

FIFTH INTERNATIONAL SYMPOSIUM
on
« Global Security & Global Competitiveness :
Open Source Solutions »

Plenary Session of Monday, September 16th, 1996

Economic and Financial Intelligence

Philippe A. CLERC

« *The French Model* »

Mr. Chairman, Ladies and Gentlemen,

First of all, I want to thank You, Mr. Chairman, for Your invitation at the Fifth Session of Your well-known international symposium. I want also to thank you, Ladies and Gentlemen, for your warm welcome.

We are in France very sensitive to Your interest for our modest approach of a new national open source information sharing policy.

It is very stimulating for me to have the opportunity to share experience at a time when the reality of international competition too often makes of partnership a confrontation.

You ask me to present « the French model ». I shall rather speak, in a modest way, about the « French approach ».

As an introduction to this model or approach, I would like to lay stress on the three key words that are its main characteristics and, in any case, that sound like purposes. They are :

- collective learning,
- collective knowledge,
- community of practice.

In order to present the dynamics of the new French approach of a national open source information gathering and sharing policy, it is important to remind the major themes of a report published by the French

Planning Office¹ in 1994, under the signature of Mr. Henri Martre, former CEO of the French aeronautic company AEROSPATIALE.

This report, entitled «Economic Intelligence and Corporate Strategy», places the management of information and knowledge among one of the main factors of competitiveness.

In fact, the content and the recommendations of this report inspired the government to create in 1995 a new national system for the coordination of an open source information policy. I will further address this point in the second part of my talk.

The so called Henri Martre's report incorporated the collective considerations of the members of a French Planning Office's Commission.

These members were representatives from the administration, from private firms, from universities and trade unions.

In this regard, the members of the Commission represented a real community of practice on the subject, as each of them had an on-the-field experience.

As this report was largely echoed and commented by the specialized media, it had two main consequences at the national scale.

The first one was to initiate greater awareness among both private sector and the administration, regarding the essential role that open information gathering and sharing systems play in the understanding of global trade movements and unpredictable environments.

The report presents a definition of economic intelligence adapted to the French industry concerns.

Economic intelligence is defined as encompassing all the coordinated measures of research, processing, dissemination and protection of accurate and workable information obtained through legal means and open sources.

Its ultimate objective is to provide decision makers with timely and accurate knowledge to understand their environments and adjust their individual or collective strategies accordingly.

¹ Under the Prime minister authority.

Thus « Economic Intelligence » is seen as a tool to promote France's competitive and cooperative advantage in the perspective of equitable international cooperation and competition, and simultaneously as a tool that will help to create a collective knowledge generation process.

It is therefore possible to distinguish three major functions of « economic intelligence » :

- 1 - the mastery of scientific and technological know-how,
- 2 - the detection of threats and opportunities,
- 3 - the coordination of individual or collective strategies.

Thus « economic intelligence » becomes a technique to interpret and understand the realities of the markets and the different mentalities of competitors and partners, their cultures, their intentions and their capacity to implement them.

The second result of the publication of the French Planning Office's report was to identify France's relatively weak position in this field, compared to other foreign open economic information gathering and sharing systems, the most proficient being : the Japanese, British, American, German or Swedish systems. Learning from these systems was the first objective. The second one laid in recognizing the efficiency of models based on methods of gathering and sharing information that have been historically developed on the long period, as for example the German one.

In the report's analysis and recommendations, the members of the French Planning Office Commission stressed the importance of the state's role in organizing a favorable environment for the implementation of a new open information gathering and sharing system. This system was described as being capable to address the information needs of the private sector. Moreover, it has to be adapted to the multiple requirements of global economy : in that sense, it has to be a sense-making system more than an information-collection-oriented system.

As I said earlier, these recommendations were implemented. In early 1995 the Secrétariat Général de la Défense Nationale (SGDN), an administration under the Prime minister authority, suggested that the government creates a committee for competitiveness and economic security. The decision to create this committee was further validated by a

governmental decree that constituted the founding act of the new open information gathering and sharing system.

This decree of April 1995 was published with a report to the President of the Republic, that clearly mentioned the will of the State to place competitiveness and information management as an important national challenge.

This decree which was welcomed by business and noticed as much in Brussels, at the European Union level, as abroad, represented a very important mobilizing signal for the French business community.

Indeed for the first time, by this founding act, France created, at the highest level, a body in charge with advising the government on the policy questions concerning competitiveness and the management of economic information.

The committee for competitiveness and economic security is chaired by the Prime minister, who for the present time delegated his authority in regards to this function to Mr. Jean Arthuis, the Economy and Finances minister.

As I said, the main mission of the committee's members is to advise the government on the national information gathering and sharing policy. They have also to follow the coherence and coordination actions of such a policy.

Seven personalities from the fields of industry, finance and research were appointed in 1995 for three years, they are :

- Mr. ESAMBERT, President of the Arjil bank and President of the Pasteur Research Institute,
- Mr. GANDOIS, President of the French National Council of Employers,
- Mr. JAFFRE, President of the French Oil Company ELF Aquitaine,
- Mr. LAGARDERE, President of the Matra-Hachette group,
- Mr. LEVY-LANG, President of the Paribas bank,
- Mr. MARTRE, President of the French Standard Association AFNOR, former CEO of Aerospatiale,
- Mr. MONTAGNIER, Professor at the Pasteur Institute and well known in the AIDS research field.

In fact, the committee for competitiveness and economic security represents the heart of a more collective national system which is being progressively set up. This system is simple, coordinated and evolutive.

A simple system, since it was decided not to create any supplementary administrative body. Its main objective is the mobilisation of existing knowledge networks among the economic community at the national and regional scales.

A coordinated system, since one of the main objective of the committee is to provide a permanent coordination between its recommendations and the information needs of industry, in particular the Small Business, which contributes every day to the creation of growth and employment.

Finally, the system is evolutive. We believe that the ambitious purposes of this system will be matched, if it has the capacity to provide collective learning actions at the local level, i.e. if it has the capacity to generate local communities of practice among Small Business in particular.

According to this, it has been decided to develop local experimental training programs for Small Businesses.

Last year, the SGDN suggested to implement, in a region near Paris, a leading experimental program of training and keeping the private sector up to date on the international economic watch and information analysis methodologies.

During a twelve months period, approximately 300 SME's are trained in all the various aspects of international strategic watch and open information collection and analysis. Seminars featuring experts have been held on a variety of subjects, including : innovation and technological watch, economic foresight, scientific and technological cooperation, information security, the use of databases and the Internet, comparative analysis of foreign cultures...

This experimental program aims to establish networks for open information gathering and sharing among local companies of this region. The program is regularly assessed, in order to identify any useful elements of experience or methodology that could be transferred to other eventual programs in different regions of France.

To conclude, I would like to draw your attention to three important challenges that the new French competitiveness and information system must deal with.

First, it is essential for the members of the committee to give particular attention to the scientific, technological and economic information needs and specific competitiveness requirements of firms, especially the Small business through a bottom-up approach.

Without this regular attention, it will be difficult to identify pertinent targets for the gathering and analysis of accurate open information and it will be also difficult to elaborate on the main outcomes of national directions adapted to the challenges of global economy.

As a second long-term challenge, the actors of this national system will have to participate in communities of practices at the regional level.

Many French experts believe that in order to achieve competitive and cooperative advantage and to preserve national identity in a definitively open world, we must master and promote all the avenues of scientific and technological expertise, in short to develop human resources, technological and organizational skills through collective learnings. And thus France may better adapt itself to the permanent changes of the international environment.

In order to face this type of challenge, a first post-graduate degree in Economic Intelligence has been created at the Poitiers University and already, local business schools or universities have integrated teaching and training programs on business intelligence.

Last but not least, the members of the Committee for competitiveness and economic security will have to draw a particular attention to the coordination of national interest and European integration. Much progress has been already made in such fields as industrial competitiveness, commercial and competition policies.

In that direction, the European Union and more precisely the European Commission has introduced economic intelligence as an important factor of its industrial competitiveness policy. It has drawn heavily on - can I say - « the French model » in this field.

In a Green Book on Innovation published at the end of 1995, the European Executive defines economic intelligence as a corollary of the

global approach to innovation and a strategic tool for decision-making in the context of world trade.

Among the recommended actions of this Green Book, one can notice two interesting actions :

- the development of technological and prospective watch,
- the development of economic intelligence programs.

Shall we assist to the emergence of a « European model » ?

Thank You for Your attention.

OSS '96: THE CONFERENCE Proceedings, 1996 Volume II, Fifth International Symposium Global Security & Global Competitiveness: Open - Link Page

Previous [Mr. Arnie Nachmanoff, Senior Advisor, Oxford Analytica, Economic Intelligence Services for the Private Sector:
Integrating Online, In-House, and Global Experts](#)

Next [Keynote Speaker: Mr. Mortimer Zuckerman, Chairman, Boston Properties Member, 21st Century Fund Study \(on
Intelligence Reform\); Chairman, U.S. News and World Report, National Security & National Intelligence: The Central
Role of Open Source Economic Intel](#)

[Return to Electronic Index Page](#)