China’s Vision of Victory: Chinese Global Strategy and What it Means for America

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The “Great Rejuvenation of the Chinese Nation,” from Mao Zedong to Xi Jinping.

“Mao’s revolution never took as its ultimate goal the Communist seizure of power in China; rather, as the chairman repeatedly made clear, his revolution aimed at transforming China’s state, population, and society, and simultaneously reasserting China’s central position in the world.”

- Chen Jian, Mao’s China and the Cold War

“By 2050, two centuries after the Opium Wars, which plunged the ‘Middle Kingdom’ into a period of hurt and shame, China is set to regain its might and re-ascend to the top of the world.”

- Xinhua News Agency, 2017

“[B]acked by an invincible force of 1.3 billion people, we have an infinitely vast stage of our era...”

– Xi Jinping, 2017
The “Two Centenaries,” in 2021 and 2049, are benchmarks for China’s long-term strategy.

China’s “Two Centenaries” involve:
2. 2049: “The modernization program will have been accomplished by and large.” China as dominant global superpower.

As China evolves into a global actor, it has three main strategies:
1. The “Belt and Road Initiative”
2. Military Modernization
3. Made in China 2025

Source: Map from CIA World Factbook, Atlas
For China, the South China Sea is only the beginning – the core of Chinese long-term strategy is the Indian Ocean Region, where China’s main vulnerabilities lie.
The “Belt and Road Initiative” is a blueprint for a multi-regional strategic presence – China is investing in longer-range power projection capabilities to “safeguard the security of China’s overseas interests.”

Beijing is investing in blue water capabilities in order to support new power projection goals.
Chinese economic strategists envision three “blue economic passages” with the South China Sea as the starting point.

**The Northern Sea route:** “one that will lead to Europe via the Arctic Ocean.”

**The Silk Road Economic Belt:** A trade route that is part of the “Belt and Road Initiative.”

**21st-century Maritime Silk Road:** “the China-Indian Ocean-Africa-Mediterranean Sea Blue Economic Passage.”

**The South Pacific route:** “the China-Oceania-South Pacific Blue Economic Passage.”

Source: PRC State Council, “Vision for Maritime Cooperation under the Belt and Road Initiative.”
China is the largest trading nation in the Indo-Pacific, and its economic initiatives are leading to important near and long-term advantages.

**Table: Imports and Exports (% of total partner trade)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>$5.00 (20%)</td>
<td>$4.21 (11%)</td>
</tr>
<tr>
<td>India</td>
<td>$1.46 (38%)</td>
<td>$0.90 (6%)</td>
</tr>
<tr>
<td>Australia</td>
<td>$0.90 (29%)</td>
<td>$0.08 (9%)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>$11.35 (24%)</td>
<td>$1.85 (9%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>$4.06 (22%)</td>
<td>$4.27 (37%)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>$61.57 (17%)</td>
<td>$8.92 (3%)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>$5.62 (34%)</td>
<td>$0.42 (9%)</td>
</tr>
<tr>
<td>Thailand</td>
<td>$3.39 (24%)</td>
<td>$0.10 (2%)</td>
</tr>
<tr>
<td>South Korea</td>
<td>$0.72 (14%)</td>
<td>$0.09 (4%)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>$1.84 (19%)</td>
<td>$0.35 (7%)</td>
</tr>
<tr>
<td>Philippines</td>
<td>$0.74 (15%)</td>
<td>$0.24 (8%)</td>
</tr>
<tr>
<td>South Africa</td>
<td>$13.54 (18%)</td>
<td>$6.81 (10%)</td>
</tr>
</tbody>
</table>

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China’s sense of national destiny increasingly has a military edge.

“Rooted in a land of more than 9.6 million square kilometers, nourished by a nation’s culture of more than 5,000 years, and backed by the invincible force of more than 1.3 billion people, we have an infinitely vast stage of our era, a historical heritage of unmatched depth, and incomparable resolve that enable us to forge ahead…” – Xi Jinping, 19th Party Congress, 2017

“All must be done with the ultimate goal of improving battle command capacities and measured by the standards of being able to fight and win wars.”
– Xi Jinping, 2016

“Today, we are closer to the goal of the great rejuvenation of the Chinese nation than any other time in history, and we need to build a strong people’s military more than any other time in history.”
– Xi Jinping, 2017

“For those who offend our China must be punished even if they are far away”
Chinese military nationalism is also directed against the United States:

Rear Admiral Luo Yuan, deputy head of Chinese Academy of Military Sciences:

“What the United States fears the most is taking casualties,” the admiral said, before adding that such an attack on two of the U.S. Navy’s steel behemoths would claim upwards of 10,000 lives. Luo went on to call America’s military, money, talent, voting system and fear of adversaries the five U.S. weaknesses that can be easily exploited, according to the report.

“We’ll see how frightened America is,” he said.
Xi Jinping’s “Community of Common Destiny for Mankind” envisions a world order with Chinese economic and military power at its center.

“Thousands of years ago, China envisaged a world where people live in perfect harmony and are as dear to one another as family. Today, President Xi Jinping has given the world a new name – a community of common destiny.”

- Xinhua News Agency, 2017
China’s growing economy is the foundation for its “comprehensive national power”.

“Our objective is to catch up with America and then to surpass America. America only has one hundred million people or more; our population is over six hundred million. We should catch up with America. On the day that we catch up with America and overtake America, then we can let out a breath of air. Now, we are not there and must take the bullying.”
- Mao Zedong, October 29th, 1955

“...Mao aimed at transforming not only the old China but also the old world order...Just as the old international order had helped cause China’s suffering and humiliation, so too would the creation of a new order contribute to the rebirth of a strong and prosperous China.”
- Qiang Zhai, China and the Vietnam Wars

“The western-centred world order dominated by the US has made great contributions to human progress and economic growth. But those contributions lie in the past.”
- Fu Ying, Financial Times, January 6th, 2016
Analysts from the World Economic Forum to the National Intelligence Council expect China’s economy to surpass that of the United States in the 2030s.

Source: World Economic Forum, Our World in Data
“Made in China 2025” identifies ten industries which Beijing intends to master, many of which have military-industrial applications.

Made in China 2025’s goal is to transform China into the preeminent manufacturing and industrial power through mastery of advanced industries.

Made in China 2025 sets out a three-step plan:

1. By 2020, consolidate manufacturing power and increase industrial digitization, mastering core technologies, promoting Chinese multinational companies internationally, all while moving up the value-chain and improving efficiency and quality.

2. By 2035, China will reach an ‘intermediate level’ among world manufacturing powers, making breakthroughs in major areas and leading innovation where China is most competitive.

3. By 2049, China will become the leader amongst the world’s manufacturing powers, leading innovation and technological development.

10 Made in China 2025 target sectors

- New energy vehicles
- Next-generation ICT
- Biotechnology
- New materials
- Aerospace
- Ocean engineering and high-tech ships
- Railway
- Robotics
- Power equipment
- Agriculture machinery
The Communist Party is building a policy foundation for China’s rising “National Champions” which have been told to innovate and “go global.”

- China’s state owned corporations are primary actors in Chinese state-level strategy. Private sector companies are also increasingly tied to the Chinese state.

- “Civil military fusion” goes further – with a vision of turning private sector innovation into a new military edge.

- Atlas monitors China’s progress, corporate strategies, and private sector innovation in these industries and learns how their “playbook” and tactics evolve.

Ten sectors illustrate the rise of China.

1. Aerospace
2. Automotive
3. Energy
4. Engineering and construction
5. Industrial machinery
6. Retail and consumer
7. Shipbuilding
8. Space
9. Technology
10. Telecommunications

Source: Atlas

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Chinese firms dominate the global engineering and construction space, illustrating the size and scale of competition emerging from China in state-priority sectors.

Chinese high-speed rail (HSR) networks demonstrate how China intends to export its expertise.

- China’s first high-speed intercity rail link opened in 2008. Less than a decade later, the country has 12,500 miles of high-speed rail lines, more than the rest of the world combined, and is planning to lay another 9,000 by 2025.
- China’s national HSR network is also a source of national pride and an example of Chinese engineering capabilities.
- Government coordination and support has enabled Chinese firms to not only build the largest HSR network in the world but to develop their expertise which is now being exported via the Belt and Road Initiative.
In line with Made In China 2025 goals, Beijing continues to support the home-grown shipbuilding industry.

- The steady progress of the Chinese shipbuilding sector demonstrates the government’s vision and long-term patience to foster a strategic industry.

- ‘It’s a process from quantitative change to qualitative change. In the past we imitated and followed others, now we are at the same pace with the entire market’.
  - Yu Lai, deputy director MARIC

- ‘China aims to capture up to 40 percent of the global high-end marine equipment market over the years through 2020 while reforming and supporting its money-losing shipbuilding industry, the government said’.

China has become a leading shipbuilder despite a reputation for being a lower-quality manufacturer; it has since continued to invest and has begun to produce higher quality, high-tech ships.

China has been making steady progress, continuing to invest in its stated goal of becoming a space power.

China is building its foundation to further project its influence.

- China conducts 20% of all orbital launches, gaining critical experience and confidence with each success.

- China’s ‘Hongyan’ LEO constellation is meant to deploy 300 satellites for global communications and IoT applications by 2021.

- Much of China’s space technology program is run through State Owned Enterprises under the State-owned Assets Supervision Administration Commission (SASAC) framework, but China has begun to encourage private enterprise in space in order to unlock innovation and competitive power.

- ‘The ‘space-based Silk Road’ is one of the applications of the ‘One Belt, One Road’ initiatives by providing an independent and secure, but convenient and low-cost communication network for those Chinese companies that are expanding into overseas markets at Beijing’s urging.’
  
  - He Qisong, satellite expert, on China’s ‘global strategy’ to create ‘an independent communication network from ground to space’

“Civil military fusion” envisions the militarization of the Chinese economy – harnessing the power of innovation in the private economy for military competition with the US and other major powers.

“In accordance with central requirements, Tsinghua University will closely integrate the national strategy of military-civilian integration and the AI superpower strategy’ (人工智能强国战略).”

“This team [of Qinghua researches] undertook the ‘AI Theories and Crux Technologies for Future Human-Machine Cooperative (Combat) Operations’ (面向未来人机协同作战的人工智能理论与关键技术) project with total funding of over 100 million RMB [about $15 million] from the CMC Science and Technology Commission National Defense Frontier Innovation Special Zone (国防前沿创新特区)”

- The Road of Military-Civil Fusion for Artificial Intelligence Development,
  You Zheng, Vice President, Qinghua University
What must the United States do? (2019 – 2045)

Overall:
• One: Remain the world’s leading economic power.
• Two: Work with democratic countries and genuine “responsible stakeholders” to strengthen the “rules based order.”
• Three: Maintain the military and technological edge over China, and any possible combination of China and its authoritarian partners.

Further:
• One: Recognize that 2020 – 2030 is the critical timeframe in a long-term competition with China.
• Two: Develop a culture of long-term strategic thinking when it comes to major power competition: think far ahead, but act quickly.
• Three: Coordinate US economic interests (business, commerce, finance) and US national security to build American and Allied power.
China’s Vision of Victory, Dr. Jonathan D. T. Ward, and Atlas Organization

Dr. Ward completed his PhD at the University of Oxford, specializing in China-India relations. He is a frequently invited speaker for government, industry, private and public audiences around the world on China, India, and the Indo-Pacific.

An American citizen, he studied Philosophy, Russian, and Chinese at Columbia University, and continued his language studies at Beijing University in China and St. Petersburg State University in Russia. He speaks Russian, Chinese, Spanish, and Arabic, and has traveled extensively throughout Russia, China, India, and the Indo-Pacific. He is a Research Associate at the Changing Character of War Programme at the University of Oxford, and a member of the CNAS Next Generation National Security Leaders Program, Class of 2018.

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Dr. Ward is the founder of Atlas Organization, a strategy consultancy which delivers expertise on US-China global competition, Chinese grand strategy, the rise of India, and the geopolitics of the Indo-Pacific region.
Q&A session
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