

B. News Review

Title: New Economy

Author: John Markoff

Source: Technology section (c4) of *The New York Times*

In Davos, Switzerland, at the World Economic Forum, Nicolas Negroponte released his new and improved laptop computer. Negroponte discovered a new and less expensive way to produce the display part of a laptop computer. Negroponte's new laptop could be the invention which finally provides poorer countries the opportunities and abilities to enjoy the technological advances wealthier countries such as the United States, France and Great Britain have enjoyed the last decade. Negroponte believes his new laptop should be the newest tools in classrooms around the world.

Several of the topics we have discussed in class are present in Markoff's article. Perhaps most related is the topic of technology as one of the five factors which can bring changes in the supply curve. (Chapter 3: **A Change in Supply**). Negroponte discovered a new and more efficient way to produce the display, an important part of the laptop computer (a positive technological change). A positive technological change increases supply, and shifts the supply curve to the right, thus lowering the equilibrium price and increasing the equilibrium quantity. This innovation will make laptops more affordable for people living in poorer countries. (Chapter 3: **Predicting Changes in Price and Quantity**). Another part of Markoff's article which can be related to class is the issue of tradeoff (an exchange-- giving up on thing to get another). In the article, Bill Gates is quoted as saying, "it is more important to address basic life necessities-- health and food-

-before connecting the world's poorest citizens to the internet." If the United States is going to focus its attention on helping these poorer nations humanitarily, then they will not be able to give as much aid in regards to technology. (Chapter 1: **Choices and Tradeoffs**). Bill Gates quote can also be related to the idea of opportunity cost (the highest-valued alternative we give up). There is a greater opportunity cost of not providing these poorer nations with food, than not providing them with laptop computers. (Chapter 1: **Opportunity Cost**).

Word Count: 348