

## Prospect theory and the defence in Clausewitz's *On War*

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*It is quite clear how greatly the objective nature of war makes it a matter of assessing probabilities.<sup>1</sup>*

Carl von Clausewitz, somewhat cryptically, argued that defence in war was stronger than attack. This seems to jar with much military writing then and now which praises the dynamism of the offensive and advocates using surprise as a means of overcoming an adversary's strengths. Seizing the initiative, particularly when done by bold, visionary generalship, is the way to win victory in battle.

By contrast, the defence seems reactive and passive, not commonly traits praised in military commanders or strategists. Waiting, Clausewitz averred, is the 'leading feature' of the defence.<sup>2</sup> Passivity in the face of enemy hostility is not commonly remarked upon as a feature of martial prowess. Even when an attack was underway, the defensive force would remain on the back foot, reacting to events, rather than shaping them decisively; passively enduring the blows of the assaulting armies. As Clausewitz saw it, 'prudence is the true spirit of defence, courage and confidence the true spirit of the attack'.<sup>3</sup> How then could defence be the stronger of the two forces in war?

Nonetheless, I argue here that Clausewitz was essentially correct, and for reasons that modern psychology would recognize. Specifically, I claim that the defence is stronger because we have an innate aversion to losing possessions, and this causes us both to fight more tenaciously to hold on to what we have, and to risk more to secure it. This argument chimes well with Prospect Theory, a prominent concept in cognitive psychology elaborated first by Daniel Kahneman and Amos Tversky in the late 1970s. Clausewitz, I argue, was a proto-

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<sup>1</sup> Clausewitz, C. v., M. Howard, et al. (1993). *On war*. London, David Campbell., p. 96

<sup>2</sup> *ibid*, p. 741

<sup>3</sup> *ibid*, p. 658

psychologist; indeed his psychological insights are the key to his enduring reputation as a great thinker.<sup>4</sup> Moreover, when it came to the relative strength of the defence, his theorizing anticipated important aspects of the landmark work of Kahneman and Tversky. I illustrate the theoretical argument throughout with historic and recent examples.

In their research, Kahneman and Tversky identify a striking relationship between the way in which a situation is 'framed', or expressed, and the amount of risk that individuals are willing to accept (Kahneman and Tversky 1979). Specifically, given the choice between accepting a guaranteed loss or gambling on the small possibility of avoiding a still larger loss, we are more inclined to gamble on the possibility – because we *might* thereby avoid *any* loss. More inclined, that is, relative to our behaviour with the same payoffs and odds when they are expressed to us as a gain – the choice between a sure gain and the small possibility of an even larger gain. Here, we are typically comparatively risk averse, settling for the sure thing. In the most telling financial experiment that the two researchers did, the payoffs and probabilities in either the 'gain' or 'loss' scenarios would be *exactly* the same, with the only change being language in which the options were described. This was done by having the participants imagine themselves, in the 'loss' scenario having been given a sum which they might then lose some of – thereby finding themselves in a 'domain of losses' – below their initial imaginary starting point. In the other scenario, the possible payoffs were expressed simply as a gain from their existing coffers.

In a nutshell, Prospect Theory suggests we are loss averse, and so relatively risk acceptant when we are in that 'domain of losses'. This domain is psychological – it is judged relative to some anchor-point that we use as a benchmark for calculating risk. The mental benchmark or anchor helps to frame the payoffs. In Kahneman and Tversky's experiments, these were financial, but the theory has been applied more broadly, to use non-financial anchors and payoffs. As we will see, in strategic studies there is considerable scope for ambiguity and subjectivity about what the benchmark is in the real world, outside the psychology lab with its clear-cut financial choices.

This propensity to gamble more enthusiastically when the frame suggests we are in a domain of losses seems non-rational. And it is, at least in the sense of strict theoretical 'rationality', where actors are assumed to have 'perfect knowledge' of payoffs and probabilities, and consistently ordered preferences that they seek to satisfy. Rational actors, in the abstractly rational sense of utility theory, appraise risk the same way regardless of the frame.

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<sup>4</sup> A point I make extensively in Kenneth Payne, *The Psychology of Strategy: Exploring Rationality in the Vietnam War* (London: Hurst & Co. 2015)

There is, though, a plausible logic to the bias - there may be sound evolutionary reasons for our instinctive fear of losing possessions or aversion to gambling on possible acquisitions. Gambling to acquire new resources, including territory, food, and sexual partners, comes with uncertain odds and the possibility of grave consequences. Losing resources in marginal environments may similarly prove decisive in the struggle for survival. Proverbially, of course, a bird in the hand truly seems worth two in the bush, and discretion is the better part of valour.

There is likely to be an emotional dimension to this evolved loss aversion – even though this is unspecified in the original, cognitive psychological theory.

Emotions can serve to shape decision-making that is evolutionarily advantageous, making such choices more instinctual and timely, while freeing up limited cognitive resources. And so we might find that losing relative to the reference point makes us angry and more resolute in our purpose – distorting our perception of the odds (Druckman & McDermott, 2008).

### **Clausewitz and the defence**

About a century and a half before Kahneman and Tversky, Carl von Clausewitz set out an argument about the defence in war that goes a considerable way towards their take on loss aversion. Clausewitz's writings on war contain throughout a remarkable psychological dimension: he was keenly aware that war was a struggle of wills between belligerents, and that it was intimately bound up with probability and chance. Indeed, he wrote that 'in the whole range of human activities, war most closely resembles a game of cards'.<sup>5</sup>

Clausewitz offered some largely plausible practical explanations for the dominance of the defence, including shorter internal lines of communication for the defender, the capacity to wait and choose when and where to offer battle, the ability to shape one's disposition ahead of any invasion. But there was also the moral and practical support offered by one's own population coming under attack. It is this moral and emotional dimension that I suggest holds the key to Clausewitz's assertion, along with the notion of possession. Clausewitz wrote that 'the collective influence of the country's inhabitants is far from negligible', and added the sort of passions exhibited by the Spanish population in their popular war against the Napoleonic forces were a 'genuine new source of power'.<sup>6</sup> Elsewhere he had noted the passionate hatred of the people as an essential force in war, part of his 'remarkable trinity'. And while he did not expand much on these ideas, preferring instead to concentrate on the more

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<sup>5</sup> *On War.*, p. 97

<sup>6</sup> *Ibid*, pp. 446-7

material aspects of defence, they seem to me to be key to understanding his contention that defence was the stronger of the two forces.

Set against these moral advantages for the defence was the moral lift for the attacker of being the dynamic force, looking to seize the initiative, rather than waiting, passively as the other side decided on action. Militaries prize the initiative, and incline towards activity over passivity. Taken to the extreme, this gives us the cult of the offensive that dominated military thinking ahead of the Great War, and indeed during it, when wave after wave of offensives in Western Europe smashed fruitlessly against powerful static defences. In his own time, Napoleon amply demonstrated the battlefield advantages of the bold offensive, sending huge columns of motivated, patriotic Frenchmen against the lines of defenders. On a larger strategic canvass too, Napoleon's lightning advances through Europe seemed to demonstrate the gains to be had from decisive and dynamic campaigning. And there are historic examples aplenty of bold operational art attaining success through attack – consider the lightning surprise attack of the Japanese at Pearl Harbour and in Malaya in 1941, or the dramatic breakthrough by German Panzer divisions at Sedan in 1940, before their charge across northern France to the channel ports.

By the same token, however, we can plunder the historical record to find examples of the defence winning out, in battle or campaigns, and sometimes against the odds. Herodotus's description of the 300 Spartans at Thermopylae and the epic British defence of Rorke's Drift against Zulu impi provide compelling illustrations that heavily outnumbered defenders can thwart determined assault. Clausewitz, in common with other military thinkers then and now, stress the value of mass. Quantity has a quality of its own, as the saying, sometimes attributed to Stalin, has it. Yet terrain, technology, professionalism and moral cohesion all come into play to offset an attacker's superiority in numbers. If that is true tactically in one battle, then so too at the larger operational level defence can dominate, just as it did in the trenches of the Western Front during the Great War.

Sometimes we can find the defence dominating at one moment and the offence at another, even with the same forces involved, such is the disparity in quality between the two sides, as with Hernan Cortes' conquistadors at Tenochtitlan, first breaking out of their siege, and then returning to storm the Incan capital (Hanson, 2001). In the Great War, the defence dominated until suddenly, in the Spring of 1918, it did not. With no great technical breakthrough, and over the same terrain, German forces overcame the advantages of emplaced machine guns via new concepts of combined arms assault (Biddle 2010).

Strategic defence, not tactical?

With this tremendous variety in the historical record, it's hard at first blush to know what to make of Clausewitz's insistence on the relative strength of the defence. Clausewitz himself wrestled with the difficulties of extracting meaningful and enduring theory from the richness of history. Perhaps an answer came in finding some level of abstraction from the tactical detail by applying it at the strategic level. While tactical actions and even campaigns might favour offence, depending on prevailing technologies and concepts, as well as factors like terrain or the balance of numbers, it might be possible to say something deeper on a larger scale. Thus Clausewitz's key example, to which he returns repeatedly, of Napoleon's doomed march on Moscow, in which the vast forces he brought into the campaign were dissipated and decimated by the huge depth and inhospitability of the operational theatre. Even occupying Moscow itself was insufficient to achieve victory, with the Russians withdrawing, having torched many buildings.

Again, there are many other examples that seem to prove the point. The same broad story seemed to hold in both World Wars. In the first, Germany went on the strategic offensive at the start of the conflict, acknowledging that the only chance of victory lay in a rapid sweep through France, before turning east to face the Russians. In movement and offensive spirit lay the way to avoid a defensive struggle on two fronts. The plan failed, of course, as France absorbed the blow, and the conflict settled into stalemate dominated by the defence. Later, Hitler's advance on the Soviet Union was as ill-fated as Napoleon's – his invading armies spread across an ever broadening front, as the Russians again traded space for time on an incredible scale. From the classics we have Hannibal's invasion of Italy; triumph after triumph and an extended occupation of the peninsula, without ever achieving the total defeat of the defending Romans. This was followed by eventual defeat when he returned to Zama to fend off the Romans' counterattack under Scipio. Or consider Sparta's repeated incursions into Attica thwarted before the long walls of Athens, and that city's eventual defeat years later accelerated by its ill-conceived expedition to Syracuse. The lesson for strategists from these and other examples seems to be clear – at the strategic level, defence is dominant, regardless of the tactical vigour and acumen of one's adversary.

And yet, clearly there are times when the offensive does dominate, even at the strategic level. The greatest conquerors, Genghis Khan and Alexander lived epic and restless lives of constant attack and conquest. In the modern era, the NATO Allies Kosovo repulsed the Serbs in short order; and many of the same states had earlier ejected Iraqi forces from Kuwait. All these examples, of course, point to an added complication – foreseen by Clausewitz - of when to reach a judgment on the relative strength of strategic attack and defence – Napoleon enjoyed great

offensive success before 1812, Hannibal was some 15 years at large in Italy. In 2003, a US-led coalition swept Iraqi forces before it in a dramatic, rapid offensive; but thereafter endured a bloody counterinsurgency before leaving an unstable regime only eight years later. As Clausewitz noted, verdicts in war are often contingent and relative.

As a final complication, there is the problem of even distinguishing between the defence and the attack. As Clausewitz argued, defence need not be passive – one could readily be on the strategic defence while making counter-offensives. And at some stage, the defence would need to go over onto the attack – passivity turning at the appropriate moment into decisive action. The attacker might make the first move, but the defender retained the advantage of deciding when and on what terms to accept combat. The distinction breaks down in the case of the British Empire in Africa acquired through conquest, but almost as an adjunct to strategic defence of trade routes. Was this an expansionist, offensive campaign designed to seize imperial advantage against European rivals, or was it a practical, defensive measure intended to preserve access to trading interests in Asia?

Resolving this historical muddle, I suggest, lies not in distinguishing between the levels of war – of battle, campaign and war itself – but instead in considering the mentality of those involved in strategic behavior of whatever kind. The defence, this logic suggests, is stronger as a general mental attitude, through time and across cultures. Terrain, the technologies involved, the size of the armies, the causes in which they are fighting – all constitute the rich detail of history that vexed Clausewitz in his attempt to discern a general theory of war.<sup>7</sup>

### **Clausewitz: Prospect Theorist?**

Clausewitz himself does not scoop Kahneman and Tversky in offering prospect theory, or something like it, as an explanation for the relative strength of the defence. Important ingredients are missing from his analysis, as I shall explain. He does, nonetheless, provide two insights that go some of the way towards such an explanation. First, his conceptual scheme for war includes the possibility of an *emotional basis for action*. Of course, his most famous remark points to the instrumental rationality of war – it was, as he argued most famously, the extension of politics by other means.<sup>8</sup> War is meant to achieve something, and strategy is the art of serving the purpose of war through the infliction of violence

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<sup>7</sup> See especially *On War*, Book 2, Chapter 6, pp. 199-204

<sup>8</sup> *On War*, p. 99. The discussion in the remainder of the paragraph here draws on his Book One, Chapter One.

on the enemy. Rationality, Clausewitz conjectures, is a characteristic of war most closely identified with the government in deciding on strategy. Yet there is also a powerful emotional aspect to war, notably that of passionate hatred for the enemy, which Clausewitz most closely associates with the population of the belligerent society. Moreover, he suggests that war itself can act on the politics that govern it, once it gets underway. As the fighting engenders an emotional response, the goals that the belligerents seek are modified.

This emotional dimension of strategy might hold the key to the relative strength of the defence. Clausewitz points to the role of indigenous population in strengthening the defence, whether through popular war of the sort fought against Napoleon in the Peninsular campaign, or through moral and logistical aid to the regular forces defending their territory. From the perspective of prospect theory, this emotionality might conceivably play a part in shaping appetite for risk.

The second clue comes directly from the chapters on defence – Clausewitz identifies that the attack is about taking *possession* of something the defenders have. He writes that ‘the ultimate object of attack is not fighting: rather, it is possession’.<sup>9</sup> This line was somewhat underplayed by later theorists who exalted battle as the essence of war – often the same theorists admired the offensive spirit and élan that might bring victory in such confrontations.<sup>10</sup> Defeating the enemy forces in battle was the goal of strategy for them – a view somewhat detached from the political purpose that Clausewitz saw as underlying war. For him, in these chapters at least, possession was what counted – and he meant possession of rather more than the field of battle. Napoleon after all sought glory from conquest, not merely from fighting. Clausewitz himself certainly stressed battle, and identified the enemy forces as a possible ‘centre of gravity’. But, he added, ‘destruction of the enemy’s forces is the means to the end’.<sup>11</sup> That end, for him was more often than not the possession of enemy territory – either in its entirety, or in part – in which case it might be traded as part of a settlement.

We appear to hate losing possessions, this is the central theme of Prospect Theory, and also of endowment theory, which holds that we value possessions more highly if we already own them (Thaler 1980). It’s also a feature of the theory of sunk costs, which suggests that we over-invest in projects whose objective value is less than the investment we will need to make. Rather than continue to pursue projects that we’ve invest much in, but that have a limited prospect of success, we should simply walk away. That we do not is a feature of

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<sup>9</sup> *On War.*, p. 451 a point he repeats elsewhere at p. 639

<sup>10</sup> For a discussion, see Gat, A. *A History of Military Thought: From the Enlightenment to the Cold War*. Oxford, University Press, USA, 2001. and Heuser, B. *Reading Clausewitz*. London, Random House, 2011.

<sup>11</sup> *On War*, p. 640

our attachment to projects we 'own'. In all three of these related theories, the reasons for our attachment is underspecified, but I suspect that there are sound evolutionary reasons to tenaciously hold onto precious commodities in a resource scarce and competitive environment, as opposed to potentially risking much by seeking out resources that one does not yet own.

An example from primatology illustrates the point. Researchers have discovered that chimpanzees will conduct patrols into the territory of neighboring groups, but will only attack if they possess overwhelming numerical odds.<sup>12</sup> To do otherwise is to risk everything for a limited gain. The tactics of raid and ambush are common in primitive warfare too, rather more so than are pitched battles, where the odds are more even (Keeley, 1995). Attack is worthwhile only allied to deception or surprise, or in great numbers – all of which swing the odds decisively. Without those advantages, discretion is the safer option. What the chimpanzees are seeking in their 'total' warfare against rival groups remains the subject of debate among primatologists. But the evidence suggests that victorious groups acquire neighboring territory and may assimilate remaining females into their own group: an acquisitive motivation that Clausewitz might have recognised. Of course, their aggressive 'campaign' may also be considered pre-emptive and so defensive, as, anticipating attack, the chimps seek to protect their own females and juveniles from predation. In either case, the war is about possession, and the attackers, despite the tempting prospect of gain are notably risk averse – if the numbers were more even they would not gamble on an attack. Why? Perhaps Clausewitz is right.

#### What's missing? The subjectivity of risk

That, however, is as far as Clausewitz goes. He does not scoop Kahneman and Tversky by pointing to the relative tolerance for risk in a domain of gains versus losses. There is no killer line where he says the defender will be prepared to risk more *because* he is losing territory relative to some mental anchor or benchmark than if he were winning. The advantages that Clausewitz posits for the defence rest largely on practical matters, like interior lines, and the dissipating strength of the advancing forces set against the consolidation of the defenders. There is certainly a psychological element to the defence of the homeland that Clausewitz alludes to in pointing to the support of locals, who we can presume will fight tenaciously for their homeland or offer support to regular troops fighting on their behalf. But Clausewitz does not connect this explicitly to any discussion of risk.

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<sup>12</sup> For a good summary, see Wilson, M. L. (2003). 'Chimpanzees, warfare and the invention of peace', in Fry, D. P. *War, Peace, and Human Nature: The Convergence of Evolutionary and Cultural Views*. New York, Oxford University Press



He comes closest, in my reckoning, in his concept, elaborated elsewhere in *On War* of the 'culminating point' of the attack. As the attacking force advances, Clausewitz argued, its impetus gradually diminishes. There are some physical reasons for this: fatigue, casualties, extended lines of communication and logistics, dispersion across a wider area, vulnerability to the rear, and so on. But there is also a diminishing sense of resolve to press the attack home further, a declining élan and acceptance, perhaps, of adventure, on the part of the commander. There is, Clausewitz noted simply, a 'relaxation of effort'.<sup>13</sup>

This is the reverse of his arguments about the defence – after their initial gains, the attacking forces are progressively less willing and able to press home their immediate advantage. At the culminating point, Clausewitz argued, attack becomes defence. Again, there is no explicit linkage to risk tolerance, but the culminating point can certainly be read as that mental anchor; the place at which the domain of losses becomes a domain of gains, beyond which the attacking commander is more risk averse. He has achieved what he wanted in the attack, and anything beyond that puts those gains at risk. There is, wrote Clausewitz, a tendency for the commander possessed of 'high courage and an enterprising spirit' to overshoot the ideal point of culmination. The astute commander, by contrast, is more discriminating, and more sensitive to risk.

The flip side of the culminating point is the moment that the defence ceases to be passive and goes on the attack itself. As Clausewitz wrote

A sudden powerful transition to the offensive – the flashing sword of vengeance – is the greatest moment for the defence.<sup>14</sup>

'Retaliation' he adds later, 'is fundamental to all defence'.<sup>15</sup> The moment of vengeance arrives when those on the defensive go on the counterattack, having waited, passively, for the most propitious moment. The scene is set for prospect theory: the attacker has put the defender in a domain of losses by taking possession of territory. The defender, losing what he possessed before the assault is angered and seeks revenge.

The trick for the commander of either side is to astutely judge risk as the odds shift with the action. For the attacking general, the task is to avoid overshooting the culminating point. For the defender, the challenge is to know when to swing over from passive defence into the counter-attack. Clausewitz approached this subject of judging risk tangentially in his view of the ideal commander himself

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<sup>13</sup> *On War*, p. 638

<sup>14</sup> *Ibid.*, p. 443

<sup>15</sup> *Ibid.*, p. 454

being possessed of a particular sort of ‘genius’ – one that balances instinctive decision-making with conscious reflection. War, he argued, always involves uncertainty, chance and probability, all of which calls for ‘a sensitive and discriminating judgment’. In the ‘rush of events’, he noted, ‘a man is governed by feelings rather than by thought’. Judging the balance between forces, given the plethora of factors in play is, as Clausewitz argued, often a matter of ‘imagination’ as much as logic.<sup>16</sup> Nonetheless, the brilliant commander finds time for deliberate reflection on the issue, without being overwhelmed by the myriad possibilities and uncertainties. He finds the balance between unreflective, emotional instinct and over-deliberative calculation.

Here too, there is a hint of later findings from psychology about the emotional aspect of much decision-making. A modern neuroscientist would argue that the separation of emotion and reason is overdone in classical philosophy. Emotion acts as a powerful ingredient in reasoned decision-making, taking much of the complexity of the situation out of the way before we engage our scarce conscious resources. Those with emotional impairment, the neuroscientist Antonio Damasio holds, tend to make poor decisions, being engaged in a constant, overly taxing cost-benefit analysis; impossible anyway in situations in which the costs and benefits cannot reliably be gauged (Damasio 2006). We know from other research that emotion plays a part in judgments of risk. Paul Slovic and colleagues call it an ‘affect heuristic’ – a mental shortcut, that reduces cognitive load, allowing timely decisions where precise information about payoffs and probabilities may be in short supply (Slovic, Finucane et al. 2004).

Not for nothing did Clausewitz associate the element of chance in war with the role of the commander. The best commander is able to reflect on his emotional instincts and reach the ideal decision about when to attack and when to defend, even though the situation is clouded in uncertainty and chance. Risk judgment, then, is integral to strategy. And, moreover, as Clausewitz saw it, there is a tendency for the commander’s appetite for risk to shift depending on the stage of the fighting, with the overly aggressive commander overshooting the appropriate moment at which to cease the attack. And so, he comes very close to prospect theory, as a composite view on risk judgment. But he is not quite there.

#### What’s missing: Territory versus other anchors

A second aspect missing from Clausewitz’s account is a discussion of the possible goals on which the appetite for risk might be predicated. What is the point of attacking? As noted, his account, at least in parts of his book, focuses on territory as the goal of warfare. The attacker seeks to possess territory, the defender to regain it. Onlooking states, including allies, but more broadly all those with a

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<sup>16</sup> Ibid, p. 639

vested interest in the state system, seek to restore the territorial *status quo ex ante bellum*. Territory, however, is only one possible goal among many in strategic affairs. The loss of territory, or of capital cities, and the destruction of fortresses or fielded armies are all physical ingredients in warfare. Clausewitz identifies all these as possible goals in war, and indeed focuses much of his attention on armies, and on battle as the central feature of war – after all, he was writing from the personal viewpoint of witnesses the tremendous destructive power of Napoleon’s Grand Armée. But at bottom, these are means to an end, with territory at bottom what it all boils down to. And so, in Book 6 of *On War*, where he is writing about the balance between attack and defence, the struggle for possession of territory is what looms largest.

But territory need not be the anchor around which prospect theory hinges in conflict. Clausewitz the proto-psychologist also made an important distinction between the material and psychological domains in warfare, particularly in his view that victory belonged to the party that had shattered the morale of the enemy, destroying his will to continue. The physical spoils of war thus matter, but primarily insofar as they affect the mental conception of who is winning. It is the underlying battle to shatter the will of the enemy to fight that is the central feature of war – all the other goals, material destruction, the occupation of territory and even the killing of enemy soldiers, are all just physical manifestations of this central psychological clash of rival wills. Clausewitz wrote that war was ‘*an act of force to compel our enemy to do our will*’.<sup>17</sup> While he certainly focuses on battle and material destruction in parts of *On War*, even there he always keeps in mind the importance of morale.

Stephen Rosen makes a similar point in his *War and Human Nature*, suggesting that war is essentially an exchange of information about the belligerent’s will to pursue their goals (Rosen, 2009). This is an important insight for our study of prospect theory in war. What if, instead of some physical measure of gain or loss against which to judge risk tolerance the appropriate benchmark is some psychological measure? Not the physical destruction of armies, not even the physical occupation of territory. Territory is, in this view, only one more possible goal in war – and its possession is a means to the end, just like defeating the army. This was true in Clausewitz’s era, as events in 1812 demonstrated. Even the occupation of Moscow itself was insufficient to assure victory.

Instead of territory then, I suggest that what really matters to people is identity – their shared culture. Their will is gauged in relation to this identity – and it is this for which they fight. This is not a particularly novel idea – social psychologists have long suggested that people are motivated by the groups to which they

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<sup>17</sup> Ibid, p. 83. Emphasis in original.

belong – they seek fairness for the group, and demand revenge when group norms are violated. They are motivated to protect the reputation of their group, and to enhance its prestige relative to others. The prestige of the group (or for that matter, an individual) is an evolutionarily important signal that can confer access to resources and deter predation. Prestige is a particularly human characteristic, running parallel to the sort of dominance hierarchy found in other primates (Henrich, 2015). Power, this suggests, reflects not just material wealth, but also a cultural judgment about status. Ned Lebow argues in his *Cultural Theory of International Relations* that prestige is the currency of international relations (Lebow, 2008). Moreover, he suggests that it could be the metric against which statesmen judge risk, according to the precepts of Prospect Theory.

Territory might well form an important part of group culture, and feature in gauging prestige, but not necessarily. Hunter-gatherers, pastoralists and perhaps even early agricultural communities may have possessed a somewhat flexible attachment to space. Feudal and early modern populations may have been less motivated by ideas of a fixed territorial fatherland (although there is a lively debate about the extent to which nationalism is a pre-modern phenomenon).<sup>18</sup> But it is nonetheless unarguable that modern societies develop deep territorial attachments.

And yet it's possible to associate possession with an altogether broader and deeper shared identity, of which territory is only a part, albeit important. This shared identity is often the basis of a group's will to fight, whether that group is a small unit of soldiers, or an entire nation state. On this view, the existence of the group, not just as a physical entity, but as an idea, or culture is what matters. There is some good supporting evidence from Terror Management Theory, which suggests that the invocation of individual mortality causes people to become more vested in their referent group – the social identity that matters most to them. Awareness of our own mortality catalyses loyalty to our group, and exaggerates our alienation from rival groups. Of all the possible factors that might make us fear for our own lives, war and invasion are surely good candidates (Greenberg et al, 1986).

The defenders in Clausewitz's wars are not fighting just for territory, but for their shared culture and identity – and perhaps, if Terror Management Theory is right, the secular form of immortality that derives from it. After all, Napoleon proved to be such a formidable adversary because he was able to tap into the

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<sup>18</sup> For a review, see Gat, Azar. *Nations: The Long History and Deep Roots of Political Ethnicity and Nationalism*. Cambridge University Press, 2012.

nationalist passions awakened in the French Revolution, and to replenish his ranks after each grand set piece battle. Nationalism, which made identity closely associated with the homeland, made it harder for feuding elites to trade territories and their people as ways of settling wars. So territory was, as Clausewitz argued an important part of the identity for which groups fought – then and now. But so too were less tangible symbols of group identity, notably the group’s values. The confessional wars that wracked Europe in the 16<sup>th</sup> and 17<sup>th</sup> Centuries demonstrated as much just as assuredly as the totalitarian wars of the twentieth century and the Islamist sectarianism of the new millennium.

And when we fight for the values of our group, for the ideas that constitute our polity, we are engaged in a struggle about meaning. Our prestige is intimately bound up in this struggle – the group is who we are and why we fight. This will to fight for our group culture is perhaps the most plausible anchor around which to conceive of prospect theory in war, not territories or armies, which are physical artifacts of the group.

To challenge someone’s esteem is to threaten their identity and place within wider society. In an evolutionary setting, prestige could deliver scarce resources, including security, food and sex. Without standing in our community we are in an impoverished position. Consequently, we are jealous guardians of our status. If the attack in war is essentially an attack on status and identity, we can appreciate how readily it might inspire a passionate response. The passionate hatred of the people that Clausewitz identified as a key ingredient in war is surely contingent, in large part, on their very identity as a people. If you challenge that, expect an emotional response.

While prestige can of course be piqued by lost territory, there are many other possibilities. Moreover, we should expect some variation: while the sensitivity to injustice is a permanent, evolved feature of human nature, there is often cultural element to the precise nature of the slight, contingent on prevailing norms. Commonly, our sense of fairness is challenged by someone refusing to play by the accepted rules of the game, whatever they may be. We seek justice for ourselves, of course, but also for those we see as part of our community, however it is constituted at any given moment. And so, experimental research suggests, we will engage in reciprocal punishment to enforce norms that we can see being transgressed, even where the rule-breaker gains without hurting us directly. There is an emotional element to this punishment: it’s not just that we are signaling the need to play by the rules in punishing rule-breakers, because we will punish them even if they, and others, never get to find out about the punishment. Vengeance, as Clausewitz argued, is indeed a powerful, instinctive and emotional response to transgressions. So, while territory is important in and of itself, its emotional resonance is as a badge of who *we* are, regardless of the

strategic importance or otherwise of any piece of land. Planting flags on small atolls in the middle of an ocean might have some ostensible strategic rationale, based on possible resources on the sea bed, say, or access to sea lines of communication. But just as plausibly, emotions may run high simply because of the perceived challenge to status.

This question of the appropriate metric around which to base prospect theory has hugely complicated its application in strategic studies. Such a measure may be subjective and even unconscious – the actors themselves might not be able to explain what the basis against which they are judging risk. Moreover, even if we know what currency the protagonists are using to measure their relative gains and losses, we still lack the means of measuring it. Prestige may matter more to some groups than others, or at some times than others – and even if we could standardize somehow, it lacks the quantitative precision of money in a controlled laboratory experiment.

#### What's missing: The anchor point

So Clausewitz goes part of the way in discussing possible yardsticks against which to gauge risk, and he offers some thoughts on how appetite for risk is subjective and emotional, and varies relative to gains made or losses incurred.

When it comes to the anchor around which the calculation of risk hinges, his take is also insightful, but not quite complete – at least in terms of scooping Kahneman and Tversky. Clausewitz does offer one plausible anchor as part of his discussion of defence. This is the *status quo ex ante bellum*. He argues that it is particularly important for onlooking states, when considering whether to intervene in the conflict, and to what end.<sup>19</sup> These states have an interest in the order of the system itself, and are presumed by Clausewitz to be conservatively minded. Again, the concert of powers that aligned itself against revolutionary France seems to have been his guide on this. While Clausewitz doesn't dwell on the motives of attackers, Napoleonic France threatened both the territorial makeup of Europe, but more fundamentally was a challenge to the very nature of society within the states that constituted it. One might assume that onlooking states are more willing to take risks in opposition to a power that seeks not just to redistribute power among states, but whose very existence threatens the fabric of their own societies. Clausewitz's great challenge as a Prussian officer, as Peter Paret has argued, was to construct an effective military answer to France's fighting power without at the same time unleashing revolutionary forces in Prussia (Paret 2009).

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<sup>19</sup> *On War*, p. 448

Even without positing a revolutionary character to the attacker, Clausewitz's argument makes intuitive sense. Onlooking states are placed in a domain of losses by the attacker, whose actions threaten the stability of the system and the distribution of power within it. For such states, restoring the status quo is often sufficient – punishing the attacker through further action might be further destabilizing of the system. Thus the international system possesses a balance of power mechanism with some degree of automaticity and equilibrium: when challenged, onlookers are spurred into action, at risk to themselves, to restore order. Beyond that, there is no strong imperative for action. This sounds close to risk acceptance in a domain of losses, and aversion in a domain of gains. The 'possession' at risk is, in this case, international order itself.

There are obvious real world examples –the expulsion of Iraqi forces from Kuwait, or of Serbian forces from Kosovo as two recent examples in which the restoration of the status quo was achieved. Against that, when the attacking, disruptive state is revolutionary, as with Napoleon or the Third Reich, the intervention of outsiders sought not just to restore the balance of power, but the total defeat and transformation of the attacking society. The appropriate anchor here is evidently not the restoration of territory, but the restoration of non-revolutionary norms. The problem, of course, is of knowing *ex ante* what the intervening states have as their break-even point. Moreover, with war having its own dynamic and shaping the politics that govern it, we need not assume that the break-even point is fixed in time.

A further caveat – just restoring things to how they were may not be sufficiently attractive to all actors, because the very act of conflict will have aroused their passions, and changed the stakes for them. Piqued esteem on having being attacked and losing territory may very plausibly result in a desire not for a return to the situation before hostilities began, but instead to seek a punitive settlement. There is, as Druckman and McDermott argued, a possible emotional dimension to risk framing – in which certainty in our justice skews our perception of risk.

Lastly, as the fortunes of battle fluctuate, then, we might also expect the anchor around which prospect theory hinges to shift, along with the appetite for risk that the various belligerents exhibit. And the actors themselves may not even know as much *ex ante* – in the language of economists, our preferences are revealed in the doing, rather than being transparent and calculable. War in this sense is a particular form of conversation, just as Schelling, Rosen and others have described it – an exchange of information about resolve and sensitivity to risk (Schelling, 1966).

These formidable methodological difficulties should temper our enthusiasm for expounding anything more than the general idea that, as Clausewitz argued, defence will tend to be the stronger of two forces in war. At that level of abstraction, we can remove ourselves from the myriad possible variations in warfare that might, in fact, favour the attack in specific encounters.

Sometimes the attacker will enjoy greater numbers, better technology, or more favourable terrain. They may have greater cohesion among their troops, better training, or more experienced leadership. All these and more factors may tell in producing victory in any particular encounter. If only we could hold such factors constant, *ceteris paribus*, in the language of economic modeling, we would be able to produce more robust findings about the extent to which the defence is really stronger.

Without that, we are left with Clausewitz's repeated assertion, about the defence and the compelling finding from Kahneman and Tversky that risk is judged subjectively, relative to some imagined goal. As the attacker challenges the status quo, perhaps by taking territory, he threatens the prestige of the group, challenging its very identity. In return, the defender, passions aroused, certain in their cause, adopts bolder, riskier stratagems. Progressively, as the attacker makes gains, they lose their appetite for risk; and at the culminating moment, attack gives over to defence, and the counter-attack is launched.

These broad generalities might disappoint those seeking greater empirical precision – but then, if there was perfect knowledge about the relative strengths of the protagonists before the fight, or what they sought in fighting, and how they judged risk there would be little point in actually putting matters to the test. Even after the event the details may remain opaque. After all, Clausewitz, while he strove throughout his life for a generalizable theory of war, was at pains to observe that such a theory would function as do concepts to art, rather than laws to science.

## **Conclusion**

Clausewitz does not provide a full account of prospect theory in action, and it would be odd indeed if he had scooped cognitive psychology by a century and a half. Nonetheless, even though his picture is incomplete, it is hugely impressive. First, he observed that war and strategy are psychological matters – even though he acknowledged the lack of detailed understanding of the relevant forces at work in his own day. He was certainly keenly aware of the material aspects of war – he focused on battle between large armies.



Second, he identified a mixture of emotion and reason as underlying strategic behavior. The violent challenge of war provokes a passionate response from all the actors. Next he suggests a powerful psychological factor supporting the defence – the attitudes of the invaded peoples, which elsewhere he associated with passionate hatred of the enemy. War is a test of wills, not just of materiel, and few things make us more vested in a group identity than an attack by outsiders. And last, he argues that there is a culminating point in any attack, beyond which the impetus gives over to the defender. Taken altogether, it's a compelling exposition of ideas that resonate with modern psychology. What we have, we seek to hold, and we are liable to risk much in our efforts to repel those trying to take possession.

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