

КОНЦЕПТУАЛЬНОЕ ЗНАНИЕ И ПАРАДИГМАТИКА НОВОЙ ЭКОНОМИКИ

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В статье обсуждаются феноменологические отношения между хрестоматийными знаниями и новой экономикой, которую часто называют экономикой знаний. Основная предпосылка и две дополнительные гипотезы определяются предметом и задачами научного исследования. Основная гипотеза: доминирование знания и его важность в современном обществе и экономике, по сути, определяют конкурентоспособность на корпоративном и национальном уровнях, определяя успех развития видения, стратегии и соответствующей политики на микро- и макроуровнях. Дополнительные гипотезы: во-первых, развитие знания вместе с инвестициями и другими факторами, имеющими влияние, необходимо развивать и стабилизировать институциональные условия. Во-вторых, парадигма знаний привела к его революционному развитию и внедрению на всех уровнях экономической, политической и социальной реальности. Новые явления в экономике, называемой новой экономикой, обществом знания и экономикой знания, являются лишь результатом его сущности – парадигматикой. В заключение рекомендуется, как неотложная цивилизационная необходимость, шаг к высокой оценке знаний в посткоммунистических странах с переходной экономикой, что даст возможность генерировать гораздо больше инвестиций в знания и научные исследования.

Ключевые слова: новая экономика, знание, парадигматическое знание.

THE PARADIGMATIC KNOWLEDGE AND THE PARADIGMATICS OF NEW ECONOMY

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1. INTRODUCTION

From the point of modern science and methodology, all or almost all has been already written about knowledge. The knowledge is a scientific field which is extensively analysed in the international literature from the perspective of many scientific disciplines:

economics, organization, management, computer science, psychology and others. This is an attempt to briefly systematize its extensive holdings and its conceptualization in one manuscript, directed to adjust the focus the emphasis of the importance of *paradigmatic* knowledge.

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A *paradigmatic knowledge* is indisputable today for several reasons, but primarily because of its dominant importance for the future of humanity and sustainable development. In addition, another reason is the number of theoretical concepts containing knowledge:

a) the concept of knowledge as the only unlimited *resource* and the key factor for sustainable development;

b) the concept of knowledge as a *product*, because production of knowledge is the most important determinant of modern economics;

c) the concept of *codified knowledge*, which becomes the most important component of the economic relations;

d) the concept of *economy knowledge* and *society knowledge* as the most important consequences of an information society development;

e) the concept of the *new economy* (hereafter n.e.) as questionable theoretical and methodological construction, found in the jargon and articles of many authors.

The main goal of the research is to:

– provide a new approach to the problem of knowledge, through the prism of gradual connection of the new economy, the knowledge economy and knowledge management,

– explain the importance of paradigmatic knowledge and the need for its implementation,

– send the main message of this book about developing knowledge, creating new knowledge, and appreciation of its maximum application, as imperative.

2. THE PARADIGMATIC KNOWLEDGE

The economic and social reality is changing and becoming more complex very quickly. Those changes are adding up. They estab-

lish and develop new connections between individuals, companies, organizations and states. A complexity, uncertainty and variability of the environment are the only constant components in the life of organization. Under those circumstances, the sustainability of any business system requires knowledge, its use and continuous growth. This is also the reason to accept the idea of *paradigmatic knowledge*.

Thoughts about the actual economic functioning of post-industrial type (new economy) and the knowledge society, as well as post-communist „transition type“ drew our attention, while writing this text, on the three important questions:

First: How to achieve efficient business, economic growth and sustainable development in practice (or how to overcome the crisis);

Second: Does n.e. in theory mean new paradigm or not;

Third: What are the key conditions (institutional or other) that determine the significance and role of knowledge in society?

The answer to the first question involves adjustment and use of other exemplary models. The answer to the second question is a belief that n.e. creates a new paradigm, but only in the strategic management (V. Draskovic 2003, p. 30) and in the department of economic practice, in terms of need for *paradigmatic change* the way of thinking of economic agents and their behavior. The answer to the third question is the result of our long research of respective neo-institutional economies and use of its positive ideas and results in the developed countries and economies. Regardless of all other necessary conditions, there is no doubt that the character of the institutional conditions is fundamental in determining the importance and the role of knowledge in a society and economy.

In view of the new paradigm, it seems that n.e. deserves that title only in terms of creating a completely new economic reality, business skills, new nature of the company, its structure and organization. A contract approach has revived the company role as a „black box“, where resources go in, combine, and then come out as a final products. N.e. raises new questions to the economic science, and the most of them are contradictory: Why within the company, as a market subject, operate more and more non-market ventures (intra-company transfer)?

No matter how more or less *paradigmatic significance* has been affixed to new economy, period of its creation caused significant and revolutionary changes, which have been scientifically monitored, analyzed and researched. Economic science and economic reality have entered a new epoch long time ago, which can be defined as pluralistic institutional and economic synergies. It rests on the evolution of complex, dynamic, open and virtual business systems based on the principles of flexible self-organization, equal and „floating“ (mobile, temporary) cooperation between partners and limited autonomy. It is expected that the rapid changes of the economic reality (influenced by n.e.), the structure of contradictions, priorities, value system and criteria, affect the development of many new directions of economic thought.

Knowledge, fundamental and applied science have always changed the world for the better. They have solved most of the development problems. The importance of market knowledge, as the element of economy knowledge, is exceeding the importance of Material Flow market. In this way, the role of the effective knowledge management is gaining importance.

This manuscript points out:

– the growing role and value of the knowledge in creating a competitive advantage in

modern turbulent conditions, where the only certainty is uncertainty;

– the imperative necessity of forcing its maximum and the broadest use at all levels and in all segments of society;

– the need for continuous learning and acquiring new knowledge, without whom sustainable development of economy and society would be hard to imagine;

– the fact that developed institutional environment is the most important condition for creating a successful model of knowledge use and management;

– the need for civilized relation towards the knowledge;

– the need for adequate investment in knowledge, expansion of knowledge and specialization of existing and available knowledge;

– the need for productive use of other people's knowledge and innovation to the highest extent;

– the need for an impartial selection, evaluation, and appreciation of knowledge at all levels and in all sectors of society;

– the need for a critical attitude towards the quasi-knowledge.

3. THE MODERN CHANGES

Each new historical period required (mostly paradigmatic) change of thoughts and behavior. Basically, it was adjustment to civilization norms, achievements, and challenges (V. Draskovic, 2002, p. 11). Pace, extent and dynamics of modern changes, that have brought globalization and information society, are more revolutionary than ever. Generally, dynamic of change and technological change are especially dominant feature of today. It was followed by the creation of a super-active development strategies and appropriate activities for their realization. They are based on the idea

of progress as a permanent process of development of knowledge and science, followed by the formation of new social structures and organizations. Innovative organization is based on continuous learning, i.e. specialization of existing and new knowledge, which are a function of the application and/or the creation of new technologies. Without innovation, changes have cosmetic character and they are short term. Constant innovation, evolutionary and revolutionary, is necessary for the development.

The pace of change is increasing exponentially. Technological renovation is indispensable in every industry and/or organization that strives for success, survival and sustainable development. Therefore, the choice of modern business is very simple: "To be quick or quickly forgotten"! Technological progress is supported by constant expansion of capital, its investment into profitable business and awakened competition. That is how new developments and technological progress is stimulated, as a result of knowledge. It has virtually limitless potential to create and improve everything that exists. Technological innovations affect the significant improvement of company performance, creation of competitive advantages and competencies. New technologies create new opportunities, remove barriers to international trade and investment, increase transparency and diversification opportunities, intra-corporate exchange and virtualization.

Innovations in information technology, computer networks, telecommunications and transportation systems have contributed to connecting the market at all distances and areas. New quality development is based on an extraordinary technological growth in the last quarter of the XX century in the field of automatization, informational technology, telecommunications, transportation, biotechnolo-

gy, genetic engineering, and aero-cosmic technology. The leaders are the global "boom" of information, communication, and transport monitoring. Technological superiority is usually accompanied by modern organizational skills, marketing and managerial know-how and expansion of the service sector. As a result of the technological revolution, the share of services in creating GDP is increased. The best example is the U.S. with 73% in 1990 (Statistical Abstract of the United States 1995, p. 452).

Information infrastructure enables expansion of the knowledge across the world almost instantly. Education has turned into an extremely efficient "technology", which monitors all modern updates. Knowledgeable people make the organizations different, more or less successful (or unsuccessful). In the companies, knowledge has become a priority and strategic resource. But, it requires new ways of organizing. Operations must be performed untraditionally, which requires flexible and innovative (often virtual) forms of organization, producing the groundwork for a constant flow of creative achievements.

New economy, (hereinafter n.e.) based on the knowledge, has created the new rules of business. As defined by the neoclassical production, function, output in old economy is the result of inputs used: land, labor and capital. While these traditional inputs still play a role in the new economy, knowledge is the most important factor of production. According to classical economics, traditional resources as a source of competitive advantage are prevailing. In n.e. the comparative advantage is based on innovative activities, the most important source of knowledge transfer. While the old economy depends on continuity (Chandler, 1990), n.e. provokes changes and thrives on them. Innovation is present in both cases.

The difference is in the nature of innovation (incremental and radical). N.e. is characterized by an extreme volatility. It's all in the motion, with a large number of new companies emerging every year.

It is based on heterogeneity. The world of homogeneous economy promotes expansion, rather than innovation. In a heterogeneous population, each individual has a unique set of information. New ideas are likely to occur through communication in heterogeneous than in homogeneous world. The main feature of working in a heterogeneous environment is dealing with uncertainty, as it replaces a predictability. The work and working environment are changing, so everyone who is able to deal with uncertain situations is more valuable. Therefore n.e. motivates people to participate in the creation and commercialization of new ideas. Almost unprecedented phenomenon has formed in terms of the knowledge economy – an open economy virtualization, its dematerialization and great independence of national borders. At the expense of human capital and knowledge there is enormous growth of high-tech companies and Internet companies capitalization. The market value of the shares exceeds their annual profits by hundreds of times. Fundamental changes in human knowledge are hypothesis of the new world perspective: a holistic, global, ecological, human and collective. On this basis a new culture is born, a new understanding of the world, a new philosophy and a new value orientation.

The current development trends and the global economy shows that the comparative advantages of geography is based not only on inputs found on technological innovation, but also on intangible assets such as style, brand, design, aesthetic and symbolic value. New era of development as well as new economy is dominated by knowledge, creativity, skills

and originality. This causes a change of integrated development paradigm, economic and social, accepted by all who sincerely wish to develop. Economic, political, civil and social power in the world will not be determined by the amount of resources owned by some social and/or national community, nor its size and economic power, but knowledge and skills to efficiently increase its wealth and power to. It is no coincidence that the most powerful countries (economically, military, politically, etc.) mainly invest in knowledge. They have the highest level of development and the largest stock of knowledge and innovation, representing the appropriate award or recovery of the investment.

4. THE NEW ECONOMY

Challenges, consequences, possibilities and limits of n.e. are large and numerous. They deserve scientific attention and a phenomenological approach, especially in explaining its paradigmatic character. This section explains some of the theoretical and practical aspects of n.e. as a metaphor that reflects the spirit of the post-industrial-information era, through the prism of valuation and phenomenology of its paradigmatic. It gives answers to some current issues in relations of n.e. and economic theory, progress, civilization approaches, skills, business and economic choice. In terms of theory, our analysis shows that the n.e. paradigm is highly questionable, because there are no objective elements that prove its existence. Traditional laws, principles and categorical apparatus of economic science are still valid and active. Basically, n.e. has not changed. Therefore, it can not hold the title of paradigmatic theory, knowing that it significantly reduces the choice as the essence of the economy, creating top competence of individual economic subjects (monopolists), forcing intra-corporate

exchange and network partnerships, representing the modern sophisticated “naturalization” of goods and money relations and restricting competition.

In practice, IT, telecommunications, innovation, organization, globalization and other developments and events undoubtedly make the economy “new”, even in the paradigmatic sense. The latest technological revolution (especially in the field of communications and transport, which use micro-processors, fiber optics, databases, computers, digital networks, lasers, etc.) has great economic implications. The most important is creating the basic infrastructural requirements for the so-called post-industrial (post-Fordist) era, that relativizes the number of differences (spatial, temporal, cultural, ethical, political, ideological and others) and verifies the theory of convergence, but not the economic convergence.

Through the knowledge and information, waves of globalization are persistently surging. By the end of last century, the service sector has become globally dominant with 61 % in the value-added GDP (*World Bank*, 1999), with a tendency of accelerated expansion. Innovations in the field of IT, computer networks, telecommunications, and transportation systems, have contributed to connecting markets at all distances and boom international capital movement, goods, services, people, ideas and cultural values. In such conditions, the economy is nowadays called weightless, informative, networking, digital, technotronic, E-economy, etc.. It is believed that F. Machlup was the creator of the information society concept. In his study “*The production and distribution of knowledge in the United States*” (1962), he noted that “*knowledge industry represents 29 % of the total national output*”, (according to Clark, 2004). The term n.e. is the synergic unity consisting of knowledge (intellectual property), digitalized

communication and information, the Internet, online business networking with the very permeable boundaries, innovation, virtual and dynamic connecting, intra-corporate exchange with reduction by eliminating intermediaries and markets, global competition, Web electronic business, flexible manufacturing systems and organizational structure, ownership and partnership, etc. (Kotlica, 2000, pp. 197–199). In addition to these, the new trends are forming new economic sectors, modifying classical forms of work, eliminating and/or relativizing the traditional vertical hierarchy and horizontal structure of organization, changing the structure of employment and moving towards the service sector, multiplying human knowledge by accessing, processing and distributing the information, automatising business transactions, experiencing a real boom of e-commerce, online banking services and electronic media. The effect on the economy is variable, but here are some positives: less time to conduct business transactions, reduced operating costs and prices, increased revenue and profit, reduced engaging of the business assets, increased productivity, more efficient inventory, better and faster handling customers and so on. (Bjelic, 2001, p. 29).

Paradigm of n.e. is reflected in the practical sense and the fact that the high-tech has directly influenced the economic environment and has changed some common laws, primarily the market. Since the network goods can not be practically manufactured at zero marginal costs and since they manufacture external network effects for users, it leads to a non-traditional behavior of supply and demand. It is well known that the standard (neoclassical) economic theory exhibited behavior of manufacturers and customers across the supply and demand curves. The supply curve has a positive slope (because of rising marginal costs

that are in its basis), and the demand curve has a negative slope (because of diminishing marginal utility of goods).

The network economy is closely linked to globalization, alternative employment and development of autonomous working forms. It is especially characteristic for global enterprises in the service area. It enabled the boom of information and communication technologies, which have contributed to the market transparency, reducing the information searching costs, deregulating and dominating the customers market. In practice, when multiplied and multivariate communication flows at a distance are enabled, the goal of communication technologies and network systems is realized quickly. Remains only its application and practice training, provided by innovative business. The network economy was conducted simultaneously on two fronts, and in two ways:

a) internal (intra-corporate, conducting market mechanisms within the company, developing the entrepreneurial spirit and combining the control methods) and

b) external (expanding the cooperative networks with sub-suppliers, customers, similar enterprises and even competitors).

The practice has proved that networking of organizational structure, business processes, scientific research and so on, produce a *key knowledge*, skills, and other benefits, valorized on the market as competitive. The networked partners in business processes increasingly use their key competencies for faster, cheaper, more flexible, better quality and greater results, creating a competitive advantage in the global market. The network economy is defined in various ways. Its main goal is to achieve beneficial economic and organizational effects (direct and indirect).

5. CONCLUSION

Whichever empirical research we carried out, it would show that the knowledge level in most of the transition countries (where we belong) is not sufficient. Therefore, it is essential to learn more and more, and to acquire new skills and apply them in practice. That is the basic message and the target function of this book. It surely points out that “a knowledge is power”, but only in a developed institutionalized environment. An ignorance is a weakness.

But the ignorance (conscious or unconscious) can sometimes be used as a successful and interesting method of a primitive tool of so-called „elite“ and alibi-reformers for initiating a mass delusions, confusions, replacement thesis, etc.. And it may sounds (and it is) absurd, paradoxical and illogical. Examples are numerous. The first one is pushing a quasi-institutional monism (economic vulgarized neoliberalism) and ignoring institutional pluralism. The second example is imposition of the „expert“ opinions. That is the most recent global, financial and economic crisis, caused by so-called excessive public spending and uncontrolled growth of wages (not that the main causes are banks and financial markets with uncontrolled flows of capital and virtual, unreasonable securitization in the real estate market). The third is a rhetorical denial of government regulations in elementary functions, with taking the project funds from the government project funds “out of hand.”

Urgent need for civilization step towards acceptance of knowledge, determining the *paradigmatic* knowledge, as well as transition from the „destructive construction“ (the term of D.Stojanov) towards Shumpeter’s „constructive destruction“. It is necessary unconditional acceptance of this new paradigm of knowledge as a development imperative in all social and eco-

conomic sectors. Therefore, Any ignorance, avoidance and substitution of knowledge leads astray, called the crisis and delays in development. Uncritical attitude toward knowledge in all its forms is the same as his neglect and denial.

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