How Does Technology Foster Economic Growth Essay, Research Paper

How Does Technology Foster Economic Growth

in a Free Enterprise System?

Technology is an important part in economical growth. Technology aids in the ease of work and production. It makes our work load a whole lot easier. If it were not for technology, it might take us three times as long to do something that we could do in a third of the time. For instance, computers are probably the first item that someone thinks of when talking about technology. Many businesses rely on computers for their company to run smoothly and become better. There are many other things that are overlooked when it comes to technology helping economic growth.

When Alexander Graham Bell created the first telephone in 1876, it really was a great contribution to our economy. There are many transactions and deals done over the telephone. If it were not for this invention, the Internet would not be used and there would not be sales using credit or debit cards. This is a very useful part of technology that is used to help the economy.

Good examples of technology are the many forms of advertising. Even though it does not seem like it, advertising is a big part of making businesses run smoother and grow. This promotion is responsible for a large amount of the income of a business. If it were not for advertising, businesses would not expand, because there would be no way to inform customers about the business and its features. If it were not for technology, there would not be the advancement of advertising.

In order to publicize there must be ways to produce the advertisement. The computer is probably the number one way to create advertisement. There are several ways to display advertisements. That could include commercials on television, newspaper advertisements, advertisements on the Internet, or even something as simple as a decal displayed on a car. These are all ways to advertise using technology. They are all very important factors in improving the efficiency of a business.

The main result that technology has on businesses is an increase in productivity. Productivity is what enables businesses to increase wages while still being able to stay competitive with other businesses. The U.S. has experienced its greatest growth rate of productivity, or cycles, in 1990- 1995. This productivity growth is two percent more per year, which is more than twice the growth rate of any cycle over the previous two years. This increase has occurred because businesses have started to take on new technologies (1, Online).

The productivity growth trend is likely to both continue and accelerate because U.S. firms in recent years have been spending more on capital equipment- new technologies- than at any time since the 1960 s (2, p.33).

Businesses using new technologies and the increase of production result in the economy expanding in size and the increase of personal wealth. Eventually, the use of new technologies and productivity growth will decrease the amount of labor that an individual will have to do to make a living. Due to increased productivity, on average, a person is making more money, while working less (1, Online).

Jobs are greatly affected by technology. Most of them are made easier by technology. It is good to have technology in a free enterprise system. It enables the private business to operate competitively for profit with minimal government regulation. This allows a business to be able to add technology in order to keep up with the other businesses. So this new technology added can help simplify the worker s job. Technology in a free enterprise system is very important to have. Without technology and advancements, it would be much harder for the economy to expand.

Bibliography

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2) Author Unknown. Fortune 3 April 1995: p. 33.

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