



Intellectual Capital for  
Communities  
In the Knowledge Economy

# Intellectual Capital for Communities in the Knowledge Economy Nations, Regions, Cities and Emerging Communities





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# 7 tracks to the Knowledge Economy

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# The 7 Tracks

- **Values**
- **Concepts**
- **Models**
- **Measures**
- **Practices**
- **Organizations**
- **Role models**

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- **Criticisms**
  - **Alternatives**



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# VALUES

- **ETHICAL CONSTRAINTS**

- *Laxitude in financial regulations*: Jones, 2011; Smith, 2012; Cross, 2012. *Financial addiction*: Low, 2012; *Corporate Tax Evasion*: Anderson & Klinger, 2012; *Rigged System*: James, 2012
- *Derivatives & short-selling*: DeClercq and Day, 2011; Story, 2012; NYT, 2012

- **EXTERNALITIES**

- Harris & Codur, 2008; Puget Sound Sage Study, 2012; *The Corporation*, 2010

- **BEHAVIORAL SCIENCE EVIDENCE**

- *Psychology (compassion vs. wealth)*: Bond, 2012, Grewal, 2012
- *Neurophysiology (vs. Homo Economicus)*: Patel, 2010
- *Sociology: Social costs of inequality*: Winkinson & Picket, 2011; *Self-Made Myth*: vanden Heuvel, 2012

- **STRUCTURAL CONSTRAINTS**

- *Value/Price*: Roberts, 2008; Patel, 2010; Schoder & Talalayevsky, 2010; Porter, 2011; de los Santos, 2011
- *Value and Values*: SPI, 2011; INET, 2011
- *Markets Moral Limits*: Skidelsky, 2008; Sandel, 2012; FinancialTimes, 2012

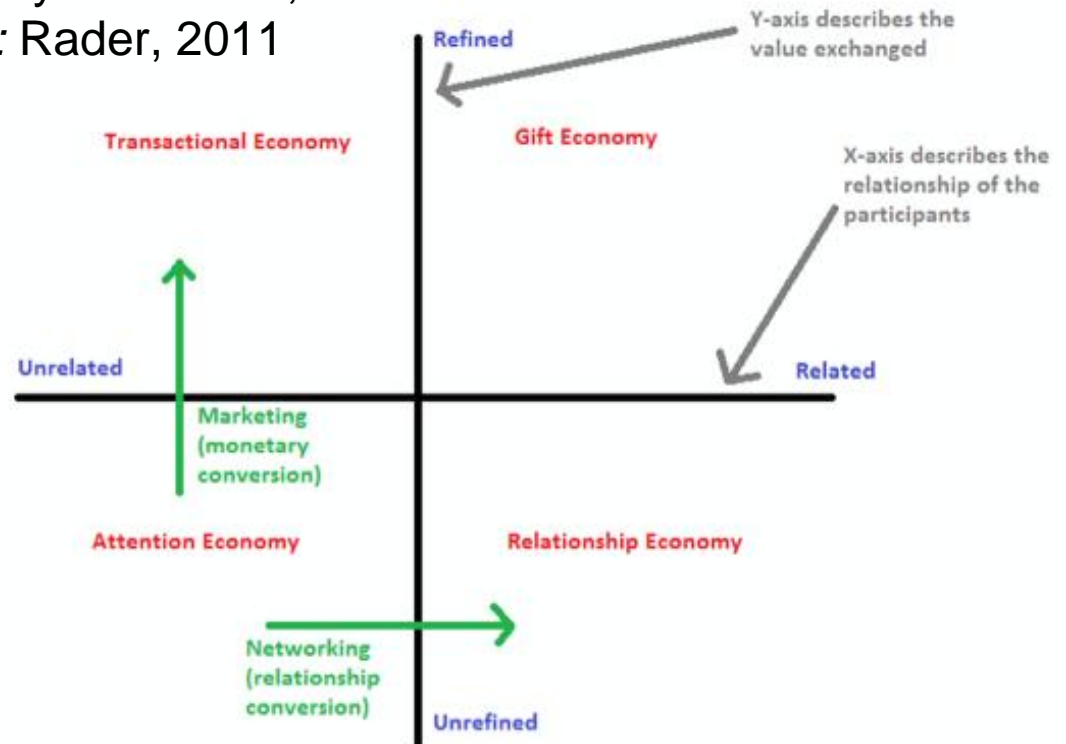
- **RETHINKING CAPITALISM (AND MARXISM)**

- Freeland, 2012; Monck, 2012; Abbas, 2009; Bucholz, 2009; Porter, 2011; Schwarzmantel, 2012; Weber, 2012

# Value II: alternatives

## • AXIOLOGY FIELD THEORY

- *Redesigning Capitalism for Society/CSR*: Monck, 2012; Freeland, 2012 PCJP, 2011; Medina, 2012; Miliband, 2012; *Davos 2012*
- *Capital Systems and Value Universe*: Carrillo, 1998
- *Economics for Humanity*: Rotering, 2002
- *Eligthened self-interest*
- *Reconnecting Ethics with Economics & Politics*. Center for Ethics, Capital markets and Political Economy: CEMPCE, 2008
- *Unifying the Value Universe*: Rader, 2011





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# CONCEPTS

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# Concepts I: criticisms

- **ECONOMIC THEORY FAILURE**
  - *Theory Constraints*: Kirman, 1989; Kay, 2011; Keen, 2011; Guesnerie, 2012; Soros, 2012
  - *Coase Theorem*: Medema, 2011
- **RATIONAL EXPECTATIONS HYPOTHESIS**
  - Sen, 1977; Woodford, 2011; Dow, 2011; Frydman & Goldber, 2012
  - *Animal Spirits*: Keynes, 1936; Akerlof&Shiller, 2009. *Antropocentrism*: Requejo, 2009
  - *Heuristics*: Todd&al, 2012; Gigerenzer&al, 2011
- **MARKET FAILURES (Guesnerie, 2011)**
  - *Monopoly power / Merit and demerit goods / Public goods. Tragedy of commons. / Externalities. Spillover costs. / Bounded rationality / Information asymmetry / Property rights as rights of control / Factor immobility*
  - *Economic Crises*: New Scientist, 2009 a,b
- **DEBT**
  - Coggan, 2011; Graeber, 2011
- **MARKET CULTURE**
  - Patel, 2010; Sandel, 2012



# Concepts II: alternatives

- **BEHAVIOURAL ECONOMICS**
  - Dow, 2011
- **INDUCTIVE-DEDUCTIVE / RATIONAL-EMOTIONAL / HUME**
  - Soros *on Fallibilism*; Popper&vonHayek; Dow(2011): *Economic Thinking?*
- **ECONOMIC BEHAVIOR**
  - Robbins, 1945, p.16. *Behavioral Analysis & Evolutionary Psychology. Heuristics*
- **SCIENTIFIC RE-FOUNDATION OF ECONOMIC DISCIPLINE**
  - *Scientific Re-Invention*: New Scientist, 2009; \*Schultze & Newton NSF Report, 2011; Swensen, 2012
- **NEW STRUCTURAL ECONOMICS**
  - *Development or Comparative Advantage?*: Lin, 2012
- **HAPPINESS ECONOMICS**
  - LSE Center for Economic Performance; Bok, 2010; Sachs, 2011; Graham, 2011, 2012



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# MODELS

# Models I: criticisms

- **BOUNDED RATIONALITY**
  - Guesnerie, 2012; Krugman 2010--
- **NON-ROUTINE CHANGE**
  - INET, 2011 <http://ineteconomics.org/research-program/imperfect-knowledge-economics/non-routine-change>
- **IMPERFECT KNOWLEDGE**
  - INET, 2012; Frydman&Goldberg, 2012
- **LACK OF CONNECTION WITH REALITY**
  - *Sophisticated maths with little empirical content*: New Scientist, 2009
- **PROFITS / GROWTH**
  - Haque, 2011 a,b
- **NEGATIVE EXTERNALITIES**
  - Dietz, 2012
- **SHORT-TERM (QUARTERLY) BUSINESS FOCUS**
  - Haque, 2011, a,b

# Models II: alternatives

- **THE LIMITS OF COMPETITIVENESS (Porter 2.0)**
  - *Constraints: Merchant, 2012; Creating Shared Value beyond CSR: Porter&Kramer, 2012*
- **5 BIG IDEAS FOR A NEW ECONOMY**
  - *Clay & Carnfield, 2012: Shift from outsourcing to insourcing, Access the wealth of the Hyperlocal, Adopt flexible and alternative currency, DIY job creation, focus on well-being, not growth*
- **BETTERNESS**
  - Umair Haque 2011 a,b
- **THIRD CULTURE**
  - *Scientific, vs. ideology-based economy and culture: Brockman, 1995*
- **COMMUNITY-BASED ECONOMIC DEVELOPMENT**
  - Lehman & Lento, 1992; Hawaii CBED Program 1990; Hitchcok, 2011
- **ENDOGENOUS GROWTH**
  - Warsh, 2010; Romer, 1994; Rebelo, 1991
- **POST SCARCITY / RESOURCE-BASED ECONOMY**
  - Stoddard, 2009



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# MEASURES

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# Measures I: criticisms

- **ECONOMIC & PHYSICAL LIMITS TO GROWTH**
  - *Incompatibility with Sustainable Development*: Confino, 2011
- **STRUCTURAL CONSTRAINTS OF GDP**
  - England, 1998; Talberth&al, 2006; McArdle, 2009; Graham, 2011
  - DEMOS, 2012
- **FUNCTIONAL CONSTRAINTS OF GDP**
  - Mark et.al, 2007; Morrison&Roese, 2011; Graham, 2012; The Economist, DEMOS 2012a,b,c, <http://www.demos.org/issue/new-measures-progress#>
- **LIMITS OF PROGRESS & DEVELOPMENT PARADIGMS**
  - OECD, 2011.
- **LIMITS TO GROWTH / ECOLOGICAL ECONOMICS**
  - European Wind Energy Association; Samans, 2010
- **DE-GROWTH: Pédagogie de la catastrophe**
  - Georgescu-Roegen, 1999; Alcoberro, 2010; Latouche, 2012

# Measures II: alternatives

- **HOLISTIC APPROACHES**
  - Von Mutius: 2005
  - IIRC, Integrated Reporting. <http://www.theiirc.org/>
  - WikiProgress: <http://www.wikiprogress.org/>
  - Allee: *Value Networks*, 2011
- **CAPITAL SYSTEMS**
  - Organizational: *Integrated Value Report*, 2002
  - Social: MAKCi, 2007--, Edvinsson&Lin, 2011
- **MAJOR INTERNATIONAL RE-DEFINITIONS**
  - OCDE 2009; Better Life Index / Well-being & Progress Initiative
  - WB: Measuring Capital for the 21st Century
  - UN: Human Development Report
- **HAPPINESS INDEX**
  - Goldscheine&Johnson, 2011; Heinberg, 2012; Buthan; NEF's Happy Planet Index; Beaumont, 2011



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# PRACTICES

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# Practices I: criticisms

- **CONSUMERISM**
  - World Watch Institute, 2004; Global Issues, 2011; Verdant, 2012
- **FINANCIAL ADDICTION**
  - Low, 2012
  - Theravive <http://www.theravive.com/services/financial-counseling.htm>
  - FocusHealthcare <http://www.focushealthcarecalifornia.com/content/financial-addiction-red-flags>
- **PEAK OIL**
  - ASPO: <http://www.peakoil.net/>; Post-Carbon Institute: <http://www.energybulletin.net/primer.php#primer> (Re: Heinberg)
- **PLANNED OBSOLESCENCE**
  - Beder, 1998; The Economist, 2009; Lapoix, 2012
- **HYPERCONSUMPTION**
  - Consumption and Identity: Todd, 2011
  - The New Consumer <http://www.thenewconsumer.com/tag/hyperconsumption/>

# Practices II: alternatives

- **FRUGALITY / VOLUNTARY SIMPLICITY / SIMPLE PROSPERITY**
  - Thoreau, 1910; Lavosticka et.al., 1999; Freedman, 2012
  - Elgin, 1998; Robertson, 2005; Wann, 2007; Berman, 2010; Levie 2012; Jay, 2012; Royal Society, 2012
  - *Social Innovation & Entrepreneurship*
  - Stanford's *CSI*; McKinsey's *WhatMatters*; *Co.Exist*; *Knight Foundation*; *Sprouter*
- **OPEN DEALING / P2P**
  - *Creative Commons*, 2011; Costa, 2011; Hoyer, 2012; *P2P Manifesto*
- **CROWD DEALING: C-FUNDING / C-SOURCING**
  - <http://youcrowdfund.org/>; Hall, 2012; Misener, 2012; Robles, 2012; Burke, 2012; <http://dailycrowdsource.com/>
- **UNPAID WORK / PAY FORWARD / COGNITIVE SURPLUS**
  - *EuroFund*, 2011; UNPAC, 2011; Shirky, 2011; <http://payitforwardday.com/>
  - *FairPay*: <http://www.fairpayzone.com/2012/03/turning-invisible-hand-to-create-shared.html>
  - *Local Currencies*: New Economics Institute; <http://localcurrencycouncil.org/>
- **GREEN GROWTH / PERMACULTURE**
  - Samans, 2012; EWEA & OECD, 2012
- **CO-SHARING / COOPERATIVE CONSUMPTION**
  - Gansky, 2010; Bostman & Rogers, 2010
- **HAPPINESS MOVEMENT**
  - *Action for Happiness*, UK; *What Makes You Happy*, Canada; *Heart Of The Matter*, Melbourne; *World Book of Happiness* 2012



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# ORGANIZATIONS

# Organizations I: criticisms

- **FINANCIAL ESTABLISHMENT**
  - **The Vatican Department for Justice and Peace, 2011: A Global Economic Reform**
- **INTERNATIONAL MONETARY FUND**
  - **EconomicsHelp; Bretton Woods Project; McKenna, 2012**
- **WORLD BANK**
  - **Sachs, 2012; Luce, 2012; Denning, 2012; The Economist, 2012**
- **GLOBALISM**
  - **Globalization Paradox: Saul, 2006; Rodrik, 2012**
- **THE WORKPLACE**
  - **Hallal; Haque 2011 a,b; Crowley, 2012**

# Organizations II: alternatives

- **INSTITUTE FOR NEW ECONOMIC THINKING**
  - About INET <http://ineteconomics.org/about>
- **CENTER FOR IMPERFECT KNOWLEDGE ECONOMICS**
  - <http://www.econ.ku.dk/inet/>. Frydman & Goldber, 2012
- **MILKEN INSTITUTE**
  - <http://www.milkeninstitute.org/about/about.taf>
- **NEW ECONOMICS FOUNDATION**
  - <http://www.neweconomics.org/about>
- **PLANCK FOUNDATION**
  - <http://www.planck.org/>
- **PROJECT SYNDICATE**
  - <http://www.project-syndicate.org>
- **ROTMAN SCHOOL OF MANAGEMENT / PROSPERITY INSTITUTE**
  - <http://martinprosperity.org/>
- **UNREASONABLE INSTITUTE**
  - <http://unreasonableinstitute.org/>
- **REINVENTING WORK**
  - Denning, 2012



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# ROLES

# Roles I: criticisms

- **OBSOLETE MANAGER ROLE**
  - *Non-democratic, non-market*: Hallal, 1996
- **OBSOLETE POLITICIAN ROLE / POLITICAL DISILLUSIONMENT**
  - BBC, 2010; Institute Of Economic Affairs, 2012
- **OBSOLETE TEACHER ROLE / SCHOOLING**
  - Illich, 1971; Hern, 1999
- **OBSOLETE PARENT/FAMILY ROLE**
  - Suematsu, 2002; Richter & Sabine, 2012
- **OBSOLETE CITIZEN ROLE / DEMOCRACY**
  - Gersbach, 2011; Rieger, 2011
- **OBSOLETE GENDER ROLE**
  - Rosin, 2010; EIU: 2012
- **OBSOLETE WORKER ROLE**
  - Rifkin, 2004; Levin & al, 2011
- **OBSOLETE LEADER ROLE**
  - Kate & Patapan, 2012; Kellerman, 2012
- **OBSOLETE ENTREPRENEUR ROLE**
  - Gibb, 2009; Bosma & al, 2011

# Roles II: alternatives

- **BEYOND LEADERSHIP & MANAGEMENT**
  - *Self-organization*: Shirky, 2009; *T-Shaped*: Hansen & Oelinger, 2012
  - *Silent*: Badaracco, 2012; *Transpersonal*: <http://www.leadershape.biz/>
- **OPEN GOVERNMENT**
  - Open Government Partnership <http://www.opengovpartnership.org>
- **BEYOND SCHOOLING**
  - <http://learningbeyondschooling.org/>
- **REINVENTING PARENTHOOD & FAMILY**
  - Beck-Gernsheim, 2002; Colson, 2003
- **KNOWLEDGE CITIZENSHIP**
  - Martínez, 2010--; Mich, 2011; González & al., 2011
- **GENDER IN THE KNOWLEDGE SOCIETY**
  - WIGSAT, 2008; Walby, 2010
- **KNOWLEDGE WORKER**
  - Drucker, 2004; Rosen, 2011
- **KNOWLEDGE INNOVATOR & ENTREPRENEUR**
  - Steyaert & Katz, 2004; Mair & Martí, 2005; Hallal, 2010





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# Have a nice trip to the knowledge economy!

