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BOOK REVIEW (MALECKI AND MORISET 2008)

The Digital Economy: Business Organization, Production Processes and Regional Developments

Edward J. Malecki and Bruno Moriset

2008, Abingdon & New York: Routledge, 274 pp. ISBN 978-0-415-39696-7, £23.50. Also available in hardback.

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As someone who teaches a final year undergraduate module on The Geography of the Informational Economy, I was delighted to see the appearance of a textbook on the digital economy written by geographers – especially when the book in question largely follows the existing structure and content of the module in question. Expectations were further heightened by the fact that the book is co-written by Edward Malecki of Ohio State University, the highly-regarded author of the excellent and influential *Technology and economic development*. The other co-author is Bruno Moriset of the Department of Geography and Planning at the University of Lyon – Jean Moulin.

According to the blurb on the book's back cover, "we have no clear map of the cyber economy since the 'digital revolution' began in the early 1970s", and the book is designed to fill this gap. In particular, the book sets out to describe and explain "the patterns and dynamics of today's digital economic space", with particular reference to the impacts of the emerging digital economy on "places and regions and the people in them". Thus, while the book is targetted at students of Business and Management and Information and Communications Studies as well as Geography, the clear emphasis is on the spatial dimensions of the new economic systems and structures which have grown from the increasingly pervasive impact of new information and communications technologies (ICTs) on contemporary economies and societies.

In addition to the Introduction and a closing Epilogue, the book is made up of eight chapters. Chapter 2 defines and traces the historical evolution of the digital economy and reviews the debates around the role of new ICTs in the creation of a "new" knowledge/informational economy, devoting particular attention to the so-called "productivity paradox" whereby massive investment in new technologies appears not to have given rise to corresponding productivity growth. Chapter 3 describes the architecture of the global ICT infrastructure, with particular reference to

the respective roles of wired and wireless technologies in the composition of this infrastructure and the key position of major global cities as pivotal hubs in the global digital network.

The book then goes on to consider the impact of digital technologies on business structure and organisation. Chapter 4 examines the role of ICTs in accelerating processes of product/process innovation, market segmentation and, most particularly, the organisation of production systems. Key themes in this respect are the trend towards outsourcing and interfirm networks, the concept of the “virtual” enterprise and the growing importance of logistics in facilitating the functioning of increasingly complex supply systems. Chapter 5 focuses specifically on e-commerce, with a particular focus on why the development of business-to-consumer online transactions has been very modest relative to the business-to-business sector. Chapters 6 and 7 deal, respectively, with the offshoring of corporate services and the development of teleworking/telecommuting. Chapter 8 (which should be placed earlier in the book) examines the tendency towards localised clustering among both ICT-producing industries and of sectors which make intensive use of ICTs (R&D, advanced producer services, creative/ cultural industries). The book concludes with a rather tokenistic treatment of the digital divide as it applies both to rural areas within advanced economies and less-developed countries within the global economy.

Inevitably, given its broad compass, the book is uneven in its coverage of different aspects of the digital economy and in the quality of this coverage. As is typical of work by economic geographers generally, there is a preoccupation with production activities, with very little attention devoted to the impact of digital technologies in the sphere of consumption. There is nothing here on online social networking and gaming, on digital media (music, video) or on the socio-spatial dimensions of mobile technologies. Nor is there anything on the use of digital technologies in education. Given the importance of these in the lives of most undergraduates, this means an opportunity has been lost for engaging the student audience.

The book adopts quite a critical approach in its review of the spatial and economic impacts of digital technologies. It particularly, and successfully, targets the notion of new ICTs spelling the end of geography through facilitating the “ubiquitification” of economic activities. Arguing that the new technologies involve simultaneous processes of dispersal and concentration, the authors propose the idea of a global economy in the form of an “archipelago” whose islands represent localised concentrations of knowledge-based activities. The book also points, with some relish, to the limited development of consumer-focused e-commerce and of telecommuting, contrary to the overstated expectations of certain futurologists.

Ultimately, the main weaknesses of the book arise in the area of presentation. Repeatedly, relatively complex terms and concepts are introduced without definition or explanation and there is excessive use of obscure acronyms. There is far too much use of quotations for what purports to be a textbook, especially as, in many cases, these simply repeat points which have already been made in the main text. A lack of editorial control is also apparent in the high frequency of typographical errors, poorly-constructed sentences and unnecessary repetition which is an unfortunate feature of the book. One would have expected higher standards to apply to a book from a major publisher which is likely to appeal to a wide audience.

Notwithstanding these deficiencies, I will still be using this book as the basic text for my Informational Economy module in the current year. Not only is there no feasible alternative, but it does contain much good material and is quite up-to-date (for the moment) in an area subject to very rapid change. However, it will be necessary to supply my students with an accompanying glossary of terms and acronyms and forewarn them of the need to bear with the tortuous wording and missing words which will require many sentences to be re-read a second and third time.

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