

Chapter 2

The New Economy

I. 教学目的

什么叫新经济？是否有新经济？这是一个从来就没有定论的问题，世界经济界的学者们分成两派，各自都拿出了许多实证、理由来论证自己的观点，并试图说服对方。通过本文的学习，使学生了解支持派和反对派的观点和论说，并从历史的角度帮助学生体会对经济规模和管理的发展趋势。本文涉及到许多经贸商务知识，如：供应链、库存周转率、规模经济、产业调整等，学生应掌握这些重要的概念。但最重要的目的是通过本课文的学习增强学生对上述内容的英语表达能力。

II. 教学计划


拟使用六课时完成本课内容。一课时介绍背景知识及相关的课堂交流，三个半课时用于课文讲解及难点、重点讨论，最后一个半课时就与课文相关的问题（如：不同历史阶段技术革新对经济和管理带来的影响等）展开讨论。

III. 教学方法：

以学生为中心，通过师生互动、各抒己见的方式理解和认识课文中涉及到的问题（包括知识点和语言方面的问题）。

IV. 背景知识

1. Definitions to New Economy

The term "new economy" has been bandied in the 1990s by journalists, academics, and policy makers in such vague and diverse contexts that the term itself has become synonymous with anything and everything from greater yields on Kansas wheat farms, to better inventory control at Midwest auto parts factories, to billion-dollar IPOs  Silicon Valley dot-com companies. The argument over the existence and definition of the new economy started with the emergence of this term. Advocates and skeptics never come to terms with one another, though the balance now tips in favor of skeptics with the economic pendulum swings from boom to recession.

1) Definition One

The new economy has been a subject of discussions since the mid 90's among the economists all over the world and especially in the United States. This concept can be described shortly as 'the effects of the new technologies on the current economy'. Those technologies are also named as "The Information Technologies" and include the hardware, the software, the telecommunication systems and Internet technologies. First of all, those technologies had an effect on the increase of the productivity of firms. As a result, the firms can now produce more efficiently by using less labor force than before. That micro-economic effect has had a deep macro-economic effect on longer term and has been seen as means of a growth on the GDP in several countries. Another profit of the new technologies is the economic growth gathered by new investments. New employments of the growing information technologies companies in other words companies like IBM , Microsoft, HP, AOL, Yahoo or Nokia have huge impacts on creation of new investments, new job opportunities through the high rates of profit they are making.

2) Definition Two

There are many versions and interpretations regarding this concept. Nonetheless, the fundamental idea about "new economy" is that it is digital, namely information assumes various forms reduced to bits stored in computers; its knowledge, ideas about goods and how to produce them. Moreover, within the twenty years there have been significant changes in the economy that have been powered by many industries that impact the New Economy, that consist of semiconductors, computers, software, the Internet, telecommunications and biotechnology. In a nut shell, New Economy not only consists of these industries but it is about communication with the computer, the "soft" intangible things such as intelligence funds, information, networks, and primarily modes of communicating.

"The New Economy" is often used when describing high-technology businesses or stocks. Sometimes news commentators will separate the stock market into "Old Economy" and "New Economy" stocks rather than NYSE and NASDAQ stock markets. However, The New Economy is more than the latest 'catch-phrase' and involves much more than high-technology companies.

Evolving initially from a view of productivity, it is thought that high-technology will directly improve productivity. However, part of this increase will come from new ways of doing business as well as

productivity increases that come directly from technology improvements in manufacturing and service business sectors. Productivity is simply a byproduct of the demand for technology. Another aspect of the New Economy is the global economy.

The Internet has recently stolen the limelight in the area of global trade. International trade has been improving since the 1960's and it would continue to improve without the Internet. But the Internet provides a new avenue for businesses to deliver their products. I think theories of huge retail sales coming of age with the Internet are exaggerated, at least in the near-term. But business-to-business transactions could improve dramatically in the coming years. One area I'm referring to might be suppliers to manufacturers. A large manufacturer could reduce costs by allowing their parts distributors to fill orders to customers and eliminate inventories of repair or spare parts by utilizing their web-site. This allows a great deal of flexibility in the manufacturing process. Other possibilities could include foreign companies bidding for sub-assembly contracts with U.S. manufacturers. The possibilities are only limited to the imagination, but the result would be reductions of average and variable costs. In this sense, all companies can be New Economy companies. The separation of "Old Economy" and "New Economy" companies should be eliminated in the area of technology. Their separation should be restated that there are companies who haven't changed and those who have.

Overall, I believe The New Economy is a new and more profitable method of performing business in the future and not unlike the changes that occurred in the past when mass-production became the generator of the changes. It will not only change the way business is performed but will impact governments as well. The Internet provides a vehicle for all governments to be more efficient in planning, informing, as well as interact with their constituents. Past vehicles for doing business that helped transformed this country were canals, roads, and railroads. The future may include "digital bytes" as the latest infrastructure that helps transform the world economy into a new "Industrial Revolution." But this is different, and not associated with mass-production capabilities. It isn't just an information revolution either. Maybe it would be more appropriate to call it "The Telecommunications Revolution." The New Economy is a summation of economic benefits from several sources such as worker skills, entrepreneurial skills, productivity, global trade, economies of scale, capital investment, technology, communication, information, the Internet, and most

important, effective demand.

But most important is its demand-orientation and evolutionary nature. And it is important that we understand its nature. It is dynamic and not static as described by most traditional economics textbooks.

3) Definition Three

When we talk about the new economy, we're talking about a world in which people work with their brains instead of their hands. A world in which communications technology creates global competition - not just for running shoes and laptop computers, but also for bank loans and other services that can't be packed into a crate and shipped. A world in which innovation is more important than mass production. A world in which investment buys new concepts or the means to create them, rather than new machines. A world in which rapid change is a constant. A world at least as different from what came before it as the industrial age was from its agricultural predecessor. A world so different its emergence can only be described as a revolution.

Free markets are central to it. But simply to say that the new economy is about the unprecedented power of global markets to innovate, to create new wealth, and to distribute it more fairly is to miss the most interesting part of the story. Markets themselves are changing profoundly. Working with information is very different from working with the steel and glass from which our grandparents built their wealth.

Information is easier to produce and harder to control than stuff you can drop on your foot. For a start, computers can copy it and ship it anywhere, almost instantly and almost for free. Production and distribution, the basis of industrial power, can increasingly be taken for granted. Innovation and marketing are all.

So an information economy is more open - it doesn't take a production line to compete, just a good idea. But it's also more competitive. Information is easy not just to duplicate, but to replicate. Successful firms have to keep innovating to keep ahead of copycats nipping at their heels. The average size of companies shrinks. New products and knockoffs alike emerge in months rather

than years, and market power is increasingly based on making sense of an overabundance of ideas rather than rationing scarce material goods. Each added connection to a network's pool of knowledge multiplies the value of the whole - one reason for Microsoft's astonishing growth. The result: new rules of competition, new sorts of organization, new challenges for management.

Some zealots talk about a New Economy, capital N, capital E, all too easily caricatured as "there won't be inflation anymore, because of technological change." Alas, as Stanford economist Paul Romer has reminded us, "If a majority of the Fed's board of governors decided to have 20 percent inflation, they could have it in a year, possibly in months." Then there's the idea that recessions are things of the past. This comes up at the end of every expansion.

What's true is that the shift to an information economy is redefining how we need to think about both good times and bad. We don't know how to measure this new economy, because the productivity of a decision-maker is harder to grasp than the productivity of someone bolting together cars. We don't know how to manage its companies, because decision-makers can't be told what to do. We don't know how to compete in it, because information seeps so easily that supermarkets now offer banking services and Amazon.com has infiltrated its virtual bookshelves into Web sites the world over. We don't know how to oversee it, or whether it ultimately needs oversight at all.

2. Arguments about the New Economy

1) **PAUL DAVID**, *Economics Professor at **Stanford University** and Senior Fellow at the Stanford Institute for Economic Policy Research*

We have to look to the developments of digital information technologies and their diffusion through the economy for the likely sources of sustained trend growth in [total factor productivity] at the pace that has been achieved recently. Certainly any further acceleration in TFP growth will have to come from that direction. This is not a discouraging view, because in the immediate future there are several promising trajectories that should be noted as holding still largely untapped potentials for productivity growth.

One of these trajectories is the much-discussed expansion of interorganizational computing via the Internet. Recent estimates indicate that in many branches of economic activity, 10 percent to 15 percent cost savings in procurement activities will be available through the diffusion of business-to-business e-commerce; still higher percentage costs savings in procurement and related interfirm transactions are estimated not only for manufacturing, but also for service activities such as freight transport and media and advertising.

A second cost-saving path is likely to emerge with the development and increasingly widespread diffusion of new, specialized, robust and comparatively inexpensive "information appliances" that have wireless communication capabilities permitting them to function as components of larger, flexible systems supporting related production tasks. The diffusion of teleworking is a third trajectory that has major potential for savings in infrastructure capital, as well as through the reduction of the costs of measures required to abate pollution and environmental degradation in congested urban areas.

I am convinced that those economists who doubt that there will be significant long-term productivity payoffs from the information revolution will be proved wrong. But those payoffs will not come freely; they will entail much learning and costly organizational changes. Nor will they happen overnight - even if a domestic macroeconomic environment conducive to long-term investment continues to be maintained and we are lucky enough to escape real and financial shocks in the international economy of the serious kind that could be triggered by the current threats to peace in the Middle East.

2) ROBERT SCHILLER, *Economics Professor at Yale University*, author of *Irrational Exuberance*, a new book on the stock market bubble

Every decade had its innovations. Now it is the Internet. If we didn't have the Internet we might instead expect below-average economic progress in the future. As far as I can tell, the new economy is business as usual.

But the stock market doesn't know that. The Internet has made a huge impression just as the invention of the railroad did in the 19th century, when people stood at the station and saw the powerful trains rumbling in. The impression helped create a big 19th century boom in rail stock. In the '20s you probably got your first radio, telephone, your first car and your first electric refrigerator, and that created quite a sense of how amazing technology was. We saw another spectacular stock-market boom.

Fast-forward to the 1990s. The Internet is a wonderful innovation but the public ... got overexcited about it. The Internet can retard profitability. There's lots of duplication of investment because everyone is competing.

And there's a tendency for the public to blur productivity and profit. Both words start with the letters "pro," and apparently it is easy for people to think they are the same thing. Historically they are not. You can have nice productivity growth but falling profits. With higher productivity, workers will be paid more, and that will eat into company profits. We don't know if productivity gains will mean higher company profits.

3) JOSEPH STIGLITZ, *Economics Professor at Stanford University, former Chief Economist, World Bank*

The increases in productivity in the United States over the last few years are real. And there is every reason to believe that the Internet and computers have played an important role. The Internet is not only an effective way for people to communicate, but it has also made people think about the way business is conducted. That process of rethinking how business is conducted itself has a productivity-enhancing effect.

Some people argue that it is nothing more than the normal process of investment. That we have invested a lot and this is the fruit of the investment, that it is not true increases in productivity or increases in so-called total factor productivity. But in some ways that debate is irrelevant. The investment has been made in part because of the high returns these technologies produced. If you didn't have the new innovations it would not have been attractive to make the investments.

The old laws of economics are still true, but some of the characteristics of new technology are really different from industrial technology. You are going from investing in machines to investing in ideas. Those are very different types of investments.

4) ROBERT SOLOW, *retired Economics Professor at the Massachusetts Institute of Technology, Nobel Laureate in Economics*

Like everyone else I know, I could not understand how the market could put such a big value on companies with no profits and no realistic expectations of profits. The unflattering way to describe the new economy is it's just hype. A more flattering way to put it is there is confusion between an event that is striking in that it affects the way you live and its actual economic importance. Having color TV, instead of black and white, affects everyone's life, but you would not look at the U.S. economy between the '60s and the '80s and say the changes in the economy during that time were dominated by people having a color TV.

There has been tremendous productivity growth in the computer industry. You see spectacular reduction in price. That represents cost reduction and productivity increases, but it's not clear that this improvement has spread to sectors using computers. Some 80 percent of IT hardware is sold to the service sector, but it's not showing major increases in productivity. It could be we don't measure productivity in service industries correctly, but I doubt this is the whole story.

If you watch the GDP and capital investment rather than the stock markets, it is hard to see any spectacular response you would ascribe to the new economy. For any business that makes an investment in information technology, there is a second-best investment it could have made. What you can impute to the new technology-based economy is only the difference in the returns on those two investments: If you would have gotten 8 percent on an old-economy investment and you get 10 percent on a new-economy investment, the difference is 2 percent.

5) HAL VARIAN, *Dean of the School of Information Management at the University of California at Berkeley*

From 1904 to 1908, 240 companies entered the automotive business, the Internet of that time. In 1910 the industry went through a consolidation, and many companies went out of business or were absorbed into other firms. As the industry matured, those 240 companies had to be winnowed down to a dozen or so.

Initially Ford priced his product low - just like Amazon selling books at a 40 percent discount. This built the market. But in the 1920s General Motors pioneered yearly model changes, and "style" became the buzzword of the time. Every Ford was black just as, up until recently, every computer was beige. GM changed the rules; Ford had to compete or disappear. The same thing is happening with computers. No one cares which beige computer you have, but which cool "information appliance" you have. At the retail level, the computer business is becoming a fashion industry.

We still have a business cycle. We will still have recessions and booms. I don't think depressions are likely, but there will always be periods of consolidation like we are seeing now. We won't see people lining Route 101 with signs saying "will design Web pages for food." Every time a dot-com goes under, its employees will be hired by Cisco, IBM, HP, Sun ... or by Ford or GM for that matter.

V . 课文注释

1. **Leave sth. for dead:** desert sth. in the belief that it is dead or hopeless (p. 26)

For example:

"Some of us new soldiers were sent in trucks to the jungle. There we were beaten; all were left for dead," he said. "When I gained consciousness, somehow I managed to escape to an uncle's house."

Mr Sonu Bhalla said the condition of his mother suggested that she had been attacked with rods and sharp-edged weapons before being strangulated. The robbers had left her for dead, but she survived.

2. **price-earning multiple (p. 26)**

价格-收益比例，行话“市盈率”，等于股票市场价格÷每股税后收益。它表示市场对该股票最近期报告

收益所愿支付的倍数；即按当前收益率该股票从利润偿清的年数。市盈率高，说明人们对这个股票的将来看好，期望值高。

price-earnings ratio (P/E ratio, earnings multiple, market multiple, multiple, P/E ratio) A

common stock analysis statistic in which the current price of a stock is divided by the current (or sometimes the projected) earnings per share of the issuing firm. As a rule, a relatively high price-earnings ratio is an indication that investors believe the firm's earnings are likely to grow.

Price-earnings ratios vary significantly among companies, among industries, and over time. One of the important influences on this ratio is long-term interest rates. In general, relatively high rates result in low price-earnings ratios; low interest rates result in high price-earnings ratios.

3. **ionosphere (p. 26)**

电离层。大气层分为对流层、平流层（同温层）、电离层等。电离层高度大约在 100 公里以上，用来比喻高。

注意：英语语言中的比喻修辞手段，其客体经常采用高科技的发展的前沿领域。例如汉语中比拟高的成语，有气冲霄汉，高入云霄，九重天等等，往往是传统的，科技中出现的新词汇引用不多。英语比喻“高”的，除了本文中的 ionosphere 外，《商务英语阅读》中还有 stratospheric stock prices (Chapter 13, p. 279)

4. **Treasury bills (p. 27)**

财政短期证券。一个国家为了稳定本国经济或某种特殊需要筹集资金，所发行的一种债券，期限一般在一年左右，因为这种证券风险小，容易推销，通常指英国或美国政府所发行的短期票据。类似于我国内的“国债”，但国债虽有长期和短期之分，名称却都是一样的。英美的国债有三类：Treasury bond (T bond), Treasury note (T note) and Treasury bill (T bill).

Treasury bond: A bond issued by the U.S. Government. These are considered safe investments because they are backed by taxing authority of the U.S. government. The interest on Treasury bonds is not subject to state income tax. T-bonds have maturity's greater than 10 years, while notes and bills have lower maturity's.

Treasury note: The only difference between a Treasury note and a Treasury bond is that a Treasury note is issued for a shorter time (e.g., two to five years).

Treasury bill: This is held for a shorter time (e.g., three, six, or nine months to two years) than

either a Treasury bond or a Treasury note. Interest on T-bills are paid at the time the bill matures, and the bills are priced accordingly.

5. **a new complement of companies (p. 28)**

complement n. something that fills up, completes, or makes perfect; the quantity or number required to make a thing complete <the usual ~ of eyes and ears --Francis Parkman> 推动美国经济高速发展的，不是一个企业，也不是一项高科技，而是很多企业和高科技互相配合、协作。这些企业称之为 a complement of companies.

6. **Froth:** Notice the difference between **bubble** and **froth (p. 28)**

作者不同意有泡沫，只承认有微沫。

7. **critical mass (p. 29)**

临界点 in nuclear physics, the minimum amount of a given fissile material necessary to achieve a self-sustaining fission chain reaction under stated conditions. Its size depends on several factors, including the kind of fissile material used, its concentration and purity, and the composition and geometry of the surrounding reaction system.

- 1) The smallest mass of a fissionable material that will sustain a nuclear chain reaction at a constant level.
- 2) An amount or level needed for a specific result or new action to occur: *"The sudden national uproar over drugs and drug abuse has reached politically critical mass in Washington"* (Tom Morganthau).

核燃料达到临界质量，就能维持核连锁反应，连续不断地释放出能源来；原子弹要达到一定的体积后才会爆炸。这儿用来比喻高科技投资积累达到一定数量，就能自我维持持续性增长，甚至会出现爆炸性增长。

8. **Capital deepening (p. 29)**

资本深化 c.f. capital widening 资本广化

Increasing the quantity of capital without altering the proportions of the other factors of production. This will occur where the capital stock and employment are both increasing. Where the capital

stock is increased and the numbers employed remain constant or fall then production has become more **capital-intensive** and **capital deepening has occurred**.

9. **Build it and they will come** (p. 29)

This is an allusion. The quotation comes from an American film **Field of Dreams** (幻想成真) a fairy tale celebration of the love of baseball, adapted by screenwriter/ director Phil Alden Robinson from W.P. Kinsella's novel **Shoeless Joe**.

Standing in the middle of a cornfield, Iowa farmer Ray Kinsella repeatedly hears a voice - the words of discredited "Shoeless" Joe Jackson, a member of the infamous 1919 Chicago Black Sox baseball team that threw the World Series: Build it, and they will come.

So he turns one of his cornfields into a baseball diamond. Of course, everyone thinks he's crazy, but in time "Shoeless" Joe Jackson and other ghostly outcasts, who had previously languished in a sort of baseball purgatory, show up to play the game they still love. Soon men from all over the country join them at this baseball shrine, some just to play with the greats, others to mend the broken relationships they had with their fathers -- But all are trying to get back in touch with simpler times through the purity of America's grandest game.

电影《梦幻成真》在商业上取得极大成功，片头字幕“Build it, and they will come”也广泛流传。作者引用这句话，显然是想说明，以 IT 为基础的新经济，必须先投资建设，然后会发展起来，就像电影《梦幻成真》中的棒球场，只有先建设起来，大牌球星才会来打球，球迷才会追踪而至，才会取得商业上的成功。

10. **3rd industrial revolution** (p. 29)

第三次工业革命，即信息革命。

The First Industrial Revolution. In the late 18th century, the Industrial Revolution started in **Britain** but soon extended to continental Europe and America.

The Second Industrial Revolution.

Despite considerable overlapping with the "old," there is mounting evidence for a "new" **Industrial Revolution** in the late 19th and 20th centuries. In terms of basic materials, modern industry has begun to exploit many natural and synthetic resources not hitherto utilized: lighter metals, new

alloys, and synthetic products such as plastics, as well as new energy sources. Combined with these are developments in machines, tools, and computers that have given rise to the automatic factory. Although some segments of industry were almost completely mechanized in the early to mid-19th century, automatic operation, as distinct from the assembly line, first achieved major significance in the second half of the 20th century.

Ownership of the means of production also underwent changes. The oligarchical ownership of the means of production that characterized the **Industrial Revolution** in the early to mid-19th century gave way to a wider distribution of ownership through purchase of common stocks by individuals and by institutions such as insurance companies. In the 20th century, many countries of Europe socialized basic sectors of their economies. There was also a change in political theories: instead of the laissez-faire ideas that dominated the economic and social thought of the classical **Industrial Revolution**, governments generally moved into the social and economic realm to meet the needs of their more complex **industrial** societies.

11. **sonic boom** (p. 29)

音爆

a sound resembling an explosion produced when a shock wave formed at the nose of an aircraft traveling at supersonic speed reaches the ground -- called also *sonic bang*

飞机在超音速低空飞行时，地面能听到类似爆炸一样的声音：音爆。此地用来比喻速度快，超音速。

C.f. ionosphere 词条的解释

12. A temporary excess of cheap and excellent technology **is not the worst** kind of problem a society could have. (p. 29)

not worst = the best 物廉价美的技术暂时供大于求，这可是一个社会求之不得的好事。这儿用的是修辞格 LITOTES (曲言法、间接表达法、反语法，以反面的否定代替肯定的词格，也称作 understatement)。Typically *litotes* makes a positive statement indirectly by stating a contradictory proposition.

Examples:

It was no minor matter, = It was a major matter.

She's not unlike her mother. =She is like her mother very much.

no easy = very difficult

not bad = very good

a citizen of no mean city = a citizen of a famous city

She's not the friendliest person I know. = she's an unfriendly person

She was not a little upset = She was extremely upset."

"The English poet Thomas Gray showed no inconsiderable powers as a prose writer," meaning that Gray was in fact a very good prose writer.

He was not unfamiliar with the works of Dickens.

"She was not disappointed by the news" = "She was thrilled by the news."

You say, "I have not a few regrets." You mean, "I have many regrets."

You say, "That's not bad." You mean, "That's good!"

You say, "He's no dummy." You mean, "He's intelligent."

13. **Tech outfits (p. 30)**

科技设备；科技装备，注意作者用词经常发生变化，前面分别用了 equipment 和 gear。

14. **sit on start-ups boards (p. 30)**

成为新兴企业董事会成员。 start-up company: a new business.

15. **break ground (p. 30)**

原创性的，意为 **break new ground** : to make or show discoveries: **pioneer**

16. **seed money (p. 30)**

等于 "seed capital" 原始资本，

the initial equity capital used to start a new venture or business. This initial amount is usually quite small because the venture is still in the idea or conceptual stage.

17 . People took such a beating. You've got to wipe out those memory banks. (p. 31)

人们遭了那么大的罪，必须先忘掉那些痛苦的记忆才行。