KNOWLEDGE AND INFORMATION AS A BASIS OF SOCIETY'S ECONOMICAL DEVELOPMENT

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Abstract:
Information and communication technologies are not only provide a quick, cheap and differentiated production, distribution of old and new types of information, provide record, coding, packaging and mass marketing of information, but also make it available on the transactional low-cost market. Enormous opportunities for innovation and profit from the growing pressure of competition at all levels of society leads to the information and communication become the subjects of commercial transactions in greater degree than any other product.

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Modern stage of world community's historical evolution is characterized by acceleration of scientific-technical progress. The representation of knowledge makes an increasing influence on economical growth's dynamics. Hi-tech economical sector associated with the production and transfer of information, growths rapidly.

However, the problem of economic growth solving, ensuring the modernization of the economy and achieving the country's, region's and personal competitiveness, requires a rethinking of the national education system to adapt to the challenges of the new economy, which formed the preservation and enhancement of the competitive advantages of Ukraine - a high intellectual potential of the nation.

It is taken to associate a strong economic growth with increased specialization, a high degree of integration of markets.

In the last decade the national economy lost its past affiliation clarity. Products now can be produced anywhere in the world, intellectual and financial capital may come from any source of localized, and a final product in any market.

In economic life of most developed countries there was a new phenomenon, which caused significant qualitative and quantitative impact in the whole economic life of these countries.

First, the sprouts of anything new were decelerated by high prices on the relevant technological solutions. The development of high technologies, standardization of business processes, products, data formats, a new digital space, which is part of the Internet, led to a sharp decline in the value of new economical tools. Now access to the use of these tools is open not only to large companies but also for medium and small businesses. Barriers to effective competition from these instruments are falling, markets became liberal, and the number of users is growing rapidly. As a result, there is a greater mobility of capital, as well as through new technologies. These factors define the modern economy. Many experts even believe that by reducing the cost of changing the cycle of economic development brings a stable non – inflationary increase.

However, despite these fundamental changes, business is business and in this new environment, the classical problem of effective allocation of scarce productive resources for the maximum profits is still the main business goal.
It should be noted that the sector of information technology serves the driving force of the deep dynamic changes taking place in the modern economy.

Depletion of resources recovery (compensation) of economic growth posed a problem for Ukrainian economic choice. Solving this problem is complicated by the fact that investment is growing slowly (especially in new equipment and knowledge), and limitations of the proposals strengthen restrictions on the demand side (little demand for investment risk).

It is a situation which is characterized by the constant postponements of industry's restructuring and delays in developing clear and consistent economic policies to stimulate innovation growth. All this requires accelerating the transition to the innovative way of development.

In conditions of globalization, new industrial countries' experience of national economic growth's achievement is largely determined by the transition to the new dominant factor of production. For Ukrainian economy, dependent on exports of products, not related to manufacturing industry or high – tech sector and raw materials, there is a clear need for a new dominant factor of production.

An analysis of economic development of almost 100 countries in the period of 1970-1990 made by D. Sachs and A. Warner in 1995 showed that the larger share of the natural resource sector in gross domestic product, the lower rate of economic growth. Obtaining a significant advantage in the short term, resource-rich country looses the sources that ensure long-term prosperity, [3].

Dominant factor provides competitive advantages of the country, region-based production and low – cost services. Production of high-tech products requires large investments and changes the mentality of the workforce. Ukraine still has the competitive educational system that will allow with an appropriate economic policies and investments to produce knowledge as dominant factor in modern economy.

As part of the modern economy and theoretical paradigm, knowledge is stock, and information is a stream. An individual ability of economic subject to handle and interpret the information is limited as by the amount of information, and by a temporary factor, which defines terms of information's urgency. Information exists in a social form in the economic area, but to apply it, it has to be taken individually or by other economic agents.

The results market's function as a mechanism of coordination and selection depends on the initial conditions of information's distribution and its interpretation criteria by economic individuals participating in the exchange. The use of information in economic systems is determined by various factors, such as branch structure, institutional environment, etc., but the most important factor performs cognitive abilities of individuals. Development and improvement of cognitive abilities are in the process of learning, which is mediated by social structures. Training in the economic field of life activity is adapting to the conditions changed, and this adaptation involves the transformation of individuals. Therefore, social institutions and the whole economic culture play determinative role in shaping the common understanding of the educational process and its rules.

The total amount of useful knowledge in the society can be defined as a set of individual personal useful knowledge and useful knowledge in the areas of its storage. Opening, in this case is additional set of useful knowledge society. Training and dissemination of knowledge is the formal process of transfer of knowledge from one individual or a place of storage to another. Inventive abilities, innovative activities are stimulate an economic development of society.

Evaluation of the role of knowledge in the technological development of society is based on internal stability of technological systems: knowledge and information transmitted from one generation to another through the training of young workers and educational training materials. Therefore, elements of knowledge require carriers with which they could overcome time and space.

The modern structure of useful knowledge is self-contained: a large part of knowledge is in existence of well - known fact, and how to get necessary information when there's a need of it.

It's related to a tendency of accelerating the pace of creation, accumulation and depreciation of knowledge, and agreed with the impact of scientific and technological progress.

Therefore, education on the one hand, involves the transfer of existing accumulated knowledge from generation to generation, the spread of knowledge from one individual or a place of storage to another, and on another hand - forms abilities to create new knowledge. Whatever the benefits for human beings in modern society education provides, its content is conservative, because of providing traditional ideas, theories, facts, assessments and methods of learning, the accumulated stock of knowledge.

Economic development and technological progress of society are not just copying past experience but the development and implementation of effective innovation, undertaken on the basis of new knowledge. Scientific discovery is the addition of useful knowledge. Only expanding the boundaries of useful knowledge could allow the existence and cost-effective operation of the new technology. Therefore, integration of science and higher education in the strategic plan is the most important factor in the development of not only scientific and educational areas, but the whole society.

The main feature of economic and technological development of society as the evolutionary process is a direct dependence on the emergence of new knowledge, which serves a source of innovation. In modern conditions of the emergence of new knowledge and transfer of existing one are closely associated with the development of higher education, to consider it as a dominant factor in economic development of society in terms of the new economy and learning society.

Enhancing the role of knowledge in the social reproduction at the present stage of evolution in the economically advanced countries defines a good state of economic system characterized by dominant role of information and knowledge in economic reproduction; priority knowledge as the main resource used in production. Sources of growth in the new economy are determined by the quality of intellectual resources, their volume and playback features. But the transition to a new level of analysis does not mean a complete rejection of the methods of the theory of the market, because competition in the production and use of valuable knowledge in the society to determine the direction of effective economic development of economic agents and economic systems.

Growing economies of the Western countries is explained by traditional economic factors: the growth of investment, restructuring, reduction of production costs. Companies have made tremendous progress in operating performance by such factors as the release of excessive labor specialization and cooperation of production, improving of quality and acceleration of market output and integration of new technologies. In most developed countries technological progress is accompanied by declining budget deficits, deregulation policies, primarily in financial areas, air transport, and electricity.

Assessing changes in the economy of the industrialized countries, it should be noted that most economists describe the emergence of new phenomenon that can question either traditional functioning economies or economic laws themselves. Indeed, new technologies have made possible the emergence of companies focused on a specific project and managed at a distance. But high-tech industries are on the same laws as traditional. Communication and information technology provide great savings on the scale of production, and enterprises have to grow or merge to survive.

Unlike previous industrial revolutions, the benefits of which were gotten by state or region that have natural resources, the modern industrial revolution uses knowledge and information resources that is not dependent on geographical coordinates.

An example of industrialized countries shows that the new economy is operated in the same way as the old one: technological progress, promoting economic growth must be supported by liberal economic policies.

The economy, based on information and knowledge as the dominant factors of economic development, identified as the intellectual market economy, since information can be transformed into useful knowledge by intellectual processing of individuals. Therefore, in the new economy conditions, intelligence, which implements a high level of knowledge acquisition, becomes the leading element in the quality of the workforce.

As you know, the traditional market economy is defined as the economic system, which is characterized by private ownership of means of production and individually activities of private companies that compete for profit. Therefore a prerequisite of the intellectual market economy becomes the availability of private ownership of intellectual capital. The system of intellectual property rights could allow compliance with this condition. However, in most cases, this system provides only temporary protection, and after the expiration of patents and secrets relevant information becomes public property. In this sense, you can also talk about «intellectual socialism».

Intellectual economy differs for the fact that intellectual capital begins to dominate as a tool of production and prevails in the cost of capital and investments.

The major cause of the intellectual market economy is technological change. Combination of information and communication technology plays a key role in shaping of intellectual market economy as previously a set of material and energy technologies have played a central role in the case of the traditional market economy of industrialization.

Information and communication technologies are not only provide a quick, cheap and differentiated production, distribution of old and new types of information, provide record, coding, packaging and mass marketing of information, but also make it available on the transactional low-cost market. Enormous opportunities for innovation and profit from the growing pressure of competition at all levels of society leads to the information and communication become the subjects of commercial transactions in greater degree than any other product.

Dominant role of this or that factor of production in accelerating economic development is not only the prevailing contribution of the additional production value, but in the process of realization of social economic development's innovative functions. In conditions of the accelerated pace of global economy's economic dynamics, the importance degree of economical growth's dominant factor is increasing with the transition of information as basic of the informational economy to the knowledge as a factor dominant economy. As a result, the quality of labor as a factor of production restructures towards increasing importance of intellectual abilities and a high degree of professional knowledge acquisition.

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