

# **On structural change and democratic knowledge policies**

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**This will be more a conversation than a lecture...**

**The aim is**

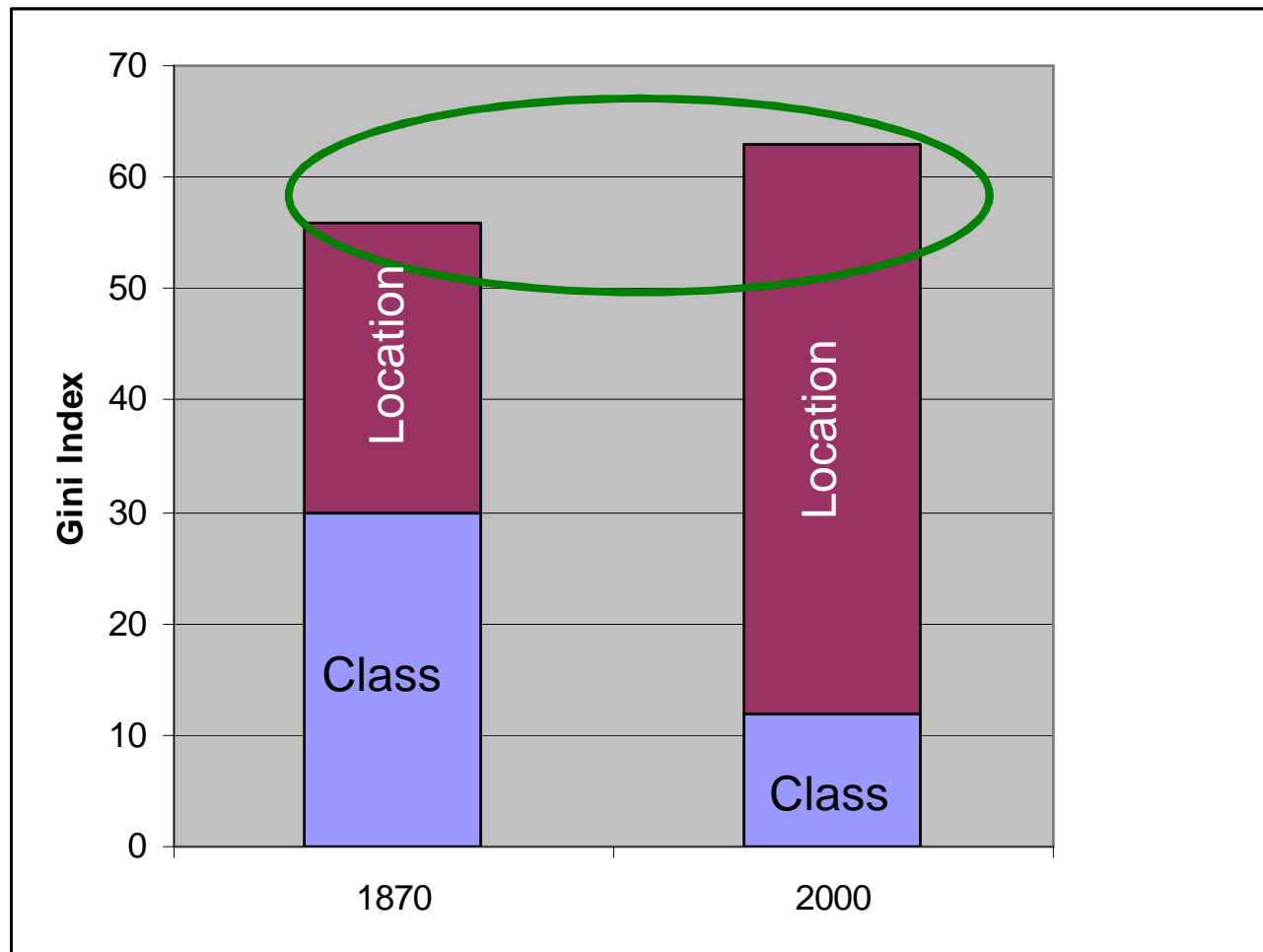
- To share ideas and approaches and
- To discuss with you around them

**So, please**

- Do not hesitate in interrupting
- Do not be shy and please indicate when you are not convinced or you disagree

# There are several ways to conceptualize structural change

A particularly interesting (and recent) one is what Branko Milanovic calls “a non-Marxist world”



*The Haves and Have Nots: a Brief and Idiosyncratic History of Global Inequality (2011)*

## Three quick comments

- Globalization has not brought (yet) a better world for all, and the discernible trends do not indicate that this will be the case
- The evidence of the prevailing inter-country income inequality gives reason, 60 years after, to the Latin American structuralist school
- Such school defined underdevelopment not as a “not yet” developed situation waiting for catch-up, but as a situation ingrained in the economic and political world order that would need such order to change to have an opportunity to advance towards development

# **From 1870 to 2000 global inequality between countries measured by the Gini index increased**

The 20th century was a period of amazing knowledge accumulation

It is fair to say that in some parts of the world a different **structural change** took place during that period:  
**the transition to a “knowledge based and innovation-driven economy”**

We underline: It is taking place in some regions of the world and not in others;

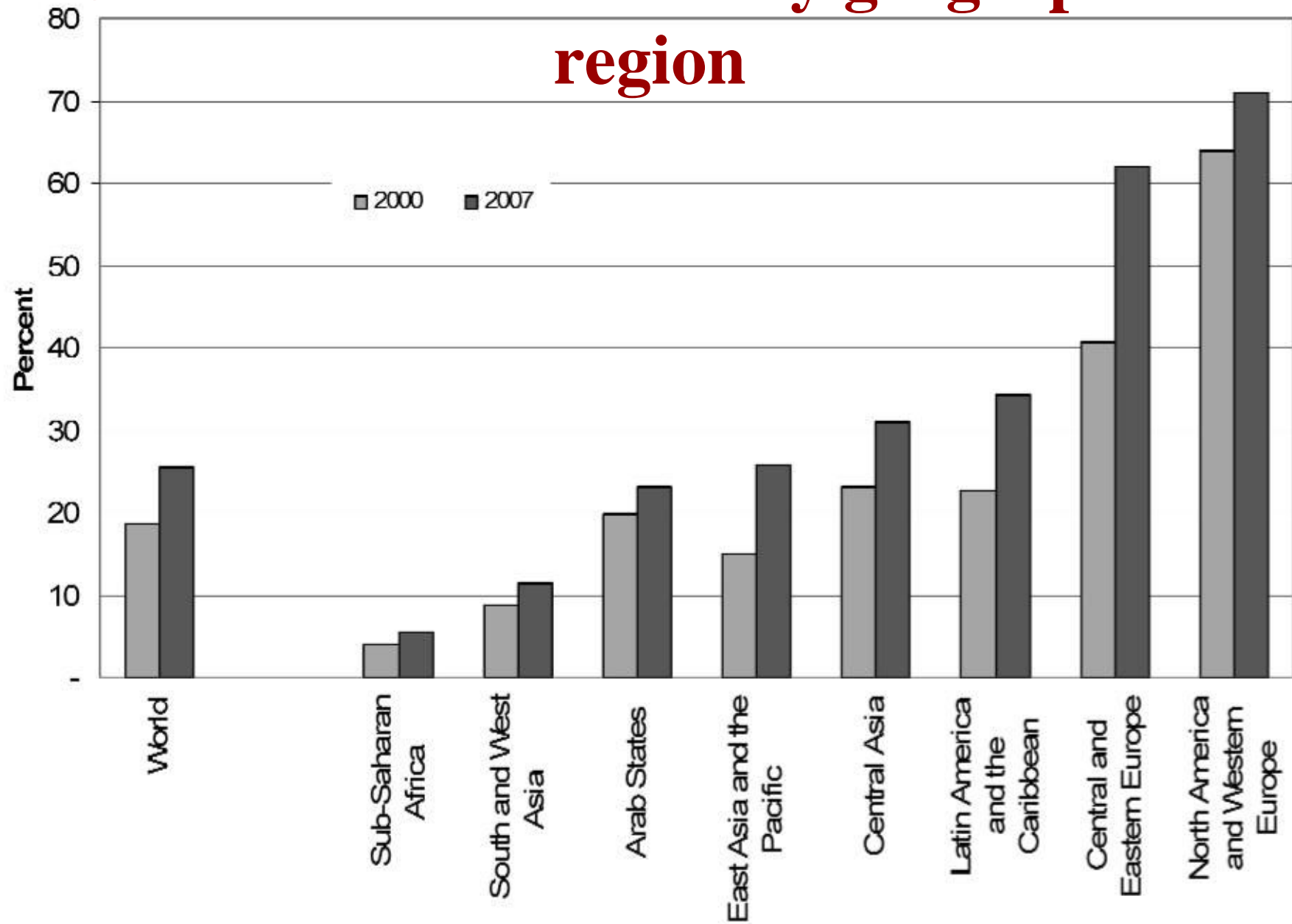
nevertheless the whole planet is deeply conditioned by such transition **in which a capitalist knowledge society emerges or is already being consolidated.**

## **Milanovic's findings are in tune with the following statement:**

*“Knowledge-based inequality prevails in the contemporary world”*

- This appreciation belongs to a book, Identities, Boundaries, and Social Ties, by Charles Tilly
- In the contemporary world, to be on the side of the have or on the side of the have nots in terms of income is related to knowledge
- This, in the first place, means to have or not to have access to advanced education
- In general terms, the situation of “the South” has improved, but the gap is there, and it is a wide gap...

# Gross enrolment ratio by geographical region



**But perhaps the most important knowledge gap relates to the degree in which local knowledge capacities are mobilized**

...”successful cases of economic development prove the importance of *simultaneously providing* not only a flow of better educated people, but also jobs where their skills are demanded.

...Nations that only address the supply side of educated people end up educating for migration.”

**Reinert, E (2007) *How Rich Countries got Rich and Why Poor Countries Stay Poor*, p.320-21**



**Lundvall and Soete 2002. *GLOBELICS:  
GLOBal Network  
for Economics of Learning, Innovation  
and Competence building Systems***

“In national education systems people learn specific ways to learn. In labour markets they experience nation specific incentive systems and norms that will have an impact on how and what they learn.”

# **Another way of characterizing the knowledge-based structural change: some societies are advancing towards learning societies**

**Learning means walking in two legs, that is:**

(i) To enhance capabilities:

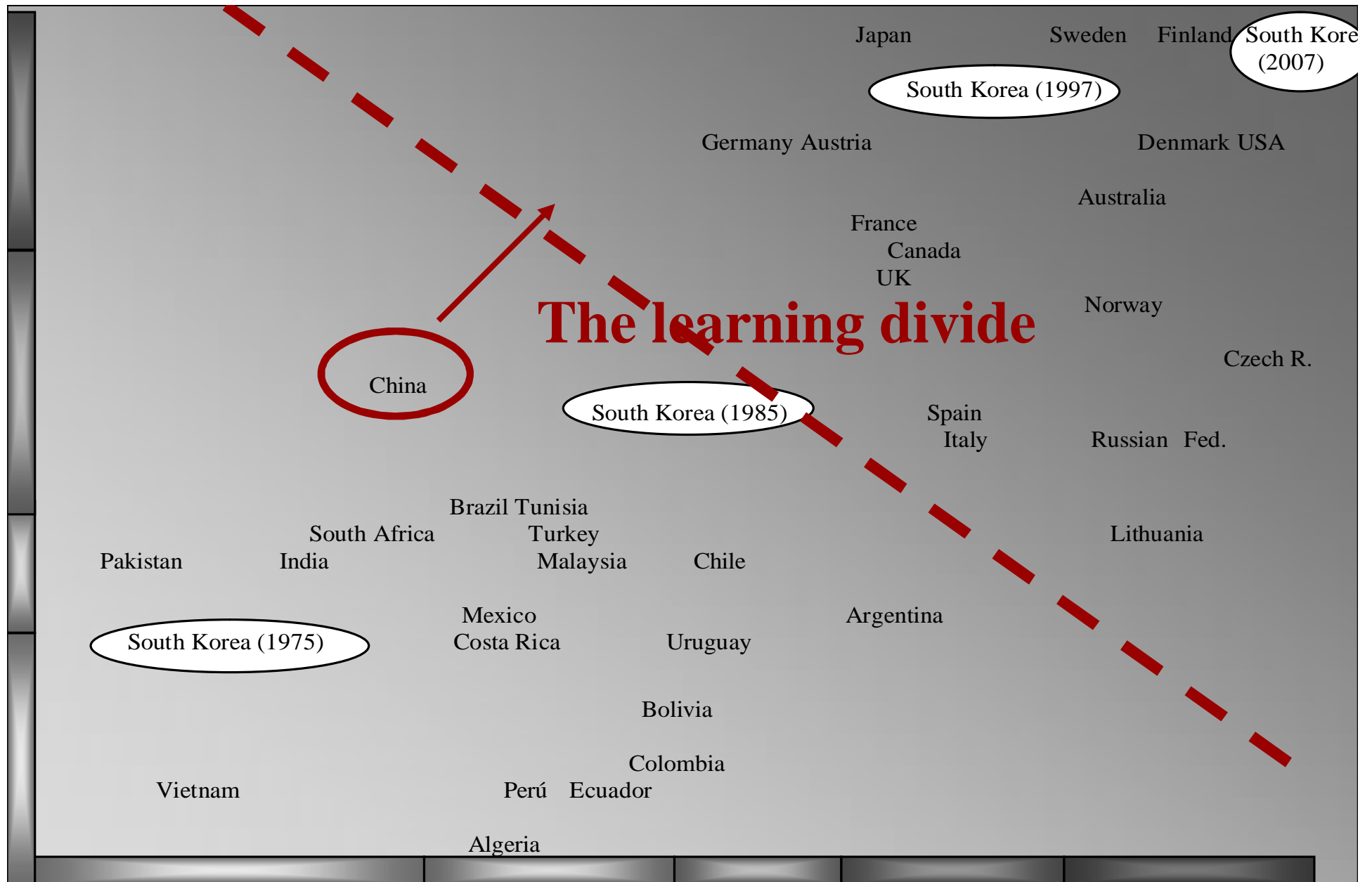
**Learning by studying**

(empirical proxy: enrolment in higher education)

(ii) To open opportunities to mobilize capabilities and creativity for problem-solving or innovation:

**Learning by solving**

(empirical proxy: R&D/GDP)



In vertical, from bottom to top, R&D/GDP: <math><0,5</math>; 0,5-1; 1-2; 2-3,5.

In horizontal, from left to right, Gross Enrolment in Tertiary Education (%): <math><30</math>; 30-50; 50-60; 60-75; >75

# However, the “knowledge-based inequality” that prevails in contemporary world means more than unequal income distribution

“If our paramount interest is in the lives that people can lead –the freedom they have to lead minimally decent lives- then it cannot but be a mistake to concentrate exclusively only on one or other of the *means* of such freedom. **We must look at impoverished lives, and not just at depleted wallets.**” (Sen, 2000)

**What can possible mean “knowledge-based inequality” from the perspective of having the freedom to live minimally decent lives?**

## **Some facts and trends that build an answer**

- IPR agreements that hamper access to vital medicines
- Use of sophisticated genetical information to refuse assurance or jobs
- Research and innovation agendas oriented almost exclusively towards commercial demand
- Innovations that harm in different ways the living environment of poor population, pushing further social marginalization
- National innovation systems that do not take on board the problems of the poorer population

# **It is fair to posit that knowledge policies that lead to these facts and trends are non democratic policies**

- Democratic knowledge policies are those that provide for the well being of the majority
- Democratic knowledge policies are those that provide for the diffusion of useful innovations to the majority
- Non democratic knowledge policies are those that in active or passive ways exclude important segments of the population from the benefits of knowledge production and innovation
- We need to challenge non democratic knowledge policies

**We need to build democratic knowledge policies**

# **How can we advance towards that aim? A methodological proposal through four approaches**

- The normative approach
- The theoretical and descriptive approach
- The prospective approach
- The propositional approach

# The approaches and their relationships

**Normative**

**Theoretical and descriptive**

Has to do with values,  
with what is considered  
good or wrong

What to  
look at

Has to do with  
theories and with  
facts

What is  
possible

**Prospective** Looking into present  
from the future

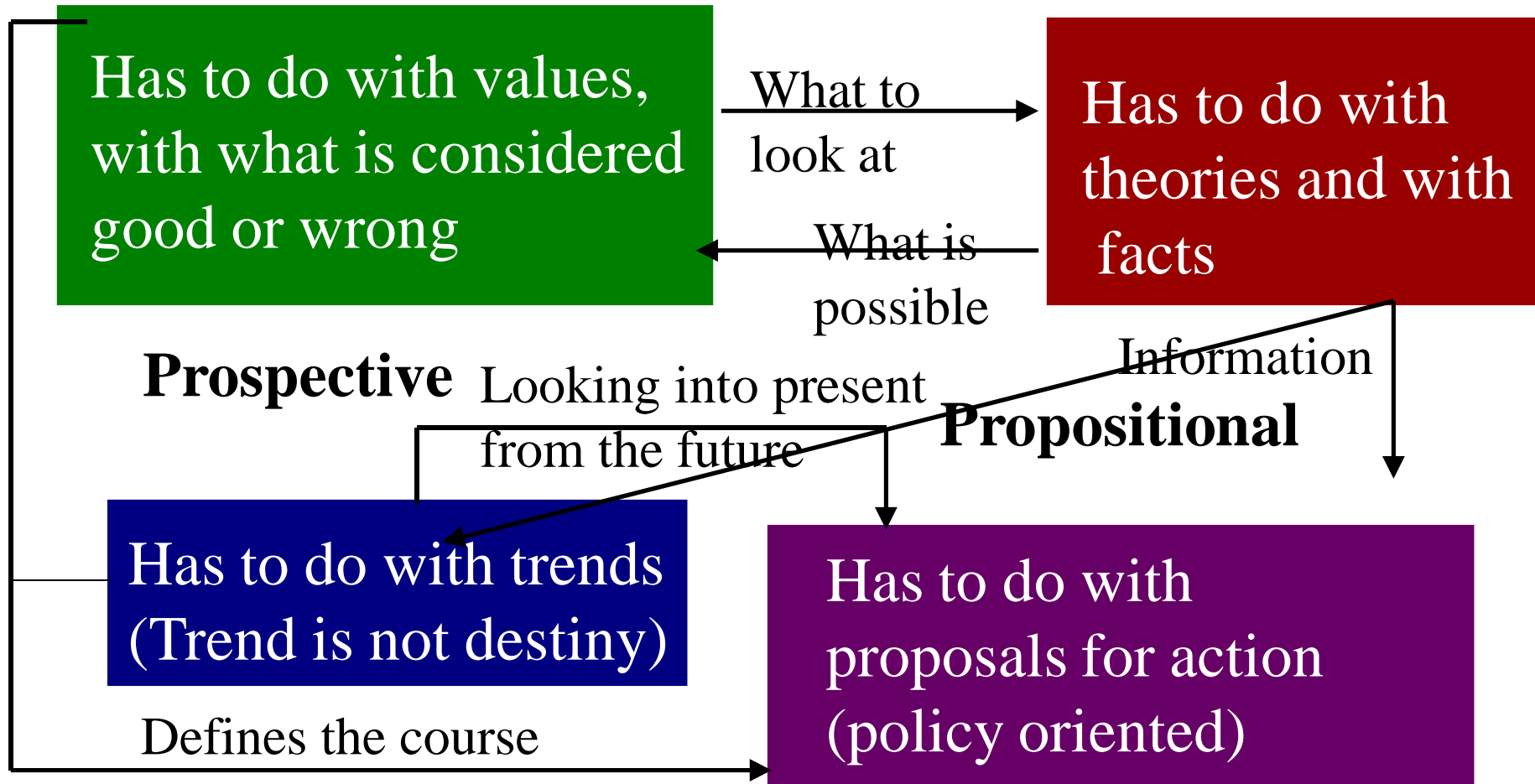
**Propositional**

Information

Has to do with trends  
(Trend is not destiny)

Has to do with  
proposals for action  
(policy oriented)

Defines the course





# The normative approach

- **Amartya Sen's approach** to “development as freedom” and to see people “as agents and not as patients”
- **Elinor Ostrom expression of respect towards the knowledge that anyone possesses:** “Instead of presuming that some individuals are incompetent, evil, or irrational, and others are omniscient, I presume that individuals have very similar limited capabilities to reason and figure out the structure of complex environments” (Ostrom, 2008: 25).
- **Democratizing knowledge** as a main goal to achieve development

# The theoretical and descriptive approach

- “It is the theory which decides what we can observe” (Einstein in dialogue with Heisenberg)
- “Not only is the description of every single fact dependent on some theory, but there also exist facts which cannot be unearthed except with alternatives to the theory to be tested, and which become unavailable as soon as such alternatives are excluded” (Paul Fayerabend, Against Method)

**Which theories will we choose?**

**Which facts will we unearth?**

## Possible answers

- The National Systems of Innovation approach
- The Learning and Competence Building approach
- The Arranjos Produtivos Locais (APLs) approach

### And what about power?

**We need to incorporate power into the analysis, particularly if we want to understand knowledge-based inequality**

- Here is when enters Michael Mann theory: the four sources of social power: Ideological, Economic, Military and Political; knowledge is deeply related to all of them
- Besides we have “distributive power” (mastery exercised over other people) and “collective power” (cooperation to enhance joint power over third parties or over nature )

# The prospective approach

**Which are the most influential trends?**

**The evolution of inequality is one of them**

“[tolerance to inequality] is like a credit that falls due at a certain date. It is extended in the expectation that the disparities will eventually narrow again. If this does not occur, there is bound to be trouble and, perhaps, disaster.”

(Hirschman, 1981: 40)

# The propositive approach

- **To work towards the democratization of knowledge**
- Knowledge is power
- Knowledge is distributive power as well as collective power
- We are living in (or suffering from) a capitalist knowledge society
- In such society, the distributive power of knowledge is much more influential than its collective power
- **Democratizing knowledge implies enhancing the collective power of knowledge, that is, cooperation to enhance joint power over third parties or over nature**

# How do you imagine the design of a democratic knowledge policy aimed at enhancing the collective power of knowledge?

**You may be concerned with**

- Innovation in informal settings
- Academic research agendas
- Local innovations
- Enhancement of SME
- Workers capability building
- Knowledge, innovation and gender
- The planet Earth

## Attitudes also count

- “Don’t have too much illusions, but never ever fail to believe that whatever you can do is useful”. (Italo Calvino)
- “If a young girl in hiding in a cupboard in Amsterdam in 1944 (...) could nevertheless find the courage to hope, then can we as comfortably placed intellectuals (...) abdicate responsibility for models of hope and for the effort to sustain the uncertain, painful and desperately difficult progress to a better future?” (Chris Freeman, *The luxury of despair*, 1974)
- Optimism of will (Antonio Gramsci)