

INNOVATION MANAGEMENT

3. KNOWLEDGE VERSUS NEW ECONOMY

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3. Knowledge versus new economy

- Traditional neoclassical microeconomics, as a definition of economics (against which knowledge and new economics are defined):
 - product is created by the efficient use of factors of production (factors of production are rare);
 - main inputs: natural resources, labour, capital goods;
 - choice of combination of factors of production = choice of technology.

3. Knowledge versus new economy

- Knowledge economy:
 - emphasises the importance of knowledge and technological enablers, which should include information enablers;
 - knowledge and assumptions = know-how;
 - highlights the importance of know-how for the development of the economy;
 - know-how is a resource that is more important than all other economic factors of production;
 - the ability to use a certain level of knowledge and skills in the economy and to develop it dynamically is conditioned by the quality of the education system;
 - the origins of this approach: since 1960.

3. Knowledge versus new economy

- Knowledge economy:
 - It is related to two factors:
 - the building and development of international networks of firms and the continued strengthening of the openness and interconnectedness of national economies (linked to the globalisation of the economy);
 - intensity in the use of information and knowledge..
 - The second force is at the heart of innovation management. The link with the first force only demonstrates how extremely strong the link between innovation management and globalisation influences is.

3. Knowledge versus new economy

- New economy:
 - access to scarce factors of production in terms of technology and knowledge, which has been an issue especially since the aforementioned 1960s, is no longer a concern;
 - It is primarily concerned with technology-related transformations;
 - these are global transformations that have brought about major economic, political and technological changes;
 - the origins of this approach: 1990 (the period of the last wave of globalisation).

Thank You for Your
attention