

Strategic Resources and the Future

General
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Ladies and Gentlemen

It is for me very pleasant and challenging to intervene in this forum.

I was asked to address you on the topic of strategic resources to be secured in the current political and economic strategic context.

To try to find an answer to that, the first step consists in responding to a basic question: how shall we understand today's world?

Allow me to develop a broad and simple reading.

In today's world the classic fundamental purposes of all organized and structured societies remain unchanged. On one hand, Development and Welfare, and on the other, Security.

This reminds me the request made by US President Truman when he said "Give me a one-handed economist! All my economists say "on the one hand and on the other hand..."

But, yes! Development and Welfare on one hand and Security on the other are the permanent essential goals of our societies.

The considerable difference, I would say the progress, is that currently we understand better that these are interlocked objectives, that can be either mutually reinforcing or mutually undermining, depending on the political options.

But the conditions we are living in are very special.

We live in a globalized and interdependent world. A world that calls for global perspectives and global options.

Due to the information technologies constant evolution and its amazing pace, distance and time are more contracted and shorter than ever. Distance and time no longer represent relevant limitations.

A key consequence being what I like to designate as the unification of mankind, corresponding to the amalgamation, to a considerable extent, of perceptions, requirements, and trends. Even if we are far from a true sense of global community.

This new proximity generates unprecedented opportunities, including for resources management and for business purposes.

The world is in a process of becoming a single entity.

This is entirely new, and everything suggests that we will go closer and closer, in a movement influenced by humans, and that, simultaneously, will make the human person increasingly central. As it must be! Central as the key resource, as the unavoidable and real driving factor of all political and economic action.

At least in theory, and within a limited scope, this has always been a factor in what concerns Development and Welfare. The difference is that the domain of action is now significantly larger. But the rationale is the same, away from people's legitimate needs and expectations short time success is eventually possible, but not sustained success. And only sustained success can be taken as real success and named as such.

I am not affirming this solely on a moral and ethical ground that of course must be observed. I am emphasizing this also as a pragmatic condition.

Allow me a telegraphic reference to the fact that in the context of Security we are equally observing a similar and parallel trend, with a clear shift from models based on concerns with the preservation of borders and related aspects, served by a "win-lose" logic, to models based on the need to protect the lives, rights and properties of the human person, models developed through patterns of Cooperative Security, of Human Security, under a "win-win" perspective.

Another key element of the current context is change and its permanence and pace.

In our time, and in order to have enduring success, we need to fully understand that our school knowledge, is nothing else than a background. A useful one if we were good, curious and attentive students. But school knowledge doesn't offer recipes for our action and responsibilities. Those that are prepared to merely repeat what they learned in school will fail in the fast changing conditions of our time.

Today, effectiveness and efficiency require the ability to anticipate the change and to timely adequate our options and solutions to the reality and its demands.

That's why, under these conditions of constant unpredictability if not constant and

omnipresent crisis, and regardless its scope and scale, no organization can survive without strategic intelligence and strategic prospective.

To fully understand the present context it is naturally mandatory to consider the current economic and financial crisis.

I am not a specialist on this domain, but I will take the liberty to stress three points that I deem particularly relevant to our purpose.

First of all, the well known fact that the crisis is generating a new geopolitical understanding of the world, with the emergence of nations such as China, Brazil, Russia, and India, with a few others on a second row.

At this purpose the fall of the Lehman Brothers and the associate response are a landmark, making evident both the decline of the G8 and the rise of the G20, with the corresponding shift of the economic gravity center, even if many other political and economic changes are still to happen.

This shift is far more than an expansion or a geographic change. It involves new players, new interests, new people and new ideas. And all that is very promising.

Second, the lesson that, in the long run, we cannot speak of a really good financial performance away from a sound economy. And the same applies vice-versa.

Third point, to recall that we are facing an enduring and long lasting crisis. Certainly because the involved economic and financial factors are imposing that, but also because we need more than short term fixing policies.

We need to reform the current policies and practices with a new and more essential perspective. And that requires proper leadership, an essential feature that we are very much missing today. A vital feature that is dramatically absent in Europe, in our continent.

How does Portugal fit in this scenario?

My answer is rather simple: as every other nation! And that is the foundation of the evidence that we have to be competitive. A competition to which we naturally have specific "pros" and "cons". Again, as every other nation.

A fantastic Portuguese "pro", especially when compared with other nations of a similar scale, is that we can benefit from our good knowledge of the world, from important and historic global connections, and, mostly, from a good talent to interact with other societies and to interpret and accommodate their culture, aspirations and requirements. This represents, perhaps, our most valuable and singular asset. An asset that our membership of the European Union makes even more valuable, at the same time that adds value and identity to our membership of the European Union.

Another great asset is the universal value of the Portuguese language, to which we may add the ability to act easily in the Spanish speaking world. Even if none of these eliminates the need to have a good command of the English language. How many people in the world speak German? How many speak or understand Portuguese and Spanish? There is no comparison. This has to represent a great competitive advantage.

In this era of change it is also valuable our natural ability to be creative and fast responders. But this only offers a real added value if placed on the top of good planning, solid but flexible organization and consistent efforts. Cherries are of particular interest on the top of good cakes.

Five per cent of vision and inspiration combined with ninety five per cent of hard work continues to be a very good recipe to achieve and sustain success.

I include on the list of Portuguese relative advantages our geographic location. Even if I do so under conditions.

We are rather central to this globalized and increasingly multipolar world. But that is merely a passive thing, that by itself means nothing or very little in our dynamic time. Its actual value and the corresponding opportunities can only result from knowledge, willingness and a proactive attitude. Clearly our geography is a “pro” that can easily turn into a “con”.

The same thinking applies to the self diminishing idea that we are a peripheral country. In our globalized and contracted world, served by fantastic communication tools, periphery is fundamentally a question of knowledge and willingness and no longer a fatal geographic issue.

But of course we do have “cons”.

Perhaps the most important is our difficulty to timely conduct proper planning and to act collectively in an organized and consistent way.

And a few other bad springs of our education system, especially our current difficulties with the indispensable notions of discipline, authority and accuracy, and also the distance between school and society and between school and economy, that unfortunately we observe today.

An eventually excessive balance could be: several good “pros” as to Portugal, but a few “cons” as to the players.

The good news is that the “pros” are there, although we need to preserve and value them, and the “cons” are all workable. We can overcome them. It is entirely up to us to take benefit from the “pros” and to correct or minimize the “cons”

My life gave me this perception of the global and national contexts.

I anticipate that the new economy will relate to more regions of the globe than before, and I believe this new economy will be mostly based on domains such as energy, environment, information technologies, health and leisure.

Energy implying great relevance to safe, clean and renewable energies, leisure encompassing the notion of high quality consumption, meaning consumption of high quality goods and services.

If this is true, then the strategic resources to be secured and developed are those pertaining to these areas. In every case giving great importance to the indispensable requirement for high level technology.

All those domains are accessible to us, to Portugal, of course recognizing and observing natural scale limits, thus implying the need to select priority fields of activity.

To better identify these areas of action the key notion is the understanding that, as everybody else, we will only succeed by being intensively and positively competitive.

If we want more than short term survivability, if we want affirmation, in particular long lasting affirmation, then "easy and comfortable" markets, where "state of the art" quality is not required, are to be avoided, at least not looked as our preferred markets. Stagnation and decline are too much associated with them.

And there are no fundamental reasons preventing us from being competitive with high standards of quality and performance.

Only through that we will be able to identify and have success in selected market niches competing by ourselves.

Only with high standards we can make our companies, even if relatively small, attractive to modalities of consortium and association with bigger players.

It is not sustainable that, out of three hundred thousand Portuguese companies, only twenty two thousand export, with ninety four per cent of our exports concentrated in only eight hundred of these companies.

A consequence is that, even if some recent progress is behind this figure, the total amount of our exports poorly represents 33% of our GNP, when the European average is around 50%.

Another consequence relates to the fact that those eight hundred corporations are too few to generate a dynamic and positive grouping process over the others.

In order to be competitive we need skills, realism, pragmatism and collective determination. We have to rely on us. Recognizing our potential and our limitations.

But there is no reason why we cannot create our own success stories, similar, for instance, to those of Nokia, IKEA or Lego, created by our Scandinavian friends.

It is common knowledge that every crisis creates new opportunities.

In my opinion it is for us a fantastic opportunity the fact that we are now facing ourselves as we really are.

No more spices from the Far East, no more silver and precious stones from Brazil, no more significant money sent home by our fellow citizens working abroad, no more significant cohesion funds allocated by the European Union.

Even loans are terribly difficult as we all know.

It is really a moment of truth. A very demanding one. Let's take it with a positive attitude. As a very challenging but promising opportunity.

I recall as strategic resources to be secured and developed those associated with safe, clean, renewable energy, environment, health, leisure and consumption goods and services of high quality.

But my fundamental message is that the key resource will continue to be the human person. The educated human person as the engine of all progress and transformation. The human person, its inherent dignity and its living conditions, as the ultimate "raison d'être" of the economy.

The edge is on fair ambition, on willingness, knowledge, and coherent and consistent efforts.

Nothing will be achieved without proper and continuous education, in a context of collective discipline, seriousness and objectivity.

Nothing durable will be achieved without the understanding that open competition and free market require confidence and cooperation. An equation to which the human person is essential.

Innovative, creative and open minded leaders are indispensable in all fields.

Success is not compatible with politicians that are not able to provide a vision, a positive and realistic collective dream, and offer the corresponding guidance.

Success is not compatible with entrepreneurs that mostly enjoy swimming in shallow waters or can't swim at all.

I fully subscribe the notion that ideas are the most valuable commodity of the 21st century. There is no other source for ideas than the human brain.

We the Portuguese, we are quite good on ideas. We can make them really sound and effective if we put them on the top of timely and adequate planning, solid and dynamic organization and hard and responsible work.

In society marathoners are more dear to success than sprinters. Currently we hear a lot of noise announcing new or renewed so-called collective destinies to our nation, basing them on geography and area, regrettably disregarding the unavoidable fact that our development, our progress and our future have to be based on collective effort, carried out in every corner of our country. Where we are born, live, love, have children and die.

We only have a common destiny. And it is not a new one. It is nine centuries old. It is named Portugal. It has a very rich History of community and resilience. It doesn't exist in isolation and it is now facing new conditions that need to be identified, recognized and understood.

I am absolutely confident that success is in our hands. To be more accurate on the hearts, minds and hands of the new generation.

I challenge you to this road, fully convinced that you will be able to win the journey. Thank you for your kind attention.

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** Sócio Efectivo da Revista Militar.