

# Industrial districts: relics of the past or promises of the future?

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# GLOBAL OUTLINE

- 1. DEFINITION AND MAIN ASPECTS
- 2. FACTORS OF COMPETITIVENESS
- 3. ROLE AND WEIGHT IN ITALY
- 4. TRADITIONAL ISSUES
- 5. NEW ISSUES
- 6. POLICY IMPLICATIONS
- 7. THE BIOMEDICAL DISTRICT

# 1. DEFINITION AND MAIN ASPECTS

- **1.1 DEFINITION: HYPER-NETWORK OF SMALL BUSINESS NETWORKS (SBN), WHICH ARE GEOGRAPHICALLY CONCENTRATED AND INDUSTRIALLY SPECIALIZED**
- **1.2 THRESHOLDS CAN VARY**
- **1.3 HIGH INVOLVEMENT OF LOCAL INSTITUTIONS**

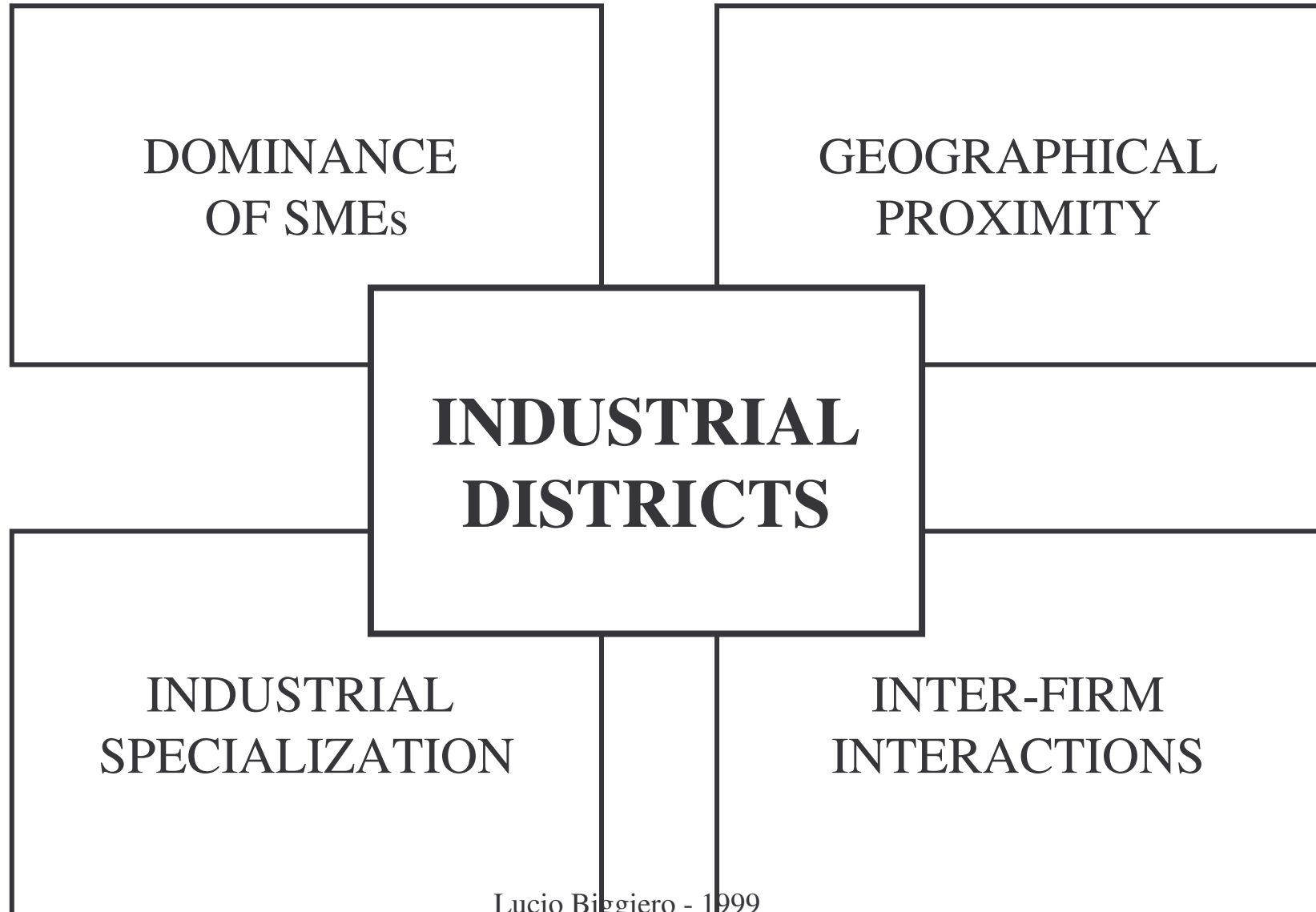
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- 1.4 HIGH ACTIVITY OF PRIVATE ASSOCIATIONS, LIKE TRADE, CONSORTIA, PROFESSIONAL ASS., ETC.
- 1.5 HIGH ACTIVITY OF MIX PUBLIC-PRIVATE ASSOCIATIONS
- 1.6. SOCIAL INTEGRATION AND INDUSTRIAL DISINTEGRATION
- 1.7 MIX COOPERATION AND COMPETITION

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- 1.8 STRONG COLLECTIVE IDENTITY
- 1.9 STRONG SELF-ORGANIZING CAPACITY
- 1.10 **VERY HIGH VARIETY OF IDs**

# DEFINITION PARAMETERS



## 2. FACTORS OF COMPETITIVENESS

- 2.1 HIGH INTERNAL VARIETY OF PRODUCTS AND ORGANIZATIONS
- 2.2 HIGH ORGANIZATIONAL FLEXIBILITY
- 2.3 ABILITY TO COOPERATE
- 2.4 ABILITY TO PROCESS INNOVATIONS
- 2.5 DIFFUSED KNOWLEDGE
- 2.6 LOW TRANSACTION COSTS

# APPROPRIATE INDUSTRIES

- LOW SCALE ECONOMIES
- HIGH KNOWLEDGE BASED
- HUMAN CAPITAL INTENSIVE

# WHY DISTRICTS IN FURNITURE AND TILES?

- IN SOME DISTRICTS SOME FIRMS
- 1. SPECIALIZE IN SOME PHASE OF PRODUCTION CYCLE, EXPLOITING SCALE ECONOMIES;
- 2. MAINTAIN VERTICAL INTEGRATION
- THESE ARE LARGE FIRMS, CO-EVOLVING WITH SMEs

### 3. ROLE IN ITALY

- 200 INDUSTRIAL DISTRICTS
- MORE THAN 2.2 MILLION OF EMPLOYEES (40% OF TOTAL MANUF.)
- 1/3 OF WHOLE ITALIAN EXPORTS
- DISTRICT TRADE BALANCE 250% OF NON-DISTRICT TRADE BALANCE
- MORE THAN 1/4 OF ITALIAN GNP

## 4. TRADITIONAL ISSUES

- 1. THE STRENGTH OF NETWORKED SMEs (SBN)
- 2. THE RELEVANCE OF SOCIAL INTEGRATION
- 3. THE ROLE OF PUBLIC INSTITUTIONS FOR INNOVATION POLICY: REAL SERVICES
- 4. POST-FORDIST EVOLUTION
- 4.5 THE MENACE OF GLOBALIZATION

# 5. NEW ISSUES

- 5.1 NEW DISTRICTS
- 5.2 HI-TECH DISTRICTS
- 5.3 SURVIVING GLOBALIZATION
- 5.4 MULTINATIONALS INTERMEDIATE LOCAL AND GLOBAL
- 5.5 HIGH ROLE OF COLLECTIVE IDENTITY
- 5.6 POSITIVE FEEDBACK MECHANISMS
- 5.7 TRIGGERS DO NOT MATTER VERY MUCH

# 6. POLICY IMPLICATIONS

- 6.1 DISTRICT CREATION THROUGH CATALYSTS
- 6.2 SUPPORT TO SOCIAL STABILITY, INTEGRATION AND IDENTITY
- 6.3 SUPPORT TO DISTRIBUTED KNOWLEDGE AND COMMUNICATION SYSTEMS
- 6.4 FAVORITE THE ENTRY OF EXPERIENCED FIRMS AS CATALYSTS

# ADVANTAGES OF A DISTRICT ORIENTED INDUSTRIAL POLICY

- 1. DISTRIBUTED INCOME
- 2. BALANCED SOCIAL DEVELOPMENT
- 3. LIMITED FINANCIAL SUPPORT
- 4. MORE SELF-ORGANIZING GROWTH
- 5. KNOWLEDGE-BASED ECONOMY

# 7. THE BIOMEDICAL DISTRICT

- HI-TECH AND RECENT
- 3000 EMPLOYEES, 80 FIRMS
- 10 LARGE FIRMS (6 MULTINATIONALS)
- IN 1997 SALES AMOUNT TO 775 BILLIONS LIRA, WITH 50% EXPORTS
- PIONEER ENTREPRENEUR AS TRIGGER