

Editorial: Knowledge-based economy key to Treasure Coast future

By Editorial Board

Thursday, September 17, 2009

As the Treasure Coast transitions to the Research Coast, the educational programs and business opportunities provided by the Kight Center will become increasingly important in the development of a knowledge-based economy that attracts and supports science and technology firms," according to Ed Massey, president of Indian River State College.

There aren't going to be any steel mills on the Indian River. There probably won't be a BMW plant in western St. Lucie County. And that clothing manufacturer? It's unlikely he'll set up shop after getting a ton of government incentives.

In case you haven't been paying attention, local economic developers have been using the term "knowledge-based economy" for years. As a Treasure Coast Economic Development District report on economic development strategies for 2010 said in 2000:

"As we move into a new knowledge-based economy, companies and individuals can exercise more freedom to choose places where they want to live and work. Our Region strives to embrace the concept of 'liveability' through natural resource protection, a distinctive quality of life and an emphasis on community, environment and economy."

Chalk it up to technology and the fact that manufacturing can be done more economically in Indonesia, China and India. Many Treasure Coast leaders view this as a reality, like it or not, and are focused on transforming the local economy.

"If we can use the universities as the knowledge-based engine, we can slingshot out of this recession," Frank Brogan, former president of Florida Atlantic University, now chancellor of the state's higher-education system, said recently. "Simply waiting for a thousand more people a day to come into the state and the housing industry to come back is short-sighted."

So what is a knowledge-based economy?

" 'The knowledge-based economy' is an expression coined to describe trends in advanced economies toward greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors."

So says the Organisation for Economic Co-operation and Development, made up of 30 governments committed to democracy and dedicated to improving people's standard of living.

The Torrey Pines Institute for Molecular Studies is the linchpin of a knowledge-based economy on the Treasure Coast. Other research facilities dot the region and more are expected. The innovation and technology that a digital animation company can bring to the region also is an example of a knowledge-based, as opposed to manufacturing, construction, agricultural or service economies.

Why is such an economy important?

"The ability to grow the economy by increasing knowledge rather than labor or capital creates opportunities for nearly boundless growth," Portland, Ore.,-based economist Joseph Cortwright wrote in 2001. "Markets fail to produce enough knowledge because innovators cannot capture all of the gains associated with creating new knowledge. And because knowledge can be infinitely reused at zero marginal cost, firms who use knowledge in production can earn quasi-monopoly profits.

"Today we tend to focus on the computer and the Internet as the icons of economic progress, but it is the process that generates new ideas and innovations, not the technologies themselves, that is the force that sustains economic growth."

Such an economy takes brain power. And that must come from students educated on the Treasure Coast. In other words, education should not be focused on facts, but on how to think and be innovative.

Other critical skills in this new economy include the ability to learn rapidly, communicate and work in teams. Workers must be able to keep up with incessant change, understand it and anticipate it.

As Larry Pelton, president of the Economic Development Council of St. Lucie County, is now saying, even the economy is evolving. It's becoming an "innovation-based economy."

As Florida-based management consultant Philip Crosby said, "If anything is certain, it is that change is certain."

So get used to it, as part of the knowledge-based economy.



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