# Article information:

EconPapers: Digital power: Value chain upgrading in an age of digitization
<https://econpapers.repec.org/article/eeeiburev/v_3a30_3ay_3a2021_3ai_3a6_3as0969593121000573.htm>

# Article summary:

1. The article investigates the impact of digitization on power relationships in global value chains (GVCs) for small and medium-sized enterprises (SMEs).

2. The study identifies three features that affect upgrading constraints in GVCs: asset-specificity, market disintermediation, and innovation sources.

3. The concept of "digital power" is introduced as the potential difference in power imbalance that a supplier may experience in relation to lead firms when performing similar functions in value chains with different levels of digitization.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article titled "Digital power: Value chain upgrading in an age of digitization" explores the impact of digitization on power relationships within global value chains (GVCs) and the potential for small and medium-sized enterprises (SMEs) to upgrade their position within these chains. The authors combine insights from GVC literature and Resource Dependency Theory to develop their analysis.

One potential bias in the article is the focus on Brazilian firms in the Digital Games Industry. While this specific context may provide valuable insights, it limits the generalizability of the findings to other industries or regions. The authors should acknowledge this limitation and discuss how their findings might apply more broadly.

The article claims to contribute to the understanding of power relationships in value chains affected by digital technologies. However, it does not provide a comprehensive review of existing literature on this topic. This omission makes it difficult to assess the novelty and significance of the authors' contributions.

The concept of "digital power" introduced by the authors is interesting but lacks a clear definition and operationalization. It would be helpful if they provided a more detailed explanation of what they mean by digital power and how it can be measured or observed in practice.

The article also lacks a thorough discussion of potential counterarguments or alternative explanations for their findings. By considering different perspectives, the authors could strengthen their arguments and address potential criticisms.

Furthermore, while the article mentions that SMEs can benefit from digital industries, it does not adequately address potential risks or challenges associated with digitization. For example, there may be barriers to entry for SMEs due to high upfront costs or technological expertise required. These considerations should be discussed to provide a more balanced view.

In terms of reporting, the article seems to present its findings in a one-sided manner without acknowledging any limitations or uncertainties. It would be beneficial for the authors to explicitly discuss any limitations or areas where further research is needed.

Overall, while the article raises interesting questions about the impact of digitization on power relationships in value chains, it would benefit from a more comprehensive review of existing literature, clearer definitions and operationalizations of key concepts, consideration of counterarguments, and a more balanced presentation of findings.

# Topics for further research:

* Literature review on power relationships in value chains affected by digitization
* Definition and measurement of digital power in value chains
* Challenges and risks for SMEs in digital industries
* Barriers to entry for SMEs in digital industries
* Alternative explanations for power dynamics in digitized value chains
* Limitations and uncertainties in understanding power relationships in digitized value chains

# Report location:

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