

To: Marco A. Rubio, Secretary of State

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Topic: Russo-Sino Cooperation and the Implications of United States Foreign Policy

Russo-Sino Cooperation and the Implications of United States Foreign Policy

1. Executive Summary

Russia and China have strengthened their strategic partnership in the past recent years, and have continued to deepen military, diplomatic and economic ties. This bilateral, fledgling cooperation and pact includes growing trade deals between the two nations. This also includes joint military exercises done more and more over the past several years, and both nations currently share a joint opposition to the U.S.-led world order. China has become a vital economic lifeline for Russia amidst the flurry of Western sanctions enacted by the Obama Administration in the wake of Russia's invasion into Crimea in 2014, by the first Trump Administration in 2017, and subsequently by the Biden Administration in 2022 following Russia's invasion of Ukraine. China buys Russian raw materials and resources, which provides a large and open market for Russian natural gas exports. This offering of financial support is to aid Russia in circumventing economic sanctions imposed by the West. Russia in returns helps China by countering U.S. influence in Asia. Diplomatically, Russia and China engage with each other in international forums like the United Nations, thus countering Western-led initiatives on key issues of importance to US National Security. There has been no existence of any kind of formal alliance between the nations, though

their budding partnership in recent years complicates the US-led coalition to isolate Russia and counter China's regional aggression towards Taiwan and the Indo-Pacific theatre.

To counteract this growing and potential future alliance, the United should reinforce partnership and strengthen relations between all NATO nations and Indo-Pacific partners. AUKUS (Australia, United Kingdom, United States), QUAD (United States, Japan, India and Australia) and South Korea along with the Philippines all play a vital role in countering any potential China-Russia alliance that might emerge in the future. The United States should increase its own supply chain and become self-sufficient instead of being reliant on China. Given that China and Russia are increasing their global outreach to other nations like in South America and Africa, the United States should do the same. Furthermore, the United States should also increase military assistance not only to Ukraine, but to Taiwan as well to deter Chinese and Russian aggression. Additionally, the U.S. should continue to expand joint military exercises with its allies and partner countries to improve readiness in the event war breaks out. By combining these deterrence strategies, the U.S. can help counterbalance the Russo-Sino alliance and prevent it from undermining American global dominance, economic stability across the world, and democratic values and norms.

2. Background Brief on Russia's actions and China's Cooperation

Moscow has significantly broadened its partnership with Beijing across multiple areas in response to escalating Western sanctions, diplomatic pressure, and severance of economic ties. We need to look back to 2014, when Russia annexed Crimea, leading to its expulsion from the G7. The West, led by the Obama Administration enacted swift Western sanctions that restricted Moscow's access to various financial markets, technology, and foreign direct investment into Russia. Diplomatic relations between Russia and the United States significantly took a downwind

turn in 2022 following Moscow's invasion of Ukraine, which prompted even harsher retaliatory economic sanctions from Washington and its allies in the European Union and across the world. These sanctions sever Russia off from Western banking systems, froze its foreign economic assets, and significantly hindered its ability to import advanced technology, forcing Moscow to turn to Beijing as an economic and strategic lifeline to keep itself afloat.

To counteract the fact that the West has imposed sanctions on Russia, Moscow has turned to China, thus making Beijing its largest economic partner. In 2023 alone, trade between the two countries surpassed \$200 billion USD, with continued growth between the two nations expected to rise even higher. Russia now supplies China with cheap oil, gas, coal, and other natural resources. In return for the natural resources, China exports to Russia many technological goods that have been blocked by Western sanctions for its invasion of Ukraine. These include but are not limited to the following: cars, electronic devices, semiconductor chips which can be used for military purposes, telecom and communications systems and various other industrial technologies. In terms of military cooperation, Beijing and Moscow have increasingly ramped up their defense cooperation, and this reflects a strategic alignment in their national security interests. Joint military drills and events have become more common between the two nations in recent years, with notable drills such as Vostok in 2022, this included China's cooperation and troops being sent and the Ocean-24 naval exercises in the Pacific region where Beijing has an interest – specifically the Taiwan straits in 2024.

These jointly held drills and military exercises demonstrate enhanced interoperability between Beijing and Moscow's forces which objectively sends a signal to the United States and its Indo-Pacific and European allies that Russia and China are willing to engage militarily together in key strategic areas. Russia has supplied China with advanced military equipment. With this includes the S-400 missile defense systems, Su-35 fighter jets, strengthening Beijing's aerial combat capabilities. Furthermore, there have been reports of Russia sharing expertise on

hypersonic missile technology with China, which is an area where Russia has made significant strides in recent years. Cybersecurity and space technology cooperation have also emerged as new areas of collaboration between the two nations with both engaging in joint efforts to develop countermeasures against cyberspace threats and satellite-based military systems used by the United States and its allies.

Future military collaboration could include more advanced joint weapons development programs, intelligence-sharing treaties, and even coordinated military strategies in potential future flashpoints such as Taiwan. If tensions with the U.S. and NATO continue to escalate as they have been in recent years, there is a possibility that Beijing and Moscow will move to formalize this into a strategic defense or military treaty, which will dramatically alter the balance of power in geopolitics. The Russia-China partnership is expected to deepen across multiple areas in the future, especially since both nations continue to face diplomatic and economic pressure from the United States and its allies. In the financial sector, Russia and China are likely to expand their efforts to internationalize the Yuan or the Ruble, making it as a potential alternative to the U.S. dollar in global trade, especially if the United States Congress continues to have political debates about the debt limit, destabilizing the US dollar abroad. More countries in the southern hemisphere, particularly in Africa and Latin America, where they could be encouraged to adopt the Yuan rather than the Dollar. This is already being shown in recent years with Beijing financing various African countries in building their cities with Chinese-owned construction companies, as a method to counter U.S. economic influence. Joint military exercises between the two countries could become more regionally focused in their areas of concern, with Russia playing a larger role in China's 'Taiwan problem' while China continues to increase its diplomatic and logistical support for Russia's actions in Ukraine.

There is also an increasing possibility of increased cooperation in the Arctic Circle Region, where both nations have economic and military interests that challenge US-led dominance in the Arctic Circle. Finally, in the greater geopolitical arena, Beijing and Moscow will continue to be using organizations like BRICS and the Shanghai Cooperation Organization (SCO) to serve as a counter towards U.S.-led alliances such as NATO and the G7.

As their relationship continues to deepen, Russia and China may move from a strategic partnership of convenience to a more structured alliance, and may potentially challenge the US-led world order since 1945. Russian strategic goals in which Moscow wishes to accomplish Russia's increasing partnership with China is fueled by its current tactical needs with the Ukraine War grinding to a stalemate and Russia's overarching strategic ambitions, with ultimate goal. That goal is more or less a dominant Russia to counterbalance the US-led influence in the geopolitical arena. Following its invasion of Ukraine in 2022, Russia faces one of the most harshest economic sanctions and restrictions in its history. This includes bans on Russian financial institutions, bans on high-tech imports, and a vast reduction in European purchases of Russian oil and natural gas along with other natural resources. Russia thus turns to China as a key economic partner to bypass Western-led sanctions and in recent years, many economists have theorized and suspected the Russian economy would crash. That did not happen, thanks to Chinese support and the Russian economy grew by a small margin as a result of that. Beyond immediate economic relief that Beijing has provided to Moscow, Russia's overarching strategic goal is to undermine the United States and make for a more multilateral world order with multiple 'strong' actors. By growing closer to China, Russia creates an alternative power bloc that directly challenges US-led influence on the world stage.

An example of one of Russia's key priorities is expanding its sphere of influence in the former Soviet republics. Russia has always viewed the NATO alliance and its expansion as an inherent strategic threat to its national security. By aligning itself with Beijing, Moscow aims to create a counterbalance to NATO. There is evidence of this due to Moscow's increasing military cooperation with Beijing via joint exercises and arms sales. Long-term implications for the United States and what it means The United States needs to have an inherent interest in solving this issue or at least, developing a plan to counter the ground Sino-Russo influence.

A stronger Russia and China will aim to degrade U.S influence on the world stage. This includes undermining US authority in international organizations and this complicates diplomatic efforts to isolate them. China and Russia hold power on the UNSC (United Nations Security Council) and have blocked Western-led efforts to punish either nations. China and Russia are using BRICS and the SCO (Shanghai Cooperation Organization) to promote a potential alternative to the G7 and NATO. This alternative order that is beginning to form poses a challenge directly to the US led order. This has allowed both nations to expand economic and diplomatic ties to curb Western Sanctions. If the United States doesn't take steps to address this issue and counterbalance the potential of a formal alliance between the two, the United States risks losing the ability to shape the world that has put the United States at the top since 1945. The ultimate loser will be the United States, its leadership and influence eroded away in geopolitics.

There are many reasons why the United States should be concerned about a potential growing alliance between the two nations. Described briefly in the sections below are the reason why this is a threat to the United States and its own interests at home and abroad.

A) Strategic Military Implications:

The joint military and strategic influences of the budding Russo-Sino Partnership carries the potential to challenge U.S. dominance in vital instable regions, such as Eastern Europe (Ukraine), the Indo-Pacific (Taiwan), and the Arctic Circle. The two nation's joint military exercises, collaboration on researching technologies, and mutually shared opposition to U.S. military presence across the world could undermine the U.S. military's ability to deter future aggression from either power in the coming years. This alliance can potentially carry the chance to inflict harm to areas vital to US National Security.

B) Economic Impact:

The budding alliance strengthens China's economic position in the world market. Russia provides energy and raw materials to China, while China in turn offers industrial support and building capacity Moscow does not have. This future partnership reduces the effectiveness of U.S-led Western sanctions on Russia, and it increasingly to bar Moscow from the global economy over actions like its invasion of Ukraine, when China has a hand in supporting it economically. Given China and Russia have increased trade significantly, US efforts to maintain economic hegemony and stability in many of these vital regions have become weakened. Growing ties between the two nations give them leverage over markets and again, carry the potential to offer other countries an alternate market system which challenges the dominance of the US dollar.

C) Geopolitical Implications:

The growing cooperation between two regional powers like Russia and China can encourage other nations to align themselves with their bloc, especially countries seeking other alternatives to U.S. leadership in the world or have become frustrated by the West's inability to act. Countries in Africa where China has been investing in, the Middle East where China brokered a

deal in the recent years between Israel and Saudi Arabia, and Asia may increasingly look to Beijing and Moscow for an alternative of economic, political, or military support from the West. This reduces the U.S.'s global influence and makes it more challenging to address urgent global crises.

3. What can the United States do to counteract the potential Russo-Sino Alliance

The United States currently has an array of many strategic options available to respond to budding alliance between the two nations. Each response carries a certain risk factor with American National Security and interests to global stability. Some of them are short-term consequences of such, while others are longer-term. Below is an enumeration of the options available to the President of the United States, with a brief discussion of their likely direct and indirect consequences.

1. Military Deterrence and Increased Defense Spending

The United States can bolster its military presence in regions of concern to American nation security. This includes the areas of Eastern Europe like the Baltic Sea region and Ukraine Region, Indo-Pacific Region like Taiwan to counter Chinese aggression and deployment of more troopers to Alaska to counter Russian influence in the Arctic Circle. This includes more frequent joint military exercises between allied countries, expanding military infrastructure and bases in these regions, and increasing arms sales to allies like Taiwan, Ukraine, and NATO members – allowing these member nations to buy American arms for their defense in their own countries.

The immediate consequences of US military presence in these regions can stabilize already instable regions and deter Russo-Sino aggression especially in Taiwan and the Baltic Regions. This is also helpful to assure American allies that the United States has their hand and back. An indirect consequence of this action carries the potential to escalate already tense relations with not only Russia, but China as well. This also increases the likelihood of war

breaking out in either region and potentially fuel an arms race between the three nations. It also carries the potential to devolve into a proxy war, and a 'New Cold War' as some analysts might have dubbed it to be.

The long-term consequences of increasing military spending and presence of US troops in the region could maintain stability and again, deter aggression. However it could lead to domestic political backlash against defense spending and anti-war sentiment at home in the United States. Another consequence of increased military posturing carries the potential to a stalemate, neither side can do much to 'warn' the other and leading to a freeze on diplomatic solutions, where all nations involved in the geopolitical deadlock end up preferring military force as opposed to open dialogue.

2. Diplomatic Engagement and Coalition Building

The U.S. could alternatively focus on strengthening international alliances diplomatically in these key regions and strengthen alliances and bilateral relations. This includes NATO, QUAD, and AUKUS. The diplomatic alternative can also focus on offering economic solutions and potential alternatives to Chinese infrastructure investments in critical regions where countries have turned to China for economic reliance and support such as the Belt and Road Initiative started by China.

Immediate consequences of these actions could include the direct consequence of a stronger, more cohesive alliance which stands as a united front against a potential Russo-Sino Alliance. This limits the ability of Russia and China to create friction against the United States and its allies. This also forces Russia and China to be more transactional in their relationship with each other, thus limiting their ability to act in ways which might threaten global stability and cause both nations to pause prior to doing rash actions.

An indirect consequence of this action is to potentially push countries that are already on the edge of the fence when it comes to engaging with the West towards Russia and China. Countries who choose neither side nor wish to remain neutral might be more inclined to side with the Russo-Sino bloc.

A longer-term impact in the coming years include bringing the United States into a position of global leadership, and counterbalancing Russian-Chinese influence. It could also usher in a new, stable and cooperative era of a new international order which creates countries that are less likely to fall into authoritarian regimes and be undermined by either Russia or China. An indirect consequence of taking this course of action is if the United States fails to balance the interests of its allies with itself, it could lead to political backlash at home. If the United States fails to honor commitments and promises, it could lead to US influence waning on the world stage, undermining American influence with not long our allies, but with the rest of the world who remain neutral.

3. Economic Sanctions Restrictions

The U.S. can impose heavy economic sanctions on Russia and China. This includes the targeting of important sectors such as energy, technology, defense, and finance. Another way this can be done is if the United States decides to cut off access to the U.S. dollar and global financial systems, freezing Russian/Chinese assets, and restricting free trade in critical technologies that either nation can use for potential wartime supplies and production.

The immediate consequences of this is economic downturn and hardship for Russia and China. This carries the potential to slow their economic growth and disrupting global markets. China and Russia can easily respond in kind and retaliate with sanctions of their own which can impact US consumers at home, leading to a spike in economic goods and prices.

An indirect consequence is tensions rising between the three nations which imposed sanctions on each other. This leads to an 'economic decoupling' where Russia and China separate themselves from the United States and makes global trade with these nations more fragmented. Countries in the crossfire might be forced to choose sides, some might choose the side that is not in American interests.

The long-term consequences of these actions can weaken both China and Russia's economies which reduces their ability to fund military operations, diplomatic initiatives and their technological advancements in key sectors. Diminishing their industrial capacity and economies can lead to detrimental consequences for the US economy and global influence. An indirect consequence of this action taken includes the need for Russia and China to cooperate more and circumvent sanctions, as seen in the recent years. The US will lose influence over global trade and markets, while diplomatic channels to these two nations become more isolated.

All these options presents significant risks and rewards. Diplomatic engagement and coalition-building offer a peaceful path but require careful management of alliances and countering Chinese and Russian attempts to divide the U.S. and its partners. Military deterrence and defense spending can help maintain global stability but could also lead to an arms race and potential conflict. Economic sanctions and technological competition are potent tools but could have unintended consequences, such as driving Russia and China closer together. In the most extreme cases, military conflict could provide a direct response but risks escalating into a larger war. The U.S. must carefully balance these options, weighing short-term gains against long-term consequences, and consider how its actions will set precedents for future global engagements.

Policy Recommendation: A Comprehensive Approach

The most feasible approach for the United States in responding to the growing Chinese-Russian alliance is a comprehensive bilateral strategy that combines diplomacy, targeted economic sanctions, and technological competition. With this approach, this is better than relying only on military force or overly harsh sanctions, because this addresses the primary reasons why the Russo-Sino alliance is budding in the first place and it also gives flexibility for US actions. The combination of diplomatic engagement, economic sanctions, and technological competition provides the United States with the most effective, flexible, and sustainable response to the growing Chinese-Russian alliance. This strategy minimizes the risks of military conflict and overextension, while maximizing opportunities for international cooperation, economic leverage, and technological leadership. It also sets a precedent for future American engagements, reinforcing the importance of diplomacy and multilateral action over unilateral military intervention. By proceeding with this approach, the U.S. can safeguard its interests, strengthen alliances, and prevent the consolidation of authoritarian powers led by Russia and China.

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