

# **Title: Toward a heterodox approach to the economics of information**

*Author: Ann Z. Li, Eastern Connecticut State University USA*

## **ABSTRACT**

This paper discusses canonically differentiated versions of information economics with particular emphasis on the market for e-commerce. This paper also proposes heterodox approaches that may provide better interpretive and explanatory tools. The foundation of virtual capital as a key element of a heterodox methodology is constructed from the existing discourse of financial and fictional capitals.

E-commerce (EC) has become a covering term for the use of financial and consumer services mediated by electronic networks like the Internet. A combination of technological innovation and regulatory change has facilitated its growth including electronic infrastructure growth and the so-called liberalization of telecommunications or telematics sector, necessitating a political economy approach to the economics of information and communication technologies. The "disintermediation" of consumer service and product delivery implies a frictionless cost environment that may have even deeper costs hidden in its policy discourse. Assessing the actual rather than the fictive elements of capital formation require the adoption of more critical heterodox economic models through the construction of incentives and contracts as information and most important, information as property relations.

The implications of these EC developments for transborder trade and tariffs have become more acute under globalization and uneven economic development. The incorporation of policies for virtual capital have lagged and allowed for increased disorganization of capital formation and developments. Accompanying the claims for EC activity are three determining factors: reducing transaction costs and improving service economies, the competitive conflicts resulting from introducing EC, and increased prescription of EC technology as a contractual exchange precondition. Such scale and scope issues reflect what the recent "post-" discourses -fordist, -industrial, and -modern discourse on disintegrated economic development.

lia@easternct.edu, annie\_1917@lycos.com