THE DIPLOMAT

AI, Robotics and the Coming Economic, Military, and Political Revolutions

In the context of ongoing transformations to the economy, society, and military, China's current strategy is particularly alarming, and potentially transformational.

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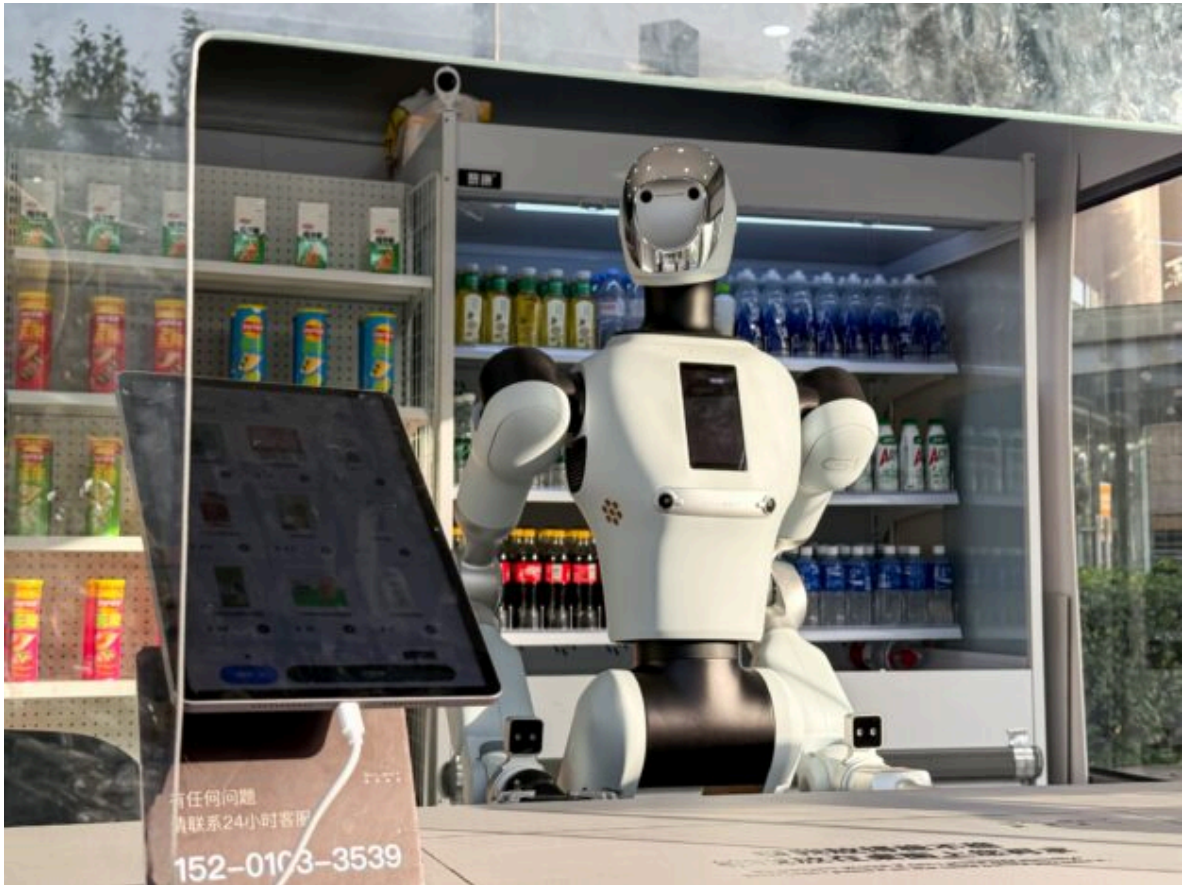
September 11, 2026



A humanoid service robot as a cashier in an automated convenience store selling drinks in Shanghai, China, Nov. 28, 2025.
Credit: Shutterstock

As China's President Xi Jinping prepares to travel to Washington, D.C. on September 24, his approach will reflect not only the specific items on his agenda, but also broader geopolitical transformations currently underway. These revolutions-in-progress create both enormous opportunities

for China and hazards for it, and the international community, to navigate.

Reinforcing advances currently underway in “big data,” artificial intelligence (AI), autonomous systems, and robotics are rapidly transforming both economic and military dynamics, with radical implications for political systems and the global balance of power. Latin America and the rest of the developing world will be a battleground, a beneficiary, and a victim in that enormous and chaotic change.

Although the future cannot be predicted with certainty, one reasonable outcome of the current confluence of trends is a world that is far more violent, less democratic, and more dominated by China. That future could emerge more rapidly than most traditional analysts expect. Here’s how such traumatic and revolutionary change could occur, and what it could mean for the United States, Latin America, and the world.

The Coming AI-Robotics Revolution

Within the next decade, developments arising out of the synergy between artificial intelligence and robotics will likely present non-human alternatives to a wide variety of both

white-collar and blue-collar, skilled and unskilled labor, transforming a far broader range of work, far more rapidly than occurred in last century's industrial revolution. The amortized cost of industrial robots is already less in many cases than employing a human to do the task.

Mass-produced Chinese robots from companies like Unitree and UBTech can be ordered for as little as $5,000, with many industrial capable units costing only $20,000-$50,000. At that price, such a robot, capable of replacing three shifts of factory workers, costs only a few months of the human wages its use would save. As with personal computers in the 1990s, those costs will only come down, and the sophistication of hardware, firmware, and AI-powered "control" mechanisms will only improve, as robotic systems are deployed at scale in an increasingly broad range of tasks.

What makes the current revolution even more transformational is that increasingly capable AI tools, whether virtual or embodied, have the capability to replace humans not only in factory work, but also in domestic and service work, as well as white collar tasks. This is particularly the case in technical areas, such as computer programming, legal work, medical technicians, and administrative support

staff, among others. It is highly likely, as Jensen Huang, the CEO of Nvidia, has said, that the nature of work will change from human beings doing things to directing and supervising AI and robotic systems in such tasks.

Yet it is highly unlikely that the number of "supervisory" jobs created in the new AI-robotic economy, combined with new kinds of work supporting or complementing that economy, will fully offset those human jobs rendered economically non-competitive. The World Economic Forum estimates that current developments could displace 92 million jobs by 2030 alone. Moreover, the speed of the onset of the new tech economy, and the inherent difficulty of human beings adapting to new types of skills in new places, will significantly and rapidly expand what 19th century philosopher Thomas Robert Malthus once chillingly referred to as a "redundant population."

As with the industrial revolution, the AI-robotics revolution will also likely expand socioeconomic inequality between those owning, implementing, and managing the structures of the new AI-robotics economy, and those whose jobs are replaced, or sectors whose wages are decreased, by competition with new AI and robotic alternatives. Those effects will be particularly acute among populations already increasingly discontent with democratic political systems' dysfunction and inability to address contemporary challenges.

The responses of different political systems to such pressures will likely reflect a combination of two impulses: compensation and repression. Some governments will create or expand social "safety nets" to retrain, relocate, or at least mitigate the suffering of those displaced. Other governments – or in some cases, the same ones – will use instruments of state repression against those who react to the stresses caused by such economic displacement through descent into

common criminality, or alternatively, violent protest and terrorism. Ironically, the tools for monitoring and controlling population's movements, finances, and other aspects of their livelihood are also being greatly strengthened by advances in AI, access to "big data," and other technologies.

As AI puts significant pressures on democratic political systems and market economies, it will also play an ever-more-important role in the distribution, and ultimately, allocation, of resources for populations. Even today, AI is being used in operational management and logistics for both firms and governments. AI could actually mitigate some of the distortions and inefficiencies historically associated with government-led economic systems, most eloquently argued in 1945 by Friedrick Hayek. AI may thus help China and other authoritarian governments outcompete democratic free market systems by helping their performance, as well as their repressive capabilities, even as technology disruption dramatically expands stresses on democracies and market-based systems.

In tandem with such economic and political transformation, the aforementioned technology advances are also accelerating a revolution in military affairs. AI-enabled

autonomous systems will increasingly replace manned ones in the air, on and under the ground, and in and under the water. They will be increasingly coordinated by AI-enabled battle and logistics management systems, whose ability to rapidly identify patterns and consider the outcome of numerous response scenarios will give them significant advantages over “human-in the loop” systems.

At the same time, the new technologies will give middle powers, small states, and even resource-rich non-state criminal and terrorist groups the ability to defy and extort much larger actors, as Iran has done to the United States with its drone and missile systems.

China’s AI Strategy

In the context of such transformations, China’s current strategy is particularly alarming, and potentially transformational. On one hand, as seen previously in other technologies such as electric vehicles, Beijing has dedicated significant resources to dominating developments in AI and robotics. Repeating a tried-and-true blueprint, China has significantly invested in basic and applied research, protected and subsidized key enabling technology sectors, and leveraged China’s enormous captive internal market, in

order to develop commercial products that could dominate in the global arena.

In the present case, China is seeking to lead the world on AI by developing efficient, open-weight models such as Kimi K3, Deep Seek V4, and Qwen 3.8, even where its companies do not have access to the highest performance chips such as Nvidia Vera Rubin and Blackwell. While Chinese models are still modestly inferior to frontier Western models such as Claude Fable 5.1 and Mythos 5.1, ChatGPT 6 Astra, and Grok flagship, over the long term, the open-source nature of China's models and their ability to function with lower

performance chips positions them to dominate global markets such as those of Latin America, Africa, and developing Asia, even if they are excluded from the United States and Europe.

Following a path similar to its approach to dominating other sectors of the global economy, China is now leveraging its control over its domestic market to introduce new leading edge capabilities with AI-enabled robots before market forces fully demand them. China is, for example, deliberately integrating AI-enabled robotics in factories and other domestic applications, giving it an edge over Western competitors such as Tesla's Optimus humanoid robots, which may be marginally more sophisticated, but are still largely in the prototyping phase.

As occurred in electric vehicles, telecommunications, and solar panels and other strategic sectors before them, in AI-enabled robotics, China appears on track to use the ever-more capable, low-cost products it is developing in its internal market, and beginning to export, to beat out U.S. competitors in third markets such as Latin America.

Even if the U.S. and European markets remain protected against the entry of Chinese AI models and AI-enabled robots

and other systems, China is on track to be the dominant supplier of those AI models, robots, and systems in global markets within a decade. By extension, it could become the dominant producer of those systems at industrial scale. As occurred in telecommunications with companies such as Huawei, this situation would leave the United States to express concern over the real dangers that use of Chinese AI and robotics systems entailed, and to warn and threaten partners, without any good options to present commercially competitive alternatives.

Such a dominant Chinese position in AI and robotics would exponentially multiply Beijing's already enormous leverage over the global economy and political dynamics. China already increasingly uses its power as a major commodities purchaser and infrastructure operator to coerce governments that act against its companies and strategic interests. Major recent examples include deliberate targeting of Panamanian flagged vessels for excessive inspections, following Panama's Supreme Court decision against China-based firm Hutchinson. Beijing also threatened not to renew Argentina's currency swap agreement after its president said he would not do business with "Chinese communists."

Along with Beijing's greatly expanded economic and political leverage, to the extent robots, autonomous vehicles, and AI-enabled military management systems are key to success in future military operations, China's dominance of those industries, combined with the industrial capability to produce millions of robots, would vastly accelerate its dominant military position and ability to sustain and reconstitute such a force.

The strategic importance of a large industrial base has been dramatically illustrated in the role of Ukraine's production of millions of drones amid its resistance against Russia's

invasion. It has also been illustrated in the U.S. need to replace the vast number of precision munitions expended in the Persian Gulf war, and in the ability of Chinese shipyards to produce 200 times more warships than the United States.

A future in which China vastly outpaces the United States as the arsenal of military robotics and autonomous systems would give Beijing a vast advantage not only in conducting and sustaining a conventional warfight with the U.S., but also in deploying such systems in defense of its array of its commercial and other interests abroad. In short, China's domination of both the commercial and military dimension of the AI and robotics revolution could become the sustaining pillar as it transitions from cautious geopolitical competitor to "empire" with Chinese characteristics.

Growing Chinese power and influence will almost doubtlessly impact how Beijing behaves with respect to the United States and elsewhere. Historically, where China has perceived itself weak, such as in areas geographically close to the U.S. in Latin America, Beijing has behaved with deference. Yet where it has perceived itself strong, such as in the South China Sea, it has behaved more aggressively.

Illustrations include its militarization of reefs and shoals and enforcement of its “10-dashed-line” territorial claims there.

The present global transition of power, with reinforcing technological, commercial, and military dimensions thus also implies a China emboldened to act more aggressively in Latin America, or even to act decisively to end Taiwan’s autonomy. Such actions and associated conflict would strongly affect the countries of the Western Hemisphere, including through the major disruptions in commerce and finance from a major war, not to mention likelihood that a supporting part of that war would be conducted in key terrain in the Western Hemisphere.

The forces unleashed by the interdependent and reinforcing revolutions in artificial intelligence and robotics more than transcend the specific discussions that will take place at the upcoming Trump-Xi summit. Nonetheless, that summit is coming at a symbolic and pivotal moment in which the technological and commercial advances and strategic decisions of both nations could precipitate rapid shifts in the relative power between them, and reshape the geopolitical environment for decades to come.

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