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Special Issue

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Between the legacy
and the futures
we choose to build

FDC | Fundação
Dom
Cabral

50 The future, always present



FDC: 50 years of building the future

Ranked among the world's top 10 business schools for Executive Education by the Financial Times in 2026, Fundação Dom Cabral celebrates five decades of developing leaders capable of addressing today's challenges and co-creating solutions for a positive future for organizations, individuals, and society.

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**CONTACT DOM**

REVISTA.FDC@FDC.ORG.BR

0800 941 9200

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Editorial Review

CONTEXTO COMUNICAÇÃO LTDA

Proofreading

Euler Rios | Coordenador

Rubens Cupertino | Revisor

FUNDAÇÃO DOM CABRAL

Graphic Design and Cover

Lucas Esteves Coutinho | Ideia Clara

Illustrations

Clara Pernambuco

Taoly Dandara

Vitória Souza

Bruno Lanza

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Fundação Dom Cabral is a center for the development of executives, entrepreneurs, and companies. For 50 years, it has fostered dialogue and attentive engagement with companies, working alongside them to build integrated educational solutions that connect theory and practice. Its commitment to partnership has guided its international development, leading to agreements with major business schools worldwide. FDC ranks among the world's top ten business schools, according to the Financial Times Executive Education Rankings 2026.



from the chairman of the board of trustees

FDC'S COMMITMENT TO THE GENERATION AND DISSEMINATION OF KNOWLEDGE

As Fundação Dom Cabral celebrates its 50th anniversary, there is no shortage of pertinent reflections on this journey. They allow us to revisit its history through the lens of consolidating a half-century legacy, while keeping our eyes firmly set on the future. We believe that one of the essential reflections in this context concerns the institution's strategy for implementing and developing initiatives related to generating proprietary knowledge.

It can be said that this determination forms the very backbone that has enabled FDC, over these 50 years, to consolidate its position as one of the top ten business schools in the world. To understand how this process unfolded, one must look back at the past.

Approximately 30 years ago, around 1995, at the height of the activities of the former CTE - Centro de Tecnologia Empresarial (Business Technology Centre), Professor José Paschoal Rossetti conducted a study on business development. It was directed at the presidents and executives of major companies participating in the Centre's activities.

Among various questions, one asked: "For you, what is most important in your company?" Most of the responses were rather predictable, centering on areas such as "financial management and performance".

Another question, however, elicited a response that had a profound impact on us: "For you, what is most important in an institution such as FDC, which provides services aimed at the development of your companies?" The predominant answer was: "The generation of proprietary knowledge."

That response pointed to something that was already on our radar, but perhaps which we had not yet fully grasped, as we were managing a still-young institution that had been in existence for just 20 years. Looking back from today's perspective, we can say that this moment was amongst the key insights that served as catalysts for an irreversible process over the following decades.



Within a few years, as a result of extensive reflection and a series of strategic decisions, FDC implemented a structure comprising five Knowledge Centres across key strategic areas for us: Leadership, Finance, Logistics, People and Marketing. Each was led by a specialist and began to develop projects and initiatives grounded in the knowledge that FDC was generating both internally and externally, together with its team.

At the time, for example, we hosted two seminars on Leadership in São Paulo, featuring world-renowned figures and experts and attended by hundreds of guests. Over time, we felt we were building key bridges across which our specialists and the business leaders seeking our expertise increasingly connected. In this regard, FDC forged a somewhat pioneering path compared to other business schools.

This was made possible by a very distinctive characteristic of the institution: we never generated knowledge in an entropic manner, nor did we focus solely on our faculty and experts — quite the contrary. We have always sought ideas and knowledge arising from the productive sector, including business owners and executives, as well as other thinkers and even professionals from peer institutions. We were, and remain, continually prepared to welcome all and invite them to collaborate with us.

In this context, it is worth recalling a statement by Professor Emerson de Almeida, President of FDC's Statutory Board, which is frequently recalled by many of us and characterises the path chosen by the institution regarding business leaders: 'We want to work with them, not for them.' In other words, we believe that companies possess genuine.

BRIDGING THEORY AND PRACTICAL APPLICATION

Therefore, this dual synergy gives rise to knowledge jointly shaped by both parties. In most cases, these are highly valuable ideas that go beyond both isolated corporate practice and purely academic theory. This is the connection in which we believe and on which we base our continued progress. We are continuously forging connections between theory and practical application, driving new ideas and solutions.

As concepts and practices have continually evolved, FDC has transformed the former Knowledge Centres into five Research and Development Centres, covering the areas of Strategy and International Business; Sustainability; People Development and Leadership; Logistics, Supply Chain and Infrastructure; and Innovation and Digital Technologies.

Following this account of the institution's knowledge-generation strategies, a new phase



emerged, also driven by the evolution of paradigms in executive education and academic teaching in Brazil. Advances in the ways knowledge is transmitted and shared throughout society set new benchmarks in the sector, leading to a significant emphasis on education at all levels. Concurrently, public policy introduced Diversity, Equity, and Inclusion (DEI) initiatives, which had a positive impact on educational standards.

Against this new backdrop, FDC began offering a comprehensive higher education portfolio, spanning undergraduate studies to post-doctoral programmes, with a wide array of programmes. Its educational scope and teaching framework came to rest on a three-pillar foundation: Executive Education, Academic Education, and Social Education.

As FDC reaches its half-century milestone, we take great pride in presenting this detailed account of our knowledge generation journey. Historically, we built a structure for knowledge production, fostered corporate partnerships — essential to our ethos of ‘working with’ — and subsequently extended this mission to the academic world”.

Today, we produce shared and applied knowledge that addresses both the operational requirements of the productive sector and the epistemic demands of the academic community.

Ultimately, we are fully aware that this sharing of knowledge will only be fruitful and effective if its outcomes are intrinsically committed to social development and people’s well-being.

DOM MAGAZINE AND CONTEMPORARY ISSUES

Finally, I would like to highlight the importance of DOM as one of FDC’s most significant communication channels for disseminating all this knowledge. The magazine has given a voice to FDC’s experts and professors, as well as business leaders, executives and other members of the community.

With this edition, we are celebrating two important milestones: 20 years of the magazine’s publication and FDC’s 50th anniversary. We are confident that the content presented here – including articles, essays, studies and other reflections – makes a significant contribution to the debate on the key economic and social issues of our time.

MOZART PEREIRA DOS SANTOS
Chairman of FDC’s Board of Trustees



From the dean

THE FUTURE CALLS US:

EDUCATION FOR A CHANGING WORLD

Fundação Dom Cabral reaches its 50th anniversary true to its purpose and attentive to the questions posed by a new era. At the heart of this journey lie the ethical and humanist vision of Dom Serafim and the entrepreneurial, visionary leadership of Professor Emerson de Almeida, who brought together a team of pioneers and led the creation of a business school connected to the world yet committed to Brazil. This interplay between continuity and renewal has brought us to where we are today and frames the question that will define the next cycle: what kind of school must we become to remain relevant in the decades to come?

We are living in an era in which technological, demographic, climate and geopolitical transformations no longer occur in sequence, but rather overlap. Artificial intelligence is restructuring labour and consumer relations as well as knowledge production. Population ageing is transforming markets, cities and social welfare systems. The climate crisis exerts pressure on production models, whilst geopolitical fragmentation weakens multilateralism and reshapes global value chains. In such an environment, corporate decisions yield social consequences; public policies impact competitiveness; and local choices resonate on a global scale.

For Brazil, this scenario presents a combination of urgency and opportunity. We are a powerhouse in food production, have a predominantly renewable electricity mix, and are well positioned to contribute to global food security, the energy transition and worldwide decarbonisation. However, natural resources and comparative advantages do not automatically translate into prosperity. We need to raise productivity, embrace technology, develop people's capabilities, reduce inequalities, add value to production, and strengthen institutions capable of fostering investment and innovation.



It is against this backdrop that FDC plans its next cycle. We will continue to be a business school committed to supporting strong, productive companies that are capable of generating profit. Yet the future requires us to broaden our horizons. Contemporary challenges extend beyond any single sector and cannot be solved by organisations acting in isolation. That is why the future challenges us to operate as a Business Government Community School: a hub for education, knowledge and collaboration among businesses, governments and communities.

This vision does not merely introduce new audiences to the school. It transforms how we ask questions, produce knowledge, and educate. It means connecting economic performance with social development; competitiveness with legitimacy; and innovation with responsibility. It also means integrating our different areas of activity more closely — executive and academic education, public management and social education — , expanding international cooperation and creating continuous learning experiences supported by technology and connected to the real-world challenges facing organisations and society.

The leadership the future requires will not be defined by technical expertise alone. Leaders will need to understand complex systems, navigate institutional boundaries and bring together stakeholders with different interests. They will need to combine the ability to compete with a willingness to cooperate; the intelligent use of technology with human judgement; the pursuit of results with an awareness of the impacts generated beyond the boundaries of the organisation. This will demand a mindset of continuous learning and relearning.

Over the next 50 years, FDC aims to develop these leaders, produce knowledge that helps the country make better choices, and create environments in which different sectors can address shared challenges. Our ambition is not to predict the future. It is to build it with greater clarity, cooperation and responsibility, and thereby contribute to making it more positive and desirable. History has brought us this far. Purpose will take us forward.

ANTÔNIO BATISTA DA SILVA JUNIOR
Dean, Fundação Dom Cabral



From the editor

Some anniversaries invite us to look back. Others set our sights on the future. As it celebrates its 50th anniversary, Fundação Dom Cabral is called upon to do both: to recognise the journey it has undertaken alongside organisations, leaders and society, and, drawing on that experience, to renew the questions that will guide the next chapters of its history.

Five decades are enough to transform almost everything around us. The boundaries of the global economy have shifted, as have relations between countries, the ways in which organisations produce and compete, technology and the world of work. Organisations have changed, as have the expectations placed upon businesses and our understanding of leadership, development and corporate responsibility.

FDC has lived through this period not as an observer of these transformations, but in constant dialogue with them. It was founded in response to the challenge of contributing to the competitiveness of Brazilian companies and leaders and has built its trajectory by bringing knowledge and practice closer together, connecting Brazil with the world and preserving an essential feature of its identity: a commitment to building together with organisations and society.

In this special edition, some of the professors who have been part of this journey help us revisit it. José Paschoal Rossetti, Kenneth Bardach, Georges Blanc, Pedro Mandelli and Subramanian Rangan offer different perspectives on the economic, geopolitical, business, educational and human transformations that have unfolded over these five decades.

While the business world was once largely driven by scale, control and efficiency, we have progressively broadened our understanding of what makes an organisation truly relevant. Competitiveness and performance remain indispensable, but they now coexist with such considerations as purpose, trust, human development, continuous learning, impact and responsibility.

Leadership has also changed. Formal authority is no longer sufficient to mobilise people in increasingly complex, diverse and unpredictable environments. Leadership requires the ability to influence, listen, learn, demonstrate consistency and create meaning. And precisely as artificial intelligence takes on increasingly sophisticated cognitive tasks, deeply human qualities are assuming renewed importance.

The same applies to institutions dedicated to education. In a context of rapid transformation, producing and disseminating knowledge is not enough. It is necessary to learn continuously, experiment, engage in dialogue with different stakeholders and turn knowledge into responses to the concrete challenges faced by organisations and society.



Perhaps this is one of the key lessons of FDC's first 50 years: remaining relevant does not mean remaining unchanged. It means recognising what must be preserved and having the courage to transform what the new context demands.

It is from this learning that we move forward, looking ahead.

The challenges are many and unfolding simultaneously: technological, climate, demographic and geopolitical transitions; persistent inequalities; institutions under pressure from new demands; profound transformations in work and in the relationships between people, businesses and society.

Against this backdrop, this edition sets out to do less to predict the future and more to reflect on our capacity to shape it.

In revisiting these five decades, the professors featured in this edition offer us more than an account of the journey so far. José Paschoal Rossetti broadens the perspective to encompass the economic and geopolitical transformations that have reshaped the business environment; Kenneth Bardach traces how FDC evolved in dialogue with these changes; and Georges Blanc shows how the capacity to learn, innovate and respond to society's demands has become a prerequisite for educational institutions to remain relevant. Pedro Mandelli turns the focus to people and the evolution of leadership, while Subramanian Rangan takes the reflection further by opening up a debate not only on the capacity to deliver results, but also on responsibility for the impacts we create and the alternatives we are capable of building.

Through different paths, all five converge on an idea that is particularly significant for this edition: the evolution of management has not diminished the importance of results; it has broadened our understanding of what it means to deliver them. Competitiveness, performance and capability remain essential, but they now go hand in hand with purpose, trust, learning, character and responsibility. Transforming organisations requires transforming people and institutions — and also asking in what direction, and for whose benefit, that transformation takes place.

Building upon this legacy and the open questions it leaves in its wake, this edition turns its focus towards the years ahead. While our collective experience helps us navigate the shifts that have brought us to where we are today, it also challenges us to consider those in which we want to play a part. It is within this movement that the collection dedicated to positive futures takes shape.

This is the spirit behind the collection of six essays on positive futures. The reflections address issues that are critical to Brazil and to organisations: turning our potential into sustainable and inclusive prosperity; institutions capable of expanding opportunities; education equipped for new competencies and lifelong learning; businesses more conscious of their impact; new models for organising work; and leaders capable of strengthening dialogue, pluralism, recognition and care.



These are distinct perspectives, but they are united by one conviction: there can be no positive future without choices in the present. Development, inclusion, sustainability and humanity will not be automatic consequences of technological or economic progress. They depend on the decisions we make, the institutions we build, the organisations we lead and the way in which we exercise our responsibility towards others and towards the world.

The essays do not seek to offer definitive answers. Instead, they open up possibilities and prompt new questions. And perhaps that is precisely one of the most important functions of knowledge: to broaden our capacity to imagine alternatives and act upon what can still be transformed.

It is at this intersection of legacy and possibility that we also celebrate the 20th anniversary of DOM magazine.

Over the past two decades, the magazine has provided a space for putting knowledge into circulation, bringing ideas and practice closer together, introducing new questions to the leadership agenda and broadening the dialogue between FDC, organisations and society.

Celebrating the 50th anniversary of Fundação Dom Cabral alongside the 20th anniversary of DOM offers us more than an opportunity to look back on two journeys. It allows us to reaffirm what connects them: a belief in knowledge as an instrument for transformation.

The past gives us knowledge, experience and identity. It does not provide ready-made answers for what lies ahead.

The next 50 years will be shaped by circumstances that we cannot yet fully foresee. However, we can decide, from this moment onwards, the principles, ambitions and commitments we wish to carry with us.

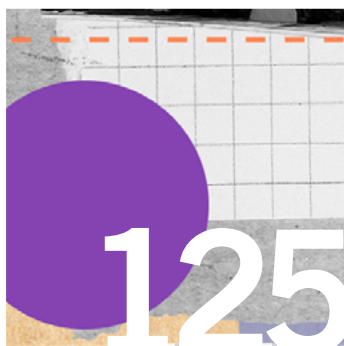
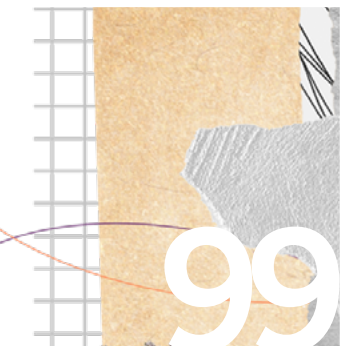
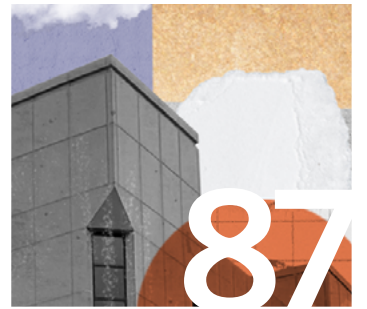
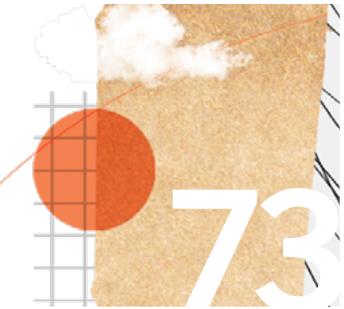
If we have come this far seeking to understand the transformations of our time, the next chapter invites us to something even more challenging: **to play a part in shaping the futures we want to make possible.**

I hope you enjoy reading it!!

PAULO RESENDE
Executive Editor

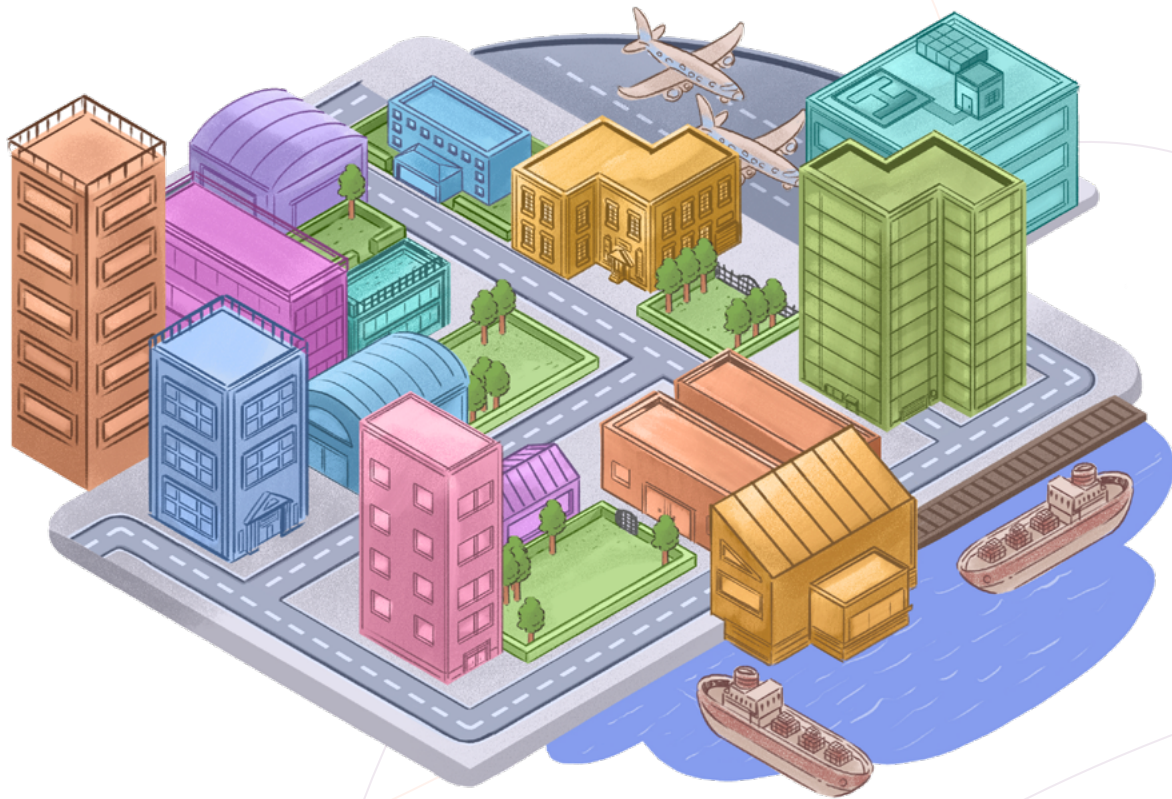


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summary

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economy

From the short era of globalisation in the 1990's to the global changes observed in the 21st century

BY **JOSÉ PASCHOAL ROSSETTI** *

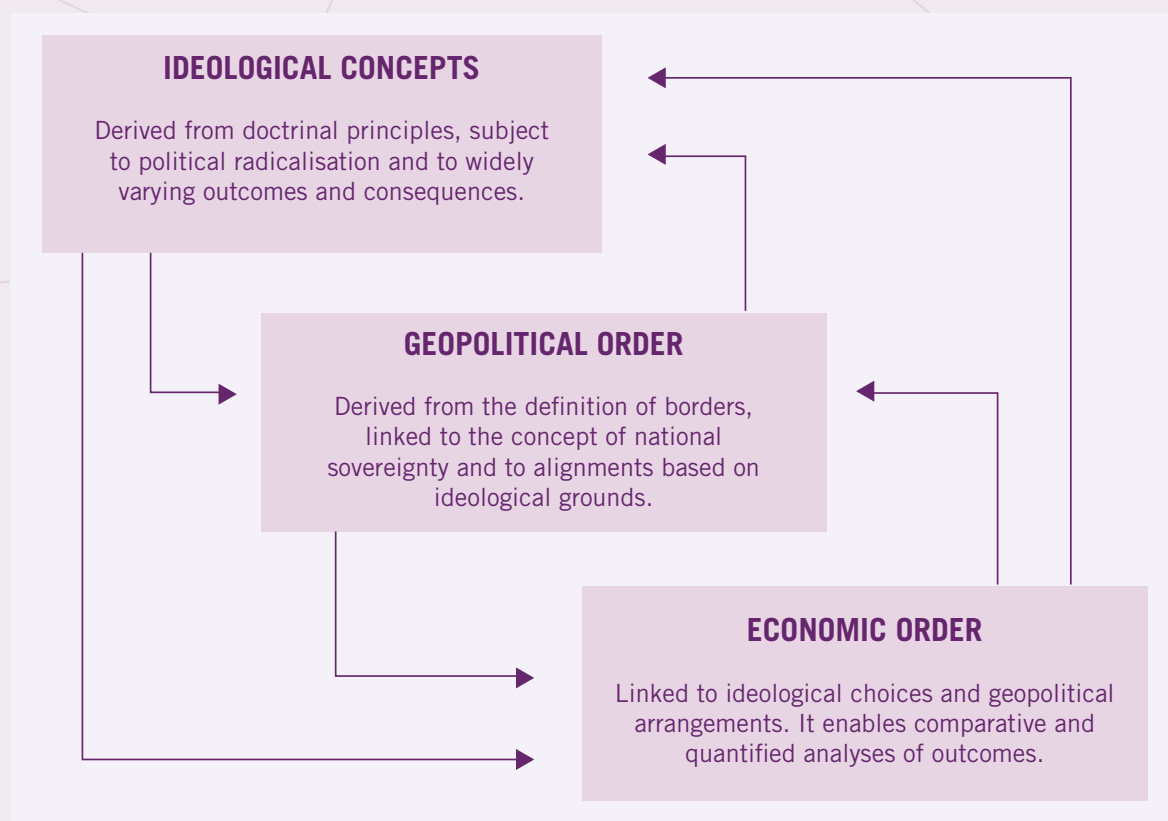
Understanding the global changes that have been unfolding since the turn of the twenty-first century requires a brief consideration of three forces that interact in shaping the global system: ideological conceptions, the geopolitical order and the economic order, as presented in Figure 1. We will highlight aspects of these three forces, which will undoubtedly continue

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.



to evolve through processes of rise and fall to which all countries are subject, driven by socio-economic changes and the strategic choices made by their governments.

FIGURE 1 | THREE INTERRELATED, DISTINCT AND CONSTANTLY EVOLVING CONCEPTS



Given the significance of the megachanges that took place at the end of the twentieth century, we will look back at those that unfolded gradually over the preceding four decades. Table 1 covers the developments in the post-Second World War period (1939–45), characterised by severe polarisation between the Western economic powers, aligned with liberal capitalism, and the Eastern powers, aligned with Marxism-Leninism-Maoism. These tensions persisted for three decades, until the end of the 1970's.

TABLE 1 | GLOBAL MOVEMENTS OF SIGNIFICANCE IN THE 20TH CENTURY AND THE MAIN DECADES OF THE 21ST CENTURY

HISTORICAL MOMENTS	20TH CENTURY		
	POLITICAL AND IDEOLOGICAL CONCEPTS	GEOPOLITICAL ORDER	ECONOMIC ORDER
THE FIRST FOUR DECADES	❑ Antagonistic systems: ✓ Liberal capitalism. ✓ State collectivism of Marxist origin. ❑ Different paths in the pursuit of socio-economic efficiency.	❑ The end of colonialism driven by the struggle for independence. ❑ Disputes over the demarcation of national borders. ❑ Two World Wars: 1914–18 and 1939–45.	❑ Exacerbated protectionism: the prevalence of closed economies. ❑ Rapid development of new businesses and the capital market. ❑ <i>The Great Crash of 1929–33.</i>
POST-WAR PERIOD 1939–45: TRANSITION TO THE 1950S, 1960S AND 1970S.	❑ Radically opposing goals and values: ✓ Freedom in the capitalist system. ✓ Equality in the collectivist system. ❑ Dialectical escalation: doctrinal clashes ❑ Latent confrontation: the perpetuation of the Cold War	❑ Border protection. ❑ Military alliances: ✓ NATO. ✓ The Warsaw Pact. ❑ Isolationism: ✓ The Iron Curtain. ✓ The Berlin Wall. ❑ The 1970s: high-impact disruptions	❑ Fiscal and customs protectionism. ❑ The expansion of the state within the capitalist system: ✓ The creation of state-owned enterprises. ✓ The expansion of social policies. ❑ The rise of collectivist states: centralised plans.
THE 1980s	❑ Nascent de-radicalisation processes ❑ Revisionist approaches: ✓ Neoliberalism in the capitalist world. ✓ The reassessment of extremist ideologies in the collectivist world. ❑ The historic turning point: from confrontation to détente.	❑ West-East Rapprochement: The Iron Curtain's 'days are numbered'. ✓ <i>Glasnost and perestroika</i>: transparency and the transformation of the Soviet system. ✓ The Western powers' belief in and support for the process of <i>peaceful coexistence</i>.	❑ Critical analysis of capitalist economies: the economic consequences of protectionism. ❑ Stagflation: inflation and stagnation. ❑ Critical analysis of collectivist economies: the causes of the USSR's economic decline.
THE 1990s	❑ Strengthening of the democratic system and the principles of liberalism: ✓ The fall of the Berlin Wall. ✓ The collapse of the USSR and the creation of the CIS.	❑ German reunification: the prevalence of the Western model. ❑ The fall of the Iron Curtain: the unification of East and West. ❑ A reduction in the number of collectivist countries.	❑ 'Globalisation': a movement with far-reaching effects. ❑ Market liberalisation: the end of protectionism. ❑ Stronger interaction between the West and the East
THE FIRST DECADES OF THE 21ST CENTURY	❑ Intensification of ideological polarisation. ❑ Exacerbation of the left–right ideological divide. ❑ Expansionist tendencies of autocratic regimes.	❑ Weakening of multilateral organisations. ❑ Reversal: from new alliances to new geopolitical conflicts. ❑ Efforts to sustain economic blocs and customs unions.	❑ Fierce competition.❑ The end of 'unassailable' hegemony. ❑ The rapid rise of emerging economies. ❑ Greater access to markets: rising aspirations.



The polarisation of this period resulted in three historical developments:

- **The establishment of the Cold War** – Resulting from two initiatives: on the one hand, the creation of the North Atlantic Treaty Organization (NATO) – a militarised alliance, initially comprising 12 countries, to defend Western nations aligned with liberal capitalist ideology. On the other hand, the creation of the Warsaw Pact, comprising six countries, to defend collectivist nations.

- **The establishment of the Iron Curtain** – Established by the Soviet Union in 1947, it lasted until 1991, when the USSR came to an end and the Commonwealth of Independent States (CIS) was created.

- **The construction of the Berlin Wall** – This is another West-East barrier, built in 1961, which separated East Germany – one of the 15 “satellite countries” that made up the USSR after the 1939-45 war – from West Germany. This country belonged to the three major Western economic powers (United States, Great Britain and France), allies of the USSR in the war and which assumed control of this territory by decision of the Yalta and Potsdam Conferences following Germany’s surrender.

In the turbulent 1970s, marked by serious events of global significance, a sign of appeasement came in May 1972, with the signing in Moscow of the SALT (*Strategic Arms Limitation Talk*) Plan between the United States and the USSR. The objective was to formalise a movement of peaceful coexistence between the two powers – a tangible sign that was consolidated in October 1979, with the SALT II Plan, signed in Vienna, and which would lead to the end of the Cold War.

The way was being opened towards an end of hostilities, which in fact began to occur in the 1980s, a decade characterised by the early stages of ideological de-radicalisation: questions of protectionism, which resulted in stagflation – a neologism describing the combination of runaway inflation and stifled economic growth; and destruction of the Berlin Wall, with the end of East Germany at the turn of the 1990s.

AN ESSENTIAL HISTORICAL RECORD: THE ROOTS AND EMERGENCE OF GLOBALISATION

Table 2 summarises the sequence of high-impact historical events that reshaped the geopolitical and economic orders in the 1990s, culminating in the emergence of a sweeping process known as “globalisation”, so named because of the far-reaching nature of its effects worldwide.

TABLE 2 | THE “GLOBALISATION” OF THE 1990S: DISTANT ORIGINS AND SUDDEN CHANGES

IDEOLOGICAL CONCEPTS	❑ Roots that can be traced to liberal economic thought: ✓ Competitiveness, the cornerstone of the corporate world. ✓ Transnationalisation through the expansion of the scope of business operations. ❑ Entrepreneurship, a concept associated with the capitalist system. ❑ Greater openness to private enterprise.
GEOPOLITICAL ORDER	❑ Rapprochement between the capitalist and collectivist systems. ❑ Consistent movements towards rapprochement. ❑ The Cold War, the Iron Curtain and the Wall: ‘their days are numbered’. ❑ East-West reintegration: ‘the end of two worlds’. ❑ ‘Globalisation’: the perfect geopolitical neologism
ECONOMIC ORDER	❑ Economic collapse of the Soviet Union. ❑ Unprecedented levels of market openness. ❑ Take-off of new powers: Japan, China and the Asian Tigers. ❑ Changes in the global ranking of national economies. ❑ Changes in the global rankings by country of the 500 largest companies. ❑ Geographical shift in economic power: strengthening of emerging economies... ❑ Expansion of global production chains: ✓ Upstream operations: increased movement of inputs. ✓ Downstream operations: expanded supply of final products. ❑ Acceleration in the growth of Gross World Product.
	
PARALLEL DEVELOPMENTS	❑ Significant advances in management science and corporate governance processes.  ❑ Expansion of large corporations: strengthening of the business world.

We highlight the crucial points of the megachanges of the 1990s:

- **The end of radicalism between “two worlds”** – Ideological rapprochement, with the emergence of neoliberalism on one side and the political economy of the “New Left” on the other, both focused on a common objective: social inclusion.

- **A redefinition of the roles of the State** – Greater emphasis on stimulating private enterprise and reducing the scope of the Executive Branch’s direct involvement in business activities, through the privatisation of state-owned enterprises and the allocation of resources to strengthen infrastructure for economic and social purposes, as well as research of strategic importance to national economies.



- **Opening of national markets** – Processes aimed at opening these markets, in contrast to protectionist policies and practices, whether through the imposition of customs barriers, (selective duties and taxes), or through non-tariff customs regulations that increased costs, created obstacles to, or blocked the entry of foreign-origin goods and services.

- **Privatizations and internationalizations** – In line with the redefinition of the State's functions, the privatisation of state-owned companies, accompanied by policies opening them for national and international groups, as well as measures to attract investments from large global corporations in the country. Incentives for business development in sectors in which the country has competitive advantages.

- **Creation of strategic synergies** – Establishment of economic blocs aimed at creating globally competitive conditions: the pursuit of greater integration among countries within “spheres of shared prosperity”.

- **Mobility in world economic rankings** – Changes in countries' positions in rankings based on GNP values, using both the conventional criterion of adjusted exchange rates and the PPP (Purchasing Power Parity) methodology.

- **Changes in business strategies** – Sectoral restructurings, with significant expansions of mergers and acquisitions operations. Acceleration of innovations and increasing scalability, driven by the challenges of cost competitiveness and quality. Development and expansion of global supply chains.

- **Advances in management and governance** – Initiatives aligned with the challenges of competing on a global scale and with the pursuit of operational efficiency and strategic effectiveness, and access to management advances across the three corporate areas – Back Office, Operations and Front Office – and in corporate governance processes.

This set of changes extended through the first decades of the twenty-first century, through four significant developments, although with declining trends: 1) the opening of markets, which resulted in globalised economic development; 2) the emergence of new centres of economic gravity, driven by the accelerated growth of competitive emerging economies; 3) changes in the *ranking* of the 500 largest companies in the world, with an increasing number from emerging countries; and 4) end of episodes of stagflation, as competition among companies intensified, further fuelled by the global opening of markets.

We shall now examine each of these four global changes and their main developments.

THE PROCESS OF MARKET OPENING: GLOBALISED ECONOMIC DEVELOPMENT

The process of globalisation, driven primarily by reductions in customs and trade barriers, generated a sudden and vigorous expansion of international economic transactions, originating largely in emerging economies. This expansion gathered momentum and proceeded at an apparently exponential pace, driven by the convergence of strategies underpinning market-opening policies adopted by the world's largest economies.

The 1990s were characterised by a wave of trade liberalisation and agreements to integrate national markets, as well as rounds of negotiations aimed at achieving significant and widespread reductions in customs tariffs and trade barriers. The weighted average global tariff stood at 3.95 per cent for an extensive range of industrial and agricultural products. Reductions in customs restrictions ranged from 45 per cent to 65 per cent compared with the rates previously in place.

These advances together with the support of multilateral organisations, gained further momentum from 1995 onwards with the creation of the World Trade Organisation (WTO), which consolidated international rules; and the comprehensive revision of the General Agreement on Tariffs and Trade (GATT), established in 1947 and reinstated in 1994. The revised framework introduced rules not only for trade in goods, but also for services and payments relating to intellectual property, such as copyrights and patents. The WTO also established rules for dispute settlement, thereby facilitating the flow of international trade.

The integration of global markets was further strengthened by the actions of the two multilateral financial institutions – the International Monetary Fund (IMF) and the World Bank –, which respectively addressed exchange-rate matters and provided financial support for infrastructure investment by neoliberal states and major business corporations. Under the guidance of the IMF, economic blocs began to study monetary unifications, as exemplified by the creation of the Euro in 1999, the new currency of the European Common Market.

It is worth noting that the roles played by the IMF and the World Bank were strengthened in the early 1990s with the introduction of the inflation targeting regime, created in 1990 by the Reserve Bank of New Zealand and quickly adopted worldwide. This development helped establish and stabilise exchange rates for international trade and financial transactions.

Simultaneously, with the end of the USSR and the end of the Iron Curtain, the satellite countries integrated into the global economy through international trade. Meanwhile, the maturation of the Asian Tigers and Japan, with their focus on technological innovation and



productivity, established them as globally competitive players in terms of price and quality. The same occurred with the institutional changes in Chiang Kai-shek's China, which opened itself to foreign investment and sought to participate increasingly in global trade flows.

THE ACCELERATION OF GLOBAL ECONOMIC GROWTH WITH ADVANTAGES FOR COMPETITIVE EMERGING ECONOMIES

All these developments contributed to economic growth and the process of globalisation, benefiting emerging economies with low production costs by creating opportunities for them to export inputs and final goods and services at competitive prices. At the same time, cost reductions in international transactions have accelerated the expansion of national economies by expanding access for all social classes, especially in countries with medium and high GNP *per capita*, to final goods and services – both non-durable and durable consumer products and production equipment for smaller businesses with technical and managerial expertise.

These were global developments that had a positive impact on the growth of Gross World Product (GWP) during the 1990s and the first two decades of the twenty-first century, which increased nearly fivefold in absolute terms and enabled significant advances in emerging economies relative to the industrial powers of the second half of the twentieth century.

The data in Table 1, expressed in *GDP-PPP(**)*, demonstrate the gains of emerging countries among the twenty largest economies in the world – a representative sample accounting for more than 75% of Gross World Product (GWP). Among the world's twenty largest countries in terms of Gross National Product (GNP), which accounted for 76.3% of GWP during the 1990–2020 period, the GNP of emerging countries increased its share of GWP from 35.0% to 54.7% — an overtaking that has taken place since the first decade of the twenty-first century.

(*) *GDP-PPP* (Gross Domestic Product - Purchasing Power Parity) or *GWP-PPC* (Gross World Product expressed in Purchasing Power Parity). This is a highly consistent criterion for comparing the real size of countries' economies, particularly in contrast to the exchange-rate approach. PPP estimates the size of the economies of all countries as if the costs of production inputs throughout value chains, the remuneration of labour and capital, and taxes levied on production were the same as those prevailing in the United States, while retaining the US dollar as the reference currency. The use of PPP is equivalent to assuming that a given amount in US dollars has the same purchasing power as an equivalent basket of goods in any country in the world. PPP provides a more accurate picture of the true comparative sizes of countries' economies.

TABLE 1 | EVIDENCE OF THE DIFFERENTIATED GROWTH OF EMERGING COUNTRIES WITH LOW PRODUCTION COSTS, RESULTING FROM THE GLOBALIZATION OF THE 1990S

GDP PPP criterion, in US\$ trillion							
COUNTRIES	1990	COUNTRIES	2000	COUNTRIES	2010	COUNTRIES	2020
United States	5.963	United States	10.251	United States	15.049	China	25.777
Japan	2.459	China	3.742	China	12.589	United States	21.354
Germany	1.551	Japan	3.461	India	5.231	India	9.771
Russia	1.188	Germany	2.258	Japan	4.525	Japan	5.357
China	1.125	India	2.212	Germany	3.449	Germany	4.880
Italy	1.059	France	1.584	Russia	2.927	Russia	4.651
India	1.048	Brazil	1.582	Brazil	2.799	Brazil	3.360
France	1.018	United Kingdom	1.562	France	2.335	France	3.345
Brazil	997	Italia	1.546	United Kingdom	2.290	Indonesia	3.223
United Kingdom	976	Mexico	1.154	Italy	2.092	United Kingdom	3.219
Mexico	710	Indonesia	1.002	Indonesia	2.058	Italy	2.641
Canada	560	Russia	1.001	Mexico	1.808	Mexico	2.454
Indonesia	559	Canada	901	South Korea	1.573	Turkey	2.391
Spain	531	Spain	875	Spain	1.482	South Korea	2.340
Saudi Arabia	492	South Korea	871	Saudi Arabia	1.411	Spain	1.863
Turkey	460	Saudi Arabia	787	Iran	1.383	Canada	1.848
Iran	424	Iran	7313	Canada	1.364	Egypt	1.665
Ukraine	395	Turkey	609	Turkey	1269	Saudi Arabia	1.499
South Korea	358	Netherlands	508	Thailand	887	Poland	1.391
Australia	297	Australia	505	Australia	877	Australia	1.385

TOTAL	1990	2000	2010	2020
20 LARGEST	22.169	37.125	67.187	104.416
World	29.045	48.509	88.598	136.579
20 largest/ World (%)	76,3	76,5	75,8	76,5

Countries	1990	1995	2010	2020
Developed	65	63,2	49,5	45,3
Emerging	35	36,8	50,5	54,7

Source: WORD BANK World development indicators Washington: DC Annual reports 1995 to 2020.

This shift resulted from a combination of abundant labour (in China, India, Indonesia and other emerging economies with high population densities) and increased investments, at rates higher than those of developed countries, in productive structures and technological



advances, combined with low tax costs. Together, these factors provided emerging economies with an unmatched competitive advantage following the opening of global markets in the early 1990s.

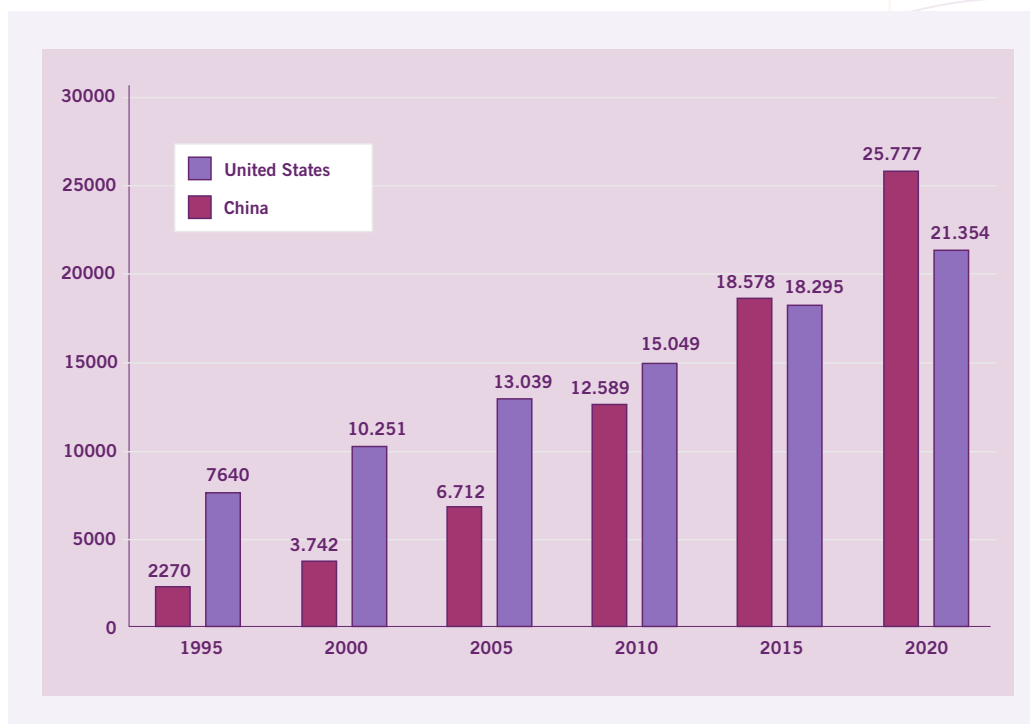
According to the conventional method for calculating GNP, the United States remains the world's largest economy, as shown by the data for the ten largest countries in the period from 1990 to 2025 presented in Table 2. However, due to the lower tax and labour remuneration costs, as well as the gains derived from economies of scale achieved through larger-scale production, China overtook the United States according to the *PPP* criterion in 2015, and has continued to make increasing gains, as demonstrated in Figure 2.

TABLE 2 | THE SUPREMACY OF THE US ECONOMY IN THE 1990S AND THE FIRST DECADES OF THE 21ST CENTURY, AS MEASURED BY THE CONVENTIONAL METHOD OF CALCULATING GNP

GDP criterion, in US\$ trillion									
Countries	1990	Countries	2000	Countries	2010	Countries	2020	Countries	2025
United States	5.963	United States	10.251	United States	15.049	United States	21.354	United States	30.762
Japan	3.186	Japan	4.968	China	6.193	China	14.996	China	19.630
Germany	1.778	Germany	1.967	Japan	5.759	Japan	5.054	Germany	5.054
France	1.258	United Kingdom	1.666	Germany	3.468	Germany	3.940	Japan	4.738
Italy	1.184	France	1.361	France	2.646	United Kingdom	2.697	United Kingdom	4.003
United Kingdom	1.093	China	1.224	United Kingdom	2.485	India	2.675	India	3.871
Canada	596	Italy	1.150	Brazil	2.209	France	2.648	France	3.348
Spain	536	Canada	745	Italy	2.145	Italy	1.907	Italy	2.562
Russia	517	Mexico	742	India	1.676	Canada	1.656	Canada	2.325
Brazil	385	Brazil	655	Canada	1.617	South Korea	1.644	South Korea	1.957

Source: WORD BANK World development indicators Washington: DC Annual reports 1995 to 2020.

FIGURE 2 | A CHINA 'S OVERTAKING – PPP CRITERIA – PURCHASING POWER PARITY.



Source: WORD BANK World development indicators Washington: DC Annual reports 1995 to 2020.

CHANGES IN THE RANKING OF THE WORLD'S 500 LARGEST COMPANIES During the second half of the twentieth century and the first decades of the twenty-first century, the United States remained not only the world's largest economy according to conventional GNP measures; its major corporations also stood out by a considerable margin, both in terms of value and number of companies, among the world's 500 largest corporations. This leadership stems from entrepreneurship — an acknowledged and highly valued characteristic of American national culture — which has been established since the country's participation in the Industrial Revolution in the nineteenth century.

The positioning of the country's corporate system is shown in Table 3.

The competitive strength of emerging economies is nevertheless noteworthy, particularly that of China and South Korea. Other emerging economies have also recorded significant increases in this ranking, reaching a number of companies close to that of advanced economies such as Great Britain, Germany and France.



TABLE 3 | CHANGES IN THE COMPOSITION, BY DEVELOPED AND EMERGING COUNTRIES, IN THE NUMBER OF THE 500 LARGEST GLOBAL CORPORATIONS

1995		2000		2005		2010	
DEVELOPED		DEVELOPED		DEVELOPED		DEVELOPED	
United States	149	United States	195	United States	174	United States	139
Japan	141	Japan	84	Japan	81	Japan	61
Germany	48	Great Britain	40	Great Britain	37	Germany	34
France	43	France	37	Germany	35	France	30
Great Britain	34	Germany	36	France	34	Great Britain	30
Switzerland	14	Canada	13	Netherlands	14	Switzerland	14
Others developed countries	51	Others developed countries	63	Others developed countries	77	Others developed countries	87
SUBTOTAL	480	SUBTOTAL	468	SUBTOTAL	452	SUBTOTAL	395
EMERGING		EMERGING		EMERGING		EMERGING	
South Korea	8	South Korea	11	China	16	China	46
China	3	China	9	South Korea	11	South Korea	10
Other emerging countries	9	Other emerging countries	12	Other emerging countries	21	Other emerging countries	49
SUBTOTAL	20	SUBTOTAL	32	SUBTOTAL	48	SUBTOTAL	105

2015		2020		2025	
DEVELOPED		DEVELOPED		DEVELOPED	
United States	127	United States	121	United States	138
Japan	53	Japan	52	Japan	38
France	31	Germany	27	Germany	30
Great Britain	29	Great Britain	22	France	24
Germany	28	Switzerland	14	Great Britain	20
Netherlands	13	Canada	13	Canada	13
Others developed	69	Others developed	63	Others developed	55
SUBTOTAL	350	SUBTOTAL	312	SUBTOTAL	318

2015		2020		2025	
EMERGING		EMERGING		EMERGING	
China	98	China	132	China	124
South Korea	17	South Korea	17	South Korea	17
Other emerging	35	Other emerging	39	Other emerging	41
SUBTOTAL	150	SUBTOTAL	188	SUBTOTAL	182

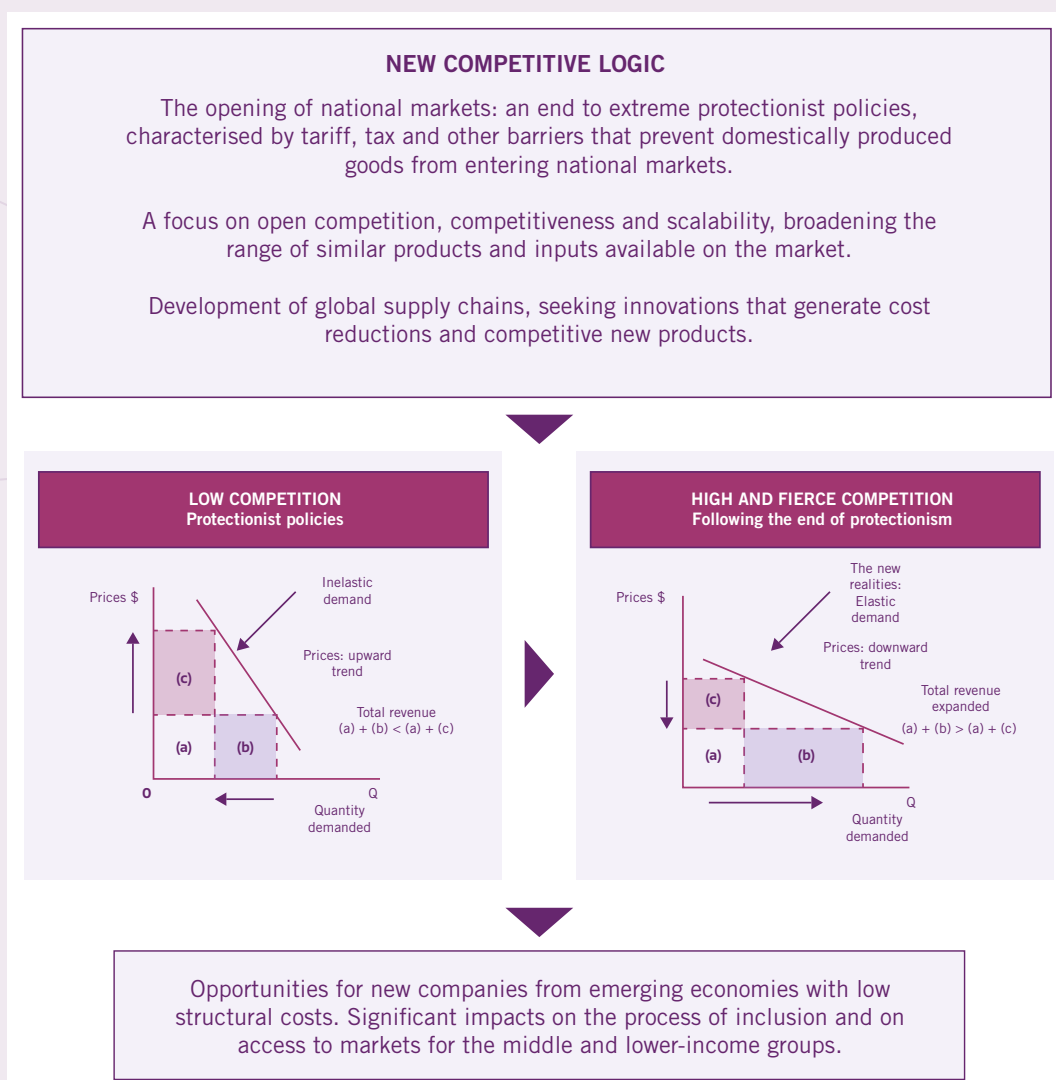
It is worth noting that the number of Chinese companies among the world's 500 largest had surpassed that of the United States in 2020 (132 compared with 121, or 9.1% more). However, the Western country regained its dominance within this group in 2025, with 138 companies compared with 124, representing 13.2% more.

DEMAND ELASTICITY AND THE END OF STAGFLATION As a result of the world competition in the 1990s, the configuration of the price elasticity of demand for inputs and products changed. This is an indicator that correlates the prices charged with quantities demanded – which move in opposite directions. It is an indicator that affects consumers' purchasing capacity and determines companies' revenues.

Figure 3 shows the causes and impacts of these changes. One of the adverse effects of low competition is the elasticity pattern of the demand function, which results in a contraction of supply and increases in consumer-market prices, generating persistent and accelerating inflationary processes. This was the case with the imposition of high tariff barriers on imports, aimed at 'protecting' companies but stifling the market, with negative impacts on the process of socio-economic inclusion.



**FIGURE 3 | ONE OF THE EFFECTS OF GLOBALISATION IN THE 1990S:
FIERCE COMPETITION RESULTING FROM THE OPENING UP OF MARKETS**



Brazil experienced this reality throughout the 1980s — a decade that came to be regarded as ‘lost’ because it recorded average GNP growth of 1.57% and ‘galloping’ inflation, with accelerating three-year averages: from 21.4% (1981–83) to 179.1% (1984–86); 1,036.1% (1987–89); 1,476.6% in 1990; and reaching 1,786.9% in 1991. The hyperinflationary spiral persisted, as prices rose by 2,489.0% in 1993 despite the introduction of three anti-inflationary plans.

In the second half of 1994, following the formulation of the Real Plan and the establishment of a new monetary standard by the Central Bank, Brazil effectively implemented inflation targeting as part of the 1994 monetary reform, following its initial

consideration in 1989, at the height of the hyperinflationary process. The hyperinflationary trend was brought under control, and annual inflation fell back to single-digit levels, creating conditions for the adoption of expansionary economic policies.

With the end of uncontrolled inflation, although economic growth remained well below the levels achieved by emerging economies, the country experienced reductions in extreme poverty, greater access by middle-income groups to final-goods markets, and an increase in imports of consumer goods. From this perspective, the process of globalisation and the end of stagflation episodes had visible effects in promoting social inclusion. Figure 4 summarises the effects of this socioeconomic transformation.

FIGURE 4 | THE INCREASED ACCESS OF ALL SOCIAL CLASSES TO THE MARKETS FOR GOODS AND SERVICES, RESULTING FROM THE END OF STAGFLATION

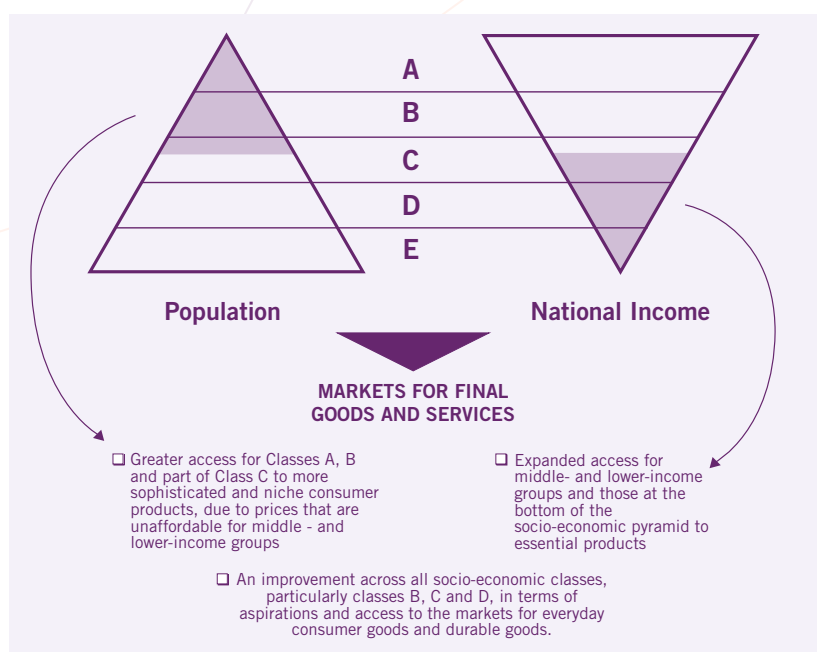
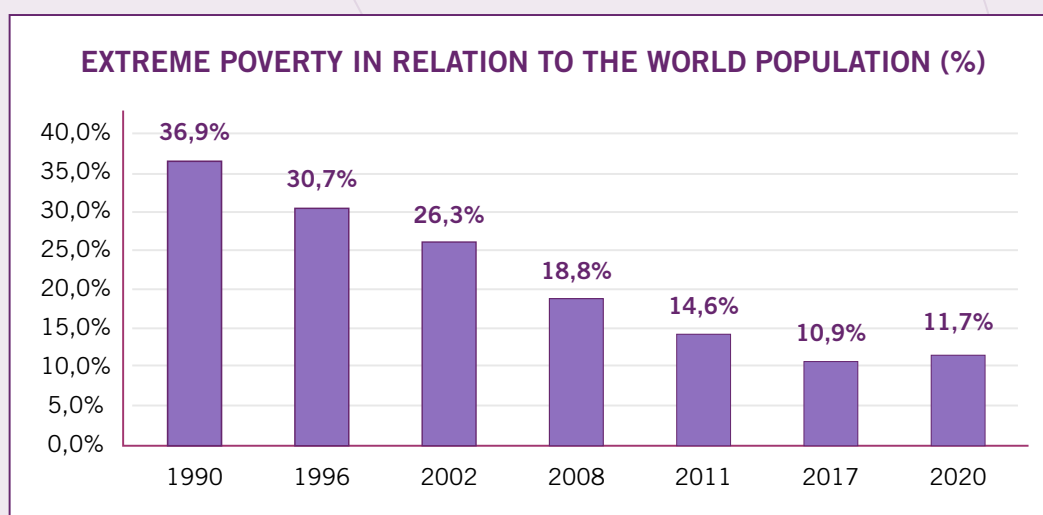


Figure 5 demonstrates the reduction in extreme poverty in relation to the world's population. It is reasonable to assume that the major transformations of the 1990s exerted a significant influence on this process. In 1990, the number of people living in extreme poverty was close to 2 billion, equivalent to 36.9% of a global population that had surpassed 5.3 billion. Over the following thirty years, the world's population reached 7.9 billion, while the number of people living in conditions of extreme poverty fell to 0.9 billion. The proportion of the global population living in extreme poverty consequently declined to 11.7%.



FIGURE 5 | REDUCTION OF EXTREME POVERTY IN THE WORLD FROM THE MEGACHANGES OF THE 1990S.

Regions	Population (in millions of people), with daily income below \$1.90 ^(a)						
	1990	1996	2002	2008	2011	2017	2020
Sub-Saharan Africa	290	359	400	403	415	398	424
South Asia	620	630	638	540	399	305	354
East Asia and Pacific	939	682	518	272	161	81	86
Latin America and the Caribbean	53	51	54	31	28	27	30
North America	42	41	35	36	27	18	22
The Middle East and North Africa	13	12	11	7	6	6	9
Europe & Central Asia	7	20	10	2	2	1	1
Total extreme poverty	1923	1754	1631	1255	1011	818	904
World Population	5327	5842	6338	6844	7012	7645	7887



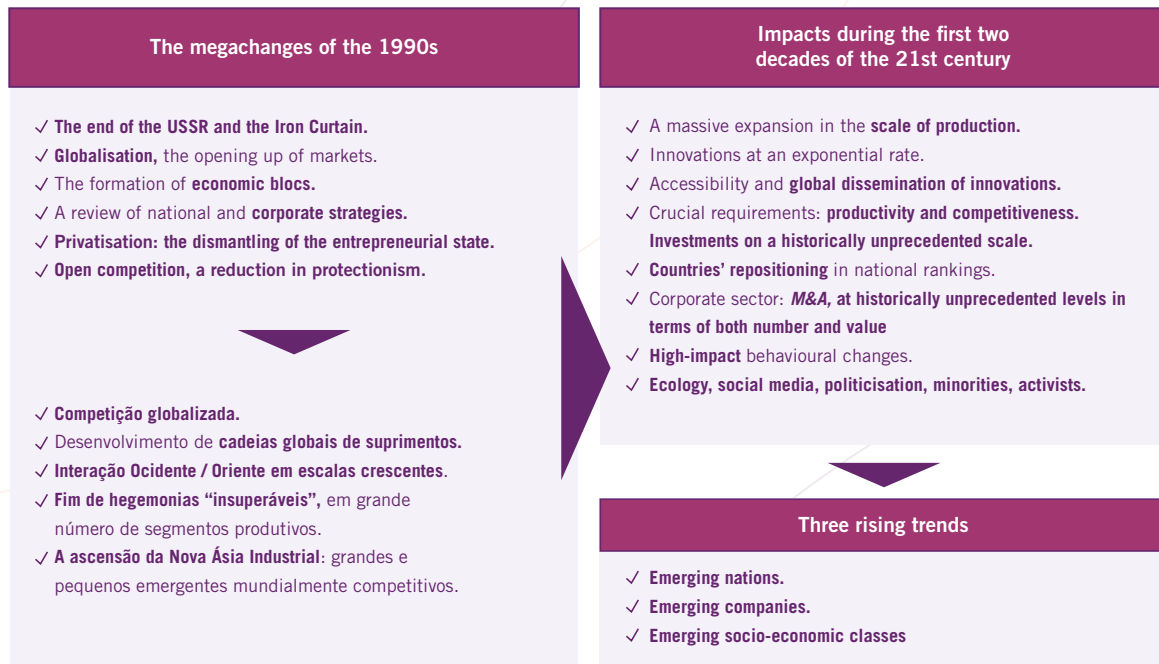
(a) The UN's criteria for defining extreme poverty were first established in 1990, setting the threshold at US\$ 1.00 per day, based on the PPP (Purchasing Power Parity) criterion. This figure was revised in 1993 to US\$1.08; in 2005, to US\$1.25; in 2017, to US\$1.90; and in 2020, to US\$2.15.

Source: World Bank. World View: Millennium Development Goals: eradicate extreme poverty. World Development Report 2025. Washington DC: World Bank, 2025.

AN OVERVIEW OF THE UNDERLYING FACTORS BEHIND THE MEGACHANGES OF THE 1990S

Table 3 summarises the three major global transformations resulting from the megachanges of the 1990s. Over three decades, the global economy experienced three upward trends: differentiated growth in emerging economies, the emergence of new large companies that entered the Fortune 500 rankings, and an upgrade across all socio-economic classes.

TABLE 3 | THE MAJOR GLOBAL TRANSFORMATIONS OF THE 1990S



Nevertheless, a significant part of these transformations, viewed from three perspectives — political-ideological concepts, the geopolitical order and the economic order — indicates that ideological tensions have created space for the resurgence of polarisation and the intensification of the dialectical divide between the left and the right. More serious still is the expansionist propensity of autocratic regimes, as evidenced by Russia's invasion of Ukraine and indications of China's renewed intentions to reclaim Taiwan.

In the geopolitical sphere, there have been reversals, such as the weakening of multilateral institutions, the paralysis of the UN Security Council and indications of reduced support for NATO. Another issue is the expansion of Russia's interference and controls in the CIS, constituted as a Commonwealth of Independent States.



In the economic sphere, the persistent growth differentials between advanced and emerging economies are noteworthy. During the 1990–2025 period, average annual growth in Gross World Product (GWP) was 3.3%, compared with 2.0% in advanced economies (United States, 2.3%; euro area, 1.7%; Japan, 1.0%). Emerging economies as a group recorded growth of 4.6% over the same period.

Another significant indication is the expansion of global trade transactions. The weighted average annual growth rate over the 1991–2025 period was 5.8% worldwide, but there was a substantial difference between the annual growth rates of emerging and advanced economies: 8.3% for emerging economies, compared with 4.5% for advanced economies, as shown in Table 4.

TABLE 4 | COMPARATIVE TRAJECTORIES: ADVANCED AND EMERGING ECONOMIES

Dimensions	COMPARATIVE TRAJECTORIES: ADVANCED AND EMERGING ECONOMIES			
	Annual variations (%)			
	"Average 1991-2000"	"Average 2001-2010"	"Average 2011-2023"	"Average 1991-2025"
❑ ROSS WORLD PRODUCT	3,1	3,7	3,1	3,3
❑ Advanced economies	2,8	1,6	1,6	2,0
✓ United States	3,3	1,5	2,1	2,3
✓ Euro Area	2,2	1,5	1,1	1,7
✓ Japan	1,3	0,9	0,6	1,0
❑ Emerging Economies	3,4	5,4	4,3	4,6
❑ WORLD TRADE	7,1	5,9	4,8	5,8
✓ Advanced economies	7,4	3,7	2,5	4,5
✓ Emerging Economies	10,2	8,7	5,9	8,3

Sources: World Development report. IMF – International Monetary Fund. World Economic Outlook

Finally, it is worth mentioning that the roots of these differences were the megatrends of the 1990s.

JOSÉ PASCHOAL ROSSETTI is an associate professor and research fellow at the Fundação Dom Cabral, specialising in the areas of the macroeconomic environment – the Impact of macro-changes on business, strategic formulation and corporate governance



leadership

Leadership and Fundação Dom Cabral over the past 50 years

BY **KENNETH C. BARDACH***

This year, Fundação Dom Cabral celebrates its 50th anniversary. Over the course of these five decades, significant and thought-provoking transformations have taken place in leadership thinking. Among them, several deserve particular attention.

First, our understanding of — and our conviction about — the purpose of organisations has shifted from shareholder value to the interests of stakeholders, then to Creating Shared Value (CSV), and, more recently, to the emergence of Benefit Corporations (B Corps) around the world, organisations built around higher purpose.

(*) **Editorial Note:** Originally submitted in English, this article was translated and editorially revised in Portuguese. For this special anniversary issue, the revised text was translated back into English, preserving the author's original content and core ideas.



NOBLE LEADERS POSSESS FOUR QUANTUM POWERS: A HIGHER PURPOSE, LIVING VALUES, THE HUMAN SPIRIT, AND AWARENESS OF ONENESS

Secondly, the contributions expected from employees have also shifted dramatically: initially, the main focus was on (a) physical labour – the hands of the workers (physical energy); subsequently, the emphasis shifted to (b) the mind of the worker (intellectual energy); and nowadays, there is a growing appreciation of (c) the heart and soul of the worker (spiritual energy).

Third, there has been a shift in the emerging reality within organisations, reflecting a similar shift in physics from Newton's view of 'the world of matter' to Einstein's view of 'the world of energy'. In the organisational context, this evolution represents a move from a predominantly materialistic logic to a more spiritual perspective. The qualities in the material world include: everything is separate; scarcity (of material goods); fear; struggle; self-focus of getting and taking; acting against others. By contrast, the qualities in the spiritual world include: interconnectedness (oneness consciousness); abundance; love; joy; and giving/service to others. This shift in the emerging organisational reality is taking place gradually and discontinuously.

A fourth transformation is the emergence of the concept of Noble Leadership, a theme explored in a book we recently co-authored entitled *Noble Leadership in the Emergent Reality: Uplifting People, Planet and Prosperity*. By definition, 'noble' refers to excellence of character, principles, ideals and moral values. Based on interviews with more than 30 leaders from around the world, we found that Noble Leaders consistently possess and demonstrate four characteristics that we refer to as the Quantum Powers: (1) Higher Purpose; (2) Lived Values; (3) Human Spirit; and (4) Oneness Consciousness. They are helping to pave the way for the new Emergent Reality, in which both character and outcomes matter.

To better understand these transformations, it is worth returning to 1976, a period

when Fundação Dom Cabral was beginning to consolidate its trajectory and when I was undergoing a significant professional transition at the Graduate School of Management at Northwestern University. At that time, I was leaving a full-time academic career in economics and finance to take on a broader role that combined teaching and leadership, as the first director of the Executive Master's Program (EMP), later renamed the Executive MBA (EMBA) Programme.

As my new responsibility was to develop, promote and implement this innovative EMP, I needed to learn quickly about the leadership development priorities of the organisations that would sponsor their executives' participation in the programme.

The United States at that time was experiencing a genuine 'tale of two cities'. On the one hand, the country was going through a period of uncertainty, self-questioning and attempts at finding new responses to increasingly complex challenges. Executives were still grappling with the effects of the Vietnam War, the aftermath of the Watergate scandal, oil shortages and sharp price increases resulting from the Arab oil embargo, as well as the stagflation and crippling inflation by the early 1980s.

At the same time, during the early 1980s, politics in key countries shifted away from the political centre towards more extremes with Reagan and Thatcher moving the U.S. and Britain respectively to the right and Mitterrand shifting France left. In the business world, several beliefs that had emerged in the post-Second World War period became firmly established: namely, that the sole purpose of business was to maximise shareholder value; the conglomerate represented the ideal organisational framework for achieving growth, profitability and value creation; that hierarchy was unquestionable; and that success meant scale in revenue, headcount and assets.

VALUE AS THE ORGANISATIONAL PURPOSE Regarding the purpose of organisations, shareholder value, as explained by the Nobel Prize-winning economist Milton Friedman of the University of Chicago and others, was widely regarded as the central purpose of business. According to this view, the sole responsibility of business is to maximise shareholder value over an appropriate time horizon. In an article published in *The New York Times*, Friedman argued that, should an organisation depart from this singular purpose, shareholders would not only have the right but also the responsibility to take legal action against its board of directors.



As Max De Pree, the long-time CEO of Herman Miller, observed, the first responsibility of a leader is to define reality. What were the defining realities of organisations during that period? Scarcity, conflict, struggle, fear and individual self-interest predominated. Years later, these concepts evolved into a new organisational perspective founded on abundance, collaboration, love, joy, service to others, and commitment to a higher purpose.

Although training and development were regarded as essential to achieving business objectives, organisations were beginning to question which knowledge and capabilities professionals really needed to develop. This shift became particularly evident in manufacturing and quality. While most Western companies focused primarily on profit and growth, Japanese organisations gained market success and a strong reputation by prioritising quality, performance and responsiveness to customers' continually evolving needs. Not only were Japanese companies outperforming their competitors in terms of quality, but it also became clear that a commitment to higher quality frequently resulted in greater efficiency and lower costs. To remain competitive, manufacturing organisations across North America and Europe began investing heavily in training programmes on statistical process control, quality circles and lean manufacturing, based on "the 14 Points" of Edward Demming.

In Brazil, during the same period, broad protectionism against capital and trade inflows and the resulting lack of international competition led to the prodigious leadership challenge of weak productivity and competitiveness. It was in this context that Emerson de Almeida, with the support of Cardinal Dom Serafim Fernandes de Araújo, founded Fundação Dom Cabral (FDC), a business school dedicated exclusively to executive education, with the purpose of making Brazilian leaders more competitive, even within a relatively closed economy. More importantly, from its inception FDC established a distinctive philosophy: 'working with the client, rather than for the client', in order to design and implement an exceptional and transformative learning experience for both individuals and organisations.

The dominant sectors of the economy during this period were manufacturing, heavy industry, telecommunications and mainframe computing. The prevailing leadership model was that of the "the internal commander-type leader", exemplified by executives such as Harold Geneen of ITT and Reginald Jones of General Electric, both strong

DURING THIS PERIOD, THE CURRENT PAY GAP BETWEEN CEOS AND EMPLOYEES EMERGED. THE RATIO, WHICH HAD STOOD AT 30 TO 1, EXCEEDED 100 TO 1

advocates of loyalty, hierarchy and internal promotion. At the same time, organisations increasingly adopted management practices that emphasised employee participation in decision-making, motivation and empowerment, teamwork and collaboration, organisational change and innovation, as well vision-driven leadership

TRANSFORMATIVE LEADERS More generally, leadership theory during this era shifted from asking, “What characteristics make someone a leader?” to “How do leaders influence, motivate and transform their followers?” The leading theories and practices during this era included: (a) contingency and situational leadership [2]; (b) leader-member exchange (LMX) theory [3] (c) transactional leadership [4], (d) transformational leadership [5], and charismatic leadership [6].

In the 1980s, a shift in corporate focus began to gain momentum, driven by the research of Professor Edward Freeman, the University of Virginia, Darden School, which culminated in his 1984 book, *Strategic Management: A Stakeholder Approach*. The central idea of the theory was that companies and their executives should not create value solely for shareholders — the exclusive focus of the ‘shareholder value’ approach — but also for all those affected by their activities, including customers, employees, suppliers and the communities in which they operate. Dr. Freeman presented Stakeholder theory at a widely attended FDC conference in Belo Horizonte, Brazil. Freeman’s work brought into focus these two sharply contrasting explanations about the purpose of business: Shareholder Value vs. Stakeholder Interests.

From an economic and geopolitical perspective, the 1980s were marked by two major developments. The first — characterised by hostile takeovers, corporate raids, junk bonds, leveraged buyouts and Wall Street’s appetite for high-risk transactions — represented the continuation of a trend that had begun in the previous decade. Corporate



restructuring, downsizing, and mergers and acquisitions (M&A) became commonplace strategic practices. It was also during this period that the now-familiar gap between CEO remuneration and employee pay began to emerge. The ratio, which had previously been approximately 30 to 1, exceeded 100 to 1 by the mid-1990s. This reality was memorably portrayed in Oliver Stone's 1987 film *Wall Street*, in which Michael Douglas plays Gordon Gekko.

The second major trend — internationalisation and globalisation — was exemplified by the liberalisation of trade and capital flows and continued into the early 21st century. In North America, the North American Free Trade Agreement (NAFTA) was drawn up in 1992 and came into force on 1 January 1994, significantly expanding economic integration between Canada, the United States and Mexico. In Europe, the European Community expanded in 1986 with to include Spain and Portugal.

In China, international trade expanded rapidly as part of a broader strategy of reform and opening, driven by Deng Xiaoping's emphasis on economic liberalisation. In the early 1980s, the country signed several regional trade agreements, was granted observer status in the General Agreement on Tariffs and Trade (GATT) and from 1986 onwards, it began working towards joining the World Trade Organisation (WTO) as a founding member

In South America, Mercosur was established in 1991 by the Treaty of Asunción, based on the Act of Buenos Aires, which established a free trade area between its four signatories: Brazil, Argentina, Paraguay and Uruguay.

In the early 1990s, Brazil was facing serious economic challenges. Hyperinflation, fiscal instability and structural stagnation were undermining the business environment. In 1993, inflation exceeded 2,500 per cent a year. In response, the Real Plan was implemented, led by Fernando Henrique Cardoso, then Minister of Finance. The programme introduced a new currency — the real — alongside fiscal consolidation measures. By 1995, inflation had fallen to around 2.5 per cent a year.

Trade policy reform in Brazil during the 1990s eliminated many protectionist measures, reduced tariffs and opened markets to the cross-border flow of goods and services. These policies led to a significant increase in foreign direct investment inflows and competition from large non-Brazilian multinational companies.

Major organisations based in Brazil realised that years of inefficiency and low

LEADERSHIP THEORY EVOLVED FROM A MODEL CENTRED ON CONTROLLING EMPLOYEES TO ONE ORIENTED (...) TOWARDS EMPOWERING INDIVIDUALS

productivity had made them less competitive compared with emerging international companies. In response, a group of these leading Brazilian companies, all members of the FDC's CTE, approached Emerson de Almeida to request that the FDC provide high-quality executive training in international business. As the FDC lacked the internal resources to meet these needs, Emerson formed strategic alliances in 1992 and 1993 with INSEAD and the Kellogg School of Management, respectively, thereby enabling the FDC's domestic clients to gain access to first-class academic resources. Can you imagine the dean of a little-known business school in Brazil convincing two of the world's leading business schools to enter into partnerships that continue to this day?

That is true leadership. Many other partnerships followed between FDC and other international business schools around the world.

TEORIAS DE LIDERANÇA As The main leadership theories of this period continued to be transactional, transformational and charismatic leadership, complemented by perspectives centred on organisational culture and symbolic leadership, cognitive leadership, and developmental leadership. Leaders were viewed not only as managers but also as architects of organisational purpose and identity. Within this context, leadership practices encompassed value creation, employee empowerment, team-based leadership, and leadership focused on organisational transformation.

By the end of the twentieth century, leadership theory had evolved from a model centred on the management and control of employees to one focused on transformation, inspiration, individual development, and empowerment.

The end of the twentieth century and the beginning of the twenty-first century were marked by intense economic and geopolitical volatility, the effects of which rapidly spread across the globe. From an economic perspective, the defining phenomenon was



the dot-com boom, which inflated the prices of technology companies — many of them start-ups — followed by a sudden and unexpected market correction. The collapse of the dot-com market, together with a series of high-profile corporate scandals, led to stronger corporate governance and the implementation of significant regulatory reforms, most notably the Sarbanes–Oxley Act. Among the most prominent scandals were the collapse of Enron (2001) and that of its auditor, Arthur Andersen; the Tyco International scandal (2002–2005); and the WorldCom accounting scandal (2002).

Another defining event was the housing market bubble in Hong Kong, where rapidly escalating property values, followed by a sharp market correction, contributed to heightened instability across international financial markets.

On the geopolitical front, the world was profoundly affected by the terrorist attacks on the World Trade Center in New York, Desert Storm Operation in Kuwait, and, subsequently, the wars in Afghanistan and Iraq.

On the positive side, for the first time, the software industry became the most valuable sector of the global economy. Investors recognised that digital products could be scaled worldwide with exceptionally low marginal costs.

In Brazil, the economic stability established with the Real Plan in 1994 was maintained throughout much of President Fernando Henrique Cardoso's second term, which ended in December 2002. In 2003, Luiz Inácio Lula da Silva assumed the Presidency of the Republic.

Lula's administration, from 2003 to 2010, was characterised by sustained economic growth, falling unemployment, and a significant reduction in poverty, driven by social programmes such as Bolsa Família, Fome Zero, and Alimento no Prato. Lula also strengthened Brazil's role in international affairs and promoted cooperation among emerging economies through the BRICS grouping.

At the same time, his administration faced significant criticism and challenges, including the Mensalão scandal, which involved allegations that legislators had been paid in exchange for political support, as well as corruption controversies involving Lula's Workers' Party (PT). In subsequent years, the Operation Lava Jato investigation emerged as one of the country's largest anti-corruption probes. Critics also argued that tax, pension, and political reforms remained incomplete and insufficient. Finally, a growing number of senior executives were investigated or arrested in connection with corruption cases.

In this context, at the beginning of 2016, Fundação Dom Cabral concluded that its Executive MBA programme needed to strengthen its alignment with the School's institutional mission: to develop leaders capable of making better, more responsible, and more ethical decisions that generate a positive impact on society. Throughout that year, FDC undertook a comprehensive curriculum redesign, helping participants to develop a deeper understanding of how their decisions affect not only their organisations but society as a whole. Ethical decision-making became a central pillar of the programme's educational philosophy.

This period marked a shift away from traditional leader-centred approaches towards a view of leadership as a relational, ethical, and organisational process. Building on earlier models of transformational leadership, scholars introduced new perspectives that emphasised authentic leadership, servant leadership, emotional intelligence, complexity leadership, shared leadership, charismatic leadership, the VUCA model, agile leadership, and purpose-driven leadership.

A third major shift to explain the purpose of business emerged in 2011 with the publication of the Harvard Business Review article Creating Shared Value (CSV). CSV argues that companies can generate economic value while simultaneously creating social value. This perspective shifted the debate away from the traditional view that addressing social problems is solely the responsibility of governments towards one that recognises businesses as playing a fundamental role in developing solutions to these challenges.

SHARED VALUE The emergence of the Creating Shared Value (CSV) coincided with a period in which part of the international political landscape began to emphasise messages of hope, inclusion, and prosperity, despite the severe financial crisis of 2008 and a number of military conflicts. More specifically, there was a political resurgence of the ideals of hope, prosperity, inclusion, and justice, championed by Obama (“Yes we can”) in the United States, Lula in Brazil, and Tony Blair in Great Britain.

It was also during this period that so-called Benefit Corporations began to emerge, a business model formally established from 2007 onwards. These organisations began to state in their own corporate charters a purpose that extended beyond generating financial returns for shareholders. In most cases, this purpose is associated with “promoting



sustainable prosperity, social inclusion, and the creation of benefits for society as a whole”.

Throughout its history, Fundação Dom Cabral has remained at the forefront by assuming responsibility and helping its clients understand their role to address social challenges and harness social opportunities and, ultimately, to “contribute to the sustainable development and prosperity of society”.

This vision took on a new dimension with the creation of the “Imagine Brasil” programme, built around a fundamental question: “What can Brazil do today to stop being ‘the country of the future’ and become ‘the country of the present’?” The platform was structured around four pillars: prosperity, social inclusion, the environment and sustainability, and governance.

At the same time, FDC worked tirelessly to put into practice the principles it taught, treating all stakeholders with care, dignity, and respect, while also achieving a prominent position in the *Financial Times* rankings for executive education — consistently ranked among the world’s top ten and first in Latin America and Brazil. FDC also developed programmes to help entrepreneurs at the bottom of the pyramid through the Pra>Frente programme, while supporting talented young people from disadvantaged backgrounds through scholarships and internships at the institution.

For many years, these social initiatives were funded by the surpluses generated by Fundação Dom Cabral’s own operations. However, Emerson de Almeida recognised that programmes of this nature required a permanent source of funding independent of the institution’s financial results to ensure their long-term continuity. Thus, in 2020, amid the Covid-19 crisis, Emerson established the Dom Serafim Social Centre, with its own governing board and independent funding sources, to ensure that FDC can — and indeed will — play a fundamental role in promoting social prosperity, inclusion, and sustainability.

Around 2015, the global geopolitical landscape underwent another dramatic transformation, marked by the rise of autocratic regimes, ostensibly as a means of addressing the complex challenges of immigration and the loss of middle-class jobs — particularly in manufacturing — to developing countries with lower labour costs.

In addition to long-standing authoritarian leaders such as Vladimir Putin (Russia), Xi Jinping (China), Kim Jong Un (North Korea), and Recep Tayyip Erdoğan (Turkey), new

THE FIRST 50 YEARS WERE AN EXTRAORDINARY JOURNEY FOR FDC. WE WISH THE FOUNDATION CONTINUED SUCCESS AS IT EMBARKS ON ITS SECOND 50-YEAR CHAPTER

autocratic leaders emerged in the United States (Donald Trump), Brazil (Jair Bolsonaro), and Hungary (Viktor Orbán). Two of these leaders have since been removed from office (Bolsonaro and Orbán), while Trump has recorded exceptionally low levels of popularity in opinion polls. It remains unclear how this trend will evolve.

GEOPOLITICAL UNCERTAINTY We are currently living through a period of intense economic and geopolitical uncertainty. International alliances that have been established over decades are increasingly being called into question, while artificial intelligence (AI) is emerging as a potentially game-changing factor, for better or for worse. To operate successfully in this new environment, leaders must now engage effectively with experts in their respective fields, including both people and AI-powered systems.

Under the leadership of Chief Executive Officer Antônio Batista, Fundação Dom Cabral remains committed to contributing to a more sustainable, inclusive, and prosperous society, inspiring individuals and organisations through executive education and knowledge production. The Foundation continues to rank among the world's top ten business schools for executive education, and first in South America and Brazil.

FDC's first 50 years have been an extraordinary journey. We wish the Foundation continued success as it embarks on its second 50-year chapter dedicated to excellence in executive education. Leadership styles will continue to evolve. The institution's continued success will depend on its ability to remain true to the values that define its identity and to translate them authentically into everything it does.



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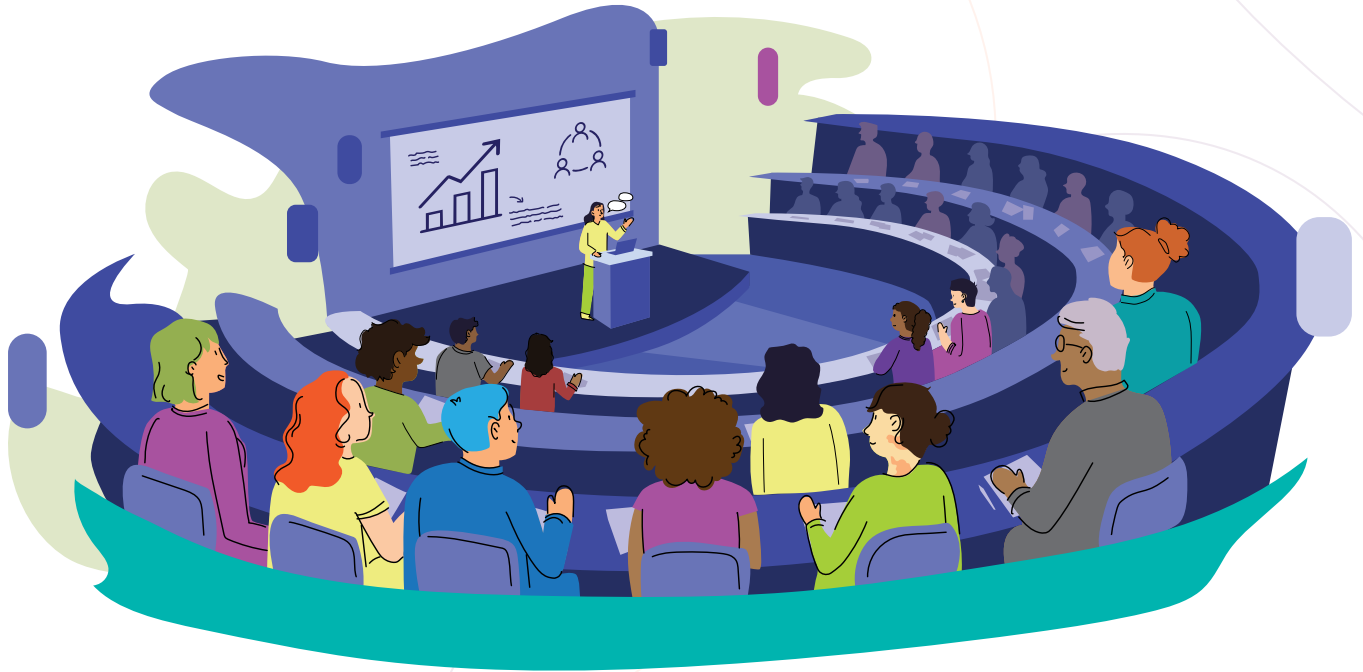
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KENNETH C. BARDACH is an Associate Professor at Fundação Dom Cabral in the areas of International Business and Leadership. He has served as Director of Executive Programs at several business schools in the United States (USA).



strategy

The entrepreneurial revolution in universities

BY **GEORGES BLANC***

The university, through its research work and that of its graduates, is at the root of most of the development of societies and the transformations taking place in the world. However, it faces considerable difficulties faced with a future that is increasingly VUCA (Volatile, Uncertain, Complex, and Ambiguous), to:

- insert graduates into the workforce who are appropriate for current needs, and able to adapt to future needs;
- help workers, regardless of their function or age, to develop the skills that have become indispensable for the present and the future;

(*) **Editorial Note:** Originally submitted in English, this article was translated and editorially revised in Portuguese. For this special anniversary issue, the revised text was translated back into English, preserving the author's original content and core ideas.



- meet the multiple, immediate needs of its environment in the terms of applied research and technological and social innovations.

The problem is especially serious for most Brazilian universities: both public universities which lack funds, as well as private ones where quality is generally inadequate. This is also the case throughout Latin America and, in a broader way, in all the so-called “countries of the South.”

This does not refer simply to filling a few gaps, to adapting to the most urgent needs, but rather, as experts in innovation would say, of “*crossing the chasm*”, to use C. Christensen’s (Crossing the Chasm) expression. This results from both an endemic lack of human and financial resources, as well as, perhaps even more so, from deeply rooted organizational and cultural traditions.

Some institutions around the world were created to respond directly to these needs, like the Polytechnic Institutes in Italy or the Technological Institutes in India, or even the National Conservatory of Arts and Careers (*Conservatoire National des Arts et Métiers*, CNAM) in France which was founded in... 1794! Others, for example, in the United States, like Caltech or MIT, have always combined basic and applied research in partnership with companies.

The proliferation of university innovation projects, since the beginning of this century, shows that many “traditional” universities, at the cost of significant effort, have managed or are managing to make the necessary changes to align themselves more closely with the needs of their environment. Thus, they are proving the viability of this fundamental mission of contributing directly to society.

However, most universities around the world are, consciously or unconsciously, on the brink of the “chasm” of disruptive innovations to be implemented both in education (bringing students closer to the workforce, retraining different generations of the skilled working population), as well as in research (developing innovation projects, applied and action research, in partnership with companies and other organizations). The risk is seeing their legitimacy challenged by society.

In the present article, we outline some proposals with the hope of contributing to this evolution of the universities in a useful way. We will analyse:

- 1 - What concepts, methods and tools are available for diagnosing needs, proposing new strategies, and implementing necessary changes?
- 2 - How do we build and operate new missions, synergistically?

3 - What skills are to be developed, and how are changes to be managed?

In conclusion, our proposal is to change the model of the traditional institutional to that of the entrepreneurial university.

1 – THE CONCEPTS, METHODS AND TOOLS

To reflect on the development of an organization like a university, action philosophers such as E. Morin, clinical sociology practitioners such as G. Herreros, or action researchers such as P. Reason and H. Bradbury have recommended “conceptual nomadism”. That is, using any type of scientific tool at our disposal, according to our needs and opportunities. Specifically, we will need to:

- develop scenarios of possible futures;
- identify and develop dynamic skills in the institutions;
- adopt a strategic approach that combines both “top-down” planning as well as “bottom-up” emerging processes;
- promote technological, economic, and social innovations;
- develop and manage action projects and “business models”;
- identify and encourage leaders who lead projects;
- manage the changes;
 - of objectives and priorities;
 - of structures, processes, and leadership;
 - of elements of information systems;
 - of routines and behaviours;
 - of the institutional culture.
- establish a capacity for resilient transformation throughout the institution.

2 – BUILD AND OPERATE NEW MISSIONS

The university has two fundamental missions, teaching and research, and it must maintain its focus on them. Any new activity, like continuing education or innovation, must be integrated, directly or indirectly, into one or the other of these two basic missions (which, in turn, it is worth noting, must also be integrated with each other). To do this, it is necessary:

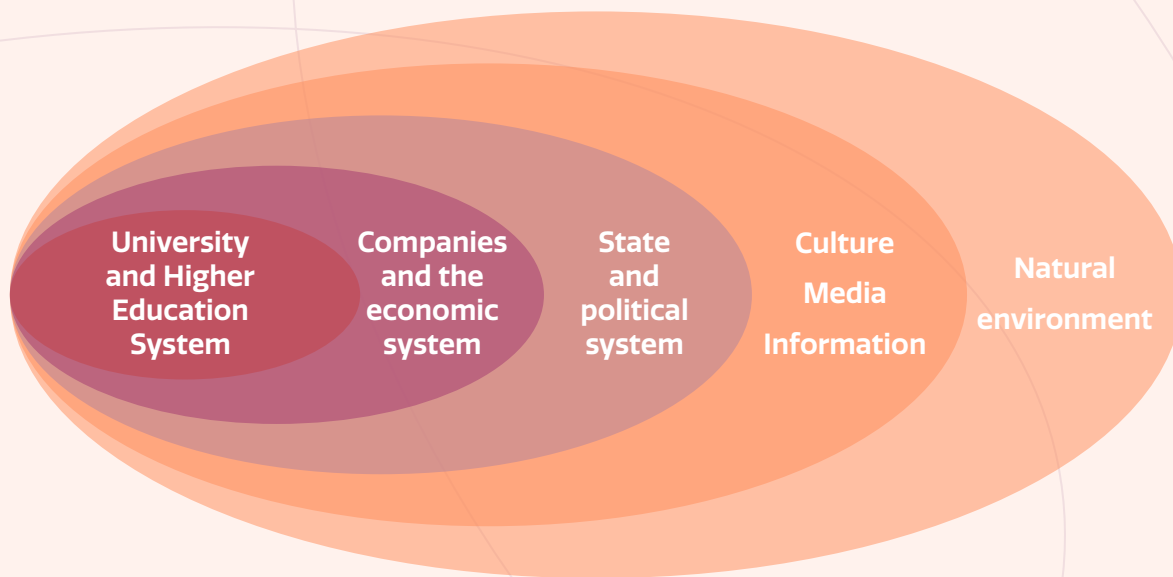
- on the one hand, to take advantage of the knowledge and skills developed through the two fundamental missions;



- on the other hand, to enrich, consolidate, and expand one or the other of these missions, or even both at the same time.

In our opinion, universities around the world, with few exceptions, do not develop sufficiently (and sometimes do not even engage in!) either continuing education or applied research and innovation in all its forms. On the other hand, these are activities that some authors consider to be the third and fourth indispensable missions (Etzkovitz, 2000). Finally, others conceive of the university ecosystem as a “quintuple helix” (Carayannis, 2012).

THE “QUINTUPLE HELIX”



Considering the scope of the present article, we will focus our attention on continuing education and innovation, through partnerships, without going into the multiple variations and combinations of these two activities. We will also set aside all the other services that a university might provide to its surrounding community, without denying their importance.

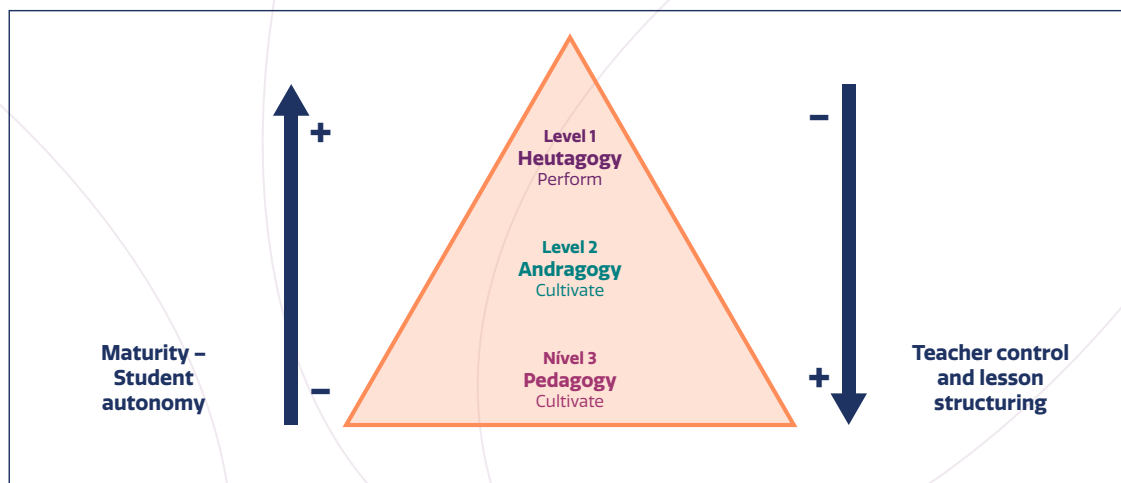
CONTINUING EDUCATION This type of training accounts for a negligible portion of university activities, worldwide. We consider this a true scandal, in light of the enormous need for renewing skills caused by the speed of technological and social changes in all fields! This can be analysed from two approaches: *lifelong learning*, which is essential for every individual, regardless of age, to adapt to new skills; and, *organizational training*,

which should help people adapt to the incessant changes and the new demands of their environment.

The traditional “night class in an auditorium” falls far from meeting the needs of “lifelong learning”. The instructional strategy must be based on the knowledge and skills of the participants, and respond directly to their needs and expectations. Blaschke (2012) proposes representing the learning process as a three-level pyramid:

- **Pedagogy**, in its traditional form, wherein the teacher is responsible for the learning processes and the students “suffer” the education;
- **Andragogy**, in which the students, now experienced adults and more aware of their needs, can intervene in directing the learning processes, which remain primarily the responsibility of the teacher;
- **Heutagogy**, which presumes a high degree of student maturity, allowing them to take complete direction of their educational processes. As Blaschke put it, “*What, When, How, and At what pace*”. It is worth remembering that the autonomy of the student has already been championed by great historical educators, like Dewey, Freire, and Lovett.

BLASCHKE'S PYRAMID (2012)



Although Blaschke acknowledges that heutagogy still needs to be developed broadly, and that universities are quite far from this, the pyramid highlights the relationship between the maturity of a person and the structure of the training measures that are needed. At one extreme, close monitoring and, for example, a highly structured system of microcredits would



be necessary. At the other extreme, a wide variety of options and a good information system would be more appropriate.

The goal of “promoting opportunities for lifelong learning to all”, according to Goal 4 of the *Sustainable Development Goals (SDGs)* (2005) and the recommendations from UNESCO (2022), presents a challenge for universities, which must strive simultaneously to:

- attract and retain all individuals over the long term, working with them;
- guarantee easy and continuous access to every course;
- develop specifically adapted teaching methods;
- conduct ongoing updates;
- take advantage of the most recent technological resources available.

Nowadays, the conventional response to this challenge is to create systems of practical microcredits to be fulfilled and that can be accumulated to earn certificates and later, or eventually, formal diplomas.

On the other hand, it is essential that universities establish continuing education partnerships in the form of collaborative projects with various organizations in their local areas (companies, government agencies, associations). They must constantly question the processes and technologies they use, the services they provide, and the clients and other beneficiaries they serve. Therefore, the main requirements are to:

- seek out funding for market research and marketing;
- promote the listening and diagnostic skills of the teachers;
- implement an instructional strategy adapted not only to individual experiences but also to the collective experience of the group and, additionally, to the experience of the entire organization;
- become a highly entrepreneurial university organization based on project coordinators and on a solid system of follow-up and evaluation. For example, like the *Fundação Dom Cabral* has been doing successfully for 50 years.

In light of these demands, both for lifelong learning and for organizational training, many professors and institutions of higher education back away, claiming that “this is not part of their job”! However, they both forget that:

- in certain areas, such institutions are the only ones able to act as a vehicle for developing local skills;
- these activities would permit the development internally of individual and

institutional skills, that could bring considerable benefits to the more traditional activities of the university;

- ultimately, both the resilience and the legitimacy of the institution would be reinforced by the dynamics of the university ecosystem.

INNOVATION M. Gibbons and others already argued, in the 1994 book “The New Production of Knowledge...” (Sage Ed.), that the production of knowledge tends to evolve from Mode 1 toward Mode 2. Mode 1, also called Positive Research, is based on the classical rules of scientific research as articulated, for example, by M. Weber that, “The separation between the researcher and the object of study is indispensable for research to be valid”, which constitute the dominant academic practice.

This, in turn, corresponds to innovation, to applied research or action research, which are mostly triggered and guided by a specific demand from the environment. It is worth highlighting that university research worldwide is dominated by Mode 1. The results of this mode, unlike those of Mode 2, are peer-reviewed and published in specialized journals, which facilitates career advancement.

We recommend, therefore, that the university also develop research in Mode 2, in its various forms, with the following objectives:

- create value directly for your local area (companies, government agencies, nonprofit organizations, associations) by meeting scientific, technological, economic, and social needs;
- understand better the economic and social environment and the labour market, thus bringing student training closer to their current and future needs, including all types of instructional programs: general, discipline-specific, or professional;
- develop and disseminate practical applications that make use of scientific advances, whether in the exact or social sciences, locally.

At the end of 2025, the president of Harvard claimed, in his greetings for 2026:

- *We seek to accelerate **both** basic research **as well** as the translation of discoveries into solutions.*

In this way, he showed that he gave as much importance to Mode 1 as to Mode 2! However, although most universities around the world do not have the human and financial resources to model themselves after Harvard or Oxford (or now Tsing Hua!), they are, on the



other hand, perfectly able to develop innovation projects, whether technological or social, with nearby partners.

We have also seen numerous projects of this type in Brazil (and in the rest of the world). The variety of university departments generates an extremely varied range of initiatives which go, for example, from concrete applications of physics or chemistry in partnerships between Petrobras and several large federal universities, to innovative projects to assist disadvantaged groups, such as at most Pontifical Catholic Universities (Pontifícias Universidades Católicas, PUCs).

However, the needs are enormous, especially in areas like new technologies (digital, biological, energy, etc.), ecology, health, education, and social justice, among others. And now, with artificial intelligence, many universities could (or should) do much more!

Herein, the question arises: What limits these developments, both in Brazil as well as in many institutions of higher education, around the world? Let us see:

Nesse contexto, surge a indagação: O que limita esses desenvolvimentos, tanto no Brasil quanto em muitas instituições de ensino superior ao redor do mundo? Vejamos:

- in the first place, the numerous profit-driven, private universities rarely seek to invest in these activities because they would see no financial return in them.
- university culture, regardless of the status of the institution (public, community-based,
 - frequently, professors choose to follow a career as a teacher-researcher, because they value “academic freedom” and refuse the restrictions and risks of a contract for a specific project;
 - a contribution to an innovation or action-research project, unlike Mode 1 research, is rarely recognized as an element of career advancement and frequently arises as a “distraction” in interviews;
 - university rankings, as pointed out to us by several university directors, ignore totally the development of knowledge in Mode 2, as well as all activities outside the universe of Mode 1 research and the undergraduate, master’s, and doctoral programs;
- organizations in the sector, whether private, public or associative, do not always turn spontaneously to the university, which presents an image of little interest in concrete action.

3 –THE ENTREPRENEURIAL REVOLUTION

Another issue needs to be approached: how to launch and develop continuing education activities and innovation projects in partnership with the populations and organizations within the regional or national area? Both the literature cited above, as well as actual practice, take three axes and their interactions into account:

- **Strategy:** must be communicated clearly from the top-down, starting with the university leadership such as the rector and one or more faculty deans or heads of major units. Simultaneously, it must result in proposals from the bottom-up, developed by teams of duly motivated faculty-researchers (emergent processes, recommended, for example, by R. Whittington in “*Strategy as practice*”;
- **Organization:** requires three essential elements be implemented:
 - structured projects, having a recognized leader, a competent team, precise objectives, and allocated resources;
 - responsibility centres (colleges, laboratories, institutes) that coordinate, support, and evaluate these projects of continuing training or innovation;
 - flexible processes of decision-making and of functioning, without bureaucratic or hierarchical obstacles.
- **Culture:** must become progressively “entrepreneurial,” as already defined in 1998 by B. Clark or, currently in Brazil, by A. Gazzola. This involves an enormous effort to raise awareness and provide methodological and practical training for university leadership teams. They must include deans and heads of units; full-time professor-researchers and faculty from all other categories; heads of support units; and, ultimately, all university staff as well as a number of key stakeholders from the surrounding area.

Experience has shown us that implementing this was not simple. Yet, it was perfectly feasible if we took an incremental (project-by-project) and opportunistic approach, relying on volunteers at the time, most of them motivated by a specific situation or external demand.

In the first place, however, any change requires implementation of a capacity for resilient transformation within the university structure that results from very specific characteristics of structure, processes, systems (especially information systems), behaviours, and values. We have demonstrated this in our work at a think tank in France (Le Cercle, 2024).

In addition, especially within the sphere of university culture, immersed in “academic



freedom” but also affected by multiple budgetary constraints, there is a tendency to see any organizational change as “an encroachment of capitalism upon a sacred space”, in the words of one interviewee.

Fortunately, there are worldwide, successful initiatives, including within Brazil itself, led by recognized academics, that can facilitate these change processes. They also require the implementation of different specific support structures, either within the institution itself or in its periphery, including:

- pedagogical teams able to design methods and systems adapted to the experience and restrictions of lifelong learners, companies and other social organizations, as well as to integrate new technologies (software, teleworking, artificial intelligence);
- environmental scanning, public relations, and marketing teams to analyse, energize, and manage all external interactions;
- legal experts to develop and oversee partnership contracts and, particularly, to monitor industrial property issues that innovation projects may provoke;
- managers, for example, brought together in a Project Management Office (PMO) to assist in the development, monitoring, and evaluation of projects.

However, above all, within the boundaries of the university, it is essential today to implement:

- **a science or technology park** that welcomes companies and other outside organizations, and enables applied research conducted by academics;
- **a business incubator** that allows faculty-researchers and students to take innovations to market through startups.

CONCLUSION: IN PURSUIT OF INCLUSIVE EXCELLENCE In conclusion, we are launching an appeal for an entrepreneurial revolution in most of the universities throughout the world, particularly in the numerous institutions that can neither claim “scientific excellence” across all their colleges as measured by various global rankings, nor struggle to become a *World-Class University* as defined by the World Bank.

We are appealing to another type of excellence. We appeal to one that does not exclude scientific rigor, quite to the contrary, but to one that mobilizes to create value, in the broadest sense of the term, for the society around it, at the same time that it benefits from that society for its own development.

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GEORGES BLANC has been a visiting professor at Fundação Dom Cabral (FDC), in the fields of Strategy and Business Management, since 1976.



Illustration Ideia Clara - Taoly Dandara

people

Twenty years of leadership: what has changed, what we have learnt, and what we continue to overlook

BY **PEDRO MANDELLI***

Over more than four decades of working with business leaders, boards of directors, chief executives and executive teams, I have had the privilege of witnessing profound transformations in the business world. Some have been technological, others economic and many cultural. Few areas, however, have undergone a transformation as significant as leadership.

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.

When we launched our first executive development programmes focused on leadership, the business environment was quite different. The competitive environment already demanded results, of course, but it still operated according to a more predictable logical framework. Planning cycles were longer, organisational structures were more hierarchical, and the pace of change was considerably slower. Leaders were predominantly seen as individuals capable of coordinating resources, ensuring execution and making sure targets were met.

Leadership was important, but it had not yet assumed the strategic role it occupies today.

Over the past two decades, this situation has changed profoundly. Leadership has become an increasingly prominent item on the agendas of boards of directors, chief executives and human resources. This shift has not been driven solely by a more sophisticated understanding of leadership. Above all, it reflects the empirical recognition that virtually every major organisational challenge has a human dimension that cannot be ignored.

Digital transformations rarely fail because of the technology adopted. More often they falter because of people's difficulty in letting go of established behaviours. Mergers and acquisitions fail to generate value not because of financial issues, but because of an inability to integrate different organisational cultures. Carefully crafted strategies rarely fail because of flaws in their analytical models; they falter because organisations struggle to rally people behind a shared vision. Over the years, it has become increasingly clear that systems, processes, organisational structures and technologies are essential, but not sufficient. The decisive factor remains the human capacity to build trust, collaborate, learn and act collectively.

Perhaps this has been the most significant lesson organisations have learned over the past two decades: results are driven by people long before they are enabled by processes.

This realisation has prompted substantial investment in leadership development. Organisations have established corporate universities, expanded executive development programmes, adopted assessment tools, introduced 360-degree feedback, strengthened coaching and mentoring initiatives, and devoted unprecedented attention to developing their leaders.

At the same time, our understanding of human behaviour advanced at an extraordinary pace. Neuroscience deepened our understanding of learning, decision-making, attention and behavioural change. Positive psychology provided robust evidence of the relationship between emotions, performance and wellbeing. Research into organisational culture, employee



engagement and psychological safety has demonstrated with increasing consistency that sustainable performance depends on the quality of the human relationships cultivated within organisations.

DELIVERING RESULTS In the process, we learned something that seems obvious today, but was not always widely understood. Leadership is not simply about managing resources or coordinating activities. It is about influencing behaviour, mobilising collective energy and creating the conditions in which people can achieve results they would rarely accomplish on their own.

This shift in perspective fundamentally changed the way we understand the role of the leader.

For much of the last century, formal authority accounted for a significant share of a leader's influence. The position itself carried inherent authority. Hierarchy determined how decisions were made. Knowledge was concentrated in the hands of a small number of people. In many organisations, holding a senior position was sufficient to secure alignment and execution.

Today, the situation is different. Organisations have become flatter, knowledge is now widely distributed, and teams have become significantly more skilled. In this context, formal authority has lost some of its ability to mobilise people. Not because it is no longer important, but because, on its own, it is no longer enough.

People still respect positions, but they commit to leaders.

They commit when they see consistency between words and actions. When they recognise genuine competence. When they find openness to dialogue. When they experience respect, trust and clarity of purpose.

This transformation shifted the centre of leadership from authority to influence. And influencing people is far more complex than simply exercising formal authority.

For this reason, self-awareness has become a central pillar of executive development programmes. Organisations gradually came to recognise that leadership begins with the ability to understand oneself. It is difficult to develop others without first understanding our own behavioural patterns. It is difficult to inspire trust if we fail to recognise our own biases. And it is difficult to lead change if we are unwilling to question our own assumptions.

In this respect, one of the most important developments of the past two decades has been the recognition that leadership and self-leadership are inseparable dimensions.

Yet, despite all these advances, a paradox has begun to emerge.

Never have we invested so much in leadership. Never have we generated so much knowledge about leadership. Never have we had access to such a wealth of methodologies, research, tools and expertise. And yet, we continue to face many of the same challenges that organisations were grappling with decades ago.

Global employee engagement research continues to show that the relationship with an employee's immediate manager remains one of the strongest influences on job satisfaction, performance and retention. Factors such as trust, communication, people development and leadership quality consistently rank among employees' foremost concerns.

This compels us to recognise an important distinction: our knowledge has advanced remarkably, but behavioural change has progressed far more slowly.

We have learned to talk about leadership with remarkable sophistication. We have embraced concepts such as emotional intelligence, psychological safety, diversity, collaboration, purpose and human development. Yet, in many organisational settings, we still struggle to translate these concepts into consistent practice.

Throughout my career, I have seen countless organisations invest significant resources in development programmes whilst maintaining systems that reinforced behaviours directly at odds with what was being taught. Collaboration was encouraged, yet internal competition was rewarded. Innovation was encouraged, yet failure was penalised. Individual initiative was promoted, yet overly centralised structures remained firmly in place. People development was advocated, yet leaders continued to be evaluated almost exclusively against short-term performance indicators.

The transformation of leadership has never been a question of knowledge. At its core, it has always been a challenge of consistency.

Another phenomenon that has profoundly shaped the past two decades has been the rise in complexity of the business environment. Organisations now operate in contexts that are more dynamic, more interconnected and significantly less predictable. The speed at which information travels has reshaped expectations, shortened decision-making cycles and reduced the time available for adaptation.

In this environment, many organisations have discovered that the very mechanisms designed to ensure efficiency can also lead to delay.



THE SPEED OF INFORMATION HAS CHANGED EXPECTATIONS, SHORTENED DECISION-MAKING CYCLES AND REDUCED THE TIME AVAILABLE FOR ADAPTATION

BUILDING AUTONOMY Andy Jassy, CEO of Amazon, recently stated that speed is a leadership decision. Whilst the observation seems simple, it reflects a significant shift in how we understand the role of leaders. For a long time, organisational growth was associated with creating more processes, more controls and more hierarchical levels. As complexity increased, it became clear that excessive bureaucracy can undermine organisations' ability to adapt. Speed has therefore become less about exerting pressure on teams, and more about leadership's capacity to foster autonomy, accountability, and clarity of direction. This discussion becomes even more relevant when considering the social changes impacting the workplace. In recent years, issues such as mental health, well-being, and the quality of interpersonal relationships have moved from peripheral concerns to become central concerns for organisations.

The figures speak for themselves. The rise in sick leave associated with emotional health disorders has drawn the attention of businesses and governments across various countries. At the same time, researchers such as Jan-Emmanuel De Neve have demonstrated that well-being and performance are not conflicting objectives, but deeply interconnected dimensions. Similarly, seminal studies conducted by Sonja Lyubomirsky have shown that positive emotions tend to foster learning, creativity, collaboration, and performance, challenging the long-held belief that happiness is merely a consequence of professional success.

More recently, researcher Kasley Killam introduced a discussion that is likely to gain immense traction in the coming years: social health. We live in a digitally hyper-connected world that is, paradoxically, increasingly defined by feelings of isolation. According to Killam, the next decade could place as much emphasis on the quality of human connections as the previous decade did on mental health.

This transformation has profound implications for leaders. Leaders are not responsible for individual happiness, but they are accountable for shaping the environments in which

people work. They are responsible for the quality of conversations, the level of trust within teams, how conflict is handled, and the growth opportunities they help create.

Perhaps it has never been more important to understand that performance and workplace relationships are not mutually exclusive. On the contrary: sustainable organisations are built precisely on their ability to integrate both dimensions.

INTELLIGENT SYSTEMS As we look to the future, a new transformation is already underway. Artificial intelligence is beginning to reshape activities that, until recently, were considered exclusively human. Information processing, complex analytics, and knowledge generation will increasingly be supported by intelligent systems. Against this backdrop, an inevitable question arises: what will continue to distinguish great leaders?

I believe the answer lies not in the volume of accumulated knowledge, but in the capacity for continuous learning.

Decades ago, Peter Senge argued that the organisations best equipped for the future would be those capable of continuous learning. Today, that insight seems more relevant than ever. In an environment defined by rapid change, the core capability of leaders may well be their ability to challenge long-held assumptions, abandon outdated models, and reshape their thinking. Learning will remain crucial; learning to unlearn will prove equally essential.

Yet, there is an even more profound transformation taking place right before our eyes. A change less associated with technology and more about how individuals have come to view their own career paths.

For much of the last century, businesses structured their management systems around a relatively stable set of assumptions. Employees joined an organisation expecting a long-term career path. There was an implicit expectation of reciprocity: the employee provided dedication, loyalty, and compliance; in return, the organisation offered stability, gradual progression, and a sense of belonging. A career was viewed as a shared endeavour, heavily reliant on the opportunities provided by the company.

This reality has changed fundamentally.

The concept of the over-subservient, compliant, or passively dependent professional has virtually vanished. Individuals have taken ownership of their own development and employability; career planning no longer belongs to the organisation, but to the individual.

In practice, this means that organisations are no longer seen as an end in themselves,



LEADERS HAVE COME TO WORK SIDE BY SIDE WITH PROFESSIONALS WHO ARE MORE INDEPENDENT, MORE CRITICAL AND MORE AWARE OF THEIR POTENTIAL

but rather as a means to an end. Professionals still seek growth, learning, and fulfilment, but they are no longer willing to wait years for them to happen. They want to learn quickly, broaden their skill sets, develop capabilities valued by the market, and build unique strengths that render them increasingly relevant. They have come to realise that, in an environment of constant change, becoming unique holds far greater value than simply remaining in the same place for a long time.

This shift fundamentally alters the nature of leadership.

If for decades leadership was associated with the ability to get people to execute tasks, today it depends far more on the capacity to create contexts in which people choose to contribute. Leaders now work alongside professionals who are more autonomous, more inquisitive, and more aware of their options. These individuals are not merely seeking employment, but learning; not just remuneration, but development; not simply stability but meaning.

It is in this context that a concept I have reflected on increasingly over recent years becomes especially relevant: altruistic faith.

This is not a religious concept. Rather, it is the capacity to believe genuinely in people's potential for growth and to recognise that another person's development is not a threat to the leader, but a fundamental driver of organisational success. Altruistic faith emerges when leadership recognises that its role extends beyond merely meeting targets to expanding human potential.

LEADERSHIP WITH SOUL We are undoubtedly entering a new phase in the evolution of leadership. Following authority-based leadership, competence-based leadership, and influence-based leadership, we are beginning to see early signs of leadership genuinely grounded in alignment, human development, and the creation of individual and collective meaning.

WHEN I LOOK BACK OVER THE LAST TWENTY YEARS, I HAVE NO DOUBT THAT WE HAVE MADE SIGNIFICANT PROGRESS IN OUR UNDERSTANDING OF LEADERSHIP

I have termed this perspective *Leadership with Soul* — using the organisation as a vehicle to achieve superior, sustainable results by developing individuals into highly skilled, valuable professionals with genuine career prospects.

This is not a romanticised form of leadership, nor is it detached from performance. Quite the opposite. It stems from the understanding that sustainable results depend on mobilizing something far deeper than mere compliance or obedience. They rely on forging bonds of trust, developing human potential, and creating environments where people find compelling, authentic reasons to bring their very best.

Looking back over the last twenty years, I have no doubt that we have made significant progress in our understanding of leadership. We have generated knowledge, developed methodologies, expanded research, and built a far more sophisticated understanding on human behaviour than that which existed in the 2015s.

Yet perhaps the key takeaway is recognizing that leadership remains, at its core, an endeavour deeply rooted in human development and fulfilment.

Technologies have changed. Markets have changed. Organisations have changed. People have changed.

The central challenge, however, remains surprisingly similar.

We still need leaders who are capable of building trust amidst uncertainty, developing people under the pressure to deliver results, fostering learning in complex environments, and creating purpose within increasingly dynamic settings.

The next decade will likely bring even more profound changes than those we have experienced thus far. Nevertheless, I suspect organisations will continue to rediscover a fundamental truth: committed individuals do not merely deliver tasks; they invest their intelligence, their creativity, their energy and their willingness to contribute. And this



willingness does not stem from control. It stems from trust, development, meaning, and the quality of leadership they encounter along the way.

For decades we have sought to learn how to make people do things. The challenge we now face is far more sophisticated: learning how to inspire them to want to act.

Perhaps this is precisely why leadership remains as relevant as ever. Because, despite all the changes, it remains, at its core, a matter of human fulfilment.

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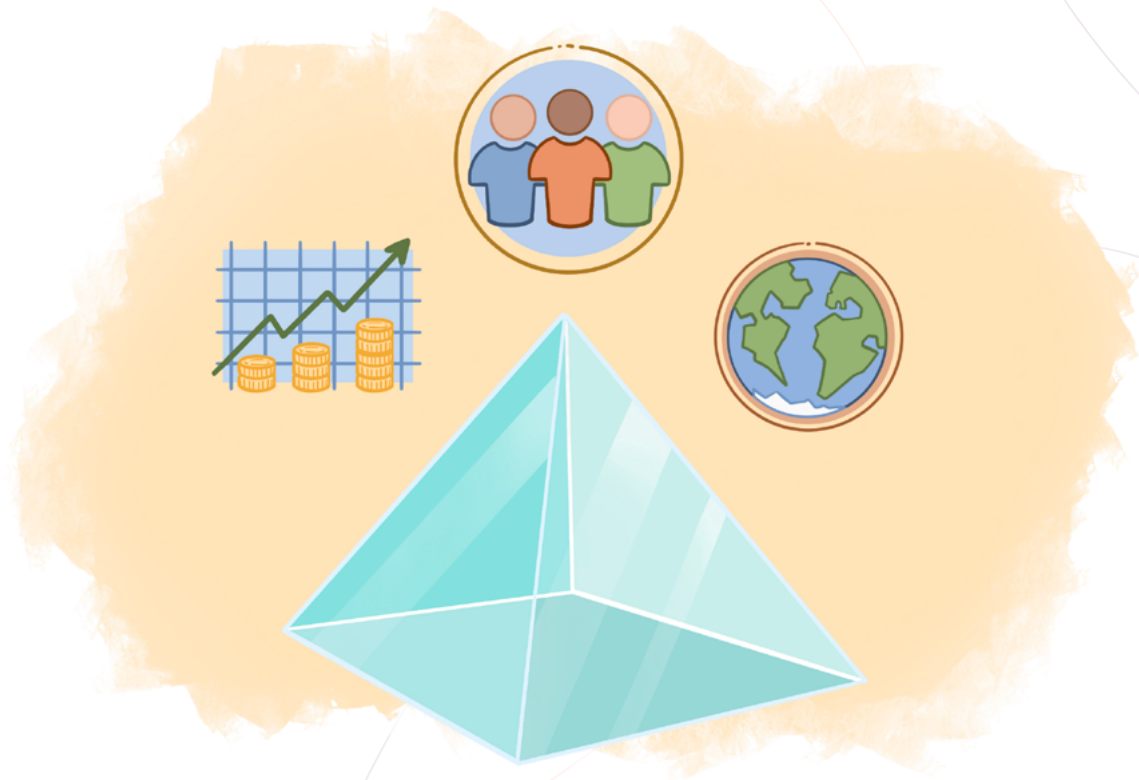
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PEDRO MANDELLI is an associate professor at Fundação Dom Cabral, specialising in organisational models, change processes, leadership and people development in national and international programmes. He works as a mentor and consultant in the areas of designing and driving organisational change, performance management and leadership.



economy

Integrating performance and progress: the silent evolution in business

BY **SUBRAMANIAN RANGAN***

SEVEN SHOCKS AND ONE MESSAGE History rarely announces inflection points in advance. More often than not, they emerge as sudden, disorienting events whose meanings and implications are left to academics and practitioners to decipher. The first quarter of the twenty-first century has been particularly prolific in this regard. Several major disruptions, collectively, make us rethink the assumptions upon which business is built and leadership is exercised.

The first disruption arrived on the morning of 11 September 2001, when coordinated attacks on American soil claimed nearly three thousand lives and reopened

(*) **Editorial Note:** Originally submitted in English, this article was translated and editorially revised in Portuguese. For this special anniversary issue, the revised text was translated back into English, preserving the author's original content and core ideas.



a civilisational fracture that the liberal optimism of the 1990s had preferred to consider closed. Security became a fixture on boardroom agendas. Samuel Huntington's "clash of civilisations" thesis, once regarded as alarmist, appeared to have progressed from prophecy to a reality laden with tensions.

The second disruption was more subtle, but ultimately more far-reaching. In 2006, Al Gore's documentary brought the physics of atmospheric carbon into both boardroom vocabulary and classroom discourse. Climate change ceased to be an environmental concern for the few; it became a threat to productive capacity, supply chains, coastal assets and, ultimately, civilisation itself. Sustainability migrated from the appendix of corporate social responsibility to the centre of strategic planning concerns.

The third disruption, in 2008, was economic and institutional in nature. The global financial crisis, originating in misaligned incentives, regulatory mismatches and excessive financial engineering, eliminated approximately one hundred million jobs worldwide. Trust in banks, financial markets and the institutions responsible for their governance collapsed. Governments in the United States and the United Kingdom became unlikely owners of distressed banks. The ensuing wave of regulation and compliance has yet to fully recede and continues to consume an enormous amount of managerial energy and resources.

The fourth disruption unfolded more gradually, but its consequences are no less significant. By 2012, China's share of global goods trade had grown to such an extent that it began to produce visible fissures in the economies of the industrialised West. The "China shock", as the displacement of manufacturing jobs has been termed by economists Autor, Dorn and Hanson, contributed to wage stagnation for workers without higher education, the hollowing out of communities and a political backlash that would eventually manifest in the form of nationalism and populism. The logic of comparative advantage generated aggregate prosperity, but distributed its costs in a deeply uneven manner.

THE PANDEMIC EFFECT The fifth disruption arrived in 2020, in the form of a pandemic that claimed between ten and twenty million lives and confined billions more to their homes. Covid-19 accelerated several existing trends: remote working was normalised almost overnight; public debt surged as governments mobilised their fiscal firepower on an unprecedented scale; inflation, dormant for decades, began to show signs of life; and the borders that the world had spent thirty years opening began, quietly, to close. The state -

THE EMERGENCE OF ARTIFICIAL INTELLIGENCE AND ROBOTIC ABILITY REPRESENTS NOT MERELY A PRODUCTIVITY SHOCK, BUT AN ANTHROPOLOGICAL SHOCK

protector, employer of last resort, purchaser of vaccines - returned to the spotlight in a manner not seen since the post-war settlement.

The sixth disruption occurred in February 2022, when Russian forces crossed the Ukrainian border and shattered what remained of the post-1945 global security order. Armed conflict returned to the European continent; defence budgets that had been shrinking for a generation abruptly reversed course; and millions of refugees began to move westwards, straining the social fabric of host societies and fuelling precisely the nativist anxieties that the pandemic had already inflamed. The rules-based international order, never as robust as hoped, revealed its fragility.

The seventh disruption is still under way. The emergence of artificial intelligence and robotic capabilities represents not merely a productivity shock, but an anthropological shock. For the first time, a technology threatens not only physical labour, but also cognitive labour. Professions, business models and educational curricula are being reassessed. The speed of this transition far exceeds the institutional capacity to govern it. (Note: while I proposed the content, structure and style of this essay, its first draft was generated by Claude AI.)

One further development, less dramatic but perhaps equally consequential, warrants mention: the demographic contraction now observable across much of the developed world and, increasingly, in emerging markets as well. Ageing societies, shrinking workforces and declining birth rates are rewriting the assumptions behind growth models, pension systems, immigration policies and consumer markets.

The common thread across all these disruptions is that the world that existed before them has not returned. What has been required, in each instance, is not recovery, but evolution and adaptation. This is the deep trend underlying the surface drama of



events. And it raises, with uncommon urgency, the question to which the remainder of this text is devoted: what do these disruptions imply for businesses and for those who lead them?

EVOLVING THE PURPOSE AND ROLE OF BUSINESS AND LEADERSHIP The most fundamental implication of the foregoing analysis is a shift in the central purpose of economic activity. The twentieth century operated on a relatively clear and coherent premise: the purpose of the economy is to produce - that is, to maximise the output of goods and services, measured in aggregate terms by Gross Domestic Product. This premise was not unreasonable. Under conditions of material scarcity, producing more was indeed better. The extraordinary rise in living standards achieved between 1950 and 2000 was built upon it.

The twenty-first century has revealed the limits of this premise. An economy that produces abundantly but distributes unequally; that grows by depleting the natural systems upon which all life depends; or that advances material wellbeing while eroding social cohesion is not fully succeeding. It is merely displacing costs onto people and onto time horizons that conventional accounting cannot capture. We need, in other words, to move from an economy centred on outputs to one centred on outcomes: an economy in which equity, wellbeing and sustainability are not externalities to be managed, but objectives to be pursued alongside wealth and material standards.

This is not a radical proposition. Indeed, it is implicit in the founding vision of many of Brazil's most admired companies. Natura, to cite the most prominent example, was founded on the conviction that beauty is not merely an aesthetic value, but also a relational one. In other words, on the certainty that a company can generate commercial value while intentionally dedicating itself to the welfare of the communities and ecosystems it affects. The organisation did not arrive at this moral orientation in response to external pressures; it was constitutive of its identity from the outset.

For the firm, the transition to an outcomes-centred logic implies that the virtuous twin of innovation and internationalisation must now be complemented by a third capability: integration. Companies must learn to integrate what industrial capitalism tended to separate: markets and society, humanity and nature, present and future. This is not, it must be emphasised, a call to sacrifice profitability on the altar of good

intentions. Integration, when implemented strategically, is a source of competitive advantage.

Organisations such as Dengo, which has built a premium chocolate brand on a model of direct relationships with cacao growers, and Gerdau, which has systematically invested in circular economy practices in steel production, demonstrate that caring for people and the planet can reinforce, rather than weaken, financial performance. Suzano, a global leader in eucalyptus pulp production, offers another example: thanks to its vast base of planted and native forests, the company removes more greenhouse gases from the atmosphere than it emits across all its operations, rendering it carbon negative.

COMPETENCE AND CHARACTER This outcome-centred logic, when applied to leadership, implies a distinction that merits careful and explicit articulation. Competence - technical knowledge, analytical skill, strategic acuity - is what enables leaders to deliver performance. It generates the ability to produce results within defined parameters. However, competence alone is insufficient to navigate the current moral complexity. What this moment demands, besides competence, is character: the willingness to care, the commitment to act even when doing so is costly, and the courage to fail publicly (in the attempt to contribute to the collective good).

The relationship between competence and character is not one of replacement, but of interdependence. Competence confers power upon leaders: the authority to allocate resources, to set direction. Character determines how that power is exercised. It is in the exercise of power that trust is built or destroyed. The crisis of trust in institutions that has characterised the business environment since 2008 is, at its core, a crisis of character.

Brazil offers a compelling historical example of this integration: Oziures Silva, founder of Embraer, combined exceptional aeronautical and business competence with the conviction and courage to pursue a national vision of industrial development that private capital and established institutions had repeatedly dismissed as impossible. The company he founded in 1969 became one of the three largest manufacturers of commercial aircrafts in the world, revealing that character, understood here as the refusal to accept the limitation of options, can be as decisive as technical competence.



Far from diminishing the urgency of this analysis, the advent of Artificial Intelligence (AI) renders it even more pressing. As AI systems acquire the ability to perform cognitive tasks at scale and speed, the comparative advantage of human leaders will be increasingly less based on what they are able of processing and more on how much they are able of caring. Non-cognitive competences - such as energy, relationships, care for others, courage and the maturity to embrace contradictions - will become distinctive attributes of effective leadership. These are not soft skills; they are the abilities most demanded by complex and morally challenging situations.

Finally, a line must be drawn between decisions and choices. In a world of radical uncertainty - where the informational environment is noisy, the future is genuinely opaque and the moral implications are weighty - the ability to make choices rather than merely take decisions becomes a defining attribute of leadership excellence. Natura's enduring reputation was not built on a superior ability for information processing, but on the clarity and consistency of its identity.

DISCUSSION: THE MORAL MOMENT AND THE ROLE OF ACADEMIA The analysis presented so far points to a conclusion that is both sobering and inspiring. We are living through what might be called a moment of moral and cultural choice: a period in which the norms, expectations and institutional arrangements that governed the twentieth-century economy are showing clear signs of exhaustion; and the norms and arrangements that will govern the twenty-first-century economy are still being negotiated. The crucial point is that the outcome of this negotiation is not predetermined.

The signs of this transition are particularly evident in Brazil. The corruption scandals and ecological disasters of the past decade, such as the Petrobras case and the breaches of the Mariana and Brumadinho dams, have provoked a social awakening that would have seemed improbable a generation ago. Citizens, investors, employees and consumers have demonstrated, in response to these events, a degree of moral consciousness that challenges any simplistic view of Brazil as a low-accountability environment. Something is changing.

Faced with this scenario, the temptation is to resort to regulation: to impose transparency, assign responsibilities and create increasingly sophisticated compliance frameworks. This impulse is understandable, but insufficient and potentially

counterproductive. Regulation is a necessary condition for accountability, but it is not enough on its own. It attracts lobbying from those who have most to lose from its enforcement, generates compliance cultures that prioritise form over substance, and tends to stifle the intrinsic motivation that sustains genuine ethical commitment. More regulation is not the whole answer. In fact, beyond a certain point, it may not even be a good answer.

MASTER OF BETTER ALTERNATIVES (MBA) A more detailed answer lies in education. Not education in the narrow sense of accumulating professional credentials, but education in its classical sense: the formation of character, the cultivation of discernment, the development of the ability to ponder about moral complexity and to act with integrity under uncertainty. Business schools bear a singular responsibility in this context. The Master of Business Administration was conceived for a world in which the purpose of the company was relatively clear and the competences required to realise it were predominantly technical. What is now required is something closer to a Master of Better Alternatives: a formation that equips leaders not merely to administer existing systems, but to imagine and build better ones.

Established elites and leaderships, those who occupy positions of authority and influence in any society, are the authors of their societies' stories. This is not an abstract observation; it is a practical and urgent one. The stories we tell - about the purpose of business, the meaning of success, the relationship between companies and the communities they affect, the obligations of wealth and power - shape the norms that govern behaviour far more powerfully than any regulatory framework. Brazil is not immune to this dynamic. Academia and the business community share the responsibility, and the opportunity, to be the careful writers of the story now being written.

CONCLUSION: CREATING STORIES, NOT JUST TELLING THEM Business and leadership have evolved quite dramatically over the past twenty-five years. The seven shocks examined in this essay have, collectively, dismantled the assumptions underpinning the twentieth-century corporations: that markets are self-regulating; that growth is self-justifying; that the nation-state is in decline; and that geopolitics is a



THE SEVEN SHOCKS EXAMINED IN THIS ESSAY HAVE, COLLECTIVELY, DISMANTLED THE ASSUMPTIONS THAT UNDERPINNED THE TWENTIETH-CENTURY FIRM

backdrop rather than a central reality. None of these assumptions has survived the test of events in this century.

In their place, a set of demanding imperatives has emerged, such as: integrating performance and progress (that is, integrating profit, people and planet); cultivating non-cognitive skills and drawing on character alongside competence; and making moral choices, rather than merely objective decisions. These imperatives are not external impositions on business; they are the logical consequence of what rising income, rising expectations and the reality of ecological limits are producing in societies around the world. Health and environmental quality are income-elastic preferences: as per capita income rises, so too does the willingness to pay for them, as well as the political pressure to take them into account. Morality, it seems, also has an income-elastic dimension.

What we need right now is not leaders who are able to predict or protect, but leaders who are able to prepare and empower. To prepare and empower ourselves to adapt and evolve with technology, climate, demography, geopolitics and the moral demands of increasingly attentive citizens.

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SUBRAMANIAN RAGAN has been a member of the Board of Trustees since 2009; he is an Associate Professor at Fundação Dom Cabral in the Strategy area, and a researcher in the fields of International Business, Multinational Enterprises, Global Strategy and Management.



Introduction to the Collection of Essays: Pathways to Positive Futures

BY **ALDEMIR DRUMMOND AND ANA BURCHARTH***

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.

As Fundação Dom Cabral (FDC) celebrates five decades dedicated to education and leadership development, it seeks to give back to society what it does best: its expertise and knowledge. In a genuine gesture of reciprocity, this 50th-anniversary special edition of DOM magazine presents its readers with a collection of six essays written by FDC faculty members on positive futures. By catalysing innovation

and fostering a shared vision of the future, FDC reaffirms the boldness of those who believe that “tomorrow will be another day”.

The essays brought together in this edition shed light on positive futures for Brazil and for the world we aspire to co-create with our partners in the decades ahead. These futures are not an inevitable destination to which we are bound. The futures – deliberately presented in the



plural to emphasise their multiple, multifaceted and open-ended nature – will be the result of the choices we make and the actions we decide to take. And every action begins with thought (cognition). The capacity to question and create new possibilities is where transformation begins, and these transformations can take shape through individual and collective decisions.

Envisioning futures is, at the same time, an exercise in strategic positioning and in collective, inter-organisational orchestration. Inspired by FDC's tradition of "working together", the initiative brought together multiple stakeholders to explore six fundamental dimensions of the future: researchers, experts, youngsters, business leaders, and representatives from the public and third sectors all contributed to shaping the reflections presented here.

Contrary to what the title might suggest, the objective is not to forecast trends or outline probable scenarios. Rather, the discussions provided the groundwork to define what we consider to be positive — and therefore desirable — futures: inclusive prosperity that ensures dignity for all; leveraging Brazil's comparative advantages as a catalyst for growth; economic development paired with biodiversity preservation; overcoming extractive mindsets within institutions; high-quality, equitable education; organisations that genuinely care for their people; and leadership that enhances our capacity to navigate diversity. Adopting a

proactive and optimistic yet realistic stance, the essays chart pathways, both convergent and paradoxical, for turning these aspirations into reality.

The six essays weave together interconnected issues across multiple levels: the macro level of society, the meso level of organisations, and the micro level of individuals. In "*Natural Capital, Constructed Prosperity*" Professor Aldemir Drummond argues that Brazil has a historic window of opportunity arising from the convergence of the energy transition, geopolitical realignment and technological transformation. He argues that the country should not limit itself to exporting commodities, but rather industrialise its comparative advantages, transforming natural resources into productivity, innovation and income generation.

In "*Towards more Inclusive Institutions: Challenges in Building Positive Futures*", Professor Bruno Carazza points to the need to transform Brazil's institutions as a prerequisite for overcoming privileges that constrain progress towards greater inclusion. He highlights the fundamental role played by the country's elites in shaping institutions and their effects, whether positive or negative, and issues a call to action.

In "*Education and Skills for Positive Futures: Brazil Facing a Time That Will Not Return*", Professor Ricardo Henriques highlights the need for the country to reconcile quality



with equity in education. Based on the premise that technological, demographic, climate and organisational transformations will require new individual and collective competencies, he points out that the central challenge is not merely to expand years of schooling, but to develop capabilities for continuous learning, leadership, adaptability, entrepreneurship and the critical use of technology. Education is presented as the main mechanism for reconciling economic prosperity, social inclusion and cognitive sovereignty.

In “Regenerating Organisations”, Professor Heiko Spitzack argues that businesses must evolve from a purely profit-centric model to a framework of social and environmental regeneration. Drawing on the Doughnut Economics model, he proposes that organisations take responsibility for the health of the social and ecological systems that underpin their operations.

In “*Nothing That Has been Will Ever Be again in quite the same way: The Organisations We must architect for Positive Futures*”, Professor Maria Elisa Brandão Bernardes shows that the organisational model inherited from industrialism has superseded by new forms of coordination based on networks, platforms, autonomy and purpose. The fragmentation of work demands a counterbalance: organisations that preserve meaning, belonging, ethics and human recognition.

In “*Leadership, Dialogue and Plurality*”, Professor Luciana Ferreira argue that the main challenge facing contemporary leadership is not technical but relational. In a context of polarisation, speed and fragmentation, leaders need to develop skills in listening, dialogue, recognition and care. The concept of *mattering* is presented as a foundation of human experience and of building healthier, more productive environments.

Taken together, the collection of essays raises excellent questions and presents fundamental choices for building positive futures. The authors recognise that these pathways are still being shaped and that bringing positive futures to fruition will necessarily depend on collaboration among organisations, leaders and different segments of society.

According to political scientist and futurist Jim Dator, there is never a single future; there are alternative futures. Breaking free from the inertia of patterns inherited from the past (*business as usual*) is a necessary condition for such alternatives to be imagined and co-created. Rather than forecasting what lies ahead, the purpose of this collection is quite literally to “create space” for alternative positive futures to flourish. It is an invitation for each reader to envision what does not yet exist and, from there, to take part in inventing the pathways capable of making possible the futures we wish to inhabit.





essay 1

Natural capital, constructed prosperity

BY **ALDEMIR DRUMMOND***

*) **Editorial Note:** Originally submitted in English, this article was translated and editorially revised in Portuguese. For this special anniversary issue, the revised text was translated back into English, preserving the author's original content and core ideas.

NATURAL CAPITAL

Brazil wood, sugar cane, gold, coffee, iron ore, soybeans, petroleum – this sequence evokes Brazil's economic history. A series of cycles of economic growth based on our natural resources and primary products, exported in large quantities. They have generated, and continue to generate, substantial wealth.

Throughout its history, Brazil has demonstrated extraordinary competence in expanding the extraction of its natural resources. In many cases, however, the country captured only a limited share of the economic value generated by these activities. A significant portion of industrial transformation, technological development, the construction of global brands, and the appropriation of the most profitable segments of production chains has occurred elsewhere.

Economic history teaches that resource abundance does not guarantee prosperity.

Numerous countries rich in natural resources have remained stagnant for decades, while others with far more limited endowments have achieved high levels of income and well-being. The difference has rarely lain in the resources themselves, but rather in the capacity to transform resources through knowledge, innovation, and productivity, thereby adding very significant shares of value.

Although Brazil has expanded its participation in various international markets, the productivity of the economy has grown slowly, remaining practically stagnant over the last 45 years. Average income has advanced insufficiently to converge with that of the most developed countries. Inequality among the different economic strata of the Brazilian population ranks among the highest in the world, reflecting the effects of economic processes and institutions that concentrate



income and wealth. The future demands a different logic. The generation of wealth must serve as a lever for achieving sustainable and inclusive prosperity, which necessarily articulates three fundamental pillars: sustained economic growth, capable of raising well-being and average wages; effective social inclusion, with increased opportunities for social mobility and reduced inequalities; and environmental sustainability, conserving and regenerating the environment, promoting decarbonisation and the transition to a green economy.

The argument of this essay is that Brazil can build sustainable and inclusive prosperity through the industrialisation of its comparative advantages, transforming natural capital into productivity, innovation, and income.

A WINDOW OF OPPORTUNITY

The twenty-first century offers Brazil the opportunity to forge a new path. The world economy is undergoing a structural transformation that profoundly redefines the determinants of competitiveness, production location, and development strategies. This new context is marked by the overlapping of three central forces: climate emergency, geopolitical fragmentation, and rapid technological transformation. Together, they are reconfiguring production chains, altering

relative prices, and repositioning geography at the heart of economic decisions.

For much of recent decades, globalisation was guided primarily by the pursuit of cost efficiency. The international fragmentation of production allowed companies to exploit wage differentials, favourable tax regimes, and economies of scale, concentrating industrial activities in regions with abundant and cheap labour, particularly in Asia. This model favoured the consolidation of long, complex, and highly interdependent global chains, in which efficiency was the primary decision criterion.

This arrangement began to reveal its fragility even before the pandemic, but was definitively called into question by a sequence of shocks: global logistical disruptions, extreme climatic events, wars, economic sanctions, and the intensification of strategic rivalry among major powers. As a result, governments and companies have come to explicitly incorporate considerations of economic security, strategic autonomy, and supply chain resilience into their decisions.

In this new environment, industrial policies have returned to the centre of global economic policy. The United States, the European Union, and China have adopted aggressive reindustrialisation strategies, combining subsidies, government procurement, regulatory barriers, and targeted



incentives for sectors deemed strategic. Energy, semiconductors, artificial intelligence, batteries, critical minerals, defence, biotechnology, and digital infrastructure have become priority areas. The explicit objective is not merely economic efficiency, but also the reduction of external dependencies and the strengthening of geopolitical power.

These transformations profoundly alter the logic of industrial location. In a growing number of sectors, access to natural resources and to clean, cheap, and abundant energy has become a decisive factor for competitiveness, in many cases surpassing the relative importance of labour costs. The electrification of production processes, digitalisation, and automation have reduced the weight of wages in cost structures, while energy price volatility and environmental constraints have increased the relative weight of the energy matrix.

Added to this is the estimate of increased energy consumption worldwide in the coming years, driven by rising incomes in various developing countries – which generates demand for household appliances – and by the construction of data centres to support activities that use artificial intelligence and consume large amounts of energy. Based on this reality, the perception consolidates that the world will undergo a process of addition of energy sources, rather than simple

substitution. Energy security has become a priority on the agenda of many countries.

STRATEGIC AND SELECTIVE REINDUSTRIALISATION

The reorganisation of global chains is part of a strategic reindustrialisation, guided by criteria of economic security, energy security, sustainability, technology, and geography. Countries and regions capable of offering favourable combinations of these factors are now competing for high-value-added investments.

In this scenario, Brazil's position is unique. Few countries simultaneously possess a predominantly renewable electricity matrix, an abundance of critical natural resources, territorial and demographic scale, a sophisticated agricultural base, and relative geopolitical stability. Moreover, Brazil is geographically close to large consumer markets, such as North America and Europe, and relatively distant from zones of tension or potential armed conflict, which reinforces its attractiveness in a more fragmented world.

However, these advantages do not translate automatically into growth or productive transformation. Recent experience shows that, without strategy, countries rich in natural resources tend to insert themselves into the new global chains passively, limiting themselves to the export of raw materials – whether critical minerals, energy, data, or





agricultural products – while capturing only a fraction of the value generated. In a context of selective reindustrialisation, this risk is even greater, as location decisions are being made rapidly with strong state support in the wealthier countries.

It is also worth noting that the temporary slowdown of the climate agenda in some countries should not be interpreted as a structural reversal. The economic fundamentals of the transition remain: cheaper technologies, investments already made, increasing climate risks, and the need for economic adaptation. The main consequence of this slowdown is the widening asymmetry between countries that manage to position themselves strategically and those that remain on the margins reinforcing productive and technological inequalities.

For Brazil, this implies a clear choice. Remaining an exporter of commodities, even “green” ones, may generate relevant revenues in the short term, but it will hardly be sufficient to raise productivity, diversify the economy, and sustain a trajectory of inclusive prosperity. Alternatively, seizing the new global context to industrialise its comparative advantages allows the country to attract investments, develop denser production chains, integrate advanced services, and strengthen its international insertion. After all, do we wish to be the largest commodity exporter of the

century, or the most sophisticated producer of solutions based on natural capital?

Overall, the new global context does not eliminate the constraints faced by Brazil, but it opens a rare window of opportunity. The combination of energy transition, selective reindustrialisation, and geopolitical fragmentation redefines the map of world production and places geography back at the centre of the political economy of development.

HOPE OR AMBITION?

There is no denying that Brazil faces a series of challenges that hinder the achievement of sustained and sustainable economic and social development. These challenges lie in different dimensions, such as social, economic, and institutional. We have low levels of human capital qualification, aggravated by a scenario of immense social inequality and a very high number of people living in poverty. The combination of these three realities, in a global context where knowledge is the basis of economic and social development, constitutes, in itself, a major challenge to be overcome.

Added to this are economic factors, such as low domestic savings, fiscal constraints, insufficient infrastructure, high cost of capital, and the low international insertion of our economy. An important outcome of the



combination of these social and economic factors is the low productivity of the economy and, consequently, the perpetuation of slow development relative to the needs of our society.

The vast majority of the Brazilian population, approximately 87%, lives in cities. This is an urbanisation rate similar to that of the most developed countries and well above the world average. Considering the social and economic challenges mentioned above, we find in our cities, particularly in the larger ones, a challenging concentration of problems relating to housing, formal employment, productivity, mobility, poverty, inequality, and violence.

We may also include the extractive nature of our institutions as a relevant challenge, as it contributes to an even greater concentration of income and wealth amongst the wealthiest segments of society. We usually highlight the country's institutional instability, but it is also important to bear in mind that, as well as stability, we need more inclusive institutions.

Another significant challenge is the rapid ageing of the population. Brazil is undergoing a much faster demographic transition when compared to that experienced by developed countries. In 2025, for the first time in our history, the number of people at the peak of their productive age was lower than in the previous year. Our growing risk

is that of growing old poor. Faced with this situation, economic and productivity growth is imperative for the generation of prosperity.

Brazil is well aware of its challenges. They are significant and cannot be ignored. How, then, can a positive and feasible future be achieved in the face of so many challenges? What alternatives do we have for generating prosperity through economic growth that leads to an improvement in the well-being for the majority of the population?

When analysing the reality of countries that have transformed themselves, we observe that they rarely began their trajectories by looking only at their limitations. They began by identifying opportunities capable of mobilising resources, talents, and investments to overcome those limitations. This occurred both in countries that do not possess abundant natural resources, such as Japan and South Korea, and in countries with a broad base of such resources, such as Australia, which were able to build inclusive institutions, combined with massive investment in human capital.

The Brazilian challenge is not to choose between solving problems or seizing opportunities. It is, rather, to use opportunities to solve problems. Overcoming challenges need not be a starting condition for building prosperity. Alternatively, both things can be done simultaneously, with one reinforcing the other.



This is precisely what the window of opportunity identified above allows us to do. Instead of hoping to overcome challenges, we need the ambition to seize opportunities. We are facing a unique moment, in which a prosperity-generating strategy can be based on what the country already has. To this end, a change of perspective is necessary.

As noted at the beginning of this essay, the country has gone through, and is still going through, cycles of wealth generation based primarily on its natural resources, often adopting an approach in which the extraction and export of these resources constitute the end goal. Undoubtedly, this generates wealth, but not enough – neither in quantity nor in form – to generate well-being for the majority of the population.

INDUSTRIALISING COMPARATIVE ADVANTAGES

In the current context of the world economy, this logic can and must be modified. We can industrialise our comparative advantages, using the assets in which the country is already competitive as a basis for the development of more complex economic activities that are intensive in technology, human capital, and advanced services capable of generating sustained gains in productivity and income. This is a transition strategy, selective and pragmatic, which

seeks to accelerate structural change without requiring abrupt ruptures or models which are incompatible with the country's fiscal and institutional constraints.

Unlike traditional approaches to industrial policy, this strategy does not start from the attempt to “create” artificially competitive sectors, nor to replicate trajectories followed by other countries in different historical contexts. It is anchored in what Brazil already has or does well, such as producing clean energy, food, biomass, minerals, natural inputs, biofuels, and biodiversity, among others. It also proposes advancing along these chains, incorporating processing, engineering, specialised services, innovation, and new business models. The objective is not to abandon primary production, but to reconfigure it as part of denser and more sophisticated productive systems.

This transformation can already be seen on various fronts. In agriculture, it means advancing from the export of commodities to processed foods, special ingredients, and technological solutions for global food systems. In energy, it means using the abundance of renewable sources to attract low-carbon electro-intensive industries and develop new chains linked to hydrogen and sustainable fuels. In biodiversity, it means transforming scientific knowledge into pharmaceuticals, cosmetics, biomaterials,



and new industrial inputs. In mining, it means developing more sophisticated stages of the chains associated with the energy transition.

A central element of this strategy is the change in global relative prices. The energy transition, environmental constraints, climate volatility, and geopolitical tensions tend to structurally raise the relative value of resources such as clean energy, water, food, biomass, and critical minerals. In a more populated, more urban, and more climate-risk-exposed world, these assets become strategic. Brazil, thanks to its unique endowment of these resources, is in a privileged position to benefit from this trend, provided it can capture value along the production chains.

In this context, the industrialisation of comparative advantages is not only a growth strategy, but also a means of managing economic risks. By moving towards value-added production, the country reduces its vulnerability to commodity price cycles, improves its integration into the global economy, broadens its tax base, and strengthens its capacity to finance public policies. Moreover, more sophisticated activities tend to generate higher-quality urban jobs, contributing to addressing the challenges associated with urbanisation, informality, and regional inequality.

It is essential to recognise, however, that this strategy is neither automatically

applicable across the board nor risk-free. In some sectors, the cost of adding value may outweigh the benefits, whether due to limitations in scale and technology, or market access. In other cases, Brazil's comparative advantage may lie precisely in the efficient production of commodities. The industrialisation of comparative advantages therefore requires careful choices based on rigorous economic analysis, rather than merely the indiscriminate application of the concept.

Another significant risk is repeating historical enclave patterns, in which higher-value-added activities develop in isolation, with few domestic linkages and limited impact on aggregate productivity. Avoiding this outcome requires policies and strategies that encourage the integration of production chains, the development of human capital and local suppliers, and the dissemination of technology. This challenge reinforces the importance of coordination between public policies, private sector strategies, and third-sector initiatives.

THE CONSTRUCTION OF PROSPERITY

The use of the expression “window of opportunity” above is not accidental. Like a window, the opportunity we now see open may close. For reference, China plans to achieve approximately 80% of electricity generation



from renewable sources by around 2050. Brazil has already achieved this percentage, which gives us about 20 years of advantage. In this sense, it is very important to accelerate the adoption of measures that allow us to explore our comparative advantages. The question is: what can we do?

The central role of governments in this agenda is not to replace the private sector nor to pick winners in a discretionary manner, but rather to reduce systemic risks, coordinate expectations, and create conditions for productive investments to occur at scale. To this end, some particularly relevant actions should be undertaken immediately.

One of these is the explicit definition of a national strategy for the industrialisation of comparative advantages, understood as a state policy, and not as a fragmented sectoral programme. This strategy should establish clear priorities, selection criteria, and coordination mechanisms among industrial, energy, commercial, territorial, and innovation policies. The absence of a coherent economic narrative increases uncertainty and discourages longer-maturation projects.

This challenge is made even more complex by the country's continental scale, its productive, social, and territorial diversity, and the very federative nature of the State, which requires articulating a national agenda with the distinct capabilities,

vocations, and priorities of states and municipalities. Industrialising comparative advantages, therefore, depends not only on a federal directive, but on the capacity to orchestrate instruments, investments, and multilevel governance to transform regional potentialities into a coherent and integrated economic strategy.

Another initiative is the development of integrated infrastructure for productive clusters, especially in regions with high availability of renewable energy. Green industrialisation zones, connected to ports, railways, waterways, and digital infrastructure, can accelerate the implementation of projects designed to attract investment and associated industrial clusters. The focus should be on coordination and spatial planning, rather than on creating isolated enclaves.

The government also plays a critical role in economic diplomacy. In a world of selective reindustrialisation and growing protectionism, reducing trade barriers, negotiating technical standards, ensuring market access, and attracting investments require active and coordinated action. The strategy of industrialising comparative advantages needs to be reflected in trade negotiations, investment agreements, and engagement in multilateral forums. The recently approved Mercosur-EU agreement did not contemplate the strategy, but may indirectly open avenues





for action in this direction, which will rely on intentional and coordinated actions by Brazil.

It is also important to invest in training and professional retraining, aligning technical education, vocational training, and university policies with the emerging demands of the new production chains. Without adequate human capital, productivity gains and inclusion tend to be limited.

If the government is responsible for creating the conditions, the private sector is the central agent of transformation. The industrialisation of comparative advantages requires a change in business posture, marked by greater ambition, a willingness to take calculated risks, and a long-term strategic vision.

A first change concerns internationalisation. Brazilian companies operating in chains associated with natural resources often remain overly focused on the domestic market or on low-value-added exports. Making progress in adding value requires deeper integration into global supply chains, international partnerships, commercial presence in strategic markets, and the ability to operate under demanding technical and environmental standards.

The second change involves consistent investment in innovation and technology – not only in basic research, but also in engineering, process adaptation, digitalisation, and new

business models. The industrialisation of comparative advantages is intensive in incremental solutions, operational efficiency, and integration between industry and services. Startups, universities, and research centres can play a relevant role, provided they are connected to the real demands of the productive sector.

Another fundamental dimension is decarbonisation as a competitive strategy, rather than merely a regulatory obligation. Companies that internalise the energy transition in their business models tend to reduce future risks, access new markets, and differentiate their products.

The private sector can also act as a catalyst for local production networks by developing suppliers, investing in training, and promoting technology transfer. These connections are essential for the industrialisation of comparative advantages to generate broad effects on productivity and inclusion.

The third sector, academic circles, and independent institutions play a complementary but crucial role in the transition agenda. In an environment marked by uncertainties, distributive conflicts, and environmental risks, governance becomes a relevant economic asset.

A central contribution of these institutions is the production of applied knowledge, as



well as indicators and metrics that allow the assessment of competitiveness, productivity, and the environmental and social impacts of emerging production chains. The absence of reliable metrics increases risks, fuels distrust, and hinders project financing.

These actors can also act as bridges between government, companies, and territories, facilitating dialogues, building consensus, and reducing conflicts. In strategies based on natural resources, territorial, environmental, and social issues are particularly sensitive, and their mismanagement can render economically viable projects unworkable.

Furthermore, certification, traceability, environmental integrity, and social inclusion initiatives are likely to become increasingly important in more regulated global supply chains. The third sector and academic circles can lead or support these initiatives, helping to set Brazil apart as a reliable and competitive supplier.

IMAGINE BRAZIL

Given this window of opportunity, and considering our resources and competences – both natural and acquired – as well as the experiences we have had, it is possible to imagine a positive and feasible future for Brazil.

Imagine a Brazil that exports high-quality protein, advanced biofuels, low-

carbon materials, pharmaceuticals derived from biodiversity, sustainable fertilisers, and tropical agricultural technology.

Imagine a Brazil in which medium-sized cities grow, driven by new production chains, creating skilled jobs and expanding income.

Imagine a Brazil recognised not only for its natural resources, but also for its ability to transform them into solutions for global challenges.

This country is not a fantasy. It is a historical possibility. The construction of this prosperity does not require unanimity on all paths, but rather a fundamental consensus: the ability to generate wealth in a sustainable and inclusive manner expands the possibilities of confronting the country's social, economic, and environmental challenges. After all, it is far less complex and controversial to generate and share wealth in an environment of growth and collective construction.

Few countries in the world possess most of the resources necessary to face their current and future difficulties. Brazil, certainly, is one of them. This does not mean, however, that we should close ourselves off and try to solve everything among ourselves. On the contrary, the opportunity for Brazil lies in integration with the world.

We have the resources to help solve many of the world's economic and environmental problems, while simultaneously tackling our



own challenges. It is through integration with other countries that we will secure the financial resources needed to harness our natural resources sustainably.

In this case, the sustainable use of resources fulfils not only a commitment to future generations, but also ensures the healthy continuity of the supply of many of these resources, perpetuating the generation

of wealth and, if we are successful, of well-being.

Brazil's natural capital already exists. It lies on our forests, fields, waters, biodiversity, and energy. Prosperity, however, is not a given. It will not be extracted. It will not be discovered. It will not be inherited. It will need to be built. And perhaps this is the most important task of our generation.

LEARN MORE ABOUT

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ALDEMIR DRUMMOND is a professor at Fundação Dom Cabral and the coordinator of the Imagine Brasil initiative.

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Towards more inclusive institutions: challenges in building positive futures

BY **BRUNO CARAZZA***

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.

O Brazil urgently needs to confront the structures of social exclusion that persists throughout society and, in particular, within its institutions. If we are to aspire to build more positive futures, this is an essential step toward reducing inequalities and their consequences — which are reflected in deeply alarming figures that, even so, fail to convey the harsh reality they represent.

In 2024, there were 42,950 homicides in Brazil, according to data from the Ministry of Health compiled in the 2026 Atlas of Violence. Of this total, 77 per cent targeted people of mixed-race and Black people – the majority of whom were men and young people. In proportional terms, whilst the homicide rate for non-Black people (White, Asian and Indigenous) stood at 10.1 victims per 100,000 inhabitants – lower than that of Uruguay (11.2) – the rate of intentional homicide for Black people was

27.3, using the same metric. This rate is higher than that of Mexico and Colombia (both around 25 deaths per 100,000 inhabitants), countries dominated by drug trafficking.

This disparity is also evident in the Brazilian labour market. According to the *Pesquisa Nacional por Amostragem de Domicílio Contínua* (Continuous National Household Sample Survey - PNAD Contínua), in the first quarter of 2026 the average real monthly income of White workers was BRL 4,626. Black workers, however, earned an average of BRL 2,704 per month (41.5% lower), while Brown (mixed-race) workers received slightly more, with an average monthly income of BRL 2,810 — still nearly 40% less than that of White workers. These figures can be seen as symptoms of a long and deeply unjust historical process that has left profound marks on Brazilian society: slavery.

In the studies by the researchers Daron



Acemoglu, Simon Johnson and James Robinson, who were awarded the Nobel Prize in Economics in 2024, colonialism and slavery are seen as key factors in explaining why countries have failed to promote development.

According to them, the colonial and slave-holding past has shaped the political and economic institutions of dozens of countries, particularly in Africa, Asia and Latin America. Centuries of European domination led to the concentration of land and power in the hands of oligarchies and elites, whilst slavery – and its abolition without improvements in education, housing and dignified integration into the labour market – condemned generations of people of African and Indigenous descent to poverty and destitution.

THE VALUE OF EDUCATION AND THE WORKFORCE

Whilst acknowledging that slavery plays a key role amongst the causes of inequality, Marta Arretche, a lecturer in the Department of Political Science at USP, presents two complementary hypotheses, found in the scholarly literature on the development of more egalitarian societies.

The first concerns education: countries that invested in universal education at the turn of the 19th to the 20th century created a better-educated population, capable of integrating into an industrialised economy with higher levels of productivity, which translated into higher

income levels and greater wage equality a few decades later.

Another explanation highlights the labour shortage experienced in Europe following the significant wave of emigration to the Americas in the late 19th century and the two world wars on its territory in the first half of the 20th century. The shortage of workers for industry is said to have increased the bargaining power of the working class, which organised itself into strong trade unions and political parties and thus pressed for higher wages and redistributive public policies.

In this context, Arretche poses a question followed by a diagnosis: “What is the bad news for Brazil? By any of these criteria, we belong to the group of countries that failed to meet these conditions. In other words, we have a colonial past, (...) we have welcomed immigrants and (fortunately) have not experienced large-scale wars on our territory. And we did not invest heavily in education”.

“Our history did not create, either in the sixteenth century or in the nineteenth and twentieth centuries, the conditions that the comparative literature identifies as leaving a historical legacy conducive to reducing inequality. It is therefore no coincidence that we are among the most unequal societies in the world, because we do not have a trajectory that leads us in that direction,” she emphasises.

As the Nobel Prize in Economics laureates



have emphasised, history plays an important role in explaining (under)development. There is, however, no atavistic determinism that inexorably condemns us to poverty or inequality. According to sociologist Márcia Lima, Professor in the Department of Sociology at the University of São Paulo (USP) and Coordinator of Afro-Cebrap, the legacy of slavery cannot be denied. “What perpetuates inequality in Brazil, however, are the contemporary mechanisms of discrimination and prejudice. (...) Inequality is constructed, reconstructed and reaffirmed every day in Brazil and continues to this day,” she states.

In Márcia Lima’s view, three institutions play a central role in reproducing racial and social inequalities in Brazil: the education system, the labour market and the justice system. In addition to their own practices of discrimination and exclusion — reflected in educational attainment, wage disparities and incarceration rates — they also contribute to a continuous process of cumulative disadvantage. As a result, the poor educational outcomes experienced by Black people and those living in poverty translate into precarious participation in the labour market, ultimately pushing a significant number of marginalised individuals towards crime.

“Racial equality is not a concern for the Black population. That is another misconception,” she warns, adding: “The racial

agenda is embedded in economic development. It is embedded in the labour market. It is embedded in education. It is embedded in the justice system. It is embedded in gender equality. It is everywhere”.

CORRECTING INEQUALITIES OF OPPORTUNITY

PEconomist Eduardo Giannetti, meanwhile, wonders how many millions of Brazilians have failed to develop their extraordinary talents and abilities simply because, during their childhoods, they were not provided with the necessary resources for their full personal development.

In his book *Trópicos Utópicos* (Utopian Tropics), the professor — who has taught at the University of São Paulo (USP), the University of Cambridge and Insper — argues that the (in)justice of a distributive process depends on the conditions that shape it, which can be summarised in two factors: the participants’ initial endowments and the fairness of interactions among people in the marketplace.

By breaking down the problem of inequality between starting and ending conditions, the author invites reflection on a society’s economic development. “From a collective perspective, the crucial question is this: does the inequality we observe essentially reflect differences in individuals’ talents, efforts and values, or does it instead result from a system



that is fundamentally biased from the outset and throughout the process — that is, from profound inequities in individuals' initial life circumstances, the denial of fundamental rights, and/or racial, sexual, gender or religious discrimination?" he asks.

In an interview for Fundação Dom Cabral's 50th anniversary project, Giannetti argues that the greatest challenge in building positive futures lies in addressing the profound inequality of opportunity that has prevailed in Brazil since its historical origins: "In a sense, the whole process is already flawed, because those who start out in a very privileged position, with wealth and assets, already have economic success practically guaranteed". In contrast, "those people who have the misfortune of being born into very precarious and restrictive circumstances are, in effect, born with the odds stacked against them, condemned to a [negative] trajectory simply because of the misfortune of being born where they were".

From an individual perspective, the profound inequality in starting conditions that exists in Brazil — where millions of Brazilians are deprived of the opportunity to fully develop their natural abilities — is reflected in the income distribution data compiled by economist Marcelo Medeiros in his book *Os Ricos e os Pobres: o Brasil e a desigualdade* (The Rich and the Poor: Brazil and Inequality).

By combining income tax data with findings from the *PNAD Contínua*, Medeiros shows that, in 2021, 50% of Brazil's adult population earned less than the monthly minimum wage at the time (BRL 1,100). By contrast, an individual needed a monthly income of little more than BRL 4,100 to rank among the top 10% of the country's income distribution.

To make matters worse, Medeiros demonstrates that social mobility in Brazil is limited in scope and highly vulnerable to fluctuations in the economic cycle. Regarding the extent of social mobility, Professor Arretche explains: "It is far more difficult to move from the first or second decile in the income distribution to the ninth or tenth decile. By contrast, it is relatively easy to move from the first or second decile to the fourth or fifth", because the deciles are closer together at the base of the income pyramid.

The problem, she points out, is that because the income gap between the poor and the non-poor is not significant, during times of economic crisis — when unemployment rises — a significant number of people whose lives had improved during a period of growth are thrust back into poverty.

From a national perspective, the personal hardships experienced by tens of millions of Brazilians living in poverty and deprivation translate into weak consumer demand,



stagnant labour productivity and more limited prospects for economic growth.

The research of the three Nobel Prize laureates demonstrates that countries which develop inclusive institutions are more successful in delivering higher-quality public policies, creating greater opportunities for businesses and individuals to thrive, achieving a fairer distribution of income and resources and, ultimately, fostering stronger economic and social development.

THE PERSISTENCE OF BACKWARDNESS IN BRAZIL IS ALARMING

Sociologist Sergio Fausto states categorically: “What is most alarming in Brazil is the persistence of backwardness”. To support his argument, the executive director of the Fernando Henrique Cardoso Foundation draws on the work of Edson de Oliveira Nunes, author of *A Gramática Política do Brasil: clientelismo, corporativismo e insulamento burocrático* (The Political Grammar of Brazil: clientelism, corporatism and bureaucratic insularity).

According to Nunes, these three forms of relationship with the state coexist in Brazil – the exchange of economic favours for political support, the pursuit of corporate interests (both public and private), and the influence of technocrats. Acting jointly or in parallel, these forces shape public and economic policy

decisions, steering them away from the ideal of applying rules according to impersonal, uniform and predictable criteria, which he terms “universalism of procedures”.

Analysing Brazil’s recent trajectory through the lens of the three political grammars proposed by Nunes, Sergio Fausto argues that the resistance of certain interest groups to change is one of the main factors limiting our potential for development. “What stands out in Brazil is the remarkable capacity of old practices to survive under new guises, even when the circumstances from which they originated no longer exist. (...) They are not exactly the same, but they adapt, and all of them undermine universalism,” he says.

In this context, Fausto emphasises: “We are not a body of citizens who are equal before the law, nor [a country in] in which the rules of the game are founded on this fundamental equality of members of the same political community”. This statement aligns closely with the argument put forward in the research by Acemoglu, Johnson and Robinson. For them, economic development is directly linked to the type of institutions established over time.

Generally speaking, nations whose political systems promote the rule of law, foster electoral and economic competition, and encourage social participation in decision-making, generate greater innovation and shared prosperity. Conversely, in countries



where patrimonialism, cronyism and corruption (extractive institutions) prevail, income and power tend to become concentrated in the hands of a small elite, to the detriment of the public interest.

The fundamental challenge for any country seeking to turn positive futures into reality is to confront the clientelist and corporatist modes of engaging with the state, using Edson Nunes's terminology of political grammars. Furthermore, adopting the framework proposed by Acemoglu, Johnson and Robinson, we must find ways to build inclusive institutions that replace the entrenched extractive practices which continue to bind us to the past.

POLITICAL DECISIONS SHAPE ECONOMIC OUTCOMES

Put simply, the theory advanced by the authors of *Why Nations Fail* is based on the premise that a country's power structure influences political decision-making, which, in turn, shapes economic rules and thus determines the distribution of income and resources among economic agents.

According to Acemoglu and his co-authors, when the political system favours an oligarchy in control of a society, legislation and economic policy tend to benefit the interest groups that finance their continued hold on power. The result is generally an economy with little competition, a low level of innovation

and, consequently, poorer integration into international trade and lower-quality jobs.

In Brazil, although parliamentary seats are renewed at a reasonably high rate from one legislative term to the next, candidates who already hold office, who are connected to senior party leadership through family or personal ties, or who have access to substantial financial resources (whether through personal wealth or large private donations) are significantly more likely to succeed at the ballot box.

This is because elections are contested across very large constituencies (the States) and involve hundreds or even thousands of candidates representing dozens of political parties that, in general, lack a clearly defined ideological identity in the eyes of voters. As a result, election campaigns are costly, and access to campaign finance becomes a decisive factor in increasing a candidate's chances of success — unless the candidate is already a high-profile media figure or enjoys the backing of well-organised interest groups, such as religious organisations or corporate bodies, (including trade unions and police associations, among others).

To make matters worse, with the creation of the electoral fund, the expansion in the party fund and the growing use of parliamentary budget amendments, the Brazilian political class – understood here as party leadership and elected officeholders – has come to control



a very significant volume of public resources, tilting the electoral contest in their favour.

One symptom of this system, which encourages the concentration of power, is the underrepresentation of demographic majorities, which ultimately become political minorities in the National Congress. In their book *Candidatas: os primeiros passos das mulheres na política no Brasil* (Candidates: The First Steps of Women in Politics in Brazil), political scientists Malu Gatto and Débora Thomé show how women's participation in Brazil's spheres of power has historically been constrained by legal barriers. More than that, under the current rules, women continue to face an uphill struggle to secure meaningful political representation.

THE EXCLUSION OF WOMEN, BLACK PEOPLE, AND INDIGENOUS PEOPLES

Data from the Inter-Parliamentary Union show that, with only 17.2% of the seats in the Chamber of Deputies held by women, Brazil ranks 137th out of 184 countries in terms of women's representation in national parliaments. According to Gatto and Thomé, this regrettable situation reflects a series of institutional barriers that begin in the home itself — with family responsibilities that limit the time available for political engagement — and extend to hostile party structures, difficulties in accessing electoral and party

funds, and campaign violence.

For the few women who finally manage to overcome so many obstacles and get elected, the very exercise of power takes place in a sexist and misogynistic environment. Black, Indigenous, or candidates from marginalized communities face the same situation. Even well-intentioned people with a calling for politics — regardless of constraints related to gender, race, or social class — struggle to make it through the narrow funnel of the Brazilian political-party system.

Sergio Fausto analyzes this reality: “From the standpoint of the quality of representation, it's a massive decline. (...) There's a process of adverse selection that's driving the best talent to leave [politics]. (...) The resources that really matter are concentrated in the hands of a few oligarchies that you can only break through if you're a media celebrity. There's no room for high-quality political leaders. And [entering politics] carries an immense reputational risk. Therefore, we're witnessing a process of emptying out our representation.”

The immediate consequence of this crisis of representation is that significant segments of the population find their demands excluded from the broader national political arena. However, Bruno Reis, Professor in the Department of Political Science at the Federal University of Minas Gerais (UFMG), highlights another important dimension:



“The oligarchisation of Brazil’s political system encourages the oligopolisation of the economy, creating a vicious cycle in which power and wealth become increasingly concentrated in the hands of a few.”

“As the state loses influence and matters of state cease to occupy a central place in the decision-making process, the political game also becomes, I would argue, more corrupt. The more oligopolised the economy becomes, (...) the greater the ability of certain actors to unilaterally dictate the terms of the rules that best serve their interests,” he adds.

This represents the point of intersection between political and economic elites in societies with strong extractive characteristics, according to the theoretical framework proposed by Acemoglu, Robinson and Johnson. The mutually reinforcing relationship between ruling groups and economic elites operates not only through bribery, but also through campaign financing, privileged access to the media, and increasingly close personal relationships.

In return, business leaders, corporate executives and bankers secure privileged access to decision-makers and are more likely to see their interests given careful consideration in the deliberations of the executive, legislative and judicial branches of government.

ILLEGAL RENT CAPTURE BY INTEREST GROUPS

This process, first described in a 1974 academic article by American economist Anne Krueger (“The Political Economy of the Rent-Seeking Society”), is characterized by Giannetti as follows: “There are interest groups in politics and also outside of it, in the private sector, that capture rents through legal and illegal mechanisms, such as corruption, without providing any socially recognized value in return. This is what, in economics, is technically called rent-seeking. So, you have very well-organized interest groups that have specialized in capturing rents that do not fit within the logic of a productive market economy. (...) In the political arena, they secure subsidized credit, protection for their sector, subsidies, and tax breaks.”

A survey conducted for the Imagine Brasil initiative, led by the Fundação Dom Cabral estimates that the federal government alone injected at least R\$ 627.6 billion into economic stimulus measures in 2024, including tax benefits (R\$ 402 billion), disbursements from the BNDES (R\$ 140.2 billion), funding for the development of the North, Northeast, and Central-West regions (R\$ 74.2 billion), and loans and grants for research and innovation (R\$ 11.2 billion). This represents a considerable amount of resources, equivalent to 5.3% of that year’s GDP — and,



in itself, raises important questions about the effectiveness of such incentives, particularly in light of the chronic fiscal crisis that Brazil has faced for more than a decade (Carazza, 2026).

In Brazil, therefore, we have an “Acemoglian” reality in which the political class remains in power by benefiting from the distribution of more than R\$ 20 billion in electoral and party funds every four-year cycle, in addition to the approximately R\$ 50 billion in parliamentary amendments allocated to deputies and senators each year. On the other hand, powerful business leaders and executives from major economic groups and corporations seek to pressure these representatives to create and maintain a system of tax breaks, subsidized credits, and other regulatory and protectionist advantages amounting to hundreds of billions of reais every year.

There is a widespread perception among a significant portion of the Brazilian population that the political class does not represent them, and business leaders and representatives of organized civil society repeatedly state that the political class is not up to the challenges of Brazil’s development. There are, however, two problems: what to do to make our institutions more inclusive, and how to bring about these changes, given that the forces that benefit from the current system

have enough power to block any initiative that threatens their privileged position.

THE EXTREMES OF INEQUALITY ACROSS BRAZIL

To write *Extremos: um* *as desigualdades no Brasil* for *Understanding Inequality*, economist Pedro Fernando Nery travelled to the Federal Senate and to O Estado de S. Paulo — that lie at opposite ends of the spectrum, rather than its. He journeyed, for example, in the state of Amazonas to the district of São Paulo; from a neighbourhood in the city of Mocimbo do Bom, on the outskirts of the state of Piauí; and from Rio Grande do Norte, to Nova Friburgo, in Rio Grande do Sul. Nery travelled both physically — by plane, boat and car — and through data to portray a country marked by profound inequalities in areas such as quality of life, life expectancy, access to the pension system, and social assistance programmes.

Although Article 3 of Brazil’s 1988 Constitution establishes that one of the objectives of the Federative Republic of Brazil is to “eradicate poverty and marginalisation and reduce social and regional inequalities”, Nery is skeptical about the country’s ability



to reverse the centripetal forces that drive the concentration of wealth in particular parts of the national territory.

“We are beginning to recognise that the current body of research increasingly suggests that inequality is almost a natural phenomenon. (...) Cities, states and regions that are already wealthier tend to become wealthier still,” he observes. Whether as a result of externalities or agglomeration economies, the author acknowledges that those which gained an early lead in the industrialisation process enjoy an advantage that is difficult to overcome.

At an event held in April 2026, Nery had the opportunity to interview the Nobel Prize-winning economist James Robinson. Invited to reflect on what the formula for Brazil’s growth and development over the coming decades should be, the co-author of *Why Nations Fail* gave an answer that took Nery by surprise. Reflecting on the exchange afterwards, Nery commented:

“I expected him to outline a series of reforms that Brazil should adopt by drawing on international examples — something from the United States, something else from China, and so on. Instead, he simply said: ‘You will probably have to find your own path.’ (...) I am not sure how much I believe in that prescription. But I do think it is a powerful idea for encouraging a more optimistic view of Brazil’s future: that we should find a path of our own.”

WHAT IS THE BEST WAY FOR BRAZIL?

In an interview given just a few days after the announcement of his Nobel Prize nomination, Robinson drew a parallel between human societies and ant colonies. From this perspective, human societies develop social structures, preferences and technologies that enable them to adapt to different terrestrial environments, just like ant colonies.

When considering Brazil’s challenge of building more inclusive institutions in order to create a more prosperous future, it is inevitable to ask what path is most likely to achieve that goal. According to Robinson, it is not enough simply to emulate the policies adopted by wealthy countries, as each nation’s circumstances are highly specific. Even so, academic research and international experience provide valuable insights to inform the debate.

Issues such as reducing the volume of public resources allocated to politics and diversifying the sources of funding for campaigns and political parties, as well as electoral competition rules (district size, closed or open party lists, and majoritarian or proportional representation systems), alongside measures to strengthen party governance and internal democracy, could help foster a constructive debate aimed at reducing the crisis of political representation and improving the quality of parliamentary representation.



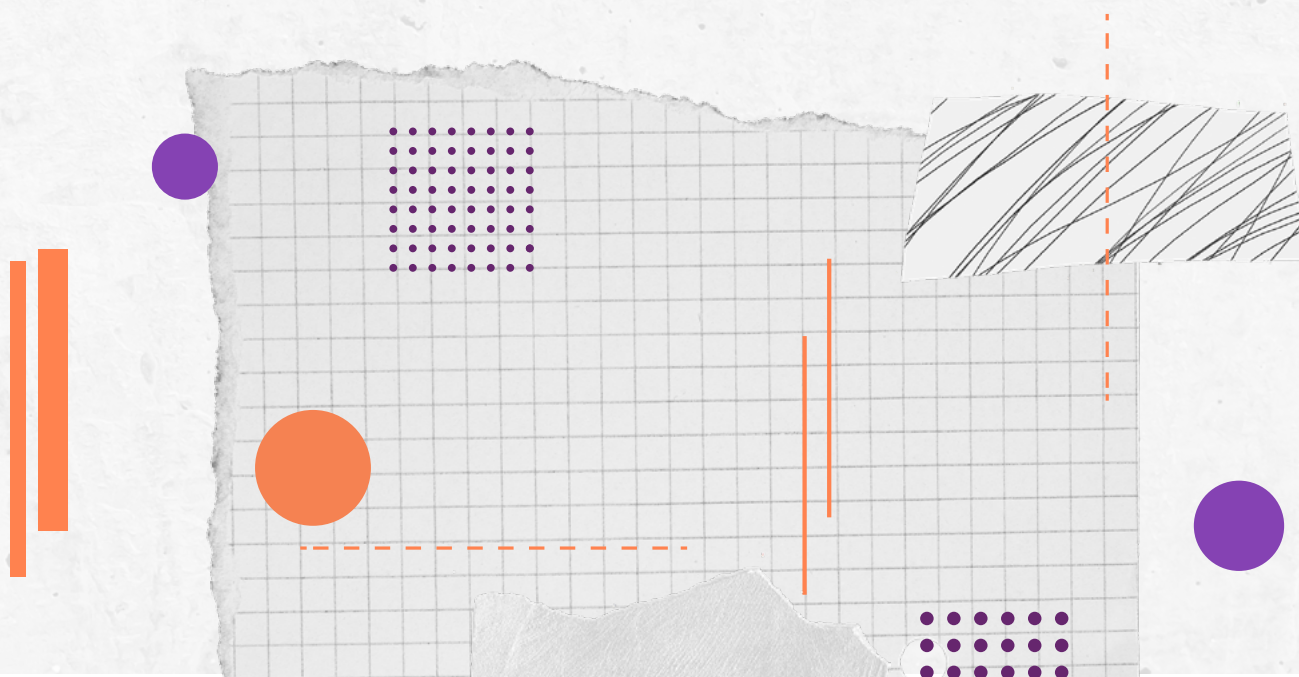
In terms of reducing rent-seeking, the process of making tax, budgetary, and regulatory decisions, as well as the formulation of public policies, can be significantly improved through measures such as: regulating lobbying activities, reforming the legislative process, mandating prior and recurring impact assessments, establishing targets and conditions for tax and credit benefits, improving mechanisms for public consultation and participation, and strengthening the institutional capacities of ministries and regulatory agencies, among others initiatives.

Regardless of the set of reforms one wishes to adopt for Brazil — tailored to our specific circumstances, as Robinson suggests — one element is essential. In the words of Sergio Fausto: “Ultimately, I’m going to mention something that’s missing in Brazil: a legitimate elite. (...) Without intermediary institutions between the political system and

the electorate or the citizenry, there is no democracy. There must be political parties, (...) there must be an elite. It’s not that the government has to be made up of the best people. But some of the best people need to be encouraged to participate in politics.”

Over the past 50 years, Fundação Dom Cabral has excelled in developing a generation of leaders across the private and public sectors, including civil society organisations. These business leaders, executives and public-sector managers have skillfully strengthened their capabilities to steer their organisations through the challenges and uncertainties of the Brazilian economy.

As FDC celebrates a successful legacy while looking towards the future, it is essential that this ecosystem of leaders from Brazil’s elite work together to build consensus around making Brazilian institutions more inclusive and, in doing so, help create more positive futures for the country.





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BRUNO CARAZZA is an Associate Professor at FDC and a member of the Imagine Brasil initiative.



Education and skills for positive futures: Brazil facing a time that will not return

BY **RICARDO HENRIQUES***

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.

TIME THAT DOESN'T WAIT: URGENCY AS A STARTING POINT

There are moments in history in which the slow accumulation of transformations reaches a threshold and everything changes pace. Brazil currently is living in one of these moments. It is not a crisis, but a convergence: the demographic transition that accelerates the aging of the population; the technological transition that redefines the learning environment and rewrites the rules of work; the climatic transition that redesigns economic geographies; and, the geopolitical transition that reconfigures global value chains. Everything happened at the same time, without warning and without asking permission.

The country is not unprepared by chance, but by choices – or the lack thereof. Decades of underinvestment in quality education,

of tolerating the obscene inequality and of postponing the necessary structural reforms, have produced an educational system that still does not guarantee for all Brazilians the minimum skills to inhabit the 21st century. Moreover, the cost grows exponentially: every year the learning deficit is unresolved is one more year with workers trained for a market that no longer exists.

The present essay does not purport to offer a comprehensive public policy program for Brazilian education. Its intent is more modest and, at the same time, more radical: to highlight the urgency, point out the traps, acknowledge the genuine uncertainties, and identify where there is sufficient consensus to act. This is because paralysis, facing this complexity is, in itself, a choice. The worst of them all.



THE STATE OF THE ART: WHAT THE DATA TELL US (AND WHAT THEY ASK OF US)

The paradox of access without learning

In recent decades, Brazil has reached a milestone that should not be underestimated: universal access to elementary education. However, enrolment is not synonymous with learning. On the PISA (the international OECD test), we occupied the 65th position among 81 countries evaluated in mathematics, very much below the mean of the organization. The same thing happens in reading and in the sciences. From the Basic Education Assessment System (*Sistema de Avaliação da Educação Básica*, SAEB), we know that only 32% of students in the 9th year of basic education have adequate proficiency in Portuguese, and only 19% in mathematics (BRASIL, 2024a).

These are figures that should outrage us, but which, with disconcerting frequency, are met with resignation or empty promises. The inequality that underlies these results is, in itself, a second scandal. Black students, those from rural areas, from the north and northeast regions, and from urban peripheries systematically learn less than their white, urban colleagues from the south and southeast regions. Brazilian schools not only fail to ensure learning, they reproduce and reinforce the social strata they receive from society.

Demographic transition as a catalyst for urgency

Brazil is aging faster than it has learned to deal with the consequences of this process. The demographic bonus, the period in which the working population is proportionately greater and can promote growth, is ending without us having taken advantage of this opportunity. Countries like South Korea and China are using this window to invest massively in education and technology, generating productivity gains that have allowed them to escape from the trap of middle income. Brazil, on the other hand, has maintained a low-quality educational system exactly during the time when it most needs qualified human capital.

The implication is straightforward: with fewer young people entering the labour market, the productivity of each worker needs to be greater. Sustainable economic growth, in an aging country, depends on quality: of education, health, innovation. Quantity is no longer enough. Quality is the key challenge.

The job market of the future

The “Report on the Future of Jobs, 2025” from the World Economic Forum projects that, by 2030, 170 million new jobs will be created globally and 92 million will be eliminated (WEF, 2025). It is not a net loss, but it is deeply disturbing: the jobs



that appear are, mostly, different from those that disappear. They demand different skills, different knowledge, and a different attitude toward learning. In Brazil, the scenario for automation is particularly worrisome. In their study, Ottoni et al. (2022) estimated that 58.1% of Brazilian jobs are at high risk of automation in the next 20 years. This does not mean that all these positions will be extinct, but the jobs and the required skills will change, and workers unable to adapt will be the most vulnerable.

For 84% of employers in Latin America, the answer to this challenge is training the workforce, through continuous *upskilling* (enhancing existing skills) and *reskilling* (learning new skills) (WEF, 2025). In Brazil, this is already the prioritized strategy declared by businesses. The problem is the chasm between the declaration and the practice: the country invests little in ongoing training, and this investment is concentrated on those workers who are already more qualified. This is exactly the opposite of what equity would demand.

THE TRAP OF MIDDLE-INCOME AND THE BURDEN OF INEQUALITY

The trap of middle-income is one of the most debated concepts in development economics. Countries that arrive at an intermediate level of per-capita income frequently stagnate:

they do not compete on costs with the poorest countries, but do not yet have either the human or technological capital to compete with the richest ones. Brazil has been in this position for decades. The World Bank (2023) warns that the country needs to accelerate the absorption of leading technologies and the development of more efficient business processes to escape this trap. However, what international reports often underestimate is the unique Brazilian situation: the middle-income trap in Brazil is exacerbated by one of the highest levels of inequality in the world, unparalleled even among countries of similar incomes.

There is no way to escape this trap without simultaneously confronting inequality. This is not only because socioeconomic justice is a moral value, but because sustainable economic growth demands that the total work force be productive. Wasting the potential of half the population due to poor education, structural racism, and poverty is not only unjust: it is economically suicidal.

Equity is not the opposite of excellence; it is its prerequisite. Educational systems that concentrate quality among the few, reproduce inequality without generating development. South Korea and Finland, international references, have built their excellence on a broad base of equity (OCDE, 2023b). Excellence and equity



present as twin goals to be followed (Henriques, 2026). Brazil has still not learned this lesson, in sufficient depth.

WHAT WE KNOW WORKS

Amidst the uncertainties, there is a core of accumulated knowledge that allows us to state, with reasonable confidence, what works. This is demonstrated in the following four topics:

Teacher quality is non-negotiable

The international literature is unequivocal: teacher quality is the in-school factor with the greatest impact on student learning (Hanushek; Rivkin, 2012). However, in Brazil, the situation is worrisome. The mean salary of teachers in basic education is significantly less than that of other professionals with equivalent levels of education (OCDE, 2023c). Their initial training, in general, is inadequate for dealing with heterogeneous classrooms and with the demands of contemporary learning. Continuing education, in those cases where it exists, is rarely of high quality and does not include appropriate curricular content, and

hardly ever reaches the teachers who need it the most.

Reforming the teaching profession — through better entry conditions, more rigorous and practical initial training, structured salary valuation, relevant continuing education, and performance evaluations with consequences — is one of the interventions with the strongest evidence of impact on learning (Bruns & Luque, 2014; Chetty, Friedman, & Rockoff, 2014). It is also one of the politically most difficult. However, it is unavoidable.

Professional and vocational education as a strategic bridge

Brazil still shows a lower proportion of young people enrolled in vocational education than is the mean for OECD countries (OECD, 2023c). Moreover, the problem is not only one of access. It is also of the quality and the relevance of this training, because outdated programs, poor infrastructure, and being disconnected from the real demands of businesses turn Professional and Vocational Education (PVE) into a certificate with no substance.



The models that work integrate technical training with across-the-board skills — such as critical thinking, communication, and teamwork — and create real bridges between educational institutions and businesses. The S System can be much more effective in integrating this. State education networks need to structure an up-to-date PVE policy, aligned with the needs of work force and committed to the social mobility of the students, especially those most vulnerable. Modernizing, expanding, and improving PVE is one of policies with greater potential for social return, in the short term.

The irreplaceable role of basic education

No policy for vocational training or adult retraining is sufficient if basic education does not work. Brazil still lacks an ambitious and consistent educational policy. Ambitious in its goals: learning, that is compatible with OECD countries within, at most, two decades. Consistent in its execution: with stable investment, systematic evaluation, systematic coordination among educational authorities (state departments, region offices, and schools), accountability of these authorities and of the actors, and technical support for the instructional networks.

In this sense, Ceará's experience is inspiring and instructive. The state has obtained outstanding results over the past

20 years, surpassing wealthier states in the nation, through systematic evaluation, training of teachers, support for the cities, and accountability with incentives (Bruns; Evans; Luque, 2012). Piauí is another example of continuous and significant improvement in the Index of Development of Basic Education (IDEB), structuring the educational management and guaranteeing the offer of full-time schooling with PVE in all schools (BRASIL, 2024a). We also have examples from Espírito Santo and Goiás, with structured educational and school management strategies are producing systematic advances in the indicators, that even outlast the change in governments. The lesson is: improvement is possible, and the path is mapped out.

Evaluation as a tool for improvement, not punishment

Systems that regularly assess learning to guide pedagogical practice, holding school districts and schools accountable for their performance, tend to improve (Carnoy & Loeb, 2002; Hanushek & Raymond, 2005).

In Brazil, the main problem is not the lack of data, but their limited use. This happens because, on the one hand, external evaluations at the ends of cycles do not support timely changes in the classrooms.



On the other hand, formative evaluations conducted throughout the year are still methodologically weak, their results are almost never systematized and, even when they are, do not translate into interventions that help teachers and student improve their performance.

Assessments must be accompanied by technical support for underperforming schools and students, teacher training based on identified areas of difficulty, and accountability policies that combine positive incentives with systematic monitoring. Evaluations used thus can be liberating for the instructional practice. Using evaluations only for ranking, without support and without constructive consequences, is a waste of a valuable instrument.

THE TERRITORY OF UNCERTAINTIES: QUESTIONS THE WORLD HAS NOT YET ANSWERED

What will artificial intelligence do to work – and to education?

Generative artificial intelligence (AI) is bursting onto the scene at a speed that defies any reliable prediction. Unlike prior waves of automation, which mainly substituted repetitive, manual work, this is advancing on cognitive tasks. Professions which had thought themselves to be immune to automation (law, medicine,

journalism, teaching) are being affected.

What does this mean for education? Honestly, we don't know yet. Some researchers argue that AI will increase human abilities (Brynjolfsson; McAfee, 2014). There are also those who believe that it could become an instrument that makes us think better (Sakar, 2025). Other warn that it could devalue exactly those intermediate-level cognitive skills that formal education has taken decades to promote in developing countries (Acemoglu, 2022).

For Brazil, the issue has an additional dimension: if AI replaces intermediate-level cognitive work, just as the country is trying to build a skilled middle class, the effect could be devastating for equity. The automation of tasks could cut off the path to upward social mobility that generations of Brazilians have already travelled.

Cognitive sovereignty must be viewed as a strategic issue. There is also a dimension that transcends the job market and education: as AI systems assume diagnostic, recommendation, and decision-making functions, whoever controls these systems has power over what people think, consume, and believe. Technological dependence on AI could be, in the 21st century, analogous to the energy or food dependence of the 20th century. That is,



a strategic vulnerability of the first order. Education, in this context, is not only an instrument of individual emancipation and employability, but also of national sovereignty.

How can the sciences, technologies, and humanities be integrated?

There is a growing perception that the great challenges of the 21st century – climate change, pandemics, inequality, AI regulation – require professionals capable of moving between technical and humanistic knowledge. Interdisciplinary training is, therefore, a necessity. Yet, how do we build it into an educational system organized into tightly sealed disciplines, with teachers trained in specialized fields, with evaluations that test disciplinary content? There is no ready answer.

Experiences such as the STEM (science, technology, engineering, and mathematics) and STEAM (with the addition of arts and humanities) programs offer clues. However, systematic

reviews indicate that results are still mixed, depending on the quality of the implementation and the context, which requires caution before generalization (Bybee, 2013; Honey; Pearson; Schweingruber, 2014; Sousa; Rocha, 2019).

Brazil has a comparative advantage that it often underestimates: a culture of hybridity, of synthesis, and of creativity coming from that mix. The Brazilian intellectual tradition, from Gilberto Freyre to Darcy Ribeiro, from Oswald de Andrade to Paulo Freire, is marked by this ability to build bridges between worlds. Transforming this cultural characteristic into a pedagogic method and an organizational practice is an open and promising challenge.

How can organizations become learning environments?

In a world in which knowledge becomes obsolete within months, formal education can no longer be the only, or even the primary, arena for skills development. Organizations that believe in, and encourage, lifelong learning tend to be more





dynamic and better able to adapt to highly uncertain contexts.

The problem is that very few organizations are actually prepared for this. And there is a fundamental tension here, that the corporate world has not yet solved: organizations need immediate efficiency, something, in principle, incompatible with the disorder of genuine learning. How do we reconcile the pressure for short-term results with the investment in development that only gives returns in the long-term? How do we measure the value of an organization that is learning? We have no set answers. But, the questions need to be on the leadership agendas.

One clue comes from the research on high-performance organizations: they tend to combine clear goals with a high degree of autonomy; to use errors as data for learning rather than as grounds for punishment (what Amy Edmondson (1999) termed psychological safety); and, to invest in leaders who teach rather than merely manage (Senge, 1990; Garvin, Edmondson, & Gino, 2008). The problem is that building this type of culture is a slow, difficult, and contra-intuitive process in a quarterly economy.

The dilemma of socio-emotional skills: consensus or fad?

In recent years, a consensus has emerged that so-called socio-emotional

skills (resilience, empathy, collaboration, self-regulation, and creativity) are just as important as cognitive skills for success in work and life. Yet, do we know how to develop them in a systematic and scalable way? Or, how to evaluate them without distorting the incentives?

Measurement, here, is methodologically complex and ethically delicate. There is also a risk to be avoided: the emphasis on socioemotional skills should not be used to hold individuals accountable for structural conditions. Telling young persons from the outskirts that they need to be more resilient, when what they need is quality schooling, public safety, and employment opportunities, is, at the least, an inversion of priorities. Socioemotional skills are important, but they are no substitute for structural policies.

MULTIPLE TRANSITIONS AND BRAZIL: OPPORTUNITIES AND THREATS

Climate transition as an educational opportunity

Brazil has one of the most renewable energy mixes in the world, but the transition to a low-carbon economy demands new professionals: energy engineers, renewable energy technicians, carbon specialists, and environmental impact managers. The Brazilian potential in green hydrogen,



biomass, sustainable agribusiness, and biome conservation, for example, offers a rare window of opportunity: the country can position itself as a supplier of high value-added green goods and services, generating skilled jobs on the technological frontier (Banco Mundial, 2023). However, skilled workers are needed to do this, and this training does not yet exist on the necessary scale.

There is also a dimension of environmental literacy: citizens who do not understand the scientific basis of climate change are more vulnerable to misinformation and less capable of demanding appropriate public policies. Environmental and climate education is a dimension of education that Brazil still underestimates.

Technological transition and the risk of digital divide

The OECD warns, in the report *A Caminho da Era Digital no Brasil* (On the Road to the Digital Age in Brazil, 2020), that the digital transformation of businesses is progressing unevenly and could intensify inequalities between large and small businesses, between skilled and unskilled workers, between more and less developed regions. The digital literacy that the 21st century demands is not the knowledge of tools, which change rapidly, but the ability

to understand the underlying logic of digital systems: what an algorithm is, how a neural network works, the structure of computational thinking, why data is power, how online privacy works. This literacy is, today, as fundamental for citizenship as knowing how to read and write. Brazil is still very far from ensuring this for everyone.

Demographic transition and lifelong learning

The aging of the population raises the issue of lifelong learning with renewed urgency. An aging work force that will need to keep working longer, given the pressure on social security systems, cannot depend exclusively on what it learned in school or college. Lifelong Learning stops being an aspiration, and has become a demographic necessity. The issue that Brazil has still not answered satisfactorily is: Who is responsible for the ongoing training of workers? The state? The businesses? The workers themselves? The answer is probably, everyone, with different obligations and motivations. However, this framework of accountability has not yet been built.

THE LEADERSHIP THAT THE FUTURE REQUIRES

What type of leadership does Brazil need to build positive futures? The issue



is complex. On the one hand, there are skills that organizational studies identify as associated consistently with high performance: the ability to think systematically, to tolerate and learn with uncertainty, to build diverse and inclusive teams, to communicate with clarity and authenticity, to make decisions under conditions of ambiguity.

On the other hand, there is a dimension of leadership that the historic moment renders even more urgent: the willingness to place the collective good above immediate interest. Leaders who capture value instead of create it, who externalize social and environmental costs, who optimize quarterly results at the cost of long-term development, are leaders who contribute to entangling Brazil in its own structural traps.

The issue is not moralistic. It is strategic. Organizations that train their own internal leaders, that is, that invest in young talent, that create development pathways, that tolerate mistakes as part of learning, tend to be more resilient and more innovative than those that outsource human development or that neglect it in the name of short-term results. Countries that train leaders this way, in all spheres (public and private), have greater chance to build positive futures.

There is also a dimension of diversity that cannot be ignored. Brazil is a predominantly black country with an extremely unequal territorial distribution of wealth and opportunity. Leadership structures that frequently do not reflect this diversity tend to make decisions based on incomplete information, overlook talent, and repeat hierarchies that the country needs to move beyond. Diversity in leadership is not a concession or a quota; it is organizational and strategic intelligence.

One question remains open: how can we develop — at scale — leaders committed to positive futures with equity, sustainability, and long-term development, within an economy that incentivizes the opposite? There is no simple answer. However, recognizing the tension is the first step.

THE FRAMEWORK OF WHAT NEEDS TO BE DONE: A PROACTIVE SUMMARY

In the immediate future, Brazil needs a national policy to improve learning in basic education that features clear objectives, stable investment, systematic assessment, and accountability with support. The goal that all students finish basic education with full mastery of reading, writing and basic mathematical reasoning is not



ambitious; it is the minimum that is not yet guaranteed. We also need to expand and qualify professional and technical education – one of policies with greater potential for return, in the short term.

In the medium term, we need to build a national lifelong learning policy. Incorporating digital education is also urgent – not as an isolated discipline, but as a cross-cutting dimension serving all areas. In parallel, the construction of a system for recognizing skills acquired outside the formal system could broaden enormously the utilization of Brazilian human capital. Several OECD countries have advanced in this direction, but Brazil is still at the beginning of this journey.

On the structural horizon (which requires profound transformation), the overcoming of inequalities must guide all policies. Integration of the educational system, the world of work, and science and technology policy is another condition for leading the ongoing transitions without being left even further behind. Training leaders committed to the public good is a task that institutions like Fundação Dom Cabral can and should lead. Not only in the training of efficient executives, but also responsible citizens capable of placing collective development at the centre of their decisions.

CONCLUSION: EITHER WE ACT, OR WE GET LEFT BEHIND

Brazil is a nation of paradoxes that have become chronic. It possesses incomparable biodiversity, yet it has deforested a quarter of the Amazon. Extraordinary cultural creativity, in an educational system that suffocates critical thinking. Proverbial hospitality, in a society that systematically produces exclusion. A constitution that proclaims rights, in a state that still does not guarantee them.

Darcy Ribeiro (2006) stated that Brazil has formed a national culture with a high degree of homogeneity, and that its people possess a strong aptitude for learning and innovation. He argued that the problem is not a lack of potential but, rather, of the structural pathways that would allow that potential to be transformed into development. Decades later, the diagnosis continues to be valid. What has changed is the urgency.

We have arrived here through choices, or through the absence thereof. Our history is marked by changes without transformation: that is how we proceeded through Independence, Abolition, and the Republic. That should no longer be our only option. The choice that Brazil needs to make now is clear: to invest consistently and intelligently in the development of



the human capital of all of its population; not just a privileged portion, not just the upper part of the pyramid, but of everyone. Guarantee that every child learns to read, write, reason, and, above all, learn how to learn. That every young person has access to quality technical training, and that the best (the most capable, the most interested) have access to quality higher education. That every worker has the opportunity to retrain throughout their life. That every leader (in the public and private sectors) is trained to think

over the long term, and for the collective good.

This is not an empty utopia. On the contrary, it is an aspirational utopia that can generate profound changes. This is what the countries that have built positive futures have done. It is what Brazil still has not done, but can still do. The window is closing, but it is still open. The choice is urgent.

Finally, the time that does not wait is the very same time that, if used well, can still save us.

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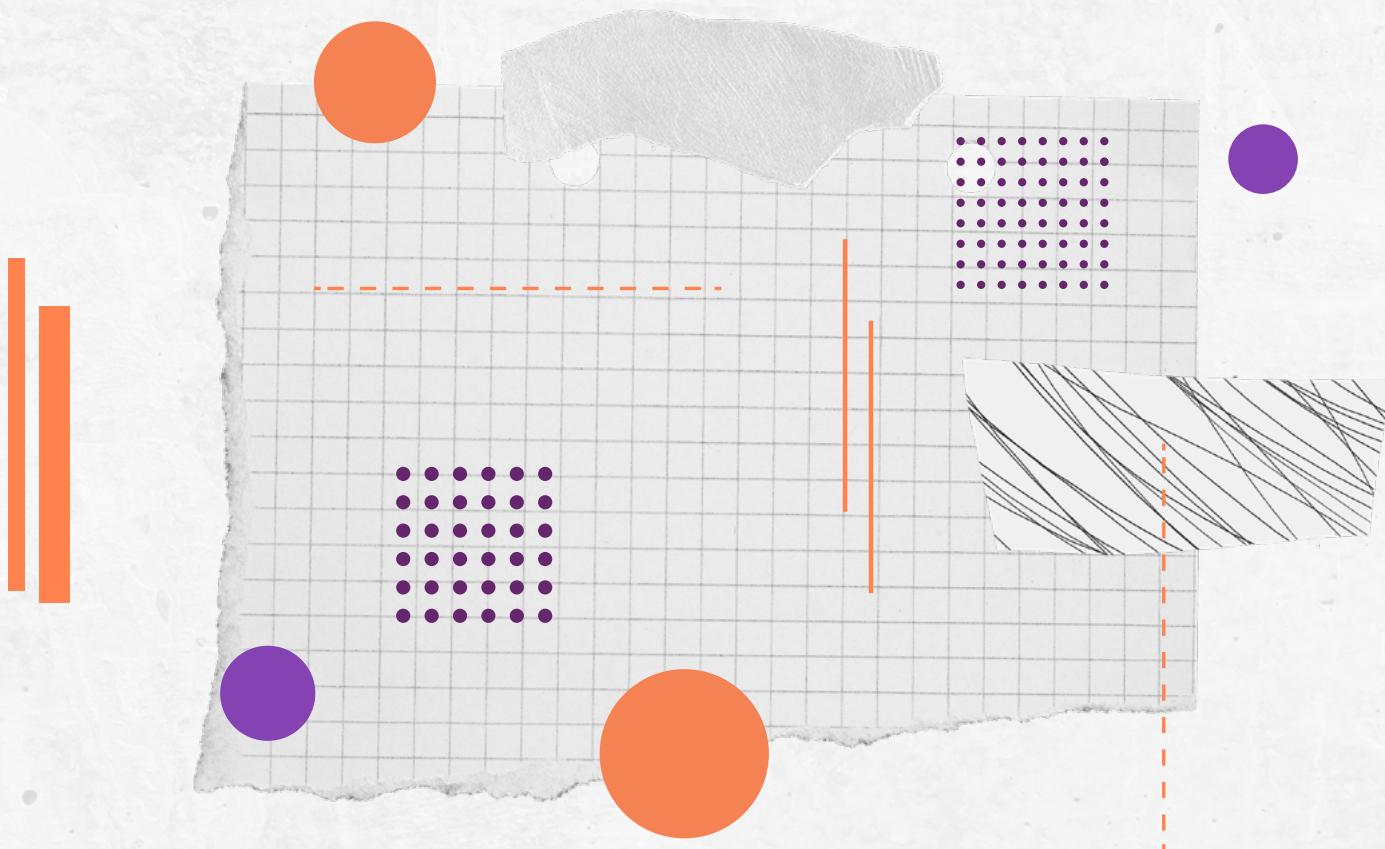
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RICARDO HENRIQUES is Executive Superintendent of the Instituto Unibanco, an associate professor at Fundação Dom Cabral, and a member of the Imagine Brasil initiative.





Regenerating Organisations

BY **HEIKO H. SPITZECK***

(*) **Editorial Note:** *This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.*

According to Webster's Dictionary, to heal means 'to eliminate injuries or illnesses, to restore to health or wholeness; to make well again: to restore health; and to ensure that an undesirable problem is overcome', Sisodia R. and Gelb M. (2020). Based on this definition and in line with the business landscape, we might ask: what do businesses need to heal?

In addition to the articles presented by my colleagues at Fundação Dom Cabral featured in this special edition, it is worth highlighting the Doughnut Economics approach, developed by economist Kate Raworth. It offers a powerful representation of the challenges our society needs to address. The model takes the form of a doughnut. Its outer edge represents the planetary boundaries that must not be exceeded in order to prevent the destabilisation of natural systems, such as climate, biodiversity, land use, and water resources.

The inner ring stands for the minimum social foundation required to ensure a life

in dignity for all, including access to food, healthcare, education, housing, and justice. Between these two boundaries lies the safe and just space in which humanity can thrive: on the one hand, respecting the planet's ecological limits; on the other, ensuring the social conditions essential to human well-being.

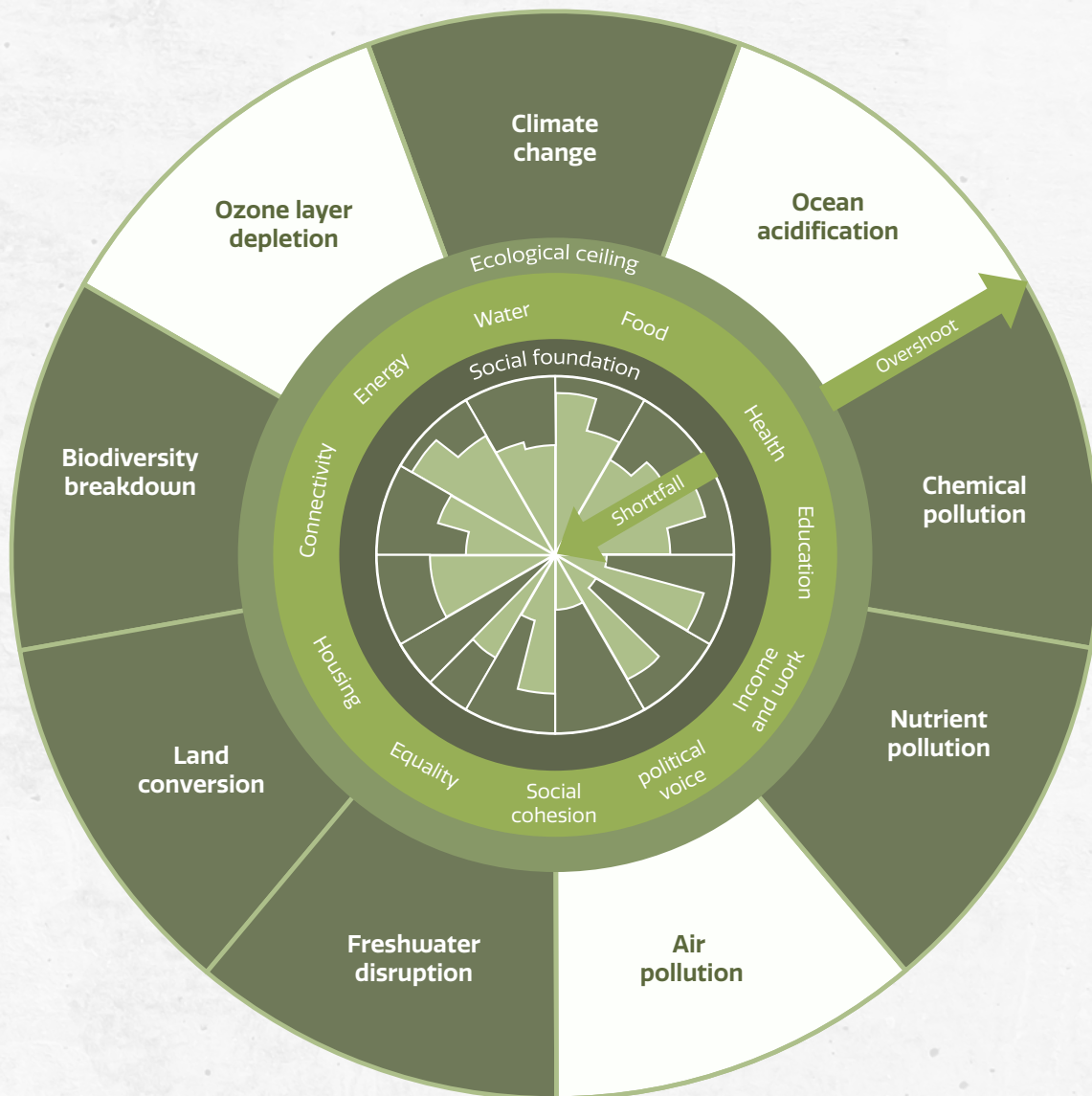
A *Nature* article, published in 2025 assesses the current state of the world using the 'doughnut' model. According to the publication, global GDP more than doubled between 2000 and 2022, while the social minimum still seems a long way off for two billion people who lack access to food, healthcare and clean water. At the same time we are exceeding planetary boundaries in relation to climate change, species extinction and soil pollution.

Research that led to the Nature article is directly related to the findings highlighted in Aldemir Drummond's article: resources do not



guarantee prosperity. Even while generating growth, humanity's current way of life fails to provide the minimum conditions for a dignified life for millions of people, while at the same time placing excessive demands on natural resources.

FIGURE 1: CURRENT STATE OF SOCIAL AND ENVIRONMENTAL DEFICITS AND OVERSHOOT OF THE DOUGHNUT'S PLANETARY BOUNDARIES



Given this current situation, it is therefore not surprising that younger generations take a pessimistic view of what the future might hold. In 2026, our team at FDC conducted an exploratory online survey of 115 students aged between 18 and 30. We found that only 12.7 per cent have a positive outlook on the future. When



imagining the world 50 years from now, the first words that came to mind are technology, chaos, war, climate change and inequality

ARE COMPANIES PREPARED TO HEAL AND TO REGENERATE?

The way we organise ourselves as a society and the interaction between governments, businesses and civil society organisations produce the results outlined above. The private sector plays a decisive role, both in mitigating negative impacts and in generating positive ones. Corporate decisions reflect the way in which business leaders understand the relationship between business and the social and environmental systems on which the market depends. We can identify at least three stages of maturity in this understanding: independence, risk and opportunity.

At the independence stage, socio-environmental issues are considered externalities. According to this approach, it is the state's responsibility to regulate social and environmental issues, whilst companies focus on generating economic value. This logic has been criticised for encouraging 'extractivist' behaviour, as argued by Bruno Carazza and Aldemir Drummond, characterised by the privatisation of profits and the socialisation of losses.

This independence stage denies the company's relationship with the social and

environmental systems that underpin the market. Moreover, it ignores the market's dependence on natural and social systems. As a result, organisations operating under this logic are exposed to risks they cannot even perceive, as they fail to recognise that economic prosperity depends on minimum conditions of social and environmental stability.

With regard to the risk stage, socio-environmental issues are risks to be managed. The company seeks to identify and mitigate legal, operational, financial, and reputational threats that could compromise results. This approach is limited to the costs that companies are willing to bear in order to manage these risks. As social and environmental issues intensify, the costs associated with them become more significant.

This risk-averse approach on the part of management is primarily aimed at reducing costs. From this perspective, the company invests the minimum necessary to control risks. The company's relationship with social and environmental systems is limited to those issues that threaten the organisation's results and does not ask itself how to have a positive impact.

Finally, in the 'opportunities' stage socio-environmental issues are viewed as business opportunities. This view was expressed best



by management-guru Peter Drucker, who held that 'every social problem is a business opportunity in disguise'. Thus, social and environmental problems are demands from society that can be met by companies.

There is no shortage of examples of social and environmental issues providing business opportunities, such as telemedicine to expand access to healthcare, microcredit to promote financial inclusion, and the transformation of waste into new products. All these initiatives are examples of business models that generate economic value while simultaneously addressing social and environmental needs.

Viewing social and environmental issues as business opportunities and sources of new revenue is an excellent way to unlock the innovation potential of the private sector. However, one limitation remains: only those problems that can be converted into revenue attract companies' attention and investment. In this sense, the underlying logic remains centred on the private capture of value, albeit through socially beneficial means.

Despite the differences between them, the three stages share the same fundamental question: how can social and environmental issues protect or enhance a company's financial performance? Profit remains the primary criterion for decision-making. This is a predominantly self-centred logic, in which

the central question is always: "What does the company gain from this?"

The value created for other stakeholders is seen as an incidental consequence rather than an explicit objective. Moreover, these approaches tend to take the market as a given, without questioning the conditions that guarantee its existence. Little attention is devoted to preserving and regenerating ecological systems, social cohesion, public health, or the availability of the resources on which all businesses depend.

Therefore, what happens when each organisation focuses exclusively on its own success and no one assumes responsibility for the health of the system as a whole? If profit is the sole criterion guiding decisions, what would distinguish the Mafia from a company? As Rodrigo Zeidan emphasises in his finance classes: "The difference between the Mafia and a company is simply its appetite for risk."

This provocative statement may sound uncomfortable, but it leads us to a necessary reflection: profit is indispensable to the survival of businesses, but it cannot be their sole guiding criterion. This is precisely where governance and the ability to make choices assume a central role. If we need criteria beyond profit to guide decision-making, where do they come from? From external pressure exerted by regulators, investors



and consumers, pushing us towards arduous compliance processes? Or from an internal conviction among leaders about the role of business in building a more prosperous and resilient society?

REGENERATING ORGANIZATIONS

In businesses that heal, the criteria guiding decision-making do not arise solely from external pressures, regulations or reputational risks. Rather, they stem from the organisation's internal make-up: its values, the quality of its leadership and an understanding that no business can thrive in a society that fails. Luciana Ferreira's article highlights the importance of mattering, understood as the ability to genuinely care about others.

This principle is an essential component of businesses that heal and regenerate. Rather than placing the company at the centre of every decision and asking only, "What do I gain from this?", these organisations broaden their perspective and begin to consider the value created for the entire stakeholder ecosystem. In this context, as Maria Elisa Brandão Bernardes argues in her essay, they define "the kind of collective life" they want.

This view is in line with the perspective of the authors of **Healing Organisations**, who advocate for a stakeholder-oriented governance rather than focussing exclusively

on shareholders. The aim is not to replace the pursuit of economic value, but to recognise that results depend on the health of the social, environmental and economic systems on which the company and other stakeholders depend. As the 'doughnut' model as well as other research shows that a focus on sustainable development alone is no longer sufficient. For this reason, the term 'regenerative economy' is gaining prominence: it is necessary to regenerate the systems on which life (and the market) depend.

"Regenerating organisations" go beyond simply minimising damage or seizing opportunities. This new approach seeks to strengthen and, where necessary, regenerate the foundations that make markets viable over the long term: trust among people, the quality of institutions, the health of communities, the availability of natural resources and the resilience of ecosystems.

In other words, "regenerating organisations" do not view corporate success as separate from societal success. They recognise that lasting economic value depends on the ability to create value for customers, employees, suppliers, communities, and the planet itself. You might think this is an idealistic and utopian view of business. Our team led by Professor Adriano Pimenta at the Sustainability Centre at



Fundação Dom Cabral has recently studied examples of regenerating organisations. Here we present two of them.

HEINEKEN SPIN - HEIFOREST

Among the various critical issues highlighted by doughnut economics are the scarcity of drinking water and the loss of biodiversity, both of which are directly linked to the HEINEKEN Group's global sustainability targets. The company aims to replenish 100% of the water used in its products, while also achieving Net Zero emissions across its entire value chain by 2040.

Water has always been at the heart of brewing operations. Nevertheless, it remained relatively invisible within the traditional logic of corporate management: a resource perceived as abundant, readily available and predictable. However, as extreme weather events have intensified, rainfall patterns have changed and water scarcity has become increasingly recurrent, this perception has changed rapidly.

For the HEINEKEN Group, particularly in regions such as Itu,

home to one of the company's main breweries in Brazil, the territory has ceased to be merely the physical location of the operation and has become a critical variable in ensuring business continuity. The region has a history of severe periods of water stress, and increasing climate variability has raised a strategic concern: to what extent will water-intensive operations remain viable in environmentally vulnerable areas?

In the region, the HEINEKEN Group owns an area of approximately 1,800 hectares that was previously leased for traditional agricultural activities, such as sugar-cane cultivation and cattle farming, which had degraded the soil over the years. To address the challenge of water scarcity, HeiForest was launched with the aim of regenerating the area — an initiative requiring significant investment. And this is where a classic sustainability question arises: how can such investments be made economically viable?

This is where the innovative HEINEKEN Spin approach comes in: a new way of thinking about investment and sustainability. SPIN embodies the concept of “businesses





that spin in favour of the world” and operates as a capital allocation framework: projects are conceived from the outset with a business model and a clearly defined financial return. Unlike the traditional approach, in which social and environmental initiatives are treated as costs and subsequently justified, SPIN is based on the principle that regeneration and economic returns should be conceived together. With this clarity, the HEINEKEN Group allocated R\$150 million to a portfolio of SPIN projects. Rafael Rizzi, who served as Transformation Director in 2024 and took on the role of Vice President of Sustainability and Corporate Affairs in July 2026, explains: “Impact businesses should not be money going down the drain.”

In addition to the financial model, all SPIN initiatives are developed in partnership

with subject-matter specialists. In the case of HeiForest, the chosen partner was Rizoma Agro, a leading organisation in ecological restoration and agroforestry systems.

Rizoma will be responsible for managing approximately 900 hectares, of which 100 hectares will be managed under an Agroforestry System for the next 20 years. This system replaces current monoculture with a diversified arrangement, combining agricultural crops such as vegetables, grains and fruit with trees in the same area. The expectation is that the new forest will generate 997,000 m³ of water per hectare over five years and that tree growth will enable the removal of 500,000 tonnes of CO₂ over a 25-year period. Between 2024 and 2026, more than 900,000 trees across 37 species have already been planted, contributing to increased local biodiversity.

FIGURE 2: THE REGENERATIVE EFFECT OF HEIFOREST OVER
A 6-MONTH PERIOD IN ITÚ, BRAZIL





Restoration helps to increase water infiltration, reducing the need for water replenishment in the Itu river basin. Furthermore, the agroforestry system could save an estimated R\$ 53 million over 20 years, thanks to reduced carbon emissions. By 2030, Heineken SPIN is expected to generate up to R\$ 37 million in revenue through its regenerative agriculture efforts. Taking all initiatives into account, the HEINEKEN Group could achieve a reduction in emissions of up to 98% by 2030, offsetting the remaining 2% through the carbon sequestration generated by the project itself.

The partnership model also counts on the sale of organic lemons as a source of revenue. This crop was chosen due to established market demand and the fact that its roots promote water infiltration. Furthermore, the initiative is expected to create approximately 125 local jobs.

It is worth noting that a significant proportion of the value generated by HeiForest – such as water security, operational resilience, risk reduction and benefits for the region – does not translate fully into cash flows in the short term. Consequently, the investment decision is not based solely on maximising direct financial returns, but on a combination of returns, the mitigation of strategic risks and

long-term business continuity.

The project demonstrates that the HEINEKEN Group takes a broader view of value, going beyond immediate profit. It takes into account water availability in the communities where it operates, promotes biodiversity and soil regeneration, and addresses the impacts of climate change and carbon sequestration. In doing so, it generates value not only for shareholders, but also for the local authorities and the people of Itu. At the same time, HeiForest helps to regenerate the foundations that underpin the regional economy, ensuring access to water, an essential resource for various sectors.

Finally, the partnership with Rizoma illustrates a significant shift in the way business is conducted. More than a traditional client-supplier relationship, it is a collaboration based on value ecosystems. Rather than internalising all capabilities, the HEINEKEN Group chooses to join forces with a partner possessing specific expertise, sharing risks, knowledge and opportunities. This model enables faster implementation, helps tackle challenges in the innovation process, incorporates advanced technical knowledge and unlocks new sources of revenue, such as regenerative production. It therefore represents a structural redefinition: moving away from a transactional approach



towards collaborative models better suited to addressing complex challenges such as water, climate and biodiversity.

B.E.N. – WELLBEING AND NUTRITION

Two of the social deficits highlighted by the doughnut economics are hunger and income. The very same issues presented themselves as challenges to the leadership of the Sight & Life Foundation and DSM, a global nutrition multinational, in form of the following question: is it possible to combat child malnutrition whilst, at the same time, generating income for family farmers?

The discussion began when Dr Klaus Kraemer, from the Sight & Life Foundation, presented a simple yet powerful observation: the daily consumption of eggs, combined with breastfeeding, resolves the most significant nutritional deficiencies in children. A study by the Ministry of Health indicates that 12 per cent of Brazilian children aged five and under are suspected of having developmental delays and do not demonstrate the behaviours and skills expected for their age group due to a lack of adequate nutrition.

From an economic perspective, it is important to note that the average income of those engaged in family farming in 2025 was R\$2,133, equivalent to approximately 1.4 times the prevailing minimum wage

(R\$1,518). Additionally, the Agricultural Census points to an ageing rural population, alongside a steady decline in the presence of younger people.

Between 2006 and 2017, the proportion of people aged between 25 and 35 years of age living in rural areas fell from 13.56% to 9.48%, while the proportion of people over the age of 65 rose from 17.52% to 21.4%. During this period, family farming in Brazil lost more than one million young workers. The data reveals the depth of the challenges highlighted by the doughnut model in the Brazilian context: low incomes among family farmers, young people leaving rural areas and child malnutrition. It also shows the rural paradox: hunger is advancing where food is produced.

Christoph Goppelsroeder, at the time CEO of DSM Nutritional Products, recalls how Dr Klaus Kraemer's observation shifted the discussion beyond the purely nutritional sphere towards a broader strategic consideration:

“When I heard that, I realised that this was not simply a nutritional issue, but also a business model issue: how can we ensure the production of and access to eggs in developing countries?”



By turning that observation into action, DSM has demonstrated, in practice, what defines its purpose: bring progress to life, by aligning consumers' desires with society's needs and the demands of the planet. More than a solution to malnutrition, the Family Egg Production Ecosystem has become a living expression of the corporate value embodied in the concept of "be a force for good", through the B.E.N. – Well-being and Nutrition project, which successfully translated science into impact and purpose into action.

The B.E.N. model operates as an integrated system that connects production, markets and social impact. Rather than simply supporting farmers with inputs or donations, the model takes a holistic approach to organising the entire value chain: family farmers produce eggs with technical support, initial financing and financial management; a local operator coordinates production, logistics and technical support; partners, such as companies and suppliers, ensure the availability and quality of inputs; and the public sector provides infrastructure and, most importantly, creates demand through institutional procurement (for example through school meal programmes).

The role of DSM and the Sight & Life Foundation was to orchestrate a business ecosystem, bringing together stakeholders, providing patient capital, mitigating risks and

structuring the system. The key distinguishing feature is that the model addresses both supply and demand simultaneously by ensuring that egg production is carried out efficiently and to a high standard, and that sales channels enable fair prices and help combat malnutrition.

The B.E.N. project only worked because DSM realised that market organisation is not a given. Producing eggs was viable, but it did not sustain the model at the outset. In regions far from major urban centres, the lack of distribution channels, consumption habits and institutional purchasing mechanisms limited the market. Recalling a talk at the World Economic Forum, Christoph Goppelsroeder emphasised the importance of structuring demand in developing countries: "Imagine you have a few hectares of land and grow fruit or wheat. You produce and spend all your money on that crop that year. And then you manage to harvest it. At this exact moment, nobody is buying from you, or they are, but it's not enough. What are you going to do next year?" He continued his reflection and summarised the key point: 'Producing without consistent demand demotivates farmers and disrupts the production cycle. Real change requires building the entire value chain at the same time. There's no point in producing loads of eggs and not selling them!'

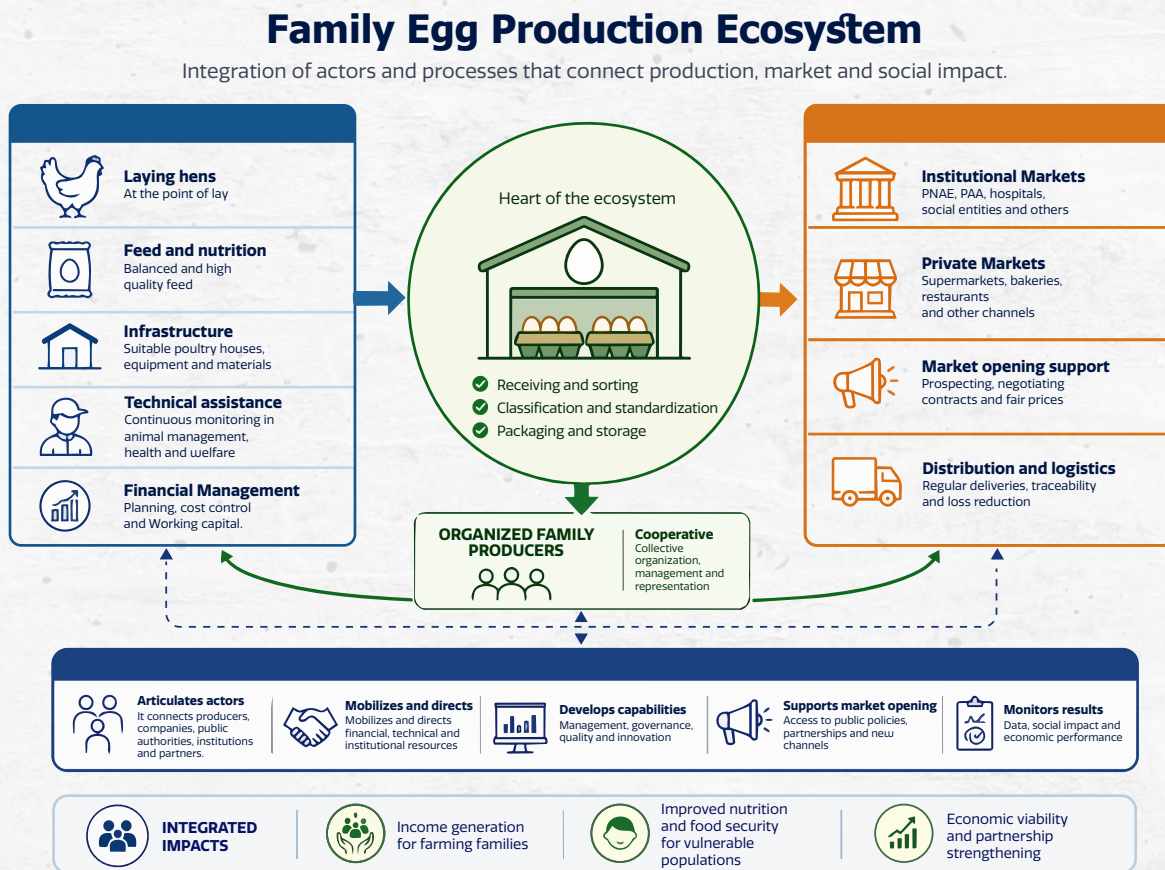
In Brazil, the B.E.N. project was



implemented in Rebouças, in Paraná, supporting eight farming families. They began to jointly manage around 13,000 birds, producing approximately 330,000 eggs per month and generating an average extra income of R\$3,660.00 per month (around two minimum wages), with greater predictability.

The produce supplies state schools and social organisations throughout the region, including hospitals, Centro de Referência e Assistência Social - CRAS (Social Assistance and Reference Centres) and shelters, continuously benefiting more than 30,000 people, mostly children in the state school system.

FIGURE 3: FAMILY EGG PRODUCTION ECOSYSTEM



Luiz Leite, who was Senior Manager at DSM Nutritional Products at the time and B.E.N. project manager, highlighted: "This is an extremely innovative model that brings together all our capabilities as a company. We

are part of the animal nutrition value chain, but our ultimate beneficiaries are people, particularly children. Rather than selling a supplement in a hospital, we are delivering a fortified egg that also generates income."



Christoph Goppelsroeder points to employee engagement: “For us, the project made perfect sense from a knowledge perspective, as we are one of the leading players in micronutrients and animal nutrition. In addition, the initiative engaged our employees, who were finally able to do something they could be proud of. As a father, I could tell my son what I was doing at work and feel proud of it.”

Internally, the B.E.N. project served as a clear demonstration of consistency between words and actions. For Maurício Adade, former President of DSM in Latin America, this value is undeniable, particularly when it comes to attracting talent. He notes that the new generation is increasingly concerned with environmental and social issues. “So, if I have two job offers — one from a company that does absolutely nothing in this area and another from a company that is taking action — I would be much happier working for a company with a clear strategy, vision and set of actions in the field of sustainability. So, when it comes to attracting and retaining talent, this aspect is truly impressive.”

The B.E.N. project exemplifies the approach and practices of companies regarded as ‘regenerating companies’. DSM looked beyond profit in pursuing its mission to improve people’s nutrition. To translate these principles and the project as a whole into practice, it adopted an ecosystem-based approach,

bringing together and empowering multiple stakeholders so that the model could become self-sustaining. Today, with institutional demand firmly established, the B.E.N. ecosystem no longer requires support from the company and continues to create value for family farmers, children and companies operating in the animal nutrition sector.

THE FUTURE WE WANT IS IN YOUR HANDS

The online survey we conducted with students in Belo Horizonte confirms the perspective put forward by Maurício Adade. When we asked which companies are contributing to a positive future, the young people’s answer was clear: Natura. Their response invites us to reflect: Do you recognise the qualities of a ‘regenerating organisation’ in Natura? Does the company look beyond short-term profit? Does it consider the stakeholder ecosystem through a well-being-for-all lens? Is it concerned with maintaining the conditions that sustain life and the market?

If this line of reasoning resonates with you, the private sector is left with three options: (a) ignore – and continue doing business as usual until, one day, it no longer works; (b) manage the risks – and ensure that the company is not perceived as part of the problem; or (c) embrace the principles of regenerating businesses and work not only to secure their own survival, but also to preserve the foundations that sustain the market for everyone.



Against the backdrop of these challenges and aspirations, I agree with the authors of the book “Healing Organisations”, Raj Sisodia and Michael J. Gelb, who emphasise: ““Uma empresa que cura diz: Nossa missão é aliviar o sofrimento e aumentar a alegria. Atendemos às necessidades de todos interessados, incluindo nossos empregados, clientes, comunidades e meio ambiente. Procuramos melhorar continuamente a vida de todos os interessados enquanto lucramos, para poder continuar a crescer e ampliar a cura no mundo” (Our quest is to alleviate suffering and elevate joy. We serve

the needs of all our stakeholders, including our employees, customers, communities, and the environment. We seek to continually improve the lives of all stakeholders while making a profit so that we can continue to grow and bring healing to the world).

So, who has the power to turn companies into regenerating organisations? You! Managing and leading businesses that heal is a choice. The choice is yours. Can the students we surveyed count on you? Their future will be shaped by the choices you make today in your organisation.

LEARN MORE ABOUT

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HEIKO H. SPITZECK is a professor and director of the Corporate Sustainability Research Centre at the Fundação Dom Cabral.

Note: The information on the HEINEKEN Spin-HeiForest case was gathered by analysing internal documents such as contracts, financial presentations and, above all, interviews with more than 10 senior executives at Heineken Brasil.



Nothing that has been will ever be again in quite the same way: **the organisations we must create for positive futures**

BY **MARIA ELISA BRANDÃO BERNARDES***

“All truly human development entails the joint development of individual autonomies, communal participation, and a sense of belonging to the human species”

Edgar Morin, *Seven Complex Lessons in Education for the Future*

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.

The organisations we know were built for a world that is undergoing deep transformation. Their Taylorist–Fordist foundations, including rigid hierarchies, process control, the split between thinking and doing, discipline, and stability, were established during the Industrial Revolution and consolidated throughout the twentieth century. For decades, this approach was rational. It operated efficiently to coordinate labour, manufacture goods at scale, and generate economic prosperity. Yet the productive shifts brought about by this very paradigm have made it possible to achieve identical outcomes through different mechanisms such as remote work, the displacement of human labour, and structural economic shifts that alter the relative weight of different sectors.

Change has always been a constant. What makes the present moment distinctive is the speed and depth with which current transformations are outdating industrial organisational structures, alongside the basic assumptions underlying work and institutional roles. This process offers a genuinely positive



opportunity. It can elevate the relationship between individuals and organisations, triggering a realignment of priorities toward more conscious, reciprocal, and healthier structural arrangements.

Emerging frameworks for organising collective human work are likely to favour collaborative platforms and distributed modes of coordination. We must discern what ties need to be forged for this new order to be both meaningful and productive. Human beings continue to require the same foundational conditions to engage in collective endeavours, and no technological innovation changes that reality. Consequently, we must understand the causes and consequences of these transformations to adapt proactively, whilst designing new organisational models aligned with the demands of future society. This essay offers constructive, actionable proposals in that direction.

We understand organisations as communities of people (Mintzberg, 2015) aligned and motivated by a shared purpose. For that purpose to be genuine, it must be rooted in ethics, which is a central element

of any organisational theory that values the individual as a whole (Chanlat, 2023). We proceed from the premise that the future of organisations is not predetermined by current trends. Rather, it is forged by the choices we make today regarding how we organise work, distribute power, and care for those who sustain every human collective. Whilst we possess clues today, we must cultivate visions that unlock new possibilities for human action to shape the world. Grounded in the potential of the present, our duty is to foster positive social change (Gümüşay & Reinecke, 2021).

Our central argument is that the future of organisations requires managing a fundamental paradox. Despite the trend towards greater flexibility and the potential fragmentation of work into separate units and platforms, organisational models that aspire to endure must consider human beings in their wholeness. This is the call that resonates in Durkheim's foundational question (1893), "What kind of solidarity do we need to build?", which this essay seeks to explore.



A WORLD IN TRANSFORMATION

Three converging dynamics are shaping the contemporary transformation of organised labour with singular intensity. The first is the ubiquity of remote and flexible working arrangements. In the wake of the COVID-19 pandemic, the assumption that physical presence was a prerequisite for productivity and creativity collapsed. It became clear that presence-based control could be effectively replaced by results-oriented autonomy, provided it was accompanied by clear objectives and relationships anchored in mutual trust.

The second dynamic is the accelerating speed of automation and the advance of artificial intelligence into cognitive functions once regarded as exclusively human. Successive studies by the World Economic Forum project that tens of millions of roles will change or vanish over the coming decades, whilst entirely new occupational categories emerge at an increasing pace. The novelty of this current wave of automation lies in the fact that it is not confined to repetitive physical labour, which was the traditional domain of mechanisation. Generative artificial intelligence has begun to displace intellectual work, fostering a growing realization that physically present roles, encompassing care, cleaning, affection, and the like, are paradoxically the least

susceptible to algorithmic replacement. This shift has prompted fundamental inquiries into what is intrinsic and irreplaceable within human work and, by extension, why and how institutions require their members.

The third dynamic is the structural realignment of the global economy. Sectors that concentrated formal employment for decades, namely manufacturing, retail, and standardised services, are gradually losing their relative weight to activities intensive in knowledge, creativity, care, and relationships. The platform economy is redrawing the boundaries between employment and entrepreneurship, between formal contractual relationships and project-based work, and between organisations and markets. Comprehending these transformations in collective labour serves as the clear pathway to understanding the wider transformation of institutions.

The reality is that organisations that once appeared unassailable have proved incapable of maintaining relevance amidst these shifts. Many have been supplanted by competitors operating on entirely different logics, as illustrated by the evolution of the mobile telephone into a pocket-sized computer, or the compact disc into streaming platforms. The capacity for rapid adaptation, continuous learning, and strategic reconfiguration has emerged



as a decisive prerequisite for institutional survival. Yet, these are precisely the capabilities that traditional bureaucratic and hierarchical structures, rooted in Taylorist–Fordist logic, struggle to cultivate.

Engagement metrics expose the severe consequences of this structural inertia from the perspective of those within these organisations. Global Gallup research over the past decade has consistently demonstrated that fewer than 25% of workers worldwide describe themselves as genuinely engaged. In rigid hierarchical structures, this proportion is even lower. Chronic disengagement is not an individual motivational issue; it is a systemic symptom of institutional frameworks that fail to meet fundamental human needs for autonomy, meaning, and recognition. Crucially, only one-third of respondents to Gallup's 2026 survey strongly agreed that “the mission or purpose of my company makes me feel my job is important”.

Generations currently entering the labour market are clearly shifting their priorities regarding work and their employing institutions. Labour is valued as a pathway for self-fulfilment, continuous learning, and societal contribution, rather than as an end in itself. Life, encompassing health, relationships, experiences, and personal purpose, has decisively regained its centrality. At events hosted by Fundação Dom Cabral (FDC) in May 2026 to discuss the “Futures of Organisations”, young executives, postgraduate

researchers, and members of the Centre for Reference in Innovation (CRI) clearly expressed their dissatisfaction with prevailing corporate models. They highlighted the emergence of platform- and project-based frameworks, whilst emphasizing the urgent need to rebuild more authentic ways of connecting within collective arrangements.

If previous generations “lived to work”, today's young professionals increasingly affirm their intention to “work to live”. This paradigm shift has direct, far-reaching implications for organisational design. Entities offering mere remuneration and stability in exchange for conformity and unrestricted availability face growing difficulties in attracting and retaining talent. Deloitte's 2025 Gen Z and Millennial Survey indicates that nearly nine in ten Gen Z respondents (89%) and millennials (92%) consider a sense of purpose paramount to their job satisfaction and wellbeing. Organisations capable of balancing genuine purpose, meaningful autonomy, continuous learning, and quality of life are rapidly becoming employers of choice, increasingly competing on the basis of shared values rather than material conditions alone.

Alternative frameworks already exist. Today, we possess inspiring examples within the plural sector, the vast matrix of co-operative, associative, community, and civil organisations described by Mintzberg (2015) in *Rebalancing*



Society as entities operating on logics entirely distinct from both the state and the market. The relevance of these models to contemporary debates on the future of organisations lies in their capacity to demonstrate that collective action can be smoothly coordinated without subordinating human agency to the imperatives of short-term profit and hierarchical control. They serve as living laboratories for alternative governance and commitment, and their insights must be integrated into broader management theory.

Another pioneering approach was outlined by Blanche Segrestin and Kevin Levillain (2019), who explored the concept of the *société à mission*, or “mission-led company”. The central premise is that organisations can adopt an explicit social mission, legally enshrined within their articles of association, which guides strategy and frames executive decisions beyond the short-term demands of shareholders. This is innovative because it proposes a structural redefinition of corporate purpose, incorporating binding commitments to social and environmental dimensions. It therefore constitutes a concrete example of how organisations can be oriented towards purpose without losing economic viability. Legal structures and governance mechanisms can be altered so that social purpose becomes a binding obligation rather than a formal statement of intent.

Finally, any serious reflection on the future, or futures, of organisations cannot overlook a dimension that the industrial paradigm has systematically marginalised: ethics. Jean-François Chanlat (2022, 2023), in his critique of economic reductionism within management studies, argues that organisations are, first and foremost, human phenomena. Consequently, any organisational theory or practice that disregards the complexity of human beings, including their moral dimension, their need for existential meaning, and their inherent vulnerability, inevitably produces modes of management that erode human dignity.

Chanlat proposes an anthropology of organisations that integrates the biological, psychological, symbolic, and social dimensions of the individual. From this perspective, contemporary workplace issues such as burnout, workplace bullying, chronic disengagement, and existential crises of meaning emerge as the foreseeable consequences of frameworks that treat human beings as manageable assets, reducible to performance metrics and replaceable by automation. The very lexicon of “human resources” betrays the underlying flaw: resources are managed; people relate.

Building organisations founded upon ethics (Chanlat, 2022) extends far beyond the mere drafting of codes of conduct or the implementation of compliance programmes. It demands the structural redesign of management



practices on the basis of a holistic understanding of the individual, acknowledging their needs, limitations, latent capabilities, and irreducible dignity. This represents both a non-negotiable moral imperative and a fundamental prerequisite for long-term institutional effectiveness. Ethically coherent organisations foster genuine engagement, enduring trust, and a capacity for organic collaboration that no mechanism of hierarchical control can ever replicate.

THE NEW ORGANISING: MEANING AND PURPOSE

Considering the empirical evidence presented, emergent organisational frameworks must favour structural arrangements that foster organic collaboration, institutional agility, and modes of coordination fundamentally grounded in mutual trust and a shared purpose. This reality underscores the growing prominence of structural frameworks centred upon cross-functional projects, digital platforms, and collaborative ecosystems.

The central and rather unsettling question, therefore, is this: what manner of ties can sustain collective action when organised in such a decentralized fashion? Reducing this vital inquiry to a mere matter of technological deployment or structural reconfiguration would be a mistake. Technology merely provides the mechanical infrastructure; structures delineate the division of labour; yet, authentic

ties are invariably forged within an entirely different human dimension. Consequently, we must uncover these novel forms of organised collective action through a deeper, profoundly anthropological lens.

The concept of *organising*, pioneered by Karl Weick (1985) and refined by subsequent scholars, crucially shifts the analytical focus away from the organisation as a static structure towards organising as a fluid, continuous process of collective sensemaking and action coordination. Adopting this paradigm enables us to recognise that what truly sustains an institution is neither its formal organisational chart nor its codified procedures; rather, it is the quality of the communicative processes through which its members construct shared meanings, establish mutual commitments, and coordinate their efforts towards common objectives. When these intrinsic processes weaken, no amount of formal structure can ever compensate for their loss.

Individuals engaged in collective work require a clear understanding of the meaning of their tasks and how they align with a broader, overarching purpose. Sharp evidence shows that organisations investing in mission transparency, articulating strategic objectives clearly, and making the link between individual labour and collective impact visible successfully cultivate the conditions for genuine, high-level engagement. Furthermore, leaders who



act as sensegivers, meaning practitioners of communicative action who forge authentic connections and mobilise groups towards integrated action, can spontaneously stimulate decentralised coordination.

Despite the rapid technological, economic, and structural changes currently unfolding, a rigorous anthropological perspective shows that human beings continue to require the exact same foundational conditions to engage meaningfully in collective endeavours. These essential dimensions of the human experience of labour remain entirely constant: cognition, which means comprehending what one does and to what end; affectivity, establishing profound, trust-based ties with peers; subjectivity, acknowledging internal desires, aspirations, and personal ambitions; embodiment, respecting physical and neurocognitive diversity, basic human needs, and fatigue; and recognition, ensuring that individual contributions are seen, validated, and genuinely valued. Organisational frameworks that neglect these dimensions, however technologically sophisticated or structurally complex they may appear, will inevitably generate nothing more than superficial, transactional compliance.

Even as we pivot towards organic, flexible, and emergent configurations, institutions that seek to maintain relevance in the future must de-emphasise the mere mechanics of coordinating platform-based talent around transient projects.

Instead, they must place greater emphasis on cultivating a genuine community of individuals aligned and motivated by a shared purpose. This paradigm shift requires the explicit recognition of a community built on dimensions that defy superficial metrics, such as an authentic shared purpose, common values, a collective history, and mutual commitment. These aspects entirely transcend immediate, short-term utilitarian calculations.

True purpose is by no means a marketing slogan; rather, it is the foundational anchor of collective identity. It provides a legitimate response that answers the question, “Why are we relevant, and what brings us together?” in a manner that meaningfully mobilises people, guides difficult executive decisions, and infuses everyday collective efforts with intrinsic meaning.

Conversely, the traditional framework, built upon rigid hierarchies, a strict separation of functions, centralised control, and a strong orientation towards short-term metrics, is proving entirely incapable of fostering genuine engagement. In the face of accelerating technological disruption, the compounding complexity of socio-environmental challenges, and rapidly changing cultural expectations surrounding the nature of labour, this legacy model has laid bare its systemic limitations.

Consequently, the organisational framework of the future brings a profound reconfiguration



of institutional logics, strategic priorities, and workplace relationships. This involves a structural transition from control to mutual trust, from fragmentation to organic collaboration, and from efficiency as an end in itself to efficiency in the service of an overarching purpose. The table below outlines the principal vectors of this paradigm transition. By offering a comparative framework, it does not aspire to be exhaustive; rather, it aims to illuminate the strategic directions indicated by purpose-driven management for those seeking to build organisations that are profoundly more human, adaptive, and sustainable.

ORGANISATIONAL MODELS IN TRANSITION: FROM CONTROL TO PURPOSE

Traditional Organisations = Profitable and efficient machines	Organisations of the Future = Vibrant, purpose-driven communities
Structure and Coordination	
Rigid and centralised hierarchies	Distributed networks and collaborative platforms
Control based on presence and process	Autonomy driven by results and purpose
Separation between thinking and execution	Integration between strategy and execution
Fixed organisational chart and fixed departments	Fluid, multi-functional, and adaptive teams
Relationships with Labour and People	
Formal employment and permanent, stable contracts.	Project-based work and hybrid employment arrangements
The industrial economy and technological substitution	Knowledge economy and redesign of roles through AI (artificial intelligence)
Living to work	Working to live
Work as a manageable resource	The human being in their entirety (cognition, emotion, subjectivity, body)
Institutional Identity and Purpose	
Professional retention built upon contractual stability	Purpose and development as the foundation of engagement
A group of individuals assembled by contracts	A community united by a common purpose
Profit as the central aim for survival	Creating value for society as the means to achieving relevance
Responsibility and ethics as compliance	Social mission and ethics as a management model
Management and a spirit of solidarity	
Focus strategies and on operational excellence	Open, collaborative strategies within ecosystems and platforms
Decision-making concentrated at the top	Distributed decision-making and collaborative management
Learning through specialisation and experience as an asset	Continuous learning and the ability to adapt
<i>Mechanical solidarity through conformity and presence</i>	Organic solidarity through interdependence and shared purpose
Cohesion imposed by the hierarchy	Cohesion built on values and mutual recognition
Leadership based on the hierarchy and the use of power	Leadership based on inspiration and the ability to coordinate.



WHAT KIND OF SOLIDARITY WILL THE NEW ORGANISATIONS BE BUILT UPON?

In examining the division of social labour at the close of the nineteenth century, Émile Durkheim formulated a question that remains strikingly pertinent today: what preserves societal cohesion in the face of escalating specialisation and differentiation? At that time, his analysis pointed towards a mode of solidarity grounded in the mutual interdependence of diverse, specialised individuals, which is a definitive hallmark of industrial societies.

Whilst he identified the division of labour as a natural catalyst for social cohesion, he simultaneously recognized the acute risk of social norms dissolving when structural transformations unfold more rapidly than legacy institutions are capable of adapting. For Durkheim, this breakdown would entail severe consequences for collective well-being and social stability.

Revisited and woven into the fabric of future institutional design, this Durkheimian inquiry challenges us to confront a fundamental question: what manner of solidarity must we build within a landscape where traditional modes of organisational connection, such as stable employment, rigid hierarchies, and a collective identity forged through daily physical presence, are being progressively eroded by institutional agility, pervasive digitisation,

and rapidly changing work collectives? As previously outlined, contemporary metrics regarding systemic disengagement, burnout, and crises of meaning at work stand as the most visible symptoms of the urgency underlying this very question.

The solidarity that future organisations must cultivate must decisively break with uncritical conformity, which is a state wherein individuals perform identical tasks, adopt identical mindsets, and blindly adhere to identical rules. Furthermore, it must dismantle the artificial mechanical solidarity that industrialism sought to reproduce within factories and corporate offices. This structure is entirely incompatible with the baseline diversity, creativity, and adaptability demanded by the contemporary landscape.

The new solidarity to which we aspire is deeply organic. It emerges from the conscious interdependence of individuals who are inherently distinct from one another, from the explicit recognition that each individual's unique contribution is both necessary and irreplaceable, and from a strong commitment to a shared endeavour that no individual could ever accomplish in isolation. This solidarity, however, cannot be left to chance. It must be actively built through conscious organisational frameworks and leadership practices that intentionally cultivate it as a core strategic value.



NEW MANAGEMENT MODELS THAT VALUE AFFECTIVE TIES AND CRITICAL THINKING

By a management model, we mean the comprehensive matrix of practices established by institutional leadership to attain shared objectives. It encompasses the structural organisation of work, the nature of hierarchical dynamics, the types of organisational structures adopted, systems for evaluating and monitoring performance, people-management policies, and the overarching objectives, values, and frameworks that inspire them. Consequently, the management models of the future must translate these emerging organisational frameworks into concrete practice by integrating the essential features of solidarity and the novel modes of connection upon which they depend. Drawing upon Chanlat (1996), we proceed from the understanding that individuals engaged in collective action within the workplace, when viewed in their entirety, rely upon four fundamental pillars: a balanced workload, meaningful autonomy, systemic recognition, and robust social support. Figure 1 presents an integrated view of this future management framework and its constituent forms of connection, structured across three deeply interdependent layers.

At the top layer is an explicit acknowledgement of the structural arrangements towards which we are pivoting, which we envisage as flexible, dynamic, and

non-permanent structures, namely projects, platforms, and collaborative networks. The four pillars translate this overarching purpose into concrete operational management conditions.

First, a *balanced workload* recognises that labour inherently engages the individual as a whole, encompassing body, mind, and emotion. Good leadership therefore requires distributing effort sustainably across these three dimensions, proactively preventing mental exhaustion, and acknowledging the importance of the individual's life as a whole. Second, *autonomy* represents the genuine, uncompromised power to act: to execute decisions, govern one's own pace, and assume responsibility with authentic freedom. Without it, employee engagement remains merely superficial and transactional; with it, responsibility acquires intrinsic meaning, becoming genuinely shared and cross-functional. Third, recognition extends far beyond mere material remuneration. It encompasses the deep appreciation of unique tacit knowledge that defies automation, the validation of institutional experience, and, above all, the honouring of each person's distinctive way of being and relating. This points to the singular manner in which each individual connects with peers and contributes to the collective. To recognise is to render visible that which remains entirely invisible to mechanical metrics. Fourth, *social support* makes these invisible ties tangible. Organisations are fundamentally social



structures composed of social beings who are simultaneously embedded within multiple other social networks. Robust support networks, involving executives, peers, groups, and family units, serve as vital resources for health and well-being, as well as essential catalysts for sustainable performance.

At the foundational base, purpose-driven management provides the ultimate guiding structure: a shared vision, values, and ethics amongst individuals organised around a common endeavour. Building an

authentic institutional purpose is by no means straightforward. It demands absolute consistency between corporate discourse and operational practice, the deliberate redistribution of power and autonomy, and a steadfast willingness to subordinate short-term, individual metrics to long-term, collective commitments. Furthermore, it must be continuously legitimised by diverse stakeholders. True purpose, ultimately, is the living moral contract that infuses collective effort with meaning.

THE FOUR PILLARS OF PURPOSE-DRIVEN MANAGEMENT: FROM FOUNDATION TO MODEL



It is important to emphasise the significance of the emotional dimension and critical thinking as the cornerstones of the model. Human beings are by no means purely rational agents, nor can workplace

relationships be reduced to mere transactional economic exchanges. The quality of emotional bonds, deeply rooted in mutual trust, respect, and mutual care, fundamentally dictates an individual's willingness to collaborate, embrace



strategic risk, and persevere amidst adversity. Institutions that relegate interpersonal relationships to secondary variables, manageable via standardised practices and legacy human-resource policies, sacrifice access to a vital human capital that no technology can replace.

Within this framework, individuals inside organisations are viewed as social actors in continuous relation to one another. They are actively engaged in work, yet they remain subjects who possess distinct identities. They are workers situated within specific circumstances, rooted in a particular temporal and spatial context, in search of meaning. Above all, human beings in organisations are critical and ethical subjects. Consequently, inspiring leaders who possess the capacity to bring individuals together around a shared vision emerge as vastly more critical than technical proficiency alone.

Critical thinking, which consistently ranks among the most sought-after capabilities for the future of work, serves as a clear prerequisite for the emergence of an institutional model that values what is unique to human beings and entirely irreplaceable by artificial intelligence. World Economic Forum reports (2023, 2025) have consistently positioned it among the most essential skills for the coming decade, alongside creativity and complex problem-solving. This strategic demand is by no means accidental: in a volatile environment marked by ambiguity and intense interdependence among

organisations, markets, and wider societies, the capacity to challenge assumptions and reframe complex problems has become as strategic as any technical capability. Abstract thought, harmonised with affective and subjective creativity, completely defies algorithmic capture.

Since its seminal formulations (Dewey, 1910; Glaser, 1941), critical thinking has been understood as the ability to analyse situations rigorously, evaluate options from multiple perspectives, and recommend courses of action that take into account all parties involved and their consequences. This capability is particularly relevant because of its ambidextrous nature: it is both cognitive and affective. Intellectual capacity to question is not enough; there must also be a genuine willingness to do so, underpinned by reflexivity, presence and emotional engagement with collective outcomes.

In purpose-driven management model, critical thinking assumes an even broader, transformative function. Beyond an individual analytical skill, it becomes the primary engine for generating novel connections among diverse individuals, disparate bodies of knowledge, distinct contexts, and latent possibilities that conventional logic fails to perceive. Critical thinking enables teams to move beyond familiar repertoires and collectively develop alternatives that no individual working in isolation could ever formulate. In this sense, it builds collective



intelligence: it not only questions what exists but also creates space to imagine what does not yet exist.

Beyond this creative and collective dimension, critical thinking within purpose-driven management retains its essential social orientation: the courage to challenge the institutional status quo, the development of a sharp awareness of the realities that shape labour, and the ability to act decisively to transform them when necessary. It is this combination of analytical rigour, affective openness, cognitive flexibility, and social consciousness that fundamentally reinforces the capacity for collective action.

Orchestrating these new organisational models is therefore, fundamentally, a task of building ties: between people possessing different forms of knowledge and perspectives; between individual labour and collective purpose; between short-term efficiency and long-term sustainability; and between the organisation and the society in which it is deeply embedded. This orchestration cannot be delegated to algorithms, automated management systems, or formal corporate structures. It demands human leadership, deep empathy, affectivity, ethical discernment, and a genuine understanding of the complexity of human beings in their cognitive, affective, and moral dimensions.

The Future We Aspire to Build for Collective Action.

A positive future for organisations will involve moving beyond the paradigm that has dominated organisational thought and practice for over a century. The evidence analysed throughout this essay points to an unequivocal conclusion: the Taylorist-Fordist model, with its rigid hierarchy, its process-based control and its indifference to the deepest human needs, has not only lost its effectiveness in an environment of rapid change, but has also lost its legitimacy in the eyes of workers who, with growing justification, refuse to be treated as resources.

The good news is that the crisis in the industrial model paves the way for richer, more humane and, paradoxically, more effective forms of organisation. Organisations such as purpose-driven communities, founded on the ethics advocated by Chanlat, structured according to the pluralistic principles defended by Mintzberg, committed to social missions in the sense described by Segrestin and Levillain, and capable of building the organic solidarity proposed by Durkheim's question, are not academic utopias. They exist, they function, and they demonstrate that the futures we need are also possible futures.

The central challenge is mobilisation for transformation: the willingness of leaders to question their own hierarchical privileges; the ability of institutions to create the legal and



cultural frameworks that enable new models; and, perhaps most fundamentally, the collective realisation that organisations exist to serve people and society, and not the other way round.

Durkheim's question about what kind of solidarity we need to build is, ultimately, a question about the kind of collective life we want to forge. Addressing it seriously, in the context of contemporary organisations, is one of the most urgent intellectual and practical undertakings of our time.

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Leadership, dialogue and plurality: pathways to a positive future

BY **LUCIANA FERREIRA***

(*) **Editorial Note:** This is a free translation from the original Portuguese, prepared by the Revista DOM editorial team, with language adaptations for the English version, while preserving the author's content and core ideas.

WHEN CARING MATTERS

"In early 2025, during an activity with young apprentices, a lecturer from Fundação Dom Cabral asked a seemingly simple question: 'What was the most important thing for you in this learning experience?'. The response from a nineteen-year-old youth cut across the room with unexpected impact:"

"I felt like an interesting person. I never thought I could be an interesting person."

These words convey something that goes far beyond a programme evaluation. They reveal a deep-seated desire and, at the same time, a void that many carry silently within them: the desire to feel that they matter, that they have value, and that they are seen and recognised as someone who contributes to the world.

We live in an age of paradoxes. We have never been so connected and yet so lonely. We have never had access to so much knowledge and yet felt so lost. We have never spoken so much and yet communicated so poorly. And never has diversity been so prominent in discourse and yet so absent in the practices of those in leadership roles.

Just as Fundação Dom Cabral marks fifty years dedicated to leadership development, the current scenario demands that the question about the future be answered honestly: what sort of leadership does the world need? Not the kind that dominates, that centralises, that executes with surgical efficiency. But the kind capable of listening genuinely, of recognising others as people who matter, of transforming diversity into strength.

This essay is based on three intertwined



strands. The first addresses the challenge of dialogue in a world marked by polarisation and communication stripped of meaning. The second explores, from multiple perspectives, the concept of ‘*matter*’, which, at its most basic level, means deserving attention. The third highlights the economics of care as a concrete avenue for developing competencies in leaders who genuinely wish to build positive futures.

THE CHALLENGE OF DIALOGUE IN A PLURAL WORLD

Talking is one thing; having a proper conversation is quite another

In a world that communicates in real time, the capacity for dialogue has never been so scarce. Organisational climate research conducted over recent decades consistently indicates that communication is one of the main sources of conflict within organisations and, at the same time, one of the most underdeveloped resources among leadership teams.

Amy Gallo, a researcher and author of *Getting Along: How to Work with Anyone (Even Difficult People)* (2022), notes that people tend to avoid difficult conversations, but that this avoidance comes at a high price, as it builds resentment, distorts relationships and prevents real issues from being addressed. Gallo (2022) argues that

conflict, when well managed, can foster collaboration.

There is, however, a fundamental condition for conflict to be productive: the parties involved must feel that their perspective will be heard. Not necessarily agreed with or accepted, but genuinely listened to. Perhaps this is one of the great individual and collective challenges of our time, since, as individuals, organisations and society, we show ourselves to be increasingly ill-prepared for such listening.

Psychoanalyst Gabriela Malzyner, who studies contemporary subjectivity and its impasses, identifies a central phenomenon of our era. According to her, we are becoming beings unable to process the gap between stimulus and response. In a world where a complex question put to an artificial intelligence chat receives an answer in three seconds, we lose sight of the fact that being human is, by nature, a slow, dense and nuance-filled construction.

This impoverishment of time has a direct impact on dialogue, rendering it superficial, transactional and polarised. People speak, but do not listen; they argue, but do not reason. Consequently, what should be a diversity of perspectives quickly turns into a clash of identities, where disagreeing with an idea is often misinterpreted as a personal attack.



When philosopher Hannah Arendt described the banality of evil in the 1960s, she was talking about something that today finds an unsettling resonance in the daily life of organisations. Nazi officer Adolf Eichmann, who coordinated the logistics of the Holocaust, did not see himself as responsible for killing millions of people. In his own eyes, he saw himself merely as a bureaucrat.

He did not see the whole picture, but only the fragment for which he was responsible. Gabriela Malzyner draws on this reference to shed light on what she calls “split states of mind” — that is, the ability contemporary life has to fragment us to the point where we can no longer see the Gestalt, the whole.

In this sense, polarisation is not a matter of opinion. It is a problem of fragmented perception that leads to an inability to recognise in the other a complete human being, with a history, contradictions, and, above all, with dignity and deserving of attention. When we dehumanise those who are different, dialogue becomes impossible, and without it, plurality turns into fragmentation.

Amy Gallo’s research on conflict and communication points to a set of dispositions that enhance (or block) the capacity for dialogue. Among them, the need to regulate one’s own emotions before engaging with the other stands out. This does not mean

suppressing emotions, but rather developing an awareness of one’s own perspective, which involves recognising that what we perceive as reality is always partial and filtered by our experience, fears and expectations.

The researcher also makes a relevant distinction between reactive listening — where we listen merely to respond — and active listening, designed for genuine comprehension. Whilst the former shuts down a dialogue, the latter opens it up. Above all, it opens up the possibility for a conversation to transform our own perspective, rather than just shifting the other person’s view. Journalist and author Daiana Garbin, who has dedicated her career to studying self-worth and self-esteem, reinforces this view by noting that the difficulty that mindful, empathetic listening is directly linked to a leader’s level of emotional regulation.

Thus, in this exercise of considering dialogue and plurality to build positive futures, it seems essential to recognise and reinforce the notion that leadership development involves a deeply personal dimension long before it becomes interpersonal. Leading in a context of plurality requires self-awareness — not as a vanity project or an exercise in self-indulgence, but as a prerequisite for opening up authentic channels of dialogue and collaboration with others.



DIALOGUE COMPETENCIES FOR LEADERS IN CONTEXTS OF PLURALITY

Competence	What this means in practice
Emotional regulation	Recognising and naming what you are feeling before speaking
Active listening	Listening to understand, not just to respond.
Awareness of one's own perspective	Understanding that every viewpoint is partial and nuanced.
Tolerance of ambiguity	Sustaining the tension between different perspectives without resolving them prematurely.
Presence	Being attentive to the other person's verbal and non-verbal cues.
Genuine curiosity	Asking questions out of a genuine interest in the other person.

MATTERING: THE HUMAN INSTINCT TO CARE

A philosophical and deeply concrete question

In her work on ethics and meaning, philosopher Rebecca Goldstein argues that one of the deepest human needs is for *mattering* — an English term that literally translates to be worthy, to carry weight, or make a difference. For Goldstein, *mattering* is not merely an emotional desire, but a structural condition of human existence. To thrive, we need to feel that our presence in the world makes a difference — to ourselves, to others, and to something greater than ourselves.

Mattering is simultaneously subjective and relational. It exists not only in individual self-esteem (“I know I have value”), but also in the experience of being recognised by others (“others see that I have value”). It is precisely this dual dimension that makes the term so relevant to thinking about leadership.

The physicist Luiz Alberto Oliveira offers

a reflection on the topic that deserves careful consideration. Drawing on contributions from Brazilian cosmologist Mário Novello, who suggests that instead of “I think, therefore I am”, we should consider “I fall, therefore I am”. This is because the word *matéria* (in English “matter”) comes from the Latin *portare*: to carry, to bring along, to transport. Matter involves motion, activity, and structure, and through universal gravitational interaction, nothing escapes it. According to him, “we are, therefore, above all, bearers — of knowledge, imagination, and futures — and from this stems our cosmic meaning, our significance: infinitesimal on the one hand, abyssal on the other.”

This cosmological perspective on *mattering* may seem distant from boardrooms and performance reviews. However, it reveals something essential: the need to matter is not a human weakness. It is our most fundamental condition. We are beings who carry others and



who need to be carried, who matter and who need to matter.

Psychoanalysis and the construction of the subject

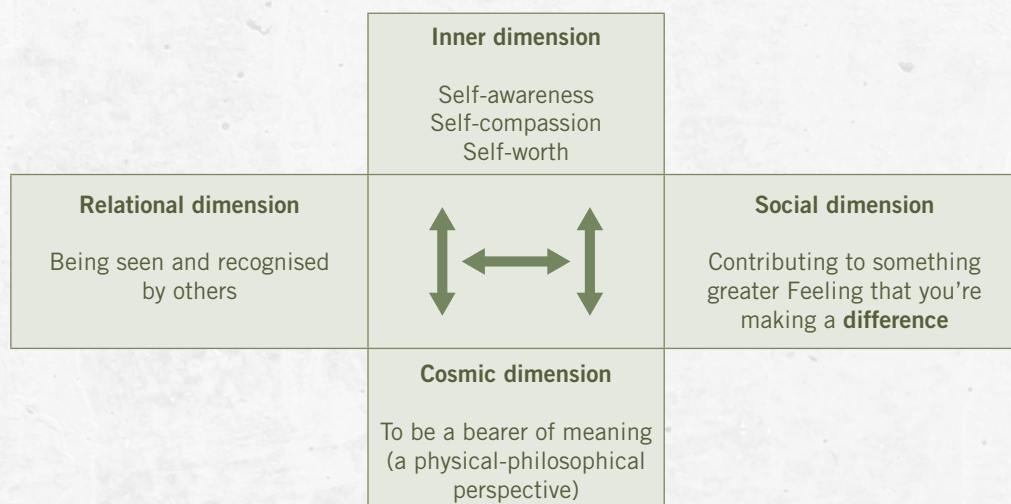
From a psychoanalytic perspective, *matter*ing is not an adult phenomenon. It begins even before birth. Gabriela Malzyner explains that human beings are born in a state of total dependency, but what constitutes us as a subject is precisely the gaze of the other: the mother, the caregiver, or someone who anticipates us, recognises us, and invests us with meaning. She highlights: *“The self and the other are deeply intertwined. I am born through the experience of being gestated in the womb of another. Recognition is the cornerstone of sustaining one’s existence in the world. Without an other to recognise me, I cannot form a clear sense of self.”*

This has direct implications for

organisations. When an employee arrives at work and goes unseen, when their name is barely pronounced, when their ideas disappear in meetings, or when their efforts are ignored, we are not merely talking about a negative organizational climate. We are talking about a threat to that person’s subjective constitution. What often manifests as disengagement or low productivity is, in many cases, the echo of a deeper wound: that of not *matter*ing.

Malzyner also points to a contemporary paradox: while leaders have been challenged to recognise the complexity of employees, this recognition, when lacking structure, can yield an unintended effect — infantilisation. Leadership that fosters genuine *matter*ing, therefore, is not about providing everything, but rather about being capable of recognising, investing in, and simultaneously creating the conditions for others to develop their own capacity to grow.

THE FIELD OF MATTERING: SOME CONSTITUTIVE DIMENSIONS





The urgency of recognition and its risks

Gabriela Malzyner identifies an urgency of recognition among the young people she sees in her practice, which, paradoxically, can become an obstacle to their own development. This same clinical experience is replicated in organisational environments, where young professionals entering their initial roles already wish to transition into more complex positions without allowing the process the time it requires. This need for recognition is narcissistic and infantile; it is not a generational issue, but a societal one.

In a culture that fetishises youth and compresses time to the point where a film from last year is considered old, individuals lose sight of the fact that growth is a process. If they are not given time for creation and reflection, it is the machine that creates instead.

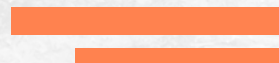
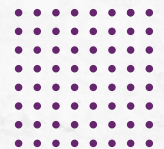
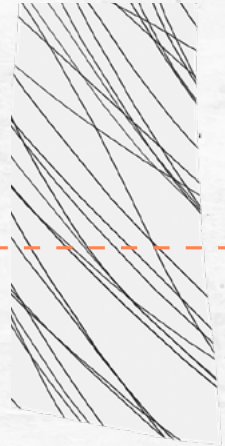
Investing in the future, in daydreaming, in imagination, in what does not yet exist, and in what is not yet, is also a form of *mattering* that is lost when everything must happen immediately. Without

this investment in the future, individuals become despondent. For leaders, this carries practical implications, such as creating environments that value the process as much as the outcome, recognise learning even through failure, and safeguard space for the “I don’t know yet”.

Interdependence: the other that constitutes *us*

One of the most fruitful ideas for reflecting upon *mattering* within an organisational context is that of interdependence, which is the material and symbolic condition of all human existence. To ignore it is to generate a dangerous illusion that we are self-sufficient, that we need no one, and that success is entirely individual. This illusion, sometimes sustained by the competitive individualism that dominates many corporate environments, creates a significant and noteworthy paradox: the more independent we feel, the lonelier we become.

Loneliness, increasingly recognised by public health research as a global epidemic,





is the opposite of *matter*ing. For leaders, recognising and naming interdependence — making each person's contributions to the whole visible — is one of the most direct ways to foster organisational *matter*ing.

THE ECONOMICS OF CARE AND SKILLS FOR THE FUTURE

Care as a value, not a cost

The economics of care is a field gaining increasing prominence in public policy and debates on development. Broadly speaking, it refers to the range of activities (both paid and unpaid) focused on caring for individuals — such as children, the elderly, people with disabilities, and the sick — but also to the day-to-day sustenance of life through food, hygiene, and affection. In Brazil, the National Care Plan (Plano Nacional de Cuidados), launched in 2023, represents a milestone in the institutionalisation of this agenda, recognising that care work is foundational to both the economy and society.

Why does this matter for leadership, plurality, and positive

futures? Because the logic of care is, at its core, the logic of *matter*ing. To care means recognising that the other matters. It means investing time, attention, and resources into someone who, without such investment, cannot thrive. It also means accepting that the outcomes of this investment are not immediate and require time. Furthermore, it entails being open to dialogue and demonstrating active listening to recognise the other's perspective, jointly nurturing both parties within an interdependent relationship.

What leaders can learn from caregivers

The caregiving dynamic — such as the bond between mother and baby described by Malzyner, or between a teacher and an apprentice mentioned at the beginning of this essay — teaches a lesson that not every management course or training programme can convey: the principle that enabling others to thrive requires presence, patience, and the willingness, ultimately, to become redundant.

For leadership to be effective, it is the other who must thrive. Much like the role of parenting,



the ultimate objective of leadership is to gradually become redundant. Consequently, the leadership of the future is one that works to ensure the people around them need them less and less over time. This demands a critical competency: the humility to recognise that one's own success is measured by the achievements of others, rather than your personal visibility.

Drawing on the insights brought together in this essay (from researchers, healthcare professionals, communicators, physicists, and economists) it is possible to outline a set of competencies that integrate dialogue, *matter*ing, and the economics of care. These competencies are far from abstract; they are expressed through behaviours that can be actively developed and practised.

COMPETENCIES FOR LEADERSHIP FOCUSED ON CARE AND MATTERING

Competence	Dimension	How this works in practice
Self-awareness	Internal	Recognise your own emotions, habits and limits before interacting with others.
Emotional regulation	Internal	Create an inner space between the stimulus and the response; choose how to act rather than react.
Active listening and presence	Relational	Listen attentively to both verbal and non-verbal cues; be genuinely present in the conversation.
Recognition of others	Relational	See and acknowledge the other person's contribution; make visible what is often not.
Tolerance of incompleteness	Relational	Accept that not everything can be resolved right now; embrace the 'not yet'.
Curiosity and openness	Relational	Ask questions with genuine interest; treat the other person's perspective as legitimate.
A vision of interdependence	Collective	Recognise and communicate the connections between individual contributions and the collective good.
Care as a practice	Collective	Invest in the other person's development without expecting immediate recognition.
Compassionate accountability	Collective	Give feedback that points out mistakes without humiliating and that challenges without belittling.



BUILDING POSITIVE FUTURES

Based on what has been presented, it is possible to put forward some suggestions for building positive futures:

1. Name what matters – Create rituals of recognition that are specific and genuine – rather than generic and standardised. Acknowledging someone by name, for their tangible contribution and for their real impact represents one of the most accessible and transformative practices of organisational *mattering*.

2. Develop Emotionally Literate Leaders – Invest in development programmes that incorporate emotional regulation, self-awareness, and non-violent communication — not as peripheral soft skills, but as core competencies.

3. Create psychologically safe environments – Psychologically safe teams are more innovative, more productive, healthier and able to engage in dialogue even in challenging contexts.

4. Value the time the process takes – Challenge the culture of urgency. Protect spaces for reflection and creative daydreaming. The pace of nature and the time an idea takes to mature differ fundamentally from that of an algorithm. Organisations that recognise this distinction cultivate more resilient and authentic leadership.

5. Make interdependence visible – Map

out and demonstrate how contributions from different areas and roles connect to produce the collective result.

6. Increasing diversity in positions of power – Organisational *mattering* is impossible when decision-making positions are occupied by a single profile. Diversity – across gender, race, generation and background – is not merely a matter of fairness: it is a prerequisite for diverse perspectives to make a genuine contribution.

7. Review feedback models – Care-oriented feedback combines accountability with compassion.

LEADERS AS BEARERS OF FUTURES

‘I fall, therefore I am.’ Cosmologist Mario Novello’s reworking of Descartes’ ‘is more than just an intellectual play on words. It is an invitation to consider our own existence as bearers of knowledge, imagination and possible futures.

Leadership, dialogue and plurality are not separate topics. They are expressions of the same fundamental question: how do we, collectively, create the conditions for every human being to feel valued – not despite their differences, but through them?

The answer will not come from a single model, a flawless theory or a universally applicable methodology. It will emerge from human connection. From dialogue that does



not shy away from conflict, but navigates it with intelligence and humanity. From recognition that does not wait for the other to deserve it before it is offered. From care that never tires of investing in the flourishing of others, even when the results are slow to appear.

LEARN MORE ABOUT

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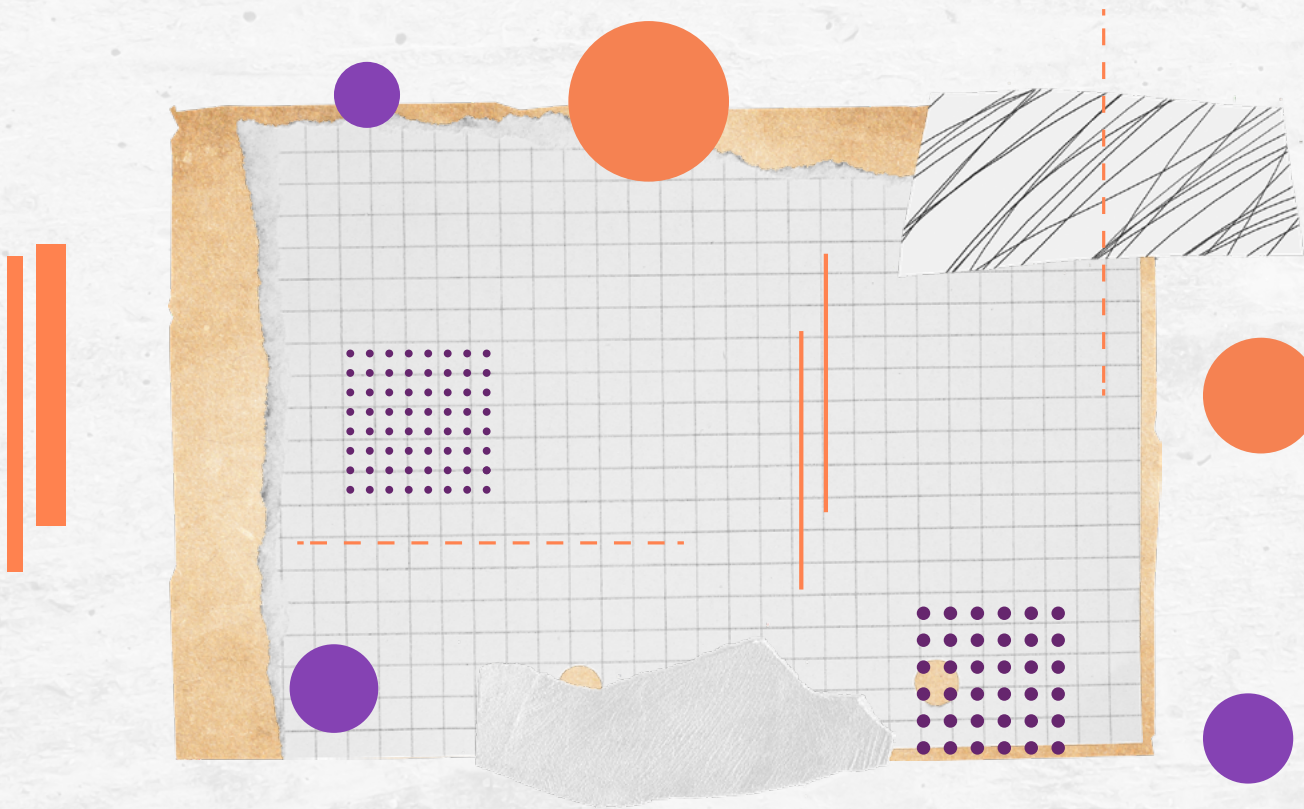
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LUCIANA FERREIRA is a Professor in the Organisational Behaviour and Leadership area at Fundação Dom Cabral.

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