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RUSSIAN SPACE POLICY UPDATE

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Russian Space Policy Update **William P. Barry, D. Phil.**

Russian Federation Space Policy: Back to the Future?

With the collapse of the Soviet Union in 1992, the Russian Federation found itself the inheritor of much of the Soviet space program. However, this “new” country also had a new leadership that had little interest in a space effort that was viewed as tainted by its close association with the leadership of the Communist Party and its management through the Soviet defense industry bureaucracy. In addition, the extraordinary budgets and priorities assigned to resources designated for space efforts were a luxury that Russia could now little afford. In the face of these enormous challenges, the Russian Space Agency was created and Mr. Yuri Koptev was appointed to lead it. Such an organization devoted to civil space was a new concept, although many of the Russian Space Agency’s officials, like Mr. Koptev, had previously served in the coily named Ministry of General Machinebuilding – the ballistic missile and space ministry of the Soviet government. For the remainder of the 1990s Russian space policy was largely ignored at the highest political levels and left to survive on meager (and frequently undelivered) fiscal rations, while Mr. Koptev

courted foreign assistance and struggled to build a space agency in the Western mold.

Considering the circumstances Mr. Koptev was remarkably successful. In the late 1990s, Russia retained its reputation as a “space power” (as tarnished as that reputation may have been) largely through the central role it came to play in the International Space Station (ISS). The Russian government had also created (in September 1999) an organization parallel in title to NASA by handing Mr. Koptev control over the Russian aviation industry and creating the Russian Aviation and Space Agency (Rosaviakosmos). (The aviation industry in the Soviet Union had always been managed as a separate Ministry. One of the interesting contrasts of the Cold War is the fact that the Soviet space program effectively grew out of the artillery industry, while in the U.S. the space program had its primary roots in the aviation industry). However, the commitments to the ISS were consuming Rosaviakosmos. As the substantial hardware reserves from the Soviet era were depleted, and as contractual payments from NASA were slashed after the passage of the Iran Nonproliferation Act of 2000, Russia’s ISS commitments grew to consume 48 percent of the Rosaviakosmos budget in 2001. The simple fact that the Russian space program survived the break up of the Soviet Union and eight years of the Yeltsin Administration is a testament to the robustness of Russian space hardware, the dedication of its workers (often in the face of little or no pay), the adroitness of its leadership in adapting to new circumstances, and some good fortune in finding international partners. Yet, as the new century dawned Mr. Koptev’s amazing balancing act was becoming increasingly difficult to sustain.

President Putin referred to the space program as an engine to drive growth in high technology

Political change came just in time for the Russian space program. After Vladimir Putin became President of the Russian Federation in 2000, his government began to face the financial gap between its space aspirations and the budget bottom line. In 2000 Russia allocated a paltry \$166 million for the Federal Space Budget (aviation was still funded under a separate budget line, and this figure is not believed to include military space spending or other special space programs that are funded separately (e.g., the GLONASS satellite navigation system). Yet, in 2002, the Russian Federal Space budget began a dramatic increase; rising by over fifty percent from the 2001 figure. Much of the increase was applied to non-ISS spending (which doubled from \$95 million in 2001 to \$190 million in 2002). This budget growth trend has continued over the last five years, with dramatic growth in the overall budget, but larger part of the increases being allocated to non-ISS programs. In fact, in the last three years the Federal Space Budget has more than tripled (2003 budget: \$263 million; 2006 budget: \$793 million). Economic stability and the influx of tremendous oil wealth have allowed such increases in spending, but in comparison to aspirations Russian funding levels remain very low. Russia’s spending on space amounts to less than five percent of the NASA budget and Russia now ranks fifth in international spending levels on space (behind the United States, the European Space Agency, Japan, and China – just recently having moved ahead of India).

While the financial turn-around began in 2002, structural and personnel changes took another two years. As part of President Putin’s sweeping reorganization of the Russian government in the run-up to the spring of 2004 Presidential election, Rosaviakosmos was broken into its more traditional constituent parts. Responsibility for space was vested in the Federal Space Agency (Roskosmos) and aviation responsibilities were assigned to a separate organization. Mr. Koptev, the only leader the space agency had known, was

replaced by the then-Commander of Russian Military Space Forces, Colonel-General Anatolii Perminov. Retiring from military service, Mr. Perminov made his presence felt immediately throughout the Russian space program with a series of visits to Roskosmos facilities and contractors. At Roskosmos headquarters, he overhauled the leadership team, bringing in a number of people with whom he had worked in the military. Two years on, the continuing pace of change and increased energy is still evident at Roskosmos.

The changes at Roskosmos reflected a significant shift in Russian leadership attitudes toward space. President Putin had begun to take a positive public position on space in the year prior the shakeup at Roskosmos by referring to the space program as an engine that could drive growth in the high-technology sector. Yet, his more assertive attitude toward space became much more apparent after the appointment of Mr. Perminov in March 2004. In a first for a Russian President, Mr. Putin visited Roskosmos Headquarters to make a speech and present awards marking Cosmonautics Day, 12 April 2004. During his speech President Putin noted that:

Thanks to space research we joined the community of developed countries and established a firm foothold there. It was this sphere of activity precisely that allowed our country to achieve leading positions in a range of hi-tech fields. Moreover, since the very beginning of the space age we were aware of our special historic mission....[space should] become an arena for peaceful cooperation, based on trust, sober calculation and a clear-cut understanding of all national interests.

President Putin's support of the Russian space program is not simply a return to Soviet attitudes or a matter of nostalgia for the Soviet era. On a purely practical level, the space program is one of

Russia's few world-class inheritances from the Soviet Union. The current Russian political leadership recognizes that Sputnik and the space program were key factors that allowed the USSR to establish itself as a superpower. Although the tone may be somewhat reminiscent of the Soviet era, President Putin's accentuation of Russian space accomplishments over the last two years has not been focused on proving the superiority of his political system, as much as it has been on signaling the continued relevance of Russian power in the world. This is evident in the increased, and less cynical, Russian domestic press coverage of the space program and by the rise in the use of space cooperation as a foreign policy tool. For example, during the May 2003 visit of President Putin to Malaysia, it was announced that Russia would fly a Malaysian in space as part of a \$900 million deal to sell 18 Russian Su-30 fighter jets. Since the appointment of Mr. Perminov as head of Roskosmos in early 2004, the visibility of the Russian space program at the diplomatic level and the pace of Roskosmos international activity has further accelerated.

In another telling sign of leadership interest, space was one of fifteen long-term national "targeted programs" created for key economic development fields in 2005. The "Federal Space Program 2006-2015" was approved by the Russian Government in late 2005. It outlines the space goals for Russia over the next ten years and authorizes the expenditure of some \$8 billion dollars. Russian press reports indicate that the Roskosmos budget is expected to continue its upward climb until it reaches approximately \$1 billion per year (expected in approximately 2010). While the Federal Space Program represents a significant increase in political and financial recognition for Roskosmos, it falls far below the aspirations that Mr. Perminov suggested when the Program was first publicly discussed in the summer of 2005. Like many other Russian government agencies, Roskosmos had evidently hoped for a significant slice of

Russia's new oil wealth. Although the increases in planned spending over the next ten years are significant, Mr. Perminov himself has publicly acknowledged that the approved funding levels will be barely adequate to meet the rather limited goals of the Federal Space Program. (Interestingly, those goals have been publicly touted for their attention to services to Russian citizens, including the replacement and upgrade of long-neglected communication satellites, meteorological satellites, and remote sensing satellites. The Program has very limited space science and exploration objectives, and evidently does not authorize a human spaceflight program beyond participation in the ISS.) In fact, Russian government projections indicate that achieving the objectives of the Federal Space Program 2006-2015 will likely cost approximately \$12.5 billion. Thus, success of the Program will hinge on attracting a planned \$4.5 billion in revenues from the sale of space goods and services to international customers over the next ten years. A lackluster launch services market and the growth of launch vehicle competitors will force Roskosmos to be very creative and aggressive if it hopes to supplement its 10-year budget by nearly fifty percent through what Russia refers to as "off-budget" sources.

The last two years have been a time of significant change for Russian space policy, as the country has become more nationalistic and more capable of funding its own space programs. Political expectations have increased and Russian space efforts once again enjoy pride of place in demonstrating national capabilities. Yet, although funding increases have been generous by Russian standards, there remains a significant gap between funding needs and allocations. Success appears to continue to rely on obtaining funds from outside the country, while simultaneously acting in a way that might tend discourage significant "outside" investment. This suggests that Russian space policy is now an interesting hybrid of Soviet style attitudes and objectives and post-Soviet approaches to funding.

Whether this hybrid approach will be successful remains to be seen.

