



Business English

New Economies

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Unit 1: New Economies

Objectives:

- Introduce lexis and concepts related to Old vs. New Economies
- Practice with structures to express cause/effect relationships
- Listen for gist and to pick up details
- Practice writing an e-mail to give advice using appropriate pragmatic moves

Skills: Reading/listening/writing

I. PRE-READING

A/ Put a tick (✓) in the box to identify which of the following situations are typical of the 21st century “new economic order” and which ones are typical of the “old” economic order.

Old/New Economic Order situations	“old”	“new”
1. Employees seek better job opportunities or give up a job to start their own business		
2. Fixed pension received after number of years in same company		
3. Technology is changing system of production and management		
4. Economy is managed with intervention from central government		
5. Individuals would rather work for national companies than for private ones		
6. Economy is global and trade is practiced within blocks and/or at an international level		
7. Multinationals, joint ventures and private local companies offer most jobs		
8. Individuals control their spending to save or buy stock to secure better		



retirement days		
9. People are encouraged to consume to propel the economy		
10. Fixed job in a single company (employer for life)		

FORUM: Write a summary of the main features of the “*new economic order*” and reflect on their possible impact on individuals and society.

B/ Reorder the jumbled answers and drop in the appropriate boxes below

Impacted fields	Resultant changes
Engineering and manufacturing systems of production	Entertainment becomes a product consumed at large scale
Information shared globally	Access to individuals wherever they are
Boom in newspapers, radio and TV programs	Access to products increased
Information shared globally	Replication of engineered products
Written Business communication and text production systems	Knowledge can be reproduced quickly

I. READING

Read the following extract from this research article

Where, and How, to Look for the New Economy

Amanda Rowlett, Tony Clayton and Prabhat Vaze

*Economic Analysis and Satellite Accounts Division
Office for National Statistics
e-mail: info@statistics.gov.uk*

PART I

What *is* a new economy?

There have always been 'new economies'- the concept is not tied to time or technology. For centuries there have been periods when changes in technology or social organization brought:

- Radical changes to market boundaries, expanding scope to exploit intellectual capital;
- Access to new products and services for major sections of society as new consumers;
- Significant changes in the interactions and operating processes of enterprises;
- Redefinition of the relationships between customers and suppliers.

Examples include:

- Printing, permitting knowledge to be reproduced and accessed in the 14th century;
- Steam power, enabling knowledge embedded in engineered products to replicate itself on a mass production scale in the 19th century;
- Canals and railroads, which created large integrated markets in many countries, opening access to products to millions of people previously restricted to subsistence living;
- Birth of mass media and organized sport in the 19th century;
- Canals and railroads, which created large integrated markets in many countries, opening access to products to millions of people previously restricted to subsistence living;
- Birth of mass media and organized sport in the 19th century, bringing entertainment as a 'product' to a huge new audience;
- TV as a one-way medium of communication, giving individuals a global view of products and services;
- And now developments in information communication and technology (ICT), which have the potential to make global information, entertainment and access to products available on an individual, interactive, basis.

Each of these events changed both the structure of economies and relationships in society; none of them was a purely 'economic' phenomenon. But each one enabled the commercial exploitation of intellectual capital, brought new products or services to new consumers, changed the way enterprises work, and changed both economic and social behavior. In the examples above, the sequence leads from an initial step, making available a limited amount of intellectual capital to a small but growing audience, to a state where information can be made available to all. When 'next step' leads is an interesting question, but our task for the moment is to help explain this one.

PART II

What is *this* new economy?

The 'new economy' we face at the start of the 21st century has three main aspects, present a challenge to measurement and understanding:

1. The infrastructure necessary to assemble, analyse, communicate and manage information, which rests in 'computer mediated networks';
2. Transactions for the purchase of goods and services which are carried out by electronic means either by Electronic Data Interface which has been around for 25 years between firms, or over the internet which brings electronic purchasing to individual consumers;
3. Interactions which transfer information between enterprises or individuals, which are not themselves purchases, but which add value in some way.

In measuring this new economy there are specific methodology problems, which the Office of National Statistics (ONS) is tackling in each of these areas:

- How to define and measure the infrastructure investment in products (both physical and intangible) which are changing rapidly as technology changes, and whose prices fall as capabilities rise?
- How to measure transactions for goods and services which do not go through traditional markets or channels of distribution, and whose suppliers are often not tied to specific countries?
- How to gauge the economic impact of a large volume of new activity which goes on within firms, between firms, between firms and consumers, and involving government, which are not purchase transactions but which support commercial activities or deliver valuable information?

This three-way split in measuring the ICT new economy, first set out by the US Center for Economic Studies, has been developed in a number of ways, OECD and Eurostat, and forms the basis for work now under way by ONS.

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Adapted from *Amanda Rowlett, Tony Clayton and Prabhat Vaze*, "Where, and how, to look for the New Economy" *Economic Trends*, No. 580 March 2002, accessed June 01, 2010 from http://www.statistics.gov.uk/articles/economic_trends/new_economy.pdf

A/ Which statement reflects best the main idea in the reading

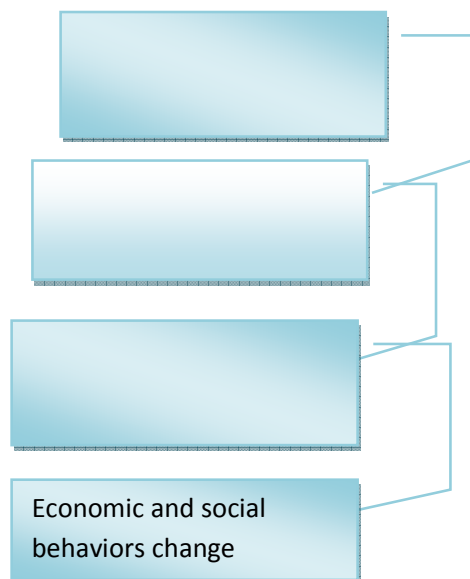
- a. The process of the change towards the new economic order is detectable
- b. Features of the new economy and the issues related to measuring its impact
- c. How to understand the new economic order

B/ Complete the statements by referring to the text and indicate whether you found the details in *Part I* or *Part II*.

1. "computer-mediated networks" are ()
2. "new economies" is not a ()
3. It is difficult to measure transactions for goods and services ()

4. Changes in transport,, communication of the “new economy” ()
5. It is possible the new economy ()
6. Changes in factors ()
7. Information exchange is also ()

C/ Complete the flowchart representing the process of change common to previous and current economic orders outlined in Part I



D/ In Part II, the author outlines three aspects of the 21st century new economy. They are jumbled below: Drag and drop them in the right order.

1. Computer-mediated networks as infrastructure
2. Business-to-Business and individual transactions are electronic in nature
3. Electronic interactions evolve round transfer of information

E/ Guess the meaning of these words and expressions occurring in the text

1. “radical changes to market boundaries, expanding scope to exploit intellectual capital”

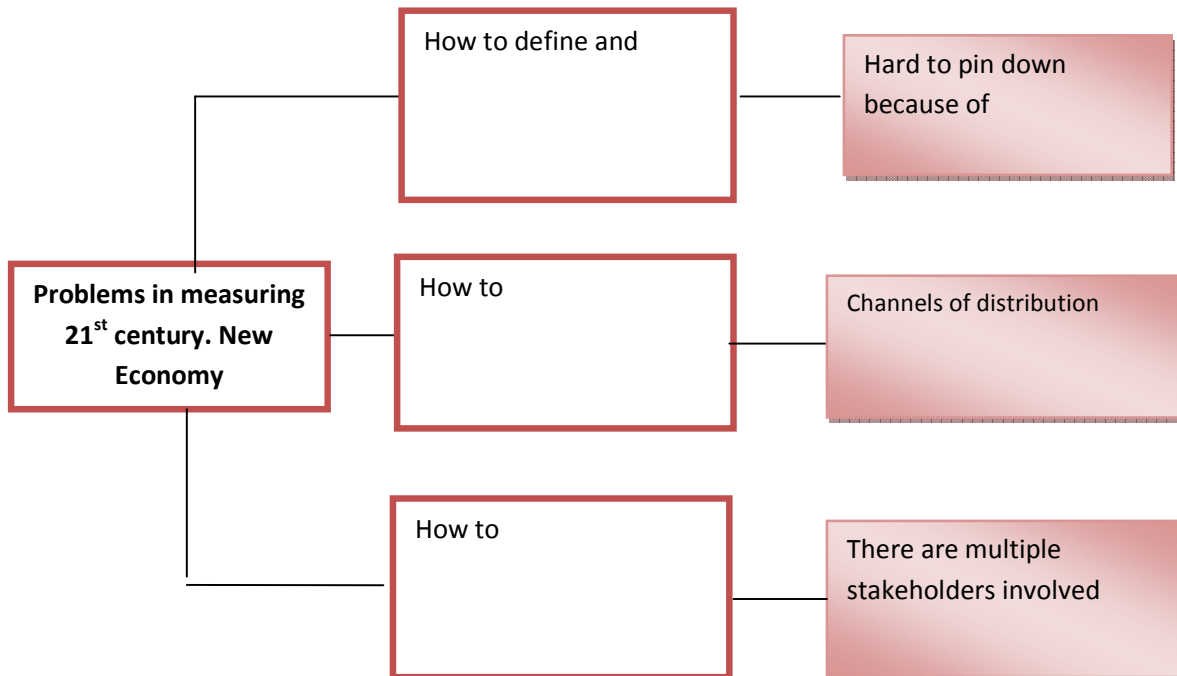
- a) Possibility b) space c) extent of
2. "...engineered products **to replicate itself** on a mass production scale."
- a) To fold itself b) to repeat itself c) to reproduce itself
3. "TV as a one-way medium of communication, giving individuals a **global view** of products and services..."
- a) general idea b) view of the world c) international perspective
4. "ICT, which **have the potential** to make global information, entertainment and access to products available on an individual, interactive basis.
- a) threaten b) risk c) can be expected to
5. "Each of these events...**enabled** the commercial exploitation of intellectual capital, brought new products or services to new consumers..."
- a) allowed b) made possible c) facilitated

F/ Refer back to the text and decide which option is a correct match.

Technological (social changes) resulted in

- a) Shrinking/broadening of the markets
- b) Widening/shrinking market segments
- c) Boosting/stabilizing interaction and operating processes of enterprises
- d) Building/reviving a new relationship between customers and suppliers.

G/ Refer to the text and complete the diagram as you go. (You can printout the diagram)



ASSIGNMENT: Once you have completed the diagram, write a summary of the three main issues and why they are difficult to measure. Post your summary as required by your teacher .

II. POST-READING

VOCABULARY

A/ Concentrate on the problems and find words meaning nearly the same as the ones in the column B

Column A	Column B
	intangible
	Tied up
	gauge
	valuable
	revive
	broaden

B/ Fill in the blanks

Determine Accounting Information	Gauge opportunities outsourcing	Output Suppliers Electronic	Manufacturing determine Purchasing	Survey consultancy services Computing
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To cut down costs, firms resort to data processing to specialists in computer services. Indeed, investmentin and in hardware and software are at the heart of ICT as a new economy. Indeed, it is hard to the impact of these processes on the economies of individual countries. One company has, however, been able to conduct a survey among and users of ICT Based on the collected through this , they will be able to the role of ICT in improving

C/ Which of these words collocate? Drag and drop in the box

Radical-Make-Impact-Subsistence Phenomenon-scale-Global-Products-Market

Collocated words	
	Living
Recent	
	Available
	Change
economic	
	View
engineered	
	Boundaries
	Scale

GRAMMAR**A/ Select the preposition that fits in the blank.**

- Thanks to advances in technology and lower prices of hardware, people in remote areas can have access ____ computers and the internet.
a) into b) to c) on
- Rise in prices and loss of jobs contribute ____ the inability of many bank customers to meet payment deadlines.
a) To b) in c) for
- Computer literacy and knowledge of software options form the basis ____ the 21st century employee's ability to work in ICT environments
a) on b) in c) for
- It is surprising his business has not prospered. I always thought he had potential ____ engaging in trade.
a) in b) for c) at
- The concept "new economy" is tied ____ information communication technologies.



- a) to b) over c) around

B/ Drag and drop in the blanks to express cause and effects.

Lead to-due to-result in-the outcome of-contributes to-

1. Loss of jobs in developed countries is believed to be outsourcing manufacturing jobs to Third World countries.
2. Increase in the exchange rates of the Euro higher prices of goods imported towards the developing countries south of the Mediterranean.
3. The ICT-producing sector the overall growth of the economy.
4. Shared network systems the quick exchange of information within the organization and with other businesses.
5. The latest plunge in oil prices was lower output and prices.

C/ Complete the sentences below using the chunks provided:

Caused by-led to-permitted-due to-allowed for-thanks to-

1. 35,000 people have been laid off in the last five years as a result of downsizing and outsourcing. (lead to)

2. The use of computers in offices brought about changes in the way work is carried out. (caused by)

3. A relaxed work environment contributes to the increase in productivity.(Thanks to)

4. The drop in the volume of sales resulted in the fall in prices. (due to)



5. Increase in oil prices made it possible for car companies to investment in research on petrol saving cars. (permitted)
-

LISTENING: Outsourcing airplane repair

<http://www.npr.org/templates/story/story.php?storyId=103664713>

A/ Listen once to the *whole extract* and answer the questions:

- *The story is about:*
 - a) Making airplanes in El Salvador
 - b) Outsourcing airplane maintenance to El Salvador
 - c) Training mechanics in El Salvador
- *The morale of the story is...*
 - a) Outsourcing is cheap but safety is at stake
 - b) Sending airplanes to El Salvador is cost-effective
 - c) Mechanics in El Salvador are competent and creative

B/ Now answer more focused questions for each extract

Extract 1

1. Which of these cities and countries have been named as possible places where airplanes are fixed?
..... ;; China;
2. The percentage of airplanes being repaired in other countries

3. Reasons for American airline companies to carry out repairs in El Salvador
 - a) Cheaper



- b) mechanics are as Skilled as anyone in America
- c) Repairs are minor and risk is low

Extract 2

1. What can you hear in the background?
 - a) a song in Spanish (yes/no)
 - b) a saleswoman (yes/no)
 - c) flying airplane (yes/no)
2. Why are planes sent to El Salvador? ...Because
3. What are the mechanics in El Salvador required to do?
They are required to fix _____ , _____ and bad _____
Then they put _____
4. Ero Strategy is

Extract 3

1. Which American airlines repair their planes in El Salvador?
 - a)
 - b)
 - c)
2. Peggy Calligan works on
3. What FAA stands for
4. Peggy Calligan argues that the FAA is meant to control for standards of repair but the presenter is reading a report that mentions that
 - a) US airway companies do not know where
 - b) FAA do not have data
 - c) Mechanics seem to be the appropriate



- d) miss on repaired airplanes and the facilities do not have
- e) Calligan admits the and that they are working on them.
- f) FAA has notyet so there are

4. The presenter reports a safety incident that a mechanic told him. Verify the details and then arrange to summarize it.

- January..... Key part on installed
- mechanics forgot
- spare parts were put
- plane was to Denver

Pronunciation

A/ Take the odd man out

- a) Mediated-managerial-mechanical-economic-
- b) centuries-intellectual-mutual-reputable
- c) Information-customer-knowledge-reproduce
- d) Divert-distribute-dialogue-finances

B/ Drop the word with the sounds indicated in the table:

Scavenger- channel- relation- potential- measurement- social- question- Asian-

Solution- achievement -expansion- purchase- change- arrange- chance

/□/	/t□/	/□/



Writing:

You received an e-mail from a friend who is experiencing anxiety over the prospect of his company cutting down on a number of projects and possibly putting an end to his position as marketing manager. Write an e-mail in which you assure your friend and propose solutions for him. Decide which ones of the ideas below to use.

- Seek multiple streams of income
- Start your own business
- Be frugal and more focused in your spending
- Find intelligent ways of controlling spending
- Do not take a loan
- Be prepared to give up your position for something else related
- Think about ways to improve your qualifications