

# Is the world moving towards a repeat of the Cultural Revolution?

The times they are a changin', and they seem to be heading back 50 years, writes Adam Pilarski, senior vice-president at Avitas.

How the world is changing. I remember fondly listening to Bob Dylan half a century ago never imagining that he would eventually become a Nobel Prize laureate. This astounding development is nothing compared to what is happening in the world now that could not have been forecasted a mere few years ago.

Mao Zedong launched China's Cultural Revolution in 1966. Most remember it for its wild excesses but fail to acknowledge its stated objective, which was to change dramatically the status quo in China at that time. Chairman Mao was unhappy with existing realities and wanted to redo his country totally – not to be accomplished by incremental changes but by a total cultural revolution.

To achieve this he turned the masses against existing experts and leadership. Educated people were vilified and university personnel were sent to villages to learn from simple peasants the realities of life. Educated doctors were replaced by "barefoot doctors" not polluted by unnecessary college education. Central authorities were attacked and experts were held in disrespect.

There are elements right now in the world that seem to some degree to mirror the developments in China half a century ago. The world is expressing a desire for simple solutions. Intellectuals are seen as being associated with the old and broken, or at least not acceptable to some, realities. They are also seen by some as irrelevant and ineffectual. The term "paralysis by analysis" is used by some to express dismay at unnecessary thinking instead of doing things.

An example from the Philippines may express these sentiments. The government is concerned about a drug and crime problem. The solution selected is to skip the legal process and grant the law enforcement personnel the right to shoot suspects dead. An analytical person might be concerned whether there is enough evidence to execute a suspected criminal, whether police might shoot people whom they do not like for other reasons or even whether this will eventually lead to the police taking over the drug trade. Such concerns are seen as an example of impotent intellectuals, which will not help the existing crime problem faced by the people of the Philippines. Simple and positive moves are preferred over too much thinking and inaction. The wisdom and action of a real leader are seen as necessary to solve existing problems without being encumbered by meaningless inputs from so-called experts.

These trends, though not as bloody, manifest themselves all over the world. Experts told the population of the UK to vote

"no" to Brexit. Experts told Donald Trump what not to do to have a chance at winning the Republican Party nomination to be a candidate for the White House. The will of the people, his supporters say, prevailed to prove the experts wrong again. Trump's followers, like the Revolutionary Guard of Mao Zedong, are actively attacking his own political party. Michael Gove, the then UK Lord Chancellor and Secretary of State for justice, said in June: "I think people in this country have had enough of experts." Such trends can be detected all over the world and may signal a potential for new realities.

Why should we care and what is the relevance of all this to aviation? If we are moving away from rational thinking and economic analysis towards the "will of the people" we should expect less globalisation in the future. This could also lead to less trade. The bedrock of our industry is the movement of people and goods. Part of the reason for increased intra-European traffic and the great success of some low-cost carriers in Europe is the movement of workers within the EU. The proverbial Polish plumber often travels back home and these are new sources of traffic. In 2004, there were about 26,000 seats offered between Ireland and Poland and with globalisation that number mushroomed to more than 800,000 by 2007. With some economic retrenchment in Ireland that number has come down a bit but is still in the neighbourhood of 500,000 to 600,000 seats in each of the past eight years.

Let us look at the growth of freight and passenger traffic worldwide. Historically, the rule of thumb was that you forecast the rate of passenger growth and add one percentage point to get the freight growth forecast. Using International Air Transport Association (IATA) statistics, we can see that in the first decade of the century both passenger and freight growth was quite similar. From about 2010, freight grew by only 8% while passenger traffic grew at about 42%. In other words, passenger trends continued their previous trajectory while freight basically stopped growing. This development correlates perfectly with trade statistics provided by IATA that show continuous trade growth from about 1980 with a plateau reached in the past few years. Hence, a worldwide globalisation pause led to a pause in trade that, in turn, led to a pause in freight growth.

You do not need an expert to figure out what such developments mean for aircraft demand (down!). If we abandon reason and have some populists determine new policies restricting the movement of people and goods then a slowdown in our industry might become a reality.