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## SOCIALLY INCLUSIVE KNOWLEDGE ECONOMY FOR SUSTAINABLE DEVELOPMENT

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**Abstract:** Terms like "One Earth" and "One Globe" are simply concepts until everyone has access to possibilities without compromising the protection of nature. Is knowledge actually knowledge if it hasn't been implemented to benefit society and the environment? A prosperous society is built on a foundation of interrelated economic and social justice. The concept of social wellbeing is diminishing. Social inequality and marginalized populations in society are expanding alarmingly post-COVID. In the knowledge economy, innovation and competitiveness can deliver effectiveness, quality, establish a solid foundation for harmony with nature, while addressing social vulnerability. The knowledge economy can play a role in tackling global issues such as changing climate concerns and the accessibility of alternative ways to live at every corner of globe. For a prosperous future and for generations to follow, a knowledge economy which puts a strong emphasis on nature and inclusive social well-being may provide positive results. This paper will emphasize the significance of a knowledge economy that is socially inclusive and promotes sustainable growth for the benefit of both people and nature. The paper uses qualitative methodologies to show how a socially inclusive knowledge economy supports social and economic justice while also progressing society towards sustainable growth and development.

**Keywords:** Knowledge Economy, Socially Inclusive Economy, Well-being, Social Justice, Economic Justice

JEL Classification: Z18, D69, F69

*“The notion of social justice is considered inadequate unless justice is extended to all segments of society, even the most marginalized. The provision of social justice is a duty that rests upon those who possess the privilege of experiencing it. Neglecting this responsibility would classify them as perpetrators of injustice”.*

*Abrar Ashraf*

### Introduction

The concept of sustainable development and the knowledge economy are interdependent in achieving the goal of sustainable development inclusively and in harmony with nature. This relationship highlights the importance of integrating economic growth with environmental protection and social equity.

In a knowledge economy that prioritizes social inclusivity, the emphasis is not exclusively on the acquisition of knowledge for the advantage of a privileged few, but rather on establishing a milieu where knowledge is disseminated and employed to augment the welfare of all members of society. This necessitates the elimination of impediments to entry and engagement, such as socioeconomic disparities, gender inequities, and geographical constraints.

In the year 2009, the United Nations General Assembly officially designated the 22nd of April as International Mother Earth Day. This decision was made with the recognition that the Earth and its ecosystems serve as a shared dwelling for humanity. Member States expressed their firm belief in the imperative of fostering Harmony with Nature, as it is crucial for attaining a fair equilibrium between the economic, social, and environmental requirements of both current and future generations. Concurrently, the General Assembly passed its inaugural resolution on the subject of Harmony with Nature.

During the World Bank/IMF Spring Meetings held in Washington D.C., The Director-General of the International Labour Organization (ILO), Gilbert F. Hounbo emphasized the imperative of social justice as a means to surmount the multifaceted obstacles confronting economies and societies worldwide.

According to Hounbo, “Social justice makes societies and economies function more cohesively and productively by reducing poverty and hunger, inequalities, and social tensions. Given its central importance to inclusive and sustainable socio-economic development, social justice should be seen as one of the cornerstones of the renewed multilateralism that is required to overcome current challenges.”.

The establishment of Economic, Social, and Cultural Rights serves as the fundamental basis for the promotion and protection of these essential aspects of human well-being.

The United Nations established the Commission on Human Rights in 1946, which was led by Eleanor Roosevelt. Under her guidance, the Commission drafted the Universal Declaration of Human Rights (UDHR), which encompasses essential rights such as the right to life, liberty, and security, as well as a comprehensive array of civil, political, economic, social, and cultural rights.

On December 10, 1948, the Universal Declaration of Human Rights was unanimously adopted by 48 member states of the United Nations, with eight countries choosing to abstain. Presently, the promotion of human rights is guided by what is commonly referred to as the International Bill of Rights. This framework comprises the UDHR and two international treaties: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights.

The campaign slogan "Only One Earth" serves as a powerful reminder of the limited resources our planet possesses and the urgent need to protect and preserve them. It encapsulates the idea that we have only one Earth, and it is our responsibility to ensure its sustainability for future generations.

These treaties expound upon the rights delineated in the Universal Declaration of Human Rights (UDHR) and, upon being ratified by individual states, possess legal authority. Each treaty establishes the presence of autonomous experts who oversee governmental actions and necessitates regular reporting by governments to ensure compliance with treaty provisions.

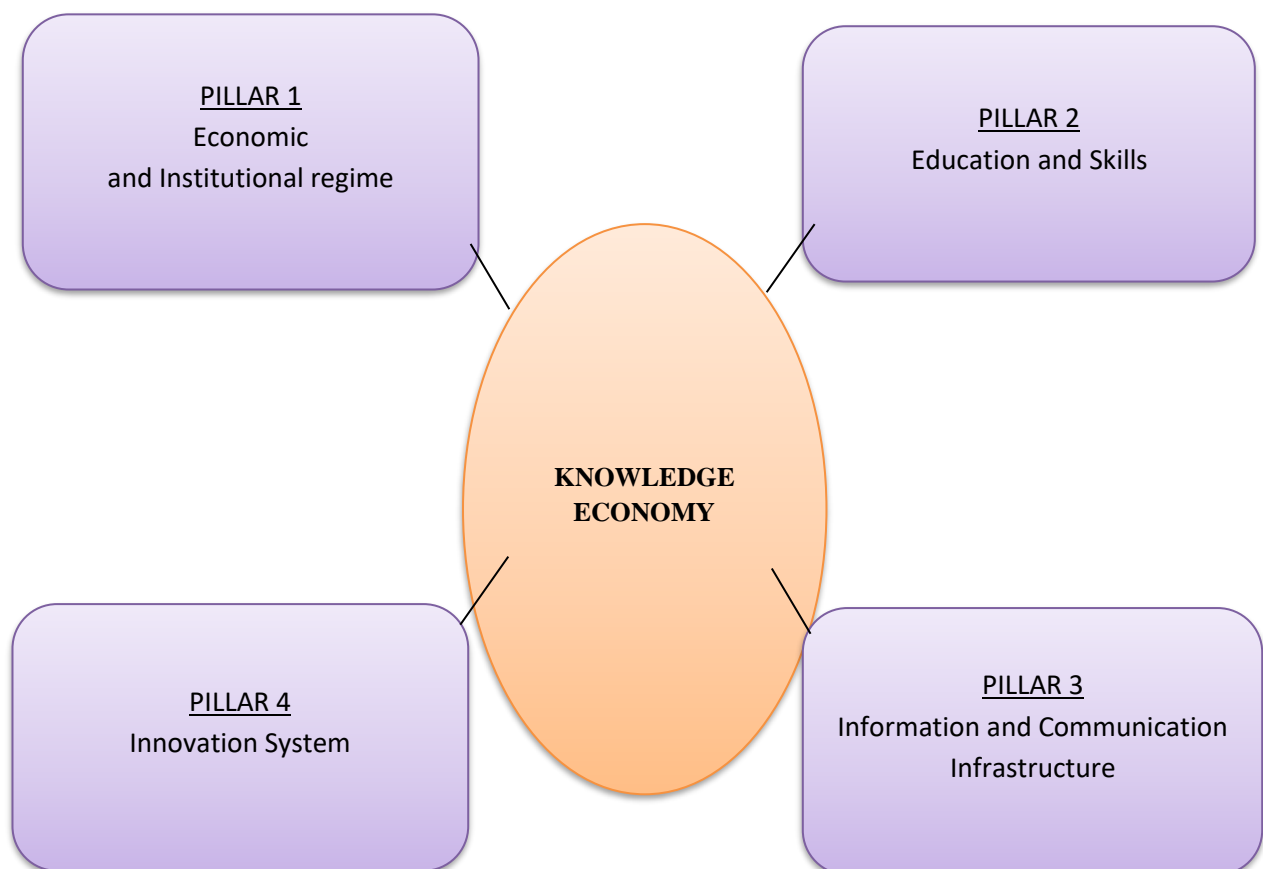
Articles 16 and 22-29 of the Universal Declaration of Human Rights (UDHR) outline economic, social, and cultural rights. These articles enumerate a remarkable array of human rights issues.

## Knowledge Economy

According to Walter W. Powell & Kaisa Snellman the Knowledge Economy (or the Knowledge-Based Economy) is an economic system in which the production of goods and services is based principally on knowledge-intensive activities that contribute to advancement in technical and scientific innovation.

The notion of a knowledge economy gained prominence through the influential works of the esteemed business management consultant Peter Drucker. Drucker initially introduced this concept in his publication, "The Effective Executive," in 1966, and further elaborated on it in his book "The Era of Discontinuity" encapsulates Drucker's visionary concepts that revolve around the paramount importance of knowledge, skills, data analysis, quantifiable performance, and strategic Management by objectives (MBO).

The World Bank Institute has identified four fundamental pillars that make up the Knowledge Economy as shown in Figure 1:



**Figure 1 The World Bank Institute Knowledge Economy four fundamental pillars**

Source: World Bank Institute (2008)

Pillar 1. Institutional structures.

These structures play a crucial role in offering essential incentives for fostering entrepreneurship. They encompass governmental or non-governmental entities that facilitate small business innovation by means of grants or professional assistance.

#### Pillar 2. Proficient labor and education.

Education plays a pivotal role in the process of knowledge construction. This crucial element encompasses both formal and informal educational practices. It is imperative to acknowledge that without the essential skills and education, one's ability to contribute to the knowledge economy is severely hindered.

#### Pillar 3. Innovation systems

Innovation systems are complex networks comprising of various entities such as firms, research centers, universities, consultants, and other actors, both governmental and non-governmental, that collectively contribute to the advancement of innovation.

#### Pillar 4. Information and communication

Information and Communication Technology (ICT) infrastructures facilitate internet accessibility, which plays a pivotal role in the advancement of knowledge in contemporary society. Furthermore, it is imperative that these infrastructures are universally accessible, enabling the global and interconnected dissemination of economic growth.

### **Sustainable Development and Knowledge Economy**

The Lisbon European Summit, held in March 2000, had the main goal of setting a clear objective for the Union. This objective aimed to improve employment, encourage economic reform, and promote social cohesion in a knowledge-based economy. The official statement of the Lisbon European Council on March 23 and 24, 2000, outlined this objective.

The combination of sustainable development goals and the knowledge economy has the ability to utilize the inherent potential of knowledge and innovation in addressing global challenges. This merging effectively aligns the principles of sustainable development with the generation, sharing, and use of knowledge and information. By promoting industries and sectors that rely on knowledge, policymakers and stakeholders can increase productivity, encourage innovation, and ultimately achieve the Sustainable Development Goals (SDGs)<sup>4</sup> in a sustainable and lasting way.

The 2023 SDG Summit in New York on September 18th and 19th kickstarted a new phase of progress towards the SDGs as shown in Figure 2. Led by the President of the General Assembly, it marked the halfway point towards the 2030 deadline and provided political guidance on fast-tracked measures. The Summit was a significant milestone during the General Assembly's High-level Week, addressing global crises and reigniting hope for the 2030 Agenda. At this event UN Secretary General

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<sup>4</sup> The short titles of the 17 SDGs are: No poverty (SDG 1), Zero hunger (SDG 2), Good health and well-being (SDG 3), Quality education (SDG 4), Gender equality (SDG 5), Clean water and sanitation (SDG 6), Affordable and clean energy (SDG 7), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Reduced inequalities (SDG 10), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Life below water (SDG 14), Life on land (SDG 15), Peace, justice, and strong institutions (SDG 16), Partnerships for the goals (SDG 17). More information can be found on <https://www.undp.org/sustainable-development-goals>

António Guterres said “The SDG Summit in September must be a moment of unity to provide a renewed impetus and accelerated actions for reaching the SDGs”.



**Figure 2. The 17 SDGs**

Source: <https://www.un.org/sustainabledevelopment/blog/2015/12/sustainable-development-goals-kick-off-with-start-of-new-year/>

The Sustainable Development Goals (SDGs) prioritize the interrelated environmental, social, and economic dimensions of sustainable development by placing sustainability at their core. The Sustainable Development Goals (SDGs) will serve as the foundation for promoting inclusive development within a knowledge-based economy, ensuring equal opportunities.

Sustainable Development Cohesion with Harmony with Nature

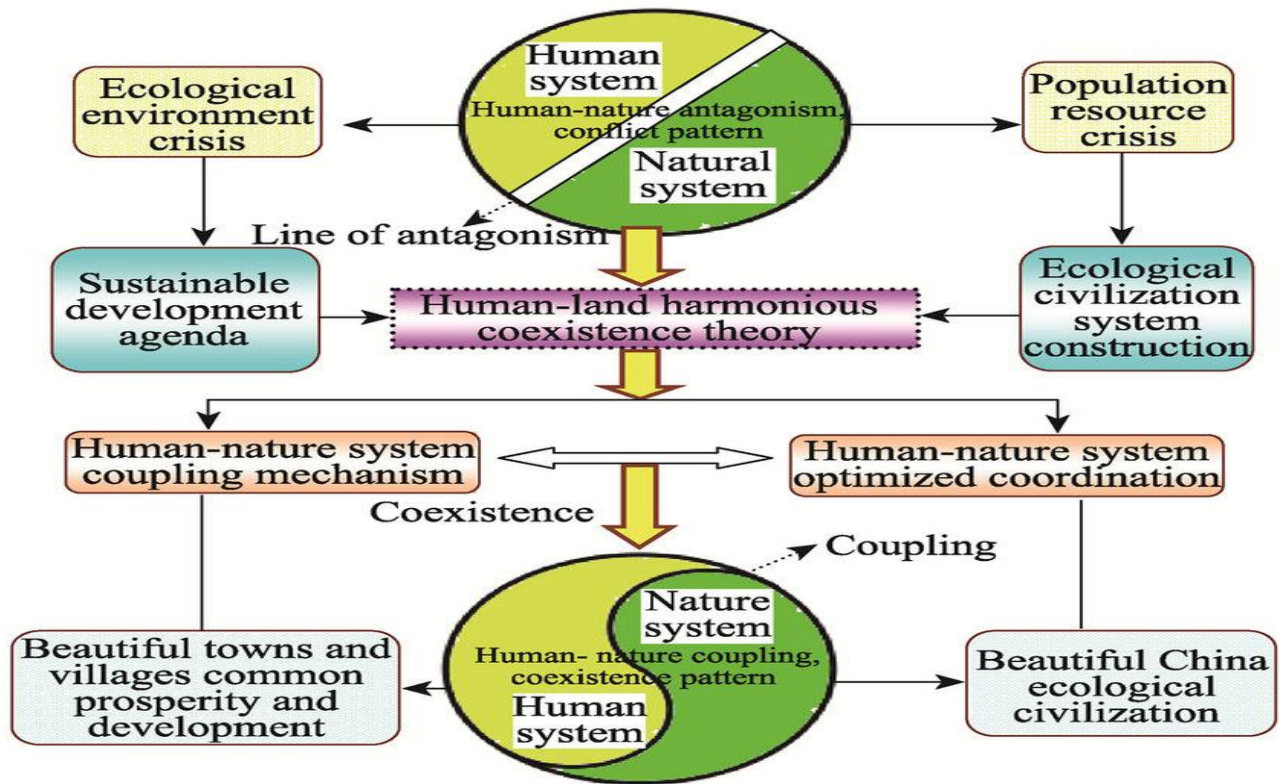


Figure 3. Human-nature harmony theory, evaluation index system and application

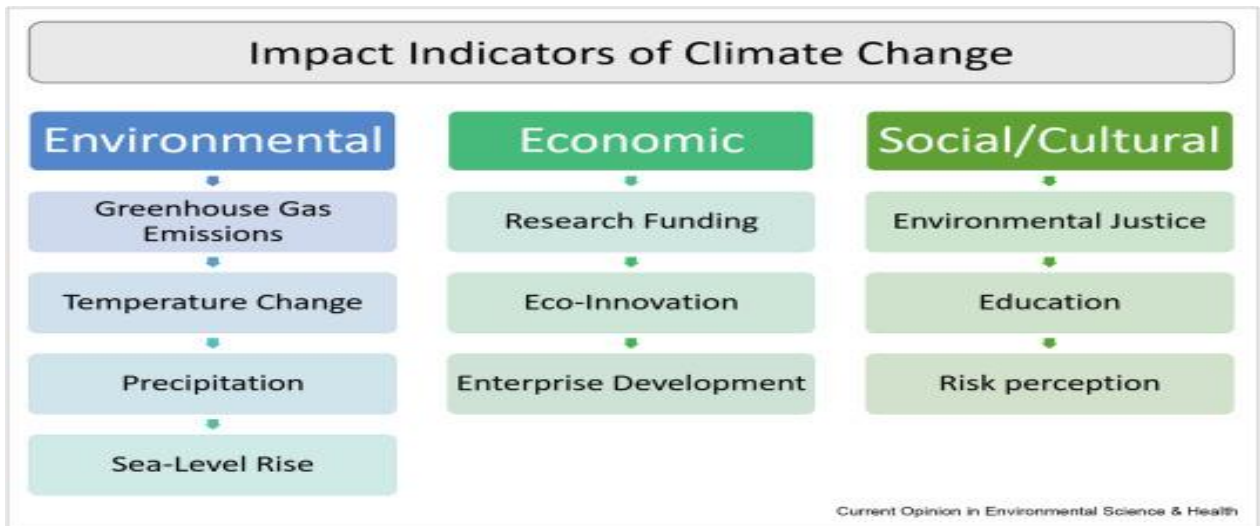
Source: Chuanglin Fang, Zhenbo Wang & Haimeng Liu, Beautiful China Initiative

The schematic diagram of the man-earth harmony theory of BCI is presented on the figure above. As shown in Figure 3 the Beautiful China Initiative's theory of man-earth harmony has been rephrased as the human-nature harmony theory. This academic terminology emphasizes the importance of a balanced relationship between humanity and the natural environment.

The BCI initiative offers a platform for examining the coexistence and interconnectedness between a knowledge-based economy and Nature.

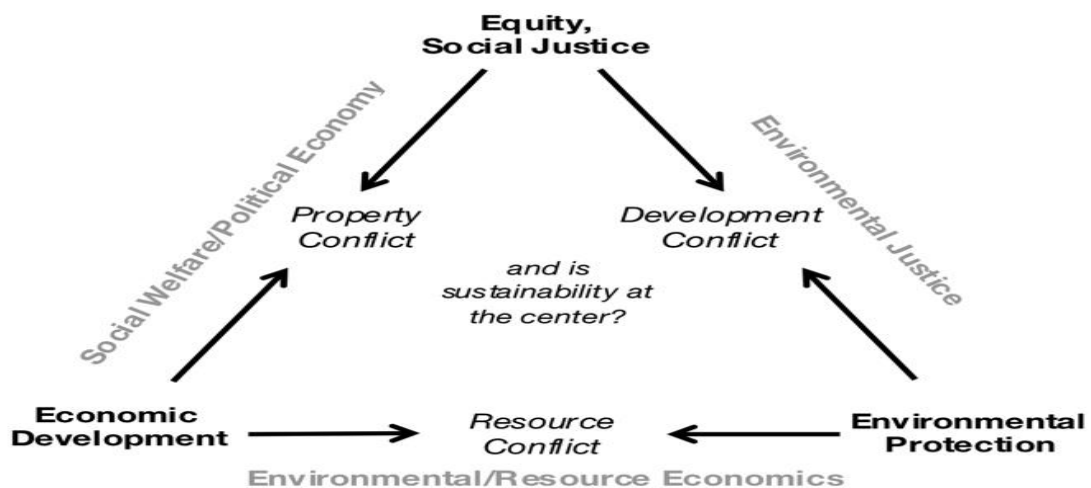
In the year 2009, the United Nations General Assembly officially designated the 22nd of April as International Mother Earth Day. Since 2009, the primary objective of the General Assembly has been to establish a comprehensive understanding of the recently discovered connection between humans and nature, which is not centered solely on human interests. This objective has been pursued through the adoption of nine resolutions on Harmony with Nature. These resolutions encompass diverse perspectives on the development of a novel, non-anthropocentric paradigm that redefines the ethical framework for environmental decision-making. The intention is to move away from a human-centric approach and embrace a broader perspective that considers the well-being of the natural world. This progressive approach was further reinforced in the outcome document of the United Nations Conference on Sustainable Development (2012), titled "The future we want." "We recognize that planet Earth and its ecosystems are our home, and that "Mother Earth" is a common expression in a number of countries and regions, and we note that some countries recognize the rights of nature in the context of the promotion of sustainable development."

The concept of sustainability has the potential to yield positive effects on the climate, as depicted in Figure 4. When the knowledge economy is intertwined with sustainable development, it can foster economic and social justice, thereby influencing lives across all continents. By mitigating the adverse consequences of climate change, an atmosphere conducive to equal opportunities for all can be established.



**Figure 4 Sustainable measurement indicators to assess impacts of climate change**

**Source:** Implications for the New Green Deal Era Author links open overlay panel Darren Barry, Seamus Hoyne "The science continues to show that we are not doing enough to lower emissions and meet the goals of the Paris Agreement - as the world prepares for the first global stock take at COP28, we must increase our ambition and action, and we must all do the real work to transform our economies through a just transition to a sustainable future for people and planet," said Inger Andersen, Executive Director of the UN Environment Programme.



**Figure 5. The Campbell's framework exhibits the three distinct categories of sustainability conflicts that arise from the collision of its comprehensive objectives**

Source: <https://quod.lib.umich.edu/m/mjs/12333712.0001.007?view=text;rgn=main>

Figure 5 illustrates that the absence of equity and equal opportunities in the pursuit of sustainability

inevitably leads to discord and an unceasing cycle of strife. This observation underscores the importance of addressing issues of fairness and inclusivity in any sustainable development endeavor.

### SUSTAINABLE DEVELOPMENT THROUGH INCLUSIVE GROWTH

According to the Organization for Economic Co-operation and Development (OECD), inclusive growth is an economic development that creates opportunities for all socio-economic groups of the population and is able to distribute the monetary and non-monetary growth fairly across society<sup>5</sup>. According to the planning commission of India, inclusive growth is a multifaceted concept that encompasses several specific components essential for attaining comprehensive economic and social development. These<sup>6</sup> components, as depicted in figure 6, collectively play a pivotal role in fostering the advancement of social and economic justice.



**Figure 6. According to the Planning Commission of India (Planning Commission, 2007)**

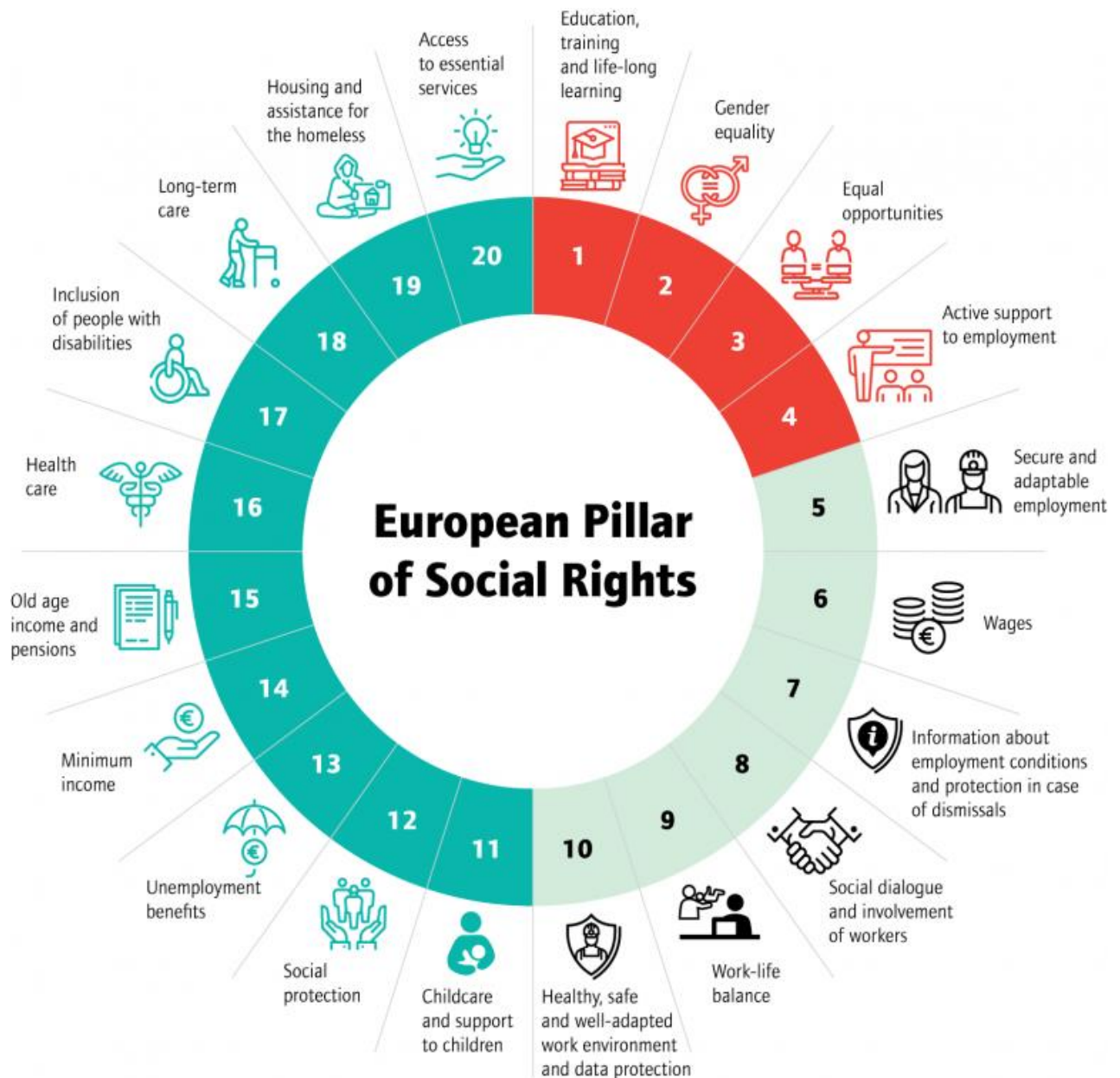
Source: <https://intueriglobal.com/inclusive-growth-in-india/>

The European Pillar of Social Rights is a comprehensive framework that comprises 20 principles and rights, as illustrated in figure 7. This initiative has been endorsed by several European institutions with the objective of promoting social convergence, social justice, and sustainable social well-being by 2030, while ensuring the welfare of all European Union citizens. To achieve and maintain social rights across society, it is essential to adopt an inclusive approach to sustainability. This approach should prioritize the needs of all individuals and communities, regardless of their social, economic, or cultural background. By doing so, it will be possible to create a more equitable and just society that encourages the well-being of all its citizens.

<sup>5</sup> OECD: All on Board. Making Inclusive Growth Happen, Paris 2014; OECD: Report on the OECD Framework for Inclusive Growth, Paris 2014.

<sup>6</sup> Elements of Inclusive growth: Employment Generation, Poverty Alleviation, Industrial Development, Reduction in Regional Disparities, Environment Protection Equal Distribution of Income

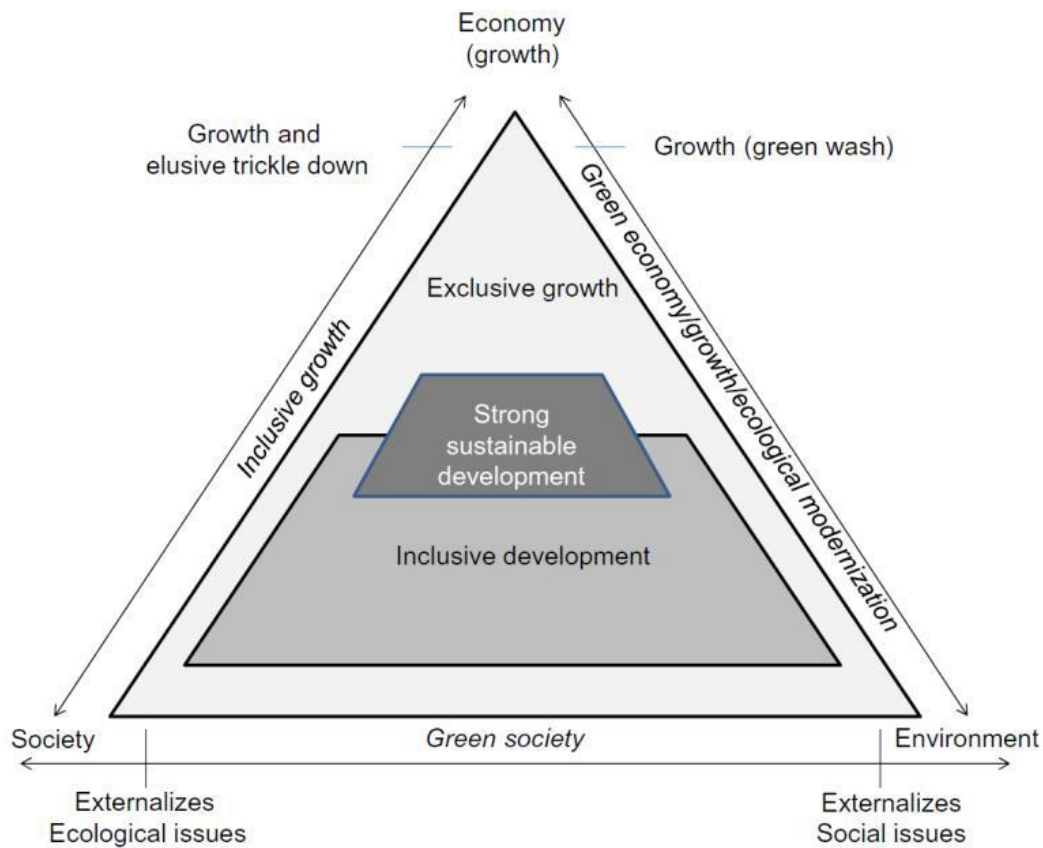




**Figure 7. The European Pillar of Social Rights in 20 principles**

Source: [https://www.etui.org/facts\\_figures/20-principles-european-pillar-social-rights](https://www.etui.org/facts_figures/20-principles-european-pillar-social-rights)

The interconnection between inclusive development and sustainable development is illustrated in figure 8. Inclusive development, being a discursive approach, encompasses three dimensions that involve social inclusiveness, environmental inclusiveness, and relational inclusiveness at different levels. This concept involves “marginalized people, sectors and countries in social, political and economic processes for increased human well-being, social and environmental sustainability, and empowerment” (Gupta et al. 2015, p. 546).



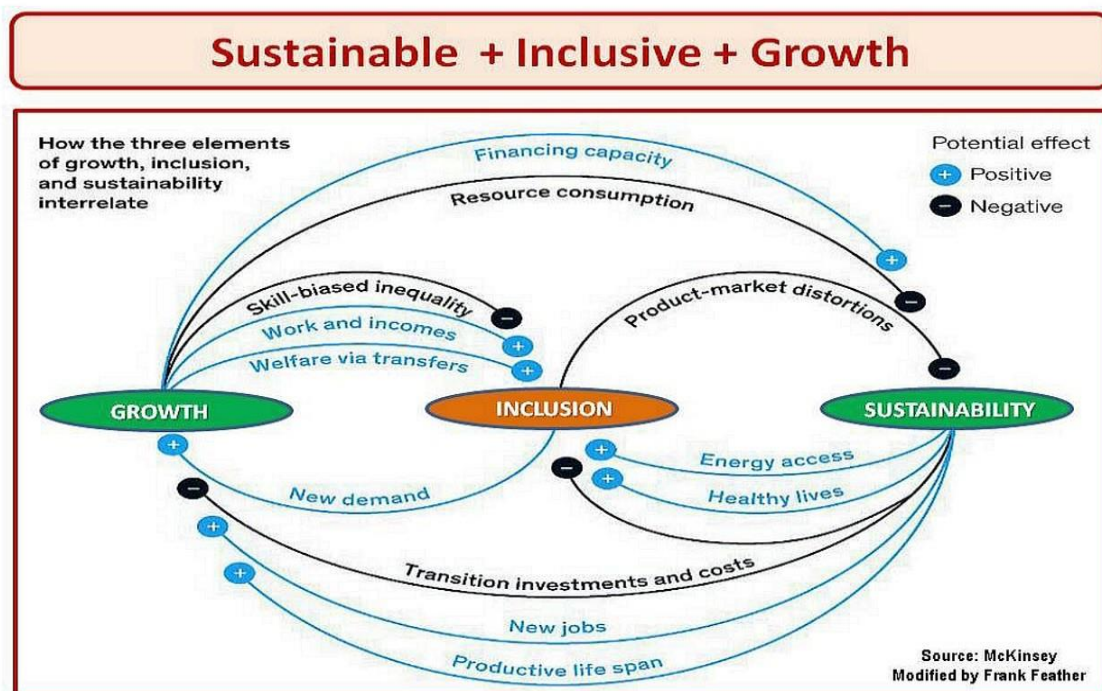
**Figure 8. The relationship between inclusive development and sustainable development**

Source: Joyeeta Gupta & Courtney Vegelin (2016)

The concept of harmony interactions between sustainability, inclusivity, and growth is illustrated in Figure 9. The objective of sustainability is to achieve environmental resilience, which entails mitigating climate risks and safeguarding natural capital while ensuring inter-generational equity. This goal is evaluated based on the economic and societal costs and benefits associated with it, thereby promoting a holistic approach to sustainability.

Incorporating growth into the framework of inclusion is achieved by the creation of significant employment opportunities, the elevation of income levels, and the rectification of deficiencies within the labor market. Additionally, growth plays a pivotal role in achieving sustainability by actively promoting investment endeavors.

Both inclusion and sustainability contribute to the advancement of growth by generating fresh demands and presenting new avenues for investment. Inclusion, through its emphasis on equal participation and representation, ensures that diverse perspectives and talents are harnessed, thereby stimulating economic growth. Simultaneously, sustainability reinforces both inclusion and growth by facilitating an energy transition, which not only mitigates environmental concerns but also bolsters economic progress. By intertwining the principles of inclusion and sustainability with the concept of growth, societies can achieve a more equitable and prosperous future.



**Figure 9. Relation between Growth, Inclusion and Sustainability**

Source: MCKinsey, modified by Frank Feather

In case of Moldova, she is currently implementing an inclusive growth model to tackle a range of significant development challenges within the Europe and Central Asia region. These challenges encompass the lowest fertility rate, an aging population, and the highest net emigration rates, resulting in a depletion of social capital and a brain drain. Additionally, Moldova faces the lowest employment rate in Europe, which negatively impacts labor productivity and the overall competitiveness of the economy. The economy's growth is primarily driven by consumption, leading to a negative trade balance.

In light of the aforementioned circumstances, Moldova has placed significant emphasis on the attainment of inclusive growth as a fundamental goal. In order to accomplish this, it is imperative to tackle the existing regional disparities by establishing economic prospects, enhancing the availability of high-quality education and healthcare services, facilitating the advancement of Moldova's economic competitiveness, improving the accessibility and effectiveness of public services, generating employment prospects, and fostering a conducive business environment.

### Conclusion

The relationship between sustainable development and the knowledge economy is mutually beneficial. The knowledge economy, by fostering innovation, creativity, and technological progress, can greatly support sustainable development and the achievement of a balanced relationship with the environment. On the other hand, sustainable development is essential for the long-term success of the knowledge economy, as it ensures the preservation of the environment and fairness in society. Therefore, it is crucial to incorporate economic, social, and environmental factors in decision-making in order to achieve inclusive sustainable development that is in harmony with nature.

There is a significant level of uncertainty surrounding the potential benefits and outcomes of both Sustainable Development Goals (SDGs) and a knowledge-based economy. However, these uncertainties can be eliminated through the implementation of inclusivity. Inclusiveness plays a crucial role in the success of developing a self-sustainable society and achieving sustainable development that positively impacts all segments of society. Until inclusiveness is excluded from progressive endeavors, no substantial achievements will be made, or if any are made, they will only be temporary.

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