

Motivations of the Kremlin

The Crimean Annexation as a Diversionary Conflict

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In the wake of the 2008 Russo-Georgian War, Hillary Clinton travelled to Russia to rebuild relations between Washington and Moscow. Clinton presented the Russian Foreign Minister, Sergei Lavrov, with a “reset” button, a symbolic measure to mark a new era in bilateral ties. Ironically, due to a translation error, the button read “overload” rather than “reset”. (Shuster, 2010) In hindsight, “overload” seems more appropriate in describing the current tension between the two nations. Exactly five years after the summit and despite threats of sanctions, Vladimir Putin signed a bill absorbing the Crimean Peninsula into the Russian Federation. Soon after, Eastern Ukrainian rebels, potentially supported by Russia, declared independence from Kiev. In the months that followed, the West implemented increasingly tough sanctions and Moscow’s international reputation plummeted. Mikhail Gorbachev has warned that Europe is at the brink of a “new Cold War.” (Today, 2015) Yet despite these high costs Putin’s administration has refused to abandon its interests in the Crimea.

Many theories have surfaced regarding why the Kremlin is willing to accept the high economic and political costs of its actions (including capital flight, recession, and suspension from the G8). One such theory is that of diversionary conflict, as summarized by Ariel Cohen: “Russian leaders use foreign policy as a tool to buttress domestic support and to foster a perception that Russia is surrounded by enemies at a time when its democratic legitimacy is deteriorating.” (Aiken, 2014) Proponents of this perspective argue that the

Kremlin, afraid of its relative weakness due to fragile domestic conditions, intervened in Ukraine to stoke nationalist spirit and to rally the public around Putin.

This rationale, however, seems unlikely. While domestic concerns surely played a role in this decision, economic and public opinion data indicate that the Kremlin was not in serious risk of losing legitimacy. Before the annexation, Russian economic indicators were relatively strong and public approval for Putin was above 60%, in dramatic contrast to the single figure approval ratings for Boris Yeltsin at the end of his term in 1999¹. Furthermore, the majority of the public did not favor intervention in Ukraine. The key criteria for diversionary action, widespread domestic unrest, were not present in Russia before the intervention.

In this paper I explore existing scholarly literature to determine the factors that motivate diversionary war. Using these insights, I establish specific criterion that classify conflict as diversionary. Second, I investigate various key statistics, including ruble prices, GDP growth, and public approval polls to determine if Russia’s intervention in Crimea can be characterized as a diversionary action. I conclude that Russia did not annex Crimea due to diversionary pressures. Lastly, I argue that the deteriorating economic situation in the wake of the action could force the Kremlin to remain invested in the Crimea to distract the population from social hardships. Although it did not start out as one, Russia’s continued intervention in Eastern Ukraine may develop into a diversionary conflict.

¹Putin’s approval ratings are especially impressive when considering that his predecessor, of the same political party, left office with a less than 5% approval rating.

Defining Diversionary War

Traditional realist literature has minimized domestic factors in the outbreak of wars. (Mearshimer, 2001, p. 15) Under this paradigm, states are seen as actors in an anarchic international system. Since the primary goal of states is survival and power is relative, their actions are predictable. Jack Levy challenges this hypothesis in *Domestic Politics and War*, linking internal factors to foreign policy. He primarily focuses on the diversionary theory of war, which argues, “political elites can use a foreign war to divert popular attention from internal social, economic, and political problems.” (Levy, 1988, p. 666) The primary motivation for this action is regime survival in a time of potential domestic crisis. Specifically, elites will try to foster nationalism and create a narrative of the state under attack in order to direct the anger of the population away from the failing government. Georges Michon provides an example of diversionary war with the French foreign policy in 1792: “War was willed solely to act as a diversion from the social problems. [War] would give the government dictatorial powers and would allow it to eliminate its detested enemies. For these groups the war was a grand maneuver of domestic politics.” (Levy, 1988, p. 668) Similarly, other scholars have linked the Russo-Japanese War, World War 1, and the Falklands War to diversionary pressures.

Amy Oakes expands on the diversionary war literature and examines the rationale behind Argentina’s invasion of the Falkland Islands. She argues, “the decision to initiate a diversionary conflict is typically influenced by three factors: motivation, domestic constraints, and opportunity.” (Oakes, 2006, p. 433) Faced with these internal issues, the state can reform, repress, or divert the public’s attention. A regime is driven to diversionary war when faced with “escalating so-

cial unrest, limited extractive capability, calls for extreme reform, and a low-cost target.” (Oakes, 2006, p. 433) Oakes supplements Levy’s definition by including causal linkages and discussing policy alternatives to diversionary action. In the case of Argentina, the deteriorating economic situation in 1981 set off a series of nationwide strikes and protests against the military junta. The government’s extractive capacity plummeted and the state was “on the verge of insolvency,” (Oakes, 2006, p. 454) constraining the actions of the regime regarding potential economic stimulus. This prevented the opportunity for reform or repression, simply because they were too costly. Given the junta’s perception that Britain would not retaliate, diverting the public’s attention and rallying the country behind the government by invading the Falklands appeared as the most cost-effective way of quelling the unrest.

In order to differentiate diversionary war from other types of conflict, certain criteria must be met. Regimes facing similar internal circumstances to those in Argentina before the Falklands War are much more likely than others to launch a diversionary conflict. Specifically, the ruling party must feel threatened by rising domestic unrest, constrained by decreasing extractive capabilities and limited economic policy options, and presented with a low-cost target to invade. To quantify these factors I will use public opinion data to represent domestic sentiment, tax revenue as a percent of GDP to illustrate the government’s extractive capabilities, and previous international responses to regional conflicts to determine if a low cost target exists. If a state is faced with significant drops in public approval ratings and tax revenue and responds by invading another country with a low perceived cost, then this action is likely diversionary.

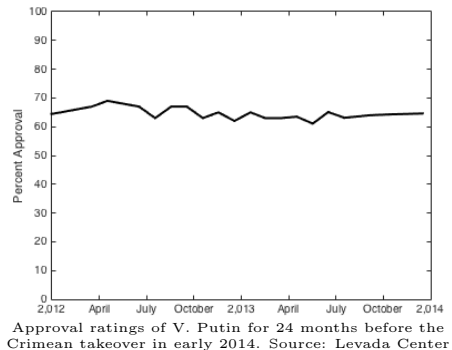
Russia and the Crimean Peninsula

Was Russia's annexation of the Crimean peninsula in March 2014 a diversionary action? Several accounts of this intervention claim that it was, given the sluggish economy, low extractive capability and relatively low public approval for Putin. Timothy Frye claims, "Russia's problem is not that it lacks territory but that it governs badly the territory it has." (Frye, 2014) Applying Oates's framework, this poor governance hampers the tax collection efficiency of the state and therefore its effectiveness in enacting economic reforms or brutal repression measures. Coupled with sluggish GDP growth rates this could be a precondition for diversionary war. (Bank, 2015) Others point to Putin's skyrocketing approval rate in the wake of the annexation as validation of the administration's efforts to distract the Russian people from the weakening economy.



However, a closer look at the economic data presents a different picture. World Bank reports indicate a stable rate of tax collection as a percentage of GDP for the last decade. (Bank, 2015) Whereas the Argentine government had lost capacity in the months leading up to the Falklands War, the Kremlin has been able to maintain a steady rate of tax collection as a percent of GDP. Furthermore, unlike the military junta, Moscow had almost \$500 billion in reserves before the crisis, giving the administration some room for economic stimulus. Thus, at least one of the criteria for diversionary action, lack of economic policy

options, was not present before the annexation. Economic indicators are also mixed. Although the Ruble lost value in early 2014, stable oil prices (energy sales account for 50% of Russian federal revenue (Simon, 2015)) at the time gave no cause for serious concern. On the day of the Crimean annexation oil was trading at \$105 a barrel, which is the price Moscow needs to balance its budget. (Holodny, 2015) GDP figures illustrate a similar story of an economy slowing down but not in crisis. (Bank, 2015) Although there were anti-Putin demonstrations before the annexation, they were not related to the economy, which at the time seemed to be stable. Clearly the situation was nothing like the crashing economy of Argentina in 1981, with its nationwide workers strikes and mass protests. At the time of the Crimean annexation, the Russian government was not constrained economically with regards to policy due to their stable tax collection and sizeable reserves. If Moscow had wanted to quell unrest, it had cheaper options than diversionary war.



In addition to a relatively stable economy, there was no indication of rising domestic unrest before the Crimean annexation. Per the Levada Center, Putin's government had an approval rating of 69% just before Victor Yanukovich ceded power, and it had been as high as 86% at other times during his presidency. (Center, 2015) These figures do not describe a government

in danger of losing the public. A separate poll conducted by Gallup presents slightly lower, but nonetheless stable, ratings of 54% in 2012 and 2013. (Ray Esipova, 2014) Despite the highly publicized protests in the wake of the 2012 elections, these numbers suggest that the Putin was not facing a legitimacy crisis and that these were isolated incidents rather than a widespread movement. In fact, both the Levada and Gallup polls show that Putin's approval rating was significantly rising before the conflict, likely due to the Sochi Olympics. Moscow was not facing significant domestic unrest prior to the Crimean annexation, and thus it is unlikely that this action was diversionary.

In response to this data, some would argue that the Kremlin took preemptive action to prevent approval ratings from falling in the future by annexing the Crimea. The weak international response to the Georgian War of 2007 signaled to the Russian government that the Crimea would be a low cost target, a prime target

for diversionary action. As with the Georgian intervention, annexation could provide an effective way to rally the public around the state and distract from internal problems. However, as late as February 2014, 75% of Russians opposed military intervention in Ukraine. (Aiken, 2014) (However, this number decreased dramatically after the annexation.) Even if the Kremlin perceived growing unrest, the above poll implies that overt military intervention in Ukraine would harm, rather than bolster Putin's regime. Additionally, this argument cannot explain the timing of the intervention. If Moscow was truly concerned with domestic unrest, then the intervention should have happened in 2012 or 2013, when approval ratings were at their lowest. As mentioned earlier, Putin's approval ratings were rising significantly after the Olympics and Russians had growing confidence in their economy. (Ray Esipova, 2014) While high approval ratings may have been a result of the intervention, they were not the primary motivation for the annexation.

Alternative Explanations

Given the economic and public opinion statistics I have presented, it is highly unlikely that Russian elites were motivated by diversionary pressures to annex the Crimean peninsula. Moscow did not face decreasing extractive capabilities or widespread social unrest, critical factors for motivating diversionary action. Alternatively, Moscow was most likely motivated by strategic concerns and nationalistic ambitions after Ukraine's overtures to the EU amid waning Russian influence. The pro-Russian president Viktor Yanukovich, who had just spurned the EU to sign a loan agreement with Moscow, had just been ousted and replaced with a pro-Western government. Similarly to Georgia before the Russian invasion in 2008, the Ukrainian parliament had just signed a trade agreement with the EU and was posturing to join NATO. (Mankoff, 2014) Ukraine has

long been an important strategic region for Russia and is part of the "near-abroad," the Russian sphere of influence defined by Putin. (Herpen, 2014, p. 244) Furthermore, there is a key Russian naval base in Sevastopol, Crimea that houses part of the Black Sea fleet. As such, Moscow was unwilling to tolerate defection to the EU and used coercive force to punish the former Soviet republic.

Nationalist motivations for intervention in Ukraine were also similar to those that led to Russian intervention in Georgia. Putin considers both states under the influence of Russia, and he even remarked in 2008 that Ukraine, "is not a real country." (Herpen, 2014, p. 244) Medvedev and Putin have frequently described Ukraine as the "younger brother" that "may not be separated" from Rus-

sia. (Herpen, 2014, p. 244=6) Ukraine is also critical for Putin's proposed Eurasian Union, an alternative to the EU that would include military integration as well as economic cooperation. Putin has based his legitimacy on his ability to restore Russia to greatness, and part of this vision includes exerting influence beyond Russia's borders, especially with regards to former Soviet republics. If Ukraine, a country traditionally dependent on Russia, refrains from joining the Eurasian Union, the image Putin has created of Russian prestige and power may

fall apart.

Strategic and nationalist motivations help to explain the timing of the Russian intervention, a key drawback to the diversionary framework. The regime change in Ukraine, rather than a desire to distract an upset public, convinced the Kremlin to take annex the Crimean peninsula in March 2014. It was critical that Moscow took action quickly before the West was able to support the fledgling regime. Just a month after Yanukovich was ousted from power, Russian troops occupied Crimea.

Shift to Diversionary War?

Unfortunately for the Russian economy, unlike the Georgian War, the West quickly responded by implementing damaging sanctions. These sanctions, coupled with plummeting oil prices, have sent the Russian economy into a deep recession. GDP fell almost 5% in the last quarter and real disposable income fell by 3.1% this year. (Economist, 2015) This has constrained the Kremlin, which has chosen not (or has not been able) to attempt any economic reform to alleviate the crisis. Shockingly, approval ratings for Putin are at 89%, an all time high. (Nardelli, 2015) In striking contrast to the February 2014 figures, 87% of Russian's now support the annexation of Crimea. (Nardelli, 2015) Although diversionary pressures did not originally motivate the annexation, the regime has used the intervention and continued nationalist rhetoric to divert the public's attention away from the troubled economy,

turning the conflict in Ukraine into a diversionary one.

Moscow has achieved this by framing the conflict as the West trying to humiliate and cripple Russia via sanctions and the new government in Ukraine. Putin has linked falling oil prices, and therefore the struggling economy, to a Western conspiracy and launched a widely successful propaganda campaign to convince the public. As a result, 66% of Russians polled "believe Western sanctions are meant to humiliate and weaken Russia" while only 5% believe they are meant to help end the Ukrainian conflict. (Nardelli, 2015) Similarly to other diversionary wars, Putin has rallied the public around the government in the face of a perceived threat to the country. Although the Kremlin and falling oil prices are responsible for the weak economy, most Russians instead blame the United States and the EU.

Implications

The motivations behind the initial annexation and the shift to diversionary action provide policy insights. Rather than simply dealing with a besieged regime acting to protect itself from domestic pressure, the West faces an administration keen on stoking nationalism and Soviet nostal-

gia. (Gross, 2014) It is unlikely that the Kremlin would leave the Crimea and risk a weakened image in the eyes of the nationalists it has encouraged. Furthermore, the strategic importance of Ukraine to Russia cannot be understated. However, the deteriorating Russian economy has put politi-

cal elites in a difficult position. The country now faces risk of recession, plummeting oil prices, and international isolation. In response, the government has blamed the West for Russia's economy malaise and turned the conflict into a diversionary one. Although it is difficult to imagine a complete recovery without the assistance of Europe and the United States, these developments may prevent Putin from making

concessions over Crimea. Not only does Ukraine matter for Russian pride, it allows Putin to divert the attention of the public. Unfortunately, this is unlikely to end well for the Russian public. If Moscow continues down this route, Russia will grow further apart from the West, the economy will continue to suffer without much needed foreign capital, and a long-term solution in Eastern Ukraine will be less likely.

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