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Universities can be the spawning ground to power knowledge economy

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MASSACHUSETTS Institute of Technology's management professor Lester Thurow in his new book Building Wealth has given us an interesting insight into the world's richest man and in the process encapsulated the essence of the k-economy or knowledge economy.

In his words "The world's wealthiest man, Bill Gates, owns nothing tangible - no land, no gold or oil, no factories, no industrial processes and no armies.

"For the first time in human history, the world's wealthiest man owns only knowledge."

Yes the key-word is knowledge. It is the basis and foundation in the new economy, sometimes called weightless economy.

Francis Bacon centuries ago had already asserted "Knowledge is Power". Bacon's prophetic words becomes all the more pertinent today as the world is shifting from the manufacturing economy of the 20th century to the knowledge economy of the new century.

In the new economy, human capital is paramount. As pointed out by Richard Crawford in his book In the Era of Human Capital, "During the industrial revolution, machines replaced muscle power. In the evolving knowledge economy, machines supplement human brain power".

In the manufacturing economy brought about by the industrial revolution in England, wealth is measured in tangible products.

In the process, we have in our midst "oil magnate", "steel king", as the new-found rich.

They wielded considerable influence and power.

Everyone knows the billionaires of the last half of the nineteenth century - Rockefeller, Morgan, Carnegie, Mellon. Few remember the US presidents of that era.

When we talk about knowledge, the institutions that come readily to mind are the universities. Knowledge is their core business. In any campus, especially from the developing countries, we have the heaviest concentration of knowledge workers in the land.

The campus community houses a formidable talent pool, ranging from experts in rural economics to gurus in management science.

Their knowledge is first-hand derived from their research. They create and advance knowledge and when the knowledge is translated into products or processes, it will help in a long way in boosting economic growth and technological advancement.

Silicon Valley and Route 128 in the US were spawned by some entrepreneurial academics from Stanford and MIT.

A recent report showed that 73 per cent of private patents were based on knowledge generated by the universities and government laboratories.

Scientists may be good at research but when it comes to the nitty-gritty of commercialising their findings, they may not be that savvy.

As pointed out by Prime Minister Datuk Seri Dr Mahathir Mohamad in his address in conjunction with the silver jubilee celebrations of the Ministry of Science, Technology and Environment recently, the business aspect should be handled by other experts.

We have patent lawyers, experts in intellectual property rights and venture capitalists.

Together with the scientists, they drive the k-economy. They are part and parcel of our new corp of workers called the gold collar workers, a

far cry from the blue collar or white collar workers that we are used to have in the old economy.