



The rise of the cult of China

30% – China's share of all Uber journeys

\$140 billion – Chinese investment overseas in 2013

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As China's economic influence on the world increases there is a rise in the cult of China in popular imaginations elsewhere. Myths of both hope and fear will proliferate as China's cultural influence increases.

It's a platitude to say that China is going to be important over the next decade; the more interesting question is how? To some, China is a land of promise; to others it's an unwieldy behemoth, blighted by heavy-handed governance, out-dated ideology, and selfish insularity. The point perhaps is this: it does not so much matter where the truth of these views lies (reality will always lie somewhere in the middle anyway), but the fact that China is being viewed through such extreme lenses. It seems China will either save the world - or doom us all.

The trend in this kind of thinking seems set to continue as more industries, more governments and more people become aware of the influence of China (or Chinese things) on their day-to-day lives.

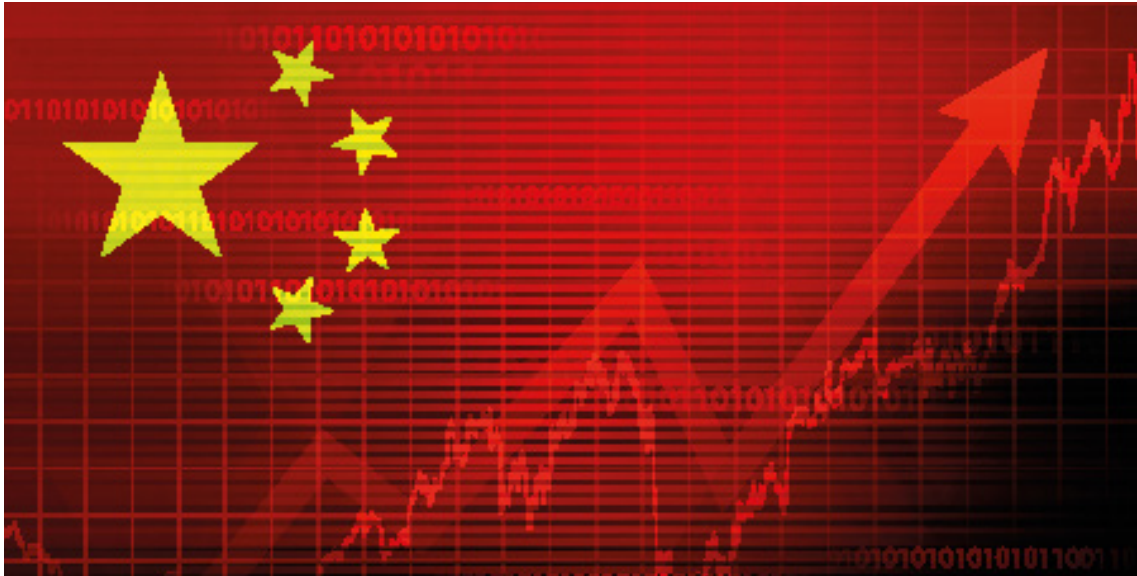
The importance of Chinese consumption is already apparent. Apple's stock rises and falls based on its Chinese sales figures, Uber says that China accounts for 30% of all Uber journeys, Chinese drinkers now consume more fine whisky than the Scots, and Chinese film-goers can now determine the success or failure of Hollywood films, with "Fast and Furious 7" making over \$180m in 3 days in China alone. For smaller companies, the Chinese market can quickly become a major source of sales as Chinese consumers turn their attentions to things like Dutch Edam cheese, Spanish chorizo or Brompton's folding bicycles. These figures are driven by the sheer scale of the Chinese population; in 2015, the number of 'middle class', or 'relatively affluent', consumers in China overtook the equivalent number in the US. That gap is only going to grow in China's favour.

Accordingly, many companies (large and small) located outside China now see the Chinese market as the pre-eminent (and sometimes 'only conceivable') opportunity for growth over the next decade. China is presented as an Eldorado, promising riches to those successful in penetrating its borders. The flipside is that the fortunes of many western companies are now inextricably linked to the slightest movements in Chinese consumption, and fluctuations can lead to a slew of panic-stricken analyses. For every visionary that sees boundless opportunity, there is a naysayer who points to fickle, unfathomable Chinese consumers, opaque debt, property and stock market bubbles, and a Chinese state that intervenes cack-handedly in markets.

But China is not just a consumer of value-added products. Its rapid economic rise has only been possible thanks to an equally rapid scaling-up in consumption of natural resources. Unsurprisingly, China is the largest emitter of carbon, driven in part by its massive production and consumption of coal, and is also the world's largest consumer of precious (and not-so-precious) metals. And, while we are at it, fresh water, livestock, and phosphorous (a finite resource essential to agriculture).

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Power and influence



On the other hand China is also the world's largest investor in renewable energy technologies. It has broken new ground (literally) in exploring the limits and possibilities of hydro-electric power, most notably through the Three Gorges Dam project, and is now the world's largest producer of both photovoltaic solar energy and wind energy. Whilst China may indeed be causing natural resource problems, it is also, for some, the most likely source of immediate solutions.

In 2005 few Western consumers would have consciously been aware of any consumer-facing Chinese brands. That was the year that Lenovo acquired IBM's personal computer business - one year later, Lenovo dropped the IBM brand and is perhaps the first familiar Chinese brand on Western high streets. Today, Western consumers will be familiar with (even if they are not yet personally buying into) brands such as Huawei, Tencent, Alibaba, Xiaomi, Haier, Air China, China Eastern Airlines and China UnionPay. Tencent (especially through its instant-messaging service WeChat) and Alibaba are leading the way in the technology sector, but there are many others set to follow, from personal care, through clothing and home appliances to retail and food.

Further, Chinese capital and investment now sit behind many large Western companies, from Pirelli tyres, to Barcelona's Espanyol football club and Smithfields Foods in the US; not to mention the increasing role that Chinese finance and expertise plays in global property markets and national infrastructure projects, from railways in Gabon to nuclear power in the north of England.

For some, China's shift in role from workhouse churning out goods for overseas companies, to innovative producer competing on its own terms, is a worrying sign; anti-competitive practises, copyright theft, patent infringement and protectionist state policy, all make it difficult to compete for access to the Chinese market. But for others, a new player on the global scene, driving innovation, bringing fresh ideas to the table, investing imaginatively and challenging existing multi-national oligopolies is exactly what the world needs.

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The rise of China as a political force (backed by military might) is, for many, something to be feared; they point to an increasingly expansionist posture (especially in the South China seas), threats to cyber security and data privacy, a poor record with respect to upholding human rights and a 'let them eat cake' attitude to resource consumption. Others will point to China's enlightened attitudes to the care of the elderly, its supposedly dedicated work-ethic, its relatively insular approach to foreign policy - and see a more benign influence on the world.

If, crudely speaking, the 20th century saw the political and economic encounter between China and the rest of the world, the next few years are likely to give birth to the cultural one. With Chinese economic dominance growing steadily (at least for the foreseeable future), the challenge of understanding the ideas that drive it will rise to the fore. Expect to see fevered commentary on the actions and behaviours of the Chinese state, attempts to decode the meaning of 'socialism with Chinese characteristics' and Confucian policy ideals, and confused diatribes about the 'Chinese mindset'.

For many of us however, the most immediate encounter with Chinese culture will come in the form of having to learn new business etiquettes (such as 'guanxi capitalism') or coming face-to-face with emboldened Chinese travellers demanding Chinese food and signage, while looking incredulously at our ageing infrastructure and peculiar religious beliefs. In return, our fascination with this infamously inscrutable nation will come to resemble the world's 20th century love-hate-obsession with the USA.

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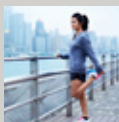
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Capitalism challenged



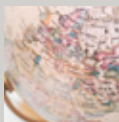
Unable to shake key issues like inequality, capitalist societies face cries for change, structural challenges and technology enabled freedoms. Together these re-write the rules and propose a more participative, collaborative landscape of all working together.

Eco civilisation



Over the past 40 years China has grown apace, mostly without concern for long-term environmental impacts. However, now faced with major challenges, a bright light of sustainable development is emerging.

Shifting power and influence



The centre of gravity of economic power continues shifting eastwards, back to where it was 200 years ago. Recent superpowers seek to moderate the pace of change but the realities of population and resource locations are immovable.

Sometimes nomads



Elective migration, cheap travel, international knowledge sharing, and increasingly transient working models create connected nomads who mix the traditions of home with the values and customs of their host location.