

# Trade in technology information and u. s. economic growth

Technology



**ASSIGN  
BUSTER**

The new trend to manufacture components of computer outside the U. S. Was thought to be bad for the U. S. Because it may weaken the economy of the country and experts concerned about the potential Job losses but actually the exact opposite happened. Maybe some manufacturing Jobs were indeed lost but it enables company to lower costs of production. As the result companies are able to push the price down and make it cheaper, diffusion of computers through the U. S. Racket was faster which results in companies being able to use computers to streamline their operations and increase productivity. All of this contributed to a higher U. S. Gross Domestic Product for the period of 1995-2002. And developing countries also get benefit from this trend as this created new Jobs and supported economic growth for the country. 2. International trade theory suggests that the lower price of computers resulting from outsourcing means that the average American consumer could consume more goods and services, thereby boosting their economic well-being.

Furthermore, In the case of the computer industry, the location of R&D may be a factor. Currently, most R&D takes place In technology hot spots within the country. Shifting R&D activities would eliminate or at least minimize the benefits associated with being In a hot spot. 3. New trade theory and Porter's diamond of competitive advantage suggest that the success of the U. S. Information technology sector Is due In part to government policies. By maintaining policies designed to facilitate growth In the Industry, the U.

S. Can encourage success. The globalization of the production of Information technology hardware contributed to lower prices In the Industry and the faster diffusion of the genealogy to businesses and households. In addition, It <https://assignbuster.com/trade-in-technology-information-and-u-s-economic-growth/>

spawned growth in two related industries - computer software and services. New trade theory suggests that government could play a significant role in maintaining these benefits by pursuing policies that allow these trends to continue.

While Porter's diamond of competitive advantage theory suggests that firms like Dell and Apple Computer should actively lobby governments to adopt policies that facilitate their growth in the industry, and that the firms should pursue strategies that allow them to capitalize on the cheaper cost of production in developing countries. Trade in Technology Information and U. S. Economic Growth By Maggoty S. And services, thereby boosting their economic well-being. Furthermore, in the case of what takes place in technology hot spots within the country.

Shifting R&D activities would eliminate or at least minimize the benefits associated with being in a hot spot. 3. New of the U. S. Information technology sector is due in part to government policies. By maintaining policies designed to facilitate growth in the industry, the U. S. can encourage success. The globalization of the production of information technology reward contributed to lower prices in the industry and the faster diffusion of the technology to businesses and households.

In addition, it spawned growth in two related industries - computer software and services. New trade theory suggests that government could play a significant role in maintaining these benefits by pursuing advantage theory suggests that firms like Dell and Apple Computer should actively lobby governments to adopt policies that facilitate their growth in the industry, and

<https://assignbuster.com/trade-in-technology-information-and-u-s-economic-growth/>

that the firms should pursue strategies that allow them to capitalize on the cheaper cost of production in developing countries.