
7. The role of the Ministry of Defence in the export of conventional weapons

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I. Introduction

Weapons and combat equipment from the major arms-producing countries have been dispersed across all continents and to all states through the international arms trade. The developing countries are incapable of independent arms production. However, their rich natural deposits—especially of oil and gas—enable some of them to spend large sums of money, some of it on military hardware. Historically, the majority of states that became independent in the period between 1960 and 1980 preferred to buy their weapons from the Soviet Union rather than from their former colonial rulers. As described in chapter 3, the export agencies which participated directly in this trade during the Soviet period were the Central Engineering Directorate (Glavnoye inzhenernoye upravleniye, GIU), the Central Technical Directorate (Glavnoye tekhnicheskoye upravleniye, GTU), and the Central Directorate of Collaboration and Cooperation (Glavnoye upravleniye po sotrudnichestvu i kooperatsii, GUSK).

With the disintegration of the Soviet Union and the elimination of the WTO, these agencies underwent certain changes. The GIU and GTU both began to lose their prestige and influence. This was one reason for a sharp fall in the volume of military–technical cooperation. In this context, a decree of the Russian President in November 1993 instituted the state company Rosvooruzhenie, which was based on the foreign economic associations Oboronexport (the successor to the GIU) and Spetsvneshtekhnika (which was created from the former GTU and GUSK).¹

Rosvooruzhenie was formed with a view to bolstering military–technical cooperation with foreign states and also to ensure that the state maintained a monopoly over the export and import of combat *matériel*. It is accountable to the President of the Russian Federation and works under the direct supervision of the Russian Government. It is an executive rather than a decision-making agency. Proceeding from its position as a state monopoly, it handles the export of weapons and combat equipment on the basis of decisions taken by the president or the government. It organizes its export activity in close contact and cooperation with the Ministry of Defence and the State Committee on Defence Industries (later the Ministry of Defence Industry, now abolished) which

¹ 'Weapons in clean hands', *Moskovskie Novosti*, no. 5 (30 Jan.–6 Feb. 1994), p. 14 (in Russian) in Foreign Broadcast Information Service, *Daily Report–Central Eurasia* (hereafter FBIS-SOV), FBIS-SOV-94-024, 4 Feb. 1994, p. 24; and Oslikovskiy, S., 'On the way to increasing the effectiveness of military–technical cooperation', *Military Parade*, Nov.–Dec. 1994, p. 13.

coordinates and controls agencies making up the defence industry and other organizations involved in producing military hardware.

Military–technical cooperation embraces a broad spectrum of activities, including many which only the Ministry of Defence is competent to perform. For example, potential buyer states are likely to require field demonstrations of equipment and information about how it should be operated and maintained. Training of foreign servicemen is undertaken by the Main International Cooperation Department of the Ministry of Defence. Before 1992 most foreign officers were trained free of charge; tuition fees have since been introduced.²

In order to ensure competent engineering support for exports and, in particular, the effective transfer and maintenance of weapon systems, the Ministry of Defence has sent a number of officers to Rosvooruzhenie on secondment. These individuals, all of whom are uniformed officers, hold some high positions, including those of deputy to the general director, chiefs of administration, and heads of departments and groups. This enables Rosvooruzhenie and the Ministry of Defence to coordinate their activities with regard to exports, presenting equipment at exhibitions and demonstrating weapons and combat equipment to potential customers at testing grounds. Some officers of the Ministry of Defence are posted overseas to act as representatives of Rosvooruzhenie. These representatives are tasked with the search for weapons markets.

The main responsibility for market research rests with Rosvooruzhenie. However, the role of the Ministry of Defence in this sphere has changed in recent times. It has a variety of specialist organizations for military–technical cooperation which carry out different aspects of research into the weapon market, and there are groups of military specialists who analyse the situation in foreign countries. The ministry is receiving increasing numbers of requests from different states which may lead to the purchase of weapons and combat equipment from Russia. Most of these are addressed directly to the defence minister. Many countries prefer to import weapons confidentially, without involving a broad circle of persons in the process and to tackle the issues of arms purchases, and military–technical cooperation as a whole, only through contacts with the military—specifically with the Ministry of Defence. However, in Russia the Ministry of Defence has no right to perform this function. Its role in the arms export decision-making process is more limited, restricted to certain checking functions and participation in the drawing up of government documents and decisions.

Market research is carried out by Rosvooruzhenie in close cooperation with the Ministry of Defence Industry and enterprises of the military–industrial complex along with the Ministry of Defence and the Ministry of Foreign Affairs. Market research is not only carried out with the purpose of deriving maximum economic advantage. It is also important to understand the market

² Bogdanchikov, V., 'Training of military personnel in Russia for foreign armies', *Military Parade*, July–Aug. 1997, pp. 64–67.

with a view to providing for Russia's security—preventing weapons from spreading to 'flashpoints' and preventing the export of banned armaments.

Rosvooruzhenie, which was formed in 1993, has not been able to solve all problems of military–technical cooperation. This is because it does not have a complete monopoly on exports. The right to export arms has been granted to an agency of the Ministry of Defence Industry (Promexport) and licences to export have also been obtained by a number of research and production associations and even individual defence enterprises. Such an amorphous export system has begun to take shape because the state has proved incapable of financing the state defence order, including its export part. All economic entities have therefore rushed into the foreign weapon market to try to earn the revenue they need for their survival.

This absence of coordinated effort on the supply side in Russia has also caused an unhealthy rivalry among Russian participants in military–technical cooperation. This has led to a drop in prices for Russian-made weapons, caused disorientation among foreign partners and led to a loss of potential sales, undermining Russia's prestige as a weapon exporter.

Representatives of the Ministry of Defence take part in the teams of Russian officials that conduct military procurement negotiations, defining the quantitative aspects of any deal. The ministry also offers support by demonstrating weapons and combat equipment and assisting with the physical deployment of the weapons ordered to the buyer states. However, representatives of the Ministry of Defence do not take part in the assessment of prices or commercial aspects of the deal as these are considered commercial secrets.

If it has been stipulated in a relevant government decision, the Ministry of Defence can, upon agreement with Rosvooruzhenie, provide technical assistance in the transport, loading and protection of exported weapons in transit. The costs of this are reimbursed by the weapon seller and by Rosvooruzhenie.

The contract for the purchase of weapons and combat equipment may also contain clauses on further deployment and preparation for service of weapons in the buyer country and on the training of national military personnel. These elements are assessed and included in the general price of the transaction. The Ministry of Defence may help with these elements of the transfer and the costs incurred by the ministry are reimbursed by Rosvooruzhenie. The training of national military personnel from the purchaser country is carried out at educational establishments of the Ministry of Defence, and its expenditures are reimbursed by the arms seller provided this has been stipulated in the contract for the export deal. In the event of a separate contract being concluded for the training of military personnel between the purchaser country and the Ministry of Defence of the Russian Federation, the costs of the latter are offset by the buyer state according to the terms of the contract. Oversight of the economic aspects of training foreign servicemen in Russian military educational establishments is the responsibility of the government. Part of the income obtained by the Ministry of Defence is channelled to the state budget, and the other part is retained to meet the needs of the ministry.

The right to negotiate and sign contracts and to fix rates for the training of foreign servicemen has been granted to the Main Administration for International Military Cooperation (Glavnoye upravleniye mezhdunarodnogo voyennogo sotrudnichestva, GUMVS) under the General Staff of the Armed Forces of the Russian Federation. GUMVS also has the right to strike individual deals related to sending military specialists to assist with the deployment of weapon systems and maintaining them in a combat-ready state in a foreign country. Rosvooruzhenie can also conclude such contracts. In this case, military specialists can be sent to the importing country as part of a mixed team including both individuals from the Ministry of Defence and civilian specialists from ministries or enterprises of the military–industrial complex.

II. The role of the Ministry of Defence in arms export control

In Russia a national system of export control has been established under the overall control of the president. Although the specific form of the national export control system has changed regularly, the Ministry of Defence is one of the agencies designated to play an important role within this control system.

The objective of the Russian authorities is to produce an export control system which avoids the possibility of damaging the political, economic or military interests of the Russian Federation. As part of this export control system it is necessary to determine which materials, goods, services and technologies should be subject to control. Proceeding from requests from buyer states, arms trade organizations authorized to carry out military–technical cooperation must submit their proposals to the government. In deciding whether or not to approve an export, the views of the Ministry of Defence on certain aspects of the proposal must be taken into account.³

Ministry of Defence advice on export requests

In 1992 an Export Control Committee (Komitet eksportnogo kontrolya Ministerstva oborony, KEKMO) was established as part of the Ministry of Defence.⁴ Its tasks include examination and approval of requests to export specific types of weapons to specific countries. In cooperation with the Ministry of Foreign Affairs, the Ministry of Defence has prepared both an equipment list and an evaluation of the strategic situation in potential recipient countries for this purpose.⁵ The purpose of the equipment list is to decide on the defensive or offensive nature of the weapons to be exported. The evaluation also assesses whether the purpose of the weapons that are being requested is offensive or defensive.

³ The licensing process is described in chapter 6 in this volume.

⁴ Felgengauer, P., 'Russia's arms sales lobbies', *Perspective*, vol. 5, no. 1 (Sep.–Oct. 1994), pp. 1–8.

⁵ Interview with Col-Gen. Vladimir Zhurbenko, *Krasnaya Zvezda*, 27 Aug. 1994, p. 4 (in Russian) in FBIS-SOV-94-169, 31 Aug. 1994, pp. 30–35.

The main criterion guiding the work of KEKMO is to prevent any threat to Russia's security in the military–technical field. It examines possible exports on a case-by-case basis and can give approval, issue a refusal or impose more restrictions on deliveries. The list includes not only weapons but also technologies and know-how. KEKMO is also part of the process of granting licences or permits to enterprises and production associations that give them the right to trade in equipment, spare parts, tools, accessories and other military items, and dual-use equipment.

KEKMO is headed by the First Deputy Defence Minister. It includes representatives of the Chief of the Armament Administration of the Ministry of Defence, the Main Administration for International Military Cooperation, the Main and Central Administrations of the Ministry of Defence and the General Staff of the Armed Forces of the Russian Federation. Also included are representatives of the commanders of each of the fighting services and their main headquarters, representatives of the Federal Security Service, and Rosvooruzhenie. It meets as required, depending on the urgency of the issues to be examined, but at a minimum once a month. Members are advised of the matters to be considered at each session in good time. They are expected to study them thoroughly and prepare draft conclusions which are examined in the working sessions. After discussions of the various draft conclusions, decisions are taken collectively. If controversy arises, discussion is suspended until the particular issue has been re-examined by experts. In the event of complicated matters being examined, experts or other interested persons may be invited to contribute their expertise to the working sessions. Decisions taken are formalized in minutes signed by the chairman, his deputies and the secretary.

A decision from KEKMO is obligatory for all military–technical cooperation requests. Without such a decision, members of the military–industrial complex may not proceed with an export. KEKMO decisions are executed by the Armaments Administration of the Ministry of Defence and the staff of the First Deputy Defence Minister.

Periodically, and as the need arises, the chairman of KEKMO or, on his instructions, one of his deputies (for example, the chief of the Armament Administration of the Ministry of Defence or the Chief of the GUMVS) reports on the work accomplished to the government. If in an individual case a particular controversy arises—related, for instance, to the possible transfer of an advanced weapon system or the participation of defence enterprises, design bureaux and other organizations in military–technical cooperation with a foreign partner—the case may be submitted to the Interdepartmental Coordinating Council for Military–Technical Policy (Koordinatsionny mezhvedomstvenny sovet po voyenno-tekhnicheskoy politike, KMSVTP) for consideration.

III. Arms exports and Russia's security

The export of weapons and combat equipment is the most lucrative aspect of the process of manufacturing armaments in Russia. It can also accelerate the pace of technological development, affecting the types of weapon that can be deployed in the Russian armed forces.

Export of weapons and combat equipment speeds up scientific and technological progress, which allows more advanced systems to be produced. Wars and military conflicts also stimulate progress in the military–technical field. For example, during World War II dozens of new weapon systems were produced.

Buyer countries also strive to acquire the most modern weapon systems. This has both positive and negative aspects. On the positive side, a purchaser state may receive defensive weapons which maintain a balance with those in the possession of a likely aggressor country. On the negative side, the country that has acquired such weapons does not always have the skill to use and operate them effectively. This compels the purchasing country to employ advisers and specialists, for example, to train its personnel or manage logistic and spare parts-related issues more or less constantly.

Taking these facts into consideration, Russian weapon export organizations are often called upon to give appropriate recommendations to buyer states.

Weapon systems are not in themselves necessarily offensive or defensive. One and the same weapon may be defined as offensive or defensive depending on the circumstances. If a weapon is in the hands of an aggressor, it may be referred to as offensive, and if it is in the hands of a victim or possible victim of aggression, it may be regarded as defensive. Nevertheless, there are some purely defensive weapon types and weapon complexes. These are diverse types of air defence weapons and anti-tank weapons. Unless an aggressor uses aviation and tanks, these weapons will not be used either.

In selecting and assessing the character of exported weapons, the buyer country is first considered and the weapon is checked with the list of weapons banned for export. Arms exports are prohibited by Russia to extremist states, countries with terrorist activity, and countries which are forbidden to buy weapons by decisions of the UN. Nuclear, biological and chemical weapons and other weapons of mass destruction are also banned for export.

The contracts that govern a specific arms transfer also necessarily stipulate a number of binding limitations on the purchaser country in terms of the use it can make of weapons supplied. Contracts also state the penalties if the purchaser violates relevant provisions of the contract. These can include the prohibition of either follow-on exports or modernization.

A thorough process of selection of purchaser countries is intended to prevent the destabilization of the situation in a particular region and the accumulation of weapons at the borders of states likely to fall victim to aggression, as well as to avert threats to the security of Russia.

In the export of weapons, an assessment is made as to whether the specific export is consistent with the sufficiency of armaments in a given state. Before endorsement of an arms export proposal from a trade organization, an assessment is made by the Ministry of Defence and the Ministry of Foreign Affairs. If this assessment reveals that weapons have accumulated in excess of the reasonable requirements of the purchaser country for repelling aggression, the ministries and the government do not allow the export.

Thus, the Ministry of Foreign Affairs and the Ministry of Defence play the main role in the political and strategic assessment of the consequences of export deliveries. Particular attention is given to safeguarding Russia's security.

The economic and commercial aspects of an export deal are the prerogative of trade organizations—primarily Rosvooruzhenie—which has the right to fix price policy and define the rules for trading through intermediaries.

The clauses of a contract which do not contain information that is a commercial secret are discussed with all interested ministries and agencies, including the Ministry of Foreign Affairs, Ministry of Defence, at one time the Ministry of Defence Industry but now the relevant department of the Ministry of the Economy.

The existence of a state monopoly over arms exports provides a balanced approach to the sale of weapons. It helps to stave off any attempt to export weapons and combat equipment at any price to any state indiscriminately. However, at the same time the state is interested in deriving the maximum profits from legitimate export deliveries to help cover the costs of weapons manufacture and research on and development of new weapon systems in particular. One of the most important considerations at the present stage of Russia's democratic development is to maintain employment at defence enterprises.