

FORECASTING CHINA'S FUTURE:
EXPERTS AND UNCERTAINTY

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ABSTRACT

Will China continue to rise and become dominant in its region or even globally, or will failure to reform lead to gradual decline or sudden collapse? Expert forecasts of China's future have shown a strong tendency to polarise around this dominance-collapse dichotomy, to the confusion of most observers. Other experts, however, have more successfully explored the middle ground between these two extremes.

This thesis is a critique of these expert forecasts from the beginning of the post-Mao era until the present. It provides a representative sampling and summary record of expert judgements on the major forecasting issues confronting China, both from a national perspective and within four principal domains – political, economic, environmental, and international. It identifies the major proponents of competing forecasts and their principal arguments. Other researchers have considered aspects of this subject, but this study is unique in that it attempts to review these forecasts comprehensively, to examine their methods and perspectives systematically, and to recommend new approaches for expert analysis of China's future prospects.

The central research question addressed is whether an investigation of the contemporary literature in which experts have attempted to forecast China's future, supported by an evaluation of the methods employed, can suggest improved analytical approaches and frameworks. The principal findings are that useful (though imperfect) methods are indeed available, that many of them have in fact been employed by China experts (with mixed success), and that there is significant potential for further improvement. A major and conspicuous flaw has been the failure of the majority of experts to recognise, accept, and embrace the consequences of a high degree of uncertainty about most of the major issues confronting China.

The thesis argues that in addition to traditional methods there is a strong case for a new approach that emphasises the identification and analysis of a hierarchy of *critical uncertainties* within each of the four domains, concentrating on those uncertainties with the highest consequences and impacts nationally and internationally. The thesis uses this framework of critical uncertainties to review the expert debate in each of the domains, resulting in some valuable new perspectives.

DECLARATION

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree.

I give my consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying, subject to the provisions of the Copyright Act 1968, and subject to a 12 months embargo from the date of deposit while the thesis is prepared for publication.

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ACRONYMS

| | |
|-------|---|
| CASS | Chinese Academy of Social Sciences |
| CCP | Chinese Communist Party |
| CCS | Carbon Capture and Storage |
| CGA | Center for Global Affairs |
| CICIR | China Institutes for Contemporary International Relations |
| CNP | Comprehensive National Power |
| DRC | Development Research Center |
| EIA | Energy Information Administration |
| ERI | Energy Research Institute |
| GFC | Global Financial Crisis |
| GHG | Greenhouse Gas |
| IEA | International Energy Agency |
| IMF | International Monetary Fund |
| LAM | Linear Ascent Model |
| LBNL | Lawrence Berkeley National Laboratory |
| MER | Market Exchange Rates |
| NDRC | National Development and Reform Commission |
| NIC | National Intelligence Council |
| NLTPS | National Long Term Perspective Studies |
| NPC | National People's Congress |
| OECD | Organisation for Economic Cooperation and Development |
| PLA | People's Liberation Army |
| PPP | Purchasing Power Parity |
| SEI | Stockholm Environment Institute |
| SIPRI | Stockholm International Peace Research Institute |

| | |
|------|--------------------------------------|
| SOE | State-Owned Enterprise |
| UNDP | United Nations Development Programme |
| WEF | World Economic Forum |
| WFS | World Futures Society |
| WFSF | World Futures Studies Federation |

SPELLING OF CHINESE NAMES

For persons residing on the Chinese mainland, the thesis follows Pinyin spelling and the convention of surnames first and given-names last. In the case of individuals residing outside the mainland, the thesis uses the spelling and the order of surname and given-name preferred by the individual as reflected in their publications and citations.

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