Multinational enterprises, innovation & geography:
Global impacts on local economic development

In the current phase of economic globalisation geography and space are increasingly important for multinational enterprises (MNEs), and in turn MNEs are progressively more important for geography: the pivot on which this relationship turns is the creation, diffusion and management of new knowledge, technology and skills. On the one hand, countries and regions increasingly compete to attract MNEs on the ground of the potential benefits that may stem from their presence and activities in the host economies. Scholars have long debated the rationale of these policies by investigating the effects of MNE investments on the recipient economies. However, the empirical evidence on the impact of MNEs on local firms in advanced countries is still mixed and inconclusive.

At the same time, offshoring trends, especially towards lower-wage developing and emerging countries, are usually considered to be responsible for the destruction of low-skilled jobs and the progressive deterioration in the economic fortunes of those at the bottom of the employment ladder in developed countries. The presentation will consider, with reference to the United Kingdom, recent empirical evidence on both the intra-industry impact of foreign MNE presence on the innovation performance of domestic firms, and on the job and skill creation/destruction implications of offshoring across local labour markets.

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