KNOWLEDGE-BASED ECONOMY HYPOTHESIS REVISITED

Hipoteza o ekonomiji znanja: argumenti za i protiv


KLJUČNE REČI ekonomija znanja, obrazovanje, tržište rada, društvene nauke

ABSTRACT At the theoretical level, within the context of developed countries such as the UK and USA, the paradigm of the emerging ‘knowledge economy’ is becoming prevalent in sociology, and social sciences more broadly. Leading social scientists see this as a crucial development. This paper challenges the view about the emergence of this new type of economy and looks at the intersection of economics and the sociology of education. Central questions to be addressed here are whether we need a radically new approach to education in the light of the recent developments? Should broad and humanistic goals be subjected to the needs of economy and the labour market? How can we best approach educational planning? Are we witnessing the emergence of the economy of the highly skilled? Are there examples that represent a countervailing power to this hypothesis? Are there instances where we can witness the ‘low skills’ agenda? In essence, the paper is geared to investigating how these questions can be answered or deflected.

KEY WORDS knowledge-based economy, education, labour market, social sciences
Innovation and Knowledge as Key Processes for Development

Broadly defined, every society that existed up until the present date can be labelled as knowledge society. This is due to the fact that all of them had a specific type of rationality, problem solving techniques, and systems of knowledge that enabled relatively successful adaptation to the exigencies of the epoch and reproduction of everyday life. Every attempt to define other pre modern and pre capitalist societies as backward is most vulnerable to the fallacy of Eurocentrism. Some of the most distinguished intellectual figures of the history of anthropological thought did commit this error (see for example, James Frazer *The Golden Bough*).

Some philosophers of science, like Kuhn, argue that even before the pursuit of knowledge can commence, the scientific community has to agree upon which are to be the fundamental techniques and beliefs for acquisition of knowledge. Knowledge is a convention to a certain extent (Kuhn, in, Ladyman, 2002: 98). This attitude clearly shows that every analysis concerned with education is unavoidably social, which should be an obvious incentive for cross-pollination of domains such as economics, sociology, psychology and related disciplines. Obviously, every society had a corpus of scientific and practical knowledge so that we cannot help labelling them knowledge societies if current concerns in the philosophy of science are to be taken seriously. Nevertheless, in my judgment, what distinguishes contemporary economy from all of the previous social systems is the centrality of knowledge and the fact that its application and enhancement is of immense importance for all aspects of our lives.

There is overwhelming evidence in support of this view. From the first attempts made towards industrialisation, there has always been an obvious tendency to perceive technological innovation as the key process for development (King and McGrath, 2004:32). Some authors argue that mechanisation and industrialisation have been major shifts between two types of society (Newby, 1988: 8). In my judgement, the *Spirit of Capitalism* (Weber, 2007) would not have been possible without major breakthroughs in the intellectual sphere. The centrality of knowledge and skills was an obvious fact at the beginning of the Industrial Revolution. The key issue was to employ one’s intellectual powers in order to produce goods and services, broadly defined, which contribute to the well-being of societal system and all of its members individually. The need for innovation and progress has grown exponentially since then, and the in-built propensity of society to change witnessed something of a similar development. In essence, these considerations are valid *a fortiori* at this present moment in which we live for an overwhelming majority of nation states that have started following the path of progress towards *laissez faire* economy and technological advance.
Some earlier authors were indeed successful in their predictions concerning the formation of a type of economy that is radically different in that knowledge and its application are of central importance. Reich opines that the essential strength of every nation is embodied in knowledge and skills of its citizens. Each nation will have to struggle with the forces of globalization and put a lot of emphasis on citizens’ skills and insights which will make this cohort of population rich and prosperous whereas de-skilled will live in poverty and have a low standard of living (Reich, 1993:3). It is a widely accepted fact that few professionals working in the domain of social sciences would argue that we have not witnessed a radical change in economy. However, this economy implies great inequalities among the social strata based primarily on their ability to remain marketable.

Brown and Hesketh are sceptical about the description of this current state of affairs as the knowledge economy. Statistical data prove to be a powerful counter-argument. “For every knowledge worker actively at work in the U.S. economy, another four workers are engaged in routine production or person-to-person service occupations” (Brown and Hesketh, 2004:55).

Reich argues further that the main task of the United States with regard to the economy of the nation will be to contribute to the betterment of knowledge and skills of its citizens so that they can make a useful contribution to economic growth. One obvious path that is conducive towards the attainment of this goal is to establish a link between these skills and the labour market (Reich, 1993:8). Nevertheless, the shift towards service economy is indisputable. Social strata that are distinguished by their expert knowledge tend to be well paid and have prestige and power that is interlinked with their position.

Reich’s social scientific assiduity led him to challenge the “knowledge economy” hypothesis. The author is a partisan of the KBE thesis, but his work gives counter arguments as well. He gives evidence that some authors working in the field of economy have found out contrasting evidence which point out to the existence of a certain kind of egalitarianism when we compare the income and social position of those who are well-qualified and those who are not (Reich, 1993:50). These are facts that enable us to avoid being uniform and uncritical while rethinking the knowledge economy theory. Popper’s view was that assiduous social scientists must rethink the evidence that does not support their theory and this is exactly what makes the difference between good and average scholars (see for example Ladyman, Understanding Philosophy of Science).

Nevertheless, this social change is overwhelming. Reich argues that there are differences between those who have had a chance to obtain excellent education and those who have not. Highly skilled professionals increase their value on the market over time, so that it is very difficult for those who are not well-qualified ever to catch up (Reich, 1993:109). In my judgment, the new knowledge economy will be
the economy of those who are highly skilled. It is essential that we reflect again on what this difference between them and the de-skilled amounts to. Therefore, this issue will be the focus of our attention in the subsequent section.

**Economy of the Highly-Skilled**

The contemporary discourse of human and social capital does indeed support the “knowledge economy” hypothesis. John Rodger is of the opinion that capital in general in the form of tools, hardware etc. is indispensable for production, but human capital plays the crucial role as well with the incentive towards gaining skills and intellectual perfection. Human capital is of central importance for production (Rodger, 2000:53). What is more, this form of capital is increasingly becoming useful when accompanied by social capital, which is a notion that is interlinked with the use and exploitation of human knowledge and sociability (Lin, 2001). Rodger’s view is that: “Social capital in economic and commercial context refers to the relations between economic actors and expresses the degree of ‘trust’ necessary to conduct commercial transaction” (Rodger, 2000:53). *Laissez-faire* economy implies that the influence of government on market forces is infinitesimal. The role of the state is to ensure that market forces can continue with their work unhindered, which will produce the greatest possible welfare for an overwhelming majority of the population. The Government only needs to safeguard private property of individuals and groups. Quintessentially, these are the defining characteristics of this type of economy (see for example Smith, *The Wealth of Nations*, Friedman, *Capitalism and Freedom*) In my judgment, in no time during the development of *laissez faire* economy have we witnessed such a strong emphasis on knowledge and a general re-appraisal of the belief that human mind is all-powerful.

The radical change that occurred during the 1960s clearly represented a bifurcation point *sui generis* in that the radical advances in the domain of science and technology somehow made the general public fully acknowledge the advent of the knowledge economy (King and McGrath, 2004:33). Brown, Green and Lauder write: “It is widely argued that global economic competitiveness rests on the knowledge and skills of the workforce” (Brown, Green and Lauder, 2001: 1). The chances of following the technological advance in contemporary society are meagre, because the changes happen so often and so quickly, so the consequences can only be perceived in the long run. What was almost impossible to pass unobserved was the extent to which the products of the human *savoir faire* do indeed shape and remould our everyday lives. Technological advance and knowledge do make changes in our everyday lives, and are therefore perceived as too deeply ingrained. These developments influence our relations with sets of relevant others such as
friends, family, superiors, our way of learning and communication, and influence to a certain degree even our conception of selfhood.

Brown and Hesketh challenge this hypothesis with a more profound analysis of UK statistical data concerning the labour market. “The reality of the U.K. occupational structure, then, like that of the United States, appears to fall a long way short of the rhetoric of the KBE thesis” (Brown and Hesketh, 2004:57).

The need for knowledge and skilled professionals is overwhelming. Ashton and Green state this explicitly in their study entitled Education, Training and the Global Economy. The history of capitalism has not witnessed such a widespread interest in the education and training of the workforce. It has made progress based on the primitive accumulation of riches, exploitation of the work force, innovations, and appropriation of raw materials. Contemporary economic reality is defined by the interest in the training of the workforce as an incentive for growth (Ashton and Green, 1996:1). The knowledge economy does indeed require skilled professionals, and the pursuit of profit is the rationale for the investment in human capital. The benefits for the employers are manifold. It would be worth bearing in mind that the interest of employers and entrepreneurs in education of their staff is substantially extrinsic, in that they expect a certain kind of quid pro quo. The basic principles of capitalist economy are not undermined even if we continue to perceive the growing interest of firms to educate those who work for them. Therefore, the knowledge economy does not necessarily imply the embodiment of the Third Way (Giddens, 1998). Certainly, we regard these developments to be entirely positive and desirable. Continual training is a must in contemporary society and, in my view, interest in training and education is positive, regardless of the motives that give incentive to employers to conduct it.

However, there are authors that challenge the ‘knowledge economy’ hypothesis and claim that the discourse regarding the increasing number of highly-skilled is a chimera and factually inaccurate in some aspects as well. Reich argues that: “a job category is officially classified ‘professional’ or ‘managerial’ likewise has little bearing upon the function its occupant actually performs in the world economy” (Reich, 1993: 181). Finegold and Soskice are of opinion that UK is experiencing a low skills equilibrium (Finegold and Soskice, in Lauder, 1999: 288). The nature of responsibilities of a significant number of jobs that are defined as professional can be remarkably uninteresting, without creativity, and repetitive as well.

Reich further argues that: “Some accountants do routine audits without the active involvement of their cerebral cortices” (Reich, 1993:181).

Some relevant nation states that have been following the path of progress towards the knowledge economy certainly have appellations which signify their commitment to learning and positioning in the global constellation: “the ‘clever
country’ (Australia); the ‘information island’ (Bermuda) and the ‘intelligent island’ (Singapore)” (King and McGrath, 2004:35). This clearly testifies to the fact that we are living in an economy that is radically different, in that transmission and application of knowledge are of crucial importance for development. Nevertheless, from anthropological perspective, this can be criticized as an attempt to define “otherness”.

More importantly, one contestable way of describing events within the context of a contemporary laissez faire economy is to argue that the difference between nation states that are developed and those that are underdeveloped is that the former have access to technological advance, knowledge and its application, and the latter do not. This implicitly states the belief that if only this knowledge could be shared we would have more of egalitarianism on the global scale.

Efforts have been made to integrate underdeveloped countries so that they could develop a specific type of knowledge economy which would assist them greatly to start following the path of progress. One of the world’s most powerful financial institutions, the World Bank, did contribute to the widely held belief that knowledge is the most important factor for economical development, by issuing a document entitled World Development Report, Knowledge for Development. This document represents a certain kind of eulogy for enlightenment, knowledge and development (King and McGrath, 2004: 59). The creators of the World Bank report were very insightful in that they did foresee that the inequalities on the global scale can only be alleviated by giving loans that are not directed towards the systemic change of the nation states that are underdeveloped. Within the context of a dichotomous division of countries as developed and developing, what the latter need is that new technologies and innovations are introduced so that they could start their own economical progress which would not be dependent upon the provision of material assistance from other countries.

The knowledge economy requires not only the introduction and betterment of formal education and basic education, the most important issues are lifelong learning and adjustment to the needs of global knowledge society. King and McGrath argue that the World Development Report did not stress the importance of elementary educational processes. This is not to say that this form of education is not of immense importance for economical growth because of its significant impact on various subsystems of society. It clearly did put forward the fact that what is crucial for developments is tertiary and technical education. Therefore, elementary education cannot be a sufficient response to the challenge of global economy (King and McGrath, 2003: 60). Contrary to some earlier periods in the development of the laissez faire economy, when the most important factors for production were embodied in physical objects, tools and material objects, expertise and know how play a crucial role today. The importance of these factors is growing exponentially
in that the highly skilled and educated constitute the elite and higher strata of society and that without qualifications the borders between social strata are only semi-permeable. This all pervasive “social fact” (Durkheim, 1982) stresses the crucial importance of human resource and human capital. Therefore, the advantages of well-thought and innovative philosophy of education are indeed manifold. Thus, human resource can well be likened to a fruitful field: the more efforts we make in order to contribute to its betterment, the more benefits will appear. Knowledge and know how not only represent the crucial agents in the process of producing goods and services; they even influence the shape and distribution of social strata on the scale of wealth, education, power and prestige. The current concerns of those working in the fields of social sciences are oriented towards these topics and they constitute perennially fascinating subjects.

Crouch, Finegold and Sako argue that: “The acquisition of knowledge and skills is increasingly seen as both the main challenge and the central opportunity for achieving a return to full time employment in a post-Keynesian economy” (Crouch, Finegold and Sako, 2001:1). Therefore, this assumption implies that a new approach to learning is quintessential for progress.

Understandably enough, the empirical data suggest that the advent of knowledge economy is an indisputable fact. Many authors have employed their intellectual powers in order to theorize this social change. However, very few have provided evidence that challenges the “knowledge economy” hypothesis. Society, as a whole, will have to adjust to this trend. Changes in education and learning will be the key issues to be discussed in subsequent sections. In my view, the advent of KBE requires that we adopt a radically new approach to learning and formal education in the future.

A Radically New Approach to Learning – Is It Invaluable per se or Insofar as It Serves Utilitarian Goals?

We have found very little evidence that do not support the claim that we are living in a knowledge economy. The volumes written about this shift in the patterns of economical organization of society are indeed innumerable. However, very few analyses would generally support the view that knowledge economy is something that should be expected only in the distant future. In my judgement, this form of social organization is a hic et nunc reality.

The advent of this type of society raises sociological and philosophical questions that are interlinked with learning and education. Tomlinson says: “Over the period there has been a shift from a relatively decentralized education system to a centralized system in which funding, teaching and curriculum are centrally
controlled, and the subjection of schools to market forces has increased social and academic divisions” (Tomlinson, 2001: 1). Belfield also sees education as an investment (Belfield, 2000). We now have a question of crucial importance, and that is whether we should maintain the broader and humanistic view of learning and education as a certain kind of l’art pour l’art, or our aim should be to adjust it to the needs of utilitarian goals and labour market. Tomlinson further argues that “within conservative ideology education is a commodity with parents supposedly free to ‘choose’ the quality, location and amount. The best quality education is a positional good which must be rationed and competitively sought after” (Tomlinson, 1994: 4). Knowledge economy implies that changes are mandatory, but some positive heritage from the past needs to be taken very seriously. It is indeed backward to perceive lifelong learning as a good which is regulated by the law of supply and demand. Field argues that this notion is seen by the Leftists to be “politically tainted and actively harmful” (Field, 2003: 144). Therefore, in my view, it should not be accepted uncritically.

These issues raise concerns about a certain type of cultural lag (Ogburn, 1964), that is to say, a discrepancy between the development of various societal subsystems. Social care, learning, formal education, demographical facts- all of these will have to adjust to the exigencies of the new type of economy. Understandably enough, the changing patterns and new approach to learning and formal education will play a key role in our analysis.

**Introducing Inclusive Values and Practices into the Life-long Learning Process**

The hypothesized new shape of formal education is a challenge for those that are involved in its creation. Apart from the developmental and scientific concerns, this subject raises questions that are more intrinsically ethical in character. The issue regarding the inclusion of marginalized individuals: disabled, poor, socially excluded is of central importance. For instance, children who live in unfavourable conditions are not likely to perform well as far as learning is concerned (Gunn and Duncan 1997, in Isikoglu and Ivrendi, 2007: 234). *Laissez faire* economy is based on competition as the fundamental principle for development and knowledge is one of the scarce resources that are not available to every person. Therefore, in my view, it is necessary to alleviate the effects of competition by making knowledge, broadly conceived, available to everybody. There are various paths that conduce towards the attainment of this goal: the spread of literacy and general knowledge into isolated communities, inclusion of the disabled in formal elementary education and work processes, adoption of the concept of adult and lifelong learning, continual training provided by employers, aid for development
which would be directed towards the introduction of technical achievements. There are various examples showing how some of these tasks can be successfully accomplished. Potts argues that the Chinese perceive their country as a developing nation which has as its most important task to invest in human capital. The attitudes towards the disabled have changed significantly. They are now perceived by the larger community and efforts are made to integrate them into larger society. The general public has become more affectionate towards them (Potts, 2003:111). Scholars working in the field of social sciences tend to be sensitive to the disadvantages of social exclusion. In my opinion, every nation state should have in-built mechanisms that enable inclusion for the disabled. One significant aspect of this would be to make the rules for inclusion into formal educational institutions more permissive. It would be worth to point out that a profound change of attitudes and norms that ostracise the disabled should be changed as well.

Developing community-oriented schools might be an immense contribution towards the new approach to learning. Their value for inclusion of families and adults who are hard to reach is significant (Dyson and Raffo, 2007: 299).

Short term goals and the lack of information about those who are excluded are generally hindrances for the adoption of the new approach to learning. Even if the participation in lifelong learning is enhanced, those who have suffered the most from exclusion cannot benefit from it. Some changes serve to maintain the inequalities rather than redress the wrongs interlinked with them (Brown, Green and Lauder, 2001: 141). The hypothesized era of knowledge economy requires that the creators of educational policy have in-depth insights into the location and number of those who are excluded. Alternatively, we could have seriously negative consequences with far-reaching effects, that is to say, a significant number of those who are socially excluded, unemployable and who have missed their chance to position themselves within the context of the *laissez faire* economy. This can create a sort of a vicious circle, in that exclusion and failure to find occupation cause loss of self-respect and coherent consciousness of professional identity which cause further exclusion.

**Re-appraisal of the *Third Way* Thesis: Learning for Everybody?**

The inclusion of those who are defined as “underclass” should be one of the primary aims of the new approach to learning. This belongingness should be perceived as either voluntary or involuntary. Nevertheless, the re-introduction of this class should be one of the most important issues to be discussed during the debates about philosophical and sociological theories of learning and education. What needs to be done would be the general re-appraisal of the *Third Way* thesis (Giddens,
1998). If that implies introduction of socialist elements into contemporary economy, so be it. The state apparatus and the society as a whole should make sure that the effects of marginalization are neutralized or alleviated. The best approach would be to create a society based on solidarity vis-à-vis the system divided into two radically opposed groups, haves and have-nots. Rodger argues strongly that the ideal of welfare state is something linked with our past. This form of societal organization had its advantages like the guaranteed income for the poor, incentives for production and development, insurance etc. In the near future, this societal organization will be substituted by another type that is supposedly based upon citizen virtue, solidarity, and primary emotional relations (Rodger, 2000:7). This approach highlights the positive aspects of contemporary social change, but should not be accepted without critical remarks. In my judgement, market-driven behaviour and pecuniary interests play an important role in determining who can be educated and who does not have access to education, so that this view is highly idealistic in some aspects. With regard to the current state of affairs in formal education, uncritical acceptance of this view can be unfavourable in that we could oversee a significant percentage of the people who cannot educate themselves because of the lack of pecuniary assistance. The new approach to learning should incorporate these critical assumptions about inequalities.

Gender does indeed have a significant impact on education. Rogers gives a word of caution that the means for gaining education and learning are generally controlled by men (Rogers, 2007: 161). Gendered aspects of inequalities must be abandoned if the ideal of the new approach to learning is to be adopted. Every policy has its advantages and drawbacks, but exclusion based on socially ascribed characteristics is one aspect that cannot be accepted as a pre-requisite for development.

**Work-based and Continual Learning: Key Process for Adjustment to the Knowledge-driven Economy**

Learning is a process that lasts a lifetime. Formal education that is thought of as the completion of primary and secondary schools with transition to the University will indeed play an important part in skill formation and betterment of individuals, but new forms of learning should be encouraged as well. Tight argues that the understanding of learning as what takes places in classrooms is very narrow (Tight, 2001: 15). This means not only the development of learning capacities in informal contexts but the adjustment of values and norms so that they can be ideally suited to the lifelong learning discourse. One aspect of this would be to introduce the learning process in firms and companies. The new learning processes should not be adjusted to the company’s hierarchical structure and should provide quality skills gaining for
individuals regardless of race, ethnicity, gender, religion, education or any other socially ascribed or achieved characteristic. There is evidence that some organizations have made significant progress in adopting a radically new approach to learning. Field is of the opinion that EU officials have taken the role of lifelong learning in European reconstruction very seriously (Field, 1996:14). I argue that work-based training should be organized by transmitting applied knowledge.

Another proposal in support of this view would be to integrate successful university graduates into the further learning, and thus introduce them into the lifelong learning discourse. Brown, Green and Lauder give evidence that efforts are made to make this ideal a reality: “A number of large firms are increasingly employing graduates and developing internal, customized systems of lifelong training, rather than the front-loaded and occupationally-based forms of generic skills training represented by the apprenticeship system”(Brown, Green and Lauder, 2001: 151). It is indeed promising that agents operating within entrepreneurial society find that lifelong learning discourse is substantially ideally suited for them.

Nevertheless, I argue that a radically new approach to learning requires that we discontinue the practice of disregard towards vocational education, because it contributes to the GDP of every nation-state quite significantly. We have evidence this is a problem that needs to be addressed as well. Tomlinson gives evidence that vocational courses are considered to be well suited only to the lower strata of society (Tomlinson, 2001: 39). Knowledge economy intrinsically implies that the number of the highly-skilled would skyrocket, but vocational courses should not be thought of as a remnant from the past.

There is overwhelming evidence that some of the most developed and progressive countries have already started to adopt this radically new approach to learning. Brown, Green and Lauder give evidence for this: “What the Japanese have understood is that lifelong employment and learning go hand in hand” (Brown, Green and Lauder, 2001: 175).

We have also witnessed the emergence of various streams of thinking that support the thesis that we are now living in Risk Society (Beck, 1999).This provides incentive for further adjustment of learning to the exigencies of society. Brown, Green and Lauder argue that the nature of responsibilities of a great majority of jobs is intrinsically changeable. Not only that we need to adopt new approach to learning, but we must stop thinking in terms of “person-skills bundle”. The acquisition of these is not a mere formality, and involves human emotional and cognitive capacities. We should also be conscious of the fact that skills are constantly constructed and deconstructed by individuals, groups and societal system (Brown, Green and Lauder, 2001: 16).

It is very important to adopt new patterns of learning. Ashton and Green described how this process was implemented in Germany after the carnage of the
Second World War. They argue that training that is done outside the workplace was supposed to enable the candidates to get theoretical knowledge and become well-versed in citizenship regulations. The part of the training conducted at the workplace was supposed to provide useful knowledge that could be used in the work process. This was generally done under the supervision of a person that had expert knowledge of the field (Ashton and Green, 1996: 143-144). Substantially, efforts must be made in order to tackle the conservative rules that are too deeply ingrained and to adopt new ways of thinking that are more liberal, as far as the process of learning is concerned. This process should not be perceived as limited to the “masterfully delivered” knowledge by the tutor within the context of formal educational institutions. We must broaden our views when thinking of this crucial activity.

However, though we still believe that non-formal education is indeed worth taking seriously, it is not wise to depreciate the power of formal education in contributing to the new approach to learning that would be ideally suited to the needs of knowledge economy. Ashton and Green did perceive the risk connected with this: “First, it is hard to erect a system of skill formation without a solid educational base, and only the state can provide that. Market-based systems of privately funded education reinforce inequalities and support only elitist education” (Ashton and Green, 1996: 100). It is worth bearing in mind that the “invisible hand of market forces” (Smith, 1991) is often an imperfect and deficient mechanism when education is concerned. Obviously, we are not partisans of the all-pervasive-state mechanism, but regulation must be re-introduced in this domain. Hayek and other conservative thinkers argued forcefully that laissez faire principles are intrinsically superior to any activities that are directed and organized by the state (Rodger, 2000: 23). In my view, conservative theories (see for example Hayek, 2005) of neo-liberal authors witnessed a certain kind of renaissance after a long period of reign of the welfare-state supported by the ideas of such a masterminded economist as Keynes. Nevertheless, in my judgement, they are clearly exaggerated. If important sectors of society, like education, were regulated by market forces, ferocious competition and absence of the principle of solidarity, this would indeed only enable education and skill gaining for those who are from well-to-do families. The radically new approach should implement a certain kind of ethical sensitivity when thinking of these differences.

Our sociological imagination (Mills, 2000) should enable us to gain insights into how learning can be exercised at the workplace. Ashton and Green did indeed put forward an excellent solution to this problem: “that a sufficient majority of employers is also committed to both demanding the high skills from their workforces and providing the means of acquisition of workplace skills on the job; that there is an adequate regulatory system to control both the quality and the quantity of workplace training; that there are comprehensive incentives for virtually
all young people and workers to acquire and continue to acquire skills; and finally
that the education and training system is sufficiently developed to allow workers to
Brown et al. argue strongly that the nations are trying to introduce learning
opportunities for a great majority of their citizens, rather than provide high quality
technological, humanistic and strictly scientific education for the privileged and
educated (Brown et al., 2001: 1). The crucial development when thinking about a
radically new approach to learning should be oriented towards the growing demand
of high skills by employers. Relevant social scientists have found that manual and
repetitive labour has the tendency to dull the intelligence of those who perform it. It
is emotionally unfulfilling and intellectually empty (Braverman, 1998). Georges
Friedmann’s view of the process of specialization is pretty much the same
(Friedmann, 1961). Understandably enough, intellectual capacity and motivation for
learning may vary among different age cohorts and groups of people. The most
important question to be addressed though would be to persist in the demand for
skilled labour and the supply of education and training as a path leading towards the
adoption of a radically new approach to learning.

It is very important to point out that this process is not restricted to one
dimension. Indeed, reciprocity must be fulfilled, if the radically new approach to
learning is to be adopted. Brown, Green and Lauder point out that this issue needs to
be addressed: “The workforce must be willing to update their skills on a regular
basis and become lifelong learners. But there is equally a need to have a workforce
that is more creative, proactive, and which has people with good problem
skills”(Brown, Green and Lauder, 2001: 220). Learning could be interpreted as an
interplay between educators and learners and requires that both sets of agents are
motivated and enthusiastic to solve problems, broaden themselves and overcome
difficulties. Those who should benefit from this process should be well organized,
careful with attention to detail, and motivated to learn. The new approach implies
that they will be able to surmount all of the difficulties.

However, the adoption of the new approach to learning could be undermined
by the fact that employers are oriented towards the pursuit of profit and an
overwhelming majority of them have only short-term goals. Brown, Green and
Lauder did indeed perceive this development excellently: “Although the full extent
of the changes and their impact remain to be seen, there is a concern that such short-
termism may further erode the basis for the internal labour market and make
employers think twice about investing in training” (Brown, Green and Lauder, 2001:
115). Radically new approach to learning intrinsically implies long-term goals and
altruistic motives. It would indeed be utopian to expect the employers to think in
terms of altruistic motives. Therefore, it is crucial that the state balances between the
general interest of new approach to lifelong learning and the interest of market
agents who have only short-term and utilitarian goals.
Summary: Access to New Ways of Knowledge Acquisition in Contemporary Society

Contemporary society has enabled individuals to obtain skills and remain ‘marketable’ within the context of knowledge economy. Computers and Internet are of quintessential importance for learning (Selwyn et al., 2006: 141-142). Multimedia and satellite broadcasting make education available to all people across the globe (Brookfield, in Tuinjman, 1995). The new approach to learning can be achieved by informal self-education that is of great significance for personal growth. The means for attainment of knowledge are becoming more and more available, which implies that skills acquisition does have this democratic link.

There are various ways that are conducive to the attainment of marketable skills. The new approach to learning that needs to be applied must benefit from the use of such innovations as IT, hypermedia for non-formal and formal learning which could indeed represent the empowerment of societal strata *vis-à-vis* the social divide. Barker gives evidence that there is significant progress concerned with the application of these to learning: “Interest in the use of hypermedia techniques for information storage and delivery has developed substantially in the last few years in both academic and industrial/commercial organizations” (Barker, 1993: 34-35).

The application of modern technology is of great importance within the context of formal educational institutions. Multimedia teaching enables profound understanding and better grounded knowledge in general (Asan, 2003: 29).

The use of new technological developments for learning within firms and companies can have far-reaching consequences for economic performance and output. Dede gives some relevant examples: “Computer supported collaborative learning (CSCL) enhances team performance through tools for communicating each person’s ideas, structuring group dialogue and decision making, recording the rationales for choices, and facilitating collective activities” (Dede, 1996: 13). These cross-company learning and communication methods can enhance work performance and thus contribute to the adjustment to the needs of modern economy.

Substantially, the advent of knowledge economy is a *hic et nunc* reality. This process has the shape that can be likened to that of the Roman God Janus, with both a positive and a negative side. Nevertheless, this shift necessarily implies that changes are mandatory. Obviously, we cannot speculate about what future holds in store, but what indeed follows with utmost certainty is that we will be faced with an avalanche of maybes.
Dragoljub Kaurin: Knowledge-Based Economy Hypothesis Revisited

References


