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The Effects of Rare Earth Elements on Sino-U.S. Power Dynamics and Bilateral Relations

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Abstract

This paper examines the role of rare Earth elements (REEs) in contemporary Sino-U.S. international relations. It argues that REEs function as strategic resources that reinforce realist dynamics, despite the presence of liberal and constructivist influences. The analysis draws on a variety of recent events, such as the 2025 tariff negotiations, U.S. dependence on China for REEs, and China's near-monopoly over the REE market, in order to demonstrate how REEs give China significant geopolitical leverage. The analysis observes these developments within major international relations (IR) frameworks. The paper argues that realism best explains state behavior, as both China and the U.S. prioritize state security and resource control, leading to selective decoupling and stockpiling. Liberal dynamics, such as economic interdependence and international institutions, are shown to moderate but not override strategic competition. Constructivist elements, such as leadership perceptions and the framing of REEs as strategic assets, also shape policy on REEs. The paper concludes that, although liberal and constructivist elements are at play, global dynamics on REEs are governed by realist logic. As global demand continues to rise, competition over their supply is likely to intensify, further increasing their role as a critical factor in Sino-U.S. bilateral relations.

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Introduction

Throughout history, resources have been the defining factor in the survival of societies. If crucial resources become scarce, societies face instability and potential collapse. In the modern world, rare Earth elements (REEs) have emerged as a critical resource due to their roles in a variety of modern technologies. However, unlike earlier periods, the modern world has vast interconnected trade routes enabling countries to obtain scarce resources through trade. These interconnected networks have a variety of implications for international relations (IR) as countries, such as the U.S. and China, may become dependent on one another for different resources. In certain cases, this dependency can become a liability, causing tension and friction. Rare Earth elements (REE) have become a central factor in Sino-U.S. power dynamics by reinforcing realist dynamics such as control over strategic resources and the prioritization of national security. Although liberal and constructivist elements are shaping Sino-U.S. relations revolving around REEs, these remain secondary.

Current Issues

Rare Earth Elements and Their Uses

Rare Earth elements (REEs), sometimes called rare Earth metals (REMs) (Chakhmouradian and Wall 334), refer to a group of 17 chemically similar elements (Filho et all. 7, 8). REEs find applications in various sectors, including (but not limited to) electronics, High-tech, defense, automotive, communications, energy, and manufacturing (Filho et all. 7, 8). As these sectors are increasing their reliance on computer chips and other high-tech solutions, demand for REEs is anticipated to continually increase in the near future (Filho et al. 7, 8). With this increase in demand, competition over access to REEs will likely increase as well.

The name rare Earth element is a misnomer; REEs are not rare. They occur in a wide variety of silicates (43% all REEs), carbonates (23%), oxides (14%), phosphates (14%), and others (Sager and Wiche 7). REEs constitute the largest group of elements with chemically similar properties (Chakhmouradian and Wall 334). The difficulty in obtaining REEs comes from their difficulty in extraction, as well as the limited amount of economically viable deposits (Chakhmouradian and Wall 336). These limitations create the perception that REEs are rare, despite their relative abundance in Earth's crust.

The Current Sino-U.S. Relationship

The American political elite has been consistent in their belief that China would fail to surpass or match the United States both technologically and militarily (Badawi 2). Contemporary evidence refutes this belief (Badawi 2). China's productive capacity, as of 2025, was three times greater than that of the United States (Badawi 5). China also leads in many key sectors such as chemical production, shipbuilding, international shipping, and REEs (Badawi 5,16). This gives China significant leverage over the United States in both technological advancement and certain aspects of the military (Badawi 5). Despite China's industrial dominance, it still relies on the United States for certain goods and services. Most notable is China's partial reliance on American soybeans (Badawi 7). China imports roughly three-fifths of the world's internationally traded soybeans (Badawi 7). Beijing has begun to diversify soybean suppliers to reduce reliance on the U.S. (Badawi 7). These actions have not fully eliminated American dependence, but have limited the potential use of American agricultural products as leverage (Badawi 7,8). This strategic decoupling in key sectors is not limited to soybeans (Badawi 8). Both nations separate as many industries and sectors as they feasibly can (Badawi 1). Yet both must stay intertwined in other industries (Badawi 1). The Sino-U.S. relationship is neither an optimistic cooperation nor a pessimistic Cold War (Badawi 13). Rather, it is a mix of both intense competition and strategic interdependence. This form of

competitive interdependence is held together by the various industries, such as REEs, that the countries rely on one another for.

The Chinese Near-Monopoly

REEs are an important factor in Sino-U.S. relations due to China's near-monopoly over the REE market. As of 2025, China holds around 80% of the world's REE supply (Badawi 4). China also dominates the processing of said REE supplies (Badawi 4). As of 2019, China holds 90% of the world's refining capacity (Ferreira and Critelli 9). Many nations, most notably the US, must export domestically mined ores to China for refinement. (Ferreira and Critelli 9). This gives China significant leverage over the U.S. and the rest of the world (ROW). In addition to this, China has also notably used its near-monopoly to drive out competition. Part of the *Made in China 2025* strategy prioritized the vertical integration of mining, magnet, and other industries (Ferreira and Critelli 9). The *Made In China 2025 strategy* specifically mentions the REE industry as a priority (Ferreira-Critelli 9). China has already been successful in this vertical integration, with China holding around 90% of the world's refining capacity (Ferreira and Critelli 9). The successful vertical integration of REE industries is a sign that Western companies are not competing effectively with Chinese companies (Ferreira and Critelli 9). China's near-monopoly has made it economically unprofitable for Western companies under normal circumstances (Ferreira and Critelli 8).

History of Issue

The Fall of American Dominance

Throughout the 1960s, 70s, and 80s, the United States was not only self-reliant but the leading producer of REEs (Ferreira and Critelli 57). This American dominance was fueled by

Molycorp's Mountain Pass Mine being the world's premier source of rare Earth oxides (Ferreira and Critelli 57). China surpassed American production in the 1990s. Despite the common rhetoric among U.S. political elites, the decline in U.S. production was mainly due to domestic failures rather than Chinese interference. Most notably, a lack of investment in the federal government and the academic community has led to a gradual loss of knowledge and skilled labour (Ferreira and Critelli 62). This culminated in the closure of the Molycorp Mountain Pass Mine in 2002, due to regulatory issues and an environmental incident (Fard et all. 2, Ferreira and Critelli, 62). This combination of events and domestic policy led to the Americans losing control over the REE market and becoming a major importer of the critical resource.

The Rise of Chinese Dominance

In contrast to the United States, China increased investment in REE research and production (Ferreira and Critelli 8). The Chinese also established teams and laboratories dedicated to REE research (Ferreira-Critelli 8). These investments allowed China to close the gap with the Americans throughout the 1970s and 1980s (Ferreira and Critelli 8). Beijing declared REEs as a strategic mineral resource (Ferreira and Critelli 8). This strategic focus was paired with China's low cost of exploitation, high tolerance for environmental degradation, and vast domestic REE deposits, which allowed China to seize global REE production and replace the Americans as the primary supplier of REEs in the 1990s (Ferreira and Critelli 8, Fard et all. 2). This caused global REE to plummet, causing Western companies to go bankrupt or significantly reduce operations. China continued to strengthen its hold on the REE industry by exploiting foreign REE deposits, using diplomacy to increase global reliance, maintaining price advantages, attracting foreign investors, establishing national stockpiles, and inhibiting the entry of new players (Fard et all. 2, 3). With China gaining a

significant lead, and many alternative Western suppliers economically unviable, the ROW became increasingly reliant on China for REEs.

Perspectives

Rare Earth Elements, Power Dynamics, and International Relations Theory

Scholars broadly agree that REEs have become a significant factor in modern Sino-U.S. relations. This is due to their strategic importance in a variety of industries such as the defense industry, automotive industry, and technology industries. Control and access to these resources provide significant strategic leverage. Beijing appears to be aware of this and has proven itself capable of using REEs to promote its own interests.

Dobransky explains potential effects and models for the situation based on political science theory (Dobransky 15). Dobransky goes in-depth with how these theories analyze the current Sino-U.S. relationship with regard to REEs. These theories are realism/neo-realism, liberalism/neo-liberalism, constructivism, and radical/marxist/dependency/world-system theories.

Realism/Neorealism Outlooks

Realism is an approach to IR that holds that power is a key requisite for state survival; this leads states to define their interests in terms of power and to constantly assess and compare their relative strengths and weaknesses with other nations (Stein 1). Realism is a statist theory (Stein 1). Consequently, realists consider international law and organizations largely irrelevant to IR as both reflect the interests of powerful states (Stein 1). This skepticism stems partially from the realist observation that the international system is anarchic, meaning there is no authority above states (Stein 2). As a result, survival dominates any moral considerations, forcing each state to ensure its own security (Stein 1).

Realism deemphasizes the role of multinational corporations in favor of the belief that states are the primary actors (Stein 1). In addition to downplaying the effects of multinational corporations, realism downplays the role of domestic politics and policy (Stein 2).

When applied to REEs, realism, and by extension, realists, emphasizes the power and security dimension (Dobransky 17). According to Dobransky, realists would point out that China is using its REE deposits to protect and promote its national interests, and would recommend that the U.S. do the same (Dobransky 17). Realists would argue that the U.S. government should look into and develop alternative REE producers, provide federal funding and tax breaks, and implement other governmental measures to promote the creation of said REE deposits (Dobransky 17). Realists would also demand that the U.S. government establish an REE stockpile similar to the strategic oil reserves, in order to prevent future disruptions to the REE supply chain (Dobransky 17). Dobransky then goes on to argue that a world run by realists would not have allowed the rise of the Chinese monopoly (Dobransky 17). From a realist perspective, U.S. efforts to secure alternative supply lines may intensify competition with China.

This realist viewpoint is shared by many scholars investigating and analyzing the effects of REEs on global relations. Due to advanced industries and military technologies' extensive reliance on REEs, control over their supply lines provides immediate geopolitical power and security (Chapman 2, 15, 18, 25, 28; Ferreira and Critelli 3, 8, 15). Chapman is one of these scholars who mirrors the realist recommendations and concerns. Chapman observes that China holds significant geopolitical leverage over the U.S. due to its control over REE supply chains (Chapman 13). Similarly, Badawi argues that Chinese control over REEs provides advantages in economic statecraft and strategic competition (Badawi 4, 8). Chapman references the 2010 Chinese REE export ban to Japan due to an incident in the East China Sea (Chapman 13). Though the effectiveness of this

export ban is contested (Gholz and Hughes 10), it still achieved some objectives, such as gaining the release of the Chinese trawling vessel (Gholz and Hughes 16). What the 2010 export ban did show was that China was willing to use REEs as a weapon to advance Chinese national objectives, despite the contested effectiveness. Chapman then recommends that the U.S. government should decrease the approval process for opening new mines (Chapman 33). Chapman also recommends that the U.S. government should seriously consider the nationalization of indigenous REE mines, provide tax incentives, and remove as many barriers as possible for mine creation in order to create more alternative REE sources (Chapman 34). These recommendations are reflected by many scholars in more recent papers as well.

Ferreira and Critelli also stress the importance of decreasing reliance on Chinese REEs. They provide two examples of REE export weaponization. Ferreira and Critelli observe that, following the 2010 Sino-Japanese export ban, Western nations failed to fill the temporary gap or establish a long-term solution (Ferreira and Critelli 3,4). Ferreira and Critelli observe that China is now confidently wielding their monopoly to promote state agendas and interests (Ferreira and Critelli 4). Ferreira and Critelli point to the 2020 Sino-U.S. sanctions threat as their evidence. This sanctions threat occurred when China threatened to withhold REE exports to the U.S. following a 620 million deal to supply missile parts to Taiwan (Ferreira and Critelli 4). Ferreira and Critelli argue that China's monopolistic control over global REE supplies is a threat to both the U.S. and Western militaries and economies (Ferreira and Critelli 15). An argument that is reinforced by Badawi's later observations. Badawi observes that China's REE dominance is a crucial vulnerability in Western supply lines, and one that China has proved itself willing to exploit (Badawi 4). Ferreira and Critelli recommend that the U.S. government establish national stockpiles, create a recycling program, and locate alternative REE sources (Ferreira and Critelli 11,12). Ferreira and Critelli warn that delays in the location of these

alternative sources will allow China to consolidate its market power further (Ferreira-Critelli 15), which could lead to more political leverage. These concerns and recommendations reflect the realist belief that strategic resources can become instruments of state power.

Liberalism/Neoliberalism Outlooks

Liberalism, as liberal democracy, a term to describe certain democracies, is distinct from liberalism in the context of IR theory (Dugury et all. 4). Liberalism is often presented and observed to be the foil to realism and offers a more optimistic worldview (Dugury et all. 4). Liberalism holds that a government's primary goal is to protect an individual's right to life, property, and liberty (Dugury et all. 4). Consequently, liberalism holds that the well-being of the individual is the foundation of a political system (Dugury et all. 4). The liberal goal is to establish institutions that allow states to protect themselves from foreign threats without putting their citizens in danger, physical or otherwise (Dugury et all. 4). This leads liberal theorists, contrary to realists, to view international organizations as beneficial, necessary, and effective. Liberalism promotes the spread of free markets and capitalism through international organizations such as the World Trade Organization (WTO) or by cooperation between liberal democracies (Dugury et all. 4). Liberalism also holds the belief that international norms are crucial for international order (Dugury et all. 4). These norms are often considered to be human rights, international cooperation, democracy, and the rule of law (Dugury et all. 4). If a state violates these norms they should incur penalties (Dugury et all. 4). REEs can and are used as geopolitical tools, due to this many liberal organizations such as the WTO play roles in the geopolitics revolving around REEs.

Much of the modern-day liberal scholarship focuses on how international institutions promote cooperation (Dugury et all. 4). This is called institutional neoliberalism, or more simply, neoliberalism (Dugury et all. 4). This does cause some confusion, as neoliberalism also refers to the

economic ideology that promotes deregulation, privatization, low taxes, and austerity (Dugury et all. 4). In the context of IR, neoliberalism is the theory that states can benefit from cooperation with mutual trust (Dugury et all, 4). As well as the belief that an impartial third party can foster this relationship and maintain any current relationships (Dugury et all. 4). When applied to Sino-U.S. relations revolving around REEs, as Dobransky explains, liberal theorists will advise for greater cooperation with China (Dobransky 18). Liberal theorists would likely acknowledge that states have the right to use strategic resources, such as REEs, as leverage, but they would argue that it would undermine cooperation and the stability of global markets (Dobransky 17). Liberal theorists will likely put an emphasis on the WTO or other international institutions to correct this situation if it arises (Dobransky 17). In addition to this, liberal theorists would likely argue that free-market forces are at work and that the ROW had years to develop and maintain its REE production (Dobransky 17). Dobransky notes that liberal theorists would argue that governments should stay out of the REE market for as long as feasible and allow the situation to stabilize itself (Dobransky 17). Dobransky continues, observing that if a nation such as China were to begin using REEs as leverage, liberal theorists would argue that international institutions have the sole responsibility to regulate the situation (Dobransky 17). The liberal theorist perspective is shared by a smaller number of scholars studying REEs. Yet even studies grounded in realism show liberal dynamics.

Liberal theorists often observe Sino-U.S. relations through an economic lens, placing an emphasis on how intertwined the Chinese and American economies are. Badawi notes that modern Sino-U.S. relations are characterized by a form of "competitive interdependence" as well as a variety of "complex interdependencies" that keep Sino-U.S. economies intertwined and connected despite the deep rivalry between both nations (Badawi 4, 13). Economic studies, such as the one done by Müller, Schweizer, and Seiler, reinforce this perspective. Müller, Schweizer, and Seiler observe that

price fluctuations in REE prices have different effects based on supply chain location (Müller et all. 21, 22, 23). Due to the intertwined nature of the Chinese and U.S. economies, any major disruption would harm both economies (Badawi 1). Many scholars also point to the WTO's success in stopping China's REE export policies. This led to an elimination of China's export restrictions (Chapman 14, Müller et all. 14, 27). From a liberal theorist's perspective, the REE issue is not only one of a geopolitical power struggle, but a challenge that can potentially be addressed through cooperation, market adaptation, and international regulation.

Constructivist Outlooks

Contrary to liberalism and realism, which focus primarily on material power or institutional cooperation, constructivism argues that the international system is socially constructed through interactions between states. Constructivists argue that self-help and power politics are not essential features of anarchy (Wendt 6). As Alexander Wendt famously summarizes, “anarchy is what states make of it.” (Wendt 6, 35). This means that features of the anarchic state of geopolitics are not predetermined and are actually social constructs (Wendt 6, 14-18). From the perspective of a constructivist, state interests and identities are not fixed; rather, they are formed through shared understandings and repeated interactions.

When applied to Sino-U.S. relations revolving around REEs, constructivism does not take as extreme a stance as neoradicalism and neoliberalism. Dobransky predicts that constructivists would not be concerned as long as the rhetoric revolving around REEs remains peaceful (Dobransky 19). According to Dobransky, constructivists would likely point out that REEs are currently being ruled by free market competition (Dobransky 19). Constructivists would point out that if the major concentration of REEs were in a Western nation, there would be less of a concentration (Dobransky 19). Although due to China being governed by a communist governmental system, many Western

policy makers perceive Chinese control as a significant strategic threat (Dobransky 19). Constructivists will likely caution that the situation could deteriorate if misconceptions are made regarding Western perceptions of China (Dobransky 19). Constructivists will likely hold that if friendly and mutually beneficial cooperation and positive images of one another are held, REEs may become a symbol of trust and cooperation (Dobransky 19). Though many scholars researching REEs are neorealists, and to a lesser extent, neoliberals, aspects of constructivism can be found in both neorealist and neoliberal studies and papers. Gushlla notes that former Chinese leader Deng Xiaoping is quoted as stating, "The Middle East has oil, and China has rare Earth minerals" (as cited in Gushlla 2). This statement shows how Chinese leadership conceptualizes REEs. This conceptualization assigns REEs a political value beyond their material value, a conceptualization that would likely impact both domestic and international policy. The U.S. similarly considers REEs to be a strategic vulnerability rather than solely being a material (Ferreira and Critelli 15, Chapman 3, Badawi 4, Gushlla 2). Constructivists would likely point out that the geopolitical position of REEs is not solely based on their economic value but on their perceived political value.

Radical/Marxist/Dependency/World-System Theories

Radical theories of IR, such as Marxism, dependency, and world-systems perspectives, offer more unique interpretations of geopolitics when compared to the three leading theories of realism, liberalism, and constructivism. These theories often emphasize the role of capitalism, environmental exploitation, and unequal global development rather than state security, international cooperation, and social constructs. Though Lenin has significant bias on this matter, Lenin states that Marxist/radical IR theory emphasizes economic factors, arguing that the geopolitical climate is organized in a way that benefits the dominant industrial power (Lenin 81). Similarly, dependency theory and world-systems theory describe the global economy as a hierarchy; both have Marxist

undertones (Hout 3). Dependency theory seeks to explain why countries are underdeveloped (Hout 2). Many notable dependency theorists, such as Samir Amin, have argued that the underdevelopment of smaller countries is due to both modern capitalist exploitation and colonial exploitation, creating 'disarticulation' in developing nations and enforcing the 'autocentric' economies in the capitalist core (Hout 6). Radical theorists would also emphasize how REE supply chains show how resource extraction, environmental costs, and manufacturing are spread unevenly across the globe.

When applied to REEs, these theorists will argue that REEs are another example of capitalist exploitation (Dobransky 20). They would argue that the majority of wealth continues to flow from and go to Western nations and that multinational corporations (MNCs) are just an extension of capitalism (Dobransky 20). These theorists would then point to MNCs as evidence that capitalism is still exploiting lower nations (Dobransky 20). China is unique in the fact that it is both a communist nation and a global economic leader. Dobransky argues that this may lead to a potential split amongst radical/Marxist/dependency/world-systems theorists (Dobransky 20). Some theorists hope that China may be altering this equation with its resource wealth, and others believe that China is selling itself out to the capitalist system (Dobransky 20). Many theorists would interpret the current REE situation as evidence that supports their theoretical framework (Dobransky 20). As a result, these theories appear less frequently in the scholarship investigating Sino-U.S. relations concerning REEs.

Taken together, these theoretical frameworks provide multiple examples of how REEs impact global relations, ranging from strategic competition and economic interdependence to political narratives and global economic structures.

Analysis and Evaluation

Many industries are points of major contention between China and the US. But none of these show IR dynamics as extreme as that of REEs. The aforementioned Chinese monopoly creates a dynamic that is primarily realist with aspects of liberalism, constructivism, and radicalism. Both nations prioritize self-help, with international organizations, despite showing occasions of competent mediation, failing to provide this consistently, which is consistent with realist theories about power and the anarchical state of geopolitics.

Despite this competitive dynamic, economic interdependence and international cooperation are still defining factors of the Sino-U.S. relationship (Badawi 1). Both China and the U.S. view REEs as crucial resources for maintaining technological leadership, economic development, and military capability. As a result, REE supply lines are a major point of contention in the Sino-U.S. rivalry.

From the realist perspective, China's near-monopoly over REE supply lines gives China significant geopolitical leverage. This near-monopoly over REE production allows China to exploit Western dependence during times of political tension by influencing global markets and restricting access to REEs. This dynamic reinforces the realist argument that states attempt to secure strategic resources to maintain national power and reduce vulnerability.

As previously noted, tensions rose between China and Japan over the Senkaku Islands in 2010. This led to a temporary suspension of Chinese REE exports to Japan, an event widely recognized as Beijing's first notable use of REEs as geopolitical leverage (Gholz and Hughes 9). Japan had been reliant on China for its REEs, though it was in the process of locating alternative sources. Although it is important to note that the success of the 2010 Sino-Japanese export halt is contested (Gholz and Hughes 10). Nevertheless, it still achieved some of its objectives, such as the

release of the Chinese trawling captain involved in the incident (Gholz and Hughes 16). Aligning with realism, this reliance was exploited by China for the advancement of its state agenda. This indicates a significant shift in Chinese perspectives on REEs. Rather than being seen solely as a crucial resource for domestic applications such as technological advancement and military advancement, REEs began to be seen as potential geopolitical tools. This shift is indicative of both realist and constructivist dynamics. From a realist perspective, China used its resource dominance over REEs as a tool to advance its state agenda. From a constructivist perspective, Chinese leaders progressively framed REEs as strategic assets. As previously noted, Chinese leader Deng Xiaoping is quoted as stating, "The Middle East has oil, and China has rare Earth minerals" (as cited in Gushlla 2). This statement reinforces the constructivist elements of the REE issue, as major Chinese officials consider it to be China's oil.

Despite the major factors at play being fundamentally realist, with secondary constructivist elements, liberal elements are at play in Sino-U.S. relations concerning REEs. International organizations, despite their inconsistencies, have proven themselves capable of successful mediation. One such example of successful mediation occurred when the US, Japan, and the EU challenged China's REE export policies. In 2014, the WTO ruled that China's export policies were at odds with the GATT (General Agreement on Tariffs and Trade) (Müller et all. 14). Both China and the U.S. would file notices of appeal to the WTO, and the appellate body would come to the same conclusion as the initial WTO ruling (Müller-Schweizer-Seiler 14). Following the ruling, China shifted its REE export strategy, benefiting both the U.S. users and global suppliers (Müller et all, 27). In 2015, China announced that it would abolish export quotas, which Müller, Schweizer, and Seiler observe is consistent with the changes in Chinese policy following the WTO ruling (Müller et all. 27). From a liberal perspective, this sequence of events indicates that international

mediation may still be able to constrain state behavior and resolve economic disputes between rival powers over REEs.

China has demonstrated a willingness to use REEs as a geopolitical tool. Beyond the 2010 Sino-Japanese REE export halt, China had only relied on export quotas and the constant threat of export halts. According to Badawi, recent developments in Sino-U.S. relations include a renewed tariff escalation by the Trump administration (Badawi 4). In response, China restricted REE exports to the U.S., leading to a negotiated decrease in tariffs and resumption of trade (Badawi 4). This indicates that REEs are becoming a greater point of contention in the Sino-American trade war, which began in 2017 (Cohen and Hill 2). In response to both the 2010 Sino-Japanese REE export halt and the Sino-American trade war, American legislators have followed realist dynamics and are now attempting to decouple from Chinese REE dependency (Cohen and Hill 2). Liberal dynamics are present in the current situation, and economic cooperation does still exist. Both nations are aware of the economic costs of a full decoupling of either of their respective economies (Badawi 4). This will lead to a form of "selective decoupling" where some sectors remain intertwined, while others, such as the REE sector, are separated. (Badawi 13). This selective decoupling is likely to be a hallmark of future Sino-U.S. relations.

Taken together, REEs have impacted Sino-U.S. relations significantly, creating a system where multiple IR theories interact and combine. In this system, states are primarily driven by realist dynamics, prioritizing control over strategic resources and national security. Simultaneously, liberal dynamics influence economic factors such as selective decoupling, economic interdependence, and international institutions, although this influence is inconsistent. Constructivist factors further complicate this dynamic, as leadership perceptions and strategic framing impact how REEs are understood and utilized. Ultimately, the effects of the REE sector on

Sino-U.S. relations are best described as a combination of the three most prevalent IR theories. While liberal and constructivist perspectives help explain specific behaviors and policy shifts, neither fully accounts for the persistent competition over REEs, reinforcing the primacy of realism.

Conclusion

REEs are a central factor in Sino-U.S. bilateral relations by reinforcing realistic dynamics such as control over strategic resources and the prioritization of national security. While liberal elements such as economic interdependence, selective decoupling, and international institution mediation, and constructivist elements such as leadership perspectives and resource framing continue to influence state behavior, these remain secondary to the realist logic governing the interactions of the REE sector with geopolitics.

China's near-monopolistic control over the REE market is a crucial vulnerability in American supply chains. American and Chinese legislators are attempting to gain or maintain leverage by selectively decoupling some sectors, such as attempts by the U.S. to decouple the REE industry, while maintaining cooperation and interdependence in others. Ultimately, the role of REEs in Sino-U.S. dynamics illustrates how resources can influence cooperation and competition in our modern international system. As reliance on REEs increases, these dynamics are likely to deepen, reinforcing the role of critical resources in shaping great power dynamics.

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