



Ukraine Essential

Brief Four
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Ten days into Russia's war in Ukraine, it has become clear that Moscow has miscalculated military adventurism. Its primary policy objective - quick regime change in Kyiv – has failed. Instead of a Crimea style blitzkrieg, or a punitive operation against post-Maidan Ukrainian leadership, Russia is bogged down into a serious war where its personnel losses are already greater than it suffered in the 2nd Chechen war in years. Based on the current situation in Ukraine, it is becoming clear that the Russian policy decision-making is being done in isolation: Vladimir [Putin acted alone](#).

On the other hand, Ukraine is winning the information and even [the cyber war](#). The Ukrainian army continues to fiercely defend the country and the entire society is mobilized and contributing. The overwhelming civil protests in the presence of the few occupying forces raising the question how, and for what price, Moscow wants to pacify even the Russian speaking territories of Ukraine. The impression is that the war could complete the identity shift initially started at the 2014 Maidan Revolution – the very opposite of what Putin was looking to achieve.

Given Russia hasn't achieved any of its policy objectives, but sustained most of the costs due to unprecedented Western sanctions, it has an [incentive to increase](#) the intensity of the war. The real risk for Moscow is the weaker state of its army as well as the potentially growing domestic disapproval as the war continues. The economic shock due to the sanctions impact is huge, comparable to the collapse of the USSR. As a knock on effect, the war will have a serious impact on Western economies from increasing food to energy prices. Depending on China's stance the consequences have big potential to significantly fragment the global economy, which still remains fragile due to the pandemic.

Russian Miscalculation

The Russian army's weak planning, poor logistics, outdated equipment, lack of effective communication and coordination as well as the fierce Ukrainian resistance have prevented a swift victory. The credible explanation for the strategic and [tactical missteps](#) is that Putin was genuinely convinced about launching a policing operation not a military one. At least, this would explain why the the Russian armed forces (RAF) acted at early parts of the mission as if they were on a peace mission.

Nevertheless, on the Southern front RAF, invading from Crimea, surprised the Ukrainian armed forces (UAF) There the RAF had the necessary number of troops as well as technical and other dominance. Due to this, Russia is controlling sea routes and coastal strip from Kherson to Mariupol. Another land bridge is on the way toward Transnistria, encircling Odessa, and the UAF Donbas forces are also being slowly encircled. [Graphical comparison](#) of Russian advances suggests that despite many mistakes and losses, the RAF keeps moving forward. While the [overwhelming protests](#) against the presence of Russian troops put further pressure on the already low troops morale, the war is expecting to enter a bloodier phase.

According to Ukrainian official sources, the Russian military has already deployed [up to 95%](#) of its operational reserves and started preparations for the deployment of additional forces and resources. The Ukrainian Ministry of Defence count has 11 thousand casualties on Russia side, what could be realistic as the combined toll of dead and injured. The published list of Russian prisoners [has 116 names](#). Western experts predict it will be about three weeks before the RAF [can be exhausted in terms](#) of combat effectiveness.

Given the current state of affairs, it is no wonder that the Russian military leadership was forced to make a shift in tactics, including the greater use of fighting aircrafts and shelling of key cities to break through defensive lines and crush the fighting spirit of the local population. The Russian airforce is now being used more frequently, but still it is [relatively far](#) from its actual capacity as the Ukrainian air defense is still (!) operational. The UAF, expectedly, has [moved defense to the cities](#), which in turn attracts even more Russian shelling. Russian supply chains are also being [successfully attacked](#). Nevertheless, Mariupol and Kharkiv are encircled and fighting on-going. Kyiv and Odesa are being encircled and preparing for battle. Heating and electricity is scarce in the cities under siege.

The battle for Kyiv will be decisive – in what would be the first such an assault on the city since the WWII - but Russia has not been prepared for it, yet. In addition, the [war of logistics](#) will be another key factor.

The next phase of Russia's assault is a land operation, assuming the talks in Belarus would fail, accompanied by more airstrikes on the airports and military installations in Western Ukraine as well. Russia is also shifting toward new Naval operations on the Black Sea what would allow them to fully control Ukraine Black Sea coastline following the Azov Sea. Meanwhile, the patience with the protests in occupied cities are dwindling, as Russian forces [opened fire on protesters](#) in Nova Kakhovka.

So far, the Russian leader can probably count on the support of the average Russians, especially against the backdrop of the stringent control of the information space in Russia and only limited and very curated information offered to the public. According to the state funded poll, which is unlikely to be reliable, there is a rally-around-the-flag moment with [68% supported](#) the “limited military operation”. Another state-owned Public Opinion Foundation (FOM) found that Putin rating has surged from 60% to 71%. The Levada Center puts it at 50-50 in major cities.

Ukrainian Resistance

The local population remains highly dedicated to the war effort and has shown remarkable resilience. Per the [Gradus Research](#), 82% of Ukrainians believe in victory over Russia, and only 1% of respondents agree to accept peace in Russian terms. President Zelensky's approval rating is at 91% and Kyiv is [winning](#) the media and [social networks](#) to promote the Ukrainian narrative and messages. This effort is also supported by [Big Tech being clearly](#) on Ukraine side. In contrast Russia has [blocked the websites](#) of the BBC, Voice of America, Radio Free Europe, Deutsche Welle, and Meduza for “spreading fakes about Ukraine” and adopted a [fake news legislation](#). Therefore, essentially all foreign-based media reporting in Russian is banned, isolating Russia from Western and Ukrainian media influence.

There are signs of a worsening humanitarian situation, which varies from region to region. The civilian casualties are [relatively low so far](#), given that the RAF has shown restraint in the beginning. From 24 Feb—3 March, the UN human rights monitor recorded 1,006 civilian casualties: 331 killed, including 19 children; 675 injured, including 31 children, mostly caused by shelling & airstrikes. The real toll is certainly much higher though. However, the intensity of the war is expected to increase in the residential areas. The intensified Russian military moves, and shelling are making it more difficult for civilians to move from the Eastern and Central parts to the West of the country. The extensive network of Ukrainian checkpoints are sometimes working as choke points, which are slowing down the flow of displaced citizens and creating local conflicts. Looting has been spreading as well, the parliament urgently changed the Criminal Code to increase the punishment for it. With [1,5 million citizens have fled](#) by now, this is Europe's largest refugee crisis since the WWII. Despite severe obstacles to the movement of people, refugee numbers are expected to increase even further, given the war intensity will only grow.

Spillover to Moldova

The air strikes in Odesa on 24 February woke up the neighboring Moldova, too. The Sandu government has already been trying to cope with the health and energy crisis, and is now facing unprecedented number of refugees – the highest per capita from all the neighbors - as well as a potential spillover of the war.

Given that Moldova's constitutional status is neutral, it has not sought NATO membership, and has no considerable armed forces, but Chisinau is trying to appear as neutral as possible. Accordingly, the government condemned the war but did not join EU sanctions.

Due to domestic political pressure, it followed the example of Ukraine and Georgia, and submitted its application to the EU. This in turn unleashed [protests from](#) the separatist Transnistria region as well as info war from Russian outlets. While there is no evidence that any military action against Moldova is in the cards, emotions will be further amplified.

Back before 1989

Given Russia hasn't achieved any of its objectives, but sustained most of the costs, it has an [incentive to increase](#) the intensity of its military action of the war. The goal is the same: trying to make Zelensky concede in the face of vastly superior forces and a devastating war.

In terms of the war, the next two weeks will be decisive. Russia still [retains a major](#) military advantage. The war already has devastating impact on Ukraine economy, what will further increase. The U.S. and its allies are looking into a potential scenario with a [Ukrainian government-in-exile](#) and fueling a long insurgency against a Russian occupation, what will also prolong the war and bring further devastation.

No Western sanctions will stop Putin. Some considers a scenario for [tactical nuclear escalation](#) can be in the cards. Nevertheless, this should be put into a context: Russia has [invoked its nuclear arsenal](#) to try to paralyze the West, creating conditions for Russia's conventional forces without Western interference.

However, Putin is dead serious. Its longer-term objective is to roll back the post-1989 hegemony as evident also from the pre-war [Russian demands to the US](#) and NATO. From this perspective, this war is the coercion phase, and not only about Ukraine. With the war in Ukraine, the world is moving toward [separate silos](#). It is telling that Turkey and Israel trying to facilitate, while the EU is not longer in the position to mediate.

The Western sanctions created large shock in Russia and elsewhere. The [expectations are](#) that Russian quality of life may fall to levels comparable of Iranian or potentially even Venezuelan standards. But the sanctions impact will be disproportionally on the SMEs as well as the middle class, those who actually oppose Putin's governance. Asia, Africa, and China are still open for trade with Russia, even though [Beijing looks rather hesitant](#) to bail out Moscow. The gas futures are now at \$3,000 or an absolute record, the oil is over \$130, close to its historic record (\$143). Europe will [have to continue](#) buying gas and there always will be loopholes and [possibilities for business](#). Russia is self-sustainable in food and energy, Europe is not. The war of the two biggest wheat exporters will be rising global food costs, [some of the EU sanctions](#) will contribute to this. The Western alliance should be trading carefully, as the sanctions spillovers can also weaken the global financial system.

Finally, Putin can proceed with some fundamental changes in Russian economic order. It can move toward a Keynesian [fiscal and monetary policy](#) (i.e., stimulus) to cushion the impact of the sanctions. At least, he already announced a libertarian approach toward Russian business. In case of no changes, the war in Ukraine can [destabilize the Russian](#) political order.