## Why do reforms leading to knowledge economy and society fail?

Ladislav Žák, D-TAX s.r.o.

I was asked this question by Radim Valenčík the founding father and the guarantor of the conference by a jug of good wine. It is a very good question, which is difficult to replace with a good answer and I would like to present few proposals of the answer to the already 15<sup>th</sup> conference, to its participants and, as I hope so, to the conference proceedings readers.

I am going to strictly follow three sentences. The first one is the Radim Valenčík's question itself. The second is a very well known bon mot of the former Russian Prime Minister Viktor Chernomyrdin: "We wanted the best, but it turned out as always". The third sentence is a quotation from The Communist Manifesto which talks about a future "association in which free development of an individual is a condition for free development of all..." This association should replace "the old bourgeois society with its classes and class contrasts". I am convinced that if we accept the content of these three statements, we have enough material for answering the good question from the topic of this text. Accepting these contents is, though, not that trivial.

Accepting the message of the title question means to think if any real reform really happened, if it has ever failed and if it is possible to set a knowledge economy and especially a knowledge society as an effective goal. The bon mot of Viktor Chernomyrdin leads us to a thought what are the "best intentions" of political puppets of the real elites, what is "the best" that they want and who do they want it for. We shouldn't also forget to consider the fact if the state "it turned out as always" is actually pronounced with satisfaction that everything ended as it was assigned by the elites and to the disadvantage of the majority. Third, it is a possibility to accept the formulation from the Manifesto as a potential definition of the knowledge economy. But mainly it is a possibility to think about the fact that this future arrangement is not called "society" but "association". Is it a language coincidence or is it a relatively important message that according to the authors of the Manifesto free individuals cannot form any free society but just something qualitatively different, which was already hard to specify at that time? Maybe the quality of the "association" word content is hidden in a traditional phrase "classless society" but it again raises the question if the classless society is still a society. The author would like to note that the term containing a new quality of society, and having the word association in its base, exists in this case not only in German original but also in English, Russian and French. Therefore, it is not the common "lost in translation", just like when the Czech translators of Marx and Engels insist on the mysterious "supervalue" instead of the simple "value added", the "Mehrwert".

If we analyze the contents and their messages mentioned above and accept them, not necessarily in total unity, then the core of the answer to the question from the topic starts to reveal. Reforms leading to knowledge economies and societies fail because the real social elites do not want them. The basic reason for the elites is that they simply cannot control the communities or associations of the freely developing individuals. They certainly cannot be controlled as easily as the current society, which is mostly comprised of unfree individuals and very little of those who develop optionally, moderately and in law limits. The current degree of unfreedom is caused by the fact that people collectively leave the ambition of being themselves after fulfilling their basic needs. Then, they concentrate their effort on being as somebody else or just "like others". To be yourself and to have your own opinion on the environment just means too much effort and too many problems. This brings a secondary effect - people start to believe the illusion that they can buy for money to be like somebody else. From this illusion comes the enormous, unbelievable and primarily stupid indebtedness of most of us, which makes us unfree and almost irresponsible slaves of our creditors. At this point, let's remind Alexander Hamilton and his statement that only free and not indebted people should have the right to make decisions. Just a brief look at our as well as at the European politics tells us that these people are certainly not free or indebted. They are just puppets of the real elites and a significant number of them even have the wooden facial expression.

Free development of the individual, the "to be yourself", is directly determined by the how he knows his the environment in which the individual exists and so where its development should take place, including to getting to know himself. On the other hand, even the freest ones and those who know the best their environment cannot overcome the barrier that their association needs certain institutions and social systems after exceeding a certain number of members. This is because the number of individual bonds starts to exceed the potential of the most of the participating members. Hardly anyone can handle the bonds if the number is higher than few hundreds. At the number of approximately one hundred, there is the end of our biological programming to be naturally social human being and the society of coercive institutes and institutions is setting in. These tend to go against the interests of people who were forced to create them due to the increasing complexity. Today, we can see this phenomenon clearly in the Czech political life where we are constitutionally forced to create

political parties, just to be able to elect the Parliament. Political parties than represent group interests because of the low number of their members. These interests are far from the society interests. Moreover, from the point of view of the whole-society interests, they naturally tend to be in structures which are unconstitutional and against people. It is just the constitution that keeps the political parties alive, except people's laziness to care about their issues. It is more than obvious that no political party, from the Left to the Right, will ever support the situation when "the free development of the individual is the condition for the free development of all".

The question is how should the knowledge society look like? I would like to propose a thought that today we cannot define a reasonable and mainly a functional form of society where free individuals develop without using current sociological and political science terms. These terms allow people who long for free development to return again and again to the new type of subjection to the elites. Therefore, we cannot define any rational steps leading to such new quality of society. From this arises that anyone who talks about attractive political slogans and reforms leading to the knowledge society, is an irresponsible dreamer or another Pied Piper who wants to lead people, for their money, to misery and to the new type of primarily mental slavery. We cannot formulate a form of a concrete social change at all, so, we have not yet experienced a success of a real reform. If I may introduce a thought, I suppose that the new society will be formed on the basis of new quality of unmediated communication between people, whose model we can see in modern media. Such communication between people means, however, that two big risks arise: The risk of an easy switch off and the risk of possible controlment. I would say we can already see some image of the future but it is not an enjoyable view. Hopefully, people will find other ways of communication than technical extensions of their psychosomatic identities, which can be taken away from them, switched off or reprogrammed and controlled from one remote headquarters as a remake of the Babylonian language confusion. I personally perceive the knowledge society as a space for direct communication between people and their minds, where, in esoteric terms, our bodies and minds will have a chance to meet without unnecessary shyness and feelings of self insufficiency. It might sound idealistic but definitely less absurd than today's reality, where a social census is created, based on branded clothes, electronics or automobiles.

The situation is quiet different by the term of knowledge economy and associated reforms because economy and its results are influenced by the production factors, which are based completely on knowledge, except natural resources. Similarly to the production of goods,

knowledge is a natural basis of a distribution, exchange and consumption of goods. Economy or economic process is, so, naturally knowledge-based. What covers this fact is not a lack of any reforms but awareness of the knowledge preciousness between the elites that organize the economic process. This awareness caused the founding of the institute of the so called protection of mental ownership and also it is an origin of permanent influencing of most of the economic competitions participants. It is an effort of the elites to make the participants think they don't use their own knowledge, therefore, their mutual relationship is more like modern slavery than partnership. Similarly, reform steps which have the goal to create some knowledge economy as a factory for know-how, which should be exchanged for another production of different economies, are a dangerous mistake or even an evil intention. This is because such a knowledge economy will be sooner or later dependent on less sophisticated economies because even the most knowledgeable man has to eat, to live somewhere and to buy clothes. In today's world we witness a dramatic decrease in willingness to exchange bread for ideas. These thoughts are close to naive optimism associated with restored slogans of "constantly deepening international work distribution" and proletarian internationalism in new language modification.

Problem of the knowledge economy is not in the volume of knowledge in the economic process but in its distribution and particularly in the structure of distribution flow. We see too many labyrinths, mysterious chambers, permissions, protection and mainly a clear tendency to create a group of "the chosen ones" who are the only people who can touch the real life with their knowledge. Beside them there is a group of postmodern socio-scientific clergy, which uses various media rituals to confirm others in the opinion they are too stupid to even understand what is going on because they lack academic degrees, grants and citations in impacted journals. All other people don't have the right to touch the real life, although, they de facto support them with their own knowledge used in everyday economic practice. They are dependent on a small group of elites and their academic minions followed by a neverending row of mediators who provide the transfer of sources on which all the people, the knowledge carriers, are dependent, in a given economic process. A solution is to create such economic processes and economic organizations which would connect people who apply their knowledge indirectly in a relation to the surrounding sources. We should try to define a theory of economic process between the mind and the environment as the two fundamental production factors and the sources of wealth. The result of this theory should be, in the ideal case, the undamaged environment on one side and the satisfied mind on the other. The two

essential principals should be that the mind is a part and also a co-creator of the environment; and that the degree of goods preciousness is connected to the changing state of mind and not to any objectively determined parameter. Such a thing is just impossible to achieve in a theory which uses terms as VAT, profit and market balance and it should be pointed out that the current economic theory serves exclusively the small group of elites, which would be endangered by the real knowledge economy, independent on the elites will. We can illustrate that on the front created recently against the self-employers. Similarly as the current economic theory serves the current elites, the Marxism-Leninism served the party leaders in recent past. They were scared to death of the independently economizing and thinking people. Moreover, the term satisfaction is like a red rag to a bull for the current economists because most of the artificial processes in the "econosphere", created by them, is totally useless and made to satisfy an artificially created dissatisfaction, envy and mainly pride of individuals as well as of whole social groups. The economic process is no more made for satisfying the needs but they prefer, based on the elites decisions, satisfying the wishes and their derivates. It is because their quality as well as quantity is easy to manipulate through the lack of personal and social integrity, unlike the basic needs. At the same time, they make a higher profit. Moreover, a big number of economic systems are not already able to fulfil basic needs of the population and they specialize in fulfilling wishes. The thing is that the production factors are allocated exactly to those regions which guarantee the highest profit and systematic and scientifically proved resignation occurs to satisfy the low-profit basic needs. Such as the term of damaged nature is unknown to most of the economists, however it is the only source for primary production and it is the basis of the pyramidal arrangement of secondary, tertiary and other types of production. The reason is the economists work for the elites, which live far from the places where the nature is damaged in the name of their profits. The voice of the independent economists is then kept in secret in front of the public or it is presented, by the media minions of the elites, in entertaining shows as some kind of folklore. The existence of human mind should be, in the spirit of Descartes' "cogito ergo sum", taken as the basis of the human dignity and equality, not just as the basis of the human existence. This is hard to realize in the societies whose hierarchy is built on totally unnatural attributes, such as mobile telephone functions or shape of stripes on sneakers.

In this text I will not deal with typical Czech reasons of any reform failure, when the reform is understood as an attempt at a social change which is financed from the public sources. But in fact, these are stolen or, as politics say, deflected and the process repeats itself until the

motive for the reform disappears. Then, a new reform is created. I would like to remind the never-ending evergreens of state-controlled leaving examinations, reforms of universities and the Czech academy of sciences as well as the typical Czech and mainly expensive myth that it is necessary to create, from the top and for the public money, an unspecified cooperation between science and practice. Similarly, the public sources which are intended for the so called reforms under the flag of the knowledge society and economy are relatively regularly fruitlessly stolen, without being only partly used for example for a meeting such as this honourable convention. It should be noted that in other departments, such as defence or transport, the stealing is much bigger than in the case of science and education but it is just a matter of volume of money. Modus operandi of these daylight robberies, with the participation of academics who give the expert blessing to the robberies, is the same everywhere. Bizarre is when academics steal from themselves with their reviews. They do it with pleasure because there is no bigger enemy in Czech lands than a brother in community, a partner in academy or a competitor in grants or citations. We, as people behind the academic fence - full of holes, are amused by what we can see through these holes. If only we didn't have to finance these silly battles between the Czech scientists from the last and the last but one places of various ratings. The consequence for even the less bright of us is that academics are the last that would long for the knowledge society because they would lose the monopoly on telling the truth, which today substitutes, to the common people, the medieval church and its blessings to everything what is for money. However, even this reform is good enough for academics as a source of income for the reviews, expert's reports, grants and few citations.

A little note is remaining to the Mr. Chernomyrdin's quotation. It is a bon mot of a typical fat cat. Except some seeming resignation, it has a spirit of some pride – that everything is almost perfect as it can possibly be for those from the bottom. Literally, everything is almost perfect, so what do you people want? The problem also is that today the threat is not yet lethal, therefore, only those reforms are considered in the society that are comfortable and painless. But in the case of the reforms from the top only those that wouldn't affect the positions of elites. A reform leading to the knowledge society or maybe association would be a very painful reform from the bottom and being like that it can only be realized face to face to the threat of the even more painful change. More than a reform, it would be a revolution. Free development of everyone means also a free will of everyone and that is linked to a top responsibility of each one of us for ourselves as well as for others in our surroundings. Just like the basic human right for living is the essential human duty to protect the lives of others.

Then, even the free development of the individual is connected to his responsibility for the free development of others. The will to change and to become responsible for yourself has to spread person to person. It is not possible to plan it or order it from the top. Hopefully, people will decide for such a beautiful but troublesome and demanding journey of cognition before they will definitely fall into the sweet dream of ignorance and irresponsibility and therefore de facto into the slavery of those, who don't dream and maybe don't even sleep, similarly to the former class enemy.

I would like to end my contribution with a proposition that "the knowledge society" is, similarly to "the middle class", a term from a dictionary of the political marketing, which was created by another intermediators of reality. Whereas people can only touch the name or pseudo-expert term behind which stands the pseudoscientific authority; and they cannot touch the reality which probably exists beyond. To have a real knowledge means primarily to have a direct contact with the reality and not just its appellation. In these terms, the new quality of society should be based on the fact that it will meet the reality and that more "common people" will have the responsibility for this meeting and for the reality itself. The new quality of society will be established when the elites will no more be successful in reigning and robbing most of the people via their own persuasion that they are robbed and controlled for their own good. I doesn't matter how we call the society, it doesn't even matter if it would be the society as we know it today. We can simplify the quotation from the Manifesto and form an opinion that future should belong to people who have the ambition to be themselves. Important is that they would form a majority because today's elites, whoever they are, consist of people who are themselves but pay a very good attention to keep the number of such people as low as possible. The elites can securely deflect information and knowledge, which would distract people's attention from the feeling of luck based on branded clothing, class of car, number of hotel stars or the name of a private school, where their children are formed into obedient tools or, in better case, into footmen of the elites.

To sum up my contribution we can say that for the elites as well as for the masses the knowledge society is connected to loosing the comfort. For ones it is a comfortable government, for others comfortable irresponsibility. The number of those who want the change is yet tiny. Yet...