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## The second economy

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Digitization is creating a second economy that's vast, automatic, and invisible—thereby bringing the biggest change since the Industrial Revolution.

**In 1850**, a decade before the Civil War, the United States' economy was small—it wasn't much bigger than Italy's. Forty years later, it was the largest economy in the world. What happened in between was the railroads. They linked the east of the country to the west, and the interior to both. They gave access to the east's industrial goods; they made possible economies of scale; they stimulated steel and manufacturing—and the economy was never the same.

Deep changes like this are not unusual. Every so often—every 60 years or so—a body of technology comes along and over several decades, quietly, almost unnoticeably, transforms the economy: it brings new social classes to the fore and creates a different world for business. Can such a transformation—deep and slow and silent—be happening today?