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Follow-up Observations on Prospect Theory, the Annexation of Crimea, and the Second Invasion of Ukraine

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It was a great honor to receive so many insightful comments from such a distinguished group of scholars. Hence, I would like to thank them for taking the time to provide their thoughts on the applicability of prospect theory to the study of the annexation of Crimea. Written before Russia's 2022 war against Ukraine, my paper relied on prospect theory to clarify the decision-making processes leading up to what is termed here as the first Russian invasion, a multi-stage event including the annexation of Crimea and the war in Donbas. As Rumena Filipova and Mykola Kapitonenko observed, the paper steered away from the grand theoretical debates in international relations, adopting instead a foreign policy analysis (FPA) approach. In doing so, it contributed to the growing academic literature on prospect theory and foreign policy. Besides its theoretical and empirical focus, the article stemmed from the normative belief that Russia's 2014 war of aggression against Ukraine needs to be studied closely in order to understand what drives Kremlin's hostile policy toward its peaceful neighbor.

Consequently, it might be useful to respond to some of the questions raised in the comments, while simultaneously drawing several parallels between the decision-making processes preceding the two invasions. At first sight, both military incursions can be regarded as part of the same long-term aggressive strategy adopted by Russia toward Ukraine. Many observers would probably agree that the 2022 invasion represents a continuation of the war in Donbas, which resulted in a stalemate unresolved for eight years. Still, upon carefully considering the way in which force was used in both cases, the two interventions should be classified as distinct types of conflicts. The annexation and the war in Donbas were

instances of hybrid warfare with Russia adopting plausible deniability and denying its military involvement. This caused some ambiguity with regards to the nature of the conflict, which was adeptly exploited by Moscow. One cannot but agree with Martin Malek, who has noted that some Western political scientists, observers, and politicians stubbornly refused to identify Russia as the aggressor state, preferring to describe the annexation as a “spontaneous” and “unique” event, and the war in Donbas as a typical civil war. Often the blame for the lack of progress in peace talks was placed on domestic forces within Ukraine.

By contrast, the 2022 conflict constitutes a war of aggression conducted in a conventional manner, which leaves no doubt about the identity of the invading state, revealing the actual intentions of the power incumbent in Moscow vis-à-vis Ukraine. Since Ukraine posed no threat to Russia, the 2022 war is not a preventive war as Moscow tries to frame it. Without a *casus belli*, Russia sent into Ukraine circa 150,000 troops, shelled cities, killed civilians, captured nuclear power plants, attacked the capital, and launched airstrikes on military and civilian infrastructure as far West as Yavoriv near the NATO border. The war caused a humanitarian and refugee crisis not seen in Europe since World War II.

Unlike the annexation of Crimea, which caught many scholars and policymakers by surprise, the 2022 war was long expected. Multiple intelligence reports were published prior to its onset with most of them correctly estimating that the likelihood of an invasion was high. Such forecasts prompted Western diplomats to leave Kyiv before the fighting even began. Unlike the 2014 war, the 2022 war did not generate mass euphoria inside Russia. Instead, harsh Western sanctions were imposed with a devastating effect on the economy. The sanctions weakened the authoritarian leader, who used the war as an excuse to crack down on independent media and anti-war protesters. Nor was the 2022 war accompanied by anti-governmental protests in Ukraine, a fact pointing to the consolidation of a civic national identity. Likewise, the goal of the 2022 war went beyond the *Novorossia* plan, with Moscow now seeking to establish control over the whole of Ukraine by removing the legitimate authorities and installing a puppet-government in

Kyiv led by pro-Moscow loyalists, including some figures who had defected to Russia back in 2014.

Yet, the two wars feature similar characteristics in terms of decision-making dynamics. The same individuals, who annexed Crimea, started the 2022 war using similar pretexts. Much like in 2014, the Duma and the Security Council backed Putin's decision to recognize the secessionist republics of Donbas. After the two breakaway regions signed friendship treaties with Russia, the Federation Council authorized the use of military force, ostensibly to defend them.¹ In reality, this sequence of decisions served to mask the upcoming invasion. The pre-taped Security Council deliberations on the recognition of the two secessionist republics were made public in an effort to present Putin as a consensus-seeking leader, who consulted with other state officials before making a significant foreign policy move.² For the sake of accuracy one should note that the Security Council members did not endorse formally the invasion but only the recognition of the two secessionist republics. Similarly, in 2014 and 2022, Russian officials denied the existence of any invasion plans prior to the attack and engaged in nuclear posturing to deter Western involvement once hostilities started.

The published Security Council deliberations also revealed that Russia's leadership drew some misguided lessons from the wars against Georgia and Ukraine. Dmitry Medvedev argued that Russia would survive any type of Western sanctions, which suggests that the West's failed attempts to impose high costs on Russia for its past aggressions have emboldened Putin to initiate another war. Much like in 2014, the absence of disagreements within Putin's inner circle points to what scholars of decision-making call "groupthink," a manifestation of collective irrationality as members of the group

¹ Vladimir Putin, Address to the Nation, *President of Russia official website*, 24 February 2022, <http://kremlin.ru/events/president/news/67843>; Vladimir Putin, Federation Council Request on Authorizing the Use of Military Force beyond Russia's Borders, *President of Russia official website*, 22 February 2022, <http://kremlin.ru/events/president/news/67836>.

² Minutes of the Security Council Meeting, *President of Russia official website*, 21 February 2022, <http://kremlin.ru/events/president/news/67825>.

become reluctant to express any dissent. In this sense, Rumena Filipova raises an extremely relevant point in her comment, echoed as well by Peter Rutland, concerning the potential of constructivist theories in exploring the intersubjective construction of Ukraine and Ukrainians among the Russian elites. How else would one explain the fact that Putin's advisors and associates refer to Ukraine using the same boilerplate phrases?

Both Russian-Ukrainian wars illustrate why the beliefs of Russia's authoritarian leader matter more than his advisors' worldviews or even the actual developments on the ground. Consequently, debates about Putin's sanity have reappeared in the public sphere. As a side note, sometimes the madman theory serves well the "madman," who in bargaining situations can extract more concessions from the adversary. Other accounts allege that Putin's staff withholds inconvenient information from him out of fear. Still, the head of state is the key official responsible for starting the war, which means that an individual-level theory is needed to explain why Putin moved from the domain of gains to the domain of losses again. It is thus quite plausible that in 2021–2022 Putin perceived that he was in the domain of losses and launched the invasion to prevent Ukraine from acceding to NATO and the EU. After some initial gains, the strong Ukrainian resistance combined with Russia's blunders may have pushed Putin back into the domain of losses, which then resulted in a second phase of the war marked by reckless behavior such as the destruction of the port-city of Mariupol, the use of hypersonic missiles, and open nuclear threats. These are, of course, predictions derived from prospect theory. Still, I agree with Peter Rutland, Tor Bukkvoll, and Mykola Kapitonenko on the need to develop appropriate methods to identify what constitutes the status quo from the perspective of the decision-maker. Despite the extensive research on the topic, it seems that scholars largely rely on their judgement and knowledge of the case when identifying deviations from the reference point.

Distinguishing the reference point is further complicated by imperial legacies. If one thinks of post-imperial revanchism as the default mode of thinking in the Kremlin, one could argue that in a broader sense Putin will constantly perceive himself in the domain

of losses, regretting the Soviet demise and formulating narratives inspired by the tsarist past to justify military campaigns against weaker states. In annexing parts of neighboring countries populated by Russian speakers, complaining about Russia being wronged at the end of the Cold War, and expressing nostalgia for an imagined glorious past, Putin bears resemblance to resentful fascist leaders, who similarly took over countries invoking nationalist themes, expressed nostalgia for defunct empires, and lamented that their countries had been abused and deceived by other major powers. Such analogies proliferate in 2022. If one adds the fact that Putin refuses to recognize and respect Ukrainians as an equal nation, rejects Ukraine's borders as artificial, constantly refers to Russian exceptionalism, and is building a regime centered on a cult of personality praising masculinity, traditional values, and religious messianism, then the affinities of his regime with the ideology of the far-right becomes evident.³

Another striking aspect pertains to the similarity of the frames used to present the wars to the Russian public. The repetition of the same discursive frames over time suggests that after Crimea's annexation, a symbolic victory of sorts, Putin, failing to influence Ukrainian politics via proxy parties, returned to the domain of losses. Specifically, even though Putin emphasized NATO's enlargement as a key issue in 2022, he articulated again the misleading claims about a "cultural genocide" against Russian speakers and the need "to denazify" the country, portraying it as an anti-Russian Western-backed project created by the Bolsheviks.⁴ Both in 2014 and 2022, Putin referred to the Russian speakers of Ukraine as an oppressed group waiting "to be liberated." His essay published in mid-2021 illustrated his obsessive preoccupation with

³ The analogy between Putin's Russia and Nazi Germany has sparked a vigorous academic debate. For diverging views on the matter see Timothy Snyder, *The Road to Unfreedom: Russia, Europe, America* (Tim Duggan Books, 2018); Marlene Laruelle, *Is Russia Fascist? Unraveling Propaganda East and West* (Cornell University Press, 2021); and Marcel van Herpen, *Putinism: The Slow Rise of a Radical Right Regime in Russia* (Palgrave Macmillan, 2013).

⁴ Vladimir Putin, Address to the Nation, *President of Russia official website*, 24 February 2022, <http://kremlin.ru/events/president/news/67843>.

“losing Ukraine” and demonstrating “the cultural unity” of the two nations.⁵ Since such expectations preceding both wars proved to be wrong and far from reality, one natural question to ask is: why do Putin’s distorted beliefs about Ukrainian identity persist over time? Shouldn’t such beliefs change in light of the robust resistance mounted by Ukrainians in 2014 and 2022? Besides cognitive dissonance as a potential explanation, another one may be age. An ageing Putin is unlikely to change his core beliefs about the world.

Then, there are some empirical aspects mentioned by commentators that need to be clarified. First, in the original paper, Yanukovich was presented as a politician defending Russia’s interests in Ukraine. I agree with Bukkvoll, Kapitonenko, and Rutland, who note that Yanukovich did not have a consistent pro-Russian stance, maneuvering between the EU and Russia. While Yanukovich did indeed oscillate between West and East, during the crisis he sided with Russia, receiving advice from Putin on how to deal with the demonstrators. Moreover, the Kremlin extracted the former president from Ukraine via a special aerial operation, offering him and his associates a safe harbor to form a government-in-exile of sorts.⁶

Second, two remarks are in order on the issue of advance planning. I agree with Malek’s and Bukkvoll’s contention that the military preparations for annexation may have started months before the political decision was made. This, however, raises another problem. Prospect theory is generally applicable to explain decision-making in crisis situations marked by high uncertainty and risk. If the military component of the annexation plan was rehearsed well in advance, then the event may not have been perceived as a risky choice after all. Such a redefinition of the crisis situation would force us to come up with an alternative identification of the reference point. One might thus ask: did the military advance planning begin

⁵ Vladimir Putin, Essay on the Unity of Russians and Ukrainians, *President of Russia official website*, 12 July 2021, <http://kremlin.ru/events/president/news/66181>.

⁶ “Ex-PM Azarov, In Moscow, Proclaims ‘Salvation Committee’ For Ukraine,” Radio Free Europe, 3 August 2015, <https://www.rferl.org/a/ukraine-ex-pm-azarov-forms-salvation-committee/27167032.html>.

in reaction to an event preceding the Euromaidan or after? My point on planning referred narrowly to the discrepancy between the official Russian timeline and the inconvenient facts casting doubt on the narrative that the plan to annex Crimea was primarily designed in response to Yanukovich's departure from Kyiv. As pointed out in the article, Ukrainian officials accessed intelligence documenting three unsuccessful attempts to separate Crimea from Ukraine after the Orange Revolution. Moreover, the protracted military exercises along Ukraine's borders prior and during the annexation were perceived by decision-makers in Kyiv as preparations for a full-scale invasion much like the lengthy build-up along Ukraine's borders in 2021–2022. This could mean that Putin might have intended to launch a full-scale invasion back in 2014 to restore Yanukovich but pulled back only to intervene massively at Ilovaisk and Debaltseve, where the Ukrainian army began gaining ground against the rebels. In the absence of credible accounts from Putin's inner circle, the scenario of a Russian occupation of the entire country in 2014 was not even contemplated in this article as it was deemed too risky and brazen. However, with the benefit of hindsight, a full-scale invasion of Ukraine back in 2014 appears as a plausible development.

A minor point of disagreement concerns Bukkvoll's suggestion that neither Putin nor Surkov were serious about *Novorossia* and only used such rhetoric to radicalize the secessionist groups. This is a key point that requires a longer discussion. If one assumes that Putin and Surkov were true believers, ideologically committed to the *Novorossia* plan, then prospect theory and rational utility maximizing models are inapplicable in this case as pursuing ideological goals when faced with extremely adverse conditions can be viewed as a sign of fanaticism rather than rational calculus. While Kremlin officials employ narratives in a strategic manner, the wars against Ukraine point to both Putin and Surkov displaying a neo-imperial-nationalist mindset. Driven by nationalist imaginings of the nation, Putin expected in 2014 and 2022 to garner the Russian-speakers' support for the break-up of Ukraine into separatist republics in

Kharkiv, Dnipropetrovsk, Kherson, and Odessa.⁷ Such attempts succeeded only in Crimea, Donetsk, and Lugansk and failed elsewhere.

Along similar lines, the role of local militant secessionist groups should not be downplayed. One should keep in mind that the *Novorossia* Movement led by Pavel Gubarev transformed into a party in the so-called Donetsk People's Republic, advocating continuously for its territorial expansion. The movement included radical figures such as Andrei Purgin, who as early as 2005 was propagating the idea of secession. Bukkvoll's assessment may be accurate in the sense that Putin and Surkov were not as extreme as Gubarev, Purgin, and other local activists, who were anyway removed from their positions of power in Donetsk precisely due to their conflicts with the moderate factions backed by the Kremlin. In this sense, Surkov's involvement in the political life of Donbas is well-documented, as is his opposition to federalization, which he regarded as a shameful defeat of the secessionist cause.⁸ His accession to the party of Zakhar Prilepin, who fought alongside the Donbas insurgents, may further indicate that Surkov's views were too radical for Kremlin's changing agenda after Zelensky's victory. By contrast, Surkov's successor, Dmitrii Kozak, a long-time friend of Putin, was the author of the 2003 federalization plan for Moldova and could have added some value to the relaunched negotiations on Donbas.

7 In 2022, Russia attempted the creation of the Kherson People's Republic. For the failure of separatism in Kharkiv and Dnipropetrovsk in 2014–2015, see Quentin Buckholz, "The Dogs That Didn't Bark: Elite Preferences and the Failure of Separatism in Kharkiv and Dnipropetrovsk," *Problems of Post-Communism* 66:3 (2019): 151–60. On the attempt to set up a Bessarabian Republic see Thomas de Waal and Balazs Jarabik, "Bessarabia's Hopes and fear on Ukraine's Edge," *Carnegie Europe*, 24 May 2018, <https://carnegieeurope.eu/2018/05/24/bessarabia-s-hopes-and-fears-on-ukraine-s-edge-pub-76445>.

8 Sanshiro Hosaka, "Welcome to Surkov's Theater: Russian Political Technology in the Donbas War," *Nationalities Papers* 47(5) (2019): 750–73. doi:10.1017/nps.2019.70; and Aya Shandra and Robert Seely, "The Surkov Leaks: The Inner Workings of Russia's Hybrid War in Ukraine," *Occasional Papers Series*, Royal United Services Institute (2019), https://static.rusi.org/201907_op_surkov_leaks_web_final.pdf.

Finally, Rumena Filipova posed a crucial question worth returning to as it will remain relevant for some time: “Why does Russia take aggressive stances without regard for the attendant consequences and responses from the West?” The answers will probably differ depending on what level of analysis one focuses on. To explain Moscow’s behavior, my article adopted the FPA approach and prospect theory. In doing so, the proposed account relegated systemic factors such as the global power transition and balance of power considerations in Europe to scholars working within the IR field. Yet, system-level causes matter as well. As Paul D’Anieri has pertinently observed, Russia’s desire to achieve great power status seems incompatible with Ukraine’s aspiration to remain democratic and sovereign and to “return to Europe.”⁹ This situation is eerily reminiscent of the Cold War Brezhnev Doctrine, which stipulated that the USSR’s satellite-states in Eastern Europe could not enjoy full sovereignty in running their foreign and military affairs. Deviations were met with brute force. Thus, the Prague Spring ended with the Soviet occupation of the country.

As we know, neorealist scholars would also put much emphasis on the systemic level and argue that NATO’s enlargement was perceived by Russia as a threat, which then attacked Ukraine to prevent it from joining the alliance. Neorealist narratives may point to other system-level processes such as the American decision to end the costly wars in the Middle East as well as the strategic repositioning of the US military forces to project power more effectively in the Indo-Pacific region.¹⁰ Such perspectives discount Ukraine as an inevitable victim of great power politics, lacking any agency. However, the Ukrainian–Russian war of 2022 may prove neorealists wrong as the Russian army faces a highly motivated medium-sized nation acting in self-defence—a scenario unforeseen by both Kremlin and Western officials alike.

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⁹ For an eclectic perspective see Paul D’Anieri, *Ukraine and Russia: From Civilized Divorce to Uncivil War* (Cambridge University Press, 2019).

¹⁰ See Biden Administration, Indo-Pacific Strategy of the United States, *White House official website*, February 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.