

# The TRENDS JOURNAL®

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## RecessionProofing® Strategy

### THE VISION THING

America, traditionally considered a forward-looking country, lacks a long-term view of the future, which will hinder the nation's competitiveness, near term and long.

From education to politics to business, a lack of vision and understanding of what the future will look like is preventing people from proacting to change, according to Institute research and analysis.

#### SEE NO EVIL

IBM, once emblematic of America's greatness, now symbolizes its lapses.

"The last thing IBM needs now is a vision," the company's chairman, Louis Gerstner, said this summer after being asked if he had a vision for the company, which had just reported a record loss and announced another 35,000 positions would be eliminated.

Vision was responsible for guiding IBM from cards to tapes and from tubes to transistors — and years before, to computers rather than cash registers. A lack of vision was responsible for IBM's current system error.

#### REARVIEW MIRROR

A vision is an ability to understand and interpret what is seen. And most of the public and private sectors are not dedicating resources to reach such understandings, according to Institute surveys and observational research.

The fault lies in part with the educational system — which directs us toward the past but doesn't teach us how to relate history to current events nor how to project these events into the future — and with a narrow business ethos, which defines "the future" as the next quarter.

Managing a business well means converting strategic-planning and marketing-research methods into trend-tracking skills.

Indeed, those with a vision to look ahead will stay ahead.

## Rediscovery of America: U.S. to Become Like Paris in the 1920's

After seven to 10 more years of volatile and painful socioeconomic and political restructuring, a transformed United States will emerge as the world's intellectual and creative capital, according to a new Institute trend correlation/impact analysis.

This important development will lead to new schools of thought in business, commerce, and the arts and sciences.

#### BRAIN GAIN

The major driving force behind the rise to pre-eminence will be severe socioeconomic and political declines elsewhere — in major industrial, developing and Third World nations — prompting a massive influx of talent from these ravaged or war-torn countries.

The first wave will be the world's cultural avant-garde. These artists will be swiftly followed by (or on the same planes with) the world's technological and scientific elite, as well as (in first class) rich and educated Europeans, Arab sheiks and well-to-do Asians with nothing left but their money.

All will jump into the new melting pot. And these new and accomplished immigrants will help build a new and very different America.

They'll establish permanent social and economic ties here because they'll see America as an oasis of relative stability with a vast English-speaking market and a special atmosphere of intellectual and expressive freedom.

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## Crusades 2000

Islamic anti-imperialism is developing into multitudinous open crusades that the United States and allied powers will defend against with cold war righteousness.

Like the original Crusades — fought by European Christians with papal sanction between the 11th and 13th centuries to recover the Holy Land from the Muslims — the new crusades will be fought in the name of God. But the God of record this time will be Allah, the sanction will come from Islamic clerics and the mission will be to vanquish governments deemed to be econoculturally controlling imperialists.

The crusades will be marked by:

- Increased anti-Western terrorism.

Any power, including the United Nations, seen as leaning toward values of Western capitalism, will be subject to attack.

- A formation of new power alliances, akin to those developed in the two world wars.

- A bolstering of U.S. and allied military budgets.

- The fall of Western-leaning secular governments in the Muslim world.

The seeds of the new crusades have been sown in areas of Africa, Eastern Europe and Asia, where large numbers of practicing Muslims feel systemically repressed by such socioeconomic and political constraints as poverty, lack of opportunity, overcrowding,

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## Brand Loyalty Tied to Nationalism

Companies that keep American workers employed, rather than shift manufacturing bases to cheap-labor markets, will strengthen brand loyalty at home, according to Institute trends research.

The North American Free Trade Agreement is adding muscle to the buy-American movement, which the Institute elevated to trend status in early 1992.

The movement reflects growing American feelings of nationalism as the nation's economy remains mired in systemic recession and anti-immigration trends continue to escalate. (See "1993 Trend Forecast," Winter Issue, pages 1 and 4, and "Buy American: Trend, Not Fad," 1992 Spring Issue, page 5.)

The buy-American trend will noticeably strengthen if Nafta is

passed.

With manufacturing jobs fast disappearing even without Nafta — the nation lost 239,000 such jobs between February and August — companies that make prominent efforts to rebuild America through jobs and opportunities will maintain a solid core of loyalists.

These companies don't have to be born in America, but the goods and services they produce must be made here. Indeed, Honda of America Manufacturing in Marysville and East Liberty, Ohio, could be one of these companies.

*Note: Companies with offshore operations in American territories, paying workers subminimum wages, will not qualify. Also, marketers should avoid inflammatory xenophobic messages portraying another country as an economic enemy.*

## CRUSADES 2000

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housing shortages, unemployment, endemic political corruption and inefficient state-controlled economies.

These disenfranchised and indignant Muslims see no hope for positive change through diplomatic channels. Politically powerless under ossified monarchal or dictatorial rule, they see charismatic opposition clerics as their best chance of having a voice in their own destiny.

### FLASH POINTS

Would-be rebels in China's Islamic Xinjiang region are waiting for Beijing's frail, 89-year-old senior leader, Deng Xiaoping, to die so they can start a holy war to establish an independent country called Eastern Turkestan. (The Muslims in Xinjiang are of Turkic origin.) Any revolt in Xinjiang could encourage similar moves in Tibet and Inner Mongolia.

Muslim forces are already fighting secular Arab governments in Egypt, Tunisia, Algeria, Jordan and Yemen. Among the more recent prominent attacks was an assassination attempt on Egypt's Interior Minister in August.

Muslim/anti-Muslim violence is also splitting India, Somalia and Sudan.

In addition, bloodshed is racking Bosnia, Azerbaijan and Tajikistan; and Albania's border with Greece is swarming with Muslim soldiers rearming old Communist bunkers following Greece's expulsion of 30,000 Albanian Muslims.

### NEW COMMUNISM

As the trend evolves, Islam will become the new communism. Western powers will view Muslim crusaders with the same fervor they once viewed Communists who sought to overthrow capitalism. "Moral imperatives" will drive foreign policy.

*Note: On a more personal level, the trend will continue to drive the surveillance and self-protection markets. (See also "Trends in Terrorism," Spring Issue, pages 1, 6 and 7.)*

## REDISCOVERY OF AMERICA

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### A WORLD OVERWHELMED

The Institute forecasts recessionary pressures will continue to build throughout Europe, and later bear down on an overheated Pacific Rim; depression will devastate the former Soviet Union and its satellites. These conditions, combined with instability in the Middle East, Africa, India and China, will lead to increased armed conflict and bloodshed.

■ Civil wars in Eastern Europe and the former Soviet Union will spread, involving such countries as Turkey, Afghanistan, Iran and China. Sectarian violence will ravage India while serious recession will destabilize Japan.

■ Enmity among Middle Eastern rivals will not be assuaged by U.S.-brokered peace efforts, the recent Israeli-PLO reconciliation notwithstanding. Indeed, with oil prices sagging, regional economies weakening and religious zeal coalescing, armed conflicts will increase and spread throughout the region.

■ Economic, environmental and civil conflict will consume underdeveloped and emerging nations in Africa, whose conditions will be compounded by health crises and famines.

By contrast, the politically stable United States, with its wide-open spaces, lower population densities, and less-codified ways of life, will look like a promised land. The land won't be a utopia, but to outsiders even a mugging starts looking attractive when the alternative is mortars and machine guns.

### 'WE ARE THE WORLD'

Businesses in America will gain from unrivaled research and development talent — people who will bring with them new outlooks on product and service innovations. These innovations will lead to entrepreneurial bonanzas. The dynamics of this creativity will also bring on new genres in art and the performing arts.

*Note: In coming issues, The Trends Journal will report on later findings related to this major developing trend. Areas of current research include cities of the United States that will benefit most from the American renaissance.*