

# FOREWORD

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I first met John Mathews when he invited me to give a business breakfast address in Sydney in February 2015 on the theme of the greening of the global economy, drawing on my experience with Suntech Power in China. We hit it off and found commonality of views on many aspects of what we agreed was the dominant trend of our time. Now I am delighted to provide this Foreword to his new book, which elaborates on the theme of the greening that is driving China's transformation and is now diffusing around the world. His argument is compelling.

When I started Suntech Power back in 2001, and particularly after our IPO on the New York Stock Exchange in December 2005, I felt that we were helping to fashion a new world that would be independent of fossil fuels and supplant them as the dominant energy source. These were exciting times as we created the world's first mass production system for solar cells. Despite the setback of Suntech's financial stumble (which saw me part company with the firm), the Chinese build-up of solar and wind power and renewables generally has been inexorable, and is clearly the dominant energy trend in our time given the fact that the electricity price for solar and wind is now well below 10 cents/kWh in many countries in the world. I can endorse John Mathews's interpretation of this trend as providing China with real energy security, based on the fact that all renewables devices are the products of manufacturing. There would appear to be no argument superior to this in accounting for the global green shift, with China as its driver.

I agree with John Mathews that we are living through a great transformation of our energy systems, one that is going to see the supersession of the fossil fuel systems that underpinned the rise of the West and subsequently shaped the rise of East Asia in the twentieth century. Now it is a greening that is shaping the rise of China and India in the twenty-first century. The global stagnation

created by the twilight years of the fossil fuel sector, and the dynamism associated with the renewables sector, is striking.

Three quarters of a century ago, the Austrian economist Joseph Schumpeter outlined a radical view of the workings of the capitalist economy in his *Capitalism, Socialism and Democracy*, where he outlined the influential view that capitalism proceeds through the rise of new industries that creatively destroy the old. John Mathews picks up this Schumpeterian theme in his new book, arguing that the global green shift is driven by creative destruction of the fossil fuels status quo. He is persuasive in his account of this dynamic process, presenting it as a major sociotechnical transition – indeed the sixth such transition since the Industrial Revolution. He paints a convincing picture of the scale of this sixth transition, following on the previous five transitions, and capturing how it is disrupting industrial processes in the worlds of energy, resource flows, water and food production and ultimately in the creation of new eco-cities. This transition is generating the business opportunities of tomorrow that can be seized by smart entrepreneurs in China and around the world.

I am proud of the role that I have played in this global green transition, and am happy to endorse the analysis of this transition that John Mathews provides, with his emphasis on the driving role played by China and Chinese firms. I wish his book great success.

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