

The knowledge-based economy came into being when computers enhancing ability of intellectual labor, and replacing manual labor and other machines, were widely used in the mid 20th century. Higher labor productivity introduced by the use of computers made the production cost fall quickly. Transistors, semiconductors and microchips made computers stronger, smaller and faster. In the near future, biotechnology will be introduced to the production of computers. The intellectual labor has really pro-

pert with a computer can replace hundreds of laborers who do calculations by hand. Unemployment, the second defect in the capitalism discovered by J.M. Keynes, has touched the army of intellectuals and become a threat used by the capitalist class for increasing the surplus value. Multinationals can now recruit low-paid laborers from developing countries and avoid the government inspection and taxes by moving their head offices to foreign countries.

Secondly, the knowledge-based provides developing countries with

the socialism-oriented market economy in order to help with "the shaping of the socialism-oriented market economy" as suggested by the draft of political report to be presented at the coming 9th national congress of the VCP. The socialism-oriented market economy, after coming into being in Vietnam, has gained achievements praised by foreign economists as "spectacular". One of these achievements was the success in stopping the hyperinflation within three months in 1989 by applying the Marxist theory about

KNOWLEDGE-BASED ECONOMY AND THE SOCIALIST ORIENTATION

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gressed in leaps and bounds.

At present, many sales promotion techniques are used to encourage consumption in the price competition with rivals. The knowledge-based economy has led to great developments which we should study objectively:

Firstly, the knowledge-based economy increases the surplus value and widens the gap between rich and poor. In economics, two economic schools appear: one tends to teach the capitalist class how to make money regardless of people's interests, another; more progressive, pays attention to economy for all social classes, such as Amartya Sen who won the Nobel Prize in Economic Science in 1998 for his studies of poverty, inequality and social choice. Of political leaders, some are interested only in benefits for the capitalist class and powerful nations and they have adopted policies to help multinationals exploit developing countries and the poor became helpless prey to these policies.

Increasingly wide difference in income leads to greater social inequality. After a period in which the capitalism was praised, the slogan "Down with the capitalism" could be heard again.

Another new development is the fact that productive forces have made good progress with important advances of technology and sciences, and relations of production became too confined for these forces. An ex-

changes to catch up with developed ones within a shorter time because "raw materials" needed for producing knowledge are brain of students and graduates; and the brain is the same in both developed and developing countries. The first industrial revolution led to great gap between developed and developing countries and bridging this gap requires enormous sums of money which are beyond the reach of developing countries. But the revolution in the information technology, the core of the knowledge-based economy, only requires computers and human brain. To produce capital goods we need huge capital and engineering industry; but to develop the information technology we need well-trained human resources which could be obtained by investing more in the education service. However, this task is easier said than done.

Universities play an important role in getting access to sources of knowledge depending on the army of intellectual they trained. Quality of their training courses becomes a matter of great urgency. I think that Vietnam's universities must carry out a revolution with a view to overcoming students' poor knowledge of practical problems and application of technology.

As for universities of economics, their tasks are more difficult because they should not only catch up with foreign counterparts in training quality but also work out a theory about

money circulation.

Thirdly, the knowledge-based economy can be of service to the socialist orientation.

The reason is that the knowledge-based economy makes productive forces develop faster than the industrial economy does. Thus, the capitalist relations of production will become too confined and they must break down if no adjustment is made. Advances of technology, instead of being used for improving the public living standards, have been monopolized by capitalists, and as a result, the gap between rich and poor is widening. More and more economists think that the capitalism is unacceptable. The information technology will certainly help analyze defects in the capitalism and calculate the damage caused by the capitalism for humankind. That is how the knowledge-based economy can be of service to the socialist orientation.

The second work we must do is to find out rules of logic for the socialist orientation and economic instruments for reducing unemployment rate, the most unreasonable inequality found in the capitalism, and thus helping the unemployed take part in production of goods and services.

The knowledge-based economy could be seen as a basis for developing the Marxism-Leninism and beefing up the political economics. ■