Geostrategic Factors: Will China Wins "World War C"

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The New Cold War between the US and China abruptly took a new form following the global outbreak of COVID-19, but Beijing still has a solid chance of coming out on top in this struggle for global leadership if it accurately assesses the changed geostrategic situation in the Eastern Hemisphere and accordingly crafts the right policies for responding to it.

Will The World Backtrack On BRI After World War C?

"The US & China Are Intensely Competing To Shape The Outcome Of World War C", as the author noted late last month when analyzing the consequences of the global COVID-19 outbreak on the New Cold War between these two Great Powers, but Beijing still has a solid chance of coming out on top in this struggle for global leadership if it accurately assesses the changed geostrategic situation in the Eastern Hemisphere and accordingly crafts the right policies for responding to it. The Asian Giant is under immense pressure as its envisaged model of reformed globalization under the Belt & Road Initiative (BRI) is increasingly seen with skepticism, not so much because of the intense infowar that the US has been waging against it over the past few years, but simply because of the sudden supply chain consequences that were brought about as a result of the world's rolling lockdowns. Foreign investors and national leaders alike are no longer ignorant of the strategic vulnerabilities inherent to the globalized world system as a whole, and many are now seriously reconsidering its merits and correspondingly contemplating re-offshoring production back to their own countries or at least their immediate regions.

China's Grand Strategy

This represents the most profound challenge that China has been forced to confront in the decades since it first decided to reform its economy by opening up to foreign investment. It was hitherto taken for granted that the globalization trend would generally continue unabated, notwithstanding some high-profile expressions of economic nationalism such as the ones most commonly associated with Trump's "America First" policy, and that only gradual reforms would be necessary to improve this model and thus indefinitely perpetuate it. China, comfortable with its position as "the world's factory" and flush with excess cash to invest in connectivity infrastructure projects all across the world for the purpose of more closely tying its partners' economies to its own in pursuit of what it describes as a Community of Common Destiny, took the lead in taking globalization into its next natural phase through BRI. The grand strategic intent was to peacefully replace America's previously predominant global economic role and therefore enter into a position of privileged soft power whereby China could then shape the world order to its liking through trade and institutions.

A Concise Analysis Of Afro-Eurasia

Those carefully crafted calculations have suddenly been thrown into uncertainty as a result of World War C, which is why it's imperative for China to assess the changed geostrategic situation as accurately as possible in order to craft the right policies for saving its global leadership model. What follows is a concise summary of the importance that each region of Afro-Eurasia holds for Chinese strategists at the present moment, which also briefly describes their challenges and opportunities. The Western Hemisphere is omitted from this analysis because China's relations with Latin America aren't anywhere as significant for its global strategy as those that the country has the Eastern Hemisphere as whole, and the complex contours of Chinese-American relations will be greatly determined by the outcome of their so-called "trade war". As such, the author believes that it's much more relevant to discuss East & Southeast Asia, South Asia, Central Asia, the Mideast, Africa, Russia, and the EU instead, ergo the focus of the present article. Having said that, here are the geostrategic factors that will determine whether China wins World War C:

East & Southeast Asia

This region of the world previously planned to enter into the world's largest trade bloc, the Regional Comprehensive Economic Partnership (RCEP), irrespective of India's US-influenced refusal late last year to move forward with this game-changing development. This eastern periphery of Eurasia functions as a future integrated market for Chinese goods and services, conveniently located right next to the People's Republic. The problem, however — and one that was already emerging prior to World War C — is that these countries' production facilities inside China are considering re-offshoring back home or to other parts of the region as a result of the trade war, with this trend taking on a renewed importance given the global supply chain disruption in recent months. The same holds true for non-regional companies such as those from the West which are eyeing ASEAN (and especially Vietnam) as a favorable replacement to China, sometimes for political reasons. China will therefore need to ensure that RCEP eventually enters into effect in order to mitigate some of the immediate economic consequences through its envisaged regional marketplace, as well as remain competitive with lower-cost labor from its neighbors in order to slow down the speed of this seemingly inevitable re-offshoring process.

South Asia

The opportunities and challenges that South Asia poses for China are more geopolitical in nature than economic. The US' successful co-opting of India into a proxy for "containing" China reduces the likelihood of a meaningful economic rapprochement between these two Asian Giants, and instead positions what's soon predicted to become the world's most populous country as a possible rival to the People's Republic in the long term, with the short- and medium-term consequences being that it might become an even more appealing re-offshoring destination for foreign Chinese-based companies than even ASEAN. The global pivot state of Pakistan, however, represents nothing but opportunities for China because of CPEC, BRI's flagship project. This ambitious initiative serves not only as a geostrategic shortcut to the energy market of the Mideast and the growing labor-consumer one of Africa that conveniently bypasses the increasingly militarized South China Sea and Strait of Malacca, but is also the basis upon which all other major BRI projects will be managed, relying upon the invaluable experiences learned during its years-long implementation. In order to succeed in South Asia in the post-coronavirus environment, China must manage to retain pragmatic relations with India in parallel with undercutting its attractiveness as a re-offshoring center while maximizing every mutual strategic opportunity that it can reap from CPEC.

Central Asia

The Eurasian Heartland is primarily functions as a reliable source of Chinese energy imports. It has obvious connectivity potential for linking China to the Mideast and Europe through the "Middle Corridor" that's being pursued in partnership with Turkey, but in and of itself, it doesn't have much economic significance for the People's Republic due to its comparatively small labor and consumer markets relative to East-Southeast-South Asia and Africa. It does, however, function as a crucial test case for the resiliency of the Russian-Chinese Strategic Partnership insofar as it provides these two Great Powers with the opportunity to reach pragmatic "compromises" in pursuit of their grander strategic goal of multipolarity, but there's no sidestepping the fact that some in Moscow seem to be increasingly uncomfortable with being replaced by Beijing in the region that they've long regarded as their "backyard". Furthermore, rising Sinophobia in some of these countries as a result of the massive influx of Chinese goods and the replacement of some local laborers with imported Chinese ones creates a possible fault line for the future, albeit one that doesn't necessarily have to have any security implications since the region's traditional Russian hegemon has no interest whatsoever in allowing Central Asia to be used as a base for launching terrorist attacks against it in Xinjiang.

Mideast

Just like Central Asia, the Mideast is mostly important to China for energy reasons even though it too has obvious connectivity potential in linking East Asia with Western Europe. Unlike Central Asia, however, some of the most geostrategically positioned countries like Iraq and Syria have been destroyed by Hybrid War, while populous Iran is under sanctions pressure like never before and could very well be the next to follow in the worst-scenario scenario. This makes the Mideast risky from a strategic connectivity standpoint, though that nevertheless hasn't stopped some Chinese firms from making inroads in this region. The GCC countries, and especially Saudi Arabia, are attempting to restructure their economies in order to reduce their dependence on energy exports, which in turn necessitates Chinese investment in their planned production facilities. China's growing economic and military influence (in terms of exports) in the Mideast also presents it with the diplomatic opportunity to participate in resolving some of the region's crises following the model that it's spearheading in Myanmar, which could prove very valuable for managing other conflicts that might one day arise elsewhere along its New Silk Road.

Africa

Africa's importance might arguably even overshadow that of East & Southeast Asia when it comes to China's grand strategy since the People's Republic is depending on having reliable access to the continent's raw material, labor-consumer markets, and increasingly, its energy resources in order to maintain domestic growth throughout the present century. Unlike in East & Southeast Asia, however, there are few competitors to China's plans in Africa, with the only ones that deserve mention being the US' ongoing infowar campaign to discredit BRI and the nascent joint Indo-Japanese "Asia-Africa Growth Corridor" being supported by the US, France, and the GCC as a possible long-term (key word) competitor to China's investment model there (focusing instead on “soft infrastructure” like schools, job training, and healthcare services in contrast to the attention that China pays to its “hard” counterpart like physical connectivity infrastructure). Being much more under China’s influence than any other part of the world due to the mutual benefits derived from the premier position that the People’s Republic holds in Africa’s trade and investment spheres, it’s unlikely that many of its countries will be swayed into turning against Beijing’s reformed globalization model of BRI by the Trump-promoted appeal of economic nationalism. This doesn’t mean that China should grow complacent, however, but should instead strive to present Africa as a shining example to the rest of the world of everything that can be achieved as a result of bilateral cooperation through BRI.

Russia

The future of Russian-Chinese relations is quickly becoming an interesting field of study because of the progress that Moscow is making on reaching a “New Detente” with Washington, the latter of which has been extensively covered by the author in a series of four articles here, here, here, and here. To summarize, Russia’s pursuit of a series of “pragmatic compromises” with the US on a host of relevant issues ranging from NATO expansion to North Korea could lead to a fast-moving rapprochement between the two with serious strategic implications for China, especially if the People’s Republic comes to rely more on the Eurasian Great Power for ensuring reliable access to the markets of Western Europe through the complementary Eurasian Land Bridge and Northern Sea Route. That’s not to say that Russia will ever “cut off” China and/or the EU’s access to the other since the country itself is depending on reaping the economic benefits of facilitating their overland and maritime connectivity with one another, but just that this relationship could be leveraged in more “creative” ways to advance certain political-strategic objectives vis-a-vis China (such as in Central Asia for example, be it in coordination with the US or carried out independently) the same way as it’s alleged to have employed its energy relationship with the EU in the first decade of the present century. In addition, Russia’s envisaged irreplaceable role in facilitating Chinese-EU trade used to be taken for granted but is now highly uncertain since it’ll depend on whether globalization survives World War C and if China even retains an interest in having Russia fulfill this role in the first place to the extent that Moscow previously anticipated.

EU

The last region of the Eastern Hemisphere relevant to Chinese grand strategy is the EU, and it’s definitely one of the most important. This region of Western Eurasia has a large and highly developed consumer market that the Chinese economy depends on for growth, especially considering that most of its members use the euro, one of the world’s strongest and most stable currencies. It’s extremely important that China does everything that it can to ensure that the EU as a whole remains committed to expanding bilateral economic relations, especially through BRI, hence Beijing’s unprecedented soft power outreaches in recent weeks through the provision of medical equipment and healthcare specialists to some of its members like Italy and aspiring ones such as Serbia. Accordingly, it naturally follows that China would prefer for the EU to emerge from this crisis stronger and more integrated than ever in order to facilitate this goal, though that’s also why its weakening, disintegration, and/or pivot towards the US would be so detrimental to Beijing’s grand strategy. If China’s economic reach becomes limited in the EU as a result of the bloc gradually “de-globalizing” (including through re-offshoring Chinese-based production facilities to ASEAN, India, and/or back home [perhaps to the organization’s poorer members along its periphery]) or possibly even embracing a degree of Trump-inspired economic nationalism, then it would greatly reduce China's influence to its immediate region (East and Southeast Asia) and the Global South (mostly South Asia [except India] and Africa in this respect) and thus make it more easily "containable" through Hybrid War means.

The Three Steps To Success

Taking all of the above insight into consideration, the following three steps are absolutely necessary if China wants to win World War C:

1. Ensure The Continued Attractiveness Of Globalization:

If Trump-inspired economic nationalism becomes a new global trend throughout the course of World War C, then BRI will be in danger of becoming nothing more than a bare-bones project that turns into a skeleton of its formerly so-ambitious self. This would require China to undertake a range of far-reaching reforms at home in order to restructure its economy from its hitherto export-dependent nature and into something more autarkic, though the latter has very real limits given how much the country relies on foreign trade surpluses reaped from globalization processes to drive domestic development and purchase essential resources like energy, raw materials, and even food. Without ensuring the continued attractiveness of globalization, China could very well enter into its worst-ever crisis since the 1949 Communist Revolution that could have unimaginable economic and even political consequences, which is why it's of the highest priority that the People's Republic does everything in its power to protect this trade model at all costs.

2. Focus On The Afro-Eurasian Triangle:

Provided that globalization survives in some relevant form after World War C (which remains to be seen but would be attributable in that case to China pulling out all the stops in pursuit of this goal), then China will have to focus on the Afro-Eurasian Triangle of RCEP, Africa (increasingly via S-CPEC+), and the EU in order to guarantee its place as the US' global systemic rival. These three regions of the Eastern Hemisphere all complement one another in terms of China's grand strategy as was extensively explained in each case earlier above, though this also means that they're all possible targets upon which the US can put Hybrid War pressure. China cannot depend on any one of these regions alone if it aspires to remain a global leader, though it could still in theory manage to attain this goal provided that it only "loses" one of them. The "loss" of Africa is highly unlikely, so in the scenario that it "loses" the EU, then China would become a power relevant only to most non-Western countries (which is the still the lion's share of the world), whereas the "loss" of RCEP would make China more dependent on Russian-controlled trans-continental trade routes to the EU (the "Middle Corridor" through Central Asia and Northern Sea Route) that could be indirectly influenced by the US through the "New Detente".

3. Manage The US-Indian Strategic Partnership & The "New Detente":

Both the ever-intensifying US-Indian Strategic Partnership and the gradual progress that America is making on reaching a "New Detente" with Russia represent latent challenges of the greatest geopolitical magnitude if they aren't nipped in the bud before they blossom or properly managed in advance. There's little that China can do to influence either of them, though the first-mentioned might fizzle out if India implodes as a consequence of World War C or due to the Hybrid War being waged by the Hindu nationalist government on its own citizens in an attempt to turn the country into a "Hindu Rashtra" (Hindu fundamentalist state), while the second might abruptly be derailed by the American "deep state" at any time and would almost certainly fail if Trump loses re-election. In the "worst-case" scenario of each US-backed "containment" vector entering into force and possibly even combining into an unofficial semi-united American-Russian-Indian front against it, China would do best trying to emulate its global rival's Kissingerian policy by "triangulating" both between its Great Power neighbors and itself and between those two and the US in an effort to relieve the growing multilateral pressure upon it.

Concluding Thoughts

China's global leadership ambitions are being challenged like never before as a result of World War C and the subsequent suspicion that many countries now have of globalization processes, especially in respect to the strategic vulnerability inherent to being dependent on foreign supply chains halfway across the world for essential products such as medical equipment. The rolling lockdowns that unfolded across the world over the past two months, beginning in China and eventually spreading to the West, exposed the fragility of the previous world system and will inevitably necessitate some serious reforms to its structure at the very least, with the possible mass movement away from globalization towards Trump-inspired economic nationalism being the absolute worst-case scenario for China since it would completely cripple its grand strategy. It's for this reason that the People's Republic must do everything in its power to ensure the survival of as much of the pre-crisis globalization system as possible in order to stand a credible chance of remaining the US' only global rival, after which it must then focus on the Afro-Eurasian Triangle of RCEP, Africa, and the EU concurrent with managing the dual latent challenges posed by the US-Indian Strategic Partnership and the "New Detente" in the center of the Eastern Hemisphere. Should China succeed with these daunting tasks, then the world's multipolar future will be assured, though its failure would mean that unipolarity will probably return with a vengeance.

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