

Conflict Update

March 22nd, 2022

Conflict Assessment

Russian forces are likely moving to a phase of protracted bombardment of Ukrainian cities due to the failure of Russia's initial campaign to encircle and seize Kyiv and other major cities.

Ukrainian forces conducted successful localized counterattacks northwest of Kyiv.

Russian forces in northeastern Ukraine did not conduct any offensive operations in the past 24 hours.

Ukrainian forces repelled several Russian assaults in Donetsk and Luhansk oblasts in the past 24 hours.

Russian forces continue to make slow but steady progress reducing the Mariupol pocket.

Russia may have failed to appoint an overall commander for its invasion of Ukraine, leading to Russian axes of advance competing for limited supplies and failing to synchronize their operations.

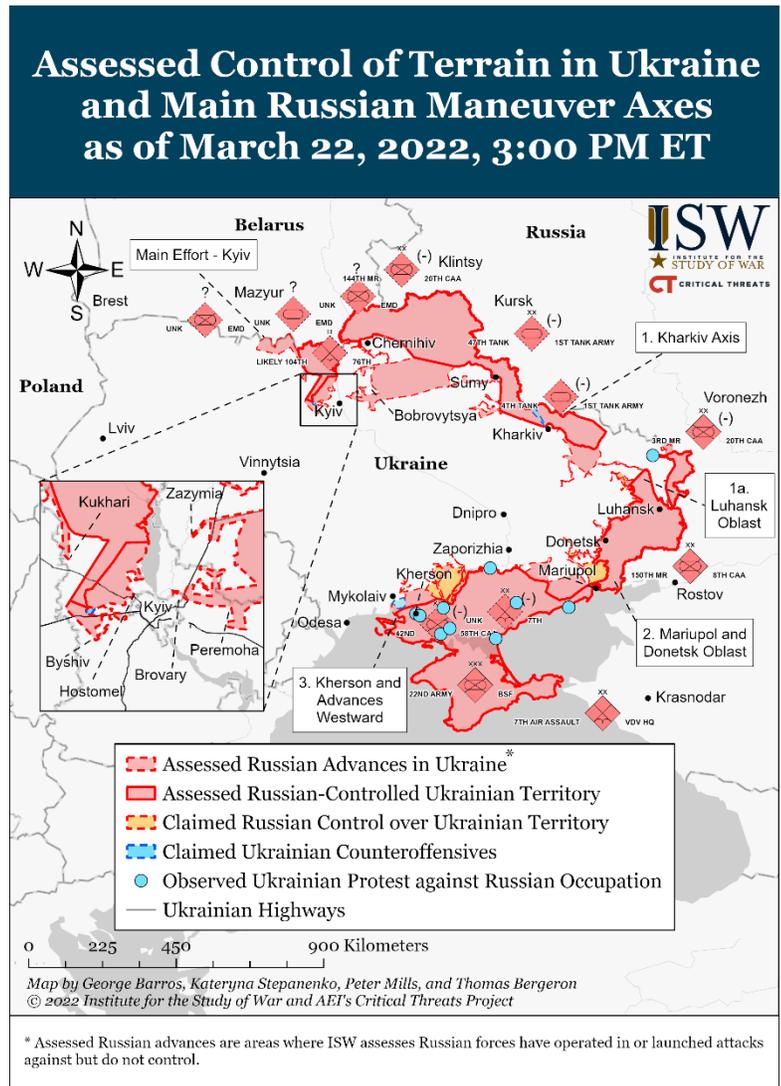
Death toll – Pro-Kremlin Newspaper Posts Russian Death Toll Of Almost 10,000, Then Deletes It. The Russian Komsomolskaya Pravda newspaper briefly published a figure indicating a Russian death toll of nearly 10,000 soldiers from the fighting in Europe -- then quickly deleted the information.

The online report on March 20 cited the Russian Defense Ministry as reporting that 9,861 Russian soldiers had died since the start of the war on February 24.

Russia has officially confirmed just 498 deaths, a figure given early in the conflict without updates.

Ukraine Forces Launching Counterattacks as Russian Invasion Stalls - Nearly a month after Russian forces invaded Ukraine, there are growing indications Ukrainian forces are going on the offensive, targeting Russian troops and, in some cases, retaking lost ground.

Ukraine's Defense Ministry said Tuesday that its forces had retaken Makariv, a suburb of the capital of Kyiv, following heavy fighting.



Ukraine's military also appeared to launch counteroffensives in the eastern city of Izyum, 120 kilometers southeast of Kharkiv, and in areas near the city of Kherson in the southern part of the country.

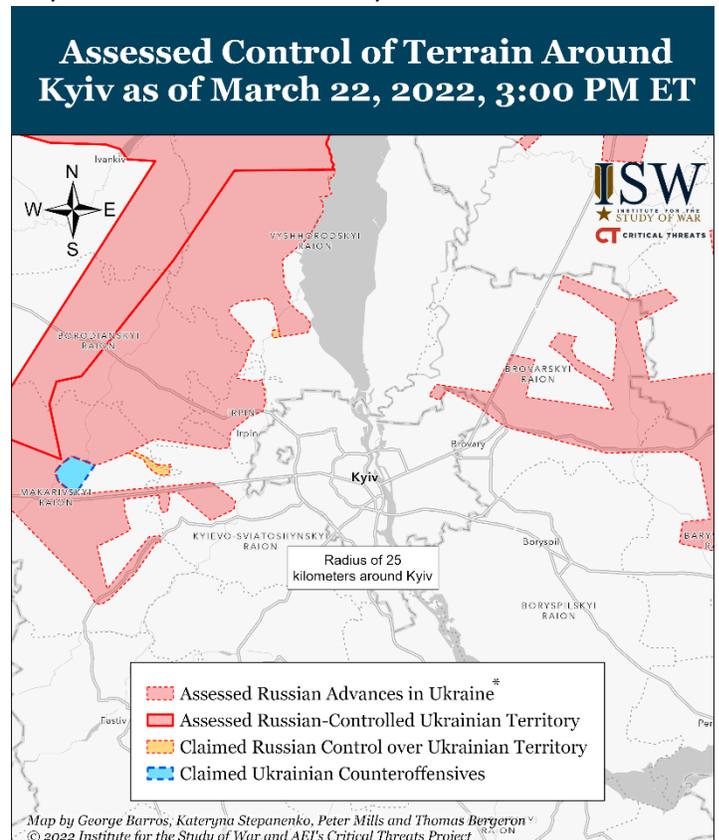
U.S. officials declined to comment on the Ukrainian efforts, but they did say that in some parts of the country, the momentum appears to be shifting.

Stalemate? - NATO official sees Russia-Ukraine war entering a stalemate: 'Neither side here can win.' The nearly monthlong Russian war in Ukraine is on the verge of entering a stalemate, a senior NATO intelligence official said Monday, with Ukrainian forces preventing Russia from making progress but Russian President Vladimir Putin showing no willingness to back down. "If we're not in a stalemate, we are rapidly approaching one," said the NATO official, who spoke on condition of anonymity to discuss sensitive military assessments. "The reality is that neither side has a superiority over the other."

With Russia's invasion of Ukraine now approaching its fourth week, President Vladimir Putin's forces have exerted brutal force and destruction on the Eastern European nation, forcing people to flee and making millions homeless.

Russia's economy is now creaking under the immense weight of international sanctions and the costs of war, having largely failed to achieve major military victories in Ukraine. Close watchers of Moscow, and Putin, say there are increasing signs of desperation in Russia's military campaign and siege tactics.

Ukrainian forces likely conducted several local counterattacks against Russian forces around Mykolayiv and north of Kherson on March 22, and Russian forces did not conduct any offensive operations. The Ukrainian General Staff reported at midnight local time on March 21 that Ukrainian counterattacks around Mykolayiv pushed Russian forces out of defensive positions to unspecified "unfavorable borders."



Containment

NATO Mediterranean presence - As a mobile U.S. airbase, the Truman will be on the front line if NATO decides to enforce a no-fly zone, or should the worst happen, NATO forces be drawn into a direct conflict. "The role of Truman, with other allies, is to deter Russians from further aggression and to be on constant standby for orders that might be given from our president or from other leaders around the world for the protection of Ukraine and the people of Ukraine," Secretary of the U.S. Navy Carlos Del Toro told POLITICO during a visit to the carrier.

Since the war on terror, U.S. Navy carriers have spent most of their deployments in the Middle East. More recently, as tensions with China have increased, there has been a "pivot" in the U.S.'s focus toward the Pacific, to counter the perceived security threat presented by Chinese ambitions in the region. But with the invasion of Ukraine, the center of gravity has, for now at least, shifted to Eastern Europe, and the strike group is now stationed in the Mediterranean.

Because of Russian pressure, there are more U.S. warships in the Mediterranean than ever before, said Del Toro. “There are numerous Russian ships and subs in the Mediterranean today and that’s why it’s important for NATO to have an equal presence, to deter them,” he said, adding: “The only thing Putin understands is strength.”

Last week the carrier converged with French carrier FS Charles de Gaulle and Italian carrier Cavour. “They were operating as a combined unit. That’s a big deal,” said Lt. Commander Shawn Ekland, a spokesperson for the carrier group.

Following training with the Romanians in March, pilots involved in the Enhanced Air Policing mission are able to refuel in the air from NATO partners, which doubles the time they are able to stay on mission and builds capacity for the eventuality of fighting together seamlessly. (Politico).

Contested Logistics Environment - Russian supply lines – Classical war engagement includes hampering and disrupting opponents’ supply lines. This Ukraine is successfully doing with (i) Belarus rail lines stopped, (ii) roads into Ukraine blocked with eliminated Russian vehicles after being strategically targeted – food trucks and petrol bowsers have been specifically hit, (iii) holding out in eastern cities like Mariupol, tying down Russian forces and equipment and (iv) maintaining their own in air superiority – both sides have ground-to-air missile systems in place and NATO is planning to add further equipment to Ukrainian defenses with captured and stored Russian S300 missile systems, with which Ukrainian operators are familiar.

Turkey has the S400 system, reputedly the best ground-to-air defense system in the world but is unlikely to locate these to Ukraine. Being Russian, these systems have codes that “look into” Russian aircraft control systems so can play a wider role in shooting down these aircraft.

Widening of Conflict

Warning of escalation - Ukraine's military warned the public of more indiscriminate Russian shelling from bogged-down Russian troops, and U.S. President Joe Biden issued his strongest warning yet that Russia is considering using chemical weapons.

Belarus - Belarus, a close Russian ally, may soon itself attack Ukraine and is preparing to potentially let Russia position nuclear weapons on Belarusian soil, the official said. Belarus has already allowed Russia’s military to use its territory to invade Ukraine. (See below).

Russia - It remains unclear to NATO whether Putin intends to pursue a “maximalist” strategy to capture all or most of Ukraine, the official said, but asserted that Russia had clearly expanded its set of targets in recent days, including by hitting sites in western Ukraine that had gone mostly untouched in the early days of the war.

Nuclear weapons placement - “The Belarusian government is preparing the environment to justify a Belarusian offensive against Ukraine and the imminent deployment of Russian nuclear weapons in Belarus,” a NATO intelligence official said. The official cautioned that Russia placing nuclear weapons in Belarus was not a foregone conclusion. “I’m not telling you they’re going to put nukes in there tomorrow,” the official added. “What I mean is they’ve taken steps politically to now be able to receive nuclear weapons if such a decision is made.”

Crypto warfare – US Government is warning that they fully anticipate Russia engaging in crypto warfare.

Japan - Japan reacted angrily after Russia withdrew from peace treaty talks and froze joint economic projects related to the disputed Kuril islands because of sanctions imposed by Tokyo. Russia and Japan have still not formally ended World War Two hostilities because of the standoff over islands just off Japan's northernmost island of Hokkaido.

North Korea - Russia Talks With North Korea Amid Western Outrage Over Ukraine. Russia's Foreign Ministry says Moscow and Pyongyang have discussed developing bilateral ties "in the context of changes taking place in the international arena."

PLA Navy's upgraded J-11B fighter jet - joins South China Sea exercise. Both the video released by the PLA Southern Theater Command and the CCTV report gave a glimpse of a J-11B fighter jet returning from the exercise and entering its hangar. This particular J-11B had a grayish white radar dome instead of the black radar domes that other J-11Bs have, observers noted.

EU Defense upgrading - Seven European nations have increased defense budgets in one month. Who will be next? Germany, Belgium, Romania, Italy, Poland, Norway and Sweden have all pledged to increase defense spending since Russia's invasion of Ukraine. (Breaking Defense),

Ukraine Concerns

Since Russia first invaded Ukraine, Ukrainians have expanded what sociologist Jeffrey Alexander calls "the circle of the we." The circle of the we refers to the collection of people who do not directly experience a group's suffering, but nevertheless come to take responsibility for it.

To date, the circle has been expanded through social media and consumer-driven news. Because they depend upon spectacular imagery and rapidly changing information cycles, the circle is at risk of contracting and the world is at risk of forsaking its responsibility for Ukraine.

By connecting examples from Ukrainian history and the current war to the concepts of cultural trauma and identity, I argue that maintaining the circle of the "Ukrainian we" requires engagement with richer forms of Ukrainian culture.

The destruction of Ukrainian culture has been an important part of the Russian invasion. For years, Russian President Vladimir Putin has paved the way for this assault by claiming that Ukraine is not a real nation.

But historians have shown that Ukrainian history can be traced to 10th century Kyven Rus. Like other European societies, Ukraine started to develop its modern national identity in the 18th and 19th centuries through literature, music, food, dance and language.

All these elements of Ukrainian collective identity are under attack when Putin denies the historical existence of Ukraine and when the Russian military indiscriminately shells Ukrainian cultural and educational institutions.

Some of these include the Kharkiv Art Museum, the Kharkiv Opera House, the Slovo house in Kharkiv, Karazin University in Kharkiv, the Babyn Yar Holocaust memorial in Kyiv, the Holy Dormition Svyatogorsk Lavra in Donetsk and the Ivankiv Historical and Local Museum.

Ironically, the fact that Putin targets Ukrainian cultural institutions indicates his recognition of the unique and strong character of Ukrainian cultural identity.

Putin Concerns

Putin fears a coup but it's not oligarchs who will oust him — it's the siloviki. Men like Alexander Bortnikov, the head of the Russian FSB, will do what's necessary if they perceive their interests are at risk. Analysts and Russia watchers are battling about the idea that perhaps Russian autocrat Vladimir Putin has become mentally unstable. They point to ranting speeches where Putin seems to invent history out of whole cloth, or his public and cringeworthy dressing down of one of his intelligence chiefs. Then there are the meme-worthy photos of Putin sitting at the end of ridiculously long tables. Some observe that Putin simply doesn't look well physically – puffy in the face and less steady on his feet.

Speculation suggests that all of this is due to the Russian leader's increased isolation, his surrounding himself with yes-men, or his angst over the bite of widespread economic sanctions the West and other allies have leveled against him since Russia invaded Ukraine. Others say he is afraid of covid-19 and taking draconian precautions.

Putin is indeed afraid, but not of covid. He fears a coup.

The oligarchs aren't the ones who would turn on Putin. There is something of a power-sharing agreement between Putin and his oligarchical team, but it is one-sided and mostly economic: Putin allows them to run large moneymaking entities in Russia and abroad, and in return, they help him launder his own funds or assist him for whatever else he deems them useful. But the oligarchs have no direct access to hard power, such as police or other armed security forces in Russia.

Nor will the mythical Russian "man on the street" rise up to dethrone Putin. There are Russians who support Putin's policies, and others who have simply become politically apathetic. Many believe the state propaganda, which is the only news information most Russians can access. While on occasion Russian citizens do protest – sometime in the thousands and tens of thousands – these demonstrations are always forcefully broken up by police and security forces.

The real threat to Putin comes from the siloviki, a Russian word used loosely to describe Russia's security and military elite. These are people like Nikolai Patrushev, currently the secretary of the Russian security council, and Alexander Bortnikov, the head of the Russian Federal Security Service (FSB), as well as other current and former senior security officials.

Nuclear Concerns

Russia would only use nuclear weapons if it determined its existence as a nation was threatened, Kremlin spokesman Dmitry Peskov told CNN.

"We have a concept of domestic security, it's public, you can read all the reasons for [Russia's] nuclear arms to be used," Peskov said during the interview. "If it is an existential threat for our country, then it can be used in accordance with our concept."

Chinese Concerns

Regardless of whether Beijing had advance warning of Russia's invasion of Ukraine, Chinese leader Xi Jinping's decision to issue a statement last month outlining a "no limits" partnership with Moscow was arguably the single biggest foreign policy blunder of his nearly ten years in power.

Russian President Vladimir Putin will receive the overwhelming share of the blowback for his unprovoked assault on Ukraine, but Xi's public declaration, coupled with Beijing's continued diplomatic support for Moscow, has undermined China's reputation and provoked renewed concerns over its global ambitions. Indeed, the intensifying war in Ukraine has already prompted calls for Taiwan to improve its defense capabilities and has given security partnerships such as NATO, the Quad, and AUKUS a renewed sense of purpose.

With Xi set to assume a third five-year term as China's leader at the upcoming 20th Party Congress, it is critical for the United States and its allies to understand not just the drivers and contours of his foreign policy but the political and bureaucratic ecosystem in which he makes decisions. As Putin's reckless gambit in Ukraine has proved, an autocratic leader surrounded by sycophants and fueled by historical grievances and territorial ambitions is a menacing prospect. Xi is not Putin, and China is not Russia, but it would be unwise to ignore the growing parallels.

Belarus Concerns

Belarus is rightly concerned with the prospect of being coerced into entering the physical conflict in Ukraine in support of Russia.

The military is and has been the backbone of the Lukashenko regime since 1994 when they came into power. Diluting his base of power by sending in 15,000 – or the 30,000 as reported - will see his domestic situation alter dramatically and adversely. He has a very real fear that he will be overthrown should he send in the bulk of his military to Ukraine.

He more than likely will resist efforts from the Kremlin to send in Belarussian regiments and tanks.

Unpredictable foreign policy making

Consider a pattern that has emerged across authoritarian political systems in which leaders remain in office far longer than their democratic and term-limited counterparts. The longer a leader stays in power, the more state institutions lose their administrative competence and independence as they evolve to fit that leader's personal preferences. Successive rounds of purges and promotions shape the character of the bureaucracy, moving it incrementally in the same direction as the leader's grand vision. What might begin as formal punishment for explicit opposition to the leadership eventually becomes a climate of informal self-censorship as members of the bureaucracy come to understand the pointlessness of dissent and grow better attuned to unspoken expectations of compliance. The leader also becomes more distant and isolated, relying on a smaller and smaller group of trusted advisers to make decisions. Most of those individuals remain at the table because they display absolute loyalty.

This small circle, in turn, acts as the leader's window to the world, leaving much dependent on how accurate a depiction of external reality its members choose to provide. Such an opaque decision-making process makes it difficult for external observers to interpret signals from the central leadership. But even more crucially, it makes it hard for actors within these autocratic systems to anticipate and interpret their leaders' actions. The result is an increasingly unpredictable foreign policy, with the leader formulating snap decisions in secret and the rest of the bureaucracy racing to adapt and respond. (Foreign Affairs).

There is still much to learn about how Putin came to believe that he could achieve a quick victory over Ukraine, but early signs indicate that his military advisers misled him about the true state of the Ukrainian army. From what analysts understand, Putin's confidants are formidable bureaucratic actors, but there is no indication that they challenge his judgments or priors.

Shipping

Swedish dockworkers refuse to handle Russian vessels and cargo - The Swedish Dockworkers Union (SDU) has given notice to Ports of Sweden about upcoming industrial action against ships going to and from Russia as well as Russian cargo in all ports of the country.

"The solidarity action will be carried out to support the dockworkers and the suffering working class in Ukraine during the ongoing Russian invasion," said the statement of the union.

Swedish dockworkers will not handle any ships going to and from Russia, ships carrying Russian import and export cargo and vessels registered as Russian.

Maersk – the #1 global steamship line and several of the world's biggest shipping lines have suspended bookings to and from Russia and Ukraine. Maersk, the Danish line, has now taken this one step further, by selling its stake in Russian terminal operator Global Ports Group.

Several shipping lines, including Maersk, have also suspended their bookings to and from Belarus.

Financial

Sanctions – The Russian-Ukrainian war of 2022 is not just a major geopolitical event but also a geoeconomic turning point. Western sanctions are the toughest measures ever imposed against a state of Russia's size and power. In the space of less than three weeks, the United States and its allies have cut major Russian banks off from the global financial system; blocked the export of high-tech components in unison with Asian allies; seized the overseas assets of hundreds of wealthy oligarchs; revoked trade treaties with Moscow; banned Russian airlines from North Atlantic airspace; restricted Russian oil sales to the United States and United Kingdom; blocked all foreign investment in the Russian economy from their jurisdiction; and frozen \$403 billion out of the \$630 billion in foreign assets of the Central Bank of Russia. The overall effect has been unprecedented, and a few weeks ago would have seemed unimaginable even to most experts: in all but its most vital products, the world's eleventh-largest economy has now been decoupled from twenty-first-century globalization.

Economic sanctions rarely succeed at achieving their goals. Western policymakers frequently assume that failures stem from weaknesses in sanctions design. Indeed, sanctions can be plagued by loopholes, lack of political will to implement them, or insufficient diplomatic agreement concerning enforcement. The implicit assumption is that stronger sanctions stand a better chance of succeeding. Yet the Western economic containment of Russia is different.

Just how severe the current sanctions against Russia are can be seen from their effects across the world. The immediate shock to the Russian economy is the most obvious. Economists expect Russian GDP to contract by at least 9–15 percent this year, but the damage could well become much more severe. The ruble has fallen more than a third since the beginning of January. An exodus of skilled Russian professionals is underway, while the capacity to import consumer goods and valuable technology has fallen drastically. As Russian political scientist Ilya Matveev has put it, "30 years of economic development thrown into the bin."

The ramifications of the Western sanctions go far beyond these effects on Russia itself. There are at least four different kinds of broader effects: spillover effects into adjacent countries and markets; multiplier effects through private-sector divestment; escalation effects in the form of Russian responses; and systemic effects on the global economy.

Central Asia's economies are also caught up in the sanctions shock. These former Soviet states are strongly connected to the Russian economy through trade and outward labor migration. The collapse of the ruble has caused serious financial distress in the region. Kazakhstan has imposed exchange controls after the tenge, its currency, fell by 20 percent in the wake of the Western sanctions against Moscow; Tajikistan's somoni has undergone a similarly steep depreciation. Russia's impending impoverishment will force millions of Central Asian migrant workers to seek employment elsewhere and dry up the flow of remittances to their home countries.

Virtually overnight, Russia's impending isolation has set in motion a massive corporate flight. In what amounts to a vast private sector boycott, hundreds of major Western firms in the technology, oil and gas, aerospace, car, manufacturing, consumer goods, food and beverage, accounting and financial, and transport industries are pulling out of the country. It is noteworthy that these departures are in many cases not required by sanctions. Instead, they are driven by moral condemnation, reputational concerns, and outright panic. As a result, the business retreat is deepening the economic shock to Russia by multiplying the negative economic effects of official state sanctions.

Russia could retaliate by restricting exports of important minerals such as nickel, palladium, and industrial sapphires. These are crucial inputs for the production of electrical batteries, catalytic converters, phones, ball bearings, light tubes, and microchips. In the globalized assemblage system, even small changes in materials prices can massively raise the production costs faced by final users downstream in the production chain. A Russian embargo or large export

reduction of palladium, nickel, or sapphires would hit car and semiconductor manufacturers, a \$3.4 trillion global industry. If the economic war between the West and Russia continues further into 2022 at this intensity, it is very possible that the world will slide into a sanctions-induced recession.

Is the west laissez-faire about economic warfare? In his 1919 work *Economic Consequences of the Peace*, John Maynard Keynes warns that “the menace of inflationism ... is not merely a product of war, of which peace begins the cure. It is a continuing phenomenon of which the end is not yet in sight.” Keynes was commenting on the negotiations that would lead to the Versailles Treaty. Against a backdrop of hunger and despair, the victors of World War I condemned Germany to further sanctions. The treaty’s proponents believed that to prevent a future war, the German economy, a “vast fabric built upon iron, coal, and transport,” needed to be “destroyed.” But Keynes understood that with Germany in a state of perpetual crisis, the European economy would never recover. Tearing up Germany’s fabric would keep Europe on the path to another great war.

Western governments have responded to President Vladimir Putin’s brutal invasion of Ukraine with an unprecedented sanctions program. President Joe Biden has vowed to sap Russia’s “economic strength and weaken its military for years to come.” Erik Sand and Suzanne Freeman echo Keynes’ warning in this publication, arguing that “there is likely no way to effectively pressure Russia without some increase in the risk of escalation.” Putin may respond to increased economic pressure militarily, but so far, he is weighing economic countermeasures. Reports that Russia will ban the export of key commodities for the remainder of the year have rocked global markets given the likely inflationary shock.

Keynes’ polemic, vindicated by World War II and frighteningly relevant today, is driven by two insights. First, wars do not only reshape political orders, but also the organization of economic orders. Second, the consequences of such economic disorganization tend to persist even after wars end, whether because of deliberate acts, such as the economic punishment imposed on Germany or now being meted out to Russia, or because of the entropic tendency of economic systems.

These insights are also present in two recent economic histories. Nicholas Mulder’s *The Economic Weapon*, published in January 2022, tells the story of the development of sanctions as a tool of modern warfare. Mulder chronicles the political, legal, and institutional innovations that enabled states to begin using blockades, embargoes, and export controls during peacetime to change the behavior of targeted states. Isabella Weber’s *How China Escaped Shock Therapy*, published in 2021, is a deeply researched account of the intellectual debates that informed China’s economic development, and particularly the decision not to pursue “big bang” economic liberalization, a move that distinguishes China from other socialist countries that undertook economic reforms in the second half of the 20th century.

Impacts

Russian civilian aircraft impounded abroad - Transport Ministry Says About One-Tenth Of Russia's Planes Impounded Abroad. Transport Minister Vitaly Savelyev says 78 Russian-owned airplanes have been seized in foreign countries under international sanctions imposed on Moscow over its ongoing invasion of Ukraine.

Savelyev told the Russian parliament's upper chamber, the Federation Council, on March 22 that Russian airlines registered in the country had almost 800 planes, of which 515 were leased from international companies.

According to Savelyev, more than 30 airlines from 22 countries continue to fly to Russia despite several series of sanctions aimed at isolating the country for its unprovoked invasion of Ukraine.

China - US says 3 China bases in South China Sea now fully militarized. Mischief Reef, Subi Reef and Fiery Cross are equipped with missile systems and fighter jets, a U.S. admiral says.

Can the EU make it without Russian gas? – According to a recent report from the International Energy Agency (IEA) our options seem to be quite limited. On top of that, an equally recent Bruegel analysis states that the EU is headed for some difficult and costly decisions.