



The Potential of the Soviet and Chinese Economic Experience Implication for Creation of Modern Russia Economic Allies' Contour

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ABSTRACT

The study is aimed at the evaluation and systematization of the instruments of foreign economic influence in the USSR and the PRC. The authors draw a parallel between projects of the two countries for building alliances, considering economic instruments they use. The research methods include the OLS (or weighted OLS where applicable and provides better results) and ARIMA for the assessment of economic effects of Russia and China cooperation with allied countries. These effects are calculated based on the dynamics of GDP of Russia (up to 1990–USSR) and CMEA countries and China and the countries of the Regional Comprehensive Economic Partnership (RCEP). The same approach was used referring to the mentioned allies of PRC and Russia (CMEA and RCEP countries). The study results in finding similar positive effects of the different approaches of the USSR and China to foreign economic policy and in proving the necessity of allied countries contour both for Russian and China in modern conditions. The Chinese and Soviet approaches to the consolidation of allied countries are shown to have the diverse instruments and different performance in crisis and normal periods of economic development. Still both result in a potentially higher GDP growth than in case Russia and PRC developed autonomously. Based on the results of the research the initial measures for the formation of the contour of allied countries are proposed for Russia to decrease the influence of sanctions.

Keywords: Economics, USSR, China, Regional Integration, Macroeconomics

INTRODUCTION

Structural changes in the global economy, the transformation of value chains require the exploration of other approaches to economic cooperation other than neoliberal approach and Western-style globalization. The simultaneous rise of Asian economies, China first of all, leads to a conclusion that the search for the ideas of such transformation should be conducted considering the past experience of these countries. The idea-based approach, such as the “Big Eurasia” or “Community of common destiny for mankind” (人类命运共同体), declare economic competition and development with respect to the national interests of countries, the construction of the common future with national specifics. This allows to suppose the evolution of the new multipolar global economy and specialization of national economies in value chains, which can be non-colonial in a wider sense with a fairer distribution of wealth. Both Russia and China are interested in strengthening their role in the world market, taking into account such factors as the Ukrainian crisis and sanctions for Russia, trade wars and the US restriction policy for China. Simultaneously Russia and China view each other as allies, partners, but at the same time, they pursue goals of regional leadership, competing with each other and searching for allies in this competition and confrontation with the descending unipolar global economic order, represented by the USA, its allies and in some

way European countries.

The goal of the article is to systematize the instruments of foreign economic policy of USSR and China, used for the cooperation with ally countries. The side task of the work is to assess their applicability in modern conditions for Russia. It's obvious, that the major challenge for Russian economy today is the sanctions' pressure, while for China — the tariff war and the necessity to manage risks for foreign trade, arising from it. The two countries can't overcome these challenges without mutual cooperation, but in addition to that without the formation of the friendly economies' contour, which allows the decrease in the impact of the breakage of production chains and logistic routes by substituting the former partners' role in production and trade. In this regard, the historic experience can be analyzed along with the mutual analysis for both countries of the current methods of overcoming economic pressure.

The major findings include systematization of the foreign policy economic instruments of the two mentioned countries, the assessment of their efficiency in terms of their macroeconomic performance and the development of their implacability assessment system for Russia.

LITERATURE REVIEW

The research on the topic of Russian and Chinese foreign policy and ally-making is abundant. For instance, Zaidi (2021) declares, that Russian foreign policy has been over researched, while focusing on decision-making process in Russia. The key findings despite anti-Russian narrative state that the Russian foreign economic decisions are driven by rational striving of national interests. The other work, e.g. Ferrari and Ambrosetti (2021), links Russian internal interests and foreign economic policy, proving the thesis that Russia seeks allies in order to protect its economic interests and achievements. In this regard, the Concept of the Foreign Policy of the Russian Federation (2023) fully proves the ideas expressed in the named works, adding to the major regional aspects of ally-making.

The work by Urbanowski (2025) concentrates on finding whether Russian allies and Russia in different alliances fulfil their obligations. The findings are controversial and state that some of the Russian allied economies cooperate with Russia formally, not implementing any additional measures to develop economic ties with each other and with Russia. Still, the literature on Russian foreign economic policy lacks comparative analysis and specification of instruments.

The other situation appears for PRC. The abundance of works concentrates on instruments of Chinese foreign policy (Yan, 2014). The major concept of these works is comparing the "keeping low profile" and "striving for achievement", in Chinese foreign economic policy. These works don't produce an evolutionary concept of change of the Chinese policy.

The work by Verly (2021) concentrates on the ideological component of the Chinese foreign economic policy, describes its "reflective" nature, opposing Western "egoistic", and grounds that the foreign economic policy instruments of the country are generated taking into account this difference. At the same time, many of the instruments of the Chinese foreign economic policy are described in Litvak and Pomozova (2022), namely the M&A dissemination and the state management of the corporate sector performance. The latter is supported by the idea of the promotion of Chinese national economic interests through foreign policy and their tight connection with domestic economic development in Taylor and Jaussaud (2018). The work, though, points out somewhat authoritarian nature of the Chinese economic system, missing out the historical perspective and the findings of Litvak and Pomozova (2022).

The literature on the topic of the article is abundant, still it's necessary to figure out the extent and quantitative effects of the use of the foreign policy instruments for Russia and China and their allies in order to figure out whether the policies of the two countries are synergetic in global scale and can be used for countering sanctions and building up the allies contour for Russia.

MATERIALS AND METHODS

The methodology for revealing economic effects of cooperation between major economic powers and their allies mainly lies in empirical studies and theoretical evaluation of effects. This article expands it to the attempt to quantify these effects in terms of GDP.

The article is structured according to the following methodology. The first step of the analysis is the systematization of economic measures of the foreign policy of USSR in the period from 1950 to 1991, and China in

the period from 1978 to 2021. The research period for China is grounded by the years of and the start of Deng Xiaoping's economic reforms of China for a more open foreign economic policy and its evolutionary development to the present time as the major contributing factors for the formation of the ally countries of the two states (Cumings, 1979). The period of research for USSR is grounded by the formation in 1950-s of the bipolar world and the existence of the country, just as the bipolar world order up to 1991. The existence of the Council for Mutual Economic Assistance (CMEA) allows to hypothesize that the contour of Soviet allies existed at the same time (Cumings, 1979). The years from 2021 to 2024 were excluded from the analysis due to the pandemic's influence and the Ukrainian crisis.

The second step of the analysis is aimed at the calculation of effects of the economic cooperation with ally countries. The calculation is performed by comparing the real and calculated data on GDP of USSR and CMEA countries and China and the countries of the Regional Comprehensive Economic Partnership (RCEP). To perform it two methods were used—the OLS or Weighted OLS depending on the better model adequacy criteria (Akaike and Schwarz criteria) and ARIMA. The two methods represent the real situation (the OLS method) and the potential situation when the economy of USSR and China are not supported by CMEA and RCEP economies respectively. The OLS (WOLS) and ARIMA methods allow forecasting macroeconomic indicators (such as GDP, foreign trade, etc.) with high precision and provide a clear understanding of how the dependent variable varies in case it depends on itself or on other external factors. In the context of study this effect represents the idea of cooperation with other (external) economies, or trying to develop the economy autonomously (ARIMA).

The same calculation is made for the summarized GDP of CMEA and RCEP countries. Based on the acquired results, the potential effects of the modern Russian economic model are calculated. The idea of the calculations is the following: the data is divided into two samples—the test sample, including years 1950–1991 for Russia and the total range of data from 1978–2021 for China. The test sample is limited by the existence of the economic models, implied in USSR up to its end and in PRC (the evolutionary nature of which allows to conclude it exists in some way up to the contemporary time). The end of the sample is explained by the shift in Russian policy from the dominance of the globalistic view on foreign economic cooperation, the first signs of the decadence of which emerged after the global financial crisis and the Crimean crisis in 2014 up to the start of the Ukrainian crisis in 2022, affecting Russian economy. Based on the test sample the models were trained, while for the Russian economy and for EAEU the forecasts were calculated based on both pre-trained models on the test sample and on the models, adequate for the period from 1990 to 2009, the latter representing the product of Western-oriented Russian foreign economic policy. The comparison of the models described allows to figure out the difference in economic effects of cooperating with a contour of allies and global cooperation.

After the application of this methodology the results should include the instruments used by both countries for the formation of ally contour, the effects for GDP of Russia and China arising from the use of these instruments and the potential effects for Russia and EAEU, which could have been formed in 4 projections in case the Soviet and Chinese experience of widening economic alliances was used since 2009.

RESULTS

The Systemic Instruments of USSR and PRC in Conducting their Foreign Economic Policy

The first step of the analysis is the revelation of the foreign economic policy instruments of the researched countries in conducting their foreign economic policy and their influence on the formation of ally countries. When speaking of USSR, the major ones are the following:

The Soviet economy was based on a highly effective planning system alongside zero foreign trade balance up to 1960-s, cheap energy exports and the ability to regulate the currency rate (Perović, 2017). Note that the closed nature of the USSR economy (from the 20s to the 80s of the 20th century) was associated with the global economic crisis, and it was substantially directed to the socialist camp. The socialist countries, which, by objective calculation, concentrated no more than 15% of world production, accounted for up to 70% of the foreign trade relations of the USSR. Obviously, not economic, but political considerations played a huge role. Thus, the USSR developed its own economic relations, mainly represented by the Council for Mutual Economic Assistance (1949–1991) and bilateral treaties.

The state monopoly and external crisis's resistance of the alliance helped the members of the pro-Soviet space to challenge different crises (food, energy and systemic ones). However, the global energy crisis of 1973–1974 revealed the need for the economic structure transformation for the capitalist countries as the major energy consumers. Altogether, the soviet economic cooperation built the interconnected alliance, resulting in the availability to soften crisis consequences for its members.

The cooperation in the CMEA (the Council for Mutual Economic Assistance) was provided by an ideological component. “Internationalism” and the rivalry with the capitalist opponent served as a basis for the construction and development of the economic relations.

The USSR paid a lot of attention to the technological cooperation inside the alliance. The technology transfer was a continuation of the socialist policy to increase the level of industrialization, living standards, labor productivity, and so on. The CMEA received observer status at the UN in 1974 and opened a door to scientific cooperation. By 1975 the CMEA member countries accounted for a third of world industrial production. At the beginning of 1956, a decision was made on the expediency of developing issues of the exchange of electricity and the use of the Danube's hydro resources. The Danube, as a border river, required comprehensive development with the participation of the Danubian countries. It was assumed that the constructed hydroelectric power plants would be able to provide about 20 billion kWh of energy and 4.5 million kW of power. Such turnovers were very impressive and could reduce the deficit in the fuel and energy balance of the CMEA countries, which was supposed to be covered by the USSR through imports of electricity and fuel (Kalashnikova, 2021).

The list of the CMEA countries covered all the continents, thus it represented a significant amount of natural resources and the potential for resource-intensive competition.

Value-added chains represented within the country the connected production of various kinds of products: resource extraction in the Kazakh USSR—processing in the RSFR, production in the Latvian USSR. The same system took place in the international field under the leadership of the Soviets. At the same time, opportunities appeared for technological sovereignty, construction of the network of interconnected specialized in certain goods and services in countries.

USSR and China for a lasting period (up to the end of 1950-s at least, or, more accurately up to 1969) were economic allies, which defined the partnering character of the relations of two countries. Since 1969 PRC can no longer be considered as a country in Soviet sphere of economic influence, while since the Deng Xiaoping economic reforms, China has developed its own methodology of building foreign economic relations. The major Chinese instruments of the formation of ally countries somewhat differ from the Soviet one. It relies majorly on the economic instruments of the free market, the modern *laissez faire* approach in international relations (which was significantly changed in 2022) (Liu, 2022), hence the economic component is much more developed, while the ideological one is significant, but is promoted less directly. Let's figure out the major instruments of the Chinese foreign economic policy and how they form ally countries' structures around China.

Open door policy (Duiwai Kaifeng), numerous diplomatic channels, i.e. “railroad diplomacy”, “Belt and Road diplomacy”, which promote the traditional Chinese approach of division of the strategic interests and rationalistic foreign policy. China slowly but steadily refuses from its strategy of “taoguang yanghui”, meaning its low participation in global political relations, hence the other new instrument arises—the collectivization of international political interactions. It leads to the growth of the number of potential ally countries (Narayanan, 2005);

Collective international power promotion (collective decisions in international economics, collective participation in international institutions, participation in global policy making through international projects). China is actively developing a system of allied or dependent countries through economic cooperation, which have similar interests and are economically tightly bound with PRC so they can act in a collective manner in international disputes and promote collective interests together. This measure forms strong ties of mutual economic interest with partner countries, it radically differs from the Soviet approach of one-directional support (Masabo, 2019);

“Flying geese” strategy in the Chinese manner. China has adapted the Japanese idea of conquering new markets through the participation of financial institutions and small and medium enterprises in the foreign activities of the Chinese multinational corporations. In such a manner the Chinese economy expands to the new markets and the process of Sinicization of the developing economies occurs to the benefit of the Chinese interests. It's the second instrument in the formation of strong ally ties;

Foreign investments in infrastructure and energy are on a massive basis. The Chinese foreign policy is based on the concept of benefits for both China and the recipient economy of the Chinese companies, resources, and finance. In this regard, the more developed the recipient economy is, the fewer benefits both parties get from cooperation with China. That's why the Chinese investments in the fulfillment of the basic economic needs result in the vast growth of loyalty to PRC (X. Fu, Buckley, & Fu, 2020);

Industrial cooperation with other countries on the low-technological processes. At the same time, China avoids sharing its technological successes and the major outsource processes and industrial cooperation processes are low-technological. This results in the dependency of the pro-Chinese countries on PRC to a certain extent (Asgarkhani, Ghahramani, & Ghaderi Hajat, 2019);

Foreign companies' access to the Chinese market is possible mainly in case of creation of a joint venture with Chinese companies. This is a part of rational foreign policy of the country, when the first and biggest benefit is to

be gained by the Chinese economic agent;

Support for high-tech exports through government subsidies and ExIm Bank of China and other institutions. Today, China massively supports the development of telecommunication, IT-literacy and Internet access provision in the developing economies, moreover, it exports a significant amount of Hi-Tech products all over the world. In this regard, its economic policy is aimed at the growth of competitiveness of its technological products abroad;

Soft power, cultural influence, Confucius centers, etc., as a part of the promotion of the Chinese “good and wise policy” image (Zhao, 2013).

Assessment of the Efficiency of the Chinese and Soviet (Russian) Economies with and without Allies' Contour

After figuring out the major instruments, used by USSR and China to form a contour of allies, let's refer to the assessment of the efficiency of these instruments through the comparison of the performance of the Soviet and Chinese economies with and without the other countries' influence, just as the effect of partnership with USSR and China for the countries of CMEA and RCEP.

The key results of the econometric analysis demonstrate that the OLS-calculation of the USSR economy and the forecast of the overall economic growth of CMEA economies on average exceed the real GDP data by 0,92% in the period from 1950 to 1991. The ARIMA forecast of the CMEA economies demonstrates an average 2,89% lower growth than the real growth with the lowest performance in shock periods. The ARIMA forecast of the USSR GDP growth demonstrates better shock resilience, while the average value of forecast is 1,31% lower, demonstrating a 5,46% higher growth in 1991.

The presented results prove the idea that the USSR economy on its own could have overcome shocks better. This can be explained due to the spillover effect and the necessity to support its allied economies, but in return the GDP growth of USSR was higher than the GDP of CMEA countries.

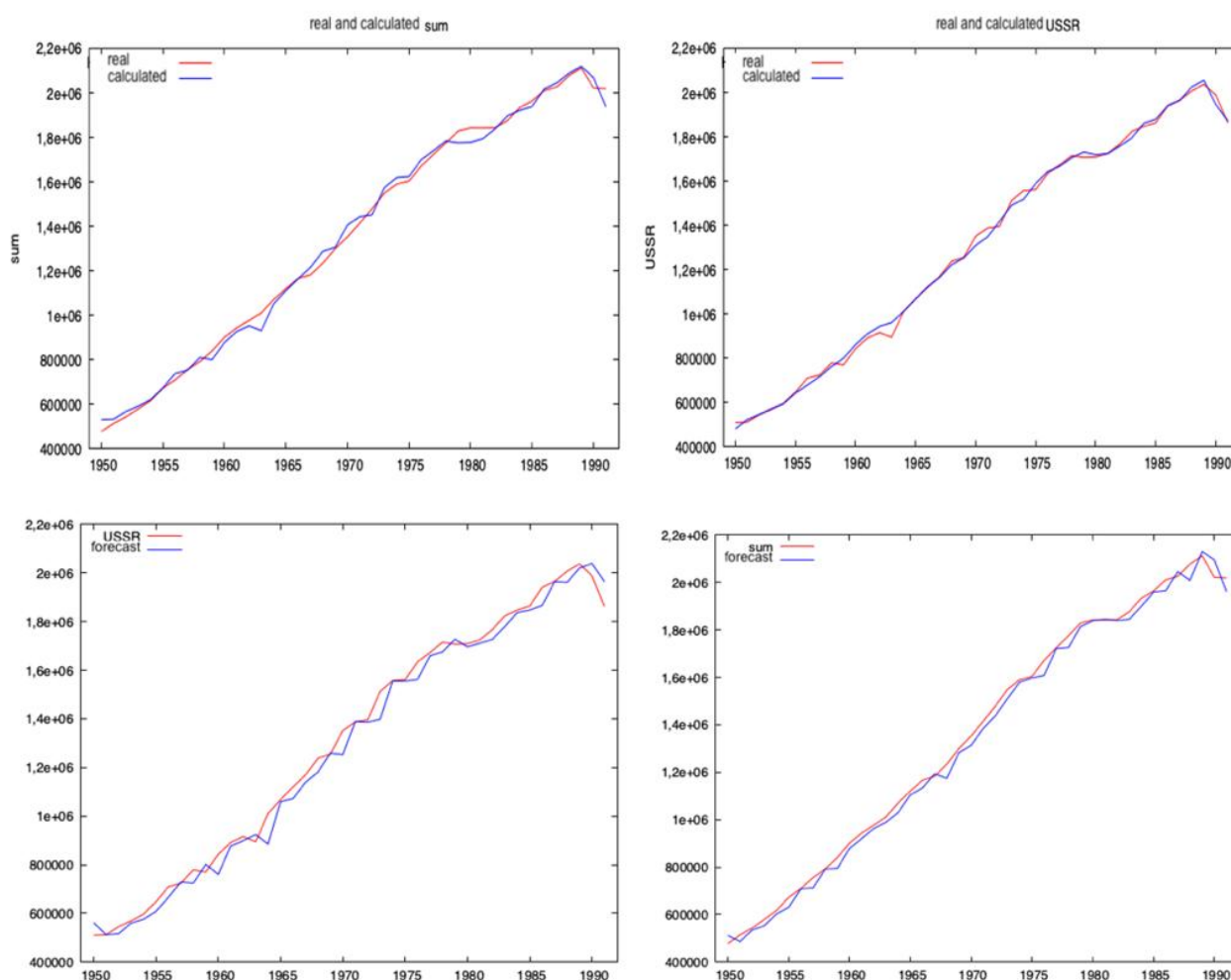


Figure 1. OLS and ARIMA Models Comparison for Economic Performance of USSR and CMEA (sum), Millions US Dollars

As shown in Figure 1, USSR and CMEA had different periods of economic development and cooperation, including the ideological split between USSR and PRC in 1962, Gulf wars in 1960-s, the oil prices turmoil in 1970-s, and the final fall of the Soviet economics in the late 1980-s, which caused the loss of influence in CMEA countries. The results above prove the fact that the Soviet foreign economic policy was based on the economic help to the other ideologically allied developing economies, hence when this financial stream faltered, alongside the growth of the Western influence and economic attractiveness of liberal economics, the contour of economic allies of the USSR broke down.

Figure 2 demonstrates the results of the analysis of the Chinese model of economic cooperation with ally countries. The overall performance of the Chinese economy strongly correlates with the OLS-forecasted data. The forecast slightly exceeds on average the real GDP (0,26%), while the forecast for RCEP economies is significantly higher than the real data in 2021 (18,49%), although the average value is 1,08% higher than real GDP. The ARIMA forecasts both for China and RCEP demonstrate worse dynamics, than real GDP by 3,01% and 2,54% respectively.

The acquired results prove that the Chinese economy benefits from the cooperation with RCEP countries, but the allied countries (RCEP economies) benefit more significantly from cooperation with China. The contemporary Chinese foreign economic policy build accounts for 3,01% GDP of the country's GDP while the allied economies on average have the potential of 1,08% increase in GDP from deeper cooperation with China.

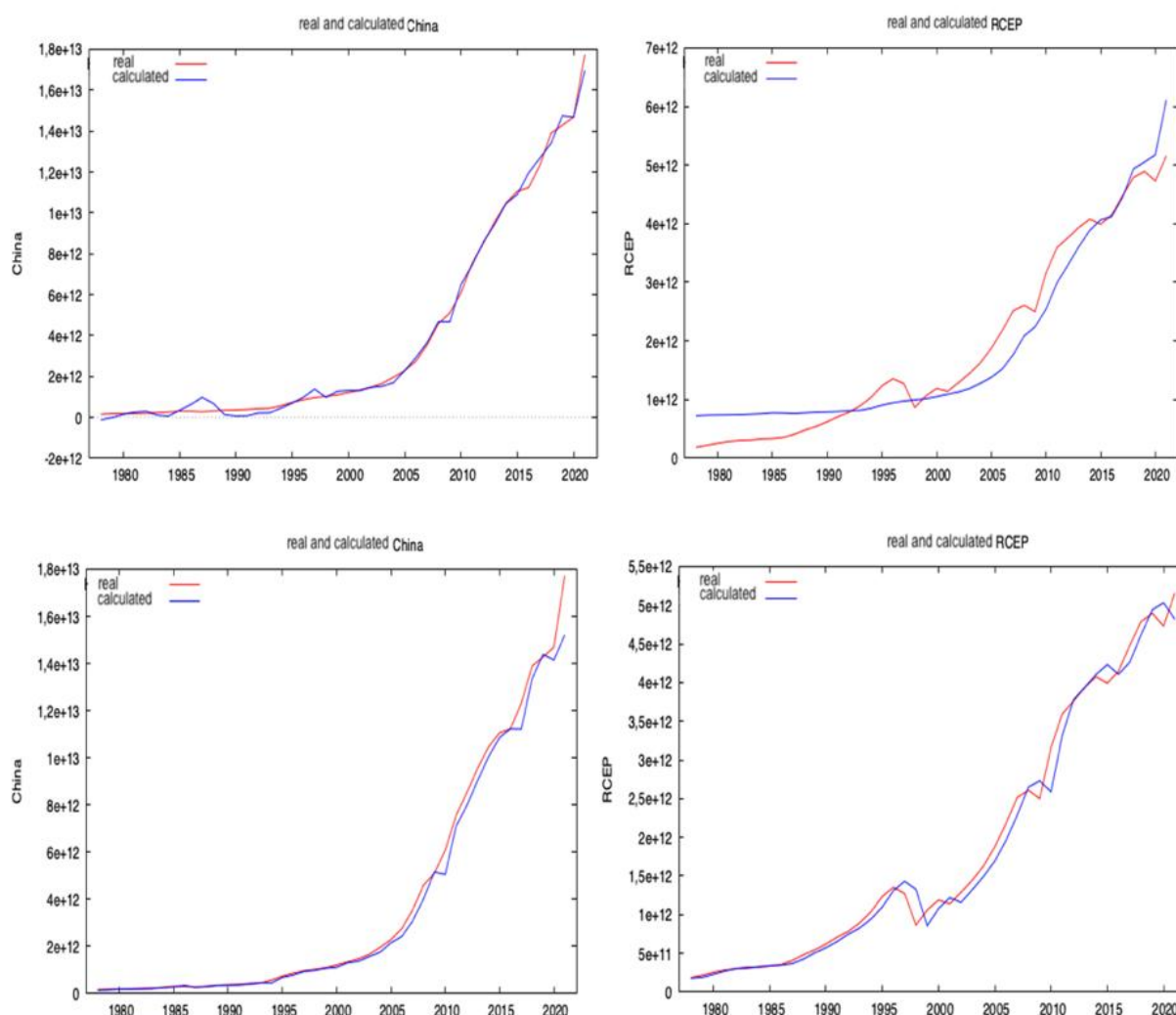


Figure 2. OLS and ARIMA Models Comparison for Economic Performance of China and RCEP (sum), US Dollars

The analysis and comparison of the two econometric models allows to make several conclusions:

1. The economic policies of USSR and China, forming a contour of ally countries, bring real economic benefits to the ally countries, while the leading economies lose some of the potential GDP. The contemporary Russian economy tends to form a similar cooperation model in EAEU;

2. The Chinese model is more effective due to the lower average losses of GDP and stronger ties with allies. This arises from the competitive advantages of China and its industrial cooperation model, the modern Russian economy has fewer competitive advantages in high-end technologies, but it inherits high competitiveness in energy sector from USSR;

3. The Soviet model of economic partnership through CMEA is more shock-resilient for allies than the Chinese one, as the forecasted GDP reaction to shocks of the CMEA countries is lower, while transferring economic effects of crises to the Soviet economy;

4. The Chinese model is less flexible than the Soviet one; it transfers growth and shocks with a lag of 1 year, while the Soviet model performs better and the losses and gains are redistributed on a year-to-year basis. The shock resilience effects for the Russian economy, arising from the support of PRC, the countries of the Global South, traditional ally contour countries prove to be one of the factors why Western sanctions failed to destroy it;

5. The periods of stable growth and rapid development in both the Soviet and Chinese models are characterized by better performance without allies for all countries, while the crisis periods demonstrate mixed dynamics, which is still better than negative trends in other countries in the same periods.

These effects arise from the models of economic policies of the countries, hence they are a result of the application of foreign policy instruments, which can be replicated by the contemporary Russian economy. At the same time, the applicability of the named measures and their economic efficiency is to be tested.

The Potential of Russian and EAEU Economies for Economic Development with and without the Creation of the Allies' Contour

The models of creating allies' contour are in any case a mix of political and economic goals, which are quite similar for USSR and PRC—the cooperative and constructive approach to the rivalry in a bipolar or unipolar world for the best economic performance, the access to resources and technologies. Considering it, the formation of multipolar world makes the described processes even more important, especially for the modern Russian concept of foreign economic policy, conducted under Western sanctions.

The major calculations made according to every scenario (OLS and ARIMA model results/real data), described hereabove are presented in Figures 3 and 4 for Russia and Eurasian Economic Union (EAEU) respectively. The EAEU is chosen due to the fact, that today it's one of the major geoeconomics projects of Russia (Makhmutova, 2019).

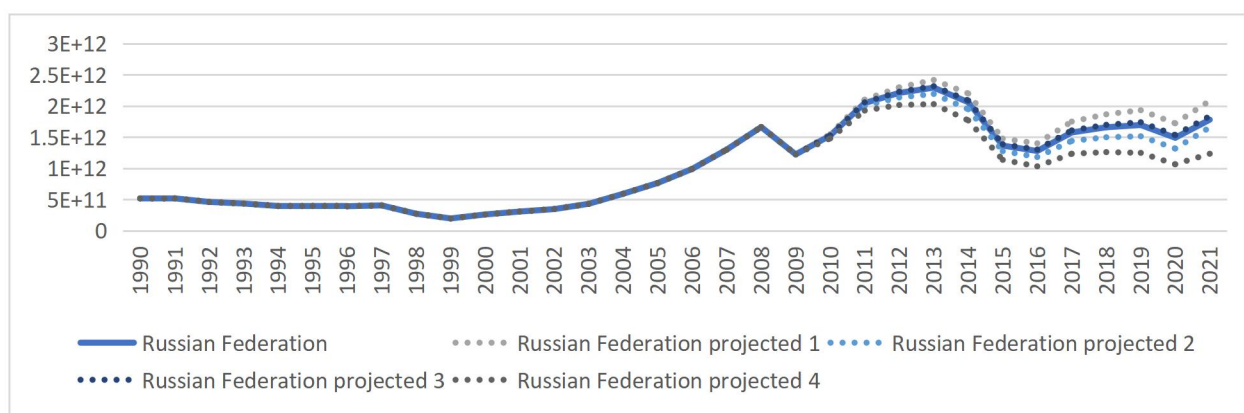


Figure 3. Major Cooperative Scenarios Influence on Russian GDP, US Dollars

Figure 3 clearly demonstrates the significant potential of the Eurasian cooperation for Russian economy, which is still unrealized. The effects for EAEU economies are lower, but still quite significant in 2021. The contemporary situation, arising from sanctions' pressure against Russia proves that the resilience of the Russian economy is based on the potential of cooperation with EAEU countries and ally countries in general. In this regard the projections 1 and 3 (the OLS calculations for the test sample and for the sample from 1990–2021) demonstrate a tendency of higher economic growth forecasts, while the projection 4 and 2 (ARIMA projections for the test sample and the sample from 1990–2021 respectively) tend to produce lower results, than the real ones. In this regard, the necessity of cooperation with allies for Russian economy is proven.

Figure 4 demonstrates the results of the realization of these scenarios for EAEU countries, one of the traditional and historic Russian economic allies. The results repeat the ones for Russia, but with a less significant difference, except for the crisis in 2021 (pandemic), when the potential of the USSR experience implication gave a significantly higher result.

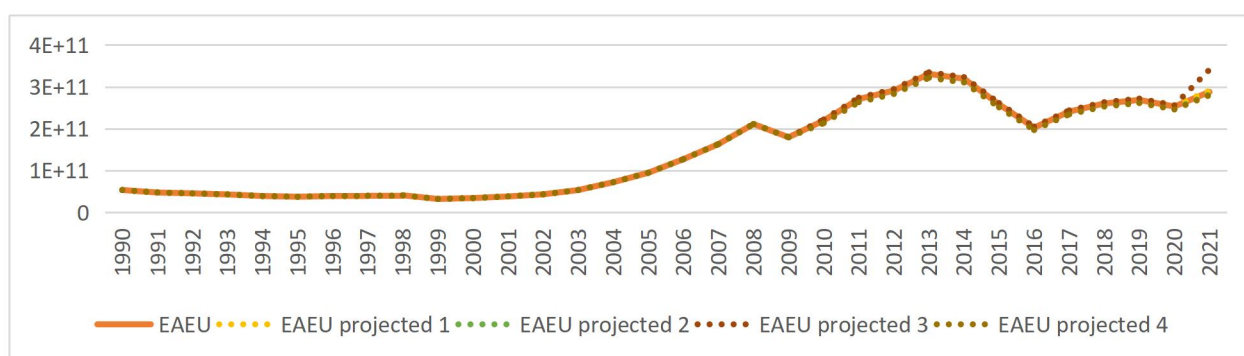


Figure 4. Major Cooperative Scenarios Influence on the GDP of EAEU Countries, US Dollars

The major question, which arises from the data, above is the applicability of measures from the Soviet and Chinese economic policy to the modern Russian conditions and economic specifics.

DISCUSSION

When estimating the potential effects of the different economic cooperation models in the modern conditions, it's worth noticing, that most of both Chinese and Soviet instruments are unavailable in modern conditions for Russia. In this regard, it's necessary to imply a bundle of instruments, based on the socioeconomical effects for recipient countries and potential allies for the Russian economy. Let's briefly get them listed.

Ideological component of "friendly" countries prefers cooperation over Western countries. The results acquired show that the cooperation with Russia (assumably with PRC too) has a significant positive effect on the economies of allied countries. The deep cooperation with Western economies, on the contrary, provides severe risks in crisis periods, but higher economic results in the periods of the expansion of globalization (Perskaya, 2023). Taking into account the higher frequency of crises and the decrease of globalization impact on the world economy, the first option is economically more preferable. The econometric analysis proves that the performance of the Russian economy can be on average 1,17% better in case EAEU economies are treated as allies and the Soviet instruments of foreign economic policy are used. At the same time contemporary foreign economic policy instruments of Russia (applied since 2009) provide only a potential 0,11% boost for GDP on average. In this regard the ideological component of attracting allied economies is much more efficient than economic ones.

The accent on the cultural and historic ties between Russia and other economies, its impact on their development, the promotion of Russian language, public diplomacy. This instrument leads to a better and tighter cooperation with other countries and forms strong ties, including historic ties, which play a significant role in choosing a side in economic cooperation in crisis periods. Simultaneously, it adds up to ideological measures of cooperation and in some way helps build a deeper integrated society with other countries, leading to a better workforce assimilation in Russia.

Stimulation and special measures for joint ventures on Russian territory and encouragement of M&A and joint ventures on the territory of friendly countries. The major result of this instrument implication is the economic expansion and the possibility to conduct the "soft power" economic policy, aimed at international businesses. The yearly growth of GDP after the beginning of the Russian active economic cooperation with EAEU economies since 2018 was projected on the level of 6,81%, this projection includes the foreign economic measures, used by PRC, one of the major of which is the creation of joint ventures and industrial cooperation (the Soviet experience is similar in this regard).

Active technological exchange, based on the Chinese approach—the open policy for basic technologies and restrictive for high-end technological solutions prevents the leak of technological innovations and forms the technological dependency of allied countries on the economic development of the economic leader. China has developed a unique model of technological development, where basic technological processes (the ones, which generate intermediaries in industrial value chains), just as the technological solutions, needed to perform them are distributed with little or no barriers among allied economies. The high-end technologies, just as the technological processes, forming final consumption products (including Hi-Tech products) are concentrated in China and protected from access by companies from allied economies. At the same time, all the countries participate in the international division of labor and get mutual benefits from economic successes of each other with no dependency on the level of value chain they are positioned at. The previous measure leads to the necessity of the support for Russian-origin technologies' use in production of the EAEU countries. The support of technological exchange and pursuit for technological sovereignty shouldn't be imposed in case of interaction on

critical issues in the field of security—food, terrorism, natural disasters relief, etc. Creation and dissemination of technologies to maintain various security protocols should be open and in no way depend on the economic revenues. In case the opposite is true, the less developed economies can't be integrated into the allies' contour, limiting it to the few countries which tend to compete more than cooperate.

Enhancing industrial cooperation and exchange through introduction of a more sophisticated and less market-based planning system of the national economy and its synergizing with the strategies of Belarus and Kazakhstan. The formation of allies is a long-lasting process, which leads to the creation of strong economic bonds. One of them is the interconnection of planning system in economic sphere due to the gradual evolution to the single economic space after B. Balassa, which in turn allows the introduce of joint economic planning in case of the significant role of state in economies of countries (which is true for the mentioned countries). The use of such an approach, according to the econometric analysis (the projections, representing the use of Soviet experience) could have provided a 1,81% potential GDP growth of the Kazakh and Belarus economies on average since 2009.

Promotion of collective international power in common interests with PRC and the creation of Russian allies' collective power through the measures above. The Chinese interests in the global economy just as the Russian ones are aimed at the achievement of the national interests. The latter can be to a significant degree similar for Russia and China, but the countries position themselves as regional leaders and quite obviously compete for the allies in some regions (i.e. in Central Asia). In this regard the policy of balancing economic powers between the poles of the multipolar global economy remains a significant part of national interests. In turn it leads to the necessity of formation of the collective economic power among Russian and its allies and balancing it with the Chinese allies and PRC with full respect to the mutual interest in cooperation between all the named countries.

The mentioned measures are most effective if used in complex, still even partial implication can bring serious results for Russian economy. The positive effect of Western sanctions is the necessity to change the economic model, in this regard Russia has received a significant chance for a better economic performance model, just as its allies.

CONCLUSION

The research proves the efficiency of the approach in foreign economic policy, aimed at the creation of the allies' contour. The proofs are based on the results of econometric modelling, where the potential results of the implications of the major measures of foreign economic policy for the Soviet period and the Chinese experience in modern Russia are calculated. The projections, which included the scenarios of cooperation with allies both including the Soviet experience and the contemporary Russian experience demonstrated the higher GDP for Russia from 2008 to 2021. The scenarios of autonomous development both for Russia (without EAEU) and China (without RCEP) demonstrated lower GDP growth than the real data.

The comparison of the Soviet and Chinese foreign economic models demonstrates their efficiency. The USSR developed a more crisis-resilient model, while China pursues a more economically rational approach, which is much more financially efficient. Despite the difference in these models, both are aimed at the formation of regional leadership of Russia and China, and none of them is based on economic confrontation between the regional leaders, rather they imply competition and cooperation in economic field, which in turn leads to the higher economic growth of economies allied with them (due to the effect of higher growth in crisis periods, found for EAEU). The economic instruments, highlighted in the research can be partially applied in modern Russian economy, mainly in regard to EAEU countries, while the ideological and cultural instruments will contribute to building a strong ally contour among the Global South economies.

The modern Russian economy requires the new economic model, aimed at the formation of allies in the conditions of Western sanctions, which can be beneficial for all the participants. Taking it into account the Soviet and Chinese experience can and should be used, but with the significant consideration of the economic effects on the Russian economy and their availability in modern conditions. The necessity to form an appealing model of economic cooperation with respect to the interests of ally countries and strategic partners allows for the promotion of industrial cooperation promotion in EAEU, based on the technological exchange in areas of non-high-end technologies. This leads to the average growth of the Russian economy of 1,17% and EAEU economies of 1,81%. The other component of cooperation is the M&A stimulation, alongside with the development of industrial cooperation. These measures can boost EAEU economies up to 6,81% of GDP in crisis periods. The last, but not the least block is the formation of the ideological component of the formation of ally economies, including educational cooperation, help in countering common threats and overcoming natural and technical disasters. In addition to that, it's necessary to mention, that the Soviet heritage of alliances with the developing countries and China allowed Russia to adapt its contemporary foreign economic policies to sanctions rapidly.

All in all, the Western sanctions against Russia and the trade war, unleashed against China prove the necessity to form tight bonds with ally countries as an element of national economic security for both economies.

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