

Towards the Natural Knowledge Economy: An opportunity for collaboration between Asia and Latin America

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Grupo FARO

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"Incidimos en políticas públicas para construir una sociedad más democrática, innovadora, sustentable e incluyente a través de la investigación, el diálogo informado y la acción colectiva"

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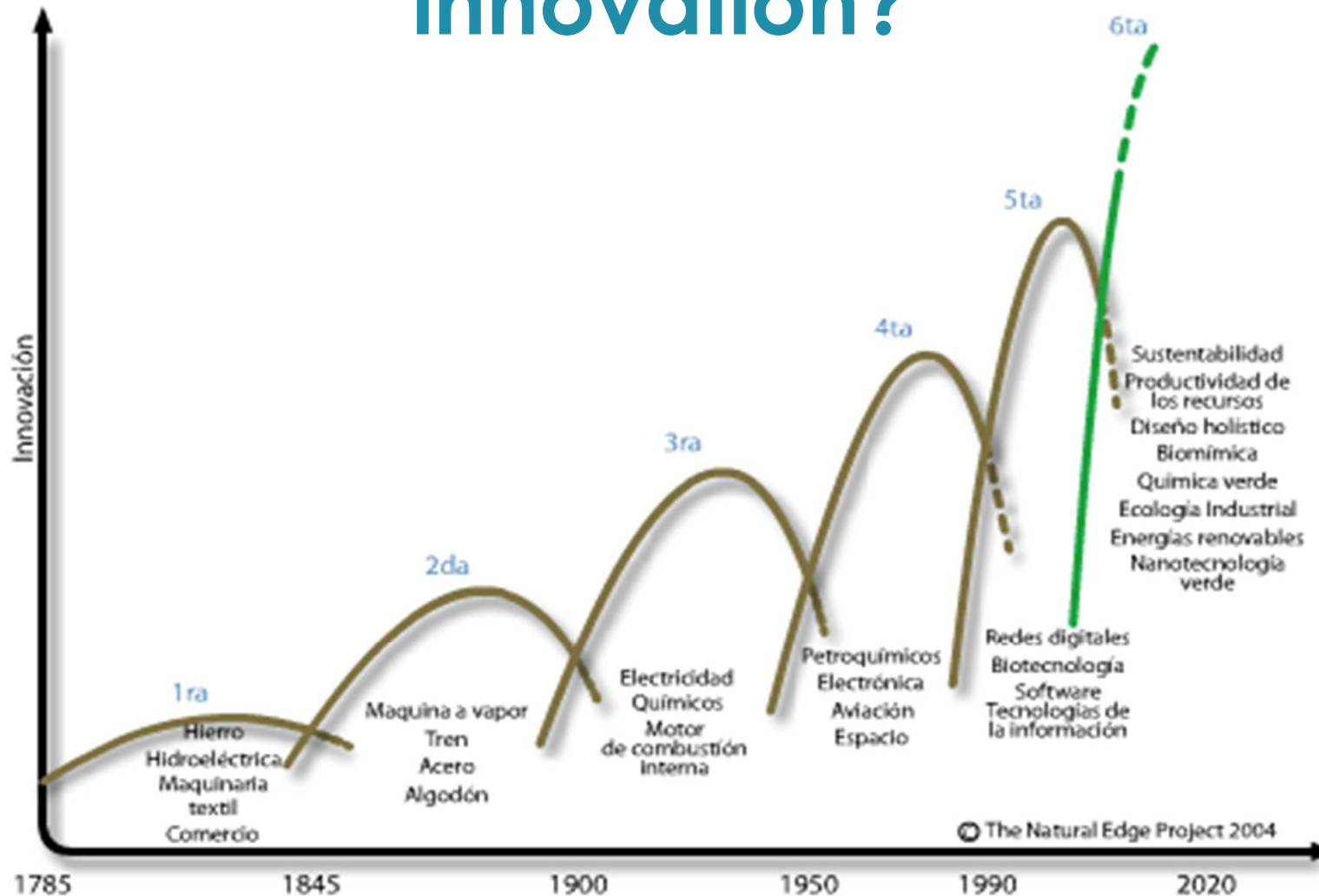
Outline

- Natural resources and the new wave of global innovation
- Towards the natural knowledge economy
- Preliminary conclusions and reflections for an agenda of collaboration between Asia and Latin America

Asia and Latin America: Different paths of development but common challenges

- Latin America and Asia have been seen divergent: Resource extraction vs ICT – Manufacturing
- However, both are showing their limits:
 - inequality
 - not sustainable
 - economic vulnerability
- The natural knowledge economy paradigm could be a common response for both regions

The natural knowledge economy: the next wave of global innovation?

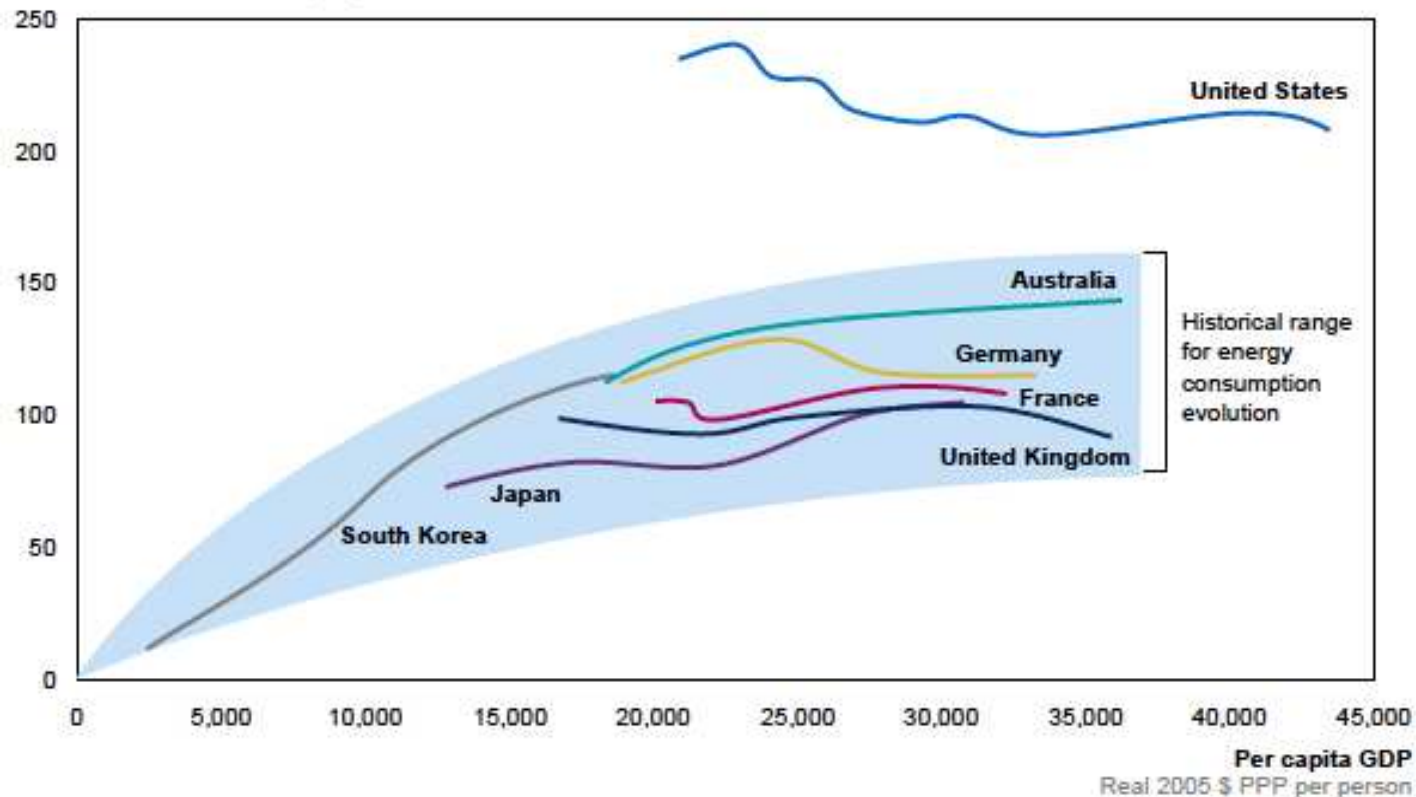


University of Australia, 2010

The global middle class and the bottom billions require a resource revolution

Per capita energy consumption, 1970–2008

Million British thermal units per person



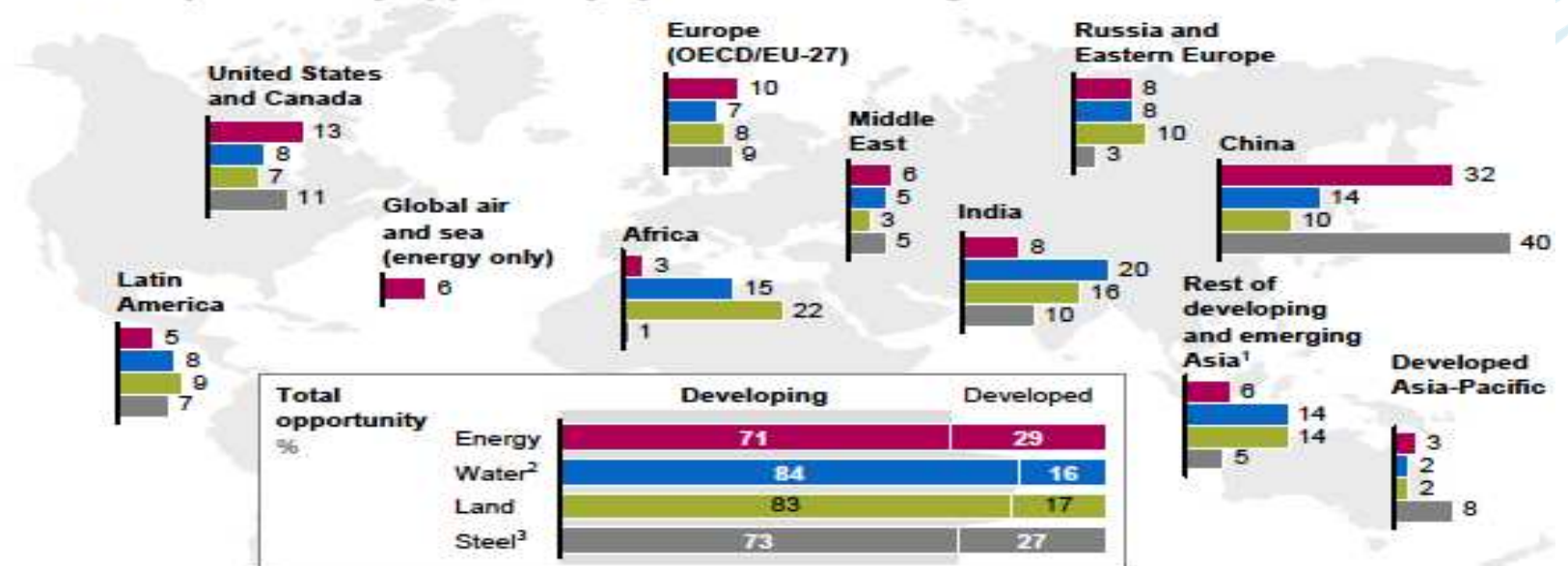
SOURCE: International Energy Agency (IEA); Global Insight; McKinsey analysis

Source: McKinsey, 2012

Developing countries have the opportunity to lead on resource productivity to meet up the demand

Developing countries account for 70 to 85 percent of productivity opportunities

% of total productivity opportunity by resource and region



1 Rest of developing Asia includes Central Asia (e.g., Uzbekistan), South Asia (e.g., Bangladesh), Southeast Asia (e.g., Laos), and North Korea.

2 Includes water savings from water-specific levers as well as water savings from improved agricultural productivity.

3 For steel, the chart represents all the demand-side levers and the scrap recycling lever but excludes supply- and conversion-side levers.

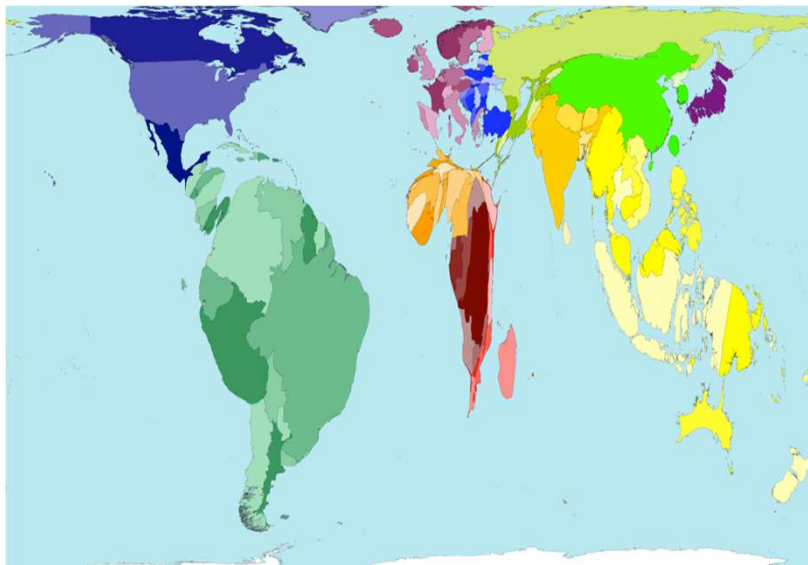
NOTE: Numbers may not sum due to rounding.

SOURCE: McKinsey analysis

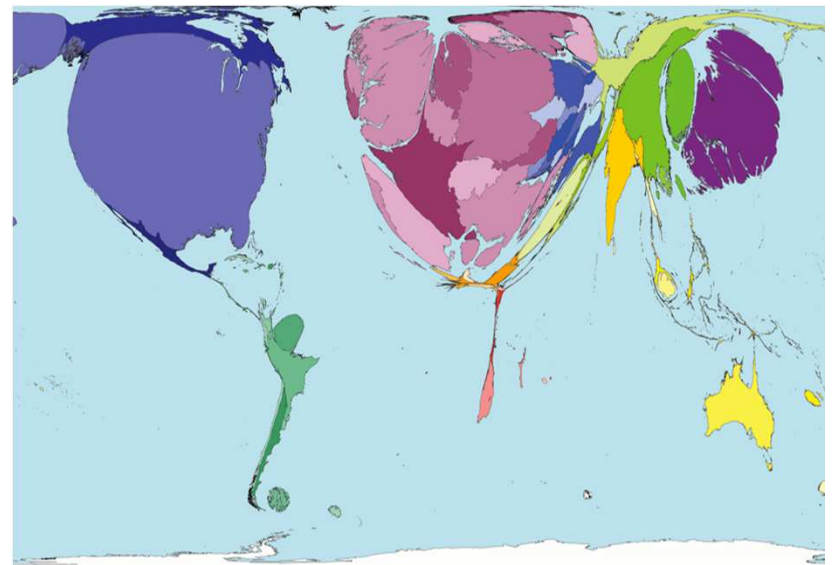
Source: McKinsey, 2012

Unfortunately, those who have natural resources do not generate knowledge

Distribution of water resources



Scientific knowledge production



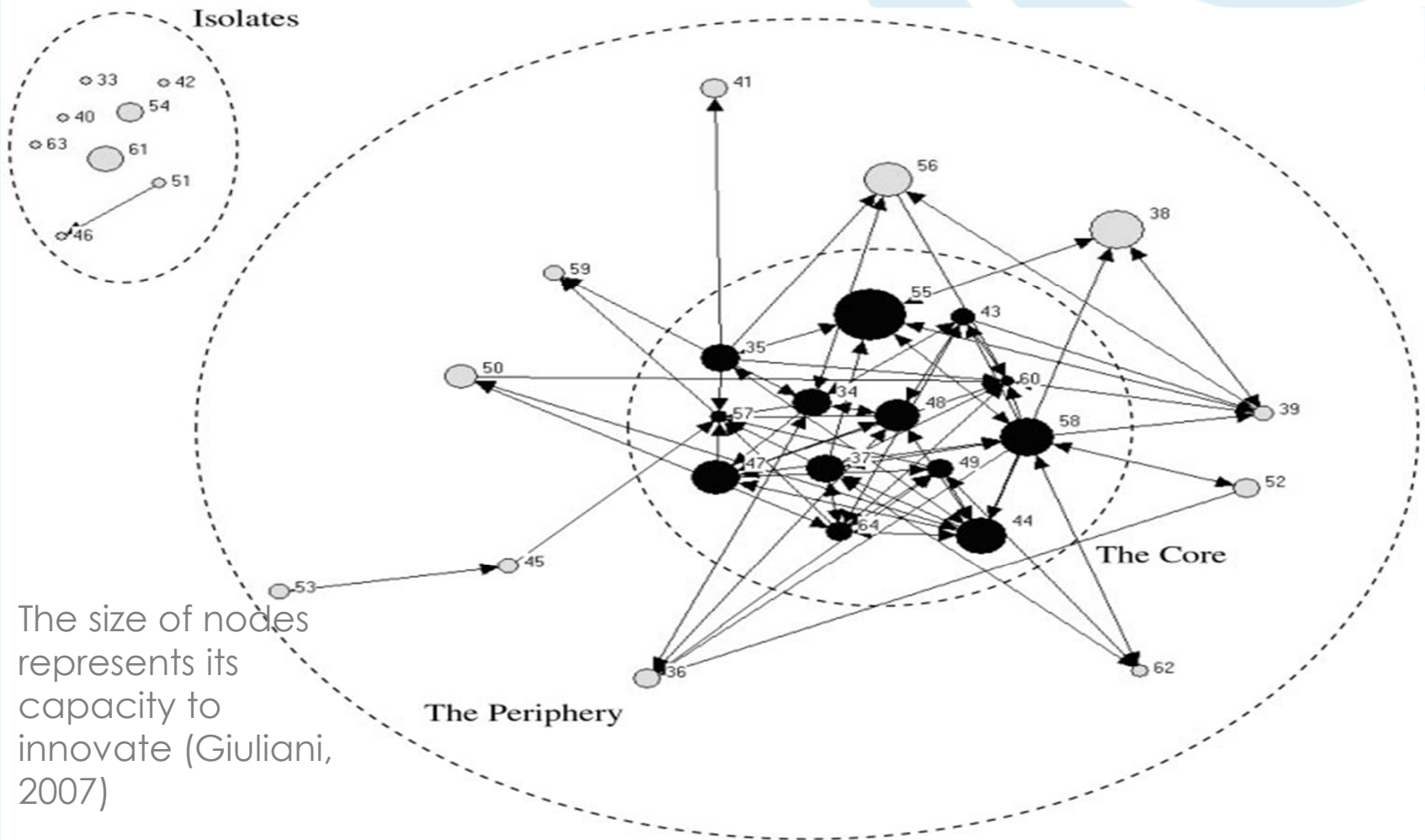
Source: Worldmapper, 2011

Decommodifying natural resources

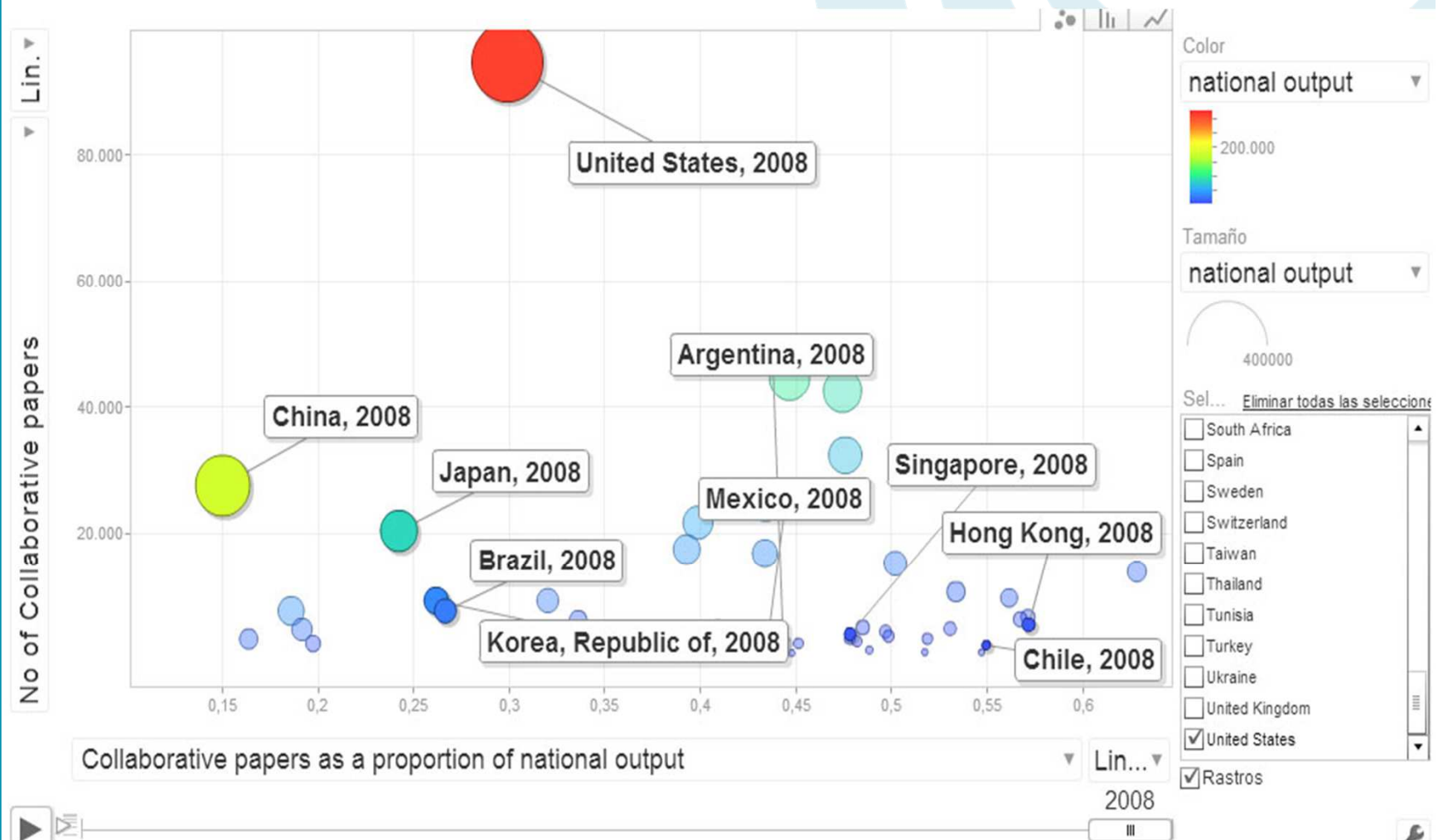
- The challenge is not just to increase productivity but to incorporate knowledge into the process and products related to natural resources
- The experience of the coffee sector shows that untapping natural resources' potential to unleash innovation, inclusion and sustainability

It is key to promote the conditions for knowledge generation...

Knowledge networks in the Colchagua Valley, Chile



... including increasingly important international collaboration



Source: Royal Society, 2011

Towards a natural knowledge economy: An agenda for Asia – Latin America collaboration

- Achieving this goal will require establishing joint research programs aimed at producing knowledge and applying it to face the challenges and opportunities of meeting the demand for energy, materials, food and water.
- There are several opportunities to begin this process. Some of them are:
 - Sustainable cities
 - Climate change
 - Agro-industrial revolution

The role of think tanks in this process

- The natural knowledge economy will require more resilient societies, new institutional mind-sets as well as integrated approaches to resources, incorporated into broader economic policy making.
- Think tanks can inform policies, inspire new practices and to generate knowledge and institutional capacities promoting exchange between the global and local agendas as well as among private, public and academic sectors.

MUCHAS GRACIAS!

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The logo for Grupo Faro features the word 'faro' in a lowercase, sans-serif font. Above the letters 'G', 'R', 'U', 'P', and 'O' are their respective uppercase letters in a smaller, spaced-out font. To the right of the word 'faro' is a graphic element consisting of three concentric, overlapping circles that resemble a stylized sun or a lens flare.