Chapter XV

The Call for Transformational Governance in the Knowledge Economy

Benjamin Yeo
Milken Institute, USA

Eileen Trauth
Pennsylvania State University, USA

ABSTRACT

Increasingly, regions are developing initiatives towards building a knowledge economy. This change is also bringing about a transition from more static forms of information technology (IT) work to more dynamic forms of knowledge work. It follows that knowledge industries will involve more multifaceted forms of collaboration among workers and organizations using IT. In view of the complexities in knowledge work, this chapter develops an argument for a transformational approach to governance, whereby policymakers create mechanisms to continuously evaluate local social contexts so as to continuously adapt policies to unique local conditions. This argument is based on the results of three markedly different case studies of knowledge economies: San Joaquin Valley, California; Ennis, Ireland; and Singapore. These data are used to show how local and unique social conditions influence the sustainability of a knowledge economy. Given the unique characteristics of local contexts, a transformational approach represents one useful approach to governance.

INTRODUCTION

A key characteristic of the new global economy is its shift from a tangible asset-based economy to one that is reliant on intangible knowledge-based assets that depend heavily on human capital (De-Vol et al., 2004). Here, knowledge-based inputs replace material inputs as the key productive forces in an economy (Stehr, 2002). These inputs are comprised primarily of human capital and innovation. The most technologically advanced economies are knowledge-based, where informa-
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Governance

The Worldwide Governance Indicators Project initiated by the World Bank, defines governance as the process by which governments are selected, monitored and replaced. It is the capacity of the government to effectively formulate and implement sound policies to govern economic and social interactions among its citizens and institutions. (Daniel, Aart, & Massimo, 2008). In this chapter, we focus on the second part of the definition that looks at the initiatives of the government to formulate and implement policies and interactions with its population.

Electronic governance then, refers to the use of information and communication technologies (ICTs) to facilitate government’s policies and interactions. Electronic voting and online tax filing systems are examples of technologies that facilitate these public activities. They also facilitate transparency between a government and its citizenry.

Transformational governance takes a different turn. It is concerned with context and how governments change their strategies to fit these contexts. According to the cabinet Office of the U.K. government, transformational governance is about “transforming government through technology. It is also about making government transformational through the use of technology—creating and retaining the capacity and capability to innovate and use technology effectively as technology advances. This is the only way in which public services can keep up with a continually changing, globalised society,” (Chancellor of the Duchy of Lancaster, 2005).