

# **Values based Development in the Knowledge Society**

**Start of a Discourse**

**between IAIS and the NCP**

**Prof. DI Günter Koch**

*General Secretary of  The New Club of Paris (NCP)*

# Quotations for getting started -

all taken from the Mahatir Moamad's book  
„Islam Knowledge and Other Affairs“

„... the first message to Muslims is to seek knowledge...“

...“The scientists who are more conversant with the vastness and complexity of creation should actually be more humble and should look up to the power that creates all these“ ...

„...It is clear that knowledge is the determinant of human civilisations. Our civilisation today began with the European quest of knowledge from the Muslim Arabs...“

„...It is true that Islam is a way of life, and politics, social affairs and economic affairs cannot be separated from religious affairs..“

„... Unfortunately even as the Europeans were benefitting from the scholarship of the Muslims, the Muslims themselves decided to reject knowledge other than of their own religion...“

# Innovation in the Islamic World: Learning from the Past to Design the Future

Exhibition at the Science Museum, London, arranged by  
Professor Salim T S Al-Hassani, London

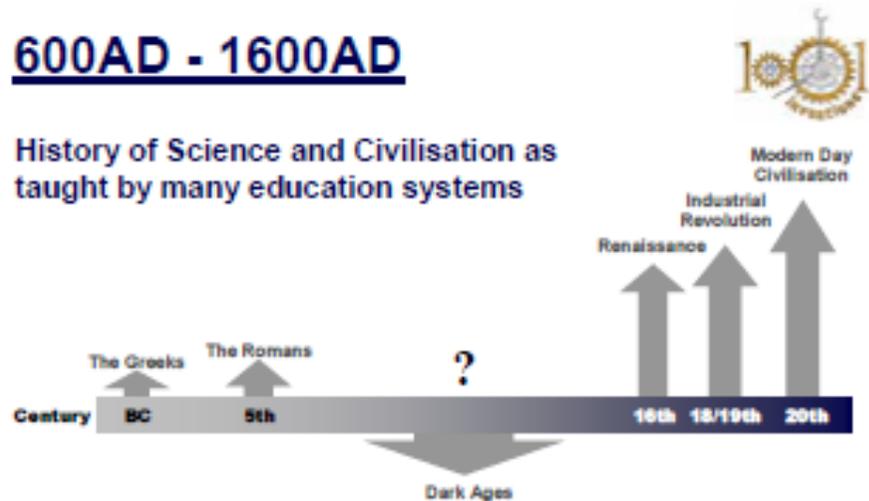
uncover 1000 years of  
SCIENCE AND TECHNOLOGY



in association with  
JAMEEL FOUNDATION

## 600AD - 1600AD

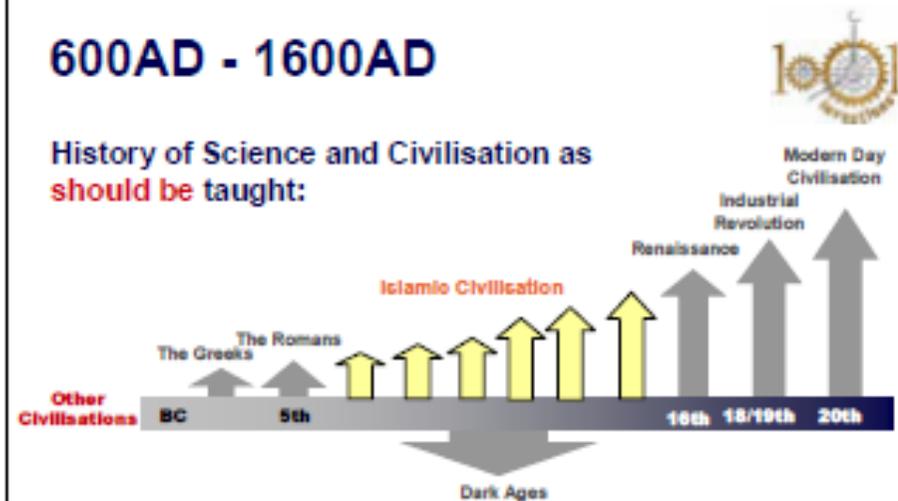
History of Science and Civilisation as  
taught by many education systems



Did modern Civilisation really rise from nothing?

## 600AD - 1600AD

History of Science and Civilisation as  
**should be taught:**



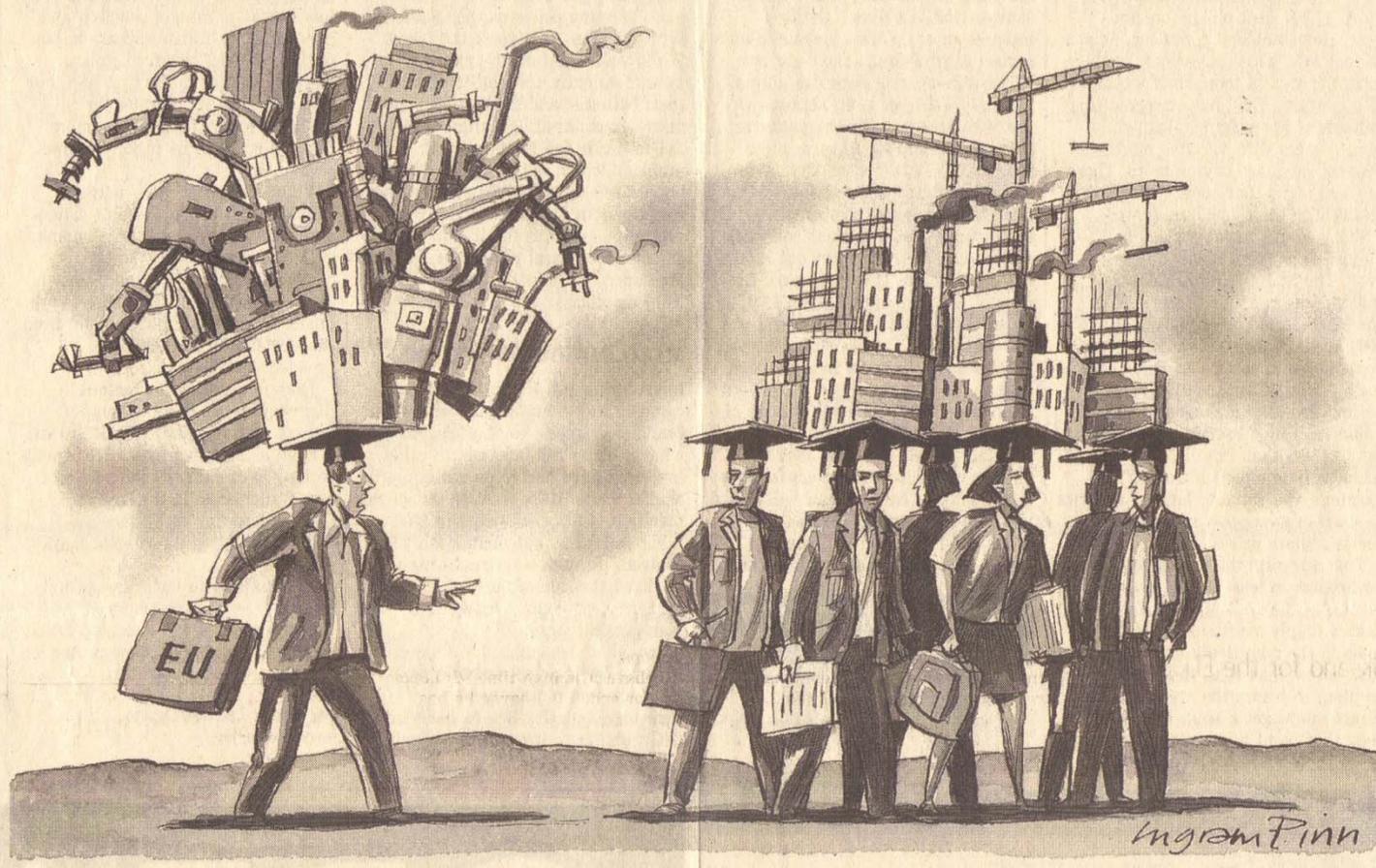
# Europe's eroding wealth of knowledge

Since the Lisbon summit in 2000, the European Union has set itself the goal of becoming a knowledge-based economy. While policymakers may regret the hype that surrounded the launch of the strategy, most still find value in the Lisbon goals and, if anything, the focus on knowledge has been strengthened in recent years.

The assumption behind this strategy is that as hundreds of millions of unskilled workers join the global economy, the EU, which is endowed with a relatively skilled labour force, needs to keep this comparative advantage. But are the Europeans really skilled and those new workers unskilled? As graduates from China and India have entered the global labour force, Princeton University's Alan Blinder recently observed that the fear of offshoring has spread to computer programmers, radiologists and security analysts.

The issue is not whether university graduates are being produced in emerg-

The average EU adult is significantly less educated than counterparts in other industrialised countries. This is not due to enlargement

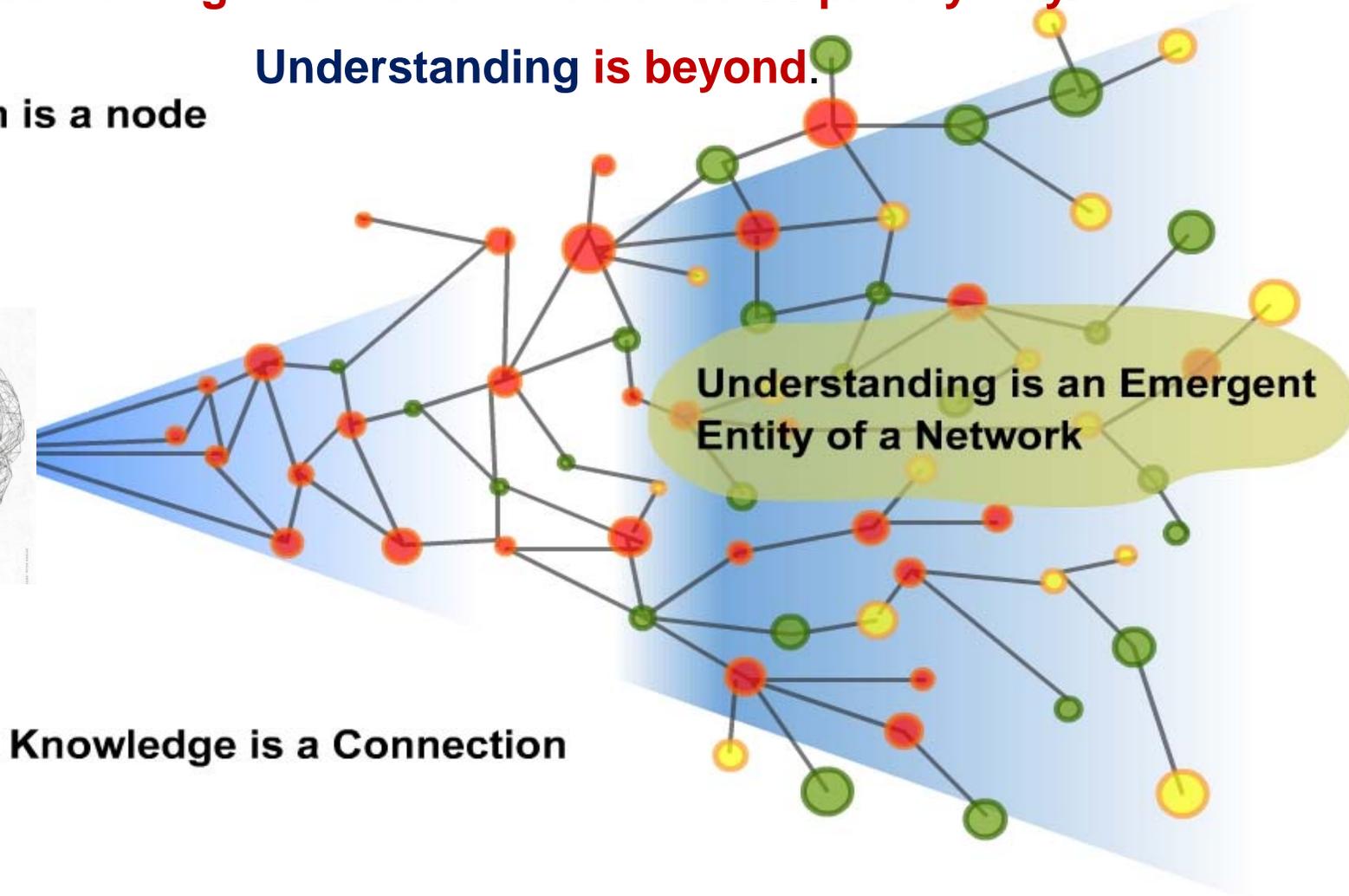
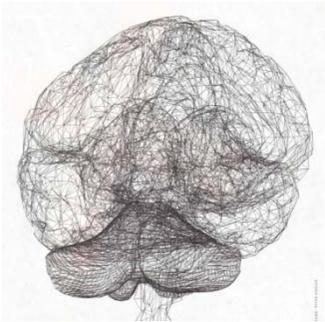


**First: Let's get clear, what I (as a European!)**

**am talking about: Knowledge denotes a process of  
combining information in a transdisciplinary way.**

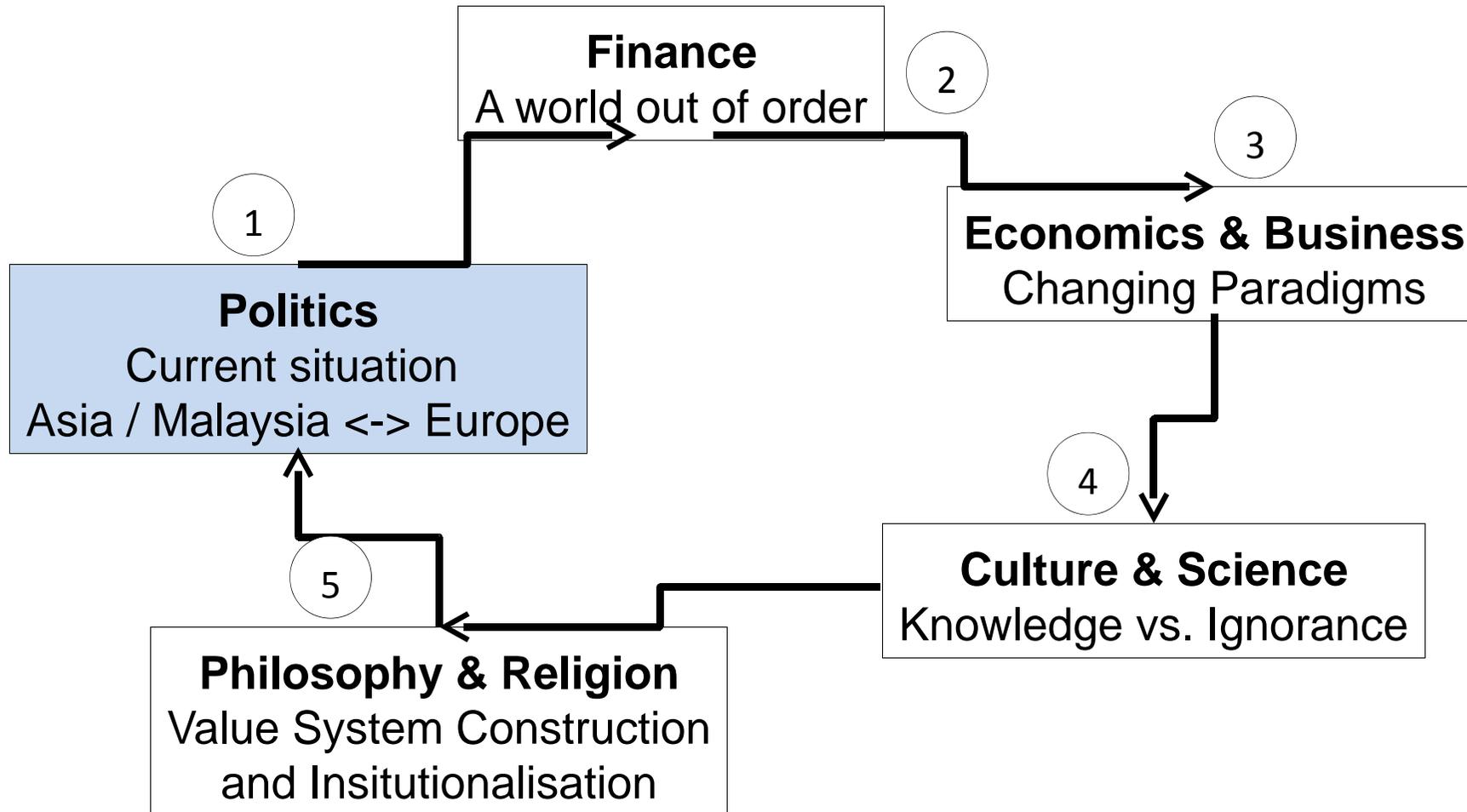
**Understanding is beyond.**

**Information is a node**

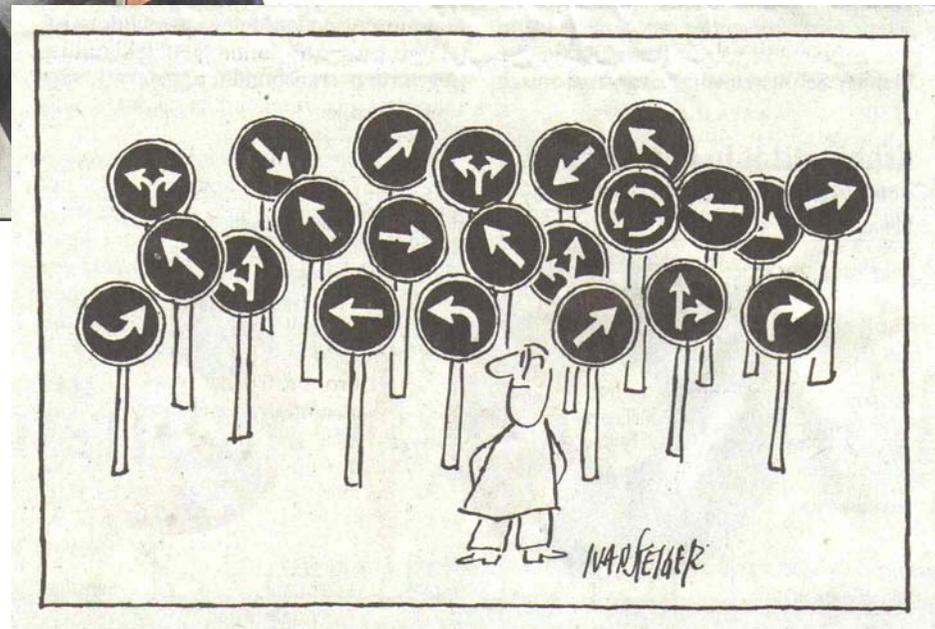


**Knowledge is a Connection**

# Course of Discourse



# Politics in Europe: Current Desorientation



## „Wir sind von Europa enttäuscht“

Malysias Handelsminister wirft den Europäern vor, die Bedeutung Asiens zu unterschätzen. In zehn Jahren werde sein Land zum Kreis der entwickelten Staaten zählen, kündigt Mustapa Mohamed auf der Asien-Pazifik-Konferenz der Deutschen Wirtschaft in Singapur an. Im ersten Quartal wuchs das Bruttoinlandsprodukt Malaysias um 10,1 Prozent.

### *Kann Europa immer noch ein Vorbild für die Integration Südostasiens sein?*

Wir haben die Europäische Union mit großem Optimismus begrüßt: Sie war ein Modell, das für niedrige Inflation, Haushaltsdisziplin, Transparenz und eine geringe Arbeitslosigkeit stand. Natürlich haben wir zu ihr in den vergangenen Jahren aufgeschaut. Heute haben wir erkannt, dass dieses Modell nicht funktioniert. Wir sind immer noch beeindruckt von der Entwicklung des innereuropäischen Handels. Alles in allem aber sind wir in den letzten Jahren doch sehr enttäuscht über die Entwicklung der EU.

### *Sehen Sie Parallelen zwischen der Asien-Krise 1997/98 und der Euro-Krise heute?*

Wir litten damals in erster Linie unter einer Währungs- und Verschuldungskrise. In Europa ist es nun eine Verschuldungskrise, die auf den Wert des Euro durchschlägt. Die Folgen aber sind vergleichbar. Sie erinnern an das, was wir durchlebt haben.

### *Wie beurteilen Sie denn, wie der Westen gegensteuert?*

Es wird mit zweierlei Maß gemessen. Als wir in der Krise 1998 unseren führenden Unternehmen halfen, um sie am Leben zu erhalten, warf man uns Vetternwirtschaft vor. Unter diesem schlechten Image haben wir lange gelitten. Heute machen Amerikaner und Europäer genau dasselbe. Und es wird akzeptiert.

### *Kann Europa von den Antworten Asiens auf die Krise lernen?*

Unsere Antwort damals war, die Regulierung von Banken auf allen Ebenen zu verschärfen. Malaysia hat dann ja sogar Kapitalverkehrskontrollen eingeführt. Jetzt müssen wir alle rund um die Erde die Regulie-

rung verstärken. Ich denke da in allererster Linie an die Arbeit der Rating-Agenturen.

### *Zeigt Europa im Vergleich zu anderen Ländern genug Interesse an Asien?*

Europa hat sich sehr lange mit sich selbst beschäftigt. Auf den Vorteilen seines riesigen Marktes mit hohem Einkommen hat es sich ausgeruht. Dann hat es China und Indien als Chance erkannt. Aus meiner Sicht aber haben die Europäer in Asien den Anschluss verpasst. Europa merkt sehr spät, dass es sein Engagement in Asien ausbauen muss. Asien ist die Wachstumsregion der Erde.

### *Asien arbeitet an seiner Integration. Welches Modell favorisieren Sie?*



Mustapa Mohamed

Foto Bloomberg

Wir müssen zunächst in Rechnung stellen, dass wir alle vom Handel leben. Wir haben hier mit der Vereinigung südostasiatischer Staaten (Asean) sehr wichtige Nachbarländer wie China, Japan oder Südkorea. Mit denen müssen wir in sehr engem Austausch stehen. Im Prozess „Asean + 6“ kommen Indien, Australien und Neuseeland hinzu. Heute sehen wir, dass selbst Russland an unsere Tür klopft. Das zeigt doch, wie dynamisch Südostasien ist. Wir transformieren unsere Volkswirtschaften, verzeichnen hohe Wachstumsraten. Das macht uns interessant.

### *Welche Rolle hat Malaysia dabei?*

Wir rangieren in der Mitte. Singapur ist hoch entwickelt, andere Länder Aseans zählen zu den am wenigsten entwickelten der Welt. Wir müssen nun die nächste Stufe erreichen. In zehn Jahren wollen wir zu den entwickelten Ländern gehören.

### *Diese Pläne sind nicht neu. Was macht Sie zuversichtlich, sie zu erreichen?*

Vor einer Dekade haben wir praktisch nur von unseren Rohstoffen gelebt, von Öl, Gas oder Palmöl. Dann aber haben wir unsere Produktivität ausgebaut, Talente zu fördern begonnen, unsere Volkswirtschaft geöffnet. Bis 1998 galten wir als liberale, offene Volkswirtschaft. Dann haben wir die Kapitalkontrollen eingeführt – das hat unseren Ruf geschädigt. Aber

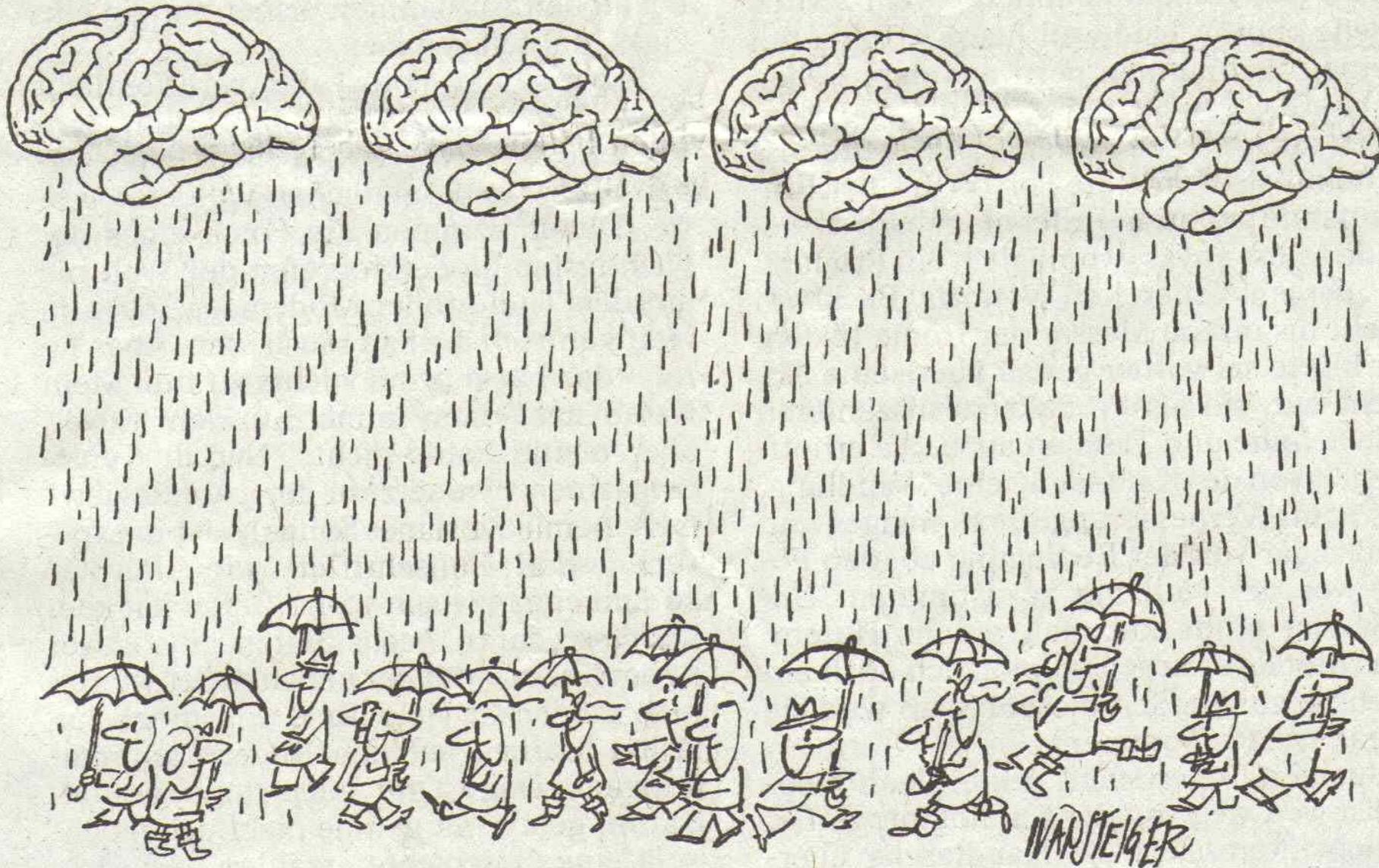
das liegt nun hinter uns. Heute lassen wir uns von den Besten der Welt leiten, von Singapur, Norwegen oder Japan.

### *Wer über Malaysia spricht, der spricht auch über Korruption und Nepotismus. Wie weit reicht Ihr Kampf dagegen?*

Wir arbeiten immer härter daran, das auszurotten. Die Vetternwirtschaft hat schon stark abgenommen. Die Regierung arbeitet viel transparenter. Ja, es gibt Bestechung bei uns. Wir haben die Institutionen aber verbessert. Heute behauptet niemand mehr, unsere Antikorruptionsbehörde sei nicht unabhängig.

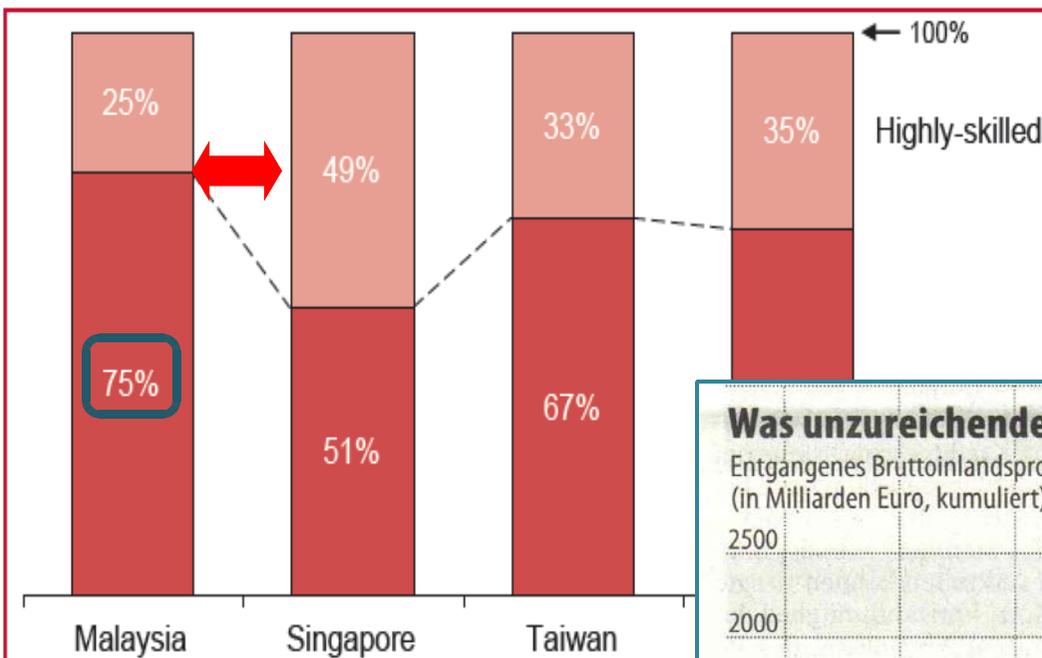
Das Gespräch führte Christoph Hein.

# Are they (the politicians) open for new ideas ?

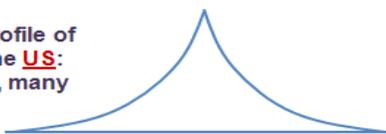


# One example for urgent reforms: the mess with education

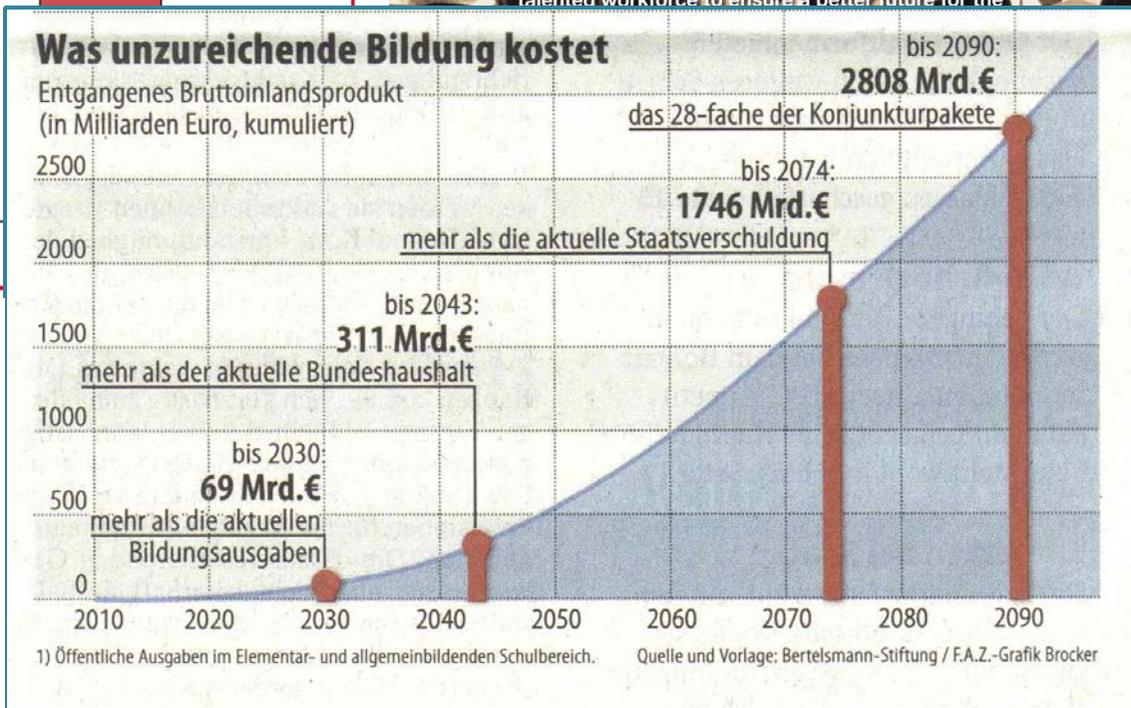
Highly-skilled and low-skilled labour (2007; %)



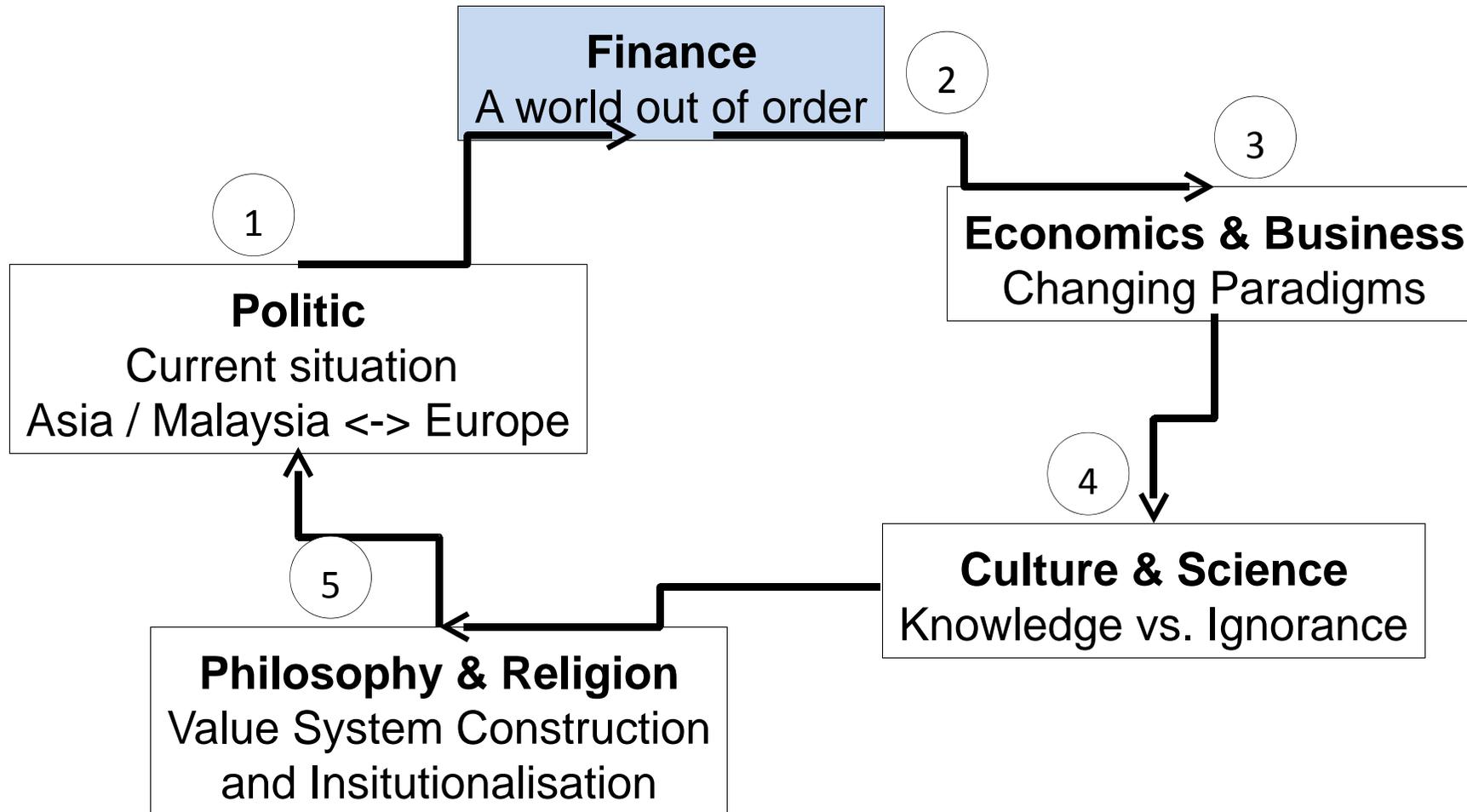
Qualification profile of population in the **US**: few in the peak, many in the flat.



Qualification profile of population in **Germany**: balanced over the different qualification levels

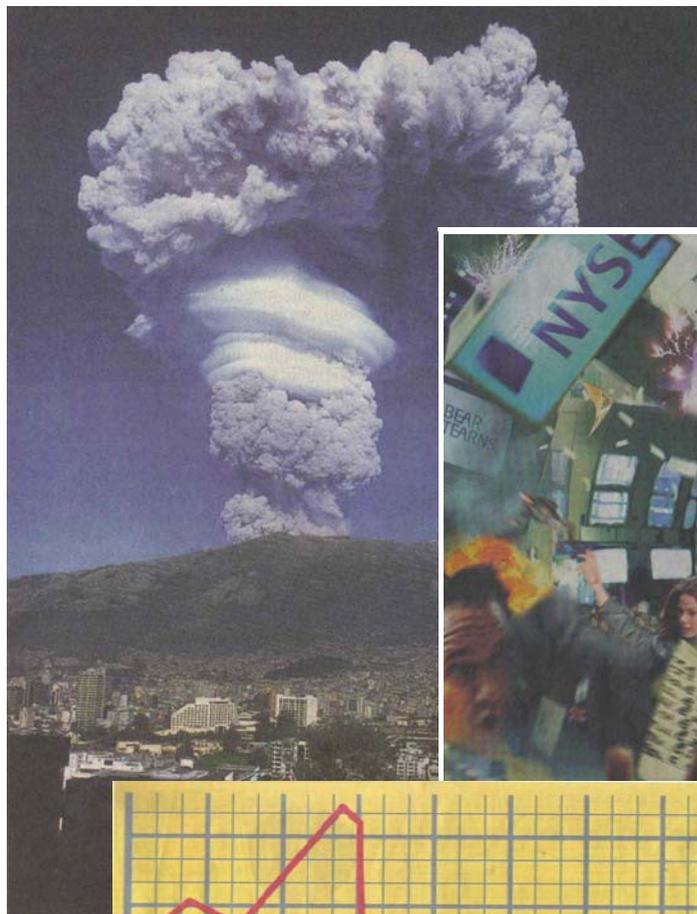


# Course of Discourse

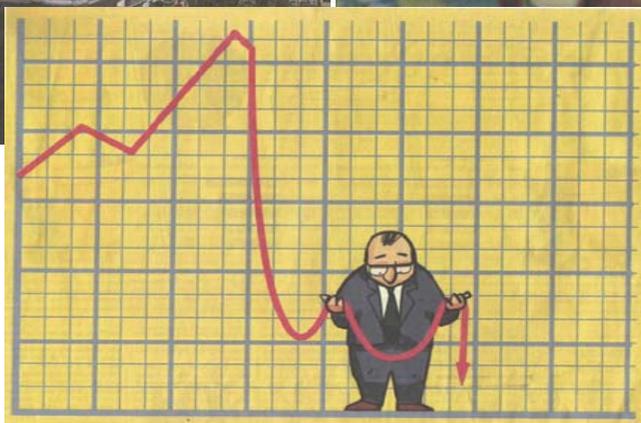


(in 2007)

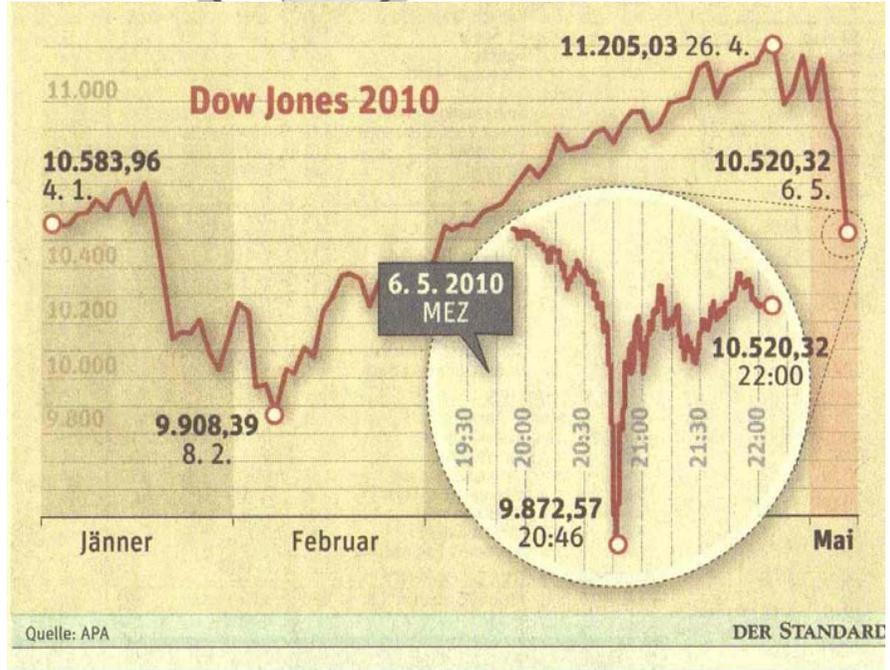
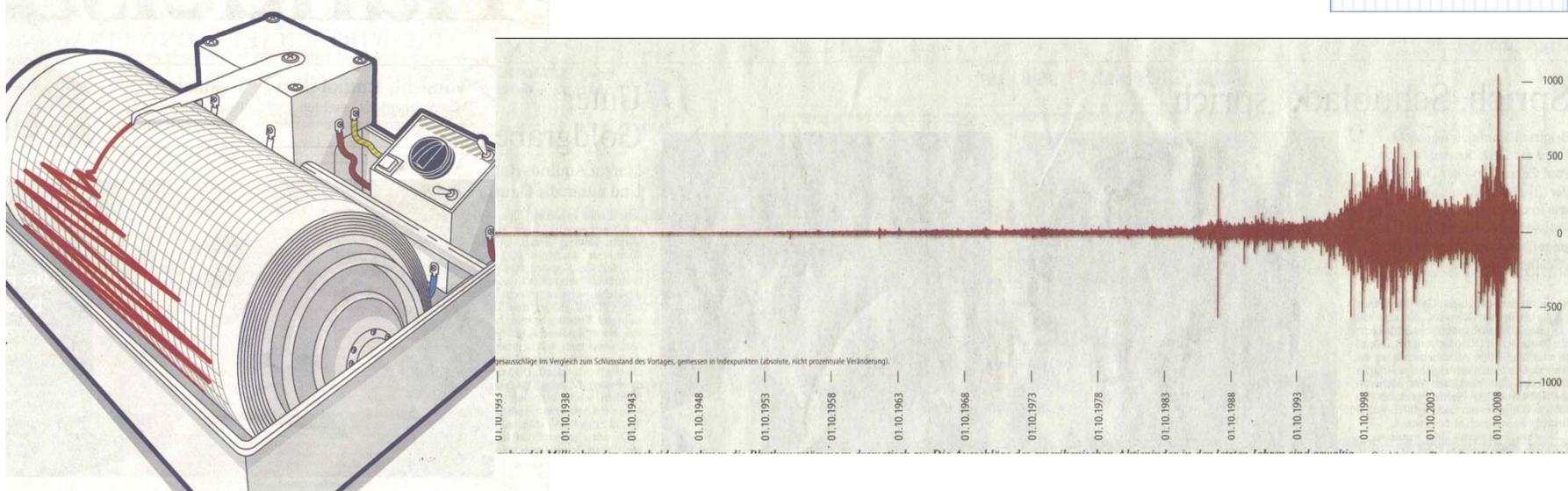
- Volume of all financial transactions per year (250 trade days) is **74 (!)** times higher than the total of the whole world's GNP.



- **Volume of money** (in real and in books) is **~ 14 times more than needed for the real economy**



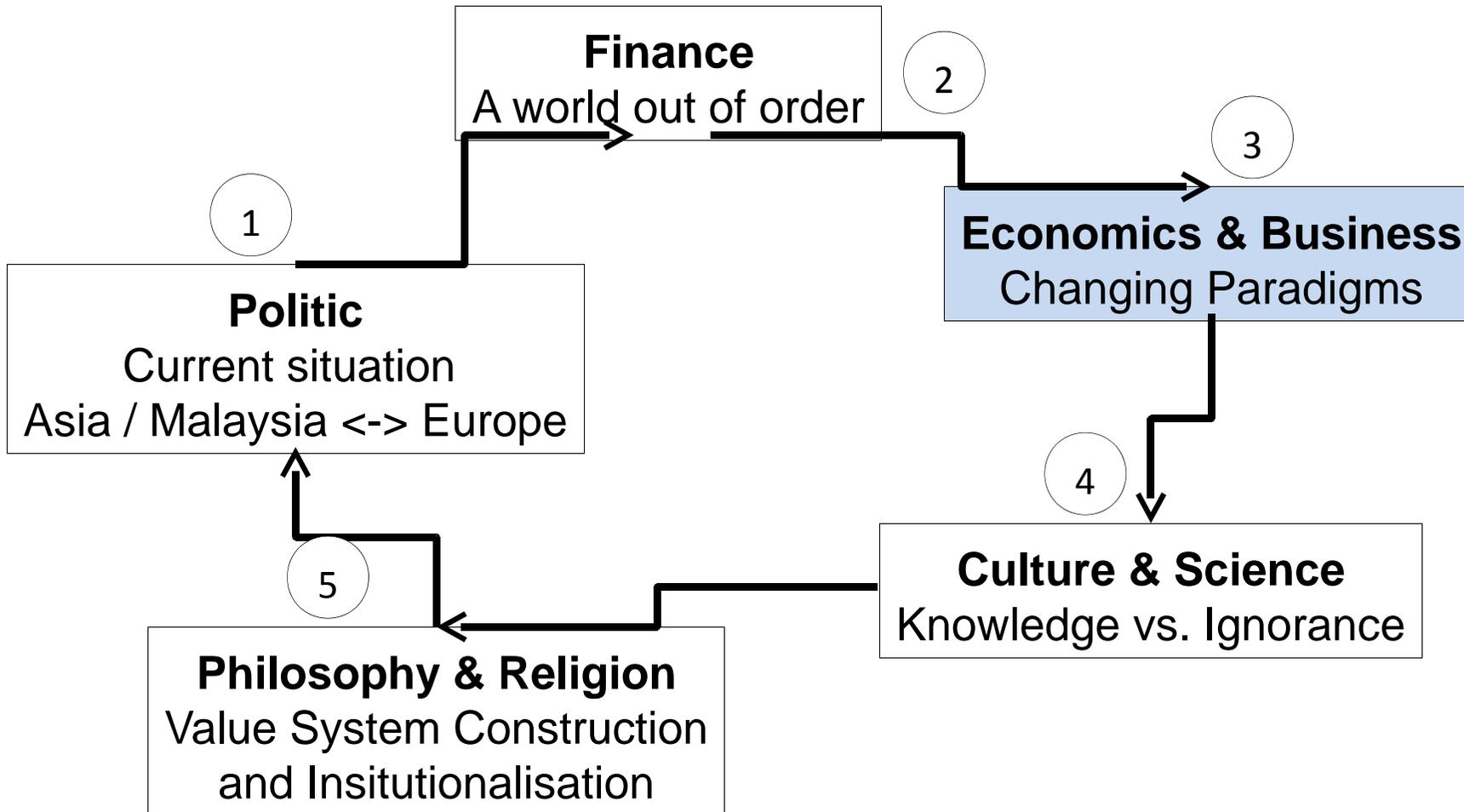
- Only ~ 10% of the money daily shifted through the finance systems is somehow related to goods and trade in the real economy



**Current legislation and legal systems are neither any more adequate nor do they cover upcoming situations (e.g. in Intellectual Property Right, Knowledge Economy taxation ...)**

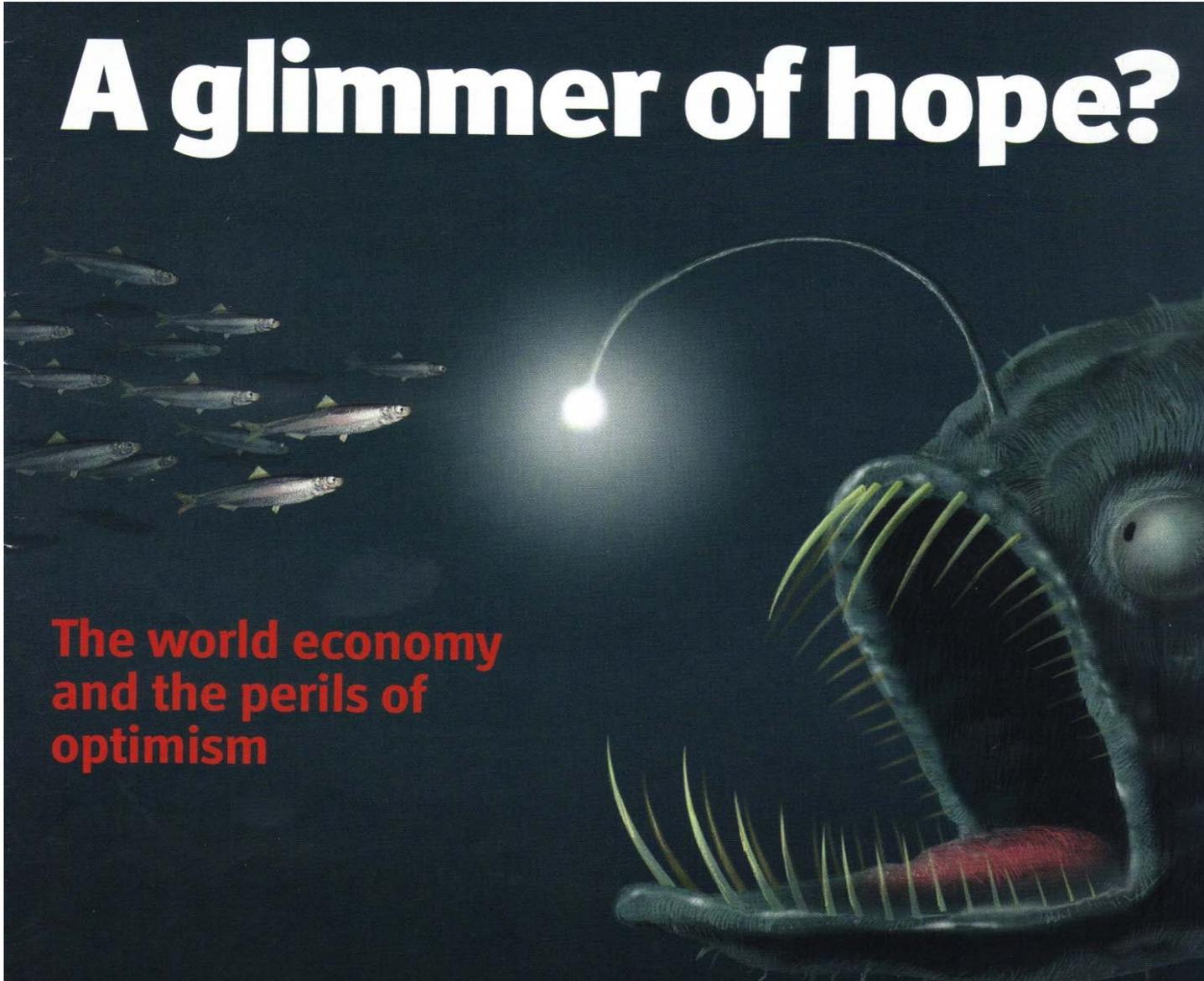


# Course of Discourse



# A glimmer of hope?

**The world economy  
and the perils of  
optimism**



# „Positive Vision is the Way to Success“

Malaysian Artist Koay Soo Kau. Born 1946. Oil on Canvas



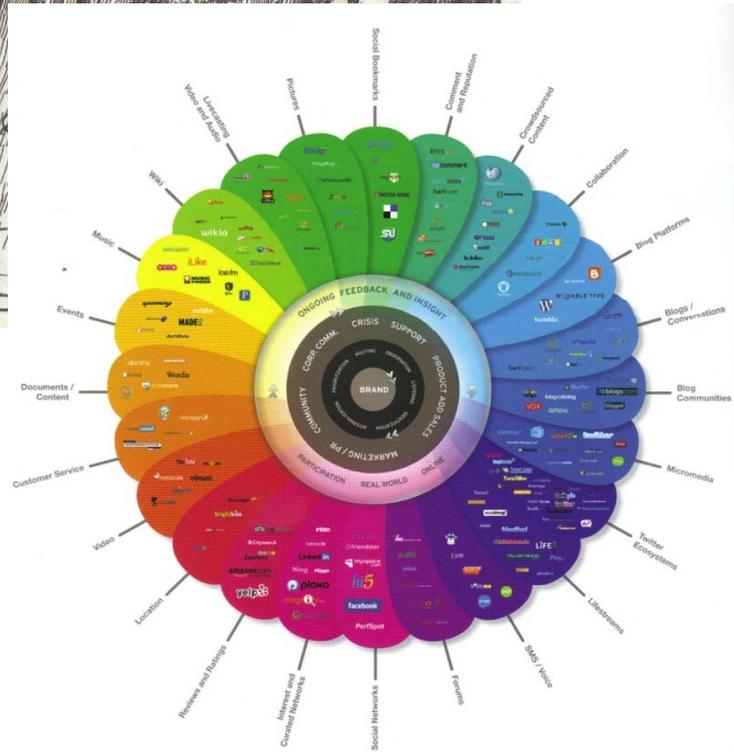
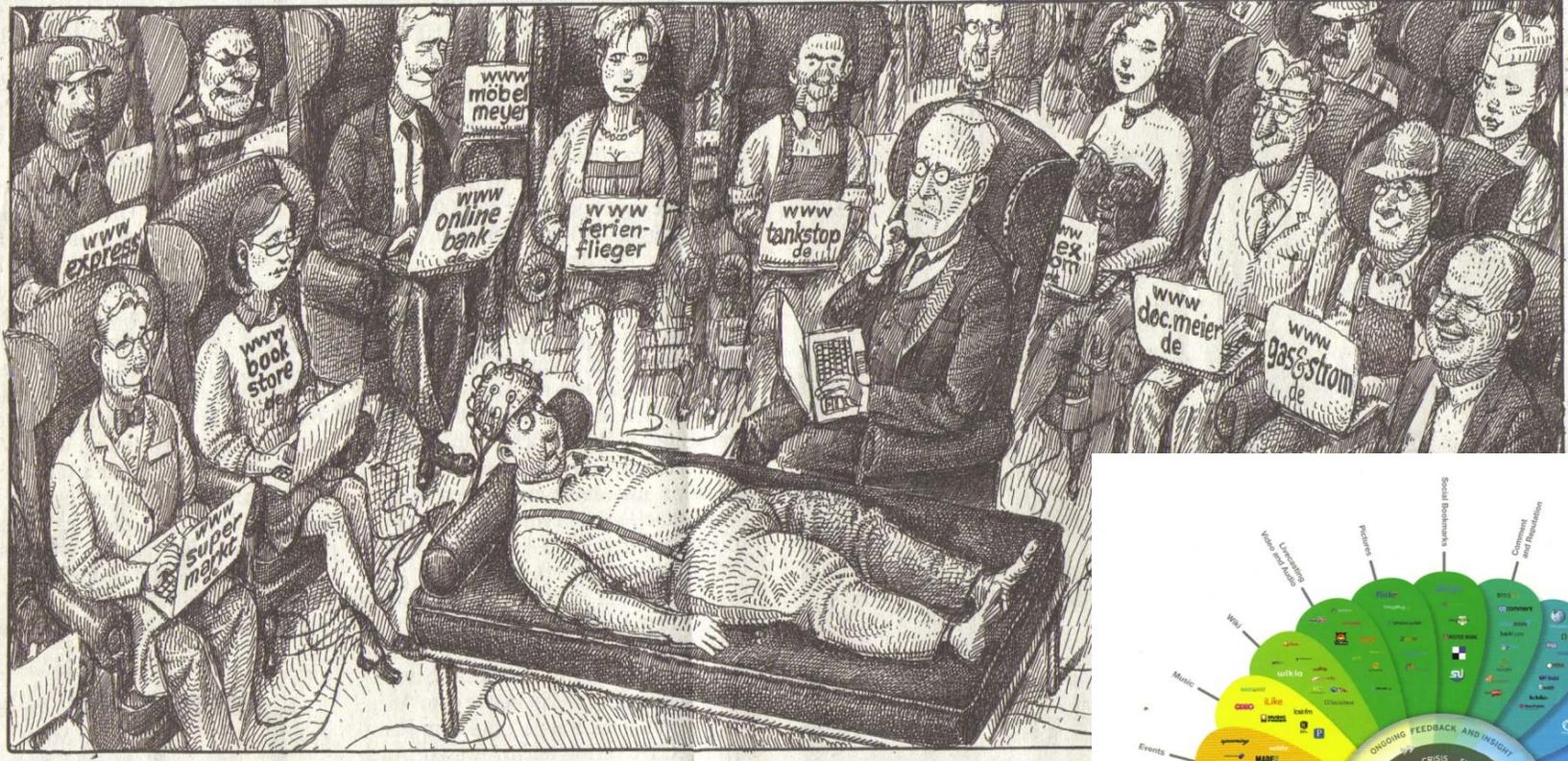
**The „New Economic Model For Malaysia“ (NEM) is a marvelous example of an extremely well thought through policy agenda - also a masterpiece of Business School exercise.**



Figure E – The New Economic Model: Enablers and Strategic Reform Initiatives



# How do we feel in the future economy?



# Zooming in the fan

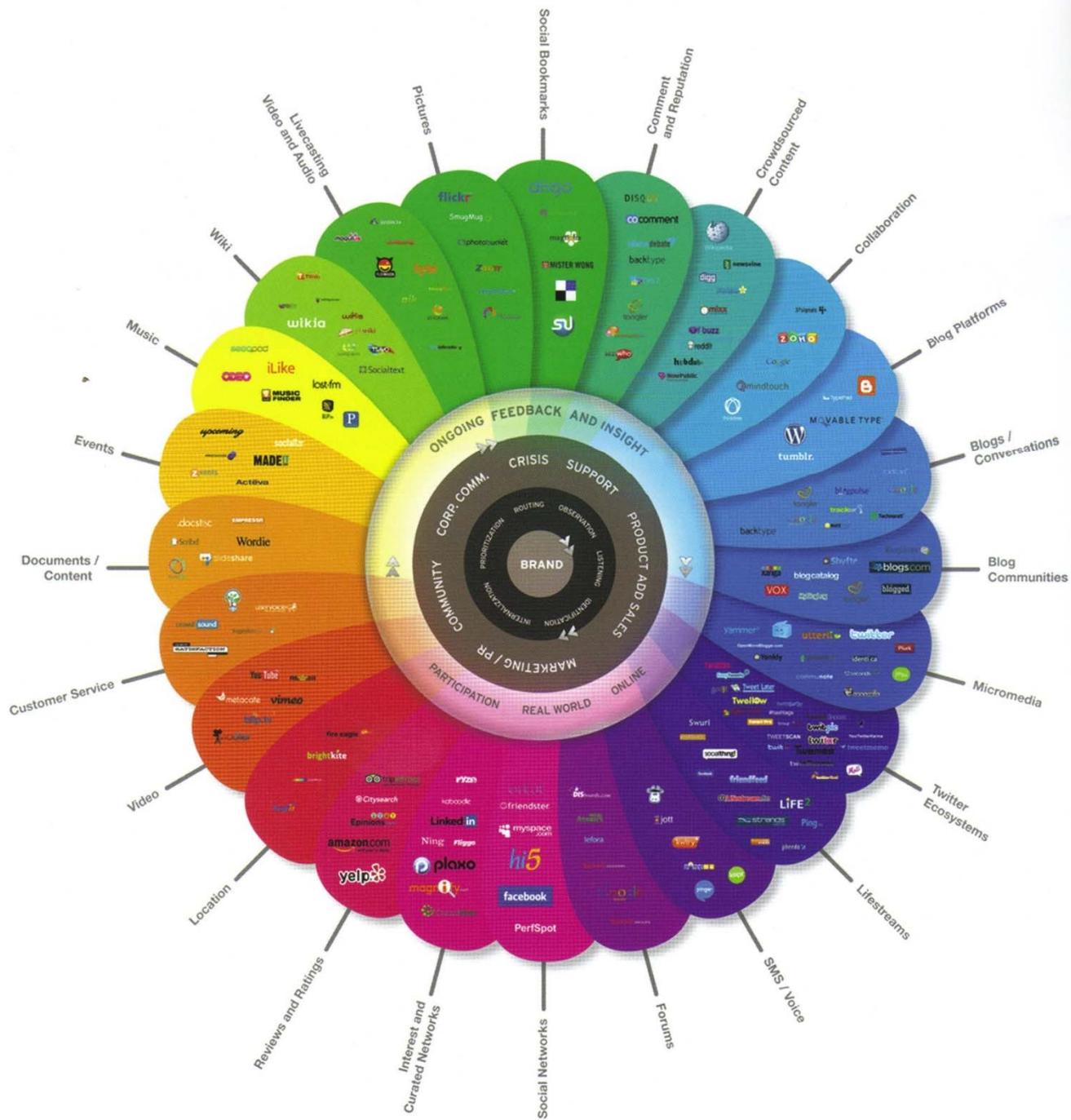
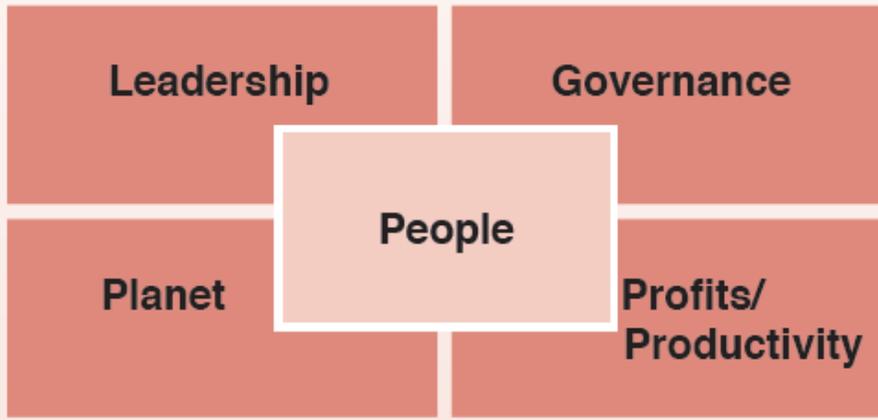
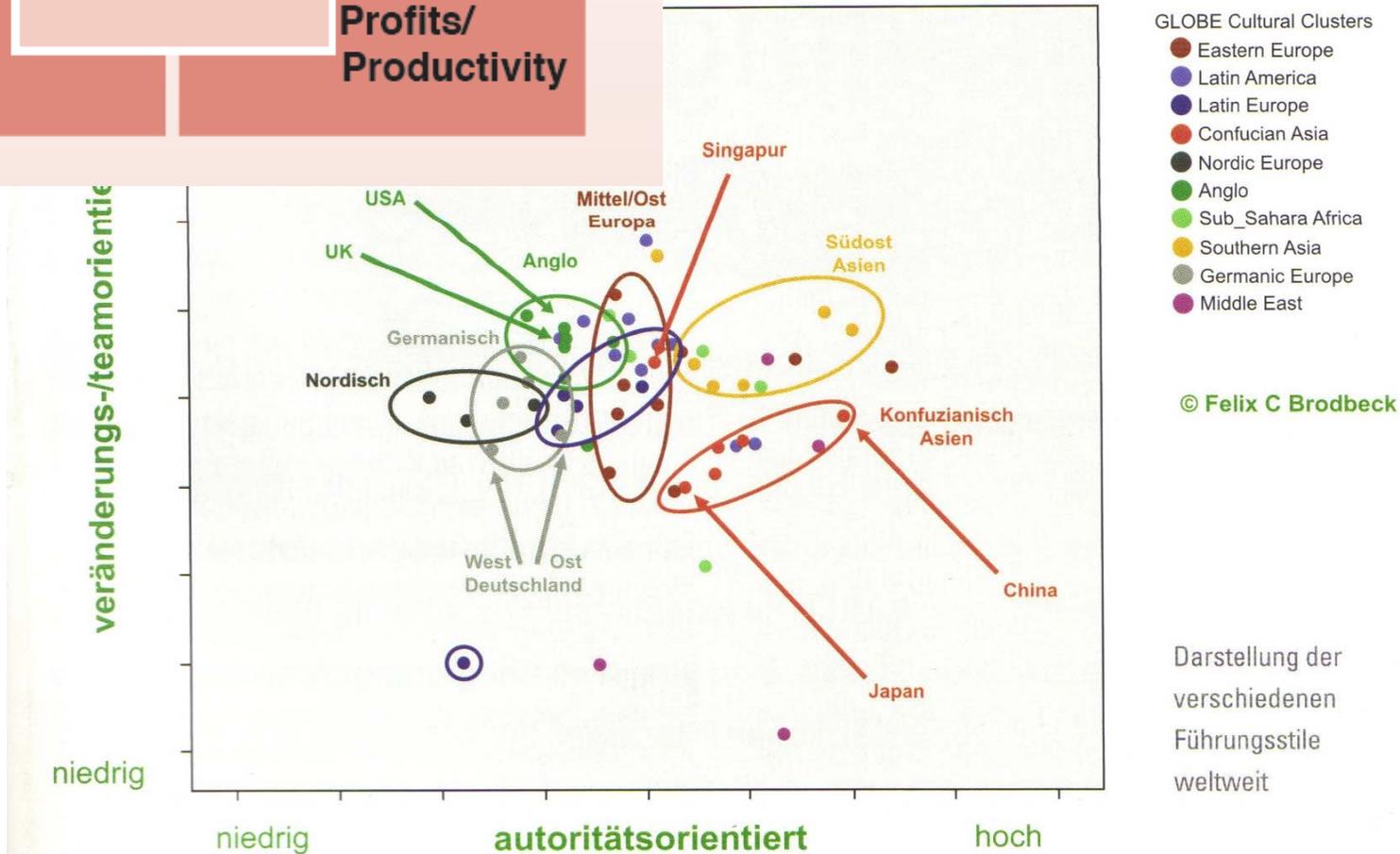


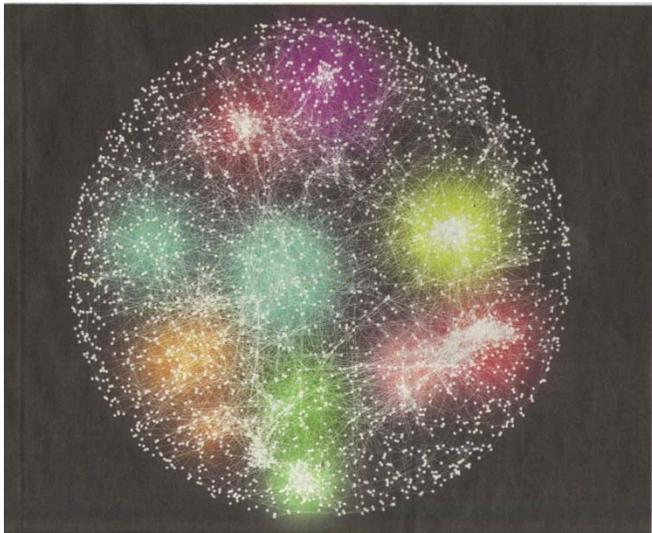
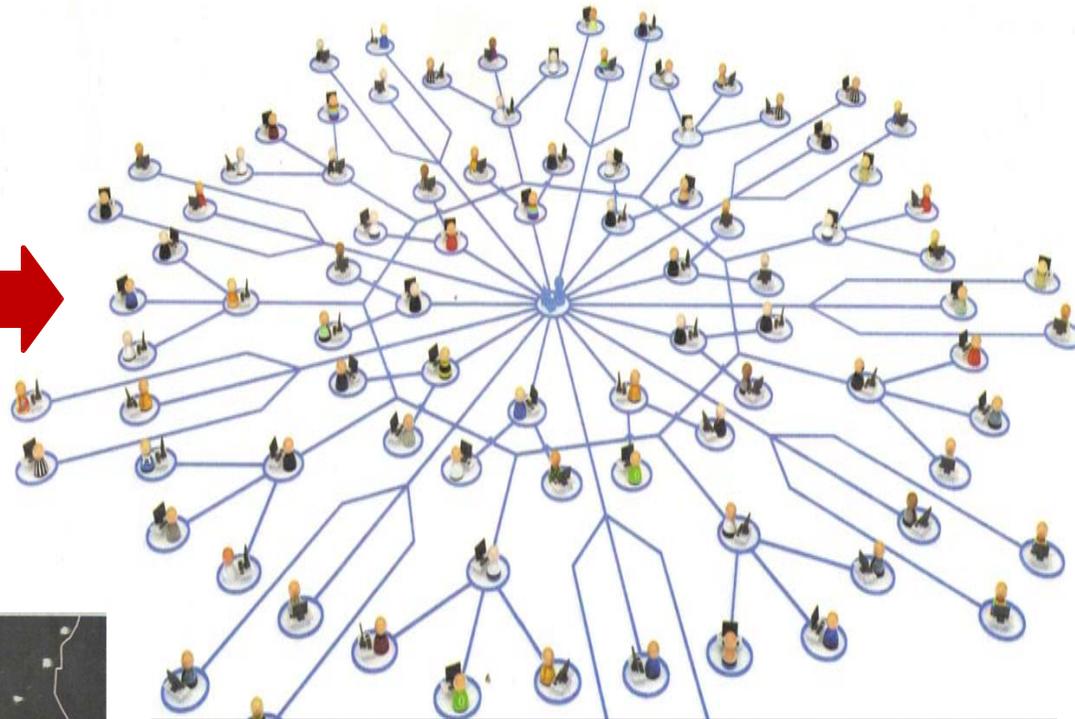
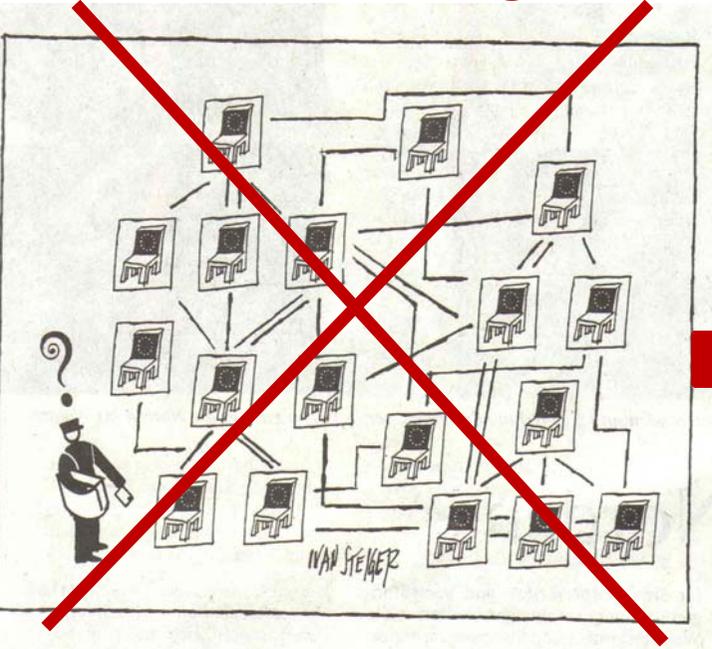
Figure 21 – The five dimensions of global changes



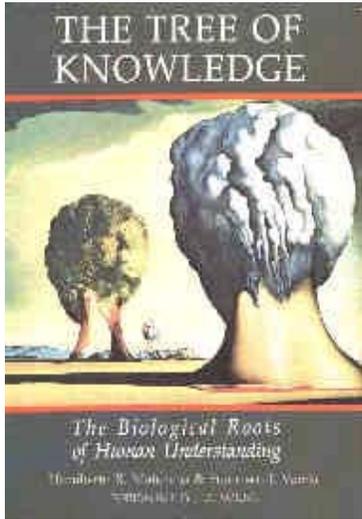
# Today's Management Culture in Global Context



# The organisation of the future will follow new „biological“ models for becoming re-structured



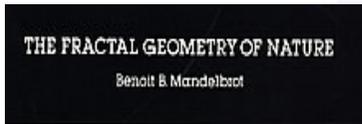
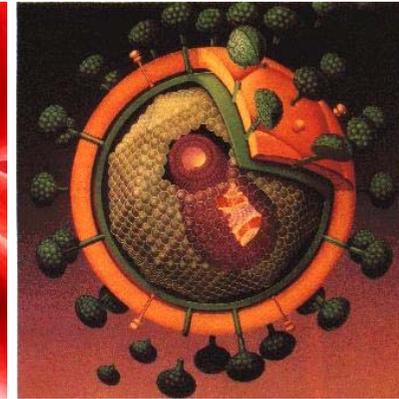
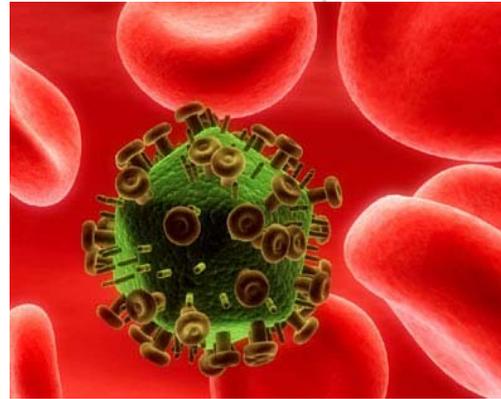
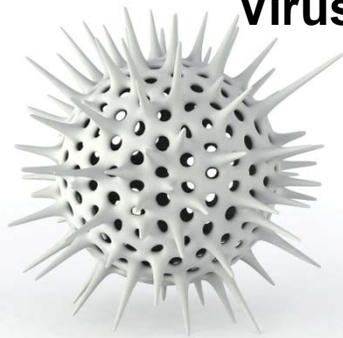




## Romaescu Head of Cabbage



## Viruses

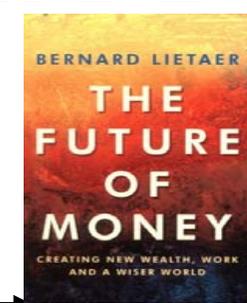
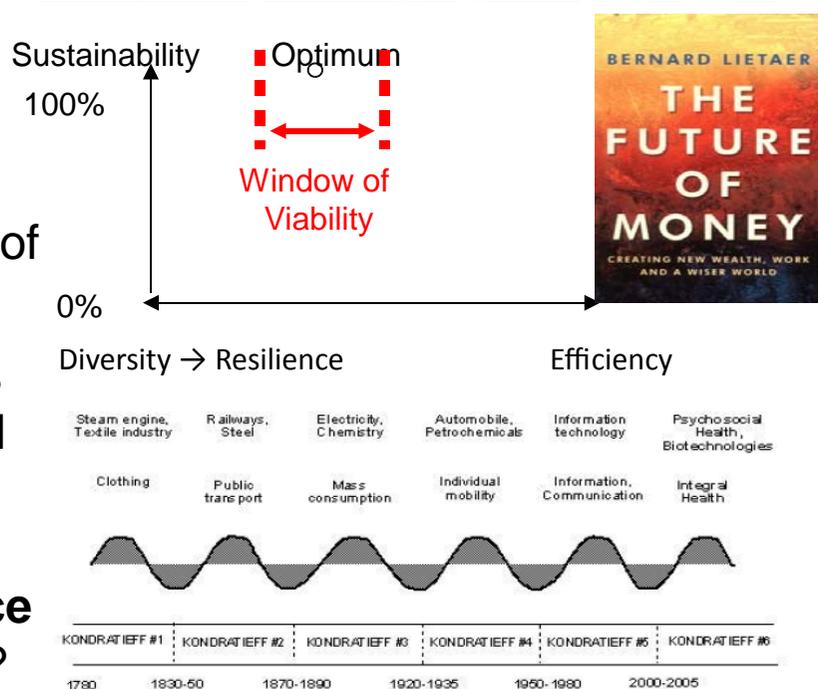


## Waves/Baroque Deko

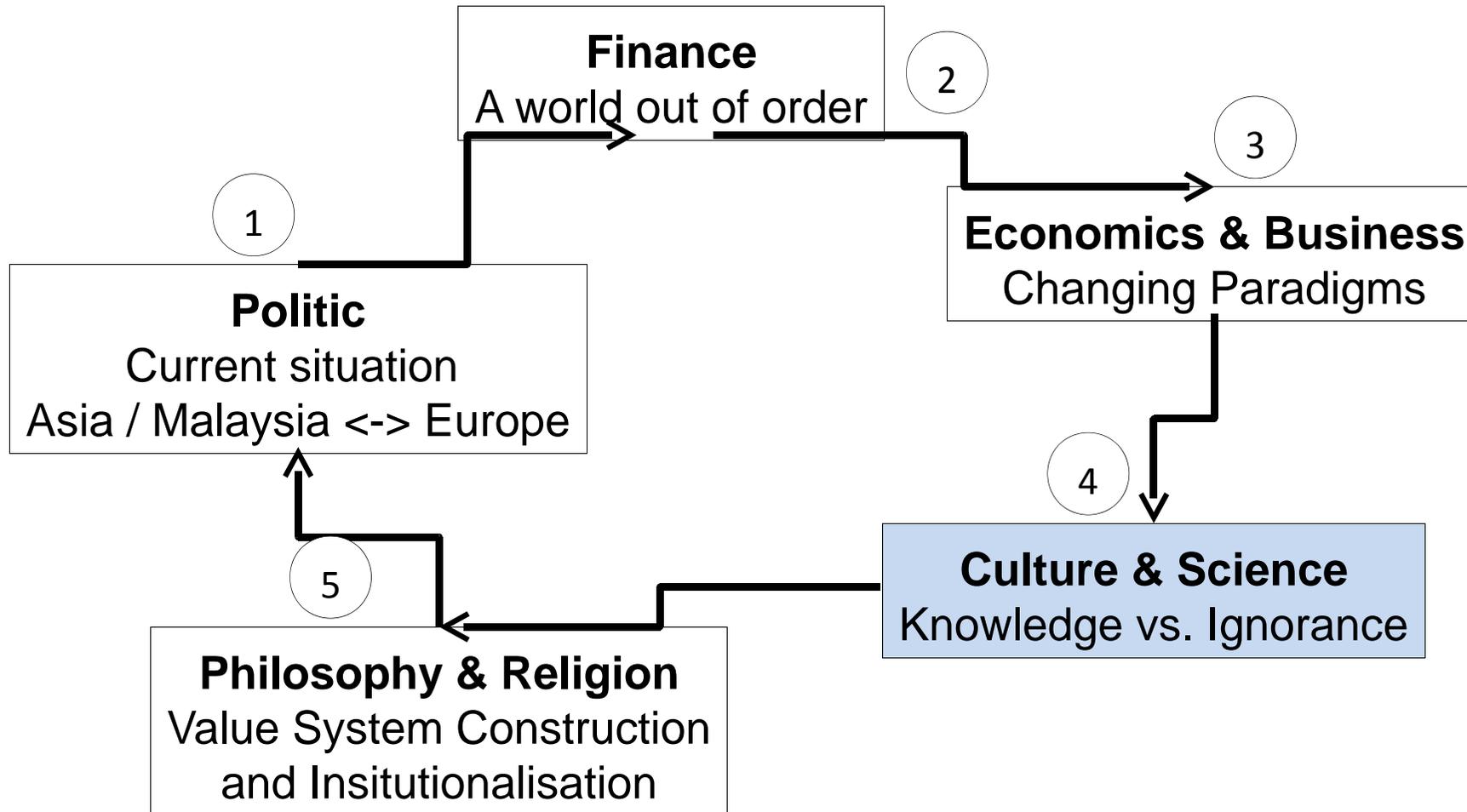


# Some inputs /questions to the Malaysian discussion on future economics:

- Is the „**New Economic Model**“ not just a „ „perfectionalisation“ of the „old model“?
- The answer to the „Denis Meadows-Question“: What comes **after „The Limits to Growth“** ?
- What would be a „**Knowledge Ecology**“ as an extension on the „Kowledge Economy“ ?
- If there are limits to growth: How shall the traditional **growth model be substituted**?
- The world is in turbulencs. Is this just a sign of transition into the next „**KontradiEFF Cycle**“?
- Nobel Price Winner Joseph Stiglitz suggests to get rid of **GDP as *the* reference figure** and to substitute it by a series of indicators. The Belgium scientist and former Central Banker Lietaerd goes beyond a suggests to **introduce a set of different local currencies**. Why not?

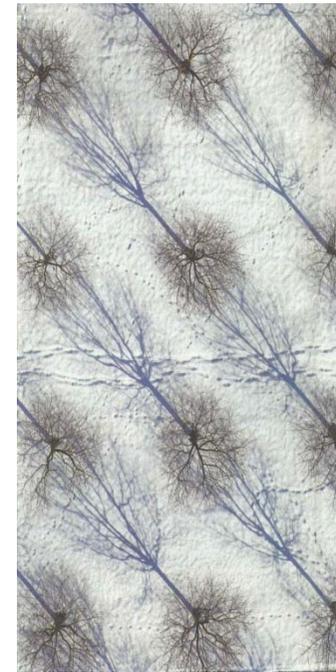
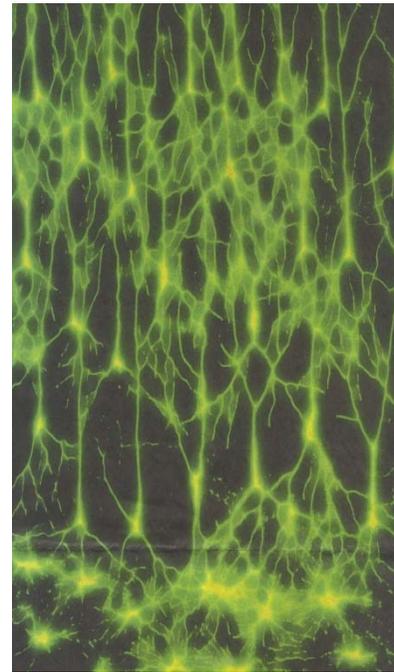
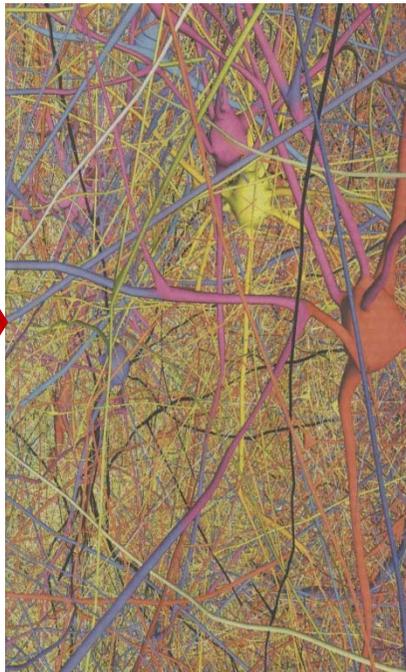
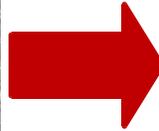
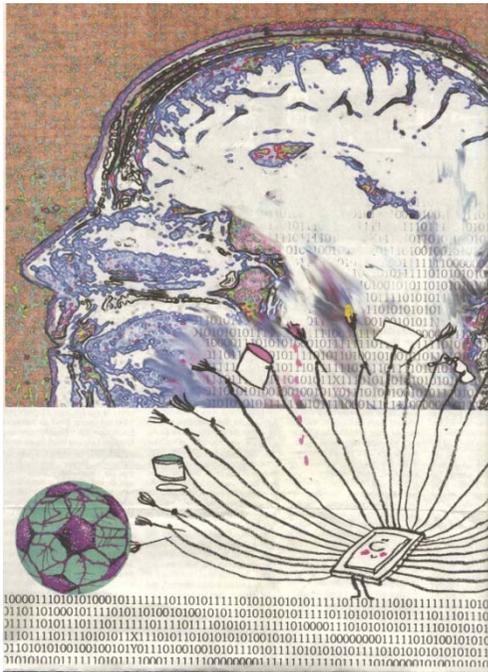


# Course of Discourse



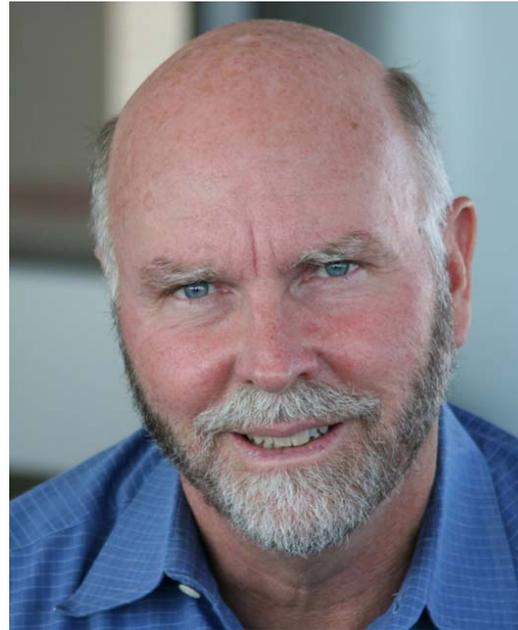
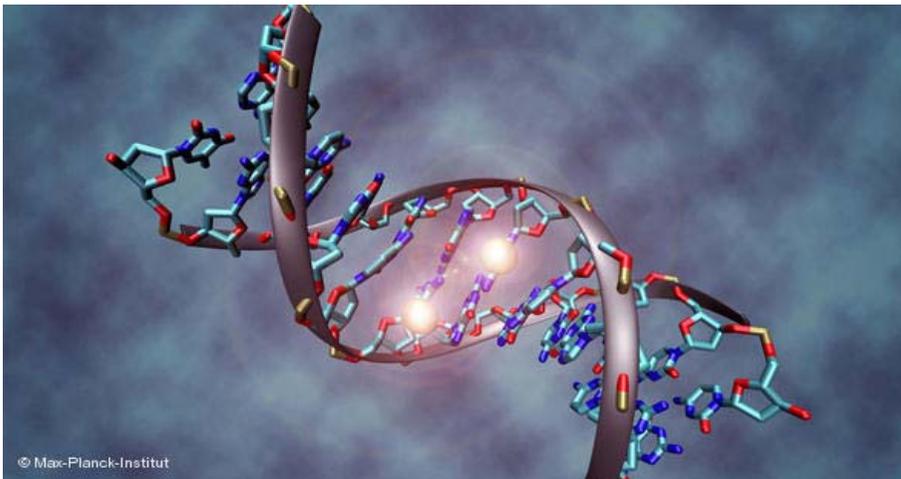
# Key Basic Sciences Disciplines of the Next Future: Physics – Information Sciences – Biology...

...and combining them towards new frontiers research areas such as:

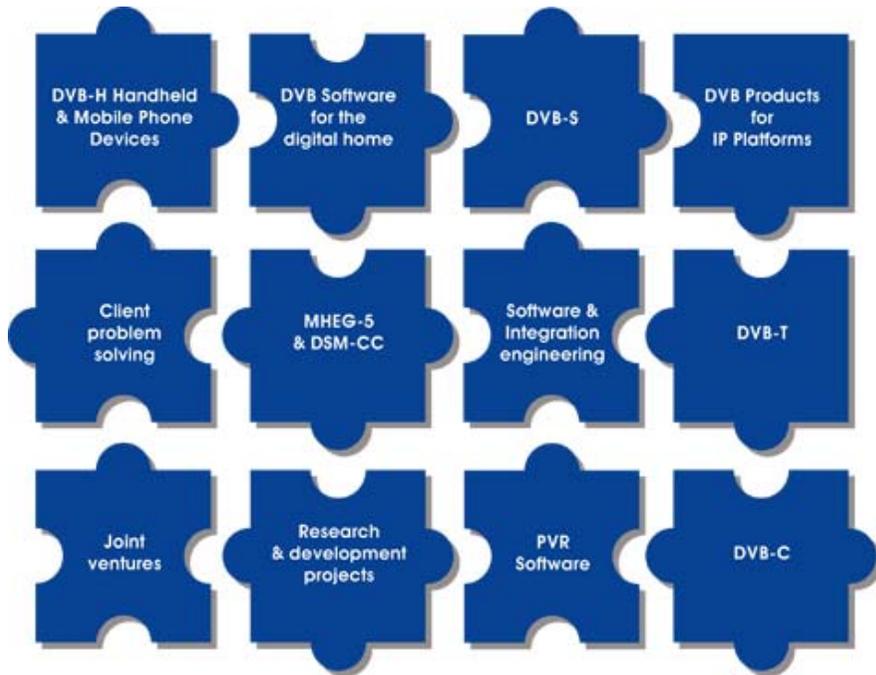


# Biology:

Life = information –  
(and much more)



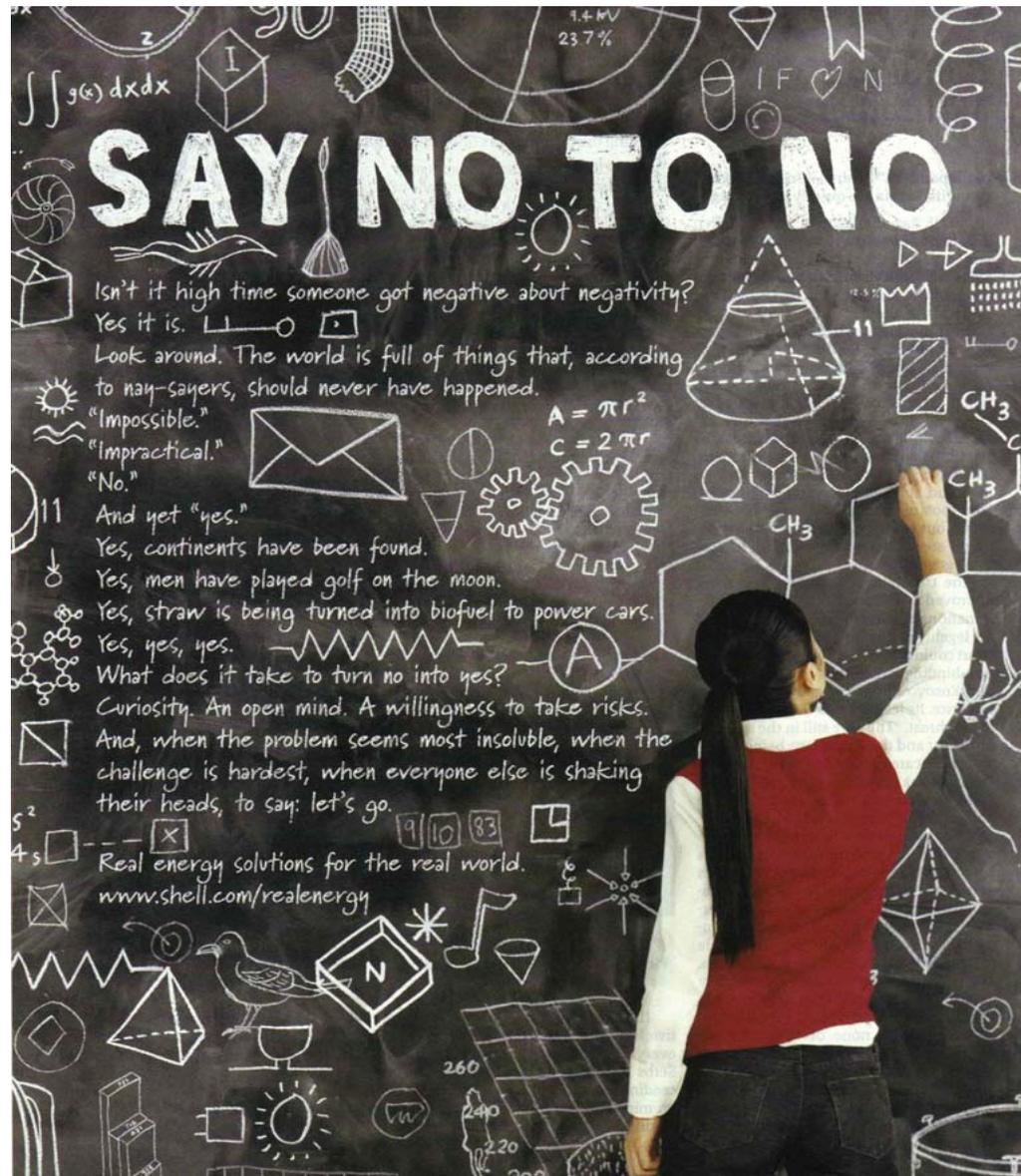
# IT / Informatics, in Specific Highly Complex Systems in Hardware + Software



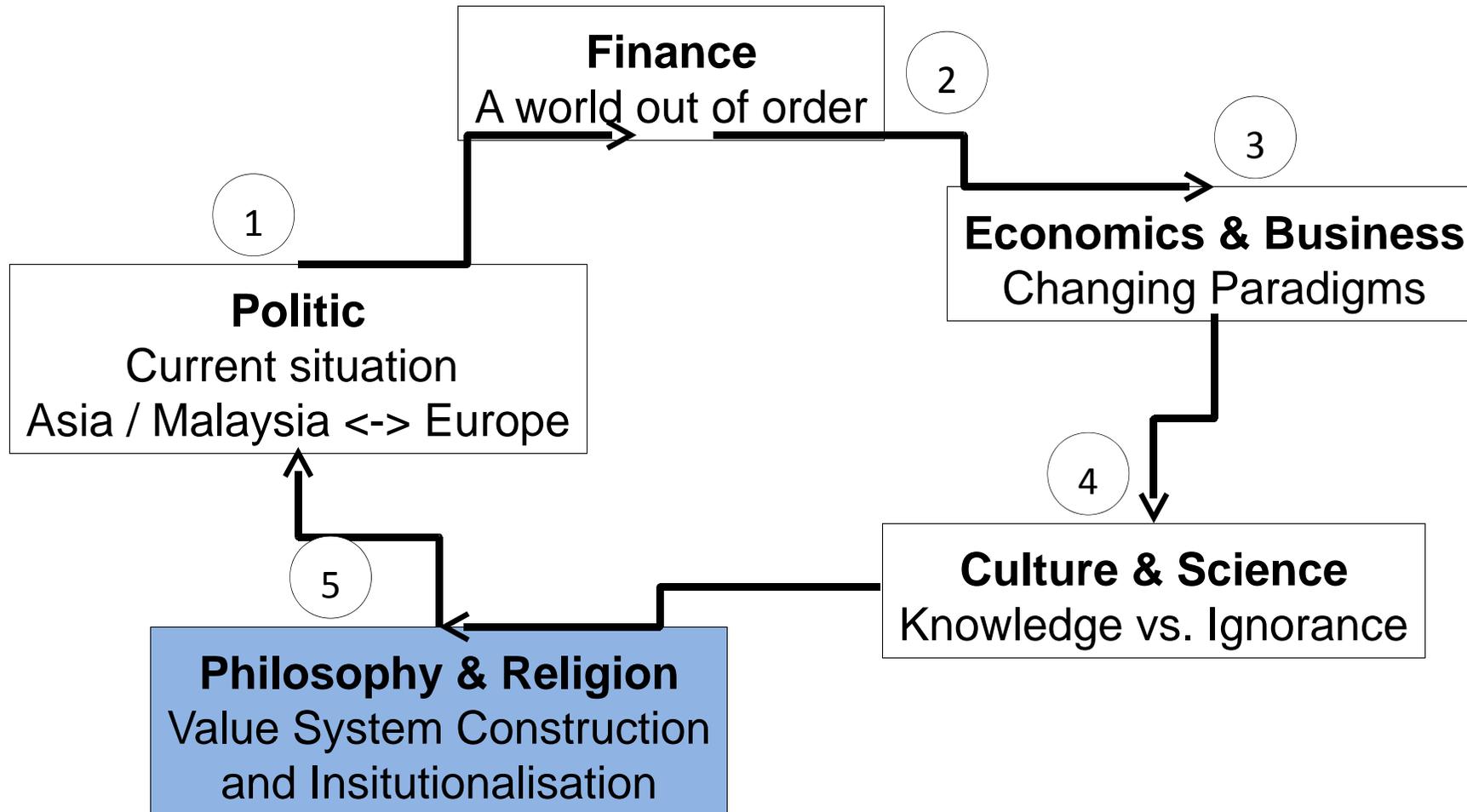




# Innovation = (Re-) Combining Information to something, which has not existed before

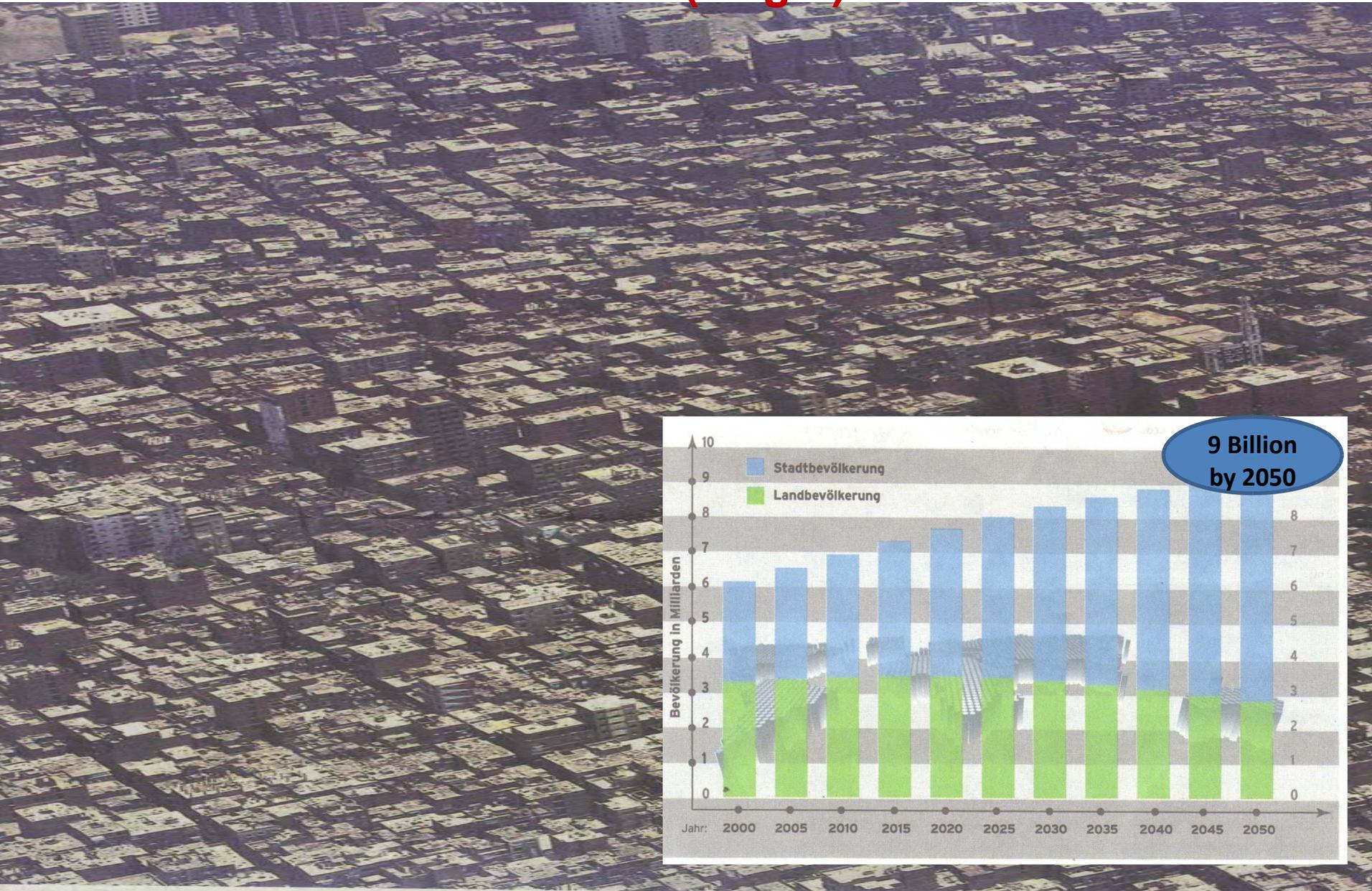


# Course of Discourse





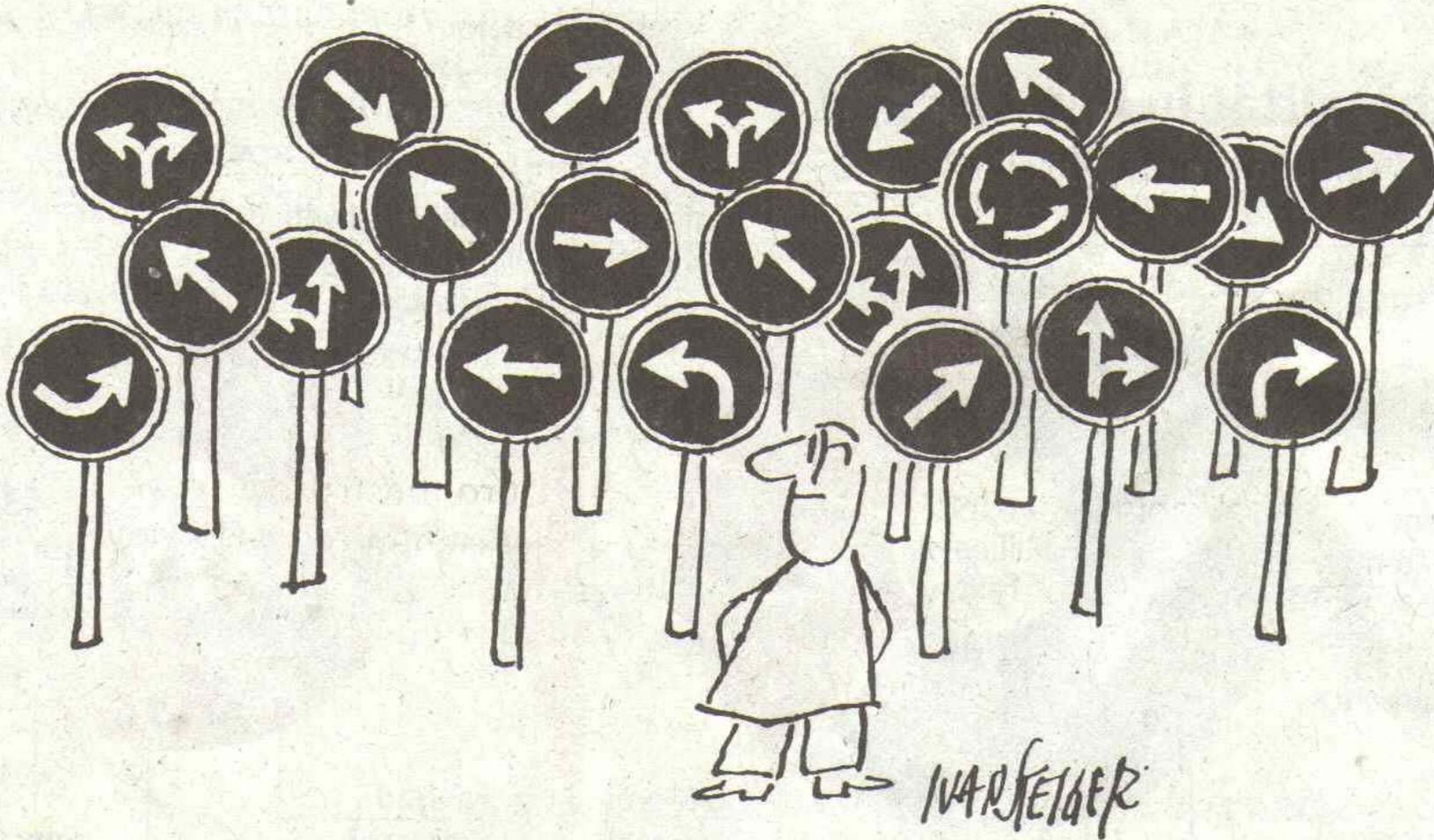
# The Living Ambience of the Future Will be (Mega-) Cities



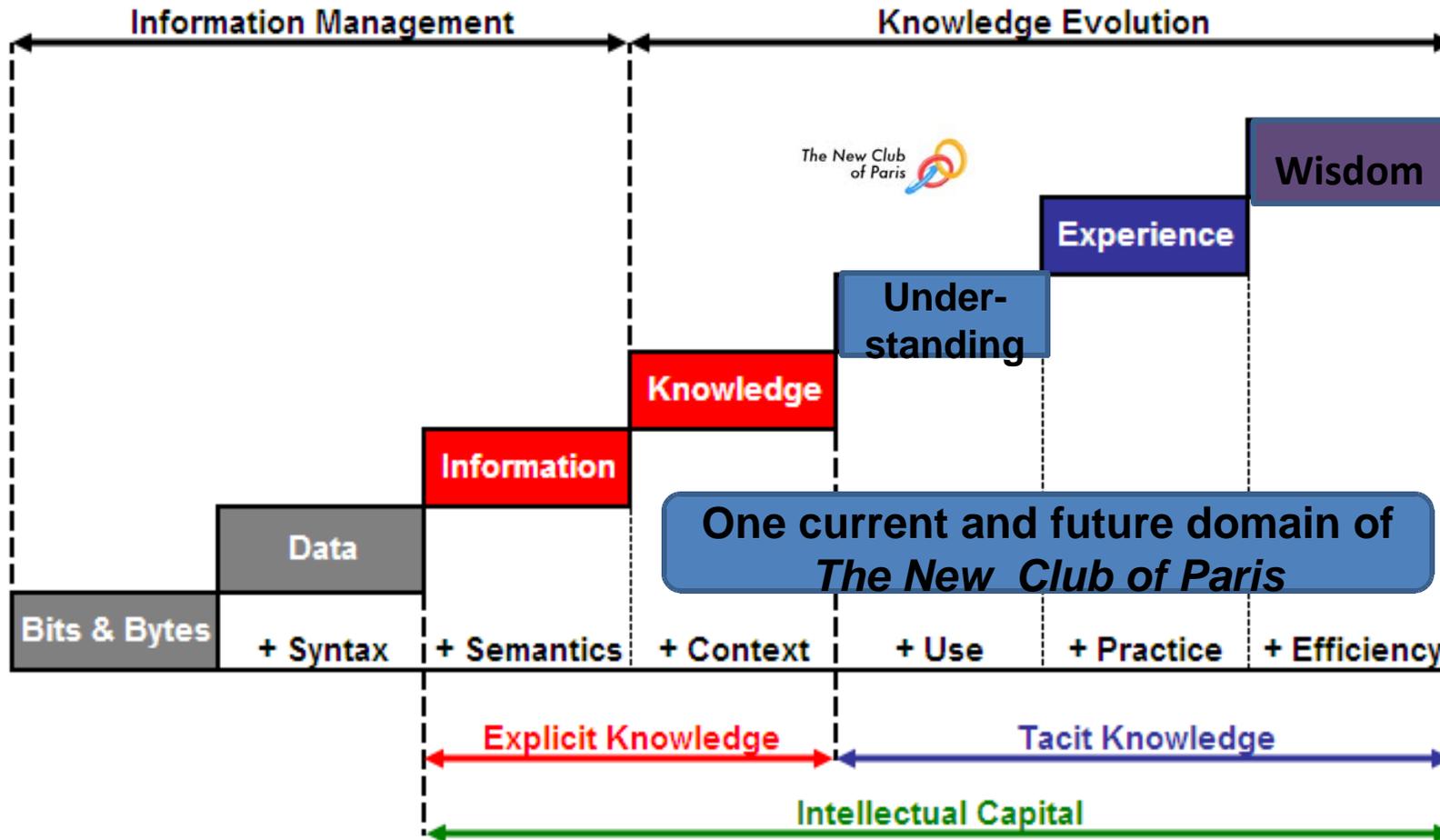
# For example: Moroccan Towns - to be Profiled as Cities of Knowledge ?!



# Which Way to Go to Manage the Future?

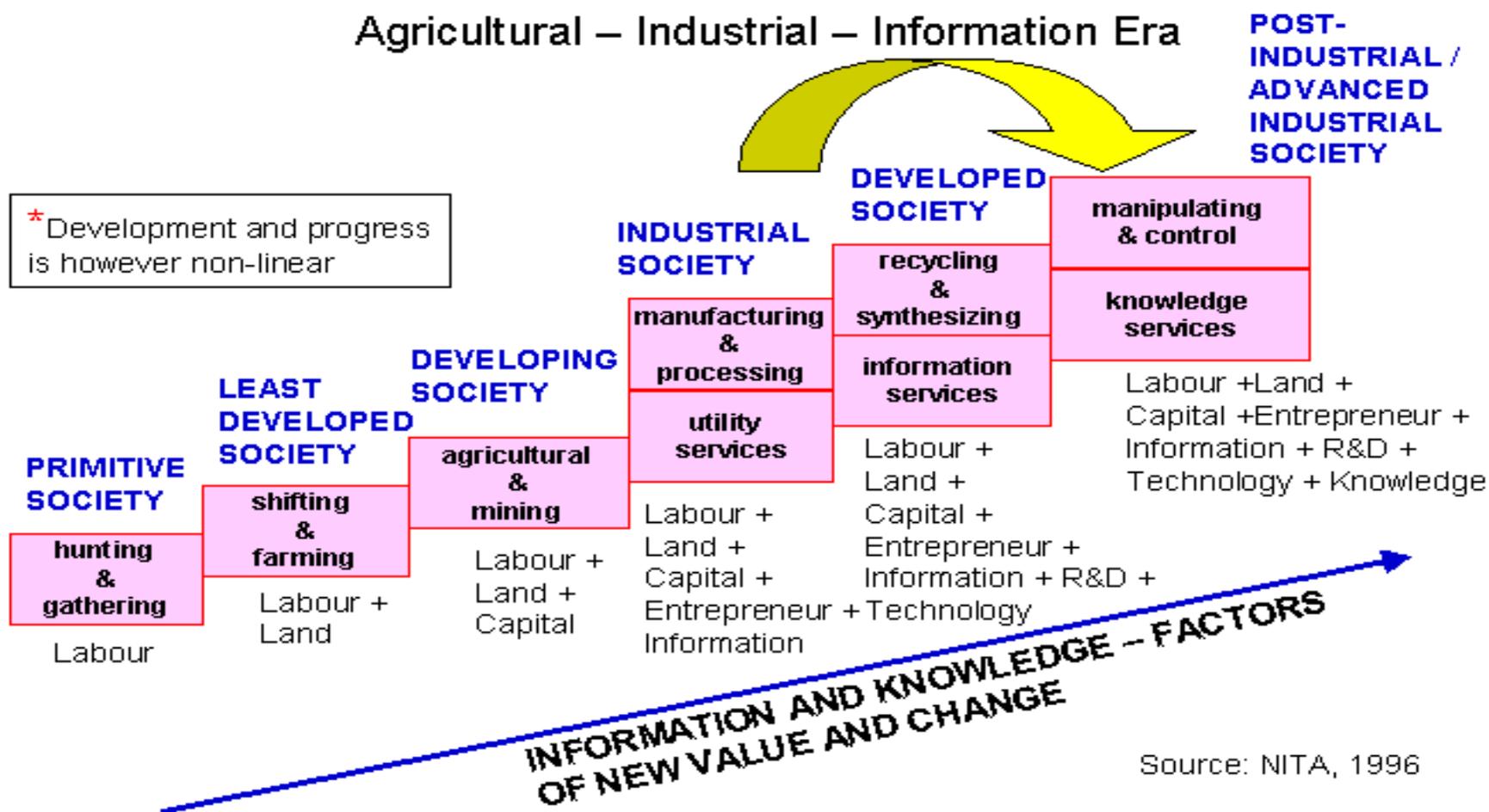


# From Information to Knowledge



Knowledge Building Process & Intellectual Capital

The previous scheme is an extension of one given to The New Club of Paris by Tengku Mohd Azzmann in 2009

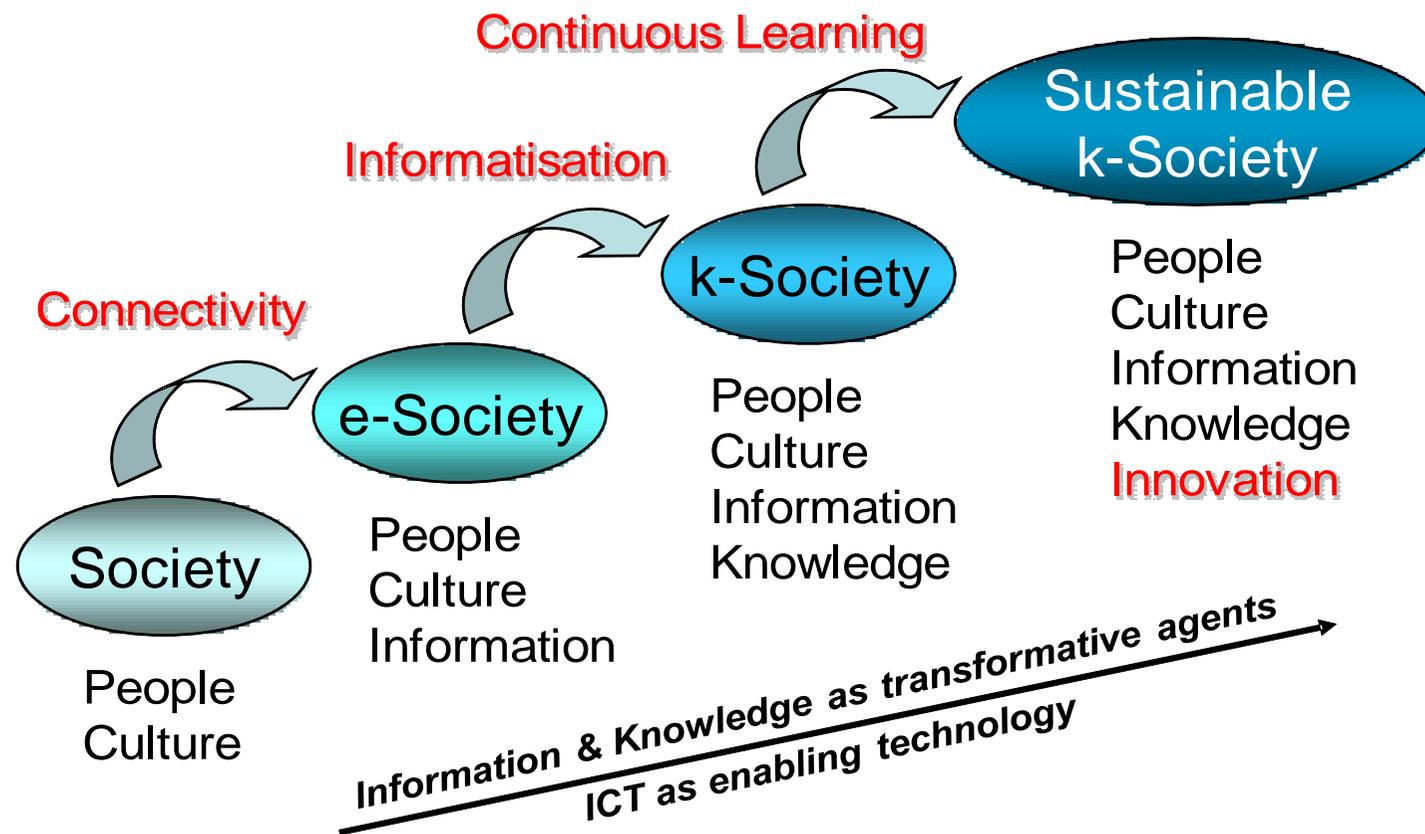


# Zooming into

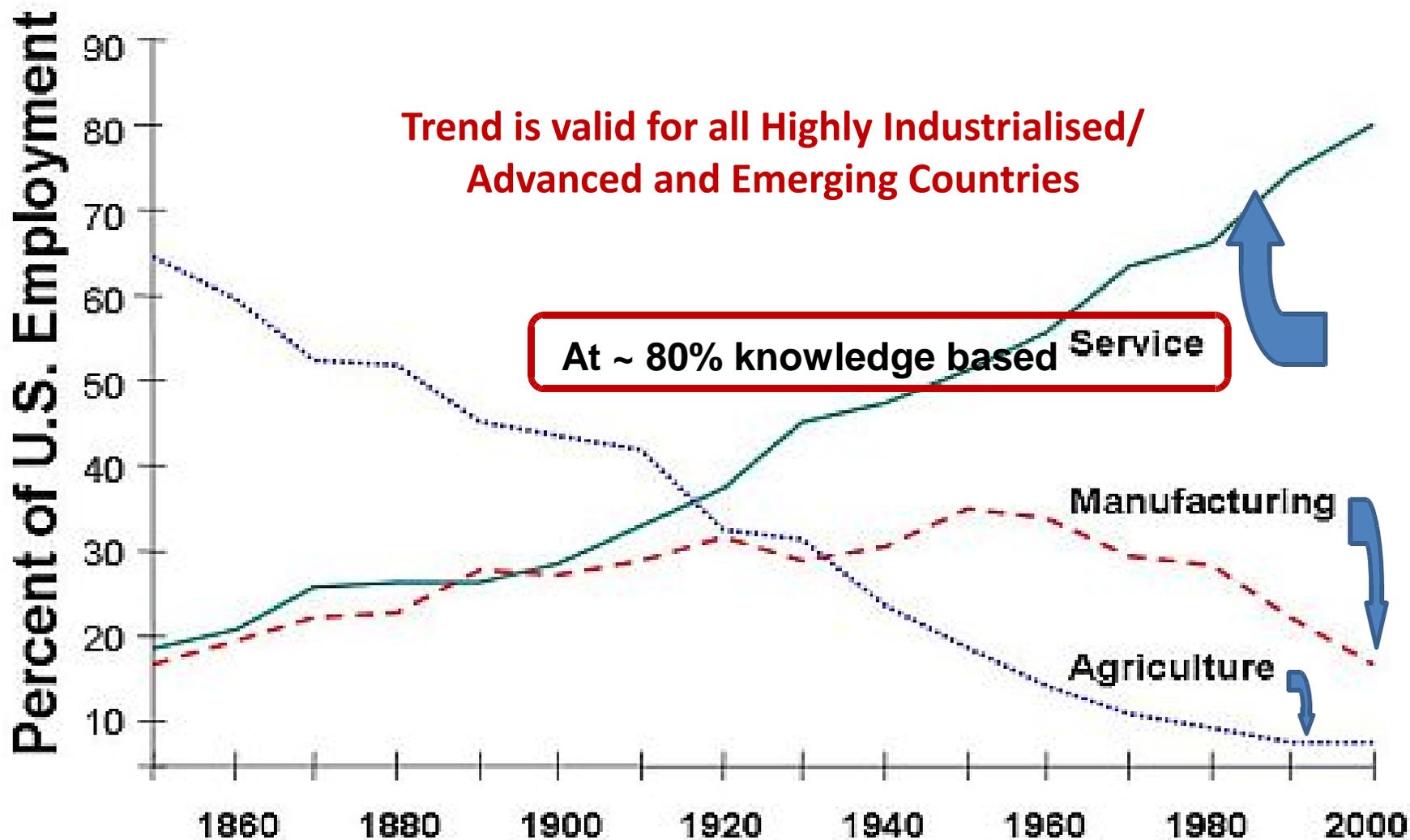
## the Current Transformation Process

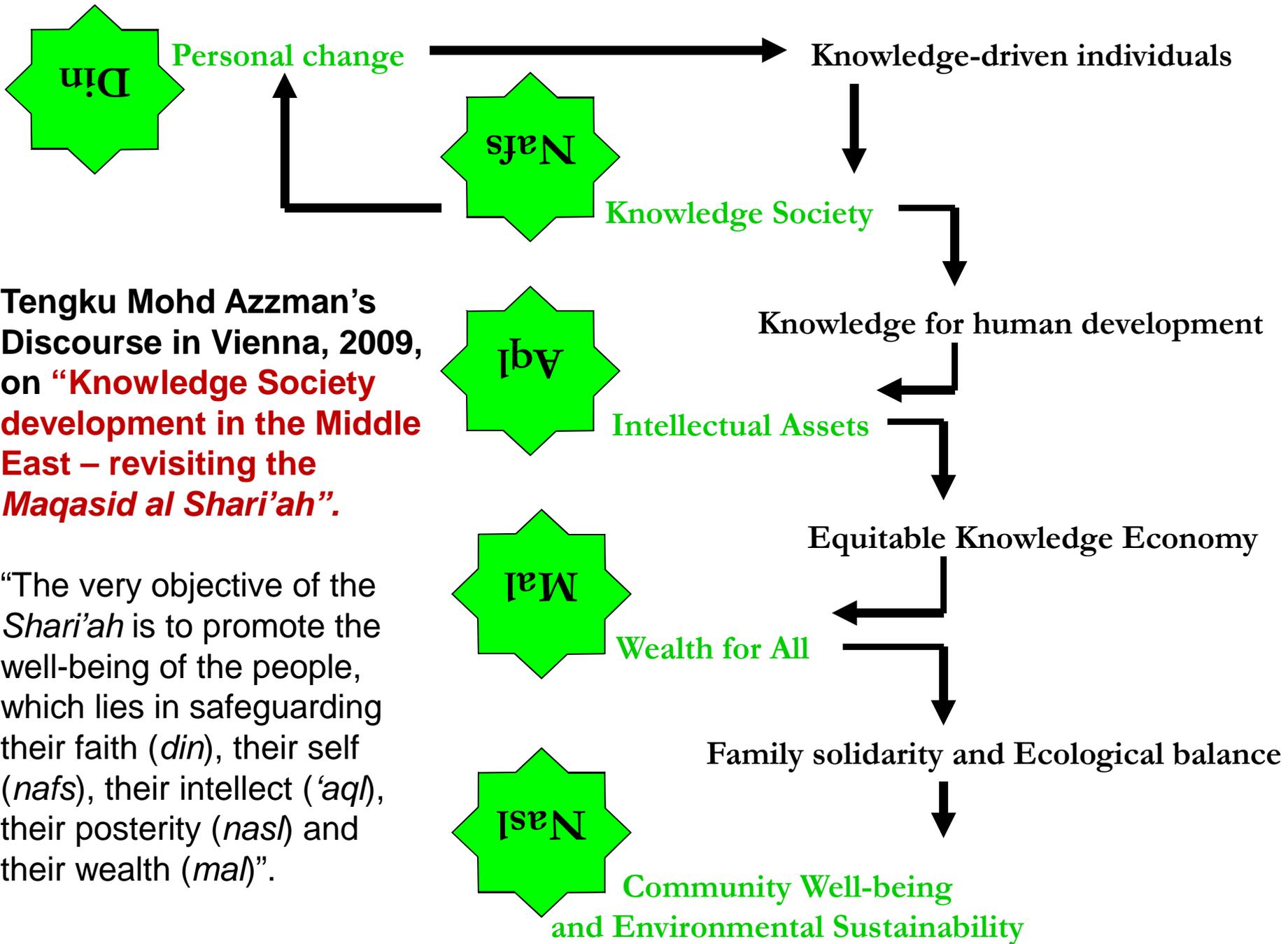
Presentation given to The New Club of Paris from

Tengku Mohd Azzmann in Vienna, 2009



## In Parallel: Economy is Radically Changing its Structure





Tengku Mohd Azzman's Discourse in Vienna, 2009, on "Knowledge Society development in the Middle East – revisiting the *Maqasid al Shari'ah*".

"The very objective of the *Shari'ah* is to promote the well-being of the people, which lies in safeguarding their faith (*din*), their self (*nafs*), their intellect (*'aql*), their posterity (*nasl*) and their wealth (*mal*)".

# Strategic thrusts from *Maqasid al Shar'iah* perspective: Summary



Strategic vision, intent and purpose of Knowledge Society



Personal change in mindset, attitudes and behaviour as basis to build Knowledge Society



Strategic management to realise Knowledge Society and production of intellectual assets

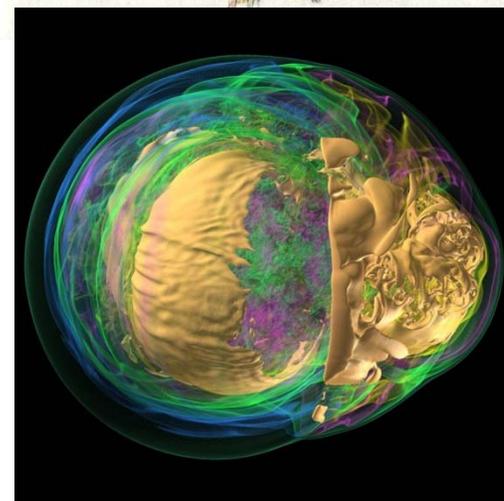
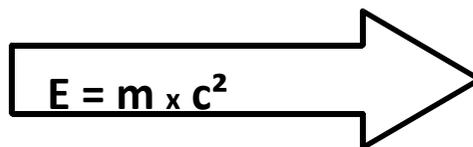
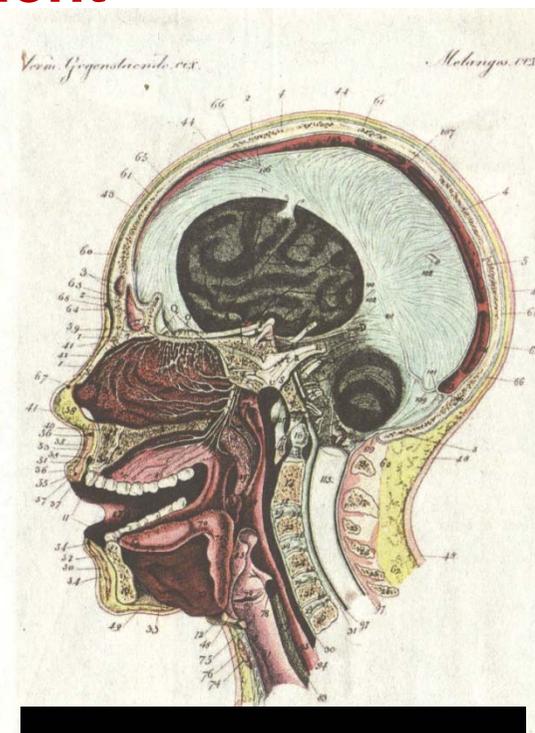
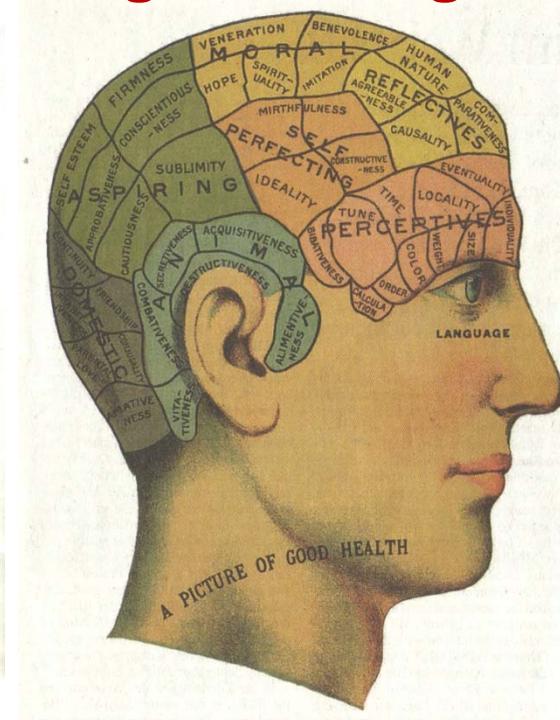
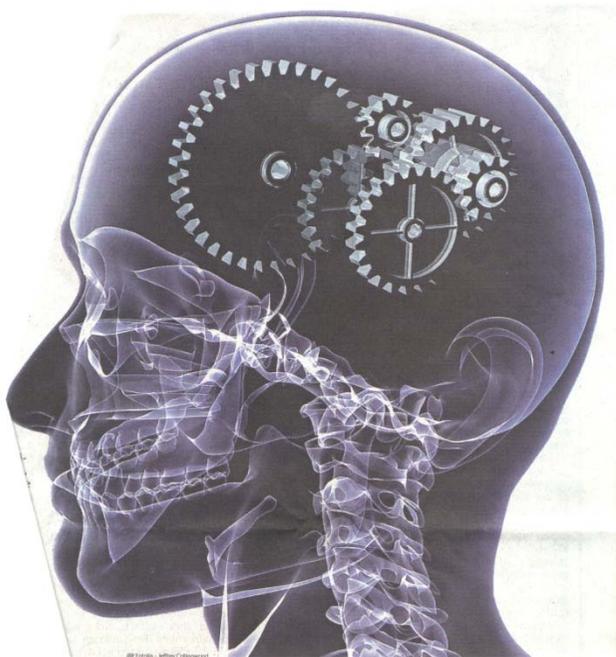


Use of knowledge to develop equitable Knowledge Economy with wealth (spiritual, social and material) for all



Safeguarding interests of present and future generations by enhancing family and social solidarity and preserving ecological balance

# The Big Change in Thinking in Europe since the „Age of Enlightenment“



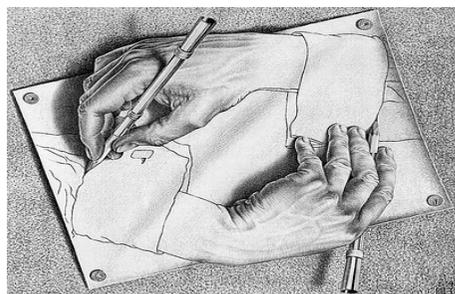
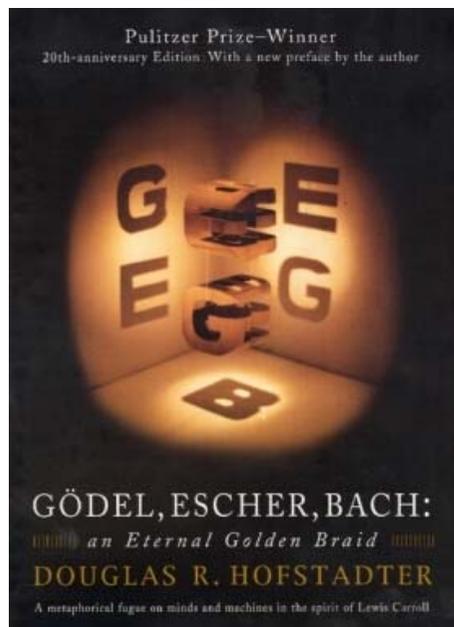
## A Philosophical Consideration From a Formal Scientists Standpoint

### Kurt Goedel's two theorems and their invocations

**Gödel's incompleteness theorems** are two theorems of mathematical logic that establish inherent limitations of all axiomatic systems axiomatic systems for mathematics.

The theorems, proven by Austrian Kurt Gödel in 1931, are important both in mathematical logic and in the philosophy (of mathematics). The two results are widely interpreted as showing that **to find a complete and consistent set of axioms for all of mathematics is impossible.**

If Goedel's theorem **in a methaphorical sense (!!!)** would be applied within non formalized and non formalizable life situations, **one practical conclusion to overcome a "Gödel logic trap" would be to step up "one level higher" and then to take decisions from this new standpoint.**

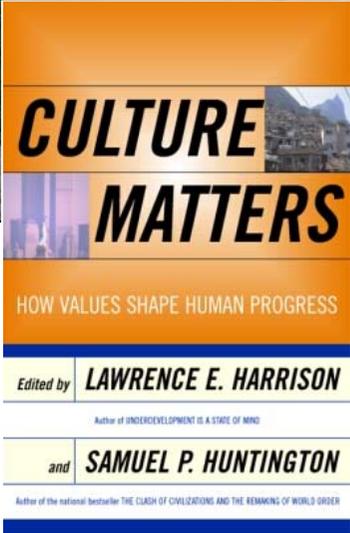


# Islam and predecessor, monotheistic religions have enough in common to find ways together

**Commonalities  
on abstract levels**



In support of a new Enlightenment : IIASA in Austria may serve as one model for a new „Institute of Knowledge and Intercultural Research“ common between IAIS and The New Club of Paris ?





Pere Borrell  
del Caso, 1874



