


# The Knowledge Economy

Walter W. Powell (/search?value1=Walter+W.+Powell&option1=author&noRedirect=true&sortField=prism\_publicationDate&sortDescending=true)<sup>1,2,3</sup> and Kaisa Snellman (/search?value1=Kaisa+Snellman&option1=author&noRedirect=true&sortField=prism\_publicationDate&sortDescending=true)<sup>2</sup>

 View Affiliations and Author Notes

Vol. 30:199-220 (Volume publication date August 2004)

First published as a Review in Advance on February 20, 2004

© Annual Reviews

 View Citation

## Abstract

We define the knowledge economy as production and services based on knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advance, as well as rapid obsolescence. The key component of a knowledge economy is a greater reliance on intellectual capabilities than on physical inputs or natural resources. We provide evidence drawn from patent data to document an upsurge in knowledge production and show that this expansion is driven by the emergence of new industries. We then review the contentious literature that assesses whether recent technological advances have raised productivity. We examine the debate over whether new forms of work that embody technological change have generated more worker autonomy or greater managerial control. Finally, we assess the distributional consequences of a knowledge-based economy with respect to growing inequality in wages and high-quality jobs.

**Keyword(s):** [distributional effects of technological change \(/search?value1=%22distributional+effects+of+technological+change%22&option1=pub\\_keyword\)](/search?value1=%22distributional+effects+of+technological+change%22&option1=pub_keyword), [knowledge \(/search?value1=%22knowledge%22&option1=pub\\_keyword\)](/search?value1=%22knowledge%22&option1=pub_keyword), [productivity \(/search?value1=%22productivity%22&option1=pub\\_keyword\)](/search?value1=%22productivity%22&option1=pub_keyword), [workplace reform \(/search?value1=%22workplace+reform%22&option1=pub\\_keyword\)](/search?value1=%22workplace+reform%22&option1=pub_keyword)

## Most Read This Month

### **The Society of Algorithms (/content/journals/10.1146/annurev-soc-090820-020800)**

Jenna Burrell and Marion Fourcade  
pp. 213–237 (25)

### **The Social and Sociological Consequences of China's One-Child Policy (/content/journals/10.1146/annurev-soc-090220-032839)**

Yong Cai and Wang Feng  
pp. 587–606 (20)

### **Climate Change and Society (/content/journals/10.1146/annurev-soc-121919-054614)**

Thomas Dietz, Rachael L. Shwom and Cameron T. Whitley  
pp. 135–158 (24)

### **Sociology of Twitter/X: Trends, Challenges, and Future Research Directions (/content/journals/10.1146/annurev-soc-031021-035658)**

Dhiraj Murthy  
pp. 169–190 (22)

### **What Do Platforms Do? Understanding the Gig Economy (/content/journals/10.1146/annurev-soc-121919-054857)**

Steven Vallas and Juliet B. Schor  
pp. 273–294 (22)

## Most Cited

 (/rss/content/journals/soc/mostcitedarticles?fmt=rss)

### **Birds of a Feather: Homophily in Social Networks (/content/journals/10.1146/annurev.soc.27.1.415)**

[Miller McPherson \(/search?value1=Miller+McPherson&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](/search?value1=Miller+McPherson&option1=author&noRedirect=true&sortField=prism_publicationDate&sortDescending=true), [Lynn Smith-Lovin \(/search?value1=Lynn+Smith-Lovin&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](/search?value1=Lynn+Smith-Lovin&option1=author&noRedirect=true&sortField=prism_publicationDate&sortDescending=true) and [James M Cook \(/search?value1=James+M+Cook&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](/search?value1=James+M+Cook&option1=author&noRedirect=true&sortField=prism_publicationDate&sortDescending=true)

**Conceptualizing Stigma (/content/journals/10.1146/annurev.soc.27.1.363)**

[Bruce G. Link \(/search?value1=Bruce+G.+Link&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#), and [Jo C. Phelan \(/search?value1=Jo+C.+Phelan&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#).

Vol. 27 (2001), pp. 363–385

**Social Capital: Its Origins and Applications in Modern Sociology (/content/journals/10.1146/annurev.soc.24.1.1)**

[Alejandro Portes \(/search?value1=Alejandro+Portes&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#).

Vol. 24 (1998), pp. 1–24

**Framing Processes and Social Movements: An Overview and Assessment (/content/journals/10.1146/annurev.soc.26.1.611)**

[Robert D. Benford \(/search?value1=Robert+D.+Benford&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#) and [David A. Snow \(/search?value1=David+A.+Snow&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#).

Vol. 26 (2000), pp. 611–639

**Organizational Learning (/content/journals/10.1146/annurev.so.14.080188.001535)**

[Barbara Levitt \(/search?value1=Barbara+Levitt&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#) and [James G. March \(/search?value1=James+G.+March&option1=author&noRedirect=true&sortField=prism\\_publicationDate&sortDescending=true\)](#).

Vol. 14 (1988), pp. 319–338

+ More

**About Annual Reviews:**

[What We Do \(/about/what-we-do\)](#)

[Press and News \(/about/press-center\)](#)

[Careers \(/page/about/careers-at-annual-reviews\)](#)

[Contact Us \(/page/about/contact-us\)](#)

[FAQ \(/page/about/faq\)](#)

[Help \(/help/main\)](#)

**Discover Content:**

[Journals A-Z \(/content/publications\)](#)

[Impact Factor Rankings \(/about/impact-factors\)](#)

[Publication Dates \(/journal/pubdates\)](#)

[Online Events \(/page/events\)](#)

[Article Collections \(/page/collectionarchive\)](#)

[Knowable Magazine \(https://knowablemagazine.org/\)](#)

[Katina Magazine \(https://katinamagazine.org/\)](#)

[Against the Grain \(https://www.charleston-hub.com/about/about-against-the-grain/\)](#)

**Libraries and Institutions:**

[Subscribe to Open \(S2O\) \(/S2O\)](#)

[Librarian Resource Center \(/page/librarians/librarian-resource-page\)](#)

[Institutional Account Administration \(https://www.annualreviews.org/registration/signin-or-register.action?signInTarget=%2Fadmin\)](#)

[Institutional Pricing \(/page/subscriptions/instchoice\)](#)

[Usage Statistics \(/action/showInstitutionUsageReport\)](#)

[Charleston Hub \(https://www.charleston-hub.com/\)](#)

[Katina | Librarianship Elevated \(https://katinamagazine.org/\)](#)

[Charleston Advisor \(Archive\) \(https://annurev.publisher.ingentaconnect.com/content/annurev/tca/\)](#)

[Against the Grain \(https://www.charleston-hub.com/about/about-against-the-grain/\)](#)

**Author Resources:**

[Article Preparation and Submission \(/page/authors/general-information\)](#)

[Editorial Principles and Policies \(/page/authors/editorial-policies\)](#)

[Contact Us \(/page/authors/contact-us\)](#)

[Copyright and Permissions \(/page/about/copyright-and-permissions\)](#)

[Article Proposals \(/page/authors/author-instructions/unsolicited-authors\)](#)

in

 (https://www.linkedin.com/company/annual-

(https://pubs.annualreviews.org/)