

## “Knowledge – Driver of Goan Economy.”

"A little knowledge that acts is worth infinitely more than much knowledge that is idle." - Kahlil Gibran, "The Prophet"

Today's global economy is described as one in transition to a 'knowledge economy', or an 'information society'. The rules and practices that determined success in the industrial economy of the 20th century need rewriting in an interconnected world where resources such as know-how are more critical than other economic resources. The value of high-tech companies such as software and biotechnology companies is not in physical assets as measured by accountants, but in their intangibles such as knowledge and patents.

As for Goa, tourism has been its main economic driver besides mining. Both these are cyclic industries. Perhaps Goa should also be looking at non-cyclic economy that will help her in building its new age image on sustainable basis. One such industry is "Knowledge Industry".

A **Knowledge Economy** is either **economy of knowledge** focused on the economy of producing and management of knowledge, or a knowledge-based economy<sup>1</sup>. In the second meaning, more frequently used, it is a phrase that refers to the use of knowledge to produce economic benefits. As per the Gartner report, "*Enterprises with cultures that systematically limit or inhibit capability, autonomy, and responsibility, as well as those in which sharing of knowledge is actively discouraged either by official or unofficial policy, will find that investment in KM technology provides (relatively) minor operational efficiencies at best.*"<sup>2</sup>

The so-called "codified" knowledge today gets a limit in the paradox of the "Non-additivity" of knowledge growing in Society. That means there is not an infinite linear expansibility of knowledge growth. As a matter of fact the effective incorporation of the understanding of knowledge growth in Society is depending on the efficient integration of the knowledge in the citizen understanding and as a direct consequence in the organization of the appropriated division of labour getting more and more qualified work- productivity.

Therefore the diffusion and exploitation of integrated embodied knowledge in the changing citizen attitude may be just as important as the creation of new knowledge in the contest of the Knowledge Driven Society.

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<sup>1</sup> [www.wikipedia.com](http://www.wikipedia.com)

<sup>2</sup> Gartner Report on 'Foundations for Enterprise Knowledge Management', James Bair, Jackie Fenn, Richard Hunter, Darren Bosik, Erick Brethenoux, 7 April 1997

The emergence of the knowledge society, building on the pervasive influence of modern information and communication technologies, is bringing about a fundamental reshaping of the global economy. Knowledge has always been a factor of production, and a driver of economic and social development. Earlier economies depended, for example, on knowledge about how to farm, how to build and how to manufacture. However, the capacity to manipulate, store and transmit large quantities of information cheaply has increased at a staggering rate over recent years. The digitisation of information and the associated pervasiveness of the Internet are facilitating a new intensity in the application of knowledge to economic activity, to the extent that it has become the predominant factor in the creation of wealth. As much as 70 to 80 percent of economic growth is now said to be due to new and better knowledge. Information and communication technologies (ICTs) are also facilitating a rapid globalisation of economic activity. In an increasingly global economy, where knowledge about how to excel competitively and information about who excels are both more readily available, the effective creation, use and dissemination of knowledge is increasingly the key to success, and thus to sustainable economic and social development that benefits us all. Innovation, which fuels new job creation and economic growth, is quickly becoming the key factor in global competitiveness. Innovation fundamentally means coming up with new ideas about how to do things better or faster. It is about making a product or offering a service that no one had thought of before. And it is about putting new ideas to work in enterprise and having a skilled work force that can use those new ideas.

To formalize more on these concepts, this year's theme for 'GOA AGENDA 2007' is "Knowledge – Driver of Goan Economy". This event will take place on 23<sup>rd</sup> February at Panaji and is scheduled over 3 sessions.

### **Session I : Knowledge as an asset for a new economy**

The fundamental question that requires to get answered is - What is Knowledge Economy and its Importance. Session I would like to answer this question first. The thrust will be on conceptual framework of the Knowledge Economy and forces affecting or driving it.

*For countries in the vanguard of the world economy, the balance between knowledge and resources has shifted so far towards the former that knowledge has become perhaps the most important factor determining the standard of living - more than land, tools, labour. Today's most technologically advanced economies are truly knowledge-based.*

*World Development Report, 1999<sup>3</sup>*

### **Session II: New Knowledge based services**

The Service sector has been the key role player in the today's competitive market. If Goa needs to depend more on Service sector, Knowledge economy will play a major role in this direction. But the questions still remain unanswered are

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<sup>3</sup> *World Development Report, 1999*

1. What could be those services?
2. How to deliver this?
3. What could be the potential ethical and Social issues involved?
4. How and from where could be local talent outsourced?

### **Session III: Key drivers for a successful knowledge economy**

The important issue to address is 'How to make Knowledge Economy a success framework for Goa'. The primary questions that get in ones mind are - Who are the major stake holders on this canvas? How and where to source this knowledge from? Finally, How to channelise this Knowledge?

Goa has already started attracting IT and ITES companies. There are over a dozen STPI registered companies operating in the state. The objective of Goa Agenda 2007 is to draw attention of entrepreneurs towards potential of Goa for Knowledge based services.

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