

How New Technology & Regulation Affect Markets and Consumers

Economic Inquiry & Transferable
Skills

E-Tail & E-Commerce

- Definition: Selling goods/services online (Amazon, Shopify)
- Impact on Markets: Lower entry barriers, global competition
- Impact on Consumers: More variety, price comparison, convenience
- Economic Insight: Market efficiency, consumer sovereignty

- Sample Question: How has online shopping affected consumer choices?
- Answer: Consumers have more choices, can compare prices, and shop conveniently worldwide.

E-Commerce Payment Systems

- Examples: PayPal, Apple Pay, cryptocurrency
- Impact on Markets: Faster trade, global inclusion
- Impact on Consumers: Easier payments, fraud risks
- Economic Insight: Boosts global trade efficiency

- Sample Question: How do digital payment systems benefit consumers?
- Answer: They make payments faster, safer, and allow global access, though fraud risks remain.

Planned Obsolescence

- Definition: Products designed with shorter lifespans
- Impact on Markets: Higher revenue, faster innovation cycles
- Impact on Consumers: Higher spending, environmental issues
- Economic Insight: Innovation vs. sustainability trade-off

- Sample Question: What impact does rapidly changing digital technology have on markets?
- Answer: It pushes constant innovation and sales but can waste resources and harm sustainability.

Digital Footprints & Privacy

- Definition: Data left behind from online activity
- Impact on Markets: Targeted advertising, personalized marketing
- Impact on Consumers: Convenience but loss of privacy
- Economic Insight: Privacy as an externality

- Sample Question: How do digital footprints affect consumer privacy?
- Answer: They allow personalized ads but raise concerns about personal data misuse.

Sharing Economy

- Examples: Uber, Airbnb
- Impact on Markets: Peer-to-peer exchanges, efficient resource use
- Impact on Consumers: Affordable, flexible services

- Sample Question: What role does the internet play in peer-to-peer exchanges?
- Answer: It connects users directly, making sharing services affordable and accessible.

Competition Regulation

- Definition: Prevents monopolies, promotes fair trade
- Impact on Markets: Competitive pricing, innovation
- Impact on Businesses: Must comply → higher costs
- Economic Insight: Solves monopolistic market failures

- Sample Question: How has competition regulation in Canada affected businesses?
- Answer: It keeps markets fair but increases compliance costs for firms.

Environmental Regulations

- Examples: Carbon taxes, waste laws
- Impact on Markets: Pushes sustainable practices
- Impact on Consumers: Higher costs but better welfare
- Economic Insight: Externalities in resource use

- Sample Question: Why do some countries have weaker environmental laws?
- Answer: To attract investment or due to lower development, but it risks health/environment.

Labor Regulations

- Examples: Minimum wage, safety laws
- Impact on Markets: Balances employer-worker power
- Impact on Workers: Job security but less hiring flexibility
- Economic Insight: Equity vs. efficiency trade-off

- Sample Question: How do labor laws help workers?
- Answer: They ensure fair wages and safe workplaces, though they may limit jobs.

Global Trade Regulations

- Definition: Rules for imports/exports/investment
- Impact on Markets: Can deter investment
- Impact on Businesses: Higher compliance costs, standardization
- Economic Insight: Shapes global comparative advantage

- Sample Question: How do regulations affect international trade opportunities?
- Answer: They can protect standards but also restrict trade and raise costs.