

Title:

Knowledge and Power

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Summary:

"Knowledge is Power" goes the old German adage. But power, as any schoolboy knows, always has negative and positive sides to it.

Keywords:

Article Body:

"Knowledge is Power" goes the old German adage. But power, as any schoolboy knows, always has negative and positive sides to it. Information exhibits the same duality: properly provided, it is a positive power of unequalled strength. Improperly disseminated and presented, it is nothing short of destructive. The management of the structure, content, provision and dissemination of information is, therefore, of paramount importance to a nation, especially if it is in its infancy (as an independent state).

Information has four dimensions and five axes of dissemination, some vertical and some horizontal.

The four dimensions are:

Structure - information can come in various physical forms and poured into different kinds of vessels and carriers. It can be continuous or segmented, cyclical (periodic) or punctuated, repetitive or new, etc. The structure often determines what of the information (if at all) will be remembered and how. It encompasses not only the mode of presentation, but also the modules and the rules of interaction between them (the hermeneutic principles, the rules of structural interpretation, which is the result of spatial, syntactic and grammatical conjunction).

Content - This incorporates both ontological and epistemological elements. In other words: both "hard" data, which should, in principle, be verifiable through the employment of objective, scientific, methods - and "soft" data, the interpretation offered with the hard data. The soft data is a derivative of a "message", in the broader sense of the term. A message comprises both world-view (theory) and an action and direction-inducing element.

Provision - The intentional input of structured content into information channels. The timing of this action, the quantities of data fed into the channels, their qualities - all are part of the equation of provision.

Dissemination - More commonly known as media or information channels. The channels which bridge between the information providers and the information consumers. Some channels are merely technical and then the relevant things to discuss would be technical: bandwidth, noise to signal ratios and the like. Other channels are metaphorical and then the relevant determinants would be their effectiveness in conveying content to targeted consumers.

In the economic realm, there are five important axes of dissemination:

From Government to the Market - the Market here being the "Hidden Hand", the mechanism which allocates resources in adherence to market signals (for instance, in accordance with prices). The Government intervenes to correct market failures, or to influence the allocation of resources in favour or against the interests of a defined group of people. The more transparent and accountable the actions of the Government, the less distortion in the allocation of resources and the less resulting inefficiency. The Government should declare its intentions and actions in advance whenever possible, then it should act through public, open tenders, report often to regulatory and legislative bodies and to the public and so on. The more information provided by this major economic player (the most dominant in most countries) - the more smoothly and efficaciously the Market will operate. The converse, unfortunately, is also true. The less open the government, the more latent its intents, the more shadowy its operations - the more cumbersome the bureaucracy, the less functioning the market.

From Government to the Firms - The same principles that apply to the desirable interaction between Government and Market, apply here. The Government should disseminate information to firms in its territory (and out of it) accurately, equitably and speedily. Any delay or distortion in the information, or preference of one recipient over another - will thwart the efficient allocation of economic resources.

From Government to the World - The "World" here being multilateral institutions, foreign governments, foreign investors, foreign competitors and the economic players in general providing that they are outside the territory of the information disseminating Government. Again, any delay, or abstention in the dissemination of information as well as its distortion (disinformation and misinformation) will result in economic outcomes worse that could have been achieved by a free, prompt, precise and equitable (=equally available) dissemination of said information. This is true even where commercial secrets are involved! It has been proven time and again that when commercial information is kept secret - the firm (or Government) that keeps it hidden is HARMED. The most famous examples are Apple (which kept its operating system a well-guarded

secret) and IBM (which did not), Microsoft (which kept its operating system open to developers of software) and other software companies (which did not). Recently, Netscape has decided to provide its source code (the most important commercial secret of any software company) free of charge to application developers. Synergy based on openness seemed to have won over old habits. A free, unhampered, unbiased flow of information is a major point of attraction to foreign investors and a brawny point with the likes of the IMF and the World Bank. The former, for instance, lends money more easily to countries, which maintain a reasonably reliable outflow of national statistics.

From Firms to the World - The virtues of corporate transparency and of the application of the properly revealing International Accounting Standards (IAS, GAAP, or others) need no evidencing. Today, it is virtually impossible to raise money, to export, to import, to form joint ventures, to obtain credits, or to otherwise collaborate internationally without the existence of full, unmitigated disclosure. The modern firm (if it wishes to interact globally) must open itself up completely and provide timely, full and accurate information to all. This is a legal must for public and listed firms the world over (though standards vary). Transparent accounting practices, clear ownership structure, available track record and historical performance records - are sine qua non in today's financing world.

From Firms to Firms - This is really a subset of the previous axis of dissemination. Its distinction is that while the former is concerned with multilateral, international interactions - this axis is more inwardly oriented and deals with the goings-on between firms in the same territory. Here, the desirability of full disclosure is even stronger. A firm that fails to provide information about itself to firms on its turf, will likely fall prey to vicious rumours and informative manipulations by its competitors.

Positive information is characterized by four qualities:

Transparency - Knowing the sources of the information, the methods by which it was obtained, the confirmation that none of it was unnecessarily suppressed (some would argue that there is no "necessary suppression") - constitutes the main edifice of transparency. The datum or information can be true, but if it is not perceived to be transparent - it will not be considered reliable. Think about an anonymous (=non-transparent) letter versus a signed letter - the latter will be more readily relied upon (subject to the reliability of the author, of course).

Reliability - is the direct result of transparency. Acquaintance with the source of information (including its history) and with the methods of its provision and dissemination will determine the level of reliability that we will attach to it. How balanced is it? Is the source prejudiced or in any way an interested, biased, party? Was the information "force-fed" by the Government, was the media coerced to publish it by a major advertiser, was the journalist arrested after

the publication? The circumstances surrounding the datum are as important as its content. The context of a piece of information is of no less consequence than the information contained in it. Above all, to be judged reliable, the information must "reflect" reality. I mean reflection not in the basic sense: a one to one mapping of the reflected. I intend it more as a resonance, a vibration in tune with the piece of the real world that it relates to. People say: "This sounds true" and the word "sounds" should be emphasized.

Comprehensiveness - Information will not be considered transparent, nor will it be judged reliable if it is partial. It must incorporate all the aspects of the world to which it relates, or else state explicitly what has been omitted and why (which is tantamount to including it, in the first place). A bit of information is embedded in a context and constantly interacts with it.

Additionally, its various modules and content elements consistently and constantly interact with each other. A missing part implies ignorance of interactions and epiphenomena, which might crucially alter the interpretation of the information. Partiality renders information valueless. Needless to say, that I am talking about RELEVANT parts of the information. There are many other segments of it, which are omitted because their influence is negligible (the idealization process), or because it is so great that they are common knowledge.

Organization - This, arguably, is the most important aspect of information. It is what makes information comprehensible. It includes the spatial and temporal (historic) context of the information, its interactions with its context, its inner interactions, as we described earlier, its structure, the rules of decision (grammar and syntax) and the rules of interpretation (semantics, etc.) to be applied. A worldview is provided, a theory into which the information fits. Embedded in this theory, it allows for predictions to be made in order to falsify the theory (or to prove it). Information cannot be understood in the absence of such a worldview. Such a worldview can be scientific, or religious - but it can also be ideological (Capitalism, Socialism), or related to an image which an entity wishes to project. An image is a theory about a person or a group of people. It is both supported by information - and supports it. It is a shorthand version of all the pertinent data, a stereotype in reverse.

There is no difference in the application of these rules to information and to interpretation (which is really information that relates to other information instead of relating to the World). Both categories can be formal and informal. Formal information is information that designates itself as such (carries a sign: "I am information"). It includes official publications by various bodies (accountants, corporations, The Bureau of Statistics, news bulletins, all the media, the Internet, various databases, whether in digitized format or in hard copy).

Informal information is information, which is not permanently captured or is captured without the intention of generating formal information (=without the

pretence: "I am information"). Any verbal communication belongs here (rumours, gossip, general knowledge, background dormant data, etc.).

The modern world is gluttoned by information, formal and informal, partial and comprehensive, out of context and with interpretation. There are no conceptual, mental, or philosophically rigorous distinctions today between information and what it denotes or stands for. Actors are often mistaken for their roles, wars are fought on television, fictitious TV celebrities become real. That which has no information presence might as well have no real life existence. An entity - person, group of people, a nation - which does not engage in structuring content, providing and disseminating it - actively engages, therefore, in its own, slow, disappearance.