

The Emerging Knowledge Economy and Society



Agenda

- What is knowledge?
- The Transition Hypothesis
- The Transition from Industrial to K-society
- Characteristics of the K-Economy
- Characteristics of the K-Society

Definition of "Knowledge"



- What is knowledge?

"Ultimately all factual knowledge is derivable from experience" (Bertrand Russell).

A sociological definition of knowledge

- Knowledge is defined „as a capacity for social action“ (Stehr 1994:95)
- Knowledge may be used or left unused.
- K depends on social conditions and is related to social power (social capital)
- K is information that changes something or someone (Drucker 1989:251)

Characteristics of Knowledge

DISCUSS !

- How to measure Knowledge ?
- How can knowledge be transmitted?
- Transaction: What do we know about the costs of transmitting knowledge?
- Goods are normally succumbed to the law of diminishing returns. What about knowledge?



Hackers are the Robin Hoods of modern knowledge society.

DISCUSS!

Characteristics of Knowledge

as a Factor of Production

1. Knowledge is more difficult to measure than the other factors.
2. Once it has been produced it can easily be reproduced or copied and transaction costs are low.
3. Whereas other goods are succumbed to the law of diminishing returns, knowledge experiences rising marginal utility
4. Software pirating, knowledge poaching and industrial espionage are part of the knowledge society

Transition Hypothesis

The transition from one type of society to another takes place, because a new innovative productivity factor is introduced.

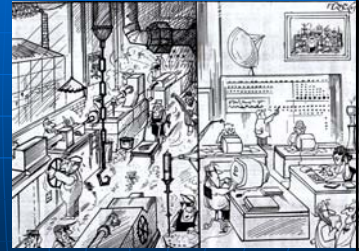


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"Value is now created by 'productivity' and 'innovation', both applications of **knowledge** to work" (Drucker 1994).

Transition

The transition from one type of society to another takes place, because a new innovative productivity factor is introduced:
KNOWLEDGE



Industrial society to knowledge society ⁸

Knowledge-Based Economy

"A Knowledge-Based Economy is an economy in which the production, distribution, and use of knowledge is the main driver of growth, wealth creation and employment across all industries."

APEC Economic Committee (2000), Towards Knowledge Based Economies in APEC, APEC Secretariat.

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Knowledge Societies



- „A knowledge society is a society that is nurtured by its diversity and its capacities“ (p.17)
- „Knowledge is a potent tool in the fight against poverty“ (p.20)

UNESCO World report: Towards Knowledge Societies. Paris: UNESCO 2005¹⁰

Knowledge Societies 1

- ❖ Higher average standard of **education** and a growing proportion of its labour force are employed as **knowledge workers**
- ❖ Its industry produces products with integrated **artificial intelligence**
- ❖ Its organisations are transformed into **intelligent organisations**

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Knowledge Society 2

- ❖ There is increased organised knowledge in the form of **digitalised expertise**
- ❖ There are **multiple centres** of expertise and a **polycentric** production of knowledge
- ❖ There is a distinct **epistemic culture** of knowledge production and knowledge utilisation

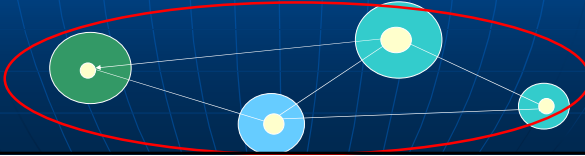
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Model of the Global K-Society



- The CBD of large cities are connected through IT and form an institutionalised global knowledge network....
- The CBDs are surrounded by "Localities," - by cultural diversity

This creates one „global city“, one global „knowledge society“

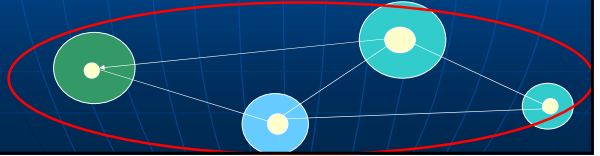


Model of the Global K-Society



- Production sites are connected through IT and form an institutionalised global production network (GPN)....
- Factories draw their workforce from culturally diverse "Localities," and use local K

This creates a knowledge-sharing „GPN“



Thank you for your attention.
Any further questions?

