

MONTHLY INSIGHTS

September–October 2015





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A WORD FROM THE DIRECTOR OF THE ANALYTIC COMMUNITY

We are pleased to send this bi-monthly update in a new format that summarizes some of Wikistrat's internal activities during the months of September and October.

In recent months, Wikistrat has witnessed growing interest from media outlets who are intrigued with the firm's innovative methodology. Some of our recent media mentions are presented in this update.

With the recent Russian intervention in Syria, the continued economic instability in China, as well as Beijing's upcoming new Five-Year Plan, Wikistrat has focused its internal analytic efforts on the Middle East and China.

Finally, Wikistrat continues to develop its range of expertise, with a special focus on technology. This month, Deloitte has published a report dealing with the future implications of the "Internet of Things" on financial sectors – the result of a joint research project.

As always, you are welcome to comment, suggest activities or share your insights with us.

Dr. Shay Hershkovitz
Chief Strategy Officer and Director of the Analytic Community

A handwritten signature in black ink, appearing to read 'Shay Hershkovitz', written in a cursive style.



The Russian Move in the Syrian War



The simulation ran from **October 1 to October 20.**



Research Questions:

- What are Russia's interests in Syria?
- What will be the range of its future moves?
- What are the potential implications of this involvement?



More than 90 analysts explored over 100 scenarios.

To read more about the simulation and get access to the full report, [click here](#).



The Russian Move in the Syrian War

PUTIN'S MOVE INTO THE SYRIAN CONFLICT IS A WAY TO GAIN SOME RELAXATION OF SANCTIONS AND LATITUDE OVER UKRAINE

MILITARY EFFORT

- Moscow does not wish to fight this war on the ground, so it will strengthen the Syrian military as much as it can.
- Russia is leading an anti-access/area denial effort intended to prevent the West from enforcing a no-fly zone or striking targets close to (or in) government centers.

POLITICAL OPTIONS

- Moscow will seek to develop options that would allow Assad a safe exit – perhaps to exile in Russia – and to let a new leadership emerge.
- The deeper Russia's involvement in Syria gets, the more diplomatic leverage it acquires in its bargaining with the West.

IRAN

- Despite being allies of convenience, Moscow considers Tehran to be, to some degree, a regional rival. Moscow is concerned that if the regime falls, it will be left without a foothold in Syria – while Tehran retains its own.



The simulation ran from August 18 to August 27.



Research Questions:

- What are the current and most urgent problems the Chinese economy is facing?
- What are the likely actions to be taken by the Chinese government and what will be their implications?



More than 40 analysts generated over 40 scenarios, 40 policy options and 20 impacts.

To read more about the simulation and get access to the final report, [click here](#).

CHINA IS NOT EXPERIENCING AN ECONOMIC CRISIS, BUT A SHIFT AWAY FROM EXPORT-LED MANUFACTURING INTO DOMESTIC CONSUMPTION

THE PROCESS

- Time is not on China's side, as social and economic pressures are accelerating.
- China's options will be increasingly constrained due to its increasing participation in and vulnerability to the global economic system.
- Its economy will decelerate, but radical or catastrophic change is unlikely.

PEOPLE'S BANK OF CHINA

- Will maintain an expansionary monetary policy to offset inflation and the reserve requirement ratio.
- Will continue interest rate cuts and new, targeted tools to provide liquidity for targeted sectors and to smooth volatile capital flows.

INCREASING CONSUMPTION

- China will increase investments and consumption in the military sector by raising wages.
- The regime will increase the minimum wage before the March 2016 National People's Congress.



China's Foreign Policy: What's Next?



The simulation ran from July 13 to July 27.



Research Questions:

- What is the range of China's foreign policy interests over the coming five years (2015–2020)?
- What are the steps it will take in order to obtain them?



More than 80 analysts generated over 50 scenarios and 50 policy options.

To read more about the simulation and get access to the final report, [click here](#).



China's Foreign Policy: What's Next?

DESPITE ITS GROWING MILITARY POWER, BEIJING'S PREFERRED AND TYPICALLY MOST EFFECTIVE FOREIGN POLICY TOOLS WILL REMAIN NON-MILITARY

ECONOMIC POWER

- Expansion of Chinese influence in Asia will still remain the number one goal for Beijing in 2015–2020.

EUROPE

- Fusion with European markets will likely represent Beijing's grand strategy.
- China will work to complete the Eurasian Land bridge "skeletal and central nerves" within Central Asia to prepare for a linkage with Europe later.

AFRICA

- Africa's security is now China's interest, leading it to increase efforts to strengthen the African Union.
- Chinese naval installations and presence in East Africa will become more likely into the 2020s so as to protect China's interests in the Indian Ocean.

UPCOMING ACTIVITIES: NOVEMBER



ACTIVITY	METHODOLOGY	SIM'S OBJECTIVES	LAUNCH DATE
THE AFGHAN DILEMMA	Simulation	To develop concrete policies for the U.S. to best protect its interests in Afghanistan and weigh the risks and challenges associated with each option.	October 26
2016 – GLOBAL GEOPOLITICAL THREATS AND OPPORTUNITIES	Simulation	To explore the most likely geopolitical threats and opportunities for the upcoming year.	November 16
CRISIS OVER SYRIAN SKIES	Wargame	To explore potential crisis dynamics resulting from a clash between the American and Russian militaries over Syria.	November 30

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