

## Prepare for Russia's Coming Retrenchment

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Russia's full-scale invasion of Ukraine has been a catastrophe for Ukraine, imposing staggering [human](#) and [economic](#) costs across the board. Compared to them, Russia's woes are on a less harsh order of magnitude. They are considerable still. International sanctions have cut Russia off from international financial centers and high-end technology, and GDP is set to [contract](#) in 2022 and 2023. After a brief surge, energy revenues have [evaporated](#), and Russia is depleted militarily. Heavy attrition has compelled Russia to call for a "partial mobilization," look for manpower in [prisons](#) and import arms from Iran and North Korea. In foreign relations, Russia's reputation is tarnished and its ability to assert itself in its neighborhood is [diminished](#). These hindrances have implications. Namely, they set Russia for a change in its grand strategy, from active [systemic contention](#) to one of [retrenchment](#).

Russia's blunders and path to retrenchment strike a [resemblance](#) to the 1905 Russo-Japanese war, when St. Petersburg underestimated a capable adversary and was defeated. Induced by the costs of the full-scale invasion and with no better options, Russia will retrench to rebuild its military, adjust its economy, and reassert itself over its neighborhood. This will afford Europe the time to plan for the [scenario](#) of Russia becoming a permanently hostile, North Korea-like pariah state. This concerns regions other than Europe as Russia's "political entrepreneurs" and foreign partners will continue to [facilitate](#) Russia's power projection abroad.

### **Russia's War-Induced Decline and Retrenchment**

Retrenchment is a great power strategy meant to [respond](#) to relative decline. The sources of decline can be varied, such as economic, military, or even cultural, or a mixture of these. Decline compels decision-makers to focus on rebuilding strength and reckoning with domestic crises. This redefinition of objectives usually implies reducing risks and unessential costs by drawing down non-core commitments at home and abroad. The

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outcome of this strategy is uncertain, but it [can](#) succeed in bringing a declining state back to the rank of a power. Much of the literature on retrenchment is [centered](#) on the United States and its relative decline vis-à-vis China and the possibility of a great power transition. But this literature can offer insights valuable for understanding Russia's trajectory since 2022.

With the fighting ongoing, the outcome of Russia's invasion of Ukraine is still undecided, but it is the short term where the most uncertainty remains. The September 21 call for partial mobilization does not [solve](#) Russia's battlefield challenges. Mobilization also puts additional stress on Russia's already [tense](#) domestic politics. The precise outcome of this move and its implications for the regime's survivability remains an open question. But not knowing the fate of Putin or of the war does not mean that we cannot foresee what will happen to Russia in the coming years. Indeed, a few key medium-term trends are already discernible. Namely, battlefield attrition, technological regression, and the [slow burn](#) of sanctions have all put Russia on a trajectory of medium-term decline, lasting maybe up to the rest of the decade. Even some sort of [military victory](#) over Ukraine cannot redress the downward trajectory seen in all these dimensions. These trends have already been interpreted in several ways. Two stand out: a coming Russian breakup and Russia leaning on China.

Many have [seen](#) Russia's recent blunders as signs of a coming Russian [breakup](#). In this narrative, Russia's mounting economic and political crises will bring the breakup of the Russian Federation along the lines of the Soviet Union. There are reasons to be skeptical of this take. While there is no doubt that centrifugal forces are mounting, the Russian Federation is a different political entity than the Soviet Union was in the early 1990s. There is no figure comparable to Yeltsin to push for a federal breakup, and the experience of two brutal Chechen wars acts as a deterrent to any would-be secessionists. In addition, the federation is much more homogeneous than the Soviet Union, with over eighty percent of its population belonging to the Russian ethnic majority.

Another potential scenario, albeit less discussed, is that of Russia leaning on its current international partnerships to sustain its power projection. Analogous to the "[deep engagement](#)" grand strategy of the United States, Russia could reaffirm its commitment to an illiberal world order to compensate for its relative decline. In addition, China's wealth could prop Russia up while it rebuilds its economy and military. Indeed, Russia's growing engagements with the former "Third World" suggest that despite the war, Russia remains committed to its global network of illiberal partners. Since February 24, Russian foreign minister Sergey Lavrov has held high-level meetings with representatives from [the Taliban](#), [the Mali junta](#), and other sympathetic rulers. Russia's military has even [hosted](#) international army games and participated in one abroad, in [Venezuela](#).

Russia's current wartime foreign relations already have features of this "deep engagement." However, Russia's existing networks hardly amount to an international

order to lean into. Even Russia's regional institutions – such as the CSTO and the Eurasian Economic Union – have failed to create durable regional orders. Leaning into China's alternative illiberal international [infrastructure](#) may offer [respite](#). But the scope of this infrastructure cannot make up for Russia's looming challenges of a depleted military, technological regression, and economic contraction. Seeking comprehensive assistance from the Chinese government in these areas would be seen in Russia as pawning its sovereignty for relief. The upshot is that faced with decline, Moscow does not dispose of the instruments to cope with decline other than retrenchment.

Russia's retrenchment is already visible across the board. Military power, technological capabilities, and the economy, more broadly, are all on a trajectory of change in the medium term, induced by the war and the policy responses to it. The timeframe of these changes can give us a notion of the depth of Russia's coming retrenchment. On the military dimension, given the destruction and lack of effectiveness shown on the battlefield, Russia will have to rebuild its forces almost from scratch. The timeframe will greatly depend on the course of the war, but any recovery will take years. According to Poland's Minister of Defence, Russia's military forces will take between three to ten years to again have the [capacity](#) to fight another large war.

Regarding technology, Russia's staggering brain drain and lack of access to Western technology have already forced Russian companies to start the transition to Chinese products. These are usually less cost-efficient than their Western competitors, and Russian users require a period of adaptation. The Russian government's (optimistic) aims are to have seventy percent of its technology purchases from Russian processors by [2023](#). In some sectors, technological adaptation will take until [2025](#). On the economy more broadly, Russia's government aims to rebuild its industrial capacity down the value and technology chain. This component of Russia's "import substitution" has been [called](#) "technologically regressive" and poses challenges of its own. Even according to Russian government plans, some of the goals of the substitution strategy will be fulfilled only by [2030](#). In sum, the rest of the 2020s will have the features of retrenchment for Russia.

A retrenched Russia will also have to reckon with challenges in its domestic politics. Signs are mounting that the war has [destabilized](#) Russia's one-man rule. Russia's battlefield setbacks empowered pro-war hardliners to criticize the Kremlin's decision not to lead the war with general mobilization. The call for partial mobilization is seen as a concession to these groups.

### **Russia Is Down but Not Out: Retrenchment and Foreign Policy**

The picture above could lead some to believe that Moscow will leave the international stage during this period of retrenchment. Yet, there are two dynamics that imply a continued Russian engagement beyond its borders. First, retrenchment implies a redirection of efforts toward core interests. In foreign policy, this implies [diminishing](#) or

abandoning non-essential commitments in favor of efficient strategic goals abroad. In the case of the United States, retrenchment advocates usually identify China as their country's foremost foreign policy priority. Second, declining patrons can still be [attractive](#). Because of their downgrading capabilities, declining patrons cannot be overbearing to their partners abroad. Then, allegiance to declining patrons can also be a source of legitimacy when the patron has a symbolic standing in international relations. Furthermore, inasmuch as the patron remains capable, it can help its partners to balance against threats.

Following the logic of retrenchment, Russia will likely recommit to the former Soviet space during its period of retrenchment. Since 1991, maintaining hegemony over the countries of the former Soviet Union has been Moscow's foremost priority. Yet, since the start of the full-scale war, signs of Russia's decline in its neighborhood are mounting. Moscow has had little say in Azerbaijan's and Tajikistan's recent aggressions on their neighbors, [Armenia](#) and [Kyrgyzstan](#), respectively, with Kazakhstan progressively [affirming](#) its independence vis-à-vis Moscow. Moscow is yet to reassert itself over its neighborhood, but its commitment remains there. The countries of the Commonwealth of Independent States (CIS) were again named as Russia's [top priority](#) in the humanitarian policy concept, signed into law on September 5.<sup>2</sup>

How Moscow will redress its decline in Central Asia and the South Caucasus is hard to imagine at this stage. Its diplomacy could become active again as its peacekeeping forces could seek a greater role in preventing further conflict. The task is more difficult than in the 1990s as China and [Turkey](#) have both become militarily involved in the region. Moscow's redirection in the region will thus face staggering challenges and choices between what is feasible and desirable. Perhaps hinting at a renewed concern over the region, on August 24, Russian minister of defense Sergey Shoigu [announced](#) that Russia would increase combat readiness across Russia's military assets in Central Asia. Shoigu identified Afghanistan's instability as the triggering factor, a [recurrent theme](#) in Moscow's rhetoric that has facilitated its presence in Central Asia for decades.

Beyond its immediate neighborhood, Russia will remain a factor in international relations. The three factors mentioned above (being a non-overbearing patron, legitimacy, and remaining capabilities) will invite countries beyond Eurasia to engage with Moscow. Russia's relationship with the Mali junta can illustrate this dynamic.

### **Mali Case Study**

Once hailed as a [deeply rooted](#) democracy, today Mali is ruled by a military junta that reached power through a coup d'état in 2020. The coup placed Bamako under international sanctions and at odds with its Western partners – involved since 2013 in the

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<sup>2</sup> It is hard to conceptualise how [offshore balancing](#), a central component of retrenchment, would play out in Russia's case partly because it is not a geographically isolated state. In other words, it has no obvious "shore" off which it would balance.

fight against the Islamist and separatist insurgencies in the north of the country. Facing isolation, the junta reached out to Russia for patronage. What Russia offers to the junta greatly overlaps with what declining, retrenching powers offer to foreign partners. This offer covers all three factors mentioned above: “hands-off” assistance, legitimacy, and regime security. Even if Russia’s wartime decline accelerated, this offer will likely remain viable because it depends on a combination of low-cost official channels and unofficial channels. This mixture has been [called](#) Russia’s “bicephalous presence” in Mali.

First, Russia’s means to discipline its Malian partner are very limited. Other than withdrawing its assistance, Russia cannot impose meaningful sanctions on Bamako. Trade and investment between the two countries are minimal, as exports to Russia did not [represent](#) even one percent of Mali’s total exports.

Second, relatively low-cost diplomatic engagement helps the Mali junta portray itself as a legitimate international actor. To be hosted by Russia’s Ministry of Foreign Affairs as a legitimate counterpart adds to the claims of proper international standing. Moreover, due to strong anti-Western [currents](#) in west African politics today, aligning with Moscow is a popular move for many politicians in the region. This is especially important for [coup leaders](#) whose legitimacy does not come from the ballot box.

Third, Russia’s offer to the Mali junta – like to other similar regimes – relies partly on non-official agents of influence, such as the mercenary group Wagner. The forces of Wagner in Mali are not numerous, but their role is to train troops and protect government officials. More broadly, their role in the conflict is [regarded](#) as an alternative to Western forces. Indeed, by opting for Russian security assistance, the Mali junta is procuring a measure of regime security against Western pressure to return the country to a democratic regime. Wagner is owned by the Kremlin-affiliated Russian oligarch Yevgeny Prigozhin and its finances – although opaque – are partly sustained by local projects. It was reported that Wagner might receive mining contracts in Mali like those it [obtained](#) in other countries where the group is present, such as Sudan.

In sum, what Russia offers to rulers is relatively low-cost and (to an extent) sustainable for regimes like the junta in Mali. Due to the reliance on semi-private actors such as Prigozhin, continued Russian retrenchment will not close all channels of contact with partners far from Russia’s borders.

### **Russian Retrenchment and Implications for Europe**

Signs have been mounting that Russia will retrench following its disastrous war with Ukraine. As the war has gone on, Moscow has realized that no short-term economic realignment is possible, so it has settled for a reorientation that will take years to mature. The call for partial mobilization will likely also expand the costs further, affecting its population even more than sanctions did. Russia will also have to rebuild its military, a

process that will take years, given the extent of the destruction suffered in Ukraine. Finally, Moscow's influence in the Caucasus and Central Asia is at a low point, so difficult decisions will have to be made about how to redress the decline in those areas.

Moscow's networks of international patronage pale in comparison to those at Washington's disposal, making any analogous "deep engagement" impossible. This does not mean that Russia will turn to isolationism, however. As the case of Mali illustrates, foreign actors will continue to see a benefit in engaging Moscow on security matters. Moscow will not have the resources to upscale its offer to these foreign partners, so it will continue to rely upon, as before, the initiative of entrepreneurs and low-cost diplomatic initiatives.

Russia's full-scale war on Ukraine is a direct threat to European security. Likewise, there is no guarantee that Russia will abandon its hostility to Europe once the war is over. The enormous sacrifice the Ukrainians have made to protect their country has given time for Europe to prepare for the possibility of a hostile Russia that is fully adapted to sanctions and other levers of pressure. For the years to come, Moscow will undertake a reconstruction of its economy and military adapted to survive under sanctions, along the lines of Iran and North Korea. This reconstruction will take years but not decades, and Europe will have to be ready for whatever emerges.

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