

ПРОМЯНАТА В АКТИВИТЕ И ВЪЗХОДА НА НОВАТА ИКОНОМИКА

THE SHIFTING ASSET BASE AND THE RISE OF THE NEW ECONOMY

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Abstract: *The article claim that economic base has shifted, intangible assets became more expensive the traditional, tangible physical and financial assets. The authors describe conditions of changing economic paradigm. Much attention is given to definition, leveraging and management of intellectual capital. Intellectual capital structure is formed in the article by author. The article reports on the main features of the knowledge economy.*

Key words: *intellectual capital, knowledge economy, intangible assets, tangible assets management*

INTRODUCTION

Knowledge economy is the highest stage of post-industrial and innovative economy development and the foundation of the knowledge and information society [4]. The term "knowledge economy" is often used as a synonym for the innovation economy. The process of such economy development is to improve the quality of human capital, to improve the life quality, to manufacture of high-tech knowledge, innovation and high-quality services.

Since the beginning of the 1990s, there has been a tremendous increase in economic activity in the United States, Western Europe, Asia and other parts of the world. Mergers and acquisitions, the Internet, globalization, and complex new financial vehicles emerged and forever changed the economic landscape and the course of enterprise. In retrospect, we can see that this confluence of factors worked together, and on each other, to shift our entire worldview and socioeconomic paradigm, and consequentially, created a new economic climate [9].

For the first time, the term "knowledge economy" was introduced into scientific Austrian-American scientist Fritz Machlup (1962) applied to one of the economy sectors [2]. Later, Peter Drucker defines new knowledge as the main economic resource [1]. In this case, in his view, it was the new economy is the "knowledge economy", the scope of the information

production and dissemination, "knowledge industry" and whole of the society - the "knowledge society". Today the production of knowledge and high technology is the main source of economic growth in developed countries.

The main body. Describing the characteristics of the knowledge economy, firstly, we need to define its main difference from other types of economies. The main resource for the Middle Ages economy was the ground, for the economy of the industrial society - capital, the main resource of the knowledge economy - information and knowledge.

The rise in mergers and acquisitions brought new problems in reaching company valuations, setting acquisition prices, and accounting for the surrounding transactions. "Book value" broadly the combined worth of tangible assets in an organization, and "market capitalization" book value plus the value of intangible assets, were suddenly often widely variant numbers. Acquirers were putting up the value of their public stock to acquire companies, and acquired companies were asserting the value of their intangible assets to set the value of their company for acquisition. Unexpectedly, traditional approaches to valuing enterprises in mergers and acquisitions proved to be inadequate in addressing the new value and importance in acquisition candidate companies. This was attributed to "intangible assets" and previously under recognized and unmonitored entities like "brands" and "intellectual property."

As the decade gained momentum, these "intangible assets" that were not on balance sheets but were de facto recognized in the newly appreciated stock values that were driving acquisitions, swiftly emerged as primary sources of value and wealth in both the values of acquiring and acquired companies. Moreover, in the need to account for price paid and assets acquired, these newly accepted "intangible assets" began to be formalized variously as "intangible assets," "intellectual assets," "knowledge assets," "knowledge-based assets," and eventually, to encompass their overlapping definitions, intellectual capital in juxtaposition to the tangible, physical assets of the balance sheet.

The main factor in the formation and development of the knowledge economy is intellectual capital. A large number of Russian and foreign scholars, including Becker, E. Brooking, J. Galbraith, S. Smith, R. Solow, etc. are devoted to defining the essence of intellectual capital [9].

This momentous shift in the asset base of the economy drove the emergence of a new economy that is based on intangible, knowledge-based, nonfinancial intellectual capital assets.

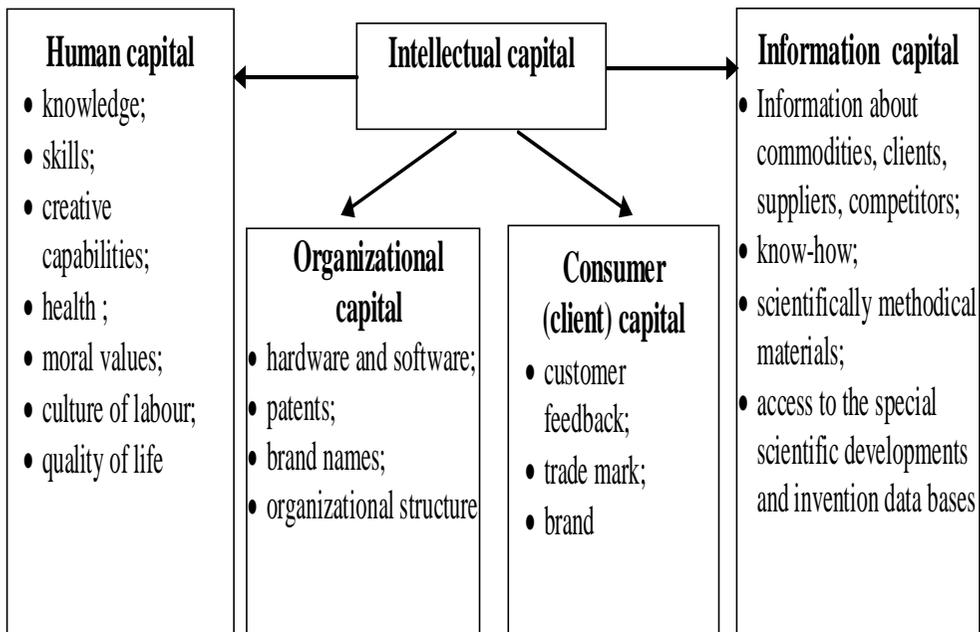
Table 1. Shifting Economic Principles [9]

Economic Principles	Tangible Assets	Intangible Assets
	Scarcity drives value	Adoption drives value
	Wasting assets	Nondepleting assets
	Nonvolatile	Highly volatile
	Empirical knowability/control	Unknowability/incomplete
	Arithmetic growth	Exponential growth

With these characterizations, we can begin to understand why the management of intellectual capital assets is of such great concern in modern business and enterprise, and why strategy, as the rudder for all enterprises, must be revisited.

In the conditions of information society, development traditional approaches to intellectual capital determination fail to represent its essence in full. In the author’s opinion, intellectual capital should be considered as an aggregate of human, organizational, consumer and informative capitals, which interwork with each other (figure 1).

Figure 1. Intellectual capital structure



Thus, **intellectual capital** is the complex of connected intangible assets and possibilities of production process participants to use acquired knowledge and abilities in innovative products creation, facilitating national economy development. It is important to emphasize that it is not enough to invest separately in each of them. They should support each other, creating a synergistical effect.

How to leverage intangible assets:

1. Identify your core competencies.

2. Identify your intangible assets.

3. Identify your growth objectives.

4. Think in terms of economic paradigms.

5. Think outside of the box, and optimize your intangibles against your objectives [9].

The intangible asset leader does the following: studies the history of strategy, understands, and can articulate the differences between industrial/manufacturing era strategies and intangible intellectual capital asset strategies; thinks strategically about the central problems of the enterprise; advances and defends strategically sound strategies that use intellectual assets when they offer a superior solution; gets involved in strategic planning and joins the strategic conversations within the company; grows out of functional discipline management into executive leadership [9].

Today's best strategic thinkers are those who are strategically "bilingual" – able to think in terms of strategies that ensure the optimal, effective leveraging of the traditional tangible assets, and simultaneously the highly differentiated strategic deployment of the new intangible intellectual capital assets. There is a sequence, how to start managing intangible assets [9]:

1. Assess whether executive leadership is thinking strategically about intangible assets or if they are operating only under the traditional asset paradigm.

2. Take stock of where you are. Look at the current organizational structure and see if the brand or IP, and their respective functions, are integrated into strategic planning.

3. Encourage everyone to read and become more educated in the new ways of thinking that equally understand both tangible and intangible assets, and leverage each to achieve corporate goals.

4. Keep alert for opportunities to make intangible, intellectual capital assets a part of strategic thinking in your organization.

A high index of economic freedom, the development of civil society and democracy, a knowledge society are characterized for the knowledge economy. So far USA implements a knowledge-based economy in most and the leading EU countries in part. It should be noted that the United States spends more about 40% of global costs on R&D [3].

Another structural feature of the knowledge economy is the high level of added value share, which created by high-tech sectors of the economy and intellectual services sector in GDP.

Formation of a stable and developed institutional environment is one of the most important prerequisites for the establishment and development of the knowledge economy. In addition, it is necessary to create mechanisms that stabilize and regulate this environment, provide the ability to direct the development of the institutions of the new economy.

General methodological foundations of innovation development is a number of concepts of Western economists, in particular, Schumpeter idea of competition through innovation in corporations as the main factor of economic dynamics, the concept of industrial clusters (Porter), the concept of technological systems (J. Dozy, N. Rosenberg), the concept of national innovation systems (K. Freeman, R. Nelson, B-A. Lundvall) [4, 5, 6, 7, 8].

CONCLUSION

Manifestation of the knowledge economy is its innovative character. The effectiveness of the innovation process is largely determined by the way, in which the main actors of the innovation system interact with each other as elements of a collective system of knowledge creation and using. In many cases innovations is only indirectly affect the economic viability of the firm, as an innovative sector is very often the area of so-called market failures. Because of it, social orders on innovation does not come from specific companies or managers and formed the economic system in general.

Stimulation of knowledge economy development requires a special state approach. Of significance here is the cooperation of the state and private business, as at the present stage of STP based on a complex system of interactions subjects of production and knowledge consumption, cash flow management and provide practical using. Knowledge management opens up a wide range of perspectives, both for individuals and for society in general.

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