

# **De-Sovietization of Knowledge: Efforts to Promote Economic Development Through ICT in ex-Soviet Countries**

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## ***Innovation and Organization***

The process of innovation relies heavily on the promotion of organization. It means that economic development promotion goes through the creation of social relations able to facilitate and sustain economical interchanges. Those organized relations are to be fostered within and between social agencies. To achieve that, the challenge is not only to address optimal and ideal combinations of economical resources and social factors, but to mobilize capabilities towards ends, and to make social relations foreseeable and reliable, too.

Capability, know-how, best practices -under a common label: knowledge- and trust are the two main foci of this contribution. It starts framing the problem within contemporary academic debate and concrete social issues; knowledge transfer is the label given to this kind of interventions, it is related to empirical situations, whose main characteristics are briefly addressed; then a discussion highlights how attitudes and perceptions of information affect and can affect economical development.

## ***Organization, ICT and Knowledge***

Nowadays, for the promises generated by the ICT diffusion, knowledge arose as a key concept relating new technologies and organization for innovation. Therefore health, educational, financial, administrative institutions become knowledge-intensive organizations. It is not only a matter of label: the way to conceive them, to set agenda and priorities are consequent. Education gained a central role in projects for innovation all around the world (schools are expected to access and diffuse knowledge through distant learning systems), markets can move towards an ideal-typical perfection if who decides has access to information needed for rational choices (as far as possible), administrations and public services could be better organized when distant coordination and remote access to information resources are allowed by ICT, and when best practices can be more easily exported.

It is quite common that those approaches and projects rely on their narrow focus and do not pay attention to different contexts they are implemented in.

## ***Knowledge Transfer***

Ideas, knowledge and practices transfers are the center of contemporary efforts to promote innovation and development. Indeed, national and international organizations center their activities for innovation on knowledge transfer, this field of study and intervention is in-between three disciplines:

- economics of innovation,
- organizational sociology,
- information and technology policy.

The aim of this research is to provide some evidences on two typical issues such as:

- state of the information and cooperation networks;
- attitudes and behaviors of small entrepreneurs (disinclination to cooperate among themselves, lack of interest in training).

This study is a work-in-progress, aiming to frame main issues, to propose a theoretical perspective, to engage with research questions, to address relevant case-studies and to situate results within ongoing debates.

## ***Post-Soviet context***

Competitiveness is played on the ability to use technologies to create networks (supply chains, alliances...) and to know markets. This is expected to produce economic development, and can be improved by a close interchange between universities, research centers and industrial districts. In order to make it working, it is needed a deeper understanding of specific social context and characteristics.

The empirical area of interest are ex-Soviet countries. There, low social capital and lack of reliance on institutions make personal and informal networks the central element for economical actors. Consequently enterprises avoid any exposure, in order not to be visible and controlled by public administration, and not to be extorted money.

Contemporary knowledge economy requires different attitudes. Being based on always-changing networks, weak ties, trust in the others -beyond acquaintances' network- and reliance on institutions are fundamental. Instead the situation is the opposite:

- weak ties nearly do not exist, entrepreneurs are isolated; therefore the accessible resources are low;
- institutions do not provide needed information<sup>1</sup>, it is not perceived and provided as a public good; this means that information availability is completely dependent on particular power and interests;
- hierarchies are based on power rather than legitimation;
- surviving economy do not permit to enterprises to focus on the core business.

This means that information:

- does not go beyond formed groups, increasing its value;
- is accumulated as object to get an immediate profit from it rather than planning actions on the medium/long term;
- is used by hierarchies to sustain their power although this attitude is counterproductive;
- competitors have not the same information and chances.

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<sup>1</sup> In Italy, there are two management models for economic information: Tuscan (due to its progressive tradition, local authorities provide trustworthy information to enterprises) and North-Eastern (Camere di Commercio, which are associations among privates).

The case-studies we address are innovation projects that are promoted in ex-soviet countries by international organization, mainly European Union. In some of them we had a role in the evaluation, in an action-research in Russia we will have a role.

### ***On the Ruins or with the Ruins of Communism?***

Usually organizations (of any kind) absolve the function to back reliance of actions and communications of their members. The hypothesis here is that lack of trust and information poverty mutually feedback and create a vicious circle that obstacle economic development. In other words: reliance on knowledge, rather than knowledge itself, is what knowledge society requires and implies. From this standpoint we propose descriptive and normative levels of work. On the former aspect it is interesting to understand people attitude towards information, dynamics of existing social networks and their interplay with imported ones. On the latter level it is interesting to prove if information systems can introduce a different way for information to flow and affect economically-relevant decisions and actions, therefore to break the circle of information poverty. More generally it is central to understand if ICT can support the provision of those immaterial public goods<sup>2</sup>.

The main research question is: how are organizational actions and then practices constituted in the process of transferring knowledge into ex-soviet societies?

Related research questions:

- Why information is shared within groups rather than on innovation projects?
- How information clientelism is interweaved with business volatility?
- Are ICT and start-ups a myth that can introduce substantial social changes? How information systems can be thought and designed in order to support open circulation of knowledge?

In order to answer those questions we propose to focus on the reliance accorded to information, understanding if it depends more on the authority of the author and on who believes it, than in its substance; this is an important theme not only for knowledge management. Therefore authority and authoritativeness are useful conceptual standpoints.

### ***Discussion***

Focusing on the typical cycle of mistrust and information poverty during soviet liberalization, shows the reasons for such attitudes and behaviors, and gives new light to the reasons of reproduction of mistrust between economic actors and institutions: fear of attracting attention, barriers to information access, ineffectual legal system, waste of resources, corruption, imperfect competition and cronyism(?),gray/black economy, profits from transitory opportunities.

During the Soviet era, innovations went through political campaigns. Social changes used to follow a top-down model, therefore organizational uncertainty was on the top of the organizational pyramid (this implied that many actors were involved in order to avoid a clear allocation of responsibilities). In market driven economies, organizations have to deal with uncertainty from the bottom, which is heavily affected by information flows. All organizational behaviors, and daily processes of organizing, are affected by this change, therefore to manage transition and innovation, this is a central field to be considered.

From another point of view, knowledge has become a central resource for contemporary economies, and it is tried to be capitalized. This requires a way to treat information which

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<sup>2</sup> We would like to stress the paradox that in a social system in which everything was supposed to be public good, it is not conceived by people

is radically different from previous bureaucratic way, and therefore to change related practices.

The descriptive aim of this research is to find and illustrate some best practice within these unfavorable conditions and to find some weak signs brought about by a small number of projects of knowledge transfer and innovative firms setting up.

On the normative level, the contribution of this research is about the possible role of e-government in reducing barriers and mistrust between actors and institutions, and in making them more accountable.

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