CRITIQUE OF THE KNOWLEDGE ECONOMY CONCEPT

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Marc LUYCKX GHISI

Member of the Auroville International Advisory Council,
Former member of the "Forward Studies Unit", EU
Vice President of COTRUGLI Business School, Zagreb & Belgrade

CHAPTER 1:

TWO APPROACHES TO KNOWLEDGE SOCIETY

Two types of approach

1. The most usual approach pushes new concepts of knowledge management into the industrial capitalist frame.

2.The second approach follows Peter Drucker, who says that this is a change of the tool of production, and that we are heading to a <u>post</u> capitalist society

We choose type II: Drucker

"That knowledge has become the resource rather than a resource, is what makes our society "postcapitalist." This fact changes fundamentally—the structure of society. It creates new social and economic dynamics. It creates new politics."

Peter Drucker, Post capitalist society, Harper Business 1993, p. 45

Why Post-capitalist?

In the industrial society the tool of production is

- . + the Machine (factory)
- . + technology
- + financial capital

In the knowledge economy the tool of production is

- . + Human brain
- . + financial capital (20%)
- . + technology

Why Post-capitalist?

This means that "human capital" becomes more important than financial capital.
This is the MAIN reason why P. Drucker speaks of Post Capitalism.

CHAPTER 2:

THE NEW WORLD OF

KNOWLEDGE ECONOMICS

DEFINITIONS

- Data: endless contextless and unorganized facts
- Information: organized facts. Also endless.
- <u>Knowledge:</u> digested information; created by <u>human brain/mind.</u> QUALITY is the issue, not quantity...
- Wisdom: thoroughly integrated knowledge. Rare.

NEW KNOWLEDGE WORLD...

- 1. New tool of production: human brain
- New CEO: Enabling creativity and sharing, Caring for humans = new human-centered management
- New value creation process: adding Knowledge to Knowledge and utilizing the best of it.
- BEYOND Trade: from Free Trade to Free Sharing
- 5. New measurements = qualitative "intangibles"

NEW KNOWLEDGE WORLD

- Beyond patenting towards "Open Source" + TRANSPARENCY
- Beyond pyramids towards networks
- New definition of Progress = qualitative
- 9. Capitalizing on cultural capital + gender capital
- 10. New strategy: beyond war: winwin not win-lose Luyckx GHISI,

TWO SCENARIOS of Knowledge economy for 2020

Scenario 1: Humanism

- Human centered
- Honest with humans
- Really Transparent
- Really ethical
- Really concerned about the future
- Truly SUSTAINABLE

Scenario 2: Manipulation

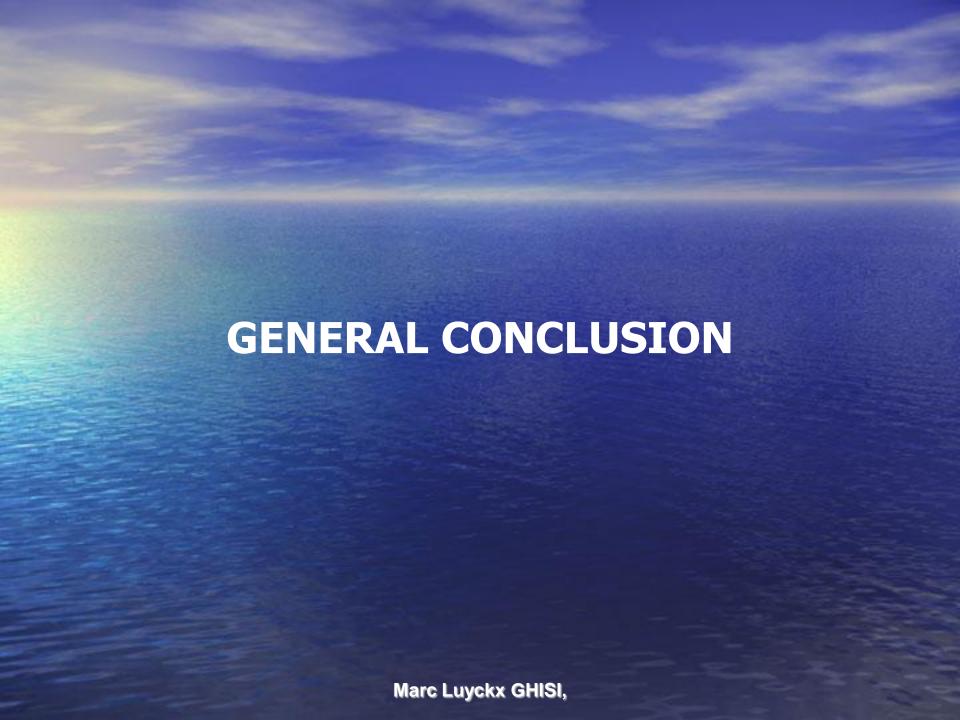
- Pseudo humanist
- Invisibly falseFalse transparency
- False ethics
- False concern with Humanity's future
- NOT SUSTAINABLE

SUSTAINABLE FUTURE: YES

- A knowledge society is potentially sustainable because:
 - IF companies invest in sustainability, they increase their INTANGIBLE ASSETS.
 - The cornerstone (quantitative growth) has transformed into QUANTITATIVE GROWTH.
 - If your company is *part of the solution* it increases its intangible assets.

INCLUSIVE FUTURE: YES

- In this new economy, social inclusion is a plus, because:
 - It fosters new ideas and creativity (Colgate)
 - It increases the intangible assets of the company.
 - It increases the meaning of the company.



CONSEQUENCE: ECONOMY

- We have new economic tools for the 21° century: knowledge economy = new economic paradigm! Politicians and economists should have the courage to say that we are in a new economic paradigm.
- We are already 60% in this post capitalist economy !! (Drucker).
- The citizens <u>know it</u> subconsciously.

CONSEQUENCE: ECONOMY (II)

- And this "knowldege conomy" (Lisbon Strategy of the EU 2000-2010), could be oriented towards sutainability and social inclusion.
- We can decide this. A debate is urgent and needed.
- But this presupposes that the economists and politicians "wake up" from the "free trade"-industrial paradigm, which is unable to lead to a sustainable world.

CONSEQUENCE: POLITICAL TOOLS

- We have new political tools for the 21° century: non violence between states = new political paradigm.
- EU happens to be 1° experiment of this new political paradigm.
- It presupposes a new dream.
- Politicians should dare to speak about this paradigm shift..: we are like at the beginning of Renaissance...

 Marc Luyckx GHISI,

Good Books...

- Paul H. RAY: "The cultural creatives: How 50 million people are changing the world." Harmony, New York, 2002.

 www.culturalcreatives.org
- Peter DRUCKER: "Post capitalist society", Harper Business, New York, 1993.
- Verna ALLEE: "The future of knowledge" Elsevier Science, 2003, USA. www.vernaallee.com
- David ROONEY (Australia): "Handbook on the Knowledge economy" 2005.

Good Books

- Jeremy RIFKIN: "The European Dream: when Europe's vision of the future is silently eclipsing the American dream" Penguin 2004.
- Ray ANDERSON: "Mid Course correction" 1998. www.chelseagreen.com (Interface)
- World Business Academy: www.worldbusiness.org
- "Neskey" on intangible measurements: www.neskey.com
- PERLAS Nicanor: Shaping Globalization: civil Society, Cultural Power, and Threefolding nperlas@info.com.ph

Book

Marc Luyckx GHISI: The Knowledge Society: a breakthrough to genuine sustainability. Editions India, Cochin, March 2008. Available as a pdf on my blmog at

http://vision2020.canalblog.com

This presentation is also available on my blog. Open source!!