



# Knowledge and Development

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## Course Objectives

- Since **knowledge** has been identified as a major factor of production, several governments have embarked on strategies to develop a knowledge society and a knowledge-based economy.
- The race for competitive advantages is shifting from a natural resources and industrial production base to a knowledge and information base. **Producing and selling knowledge** is seen as a key factor in development strategies.

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## Knowledge as a Factor of Production



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## Knowledge as a Factor of Production – Topics to be discussed

### Agenda

- Globalisation
- The Growth of Knowledge
- The Growth of Ignorance
- Knowledge replaces Capital and Labour

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## Questions and Issues



### Assumption

- The production of new knowledge,
  - dissemination of knowledge
  - application of knowledge
- drives economic growth.**

**Discuss!**



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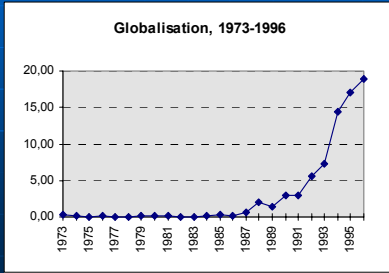
## Globalisation



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# The Rise of "Globalisation" as a Concept in Social Science

- References using the concept as p/000 of all Sources recorded in major social science Data



# Globalisation - DISCUSS

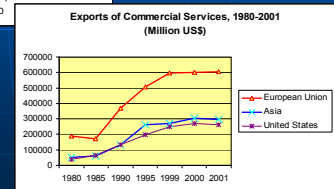
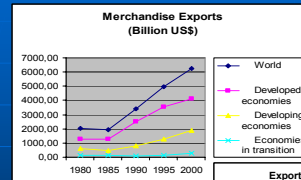
- Which event/process has been most significant for globalisation in your country?
  - How do you assess the impact of globalization – as beneficial or destructive?
- Has globalisation led
  - to a homogeneous world culture?
  - to Westernisation? Asianisation? Africanization? Or what?
  - To an equal distribution of knowledge?



# Megatrends of Globalisation

- Growth of trade and markets
- Growth of knowledge
- Growth of information technologies
- Growth of the K-economy and society
- Growth of poverty
- Global environmental degradation
- Concentration of wealth
- Concentration of political and military power

# Growth of World Trade



# The Growth of Knowledge



- The "De-mystification of the World" and the Growth of Rational Action (Max Weber)
- Has Science replaced Belief?
- The Explosion of Knowledge



Max Weber  
Rational action dominates economy and society

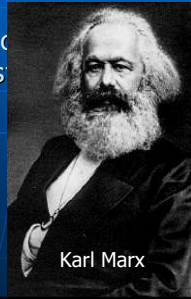


The "De-mystification of the World" and the Growth of Rational Action

# Economy and Society

- The economy determines the production of knowledge
- Gigantic knowledge producing and processing organisations structure society.

**KM**



Gigantic knowledge producing and processing organisations structure society.

**Knowledge governs economy and society**



- Has knowledge replaced belief?  
DISCUSS

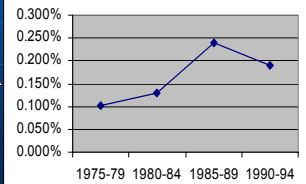
**Knowledge explodes.**

Exercise: the growth of knowledge about knowledge 15

Search a databank for the number of references per year that have used the word: globalisation (globalization) or knowledge Construct diagrams.

**Example**

- % documents in econ journals, in which the term 'knowledge' is mentioned (JSTOR)

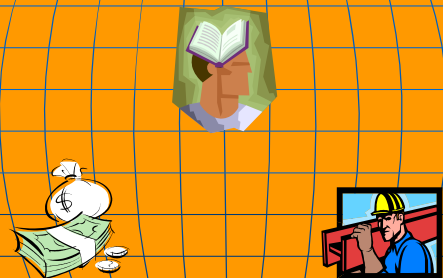


# The Growth of KNOWLEDGE

- **Knowledge** has replaced industrial organisation as the major source of productivity
  - We are heading towards a **knowledge society**
  - Companies are transformed into **intelligent organisations**
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"Value is now created by 'productivity' and 'innovation', both applications of knowledge to work" (Drucker 1994)

# Knowledge replaces Capital and Labour



## K-Productivity

"Value is now created by 'productivity' and 'innovation', both applications of knowledge to work" (Drucker 1994:4).

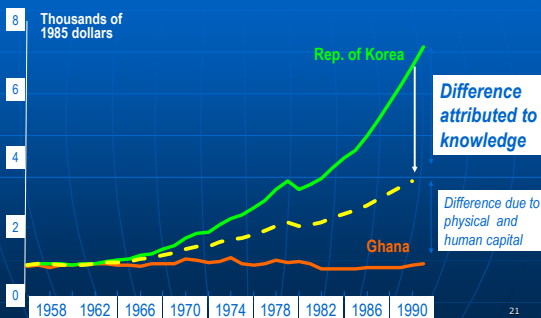
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## Knowledge as a Factor of Production

- Land, labour and capital are the 'old' factors of production
- Knowledge emerges as a new factor of production
- The production of the factor 'knowledge' requires knowledge
- Ownership of the factor 'knowledge' is difficult to monopolise

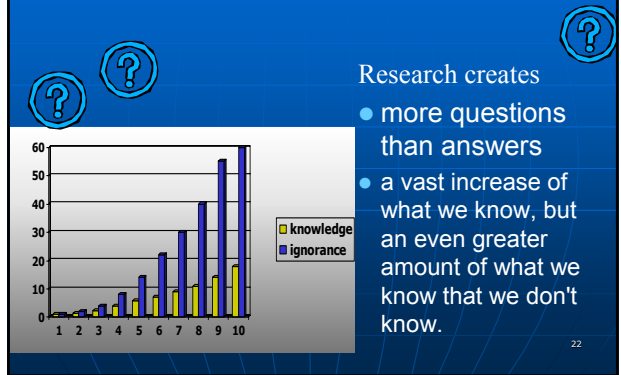
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Knowledge makes the difference between poverty and wealth...



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## The Growth of Ignorance



Research creates

- more questions than answers
- a vast increase of what we know, but an even greater amount of what we know that we don't know.

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What follows from the growth of ignorance?

- Ignorance implies



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## Knowledge Loss

- New knowledge is created through research
- Old knowledge is discarded or forgotten
- Local knowledge is destroyed or lost through migration / change of personell

Evers, Hans-Dieter and Caleb Wall. 2006. "Knowledge Loss: Managing Local Knowledge in Rural Uzbekistan." in *ZEF Working Paper Nr. 15*. Bonn: Center for Development Research, University of Bonn.

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## Questions and Issues

- “There is an abundance of information and a scarcity of knowledge”. True or false?
- Can experience be shared?
- Is knowledge always true, definite and free of the social and cultural context in which it was created?
- Can knowledge be shared?
- Can stored explicit knowledge be understood by others?

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## Knowledge and Prediction

- *Forecasting or development planning: are targets always met? Do predictions come true?*
- *Signboard seen at a fortune tellers office*

**Closed due to unforeseen circumstances**

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## K as a Factor of Production

- To be discussed further....



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