The illusion of victory & China’s strategic patience

By Frank , 21 April 2026

In the volatile theatre of modern geopolitics, narratives often shift faster than missile trajectories.

Recently, global markets experienced a brief, euphoric surge following claims by former U.S. President Donald Trump that the Strait of Hormuz had been secured, that Iran had pledged never to close it again, and that joint U.S.-Iranian efforts were underway to remove naval mines and extract enriched uranium. For a moment, oil prices fell and investors celebrated what appeared to be a diplomatic breakthrough. According to leading Chinese scholars and independent analysts, however, this optimism was not only premature, but possibly staged as well.

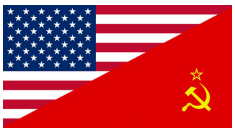


© Public Domain

Behind the market optimism lies a darker reality: the conflict is entering a new and more dangerous phase. As Glenn Diesen, the interviewer, noted, these claims were likely either fabrications arising from a deteriorating mental state, or deliberate manipulations designed to facilitate insider trading — reports suggest that a massive short position on oil was taken just minutes before the announcement. Whatever the motive, the consensus among strategic observers in Beijing is clear: the next phase of this war will not be marked by peace, but by expanded violence directed at Iran’s civilian infrastructure.

To understand how Beijing interprets this escalation and its broader implications for the world order, we turn to Professor Wang Wen, Dean of the Chongyang Institute for Financial Studies at Renmin University of China. In a recent conversation with Diesen, Professor Wang offered a comprehensive analysis of China’s position, revealing a strategy shaped not by reactive aggression, but by long-term structural adaptation and a pursuit of stability in an increasingly chaotic world.

The end of the post-Cold War order



For decades, the West has characterized the post-1991 era as a period of relative stability governed by international law. Professor Wang disputes this narrative, pointing out that in the 37 years since the end of the Cold War, the world has experienced at least 150 military conflicts. From the Gulf War and the invasions of Afghanistan and Iraq to the interventions in Libya, Syria, and Ukraine, the overwhelming majority of these conflicts were marked by direct U.S. participation or support. “The so-called post-Cold War order is coming to an end,” Wang states. “We are entering a new era of multipolarity.”

In this emerging landscape, Wang argues that the United States has lost the strategic capacity to dominate world politics. He describes the U.S. not as a hegemon, but as a “crumbling old boss” whose alliances are fraying. Europe is increasingly alarmed by American unpredictability, and even traditional partners such as Japan and Canada are resisting. In this context, the war against Iran is not merely a regional conflict; it is a symptom of a declining power attempting to strangle China’s energy supply through maximum-pressure campaigns and blockades.

China’s response: restraint as strategy

> Asked why China is staying relatively detached from the conflict — especially given that U.S. actions directly threaten Chinese energy imports and Belt and Road Initiative (BRI) investments — Wang explains that this restraint is rooted in China’s underlying political philosophy. Beijing advocates a ceasefire and political negotiations, and opposes unilateral sanctions and extraterritorial jurisdiction.

This caution should not, however, be mistaken for weakness.

Wang characterizes American threats to sanction Chinese banks trading with Iran as those of a “paper tiger.” He notes that China’s response to such threats is typically a calm challenge: “Go ahead. Try to sanction me. If you intend to impose sanctions, we will certainly take countermeasures.” Wang believes the U.S. will not dare to take

such drastic steps, because doing so would represent a significant political backlash for the Trump administration, particularly with domestic elections in mind.

Economic shock and strategic diversification

Despite the rhetorical confidence, the economic realities of the conflict are grim. China has invested approximately 5 billion dollars in Iran, much of which is now frozen. Personnel have been evacuated, and investment prospects have become uncertain. More importantly, around 35% of China's oil imports pass through the Strait of Hormuz. The disruption of these supply lines has already caused fluctuations in Chinese capital markets and heightened concerns over energy security.

Wang argues, however, that these shocks are accelerating a strategic transformation that was already underway. The core of the Belt and Road Initiative has always been to reduce dependence on maritime shipping routes, which are vulnerable to U.S. naval dominance. The current crisis has underscored the urgency of that shift.

"We are seeing a strategic change defined by two core concepts: the diversification of transport corridors and the diversification of energy sources," Wang explains. China is rapidly expanding overland oil pipelines across the Eurasian continent. The importance of the China-Europe Railway Express, the Trans-Caspian Transport Corridor, and the land corridors in Central Asia has grown significantly. At the same time, Beijing is increasing energy allocations from non-Middle Eastern sources, including Russia, Central Asia, Africa, and South America. The goal is to reduce dependence on a single maritime chokepoint and thereby shield the Chinese economy from future geopolitical blackmail.

The Taiwan question and American decline

A common speculation in Western strategic circles is that American involvement in the Middle East and Ukraine gives China an opportunity to resolve the Taiwan question by force. Wang rejects this reasoning as fundamentally flawed.

"The chances of a peaceful resolution are increasing," Wang states. He stresses that the use of force by the Chinese mainland does not depend on U.S. military capacity, but on moves toward Taiwanese independence. "Even 30 years ago, when U.S. military power may have been at its peak, if Taiwan had declared independence, the Chinese mainland would still have moved toward reunification by force."

Wang argues that the U.S. is simply not capable of defending Taiwan today, regardless of where its attention is focused. Therefore, China's timeline is not determined by American distraction, but by its own preference for peaceful

integration. The war in Iran, rather than encouraging militarism, highlights the benefits of stability — a good China offers while the U.S. exports conflict.

The power triangle: U.S., China, and Russia

> The conflict has significantly reshaped the strategic triangle between Washington, Beijing, and Moscow. Previously, the U.S. acted as the proactive driver of global dynamics, while China and Russia played reactive roles. Now the roles have been reversed. The U.S. is heavily constrained, unpredictable, and increasingly isolated.

Russia has emerged as a winner from the chaos, with rising oil prices and a strengthened position on the Ukrainian battlefield. China, while facing short-term economic headwinds, has gained strategic initiative. The U.S. can no longer effectively contain both countries at the same time. Wang even suggests that Trump's need to avoid further economic damage may force him to make conciliatory gestures toward Beijing, thereby giving China and Russia stronger cards in their respective geopolitical games.

> "The United States may have won every battle, but it has lost the struggle against war," Wang concludes. "President Trump may be a master of every tactical maneuver, but when it comes to grand strategy, he proves to be a fool."

Creating strategic opportunities through peace

In his new bestseller, *New Strategic Opportunity: China and the World Towards 2035*, Professor Wang outlines a vision in which China's greatest strength lies in its ability to maintain internal stability amid external chaos. While the U.S. is sliding into what some observers describe as cognitive decline and strategic incoherence, China is focusing on domestic solutions: eradicating absolute poverty, building a robust high-speed rail network, ensuring energy security, and fostering a society free from gun violence and systemic instability.

> "The more the United States tries to provoke war, the more China seeks to preserve peace," Wang says. "For the United States, every war is another step up the ladder of decline. Conversely, for China, the longer it succeeds in preserving peace, the more sustainable its rise will be."

As the war against Iran enters a new, more violent phase, the contrast between the two superpowers becomes sharper. One relies on confusion, market manipulation, and kinetic force to preserve a fading hegemony. The other relies on infrastructure,

diversification, and strategic patience to build a multipolar future.

https://youtu.be/cY6pogM1LzE