Courting Risk: A Prospect Theory Analysis of Putin’s Decision to Invade Ukraine

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Abstract
On February 24, 2022, Russia launched a full-scale invasion into Ukraine under orders of Vladimir Putin. The invasion subsequently inspired a debate on the rationality behind this decision. The existing academic debate into the decision behind the invasion has identified both external and internal factors which can explain why this specific action may have been taken but has omitted a nuanced answer on clarifying the extent of Putin’s military actions. Prospect theory dictates that people under conditions of risk are more likely to be risk acceptant if they have experienced the context leading up to the decision to be one in which they have experienced losses. This thesis aims to explore how prospect theory can contribute to an understanding of Putin’s decision to invade Ukraine by employing a congruence analysis case-study approach. It concludes that the principles of prospect theory provide a substantiated explanation as to why Putin chose a full-scale invasion into Ukraine, demonstrating that Putin found himself in a domain of losses and opted for the option with the highest outcome uncertainty. Moreover, prospect theory also adds nuance to the existing academic debate by defining rationality as a scale with intervening factors, demonstrating that Putin’s decision-making rationality may have been impacted by his framing of losses.

Keywords
Prospect theory, decision-making, rationality, 2022 Ukraine invasion, Putin, risk, loss

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1 Introduction

On February 24, 2022, under the orders of Vladimir Putin a full-scale invasion into Ukraine was launched by Russia (Ragozin 2022). Although the American government had been warning that such a military act was imminent, to many Putin’s decision came entirely unexpected (Edinger 2022, 1882; Gomza 2022, 23; Ragozin 2022). On February 24, 2022, Al Jazeera journalist Ragozin wrote that “what seemed unimaginable to many Russia experts, including myself, just a day ago is now a reality the world will need to accept and cope with” (Ragozin 2022). That this decision caused such surprise, even though it was preceded by increasingly threatening rhetoric from Russia, was because many had deemed it an irrational decision, and therefore highly unlikely to occur (Cancian 2022; Gongloff 2022; King and Chamberlin, 2022; Kusa 2022; Liptak 2022; Moore 2022; Ragozin 2022; Roth 2022; Smith and Dawson 2022, 176; Soodavar 2022). Putin’s decision, leading to a war that is still raging as of this writing, sparked a debate surrounding the rationale behind this seemingly self-defeating act. This thesis will contribute to this academic debate by analysing how prospect theory may contribute to a further understanding of Putin’s decision to invade Ukraine.

1.1 Defining the Puzzle, Determining the Academic Gap

In the wake of Putin’s decision, following the initial surprise, academics turned to finding factors and mechanisms that could explain this decision (Edinger 2022, 1882; Gomza 2022, 23; Gutterman 2022; Lieven 2022; Mearsheimer 2022; Melvin 2022; Person and McFaul 2022, 19; Stoner 2022; Torbakov 2022; Walt 2022a). As will be elaborated upon in the next chapter, these analyses, although identifying broader patterns and incentives as well as shedding more light on the timing of Putin’s decision, often fail to provide a fully convincing explanation. Upon closer inspection many of these rationales cannot account for why Putin took such drastic measures in deciding upon a full-scale invasion as opposed to other actions. Often these analyses have not considered and discussed rationality as a concrete factor, but instead have implicitly employed the principles of rational-actor based approaches. Those analysts who did decide to engage with this conundrum often formulated responses that can be broadly divided in two opposing categories. Either Putin had received misinformation and thereby miscalculated the chances of success, or he had, for various reasons, become fully irrational (Gomza 2022, 28; Gutterman 2022; Seddon 2022; Torbakov 2022).
Nevertheless, all these explanations seem to sketch an outdated image of decision-making. Already over half a decade ago, the assumptions that people take decisions that correspond to the most mathematically rational option faced increasing criticism (Kahneman and Tversky 1979, 263; Kahneman and Tversky 1984, 341; Malecka 2020, 38; Ruggeri et al. 2020, 622). Instead, decision-making can be influenced by different factors, leading to actions that may not respond to the most logical outcome. In other words, rationality should be seen as a scale of nuance, rather than a binary option that is either present or absent.

One of the most prominent decision-making theories, treating rationality as a scale, that can contribute specifically to an understanding of decisions under conditions of risk, is prospect theory (Barberis 2013, 173; Levy 1992a, 171; Mercer 2005, 1; Ruggeri et al. 2020, 622). One of prospect theory’s main inferences is that people are more likely to be risk acceptant if they have experienced real or perceived losses in the run-up to making a decision (Kahneman and Tversky 1979, Taliaferro 2004, 187-188). In other words, people’s decisions can become more, or less risky depending on the perspective of the decision taker.

1.2 Academic Purpose and Research Question

It is crucial to establish, that the purpose of this thesis is most definitely not to condone, legitimize or excuse Putin’s decision to invade, his thoughts and behaviour, or any of the horrifying events or actions that have been committed since the beginning of the invasion. Rather, this thesis is merely trying to elucidate the process of this decision in order to provide a deeper understanding of the commencement to Russia’s invasion into Ukraine.

This thesis, thus, has a twofold academic purpose. Firstly, in shedding light on the rationality behind Putin’s decision to invade Ukraine by employing a prospect theory analysis, this study contributes to a deeper understanding behind the decision mechanism for Russia’s invasion. The proposed explanation thereby adds nuance to a generally binary academic discussion. This research, by investigating this case, can moreover demonstrate how prospect theory can contribute within the broader field of international relations, where it has remained underrepresented compared to theories that rely on more outdated rationality assumptions (Linde and Vis 2017, 102; Stein 2017b, S249).

In short, the purpose of this study is to explore how prospect theory can contribute to a deeper understanding of the decision-making process behind Putin’s decision to invade Ukraine. This research will be guided by the following research question:
• How and to what extent can prospect theory contribute to an understanding of Putin’s decision to invade Ukraine?

1.3 Structure
The ensuing chapters will answer this question. Firstly, this thesis will explore the existing scholarly literature discussing Putin’s decision to invade Ukraine in chapter 2. It will detail what explanations have been given, the content of their contributions, but also their shortcomings, to further elaborate upon the academic gap that has been sketched and stress why this research is relevant. Subsequently, this thesis will give a comprehensive overview of prospect theory in chapter 3, how it came to be, what it encompasses and how it has been utilised in international relations studies to date. Then, the methodology section in chapter 4 will start by exploring the methodological considerations for prospect theory specific to international relations, to afterwards explain why a within-case study congruence analysis is the most logical methodology for this study. It will moreover formulate concrete testable hypotheses based on prospect theory that are tailored to the case study context.

Afterwards, I will turn to the analysis in chapter 5 which will be composed of two main phases of prospect theory: the editing and evaluation phase. In chapter 6’s discussion I will review the previous chapters, place the results of my analysis in a broader context and identify avenues for future research. Moreover, in this final chapter I will present a final answer to the research question.
2 Prodding the Puzzle: Existing Explanations

Following the Russian invasion into Ukraine, analysts seemed to be puzzled by the rationality behind Russia’s decision, with some even suggesting that Putin had become irrational (Cancian 2022; Gongloff 2022; King and Chamberlin, 2022; Kusa 2022; Liptak 2022; Moore 2022; Ragozin 2022; Roth 2022; Smith and Dawson 2022, 176; Soodavar 2022). Since then, various experts have tried to clarify underlying factors that could explain the invasion. The purpose of this chapter is to provide a brief overview of existing explanations and identify the academic research gap. It will start by identifying explanatory frameworks analysing external factors. This will then be complemented by discussing theories focusing on internal developments. Lastly, this chapter will indicate where and in what manner prospect theory may contribute to a deeper understanding due to its contribution to the rationality debate.

2.1 A Realist Perspective: Mearsheimer and co.

One common external-factor explanation has been given by those who classify themselves to be ‘realist’, often inspired by the writings of John Mearsheimer, an influential IR scholar who had given a leading analysis on Crimea several years prior (Rösch 2022, 203; Smith and Dawson 2022, 176). They have asserted that (different versions of) realism could adequately explain, and perhaps could even have predicted, the invasion by looking at NATO’s eastward expansion (Walt 2022b). However, as Smith and Dawson phrased, “realism is not a monolithic theory of IR but rather a broad church ‘tradition’ that encompasses many different theoretical, methodological, epistemological, and ontological positions” (Smith and Dawson 2022, 178). And as Rösch points out, Mearsheimer’s explanatory framework, although popular, is just one among many and should not be conflated with the concept of realism (Rösch 2022, 206).

How then has Mearsheimer explained the invasion into Ukraine based on this perception of international relations? Mearsheimer argues that Putin did not decide to invade Ukraine based on ideational notions of the restoration of a great empire, but rather because he wanted to prevent Ukraine becoming “a ‘springboard’ for Western aggression against Russia” (Mearsheimer 2022). Since the dissolution of the Soviet Union, NATO has had several phases of eastwards expansion. And although some claim that NATO is a purely defensive alliance, and therefore Russia should not be concerned, due to the uncertainty of the international system security for Russia cannot be guaranteed in Putin’s eyes (Mearsheimer 2022).
Mearsheimer illustrates his argument, demonstrating that the reality of NATO enlargement expanding to Ukraine had become more probable in the years preceding the invasion. For example, after the events of Euromaidan NATO assisted the Ukrainian army by means of training. Additionally, Zelensky, although initially more restrained in his approach, embraced the idea of NATO membership in 2021 while simultaneously adopting a hard-line approach to Russia (Mearsheimer 2022). This increased Ukrainian enthusiasm was welcomed by the United States, which ultimately led to a concrete threat, namely the “US-Ukraine Charter on Strategic Partnership” (Mearsheimer 2022). Meanwhile Russian concerns about NATO enlargement had been structurally ignored by the United States since the 1990s. Thus, when Russia’s demands of a guarantee specifying that Ukraine would not become part of NATO were once again dismissed in 2021, Putin saw no other option but to launch the invasion (Mearsheimer 2022).

This explanation of NATO enlargement being a so-called “deep-cause” has found resonance among several other prominent (offensive) realist scholars. For example, Walt specifies that western hubris and liberalism led the United States and its European allies to structurally dismiss Russia’s safety concerns and expand NATO, because the threat of war had surely passed after the end of the Cold War (Walt 2022a). Lieven likewise argues that the United States and Europe continuously ignored Russian apprehension from the 1990s. He demonstrates that threats posed by NATO were more immediate than most people in the West believed. If Ukraine had joined NATO prior to the Crimean annexation, Russia would have been expelled from their naval base in Crimea (Lieven 2022).

All three scholars emphasise that the invasion should be understood from a structural realist point of view. If a great power, which has not shown sufficient inclination of cooperation due to continual dismissal of concerns over the last decades, is encroaching on one’s borders, it is only logical to expect a counterreaction (Lieven 2022; Mearsheimer 2022; Walt 2022a). After all, the United States has a very similar philosophy when it comes to the Monroe Doctrine (Lieven 2022; Mearsheimer 2022; Walt 2022a). Thus, the invasion into Ukraine is not only logical, but should have been expected (Lieven 2022; Mearsheimer 2022; Walt 2022a).

2.2 Moving beyond the External Perspective

Although Mearsheimer’s explanation has been influential, it has also been criticized by many (Rösch 2022, 204). Some have argued that if one were to follow Mearsheimer’s offensive realism’s teachings, it could also follow that the United States and European powers would
have wanted to expand eastwards (Smith and Dawson 2022, 181). For instance, Edinger theorizes that according to offensive realism, NATO should have expanded sooner. In this case, Crimea would most likely not have been annexed had article 5 been in place. He furthermore argues that Russia should have factored in this western attitude, as the international structure pushes their actions in this direction (Edinger 2022, 1877).

Another more general criticism is based on analysts relying too heavily on the external dimensions approach. In doing so, they might overlook the importance of internal domestic factors, which are crucial for a deeper understanding of the decision to invade Ukraine. Waltz, one of the originators of structural realism, and most other structural realists acknowledge that their realist framework recognizes broader patterns instead of interpreting concrete events (Edinger 2022, 1879; Smith and Dawson 2022, 181). Indeed, Waltz states that “the theory does not tell us why state X made a certain move last Tuesday” (Waltz 1979, 121). Why did Putin decide to invade Ukraine specifically in February 2022? Was this solely motivated by external actions of the west?

Mearsheimer himself does not deny this fact and in his explanation also makes use of internal explanations to support the overarching external-dimensions explanation he has offered to elucidate why Putin made this move at this time (Smith and Dawson 2022, 181). Nevertheless, although contributing significantly to exploring the external dimensions which may have affected Putin’s decision, for a fuller comprehension, many academics have discussed internal factors in more depth (Edinger 2022, 1874; Smith and Dawson 2022, 177).

Within the broader tradition of realism, there are those scholars who focus specifically on supporting broader external, and often realist, dimensions by examining internal factors. For example, Morgenthau’s classical realism argues that after security has been reached, power may be searched by leaders for prestige reasons (Morgenthau 1947, 165). Some have argued that a search for prestige is a particularly salient explanation for the invasion (Edinger 2022, 1886; Smith and Dawson 2022, 188). Smith and Dawson moreover elucidate that neoclassical realism should be considered as a theoretical framework for this case study. Rose, its founder, explains that neoclassical realism believes that structural factors are leading, yet they can be manipulated by intervening unit-level factors and processes (Rose 1998, 146). It thus allows for considering factors such as misinterpretation, ideology, the specific psychology of those in charge, domestic foreign policy making processes etc. (Smith and Dawson 2022, 191).

The aforementioned theories, although relying to different extents on internal factors and focusing on different elements, each ascribe to the presumption that the absence of a higher governing mechanism on the international plane, also known as anarchy, inevitably leads to
competition between states. Other scholars instead opt for, for example, a constructivist approach. Constructivism questions whether self-help and survival behaviour is predetermined due to the presence of anarchy, as most realists presume. Rather “anarchy is what states make of it” (Wendt 1995, 395). If a state who is considered an ally has significant military capabilities this may be a comforting rather than a worrisome thought. In other words, the essence of states, their identity, and not merely their capabilities, is important to understand states’ actions internationally. These internally focused explanations should therefore also be considered in the decision to invade Ukraine, because they give a comprehensive overview of the internal dimensions angle.

2.3 Understanding Internal Factors

Thus, I will now turn towards explanations which employ internal factors for their core explanation of the invasion to get a deeper understanding of this dimension. A first group considers there to have been perceived threats to the survival of Russia as imagined by Putin. In these explanations threats may have come from within as well as from abroad, and their interpretation of survival encompasses saving the identity of the state. Due to their focus on saving the identity of Russia, regardless of the origin of the threat, they have here been classified as internal dimensions’ explanations.

Some have argued that the primary reason for Russia to have invaded Ukraine has not been NATO expansion, but broader democracy expansion as a threat to Putin’s autocratic regime (Kramer 2022; Person and McFaul 2022, 19; Stoner 2022). Person and McFaul illustrate that Putin did not seem to mind NATO or its expansion in the early 2000s. Only when calls for liberal democracies increased in Ukraine, and Georgia, did Putin start blaming NATO (Person and McFaul 2022, 21-23). Putin ultimately wanted to prevent successful democracies in the vicinity of Russia, as this could demonstrate that Putin’s autocratic approach had an attractive alternative. Particularly a democracy in Ukraine, which he believed to have had a similar culture and history, could lead to adverse effects in Russia. Therefore, Putin decided to take increasingly belligerent action, justified by a looming security threat from NATO (Person and McFaul 2022, 24).

Others have shown that this threat to the regime-type did not only come from abroad through democracy expansion, but that it also came from within. Independent polling conducted by the Levada Centre indicated that in 2021 48% of the Russian population between the ages of 18 and 25 wanted to permanently emigrate (Stoner 2022). Such discontent with the
regime has also been reflected in the extent of fraud committed in the 2021 September elections, where even the Communist Party, a loyal partner to Putin’s party, called foul (Stoner 2022). Putin has a history of using foreign policy to improve his domestic standing. (Gomza 2022, 26; Seddon 2022; Stoner 2022). Indeed, as was the case after the Crimean annexation at least domestically the strategy seemed to have worked initially (Stoner 2022). Furthermore, even dictators rely on others to stay in power. Russian elites, who have supported Putin, have faced increasing sanctions and restrictions on their operations abroad. Some speculate that Putin may have acted to create a bargaining position for those whose support he relies upon (Stoner 2022).

Another explanation that falls within the category of Putin’s imagined security threats to Russia, concerns itself with what he considers Russia. Rather than looking at the state borders, some have argued that Putin defines Russia from a civilizational point of view. After the dissolution of the Soviet Union Russia has always expressed a certain responsibility for Russian diasporas. In the last decade this reasoning underwent a change from a foreign policy instrument towards an independent objective (Melvin 2022). This may explain that, according to Putin, Russians have been increasingly threatened after Euromaidan. Therefore Russia, had to act in order to protect those Russians.

Combining the threat of NATO, both to Russia’s power as well as its identity, with domestic difficulties, gives a fuller answer to the question why Putin decided to invade Ukraine. Yet, specifically the manner in which Putin undertook action remained puzzling to analysts. Why did he decide to attempt a full invasion rather than a limited incursion focused on Donbass? In trying to find satisfactory explanations, scholars have turned to looking more closely at the decision process dynamics, both to Putin as an individual and his functioning in the state apparatus.

2.4 Decision Mechanisms: A Closer Look at Putin

Some scholars have emphasized the role of Putin in the eruption of the war in Ukraine. Some have claimed that the perceived initial lack of irrationality is because Putin had, in fact, become irrational (Gutterman 2022; Torbakov 2022). According to those studying Putin’s speeches and writings, his tone had changed from a calculating statesman to one filled with emotion (Gutterman 2022). Some explain that his self-isolation during COVID may have contributed to this change, as he only saw a very limited group of sycophantic people (Gutterman 2022; Seddon 2022). Others have also pointed out that due to the autocratic nature of the regime and
presence of corruption, flawed information may have been given to Putin (Gomza 2022, 28). Not only did Putin have an inaccurate image of how Ukrainians would view an invasion, but he also did not realize that the modernization of the army had been severely undermined (Gomza 2022, 28).

Finally, according to some Putin may have been motivated by a mix of anger and the desire to restore Russia’s prestige internationally, as opposed to operating from a fear paradigm (Seddon 2022; Stoner 2022). For example, Seddon explains that Putin saw the Soviet Union crumble before him, and has since not managed to make Russia be perceived as a great power. Instead of having been pushed into a corner recently, Putin may have felt he could not get out of the corner. Invading is costly, but the world is talking about Russia again (Seddon 2022).

Most of these actor-level explanations thus end up establishing a binary level of rationality to Putin’s decision-making. On one end of the spectrum are those who have considered him fully irrational. On the other end are those who attribute the irrationality solely to hampered decision-making due to systemic errors in the apparatus which led to misinformation. Very few theories consider an answer along the spectrum, trying to see how decision-making itself can be affected. If focusing on this element, researchers often ascribe to emotion, but forego a deeper theoretical discussion. This thesis wishes to employ a probability probe study into the application of prospect theory on the decision to invade Ukraine.

2.4.1 A New Framework: Prospect Theory

It is important to stress that any decision is often impacted by a multitude of factors. After all, decisions are complex processes. The decision to invade Ukraine does not have merely one factor or framework which can explain the entire decision by itself. Some reviewed accounts tried to explain what Putin identified as the concrete threat and therefore why he decided to invade. Whether this threat was NATO expansion, democratic encroachment or negligence of Russian diasporas, these explanations try to rationalize Putin’s decision after having properly understood the “real” threat. On the other hand, there are explanations that focus on Putin specifically and the conditions he operated under, whether this concerns his personal history, mental health, or the information he ultimately received.

As demonstrated previously, the precise moment of the invasion can be understood more easily after considering both external and internal dimensions. Yet, the extent of the invasion, remains puzzling, irrational. Those who predicted Russian action, did not predict an attempt to take over Kyiv, but limited their predictions to those regions where separatist movements were
present (Edinger 2022, 1882; Gomza 2022, 23). Prospect theory is an interesting addition to understanding the decision to invade Ukraine as it may be able to attribute this extent of the invasion to increased risk propensity due to a losing frame. Rather than assuming someone to be fully irrational, both the decision to invade as well as the extent, or being unable to explain the extent, prospect theory may provide a new and nuanced perspective. Therefore, this thesis will enact a plausibility probe of prospect theory and the decision to invade Ukraine to contribute to an even more complete understanding of Putin’s decision.
3 Prospect Theory: Moving beyond Rationality

As outlined in the introduction the aim of this thesis is to gain an enhanced understanding of Putin’s decision to invade Ukraine in February 2022. It will explore a nuanced alternative to the stark extremes of conceptualizing decision-makers as either fully rational or totally irrational and idiosyncratic. This chapter will provide a concise overview of prospect theory, which provides a theoretical middle ground. It will discuss its difference to rational decision-making approaches, the core characteristics of the theory, and how it has been applied within the field of international relations.

3.1 Rational Decision-Making: Expected Utility Theory

Before the formulation of prospect theory, the most common framework to understand decision-making under risk in social sciences was expected utility theory (EUT) (Levy 1992a, 173; Tversky and Kahneman 1981, 453; Vis and Kuijpers 2018, 575). Although EUT is normative in nature, its assumptions of rationality have been applied extensively in a descriptive manner (Kahneman and Tversky 1979, 263). Although the theory was conceived to prescribe how reasonable people should make decisions under uncertainty, it was furthermore used to explain actual observed decisions (Malecka 2020, 38). After all, the logic went that most reasonable people should rationally want to follow the axioms of the model, and therefore observable human actions should be in line with the normative model (Kahneman and Tversky 1979, 263).

Laboratory experiments have revealed that empirical observations of decisions under risk do in reality not align with the predictions made by EUT, calling into question the baseline assumption of rationality, having great implications for a wide range of fields (Kahneman and Tversky 1979, 263; Kahneman and Tversky 1984, 341; Ruggeri et al. 2020, 622). The field of behavioural economics was founded on precisely this realisation that normative theories do not always accurately describe observable behaviour (Malecka 2020, 37). Yet, in 1997 Levy aptly remarked that despite EUT’s increasingly debated descriptive role, “it is ironic that … rational choice has become the most influential paradigm in international relations and political science over the last decade” (Levy 1997, 87). As of today, rational international relations theories have not yet lost their allure, remaining popular to understand political decisions (Choi 2015, 111; Jackson and Sørensen 2016, 63; McDermott 2004, 289). Due to the prominent place EUT’s
assumptions still hold in international relations, and to understand in what respects prospect theory differs, a deeper understanding of EUT is required.

In brief, EUT dictates that individuals try to maximize utility under conditions of risk by weighing the expected utility of outcomes adjusted by their respective probabilities of occurrence (Taliaferro 2004, 185). If there is an 80% chance of winning €500 or a 90% chance of winning €300, logic would dictate that one should opt for the first option as the expected utility is €400 as opposed to the expected utility of €270 of the alternative. Additionally, EUT states that after a certain point money has a diminishing marginal utility, which entails that as one gets richer, the same amount of money provides the individual with less utility than before, due to relative decline (Levy 1992a, 173). Finally, in the event of having options with similar expected utilities but vastly differing certainty levels, individuals prefer certainty. To illustrate, most people would prefer a certain €50 over a 50/50 chance of winning €100 (Levy 1992a, 173).

In international relations, the utilization of the assumptions laid out by EUT is of particular relevance in the rational approach, which is primarily represented within the broad traditions of realism and liberalism (Choi 2015, 111; Jervis 1988, 318; Wendt 1995, 392). Although rationality is not necessarily a presupposed assumption in all these interpretations, rationality is quite commonly presupposed, and has been an integral part of popular structural realist accounts of Putin’s decision (Smith and Dawson 2022, 179). According to Mearsheimer, by thinking strategically and considering the other actors involved, states make rational decisions (Mearsheimer 2001, 31). At the very core of state-behaviour as outlined by Mearsheimer’s realism, and therefore various popular realist explanations regarding Russia and Ukraine, one can thus find the assumptions of EUT.

As explained previously, there is a general lack of a nuanced discussion in the debate surrounding the understanding of Putin to invade Ukraine, with many implicitly accepting full rationality or contrarily claiming full irrationality. EUT’s assumptions, however, should be seen as purely normative, and a descriptive utilization should be carefully considered prior to applications of these assumptions. Experiments have shown that the idea of maximization of expected utility is not in line with observed individual decision-making. Therefore, the core assumption of rationality, as defined by EUT, should be questioned when examining international relations/states’ foreign policy behaviour and decision-making. After all, human representatives of the state make decisions. Hence, it is time to consider a descriptive decision-making theory for choices under risk to understand political behaviour.
3.2 Prospect Theory

Kahneman and Tversky established that the assumptions of EUT were not congruent with reality when considering decisions involving risk. They found that, at times, individuals structurally overrate the “risky” option compared to the expectations set out by EUT. Depending on the context of the decision, with the options remaining fixed, preferences switched between options (Levy 1997, 90). The rational decision-making paradigm could not account for these differences as the mathematical probabilities and potential gains had not shifted (Kahneman and Tversky 1984, 341). They developed a decision-making theory under conditions of risk which could explain real-world observations (Kahneman and Tversky 1979, 263). This theory called prospect theory has now become the leading theory to explain decisions under conditions of risk (Barberis 2013, 173; Levy 1992a, 171; Mercer 2005, 1; Ruggeri et al. 2020, 622).

Prospect theory, it must be emphasised, is a decision-making theory under conditions of risk (Levy 1997, 100). According to Vis and Kuijpers, risk should be understood as outcome uncertainty in a prospect theory context (Vis and Kuijpers 2018, 577). Taliaferro elaborates that besides this level of uncertainty, risky choices in international relations should also entail the possibility of negative outcomes (Taliaferro 2004, 183). Risky decisions thus entail an option with considerable uncertainty in its outcomes, of which at least one should be considered negative. Such decisions are not uncommon in politics, with complex and uncertain decisions with various potential outcomes being part of the job. As McDermott points out, politicians and state leaders are in fact amongst those most likely to operate in situations of risk (McDermott 1998, 3). The observations contradicting rational logic and their underlying processes and causes should thus be important in the field of political science to study political behaviour.

Prospect theory details that decisions are taken in a two-phase process. First, the editing phase occurs where several mental operations attempt to simplify the presented options. It constitutes of both the coding of a reference point and the framing of outcomes vis-à-vis the established reference point (Levy 1992a, 180). At times both processes together are referred to as “framing” (Taliaferro 2004, 185). Framing can be seen as the decision-maker’s perception of the context of the decision. Kahneman and Tversky detailed that framing can be influenced both by formulation as well as internal actor specific elements (Tversky and Kahneman 1981, 453). This should not be surprising as human thoughts are always a combination of the information at hand and individual-specific processing, such as biases or specific memories. After the editing phase is completed, a decision is made based upon these edited options in the
evaluation phase (Taliaferro 2004, 185). Based on descriptive observations, prospect theory provides several insights.

One of the first contributions of prospect theory is that the framing of outcomes is not perceived in terms of net assets, deviations in levels of wealth or welfare, but rather in terms of losses and gains against a set reference point (Levy 1992a, 174). This reference point can be the status quo but can also be based upon aspirations or expectations made by the actor (Levy 1992a, 174; Mercer 2005, 5 Taliaferro 2004, 186).

Secondly, prospect theory asserts that losses hurt more than gains please. For example, as Berejikian and Early’s figure demonstrates losing $1000 would diminish more utility than gaining $1000 would add (Berejikian and Early 2013, 651). This phenomenon is also known as loss aversion (Taliaferro 2004, 186).

[Image: Figure 1 example of loss aversion (Berejikian and Early 2013, 651)]

Loss aversion directly implies the endowment effect, a third contribution, which refers to the over-evaluation of possessions compared to comparable things which they do not have ownership over. As Levy explains the very act of acquiring something adds extra value to the thing, even for something as trivial as a coffee mug (Levy 1992a, 175). The pain of losing the coffee mug would be larger than the acquisition of a new still unowned coffee mug (Taliaferro 2004, 187). Moreover, research has demonstrated that endowment effect rapidly occurs upon acquisition of gains. Whereas losses on the other hand take a significantly longer time to no longer be considered as a possession (Taliaferro 2004, 187). Furthermore, prospect theory has demonstrated that people do not treat probabilities in a linear way (Taliaferro 2004, 187). For example, complete elimination of uncertainty is valued higher than reducing risk in the middle ratios. Studies have demonstrated that people are willing to pay significantly more to reduce
risk from ten percent to none, compared to a reduction from 20 to 10 percent (Levy 1992a, 178).

Finally, and perhaps most importantly due to different perceptions of loss and gains, people end up being more likely to accept risk or uncertainty when in a domain of losses (Kahneman and Tversky 1979, Taliaferro 2004, 187-188). Most respondents refused to stake $10 on a potential gain of $30 determined by a coin toss, showing risk aversion, yet they were inclined to take the risky option in a loss-frame scenario. When confronted with the chance to either accept $800 loss or an 85% chance to lose a $1000, most respondents preferred the chance to minimize loss, opting for the latter alternative, despite the higher risk (Kahneman and Tversky 1984, 342). This predictive causal mechanism explaining risk acceptance as a consequence of framing has been of particular interest, especially at the very introduction of prospect theory into the field of international relations to understand crisis decisions (Stein 2017b, S252).

3.3 Literature Review: Prospect Theory in International Relations

After having reviewed the theory, the existing prior research must be considered with a dual purpose in mind. Firstly, it will provide an example of applied prospect theory to explain how prospect theory can elucidate decisions beyond a rational perspective. It will moreover present an overview of the development of prospect theory within the academic discipline of international relations, and more specifically international security.

3.3.1 McDermott: the Iranian Hostage Situation

In 1992 political psychology published a special issue dedicated to prospect theory, supplying one of the earliest considerations of the value prospect theory may hold for foreign policy decision-making (Farnham 1992a, 167). In its pages, several good examples of using prospect theory to study decisions made by elites during crises can be found, such as McDermott’s study of Carter’s decision in the Iranian hostage situation, which will be used to provide some more insight into a case-study approach of prospect theory.

In the 1992 article McDermott observed that there was a need for a closer examination of the Iranian hostage rescue mission as structural realism was unable to provide a satisfying answer. According to McDermott, structural realism would suggest that a great power such as the United States would be unlikely to get entrapped in a hostage situation with a smaller power such as Iran. Moreover, in the event that this situation would occur, a great power should find
a way to resolve it by sheer power dominance (McDermott 1992, 238). Yet, the United States did not avert the hostage crisis in late 1979, lasting a little over a year.

Following this rationale, McDermott concludes that a non-rational theory may be better suited to explain the situation at hand. She argues that President Carter found himself within a domain of losses, caused by both domestic as well as international factors. In the months after the hostage situation, diplomatic efforts seemed to be fruitless. Even before the situation in Teheran, a substantial part of the American public disagreed with Carter’s foreign policy. After the hostage taking this started translating into diminishing polls in 1980. Due to the time and energy the hostage situation cost, other policies concurrently started receiving less attention, leading to further dissatisfaction among the public. Simultaneously, the United States was facing increasing criticism from states abroad for its weak stance regarding Iran (McDermott 1992, 240-241).

Finally, via careful process tracing, McDermott concludes that due to this perception of loss, the choice for a risky rescue operation with little probabilities of success was chosen. Carter appeared to believe that despite the small likelihood of success, the most favourable outcome which constituted a reversal of losses fell within the range of possible outcomes (McDermott 1992, 253). For Carter this seemed to be enough to opt for the option with the highest outcome uncertainty, and worst overall potential outcome: outright failure to rescue the Americans. Therefore, rather than taking a loss averse approach, Carter decided to engage in the Iranian hostage rescue mission which ultimately led to a premature retreat with eight casualties and four injured (McDermott 1992, 260).

3.3.2 Tracing Prospect Theory’s Contributions
In these early stages of exploring the utility of prospect theory in an international relations context, like the McDermott study, a case study approach was often employed to understand individual decisions (Berejikian 2020). And although case study applications remain the most common application, subsequent research additionally focused more heavily on theoretical advancement (Berjikian 2020). Concepts such as deterrence, compellence and bargaining were analysed based on the descriptively generated assumptions of prospect theory as opposed to being automatically informed by the traditionally rational perspective (Berejikian 2004; Schaub 2004, 389). The applicability of prospect theory has also been tested at times in larger N-samples, such as in the article by Berejikian and Early which found that American policy
makers are willing to fight harder and longer in trade disputes with loss-preventive objectives (Berejikian and Early 2013, 649; Stein 2017b, S255).

Another major tenant of the scholarly pursuit of prospect theory in international relations has determined the parameters of the theory in an international relations context (Stein 2017b, S255). The strength of framing has been found to depend on conditions. To illustrate, tendencies towards risk seeking are smaller in monetary problems compared to real-life human problems, where this behaviour is amplified (Stein 2017b, S255). Other scholars have tried to establish whether the type of individual who takes a decision has a large influence on the process of framing. For example, scholars have been interested whether students are a representative group or whether experts and political leaders experience risk acceptance in a similar manner when placed in a domain of losses (Kühberger 1998, 45; Linde and Vis 2017, 114). Finally, academics have been researching to what extent framing is individual-specific. Under specific conditions groups may be subject to similar processes as individuals, or even end up in more extreme risk acceptance than individuals due to group think (Boettcher 2004, 331; Stein 2017b, S256-257; Vis 2011, 334).

Despite all of this research, prospect theory has been generally accepted to not have widely diffused into the field of international relations compared to other social science disciplines (Linde and Vis 2017, 102; Stein 2017b, S249). Stein explains that part of this can be accounted for by the usual lag economic theories have in diffusing into international relations in combination with the initial reluctance of policymakers to consider the possibility of factors that may diminish what they perceive as rational thinking (Stein 2017a, 10-11).

At the same time, she also explains that a considerable amount of hesitation has stemmed from the translation process of economic experimental work into an international relations context (Stein 2017b, S250). Therefore, a considerable body of the work on prospect theory has focused specifically on working through methodological issues that accompany the adaptation of a theory which originated in experimental settings into the field of international relations (Stein 2017a, 3). These methodological issues have formed a fascinating debate amongst those scholars interested in prospect theory within the field of international relations and will be discussed more thoroughly in the next chapter concerning methodology of this thesis.
3.4 Summary: Core Elements of Prospect Theory

The main insights of prospect theory are that the framing of a decision becomes critical, as losses relative to the reference point may result in increased risk acceptance, leading to riskier behaviour. In international relations, this theory, although not yet broadly applied in decisions under conditions of risk, has led to both theoretical development of prospect theory within international relations as well as in-depth studies of past foreign policy decisions. This thesis will apply prospect theory to research Putin’s decision to invade Ukraine and see how this theory can contribute to a deeper understanding.
4 Methodology

As has been demonstrated in the previous chapter, prospect theory presents an alternative to rationalist theories for decisions under risk which brings interesting opportunities for the field of international relations. As McDermott rightly points out, prospect theory facilitates researchers to ask new questions, and find new answers, “thus illuminating previously ignored aspects of decision problems” (McDermott 2004, 290). Yet there are certain methodological challenges that must be considered first. (Linde and Vis 2017, 102; Stein 2017b, S249).

This chapter will first review these challenges. Then, it will explain why a congruence analysis case study approach is the most appropriate to study the puzzle represented by Russia’s decision to invade Ukraine in 2022 in this study. Finally, it will provide brief overviews on the process of data collection and the limitations attached to this thesis.

4.1 Methodological Considerations for Prospect Theory in International Relations

As prospect theory was initially developed within an economic context, the transferal of its ideas and principles may be challenging to international relations’ scholars. As Levy explains, prospect theory was developed in settings where subjects were usually given a choice between two alternatives, often one certain and one uncertain, with known probabilities. Moreover, the researchers ensured that in their designs they could test factors under ceteris paribus conditions across large samples to ensure that threats to causal validity remained minimal (Levy 1992b, p. 292).

One of the most common concerns for international relations scholars interested in the application of prospect theory is that it lacks a theory of framing (Boettcher 2004, 332; Levy 2003, 233; McDermott 2004, 304; Mercer 2005, 3; Stein 2017a, 3; Vis 2011, 335). In most of the original research, the main focus was on the editing phase, with the framing being constructed by researchers (Levy 1992b, 292; Taliaferro 2004, 191). However, in international relations understanding critical decisions by foreign policy leaders, such as those in crisis situations, are being studied. This requires a framing to be reconstructed on past events, rather than producing one for the decision actor to engage with. The original theory provides little guidance on how to establish this context (Stein 2017b, S252).

Over the past decades international relations scholars have settled on a potential approach to determine the framing of a decision-maker. First, one must define the reference point and the deviation from this reference point to determine whether the actor was
experiencing losses or gains. Then, one should reconstruct the identified options and their respective potential outcomes while establishing the probability of each option. Finally, one should assess whether the decision maker’s actions were predicted conforming to the hypotheses of prospect theory (Levy 1992b, 296; Stein 2017b S253; Taliaferro 1998, 109). Nevertheless, although this broad approach identifies which individual elements need to be established for the theory to be properly applied, it does not yet give adequate guidance as to how all of the individual steps should be determined.

The key to most international relations applications of prospect theory on a single decision is an in-depth case-study approach to establish both the reference point and the deviations from said point (Berejikian 2020). As Levy explains this task is made slightly easier by the fact that political leaders often employ words such as loss and gain in public speeches (Levy 1992b, 291). At the same time, public statements made available by leaders may have been created with multiple purposes in mind, for example to convince society of their actions. In this situation discussions of losses or gains may be skewed compared to the internal perception of loss or gains of the decision taker. However, while it may be impossible to ever get inside the decision maker’s head, external conditions can be determined in combination with such statements to get a general indication of a losses or gains perspective. McDermott uses an analogy of a thermometer to clarify this point. If a researcher wanted to establish whether someone felt cold or warm, but was unable to ask the question directly, they could look at a thermometer to form a credible hypothesis. If the thermometer reads -15°C, chances are that the person in question was feeling cold (McDermott 1992, 240). If this is moreover corroborated by a statement of the person to their friend that they feel cold, one can reasonably assume that the person is cold. The same principle holds for determining the reference point and its deviations with prospect theory.

Determining the risk levels of options may perhaps be even trickier due to the theory being placed within a context where quantitative measures are not always available. McDermott has solved this issue by taking success probabilities reports of the different available options (McDermott 1992, 257). In the case of Russia’s invasion into Ukraine such reports are likely unavailable. Nevertheless, by comparing the likely available options a ranking of risk should become apparent based on both the range of potential outcomes, as well as their likely success as informed by material capabilities (Berejikian 2004, 18).

Another pressing concern for international relations scholars in applying prospect theory is that unlike in experimental settings, the decisions are rarely taken in a vacuum (Levy 1992b, 293). There are several issues that stem from this realization, which will be discussed
and dealt with more thoroughly in turn. Firstly, while prospect theory is an individual decision maker theory, important decisions are often assumed to not be taken by one individual, but rather by a group of policymakers (Berejikian 2004, 19; Shafir 1992, 313; Stein 2017b, S255; Vis 2011, 334). Secondly, gains and losses may operate in multiple dimensions, and these may negate each other at times (Levy 1992b, 286; Taliaferro 2004, 192). Finally, not unlike other theories, there may be other factors that affect the decision next to those laid out by prospect theory (Levy 1992b, 304-305).

Prospect theory was developed to explain the propensity for risk by individual actors, yet in an international relations context, often decisions are made by groups of people. Initially, many scholars were concerned whether groups would fall within the scope of the theory (Shafir 1992, 313). Since then, research into the scope of prospect theory in an international relations context has given indications that similar processes are at work in a group setting in the right conditions (Stein 2017b, S256; Vis 2011, 334). Other researchers have dealt with this issue by focusing specifically on individuals (McDermott 1992, 237; Farnham 1992b, 205). In crisis situations facing complex decisions regarding war and peace in particular, decision making is often reduced to one individual or a very limited group of individuals which can be analysed individually (Levy 2003, 233). It is safe to say that decision making in Russia is highly centralized in general, and therefore that an application of individual-based theory looking at a decision regarding war should be appropriate. This thesis will hence focus on Putin’s framing and subsequent decision.

Another difference with the experimental context is that political leaders can experience gains and losses in multiple dimensions simultaneously (Taliaferro 2004, 192). To illustrate, leaders may have experienced a sense of loss internationally, but do not wish to jeopardize the domestic situation which has been operating in a domain of gains. If domestic and international frames do not enhance one another, but instead counteract, it is important to determine which one is stronger to establish the overall framing (Taliaferro 2004, 193). For example, Taliaferro assumed based on the school of defensive realism that international factors weigh more heavily in an international context (Taliaferro 2004, 193). Nevertheless, in the event that such a balance has to be drawn, a further assessment of the relative weight will then be provided.

Finally, prospect theory is just one among other explanatory factors for risk propensity (Levy 1992b, 304-305). For instance, Keller and Foster found that levels of self-confidence also explain risk acceptance (Keller and Foster 2012, 581). At the same time, although less likely, individuals may follow a rational, as defined by EUT, approach (Levy 1992b, 307). To illustrate, our “cold” person may not actually feel cold, because they have been wearing 7 layers
of clothes while doing physical activity. It is thus not only important to test the applicability of prospect theory, but moreover consider a myriad of other explanatory theories to understand a case (Fuhrmann and Early, 2008, 21; Levy 1992b, 307). For that reason, this thesis discusses prospect theory in comparison to the previous explanations detailed in a previous chapter, providing a step towards a more thorough and comprehensive understanding of Russia’s/Putin’s decision to invade Ukraine.

Before this section is concluded it is important to remark that prospect theory is not alone in facing methodological problems. Rational theories first of all suffer from a lack of descriptive evidence and should attempt to find the scope in which they do apply. Moreover, they experience the same aggregation and other explanatory factor challenges as prospect theory (McDermott 2004, 304; Stein 2017, S256). In other words, methodological challenges are not new to the field of international relations, and if considered, will present a fair image of what can and cannot be explained.

4.2 Case study approach

As stated before, most applications of prospect theory in international relations to study specific decisions rely on an in-depth case study approach (Berejikian 2020). Following this tradition, this thesis will employ a case-study method. This section will explain in more detail why the case of the decision to invade Ukraine is chosen and what the parameters are of the case. Moreover, this section will specify that a causal case study is particularly appropriate, in specific the approach of congruence analysis for the purposes of this thesis.

4.2.1 Case and Theory Selection: Puzzle of Irrationality

According to Gerring a case study should be seen as the study of a spatially and temporally delimited phenomenon of theoretical significance (Gerring 2017, 27). The phenomenon of theoretical significance in this instance is Putin’s decision to invade Ukraine. Following the invasion of Russia into Ukraine, newspapers and research institutes released a myriad of opinion pieces either explaining why this decision should be interpreted as a rational decision, or why it was in fact irrational (Cancian 2022; Gongloff 2022; King and Chamberlin, 2022; Kusa 2022; Liptak 2022; Moore 2022; Ragozin 2022; Roth 2022; Smith and Dawson 2022, 176; Soodavar 2022). Yet, although existing explanations have contributed significantly to understanding why Putin decided to act, the extent of his actions cannot be satisfactorily answered as of yet.
This thesis is thus interested in exploring the decision to invade Ukraine on the 24th of February 2022. It will use prospect theory to generate a new analysis, as it moves beyond the concept of rationality as defined by EUT, having found causal cognitive factors which influence decisions under conditions of risk. Additionally, previous explanations have not generally considered this dimension offered by prospect theory, even when trying to move beyond the implied rationalism of Mearsheimer’s type of realist explanation. Finally, prospect theory offers a nuanced perspective on irrationality. Rather than drawing a binary distinction between rational and insane, it explains why normal human beings may under conditions be influenced to deviate from the option that seems most logical.

4.2.2 Causal Case Study
One of the strengths of case studies is that they can explore causal mechanisms well (George and Bennett 2004, 21). As George and Bennett explain, within a case the entire context may be considered, so that subsequently a large number of potential intervening valuables can be identified and researched next to the predicted causal mechanism (George and Bennett 2004, 21). Such case studies focused on causal mechanisms in which X influences Y are referred to as causal case studies (Gerring 2017, 63). As prospect theory is a theory based on the causal mechanism of the framing on risk propensity, a causal case studies approach would be most suitable. Causal case studies need not necessarily generate new hypotheses but may also be used to test existing theories based on causal mechanisms to give explanations of the cases in question (George and Bennett 2004, 21).

According to Blatter and Blume there are three distinct types of causal case studies: co-variational case studies, process tracing case studies and congruence analyses (Blatter and Blume 2018, 315). The most dominant causal case study is the co-variational type which tries to establish a mechanism of X affecting Y by considering different instances in either space or time to see if the effect is robust (Blatter and Blume 2018, 319). Process tracing and congruence analysis differ from co-variational as they focus more deeply on the causal mechanism itself, often with a within-case approach (Blatter and Blume 2018, 319; Wauters and Beach 2018, 284). Beach and Pedersen explain that process tracing attempts to identify “a process whereby causal forces are transmitted through a series of interlocking parts of a mechanism to produce an outcome” (Beach and Pedersen 2013, 13). Congruence analysis differs from process tracing in that it does not unpack each part of the causal mechanism (Wauters and Beach 2018, 296). Rather congruence analysis uses several theories from which concrete expectations can be
deduced, to subsequently assess the relative strength of this theories to explain the case in question (Wauters and Beach 2018, 296).

Both within-case approaches could be used to study the relevance of prospect theory in specific situations. As prospect theory requires an in-depth approach to establish the editing phase (reference point and its deviation as well as the options with their respective potential outcomes and probabilities), a full and detailed unpacking of the causal process would be desirable. It is therefore not uncommon to see process tracing methods applied within the field of prospect theory international relations (Stein 2017b, S253). At the same time when one wishes to consider prospect theory in relation to other theories or explanations as Levy proposes, congruence analysis may be a good fit (Levy 1992b, 307).

In the instance of this thesis the primary goal is to explore the puzzle of rationality presented by the decision to invade Ukraine in February 2022. Owing to the discussion regarding the decision’s, and by extension Putin’s, “rationality” this thesis is particularly interested in testing a new theory which looks at how rationality may be affected. Many explanations presuppose rationality as defined in economic terms in decisions, whereas prospect theory argues that this type of rationality is not very common and instead the type of framing alters risk propensity. Other explanations have verged on declaring Putin fully irrational, which is the other extreme on the spectrum of rationality. Thus, a congruence analysis seems more appropriate to have a first exploration of how prospect theory can contribute to the understanding of Putin’s decision. Finally, this thesis has limited time resources and gaining access to a sufficient pool of sources to attempt a process tracing approach may be beyond the realm of possibilities for now due to the decision having been taken recently and the war still being ongoing.

4.2.3 Congruence Analysis

In very simple words congruence analysis uses theory to form hypotheses and assesses whether these are congruent with the observations of the case. In particular, congruence analysis focuses on theories which incorporate a causal mechanism between a dependent and independent variable. The analyst generates hypotheses based on the theoretical mechanism. If the independent variable is present in the case and the outcome of the dependent variable is in line with the theory, a causal relationship may exist (George and Bennett 2004, 181). Congruence analysis generates more explanatory power when considering counterfactuals developed by various theories, as less alternative explanations remain unexplored (Blatter and Blume 2018, 326).
Wauters and Beach consider several key steps to employing a successful congruence analysis. Firstly, one should determine the explored case(s) and relevant theories. In this thesis the case will be the decision to invade Ukraine explored by prospect theory. Then hypotheses based on the theory need to be generated and their relation identified, with potential contradictions and overlap being acknowledged. Subsequently, limitations to the evaluation of these hypotheses should be discussed. Finally, after having collected the data, inferences should be drawn based upon the initial hypotheses (Wauters and Beach 2018, 298).

4.2.4 Hypotheses

Based upon the theory reviewed in the previous chapter, one can generate the following hypothesis regarding the decision to invade Ukraine:

- **Main hypothesis:** Putin found himself having experienced losses compared to his reference point which led him to be more risk acceptant than expected utility theory would predict.

Prospect theory, however, has several observable steps which together generate the main hypothesis. There must be a clear reference point, an observable deviation from said point, clearly outlined options and their respective risks and gains, and the ultimate decision. If the reference point and the corresponding deviation are in a losing frame, then the ultimate decision should be in line with increased risk acceptance. These general steps can form the following concrete subhypotheses for the purposes of this thesis:

- **Subhypothesis 1:** Putin has a clearly observable reference point based on the expectation that Russia is a great power to be reckoned with, if not now than in the future, and should therefore be duly respected.
- **Subhypothesis 2:** Putin has experienced losses regarding this expectation of being a great power, both domestically as well as internationally.
- **Subhypothesis 3:** Putin had several options to consider when faced with the decision to invade Ukraine and opted for one with higher risk.

4.3 Data Collection: Identifying the Framing, Outcomes and Risk

To the knowledge of this author, a full prospect theory analysis, requiring the previously described steps, has not been applied within the context of recent Russian-Ukrainian conflict. Emulating previous prospect theoretical analyses, this thesis will use primary data consisting
both out of statements by Putin and other political elites as well as data that should corroborate their statements to reconstruct the framing.

Recently, Driedger published an article specifically looking at establishing relative levels of risk acceptance by conducting both within and between-case study analyses (Driedger 2023, 5-6). He thereby provided a first insight into potential results from an in-depth prospect theory evaluation-phase analysis. Driedger assessed that Russian decision-making and the risk attached to the opted for outcomes and concluded that risk acceptance has indeed risen (Driedger 2023, 3). His article used a wide range of sources to reconstruct relative risk levels, using data similar to those required for the framing stage (Driedger 2023, 5). The analysis will follow Driedger in establishing relative risk levels using these types of sources. However, rather than employing a between-case study analysis for relative risk assessments, this thesis will discuss the different options that were available to Putin in this one case to determine levels of relative risk.

In short, the data for both the editing as well as evaluation phase of this thesis will therefore consist of both public announcements, statements and speeches as well as external conditions which can provide further insight into the different elements underlying prospect theory.

4.4 Limitations

Earlier, this chapter has reviewed the methodological challenges of prospect theory. Nevertheless, there are some final limitations of this study that must be emphasized prior to the analysis. Firstly, as mentioned previously, it is impossible to be in the mind of the decision-maker, and although the combination of statements and other external conditions provides a good approximation, there will always be a certain degree of uncertainty. Moreover, congruence analysis has bound causal explanatory power, as this is not its purpose. This thesis will apply prospect theory to the decision to invade Ukraine and assess its strength for the reasons outlined previously in combination with the bounded viability of this thesis. Nevertheless, this entails that other potential factors for the decision to invade Ukraine will not be analysed in depth, beyond what has been provided in the previous sections, which diminishes its capacity for a full causal overview. Finally, there may not be enough data available for the proposed analysis due to the ongoing war and the limited access to sources from Russia. Although this thesis will attempt to provide a well-supported overview for both theories, more convincing evidence may only become available in the future. Finally, although
the author has some Russian language knowledge, it may not be sufficient to comprehend Russian texts fully, and English sources will be used where possible, putting a further strain on data collection.

4.5 Brief Summary on Methodology
In summation, this chapter has provided a discussion on the methodological challenges which are attached to prospect theory. Furthermore, it has established that there is a puzzling debate regarding the rationality of Putin to have invaded Ukraine in 2022 which can be best researched via a congruence analysis within the framework of a master’s thesis. This chapter has furthermore generated the necessary hypotheses which will be tested in the ensuing chapters. Finally, this chapter has recognized several limitations for its study, specifically regarding bound causal exploratory power and limits to data collection.
5 Analysis: Editing and Evaluation

This chapter will analyse the decision to invade Ukraine by following the phases outlined by prospect theory. First, it will start reconstructing the editing phase, by identifying Putin’s reference point and his subsequent deviation from this point. Afterwards, the evaluation phase will be established by detailing Putin’s available options and their relative risks. This chapter will demonstrate that the results found in the analysis are congruent with the expectations of prospect theory, establishing that prospect theory has considerable explanatory power as a factor in the decision to invade Ukraine.

5.1 Editing Phase

As previously outlined, the editing phase, or framing, consists out of two different processes: the construction of a reference point, and the deviation from this imagined point. The reference point can be informed by several orientations, from the status quo to aspirations or historical analogies (Mercer 2005, 4). I have collected a wide range of texts, articles, speeches, press conferences, radio performances and other sources in which Putin communicates his thoughts vis-à-vis the situation in Ukraine up until the eventual decision to invade. This collection has a primary focus on the year leading up to the invasion, resulting in the analysis presented here. It is important to remark three things prior to turning to the editing phase.

Firstly, in the primary data considered, Putin does not always clearly outline his reference point separately from the subsequent deviation. Rather, most often both thoughts are communicated in the same sentence. For the sake of clarity, however, this analysis has chosen to present a clear delineation. Secondly, it is important to distinguish between short-term political communication and longstanding rhetorical patterns. Short-term communication may be purely or largely instrumental, yet longstanding patterns are more likely to reflect genuine beliefs and are therefore the focus of this thesis.

Finally, it is paramount to present the decision in the eye of the beholder (Levy 1992b, 291). This entails that this section will thus focus on reconstructing Putin’s perspective. Whether this reference point or the losses he imagines are historically or factually accurate, or morally sound and fair are important questions, yet they do not contribute to the purpose of this analysis. Instead, the point of establishing these beliefs in the editing phase, is to identify statements made by Putin to subsequently assess to what extent these sentiments are genuinely held. This analysis should most certainly not be seen as a way to justify or excuse Putin’s decision, but
rather as a way to understand how his thoughts may have impacted his propensity for risk. Having clarified these three points, let us now turn towards Putin’s perspective as he has publicly communicated.

5.2 Reference Point

5.2.1 Unity of Russians and Ukrainians

In July 2021 Putin published an article titled “On the Historical Unity of Russians and Ukrainians”, which is now regarded as one of the most central texts to understand Putin’s position regarding Ukraine in the months leading up to the invasion (Drost 2022, 1; Mankoff 2022, 2). In this article Putin emphasizes that Ukraine is an important topic, as Russians and Ukrainians share a special bond due to their joint history. “It is in the hearts and the memory of people living in modern Russia and Ukraine, in the blood ties that unite millions of our families” (Putin 2021a). He continues that in fact “we are one people” (Putin 2021a).

In this article Putin recognizes that he has shared his longstanding opinion many times, as “it is what I have said on numerous occasions and what I firmly believe” (Putin 2021a). Indeed, in recent history one can see that he has made such public references to this construed historical unity between Ukrainians and Russians for a long time, as he did, for example, in a speech in 2001 (Putin 2001). It has since then been a persistent feature of Putin’s rhetoric regarding Ukraine. To illustrate, prior to the annexation of Crimea at the Valdai Discussion Club in 2013 he again announced that “we have common traditions, a common mentality, a common history and a common culture. We have very similar languages. In that respect, I want to repeat again, we are one people” (Kremlin 2013b). In 2014, while tensions were high, he still repeated once more that “we are not simply close neighbours but, as I have said many times already, we are one people” (Putin 2014). In the year leading up to the invasion, this belief was often repeated and emphasized as well. For example, in June of 2021 he claimed that “I have noted many times, and I can repeat once again that, in my opinion, Ukrainians and Russians are a single people” (Kremlin 2021a). This was subsequently followed by the aforementioned article in July, whose sentiments were once more echoed three days before the war commenced in his address. He announced that “Ukraine is not just a neighbouring country for us. It is an inalienable part of our own history, culture and spiritual space” (Putin 2022a).

Whenever Putin made such references to unity, they were often preceded by construed historical analyses, as is clearly the case in his July article and the aforementioned 2022 address (Putin 2021a; Putin 2022a). Analysts have often concluded that Putin instrumentalizes history
to inform policy and to communicate his stance regarding a myriad of issues (Drost 2022, 1; Düben 2022, 11; Mankoff 2022, 1). Not surprisingly, the historical analogies he has used to communicate the concept of unity have led some to believe that Putin wishes to see Ukraine once again be an official part of historical Russia, just as it had been in Imperial Russia or during the USSR (Mankoff 2022, 4). However, Putin’s perception of unity need not be interpreted in this manner. Rather, Putin has asserted that their bond transcends concepts of states and countries, as it has survived many different types of regimes and persevered. To illustrate, Putin explained that “even though boundaries were lost, unity in spirit cannot be lost” (Putin 2022a). On multiple occasions Putin would reassert their common spirit, while immediately afterwards clarifying that this unity can exist in the new post-USSR setting in which Ukraine is independent. In 2013 he shared that:

“you know, no matter what happens, and wherever Ukraine goes, anyway we shall meet sometime and somewhere. Why? Because we are one nation. … But nowadays it so happened that we live in different states. We should proceed from the reality. … One should not only accept it, but respect it” (Kremlin 2013a).

On another occasion he said that “history has unfolded in such a way that today, this territory is an independent state, and we respect that” (Kremlin 2013b). More recently, Putin confirmed that, despite the fact that “Russia was robbed indeed”, the “Russian Federation recognized the new geopolitical realities: and not only recognized, but, indeed, did a lot for Ukraine to establish itself as an independent country” (Putin 2021a). They accepted this fact, assisted Ukraine due to their bond, and even “felt more or less comfortable about it” (Kremlin 2021d). He explained that “when the USSR collapsed, many people in Russia and Ukraine sincerely believed and assumed that our close cultural, spiritual and economic ties would certainly last, as would the commonality of our people, who had always had a sense of unity at their core” (Putin 2021a). Indeed, the unity present “since time immemorial”, being forged by ancient Rus in Kiev, having survived together in, and separate from one another across different empires, could surely withstand in this new reality according to Putin (Putin 2021a).

Unity, if not defined as Ukraine and Russia forming one state together, takes on a transcending meaning related to the Rus people. Unity, in Putin’s eyes, should instead be defined as having similar values, language, culture and even concrete close cooperation in areas such as economics due to a shared deeper understanding. He explains for example that the incorporation of western Russian lands into one single state was not just a fabrication, but “it was underlain by the common faith, shared cultural traditions, and – I would like to emphasize it once again – language similarity” (Putin 2021a). This even extended itself throughout
centuries into being “natural complementary economic partners” (Putin 2021a). Indeed, Putin, prior to the European Union-Ukrainian Association Agreement, stressed that “we have common transport infrastructure, energy, we have deep cooperation, common language. These are great competitive advantages” (Kremlin 2013a). Unity thus entails respect for shared history, language and culture as well as tight cooperation in areas such as their respective economies.

5.2.2 Actor Worthy of Respect

Another element that is crucial to Putin’s reference point is the importance of being respected (Kremlin 2013a; Kremlin 2013b; Kremlin 2014; Kremlin 2021d; Ministry of Foreign Affairs of the Russian Federation 2021b; Putin 2014; Putin 2021c; Putin 2022a; Putin 2022b; Rev 2021). At the Valdai International Discussion forum in 2014 Putin stated as much by saying that “we simply want for our own interests to be taken into account and for our position to be respected” (Kremlin 2014). This respect, in his eyes, primarily amounts to a careful consideration of sovereignty and the protection of national interests (Kremlin 2022a; Putin 2014; Putin 2022a; Putin 2022b).

After having consulted the resources generated, or contributed to, by Putin, it becomes clear that respect for Russia is paramount for several underlying reasons. Firstly, because, as Putin has mentioned, every single state is inherently worthy of having their interests respected, as long as they reciprocate by respecting those of others (Kremlin 2014). This sentiment is represented on many occasions, marking a clear pattern. From Putin’s perspective, Russia has been more than accommodating to others, having showed willingness to engage in constructive discussions for over 30 years (Putin 2022b). After the dissolution of the USSR, Putin explained in December of 2021 that “we even helped those new republics to get back on their feet, and we worked, were ready to work and are still working together with their governments, whatever their foreign policy priorities” (Kremlin 2021d). Russia, according to Putin, has constantly tried to get its concerns heard diplomatically, in 2013 regarding the European Union-Ukrainian Association Agreement, and afterwards by constituting the Minsk Agreements (Kremlin 2022b; Putin 2022a). Russia even attempted to act diplomatically towards NATO and the United States, until the very end, sending two treaties to both the United States and NATO, which dictated “to settle emerging issues and disputes through a constructive dialogue on the basis of mutual respect for and recognition of each other’s security interests and concerns” (Ministry of Foreign Affairs of the Russian Federation 2021b).
Secondly, Putin, as previously demonstrated, has repeatedly mentioned that he has accepted the new reality after the Cold-War. However, to him, this situation should be characterized by a multipolar system. In 2013, Putin mused that there are people who truly respect sovereignty, and that it shows that the multipolar world had been strengthened by it (Kremlin 2013a). However, since tensions rose, he has implied that true multi-polarity was never achieved, as the West continuously curtailed Russian-Ukrainian cooperation (Kremlin 2021b; Putin 2021a; Putin 2022a; Putin 2022b). He stated that he was disappointed with the instability of United States unipolarity caused by the “so-called victory” of the “so-called Cold-War” (Kremlin 2021b). He had hoped that the Cold War would lead to a truly united Europe, yet this has been impossible due to interference from the United States (Putin 2021b). To improve relations, he thus demanded in his proposed treaty to NATO that, as “the security interests of each Party require better multilateral cooperation”, they “shall use the mechanisms of urgent bilateral or multilateral consultations” (Ministry of Foreign Affairs of the Russian Federation 2021a). In other words, Putin has an aspirational multipolar reference point for a post-Cold War international system.

Furthermore, according to Putin respect for sovereignty and national interests had been concretely promised to Russia in the form of promises regarding NATO expansion. Through the years, Putin has continued to bring up that Gorbachev received promises from western politicians right before the USSR’s dissolution that no further western expansion was to occur beyond the former Federal Republic of Germany’s eastern border (Kremlin 2013b; Kremlin 2021b; Kremlin 2021d; Kremlin 2022b; Putin 2014; Putin 2021b). Gorbachev had been assured that the United States did not “intend to extract any unilateral advantages” from the situation unfolding in 1990, and that “not an inch of NATO’s present military jurisdiction will spread in an eastern direction” according to declassified documents (Savranskaya and Blanton 2017). And although observers point out that no formal guarantees were ever given, or even requested by Gorbachev, and that the current geopolitical reality is too different from that prior to the dissolution, Putin has still frequently asserted that a promise was made (Lough 2021). And ultimately to properly evaluate prospect theory’s contributions, one must understand Putin’s perception of the chain of events.

The final reason that Russia is owed respect overlaps with a separate important element of Putin’s reference point, namely the fact that the Russian state should be seen as a great power. Let us now turn towards this final relevant element.
5.2.3 Great Power

In his televised address on the Monday night preceding the invasion, Putin stated that “Russia means a lot more than Ukraine for the international community and our friends in the United States and the European Union, and everyone understands this, including the Ukrainians” (Putin 2022a). In other words, everyone knows that Russia is powerful and should be carefully considered. Putin expands upon this notion of Russian might in different situations, which has led to the following core points that make Russia a strong state in his words.

Firstly, Russia has a considerable size, both in population as well as in territory. He stated in his 2021 annual news conference that “after the Soviet Union collapsed, and we were left with just 146 million, it is still too much for them. … We divided ourselves into 12, I believe parts … Still, it seems that this was not enough for our partners. They believe that Russia is too big as it is today” (Kremlin 2021d). Earlier in June 2021, he wrote to a European audience that “the prosperity and security of our common continent are only possible through the combined efforts of all countries, including Russia. Because Russia is one of the largest European countries” (Putin 2021b).

Moreover, Russia has a considerable internal strength according to Putin. It has left behind Soviet ideology as well as idealized notions of pre-1917 Russia and instead found a robust identity based on conservative Russian values (Kremlin 2013b). These have contributed to rebuild society after having survived two state-collapses as well as “primitive borrowing and attempts to civilize Russia from abroad” (Kremlin 2013b). Furthermore, in part due to sanctions, Russia has learned to be economically stronger, more self-sufficient (Kremlin 2014; Kremlin 2022a). These internal economic and value bases were so strong, that Russia has even been able to assist other neighbourly states (Putin 2021a; Kremlin 2021d; Kremlin 2022a).

Additionally, from a military and strategic point of view, Putin has stressed repeatedly that Russia is a force to be reckoned with. He assumed Russia to have an “enormous responsibility when it comes to regional and global stability” (Putin 2022a). After all, Russia “is today one of the most powerful nuclear powers in the world and, moreover, has certain advantages in a number of the latest types of weapons” (Putin 2022b). Thus, not unlike the United States, “Russia hold[s] special responsibility for strategic stability in the world judging by the fact that we are technologists to nuclear powers, in terms of the number of war heads, re-entry vehicles, and delivery means as well as the quality and the scale or modernity of this weapons” (Rev 2021). This is, in turn, reinforced by Russia’s historical awareness. Medvedev indicated in an article in the Kommersant that “Russia knows how to wait. We are patient people” (Medvedev 2021). The Kremlin announced the same day that the article “runs in
unison” with Russia’s view (The Moscow Times 2021b). Indeed, Putin communicated that Russia has patience, however “if someone mistakes our good intentions for indifference or weakness …, they must know that Russia’s response will be asymmetrical, swift and tough” (Putin 2021c). When referring to Stalin’s patience regarding Hitler, Putin implied that Russia had learnt. “The second time we will not allow such a mistake, we have no right” (Putin 2022b).

5.2.4 Reference Point: Strong, Respected, and Unified Russia
In the data examined, the three main elements making up Putin’s reference point were thus found to be: unity between Russians and Ukrainians, a high level of respect towards Russia, and recognition as a great power. It is, of course, important to remark that the three individual elements have overlap. For example, Putin believes that Russian power can be affected both by international respect as well as by Russian-Ukrainian unity. To illustrate, he remarked that “they [the West] should have treated Russia as a potential ally, and made it stronger, but it all went in the opposite direction; they wanted to break it down even further” (Kremlin 2021d). Rather than providing a respectful environment in which Russia could develop, they made active efforts to prevent such an occurrence, thereby impacting Russian power. Furthermore, he concluded that for Ukrainians and Russians, “together we have always been and will be many times stronger and more successful” (Putin 2021a). If they are one common people due to shared cultural values, linguistics and history, a rejection of said unity is in turn a rejection of one of the fundaments of Russian strength and power, in Putin’s eyes.

The three found elements should thus not be seen as mutually exclusive, but rather together to form one integrated reference point. To Putin, the Russia that should exist has a high level of unity among those people with whom Russia has historical, linguistic, and cultural ties. This unity further enhances Russia’s strength, which by itself already is a great power in multiple regards that finds itself in a multipolar world where it gets the respect it is due. In the deteriorating relations between Ukraine and Russia, all three elements to Putin’s reference point faced further duress, leading to a particularly strong loss-perception as will be demonstrated in the next section.

5.3 Loss Journey
Before 2021, tensions had remained relatively stable. The conflict between separatists and Ukrainian officials in the Donbass region, which had started in 2014, continued, yet diplomatic endeavours also remained in place from 2015. The important one being the Minsk agreements
(Lutsevych and Wallace 2021). However, in the spring of 2021, an unprecedented Russian military build-up was observed, beyond the size one usually witnessed for regular military exercises (Banco et al. 2023). What had changed preceding this shift of behaviour?

In the years since the Minsk Agreements had been signed, several things had changed from a Russian perspective. Firstly, although Zelensky had come into office promising to end the war in Donbas constructively with Russia, the relation between the two leaders deteriorated gradually (Moshes & Nizhnikau 2022, 5). Upon meeting the new Ukrainian president for the first time in person in December of 2019, Putin was told by Zelensky that “as for Minsk as a whole, … we will not be able to implement it like that” (Mayadeen 2023). This meeting in the Normandy format was considered a disaster, and since then Putin has repeatedly shown his dislike for the Ukrainian president (Duclos 2022, 8).

Moreover, tensions between the United States and Russia had risen once more. In August of 2019, the United States withdrew from the INF treaty, stating that Russia had violated its premises (Mankoff 2019, 10). In 2020, Putin presented a new proposal with adjustments to the original INF agreement, adding a new clause for “mutual verification”. This proposal was met with mere acknowledgement from European powers. A United States representative, however, was quick to declare the proposal “a non-starter” (Arms Control Association 2020). Simultaneously relations between Ukraine and the United States had improved after an initial rocky start during Zelensky’s presidency (Moshes & Nizhnikau 2022, 5-6). To illustrate, the United States announced in 2020 that Ukraine would be in its top five recipients of foreign military financing, having been allocated $115 million in grants (Congressional Research Service 2020).

Some analysts also point out that both domestic political developments as well as the Belarusian demonstrations in 2020 and 2021 could have been additional triggers to the conflict (Duclos 2022). In Russia, the new constitutional changes implemented in 2020 were viewed extremely negatively by a third of the population (Blackburn and Petersson 2022, 306). Additionally, Putin’s approval ratings had been reduced to approximately 65 percent in 2020 and 2021, which had not been at such a modest level since 2013, whereas sentiments regarding the United States had been steadily improving among Russian citizens (Levada 2023a; Levada 2023b). The Belarusian demonstrations caused western powers to implement sanctions to those in power, which in the eyes of Putin had to be seen as “politically motivated, illegal economic sanctions” or in other words “brutal attempts to impose their will on others by force” (Putin 2021c). Furthermore, these sanctions were imposed upon those who “are deeply connected by a common history, moral values and family ties” (Kremlin 2022a).
Clearly, the years leading up to the invasion had incurred further loss compared to 2014, exemplified by a further loss of unity with Ukraine, with their rejection of the Minsk agreements and closer ties with the United States. Putin, moreover, believed that Russia had been facing more disrespect as “unfriendly moves towards Russia have also continued unabated. Some countries have taken up an unseemly routine where they pick on Russia for any reason, most often, for no reason at all” (Putin 2021c). This disrespect did not only affect Russia, but also Belarus, a country with which Russians are also deeply united. Finally, Putin may have considered that the strength of Russia was at risk. After all, an increasingly aggressive actor started being approved of more by the Russian public, while in Putin’s eyes a concrete security threat formed by this actor was starting to emerge at the border. In a response to Russia’s military build-up at the border, the Ambassador of Ukraine to Germany, Andriy Melnyk, even commented that the West should either let Ukraine concretely join NATO or restore its nuclear status (Lyudmila 2021). Thus, Putin communicated in his presidential address in April 2021 that he “hope[d] that no one will think about crossing the “red line” with regard to Russia” (Putin 2021c).

These tensions, however, were diffused before they led to a concrete conflict. Jake Sullivan, national security advisor of the White House, explained that Biden had proposed to meet Putin at a summit in Geneva in order to stabilise the wider Russian-Ukrainian situation (Banco et al. 2023). Two days prior to the meeting in Geneva NATO had reconfirmed the decision made at the 2008 Bucharest summit that Ukraine would become a member of the alliance. At the NATO meeting, however, the alliances also called for “the full implementation of the Minsk Agreements by all sides” (NATO 2021). Despite the NATO reconfirmation of 2008, the Geneva summit thus yielded positive results. In a press conference following the meeting Putin stated that he “believe[d] there has been no hostility. On the contrary, our meeting took place in constructive spirit” (Rev 2021). Putin communicated that he was given the respect he deserved, by stating that “our one-on-one conversation took almost two hours. It’s not every world leader that gets this amount of attention” (Rev 2021). He explained that he understood Biden to agree that the Minsk Package of Measures was to be the basis of resolving the aggravation. Additionally, Putin communicated that both countries together hold special responsibility for the world’s strategic stability, and that the Americans “understand what we are talking about when we say, ‘This is a red line’” (Rev 2021).

Nevertheless, two weeks later the British entered Russia’s territorial waters, preceded by a US strategic reconnaissance plane, which led Putin to question the purpose of Geneva. “A few days ago, a meeting was held in Geneva. The question was: why was there such a
provocation? What was all of that for?” (Kremlin 2021a). To show willingness to the West, Russia had previously ended the drills and withdrawn some troops from the Ukrainian border, but instead of “responding positively, … what did they do? They approached our borders” (Kremlin 2021a). In the same “direct line to Putin”, Putin responded to a question confirming that he did not regard the Ukrainian people as unfriendly, but rather that Russians and Ukrainians are a single people. However, the Ukrainian leadership had been unfriendly, not in the least by submitting a draft of the Law of Indigenous People that would classify Russians as non-indigenous, while “Russians have lived there for centuries” (Kremlin 2021a). Additionally, Putin expressed his concern for “another, more fundamental thing, namely, the beginning of military development in Ukrainian territory” (Kremlin 2021a). He reiterated that “the military development of a territory that directly borders on our country creates a considerable security problem for us” (Kremlin 2021a). In other words, approximately half a month later, Putin had returned to expressing his sense of loss relating to all three elements of his reference point.

A month after the Geneva summit, Putin released his article “On the Historical Unity of Russians and Ukrainians” in which he gave an unprecedented insight into his perception of Russian-Ukrainian relations. After detailing how Russians and Ukrainians are one people, Putin focused on “the wall that has emerged in recent years between Russia and Ukraine” (Putin 2021a). Starting after the dissolution of the USSR, Putin explains in detail how cooperative ties consisting of “hundreds of agreements and joint projects, [which] were aimed at developing our economies, business and cultural ties, strengthening security, and solving common social and environmental problems” were lost (Putin 2021a). Moreover, he accentuated the loss of shared history, culture, and language with laws such as the Law of Indigenous People, going even as far as declaring that “our spiritual unity has also been attacked” (Putin 2021a). Indeed, “all the things that united us and bring us together so far came under attack” (Putin 2021a). Putin indicated that the United States and Europe are responsible for the loss of unity, and he believes them to even use Ukraine as “a tool in someone else's [the West’s] hands to fight against us” (Putin 2021a).

This article spurred many reactions. Following the publishment of the article, Zelensky remarked that “I am envious that the president of such a great power can permit himself to spend so much time [writing] such a volume of detailed work,” mocking Putin’s perspective and thereby not showing him his desired respect (RFE/RFL 2021). Surveys found that a majority of the people in Ukraine disagreed with Putin’s main thesis on shared unity, ranging from 52% in the East to 90% in the Western parts (Razumkov Centre 2021). Biden meanwhile authorised $60 million of largely defensive weapons to be sent to Ukraine, as a precaution in
late August, which in turn prompted criticism from Moscow (Harris et al. 2022; Reuters 2021a). In late September the Kremlin announced that “President Putin has repeatedly noted the issue of the potential broadening of NATO infrastructure on Ukrainian territory, and (he) has said this would cross those red lines that he has spoken about before” (Reuters 2021b).

In October, Russia held a military exercise that was much larger than the previous year along the border with Ukraine (Banco et al. 2023). In the same month, Medvedev published an article, judged by the Kremlin to be “in unison” (The Moscow Times 2021b). He argued that the United States wished for nothing but the containment of Russia, as part of their anti-Russia project. Moreover, he passionately stated that Russia is consistently being lied to, and that therefore such international partners cannot be trusted (Medvedev 2021).

Tensions continued to rise, Putin stated in a meeting with Russian Defence leaders that “we cannot ignore these threats to Russia's security and we will respond accordingly, adequately to the situation,” noting the growing intensity of NATO aviation flights and the appearance of Alliance ships in the Black and Baltic Sea (Kremlin 2021c). The Kremlin spokesman, Peskov, iterated to western press that “Russia doesn’t threaten anyone” and that “the movement of troops on our territory shouldn’t be a cause for anyone’s concern” (Isachenkov 2021). Rather, “we take measures to ensure our security when our opponents take defiant action near our borders” (Isachenkov 2021). From late October onwards, the United States, NATO and Ukrainian officials had each started to share their thoughts that Russia was preparing for a concrete invasion of Ukraine, to which Peskov responded that “This hysteria is being artificially whipped up” (Reuters 2021a). In early November, CIA Director Burns had been dispatched by Biden to inform Putin that dire consequences would follow should he persist, to which Putin once again communicated his concerns regarding Ukraine, ranging from unity to security concerns (Harris et al. 2022).

Since his article in summer, Putin had witnessed further rejections for his point of view from Ukrainians, and seen an increase in Western strategic activity, demonstrating both a lack of international respect as well as a concrete threat to Russia’s sovereign power. Not only had the United States been interfering in Ukraine for years, they were now even objecting to internal exercises, clearly wanting Russia to remain weak.

Following a phone conversation with Biden in early December, Putin formulated two treaties, one for the United States and one for NATO, detailing the need for multilateral cooperation, legally binding security guarantees and the “need for strict compliance with the principle of non-interference in the internal affairs” (Ministry of Foreign Affairs of the Russian Federation 2021a; Ministry of Foreign Affairs of the Russian Federation 2021b). Not even a
week later, Putin emphasized in a meeting of the Defence Ministry Board that “it is extremely alarming that elements of the US global defence system are being deployed near Russia,” referring to Mk 41 launchers, which were already present in Romania and about to be deployed in Poland (Kremlin 2021b). He stressed that the only solution could be legally binding guarantees, as “we know the worth of such verbal assurances, fine words and promises,” concluding that the West had lied time and again (Kremlin 2021b). The West, according to Putin, was to blame for all aggravation, and they now had to believe that the United States was “supposedly ensuring its interests and security thousands of kilometres away from their national territory” (Kremlin 2021b)?

In his annual press conference, Putin remarked that he had hope for the drafts he had sent. At the same time, he provided a detailed overview of the extent of loss he believed Russia to have experienced so far. First, they lost their cooperative ties to Ukraine, then history and language were under attack (Kremlin 2021d). Simultaneously, however, had the West increased its influence, breaking not only this valued unity, but adding insult to injury by consistently rejecting national Russian concerns (Kremlin 2021d). Putin noted that “they should have treated Russia as a potential ally, and made it stronger, but it all went in the opposite direction; they wanted to break it down even further” (Kremlin 2021d).

The head of NATO almost immediately reacted to the proposal stating that he had already ruled out any agreements affecting Ukraine’s right to enter the military alliance, as this decision is a matter between Ukraine and the alliance itself (Roth 2021). In January the United States also formally responded, rejecting the offer, and instead offered further talks and trust-building measures in a number of security areas, conditioned on the de-escalation of the military threat to Ukraine (Harris et al. 2022). The Kremlin representative expressed his disappointment with this response. The United States moreover reiterated that “it remains up to Russia to decide how to respond … We're ready either way” (BBC 2022).

Roughly a month later Putin first announced the independence of Donetsk and Lugansk in a televised speech (Putin 2022a). This was subsequently followed three days later by the decision to commence the special military operation against Ukraine (Putin 2022b). In the televised speech, Putin repeated all types of loss that were communicated throughout the year, ranging from loss of unity and respect to a concrete loss of power, due to the increased security threat, and the international disrespect it had faced over the years (Putin 2022a). In the final days before the war, Putin even declared that there may very well be a nuclear threat or that Ukraine would not merely be assisted by, but would even be joining NATO, if not now then sometime soon (Kremlin 2022b; Kremlin 2022c; Putin 2022a; Putin 2022b). So soon to the
invasion, it is questionable whether this final statement was not at least in part used to justify the upcoming decision to invade Ukraine, overstating the security risks of the situation. Nevertheless, a clear trajectory of loss can be seen prior to these final moments. The sentiment of utter loss was once more repeated in Putin’s declaration of war, referring to rejection of international cooperation, false promises, and ultimately a loss of security (Putin 2022b). For Putin the time had been reached to act. “This is the very red line that has been talked about many times. They passed her” (Putin 2022b).

5.4 Editing Phase Result
Prior to the year leading up to the invasion, Putin already considered Russia to have endured considerable losses compared to his reference point, particularly on the elements of unity and respect. The events of 2021 and early 2022 moved beyond this loss with more tangible threats from his perspective. Ukraine’s eventual ascension to NATO had been reconfirmed, a recommitment to the Minsk agreements had not realised, and subsequently no legally binding promises had been made to Russia for their concerns. Not only did they stand to lose further unity and respect, but the threat to Russian power had increased. As the year progressed the mentions of security concerns increased. And on the occasions that these concerns were voiced either little was done, or further escalatory measures were taken. The West increased its military support for Ukraine, negative opinions of Russia intensified amongst Ukrainian citizens, and still no serious promises had been made, while, according to Putin, Russia had made continuous efforts throughout the year.

Putin thus concluded that the open multipolar world in which Russia and Ukraine, although in a modern manner, could unitedly move forward to become the strong people(s) they were meant to be, from an economic, cultural, linguistic as well as security perspective, had not been realized. Table 1 shows how Putin’s identified different perceived losses are linked to the respective elements that construe this reference point. As detailed previously, these elements are very much intrinsically connected. Therefore, the losses that are summarised in this table should not be perceived to solely belong to one of these elements. Instead, the table
aims to demonstrate the primary relations between the perceived losses and the different elements, to provide a concise overview of the editing phase.

<table>
<thead>
<tr>
<th>Putin’s reference point</th>
<th>Putin’s perceived threats and losses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Element 1: Unity of Russians and Ukrainians</strong></td>
<td>Increasingly strained relations with Ukrainian political elites (notably rejection of Minsk agreements, and beginning of harsher stance by Zelensky)</td>
</tr>
<tr>
<td>• Unity transcends one-state concept;</td>
<td>Increasingly closer ties of Ukraine with US (significant financial support and eventual military support)</td>
</tr>
<tr>
<td>• It comprises of linguistic, historical, cultural, and economic ties.</td>
<td>Sense of gradual economic, religious, linguistic, and cultural distancing, intensified by measures such as the 2021 Law of Indigenous people</td>
</tr>
<tr>
<td><strong>Element 2: Actor worthy of respect</strong></td>
<td>Acceleration of rising tensions between Russia and the United States</td>
</tr>
<tr>
<td>• Each state is owed consideration of sovereignty and protection of national interests if they respect others, as Russia has consistently done;</td>
<td>Suggestions Ukraine join NATO (both in the near and far past leading up to the eventual decision)</td>
</tr>
<tr>
<td>• A multipolar international system that should have followed the end of the Cold War should be in place;</td>
<td>Lack of emergence of multipolar world, as hoped for after the end of the Cold War</td>
</tr>
<tr>
<td>• Perceived promises regarding limitations of NATO expansion are held.</td>
<td>Lack of keeping to perceived promises related to NATO expansion</td>
</tr>
<tr>
<td><strong>Element 3: Great power</strong></td>
<td>Declining internal approval of Putin by Russian public</td>
</tr>
<tr>
<td>• Russia is a great power due to its considerable size of population and territory;</td>
<td>Persistent sanctions aimed at crippling Russian economy</td>
</tr>
<tr>
<td>• Internal strength due to a strong conservative Russian identity and economic prosperity;</td>
<td>Increasingly threatening military position at Ukrainian border:</td>
</tr>
<tr>
<td>• Russia is a significant military power.</td>
<td>• Withdrawal of Russian troops along the border as a gesture to the United States;</td>
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<td></td>
<td>• Perceived military development of Ukraine along Russian border;</td>
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<td></td>
<td>• Growing NATO presence in 2021</td>
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</tbody>
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Table 1: Putin’s reference point and linked perceived threats and losses

To briefly summarise, in Putin’s eyes, Ukraine had left behind this unity, or at least the elites in Ukraine had done so. First by cutting economic ties, then by cutting gradually cultural ties, and finally by introducing concrete threats to Russia’s sovereignty. Moreover, the multipolar world, which he asserted to have been promised, in which states were respected and their opinions heard, had not been constructed. From Putin’s perspective, the United States had on multiple occasions instead sought to undermine the development of Russia, using Ukraine in particular to realize this aim. By driving a wedge between Ukraine and Russia, implementing sanctions, disregarding any concrete promises for Russia regarding its security risks, the United States had sought to weaken Russia, despite the numerous attempts Russia had made. Russia
had lost parts of its ability to be a powerful state. However, Russia still possessed enough power, enough strength, to act.

5.5 Evaluation Phase: Options and Risks

In this part of the analysis three identifiable credible options will be considered: coercive diplomacy, a limited military incursion, and a full-scale invasion. Many in western Europe believed that Putin was merely employing coercive diplomacy to gain what he desired (Harris et al. 2022). Even in Russia some were trying to inform the president of the utility of continuing the negotiations. For example, the New People Party, which used to be a known supporter of Putin, voted against the appeal for recognition of the independent states of Donetsk and Lugansk. Moreover, Prime Minister Mishustin spoke cautiously on occasion about the possible continuation of negotiations, stressing their worth (Pertsev 2022).

A second available option was for Russia to conduct a limited military operation. Some of NATO’s members in eastern and south-eastern Europe believed that Putin would only do something limited in scope, imagining him to “take another bite at the [Ukrainian] apple” (Harris et al. 2022). During the infamous security council meeting prior to the recognition of the states’ independence, the director of the Foreign Intelligence Service Sergei Naryshkin proposed the option of annexing Donetsk and Lugansk. He initially proposed to give one last chance to be given to the West to force Kiev to comply with the Minsk agreements, and “otherwise, we must take the decision that is being discussed today”. Putin was not satisfied with this answer and questioned him on the meaning of “otherwise”, resulting in his statement that Russia should have those regions become part of Russia. A statement which Putin did not seem pleased with, commenting: “we are talking about recognising their independence or not” (Kremlin 2022b). Naryshkin’s commentary, however, demonstrates that the option of a limited incursion had clearly been known to Putin.

Just like the American, British and Baltic states forewarned, a full scale-invasion had been the third option (Harris et al. 2022). And as the historical record shows, this option ultimately became the decided upon option. Of course, one can imagine more possibilities to have been at the table, such as an abstention of any decision, or possibly an even larger full-scale attack, perhaps one involving nuclear weapons. However, these options, even in this situation, still seem highly unlikely as they would bring little to no benefit in the best of situations and deliver very high costs in the worst scenario. Moreover, this rationalization of
options is substantiated by current records showing that there are no clear indications that such plans were at all considered in the Kremlin.

As outlined in chapter 3 detailing prospect theory, risk is determined both by outcome uncertainty and the possibility of a costly outcome (Taliaferro 2004, 183; Vis and Kuijpers 2018, 577). The subsequent analysis will therefore first determine both the best as well as the worst outcome for each scenario, based on the identified options, in terms of affecting the current position towards Putin’s reference point, as a first glance into the relative range of outcome uncertainty. Subsequently it will assess the chances of success of the desired extreme to ultimately determine the relative risk of each provided option.

<table>
<thead>
<tr>
<th>Best potential outcome</th>
<th>Coercive diplomacy</th>
<th>Limited incursion</th>
<th>Full-scale invasion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively small gains across all elements of existing reference point; Gains would not have been particularly rewarding compared to reference point.</td>
<td>Sizable gains across all elements of existing reference point; Gains would lead to reversal of downward trends.</td>
<td>Largest gains across all elements of existing reference point; Gains would almost lead to complete realisation of Putin’s reference point.</td>
<td></td>
</tr>
</tbody>
</table>

| Worst potential outcome | Continuation of current downwards trends | Significant increase in current downwards trends with quick emergence of concrete security threats | Most significant increase in current downward trends; leading to imminent devastating losses across all elements. |

| Range of outcome probabilities | Narrow: best and worst potential outcomes are closer than in the military options. | Wide: best and worst potential outcomes are further apart than in coercive diplomacy scenario. | Widest: best and worst potential outcomes are further apart than in other scenarios. |

<table>
<thead>
<tr>
<th>Risk versus gains</th>
<th>Chance of success may have been considered very low based on recent history.</th>
<th>Chance of success may have been considered relatively higher due to sizable forces and limited region.</th>
<th>Chance of success may have been considered very low due to spreading of forces and limited preparation.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Risk high; potential gains little progress to reference point</td>
<td>Risk high; potential gains significant progress to reference point</td>
<td>Risk extremely high; potential gains return to reference point.</td>
</tr>
</tbody>
</table>

| Table 2: schematic overview of evaluation phase of Putin’s decision |

5.5.1 Coercive Diplomacy
In the ideal situation, Putin’s military build-up could coerce Ukraine and the West to provide the long-term legally binding guarantees Putin had proposed together with a return to the Minsk Agreements (Kremlin 2021b). In this scenario, the unity between Ukrainians and Russians would not be improved to the extent that it had been in the early 1990s. Even if the West were to give guarantees that it would stop its collaboration with Ukraine altogether, the Ukrainian
elites would have been free to do as they pleased beyond the decided-upon concessions, as they have continued to do for years (Putin 2021a; Putin 2022a). In other words, Russia would have to remain patient to see unity fully restored, until the Western influence had sufficiently diminished. Nevertheless, by signing these agreements, Putin would achieve what he had demanded for a consistent and long time, thereby gaining the respect he seemed to appreciate (Kremlin 2021d). Russia would be heard, listened to, and taken seriously. Finally, Russian power could be in part restored. Economically speaking, some sanctions may have been lifted, while from a sovereignty point of view Russia would be left alone.

Attempting to use coercive diplomacy could potentially also lead to further empty promises and degradation. If nothing happened, the elites in Ukraine would only have more time to alienate Ukrainians and Russians from one another by implementing further linguistic or cultural laws. This would signify even more losses in terms of unity, just as the elites had done in the past (Putin 2014; Putin 2021a). Moreover, Putin may very well not have been taken seriously yet again, which would have indicated a further decline in respect (Kremlin 2021b). Finally, Russian power would also have degraded slowly, and security concerns would have started to arise once more. Moreover, having lacked decisive power, domestic approval might have dropped further, thereby eroding Putin’s power, and by extension Russia’s power (Kremlin 2021c; Putin 2022a). After all, history has shown that decisive actions, such as the annexation of Crimea, have generally been rewarded (Levada 2023a).

Putin could have likely deemed the chances of success to be very low. After having tried time and again, most recently in December 2021, and consequently being rejected by both NATO and the United States, diplomatic, albeit coercive, success seemed unrealistic at best. Moreover, even if treaties had been signed, he concluded that “we know very well that even legal guarantees cannot be completely fail-safe, because the United States easily pulls out of any international treaty that has ceased to be interesting to it for some reason” (Kremlin 2021b). So, despite Scholz’s written guarantees from Zelensky, Putin most likely judged this option to have a low probability of success, thereby making it risky (Duclos 2022, 10). The chances of stark further deterioration of the reference point, however, cannot be deemed extremely high either, despite the risk. From an objective point of view, the potential ultimate gains and losses are closer to one another than is the case in the other available options. The gains are not particularly rewarding, nor are the losses as destructive as in the other scenarios. In other words, if Putin had taken the risk, the worst-case scenario could have been dealt with more easily.

Although this option was thus relatively risky, the losses do not seem devastating despite them being likely in Putin’s eyes. This option was also not particularly rewarding from a
reference point perspective. From both prospect theory’s perspective as well as EUT’s point of view, this option thus seemed unlikely, due to a lack of gains. The rewards were too low to choose coercive diplomacy as a viable path, despite the relatively limited extent of negative outcomes in case of relative certain failure.

5.5.2 Limited Incursion

Some iterated before the invasion that Putin would, or in certain cases should, employ a limited military incursion into the Donbass region (Harris et al. 2022; Kremlin 2022b). The optimal outcome for this option would have been a successful annexation of Donetsk and Lugansk into Russia. Not unlike in the first situation, the Ukrainian elites would have remained in power, yet a part of Ukraine would at least have been saved: Donbass, “which has only ever thought of itself as part of Russia” (Kremlin 2021d). Russian power would additionally have been restored in part. Most likely economic sanctions would have followed, but Putin may have believed that he could have handled sanctions as he had already done so in recent years (Kremlin 2022a). Moreover, he may have believed that such sanctions would have “be[en] imposed in any event. Whether there is some excuse today, for instance, linked with the events in Ukraine, or there is no excuse” (Kremlin 2022a). From an international standing position, Russia would have been met with respect, having shown its teeth. It would not have been underestimated as easily again. Finally, power would have increased. Domestically, his decisive action would likely have translated itself into higher approval ratings. With less internal division, Russia could have been a stronger state once more. Indeed, polls have shown that ever since Putin took military action against Ukraine, he has been gaining approval (Levada 2023a; RFE/RFL 2022). Furthermore, it could have sent a decisive message to the West that incorporation of Ukraine into NATO would have dire consequences. Operating from a perspective of self-preservation, Western countries may have no longer wished to even consider letting Ukraine join NATO or any other Western international frameworks.

At the same time such an incursion may very well have led to adverse effects. If the incursion were to fail, unity between Ukrainians and Russians would have come under further duress. The elites could have reacted even more harshly towards those who wished to be Russian, and potentially have used this as an example of Russian cruelty, thereby sowing further discord. After all, post-Crimea Putin observed an increase in the anti-Russia project (Kremlin 2022b; Putin 2021a). Respect, on the other hand, would have deteriorated. Of course, all adversaries must be respected at some level, yet those which turn out to pose little danger
should not be seriously considered. Until then Russia had been disrespected based on notions of fear and Cold War victory sentiments, in this scenario the west, and potentially even other states, would have gained a whole new reason of not respecting Russia (Kremlin 2021b). Moreover, a failure of obtaining the goal could have diminished Russia’s power further. It would have had adverse effects for maintaining its security, as more nefarious attempts would have been made due to its weaker status and could have even resulted in less domestic support.

The outcome probabilities were more diverse than in the previous option, but simultaneously predicted a higher chance of success in Putin’s eyes. Firstly, Russia knew this area well due to the conflict that waged since 2014. Russia would have been able to use all its military power in a limited region, thereby ensuring enough manpower. With a quick calculation it becomes clear that Russia could have used over 25 soldiers per 1000 inhabitants (Statista 2023; Jones 2022, 6). Although, there are no exact numbers on the necessary ratio for victory, Jones explains that, according to military experts, for many successful military incursions a minimum of 20 soldiers per 1000 has been necessary (Jones 2022, 6). Moreover, Putin considered the Ukrainian military to be ineffective, and if acted swiftly easily defeatable, judging by the relatively large part conscripts and police-like units played in the invasion, as opposed to professional troops that had been available (Minzarari 2022, 4). Finally, and perhaps most importantly, in this scenario Putin most likely would have concluded that the people would have been particularly amenable to his cause. After all, he assumed that only few Ukrainians opposed his thoughts, even calling upon Ukrainians for their cooperation when Russia eventually invaded (Putin 2022b). In the Donbass region, he could have concluded that this support would have been higher, as Donbass in particular “has only ever thought of itself as part of Russia” (Kremlin 2021d). In polls measuring the dislike of Putin’s ideology, people in the Donbass region have consistently been more open, although a considerable number still opposed his views (Razumkov Centre 2021; Rating 2021; The Moscow Times 2021a). It is important to note that these statements together demonstrate that Putin knew that in the Donbass region less resistance could have been expected.

Nevertheless, there are several factors that must have still been partly uncertain to Putin, such as the degree of support from the population as well as the effectiveness of one’s army in comparison to others. Putin must have known that he received much of his information from trusted people, and such information always carries a degree of uncertainty. Overall, this option showed relatively higher rewards than the first option, but also significantly more negative and more dire outcomes were the plan to fail, increasing its risk-level. Nevertheless, the odds of success most likely seemed better than in the case of coercive diplomacy, thereby paradoxically
simultaneously decreasing its risk-level, despite the worse outcomes in case of failure. Overall, this option thus also carried high risks, yet came with potentially higher chances of success. Overall, despite its significant risks, it did not present an almost certain failure, as was the case for the other two options.

5.5.3 Full-scale operation

For Putin the best outcome by invading Kiev would have been to install a friendly government. This government could have ensured that unity would have been restored. It could have reinitiated cooperation in various programmes and have regressed the damaging laws aimed at Russian culture, language and spirit. From an international perspective, Russia would not as easily be underestimated again, and be shown more respect. Moreover, with the hostile situation in Ukraine having been dissolved, there would eventually have been fewer opportunities for the United States and West to disrespect Russia in the first place by posting military troops alongside the Russian border. Additionally, this reduced opportunity interference would have extended to an increase in sovereign power for Russia. The security risk would have been considerably diminished, and domestic approval would most likely have soared after a military operation, resulting in a more unified and stronger Russia, not unlike how they soared after the Crimean annexation (Levada 2023a). Russia would still have had to weather economic sanctions, but as explained before, Putin expected these regardless of his actions (Kremlin 2022a).

A failed invasion, on the other hand, would have carried grave consequences. The Ukrainian elites, after having been targeted personally, would have reacted even more harshly than in the previous scenario. Respect would, like in the previous scenario, have been severely curtailed. Finally, Russian power would have been severely limited as these would have invited even more substantial economic sanctions, security threats and other repercussions compared to a minor incursion.

The chances of success of this final option were much lower than those in the second option. Firstly, the Russian army would have had to divide itself over a larger area, thereby spreading out its forces. Russia decided to use 4 Russian soldiers per 1000 inhabitants. As explained previously, past military operations show that a significantly higher number is preferred. For example, the United States and Europe used 20 soldiers per 1000 in Kosovo in 2000 (Jones 2022, 6). Moreover, the terrain Russian troops would encounter, would be less familiar, introducing more uncertainty. During the actual invasion for example, Russia targeted
positions beyond Donbass that had not been military positions for years (Zabrodskyi et al. 2022, 24) The Ukrainian army would still have been judged by Putin and his advisors to have had a high probability of having been ineffective, as would the certainty of support by the people still have been deemed high (Minzarari 4, 2022; Putin 2022b). This may in part explain the low number of soldiers per 1000 in inhabitants. Nevertheless, it is no secret, even to Putin, that the people in the Donbass region carried more sympathy towards Russia compared to their compatriots (Kremlin 2021d). Furthermore, even with local support, such low numbers carry significant risk.

Moreover, the certainty and the size of aid which western powers would have provided to Ukraine in this situation, would have been much higher. This scenario had been the one that the United States had been preparing for and trying to convince its allies to prepare for (Banco et al. 2023; Harris et al. 2022). If Russia had not fulfilled this expectation, internal discord among the Western allies would have been bigger, leaving the United States more alone than in this scenario where the West would rally behind America. After the United States had failed in its assessment of weapons of mass destruction in Iraq in 2003, European countries had been more reluctant to blindly follow the United States (Harris et al. 2022).

Finally, as had been established the decision to invade and the eventual invasion were temporally close to one another, meaning that the Russian army would have had little time to prepare for a military operation, let alone a full invasion. Discovered documents reveal that the first concrete plans to invade were made in January, only one month prior to the invasion (Risen 2022; Roblin 2022). Andrey Kurtonov, a member of a Kremlin panel of foreign policy advisers, stated that “I was shocked because for a long time, I thought that a military operation was not feasible. It was not plausible” (Risen 2022). Once again, analysts concluded after the initial phase of the invasion that the Russian army faced significant logistics problems (Jones 2022, 6).

In short, this option carried the highest potential rewards, yet also came with the highest risk, which was exorbitant, and most detrimental potential costs. The chances of success were low and the costs tremendous. It was the only option which provided a relatively close return to the aspirations set out by the reference point, but the uncertainty that the operation would carry was immense. Perhaps it is therefore not surprising that even some close to Putin tried to steer him to other options (Kremlin 2022b; Pertsev 2022). Among all three options, it is clear that this option definitely carried the most risk.
5.6 Results

Previously I have outlined the steps and following subhypotheses which must be observed to generate convincing evidence for the main hypothesis laid out by prospect theory:

- Subhypothesis 1: Putin has a clearly observable reference point based on the expectation that Russia is a great power to be reckoned with, if not now than in the future, and should therefore be duly respected.
- Subhypothesis 2: Putin has experienced losses regarding this expectation of being a great power, both domestically as well as internationally.
- Subhypothesis 3: Putin had several options to consider when faced with the decision to invade Ukraine and opted for one with higher risk.

Firstly, Putin provides a clearly identifiable reference point based on three aspirations, and not merely on the aforementioned expectation of a great power. Rather the reference point is made up out of three interlinked elements. Putin aspired Russia to be unified with Ukraine, respected internationally and a powerful state. Secondly, Putin experienced significant losses across all three domains in the situation of Ukraine. Ukraine seemed further removed from Russia than ever, with the West having had an unprecedented influence in Ukraine while Russia’s strength had slowly been degrading. Finally, one can observe that out of the credibly available options to Putin, he opted for the one with the highest potential in restoring the situation to his reference point. This option, however, conjointly carried the highest outcome uncertainty, and most adverse outcomes were the plan to fully fail, thus carrying the highest risk.

In other words, all three steps underlying prospect theory have been met. The editing phase and evaluation phase demonstrated firstly that Putin had the perception of operating in a loss domain, and secondly that out of the options considered in dealing with the Ukraine situation he opted for the one carrying most risk. There is thus a clear reference point, from which a subsequent negative deviation can be found which in turn corresponds to a higher propensity for risk. Therefore, the following main hypothesis should not be rejected:

- **Main hypothesis:** Putin found himself having experienced losses compared to his reference point which led him to be more risk acceptant than expected utility theory would predict.
In essence the available evidence and analysis strongly suggest that Putin’s decision to conduct a full-scale invasion of Ukraine can be well explained by an application of prospect theory.
6 Prospect Theory in Context: Discussion and Concluding Remarks

This final chapter aims to summarise the previous chapters and strives to further interpret and contextualise the results previously found in the analysis. First it will review what this thesis has established until now. It will then explain how the results of Putin having taken more risk in combination with his perception of loss can contribute to the existing debate surrounding the decision to invade Ukraine. Subsequently, this chapter will discuss the limitations of the current study and identify possible avenues for continued academic inquiry. Finally, this chapter will conclude by formulating a concrete answer to the posed research question: how and to what extent can prospect theory contribute to an understanding of Putin’s decision to invade Ukraine?

6.1 A Synopsis of Courting Risk

It became clear in chapter 2 that although scholars could formulate various answers to clarify why Putin would act eventually, many could not shed more light on why he acted in the manner that he did. Those few who did interact with the latter question presented a binary debate, either trying to find reasons why Putin was, in fact, still a rational actor although the decision-making process was impeded, or trying to prove that Putin had gone fully insane (Gomza 2022, 28; Gutterman 2022; Seddon 2022; Torbakov 2022).

Prospect theory details how actors under conditions of risk can be influenced by a specific framing, thereby seeing rationality as a scale which can be impacted by the intervening factor of framing. Due to different perceptions of loss and gains, people end up being more likely to accept risk or uncertainty when in a domain of losses (Kahneman and Tversky 1979, Taliaferro 2004, 187-188). In other social science fields prospect theory has become the primary decision-maker model. It may even seem particularly suitable in a political science context as leaders in particular find themselves under conditions of risk (Malecka 2020, 38; McDermott 1998, 3). Nevertheless, this theory had not permeated widely, mostly due to held methodological concerns (Linde and Vis 2017, 102; Stein 2017b, S249). After all, it had been developed under laboratory circumstances where the framing was actively controlled by the researcher. Nonetheless, this theory can be used in an international security context by making use of an in-depth case study approach, whereby concrete hypotheses are generated, and a wide array of sources is used carefully.
Thus, this thesis determined that, because it wanted to explore how prospect theory can contribute to an understanding of Putin’s decision, a congruence analysis, made for testing theories in specific contexts, was most appropriate. I formulated a main hypothesis, which had three underlying subhypotheses that were necessary to assess the main hypothesis.

In the analysis, I turned to Putin’s perspective, certainly not to justify his actions but rather to understand whether prospect theory has academic worth in this context. I first researched whether Putin held a clearly observable reference point. I found that there was indeed a consistent clearly observable reference point which consisted of three main intertwined elements: unity, respect, and Russia as a great power. Based on this integrated reference point, the analysis tried to establish whether Putin had perceived himself to have experienced losses regarding the identified reference point and its elements. The data showed that along all three element-dimensions Putin perceived himself to have experienced losses, thereby constituting a losing framing.

After having concluded this so-called editing phase, the analysis turned to the evaluation phase. With the available data, an attempt was made to determine which options had been available to Putin in the period leading up to the eventual decision to invade Ukraine. The data indicated that there had been three potential options, namely coercive diplomacy, a limited military incursion, and a full-scale invasion as unfolded on February 24, 2022. In all these three scenarios, I established both the outcome diversity by establishing the best- and worst-case outcomes, which allowed me at once to both gauge the level of potential gains and the relative risk, adjusted by chances of success. Subsequently, the analysis demonstrated that Putin opted for the option carrying the highest level of potential gains, but also the most risk. The limited incursion still led to gains and had significantly higher levels of success and would instead have been the most rational option, as analysts had therefore anticipated.

In other words, Putin consistently formulated responses that indicate he framed himself to be in a domain of losses, corroborated by other data leading up to the eventual invasion. Moreover, Putin opted for the option with the highest level of relative risk, thereby following the mechanism as laid out by prospect theory, explaining the seeming irrationality of Putin’s decision. Having found these results, it is now important to interpret them further and to contextualise them within the broader academic debate in order to ultimately answer this study’s research question: how and to what extent can prospect theory contribute to an understanding of Putin’s decision to invade Ukraine?
6.2 Academic Contributions

According to some scholars, there had been a steadily growing threat from western powers, whether this was limited to a purely geopolitical strategic or a more encompassing threat (Lieven 2022; Mearsheimer 2022; Melvin 2022; Person and McFaul 2022, 19; Walt 2022a). Others detailed how internal unrest in Russia may have pushed Putin to invade to reconsolidate his power (Stoner 2022). When considering theories focusing even more closely on Putin as an actor, it becomes clear that due to the COVID-19 pandemic he may have become isolated and received significant amounts of misinformation (Gomza 2022, 28; Seddon 2022). With some analysts even speculating that Putin had, to an extent, lost the ability to reason rationally (Gutterman 2022; Torbakov 2022).

However, to many a significant puzzle remained: why did Putin decide to commence a full-scale invasion of Ukraine, rather than a more limited invasion in the Donbass region? The taken decision was seemingly irrational from a bystander’s point of view. Hence, a debate surrounding the rationality of Putin in taking this decision emerged, with a nuanced perspective acknowledging human fallibility in certain situations being underrepresented. On the one side were those declaring Russia’s president insane. On the other side of the rationality spectrum were those who attributed the failure of invading Ukraine primarily to misinformation or miscalculation (Gomza 2022, 28; Gutterman 2022; Seddon 2022; Torbakov 2022).

The contribution of this thesis employing prospect theory is twofold. Firstly, this thesis demonstrated that Putin’s behaviour and statements follow the assumptions laid out by prospect theory, thereby generating a substantiated explanation that Putin may have opted for a full-scale invasion due to a framing of perceived losses. Moreover, this explanation builds on the existing binary academic debate concerning Putin’s rationality as it considers rationality to be a scale from fully rational, defined as aligning by the principles of EUT, to fully irrational which can be impacted by intervening factors. In particular, it has found that the factor of framing under conditions of risk is a convincing intervening factor in this case study.

According to the experimental findings of prospect theory, individuals may take higher risks than expected if they have conjoinedly experienced negative deviations from a reference point attributed to the situation (Kahneman and Tversky 1979, Taliaferro 2004, 187-188). In other words, rational decision-making, as understood by EUT, may be impacted, depending on the framing of the situation by the decisionmaker. Putin’s reference point consisted of Russia as a people in unity with Ukrainians, and Russia as a geopolitical power that is owed respect from international actors. Leading up to the invasion of Ukraine, he experienced losses on all three elements of this reference point. Ukraine had never been this distanced from Russia.
Moreover, with increasing interference of western actors in Ukraine, and, in Putin’s eyes, a blatant disregard of old promises and the communication of new threats, disrespect had reached a new level. Finally, from Putin’s perspective Russia had faced cultural, economic and security losses due to the ongoing situation in Ukraine which may have even been compounded by internal problems. The framing of this situation corresponded with Putin’s decision to opt for a full-scale invasion, rather than a less risky, albeit less rewarding, limited invasion which analysts had considered most logical.

In other words, rather than being either rational or irrational, rationality is a spectrum which can be impacted by factors, such as the mechanism laid out by prospect theory. In the decision to invade Ukraine, prospect theory can explain Putin’s actions in a nuanced manner, establishing that a losing frame preceded a substantially risky action, potentially formulating a refined answer to the puzzle of the extent of the invasion.

6.3 Prospect Theory in a Wider Context

It is also important to remember that this study, like most studies, has bound explanatory power. First and foremost, it is impossible to fully place oneself inside another person’s mind. The results of this thesis have given a strong indication that Putin may have been affected by the mechanisms underlying prospect theory, yet this is subject to further data, if or when this becomes available. Although this thesis has consulted a great number of sources, the hypotheses of this thesis can only be strengthened by more information for further accuracy, as much information is most likely unavailable currently due to short timespan between this research and the decision in question.

A more pressing concern for this study is that the consulted sources may have primarily been instrumentally used by Putin, rather than expressions of his interpretation of events. I have tried to establish longstanding rhetorical patterns, rather than list short-term political statements, yet this concern may in part persist. Could the found correlation simply have been a coincidence? According to Blatter and Blume congruence analysis validity is strengthened by conducting similar within-case studies to subsequently compare these in a between-case study manner (Blatter and Blume 2018, 326). Therefore, this research would benefit greatly from a comparison with Putin’s decision to annex Crimea in 2014, and potentially even the decisions surrounding Georgia in 2008, to see if different levels of risk corelated to different framings.
The annexation of Crimea has been referred to as a “sophisticated effort” and “the smoothest invasion of modern times. It was over before the outside world realised it had even started” (Biersack & O’Lear 2014, 247; Simpson 2014). According to analysts, Putin had formed a careful plan, with plausible deniability in the event that the plans may not have gone according to plan (Biersack & O’Lear 2014, 247; Driedger 2023, 13). Driedger argues that this more limited military incursion was preceded by a decision with less acceptance of risk compared to the 2022 decision (Driedger 2023, 1). In briefly perusing statements of Putin leading up to the Crimean annexation, sentiments of loss are present, yet they are immediately placed in context or nuanced. For example, in his address to the Federal Assembly, discussing Euromaidan, Putin articulated that “time and time again attempts were made to deprive Russians of their historical memory, even of their language and to subject them to forced assimilation” (Putin 2014). However, he nuanced his points, specifying that “let me say too that we are not opposed to cooperation with NATO, for this is certainly not the case” (Putin 2014). Similar arguments were made during the Valdai Club of 2014, yet even there Putin elicited the following response from a western guest: “You surprised me a bit today, because, frankly speaking, I expected to hear stronger assessments in your speech. You were rather diplomatic” (Kremlin 2014).

This quick overview of the Crimean annexation is by no means intended as a comprehensive and encompassing analysis. It does demonstrate, however, that the preliminary indications from the Crimean annexation do not negate the results of this thesis, and even provides some tentative further support. Moreover, it provides some tentative information to formulate a hypothesis that the results drawn from this thesis may be generalisable in the context of Putin and Ukraine. This reflection brings us to the final part of the discussion, namely identifying several potential future avenues for further research.

### 6.4 Avenues for Further Research

As discussed in the previous section, congruence analysis as a within-case study method, benefits from between-case study continuation to verify better the causal mechanisms and general applicability of the theory tested. Therefore, I suggest that an advantageous further continuation of the research presented here, would be to apply prospect theory and its hypothesis to other decisions in a similar context. The most likely situations would be Putin’s decision to annex Crimea, and the start of the 2008 Russo-Georgian War, as other scholars have similarly concluded (Driedger 2023, 1). In both situations the decision actor is the same.
individual. And in the case of the Crimean annexation, the country on the other side of Putin’s
decision is Ukraine as well, constituting a suitably comparable case study.

Next to analysing whether the results here may be corroborated across temporal points,
and thereby researching whether these results are reliable in different settings as well as taken
as a progression of one another, it is important to more accurately establish how different
explanatory factors relate to one another. As discussed previously, theories employ a specific
perspective to elucidate certain mechanisms. This thesis began by demonstrating different
interpretations of the events and processes related to the decision encompassing the most
researched perspectives related to the researched decision. I have indicated on multiple
occasions that decisions are complex, and that multiple processes and factors are most likely
at work simultaneously. Prospect theory provides a compelling answer to the question why
Putin decided to invade Ukraine to the extent that he did. Nevertheless, other factors may still
have been present, such as a presentation of misinformation leading to further skewed decision-
making. Likewise, the exact balance of internal and external factors in explaining the decision
warrants further research. In other words, to understand how all these previous explanations
intervene, correlate, and connect, a deep within-case study should be conducted. To understand
the interplay of all these theories, one could conduct a more thorough in-depth process-tracing
study.

6.5 Courting Risk: The Final Conclusions
After having summarised this study’s contents, and having interpreted and contextualised its
findings, there is now only one thing left to do: providing a final answer to the posed research
question. In other words, how and to what extent can prospect theory contribute to an
understanding of Putin’s decision to invade Ukraine?

Based on this research it becomes clear that not only can prospect theory provide a
substantiated explanation as to why Putin chose a full-scale invasion into Ukraine, but it also
adds nuance to the existing academic debate by defining rationality as a scale with intervening
factors. All elements that are found in the decision-mechanism as laid out by prospect theory
have been established in Putin’s decision to invade Ukraine. There was a clearly observable
reference point, consisting of three intertwined elements: unity, respect, and Russia as a great
power. Moreover, past statements, speeches, announcements, and other events leading up to
the eventual decision indicate that from Putin’s perspective he had been losing vis-à-vis his
imagined reference point on all three elements. Finally, after having reconstructed the potential
options, their potential gains and losses, and risk. It became clear that Putin opted for the
riskiest option. In other words, it seems plausible that prospect theory can provide a substantiated theory-informed answer as to why Putin invaded Ukraine in the manner that he did. Naturally, further research should be conducted to determine this factor in relation to other mechanisms and to further establish causality.

In short, this work has contributed to a deeper understanding already, demonstrating that Putin may have courted risk on that cold February morning in 2022 because he had consistently and increasingly rapidly experienced losses from his reference point imagining a unified, respected and powerful Russia. Putin’s actions were unexpected, but due to the prospect theory do not have to remain as enigmatic anymore. The puzzle has not been fully solved yet, however the pieces are increasingly assembled and sorted.


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