Abstract

Digitization, due in large part to the suite of technologies commonly referred to as “Industry 4.0” or the “Fourth Industrial Revolution”, is changing the frontier of what tasks can be performed by machines and what must be completed by humans, challenging the extensiveness of production in geographic space and the density of interactions among buyers and suppliers. In this presentation, I argue that technological change is introducing new, highly capable digital technology multinational enterprises (“digital economy MNEs”) into the manufacturing and service sector. These firms are unique in that they value non-physical assets higher than physical assets, indicative of a competitive strategy valuing more asset-light forms of international production. “Lightness” among these firms has development implications for regions, especially if lightness among digital economy MNEs is a harbinger of increased lightness among all industries.