

The location of multinationals in industrial districts the case of biomedical

Lucio Biggiero

University of L'aquila, biggiero@ec.univaq.it,
lbiggier@luiss.it

Knownetlab Research Center, www.knownetlab.it

QUESTIONS

- WHY MNC DECIDED TO ENTER THE DISTRICT?
- WHEN AND HOW THEY DID IT?
- WHAT IS THE ROLE OF ECONOMIES OF AGGLOMERATION?
- HOW DO THEY MANAGE THESE “STRANGE” SUBSIDIARIES?

- HOW ARE THEY CONNECTED TO INDUSTRIAL AND INSTITUTIONAL LOCAL SYSTEM?
- HOW DOES OCCUR KNOWLEDGE TRANSFER BETWEEN THE MNC AND THE DISTRICT?
- WHAT ROLE DOES PLAY THE DIFFERENCE BETWEEN TACIT AND EXPLICIT?
- KNOWLEDGE IN DETERMINING THE MNC LOCATION ?

INDUSTRIAL DISTRICTS

- LOCAL SMEs HYPER-NETWORKS
- SELF-ORGANIZING
- HI-TECH OR LOW-TECH
- HI- OR LOW-WAGE AREAS
- TRUST-BASED
- TACIT KNOWLEDGE-BASED
- POSITIVE FEEDBACK-BASED

NON CONVENTIONAL CHARACTERISTICS OF ID_s

- SELF-OBSERVING SYSTEMS
- SELF-ORGANIZING SYSTEMS
- TRUST-BASED
- TACIT KNOWLEDGE-BASED
- POSITIVE FEEDBACK-BASED

GLOBALIZATION

- NO UNIVERSAL CONSUMER
- REGIONALIZATION PARALLEL GLOBALIZATION
- TACIT-EXPLICIT KNOWLEDGE
- MNC AS “BRIDGES”

BIOMEDICAL DISTRICT

- 80 FIRMS, 3000 EMPLOYEES
- \$ 43 MILLION SALES, 50% EXPORTS
- 10 LARGE COMPANIES (6 MNC)
- 75% OF EMPLOYMENT, 79% SALES
- DISPOSABLES AND ITS ACCESSORIES ARE 83% OF SALES

FOUR TYPES OF FIRMS

- LARGE COMPANIES
- LOCAL INDEPENDENT ENTERPRISES
- SUBCONTRACTORS
- PRODUCERS OF MACHINERY

LOCATIONS OF MNC

- ENTRY THROUGH TEMPORARY JV, FOLLOWED BY ACQUISITION
- ORIENTATION TO PROCESS INNOVATIONS
- PERSISTENCE OF LOCAL MANAGEMENT AND EMPLOYMENT
- LEVERAGING QUALITY AND ENHANCING SELECTION PROCESSES BETWEEN SUBCONTRACTORS

THE ROLE OF SUBCONTRACTORS

- DIRECT AND INDIRECT MEDIA OF KNOWLEDGE TRANSFER FROM MNC TO DISTRICT
- POSITIVE FEEDBACK MECHANISM THROUGH LABOUR MOBILITY

WHAT CAN WE LEARN ABOUT ID_s

- DISTRICT IDENTITY UNIFORMS OB AND MAKES “FOREIGNERS” NON-INDIGENOUS FIRMS, REGARDLESS WHETHER THEY ARE NATIONAL OR INTERNATIONAL
- THE REDUCTION OF THE ROLE OF NATION-STATE
- THE PSEUDO-ENTRY OF MNC

- ENTRY POINT AS A LOCK-IN POINT
- SOME IDS ARE HI-TECH
- THEY ARE RELATIVELY OPEN
- THEY CAN BE YOUNG AND TRIGGERED ON CASUAL EVENTS
- THEY CAN BE HI-WAGE

WHAT CAN WE LEARN ABOUT MNC?

- MNC AS DIFFERENTIATED NETWORKS
- MANY LINKAGES BETWEEN THE FORM OF DIFFERENTIATED NETWORK OF MNC AND HYPER-NETWORK OF ID_s

- GLOBALIZATION IS ORIENTED BY INTANGIBLE RATHER THAN NATURAL ASSETS
- INTANGIBLE ASSETS ARE FIRM AND TERRITORY SPECIFIC
- NEED FOR AUTONOMY OF SUBSIDIARIES
- CROSS-BORDER NETWORKING THROUGH STRATEGIC ALLIANCES AND OTHER COOPERATIVE AGREEMENTS BECOME MORE RELEVANT, ESPECIALLY IN HIGH COMPLEX ENVIRONMENTS

- REGIONAL AND SUB-REGIONAL GOVERNMENTS AND ASSOCIATIONS BECOME ACTIVE PARTNERS IN THE GLOBALIZATION PROCESS: THEY CAN MAKE COMPETITIVE AND APPEALING FOR MNC THEIR AREAS
- DOUBLE-NET HYPOTHESIS BETWEEN REGIONAL (LOCAL) AND MNC DIFFERENTIATED NETWORKS
- MNC CAN PLAY A CATALYST ROLE FOR LOCK-IN PHENOMENA