

Bad news and good

The financial crisis is hammering the foundation of global society and the effects are increasing in rate and force on a daily basis. Like a bolt from the blue, we have been rudely awakened from the dream of everlasting prosperity. The time in which shareholder value was the only worth has come to an end. With hindsight, we have to ask how we could ever have believed that an economy founded solely on one pole - shareholder value - could be more stable than one built from a tripod of customers, employees and shareholders. Perhaps this mindset took hold in the wake of the collapse of communist regimes which indisputably proved the superiority of capitalism.

Having wiped the dust from Keynes's statue, we now look to national governments to stop the haemorrhaging. Note that in times of plenty, Keynes is forgotten and government control treated with resentment. Today, however, we expect that governments will pump lots and lots of taxpayers' money into infrastructure development, among other things. This is good news for our industry; construction, land development and land administration rely on the support and expertise of geomatics engineers.

Will these developments bode equally well for equipment manufacturers? When times are tough, most organisations tend to postpone capital investment; the purchase of new instruments, hardware and software is put on hold. This is likely to have a negative effect on the manufacturing sector going forward. Furthermore, we have seen several takeovers recently: For instance, Leica Geosystems has become part of Hexagon and Inpho GmbH is now with Trimble. Although the subsidiaries may do well, they may also be forced to cut costs radically as their holding companies reel from the effects of the credit crunch. Smaller firms - often established as a spin-off of university research to commercialise new technology - hoping to be taken over by the bigger players, will have to be patient for a few years at least.

In the previous era, the main economic activity revolved around moving money from one wallet into another, while those involved in creating goods which one can touch, hold or eat were treated with disdain. This way of thinking was adopted wholeheartedly by the younger generation. They moved *en masse* into business and law oriented studies; today the USA has four times as many lawyers as academic engineers.

But the tide is turning. Worldwide, young people are increasingly opting for technological careers. And amid all the bad news, that is good news.