

# Definition of knowledge hub commerce essay



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An investment in knowledge pays the best interest , Benjamin Franklin. As said by Benjamin Franklin investing into knowledge will always be an advantage be it whether it is for an individual or for a whole nation. The work Knowledge Hub (KH) is being widely used during the last 2 decades of this century. Many countries are investing massively to implement knowledge based economy which is forecasted to have a very bright future nevertheless every theory have their drawbacks.

According to K. Mackay (2009), knowledge based industries have become an important contributor in both economic growth and development. In order to have a competitive edge on the global economy there is the need to have the creation of distinctive assets such as knowledge, skills, innovation and creativity. Knowledge has also become one of the most common and recognized factor of production internationally with a new form of capital being the capacity to generate, assimilate, disseminate and effectively use knowledge.

Building a KH is a really vast sets of planning needed to establish the desired results. Many countries have been engaging in such a challenge. Research and Development (R&D) is indeed one of the main tools used in order to implement a KH. The world itself is undergoing a new industrial revolution ' the Knowledge Revolution' fuelled by the rapid pace of technological change and globalisation. Mobility of resources is very common nowadays, therefore the mobility of knowledge is definitely laudable.

To be able to have a well defined KH there must be loads of investment from both foreign and local investors. Reputable tertiary institutions must be

approached to invest and establish in a country, in order to attract investors good infrastructures, appropriate policies established by the country's government, training of needed labour force, the level of technology that these foreign institutions will be demanding, also the acceptance of the local population about the project and above all a good reputation on the foreign market where a country can base itself on its level of education.

All this can be resumed to having a good marketing strategy to move forward and attract investors. For instance in Ireland in the 1980s and 1990s there was a little scope for them carry out high research in their universities which was mainly due to a lack in the infrastructure and lack of funding available to the researchers. This gave a definite set back to their program of building a KH. Attracting investors and make them believe in the project is therefore crucial for the setting up of a KH.

## **Definition of Knowledge Hub**

A KH defined by University of Mauritius is an 'ensemble of knowledge-intensive institutions and organisations (public, private and overseas) that generate, store, transfer, apply and transmit knowledge through education and training with the overall objective of fostering economic and social development.'. According to Manmohan Singh (2006) It is often said that the 21st Century will be the knowledge century. In the view of building a knowledge hub there must first be the production of knowledge. Production knowledge is mostly based on creative people, professionals and also a proper Research and Development (R&D) sector. The KH is not only a way for a country to have a new pillar in the economy but also a way to promote the country's assets on an international market.

According to Evers and Dieter (2008) (MPRA) KHS act as nodes in networks of knowledge dissemination and sharing within and beyond clusters. A KH main function is to transfer knowledge to sites where it can be applied, to generate knowledge from individuals and industries and to transmit the knowledge acquired to individuals by means of training, education and workshops.

According to HRDC (2006), ' A KH is concerned with building a country's capacity to better integrate itself into the global economy, through the generation, acquisition and transmission of knowledge to support of various economic sectors, in view of fostering social and economic development.'. The Knowledge Economy occurs when all sectors of a country's economy is knowledge intensive, are moving with the outside trend where it can be in terms of technology and generating new and innovative ideas and when an economy is employing highly skilled personnel who are willing to go for further studies.

More over the Knowledge Hub which in some cases is also known as Knowledge Economy is defined by Kok, et al, (2004) " It covers every aspect of the contemporary economy where knowledge is at the heart of value added- from high tech manufacturing and ICTs through knowledge intensive services to the overtly creative industries such as media and architecture". The creation of knowledge is must to have a good knowledge hub and this can only be done through a strong university sector. If there is a good and solid R&D sector in a country where it encourages investor to invest in the economy then the KH will definitely be a success for any country. Renowned university campuses must be willing to invest in a country to be able to gain <https://assignbuster.com/definition-of-knowledge-hub-commerce-essay/>

competitive advantage and to attract greater amount of students to the country.

According to Brinkley (2006) the use of new technologies will allow an economy to gain competitive advantage. The reserves of petrol, coal and other natural resources will be depleted but knowledge is the ultimate economic renewable form of resources. Having knowledge is an invaluable asset but one should also know how to share this knowledge to others.

## **Globalisation and Knowledge Hub**

According to Brinkley (2006), the development of the knowledge economy and globalisation are closely related to each other. Globally known organisations have been able to benefit from this integration as they are now able to lower their cost of production but at the same time maintaining their level of quality. The most common examples that can be given are the data processing, transcription services and simple customer services delivered through call centres operating in these countries. Without the globalisation there would not have been the change in the world economy. It also increased competition when customers were able to benefit from the best quality product for a better price tag. In the same optic the countries engaged in becoming a KH have been able to gain competitive advantage by providing a good quality service for a good price, where reputed international universities settled.

According to Derrick and Cogburn, (1998), Due to the economic globalisation and reorganisation of the world political and economic system, there is a need for the level of education to be up to the standards, knowledge and

information need to be in line with the changes. This applies greatly for tertiary level, where the future workforce is prepared and nurtured to be able to perform in the different sectors they will be canalised into.

As the store of knowledge is expanding in the world, it should be accessible to everyone who is wishing to participate and contribute to the change.

According to Mansell and Wehn (1998), “ formal institutions of education that exist today, and even many of these in the planning stages in developing countries, are becoming less relevant to the requirements of emergent ‘ knowledge societies’.” In this quote of Mansell and Wehn are arguing that countries willing to start a knowledge based economy should reshape their education system in such a way that these countries will be in line with the national priorities. Furthermore the countries engaging to become a knowledge base industry should also consider the change occurring in the world’s economy and new strategies being use by competing countries to be able to achieve competitive advantage on the international market.

## **Countries implementing the Knowledge Hub concept:**

### **India as a knowledge Hub**

India is known for having the fourth largest store of scientific manpower in the world which are tunnelled in different institutions such as in areas of R&D, now it’s time for India to evolve as a knowledge based industry, appeared in IT Times (2006). According to Sarkari’s website (2010) in every knowledge based society, education is the main catalyst to fuel the economy, where it empowers research and the creation of intellectual property (IP). India has the largest young population in the world with more than 600 million which are on the verge of becoming professionals or are

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actually performing as professionals. With a optimum use of this population and minimising the drop out from primary and secondary level of studies India will be able to have a good harvest of knowledge from its youngsters.

Based on the National Sample Survey Organisation in 2009, an estimation of 815000 children representing 4.28% of India's child population from 6 to 13 year old were school drop outs. Following this, in 2010 measure were taken to make it compulsory for every children at the age of 6 to 14 to attend school, where they were given free school facilities. According to Shahid (2009) the Indian Prime Minister of that time set up a National Knowledge Commission in 2005 to leverage various networks and to make India the knowledge engine of the globe.

Through the KH India will become the power house for the supply of talent and skills to the rest of the world but also for R&D, innovation and sale of its IP. Along with the praises that India has on the global market, Kiran Karnik's Blog (2012) came to refute it with a report on the Programme for International Student Assessment saying that India is 73 out of 74 countries surveyed where students of form V had a low grading in Maths, Science and reading. Moreover in an Assessment Survey Evaluation Research report came to say that India had poor academic standards. These facts would definitely have a negative point in the balance of India to promote its KH and the quality of services it is offering.

## **Ireland as a Knowledge Hub**

“ Ireland by 2013 will be internationally renowned for the excellence of its research, and will be to the forefront in generating and using new knowledge

for economic and social progress, within an innovation driven culture.”

Martin Minister for Trade, Enterprise and Employment (2008). According to Building Ireland’s Knowledge Economy (2004), Ireland is the leading exporter in terms of high technology and services for global market. Ireland is also a hub for electronic commerce and knowledge based activities. Two thirds of R&D businesses operating in Ireland comes from overseas. The Government stated as main objectives to develop Ireland as a KH so as to sustain and increase employment in the country, the creation of wealth and to increase the competitiveness of Ireland on the global economy.

Erawatch (2004) insists that the “ Building Ireland’s Knowledge Economy” will reflect in an increase integrated approach in research and innovation, the acceptance of the quality of national research and innovation and technological advancement, which are crucial to gain competitiveness. It is essential for Ireland to increase and improve its R&D so as for it to be able to locate itself as a place for high-tech and KH. Failing to improve the following sectors may result as a negative impact for encouraging Foreign Direct Investment (FDI) in the country, Building Ireland’s Knowledge Economy (2004).

## **Singapore as a Knowledge Hub**

According to Yue & al (2001), Singapore is indeed a small island which is often directly linked to limited natural resources. Due to their rapid economic growth, there was a shortage in labour and rising costs and based on this Singapore has lost its competitive edge on the East Asian market. The education policies of Singapore have always been in line with the nation’s economic priorities (Sidhu, Ho & Yeoh, 2010).

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Education is the 'technology of hope' in Singapore. They are said to have the world's most competitive or second most competitive economies in recent times. The competitiveness of Singapore is mostly because of its geographical location and the free trade policy implemented by the colonial government and by investing massively in excellent transportation facilities, telecommunication amenities and good services. The success of Singapore's economy also depends on the high level of FDI coming in the country. In the 90's Singapore was the country which benefited from major FDI among the Asian developing countries (Yue & al, 2001). In the Budget Speech (2006) the government set emphasis to invest in R&D to fuel the building up of their intellectual and knowledge capital based.

The universities of Singapore are also know for the nurturing of talent and based on the current economic transformation there has been an increase in importance so as to stimulate the economic growth through industrial research, technology being commercialised, the attraction of foreign talents and most important is has to inculcate the entrepreneurial mindset to the young graduates of the country. Consequently the universities have become an important component of the country's innovation system, Genewired (2011).

In the same context of attracting foreign talent, Singapore with a small newly industrialised economy and with a small population, they should be able to attract the top talent to make their KH move forward. Just like regions like Silicon Valley, London, New York and Boston, have been able to beneficiate from the influx of international talents coming to perform for their economy. Singapore is trying to follow the steps of these countries in order to be able

to differentiate its economy to other KH economies in Southern Asia.

Furthermore, based on the experiences of regions mentioned above, the attraction of foreign talents does not rely only on the type of work or economy a country is performing into but it starts when the cream of students decide to pursue their tertiary studies, that is with the name of renowned and high quality tertiary institutions Singapore will be able to attract them at the early stages for these students to become young professionals. This has been proven with universities like Stanford, UC Berkeley, Cambridge and Oxford who are top universities in the world, where every student engaging into the tertiary studies will be dreaming to have a seat, may act as a magnet to attract best talents and after studies it is common for the students to stay back and contribute to the country's economy, Genwired (2011).