

Some Aspects of Interaction Between Economy, Society, Policy and Culture in The Perspectives of The Knowledge Society

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It's a beginning of a new era, the era of knowledge society. All countries needs to find the characteristics and define this new type of society, but these actions must be a priority for transition countries. The transition must not mean the road from socialism to capitalism, it must mean the road to knowledge society. The road to knowledge society represents the single way to recover the huge differencies between developed countries and the transition ones. That imposes an economic approach of relations between economy, culture, policy and society because the improvement of these se relations will make possible the appearance and development of positive impacts of knowledge society.

The last century of the second millennium was marked by radical social, economic, political and even cultural transformations. If at the beginning of the century, even in the most highly industrialized countries the largest single group in the population were land-workers, the next largest group actually the oldest group in civilized countries were live-in domestic servants and after that, the next group were small tradesmen and small artisans and their and employees. The so-called blue-collar workers (workers in industry, mining, transportation) constituted a small minority. By the half of the century the industrial workers, the blue collar mentioned above dominated the labour force in Germany, United Kingdom, in Japan or United States. In

the second half of the century they have declined rapidly first as a proportion of the total, and after 1980 even in absolute numbers. At the end of the century, they represented between 10-15% in the labour force of the industrialized countries and the land-workers represented about 3% (Drucker, 1997). The most important group in the work force became the so-called white-collar workers or later knowledge workers. All those mutations affected and transformed social structures, economics, politics and culture. What is happened in the industrialized countries will be happen in all other countries, eventually.

A new society appears and this is the knowledge society, a society based on knowledge. This not means only information (or informational) society.

Information is data arranged by domains, importance etc. Knowledge mean subjective interpretations and transformations of information, and these subjective interpretations and transformations depend by the particularities of each educational, social, political, economic and cultural system. These subjective interpretations and transformations of information create specifically basis of each country evolution. The knowledge society offers better means to resolve different problems, offers better tools for development, but also offer better „weapons“ to fight against the negative phenomena.

Within a knowledge society, the relations between policy, economy, culture and society will be stronger than in previous types of society. The velocity of connections between members of this society will be faster and faster. The information will be a more and more important economic resource.

The knowledge workers will be the leading class, and the characteristics, the values, the social positions and the expectations of this class will be different from any other class in history. The specific weight of physical work will be diminishing and the educational systems will become very important. The development of informational networks will be characterised by universal accessibility of knowledge and we can say that there will be no poor countries or regions, there will be only ignorant countries or regions or even bad-intentional governments, which do not

want to fight against ignorance, because if the majority of people will be not characterized by ignorance, probably those members of government or parliament will be never re-elected.

All capable citizens of one country or region must be conscious by the characteristics of the knowledge society and must use all instruments offers by this type of society to improve the economic, political, social and cultural environment, and to combat the negative aspects of some phenomena.

In an economic approach in the central role of this four parts system is situated the economy. Of course, in a political approach in the central role is policy, in a cultural approach is the culture, and in a social approach is society. Nevertheless, in an economic analysis it is necessary to reveal relations between economy and the other tree components. In this work, I put in the central role the economy because that is the one that can permit development and improvement of the other three, especially in situation of Romania.

On the other hand, economy is not an “imperialistic” science, but a lot of authors create different theories analysis: “economic theory of policy” – Arrow, Nordhaus; “economic analyse of law” – Posner; “economic theory of criminality” – Ziegler; “economic analysis in ethic” – Kliemt; “economic theory of family” – Becker; “economic analysis of art” – Frey/Pommerehne; “economic theory of wars” – Brennan/Tullock; and even

“economic theory of suicide” – Hammermesh/Soss; and it appears that economy invades the other spaces. Economy is important because in all components related to the human society, are involved financial resources, and that resources are accounting by economists. Of course, the economy within the knowledge society is different by the other types of economy and the principal characteristic of the new economy is that one of more and more important resource (the information) is not characterised by scarcity like all other resources in economy.

Economy is very important as instrument to convince the international community that the country is capable to enter in its institutions and participate to all common activities. The transitioning countries need to be part of international institutions because isolation can create large differences in the level of development, in the life standards and even in cultural relationship. Romania, as transition country needs to be really integrated (not only to sign the integration treaties) into the euro-atlantic structures and especially into European Union and NATO. The principal aspects of integration are economic aspects. The governmental policies must be oriented to adjust the economic situation of country and to increase the competitiveness of economy.

Every economy has some strong sectors, or some sectors with high potential and the role of government is

to encourage these sectors through political decisions. In the same time, there are some sectors of economy that create negative externalities (for example polluting industries) and the government policies must discourage the development of these sectors. Nevertheless, there are cases when a government do not apply a discouraging policy owing to an inadequate structure of the economy, and renouncing at some activities (in principal industrial activities) can create many social problems, the worst social problem being unemployment. The rise of unemployment can create a ground zone for development of black market labour, and that can contribute to expansion of underground economy (de Soto, 1989). Economy influences the governmental policies starting from elections, when the parties need funds to promote their image and the candidates' images. After the elections, the politicians need funds for maintaining the political power and all the privileges offered by their positions. In transitioning countries, there is a specific characteristic: the state property and the necessity of privatisation create huge economic advantages for the leading class. There are many possibilities from politicians to interfere with the state enterprise and those create, generally, losses for the enterprises and a redirection of financial flows to certain persons or firms. Economy may be used as an instrument to payback some obligations that were taken before the elections e.g. coalition between a great party and a small one or subsidies for certain economic agents. The governmental policy represents a

principal means to influence economic activity and an inadequate policy often can create more losses than gains of an adequate one. The governmental policy can be used also, as an instrument to increase the wealth of the clients of the party, to pay the ones who created negative images to other parties in electoral campaign or to diminish or even except to the tax-payment obligations.

The parties' clients bought domestically at controlled prices and sold abroad at world prices, imported oil and gas at subsidized exchange rates, used political connections to borrow from the state at incredibly low rates of interest, realized a private capture of state subsidies to loss-making enterprises. That situation permitted to a very small number of persons to become very rich in a short time.

The economy offers the resources for application of governmental measures and the required resources grow faster and faster and if any part of these resources is used for the situations presented above diminishing the governmental resources for improvement the structure of economy and for diminish the effects of social problems.

The relations between economy and **nongovernmental policies** are manifested in two directions. First, there are economic influences of nongovernmental parties (there are parties who do not participate at the governmental activities, but their members owns or may influence significant the economic processes). In Romania, for example, the members of

National Liberal Party are very known businessmen and their influence in economy is significant. Secondly, especially in transition countries there are economic influences of nongovernmental associations or organisations (owners associations or organisations, unions, commerce and industry chambers, associations or organisations in the fields of quality, environment etc.). On the other hand, the existence and development of nongovernmental organizations (NGOs) and the implications of these NGOs in social and economic life put under surveillance the economic activities of the state sector, and that can contribute to diminution of vesting resources in the production processes. Also, NGOs can survey the behaviours of state representatives, of politicians and other persons who can have a negative impact in society, and the reports of NGO can contribute to eradicate those negative impacts.

The economy has specific relations with **culture**. There are many definitions of the concepts of "culture" and "civilisation". In Romanian literature one of the most complete definition is Ovidiu Drîmba's : „culture“ includes in its sphere *“the attitudes, actions and works – as genesis, intention, motivation and finality – limited to the domain of spirit and the intellect; the creative production, the action and the man of culture aim at the satisfying of spiritual and intellectual necessities: the revealing of the self, the discovery of unknown, the explanation of mystery and the joy called forth by beauty; and in relation with nature, man and society they do not aim at the establishing of practical, utilitarian relations*

or at the instrumentation of the one by other, but are concerned with the establishing of a connection of communication, of finding oneself in the other". Thus, to the sphere of culture belong: tradition and customs, beliefs and religious practices, ornamentation and entertainment, the scientific, philosophic, literary works, as well as music, architecture, painting, sculpture and decorative or applied arts. The same author defines „civilisation“ as „the totality of means with the help of which man adapts himself to his environment (physical and social), succeeds in subduing, transforming and organising and integrates himself in the whole; all that belongs to the horizon regarding the satisfying of material necessities such as: commodities and security“. To the sphere of „civilisation“ belong: „alimentation, housing, clothes (except jewellery), public constructions and communications means, technology in general, economic and administrative activities, social, political, military and juridical organisation, education in general and higher education – yet only as far as these processes comply with the exigencies of practical life“ (Drîmba, 2001).

At first sight, there is a strong connection between economy and civilisation and a weak one between economy and culture. Nevertheless, the terminologies and definitions are different from one language to another. For example, the German term “Kultur” refers itself also at civilisation and the French term “civilisation” includes the particularities of cultural activities. In Polish and Czech languages exists also these terms with the same meanings. By convention, I will use the term

culture for all meanings mentioned above.

The relations between economy and culture are diversified. There is a positive financial connection between economy and culture: an increase economy permits the allocation of increasing funds for cultural activities. On the other side, an increase in the cultural level influence positively the economy in its potentials (the growth through increasing the part of knowledge workers for example), change the economic structure (increase of activities that require more spiritual resources than material resources), change the mentalities of one of the most important element of the economy - labour force.

In cultural terms general evolution takes place in the transformation of transportation technology from that of foot and horse travel to ultimately that of rockets. For culture overall, the sequential pattern of general evolution relates to the movement from a "hunting and gathering" culture on to the stage of modern economic growth. Specific evolution relates to the transformation within a given structure, such as that of propeller driven aircraft in terms of transportation or an agrarian economy for culture writ large.

Even if a specific culture has not yet evolved into the stage of modern economic growth, is not to deny the fact that humankind's culture, viewed from an overall global perspective, has in actuality experienced a process of general evolution. Empirical artifacts also indicate that at one time humankind existed in the confined boundaries of a

"hunting and gathering" culture. Additional empirical artifacts indicate that other stages of culture have also existed on this Earth and they provide support of a sequential pattern of general culture evolution. That Somalia has not made such a transition into modern economic growth does not refute the empirical reality that humankind on the whole of this Earth has experienced a process of general culture evolution.

Some inadequate relations in economic activities (labour on black market for example) may influence negatively the cultural relations between the members of society. On the other side, the wage earned within the underground economy may be used in the cultural field. However, the experience of industrialized countries reveal that an increasing cultural level may reduce the inclination to the activities that belong to the underground economy, and can contribute to a highly level of productivity.

The relations between economy and culture can be manifested in transaction with goods created in cultural fields. These goods, named by Bourdieu "symbolic goods", represented especially by paintings and sculptures, can have even a treasury value. The citizens of certain countries and at a certain period in time preferred to buy and deposit those "symbolic goods" instead of cash money. In Japan for example, there was manifested a veritable hunt of Van Gogh' paintings or other artists creations.

Finally, many cultural institutions have special relations with economic agents and these relations create, at some time, veritable capodopera.

The relations between **economy** and **society** can explain some differences between different states. A strong society can create a strong economy often than a strong economy can create a strong society. Strong society means good and equitable rules, means indiscrimination and equal access to resources and equal treatment in front of the law. An economy will develop successfully in conditions offered by a strong society. All developed European countries have strong economies, Germany is the first economic power in European Union, and the base is the fact that society is strong. On the other side, there are many countries with developed economies, like Saudi Arabia or other economies based almost exclusively on the extractions of the natural resources, but the society does not offer a real support for that. Unfortunately, Romania is now a country characterised by a weak economy and a weak society. The communism created certain specifically rules and these rules function even today. These rules undermined and undermine a normal human activity. All fields: economic, social, political and cultural were dominated by inadequate rules in time and space. Nevertheless, essence of Romanian culture was not altered and it creates the ground of reconstruction of this country.

The society affects the economy through different aspects: economic structure, strong specialisation in some economic fields, and non-existence of some specialisations. The characteristics of society must influence the characteristics of economy. It is a wrong direction to import a successfully structure of economy or only some parts if the society not prepared to accept and integrate this new structure in one who can develop to own economy and implicitly the society, but the worst direction is not to import the elements of progress.

Economy is a social activity, so relations in economic fields are social relations and the quality of these relations influence the quality of society (during times for examples: relations between masters and slaves, relations between owners and workers).

To reveal the connection between economy and **knowledge society** it is necessary to present some aspects of the knowledge society. The first dimension of knowledge society is an electronic dimension - knowledge society bases more and more on electronic functions and virtual culture. Today it is impossible to imagine human life with all its aspects without the electronic components. Personal computers are instruments for economists, for politicians and for artists. The avalanche of information does impossible to use them and to sort them out without computers. The connection between persons can be realised almost instantaneously. The

possibilities to stock economic information, musical pieces or medical data create almost new dimensions. The Internet allows to go everywhere in the world, to accumulate new experiences without a physical movement. The access to a great world library is permitting the comparison in real time of different pieces of information. The majority of important newspapers and magazines have also an electronic format, whose contents can be read before printing, and feed-back can be processed immediately. Every country or region must develop electronic spaces in order to achieve the ground of development. All these characteristics underline the importance of the electronic dimension in our days.

The second dimension of knowledge society is the ecological approach and environmentalism. It is very important to preserve the characteristic of life on Earth because the increasing population on Earth use of dangerous substances and forests diminishes their surfaces. The climatic mutations observed during last decades must be treated seriously to avoid a veritable catastrophe. The new conquers of science and technology must be used to register every modification of the environment and to create new means to eliminate the negative effects of the human activities. Without new rules and legal measures of punishment against the economic agents, that affect the natural equilibrium the Earth will change dramatically. I must mention here inadequate conditions within nuclear plants, the existence of nuclear, chemical and biological

weapons, use of uncontrolled quantities of chemical fertilizers.

The third dimension of the knowledge society is a dimension of economic sustainability, to allocate resources not necessarily for immediate results, but for an economic development that permits a long period of economic growth, a good evolution of health services, a permanent improvement of educational system, and an improvement of security of life. The September 11th 2001 events created new questions about life security. Those events affected not only the social aspects but also the economic aspects of human life, and knowledge society will have an important role in finding the answers to those questions. Economic sustainability means strict control and self-control of economic activities. Economic sustainability means to not diminish the hopes of economic growth of our descendents. Last, but not least, economic sustainability create a solid base to find new dimensions of knowledge society.

The fourth dimension of knowledge is represented by implications and impacts of ethical and lifestyle. The new development of communication reveals more details about different lifestyles, create new possibilities for analysing the characters of ethics, allows new changes between one person and another, creates a new base of discussion about good and bad. The comparisons between societies may be done with new parameters. We can compare a society at different periods in its evolution, and can find what

constituted the obstacles for a positive development of society.

The fifth dimension of knowledge refers to evaluation, because knowledge is also an evaluation project. The knowledge workers must evaluate permanently their activities to improve their work, and find new way to extend the actions of knowledge. New information invades our space and is necessary a permanent evaluation of the value and usefulness of these new information. All these information needs to be processing in certain given directions, meaning a specific interpretation for every country. The information has different values for developed countries and for transition countries. The evaluation of knowledge must reveal the role of imported information in one situation or another. This evaluation must be a relative one, not absolute, because there are different conditions in different situations. An important role is played by the high specialisation of evaluators. The education of these evaluators must be necessarily made in collaboration between the best educational institutes from a transition country and specialised institutes from developed countries, to create high specialised and interconnected workers. The permanent exchange of this kind of experience will contribute to improve the environment of knowledge society.

The sixth dimension of knowledge society is that knowledge is based on future studies. The future studies are necessary to verify the possible directions of evolution and to provoke

the human spirit to find practical solutions for a better evolution. Few persons can draw future characteristics for human society and many persons can find a path to realise those characteristics.

The seventh dimension of knowledge refers to the evolution of contents and developments in the concept of knowledge society. It is absolutely necessary to improve permanently the concepts about knowledge society. The terminology in this field can create much confusion, especially for non-specialists and that can lead to false divergences between different persons. To eliminate losses provoked by these situations the terminology must be clear for all.

Firstly, the knowledge society means knowledge members of this society and the existence of this knowledge members means that it is necessary to develop an important and strong formal education (especially universities and collaborative forms between the educational institutes from developed countries and from transition countries).

Secondly, knowledge members means knowledge workers, and for this it is necessary to learn permanently about work, that means a permanent activity in accumulation of information, data etc, day by day. It is also necessary that the workers from transition countries to learn more about hardworking. There is an interesting situation with the workers from transition countries that have the possibilities to work in developed countries. At the same level of technology, the worker works

harder in a developed country than in a transition country. The explanations of this kind of comportment may consist in the fact that the work environment (including here the cultural aspects of labour) stimulate the worker (in a developed country) or discourage the worker (in a transition country). I think that an increasingly intensity of changing workers between western companies and Eastern companies may have an important role in increasing productivity of the Eastern workers, but this thing must be made without considering that the Eastern workers are just simple tools in the processes of production.

Thirdly, the knowledge society will represent the most important way to an ecologically sustainable society. The development of computer industry make possible to find new way to improve the ecological comportments of the members of society. The projections of the evolutions of some specific elements of environment create the possibility to avoid the negative impacts of some economic activities and to stimulate those kinds of activities that have mostly a positive impact. Here important roles belong to the NGOs but also to the governmental representatives. It is very important that these representatives know many things about the polluting actors and how to control them efficiently.

Fourthly, there is a high possibility of emergence of a new class conflict: a conflict between a minority of knowledge workers and a majority of people who will make their living

through traditional works (manual skilled or unskilled work, skilled or unskilled services). This conflict may create important losses in economy and affect negatively the social relations, even can contribute at the appearance and expansion of a real hate between classes (there was a tragically situation in the very next days of Romanian revolution in 1989 that suggests this possibility: there was a real fight between manual workers and intellectuals, and one of the workers' slogan was "we work, we do not think").

Fifthly, the knowledge society reveals the most important role of educational institutions, that means a movement of the power centre from politics who is based on the acquisition and distribution of property and income to politics based on the acquisition and distribution of formal knowledge - educational institutions means not necessarily schools, colleges and universities, but also educational centres in companies (for example the centre created at Adam Opel who offers not only information for economic activities, but also offers general social information), or the activities included into specific collaboration programs.

Sixthly, the existence of possibilities that develop the formal degrees may affect the performance capacity of the practical aptitudes. It may happen that the development of theoretical capacity affects negatively the practical capacity of the workers. This situation can contribute to a decrease in physical productivity, especially on the short-

run, but also can contribute to an increase in value productivity on the long run. The educational institutes must find the balance between theory and practice in order to eliminate the negative implications that can appear in the evolutionary process of the workers.

Seventhly, it has to be defined what means must be used in order to evaluate quality in learning and teaching. Are these means adequate to measure the quality of learning and teaching in universities, colleges and schools? If they are, their valability is general or specific in one region or another? If is regionally specific, that implies strong inter-connections between the educational actors of European area.

Eighthly, the knowledge society creates a new type of culture: scientific culture that means science, technology and acknowledgement. The role of this scientific culture is increasing more and more. A lot of young persons, and not only young ones, have rather a virtual culture than a real one. The inexistence of borders in the Internet contributes to a high level of contacts between different cultures. The term of national culture is losing its original meaning, and is developing the term of global culture.

Ninthly, the knowledge society offers new dimensions in approach and combats the effect of some negative phenomena (such as underground economy), and also it reveals the positive aspects especially of the informal activities.

Of course, a lot of other aspects may be encountered, another must be deeper analysisd and we must discover and potentate the instruments to develop our economy, our society and even our politicians' quality.

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