

Evaluate the Use Made of the Concept of the Knowledge Economy by China Local Governmentt (Shanghai for Specific Studies)

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Abstract: This essay explains and demonstrates how China copes with the arrival of knowledge economy, especially when being in a more difficult position with immature market economy.

Introduction

China, while meeting the arrival of the knowledge economy, compared with the developed country, faces greater difficulty. The western developed countries are the structural adjustment on the basis of perfect and ripe market economy, to realize that changes from developed industrial economy to the knowledge economy. And it is immature that China is in industrialization at present, condition is in a difficult position with immature market economy.

The Basic Essentiality of Knowledge Economy

Main characteristics of a knowledge economy

The human society has already gone through agricultural economy and industrial economy (Or is called resource economy). Some areas of the world have already adopted to some extent the embryonic form of the knowledge economy. The knowledge economy is totally different from agricultural economy and industrial economy that people are familiar with. It is supported by new and high technology, while new high-tech industry is emerging as the social economic pillar, and intelligence resources stand as the first key element in resource distribution, rather than depending on limited natural resources such as the land, petroleum, etc. The characteristics that the knowledge economy is different from agricultural economy and industrial economy are shown in multiple dimensions (Tao, 1998).

A economic sustainable development

The knowledge economy is the economy of development in the abundant and more educated society, is the economy of sustainable development of promoting people and natural coordination. Development view of sustainable development, it has promoted the germinating and development of the new and high technology.

Assets are put into intangibility

The knowledge economy is the economy of relying mainly on the fact that the intangible assets are put into, there is no input in such intelligence as a large amount of information, knowledge, technology, etc., can't form the high-tech industry, the knowledge economy that have not mattered, the natural knowledge economy needs input of fund too, the input of even the risk funds, but it has not already been an economic leading factor.

Economic integration of the world

The knowledge economy relies on the input of the intangible assets to realize the prerequisite of

sustainable development is to depend on the economic integration of the world, high-tech industries are different compared with such industries as the steel, machinery and textile in the past, etc., the industry field is very wide, any countries can all fully utilize one's own intelligence resources to do some things, leave some things undone, take one seat in the large market of the world, become an indispensable part of economic integration of the world.

New market ideas

More obvious at present there are several points: First, 'cyber-economy' has already become the new characteristics of the market, electronic trade will form a revolution of traditional market economy; Second, macro adjustments and controls seem more essential; Third, the growing trans-corporation has already begun to form the competition different from traditional market economy, not only work in coordination but also compete each other between them.

New social organizational forms

It is main to be in form of expression in establishing scientific and technological industrial park, it is called high and new technology industrial development zone in China.

The Chinese Government and Knowledge Economy

Question existing in the knowledge economic development process of Chinese Government

The deficiency in the economic development of knowledge of Chinese Government at present is two respects of a question in fact. In recent years, there is development of a certain degree in the knowledge economy of China, Chinese Government has made certain achievements in bringing about an advance in knowledge economy, but based on the demand for development of knowledge economy, we have very great disparity, which are also demonstrated in multiple angels (Liu, 2003).

The input to educational science and technology in the knowledge economy is relatively insufficient

Meanwhile, education, reform of the scientific and technological system also lags behind relatively, is unfavorable to the development of the knowledge economy in our country. According to the situation of educating, 'Knowledge is now the basis for wealth creation, economics are beginning to see increasing income disparity in favor of those individuals who are well-educated and thus capable of contribution to these high-skill areas (Neef, 1998)'

Input to the education of science and technology of our government is all insufficient seriously, this has caused the series of social concern such as science and technology of our country to be undermanned directly, scientific research short of money, scientific research level high, basic education weak, thus restricted the development of the knowledge economy of our country.

It is not enough to know to the strategic position of the private traders scientific and technological industry, policy support is not enough

Neef (1998) said that enterprise growth today depends on innovation, and innovation depends on knowledge. Practice of knowledge economic development of countries all over the world is proved; the private high-tech enterprise is the most active and also the most promising enterprises organizational form of Hi-Tech industry. It is the basic orientation of developing the brain industry to develop the private Hi-Tech industry. The big enterprise develops the new high-tech industry although there are its incomparable talent, equipment and resource advantage, but its development has already finalized the design, it is very difficult to meet the characteristic that the new high-tech industry operate flexible, fast rhythm with high efficiency, and its operation way of both its organizational form and small-scale private high-tech enterprise has just adapted to this characteristic. But it is not enough for our government to know to the small-scale private strategic position and function in the knowledge economy of high-tech enterprise at present, policy support is not enough, the technical support system that the government coordinate the mechanism and community service is not perfect enough, so that seldom small-scale private high-tech enterprises

enter knowledge economy trades of people, have restricted the development of the knowledge economy of our country (John, 2003).

Shanghai as a Specific Sample for the Studies

The major problems existing in the development of high-tech industries in Shanghai

One of the main reasons that Shanghai's high-tech investment is still largely driven by government is resulting from: lack of investment in the high-tech industry, weak performance on pilot trial and poor innovative capabilities. The investment diversification system has not yet been formed, and the proportion of research and development funds in the total output value of Shanghai high-tech enterprises is too low. Foreign research shows that to achieve the further development of enterprises, the information flow is not free, the risk of new technology development is too high, and the market development of technical products is not paid enough attention to in the knowledge economy society, who has information, who is in a dominant position in the production competition, especially for the high-tech industry. Countries around the world have come to regard information as a resource as important as materials, energy and finance, if not more so. Therefore, to collect market information and technology trends as the main enterprises in the overseas representative office, various economic and trade talks, exhibitions, international business cooperation seminars and entrepreneurs with various levels of government visits, has become an important means for the business community, especially the western business community to explore overseas markets. In this respect, compared with foreign countries, the work done in Shanghai is still obviously insufficient, so it is worth the attention and reference of the business community in Shanghai.

The major existing problems along the development of high and new technology industry in Shanghai

The investment of high and new technology in Shanghai is still dominated by the government, and the investment diversification system has not yet been formed. As a result, the proportion of research and development funds budgeted by high and new technology enterprises only accounts for a very small proportion. Given the current situation, Shanghai enterprises have serious problems of insufficient demand for technological innovation.

On the one hand, it is mainly due to the system restraints as well as sitting in a market environment where there is inadequate competition, which consequently resulting in less empowerment inside the organization for technology development, less urgency for the convey of message; on the other hand, the external supports available for the development of high-tech industry in Shanghai is also far from flawless. With all these said, especially in the aspect of finance, knowledge economy also needs capital investment, especially for high-tech industry, which needs a lot of venture capital investment. At present, there are still many obstacles in the source of capital for the development of high-tech industry.

Solutions to expedite the development of high and new technology industry in Shanghai under the background of knowledge economy. Under the background of knowledge economy, there are many issues to address so as to speed up the development of high-tech industry in Shanghai. Amongst all of them, the priorities should go as: firstly, to fully empower the technological innovation needs out of the enterprises. In addition to establishing venture capital funds, we should standardize the funds operation for technological transformation of enterprises, and to increase the reform of market operation through the joint efforts of internal and external mechanisms of the enterprises. This is one of the most important issues to stimulate the internal technological innovation needs of enterprises to deal with the challenges of knowledge economy.

Secondly, we should learn from the successful experience of western developed countries to eliminate the institutional fragmentation. In addition to speeding up the establishment of cross regional economic and technological cooperation mechanism and corresponding system, Shanghai can also adopt supporting measures including financial subsidies to support the establishment of technology research and development center to jointly establish the mechanism by industry

associations and local governments, production enterprises and scientific research institutes by paying initial funds and membership fees; thirdly and meanwhile, more attention should be paid to talent training and development.

It must be emphasized that science and Technology (Intelligence) intensive areas are the important foundations for the development of high-tech industries. Scientific and technological talents are not generally educational and basic theoretical researchers of institutions of higher learning, but scientific and technological talents and management and management talents composed of universities, scientific research institutions, large industrial enterprises and technicians with research and development capabilities. Although there are many comprehensive universities and scientific research institutions in Shanghai, relatively speaking, there are still a large number of such talents lacking.

As the cultivation of talents needs a large amount of long-term investment, we should start to spend a lot of effort on the cultivation of talents from now on, so that when Shanghai enters the knowledge-based economy society, it will have more abundant human resources and knowledge elements accumulation. At the same time, we should establish a talent flow mechanism fitting into the requirements of the development of modern society, so as to ensure that enterprises and R & D institutions continue to have new 'blood' Input. With all these efforts, new innovative ideas will be emerging constantly, and we will be able to achieve the combination of information and talent advantages of universities and research institutions, innovation needs and financial resources of enterprises, and to complete joint tackling of technical projects.

Fourthly, we must create a good external environment to create external support conditions conducive to the development of high-tech industries. The high-tech industry also needs a good production environment, sound infrastructure (including transportation, sales, power supply, water supply, etc.) and convenient and comfortable living conditions.

Especially, convenient transportation and new information transmission means are particularly important for the development of high-tech industry. Because in the knowledge economy society, in a certain sense, access to information is the forerunner of new technology development. Whoever first obtains information, early information and fast action can seize the market and take the leading position. The convenient and comfortable living conditions can create a scientific and cultural atmosphere in the high-tech industrial area, so as to stimulate the innovative thinking of scientific and technological personnel and the entrepreneurial spirit. At the same time, with convenient and comfortable living conditions, it is also convenient to attract scientific and technological talents with certain expertise to settle down for a long time, so as to start a business at ease.

Shanghai's right approach to grasp the opportunity

Shanghai should leverage the all-scale opening up and enhanced economic system reform as the driving force, take the construction of pilot free trade zone as the opportunity, focus on the market and essentially improve the level of knowledge competitiveness.

In the process of overall transformation of the country's economic development mode, the industrial technology innovation center and knowledge economy driving center are in great need of an engine to transform knowledge into economic value. Decades of practice has proved that the gap between China's scientific and technological development and that of the developed countries still remains significant, but even bigger the gap is the capability to convert from scientific technology to emerging industries. Shanghai needs to cultivate a strong capability of applied technology research and development, select the key industrialization direction in a number of relatively mature technology fields, increase the intensity of industrial technology research and development, and form continuous new industrial technologies.

The sustainable development of new industries need the support of below institutions: firstly, key enterprises (including SOEs), key scientific research institutes; secondly, global, asia-pacific or Chinese R&D centers of MNCs. Such strong technology support will help Shanghai to occupy a favorable position in the knowledge-intensive industrial developments.

A metropolis at the size and geographic location should stand on top of the industrial chain, and

to secure this position, Shanghai must possess sufficient advanced production elements. Advanced production elements and professional production elements, the availability and sophistication of these two determines the quality of competitive advantages. Senior production elements mainly refer to: senior professionals, senior management talents, enterprises with entrepreneurship and innovation, research and development institutions, universities, key laboratories and engineering technology centers, headquarters of multinational companies. In terms of infrastructure, it must be equipped with convenient internal and external transportation, with modern transportation network connecting with major cities at home and abroad, powerful information infrastructure, advanced production and service system by modern enterprises and institutions, as well as elementary education, medical facilities and other advanced living facilities for residents.

Post the financial crisis, we should rethink about the hollowing-out of the real economy. In terms of future developments, Shanghai should attach great importance to the development of knowledge-intensive manufacturing industry sitting on top of the industrial chain.

The arrival of the knowledge-based economy society is not only a new challenge to the economic development of Shanghai, but also an opportunity for the evolvement of Shanghai's high-tech industry, and thereby promoting the adjustment of Shanghai's industrial structure by an accelerated pace. At present, Shanghai's industry has entered a new stage of "adjusting while developing", and its basic strategic conception is: high-tech industrialization, upgrading pillar industries, developing urban industries and using new and high technologies to convert traditional industries. Here, further accelerate the development of high-tech industry, is the core content of Shanghai's industrial structure elevation; Improving the high-tech industrialization rate is the core of promoting the development of Shanghai's high-tech industry.

Conclusions

Characteristics of China's Knowledge economy are shown as: The ones that promoted the development of knowledge economy in market-based reform acted on and strengthened; China implements the open policy, expands foreign trade, import foreign capital in a large amount, fully utilize 'The new coming advantage'. To promote the development of knowledge economy will in return save a large amount of innovative cost; Aside from domestic innovation, there is also technology introduced from foreign countries in the source of the technological progress; The regulating function of market mechanism of China does not perfect and pursue (Liu, 2002). 'The knowledge we now consider knowledge proves itself in action. What we now mean by knowledge is information effective in action, information focused on results. Results are outside the person, in society and economy, or in the advancement of knowledge itself (Neef, 1998).'

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