

The knowledge based economy

Law



The Knowledge Based Economy Affiliation The Knowledge Based Economy

The government of New Zealand can adopt some policies to facilitate collaborations between universities, research institutes and businesses so as to transition the economy into a diversified, knowledge-based economy.

These policies will be based on regulation, allocation, and distribution.

Using regulation, the government's policy would be to promote organizational change. This will facilitate the transition of technological change into productivity gains that will ensure organizational changes and as such, raise flexibility (OECD, 1996). These changes shall be achieved through financial, information and competition changes. Using allocation, the government's policy would be to upgrade the human capital. The policy would, for instance, provide a broad-based formal education. It will also handle creating incentives for organizations and people to take part in unceasing training and learning. Subsequently, through the policy it will be easier for the government to match labor supply and demand by the skill requirements (OECD, 1996).

Using distribution, the government's policy would be to enhance knowledge diffusion. In this case, the policy will be geared towards supporting innovation so as to establish "diffusion-oriented" programs. The policy will lay out a clear framework for the collaborations and hence, promoting the diffusion of new technologies to various sectors in the economy. The policy will also be instrumental in facilitating the development of information infrastructures (OECD, 1996).

All these approaches have both strengths and weaknesses. The use of all these policies will make it possible for the economy of a country to be knowledge-based. As such, it will benefit from all the advantages of a <https://assignbuster.com/the-knowledge-based-economy/>

knowledge based economy. However, the policies require huge financial investments. Lack of sufficient capital will make it impossible to realize the same.

Reference

OECD,. (1996). The Knowledge Based Economy. General Distribution OCDE/GD, 96(102), 1-46.