

Budget 2020: Road-Way Gate for Army Development

"In 2020, the Ministry of Defense will receive resources for army maintenance and a little for tactical warfare," a General with 20 years of experience in programs and documents preparing in the security sector told me after reviewing the draft budget for the Government's program. He sighed and added: "Please note that the Government's program does not contain a word about creating a professional army, just as there is nothing about the development of the defense industry. The army remains outside the priorities of the current Government."

Formally, the draft budget for the Ministry of Defense for 2020 covers less than 50% of the requirements declared by the General staff of the Armed Forces of Ukraine. Namely, the budget of the Military Department included UAH 102 bln UAH when assessing the desired amount of UAH 220 bln. Another figure is striking: the line "Development, purchase, modernization and repair of weapons, military hardware, means and equipment" provides for 16.6%. This, by the way, is very far from NATO standards, which provide for the purchase of 25 to 30% of defense spending. For comparison, this year the same line provides for 16.97% of defense spending. It is noteworthy that out of the UAH 18.1 bln envisaged under this article in 2019, almost UAH 5 bln will be spent on the repair and maintenance of existing weapons and military hardware (WMH) of the AFU. Therefore, the question of whether it is possible to develop the country's defense potential within the framework of the former attitude to the army becomes rhetorical. The Army of Ukraine, which is waging a war, will not come close to high-tech army in 2020, even if it is possible to create a "State in a smartphone".

Although from the very beginning, Zelensky's team did not hide that the defense industry and the army do not fall within the scope of the country's restructuring priorities, in reality, the draft budget and the government's program for a number of experts became a tangible signal that the state ship can take a risky course. Or even false one.

Threats that Have not Disappeared

In September, RF defense Minister Sergiy Shoigu made an unequivocal remark: "Extremists in Ukraine will still have to be stopped. It's a pity they have not done this earlier." Translated into ordinary language, this means that the Kremlin, as before, is preparing for a large-scale war to destroy Ukraine, regretting that it missed the moment of successful attack.

Here are just some nuances of RF preparation to war. At the beginning of 2019, the total equipment status of the Russian Armed Forces with modern weapons and military hardware has increased to 61% (in the land forces - 48.3, in the aerospace forces - 74, in the naval forces — 62.3, in the airborne troops-63.7%). In one State structure of Ukraine, we have deduced our indicator: in the defense forces of Ukraine the number of new WMH does not exceed 10%. CACDS experts are more skeptical: there are no more than 5-6% of new

WMH considering foreign military assistance and the efforts of volunteers!

April 2, cy Putin has approved the "Concept of Development of the RF Aerospace Defense for the Period up to 2030", in which Russia launches a program of strategic aviation modernization. Among other things, within 2019 program framework, it is planned to complete the modernization of missile-carrier bomber Ty-95MCM and by the end of 2020 the strategic bomber Ty-160CM. This year, tests of fighter aircraft of 5th-generation Cy-57 and heavy combat drone "Ohotnik" (Hunter) have intensified. The RF Ministry of Defense and State company "Sukhoi" have signed a contract in 2019 to modernization of a large batch of front-line fighter aircraft-bombers Cy-34 (generation++). In addition, May 16, cy Putin assured his fellow citizens that Russian Aerospace Forces will still receive 76 Cy-57 in the coming years instead of the planned 12-15. From 2020 Russian Aerospace Forces will also receive the first new air defense systems C-350 "Vityaz" (60 km destruction range). And this year, the Russian Federation officially announced the start of production of advanced anti-missile and air defense systems C-500 "Prometey" (Prometheus), which will be delivered from 2020.

It is worth noting that the Russian Federation performs a series of measures to ensure high-quality operation with the help of modern means of combat control, automation of decision-making processes, and reduction of combat control cycles. In addition to the supply of ACS "Akatsia" (Acacia), a set of common control system of tactical level (CCS TL) "Sozvezdie-M2" (Constellation), and CCS of operational-tactical level (OTL) "Andromeda-D" are delivered recently to control the armed forces. New electronic warfare systems (EW) "Palantyn" were delivered to the Western military district. And in the occupied territories of Ukraine, automated stations for installing radio interference R-378a "Tobol" designed to suppress radio communications, were also identified. As well as the latest electronic warfare systems "Krasuha", "Leer", "Repellent" and first demonstrated only in 2017 "Bylina".

These touches to the common situation of rearming reflect the general trend of rearming course: development of missiles and their carriers (airplanes), strengthening of air defense, achieving of benefits using technology (control systems and EW).

Budget Traps in Ukraine

It should be noted that State Budget-2020 expenses for ensuring the national security will grow only on the National Security Council, where the budget program "Unallocated Expenditures on National Security and Defense" provides for UAH 28 bln. As expected, they will actually go to patch the inevitable numerous holes. Here it is not superfluous to recall that in accordance with the proposals of the Budget Declaration for 2020-2022 on the items of national security (signed by former NSDC Secretary Alexander Turchynov), defense spending and power structures should be doubled for each Department. Instead, we have a decrease of almost on all fronts: UAH 400 mln less will get the border Agency, almost UAH 100 mln less to NSU, UAH 170 mln less the SSU funding is provided, UAH 20 mln less was allocated to SVR, UAH 345 mln less was allocated to

the Civil Service of Special Communication and Information Protection, UAH 600 mln less was allocated to the State Service of Emergency Situations, finally, UAH 1.6 bln less will be funded for the Military Department.

Interestingly enough, the process of rearmament is experiencing the greatest impact. The paragraph "Development, purchase, modernization and repair of weapons, military hardware, funds and equipment" will decrease by UAH 1.14 bln. Speaking about the vicissitudes of rearmament, experts never tired of reminding that USD 600 mln is not enough for a year (the approximate figures of 2017, 2018 and 2019 after deducting UAH 4-5 bln from the above-mentioned funds for maintenance and repair of the air defense system) will not change the army appearance. Such temp of rearmament could have suited the peaceful years of the Millennium, but not a country that faced an existential challenge. And next year, it seems, there will not be the usual USD 600 mln - after deducting the repair costs, only 500-plus are dedicated...

It's time to remind that for the five-year plan, which is being completed, it was planned to allocate about UAH 170 bln for rearmament, for which it was necessary to modernize the country's air defense, purchase means of protected communications and electronic warfare, artillery reconnaissance and navigation, unmanned aerial vehicle (UAV), high-precision weapons of various bases, high-precision artillery and anti-tank systems, guided bombs, finally, create a single automated control system of AFU, and also build a mosquito fleet and corvette. Most of this list, it seems, will remain only plans...

And this situation will not only affect rearmament. For example, an important element of Ukraine's asymmetric potential, such as Forces of Special Operations, also finds itself without resources for development. And it will also be very difficult for the new Minister of Defense to fulfill his promises - as for bringing the army closer to NATO standards, creating the motivation for contractors, and forming a service housing fund. But the most important thing is that nothing in principle will change in the army next year, because the desire for change is not confirmed by resources. The "stomping on the spot" budget will not allow to think about a professional army. Perhaps that's why the Government's program doesn't say anything about it. But another vile trend sticks out: I will not tell you for the whole of Ukraine, but in the Kiev region the potential recruits are "taken" by employees of military enlistment offices early in the morning, accompanied by the police. Guess whether this is good or bad for army image.

The army of 250 thousand persons (I'm not talking about the defense forces, the total number increases the number of combat-ready people in uniform by another 100 thousand people) eats 72-76% of the defense budget. A vicious circle that does not allow to purchase new systems and create a "digital" army that would protect the country and save the lives of soldiers and officers as much as possible.

Betting on technology as the first step to digital army

Even a cursory review allows to say that Ukraine, if it follows the current course of development of its defense

potential, has no chance of winning a linear war with Russia. Is there an adequate approach to the task of territory protecting and state sovereignty? Yes, it is!

A lot of episodes concerning the paradigm change of modern warfare speak in favor of revising the linear approaches that are typical of the current military leadership of Ukraine. Mentally educated by the Soviet times, the generals are preparing to make a war with fronts and armies. While most developed countries (in particular the United States) are moving to the concept of autonomous units and mobile groups. Detection and destruction tools, controls, locks, and communications tools are becoming a modern panacea. Even the September attack by killer drones in Saudi Arabia shows that relatively inexpensive weapons can cause substantial losses. Especially if there are a lot of them. Some analysts believe that the idea of a "mosquito" fleet can be transferred to the air space and to strengthen the ground component — in the form of a horde of killer robots. In fact, it may have sense to make a thousand relatively simple killer drones instead of one MiG-29 modernization (the former management of Ministry of Defence held out a version of the Israeli Elbit Systems, which provides for the modernization of a dozen aircraft, USD 40 mln (!) each — actually in half the cost of the new F-16)? After all, until now, the General staff has not spoken about what aircraft Ukrainian pilots will fly in 5-7 years. If in 2008 the idea of using a Chinese glider, Zaporizhzhya engine and R-27 missiles produced by Kyiv SJSHC "Artem" seemed quite relevant, then in 2019 to start building a "Ukrainian version" of Yak-130 seems not just utopia, but true stupidity. Wait for American F-16? The very thought of it is jarring...

In any case, one of the most important tasks of the AFU transforming into a "digital" army is to save the lives of the military, so shifting the focus to the use of high-tech air defense forces and asymmetric weapons may become the main factor in deterring the hot heads in the Kremlin.

The joint expert group of the National Institute for Strategic Studies and the Ukrainian Institute for Security Studies with the participation of some structures of the National Academy of Sciences of Ukraine came to the conclusion that Ukraine has the opportunity to exercise operational "quantum" leap in modernization of defence forces is to create a "Technocluster", i.e. coordination structure for the development of advanced defense technology. These are technologies that change the format of modern combat, and in the future - the format of future war. Even before the revision of the technological field, specialized experts identified such areas as UAV development and robotechnics for various purposes, development of military control systems, electronic intelligence and electronic warfare, radar detection and secure communications. And in addition, the allocation of research and development of weapons on other physical principles into a separate branch. In fact, it turned out that Ukraine has such opportunities. In particular, the creation of non-lethal weapons - with the factors of impulses influence on a person (from painful perception to fainting). Using technologies of non-lethal kinetic and chemical effects, electromagnetic radiation, and special acoustics. As well as means of influencing the enemy's air defense system. All of the above is not fiction, but the result of a preliminary study by experts of the possibilities of creating an asymmetric shield for Ukraine to deter Russian aggression.

Taking into account that the development of new high-tech weapons is now almost entirely concentrated in the private sector, as well as the current Government's intransigence to the idea of creating a Ministry of Defense Industry, a state body should be created for the development of advanced technologies, for example, the Agency for the Development of Defense Technologies. Of course, such a structure should function in accordance with strategic defense planning. In fact, such a body, based on the principle of the American DARPA, should formulate what the defense forces need and how to do it. And coordinate the work of public-private consortia, in which state research institutes, private enterprises, NASU structures, universities and, if necessary, private companies, including foreign countries, can participate.

Experts considered two logical versions of the creation of such an Agency - as a separate subordinate to the Cabinet of Ministers of Ukraine (on the principle of SSAU), and under the Ministry of Defense. The second approach is preferable, since in this case the Minister of Defense, as a member of the government, takes the directions of technology development and prepares them for approval by the government (after which they acquire the status of "protected" state programs, that is, independent of the distribution of the annual state budget). A key element of success can be the formation of several (four or five) "protected" state programs within the framework of technocluster.

It is clear that the idea cannot be implemented without budget filling. At the same time, experts believe that UAH 3-6 bln per year is quite an acceptable figure (for comparison, the budget of the American Agency DARPA in 2010 was USD 3 bln.). Especially if we remember that we are talking about protecting the state and developing the high-tech sector of the economy.

In addition, it is possible to create a special fund of innovative developments in the field of security, which could be filled in various ways. Firstly send 30% of the profits of special exporters (instead of transferring them to the state budget, as now). Secondly, use the funds from the privatization of defense enterprises. Thirdly, to attract investment from private and foreign investors, who can be motivated by the opportunity to implement the results of developments both within the framework of the state defense order and in the markets of third countries.

In any case, it is necessary to do something for the development of defence capabilities. Otherwise, Ukraine will remain a vulnerable target for the enemy state in the North-East for a long time. And society will shudder at the sad reports on the Eastern front.