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Knowledge Economy – An Academic Competitive Advantage?

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Abstract
For development countries located in the same European (regional) area interconnected to the development through knowledge, it is imperative to resort to self-assessments regarding the New Economy. The most important economic objective pursued refers to the identification of the moment of the entry of countries into the New Economy, in close connection with the international area developments in order to ensure the compatibility of the regional relations. This article will try to mapping the main factors which create the academic competitive advantages from knowledge economy on the other countries zone.

Keywords: knowledge economy, Competitive advantage, New Economy

1. Introduction
For countries such as Israel, located in the same European (regional) area interconnected to the development through knowledge, it is imperative to resort to self-assessments regarding the New Economy. The most important economic objective pursued refers to the identification of the moment of the entry of countries into the New Economy, in close connection with the international area developments in order to ensure the compatibility of the regional relations.
According to Drucker [13] the predominance of the theoretical knowledge is kept in mind, as a result of the almost general computerization of the social area. In relation to institutions, the organizations specializing in human capital research and training can ensure expert-level legitimacy for all decision-making bodies. The economic ground of the modern production will be the specialized knowledge production. Human resources shall practically dominate, without limit, the pragmatic development of the stimulation and motivation centres for the individual and collective intelligence. In all these, politics will retain its vocation and prerogatives in conceiving and designing the economic and social action and will focus on the research and training strategy of the human capital [14]. The dynamic stability of the new society is ensured by maintaining the structural symmetry between the private system and the public system. Social multi-levelling has source types of professional competences, being generated by the ramification of the qualification level. In this context, the exponential growth of the social area brings into question the issue of social cohesion. Its inability to ensure an adequate level of efficiency and resilience to bureaucracy will direct the historical movement towards adhocratic and the opposite culture. At the same time, the organizational culture, specific to industrialism, will gradually yield to attitudes and behaviours marked by materialist hedonism. In the new existential form, the "inter-relational life" shall be dominant, where there is the need of communication and the need to plan knowledge and also to transform social reality in a network of conscience [12].

2. Materials
The manifestation of the new economy was noticed since 1969, when Peter Drucker foreseen the appearance of the "worker of the knowledge age" [13] The Age of Discontinuity. The expressions *knowledge edge, knowledge society, the new economy* or *the knowledge economy* show the importance obtained by knowledge. Currently, knowledge is the main driver of

competitiveness and wealth creation within companies in countries at regional, European, international, and global level.

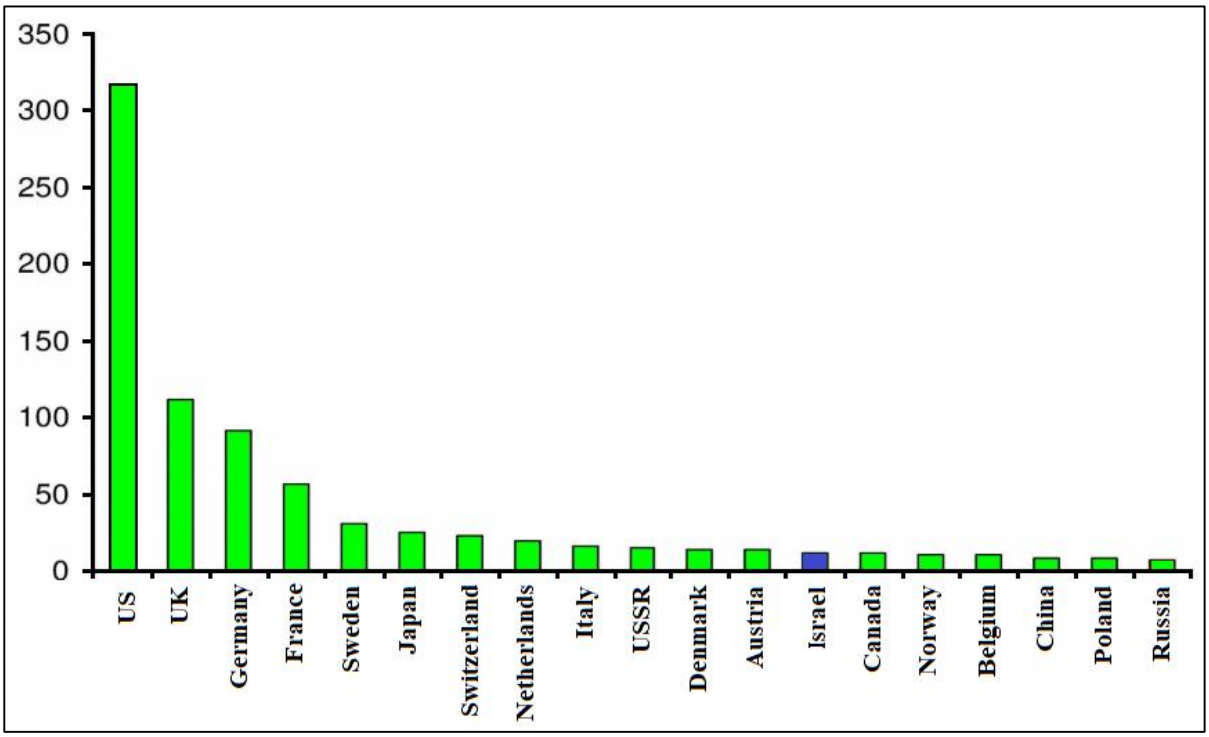

Fig.1: The number of Nobel laureates by country from 1901 to 2018 [24]

Knowledge based economy, specific for the post-capitalistic society, is defined through distinctive features [9] we identify the *supremacy of non-tangible values*, while the value of a company of the old industrial economy is given, first of all, by material, tangible elements in the patrimony. The competitiveness and value of a firm in the knowledge economy is determined by the ability to acquire, disseminate and capitalize knowledge, in fact. There is a *mass removal of the markets* as the products and services become more and more adapted to the specific needs of niches or even "particles" of the market. The mass removal of the markets determines *the mass removal of marketing*, process which moves the economy from homogeneity and non-differentiation to heterogeneity. There is *the amendment of the type of work*, when we have its non-interchangeability and shows the increasing need of specialized, complex expertise [7]. Routine, repetitive and programmable work gives way to creative, nonrepetitive work, to unprecedented tasks. *Innovation is the key to success,* and the survival of companies is no longer possible without ensuring constant innovation flows to target almost all their operation aspects. *The comeback to "reduce scale"* takes place by differentiating products, which involves the differentiation of processes. "The reduced scale" supplies a high economic value. "Big" does not necessarily mean good, and "small" is not synonym with weak and non-competitive. There is "a *deregulation*" of the *organization*, namely the orientation towards change and innovation, which makes it impossible to maintain fixed organizational gears over long periods. Decentralization of the decision making, the standardization of labour procedures, deformation of organizational relationships, the increase of the weight of informal communication, all these constitute the organizational framework able to ensure the *creativity, reactivity and flexibility of business organizations*. *The integration of economic systems* is related to the growing interdependency of the elements which form the economic systems. *The computerization of the business infrastructure* takes place, the IT systems representing the ground of wide and branched partner networks, even expanded at global scale. There is an *acceleration of the rhythm of economic transactions and operations*, when the high- speed economy replaces the bid scale economy [1]. Time becomes a critical variable, each time interval being more valuable than the previous one. Competition between firms is based on time factor, on the speed of reactions, and slow, sequential, step by step approaches are replaced by "simultaneous approaches".

We believe that these features of the new economy bring deep changes in the "physiology", but especially in the "psychology" of companies, which must reinvent their structures and guarantee a higher quality of functions.

Bratianu [8] notes the magnitude, in the modern world, of normative entropy elements such as neo anarchism, neorealism, neo-natalism, and so on. As a major effect of these manifestations, the nation-state (equally as a social reality, economic reality and symbolic reality) finds itself at the confluence of two divergent tendencies:

1. On one hand, the inflammatory aspirations (regionalisms, cultural, ethnic and political-economic particularities), and on the other.
2. The supranational integrationist tendencies, tending even to federalization. Economically developed countries have already shifted their focus to *cross-border cooperation*, focusing their efforts on reducing nationalist tensions, which no longer concern the ethnic component, but rather the economic one.

In the context of the increasingly accelerated globalization of the information society (post-industrial), involving both governmental and non-governmental actors, at both national and supranational, continental levels, generating mutations in the structures of the economic and social systems, the issue of preserving unity in diversity reveals the actuality of the redistribution of the structures of economic and social life [20].

The Managerial Revolution, as a leading vector of the post-industrial society, provides corrections by shifting the emphasis from technical and economic efficiency to global human efficiency through" rational organization systems ", with regulatory and axiological protection [5].

The opening of the borders favours the movement of the products, technologies, finances, human and informational resources. The opening of national economies has led to the "dilution" of what is traditionally called "macroeconomics". In this way, local and microeconomic are direct connections and integration into the regional and global economy. Even small business must be managed like multinational business. In this framework, there is the so-called *"*erosion *of the economic sovereignty" of national countries* [6]. Keynesian and neoclassical macroeconomic management levers have proven their effectiveness in a world where economies had protected borders, so that at least "outside" effects could be partly neutralized, and the "interior" was subject to stimulus, their nature and intensity ensuring the desired macroeconomic performances. Now, the capital, released from the "nationality handcuffs" is distributed over the borders, in more "welcoming" places, where a superior financial yield can be ensured. The accession of national states to supranational structures (such as NAFTA, OECD, European Union) usually implies the assignment of economic policy competences and prerogatives in favour of superstructures. The relocation of productions and setting up business networks on a global, international scale makes it extremely difficult, sometimes even impossible, to account for and regulate the taxation of some important economic flows [2]. The impersonal forces of the global markets have been integrated during the post-war period by private companies in the fields of finance, industry and commerce rather than by structures born out of joint government decisions. They are now stronger than the states that are supposed to have the fundamental political authority over society and the economy where states once were masters of the markets, it is now markets that, in numerous essential problems, are "the masters" of governments. The fall of the states' authority is reflected by an *increased diffusion of the power towards other institutions, associations and organizations* [7], including towards the regional structures. There is an increasing asymmetry between larger states with a strong structural power and weaker states. The fundamental cause of overturning the balance of power between the state and the market comes from the accelerated pace of the technological changes [11] The competition for segments of the global markets has replaced the competition for territory due to the modified stake, due to the supremacy of the new technologies.

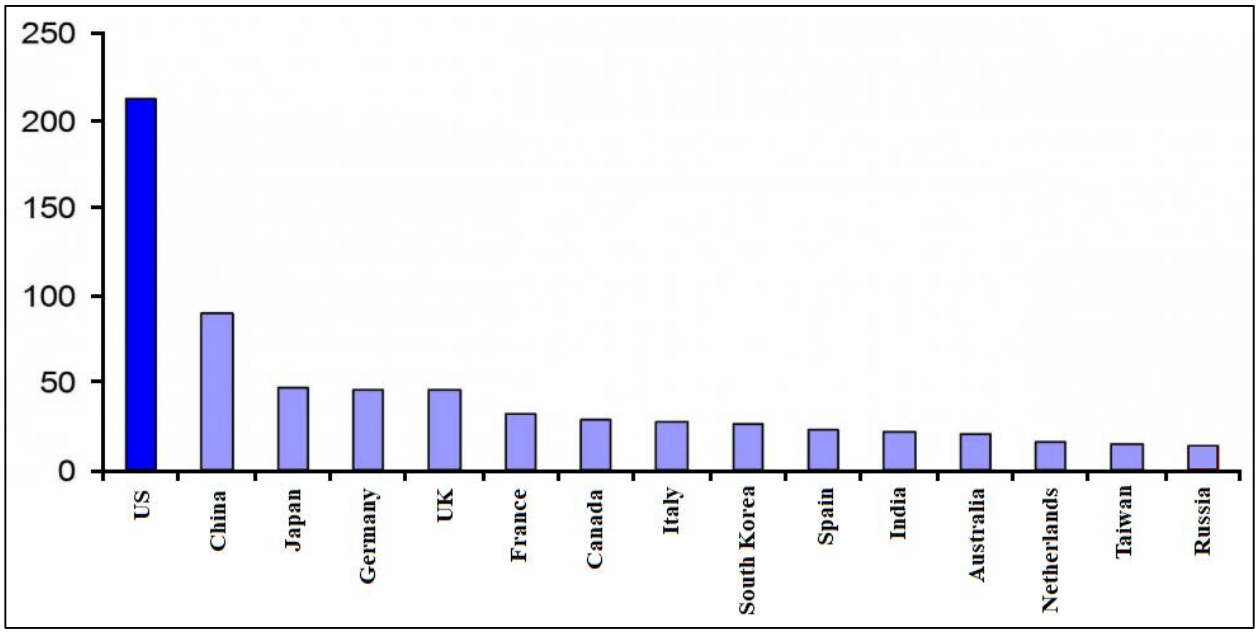

Fig. 2: The total number of research articles in 2011 (in thousands) included in the system of scientific citation index [24]

The structures of power currently have a deep polyarchy nature [21] the concept of *information society* shows that society has become dependent on the complex information and communication networks, which allocates most of the resources to the information and communication activities [9]

The consequences of this real revolution in communication, produced in the last decades, are not yet clear. One can notice that there are both positive and negative effects. At macroeconomic level, we are already witnessing the expansion of multinational organizations in less competitive economic spaces, including in Israel.

In companies, the importance of offices is growing in comparison with productive departments, as information treatment occupies an increasingly important place in the process of creating economic value. The spread of modern information processing techniques has determined a triple change in the office work [3]:

Technical - in the increased ability to treat information, the interconnection of data, images and symbols;

Economic - lower utility cost, which has increased the value of intellectual work); 3) *social* (about half of the

active population of a developed country is carrying out activities of an informational nature.

Summery

It is noticed that leading business organizations will rely on advanced technology and will be geared to serving customers and educating adults [3]. The most important feature of *excellent companies* is their immersion in a *continuous learning culture.* The results are products and services *"rich" in knowledge and information.* In order to reach a "learning organization", managers need to focus their attention on concepts for "core skills" and "capacity-based competition" [12]. This mutation involves the need to *reassess the role of human capital.*

As an example, we noticed that companies in proximity areas (the ones in Israel) are irreversibly following the path of complexity with increasing knowledge. As such, there is a stable/unstable dynamism and different levels of correctness/lack of correctness of the long-term integrative relations.

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