



RUSSIA REFORM MONITOR

The American Foreign Policy Council's Review of
Russian Government Actions and U.S. Policy

Russia Policy Monitor No. 2596

August 8, 2023 **Ilan I. Berman, Sydney Duckor**

Related Categories: Economic Sanctions; International Economics and Trade; Warfare; Africa; North Korea; Russia

MORE CHANGES TO WAGNER

As part of the post-putsch reshuffle of Wagner's role in Russia, the mercenary group has announced that it is halting recruitment activities. In a video address, Wagner chief Yevgeny Prigozhin declared that the paramilitary outfit no longer intends to carry out active recruitment unless it experiences personnel shortages. The announcement suggests that the group – which previously ran in-person recruitment centers as well as campaigns on the internet – is not currently hurting for manpower. But it also reflects the mercenary contingent's changed status in Russian society, with some soldiers "taking time off" and others who have "joined Russian law enforcement agencies," according to Prigozhin. (*New York Times*, July 31, 2023)

[EDITORS' NOTE: If Prigozhin's pronouncements are to be believed, they are further evidence that – in the wake of June's abortive mutiny by Prigozhin and his followers – Wagner is discontinuing its involvement in Ukraine in favor of overseas deployments in places like Africa. Previously, Wagner's heavy participation in the Kremlin's offensive against Kyiv necessitated an active, and multifaceted, recruitment campaign by the group – including, for a time, the recruitment of hardened criminals from Russia's prisons and penal colonies.]

WESTERN SANCTIONS: LESS THAN MEETS THE EYE?

What were intended to be "the most consequential [sanctions] in history" haven't succeeded in halting Moscow's war against Kyiv, the *Wall Street Journal* reports. Despite the comprehensive, coordinated sanctions against Russia marshalled by the West so far, the paper notes, the Kremlin has found ways to successfully mitigate their most devastating consequences. Analysts say that Moscow has been able to achieve an unexpected level of economic resiliency due to "a significant government stimulus, a shift to a war economy, and an unprecedented rerouting of its trade to China and India." While the economic penalties enacted by the United States and Europe will likely impact the Russian economy in the long run, the near-term results have been insufficient to alter the Kremlin's strategic calculus in its war against Ukraine. As a result, the Kremlin is hunkering down for a protracted war of attrition – and Ukraine will need to outlast Russia's aggression until Western sanctions can truly bite. (*Wall Street Journal*, August 2, 2023)

A HELPING HAND (OF SORTS) FROM NORTH KOREA

Despite repeated denials from both Moscow and Pyongyang, evidence is mounting that the DPRK is assisting Russia in its Ukraine war effort. Russian Defense Minister Sergei Shoigu recently visited the North Korean capital of Pyongyang in a sign of deepening cooperation between the two countries. But Shoigu's visit is being seen by analysts in Washington not as a sign of Moscow's strength, but rather of its isolation and desperation, given that North Korea has little to offer Russia beyond low-tech munitions. The government of Russian President Vladimir Putin "is going through a vast amount of inventory... and he's reaching out to countries like North Korea, like Iran, and... China to get support for his war machine," White House National Security Council spokesman John Kirby has noted. (Associated Press, August 3, 2023)

A BELEAGUERED MOSCOW BOOSTS DEFENSE SPENDING

In order to sustain its war effort amid heavy losses and Ukraine's current counteroffensive, Russia has been forced to dramatically increase its defense expenditures. Just over halfway through 2023, the Kremlin has already doubled its defense spending target for the year. Officially announced at 4.98 trillion rubles, the national defense budget has now been upped to 9.7 trillion rubles – roughly \$102 billion. Russia's defense spending has increased month by month since the start of its full-scale invasion of Ukraine in February of 2022. It is unclear, however, for how much longer this expanding level of military spending is sustainable. (*The Moscow Times*, August 4, 2023)

A NEW OPPORTUNITY IN AFRICA

In recent days, the world has watched Niger, the last pro-Western government in Africa's Sahel region, fall to a military coup. Niger's turmoil, moreover, could rebound to Moscow's benefit. Less than a week after the July 26th removal of President Mohamed Bazoum by military forces, the newly-installed junta met with the leadership in neighboring Mali. Notably, Mali's own military-controlled government has relied heavily on Russia's Wagner Group in recent years to shore up its rule, and analysts believe that the conversations between Mali and Niger's new rulers potentially involve the paramilitary outfit becoming involved in that country as well. Tellingly, Wagner head Yevgeny Prigozhin celebrated the coup, and touted his forces as the answer to instability in the region. State Department officials have confirmed that Wagner "will likely attempt to exploit this situation to their own advantage." (*CNN*, August 2, 2023)