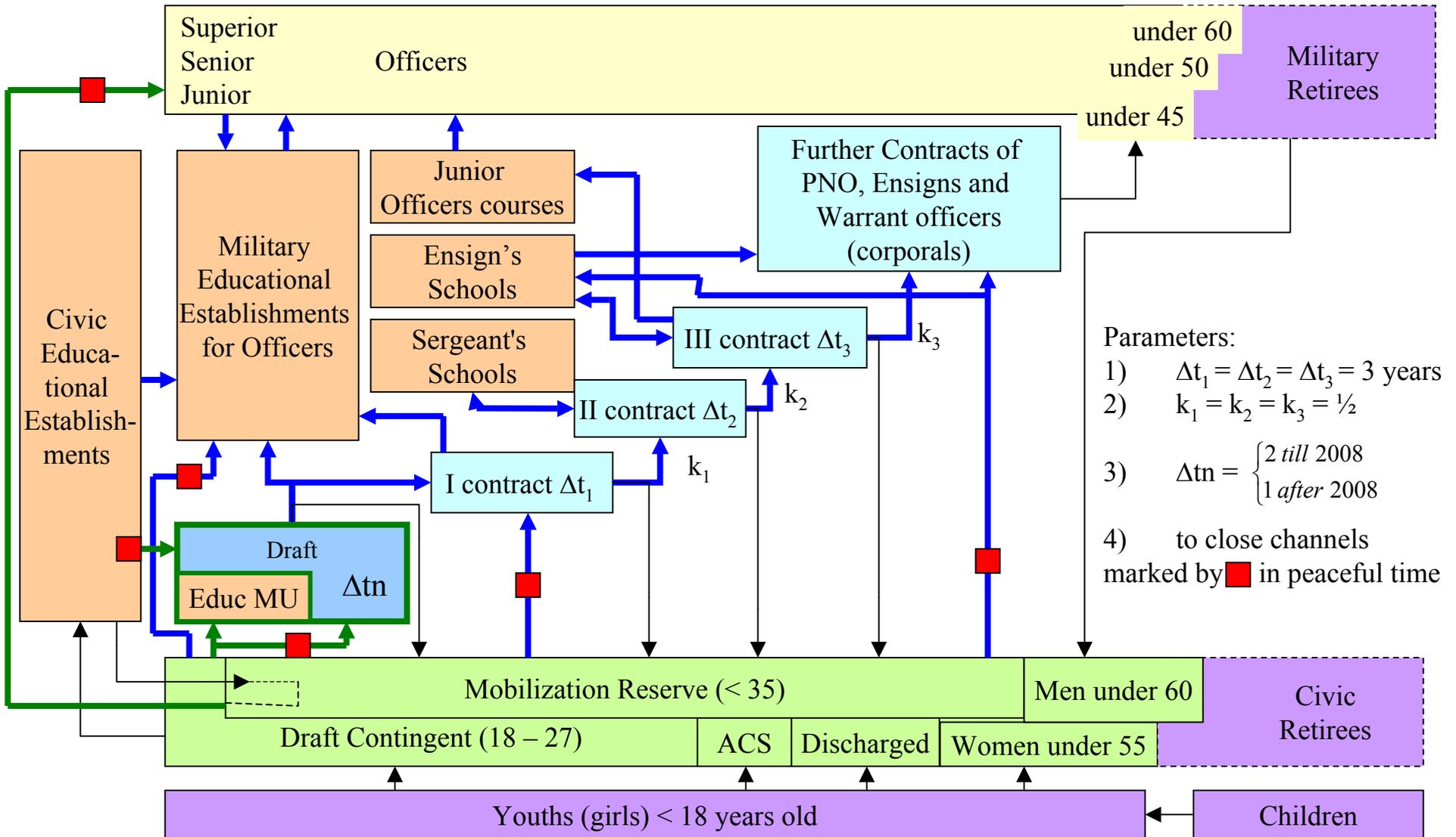
# Illustration of Option V1 (FTP and its continuation)

- V1-0 Till 2008 – FTP, after 2008 – cessation of transition  
Out of SRF – annual decrease 10%
- V1-1 Till 2008 – FTP, after 2008 – same growth rate of contract servicemen  
Out of SRF – annual decrease 10%
- V1-2 Stirring up transition after realization of FTP for its completing in 2011  
Out of SRF – annual decrease 5%

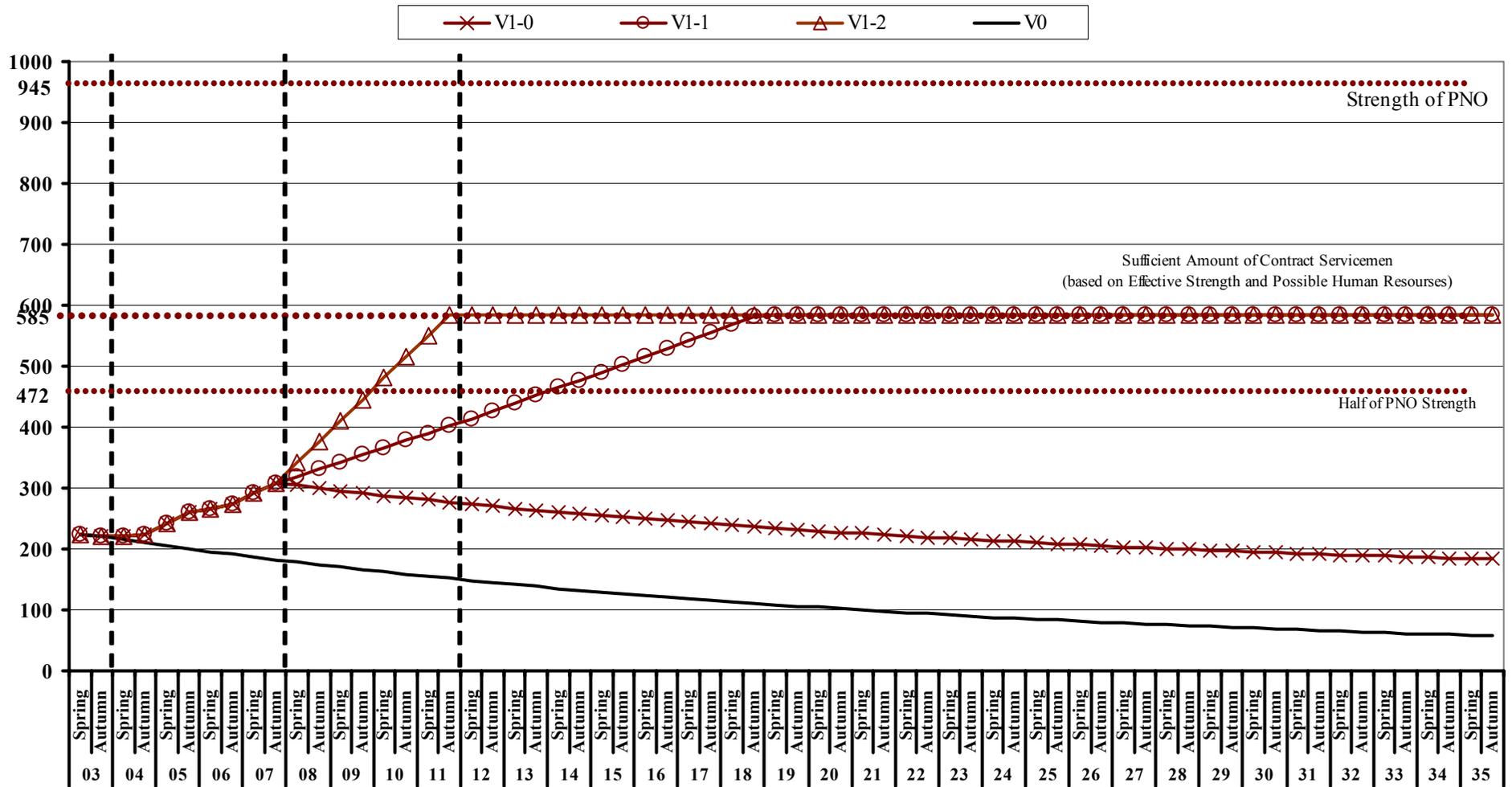
In each option V1 call-up period decrease to 1 year since 2008

- V0 Rejection of reform  
Out of SRF – annual decrease 5%

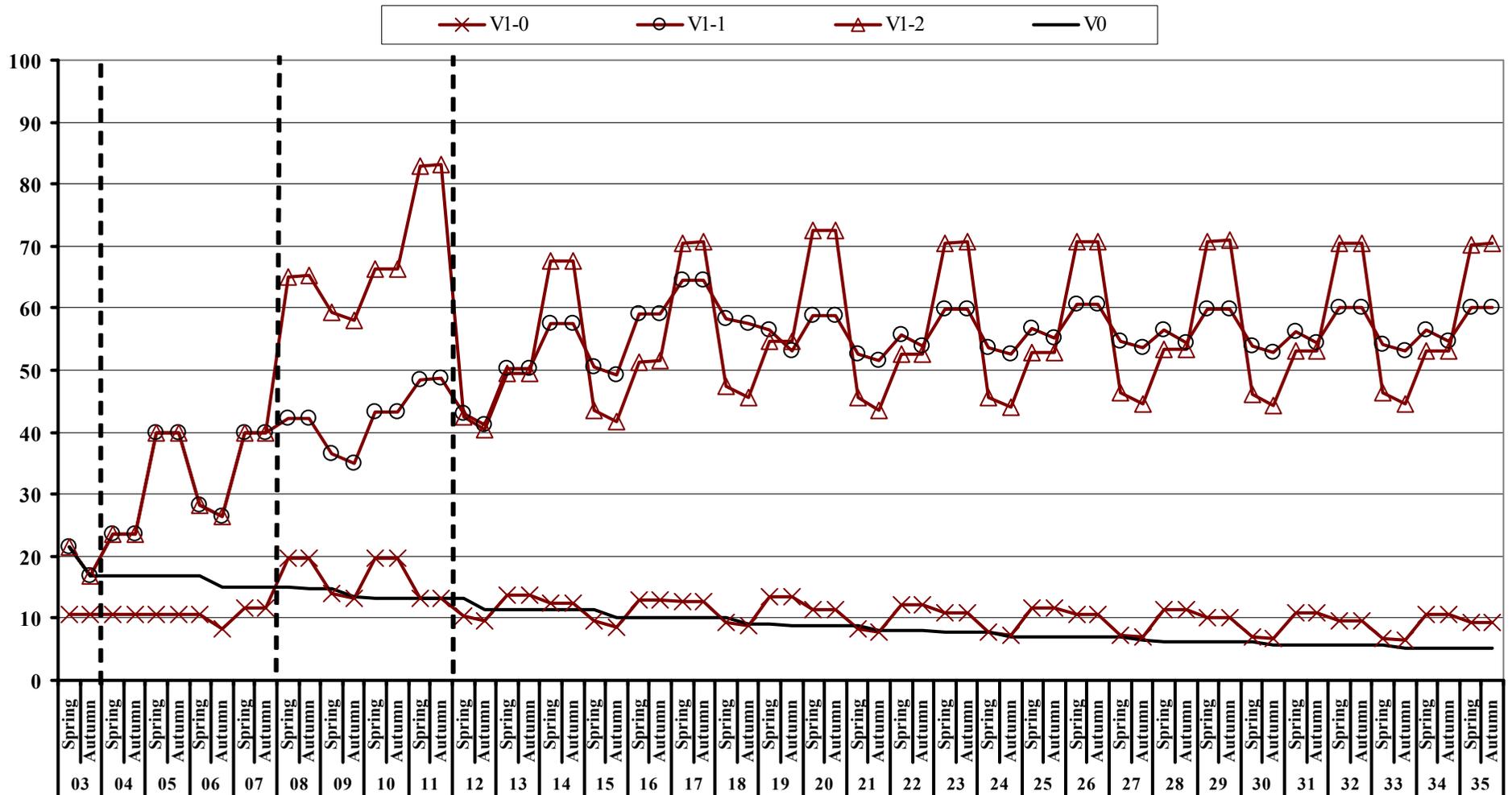
# Manpower Policy



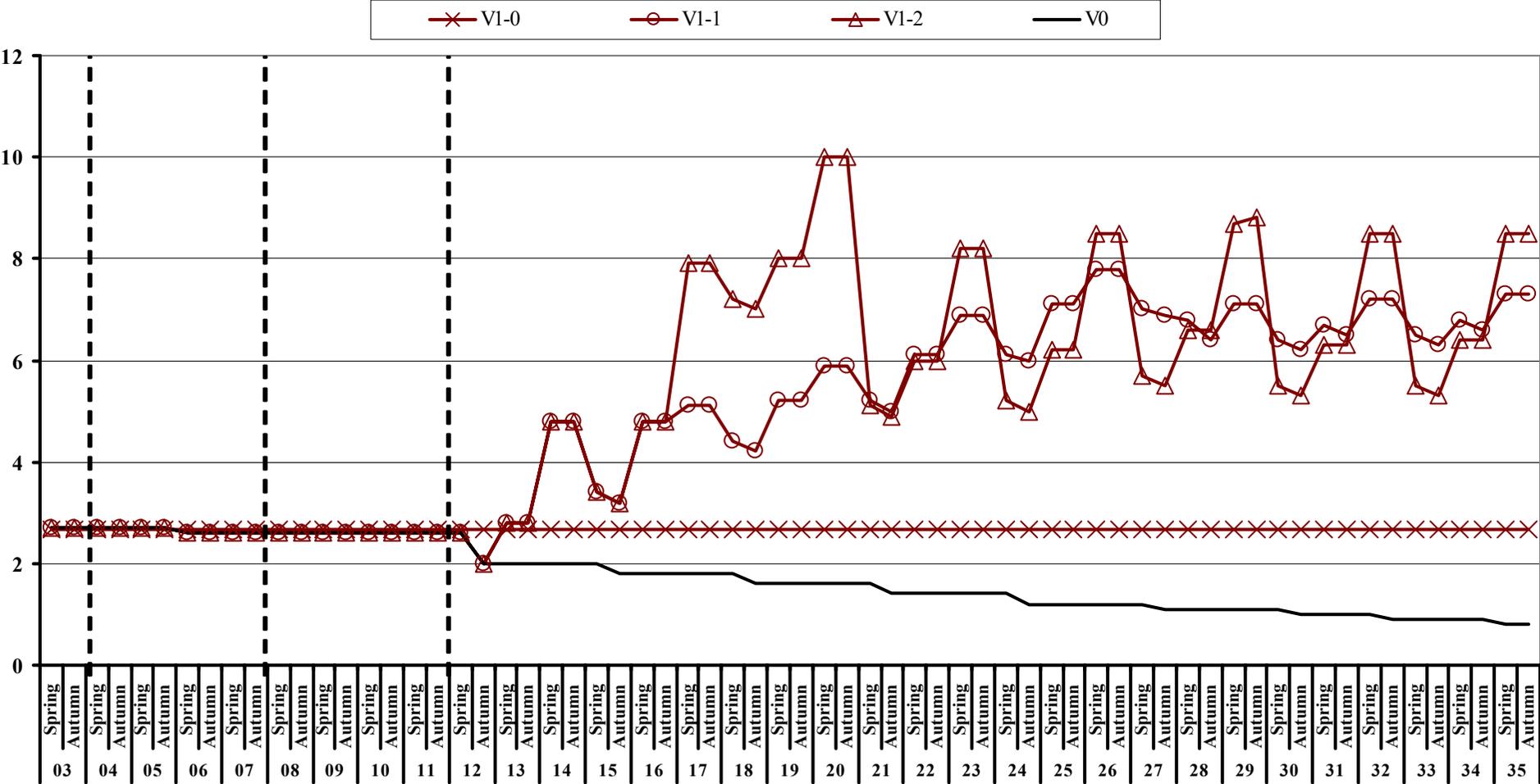
# Contract Servicemen in compliance with FTP and its Continuation (thousands)



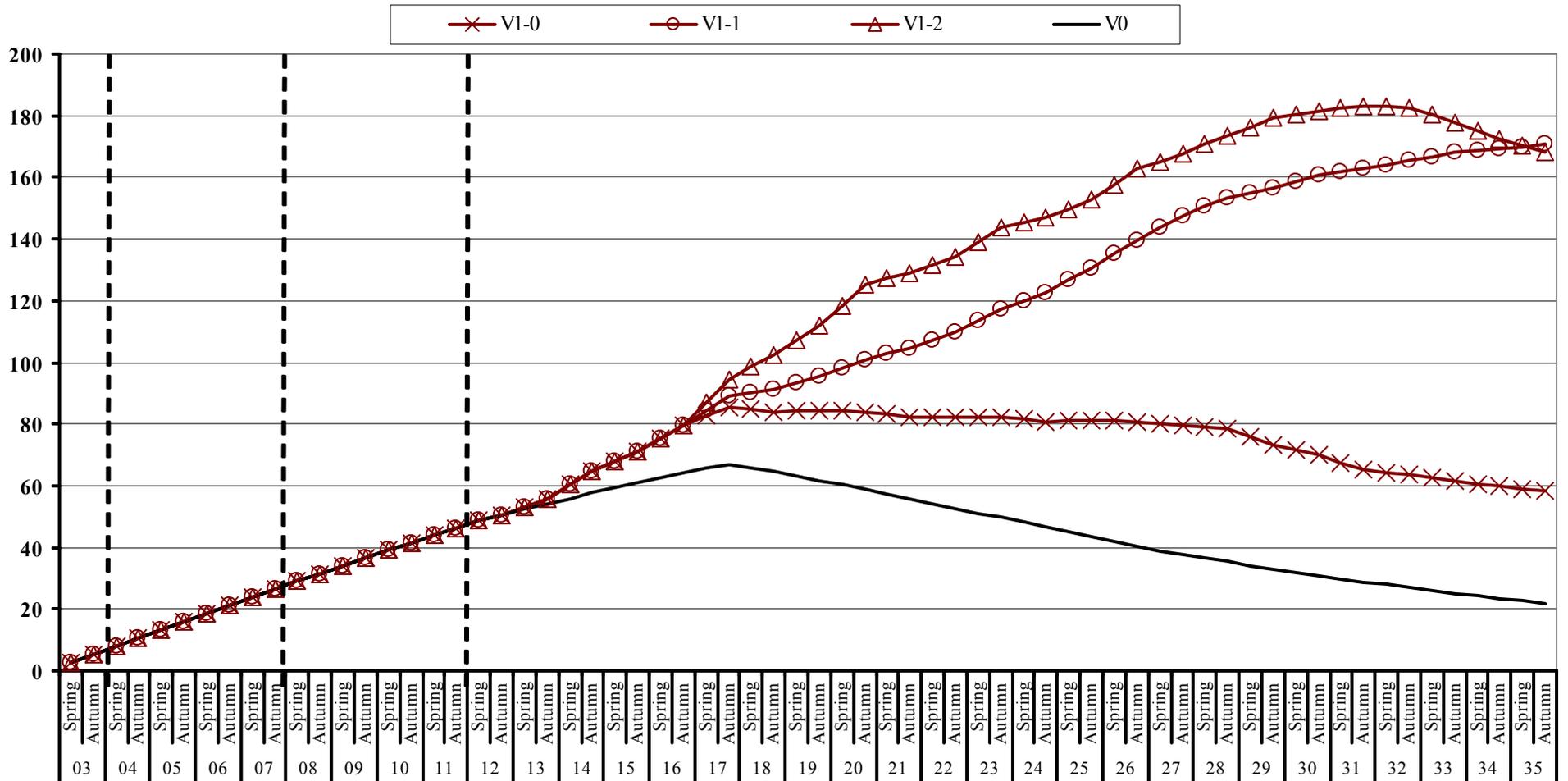
# Dynamics of Contract Servicemen Recruitment (thousands per half a year)



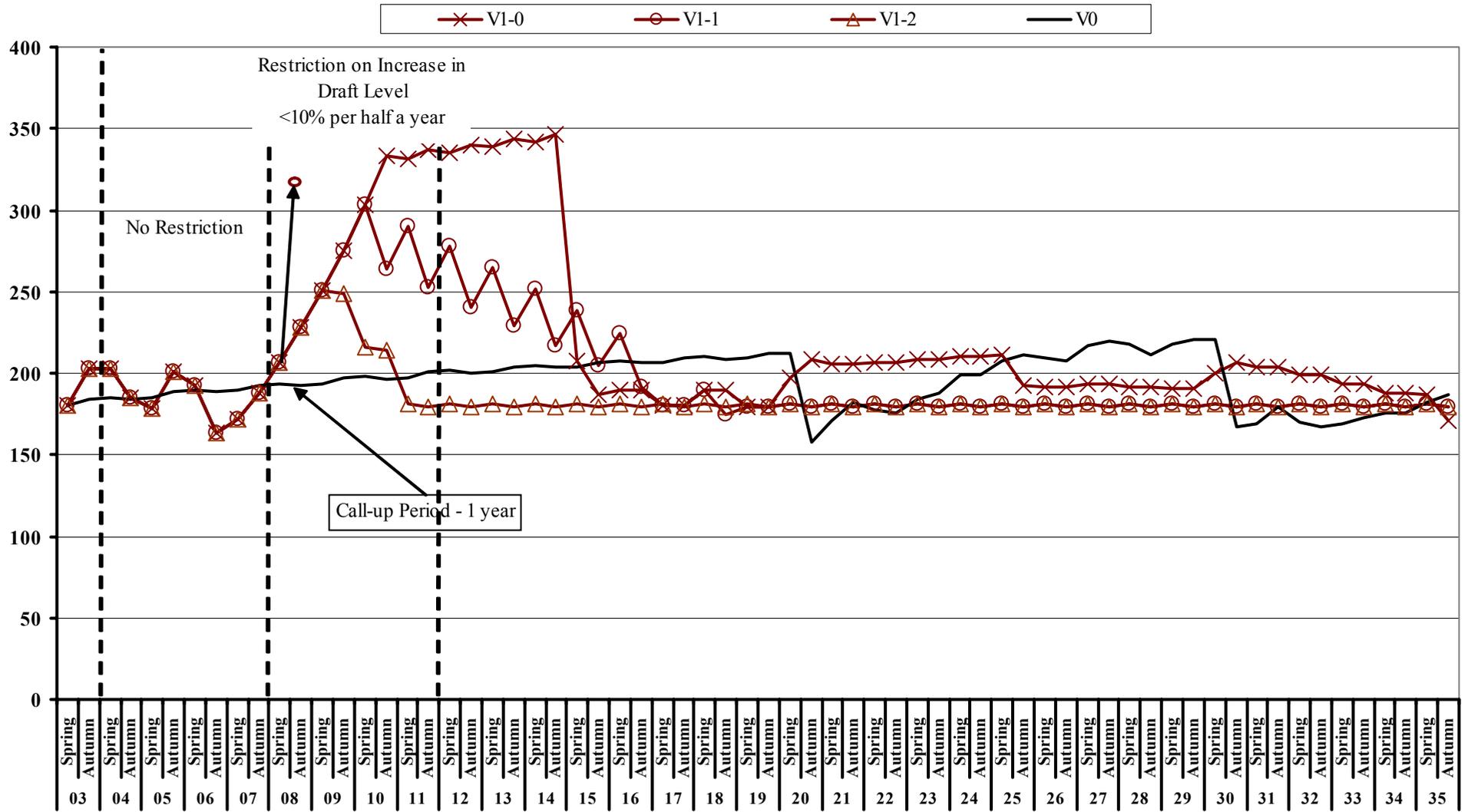
# Dynamics of Contract Servicemen Transition to those who Served more than 10 years in MO RF (thousands per half a year)



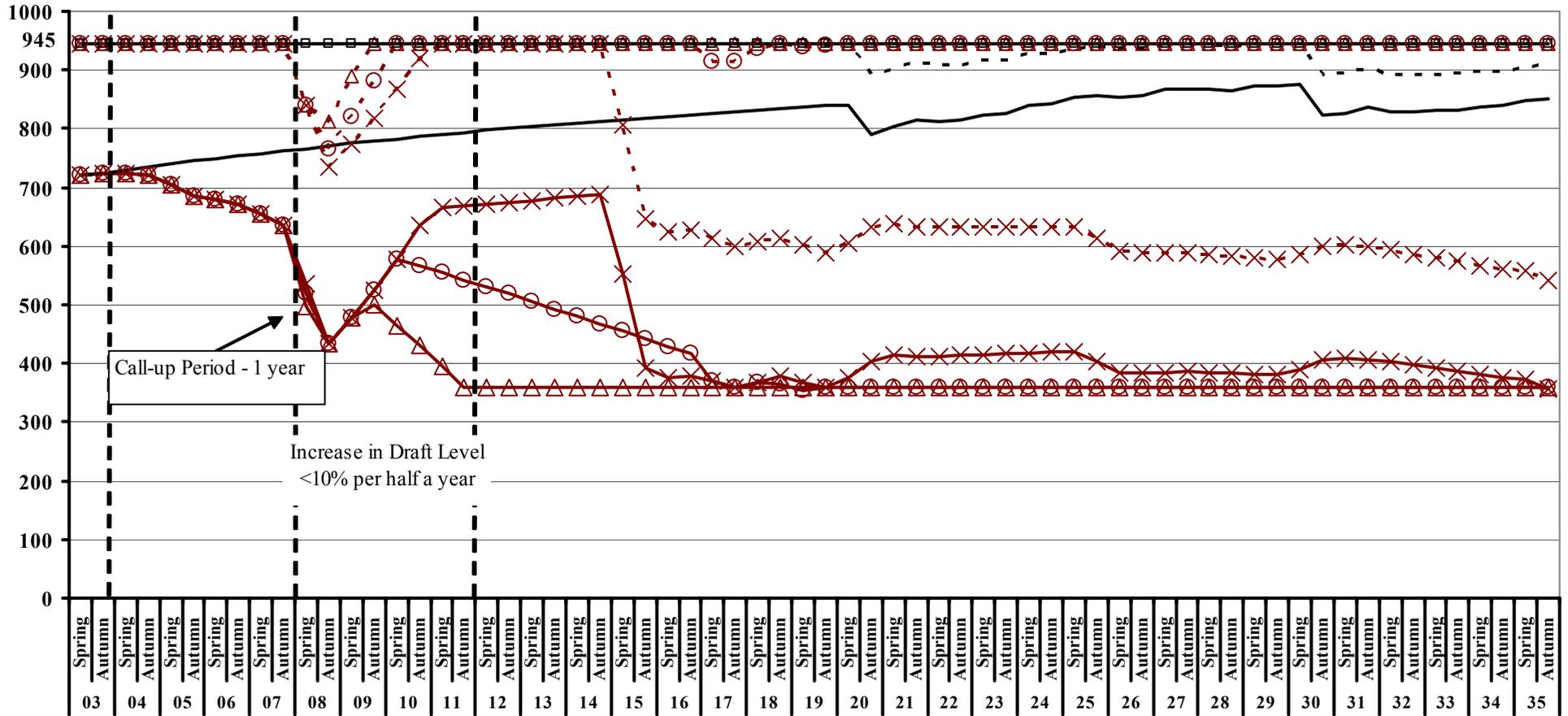
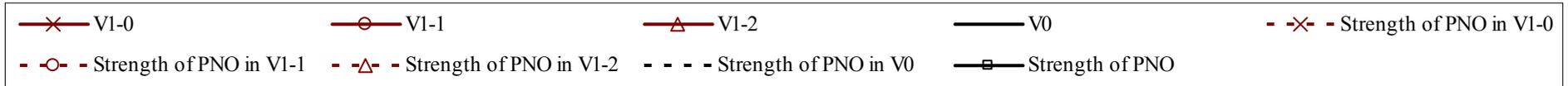
# Contract Servicemen Transition who Served more than 10 years in MO RF (thousands)



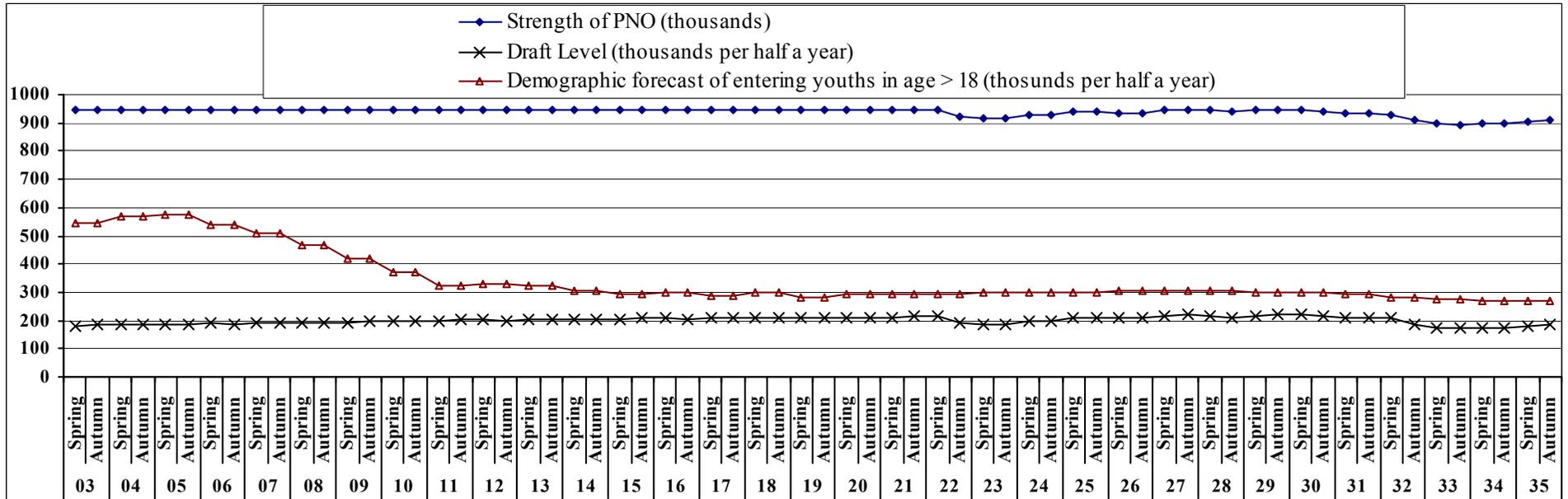
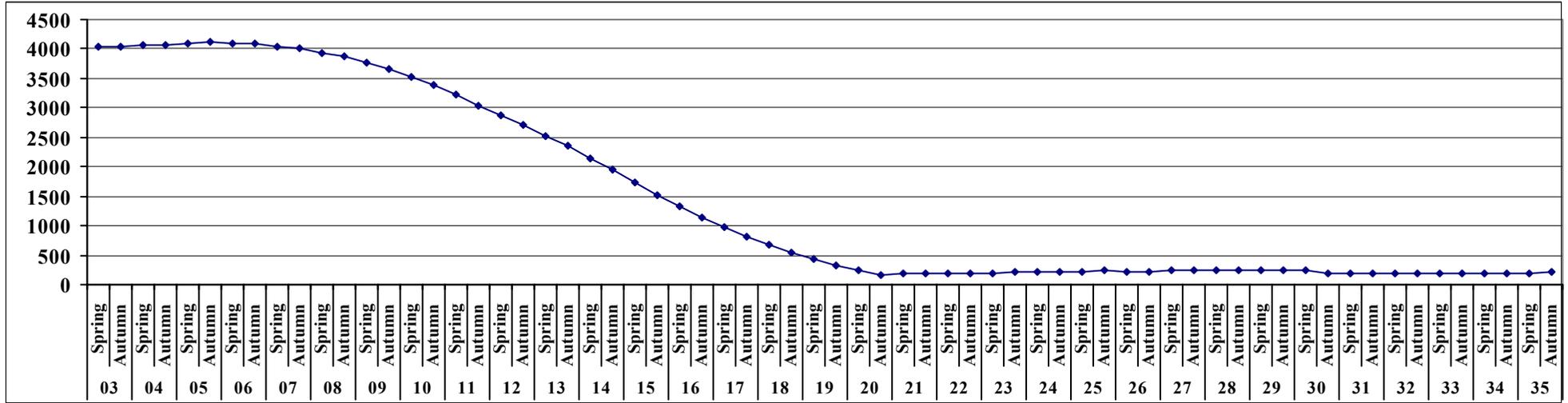
# Draft Level (thousands per half a year)



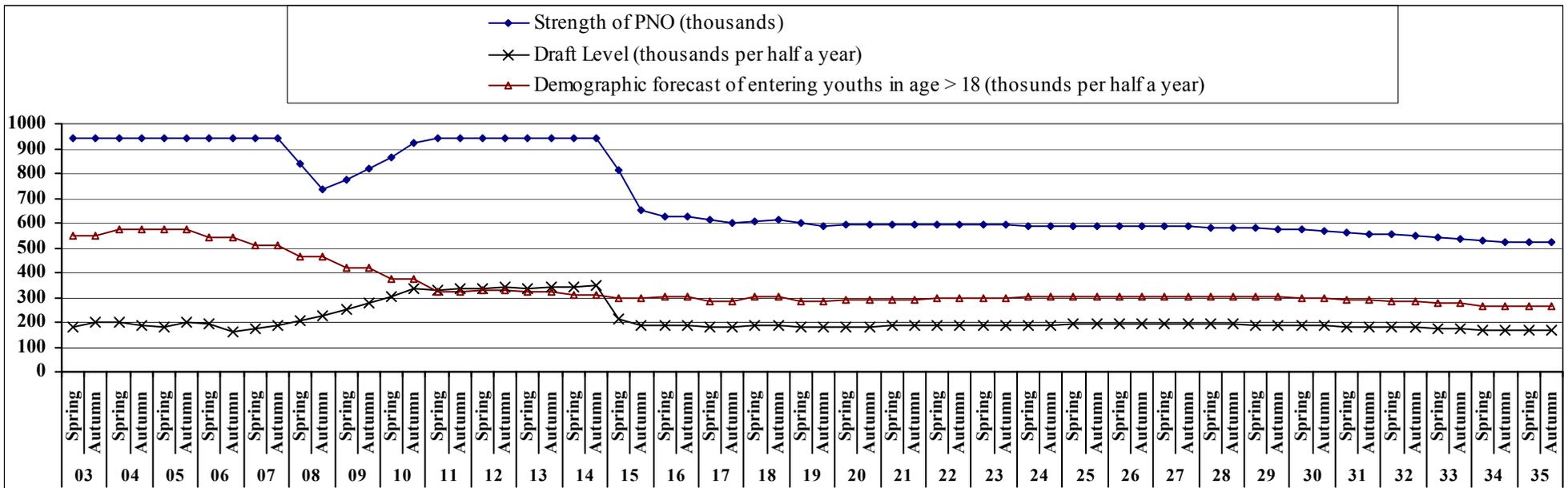
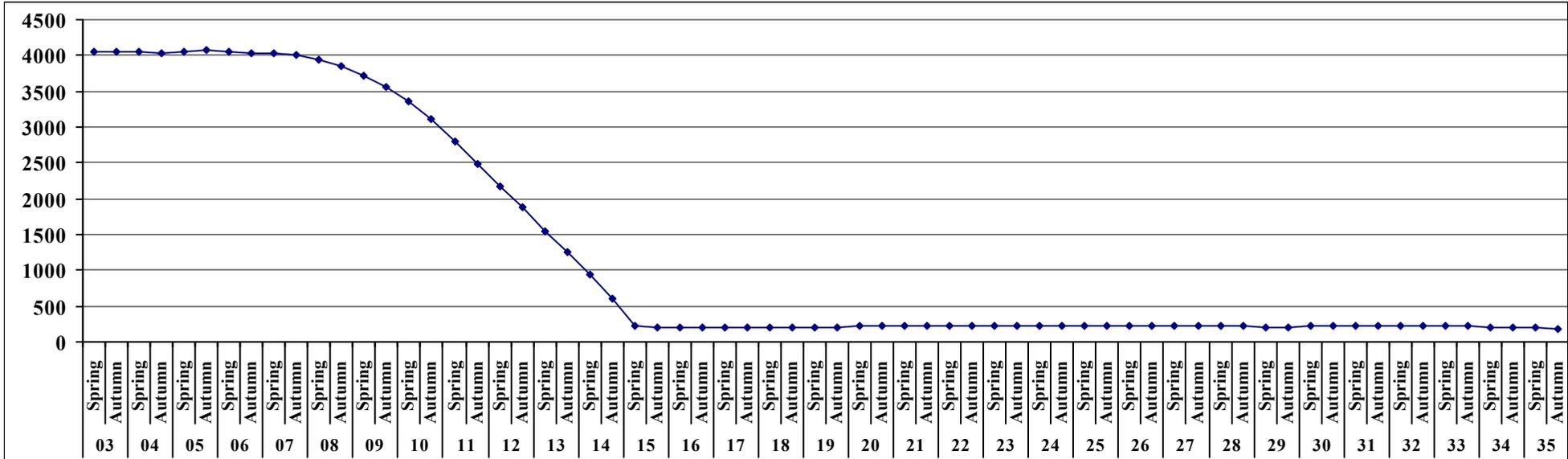
# Total Strength of Draftees (thousands)



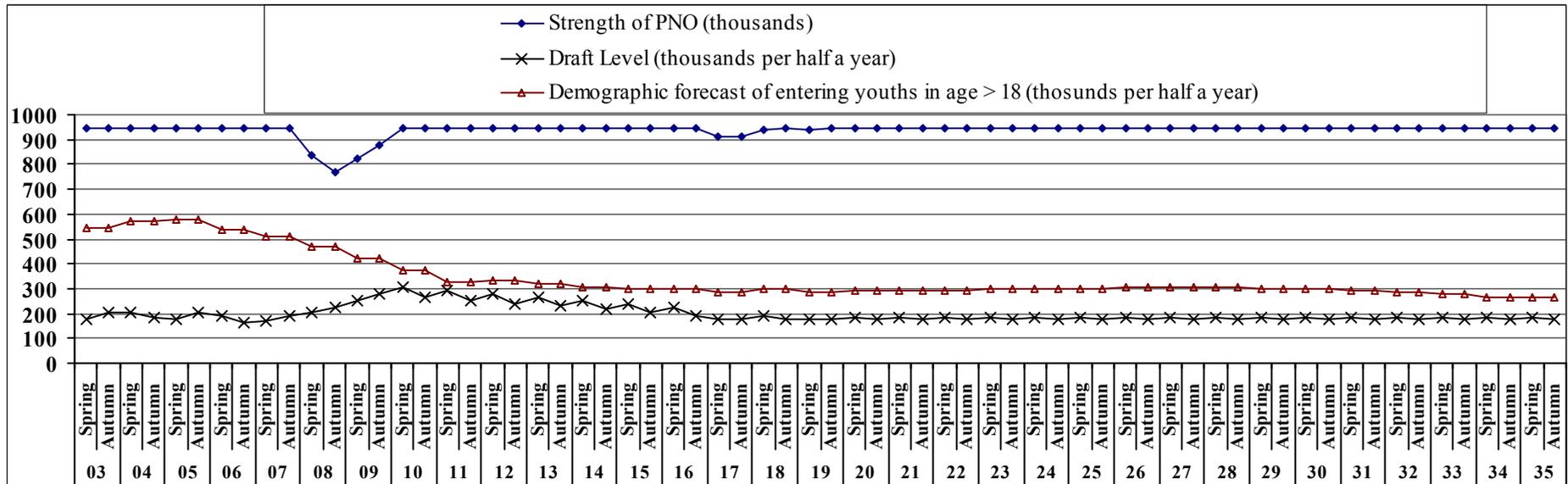
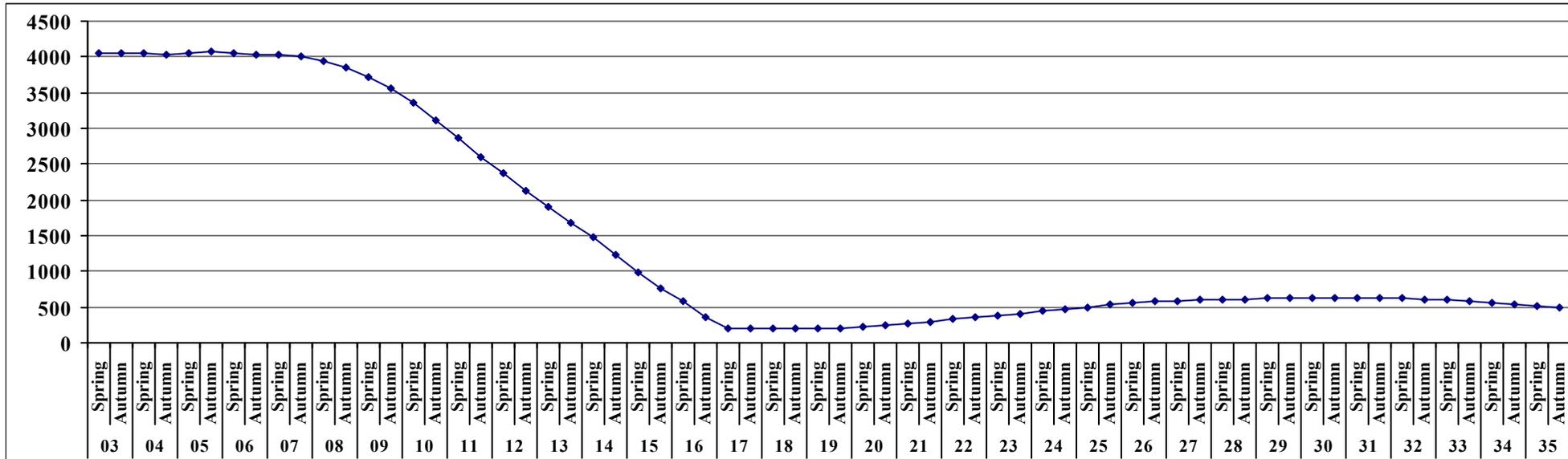
# Draft Contingent in Option V0 (thousands)



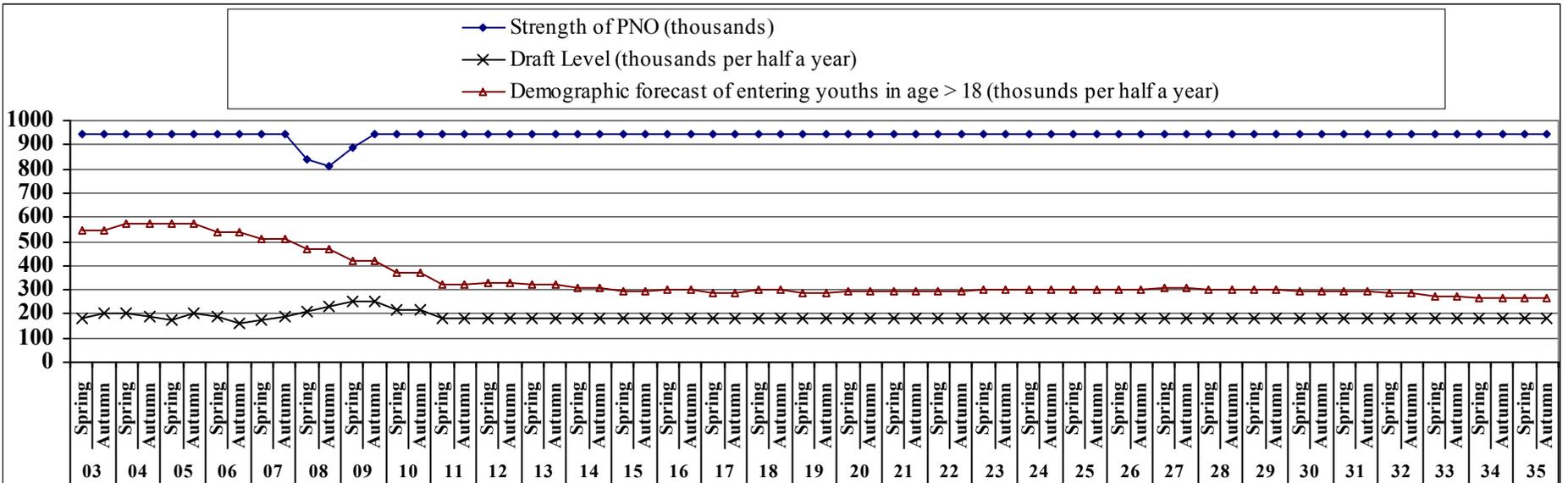
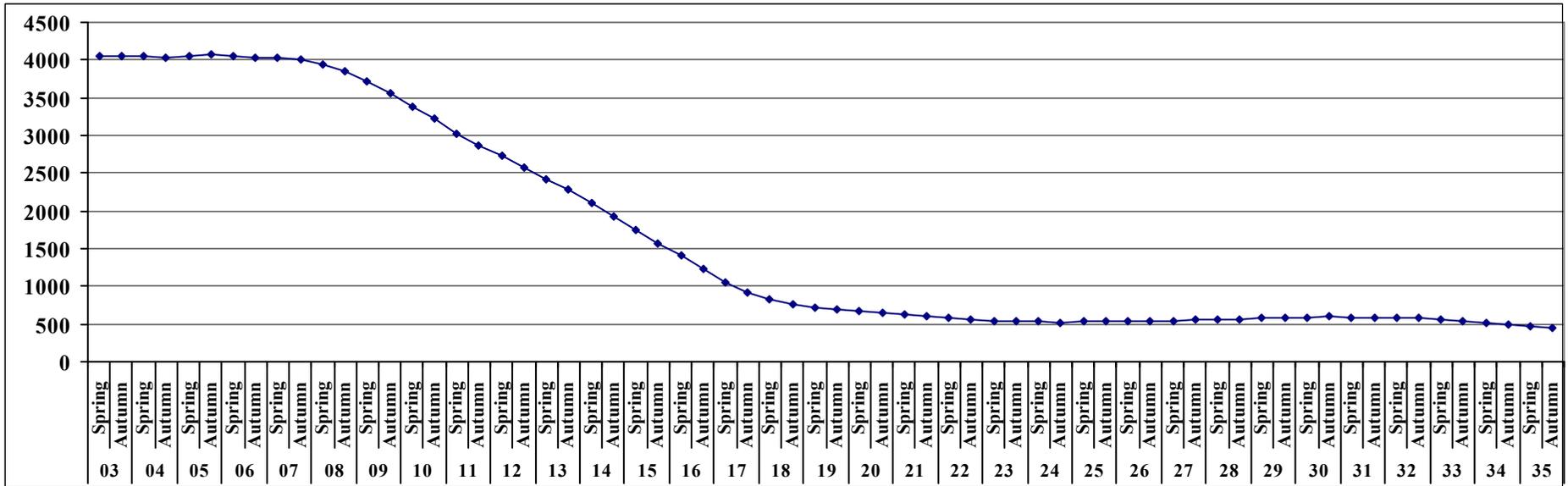
# Draft Contingent in Option V1-0 (thousands)



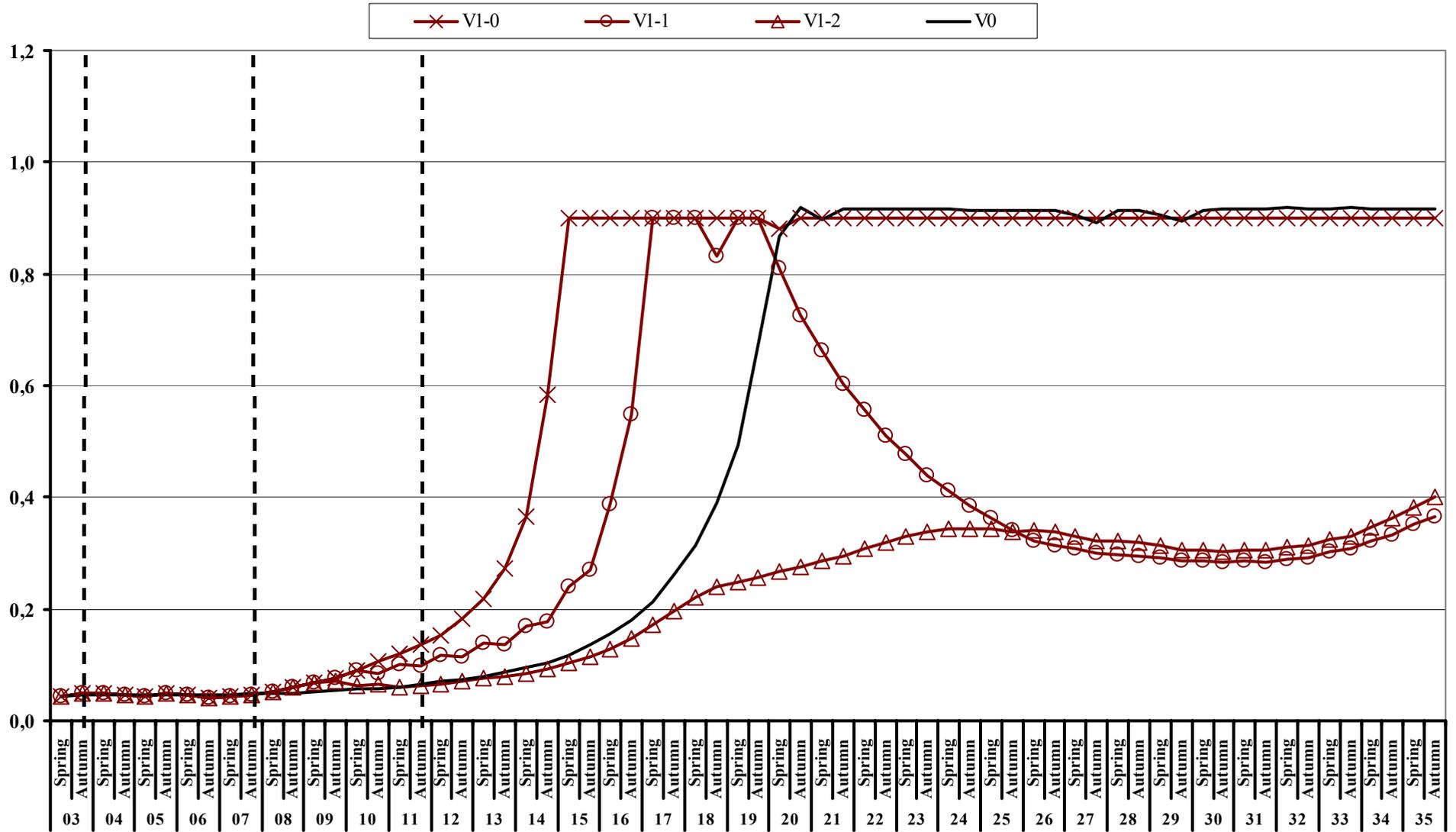
# Draft Contingent in Option V1-1 (thousands)



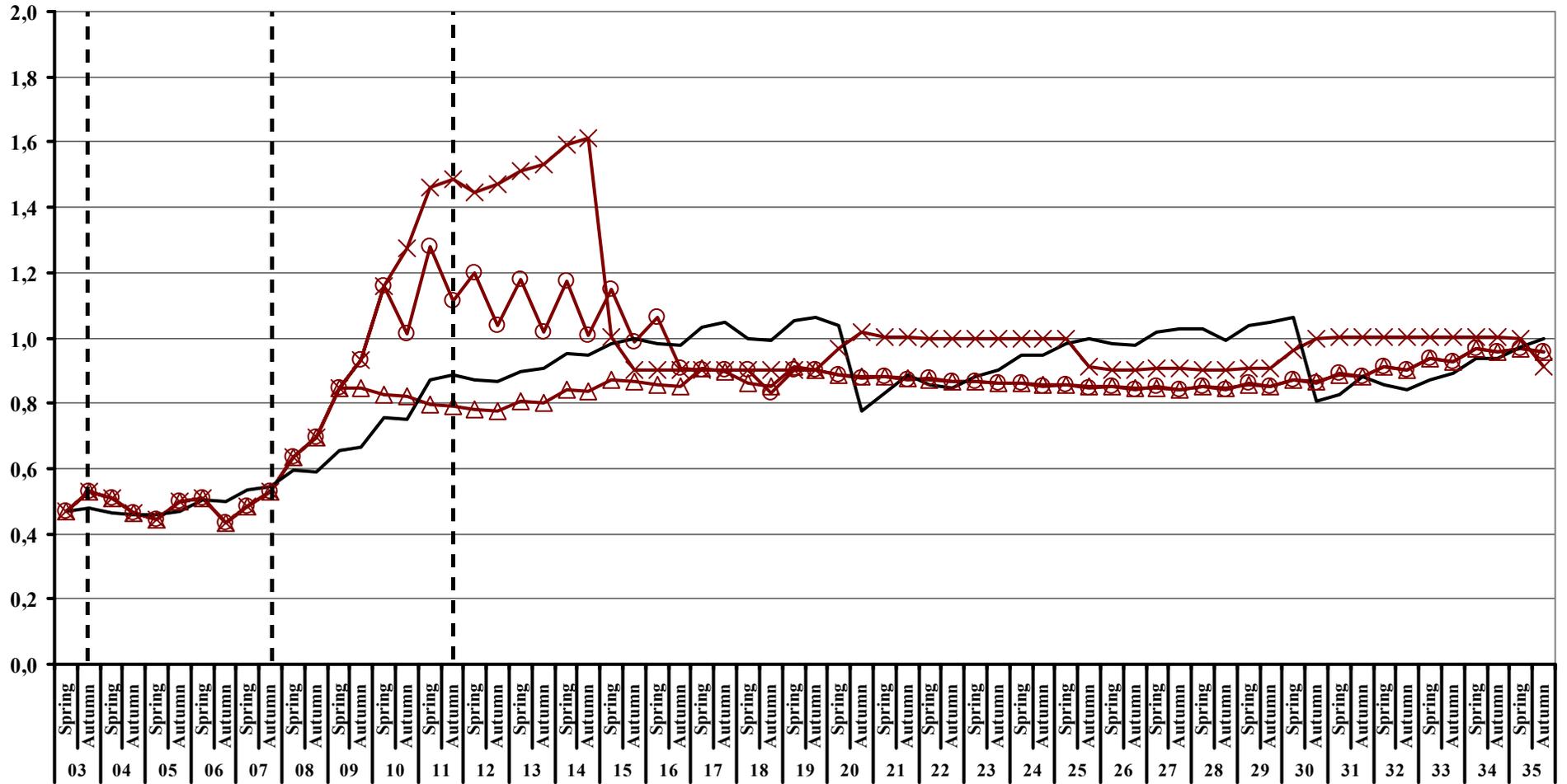
# Draft Contingent in Option V1-2 (thousands)



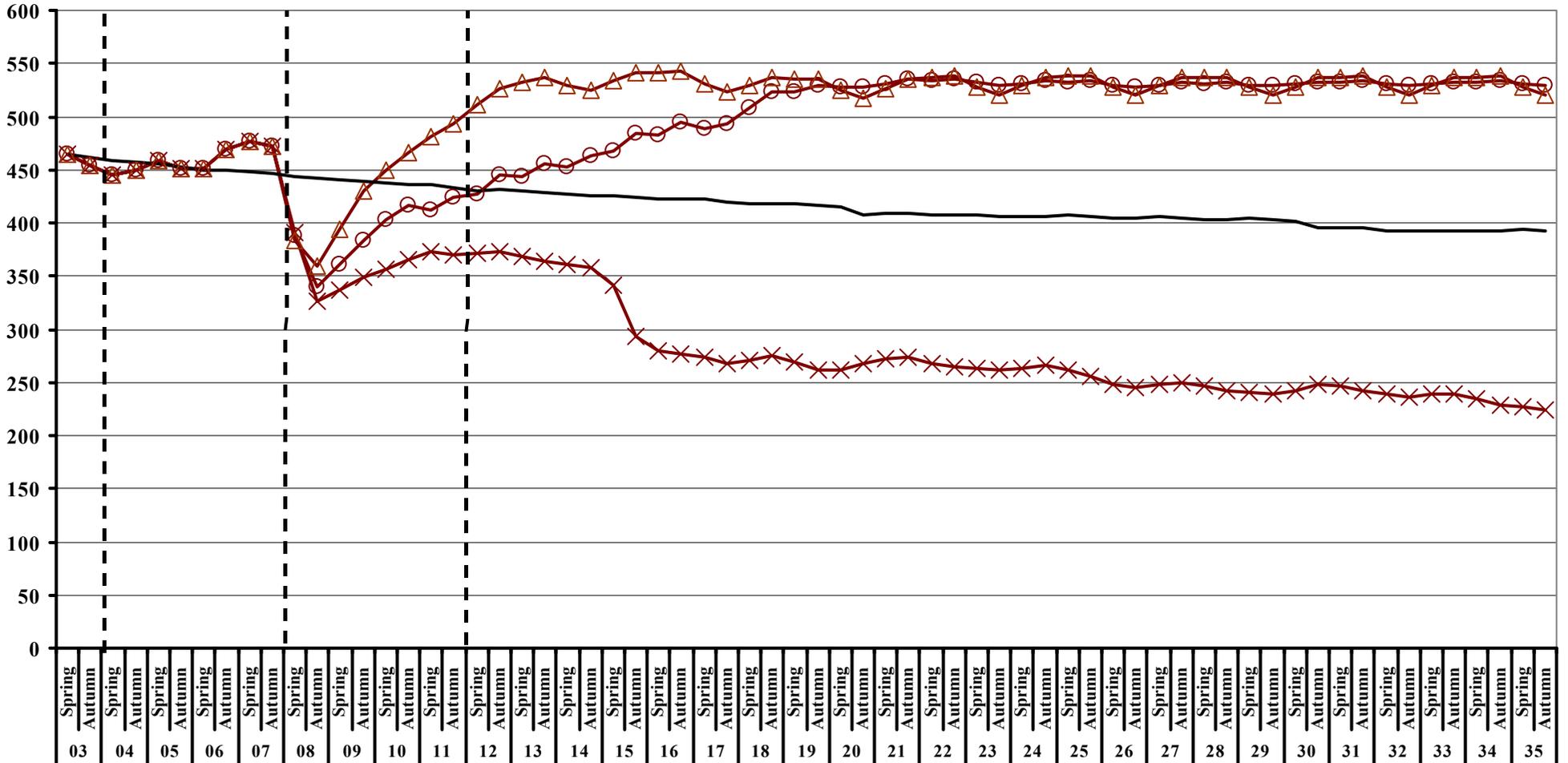
# Ratio = Draft Level / Draft Contingent



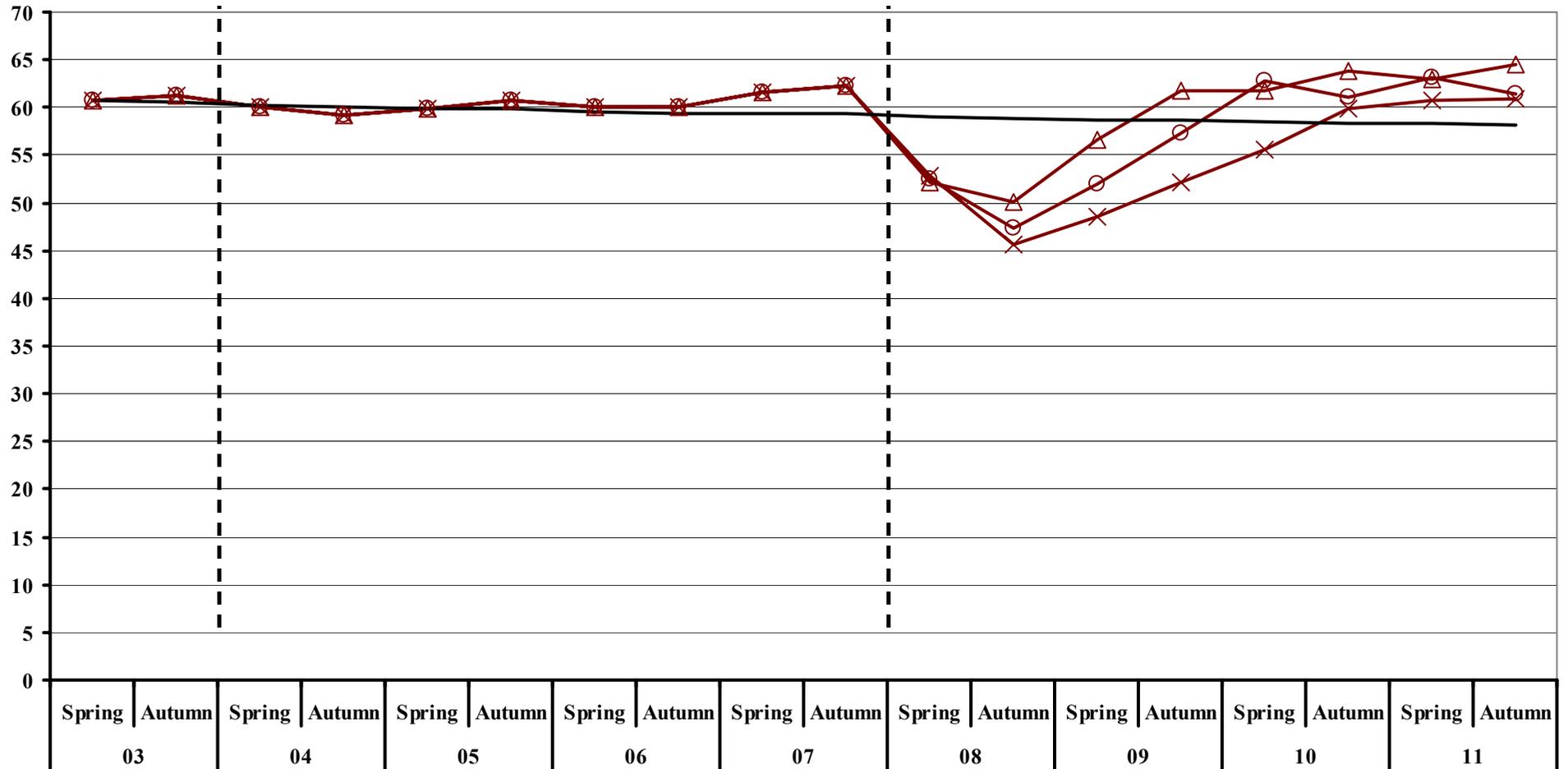
# Ratio = Draft Level / Draft Contingent Increase



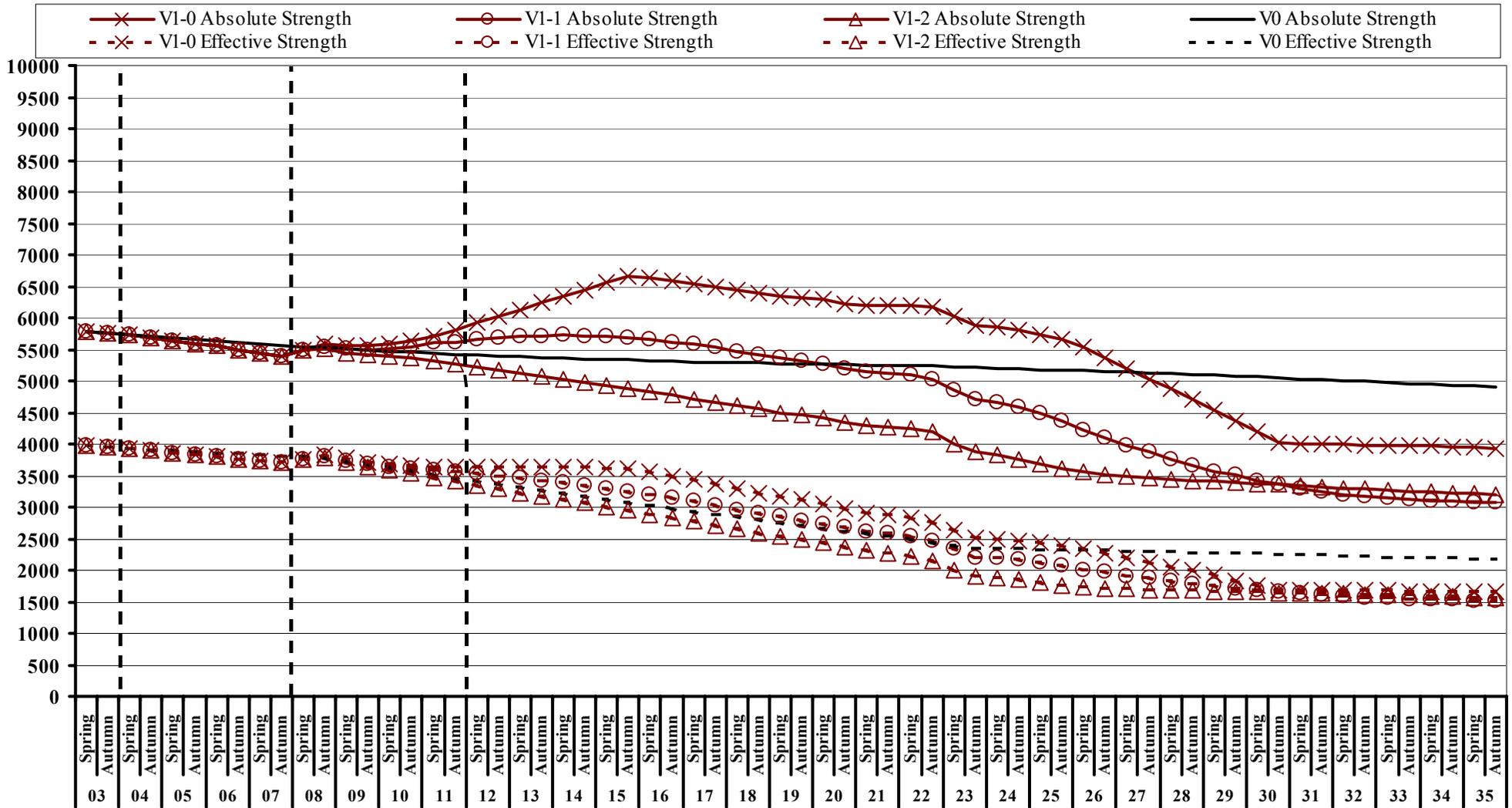
# Effective Strength of PNO (thousands)



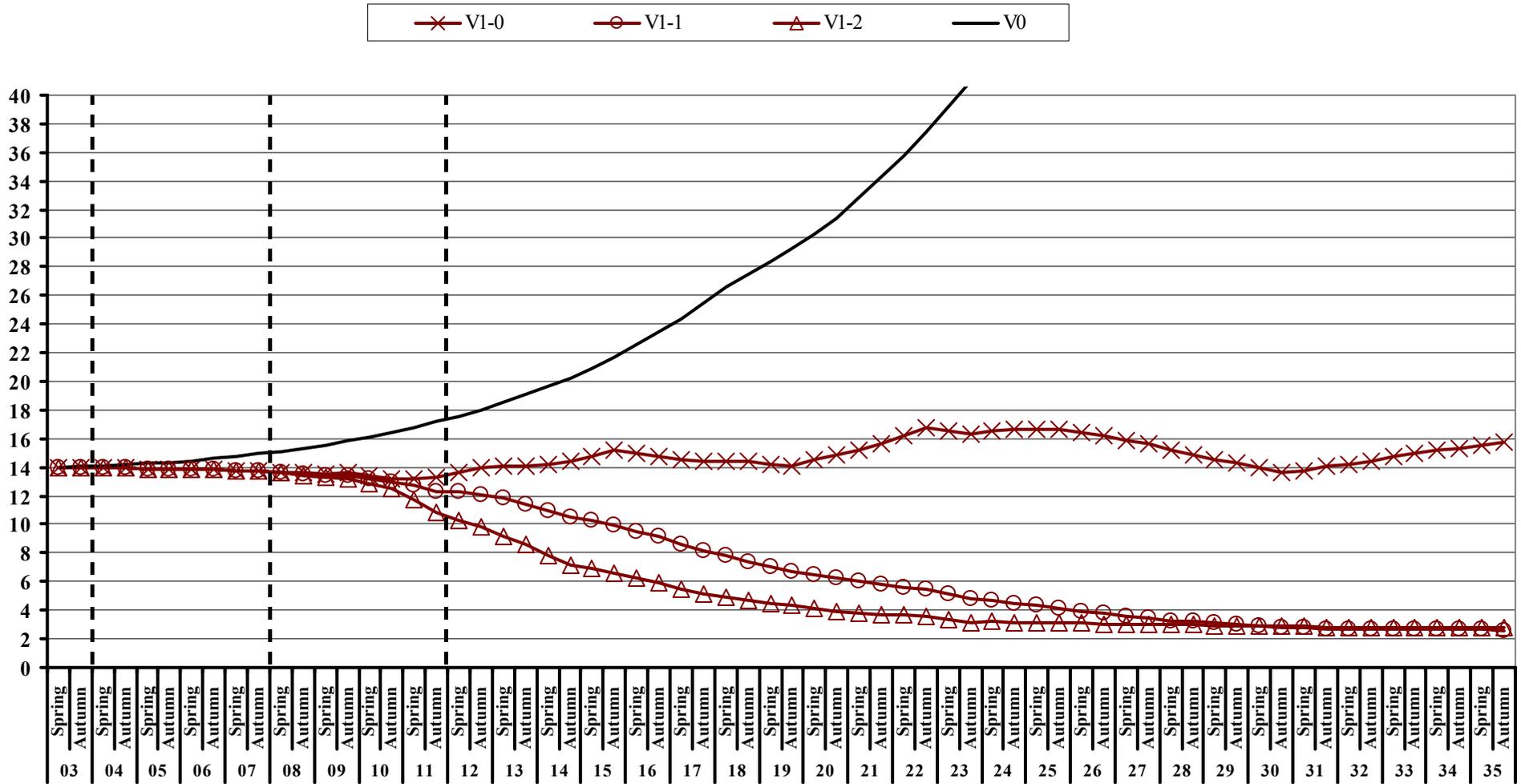
# Specific Strength of PNO (by UN) = Effective Strength / Strength by UN (percents)



# Absolute and Effective Strength of Mobilization Reserve (thousands)



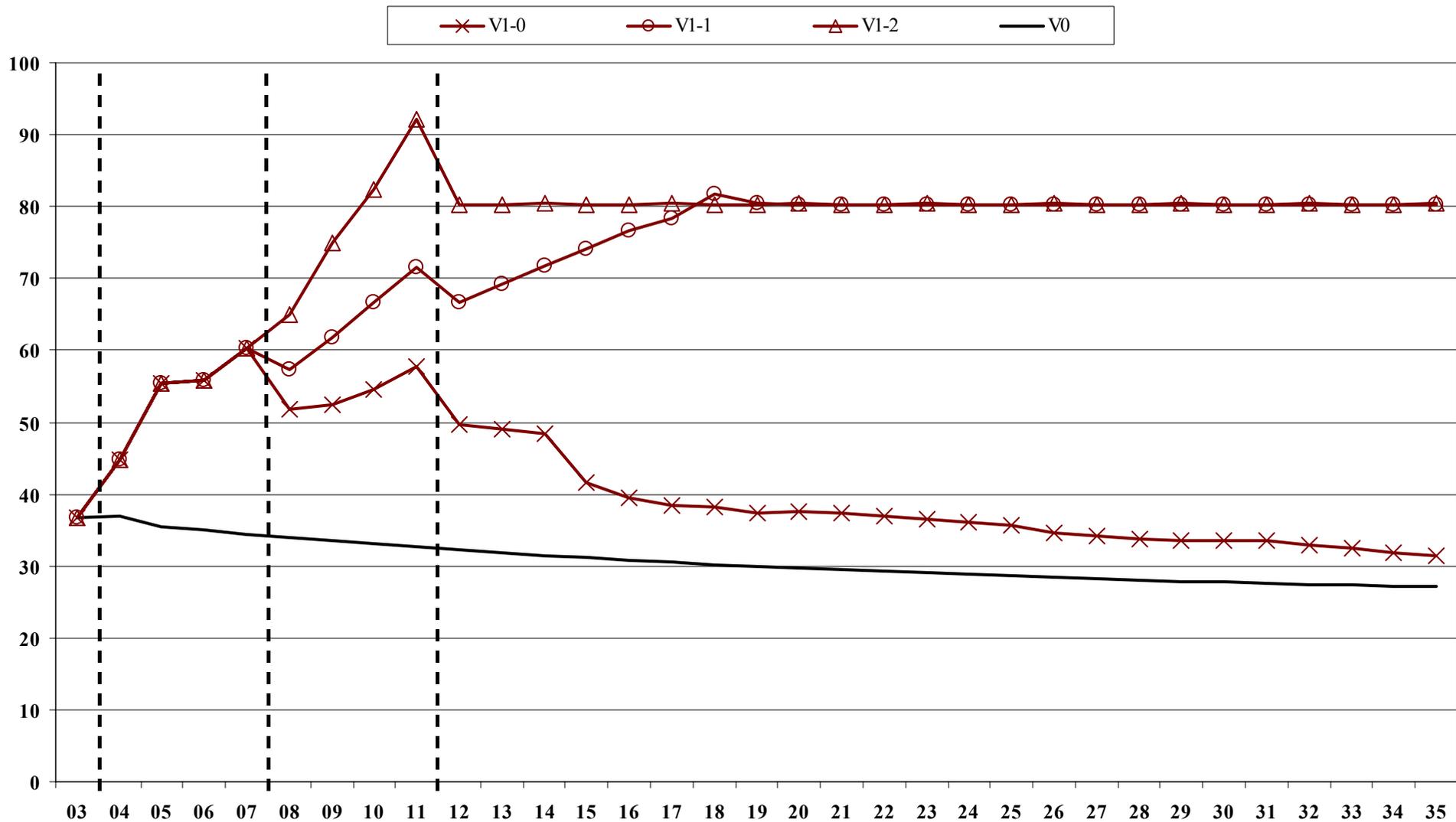
# Category Rate in Mobilization Reserve (served under draft / served under contract)



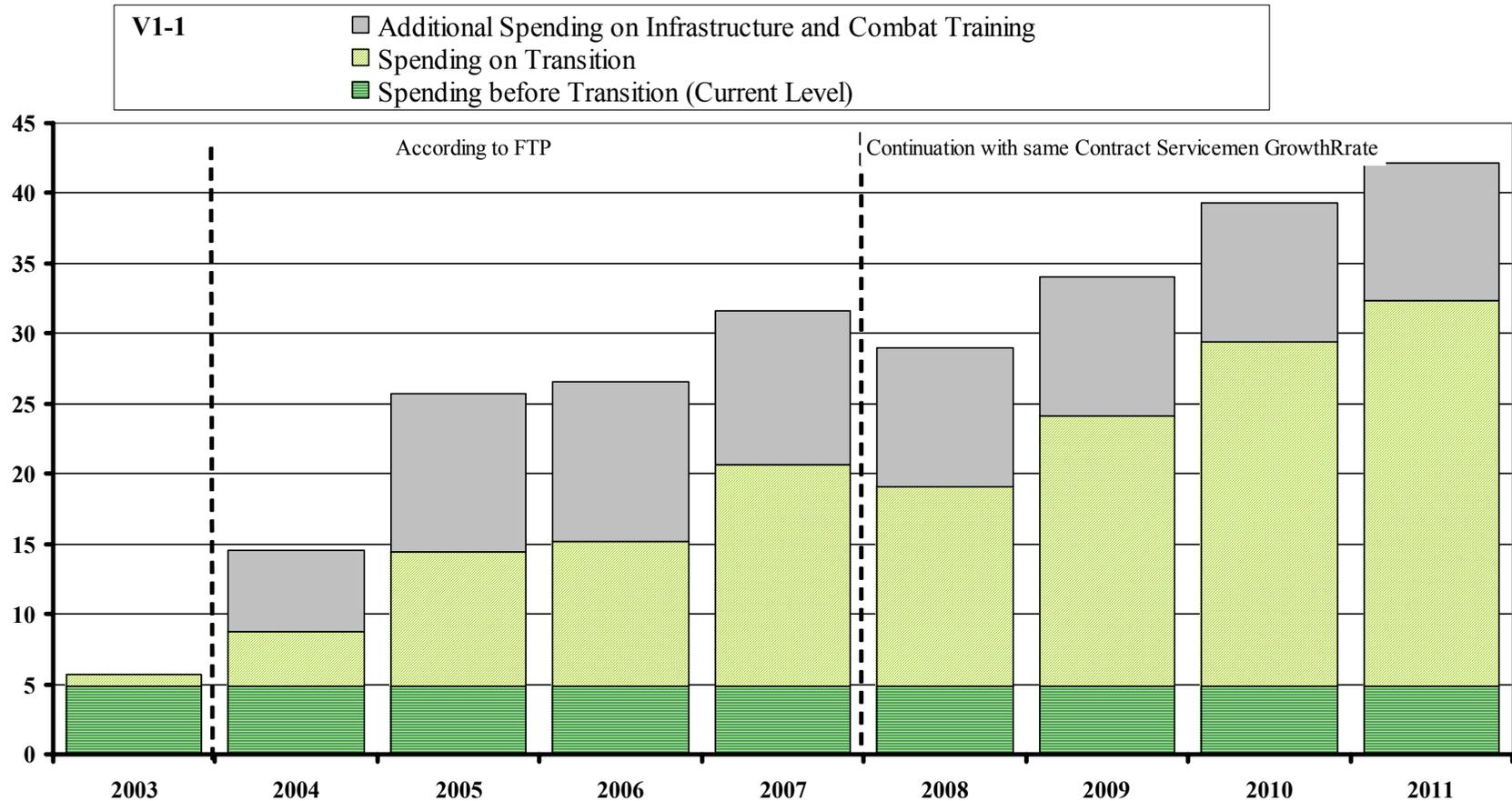
# Spending

on Options V1  
(FTP and its continuation)

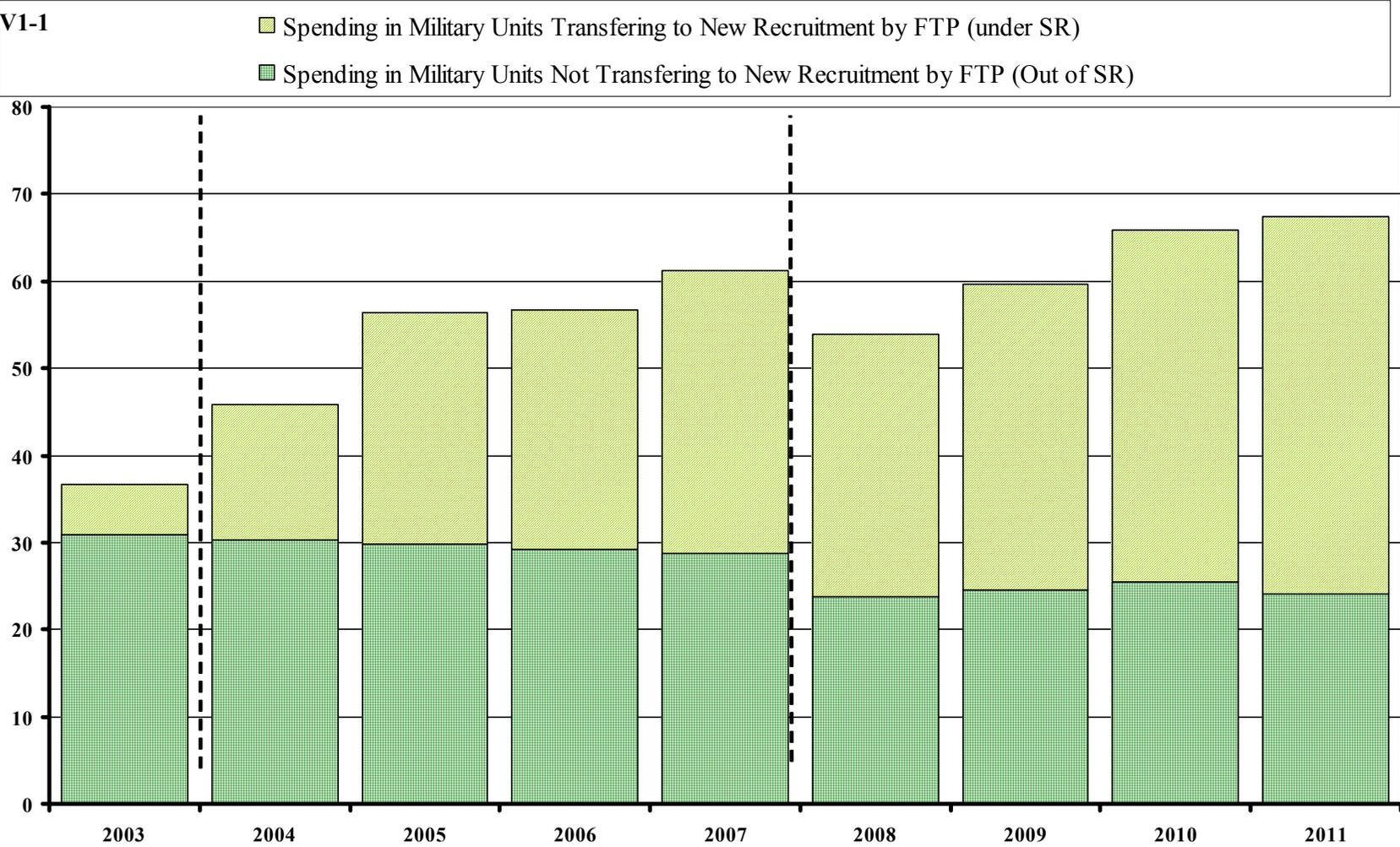
# Spending on PNO (billions rubles)



# Structure of Spending on PNO in Military Units transferred to Enlistment (billions rubles)

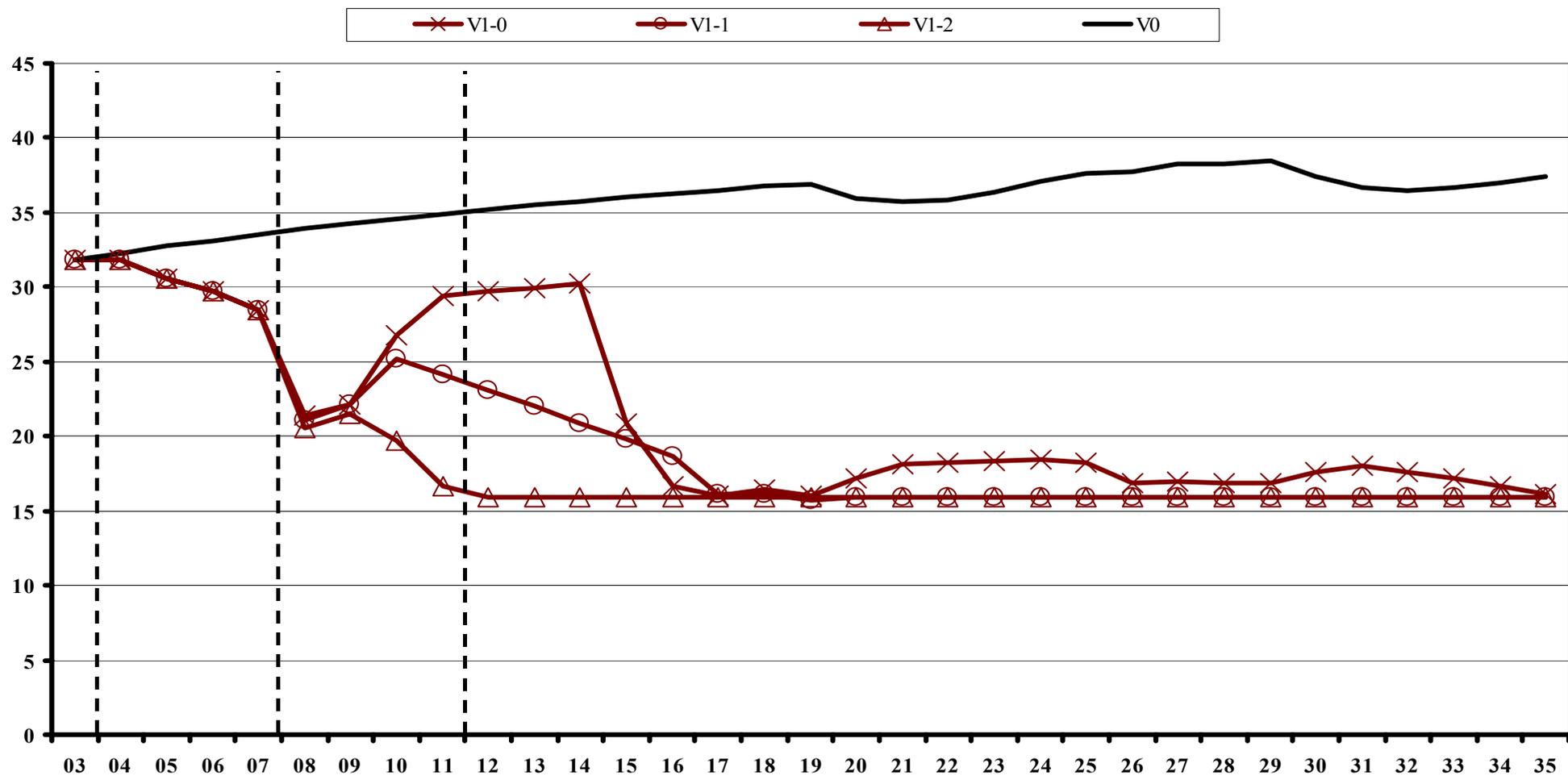


# Spending Distribution on PNO in Different Military Units

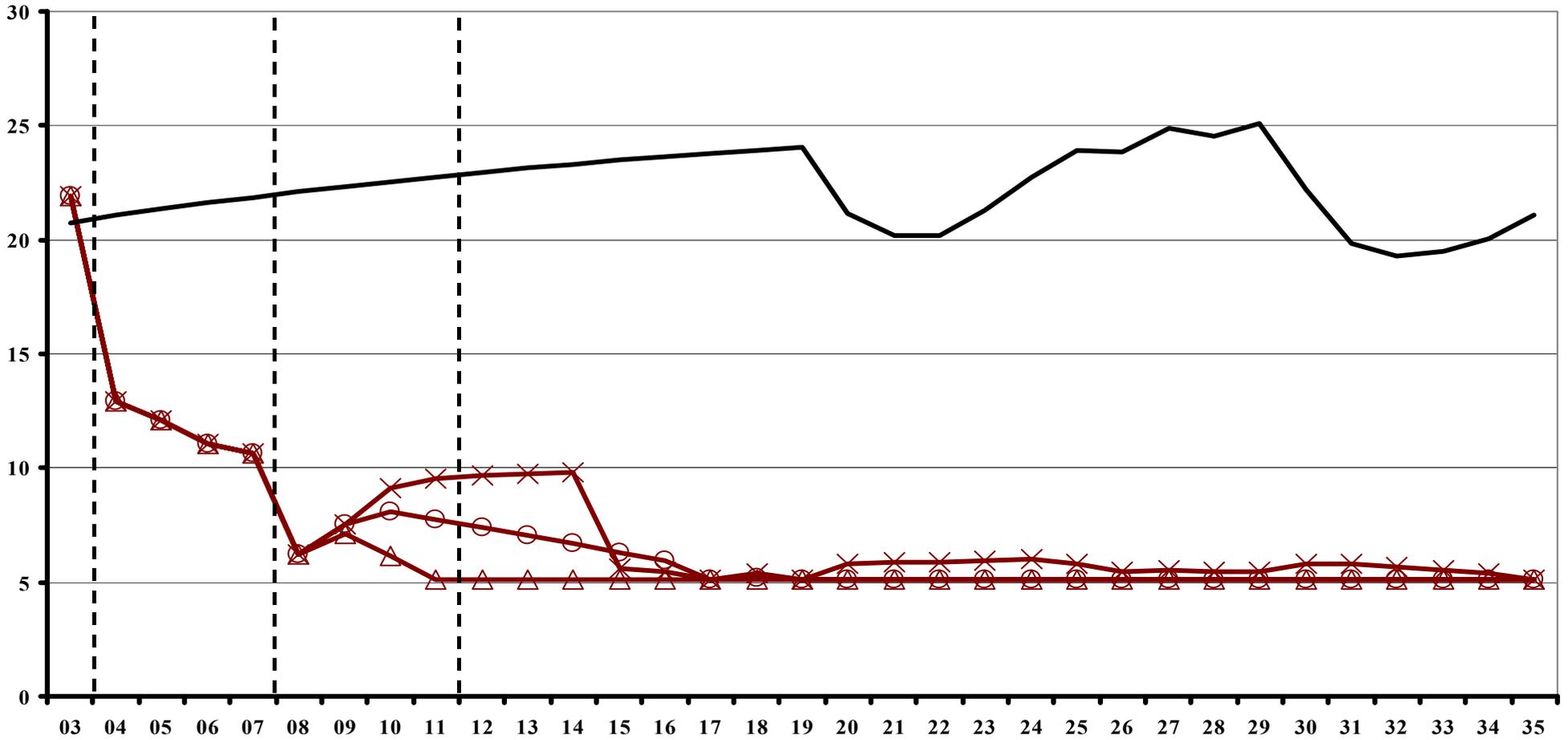


# Social and Economic Consequences of FTP

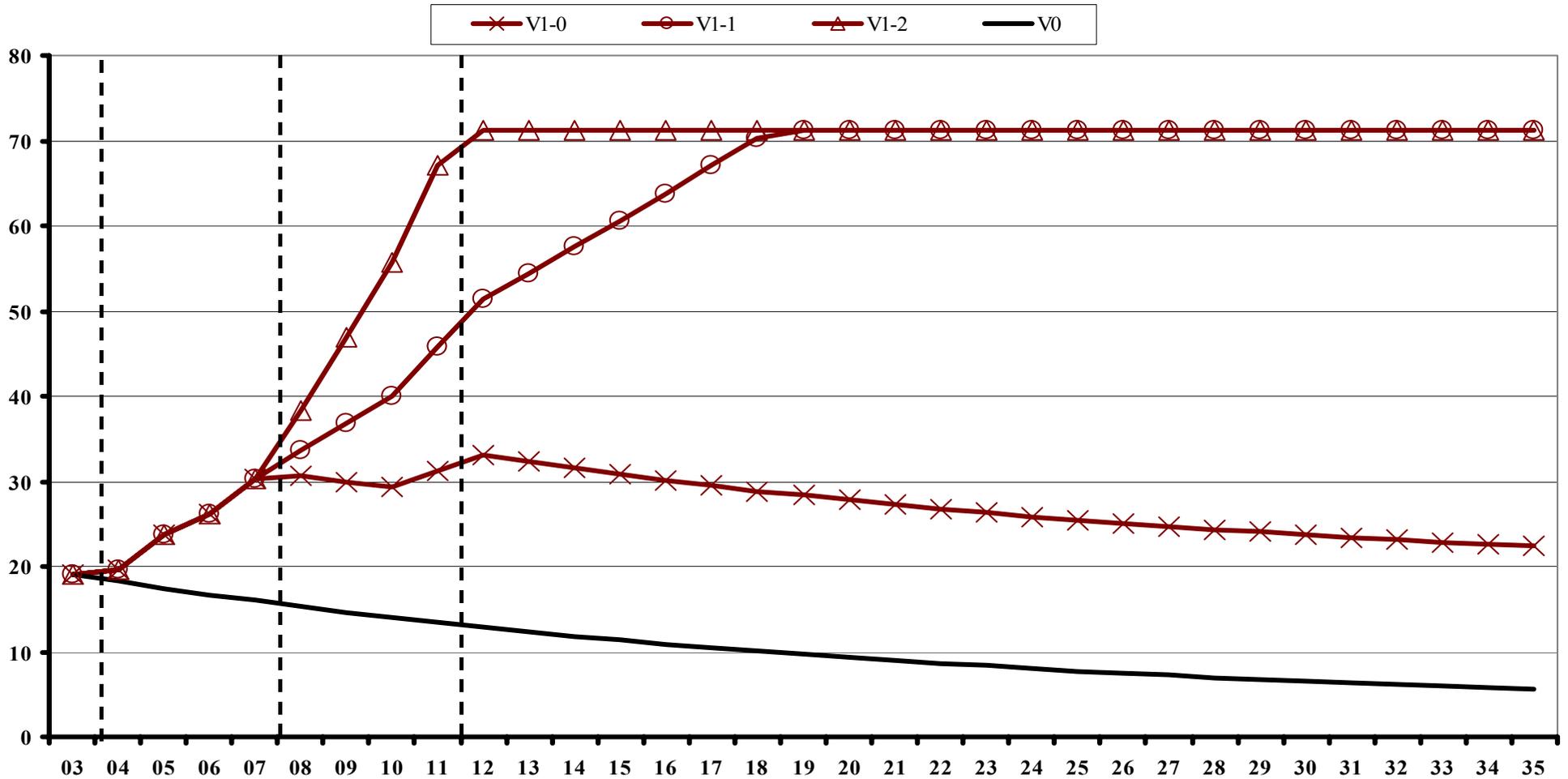
# Costs on Compulsory Service by Draft (billion rub)



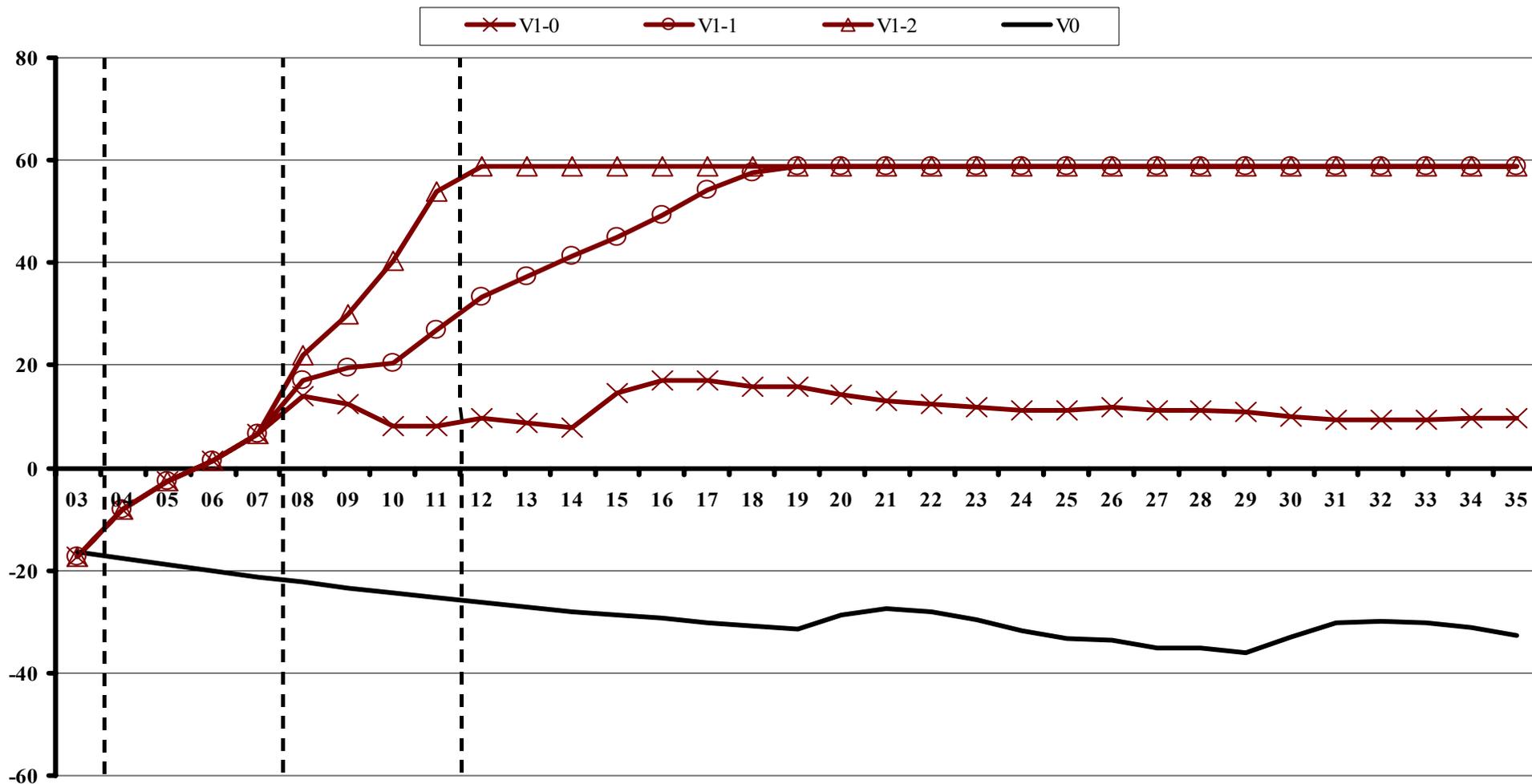
# Costs on Illegal Draft Avoiding (billion rub)



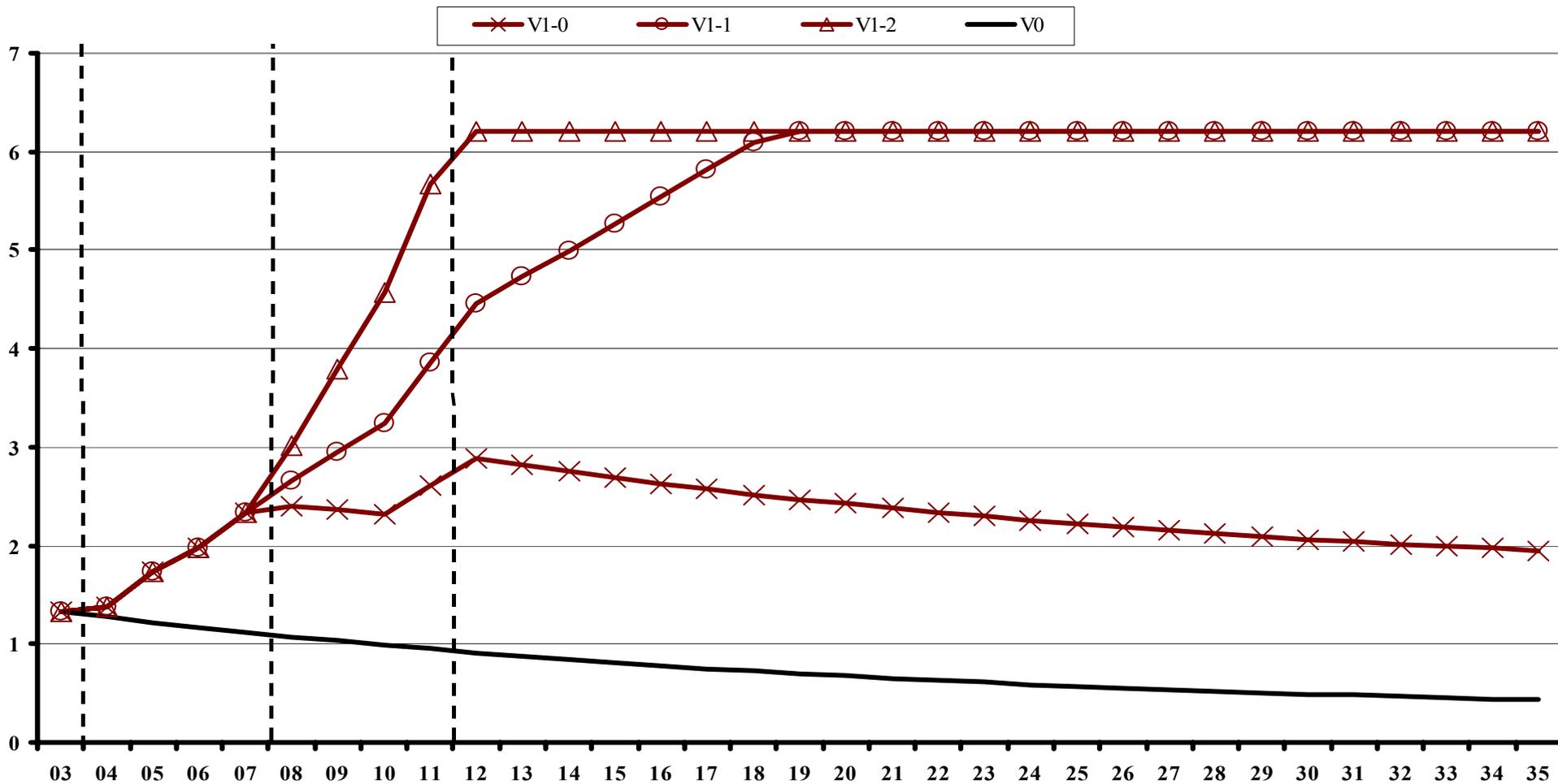
# Society Income as Annual Income of Contract Servicemen (billion rub)



# Balance of Income and Costs (billion rub)

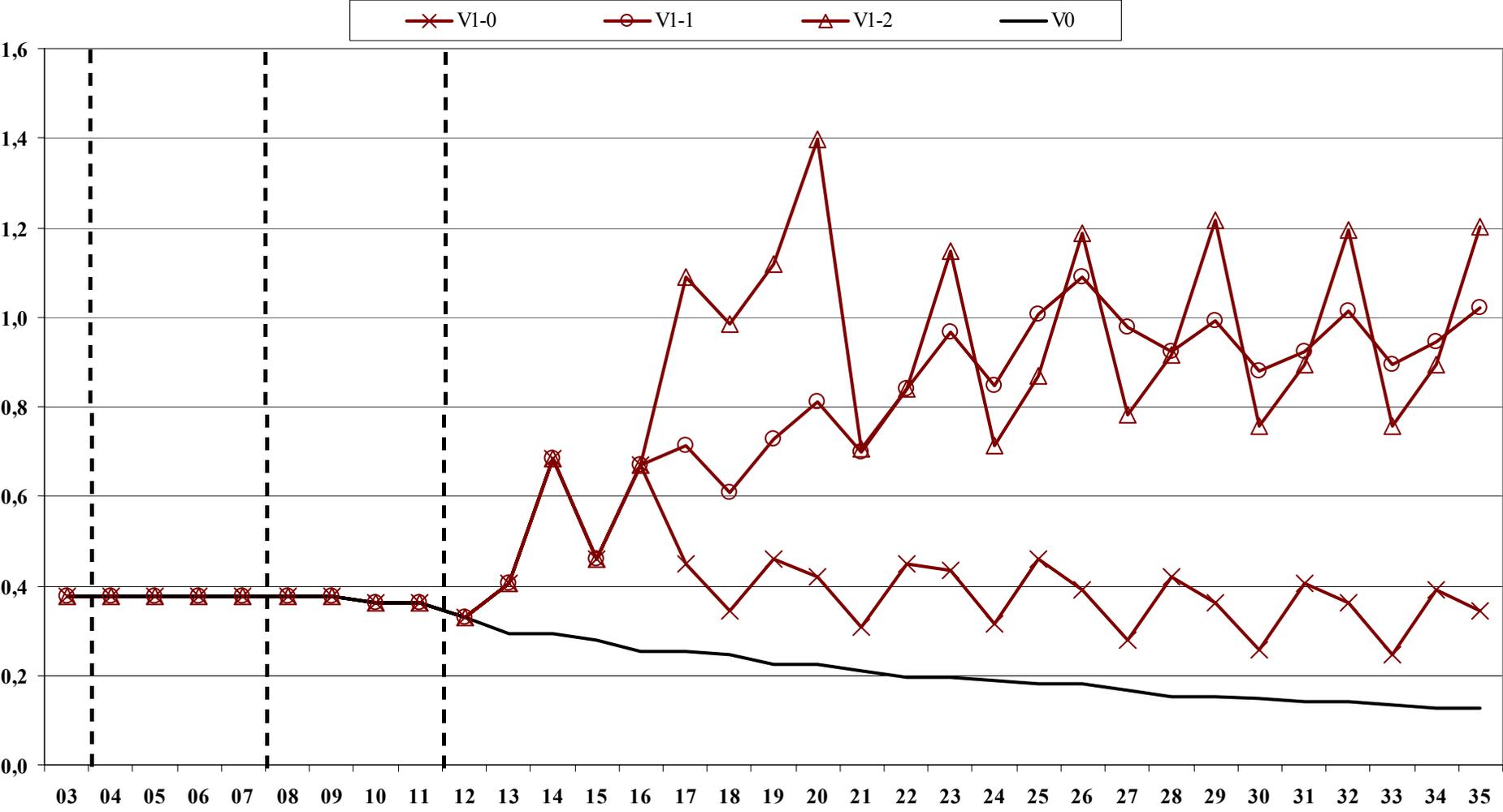


# Income of Local and Regional Budgets (Income Tax on Contract Servicemen) (billion rub)

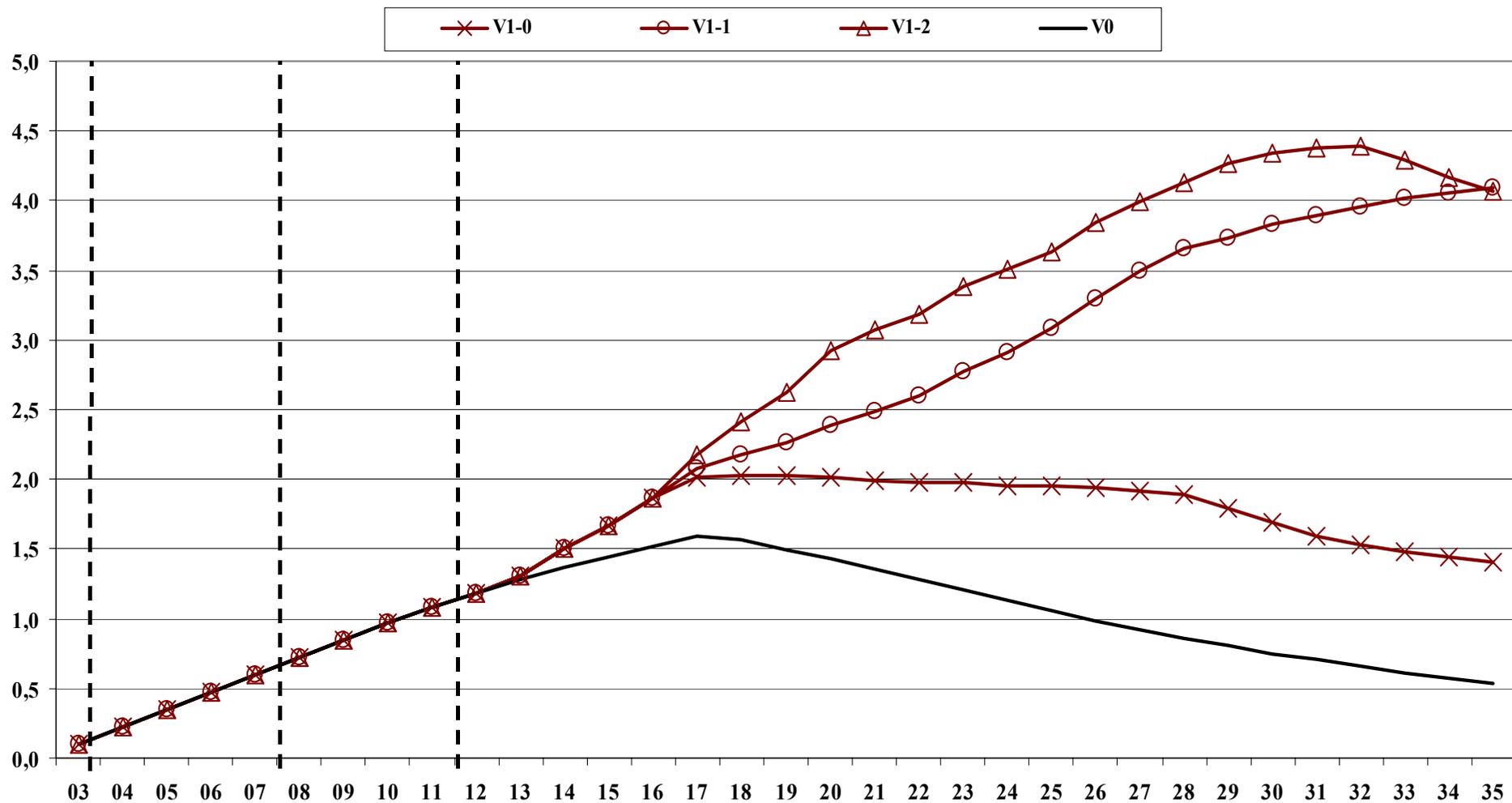


# Possible Additional Spending on Retiring Contract Servicemen

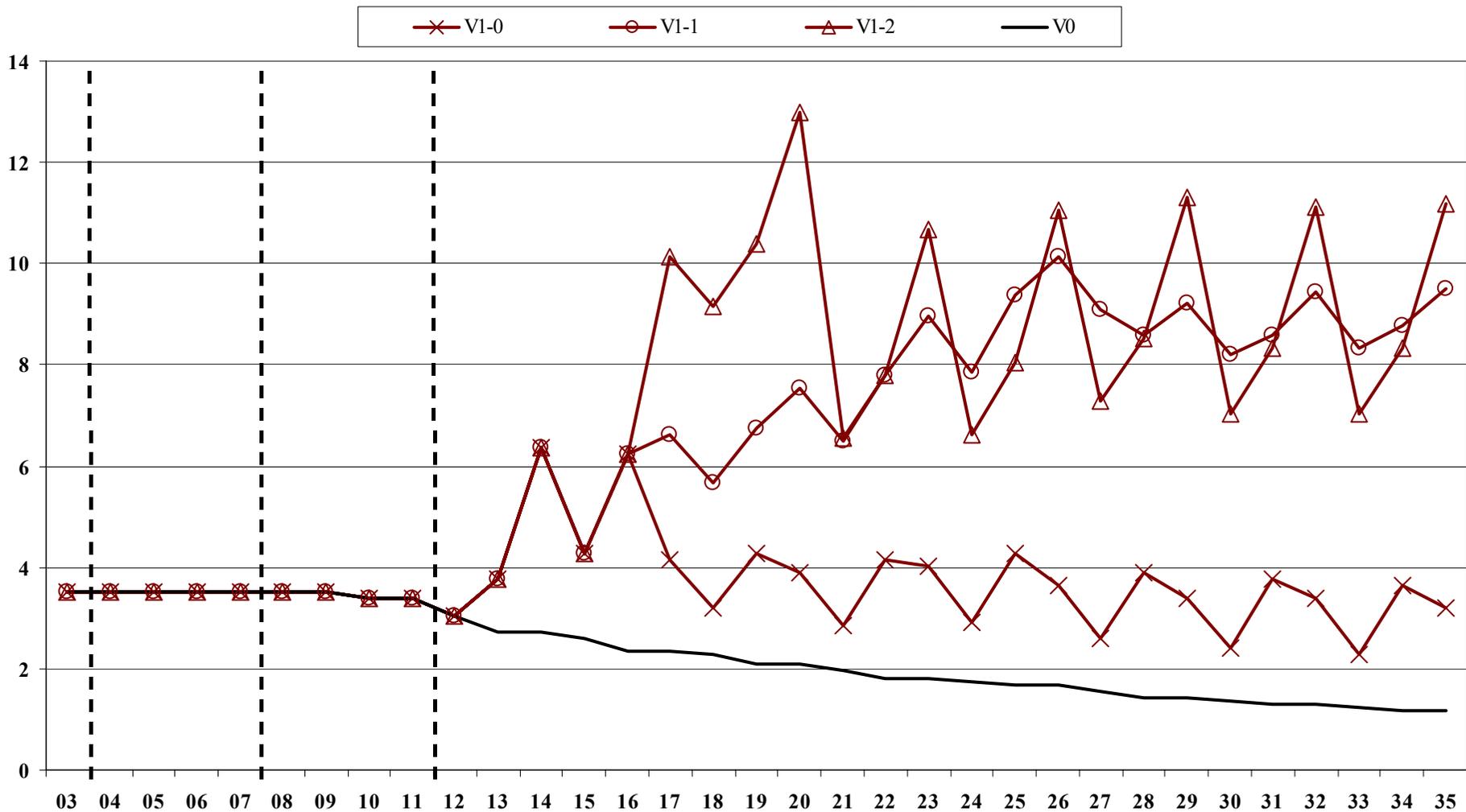
# Additional Spending on Dismissal Pays for Retiring Contract Servicemen (billions rubles per year)



# Additional Spending on Pensions for Retiring Contract Servicemen (billions rubles per year)

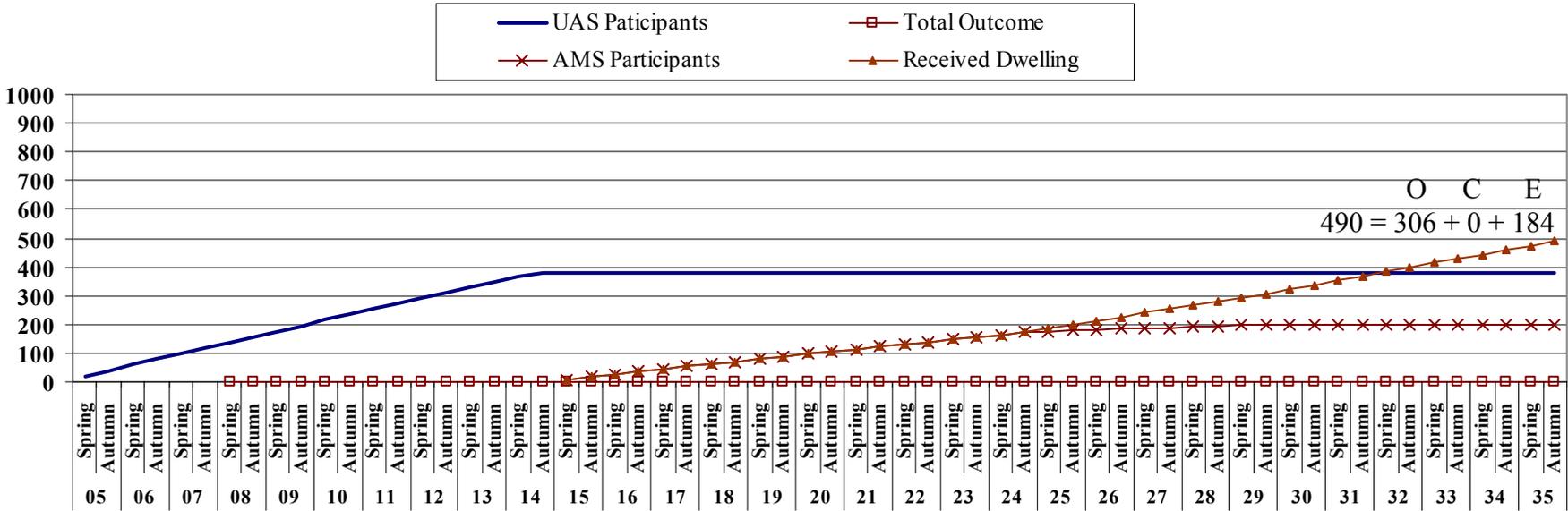
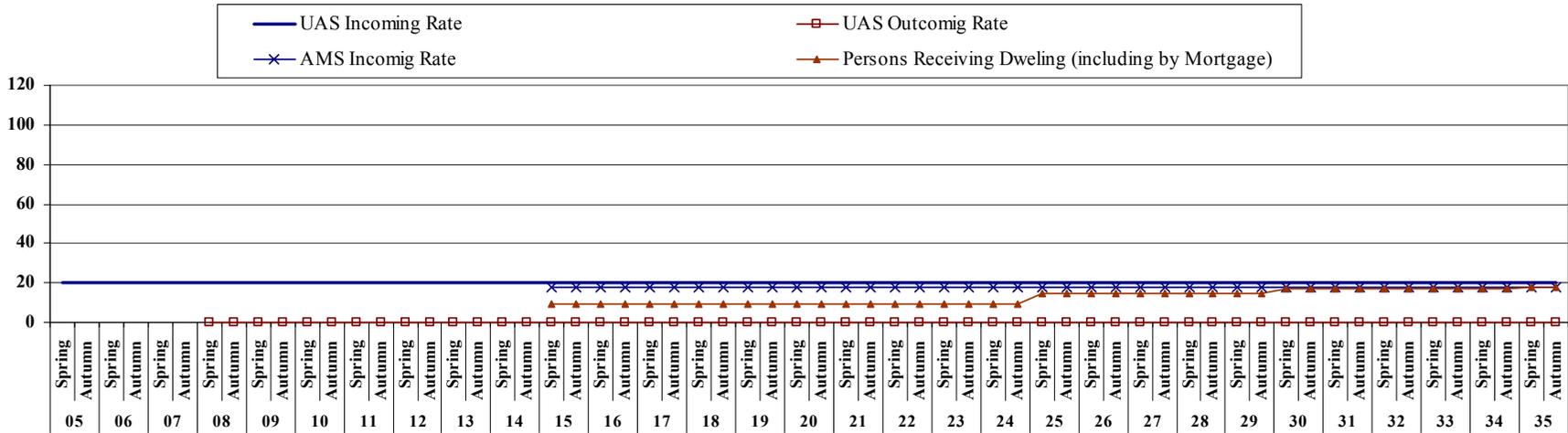


# Additional Spending on Dwelling for Retiring Contract Servicemen (billions rubles per year)



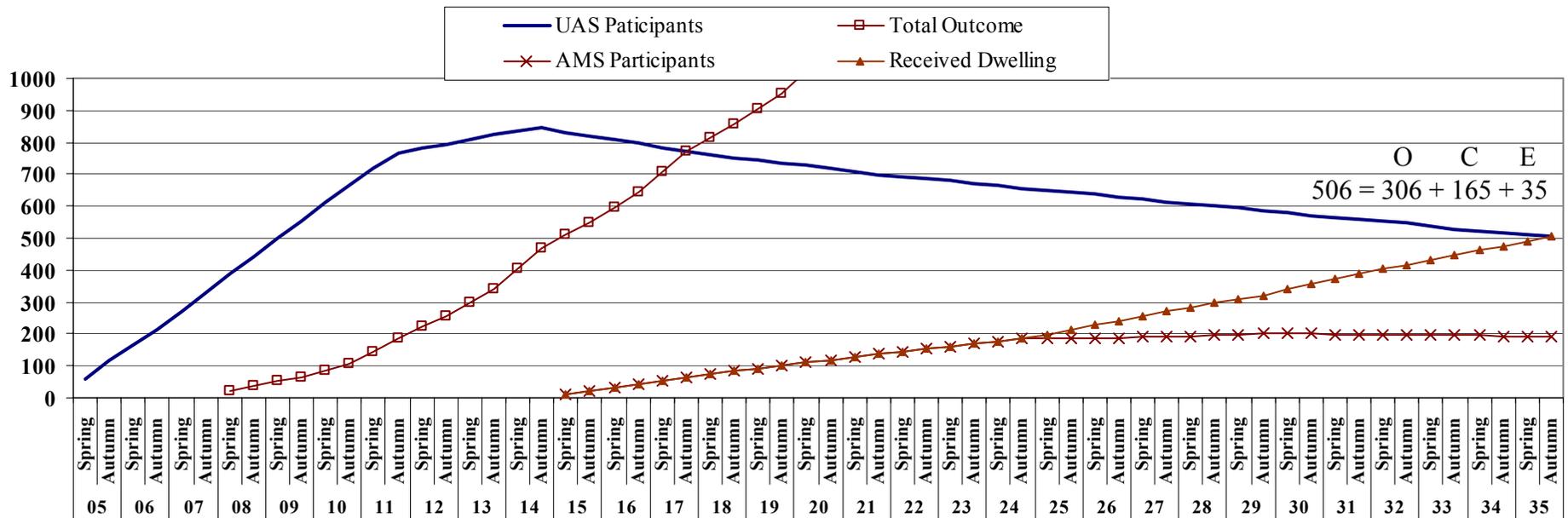
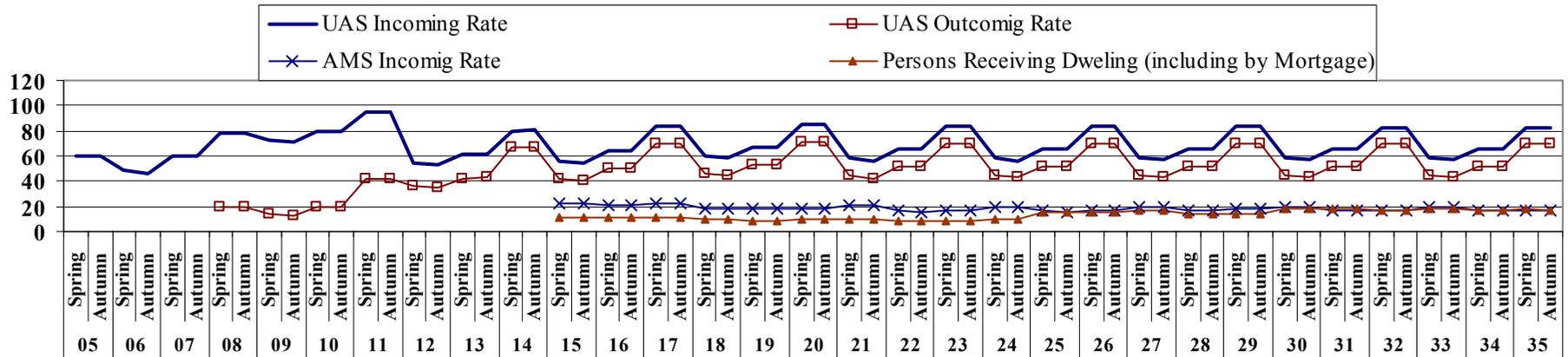
Possibility of Including Contract  
Servicemen in Uniform Accumulating  
(UAS) and Accumulating-Mortgage  
(AMS) Systems

# Without Contract Servicemen



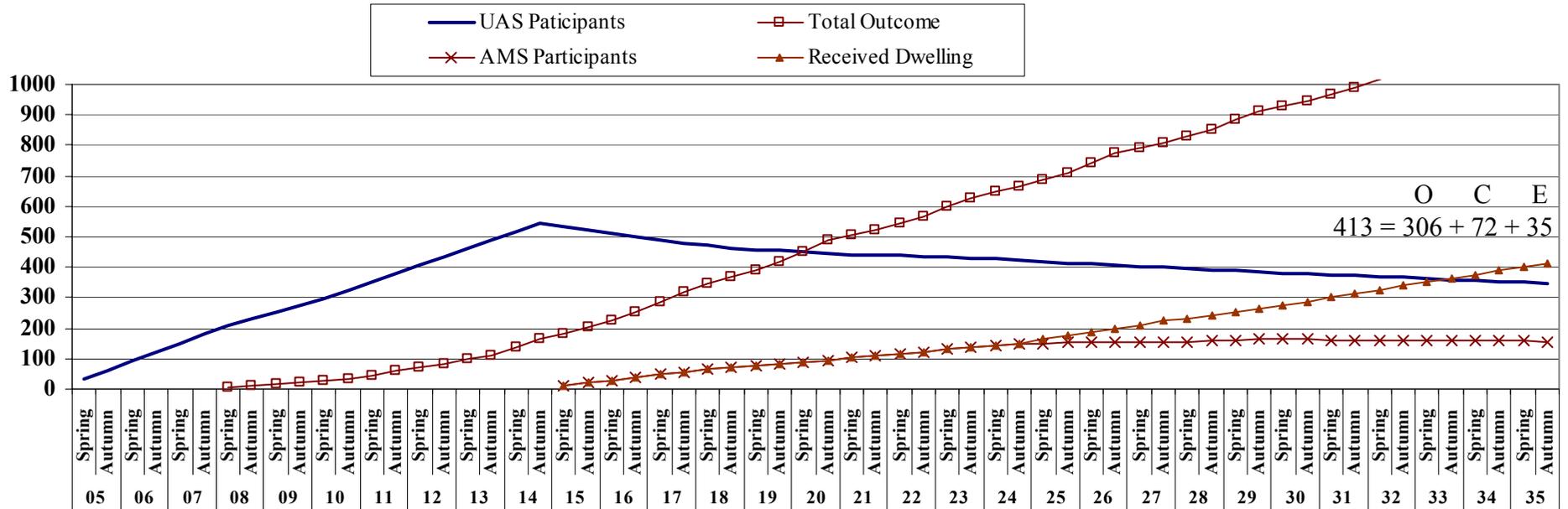
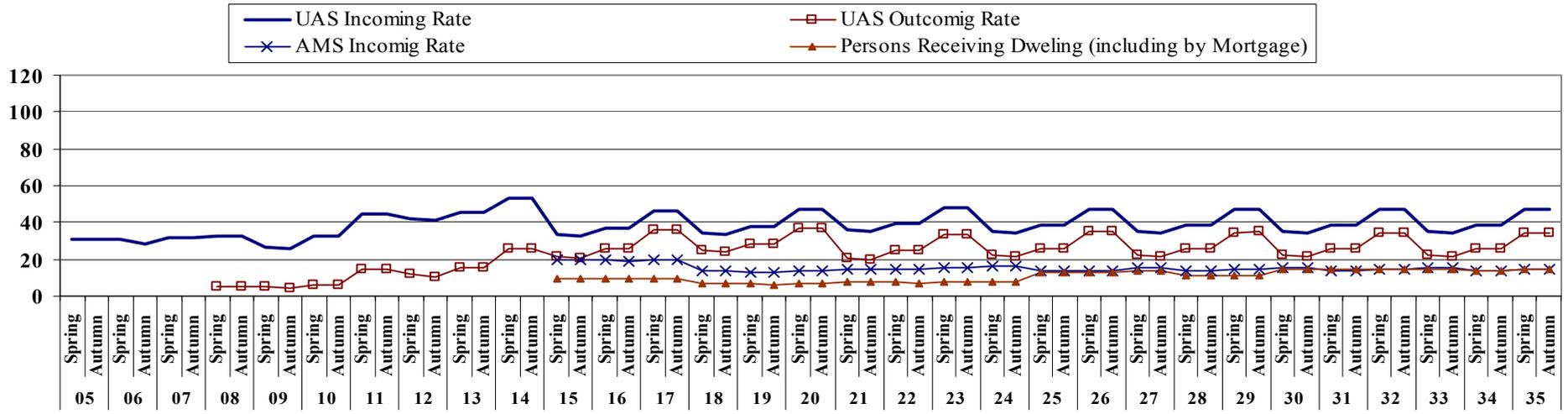
# Contract Servicemen of PNO are included in UAS since Signing First Contract

## Contract Servicemen → Ensigns after 2008



# Contract Servicemen of PNO are included in UAS since Signing Second Contract

## Contract Servicemen → Ensigns after 2008



# Workshop Results

*IET, 25.02.2004*

## **Social and economic problems of the started transition of Military Organization of Russia to new recruitment (draft) system**

### **Goals:**

- 1) To analyze problems connecting with the transition of military organization to new recruitment (draft) system particularly scientific aspect.
  - 2) To estimate possible military, economic and social consequences of accepted Federal Task Program FTP.
  - 3) To outline recommendations for administrative structures that increase positive results of started transition, counteract negative consequences and specify rational pattern of new recruitment (draft) system.
- 

### **Results of the discussion**

After the report of Dr. Tsymbal (the Head of Military economy Department) workshop participants note that administrative decisions (№523 on August, 25) made by the Government in 2003 become reasonable factor for military organization of Russia and for society. These decisions specify arrangements for the transition and aim at reaching directives of the President and tasks formulated in "Concept of Government Policy of Military Development by the year 2010".

#### Key practical steps:

- Approval of FTP "Transition of a number of Formations and Military Units to New Recruitment System on Contract basis for years 2004-2007"
- Allocation of funds in Federal Budget 2004
- Decision about the necessity of prior (in the year 2004) legislative fixation of call-up period decrease (to 1 year after 01.01.2008). It is essential to ensuring all-round preparation for such decrease.
- Law development and its reading in the State Duma

The transition of private and non-commissioned officers (PNO) to new recruitment (draft) system on contract basis aims at increase in military efficiency and at removal of tensity, happened in society owing to offences in military organization and draft system, danger of military service and economic factors. The realization of FTP should result in positive military, economic and social effect.

At the same time, as it has shown by experts' estimations and results of mathematical modeling of the transition, in some cases negative consequences of planned arrangements and decisions made become possible.

#### **There can be such consequences:**

1. Approved in FTP growth level of contract servicemen in SRF units and insufficient attention towards needs of contract servicemen out of SRF units could result that till the start of transition to reduction of call-up period (Spring 2008) the number of servicemen served by draft will not decrease enough, so even if the other arrangements are accomplished it will have to raise draft level. It will certainly increase both tensity in society and difficulties with supporting full strength.

2. The level of premium for money allowance of contract servicemen, implied by the order of the Ministry of Defense appears to be less than the level of average wage in Russia. So it could lead to:

- difficulties with contract servicemen enlistment in SRF units
- failure of FTP realizations that intensify the consequences noted in point 1
- reduction of call-up period could be unrealizable

3. Approved in FTP principle of applying premiums not only for contract servicemen in SRF units but also for contract officers in the same units do not apply for officers in other units. Rating them is not enough explained. As a result there is the outflow of both contract servicemen and young officers that serve out of SRF units. This delay with transition could adversely affect their strength and military efficiency.

4. Presented in State Duma bill, which determines changes in the status of new contract servicemen and service order, does not touch regulations on their rights to housing. Now it stays the same. What it means. Contract servicemen who are now serving or just signing the contract after 10-12 years could claim their rights. The inflow of servicemen in the waiting line for housing will raise by contract servicemen. At the same time this line now counters for 170 thousands. Retardation of amendments could adversely affect solving this problem.

5. Presented in State Duma bill also does not state restrictions on the process of renewing the contract. Without regulations on continuations of contracts there could be long-run danger of increasing the amount of servicemen served till their pensions on posts of soldiers and sergeants. This will:

- decrease military efficiency;
- lead to significant increase in the amount of military retirees in future and also to corresponding high spending.

Stating the government manpower policy is very necessary now, in the beginning of the transition.

It is worth coordinating the researches on analyzing the consequences of FTP realization, call-up period decrease and corresponding legislation.

The goal of further workshops is the detailed discussion on problems of Military organization's transition to new recruitment (draft) system. Mainly the problems of activating (stirring up) this process and preliminary parry of possible negative consequences.

V.Tsymbal