
BOOK REVIEWS

- Francesco Schiavone on Beccatini, G. (ed) (2004) *Industrial Districts: New Approach to Industrial Change*
 - Gert-Jan Hospers on Fuchs, G. & Shapira, P. (eds.) (2005) *Rethinking regional innovation and change: path dependency or regional breakthrough?*
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Becattini, G. (ed) (2004) *Industrial Districts: New Approach to Industrial Change* Cheltenham: Edward Elgar, 224pp. Hardback, ISBN 1 84376 325 7, £49.95

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Within the economic debate, the topic of industrial districts is one research field in which Italian academics certainly excel. Within this recognised community, one of the most prestigious authors is undoubtedly Giacomo Becattini, emeritus professor of political economy at University of Florence.

He dedicated his entire career to analyse the thought of Alfred Marshall ('intellectual' father of the industrial district model) and to study many Italian industrial districts through the insights of the English economist. This pluridecennial effort moreover allowed the rise of the 'Florentine School', in which many other appreciated economists are currently carrying out research about this type of territorial industrialisation. Following this line of study, the new book of Becattini (published by Edward Elgar in 2004) puts together ten of his best writings about such a topic, which first appeared in various journals and books over the last fifteen years.

During the 1980s and '90s this approach to researching industrialisation in regions has been largely rediscovered after a long time; quoting Becattini's definition (which probably is the most accepted within the Italian scientific community), an industrial district is 'a socioteritorial entity which is characterised by the active presence of both a community of people and a population of firms in one naturally and historically bounded area. In the district – and unlike in other environments, such as the manufacturing town – the community and the firms tend, as it were, to merge' (p. 19).

The key message of this book is simple and fascinating: large corporations vertically integrated are not the only way to organise economic systems (the basic assumption of the 'Fordism' paradigm). An alternative model exists, based on local SMEs working in the same industry and establishing cooperative and competitive relationships. These local relations create an industrial network in the region and allow spread of knowledge

between its actors. The latter is the crucial factor which enables concrete regional development and industrial change in the territory.

Of course, these arguments have long been discussed by economists; nevertheless, the contribution to the body of knowledge that readers of *Industrial Districts* can find is twofold. On the one hand, this editorial 'collage' concentrates in 200 pages a range of points of view (economic, historic, geographic) helpful to expand as far as possible the traditional assumptions of the subject. On the other hand, this book reinterprets an 'old' (but of course still current) model of industrial production in relation to recent changes of the worldwide economy (e.g. globalisation).

The book begins with the remarkable foreword of Brian Loasby, which gives the readers preliminary insights about its contents. These are organised in two parts: the first ('From the sector to the district', chapters 1-6) points out the historical framework and the main basic concepts of the literature on districts.

Chapters 1 and 2 introduce the main theoretical elements of the debate about industrial districts; Becattini argues that industrial analysis has to consider the sociological perspective on districts in order to understand properly their working mechanism. In particular, both Marshall and Becattini stress that the development of industrial systems cannot be explained in technological terms; instead, the social ties of firms concentrated within geographical areas can explain the extra elements of productivity present in those regions (as the case of the so-called 'Third Italy'). Concepts of local community or 'industrial atmosphere' therefore are essential tools in order to explain how district firms efficiently develop technological change and innovation.

In Chapter 3, the author considers the Marshallian industrial district as a creative milieu, in which coexistence and interaction of different competencies allow the start-up of creative activities. In this fashion, districts are creative environments as well; indeed, continuous innovation within districts requires figures with notable creative and combinatorial capabilities (Becattini writes about the role of the '*Impannatore*') that are able to recombine continuously the 'innovated' production processes between local firms.

Chapter 4 (written with Enzo Rullani) stresses an emerging issue in the topic. It refers to the new role (and challenge) of industrial districts in the global market and analyses how to integrate these two different scales.

Authors state that production and circulation of district knowledge (that is split into codified and contextual aspects) is the critical lever in order to make local systems able to succeed in global contexts.

The first part of the book concludes with two contributions summarising theoretical studies on districts developed in Italy in the past (Chapter 5) and the results of an econometric analysis that confirms the positive 'district effect' on firm performance (Chapter 6, written with Francesco Musotti).

Part Two ('Industrial Districts and beyond', chapters 7-10), starting from the theory of district, explores aspects of economic thought and contemporary capitalism. Whereas the first two chapters of this section deepen historical theoretical contributions (describing the works of Carlo Cattaneo) and actual methodological issues on the topic, chapter 9 describes (in Becattini's view) the conditions of local development. In particular, it 'lies in the dynamic coexistence and convergence of four processes: (a) there must be a stable link (even if it has to be upheld by constant partial adjustments), which must be as direct as possible, with a nucleus of needs (and of paying demands) on which the local development has been built up, with appropriate modifications of the productive set up; (b) there must be continual construction and reconstruction of institutions that fit the given set up; (c) values must be reshaped in such a manner as to be coherent with (a) and (b); (d) the naturalistic conditions of the production process that is intrinsic to a place must be reproduced' (p. 160).

The book ends with an interesting essay about rural identities and globalisation (written with Luigi Omodei Zorini) that extends the analysis of industrial districts to agricultural experiences. Through the theory of districts, the authors express their interpretation of peculiar development paths occurring in rural areas with scarce productive and competitive capacity but provided with

considerable cultural and natural resources.

Referring to the potential audiences of this book, there are interesting insights for academics, students and policy-makers. Academics can find in *Industrial Districts* a notable reference book, that researches very carefully and deeply the phenomenon, adopting a noteworthy point of view. The book is therefore suitable reading for researchers and experts in economics, geography, and industrial organisation that desire to extend their knowledge of these topics.

Due to the extent of its contents, the volume is moreover strongly advisable for university classes. Indeed, university students interested to deepen their knowledge of these topics can take great advantage of this book too; it treats the topic without using too complex language, understandable only for experts in the subject. This matching of quality writings and lexical clarity therefore allows to the book to become a 'Florentine Handbook' of industrial organisation based on this type of territorial network.

Thirdly, politicians devoted to addressing industrial development of regions can find useful insights in this book; after two centuries, the so-called 'Marshallian industrial district', described in these pages, is indeed still one valuable example of how social and market ties between local firms can give wealth to one territory. The key to achieving this economic growth finds in this book a relevant quantitative and qualitative reconstruction.

About the reviewer

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Fuchs, G. & Shapira, P. (eds.) (2005) *Rethinking regional innovation and change: path dependency or regional breakthrough?*, New York: Springer, 321pp. ISBN 0-387-23001-7.

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Where regions are going to, depends on where they are coming from. This piece of wisdom, so simple but yet so true, is often challenged in today's regional policy. Usually, notions such as historical specificity and path dependency are wasted on policy makers: they are rather more interested in generic recipes and in bright new

futures. In some European areas, the gap between the regional past and desired political situations is clearly visible. Take, for example, the 'cathedral-in-the-desert'-effect evoked by the spectacle of a lot of high-developed infrastructures, technocentres and business parks in Europe's periphery. To be sure, policy makers have to look ahead instead of only sticking to the past. But it could not do any harm if they were somewhat more aware of the link between what regions were, what they are and what they can be. This is only one of the many valuable notions that stuck in my mind after having read the volume under review. The book, no. 30 in the well-known Springer-series on the *Economics of Science, Technology and Innovation*, consists of fourteen high-quality contributions from international leading authors working in the institutional and evolutionary tradition of economic geography. As the editors note in their instruc-