



## The Phoenix Committee on Foreign Relations

# How China's Exponential Technological Disruption and Infrastructure Investment is Driving a Radical Transformation of the Future



October 25, 2018

Gainey Ranch Golf Club

By [Nicholas V. Chen](#)\*

[nchen@pamirlaw.com](mailto:nchen@pamirlaw.com)

\* Special thanks to Jeffrey Fu, Josie Tai, Mengfei Shen and George Shen

# How China's Exponential Technological Disruption and Infrastructure Investment is Driving a Radical Transformation of the Future

1. **Lessons Learned/Case Studies: How China's Belt and Road Initiative ("BRI") is Transforming Global Infrastructure and Connectivity to Empower Indigenous/International Entrepreneurs to Create Jobs, Transfer Technology and Generate Wealth and Change the Future of Economic Development**
2. **"Inside the Firewall: Chinese Private Entrepreneurs are Driving Exponential Technological Disruption that Will Transform Future Global Ecosystems and Business Dynamics"**

**How often do we observe something without  
fully comprehending what we do not see?**

**We do not know what we do not know!**



CAN YOU  
TELL ME  
ABOUT MY  
FUTURE?

HMMM...  
I *WOULD*,  
BUT I CAN'T  
READ  
CHINESE!

Los Angeles  
Times ©2013

ENCORE

HORSEY



# 1900 Summer





# 1900 Summer

- London is the world's capital
- Europe rules the world controlling everything directly or indirectly
- Europe enjoys peace and unprecedented prosperity
- European interdependence, trade and investment made war unthinkable and unsustainable
- **Surely: A peaceful and prosperous world ruled by Europe would last forever**

## THE NEXT 100 YEARS

A FORECAST FOR THE 21ST CENTURY



George Friedman

The Bestselling Author of *America's Secret War*

1920 Summer





# 1920 Summer

---

- Europe was torn apart by an agonizing war
  - The continent was in tatters
  - The Austro-Hungarian, Russian, German and Ottoman empires were gone
  - Millions had died in war that lasted for years.
  - War ended when millions of US troops intervened, and then just as quickly left.
  - Communism dominated Russia, but it was unclear whether it would survive
  - Countries on the periphery of Europe, the US and Japan emerged as great powers
  - **Surely: the peace treaty imposed on Germany guaranteed she would not soon re-emerge**
-



**1940 Summer**



# 1940 Summer

- Germany not only had re-emerged but had conquered many countries including France. It now dominated Europe
- Reasonable people could conclude that the war in Europe was already over
- Communism had survived in the Soviet Union and was now allied with Nazi Germany
- Great Britain alone stood against Germany, pushed off the continent
- If Britain doubted that it faced a thousand year Reich, then certainly Europe's fate seemed probably set for the next century by Germany.
- **Surely: Germany would dominate Europe and inherit its global empire**



1960 Summer



ОДНАКОЖА

АРМИИ

ЗАЩИТЕ НОВОГО  
СВЕТА

# 1960 Summer

---

- Germany and its Axis allies had been crushed in the war, defeated in less than five years
  - Europe was occupied and split down the middle by the US and USSR who were competing to be the world's heirs
  - The US had the USSR surrounded with an overwhelming arsenal of nuclear weapons
  - The US emerged as a global superpower dominating the world's oceans with a nuclear arsenal to dictate terms to anyone in the world
  - The Soviet's best hope was for stalemate unless they invaded and conquered Europe
  - That was the war everyone prepared for
  - **Surely: The Maoist Chinese were fanatics and a wild card**
-



1980 Summer



**SỐNG, CHIẾN ĐẤU, LAO ĐỘNG VÀ HỌC TẬP  
THEO GƯƠNG BÁC HỒ VĨ ĐẠI !**

# 1980 Summer

---

- The US has been defeated in a 7 year war, not by the USSR but by communist Vietnam
- The US was seen by the world, and saw itself, in retreat
- Expelled from Vietnam and Iran, and with Iran's oil fields dominated by the USSR, the US faced what appeared to be a surging USSR
- **Surely: the geo-political coup was the US and Maoist China aligning together to check the surging USSR**



# 2000 Summer



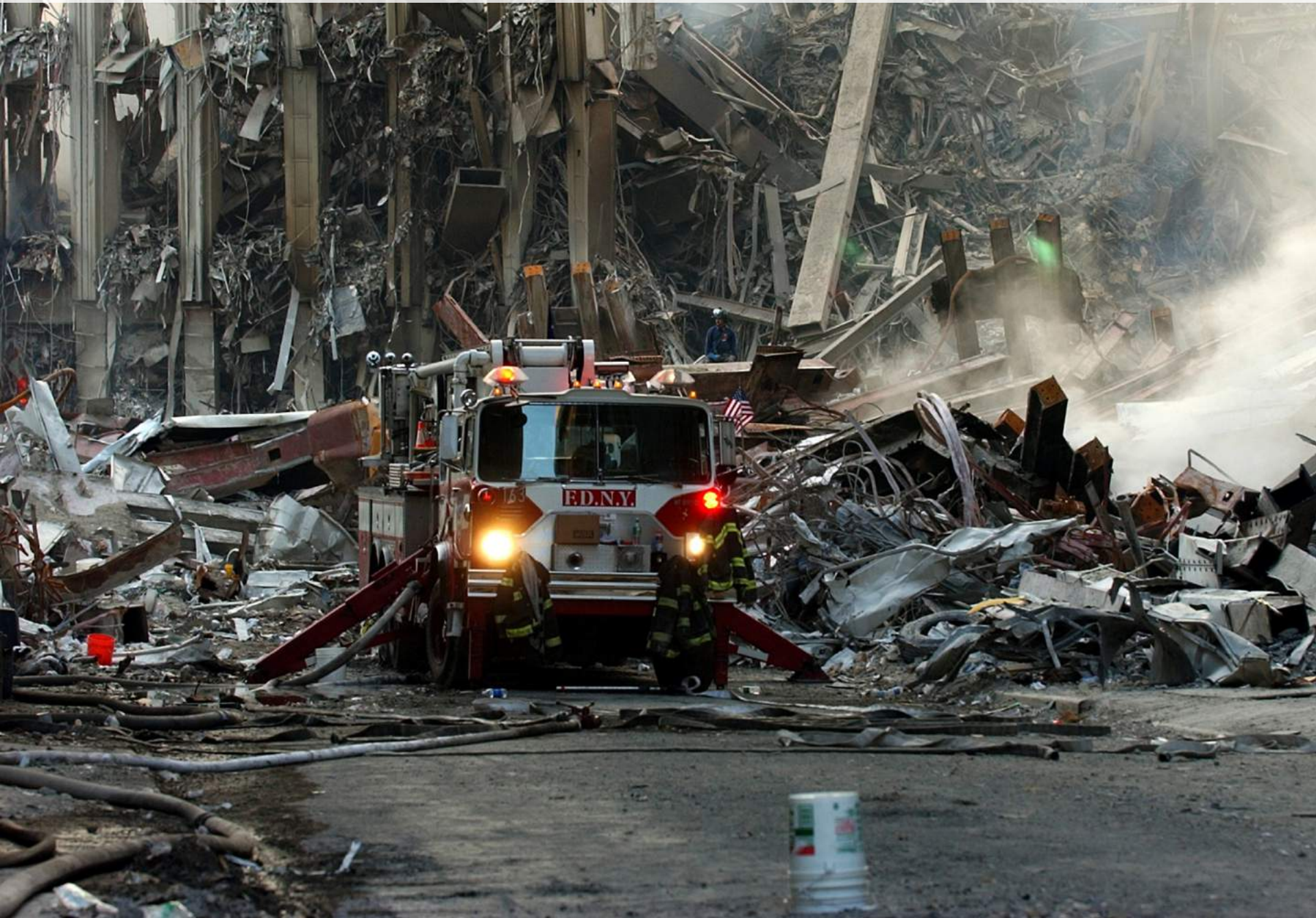
# 2000 Summer

---

- The Berlin Wall had come down
  - The Soviet Union had collapsed
  - Many states achieved independence
  - China remained communist but with strong market forces
  - NATO advanced into eastern Europe and even the former Soviet Union.
  - Surely: the world was prosperous and peaceful. Everyone knew that geo-political considerations were second to economic considerations
-



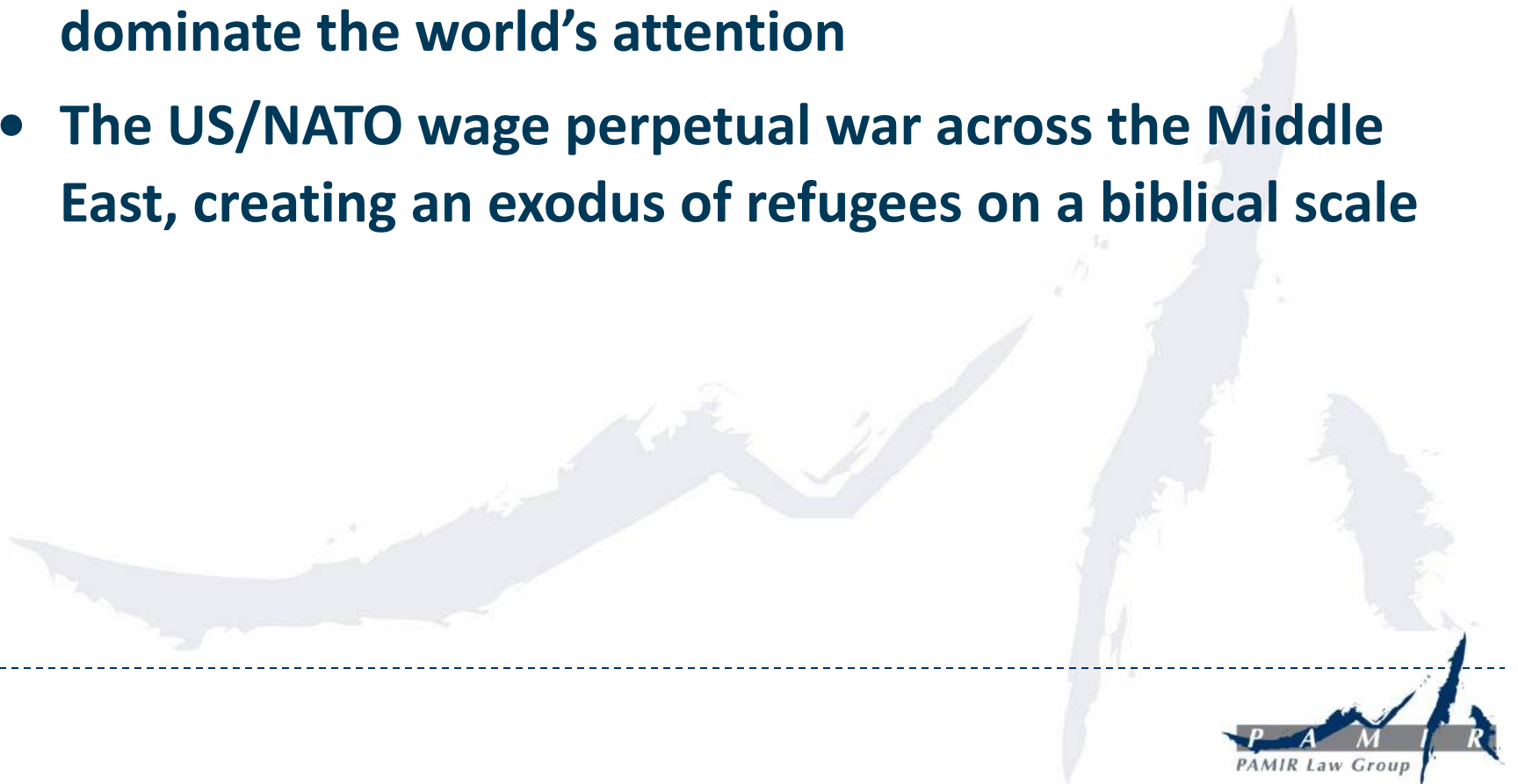
September 2001



# September 2001

---

- The world turned on its head again
- The Islamic world in all its complexities seems to dominate the world's attention
- The US/NATO wage perpetual war across the Middle East, creating an exodus of refugees on a biblical scale





2016 Fall



# 2016 Fall

---

- **Obama to be succeeded by Hillary Clinton**
- **TPP under negotiation**
- **Paris Accord signed by 195 countries**
- **Unified EU/NATO**
- **UN continues as a positive**
- **US domestic harmony**





2017



# 2017/2018 - ?

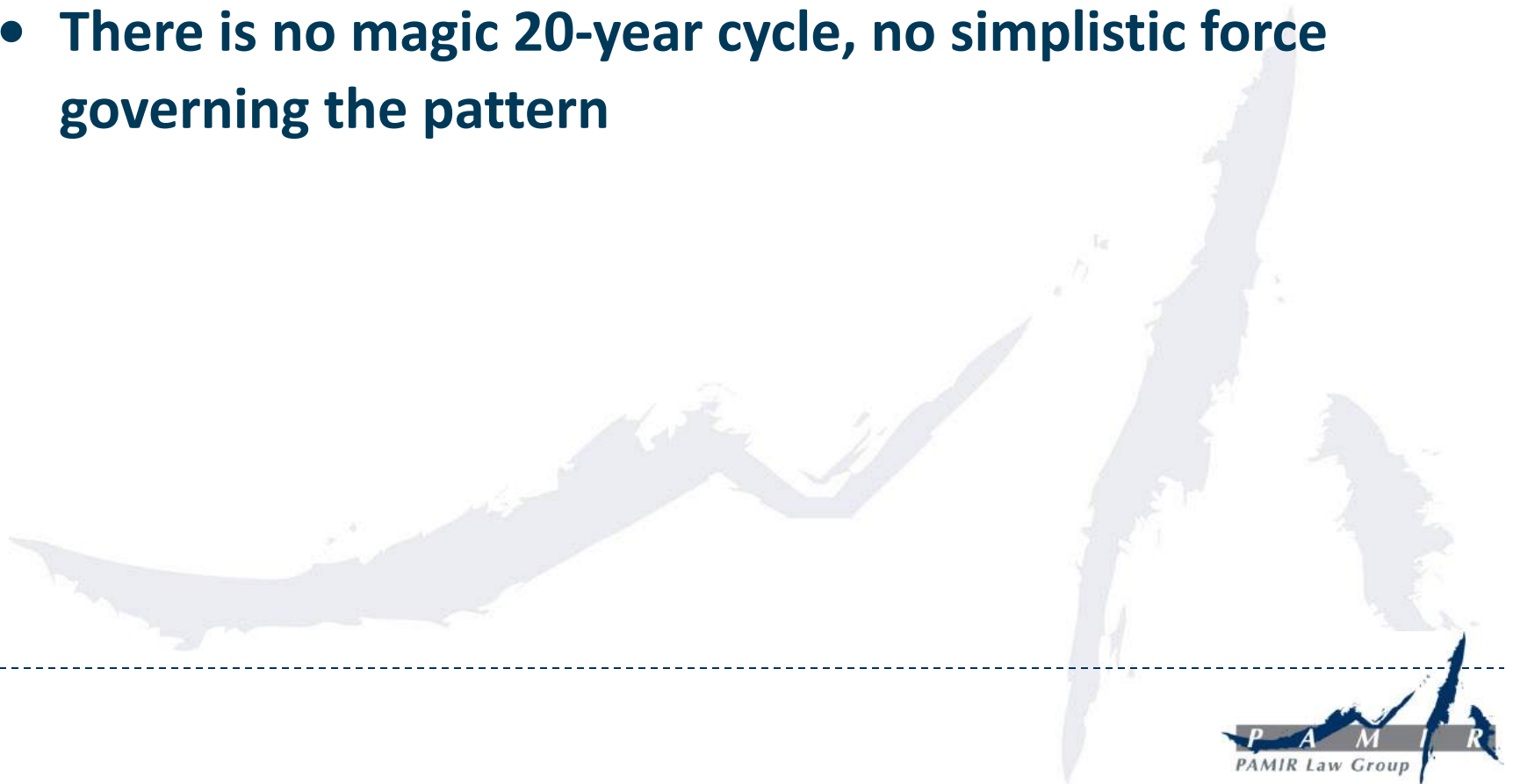
- **Donald Trump defeats Clinton**
- **Brexit**
- **US withdrawal from:**
  - UNESCO
  - Paris Accord
  - Iran Accord
  - UN Human Rights Council
- **North Korea Nuclear Threats**
- **Failed state in Libya**
- **Yemen/Afghan War Tensions**
- **US/Turkey Tensions**
- **Syria bombed to rubble**
- **Unprecedented refugee flows to Western Europe**



# Surely...

---

- When it comes to the future, the only thing one can be sure of is that common sense will be wrong.
- There is no magic 20-year cycle, no simplistic force governing the pattern



# Takeaways

---

- Things that appear so permanent and dominant in any given moment in history can change with stunning rapidity
- Eras come and go
- In international relations, the way the world looks right now is not at all how it will look in 20 years or even less
- The fall of the Soviet Union was hard to imagine; that is exactly the point





# Conventional Political Analysis (American Century)

---

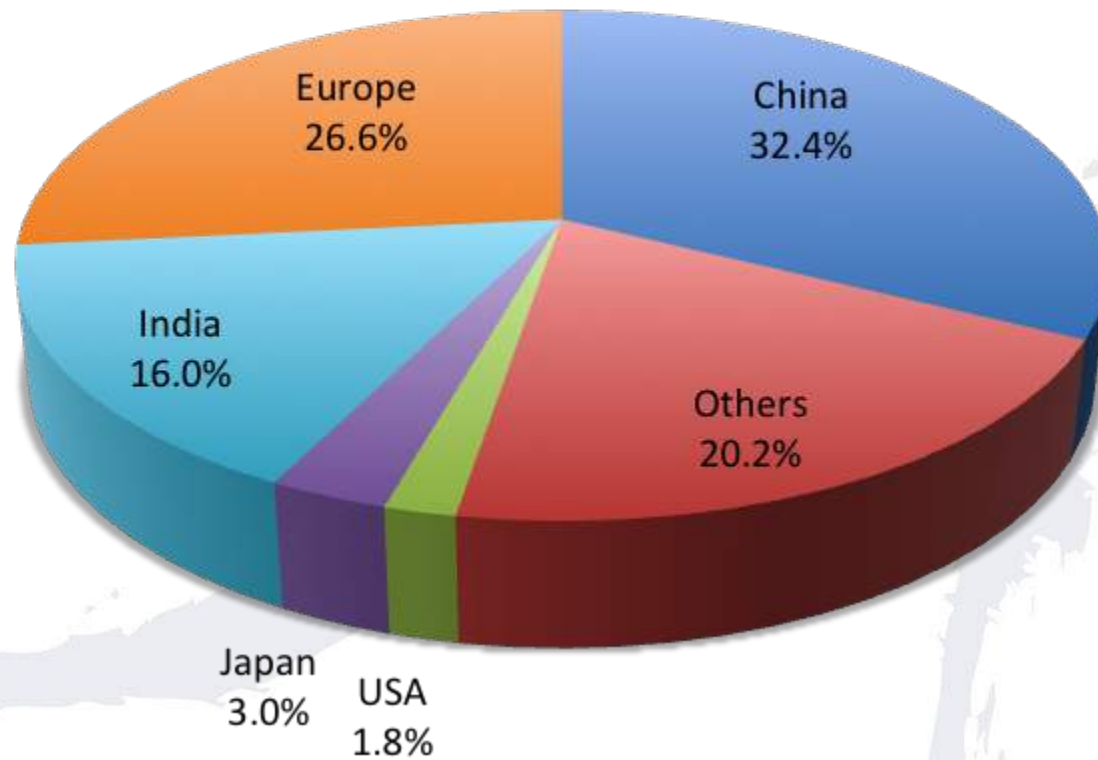
- Suffers from a profound failure of imagination
- It imagines passing clouds as permanent
- It is blind to powerful long-term shifts taking place in full view of the world.....
- If we would but see



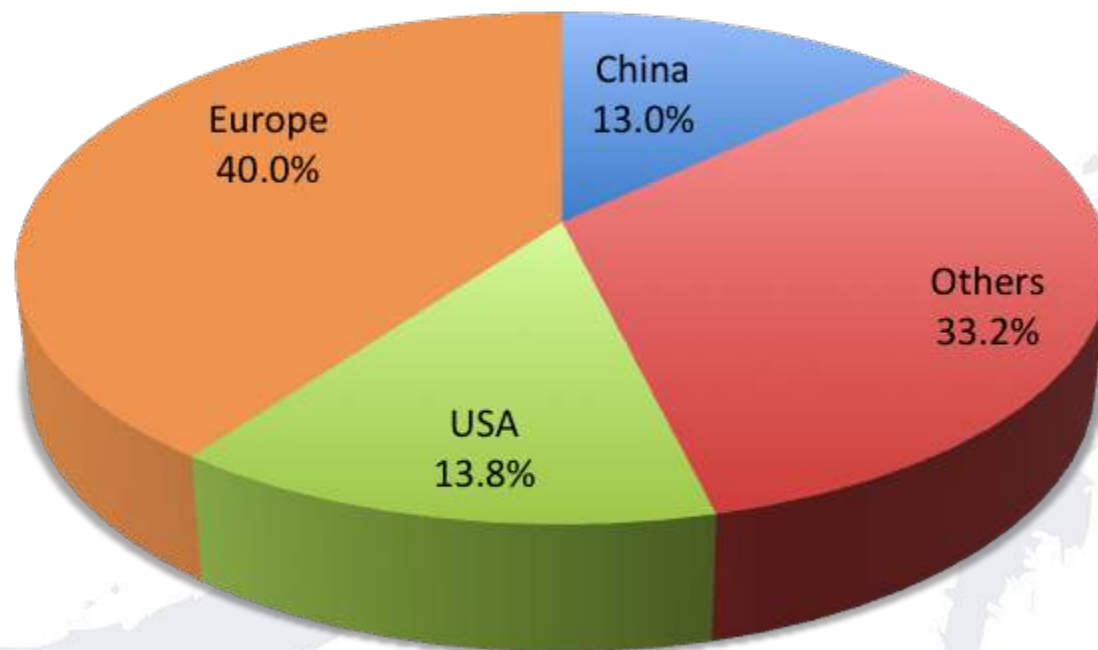




## World Share of GDP – Year: 1820

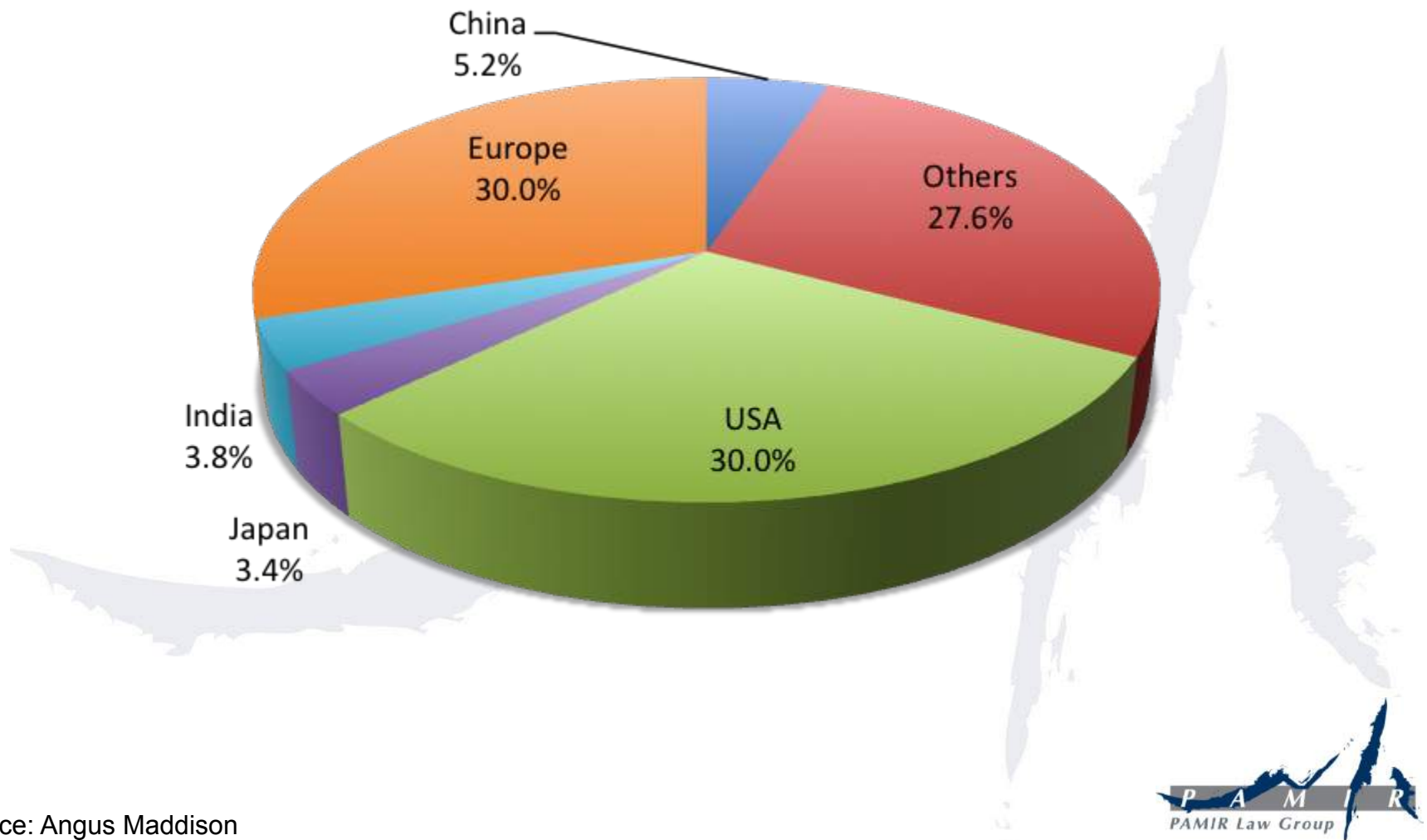


## World Share of GDP – Year: 1890 (Industrial Revolution)



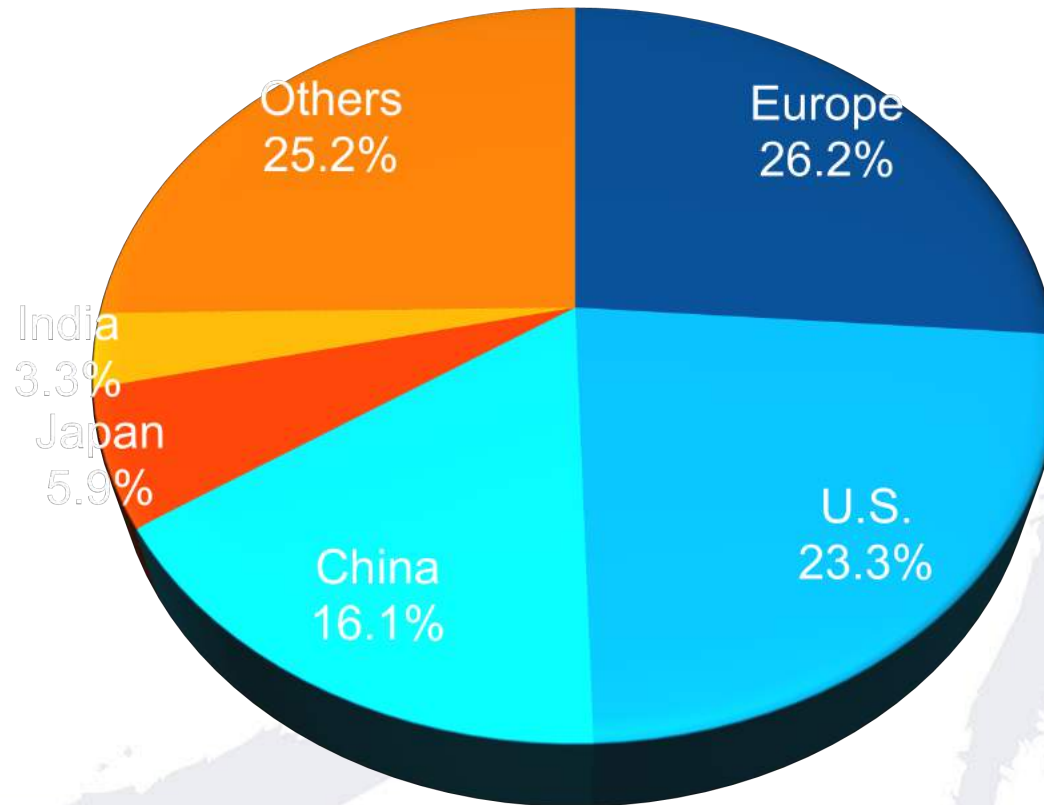


## World Share of GDP – Year: 1950 (China has been in constant decline since 1820)



# World Share of GDP – Year: 2018

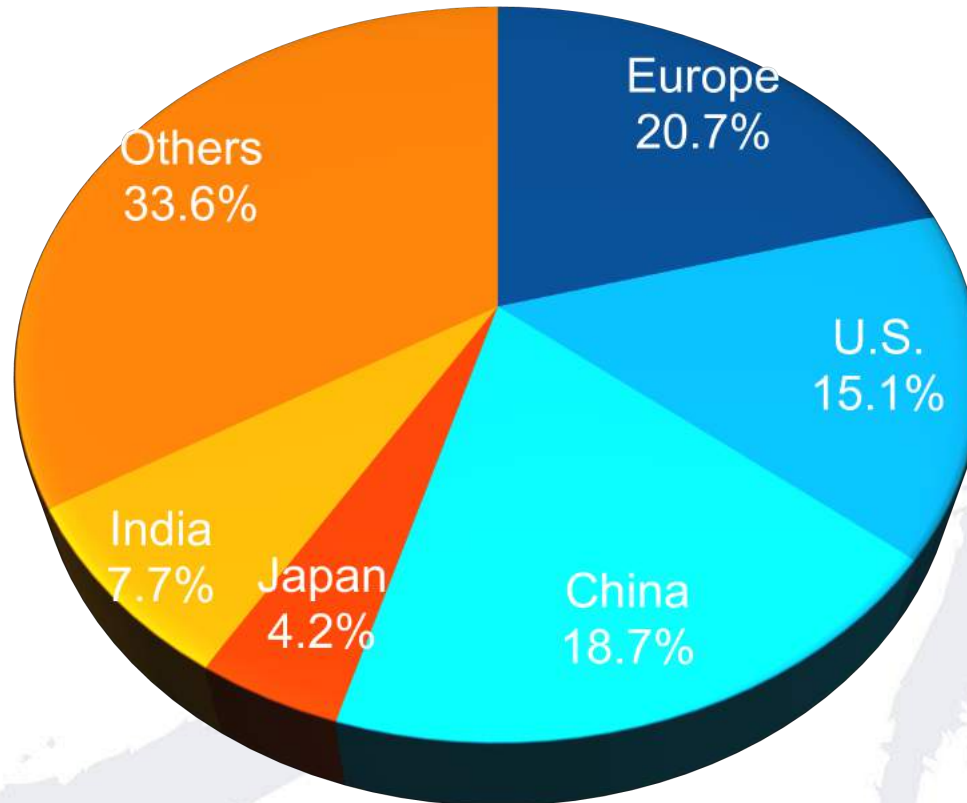
---

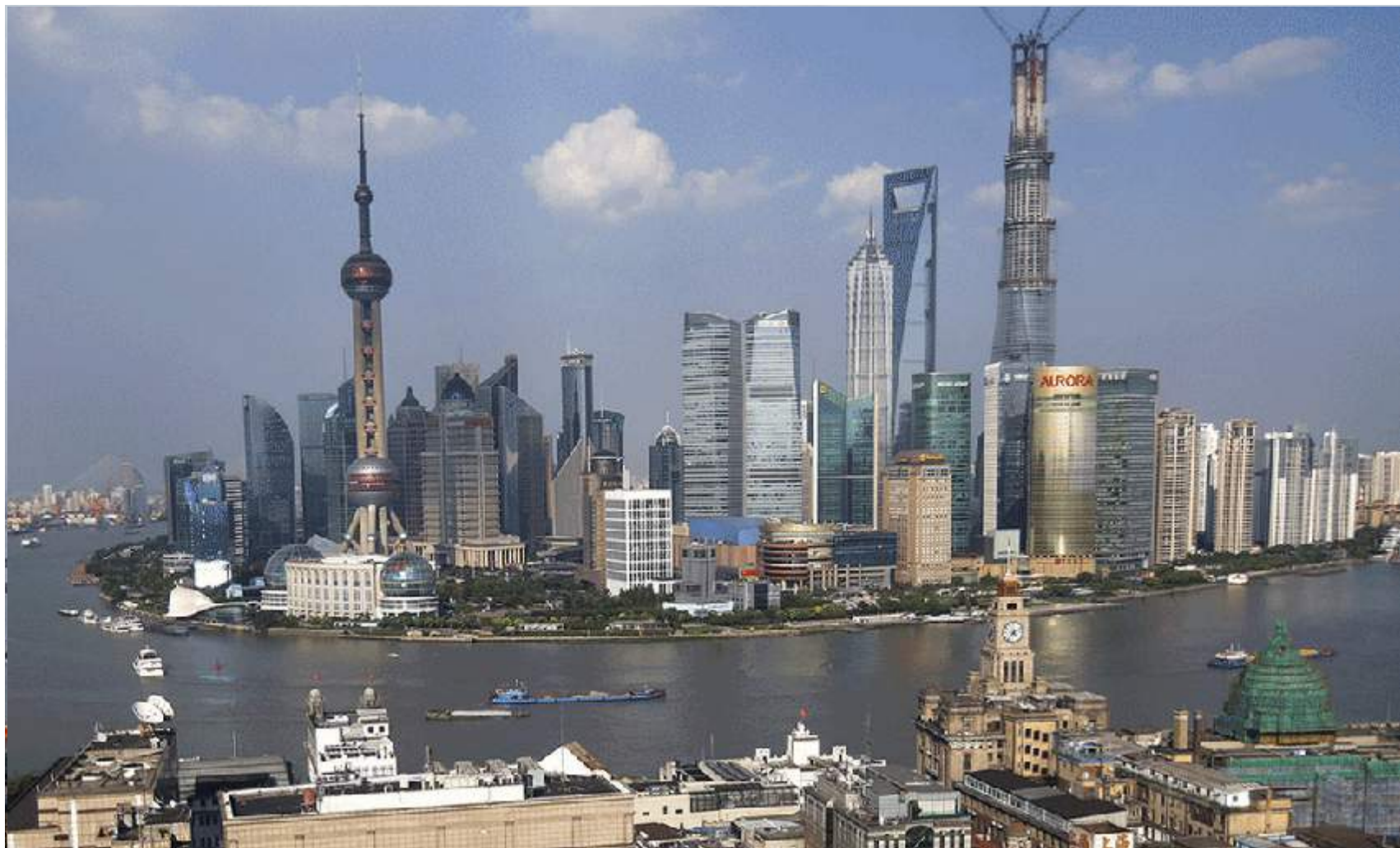




# World Share of GDP (PPP) – Year: 2018

---







# What Should we Look For? Where Should We Focus? What Might we See?

---

- No matter the leadership line-up...
- Belt and Road Initiatives (“BRI”)
  - ▶ State Owned Sector and MNCs
  - ▶ *Case Studies: Lessons from Private Sector*
- Private Entrepreneurs/Disruptors





# For More Information

Contact Nicholas V. Chen at  
[nchen@pamirlaw.com](mailto:nchen@pamirlaw.com)

**Shanghai:** Suite 1205, Baohua Mansion 518 Anyuan Road, Putuo District Shanghai 200040, China

(P) +86-21-3669-6955 | (M) +86-136-0105-2111

**Taipei:** 7F, No. 214, Dunhua North Road, Song Shan District, Taipei 10546, Taiwan

(P) +886-2-5588-1788 | (M) +886-936-162-555

<https://www.pamirlaw.com>