RESEÑA DE LIBROS
Handbook of Industrial Districts

Giacomo Becattini, Marco Bellandi y Lisa De Propris (eds.)
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The Handbook of Industrial Districts is the latest reference volume by Edward Elgar. It comprises an impressive collection of scholarly contributions on a topic that still gathers a significant amount of attention. The debate on industrial districts has been a key part of the academic and policy agenda for the last two decades attracting the interest of historians, economists, sociologists, economic geographers, organizational scientists, and political scientists.

The volume can be seen as an important landmark in such a context as it gathers together a wide spectrum of contributions, which is in itself proof of how widely and how deeply this topic has influenced the debate on local economic development. One of the most striking and positive features of the volume is how it reconciles the theoretical analysis with empirical investigations of industrial districts from across the world. In so doing, it overcomes the stereotype «trap» that studies on industrial districts have primarily focused on Italy. On the contrary, the volume can be a reference point for anyone who is seeking a better understanding of the past and current debate on industrial districts with a truly global international perspective.

The debate on industrial districts, and initially on Italian industrial districts, started in the 1980s when the economic growth of some Italian regions could not be explained by the prevailing models of the time. The label «Third Italy» associated with the North-Eastern and Central regions of Italy, was coined to suggest a different trajectory of local development from the one driven by large Fordist plants in the North West. The observation of places where economic lives revolved around certain industries thanks to the spontaneous activities of small, mostly family run business, prompted a new discourse and a new direction to the study of local economic development. The pioneering work by Giacomo Becattini provided a rigorous conceptual underpinning to studying places such as industrial districts, drawing on the long-neglected geographical dimension of Alfred Marshall’s work. Giacomo Becattini unearthed aspects of Marshall’s thinking that mainstream economics had ignored and/or discarded. Sifting through Marshall’s work, it emerged that he attributed great importance to geography and territory when describing and explaining economic phenomena. The concept of Marshallian external economies is probably one the most relevant of his contributions.

The volume starts by presenting some enlightening contributions that recount the milestones and the historical roots of this initial debate, and, in particular, how since
the very start, industrial districts (IDs) became the object of study for many related
disciplines including sociology, history and «heterodox» economics. The historical
roots of IDs can be traced all the way back to the time of the industrial revolution
and the development of «industrial towns» in England. Observing these prompted
Marshall to point out that there must have been economic efficiencies and «intan-
gible» benefits attached to the place —rather than to individual firms— in order to
attract activities to cumulate in one place rather than another. The «Italian revival»
in the 1980 and 1990 not only brings to life Marshall’s thought but contextualized it
in what was then an open dialogue across various disciplines on the nature and role
of small firms in the economy. The literature on industrial districts in effect revalued
small firms which until then were seen as sub-optimal production units, too small
to achieve scale economies and therefore peripheral to the supposed dynamic core
of industries. Sections 1 to 3 of the volume are rich in contributions in this area by
scholars who have extensively and knowledgeably written on this.

As a «meeting ground for social sciences», and freed from the theoretical con-
straints of narrow mainstream economics, many studies on industrial districts have
contributed to give depth to our understanding of such complex economic phenome-
nu by looking at what now we refer to as «soft or intangible factors», such as the role
of institutions, trust, governance and informal networking. It is fair to say that by the
time the academic world had accepted industrial districts as a living phenomena, and
studies on them as worthy contributions despite —or indeed thanks to— their multi-
disciplinarity, a much broader debate on the geographical dimension of economic
activities post-Fordism and a new competition à la Best had emerged. Section 4 in
the volume provides insightful analysis on these themes.

The literature on industrial districts that followed took the analysis in multiple di-
rections, and notably outside Italy. Whilst the industrial district phenomenon became
well understood in Italy in the course of the 1990s, only later did it engage interna-
tional scholars. Sections 6-9 and 11 present an amazingly rich collection of empirical
studies that start with considerations on how the nature and evolution of industrial
districts has differed across Italian regions, then moves on to look at IDs in Spain,
France, Scandinavian economies, Japan, and the United States, and finally describes
their role in promoting local economic development in developing economies more
widely and in particular in Latin America, China, and India.

Probably the most unexpected but intellectually lucid contributions in the vol-
ume are those that address the current challenges that industrial districts face and
their possible future trajectories. Much superficial analysis in the on-going debates
on globalization pontificate on the world having become «flat», on the «death of
distance» and the inevitable surrender of power to transnational corporations. As a
result, such work often sounds dismissive of the importance of place and the social-
economic nexus, and by implication the role of IDs within this. In contrast to such
shallow analysis, sections 5 and 10 of the volume provide a rich vein of ideas that
suggest that the «industrial district model» has to be seen as able to evolve through
time. Whilst it is based on the same solid theoretical foundations, it can be translated
to explain for instance dynamic processes of learning and innovation that are not only
in manufacturing and which include both embedded and open components. So as culture, creativity and innovation are brought in to enrich the ID model, they enable it to describe and explain very current phenomena where there still is an overlap between an industry and a community of people. In the same way, the hypothesis of a spatially contained phenomenon is questioned as embeddedness inter-mixes with the openness of global production and knowledge networks which increasingly engage industrial districts. It is argued in the volume that technology and globalization are posing big challenges to industrial districts, but not necessarily to the «industrial district model».

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