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ITALY'S WEAK AREAS AND INDUSTRIAL DISTRICTS COMING OUT OF THE CRISIS

Introduction

Signatory of the Treaty of Rome in 1957 which gave rise to the European Economic Union, Italy has reached its own most ambitious aim: it is a full member of the European Monetary Union, with its low-inflation, low-interest-rates, low-public-deficit standards. Now the 5th economic power in the world, Italy is the 3rd manufacturing producer in Europe and the 2nd world exporter to Poland.

But these results have not been easily reached along a possibly linear path. At the beginning of this decade, the country experienced a deep economic recession, suffered from a feverish currency depreciation and was involved in a severe moral and political crisis. GNP and consumption dropped in absolute terms, unemployment increased, involving for the first time the services sector as well as some precedently unaffected social layers, such as professionals and higher-middle class. From April 30, 1992 to November 15, 1995 Italian currency, lira, depreciated by more than 50% in comparison with German mark. A large corruption network was discovered, linking political parties, firms, and public institutions. The northern part of the country was pressing for a greater autonomy, and the political system broke down, the main ruling parties disappeared or split.

Only the reaction of the civic society, together with institutional innovations and the perspective of European integration, allowed the overcoming of the most critical period. New parties were created, new electoral laws were passed, not only on the national level, but also for municipalities, exports boomed, and inflation was kept under control by an innovative wage agreement. The incentive of the Monetary Union and the harsh menace of being kept aside spurred actions and social cohesion.

Both the crisis and its gradual overcoming had a geographically differentiated impact and evolution. Italian economic landscape is quite complex, combining industrial towns (or even "company towns"), service-oriented metropoles, tourist cities, rich middle-ranking centres, cement-surfaced suburbia, eco-cities, specialised townships, agricultural areas, and many other identities – several other local kinds of social and economic organisation. In the present paper we shall draw attention to two classes of areas, by no way comprehensive of the whole population, but whose dynamics are particularly interesting for an international comparison: industrial districts, sometimes considered as "islands of excellence", and weak areas, which are not necessarily poor as such, but that, until recently, were incapable of endogenous growth, if not of growing at all.

We shall proceed in the same way both for the former and for the latter. After defining them, we shall briefly discuss their starting condition at the beginning of this decade. Although we are conscious of the magmatic nature of economic empirical reality, since many contrasting phenomena and trends can usually be identified and observed at the same time, we shall describe their condition as one of "crisis", i.e. a situation of deceived hopes, disappointing economic performances, involution processes. We shall then try to single out some of the responses and the new development trends that emerged, at least in some cases.

In the Appendix we shall present some data on regional differentiation within Italy (regional distribution of GDP, consumption, productivity, and international trade together with other indicators and data).[1]

Industrial districts and innovative milieux

In the Italian regional and industrial literature, the concept of "industrial district" has been used by many authors, each emphasising somehow different aspects.[2] At the same time, the empirical observation of areas has had, relatively often, a direct impact on theory. Thus, when a certain area is said to be an industrial district, even if it does not possess all such characteristics, a new enlarged definition is proposed, not always without arousing resistance. This process may also generate new terms. Here we shall present

[1] The author is extremely grateful to Prof. Ryszard Domański, Prof. Roberto Camagni, and Prof. Franco La Saponara. Discussions with Amedeo Cappitella and Cesare Benzi were pleasant and fruitful. A special thank is due to Francesca and Carlo Guidotti for their active help.

[2] Becattini [1998], Becattini [1979], Garofoli [1981], Brusco [1982]. For an English book see Cossentino, Pyke, Sengenberger [1996].

a comprehensive definition of "industrial districts", in the form of a rather long list of features, knowing from the very beginning that not all the actual industrial districts share them as a whole.

This concept may thus describe a small geographical area where a large number of small-size and medium-size firms co-operate and compete around a "core product", the manufacturing process of which is divided into several phases, each executed in a different firm. Every firm is extremely specialised and cumulates significant private knowledge, often linked to the usage of tailor-suited machines and special treatments of raw material. Within or near the area, mechanical engineering firms work on orders of the other local firms and propose new specialised machines, testing and adjusting them with the active participation of the client. Informal linkages are established among firms, forming a vertically disintegrated production process, whose flexibility matches the final desires of the consumers, which are often extravagant and capricious.

The area is characterised by a "flexible specialisation":[3] given a certain technological field, the area can produce many different versions of one product or even several completely different products, provided that they use a recombination of the same basic elements. For instance, the area of Como has a traditional silk production. Depending on fashion and orders, not only the colours and the way of treating raw material, but also the specific wearing object of production (tie, foulard...) can be changed.

Only some firms have direct contact with the buyers from outside. The others work on orders from these "terminal" firms. At the same time, the quality, the cost, and the delivery time of the product depend on all the firms of this *filière*, so the satisfaction of the external buyers greatly depends on the performance of the district as a whole, more than on the isolated excellence of one of them. This in turn makes the results of the firms highly correlated.

Specialised workers animate a knowledge-intensive local labour market, passing from a firm to another, or starting new businesses. New firms are founded every year, quite often thanks to specialised workers and technicians who resign and choose the path of self-employment. Failed firms explode their human and physical capital throughout the area, waiting for a better conjuncture to renew production. When there is a high demand for the district products, wages are quite high, since firms are profitable and it is difficult to hide it from the workers. The worker often has a certain negotiation power, since he is known to the other firms and can easily find another job. This situation promotes interesting labour relationships.

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[3] Piore and Sabel [1984].

The area develops a proud self-consciousness, a peculiar cultural identity which is not in contrast with a strong export orientation, since up to 70-90% of the production is now normally exported throughout the world.[4]

Social and family ties play an extremely important role, not only diffusing information and tacit knowledge, but also creating a specific "industrial atmosphere".

As we previously said, other concepts have been proposed to better focus on some characteristics of certain areas. Among them, the concept of *"innovative milieu"* has a particular appeal, emphasising technical and organisational innovation as it does.[5] "What is different and new is the attention paid to innovation processes rather than only to factors affecting the efficiency of the local economies. Such processes are reflected in the capability to imitate and create technology, fast reaction capability, capacities for shifting resources from declining spheres of production to new production while utilizing the same fundamental know-how, and the capability to regenerate and restructure a local economy hit by external turbulence".[6]

Moreover, the concept of "innovative milieu" doesn't only relate to industrial areas, but also to service-oriented and tourist centres. Strictly speaking, industrial districts are localised in small towns and their surroundings, if not even located in an industrialised countryside. By contrast, an "innovative milieu" can often be found in large towns.

In the rest of the paper we shall further refer to "industrial districts", since the self-consciousness of the areas, the first quantitative statistics[7] and the recently-introduced law definition give certain practical advantages to this reference.

The crisis

At the beginning of this decade, the local realities corresponding to the definition of "industrial district" began to show signs of a crisis, basically under four aspects:[8]

1) some districts saw their growth rate falling and also experienced some reduction of demand in absolute terms;

[4] In the past, buoyant domestic demand was an important ingredient for the district to develop.

[5] See Aydalot [1986], Camagni [1991], GREMI [1991].

[6] Camagni [1995], p. 318.

[7] See for example Tagliacarne – Unioncamere [1997].

[8] For a discussion of the problem, see Unioncamere-Censis-Tagliacarne [1995].

2) the number of firms dropped, given large-scale bankruptcy and a weakening in the birth rate of new ones;
3) some firms were sold to multinational companies, whose logic of action began to collide with the interest of the district as a whole;
4) the competition from the emerging countries which were beginning to produce low-priced high-quality goods, or, at least, goods the lower quality of which was more than compensated by a lower price.

In the second part of the decade a further element appeared: from 1995 onwards, the scenario of the Monetary Union did not allow Italian currency any new devaluation, which had previously contributed to international competitiveness of the districts. Now their labour cost is significantly and firmly higher than that of many competitors.

Crucially, the districts seemed to produce too weak a territorial strategy, as they were incapable of providing the firms with a common direction to get out of the crisis.

Some individual and system responses

As a response to this situation, some of the strongest firms are now developing a more "selfish" strategy: they internalise the production process, heavily invest in expensive technologies, re-select the suppliers and often reduce employment.

Having been great exporters for many years, they have already begun to look for more active opportunities of internationalisation. Not only do they buy cheaper semi-manufactured goods from abroad, but they localise more and more often their own plants in developing or transition countries. A recurrent situation is the transfer of old, amortised machines to newly-privatised firms in countries in transition, whose plants will be producing for the mother-firm and for the local fast-developing market.

A second response has been the development of the export of specialised machines. In some districts, the delicate vertical balance between typical district productions and machine suppliers has been reversed in favour of the latter. Machine suppliers sell in bulk to new industrialising countries, helping them even at the expense of local producers. For instance, Vigevano was one of the main centres of Italian-shoes production. In this area, not only shoes, but also special machines for shoe-making were produced. Now, the shoe machines have been sold throughout the world, and the shoe-making has dropped dramatically.

These same dynamics seem, however, to create new problems to the district as a whole. Probably, part of this process is inevitable and the entire *filière* should adapt to the new situation. At the same time, we cannot exclude that a new territorial strategy might help the subcontracting firms to improve their performance and re-create a better climate, taking also into account that once fully internationalised, the strongest firms will risk to lose their peculiarities in comparison with other equally-internationalised competitors.

Actually, signs of a system response can be seen. Public agencies have been multiplying real services to firms, especially in the field of international marketing, technological assistance, reverse engineering, quality certification, excellence prizes, and localisation facilities. These services help first and foremost the firms that are too small and concentrated on other production phases to be able to manage these problems internally. Scale barriers and minimum thresholds can be overwhelmed through co-operation and resource-sharing.

New degrees and specialising university courses are locally launched, interfacing the tacit-knowledge circuits with young science-conscious people. Managerial courses update the typical technical core-competencies of entrepreneurs, in order to help them in commercial strategies and negotiations.

An ambitious program of detailed labour-demand forecasting, the Excelsior program has begun to offer a reference to vocational schools and institutes. Institutions created and supported both by trade unions and entrepreneurs associations try to avoid sterile confrontation and focus on the development of labour culture and job flexibility.

A Districts Club, gathering many of the most dynamic areas, is trying to connect the districts with a network of initiatives, not only in Italy, but also in France and Spain, with the European Commission informally underlining how useful district policies and experiences might be to ease the entering of new countries into the Union.[9]

In synthesis, a new local leadership is emerging in terms of both stronge private firms and clever public bodies.

Weak areas. Territorial pacts and other policy instruments

Many Italian areas are traditionally weak, not so much in terms of consumption expenditure, if compared to other EU depressed areas, but rather in

[9] Club dei Distretti [1996].

terms of added value, productivity, unemployment, firms' stock and birth rate, innovation capability, and export competitiveness. They suffered the most from the macroeconomic crisis of the beginning of this decade, especially when the local economy depended on public expenditure, which was shrinking because of budget constraints and of the panic aroused by the Magistracy inquires into the decision-making processes of public powers. Despite the opinion of many observers, who judged the backwardness of these areas as immutable attributing it to a wrong and inadequate local mentality, several instances of a radical change can be seen, although obviously not everywhere.

Private entrepreneurs succeeded in turning large and ineffective public investments, usually lacking local partners, into sensible suitably-sized engines of area development. Economically and historically homogeneous areas have seized the outsourcing, sub-contracting, and spillover opportunities from near regions with higher marketing, organisational and technological levels. This process has been largely spontaneous but in some instances has been accompanied and helped by new forms of public intervention, among which Territorial Pacts, twinning agreements, area contracts. Also the EU funds have been used better than in the past.

Territorial Pacts are an Italian idea that is gaining support at the European level, and they begin to be an official Union policy. A thorough local informal activation leads to an area strategy, where public authorities, trade unions, entrepreneurs associations, small and medium-size private firms, local banks, no-profit bodies, ecologists organisations, and culture institutions offer each a specific contribution in terms of faster bureaucracy, labour flexibility and requalification, physical investment, special criteria of fund rotation, social help, local resources mobilisation. The formal result is a legally binding contract between equal partners. Either in a formal or informal way, even police and justice officers, as well as moral authorities, often play an important role.

A positively-defined identity for the area is proposed, often traced back to the past centuries, but also arousing from a new valorisation of the existing (yet still isolated) entrepreneurial and environmental resources. This leads to a more conscious specialisation and labour division within the area, fostering economies of scale outside the single-firm boundaries.

Careful financial engineering, realistic selection of adequate projects, tight intermediate schedules and final expiry dates, extensive use of information technology – all this helps endogenously-driven growth, whereas other initiatives are launched to promote the area on the national and international level.[10]

[10] For a discussion on Territorial Pacts, see CNEL [1997].

Similarly, the instrument of area contract has been introduced, sometimes with the debatable but interesting aim of negotiating the gradual exit of firms from the semi-illegality of "grey economy" in exchange for partial forgiveness, the access to a larger distribution network, and more safety.

In a context of budget restrictions and general dissatisfaction with past performances, the infrastructural policy had to change dramatically. Instead of financing entirely new projects, risking to build useless "cathedrals in the desert", the typical standpoint is now to complete and modernise existing infrastructures, so as to make them fully available for industrial or tourist facilities. The employment target is not mainly the temporary labour needed for the building itself – which in the past created a perverse incentive to prolong the works as much as possible – but rather the stable occupation in private firms which, after the work is completed, are better connected with the market.

Italy discovered at its own expenses that European funds can turn out to be largely unused because of a lack of credibly-built projects, difficulties in co-financing and in respecting the EU rule of additionality;[11] therefore at present a major effort is being made in order to activate them – in favour of the entire local community and not only of the direct contractors, as it occasionally happened.

Many of these changes are the result of influential initiatives undertaken by directly elected mayors, supported by consent and strong majorities in the City Council, thanks to the recent electoral law as well.

As far as co-operation on a larger scale is concerned, stronger areas' regional development agencies are beginning to systematically stimulate networks between public administrations and private firms located in weak zones, in order to develop, for instance, sub-contracting and commercial distribution links, frequently in connection with twinning agreements between far-located Houses of Commerce.

The State has been able as well to introduce innovative instruments, like the law n. 44/1986, an important example of entrepreneurship enhancement, which is providing financial support to selected young people willing to start an enterprise on the basis of a credible business-plan.[12]

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[11] See Predieri [1995].

[12] This law has financed, from 1986 to 1997, 1 225 selected projects, for a total amount of 3 479 milliards of liras, and with a direct employment of 23 174 people. Source: CENSIS [1997].

Conclusion

As we saw, the economic landscape of Italy is deeply changing, thanks to the strategies and the performances of economic agents, but also thanks to attempts of collective leadership and co-ordinated impulses.

The new macroeconomic context spurs area competition and new forms of co-operation and externalities management, restructuring the network of commercial and productive linkages among different organisations.

It still remains to be seen whether this will open the way to sustainable development and social cohesion. In our modest opinion, we think there is room for hope.

Statistical Appendix

National GDP and exports[1]

	GDP	Exports of goods and services
Belgium	196.0	142.4
Denmark	104.7	36.2
Germany	1 556.7	363.8
Greece	118.4	19.5
Spain	518.8	122.7
France	1 078.2	253.1
Ireland	57.4	42.8
Italy	1 036.7	285.9
Luxembourg	11.9	11.0
Netherlands	285.5	152.1
Austria	150.2	59.5
Portugal	114.9	36.8
Finland	84.5	32.1
Sweden	153.5	62.8
United Kingdom	968.1	275.7
EU	6 435.5	1 896.4

Industrial production index[2]

	1991	1992	1993	1994	1995
Germany	100	98	90	94	95
United Kingdom	96	96	98	103	106
France	99	98	94	97	99
Spain	99	96	92	98	103
Italy	99	98	96	102	108

[1] GDP at market prices. Milliards of Standard Units of Purchasing Power, calculated by EUROSTAT. Current prices. Year 1995. Source: ISTAT [1997a].

[2] Base year: 1990 = 100. Source: ISTAT [1997a].

Regional GDP, consumption, and unemployment[1]

	GDP	GDP per capita	GDP per employee	Final consumption per capita	People seeking employment
Piedmont	140 032.5	114.4	101.9	104.3	8.3%
Valle d'Aosta	4 377.3	130.8	102.0	139.8	5.6%
Lombardy	326 950.6	129.2	114.5	111.6	6.1%
Trentino-Alto Adige	32 462.0	126.8	96.5	131.5	3.9%
Venetia	149 990.5	120.0	102.3	110.8	5.6%
Friuli-Venezia Giulia	40 939.6	121.9	112.3	117.5	7.1%
Liguria	55 494.1	116.1	115.9	114.6	11.7%
Emilia-Romagna	142 650.5	128.4	108.8	120.1	5.6%
Tuscany	108 041.3	107.9	97.0	108.6	8.4%
Umbria	22 473.9	95.9	91.2	103.0	10.2%
Marche	42 281.7	103.8	93.7	111.6	6.5%
Latium	166 229.6	112.4	109.4	101.5	12.8%
Abruzzi	32 027.8	88.2	92.5	94.8	9.6%
Molise	7 108.3	74.8	81.4	85.0	16.7%
Campania	108 522.7	64.6	82.9	76.9	25.5%
Puglia	80 855.3	69.5	87.6	81.8	17.7%
Basilicata	11 081.4	63.0	75.9	76.4	18.1%
Calabria	34 827.0	57.4	74.8	81.1	25.2%
Sicily	96 189.5	64.6	84.0	82.7	23.6%
Sardinia	35 970.4	76.2	89.2	91.0	21.0%
Italy	1 638 506	100 (= £28 130 300)	100 (= £73 600 000)	100 (= £22 596 400)	12.1%

[1] GDP in milliards of liras. Current prices. GDP per capita, per employee, and final domestic consumption: Italy = 100 (in parentheses the value in liras); year 1994. People seeking employment: year 1996. Source: ISTAT [1997b].

International trade of Italian regions[1]

	Exports			Imports			Saldo		
	1996	1991	change	1996	1991	change	1996	1991	change
Piedmont	51 017.268	35 878.309	42.20%	33 581.740	28 613.948	17.36%	17 435.528	7 264.361	140.01%
Valle d'Aosta	563.210	308.594	82.51%	343.275	292.013	17.55%	219.935	16.581	1 226.43%
Lombardy	115 835.126	80 320.463	44.22%	118 488.160	10 3130.83	14.89%	-2 653.034	-22 810.367	-88.37%
Trentino-Alto Adige	6 632.699	4 460.541	48.70%	5 218.972	5 280.866	-1.17%	1 413.727	-820.325	-272.34%
Venetia	54 010.594	32 115.369	68.18%	35 850.394	26 526.739	35.15%	18 160.200	5 588.630	224.95%
Friuli-Venezia Giulia	12 711.686	7 705.096	64.98%	5 534.119	5 017.952	10.29%	7 177.567	2 687.144	167.11%
Liguria	6 164.739	4 507.292	36.77%	6 775.670	6 578.206	3.00%	-610.931	-2 070.914	-70.50%
Emilia-Romagna	43 706.903	27 577.998	58.48%	22 580.196	18 883.923	19.57%	21 126.707	8 694.075	143.00%
Tuscany	32 298.026	2 0453.96	57.91%	21 056.125	14 943.495	40.90%	11 241.901	5 510.465	104.01%
Umbria	3 482.371	1 826.889	90.62%	2 123.437	1 471.899	44.27%	1 358.934	354.990	282.81%
Marche	11 061.248	6 180.335	78.97%	3 806.165	3 195.937	19.09%	7 255.083	2 984.398	143.10%
Latium	14 127.959	10 369.128	36.25%	22 464.349	2 7570.78	-18.52%	-8 336.390	-17 201.652	-51.54%
Abruzzi	6 752.552	3 554.751	89.96%	4 661.918	2 778.426	67.79%	2 090.634	776.325	169.30%
Molise	812.193	222.707	264.69%	423.881	228.036	85.88%	388.312	-5.329	-7 386.77%
Campania	9 685.673	5 928.700	63.37%	9 374.761	9 218.958	1.69%	310.912	-3 290.258	-109.45%
Puglia	8 245.913	5 600.592	47.23%	5 684.898	6 593.621	-13.78%	2 561.015	-993.029	-357.90%
Basilicata	831.386	316.163	162.96%	429.744	305.860	40.50%	401.642	10.303	3 798.30%
Calabria	438.472	331.744	32.17%	669.997	722.306	-7.24%	-231.525	-390.562	-40.72%
Sicily	5 516.304	5 090.383	8.37%	13 174.361	10 201.511	29.14%	-7 658.057	-5 111.128	49.83%
Sardinia	2 673.998	2 330.578	14.74%	5 412.341	4 990.095	8.46%	-2 738.343	-2 659.517	2.96%
Italy	386 568.320	255 079.592	51.55%	317 654.503	276 545.401	14.87%	68 913.817	-21 465.809	-421.04%

[1] Milliards of liras. Current prices. Source: CENSIS [1997], based on ISTAT data.

Indicators

	Firm stock[1]	Firms birth rate in manufacturing sector[2]	Firms birth rate all over the economy[2]	Infrastructure index[3]	Patents[4]	Internet providers[5]	Increase in Internet providers[6]
Piedmont	90.4	0.81	6.17	102.4	1437	5.2	169.9%
Valle d'Aosta	109.6	0.60	7.22	101.5	1	16.9	185.7%
Lombardy	80.0	0.81	6.14	129.5	4008	4.6	157.0%
Trentino-Alto Adige	105.3	0.44	5.05	93.9	108	7.0	270.6%
Venetia	98.6	1.11	6.39	127.7	1195	5.3	180.7%
Friuli-Venezia Giulia	90.5	0.81	5.47	112.0	465	10.2	159.6%
Liguria	80.0	0.66	6.39	143.3	266	7.4	192.9%
Emilia-Romagna	102.9	1.09	6.93	108.1	1174	6.4	175.8%
Tuscany	92.0	1.13	6.62	96.6	702	7.1	190.7%
Umbria	91.7	0.80	5.78	77.9	62	4.6	216.7%
Marche	106.6	1.06	6.09	88.2	355	10.3	138.7%
Latium	58.1	0.53	5.07	120.8	1196	2.9	132.3%
Abruzzi	93.2	0.88	5.66	91.1	74	4.0	212.5%
Molise	102.6	0.39	4.39	78.3	7	5.7	216.7%
Campania	65.9	0.52	4.06	92.1	165	2.9	118.7%
Puglia	75.5	0.56	4.16	84.2	126	3.9	134.3%
Basilicata	87.4	0.51	3.92	56.7	11	3.6	175.0%
Calabria	59.1	0.46	3.73	81.8	55	3.7	162.1%
Sicily	67.9	0.49	4.02	69.3	158	4.0	237.3%
Sardinia	76.0	0.45	4.24	82.6	47	4.5	177.8%
Italy	80.9	0.74	5.41	100	11612	4.9	168.4%

[1]Number of active firms per 1 000 inhabitants. 30.06.1997. Source: CENSIS [1997].
[2]Number of new firms, "born" during the year, per 1 000 inhabitants. Year 1995. Source: A. Cappitella on data InfoCamere.
[3]Synthetic index of infrastructure dotation. Italy = 100. Source: CENSIS [1997].
[4]Number of requests of industrial patents during the year. Region of the patent office. Year 1995. Source: ISTAT [1998].
[5]Number of "Points of Presence" of commercial or non-commercial providers per 100 000 inhabitants. Year 1997. Source: CENSIS [1997]
[6]One-year increase of the absolute number of "Points of Presence". Years 1997/96. Source: CENSIS [1997].

A possible list of industrial districts[1]

Region / District	Specialisation	No. of firms	Employees
Piedmont			
Biella	Textile – Wool	2 000	30 000
Valenza	Goldsmith's Art – Jewellery	1 300	7 000
Omegna – Cusio	Household Articles	450	6 000
Gozzano – Pogno	Taps	300	4 000
Valduggia	Valves	120	1 500
Canavese	Mechanical Components	80	8 000
Settimo Torinese	Pens – Felt–pens	200	4 000
Val Sesia	Textile – Clothing Industry	400	6 000
Lombardy			
Gallarate – Busto	Textile – Clothing Industry	1 500	3 000
Comasco	Silk – Textile	1 700	18 000
Val Gandino	Textile – Wool	250	5 000
Val Seriana	Textile – Cotton	150	6 000
Palazzolo sull'Oglio	Mechanical Engineering for Textile Production	200	4 000
Botticino – Borgo S.G.	Socks	300	1 500
Castelgoffredo	Nylons	900	10 000
Poggio Rusco	Corsets	400	1 500
Mede – Lomello	Clothing Industry	120	1 000
Tradate Solbiate	Mechanical Engineering	700	9 000
Santo Stefano	Balances – Meat Slicers	150	1 500
Caronno Varesino	Anti–Theft Devices	100	3 000
Lecco	Carpentry – Mechanical Engineering	1 900	28 000
Premana – Valsassina	Knives – Scissors	150	1 000
Treviglio – Bassa Bergamasca	Mechanical Engineering	650	8 000
Lumezzane	Knives – Taps	700	10 000
Gardone Val Trompia	Weapons	200	5 000
Nave Odolo	Small–dimensioned Iron– and Steel–Working	120	3 500
Suzzara	Agriculture Machines	120	3 000
Cantù – Brianza comasca	Artistic Furniture	2 500	9 000
Meda – Brianza milanese	Furniture	3 500	18 000
Val Imagna	Wood	100	1 300
Viadana Casalmaggiore	Brooms – Brushes	250	2 500
Vigevano	Footwear	800	10 000
Bassa bresciana	Footwear	400	3 000

[1] Year 1994. Approximated data. Source: Marra [1996].

Region / District	Specialisation	No. of firms	Employees
Parabiago	Footwear	200	2 500
Turbigo	Tanning	200	2 500
Mede	Goldsmith's Art	150	600
Grumello – Val Calepio	Buttons	120	2 000
Oltrepo pavese	Bricks	40	800
Venetia			
Valdagno – Schio	Textile – Wool	150	7 000
Breganze – Thiene	Clothing Industry	400	3 000
Castelfranco – Vittorio Veneto	Clothing Industry	1 000	8 000
Legnago	Thermomechanical Engineering	400	4 000
Conegliano	Mechanical Engineering	300	5 000
Bergantino – Melara	Merry–go–rounds	40	600
Bussolengo – Veronese	Footwear	700	8 000
Montebelluna	Climbing Boots	700	8 000
Azignano – Val di Chiampo	Tanning	600	7 000
Cerea – Bovolone	Furniture	3 000	15 000
Livenza	Furniture	700	7 000
Bassano	Classical Furniture	400	2 500
Quartiere del Piave	Furniture	400	3 000
Bassano del Grappa	Ceramics	400	4 000
Murano	Glassware	250	2 000
Cadore	Spectacles	400	6 000
Vicenza	Goldsmith's Art	1 000	10 000
Cambria	Porphyry	150	1 800
Friuli – Venezia Giulia			
Manzano	Chairs	800	2 500
Maniago	Knives	200	1 500
S. Daniele	Foodstuffs – Sausages	40	800
Emilia – Romagna			
Carpi – Correggio	Clothing Industry	3 000	13 000
Sassuolo – Scandiano	Tiles	400	20 000
Novellara – Reggio	Agriculture Machines	150	7 000
Cento	Mechanical Engineering	350	5 000
Faenza	Ceramics	150	2 000
Langhirano	Foodstuffs – Sausages	250	3 000
Reggio Emilia	Dairies	300	1 200
S. Mauro Pascoli	Footwear	400	4 000
Mirandola	Biomedical Devices	100	2 500

Region / District	Specialisation	No. of firms	Employees
Tuscany			
Prato	Textile – Wool	6 000	50 000
S. Croce sull'Arno	Tanning	800	7 000
Capannori – Montecatini	Footwear	900	5 000
Castelfranco – Valdarno	Footwear	700	7 000
Empoli – Vinci – Fucecchio	Clothing Industry	650	7 000
Poggibonsi – Val d'Elsa	Furniture	600	4 500
Cascina – Ponsacco	Furniture	800	4 000
Carrara	Marble	1 200	9 000
Morlupo – Empoli	Glass	300	4 000
Arezzo	Goldsmith's Art	350	6 000
Marche			
Montellabbate – Pesaro	Furniture	1 000	10 000
Civitanova – S. Elpidio	Footwear	4 500	37 000
Castelfidardo – Recanati	Musical Instruments	400	3 500
Urbania	Jeans	100	3 000
Jesi	Mechanical Engineering	200	4 000
Tolentino	Leather Goods	140	2 500
Umbria			
Deruta	Ceramics	350	2 500
Latium			
Civitacastellana	Crockery	120	3 000
Abruzzi			
Teramo	Leather Goods	300	2 500
Val Vibrata – Alba – Nereto	Clothing Industry	800	12 000
Puglia			
Barletta	Sport Footwear	600	5 000
Casarano – Lecce	Footwear	200	4 000
Putignano – Martina Franca	Clothing Industry	400	4 000
Campania			
Solofra	Tanning	300	4 000
Gruno Nevano	Footwear	600	7 000
Sicily			
Ucria – Sinagra	Textile – Clothing Industry	200	2 000
Sardinia			
Calangianus	Cork	180	3 000
Buddusó	Granite	110	1 500

Territorial Pacts – productive investment[1]

Territorial Pact	No. initiatives	Productive investment	Cost for the State	New employees	Average dimension	Investment per new employee
Campania	**70**	**311.786**	**223.990**	**1 254**	**4.454**	**0.249**
Benevento	13	101.001	81.905	279	7.769	0.362
Caserta	27	107.863	73.467	394	3.995	0.274
Miglio d'oro	30	102.922	68.618	581	3.431	0.177
Puglia	**129**	**226.957**	**148.267**	**2 477**	**1.759**	**0.092**
Lecce	87	118.036	76.191	1 904	1.357	0.062
Brindisi	42	108.921	72.076	573	2.593	0.190
Calabria	**26**	**82.826**	**67.624**	**324**	**3.186**	**0.256**
Vibo Valentia	26	82.826	67.624	324	3.186	0.256
Sicily	**171**	**455.612**	**335.112**	**2 731**	**2.664**	**0.167**
Enna	22	117.983	97.044	404	5.363	0.292
Siracusa	27	71.191	49.076	380	2.637	0.187
Madonie	39	52.726	36.515	415	1.352	0.127
Palermo	29	105.689	66.764	777	3.644	0.136
Caltanissetta	54	108.023	85.713	755	2.000	0.143
Sardinia	**16**	**52.973**	**43.386**	**198**	**3.311**	**0.268**
Nuoro	16	52.973	43.386	198	3.311	0.268
Total	412	1 130.154	818.379	6 984	2.743	0.162

[1] Territorial Pacts often comprehend an infrastructure expenditure as well, ranging from 0% to 22% of the total investment, with an average of 8%. Productive investment, cost for the State, average dimension, and investment per new employee in milliards of liras. Current prices. Average dimension is the productive investment divided by the number of single initiatives within a Territorial Pact. Situation on 26.6.1997. At least other 97 Territorial Pacts entered into the procedure of recognisation. Source: SVIMEZ [1998].

EU objective 1 (1994 - 1999) - progress of the program[1]

Regions	Funds			Ratios		
	allocated	engaged	payments	E/A	P/A	P/E
Abruzzi	553	409	215	73.96%	38.88%	52.57%
Molise	537	515	241	95.90%	44.88%	46.80%
Campania	2 965	1 675	1 079	56.49%	36.39%	64.42%
Puglia	2 470	1 346	674	54.49%	27.29%	50.07%
Basilicata	1 125	904	477	80.36%	42.40%	52.77%
Calabria	1 907	1 180	578	61.88%	30.31%	48.98%
Sicily	2 560	1 370	795	53.52%	31.05%	58.03%
Sardinia	1 812	1 110	639	61.26%	35.26%	57.57%
Total	13 929	8 509	4 698	61.09%	33.73%	55.21%

[1] Situation on 31.12.1997. Funds in Mecu. Source: SVIMEZ [1998], on data from the Treasury.

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