

China's Futures

Scenarios for the World's Fastest Growing Economy, Ecology, and Society

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Preface

We offer this book neither as futurists nor as experts on China, but as practitioners of the art of scenario planning. We cannot predict the future. No one can. Nor can we know enough about China to chart its direction with certainty. But in the face of these two vast imponderables, China and the future, we can apply the art and science of scenario planning to grapple with their combined and compounded uncertainties in a methodical and useful way.

We have spent more than twenty years creating scenarios for some of the world's largest organizations, from Royal Dutch/Shell, AT&T, IBM, and Motorola to Monsanto, ARCO, Xerox, and the CIA, with dozens of others in between. When working with these giants, giant countries and their giant markets are unavoidable objects of study. As its doors to the rest of the world open wide, China looms large on the radar of global companies.

And China looms large in our imaginations as thoughtful citizens. Our children will inhabit what some forecast as the Asian century. If the nineteenth century was Europe's, and the twentieth was America's, then it is entirely possible that the twenty-first century will feature the reemergence of China as the globe's largest economy. Boasting one of the world's oldest civilizations, China has a history of opening to the world and then closing in upon its own vastness. Almost never expansionist but always influential, China just now seems to be in an opening phase of her historic rhythm. The morning sun of history is opening the petals of this millennial morning glory . . . or oriental lotus blossom.

This book contains three very different scenarios reaching twenty years into China's future-not long, compared to China's thousands of years of history, but long enough to allow for very divergent paths. And short enough to make a major difference in our lifetimes. The content of these scenarios comes from a range of different studies conducted for large organizations that have been our clients, and the research we conducted on their behalf. There is, of course, no research today that bears a copyright of 2010. "Research" that is relevant to the future-what we call presearch-is a subtle blend of trend analysis and well-tutored imagination. The crafting of alternative scenarios is both a science and an art. It is based on research on the past and the present combined with a sense of history and an imagination for what is possible in the future.

When we create a set of scenarios on any given country or company or industry, we are well aware that we cannot explore all possible futures. Nor can we predict the future that will actually unfold. Forecasts are notoriously unreliable in a world as complex as ours. So our choice of scenarios is based on years of experience at choosing the most important variables around which to weave our tales.

Part One of this book contains brief treatments of some basics-the predetermined elements that will remain under all scenarios-as well as the main variables whose varying

values will differentiate one scenario from another, what we call the driving forces of our scenarios. Part Two contains the scenarios themselves, each a linear narrative that is written like a history from a perspective more than two decades from now. Part Three draws some implications from the set of scenarios taken as a whole, as well as some suggestions on how to use these scenarios in making your own plans with respect to China's futures.

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