

Media Aesthetics

09 The Global Knowledge Economy

01: Introduction: What is the global knowledge economy?

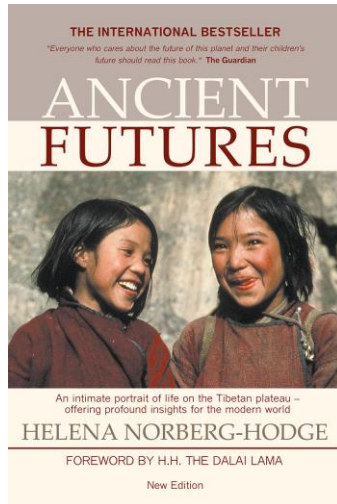
- From the confluence of **three developments**
 - 1. ICTs worldwide: new media, technological and service delivery platforms of flows of images, information, finance, communication, electronic commerce and other digitally based content and activities
 - 2. **Globalization**: economic, political and cultural phenomenon, the internet and new media technologies promote, rise of multinational corporations, the globalization of finance and the development of global production networks for the production of complex goods and services
 - 3. **Knowledge economy**: ideas and intangible assets as the central sources of new wealth creation, 'grey matter [brain or intellect]'
 - By innovation, development, circulation and application of new idea

02: Globalization

- A process that 'in one form or another, is impacting on the levels for everyone on the planet,' and 'might justifiably claim to be the defining feature of human society at the start of the twenty-first century'
- A shift in our very life circumstances. It is the way we now live.
- **The globalization of economic activity** with the rise of multinational corporations (MNCs) since the WWII
 - 30 times of world GDP, 2012
 - Internal transactions between different international branches
 - Critics: reduced the capacity of nation-states
 - Pros : job creation, cost effective, large profit to better research
 - Cons: dominating market, exploitation of workers, jobs of the local market



- **Cultural globalization** with networked information and communications technologies
 - Home and abroad, moral relevance, even our sense of cultural and national identity
 - [example: Ladakh : [video](#)]
 - What do you think about it? [cultural dominance for a single world culture, or cultural diversity]



– **Political dimensions of globalization**

- Overlapping communities of fate: environmental degradation, resource depletion, climate change, migration regulation, public health pandemics
- Extends beyond nation-states: International civil society movements (INGOs)
- The rise of regional political and trade blocs: EU, international treaties, law, brockering binding international agreements
- International movements of people (as immigrants, guest workers, refugees, tourists, students and expert advisers), diasporic and emigrant communities, multicultural nature of national societies
- Global circulation of ideas, ideologies and keywords such as 'Western values,' democratic aspirations, environmental consciousness, and global Islam
- The establishment of international regimes in intellectual property
- Local resistance to globalization for domestic political and cultural objectives by both nationalist movements of the political right, and progressive and anti-colonialist movements of the Left
- Global cultural, professional and standards bodies: UNESCO, WTO, WIPO, etc.
- International law to national policies: Human rights, WTO, Kyoto Convention
- The war on terror after 911, 2001: global foreign policy, monitoring citizens within nation-states, asylum, the movement of people to and from countries

- 'The death of distance' 'the earth is flat' : **global capitalism**
- Historical perspective
 - Capitalism as a socio-economic system: overstated
 - The nation-state remains central [still...]
 - Supranational systems: US to the UN, Germany to EU
- MNCs are 'national corporations with international operations' than global corporations
 - 'Place and geography still matter fundamentally' [made in ...]
 - 'Country of origin continues to matter a lot for the behaviours of MNCs' [low cost, large population ...]
- Cultural sphere
 - Complicating factors: culture as both forms of lived and shared experience
 - Culture as mediated symbolic communication or media in general: common access to global media system is not the emergence of a single world culture [songs, sns, fashion, food, device ...]
- The imposition of a single global culture [purpose of the policy]
 - Reshape global phenomena towards their own local purposes
 - Patterns of internet use: geolinguistic communities, preferences for national media content

03: The Knowledge Economy

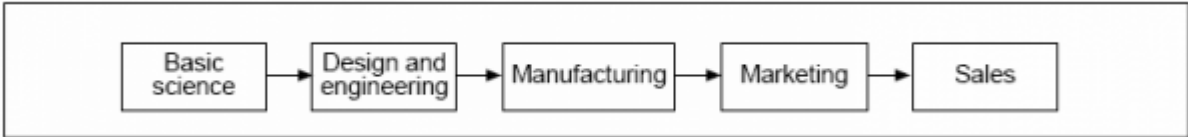
- Knowledge in people's minds or in storage devices, can be retrieved
- US economy, growth in the share of intangible capital (knowledge production and dissemination/education, health, well being) throughout the 20th century, exceeded tangible capital (physical infrastructure, equipment, inventories, natural resources since 1970s)
- **Knowledge production since the 1990s**
 - Accessible new knowledge as a source of innovation [theories, strategies]
 - Networked ICTs: diffusion of new knowledge and collaboration through digital platforms
 - New forms of codification of once-tacit knowledge [if they can be codified]
 - Knowledge-sharing practices [non-hierarchical organization, rewards, incentives, office space]
- The development of **endogenous growth theory** in economics
 - Knowledge is both immaterial and non-rivalrous: 'if I share my knowledge with you, your gain does not diminish my stock of knowledge' [in reality, yes?]
- The World Bank (2007) on knowledge [depends on]
 - 1. Quality of the education system
 - 2. High-speed broadband infrastructure [real-time, multi-platform]
 - 3. Public support: work together
 - 4. The quality of governance, legal institutions and public administration

- Relationship to **information**
 - A condition for the functioning of markets
 - Value in its own right: an asset, a form of capital that structures the knowledge based of the economic system
 - The value of information: depend upon its prospective user [stakeholders]
- Relationship of **content** to form
 - Traditional media content takes the form of products (newspapers, television shows, film, book, CDs): sale of advertising rather than by direct sale
 - With new media the flow of information is overwhelmingly dominant: inferior in terms of quality [size, pixel]; the proliferation and endless flow of information of every kind
- **The economics of information**
 - Pure public good that is both non-rival and non-excludable (some/others)
 - Globally available, timeless
 - Enforcement of copyright laws or pay-for-access walled gardens
 - More difficult to rely upon advertising revenues, driving down the costs of media advertising
 - Successful first movers can benefits

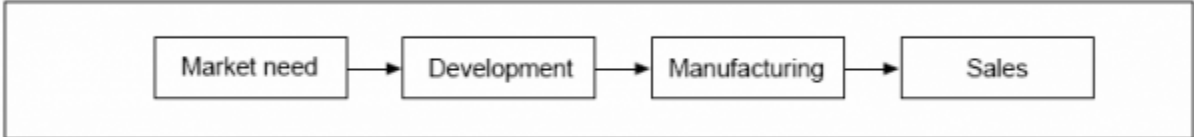
- A knowledge economy is different not only from an industrial economy but also from the **information economy**: stored in databases vs. in its people
 - Knowledge is embodied in persons and practices
 - Whereas information is captured and stored in database,
 - Knowledge requires 'cognitive structures' which can assimilate information and put it in wider context, allowing actions to be undertaken from it. [codification]
- **Explicit knowledge** is knowledge that is codified (written or recorded in some form as data), can be taught and learnt: internet for readily available, raising the significance of tacit knowledge
- **Tacit knowledge** is knowledge derived from direct experience, and the processes through which it is required are often intuitive, habitual and reflexive, best learnt through practices of doing something and the trial-and-error processes associated with learning by doing: handling as information so difficult [leadership, innovation, intuition, non-logic based ability]
- **Incremental knowledge creation** is knowledge that is embodied in organizations: the induction of new staff, who are not only trained in skills required to do their jobs, but also in understanding the [Disney Way](#), which the company believes to be service that exceeds consumer expectations. (pre-packed explicit and tacit knowledge by the [Disney Corporation](#) for mass distribution.
- **Radical knowledge creation** is based on extensive experimentation and testing, and explicit recognition of the likelihood of ideas failing. (a mother ship with a flotilla of smaller companies around it)

04: The Changing Nature of Innovation

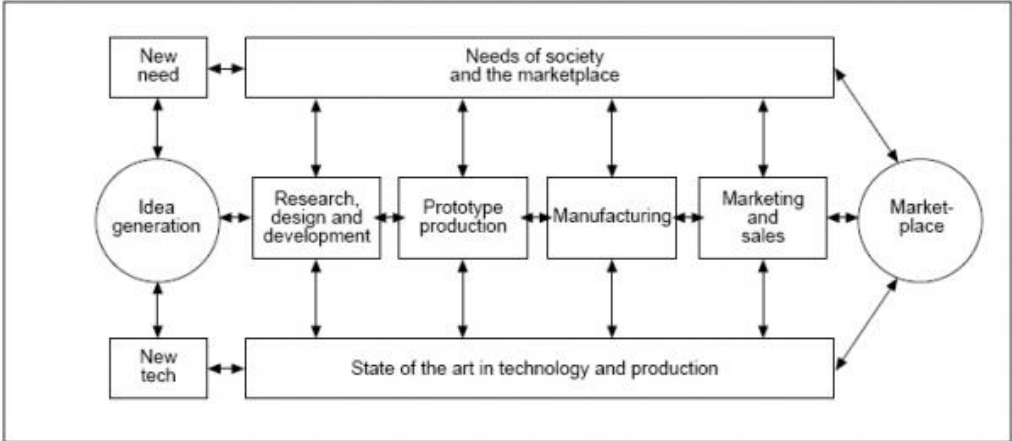
- Importances of **Innovation related to knowledge economy**
 - 1. Shortened product development cycles, reduced product lifecycles and a greater range of product types (car models)
 - 2. Patent: A device, substance, method or process that is new, inventive and useful
 - 3. High market: book ratios of the world's largest companies
 - Microsoft overtook General Motors, Boeing, GE
 - Its value resides in its intellectual capital, or the ability of its employees to convert ideas into new products through innovation that commercially successful
 - Apple in 2010: iPads, iPhones, etc. with overall ecosystem of Apple products, services (iTunes store)
- Technologically driven innovations: both product innovation (new products and services) and process innovation (new ways of making and doing things)
- Policy manuals struggle to capture innovation in software service innovation and innovation in the creative industries: intangible innovations (Harry Potter: successful in UK 2000s, not currently as being innovative) → new dilemma: upon established generic conventions and a logic of replication
- In the context of new media: a fifth-generation innovation process → the interconnectedness of innovation processes (strategic integration, technological integration: hybrid car)



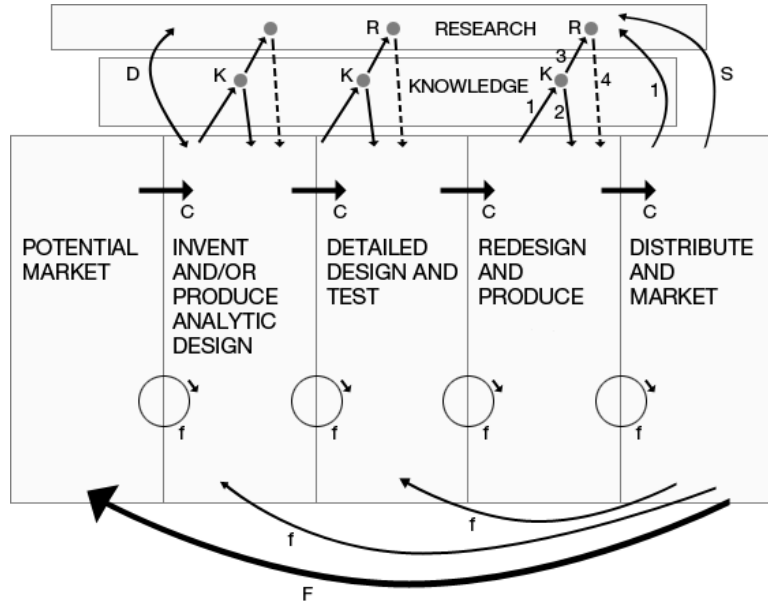
Technology Push Model: 1st



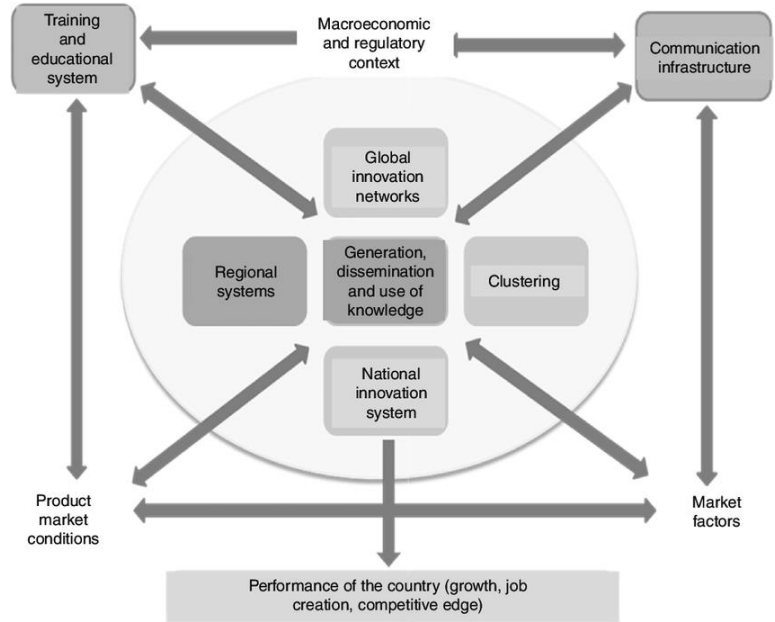
Market Pull Model: 2nd



Interactive Model (Coupling of R&D and Marketing): 3rd



Integrated chained model: 4th



System Integration and Networking model: 5th

Conclusion:

Knowledge Economy /Creative Economy

- Replicate the two cultures of the sciences vs. the arts (C. P. Snow, 1959), economics vs. culture and creativity
- Knowledge economy: science, technology, engineering, mathematics (STEM sector)
- Creative economy: humanities, arts, social sciences (HASS)
- The need for conceptual integration
- 'Innovation ... that primarily impacts upon aesthetic or intellectual appeal rather than functional performance' : Apple → always placed design innovation at the forefront of product development
- MS, Samsung, Google, Facebook, Amazon, eBay, Apple: as being in the business of brokering human interactions through technological interfaces as much as they are in hardware or software development: **information technology + human behaviour and social interaction**
- Media ownership from traditional media conglomerates (News corporation, Time-Warner, Disney, etc) to '**large integrator firms**' (Google, Apple, Yahoo: online traffic director to digital media content)