

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

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# 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?

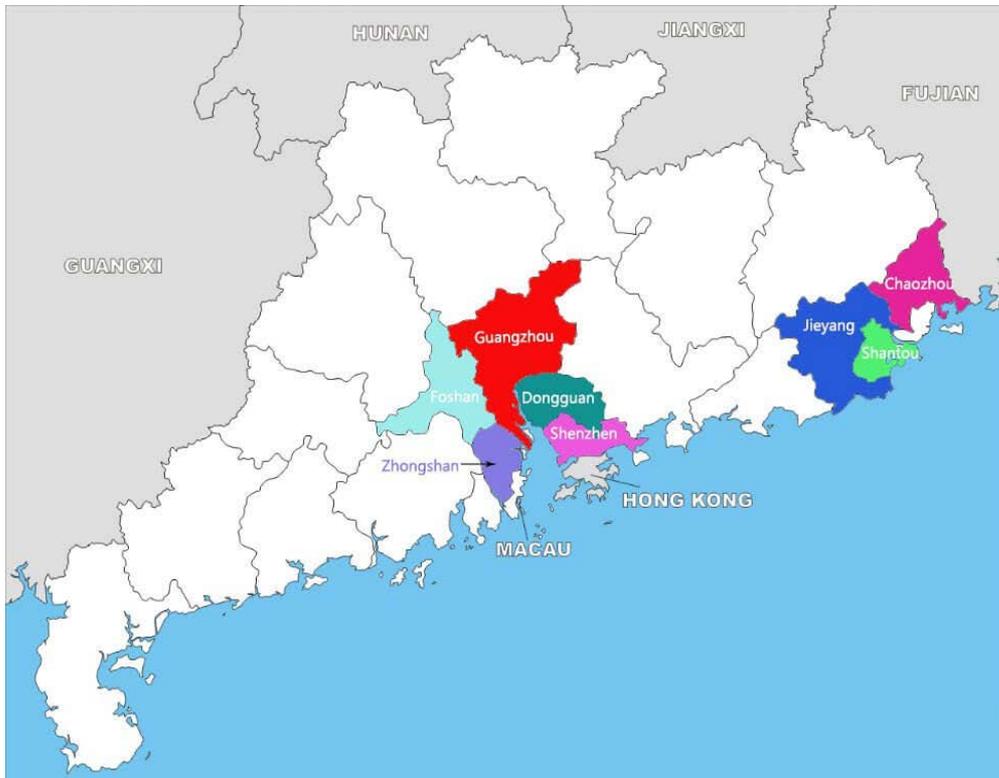
**Three Conditions that only together are both necessary  
and sufficient**

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



vivo  
Hi-Fi & Smart



# 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

# 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 - Politecnico 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)

## INNOVATION FOR A *Better* CANADA

### WHAT YOU TOLD US



THE HONOURABLE NAVDEEP BAINS  
Minister of Innovation, Science and Economic  
Development



THE HONOURABLE KIRSTY DUNCAN  
Minister of Science



THE HONOURABLE BARDISH CHAGGER  
Minister of Small Business and Tourism and Leader of the  
Government in the House of Commons

*Let's Have a Consultation!*