Still Sticky After All Those Years? The Resurgence of Marshallian Districts in a World of Global Production Networks

Dan Breznitz
Giulio Buciuni
Michael Murphree
Setting the Stage

- 1980s onward:

  Industrial Districts = flex production which is the alternative to:
  Fordism = vertical mass production
Setting the Stage

Alas Globalization Happens = the rise of the GPNs
Setting the Stage

But wait, did not we always had several industrial-district ‘models’?

“Let a Hundred Flowers Bloom, Let a Hundred Schools of Thought Contend”
Mao Tse-Tung
The Rise of GMD*: under what conditions?

Three Conditions that only together are both necessary and sufficient

1. Strategic coupling/Global Buzz

2. I&P Innovation focus (lead firms)

3. Co-production (P&P) of unique semipublic goods and shared assets

* GMD: locally integrated production networks as a GPN node
The Cases

Dong/Zhen – Mobile Telephones
The Cases

Riviera del Brenta – High (as in the highest in the world) End Women Footwear
Strategic Coupling

- Dongzhen:
  - FDI – Taiwanese firms as the educators and networks creators
  - Foreign Buyers / World’s most advanced OEM (Foxconn)
  - Complete Production Network upgrading

- Brenta:
  - Women Shoes specialization as a result of 'learning by supplying’ 1970s
  - Leading Brands Coming In
  - Design to Production Networks
  - Politecnico Calzaturiero – Parson School of Design joint programs

© copyright 2018 by the authors
I&P Innovation

- Dongzhen:
  - Global Architecture – MediTek (Taiwan) and Andriod (Google)
  - “Japanese Market Segmenting”
  - Innovating around the edge
  - Facilitated by the co-location of the complete production network

- Brenta:
  - Hi dude I designed that cool shoe – can you make it real and ‘productable’?
  - Actually I need 400 such new cool shoes a year – can you also design them?
  - Impossible without very high-end suppliers covering all the production network
Semipublic Goods

- **Dongzhen:**
  - Dedicated production facilities (solving issues if property rights)
  - Tech-transfer facilitation
  - Injection of S&T personal (from allover China) into companies
  - Training programs

- **Brenta:**
  - Specialized skills - Poletecnico Calzaturiero
    (Established in 1923 under the name of "Scuola di Disegno per Arti e Mestieri")
  - Specialized finance - *banche di credito cooperativo* (BCCs).
    (The BCC system was developed to facilitate new specialized venture formation by new entrepreneurs, often skilled workers formerly employed in larger organizations)
  - Associazione Calzaturifici della Riviera del Brenta" (ACRIB)
    (Consorzio Maestri Calzaturieri del Brenta" (Consorzio Maestri); Training programs upgrading small suppliers so they can enter global firms' product development by teaching them how to acquire new product development skills.)
In Way of Conclusion (aka: Canada’s Response to the Changing Reality)

Let’s Have a Consultation!