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## CHANGING MODERN ECONOMIC VALUES UNDER THE INFLUENCE OF KNOWLEDGE-BASED ECONOMY

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### ЗМІНА СУЧАСНИХ ЕКОНОМІЧНИХ ЦІННОСТЕЙ ПІД ВПЛИВОМ ЕКОНОМІКИ ЗНАНЬ

*Major components of an influence of a knowledge-based economy on valued orientation are identified. The modern consisting of economic values are considered under the view of civilization progress and the problems of steady development. The mechanism of obtaining of values from the knowledge assets under the situation of knowledge-based economy is shown.*

*Определены основные составляющие влияния экономики, основывающийся на знаниях на проблему современных экономических ценностей. Рассмотрено современное состояние экономических ценностей в разрезе цивилизационного прогресса и проблем устойчивого развития. Сделано вывод о механизме получения ценности от ресурсов знаний в ситуации экономики, основывающийся на знаниях*

*Визначено напрям впливу економіки, заснованої на знаннях на проблему сучасних економічних цінностей. Розглянуто проблему сучасних економічних цінностей у розрізі цивілізаційного прогресу та проблематикою сталого розвитку. Здійснено висновок про механізм отримання цінності від знанневих активів в ситуації економіки, заснованої на знаннях.*

**Keywords:** *economic values, knowledge-based economy, steady development, production of knowledge, transmission of knowledge, knowledge assets.*

**Ключевые слова:** *экономические ценности, экономика, основывающаяся на знаниях, устойчивого развития, производство знаний, трансмиссия знаний, ресурсы знаний.*

**Ключові слова:** *економічні цінності, економіка, заснована на знаннях, сталий розвиток, виробництво знань, трансмісія знань, знанневий актив.*

**Introduction.** The category of value and the problem of the valued orientation can be named either “the look” or “the visiting card” of the economic science. A value as an economic category symbolizes the economic measuring. The valued orientation represents an expedience of economic choice. Determination of category of value is being associated with the fundamental ground of process of economic recreation in the in civilization progress and knowledge-based economy in particular.

Valued tradition of research in an economic theory is not been went round not a single representative by a direct or indirect way. Thought all history of development of economic theory the systematization of economic views is being conducted throw the criterion of frequently using of the methodology of the valued vision. The scientific developments come into the special notice of author, such as: A. Smit, T. Maltus, V. Vernadskij, D. Bell, V. Inozemtzev, V. Bazilevich, A. Starostina and other.

A huge number of publications devoted to the value since the early beginning of economic theory have been published. But still there is a shortage of researches of problem of the valued orientation of economic development under the condition of steady development and knowledge-based economy. Problematic of steady development, which the scientific valued paradigm is related to, remains so far little asked for in economic science.

**Purpose and task of research.** A research purpose is actualization of the scientifically methodological principles of problem of value in the knowledge-based economy, its ground. Realization of this purpose, in our view, expects the task of explanation essence of value as an economic category and maintenance of its realization; research of evolution of the valued analysis is in a retrospective view and ontology of economic science; ground of place and role of the valued orientation in the knowledge-based economy and forming of it system vision; research of features of maintenance of realization of the valued orientation of economy as positive process under steady development principles.

**Basic results of research.** The valued orientation of economy comes forward to the process of concordance of economic development with a value as its key motivational principle. The valued estimation is that psychological institution which connects in the human consciousness the necessary character of expedience of subjective interests. Economic determination of value works together with the category of economic riches with the role of importance of definite assets and benefits for economic development and for feature of human development civilization. The valued orientation measuring determines necessity of realization of economic and institutional processes from point of its increase of human welfare and related to efficiency of functioning of economy in the knowledge-based economy.

By the way, the term “knowledge-based economy” results from a fuller recognition of the role of knowledge and technology in economic growth. Knowledge, as embodied in human beings (as “human capital”) and in technology, has always been central to economic development [1]. Knowledge-based economy could not valued and effective functionary without surrounding of sustainable development. Since 1992s “Earth Summit” in Rio de Janeiro, there has been a global consensus that sustainable development should encompass at least economic growth, social progress, and stewardship of the environment. Therefore ‘Sustainability’ in business is considered in terms of three pillars, economic, social, and environmental considerations alternatively termed as “triple-bottom line” [8].

The Rio Declaration on Environment and Development supports Among its principles. such as:

- that human beings are at the center of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature;
- that scientific uncertainty should not delay measures to prevent environmental degradation where there are threats of serious or irreversible damage;

- that States have a sovereign right to exploit their own resources but not to cause damage to the environment of other States;
- that eradicating poverty and reducing disparities in worldwide standards of living are “indispensable” for sustainable development;
- That the full participation of women is essential for achieving sustainable development;



Pic. 1: The sustainability paradigm [3]

That the developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command [3].

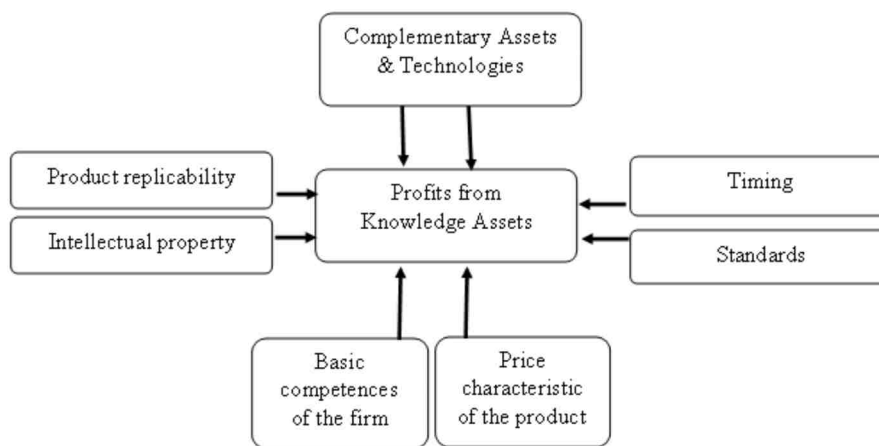
However, the valued orientation becomes the aim-generation criterion of economic activity in the situation of knowledge-based economy. It foresees the goal setting and the choice of convenient facilities of its achievement. It needs to be taken into account its acceptance of a degree of its optimum, which would compare utility and adequacy of alternative facilities of achievement of the valued purpose and measuring of costs of its use.

It is known, that a category of value, as a key criterion of organization and functioning of the economic system, is a conceptual basis of pricing method. Namely price, as the embodiment of value, or more correct - its regenerated form, plays a central role in the economic mechanism of market, comes forward as a one of the main conjuncture indicators. It is also an informing factor in the processes of inter- and intrabranch competition.

In the knowledge-based economy, the economic value contributes to the key functions of: knowledge production – developing and providing new knowledge; knowledge transmission – educating and developing human resources; and knowledge transfer – disseminating knowledge and providing inputs to problem solving.

The modern pricing method helpless to compensate the fixed resource factorial terms for an economic recreation, which initially draws curvature in an economic policy. In economic science the process of pricing is presented as a result of action of objective and subjective factors, that, to the demand and the supply [4]. A problem appears in that a factor of objective conformities to law is in an economy loses the valued value. In the valued orientation of both economic science and practice, it more yields to a place of the human factor. Human factor is seen in knowledge-based economy as a definition for so-called “traditional knowledge”.

There is no universally recognized definition for “traditional knowledge” as such. WIPO uses the term “traditional knowledge” to refer to tradition-based innovations and creations resulting from activity in the industrial, scientific, literary or artistic fields [5]. The term “tradition-based” refers to transmission from generation to generation. However, “traditional knowledge” is not merely learnt by rote and handed down from one generation to another. It is inherently dynamic and subject to a continuous process of verification, adaptation and creation. TK innovations and practices have contributed significantly to the body of knowledge in such disciplines as traditional agriculture, medicine, environmental conservation, traditional selection and breeding methods, pest and disease management, to name a few [5].



Pic. 2: Capturing value from knowledge assets [9]

It is very difficult to accurately estimate the value of traditional knowledge because:

- “traditional knowledge” is often an essential component in developing other products;
- most “traditional knowledge”-derived products never enter modern markets
- much of “traditional knowledge” has cultural or spiritual value that can not be quantified in monetary terms [5].

Other side of human factor in knowledge-based economy is complicated situation with rights for knowledge assets. For example, all over the world known yoga is very problematical issue for the legal rights. Under the estimation of USPTO there are over 150 yoga-related legally issued copyrights, 134 patents on yoga accessories, and 2315 trademarks. The yoga industry in the USA alone is said to be worth US \$3 billion a year [2].

We came to the situation that the modern values closely contributed to the sphere of competitiveness. It is known that in many sectors in today’s global market, competitive advantage requires dynamic capabilities. This is the ability to sense and then to seize new opportunities, and to reconfigure and protect knowledge assets, competencies, and complementary assets and technologies to achieve sustainable competitive advantage [9]. In the case of higher education, university/industry collaborations bring with them opportunities to increase the relevance of the university’s educational mission and to stimulate new research directions of economic values. They provide a means both for the efficient transfer of economically values knowledge and for advanced training in skills required by industry [1].

Consider U.S. research universities and their growing role in translating basic research into commercial application. Initial breakthrough discoveries at a small number of university labs lead to the founding of start-up biotechnology firms near these universities. Mowery and Owen-Smith document that universities that were in the forefront of developing effective policies for the transfer of intellectual property have a substantial advantage—in terms of licensing revenues and productive relations with companies, as well as federal grant support and basic science impact—over latecomers. Public science advantage translates into economic growth [7].

There are “erroneous” mercantilism idea which hardness to refute, that the purpose of international trade is impoverishing of foreigners [9]. From times of mercantilism,

on a large psychological account, in the knowledge-based economy little that changed, the new forms of globalization appeared unless. One of forms of globalization informative war, which sharpens the problem of informative safety, becomes in the conditions of informative development, as a necessary mortgage of safety socio-economic. [9]

**Conclusion.** Knowledge, values, competence and related intangibles have emerged as a key driver of knowledge-based economy in developed economies. From the one hand, the extension of markets and the growth of competition is a great benefit to the consumer and society, but from the other side the economic values such as profit and low-cost development have powerful strategic implication even regardless of environment circumstances and now future perspectives. Perhaps Andrew S. Grove was right when in early 70-s said: "...only those who could be pretended like paranoid survive in non-ecological surroundings" [6] so we define successful one-way road to knowledge-based economy through the sustainable development.

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