

The Knowledge Economy and Its Relationship to Politics

Bui Dung¹

Abstract

The formation of the knowledge economy has become an inevitable trend in the modern world economy. Based on the four main pillars, the knowledge economy significantly affects the political activities of each country. This article analyzes the effects of the knowledge economy on politics, focusing on aspects such as: the democratization process; management and administration methods of the state apparatus; new requirements in protecting independence, sovereignty and maintaining peace; as well as negative impacts that deepen the contradictions in capitalism and create practical conditions for socialism. In addition, the article also mentions the connection between the study of the impact of the knowledge economy and innovation in Vietnam, especially in the field of politics.

Keywords: Knowledge Economy, Politics, Democratization, Capitalism, E-Government

A economia do conhecimento e sua relação com a política

Resumo

A formação da economia do conhecimento tornou-se uma tendência inevitável na economia mundial moderna. Baseada nos quatro pilares principais, a economia do conhecimento afeta significativamente as atividades políticas de cada país. Este artigo analisa os efeitos da economia do conhecimento sobre a política, enfocando aspectos como: o processo de democratização; métodos de gestão e administração do aparelho estatal; novas exigências na protecção da independência, soberania e manutenção da paz; bem como impactos negativos que aprofundam as contradições no capitalismo e criam condições práticas para o socialismo. Além disso, o artigo também menciona a

¹ PhD, University of Economics Ho Chi Minh City – UEH. ORCID: 0000-0002-8323-6443 Email: vivietnam2945@gmail.com

ligação entre o estudo do impacto da economia do conhecimento e da inovação no Vietname, especialmente no campo da política.

Palavras-chave: Economia do Conhecimento, Política, Democratização, Capitalismo, Governo Eletrônico.

1. Introduction

In the context of globalization and the technological revolution 4.0 that is taking place strongly, the knowledge economy has emerged as an inevitable trend, reshaping the structure and development dynamics of economies around the world. The knowledge economy, with a focus on knowledge and high technology, is not only a key driver of economic growth but also has far-reaching impacts on various sectors, including politics. The shift from a labor- and resource-based economy to a knowledge-based economy requires adaptation and change in the way the state is managed and run, as well as in power relations and democratization. The knowledge economy is built on four main pillars: a highly qualified workforce, an innovative system and effective application of technology, a modern information infrastructure, and a system of social institutions and advanced economic institutions. These factors not only create competitive power for countries but also affect how politics works. For example, the development of information and communication technology (ICT) has facilitated the rapid and widespread transmission of political information, thereby promoting democratization by increasing people's participation in political decisions. However, the knowledge economy also brings challenges and negative impacts on politics. The increase in the knowledge gap between developed and developing countries can deepen existing inequalities, thereby igniting contradictions in modern capitalism. Transnational corporations and international organizations are increasingly influential, setting new limits on the autonomy of countries in policymaking. This affects not only independence and sovereignty, but also the ability to maintain peace and political stability. In Vietnam, the transition to a knowledge economy is taking place in parallel with political innovation. The 12th Congress of the Party emphasized the development of the knowledge economy as a key factor in the process of industrialization and modernization, towards a socialist-oriented market economy. This requires a change in the way the state is managed, the construction of e-government, and the promotion of

citizen participation in the political process. E-government not only improves the efficiency of administrative management but also facilitates transparency and accountability in the use of public resources, thereby reducing corruption and increasing people's trust in the government. In addition, the knowledge economy also creates a realistic premise for socialism by improving productivity and labor quality, and at the same time promoting the all-round development of human beings. The change in social structure with the increase of the knowledge worker class also opens up new opportunities for building a more just and progressive society. However, in order to make the most of the benefits brought by the knowledge economy, and at the same time overcome potential challenges, Vietnam needs to continue to promote policies to develop knowledge, improve the quality of education and training, invest in research and development, as well as building a modern legal and institutional system, supporting the sustainable development of the knowledge economy. At the same time, democratization should also be promoted in tandem with economic development, ensuring that state power truly serves the interests of the whole society, not just a small group. Thus, research on the knowledge economy and its impact on politics not only helps us better understand the trend of modern economic development but also opens up new directions for building and perfecting the political system and state management in accordance with the new era. In particular, in Vietnam, the close combination of knowledge economy development and political innovation will create great opportunities for the country's sustainable development and prosperity in the future.

2. Literature review

The knowledge economy has become an inevitable development trend in the context of globalization and the 4.0 technological revolution, reshaping the structure and dynamics of the modern world economy. The knowledge economy, with a focus on knowledge and high technology, is not only a key driver of economic growth but also has far-reaching impacts on social sectors, including politics.

Research on the knowledge economy is usually based on four main pillars: a highly qualified workforce, an effective system of innovation and application of technology, a modern information infrastructure, and an advanced system of social and economic institutions. These factors not only create competitive power for countries but also significantly affect how politics

works. According to researchers such as Drucker (1993) and Nonaka & Takeuchi (1995), knowledge and high technology are the main drivers of the development of the knowledge economy, creating added value and improving the quality of life.

The impact of the knowledge economy on politics is expressed in many aspects. One of the most important influences is the promotion of democratization. The development of information and communication technology (ICT) has facilitated the rapid and widespread transmission of political information, thereby increasing people's participation in political decisions. This has been demonstrated by researchers such as Dahl (1989) and Putnam (2000) that ICTs help improve transparency and accountability of governments, while minimizing the monopoly of information from traditional channels.

In addition, the knowledge economy also changes the management and administration mode of the state apparatus. The application of e-government not only improves the efficiency of administrative management but also creates a transparent environment and reduces corruption. Studies by the United Nations (2008) and OECD (2010) have shown that e-government contributes to strengthening people's trust in the government, while improving the quality of public services. However, the knowledge economy also brings challenges and negative impacts on politics. The increase in the knowledge gap between developed and developing countries can deepen existing inequalities, thereby igniting contradictions in modern capitalism. Transnational corporations and international organizations are increasingly influential, setting new limits on the autonomy of countries in policymaking. This is emphasized by analysts such as Stiglitz (2002) and Piketty (2014) by showing that the concentration of knowledge and technology in the hands of a small number of countries and large corporations can lead to social and political polarization.

In Vietnam, the transition to a knowledge economy is taking place in parallel with political innovation. The 12th Congress of the Party emphasized the development of the knowledge economy as a key factor in the process of industrialization and modernization, towards a socialist-oriented market economy. This requires a change in the way the state is managed, the construction of e-government, and the promotion of citizen participation in the political process. Studies by Dang Huu (2004) and other Vietnamese scientists have shown that the development of the knowledge economy not only improves productivity and labor quality, but also creates a premise for the comprehensive development of people and society. Research on the knowledge

economy and its impact on politics has been opening up many new directions for building and perfecting the political system and state management in accordance with the new era. In particular, in Vietnam, the close combination of knowledge economy development and political innovation will create great opportunities for the country's sustainable development and prosperity in the future.

3. Research methods

Dialectical and historical materialist research methods are an important foundation in the analysis of social phenomena, especially the relationship between the knowledge economy and politics. Dialectical materialism, based on the philosophy of Marxism-Leninism, emphasizes that economic material determines the political and social superstructure. Thereby, the development of knowledge and high-tech production forces not only promotes economic growth but also has a profound impact on the political system, the way the state is managed and administered. The historical methodology complements the examination of events and developments in specific time contexts, helping to better understand how the knowledge economy has been changing power structures and relationships between social groups. The analysis of internal contradictions and the continuous transformation of economic and political factors according to the dialectical law allows the researcher to predict future trends and propose appropriate solutions. Combining both methods, the study not only captures the status quo, but also understands the historical and dialectical dynamics behind the change in the knowledge economy and its impact on politics.

4. Research results

4.1. The impact of the intellectual economy on politics

First, *the Knowledge Economy promotes the democratization process*

Thanks to the development of information and communication technology, information about election activities, activities of the National Assembly, the Government, authorities at all levels, etc. are conveyed to the people quickly and effectively. People have the conditions to participate widely and effectively in political life, thereby promoting democratic development in society, democratic institutions are formed, referendums are held, thereby increasing the ability of

people to participate in policy decisions. The degree of personal liberalization is increased, the nature of the relationship between the leader and the person being led changes.

The knowledge economy provides an opportunity for democratization to reach a higher and higher level in fact, which is of great political significance, whereby people's opinions are more respected, working in a more humane environment and creativity is promoted. Communication is expanded and diversified in the knowledge economy, reducing people's dependence on traditional information channels, limiting one-way information. A large number of the population is capable of participating in politics. Increase the publicity of organizations operating political institutions. Expand the ability to coordinate actions between people and NGOs and government organizations. The people's speech is often known by many people, the government knows, this promotes the process of qualitative democratization.

Secondly, the knowledge economy changes the mode of organization, management and administration of state ministries

The knowledge economy is an opportunity to form an e-government; Accordingly, overcoming the mode of administrative and bureaucratic state management, simplifying the process of handling public administration. Helping people and businesses connect to government information and services online; providing closed public electronic services. Increase efficiency, transparency and accountability in the use of public resources, prevent fraud and corruption. According to the 2016 Global Information Technology Report conducted and published recently by the World Economic Forum (WEF), in the list of 139 economies surveyed on the development of information and communication technology (ICT), Singapore is the top 10 countries with the highest ICT. This is followed by Finland, Sweden, Norway, the United States, the Netherlands, Switzerland, the United Kingdom, Luxembourg and Japan.

In Singapore, ICT is the core to realize the Smart Nation goal, which focuses on 3 priorities: technology that supports society; mobile and smart transportation; secure data environment. The government also commits to invest about 1% of GDP annually in research and development. ICT has now become a part of life in Singapore. With three-quarters of households having at least one computer, more than one in two has a broadband connection to surf the Internet. The ICT industry contributes up to 6.5% of the country's GDP. More than 172,000 people working in the ICT sector are ready to support all information, communication, and telecommunications needs of the economy

and society. Singapore was one of the first countries in the world to implement e-government (in 1998).

Third, the knowledge economy changes the requirement to protect national independence and sovereignty and the ability to maintain peace.

Under the influence of the knowledge economy, the role of transnational corporations and international organizations is increasing, and global communication networks as well as other global issues have emerged. The process of globalization imposes new limits on the governments of countries in policy-making that are subject to national sovereignty. (Some Asian countries had to accept the IMF's conditions to get out of the 1997 financial crisis.) The knowledge economy opens up opportunities for development and at the same time makes countries and nations have fewer choices on the path of development. The information revolution, international trade, the development of the productive forces and the process of globalization make the peoples who want to develop open the door to exchange with other peoples to follow the market economy and international integration.

The commitment not to use nuclear weapons, the international imperative to help refugees, the non-recognition of racism on a global scale, and the intensification of dialogue instead of confrontation in international disputes... allowing the formation and widespread acceptance of many norms as the basis for peace and territorial integrity. Thanks to the new mass media (social networks) and other global media sources, the ability to "see the whole world" has increased, contributing to the reduction of extreme nationalism, the elimination of nuclear war, and the strengthening of peace.

Fourth, the knowledge economy increases the gap between countries, further deepening the inherent contradictions of modern capitalism

Developing countries have difficulty in accessing the pillars of the knowledge economy, especially science and technology. On the contrary, in developed countries, first of all, G7 countries, the ability and conditions for knowledge transfer, the ability of knowledge recipients and research are carried out through very specialized networks. The gap between science and technology will create different gaps that increase inequality in the world. The chasm is defined as the separation of access to information and communication technologies, as well as the use of the internet for other activities, theoretically, thanks to the globality of the knowledge economy, developing countries can

shorten the gap, even catching up with developed countries. However, in reality, the gap between the knowledge economy between developed and developing countries is huge because high-quality human resources and advanced technology are still in the hands of developed countries and it is very difficult to transfer them to other countries.

With that approach, the knowledge economy is deepening the contradictions in the globalized economy, promoting the social and political crisis in the heart of capitalism.

In a humanistic world, knowledge and information must be shared with everyone, used for the wealth, happiness and development of humanity. But the development of the knowledge economy in the conditions of the capitalist market economy continues to increase the gap between rich and poor between countries and classes of the population, due to inequality in access to and development of the knowledge economy. In the process of developing the knowledge economy, developed countries play the leading role, manipulate and profit the most. The knowledge economy deepens the contradictions of capitalism in new forms, namely: the contradiction between labor and capital; between national independence and national sovereignty and the economic and cultural aggression of capitalist economic groups; between globalization and anti-globalization... The problem with today's knowledge economy is that it seems to be pushing the gap between rich and poor and social segregation. A small collective with a lot of knowledge will hold a large portion of resources and capital, forcing the rest to have less knowledge depending on them. The development of Google, Amazon, Ebay... are typical examples mentioned over the years that demonstrate the use of knowledge to take over the world. These firms use very little capital and a lot of knowledge to begin with, to create a huge amount of capital and global networks.

Fifth, the knowledge economy creates a realistic premise for socialism

The knowledge economy makes an increasingly important contribution to improving the productivity and quality of social labor efficiency, creating the ability to practically meet the increasing needs of society. The transformations of the productive forces brought about by the knowledge economy have increasingly created material fears, realistic premises, for socialism.

The knowledge economy forces workers to improve their qualifications and creative capacity. Due to the need to use knowledge and high technology to gradually replace muscular and heavy labor, dependent on machines, the working time is shortened, the time to supplement knowledge and enjoy culture of workers increases. Workers are now only indirect agents of the

production process, control the production processes and mainly creative research, whereby the knowledge economy facilitates the realization of the socialist goal of comprehensive human development.

The knowledge economy creates a profound transformation in the social structure, strongly affecting all social classes and political forces. A large part of the workers are knowledge workers, "white-collar" workers or "intellectual workers" are increasing rapidly. Currently, in developed countries in many modern manufacturing industries such as software production and high-tech services, it is difficult to distinguish workers from scientists. The increasing quality of the working class allows it to grasp and creatively apply the objective law of social development to realize its historical mission of building a society more progressive than capitalist society.

4.2. Some connections from the study of the knowledge economy affecting politics with the renovation in our country today

Developed countries go to a knowledge economy is a natural process, in accordance with the law. Countries that are in the process of industrialization cannot immediately switch to a knowledge economy with full structure, characteristics and ways of operation, but have the opportunity to grasp and absorb new knowledge, step by step develop the knowledge economy to accelerate shorten the development process. But the development of the knowledge economy is also a huge challenge, first of all, the knowledge gap, the 12th Congress of the Party stated: "Industrialization and modernization in the coming period is to continue to promote the implementation of the industrialization and modernization model in the conditions of socialist-oriented market economy development and international integration associated with development knowledge economy, taking science, technology, knowledge and high-quality human resources as the main driving force". Studying the impact of the knowledge economy on politics can draw practical connections with the renovation in our country today as follows:

- To develop the knowledge economy in association with the socialist orientation

The historical lesson of the socialist model in the Soviet Union and Eastern European countries has shown that the economic basis of the mechanical industry is not the economic basis of socialism. The current crisis of capitalism's political and economic institutions shows that the knowledge economy is not the economic basis of capitalism but of a society that replaces it. From

these observations, it can be realized that the development of the knowledge economy is an unprecedented opportunity for socialist-oriented development, with the connotation of sustainable development. In the era of knowledge economy, perseverance in the socialist orientation has a scientific and practical basis. However, this persistence in Vietnam faces many difficulties in practice, that is, in the socio-economic development model, social and environmental problems are increasing, the consequences of bureaucracy and corruption in management have shown that the outdated industrialization model based on resource exploitation and cheap labor is in danger deviating from socialism and the current era. Therefore, switching to a market economy model based on the knowledge economy is both an urgent requirement of the socialist orientation and suitable for the current economic era.

- *Developing the knowledge economy in association with the democratization process:* The democratization process can only be started and carried out effectively under certain conditions. These are economic reforms that meet the most pressing requirements, the development of information and communication technology, the formation of non-traditional information channels brought about by the knowledge economy are prerequisites for a fruitful democratization process.

For our country today, the most important issue for the democratic process is to build and implement the right of ownership of the working people in practice. In order to achieve this, it is necessary to build a socialist state under the rule of law. That State ensures on a legal basis and in fact all power belongs to the people, the people authorize without losing their rights, preventing and resisting all deterioration of the people's power, namely: *To implement and expand civil society*, which is an important mechanism by which citizens can make elected officials more aware of their ideas, needs and views on the general problems of society and their individual problems. To further expand the participation of the people in the policy process, in order to do so, the government must attach more importance to the interests of relevant people when making policy decisions through mobilizing these subjects to participate in the policy process. *To expand opportunities for people to participate in government supervision*, accordingly, it is necessary to promulgate a law to ensure that people can monitor, supervise, learn and evaluate more closely the decisions and behaviors of government officials. Access to information creates conditions for citizens to question, criticize and obstruct the wrong actions of the government with which they disagree.

- *Developing the knowledge economy in association with building e-government*

In order to successfully implement e-government in our country today, it is necessary to synchronously implement the following solutions: Raising awareness of e-government, first of all, raising the awareness of leaders at all levels from the central to local levels. Once the central leaders are fully aware of the role and effect of e-government and have specific guiding opinions on this issue, it will be more convenient to develop programs and plans for the development of e-government. Next, to raise the awareness of civil servants, this is the department that directly implements application programs for administrative management activities. Finally, to raise the awareness of people, businesses and organizations, by propagating and disseminating to help them understand what e-government is and the utilities that e-government brings, then the level of awareness of people, businesses, etc The organization will be improved, they will be more self-conscious in learning as well as improving their computer skills, then the construction of e-Government will be more convenient. *Forming a legal framework on the application of information technology in state administrative management*, building e-government as a national program, using national resources, in order to succeed, it is necessary to have the participation of government agencies, so there must be a common legal framework to orient government agencies to build and synchronously. *To associate the construction of e-government with the reform of administrative procedures*, whereby it is necessary to build a national database center, which is tasked with reviewing and proposing the elimination of inappropriate administrative procedures. Develop application software programs so that people, businesses and organizations can easily weigh and carry out procedures, ensuring speed and efficiency. At that time, the goal of building an e-government associated with administrative procedures will be implemented effectively.

5. Conclusion

Knowledge contributes to the process of creating material values in any economy, since people know how to make a product, the difference is that it occupies a different proportion. The knowledge economy only begins with us being aware of the role and value of knowledge, thereby increasing this contribution and creating a greater value on a fixed labor and capital base. The knowledge economy with its characteristics has created a remarkable development of the social productive forces: the information network has become the most important infrastructure of the economy; wealth is based more on knowledge than on natural resources and muscular labor;

creativity becomes the direct driving force of the economy... The knowledge economy impacts all aspects of social life, including political activities: the knowledge economy promotes the democratization process; change the mode of organization of management and administration of the state apparatus; changing the requirements for protecting national independence and sovereignty and the ability to maintain peace; deepening the inherent contradictions of modern capitalism and creating a realistic premise for socialism... The development of the knowledge economy has certain impacts on the renovation in general and political renewal in particular in our country, with opportunities and challenges intertwined.

References

- V.I. Lenin. Full episode. Progress Publishing House, Moscow, 1977.
- Communist Party of Vietnam. Document of the 12th National Congress. Office of the Party Central Committee, Hanoi, 2016.
- Communist Party of Vietnam. Learn some terms in the document of the 12th National Congress. National Political Publishing House - The Truth, Hanoi, 2016.
- Dang Huu. Knowledge Economy - Opportunities and challenges for Vietnam's development. National Political Publishing House, Hanoi, 2004.
- Nonaka, Ikujiro & Takeuchi, Hirotaka. The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation. Oxford University Press, 1995.
- Dahl, Robert A. Polyarchy: Participation and Opposition. Yale University Press, 1971.
- Putnam, Robert D. Making Democracy Work: Civic Traditions in Modern Italy. Princeton University Press, 1993.
- Stiglitz, Joseph E. Globalization and its Discontents. W.W. Norton & Company, 2002.
- Piketty, Thomas. Capital in the Twenty-First Century. Harvard University Press, 2014.
- Organisation for Economic Co-operation and Development (OECD). OECD E-Government Studies. Reports, years.
- World Bank. Knowledge Economy Index (KEI) Reports. Reports, years.
- United Nations. E-Government Survey. Reports, years.
- Ministry of Information and Communications of Vietnam. Report on the Development of Information and Communication Technology in Vietnam. Years.