

November 27, 2023



Executive Summary Report

Ukraine-Russia War Key Points

- A relative stasis has occurred with neither side making significant gains and unable to retain territory for more than a few days:
 - Wars can develop into stalemates that neither side dares to lose; a process of competitive collapse even though both sides are suffering...that seems to be where this war is headed.
 - The original key questions at the start of the war remain the same: Will the West continue its robust support for Ukraine? Is Russia able to sustain the sanctions effects and military losses?
- Russia retains the advantage of numbers in materiel and forces, but politics prevents Russia from mobilizing more forces to commit to Ukraine operations. In contrast, Russia will need more men, officers, and weapons to fight a long war. That will require mass mobilization and central planning of military production.
- Russia passed a record budget for 2024 with nearly 40% dedicated to defense, which is approximately 25% higher than the previous budget and up to 6% of the GDP.
- Media reports cite backchannel negotiations with the U.S., the EU, and Ukraine regarding the conditions necessary to end the war. Publicly, Ukraine remains steadfast on their ten conditions from 2022, especially to include restoration of all Ukrainian territory.
- On 8 Nov 23, the EU recommended that accession talks could start. Ukraine was granted EU candidacy status in June, and the commission said it has met four of the seven criteria it needs to begin talks.
- Both sides face conditions favoring positional fighting over small chunks of terrain because there is no surprise, tactical method, or technological capability that offsets the effective countermeasures of either side.
- Russia will not mobilize again until at least May or June of 2024 (if at all), with those forces not showing up until late summer. In theory, Russian forces will become increasingly less effective until they are left with undefended gaps and seams on the front or sectors collapse.
- The way ahead:
 - Russia sees this conflict as a civilizational fight for its way of life. As such, Russia will not voluntarily relent and agree to withdraw from Ukraine.
 - Ukraine sees itself as a future member of both the EU and NATO, and its sovereignty restored along its 1991 borders and without Russian occupation.
 - The U.S. political cycle (plus the fact that 2024 has more elections than in anytime in world history) could force Ukraine's hand into an unsavory settlement with Russia; in this scenario, Ukraine loses territory in exchange for EU and NATO membership.
 - An enlarged Russia is emboldened by its Ukraine adventure and continues to pursue its reordered world with Moscow at its center of the Russian Mir. Conflicts initiated by Russia only occur after a decade or more of rearming and reorganizing its forces using the profits from its energy sales.

General Situation

Balance has occurred at the tactical level along the front lines. Specifically, neither side has made significant gains and cannot retain the territory for more than a few days. There are some incremental gains on both sides but nothing of major significance ahead of the fall rains which make ground movement difficult for both vehicles and foot-mobile troops. The winter freeze typically allows overland movement in mid-Feb and may allow for another war of maneuver by either side for about 4-6 weeks before the ground thaws again.

The first 18 months of the war was marked by rapid innovation by Ukraine and Russia, with Ukraine having the technological edge in many meaningful areas. Ukraine continues to produce advanced weaponry with remarkable capabilities yet cannot scale up production to meet demands. In contrast, Russia mobilized its defense industries last year and is working 24 hours in key manufacturing sectors to sustain the war effort. Russia's wartime production is now coming to bear on the front lines but still has not matched analysts' expectations and remain a far cry from its announced future capacities.

Russian Situation

Russia retains the advantage of numbers in materiel and forces, having an almost endless resupply of equipment and four times the population of Ukraine. Putin partially mobilized reserves for the war effort last fall with great difficulty and much criticism. He also announced on national television there would not be another mobilization. Following his probable election in March 2024 and inauguration in May 2024, he is free to do as he pleases and may indeed order more mobilizations. The result is it appears that Russia has all the forces in Ukraine that it will have until next summer at the earliest. Further, in the unlikely event that a Russian loss is eminent, Russia has escalation options that Ukraine does not, to include the use of Weapons of Mass Destruction.

Russia passed a record budget for 2024 with nearly 40% dedicated to defense, approximately 25% higher than the previous budget and up to 6% of the GDP—Russia's largest budget ever. Russia has committed to rebuilding its military to the levels of 1989 when the Berlin Wall fell, and currently it does not appear that there will be any political or budgetary, nor opposition to hinder achieving this strategic end. According to The Economist, "... in the war's first year Russia received \$590bn in export revenues, mostly from oil and gas. That is \$160bn more than the annual average over the previous decade. In the second year, revenues were still some \$60bn above that average. The war costs are estimated at over \$100bn a year."

Funding everything else to keep up appearances at home has been the challenge. For those expenditures, Russia has turned to its sovereign wealth fund that is estimated to be \$140.6bn in October 2023. Again, The Economist spots the problem: "This income lets him keep up the appearance of normality at home. But the longer the war goes on the harder this will be. That in turn will require mass mobilization and central planning of military production. Neither is easy in a country with Russia's poor demography and pervasive corruption."

Ukrainian Situation

Media reported in early November that the U.S. and the EU are holding private talks with Kyiv on peace negotiations with Russia. President Volodymyr Zelensky has emphasized that Ukraine will not make any concessions to Russia to obtain a ceasefire, and the conditions for cease fire and peace have not changed. Ukraine's goal remains "The restoration of sovereignty is the main principle for ending the hot stage of the war," he said.

The European Commission recommended on 8 Nov 23 that EU accession talks could start. The EU said it has met 4 of 7 criteria it needs to begin talks. Ukraine's deputy prime minister for European integration stated Ukraine could complete the joining process within two years.

There is significant debate about both the military stalemate and Ukraine's attrition strategy. First, Ukraine's senior-most general publicly stated the war was at a "stalemate." His central point was combat technology favors positional fighting over small chunks of terrain because there is no surprise, tactical method, or technological capability that offsets the opponent's countermeasures. Neither side possesses a significant technological or tactical advantage.

Second, the losses inflicted on both sides leading to the current tactical stalemate have been significant owing to countervailing attrition tactics. Russia knows it has a strategic demographic advantage in sheer numbers it can throw at the problem. If Russia sees 4:1 losses, then the outcome is even. Anything better than 4 Russian losses to 1 Ukrainian loss is a win for Russia.

Russia will not mobilize again until May or June of 2024, with those forces not showing up until late summer. Until then, the Russians have to make-do with the forces they have in Ukraine. This means Russian attrition can potentially create both tactical opportunities at the front for Ukraine and a strategic dilemma for Putin at home. This stratagem appears to theorize badly attritted Russian forces will create undefended gaps and seams on the front or sectors collapse.

The Way Ahead

Russia sees this conflict as a civilizational fight for its way of life and its view of the restructured world according to "Russian Mir," with Moscow at the center of the order. It is a struggle of good versus evil to sustain the vastly superior Russian culture, religion, and society. As such, Russia will not voluntarily relent and agree to withdraw from Ukraine. In the larger context, Ukraine is just the beginning of its campaign over the indeterminate future to undermine the West from within.

Ukraine sees itself as a future member of both the EU and NATO, and its sovereignty restored along its 1991 borders and without Russian occupation. Peace will be achieved when the major points of President Zelensky's plan have been satisfied. Militarily, the attrition stratagem must bear fruit before the middle of next summer if it is to achieve political victories.

A potential wild card is the U.S. political cycle. One scenario is the current administration forces Ukraine's hand by limiting aid. Specifically, it could force Ukraine to accept an unsavory outcome along the lines as they exist in mid-summer, concurrent with the major party conventions. An alternative scenario is the victorious political party forces Ukraine's hand after the January 2025 inauguration.

The likely results of scenarios involving negotiated endings indicate unwelcome outcomes for Ukraine and marginal gains for Russia. After the war, a smaller Ukraine is a member of both the EU and NATO and is rebuilt with Western aid over the next twenty years. Its post-war economy is robust and infra-structure is the best in eastern Europe. In contrast, an enlarged Russia is emboldened by its Ukraine adventure and pursues its reordered world vision with Moscow at its center. Putin, or his successor, agitates for similar conflicts in the Baltic states and Poland. Conflicts initiated by Russia only occur after a decade or more of rearming and reorganizing its forces using the profits from its energy sales.

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