

# White Paper

This report is the last of a three-part series examining the evolving dynamics of strategic rivalry among the world's Great Powers, namely the United States, China, and Russia. The first report focused on the geopolitical and economic dimensions of Great Power Competition (see: [Bancroft GEOIntelligence White Paper on Great Power Competition and its Economic Implications](#)). The second delved into the darker edge of that rivalry: the pathways through which competition can spiral into confrontation, conflict, and potentially catastrophic escalation, to include "escalation dynamics" between Great Powers (see: [Bancroft GEOIntelligence White Paper on Escalation Dynamics in Great Power Competition, Risks, Redlines and Ramifications](#)).

This paper builds on the prior two reports with a specific example of escalation dynamics within the broader and ongoing Ukraine-Russia War, concentrating on Russia's actions. Russia's strategic objectives, its expanding operations in the gray zone, and Russia's horizontal escalations to include nuclear provocations are explored, ending with the implications.

## **Evolving Russian Objectives and Escalation Strategy:**

Russia's escalation behavior in Europe is best understood through the lens of its evolving strategic objectives in the Ukraine war. From the outset, Russia pursued its goals through a combination of conventional military aggression, political coercion, and psychological operations.

Russia's initial strategic objectives were simple and have morphed based on tactical facts on the ground. Its initial objective was to swiftly seize and annex all of Ukraine, erasing its sovereignty and integrating it into the Russian Federation. This plan, envisioned as a rapid "coup de main," collapsed in the face of unexpectedly strong Ukrainian resistance. As a result, the war transitioned into a prolonged conflict of attrition, now entering its fourth year, with Russia unable to achieve full military control and only making slow gains, albeit with huge losses.

In tandem with the military campaign, Russia launched a political offensive aimed at fracturing the EU and NATO (to include the U.S.), using the urgent matter of support to Ukraine as a wedge in domestic and political arenas. By turning support for Ukraine into a polarizing domestic issue, Russia seeks to weaken Western resolve through a sustained disinformation campaign. This propaganda effort emphasizes the economic burdens of supporting Ukraine and is designed to erode public and political cohesion in Europe and the United States. Thus, Russia seeks to gain via degraded domestic and political will that which it cannot achieve militarily.

A third objective, often cited by Russia as a strategic success, is the prevention of direct Western military involvement in Ukraine. However, this claim is debatable. On one hand, neither NATO nor the United States ever contemplated direct military intervention against Russian forces. From the outset,

Western policy was guided by a strategy to support Ukraine with military aid, intelligence, and economic assistance, while avoiding direct conflict with a nuclear-armed adversary. On the other hand, and as discussed below, there were (and are) several examples where the West's indirect support to Ukraine was delayed, sent piecemeal, and/or with restrictions in certain capabilities and the rules of engagement. In this vein, Putin's intimidation strategy yields a degree of success.

Russia has also promoted misleading "strategic objectives," such as demands to reverse NATO's post-Cold War expansion. These claims ignore the sovereignty of Eastern European nations and serve mainly to obscure Russia's true aims. These are mere distractions to divert attention away from Russia's core strategic ends for this war. In this vein, Russia often cites eliminating the "root causes" of the war as a necessary path to a ceasefire. Specifically, Russia wants to push NATO back to its 1991 pre-expansion boundaries. However, the sovereign nations of the former Warsaw Pact have freely voted to join NATO, and Russia has no say in that process. No outside power has the legitimate right to demand that a sovereign nation change its political alliances. There are other demands as well, but this suffices to illustrate the rhetorical and petty nature of some of Russia's strategic ends.

Ultimately, Russia's strategic goals continue to focus on regional dominance, weakening Western unity, and avoiding direct confrontation with NATO.

## Gray Zone Operations:

Gray zone operations take place between the vague dividing lines between peacetime, criminality, and wartime. Last week's report on Escalation Dynamics highlighted all of the levels of violence, especially to include escalations above the gray zone into direct conflict...or worse. A deeper dive into the gray zone is necessary before detailing Russia's escalations.

The U.S. military defines gray zone operations as coercive or subversive actions conducted below the threshold of war. These can involve political manipulation, economic pressure, cyber operations, and disinformation campaigns. Attribution is often murky, enabling aggressors to operate with plausible deniability. The primary objective is to weaken a target state's sovereignty, undermine public trust, and create instability, while avoiding direct military confrontation. Examples include diplomatic intimidation, bribing political leaders, backing rival parties or extremist groups, and leveraging trade or infrastructure dependencies. Information warfare is central, using propaganda and disinformation to sow division, manipulate perceptions, and degrade societal cohesion.

Gray zone activities can also have a significant cumulative effect over time to steadily disadvantage their target. Rather than delivering a single decisive blow, gray zone actions are intended to gradually erode a state's capacity to resist or respond. Proxy actors are frequently used to shield the state from direct accountability, while state-backed "hard power" may also be employed through sabotage, cyberattacks, or subversion of critical infrastructure.

"Horizontal escalation" within the gray zone involves expanding conflict geographically or bringing in new actors, rather than escalating intensity. This approach allows aggressors to apply pressure across broader fronts, increasing the burden on their adversary without overtly crossing into conventional warfare. It is a strategic approach in military conflict and international relations designed to put new pressures on an adversary to coerce or force them to abandon their actions.



## Russia's Gray Zone Horizontal Escalation Actions Against Europe:

Moving from theory to application, Russia's gray zone operations have shifted dramatically since the onset of the Ukraine war. Before the conflict, Russian gray zone activity in Europe was relatively infrequent and limited in scope. This allowed many European nations to maintain the illusion that armed conflict was unlikely to return to the continent. This belief left them underprepared for sustained aggression.

Since the war began, however, Russian gray zone actions have grown both in severity and frequency. Most European nations now view large-scale conflict with Russia as increasingly likely, and many have responded by boosting defense spending, readiness, and coordination. NATO members have set a target of 5% of GDP for defense, and both NATO and EU cohesion have thus far resisted Russia's efforts to fracture them through coercion and manipulation.

Russia's horizontal escalation strategy has widened the geographic and political dimensions of its campaign. Its gray zone operations now target nearly all European nations supporting Ukraine, sparing only a few, such as Hungary, Czechia, and Serbia, that align with Russian interests.

Tactics include propaganda, cyberattacks, sabotage, and social disruption, and all are intended to pressure Western publics and political systems into reducing support for Ukraine.

Russia has also drawn in partners. China is the most notorious, providing (increasingly open) economic and technical support that is vital to the survival of Russia's economy. Iran openly provides drone and missile technology. North Korea sent thousands of troops to support operations in Ukraine and supplies a substantial share of Russia's ammunition needs. Cuba and other countries have become recruitment grounds for mercenaries. Belarus provides access to its borders from which Russia launches attacks. Additionally, criminal proxies across Europe carry out acts of sabotage and disruption on Russian orders.

Energy dependency has been another tool. Russia reduced gas and oil exports to countries condemning its invasion, threatening European citizens with a winter without heating. This coercive use of energy was intended to weaken public resolve and political support for Ukraine. The scale of attacks attributed to Russia across Europe is vast and includes the targeting of critical infrastructure, communications, military systems, and transportation networks. Lesser but still destabilizing actions include vandalism, terrorism, GPS jamming, and even political assassinations.

Finally, Russia continues to wield nuclear threats as a psychological weapon. Since the invasion began in 2022, President Putin and other Russian officials have made over 50 references to potential nuclear escalation. These threats are backed by actions, including suspending compliance with most elements of "New START" (the New Strategic Arms Limitations Treaty – the last vestige of nuclear arms control), deploying nuclear weapons in Belarus, more aggressive nuclear doctrine modification, and hinting at a return to nuclear testing. While many of these threats seem exaggerated or theatrical, they may have had a chilling effect on Western decision-making, particularly in the delayed and incremental delivery of advanced weapons to Ukraine.

## Geopolitical Implications:

Russia's horizontal escalation into Europe as a supporting campaign to its war in Ukraine has largely failed to decrease European support for Ukraine's survival and its future sovereignty, devoid of direct Russian coercion. Further, and in strategic terms, Putin's gray zone campaign has failed to meaningfully fragment the Alliance and stop European Union support for Ukraine. He has, however, managed to keep direct and large-scale European and American military involvement in the war largely out of the combatant theater (there are European advisors in Ukraine, however). Thus far, he has employed all manner of national power and tactics to coerce Europeans into allowing him to swallow Ukraine, but to no avail.

Russia's increasing horizontal escalations have risks. Some NATO nations requested urgent consultations under NATO's Article 4. Thus far, NATO countries are tolerating Putin's increasing activities, not only destroying property but also targeting lives. Redlines could be crossed at some point, either through a sudden escalation or the sheer number and scope of the Russian actions, potentially activating Article 5, requiring mutual defense.

If NATO were to respond militarily, Russia, with its hands more than full in Ukraine, NATO would likely decisively deal with Russia regardless of the scale of the action. Then how would Putin respond to that? Vertical escalation up the levels of violence? Without question, Putin does not want this. Yet, he continues to play with fire with his bolder horizontal escalations against NATO members.

Should the Europeans decide to respond with more aggressive measures as a means to either attempt to convince Putin to ratchet down his nefarious activities across Europe and/or to give Putin pause in considering even more aggressive effects against the West? This could include arming Ukraine with longer-range precision weapons, along with loosened rules of engagement, and in significant numbers. President Trump has considered doing exactly this with Tomahawk cruise missiles. As of this writing, President Trump is not allowing Tomahawks to go to Ukraine, but authority for Ukraine to employ European weapons to strike deeper into Russia has been delegated to the head U.S. General Officer in Europe. Putin's assertion that this is an escalation is laughable, as it has been striking Ukraine with such weapons since the beginning, including against civilian targets.

If Ukraine were to get long-range precision weapons in quantity, along with the permission to strike strategic targets, Ukraine could further its already successful attacks on Russian infrastructure (especially oil production), Russian drone production, transportation, and military supply depots deep in Russia.

Russia's abandonment of key nuclear arms control frameworks, most notably its non-compliance with New START and deployment of tactical nuclear weapons to Belarus, signals a collapse of the post-Cold War arms control architecture. These moves erode strategic predictability and increase the risk of miscalculation or deliberate escalation. Coupled with the dozens of nuclear rhetorical statements, this behavior shifts the nuclear threshold and injects greater instability into European and global security environments. The absence of verifiable constraints on Russia's nuclear arsenal is forcing some NATO nations to reconsider their own nuclear posture and response planning.

## Economic Implications:

Many countries, and within the West, most companies have already distanced themselves from Russia economically...at least directly.

Russia's deliberate restriction of gas and oil flows to European nations in retaliation for Ukraine's support forced a dramatic restructuring of European energy policy. Countries scrambled to reduce dependence on Russian energy, investing heavily in LNG infrastructure, renewables, and energy storage. While this has accelerated Europe's long-term energy transition goals, the short-term effect has been increased energy prices, inflationary pressure, and economic disruption. Most importantly, the severing of energy eliminated a major Russian leverage point but came at high transitional costs for European economies, particularly Germany and Central Europe.

That said, and as reported and frequently cited by President Trump, several European nations continue to buy Russia's economic mainstay of petroleum, albeit indirectly (by buying it from a third party after it has been refined). Time will tell if European nations decide to go cold turkey with Russian oil and gas, including ending their indirect approach. Note that Hungary and Slovakia are basically forced to buy Russian petroleum directly due to proximity and the cost of retooling.

At this writing, both China and India continue to buy huge quantities of Russian oil. As for India, President Trump imposed additional tariffs to attempt to entice India to stop this practice. Last week, President Trump said that India's President Modi assured him that India will wean itself from Russian oil; we'll see if this comes to fruition. Similar threats have been made to China, but no U.S. tariffs at this point are targeting China's purchase of Russian oil. Russian energy exports are critical for the sustainment of its economy, given the reallocation of resources to defense. Without the exports of oil and gas, the Russian economy would be in crisis.

The EU implemented its 18th set of sanctions against Russia last July, and as of today, the EU just implemented its 19th package, targeting Russia's critical infrastructure (energy, finance, defense industry, etc.). Similarly, the U.S. Congress has laid out a strong list of sanctions against Russia; in this vein, yesterday, President Trump imposed sanctions on Russia's oil infrastructure, threatening to add harsher sanctions in the future. Russia has found ways to get around or mitigate many of the sanctions to date; time will tell if the latest sanctions by the EU and the U.S. will have an enduring and impactful effect on Russia.

Russia's aggressive position in Ukraine has stimulated increased global defense spending, specifically by NATO members. Key learnings from the use of drones and other advanced technologies have created additional innovation investments within the defense sector for both proactive measures and countermeasures outside of the major defense suppliers. Military capabilities with increased agility are fueling interest across the globe in the defense industry for technology companies.

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