Regional Responses to Global Economic Crisis: Revisiting the Case of Italian Industrial Districts

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Throughout the 1990s and 2000s, localities and regions adopted labor market policies organized around sectorally-focused and industry-driven strategies modeled on Italian industrial districts. The applicability of industrial district models in North America has long been subject to debate. This paper revisits some of these original industrial districts in light of the recent global contraction in demand for the specialized exports produced by the regions. In particular, the paper analyzes the consequences for the local labor market of the industrial district institutional frameworks formed in response to initial research in the 1970s and 1980s. Evidence from the industrial districts in Marche indicate a tension between the sustained success of export-oriented manufacturing and the lock-in produced by entrenched institutional forms with mixed results for the local labor market.