From Capitalism to Knowledge Society Peter Drucker

- Capitalism and technology conquered the world
- The transformation of both the East and West was driven by radical changes in the meaning of knowledge
- Before knowledge was always seen as applying to being
- Then it began to be applied to doing, it became a resource
- The application of knowledge to tools, processes, and products led to the Industrial Revolution ~1750
- Then around 1880, the application of knowledge to work (Taylorism) led to the Productivity Revolution. In 75 years proletarians were made into middle class

- After WW II, knowledge was applied to knowledge -> Management Revolution
- Now knowledge has become *the* factor of production sidelining capital and labour
- Drucker argues that we haven't yet become a knowledge society, but we are a post-capitalist society

New Meaning of Knowledge:

- Greeks: Socrates: There is only self-knowledge, for the intellectual, spiritual, moral growth of a person
- Protagoras: Knowledge meant logic, grammar and rhetoric, the core of liberal education
- East: Confucians: Knowledge means what to say and how to say it for advancement and earthly success

- Taoists and the Zen: Self-knowledge was the road to enlightenment and wisdom
- East and West did not attribute *utility* to knowledge. It did not mean ability to do something or skill.
- The Greek word for skill was techne
- The combination of *techne*, the mystery of craft skill with *logy*, organised, systematic, purposeful knowledge led to the discovery of *technology* during the Ind Revolution
- Dramatic shift from skill to technology, application of knowledge to tools, products and processes
- From household production to factory production: IR, the machine and factory system began in mid 18th C.

Productivity Revolution: application of knowledge to work

Taylor: work could be studied, in manual operations there is only work, no skilled work

Work could be analysed and divided into a series of simple repetitive motions to be done in one right way with the right tools

- Taylor's intentions were attacked by workers and management.
- Drucker: The productivity revolution defeated Marxism, Marx's proletarians did not become affluent, but became middle class

- Drucker: Productivity revolution as it applied to manual work is over. In 1950, most people were engaged in manufacturing, farming, mining & transportation By the 1990s, their number had shrunk to one-fifth of the workforce. By 2010 they will be no more than 1/10
- Now what matters is the productivity of non-manual workers, or what we call knowledge workers
- Applying knowledge to knowledge: Knowledge is the most important resource today. Traditional factors of production land, labour and machines have not disappeared, but they have become secondary
- Drucker calls knowledge being applied to knowledge,
- management.
 That knowledge has become *the* resource, rather than *a* resource made our society post-capitalist.