

B345 Internet Science and Technology

Week 12 lecture 1

Today's Lecture Learning Objective

- Understand how the Internet and the Economy relates to each other.

Economy

- The system of production, distribution and consumption.
 - Management of resources.
- Everything related to the Internet is intricately tied to an economic system
 - Eg. Creating a web site(production), making the web site available for public use(distribution), and the public using the web site (consumption).

Knowledge-Based Economy

- Knowledge:
 - Not just data or information.
 - Exists as relationships and connections.
- Knowledge Economy:
 - Part of the economy that creates wealth mainly through intellectual activity.
- Knowledge-Based Economy:
 - Economy where knowledge is the most important productive Factor.

Defining the Knowledge-Based Economy

- Still needs major work in definition.
- See for example Chapter 1 in Topic 1 Supplementary Reading 1.

Shift in Workforce

- Towards *Service* sectors.
- Away from *Manufacturing* and *Agriculture and Mining*.

Old vs New Economy

- APEC:

"...being a Knowledge-Based Economy means more than simply having a thriving 'new economy' or 'information economy' that is somehow separate from a stagnant 'old economy'. In a truly knowledge-based economy, all sectors have become knowledge-intensive, not just those usually called 'high technology'.

- Eg. today technology and the Internet have transformed agriculture and mining to be very knowledge-oriented.

Internet's Contribution to Global Economy

- Direct contribution
 - Manufacture of new hardware and software
- Indirect
 - Change workflows in other "non-computing" industries.
 - Eases financial transactions across state and national boundaries in all industries.

The Productivity Paradox

- Is our productivity increase only due to the manufacturing of ICT hardware and software?