

**INNOVATIVE CONSERVATISM IN A MATURE INDUSTRIAL DISTRICT:
AN ECONOMIC HISTORY OF THE BRENTA FOOTWEAR INDUSTRY**

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MPhil thesis

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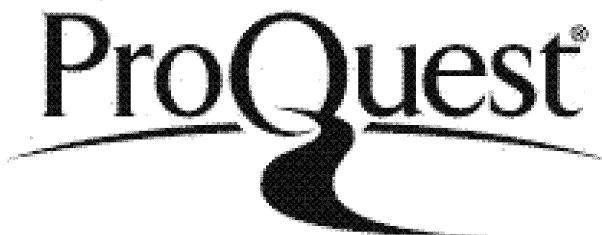


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ABSTRACT

This thesis analyses the Brenta footwear industrial district in North-eastern Italy (800 firms, 15,000 workers, total sales of 1.5 billion Euros).

Brenta is considered as a test case to assess the relevance today of the industrial district model. In doing so, particular attention is devoted to some aspects usually neglected by the specialised literature: self-help organisations, unionisation, politics and the public authorities, interaction among local actors.

The Introduction underlines Brenta's path-dependent development and introduces the concept of "innovative conservatism".

Chapter I discusses Brenta's relevance as a case study in the reassessment of the Italianate version of industrial districts.

Chapter II provides an historical outline from the establishment of the first mechanised enterprise (1898).

Chapter III discusses the respective roles of the main local actors. Entrepreneurs' associations were quite successful over the years but were never able to surmount Brenta's structural weaknesses (in particular its disproportionate emphasis on manufacture at the expense of other activities including marketing). Trade unions contributed largely to the shaping of the area, although unionisation was mainly an outside-driven development. Brenta's mixed political affiliation resulted in the novel co-existence of "red" (Communist) and "white" (Christian Democrat) cultures, which offers an interesting example of "civic capital" à la Putnam.

Chapter IV analyses the work of the Brenta Training Centre (1923) as an area for co-operation among the above-mentioned actors.

The Conclusion emphasises that Brenta represents a study in contrasts. It remains a conservative area, lagging behind in particular in technological innovation. It has however come closer and closer to the industrial district model, especially through its complex network of institutions drawing upon its “civic capital”. Brenta offers a contribution to the current debate about industrial districts and the ongoing reassessment of the “social embeddedness perspective”, providing a middle ground between the enthusiasm of the 1980s and the growing pessimism of recent years.

INTRODUCTION

Along the banks of the Brenta Canal

The Riviera del Brenta footwear industry began in 1898, with the local firm system gradually evolving into a full-fledged industrial district and still prospering today. In 2004 Brenta employed some 15,000 workers, with approximately 800 enterprises and a handful of self-help organisations. In 2003, total sales amounted to 1.5 billion euros, with exports representing more than 90% of production, accounting for 5% of total employment in the Italian footwear industry and generating 10% of total footwear sales in Italy. Active and capable local entrepreneurs, who were also able to draw significant competitive advantages from the specific *genius loci*, played a pivotal role in the development of this industry.

Geographically, Riviera del Brenta is a strip of land stretching for some 35 km from Padua to Venice along a branch of the river Brenta and is home to some 60,000 inhabitants. On its banks are a number of small towns (Stra', Fiesso, Dolo, Mira, Oriago), whose origins reach back to the 12th century. They subsequently became fashionable holiday resorts for the Venetian aristocracy who built around 100 summer residences between the 16th and 17th centuries. This was a powerful factor in the emergence of Brenta's specific brand of social and cultural environment -- partly urban, partly rural -- which in turn prompted the consolidation of a local collective identity. In this regard, Brenta confirms "the power of the past": It shows "a sort of path-dependent development that has included not only economic but also political and social arrangements", which in turn have affected to some extent not

only its organisation and technological level but also the mentality and the institutions of its entrepreneurs.¹

The Brenta footwear industry, launched with the establishment of the first mechanised factory in 1898, progressively developed into a cluster of small- and medium-sized companies featuring a number of elements included in the industrial district model (in particular a number of small- and medium-sized firms specialised in the same production, inter-firm co-operation, back- and forward linkages, institutions providing common services, local mechanisms for knowledge transmission, shared values based on mutual trust and reduced transaction costs). Brenta is located within the “Third Italy”, which is customarily defined as comprising seven regions of central and north-eastern Italy. Third Italy’s economy is largely, although not exclusively, based on small enterprises and is distinct from both the “industrial triangle” in the northwest and the still largely agricultural south.

Consequently, Brenta is often referred to as a typical industrial district corresponding to Becattini’s classical definition as “a social and territorial entity characterised by the active presence, in a circumscribed area - fixed by nature and historical heritage – of a community of individuals and a population of industrial enterprises”.² At the same time, however, some key aspects of Brenta’s economic system and its economic development diverge from the stylised industrial district model, in particular in its “Italianate” version which emphasises the social and political dimensions rather than the role of firms and entrepreneurs.³ This thesis devotes special attention to these deviations.

¹ Margarita Dritsas and Terry Gourvish (eds.), *European Enterprise: Strategies of Adaptation and Renewal in the Twentieth Century*, Athens, 1997, p. 14.

² Andrea Colli, Networking the Market: Evidence and Conjectures from the History of the Italian Industrial Districts, in W. Feldenkirchen and Terry Gourvish (eds.), *European Yearbook of Business History*, Vol. 1, 1998, p. 75.

³ Writers have devoted considerable attention to the definition of industrial districts and provided lists of their constitutive elements. In doing so, most of them explicitly built upon the classical work of Alfred Marshall, who first introduced this concept in *Principles of Economics*, 1890, reprinted in

In fact, Brenta as a case study confirms the interest of the recent shift in the literature from the “Italianate” emphasis to what Wilson and Popp term “social embeddedness perspective” and towards the more specifically economic aspects of local systems.⁴ In this context, entrepreneurs are the key actors, and the ultimate responsibility for success or failure depends upon them. The social and cultural context and other actors, individual and collective, play a useful supporting role. This is a significant shift away from the quasi-identification of the industrial district model with a stylised narration of north and central Italian local systems centred on social, cultural and collective elements, and is a move towards a more open model, encompassing a number of different cases from different countries. Brenta economic history, precisely for being in many respects a typical successful Italian district, can be a useful test case for assessing the validity of this approach.

London 1920, 8th edition. On Marshall’s contribution to the industrial district model, see in particular Andrew Popp, *Business Structure, Business Culture and the Industrial District. The Potteries, c. 1850-1914*, Aldershot/UK, 2001, p. 13-23. The lists of industrial district components proposed by Schmitz and Rabellotti respectively are of some interest since both are also based on the analysis of footwear areas (in Rabellotti’s case, including Brenta). Hubert Schmitz, Small Shoemakers and Fordist Giants: Tale of a Super Cluster, *World Development*, January 1995, 9-28, identifies the geographical and sectoral concentration of companies; predominance of small- and medium-sized companies; vertical disintegration at the company level; co-operative competition; a socio-cultural identity which facilitates trust, active self-help organisation. Roberta Rabellotti, *ibid.*, 29-42, regroups the same concepts into four main factors: clusters of mainly small- and medium-sized enterprises spatially concentrated and sectorally specialised; a set of forward and backward linkages, based on market and non-market exchanges of goods, information and people; a common cultural and social background linking economic agents and creating a behavioural code, sometimes explicit but often implicit; a network of public and private local institutions supporting the economic agents acting within the cluster. Some writers underline that in order for a cluster of firms to turn into a successful industrial district, however, the simple co-existence of specific constitutive elements (in particular sector and geographical concentration, which are the really indispensable prerequisites) must be integrated into a number of subsequent, dynamic developments involving the way in which each component interacts with the others. Hubert Schmitz, Small shoemakers..., quote., 10-1, mentions for example “... the division of labour and specialisation among firms; the provision of their specialised products and services at short notice and great speed; the emergence of suppliers who provide raw materials and components; the growth of suppliers who provide new or second-hand machinery and spare parts; the emergence of agents who sell to distant national and international markets; the growth of specialised producer services in technical, financial and accounting matters; and the formation of associations providing services and lobbying for its members”.

⁴ John F. Wilson and Andrew Popp, *Industrial Clusters and Regional Business Networks in England, 1750-1970*, Aldershot/UK, 2003, p. 11.

Brenta has a number of characteristics which do not fit easily in the stylised Italianate industrial district model. These include the lack of a single, unified political culture; a comparatively high level of commuters from outside the district, who share little or nothing of the alleged specifically local common values and traditions; an only partial geographical overlap of the historic Riviera del Brenta with the industrial district which bears the same name; often troubled relations between the entrepreneurs and trade unions, the latter being led by managerial and political staff from outside the district; at times high birth and mortality rates of firms, which resulted in an erosion of trust. At the same time, however, Brenta was successful in establishing a range of common services and institutions, including a vibrant entrepreneurial association and one of the oldest Italian training centres in this field; developing a co-operative relationship between entrepreneurs and labour; entering into a permanent dialogue with local authorities; and forging some collective identity. All this has evolved into a rather complex, mutually supporting interaction among the various local actors and the institutions which represent their views. And yet, the often cited high degree of institutionalisation achieved by Brenta seems to reflect more “fragmented, fragile and situational coalitions of interests, identities and values” rather than the embodiment of a collective social organisation.⁵

The value of Brenta as a test case should be assessed in comparison with other industrial districts, including those located outside the Third Italy, which in recent years have attracted the growing attention of writers. After all, the roots of the industrial district model are to be found outside Italy. Not only were the cases analysed by Alfred Marshall British, but none of the industrial districts mentioned in Sabel and Piore's seminal work as evidence of the survival of craft production during

⁵ Andrew Popp, *Business Structure, Business Culture and the Industrial District. The Potteries, c. 1850-1914*, Aldershot/UK, 2001, p. 10.

the heyday of mass production in the 19th century were Italian.⁶ Special attention should therefore be devoted to research on specific cases which question the general validity of the Italianate version of the industrial district model, including some English districts only recently rediscovered.

In his investigation into the manufacture of pottery located in North Staffordshire, Popp underlines several features which do apply equally as well to Brenta, apart from distance in space and time: extensive rather than intensive growth; insistence on product rather than on process innovation; multiplication of firms; prevalence of personal capitalism; the institutionalisation of associationist impulses both within and among labour and capital; the emergence of a powerful collective reputation; micro-localisation within the district; developments prompted by threats from foreign industries; response to these through a deeper commitment to established patterns of development even under rapidly altering conditions; comparatively hesitant mechanisation; the struggle of a few larger firms swamped by waves of small start-ups.

Also in Birmingham's jewellery district, described by Carnevali, "the whole combination of craft and skills and machinery allowed the production of both high-quality and affordable pieces"; but again, as in Brenta, Birmingham's history "... was not one of constant growth but rather one of adaptation to changes in demand", with the lowering of entry barriers as a result of the low capital outlay involved in setting up a small trade. The lynchpin of the system was the presence of several independent workers, from unskilled to masters. Most jewellery makers remained small, to the extent that entrepreneurs employing 30 to 40 people could be considered large

⁶ Sabel and Piore mention a number of "the most famous industrial districts of the 19th century", including silks in Lyon, ribbon, hardware and specialty steel in Saint-Etienne, edge tools, cutlery and specialty steel in Solingen and Sheffield, calicoes in Alsace, wollen and cotton textiles in Roubaix, cotton goods in Philadelphia and Pawtucket: Charles F. Sabel and Michael J. Piore, *The Second Industrial Divide: Possibilities for Prosperity*, New York 1984, p. 28.

enterprises. Flexibility was achieved by using independent workers. British laws (such as the Lower Standard Act, which in 1854 legalised the manufacturing of 9-, 12- and 15-carat gold) played a significant role, and were comparable to Italian employment laws, which prompted the fragmentation of larger firms and the proliferation of small firms in 20th century Italy.⁷ A local training centre, the Birmingham School of Jewellery and Silversmith, was established as early as 1890, and played a role comparable, in some regards, to that played by the Brenta Training Centre established in 1923. Another interesting similarity is the nearly total lack of mobility.⁸

Comparisons can be drawn between Brenta and English districts with regard to the social and collective aspects put into perspective by the new turn in English business history. Popp and Carnevali again provide ample accounts of associations in the Potteries in the second half of the 19th century and in Birmingham in the 20th century respectively. Evaluations of the effectiveness and results of the associations may vary significantly. Popp notes that "... active co-operation was extremely difficult to achieve in the Potteries", this confirming the lack of a local, shared sense of collective mission.⁹ Carnevali on the other hand underlines a "... dynamic institutional environment involving the City Council, the Jewellery School and the Jewellers' Association, and which in previous years was also instrumental in promoting trust by controlling rogue wholesalers.¹⁰ In this light, Brenta's economic history should be assessed with equal attention to its entrepreneurial aspects as well as to its social and political dimensions.

⁷ Laws can indeed have major effects on economic developments: see for instance the British Beer Act of 1830, as a consequence of which "... the centuries-old (beer) industry was dramatically shaken up": T.R. Gourvish and R.G. Wilson, *The British Brewing Industry 1830-1980*, Cambridge 1994, p. 3.

⁸ Francesca Carnevali, *Golden Opportunities: Jewelry Making in Birmingham between Mass Production and Specialty*, *Enterprise and Society*, Volume 4, Number 2/June 2003, 275-79.

⁹ Andrew Popp, *Business Structure...*, quote., p. 259.

¹⁰ Francesca Carnevali, *Golden Opportunities...*, quot., p. 279-280.

The historic core of the Brenta industrial district, ever since the establishment of the first mechanised enterprise in 1898, has been located in the western section of the Riviera (from Stra' to Dolo through Fiesso) and subsequently expanded towards some urban communes closer to Padua (Noventa Padovana, Vigonza) as well as some rural communes south of the river (Camponogara, Fosso', Campagna Lupia). The economic development of the eastern section (from Dolo to Oriago through Mira) in the 20th century was shaped by comparatively large heavy industries (chemicals in Mira, chemicals, naval dockyards, oil refineries in Porto Marghera).

The availability of labour, unionisation, commuting and related social problems, the role of politics and the emergence of formal associations were all influenced by the propinquity of these two intrinsically different local economic systems, although both were originally embedded in the same local context and culture.

At first glance, Brenta's economic history may be puzzling. It has produced shoes, only shoes (most of which were ladies leather shoes of middle to high-quality) for more than ten decades, focusing successfully on what it does best (manufacturing) but neglecting to a large extent other non-production related aspects (brand development, marketing). In the "golden age" of the Italian districts (the 1980s and the early 1990s), Brenta also showed design capabilities; at the turn of the 21st century, however, Brenta was again concentrating increasingly on its core competence –"pure" manufacturing.

At the same time, Brenta has evolved. While exports were virtually non-existent until the Second World War, Brenta exported more than 90% of its production by 2003. Shoes were initially produced by a number of small artisan workshops, and later by a comparatively large and advanced enterprise surrounded by a cluster of smaller firms and workshops. From the early 1950s, Brenta went

through a phase of vertical integration leading to the establishment of several medium-sized enterprises employing more than 100 workers each; it underwent a subsequent phase of de-verticalisation with a significant reduction in the average size of firms and increased inter-firm co-operation; attempted, with mixed results, the outsourcing abroad of some manufacturing phases. Relations among local actors, initially conducted in an informal way on the basis of widespread mutual trust, took place later within some formal local organisations. Competition, originally based on cost (with cost reduction strategies centred on low wages) shifted its focus to quality. Relations between entrepreneurs and labour, at times rather confrontational in the 1950s and 1960s, became more co-operative. The political context changed from the comparatively well-rooted and active Fascist organisations of the first post-war period to the ideological and political competition between two mass-based parties in the second post-war period, which in turn collapsed at the beginning of the 1990s. Exports grew within a stable international currency system until the early 1970s, then were exposed to the uncertainties of continuous fluctuations in the lira exchange rate until the introduction of the euro in 1999 brought about a new phase of monetary stability.

The issue of Brenta's specific, original balance between conservation and innovation will be discussed in depth in this thesis, since it can provide some contribution to the ongoing reassessment of the industrial district model from a "thick" to a "thin" version.¹¹ A "thin" industrial district (i.e. based on sectoral and unstable convergences of interests of individual entrepreneurs) is likely not to function in the same way as the "thick" canonical district (in which co-operation is socially and historically embedded and therefore likely to be more resilient). It has been shown that some key elements of the idealised version may either lack or be confined to an

ancillary role. For instance, Popp's analysis of Widnes and Carnevali's research on Birmingham jewellery both question the role of trust as a "natural" element of industrial districts.¹² "If trust does not follow on automatically from clustering", Popp notes, "other attributes of industrial districts, including their resilience and their flexibility, may also require further evaluation".¹³ In this context, it is legitimate to assume that not all districts are necessarily innovative.

My research confirms precisely Brenta's limited capability (or interest) to innovate, and underlines its very strong commitment to existing structures and procedures, a remarkable path-dependency, hyper-specialisation in a very limited number of core functions, and limited changes in its fundamental structures for over half a century.

From this perspective, Brenta is an interesting case study, since an important element of the industrial district model is the balance between the two opposite forces of conservation and innovation. Both have been abundantly investigated by the literature, but in such a way that they are made to appear more compatible than they really are. The path-dependency of industrial district and their roots in traditional skills, long-lasting social structures and common historic heritage have been commonplace since Piore and Sabel's seminal work. For instance, some of Jonathan Zeitlin's remarks are a hymn to continuity: "(in Italy and Germany)... conservatism in social relations and attitudes has provided the basis for social co-operation and economic co-ordination necessary to develop innovative strategies in manufacturing. (In those countries) ... flexible specialisation has been based on legacies of labour

¹¹ Andrew Popp, *Business Structure, Business Culture and the Industrial District. The Potteries, c. 1850-1914*, (Aldershot/UK, 2001), p. 23.

¹² Andrew Popp, *Networks and Industrial restructuring: the Widnes district and the formation of the United Alakli Company, 1890*, in John F. Wilson and Andrew Popp (eds.), *Industrial Clusters and Regional Business Networks in England, 1750-1970*, Aldershot/UK, 2003), p. 208-18; Francesca Carnevali, *Malefactors and Honourable Men: the making of commercial honesty in nineteenth century industrial Birmingham*, *ibid.*, p.192-207.

¹³ Popp Andrew, Trust in an industrial district: The Potteries, c. 1850-1900, *Journal of Economic History*, 3(1), 2000, 47.

skills and institutions of regional and social co-operation that persisted into the supposedly “Fordist” era.”¹⁴

At the same time, canonical industrial districts are supposed to be highly innovative, capable of adjusting to ever changing market conditions and more flexible than large industries. Best’s concept of new competition, in which Italian districts represent an almost ideal embodiment, is based on constant change and on the ever-changing entrepreneurial firm, as opposed to the rigid conditions prevailing under the paradigm of “old competition”. The entrepreneurial firm “... is organised from top to bottom to pursue continuous improvement in methods, products and processes”.¹⁵

However, these two opposite forces can also be seen as having different functions at different stages of the life cycles of districts. Zeitlin and Hirst for instance underline that “social continuity has provided the stability and support to absorb and promote radical change in technology and economic organisation”.¹⁶

In the ideal-typical industrial district, conservation ensures the preconditions for the emergence of districts and, later, the preservation of the global balance among their components. Innovation is the key to subsequent growth and success. As a consequence, the ideal-typical industrial district is rooted in the preservation of local uninterrupted traditions, values and skills, sometimes going back for centuries, and operates within this context; but its growth and success depends on its ability to redefine itself free of the legacy of the past and to adjust quickly and effectively to changing conditions.

In the real world, however, innovation and conservation also interact and at times conflict. A balance between the two is needed. Contrary to the idealised image,

¹⁴ Paul Hirst and Jonathan Zeitlin, Flexible Specialisation versus post-Fordism, *Economy and Society*, Volume 20 Number 1, February 1991, 12.

¹⁵ M.H.Best, *The New Competition. Institutions of Industrial Restructuring*, Cambridge 1990, p. 3.

Brenta's balance between these two opposite forces lies significantly closer to conservation. This, however, has not prevented its remarkable success.

Brenta's conservatism is rather unique even among footwear districts.

Innovation can indeed be a significant force even in mature industrial districts. Porter devotes significant pages to the impact of new technologies on the development of the ceramic tiles industry in Sassuolo and to the comparatively high technological content of this mature product which is usually known at best for its design.¹⁷

Francesca Carnevali recalls the role of the technological break-through in the Birmingham jewellery industry following a visit to the United States in the late 1940s, which paved the way for the adoption of the waste wax process of casting.¹⁸

But even districts in that most mature of all possible mature production –footwear – can indeed show a comparatively high degree of innovation. Drawing on the experience of Italian footwear districts competing with Brenta, at least three main categories of innovation can be identified, concerning:

- a) production segment: Vigevano, the largest and oldest footwear cluster in Italy, successfully completed its repositioning in a higher value market by abandoning footwear and embracing the production of footwear machine tools.
- b) product: Montebelluna evolved from the production of hiking boots to plastic ski boots, importing new technologies from the USA after the Cortina Winter Olympic games in 1958 and improving them locally. In the mid-1990s, the firm Geox launched a very successful footwear-related technology which features tiny holes in

¹⁶ Paul Hirst and Jonathan Zeitlin, *Flexible Specialisation versus post-Fordism*, quote., p. 12.

¹⁷ Michael E. Porter, *The Competitive Advantage of Nations*, London 1990, p. 217.

¹⁸ Francesca Carnevali, *Golden Opportunities: Jewelry Making in Birmingham between Mass Production and Specialty*, *Enterprise and Society*, Volume 4, Number 2/June 2003, 283-4.

rubber outsoles to manage moisture and a breathable membrane which keeps feet dry.¹⁹

c) the district organisation: comparatively large firms have emerged in a number of Italian footwear clusters, including in the Marches (Della Valle) and Barletta (Filanto). These firms have in turn restructured their respective industrial districts and brought them in line with the hub-and-spike model; are better equipped to perform the high-quality functions of marketing, branding and design; and their leading entrepreneurs (in particular Diego Della Valle) play a role at the national level in non-footwear related fields which in turn can be instrumental in further enhancing their economic profile.

In comparison, Brenta has shown a particularly deep commitment to its traditional core competences and structures. Brenta has been producing mainly middle-to high quality ladies leather footwear. Technology improvements have been slow and incremental. The basic feature of the district, as it emerged in the mid-1950s, have remained substantially unchanged in real terms: its size (some 10,000 employees and some 500 to 700 enterprises); its total production and total sales (which have varied over time but never more than by a factor of two); the dimensional structure of its firm population (with “industrial” firms, those employing 19 or more people, fluctuating around 30% of the total); its spatial structure (with approximately 45% of firms and employees being located within the tiny core area of Stra’, Fiesso and Noventa, corresponding to less than 10% of the total district ; the leading role of a

¹⁹ The role of technological and organisational innovation in some Italian mature industrial clusters including footwear has been analysed in particular by Porter in the context of his mutually reinforcing system of preconditions for international success (“diamond”). He comments especially on the establishment of a cluster of plastic injection moulding machinery industries precisely in the footwear area of Montebelluna, prompted by the originally US idea of plastic shells for ski boots, and the rapid single-firing process in the production of ceramic tiles in Sassuolo: Michael E. Porter, *The Competitive Advantage of Nations*, quote., p. 162.

sort of local entrepreneurial aristocracy (some 15 to 20 families), controlling most “large” firms and offsetting the potentially destabilising effect of the high local natality and mortality rates of firms.

Not that Brenta failed to consider or to explore innovative ways to conquer new markets or simply to face increased competition and changing environments. Attempts along the lines mentioned above were even comparatively frequent and experiences gathered in this way significant, including research and development carried out by entrepreneurial organisations, collective action in high-quality activities (branding, marketing), or even efforts to better pursue economies of scale (for instance by establishing consortia). Innovations brought about by these endeavours however remained comparatively minor, although some indirect benefits were reaped. It was the case in particular of the collective brand promoted by an *ad hoc* new consortium, which was seldom adopted by individual producer but ended up as symbol not of shoes but of the area producing them, and therefore at least helped the consolidation of a collective local identity.

The innovation strategies successfully pursued by Brenta have been rather focussed not on modifications of the type of product or of the district organisation, but on the possibilities offered by the intrinsic flexibility of its products. Shoes (and in particular high-fashion shoes) are by definition no standardised product: they come of course in different sizes, colours, materials and above all qualities and designs. Brenta has exploited this to its full possible extent, as confirmed by the growth of designer firms by a factor of two between 1974 and 1985, as well as the success of design courses organised by the Brenta Training Centre. The careful exploitation of this “intrinsic” flexibility has in particular made possible the repositioning on a higher quality market niche pursued in particular from the 1970s as a response to

increased competition by emerging countries in low-price market segments. Even this, however, took place within the constraints of existing structures: the increase in the average price of Brenta shoes never exceeded a factor of two in real terms and therefore is not to be considered as a change of paradigm comparable to Vigevano's or Montebelluna's innovations.

In this light, Brenta's strategy over half a century consists of a mixture of resistance to change and a deep commitment to the existing structures on the one hand, coupled with the careful exploitation of all possible flexibility intrinsic to its products on the other. Far from corresponding to the ideal-typical innovative industrial district, Brenta appears to be essentially conservative and its entrepreneurs to be narrowly focussed on "pure" production, albeit they are well aware of the flexibility intrinsic to the existing firms sizes, employment and district governance. Brenta's attitude therefore is no simple inertia or blind refusal to consider novelties, but a specific balance between opposite forces which I would define as "innovative conservatism". This strategy has been successful and has proved that viable districts are not necessarily always highly flexible. Brenta also proves that conservatism does not necessarily hinder the development of a number of key features of the ideal-typical industrial district, in particular the embodiment of districts' collective identity in self-help institutions, increasingly efficient interaction with political and administrative national and local authorities, co-operation with trade unions well beyond the traditional area of working contracts.

A narrow focus on somecore functions has also reaped specific benefits in terms of increased specialisation of local employees (workers, designers, and also managerial staff of self-help organisations), who have acquired a number of skills which are not easy to duplicate elsewhere. In turn, this hyper-specialisation has further refined the smooth functioning of local networks and local formal institutions, which have been

able to build upon previous experiences undisturbed by the strain of adjustment to innovation. Brenta's 'hyper-specialisation' has strengthened its competitive advantage in a small niche of the global value chain and ensured its survival (so far) in the current new context in which high-level functions are increasingly detached from "pure" manufacturing.

Brenta's innovative conservatism will be recalled in the analysis of Brenta's "double triangle" composed of its main local actors (entrepreneurs, workers, public authorities) and their respective embodiments (entrepreneurial self-help organisations, trade unions and political parties).

In accordance with the "thin" version of industrial districts discussed above, Brenta's peculiar balance between the opposite forces of innovation and conservation appears to be largely shaped by one, and only one, element of the above mentioned double triangle: entrepreneurs. In particular, no direct, automatic connection (no matter how tempting it could be) can be identified between the economic conservatism of local entrepreneurs and the socio-cultural characteristics of the Brenta area. This is true in particular of local political conservatism, translated into a remarkably stable allegiance to both Italian mass based political parties for over four decades. At most, an indirect role of the social context could be identified in the fact that all leading entrepreneurs come originally from within the Brenta area, were educated in local schools and spent all their working lives in local enterprises. There are no outsiders within the local entrepreneurial aristocracy (there are a few in trade unions, administration and politics).

In turn, self-help organisations cannot be more innovative than Brenta entrepreneurs, since they are largely controlled by the 15-20 dominant entrepreneurial families. As a consequence, self-help organisations have performed well, or even very well, in those "classic" areas of collective action which are

compatible with the preservation of existing structures: training, provision of financial, administrative and bureaucratic services, negotiations with trade unions, collective participation in trade fairs in some extra-European countries. They have performed significantly less efficiently in the areas in which collective action could affect the preservation of existing structures and even the independence of single firms (collective branding, marketing, mergers, outsourcing abroad).

I have a strong personal interest in this tale of innovative conservatism, based on my three-pronged direct involvement with Brenta.

First, I spent some years in the area in the 1960s and early 1970s. Even from the perspective of a young boy, I had direct contact with the pervasiveness of the Catholic Church and its institutions, especially in the areas of education and recreational activities. The presence of the Church could be felt everywhere: in a wealth of associations, ranging from sport to culture and politics; in a peculiar social environment, half-rural and half-urban; in heated ideological debates between Catholics and Communists, which peaked in the early 1970s and then progressively declined; in a strong local identity, which took pride (parochial and provincial, but genuine) in its Venetian heritage and in the many villas and other buildings built from the 16th to the 18th centuries along the banks of the river; in the struggle for social recognition by local footwear entrepreneurs, who were not yet really considered, as happened some years later, the heroes of the day.

I then had some direct working experience as an interpreter (French and German) for some local enterprises in the early 1980s, in particular one located in Campagna Lupia, in the eastern area of Brenta, not far from the heavy industry of Porto Marghera but still deeply rural. I spent most of my time travelling through France and Germany with Sergio, one of the two co-owners of this enterprise,

participating in the traditional spring trade fairs in Düsseldorf and Paris. Like many entrepreneurs described by Michael Blim in his work on the footwear district in the Marches, Sergio was "... both paternalistic and personalistic in style. (His) supervision was direct, and the consequences of ... (work) mistakes felt immediately, as (he often) ... stood side by side with ... workers, getting out the product".²⁰ At the end of each month, workers were summoned one by one into the office of the Personnel and Administration Director and presented an envelope with the monthly wage and, on a separate piece of paper, an indication of the amount paid and of the official working hours. Everybody seemed to take for granted that the amounts written on those papers did not correspond either with the amount of money within the envelope or with the effective work done. I did not ask for details: as both an outsider and a close (even if temporary) associate of Sergio, I felt slightly uneasy in an environment which was at times perceptibly tense. Sergio's firm exported two-thirds of its total production to Germany and France, and yet relied heavily on just one agent for both countries and refrained from using the services of the entrepreneurs' association. The main channel for acquiring new clients and staying in contact with old ones were the trade fairs, in which Sergio's firm participated individually, rather than in a group with other Brenta entrepreneurs. Shoe designs were produced in-house, almost on the spot by one designer, by hand, during short and creative visits from his native Emilia. And yet, the firm was quite successful. Every evening in Paris after a hard day's work, Sergio and I used to stroll along the Champs-Élysées and saw some of "our" shoes in elegant shop windows. Sergio told me of his Socialist political affiliation ("like my father"), and of his first years in the trade as a footwear sales agent in northern Italy. Everything in the firm depended

²⁰ Michael L. Blim, *Made in Italy – Small-Scale Industrialization and its Consequences*, New York and London, 1990, p. 159.

heavily upon Sergio. A few years later (I had completely lost touch with him) I was informed of his sudden death and of the subsequent bankruptcy of his firm. Undeterred, his partner had started a new footwear business afresh.

In the mid-1990s I then started working on the potential value of Brenta as a case study for assessing the validity of the industrial district model. However, this very model, and its role in economic historical literature, evolved considerably during my work on this thesis. Widespread interest in and even enthusiasm for industrial districts, still evident in Italy in the mid-1990s, was giving way to doubt, criticism, and predictions of decline and crisis. This was leading in the end to a greater questioning of the core idea that favourable social and political factors can prompt enhanced co-operation among small- and medium-sized enterprises and therefore, under given circumstances, can “square the circle” and provide both flexibility and economies of scale. During the elaboration of this thesis, I underwent the rather exciting experience of both my research object (the Brenta footwear industry) as well as my main analytical tool (the industrial district model) enduring significant changes.

A genuinely comprehensive economic history of the footwear industry in the Brenta district, encompassing all of its main aspects (in the wake for instance of Blim's study on the nascent footwear industry in the Marches region) has not yet been written, despite the increasing attention of specialised literature, particularly over the last few years. A few articles and short essays written about Brenta, or touching upon some of Brenta's features, have been published in English, but most of the available literature on this subject, not surprisingly, is in Italian. A number of good analyses focus on given periods: research conducted on behalf of the Province

of Venice in the early 1970s;²¹ an article reflecting the situation again in the early 1970s, paying particular regard to workers continuing part-time employment in agriculture;²² a study sponsored by a post-graduate Venetian business school in the late 1970s;²³ an enquiry into the nascent Brenta design industry, again in the late 1970s.²⁴ More recently Vittorio Pampagnin has published a vivid account of early Brenta unionisation, drawing in particular from his experiences as footwear worker, trade union official and local politician (he served for several years as Mayor of Fiesso).²⁵ Since the 1990s, Lorenza Rabellotti and Fiorenza Belussi in particular have contributed in-depth research on contemporary Brenta issues.²⁶ The entrepreneurs' association sponsored more recent and ample research work to celebrate the centennial of the establishment of the first industrial firm in the area, and it delivers exactly what its title promises: a detailed history of Brenta footwear manufacturing, with an in-depth historical analysis of several aspects including the establishment and first steps taken by the incubator enterprise, the establishment of the training centre, and the de-verticalisation of the early 1970s. However, it does not pay equal attention to the analysis of the co-operation among local actors and therefore overlooks a number of elements crucial to an industrial district's development and functioning -- such as trade unions, relations with public authorities and political parties, the issue of "lavoro nero" (illegal, or rather "informal" work), or the abovementioned, equally fundamental issue of relations with the heavily industrial area of Porto Marghera.²⁷

²¹ Paolo Ceccato and Giovanni Berlanda, *Il settore calzaturiero nella Riviera del Brenta*, COSES-report nr. 21, Venice, 1973.

²² Marialuisa Gazerro, *Un'industria e il suo territorio: i calzaturifici della Riviera del Brenta*, Padova, 1973.

²³ Giorgio Gottardi, *Il settore calzaturiero nell'area del Brenta*, Padova, 1978.

²⁴ Federico Bondi and Giovanni Mariacher, *La calzatura della Riviera del Brenta – Storia e Design*, Venice, 1979.

²⁵ Vittorio Pampagnin, *La Riviera degli Scarpari*, Padova 2000.

²⁶ Fiorenza Belussi, *Tacchi a spillo*, Padova, 2000; Roberta Rabellotti, *How Globalisation affects Italian Industrial Districts: The Case of Brenta*, in Hubert Schmitz (ed.), *Local Enterprises in the Global Economy: Issues of Governance and Upgrading*, Cheltenham, 2003.

²⁷ Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato, *100 anni di industria calzaturiera nella Riviera del Brenta*, Fiesso d'Artico, 1998. One of the editors himself, Giorgio

Drawing from this literature and from primary sources, my thesis tries to shed some light on co-operation among the three sides of the double triangle composed of trade unions, entrepreneurs and public authorities on the one hand, and some of their respective corporate bodies on the other hand: trade unions, entrepreneurial self-help organisations and mass-based political parties. In this light, I will assess Brenta's value as a case study in the context of the current research on industrial districts, which in turn fits into the debate of the last 20 years on the institutional forms which are most conducive to economic development.

Roverato, intervening at a debate on unionism in Brenta, in the presence of former trade union managers – which partly explains the content of his statements -- candidly recognised that his narrowly focused, firm-related approach to Brenta's history centred on the role of entrepreneurs and enterprises at the expense of other actors' contributions and was unduly selective. He even mentions that this perspective had led to "distortions" and omissions of "significant elements" in his work on Brenta, and he has tried to avoid this in his subsequent works on other Venetian areas: see *Manuali di Storia*, 18, p. 19-20.

TABLE I
Brenta Communes

Communes	Sq km.
Camp. Lupia*	27
Campolongo	24
Camponogara	21
Dolo	24
Fiesso	6
Fosso'	10
Pianiga	20
Stra'	9
Vigonovo	13
Noventa	7
Vigonzà	33
Saonara	14
TOTAL RB**	208
Hard Core***	22

*Campagna Lupia: total surface 88 sq km, 69% of which is uninhabited marshland

**Total RB: total surface of communes included in the Brenta industrial district

***Hard core: total surface of Stra', Fiesso and Noventa Padovana

TABLE II

Communes of the Brenta industrial district: population 1871-2001

Communes	1871	1881	1901	1911	1921	1931	1936	1951	1961	1971	1981	1991	2001
Camp. Lupia	1,343	1,525	1,989	2,597	3,179	3,892	4,109	4,937	4,638	4,874	5,577	6,065	6,288
Campolongo	3,644	3,857	4,863	5,602	6,608	7,545	7,475	8,300	7,688	8,041	8,769	8,952	9,196
Camponogara	2,610	3,069	3,908	4,915	5,823	6,149	6,307	7,190	7,363	8,030	9,115	9,756	10,905
Dolo	6,351	6,475	6,874	7,685	8,332	8,686	8,896	11,700	11,409	12,287	13,480	13,723	14,442
Fiesso	1,688	1,851	2,141	2,484	2,811	3,090	3,266	3,883	4,328	5,242	5,792	5,855	5,779
Fosso'	1,632	1,921	2,309	2,923	3,379	3,553	3,786	4,258	4,280	4,674	5,259	5,331	5,922
Pianiga	3,185	3,431	4,118	5,108	5,693	6,152	6,118	6,411	6,608	7,805	8,605	8,895	9,168
Stra'	2,132	2,417	2,713	3,250	3,808	3,951	3,945	4,793	5,038	5,540	6,253	6,710	7,031
Vigonovo	2,628	2,959	3,324	4,031	4,693	4,977	5,003	5,884	6,060	7,027	7,705	7,581	8,064
Noventa	1,630	1,904	2,014	2,435	2,845	3,104	3,264	3,745	4,395	6,709	7,688	7,508	8,083
Vigonzà	4,761	5,441	6,612	7,977	9,154	9,713	10,100	11,067	11,458	13,843	15,107	16,681	19,458
Saonara	2,569	2,912	3,249	3,862	4,422	4,790	4,872	5,455	5,710	6,419	6,608	7,149	8,946
TOTAL RB	36,044	39,643	46,015	54,780	62,668	67,533	69,077	79,574	80,936	92,462	101,939	106,197	115,283
Hard Core	5,450	6,172	6868	8,169	9,464	10,145	10,475	12,421	13,761	17,491	19,733	20,073	20,893
North-east. Italy*	4,932	5,165	5742	6,550	8,235	8,596	8,682	9,417	9,504	10,026	10,410	10,378	10,635
Italy*	27,300	28,952	32963	35,842	39,397	41,043	42,398	47,516	50,624	54,137	56,557	56,778	56,996

• in thousands

Source: ISTAT, population censuses-various years

TABLE III

**Communes of the Brenta industrial district:
population 1871-2001
index numbers**

Communes	1871	1881	1901	1911	1921	1931	1936	1951	1961	1971	1981	1991	2001
Camp. Lupia	100	114	148	194	237	290	305	370	345	363	415	451	468
Campolongo	100	106	133	154	181	207	205	228	210	220	240	246	252
Camponogara	100	118	150	188	223	236	241	275	282	307	350	374	418
Dolo	100	101	108	121	131	136	140	173	180	193	212	216	227
Fiesso	100	109	127	147	167	183	193	230	256	310	343	346	342
Fosso'	100	118	141	180	207	218	232	261	262	287	322	327	363
Pianiga	100	108	129	160	179	108	192	201	207	245	270	280	288
Stra'	100	113	127	152	179	185	185	225	236	260	293	314	330
Vigonovo	100	110	124	150	175	186	186	219	226	262	287	283	307
Noventa	100	117	124	150	175	190	200	230	270	412	471	461	496
Vigonzà	100	114	139	168	192	204	212	232	240	290	317	350	409
Saonara	100	113	126	150	172	186	190	212	222	250	257	278	348
RB	100	110	128	152	174	187	192	221	225	257	283	295	320
Hard Core	100	113	126	150	174	186	192	228	252	321	362	368	383
North-east. Italy	100	105	116	133	167	174	176	191	193	203	211	210	216
Italy	100	106	121	131	144	150	155	174	185	198	207	208	209

Source: personal elaboration of ISTAT data

TABLE IV

**Migration to and from the Communes of the Brenta industrial district
1960-1974**

years	Immigrants	Emigrants	balance
1960	1,407	1,963	-556
1961	1,612	1,981	-369
1962	1,682	2,157	-475
1963	1,755	1,969	-214
1964	1,720	1,835	-115
1965	1,710	924	786
1966	1,668	1,962	-294
1967	1,938	2,118	-180
1968	2,062	2,012	50
1969	2,213	2,098	115
1970	2,338	2,040	298
1971	2,093	1,772	321
1972	2,033	1,748	285
1973	2,128	1,862	266
1974	1994	1,734	260

This table regards the Brenta communes located in the province of Venice only (Dolo, Stra', Fiesso, Fosso', Campagna Lupia, Camponogara, Vigionovo, Campolongo, Pianiga)

Source: personal elaboration of COSES (Consorzio per lo Sviluppo economico e Sociale della Provincia di Venezia) data

CHAPTER I

Setting the context

Industrial districts: a model under review

As mentioned above, industrial districts experienced a “golden age” in the specialised literature from the late 1970s until the early 1990s, with a specific (but not exclusive) focus on their positive, innovative aspects and with generally (but not exclusively) positive assessments of their achievements. As of the mid-1990s, writers shifted their attention to also include the limits and shortcomings of the industrial districts. In other words, as Wilson and Popp stated, there is a growing awareness that “process should not be mistaken for progress”. There are increasing doubts about the essentially teleological paradigm of Chandler’s mass production on the one hand, and of Sabel, Piore and Zeitlin’s visions of flexible specialisation on the other. Industrial districts and clusters “... were neither fated to be anachronisms in a progressively globalisation” nor the harbingers of “a future resurgence of the local”.²⁸ Therefore, there is no space either for “epic battles between systems” or for “epic visions of industrialisation”.²⁹

In recent years, much attention has been devoted in particular to the main weakness of the industrial district model: the still largely incomplete analysis of its social aspects, as if Marshall’s “... barely half-formed glimpses of the importance ... of such aspects had not yet been really completed by the following generations of commentators”.³⁰ In this context, Zeitlin and Popp call to abandon a “closed” stylised model of the industrial district based on the Italian experience and to move towards an “open” model capable of including different forms and which can account for the

²⁸ John F. Wilson and Andrew Popp, *Industrial Clusters...*, quote., p. 16.

²⁹ Joseph Melling, review of C.F. Sabel and J. Zeitlin (eds.), *Worlds of Possibilities: Flexibility and Mass Production*, New York, 1994, *Business History – Book Review*, 40/3, July 1998, 174-5.

fact that not all industrial districts are necessarily successful, innovative and flexible.³¹ The very heterogeneity of clusters to be found in Europe and North America in a decisive phase of economic developments in modern times (from the end of the 19th century onwards) recommends the avoidance of “constructing a canonical form of the industrial district model”.³²

The Italian industrial districts and “the renaissance of craft ... production in contemporary Italy” played an unquestionably crucial role in reviving and updating Marshall’s industrial district model.³³

“Marshall’s basic ideas were taken up in the Italian literature in the late 1970s, with special attention to the social aspects”. Becattini in particular influenced most of the early Italian literature on this subject, as did a number of case studies of districts in north-eastern Italy. “An intense debate appeared in the 1990s, about the most important preconditions for, and mechanisms within, industrial districts”, which again was triggered by new developments in Italy. In recent years, “some contributions have appeared that try to find a definition ... that allows for empirical identification. Again, the main impulse came from the Italian literature, where the government has implemented a programme for district identification”.³⁴ Di Tommaso and Rabellotti underline that research on the “Italian case” was instrumental in attracting attention to clusters of firms in developing countries, in particular in Asia and Latin America, but recently also in Africa.³⁵ On the other hand, there is a growing awareness that Italian districts, rather than being the embodiment

³⁰ John F. Wilson and Andrew Popp, *Industrial Clusters...*, quote., p. 5.

³¹ Andrew Popp, Trust in an Industrial District, in *Journal of Economic History*, 3(1), 2000, 47.

³² *Ibid.*, p. 20.

³³ J. Melling, Review ..., quote, 174.

³⁴ T. Brenner, *Local Industrial Cluster: Existence, Emergence and Evolution*, London and New York, 2004, p. 10.

³⁵ Marco R. Di Tommaso and Roberta Rabellotti, *Efficienza Collettiva e Sistemi di Imprese – Oltre l’esperienza italiana*, Bologna, 1999, p. 3-4.

of the model, are a specific version of it. Generalising the Italian experience would “... posit a form of socio-spatial organisation supportive of particular patterns of industrial developments”.³⁶

For Langlois and Robertson, “... industrial districts appear to be little more than a term which can be applied to different realities. As applied to the Third Italy, the term indicates a higher degree of co-operative co-ordination than would be present in a Marshallian industrial district”. But “innovative networks”, as represented for instance by Silicon Valley and Route 128, are also “a second recent variation on the industrial district”.³⁷ Langlois and Robertson quote specific examples; for instance, in the Australian boat-building industry, the builders’ resistance to suggestions that they organise along the lines of business in the Third Italy led to the result that such districts are now not “Italianate”, but “heavily Marshallian in their informality of organisation”.³⁸ As Zeitlin and Popp underline, it would be highly illogical to argue that Marshall’s theoretical concept of an industrial district would find its empirical referent only half a century later in north-eastern and central Italy. This would actually be a manifestation of that “counterfactual or phantom teleology” mentioned by Popp.³⁹

One of the decisive elements for the decline in the fortunes of the Italianate industrial district model, however, was probably the developments in the real world, in particular the economic performance of Italian districts. They were particularly successful in the 1980s, and consequently attracted increased international attention. Goodman’s words are eloquent: “The fastest growing economy in Europe in the first half of the 1980s was the Italian... it is not a matter of doubt that an ‘economic

³⁶ John F. Wilson and Andrew Popp, *Industrial Clusters...*, quote., p. 11.

³⁷ Richard N. Langlois and Paul L. Robertson, *Firms, Markets and Economic Change*, London and New York, 1995, p. 125-128.

³⁸ *Ibid.*, p. 127.

³⁹ Andrew Popp, *Business Structure...* quote., p. 6.

miracle' took place. In a surprisingly short space of time a relatively backward economy was transformed and Italy emerged as a major industrial power.... The role of the small firm in the Italian success story has been crucial: in the Terza Italia where the manufacturing firms are concentrated, the increase in the rate of production has far outstripped that of the rest of the country".⁴⁰ In fact, thanks also to industrial districts, Italy's share in world exports went from less than 3.2% in 1960 to more than 5.2% in 1986⁴¹ and the standard of living in the "Third Italy" reached an index of 130 with 100 being equal to the EU average.⁴² Goodman's prediction that "better is to come",⁴³ however, did not come true: starting in the 1990s, Italy's share in international trade declined to 3.9% in 2001.⁴⁴ This again was due to several factors, including competition from emerging countries in mature sectors (including footwear) and the worldwide economic crisis which translated into reduced demand for those luxury goods for which Italy and its industrial districts have significant competitive advantages (from sports cars – Ferrari, Maserati -- to cruise ships; from jewellery to fashion to high quality shoes).

However, several writers expressed doubts even when the debate on the virtues of the Italianate model was at its height. In his comparative analysis of the main comprehensive theories of the contemporary world, Krishan Kumar in the mid-

⁴⁰ E. Goodman, J. Bamford and P. Saynor (eds.), *Small Firms and Industrial Districts in Italy*, London, 1989, p. 138, p. 1.

⁴¹ Michael E. Porter, *The Competitive Advantage of Nations*, quote., 1990.

⁴² Emilia-Romagna's index is 130, at the same level as other highly advanced EU areas including three German provinces, and ranking behind only the urban regions of London, Paris, Hamburg and Luxembourg. Source: Axel Moerer-Funk, *Schwarzarbeit und die Folgen fuer die deutschen Sozialsysteme und den Arbeitsmarkt*, InterNations Basis-INFO /Wirtschaft, 25-2001, p. 5-6.

⁴³ E. Goodman, J. Bamford and P. Saynor (eds.), *Small Firms...*, quote., p.2.

⁴⁴ Lucio Caracciolo, A che serve l'Italia, *Limes*, 5/2002, 7.

1990s provided a comprehensive overview, which stressed the relevance of the Italian experience and at the same time its limits as a quasi-universal, ideal model.⁴⁵

Kumar identifies three major paradigms, which partially overlap: the information society, post-modernism and post-Fordism⁴⁶. The post-Fordist paradigm is of particular interest here.⁴⁷ Not only does it encompass elements drawn from the other two theories, including the emphasis placed on information technology, globalisation and decentralisation, but it is also deeply influenced by the industrial district model. Kumar underlines that its roots are based specifically in the economic development of Italy, even if the “Third Italy” and its districts are just a starting point for a wider analysis encompassing other realities.⁴⁸ From this perspective, the “Third Italy” does not simply offer an economic model, but it is also a social, cultural and political phenomenon of great significance, pointing for the first time since the beginning of modern industry to the possibility of a convergence between manual and intellectual work as well as between work and community.

⁴⁵ Krishan Kumar, *From Post-Industrial to Post-Modern Society. New Theories of the Contemporary World*, 1995, Italian translation: *Le nuove teorie del mondo contemporaneo. Dalla società post-industriale alla società post-moderna*, Torino, 2000, pp. 9-50.

⁴⁶ According to Kumar, the “information society” is based precisely on information as much as the first industrial revolution was based on steam and the second industrial revolution was based on electrical power. Already in 1967, according to Kumar, 46% of the GDP of the United States was produced by the information economy; in the 1990s, the information sector employed some 35% of the workforce of OECD countries. “Post-modernism” was originally elaborated in terms of culture, but then rapidly expanded to other fields and incorporated elements of other theories, including the information society and post-Fordism.

⁴⁷ A definition of both Fordism and Taylorism, so frequently mentioned by Kumar but also by writers on industrial districts recalled in this thesis, should be recalled here. As Ford himself explained in 1913, Fordism consisted of “the planned orderly and continuous progression of the commodity through the shop” and “the delivery of work instead of leaving it to the workmen’s initiative to find it”. “What Ford did was to put together several practices already in use in industry”: mass production (based on standardised and interchangeable parts, first developed in firearms); automatic cutting tools; moving assembly lines (already common for instance in slaughterhouses, where they were actually moving “disassembling lines”). Taylorism, or “scientific management”, “put emphasis on organising the individual worker’s labour and on careful scheduling of the flow of materials – necessary prerequisites for a system employing minute division of labour”: Sidney Ratner, James H. Soltow and Richard Sylla, *The Evolution of the American Economy*, New York, 1979, p. 284. On the social consequences of Fordism on society as a whole see Silvio Fagiolo, *L’operaio americano. Fabbrica e sindacato in USA*, Bari 1980.

⁴⁸ *Ibid.*, p. 52-52.

However, so Kumar's reasoning runs, the Italian experience is not necessarily always a positive one. For some post-Fordists, the "Third Italy" was the outcome of a concerted effort by entrepreneurs to combat the increased influence of trade unions and regain control over the workforce lost in the late 1960s. The "Third Italy" and its industrial districts began to flourish precisely at the moment when entrepreneurs began to circumvent the provisions of the labour law of 1970 (and labour laws of subsequent years), which were quite favourable to workers at large companies but did not apply to small enterprises (with up to 20 employees). This resulted in increased outsourcing and subcontracting to small firms, where the influence of trade unions was more easily held in check. Networks of small- and medium-sized enterprises therefore are not to be considered autonomous products of local environments, rooted in specific local communities, nourished by given local cultures and civic capitals accumulated over the decades (as in Putnam's model), but simply a by-product of the most classic Fordist capitalism.⁴⁹

Kumar underlines that, along with the industrial district model, also "flexible specialisation" is a key concept in the wider post-Fordist theory: industry is no longer mainly based on mass production of standardised goods, but also focuses on the production of comparatively small amounts of specific goods for small market segments using new technology, in particular numeric control machine tools which can easily be adjusted to perform a wide variety of tasks. While flexible specialisation was originally a specific characteristic of small- and medium-sized enterprises (and therefore one decisive element in the success of industrial districts), experience has shown that large enterprises can also use flexible technology to reap the benefits of flexible specialisation. Consequently, according to Kumar's description of the post-Fordist theory, the distinction between "rigid" large firms and

⁴⁹ *Ibid.*, p. 57.

“flexible” small enterprises is becoming increasingly less clear. Kumar again quotes an Italian example, the firm Benetton. This company has introduced an efficient system of sales monitoring, which has enabled it to rapidly identify changes in fashion trends and make relevant adjustments (within days) to its production, which is performed by a co-ordinated network of plants (each with 1,500 workers at most) and some 200 subcontractors (with 30 to 35 workers each). Germany, Japan and the United States have also introduced some degree of flexible specialisation (including in such sectors as chemical and steel), in particular through international decentralisation, with the best results being achieved where small and large firms do not compete against each other but rather co-operate.⁵⁰

And yet, so Kumar, even flexible specialisation is not considered a panacea by everybody. Unlike for instance Sabel and Piore⁵¹, who emphasise the innovative and potentially beneficial character of flexible specialisation, Scott Lash and John Urry in particular consider the crisis of mass production as “the end of organised capitalism”, prompted by globalisation and entailing the decline of firm location and organisation within nation states, the collapse of Taylorism and firm concentration in industrial cities and a shift towards outsourcing to emerging countries. In this sense, the new “disorganised capitalism” would simply be a new phase, a different organisational pattern for the previous system in response to a changing environment. Kumar also recalls the leftist ideological orientation of several post-Fordist writers and mentions also the contributions by the British Marxists of “New Times”, first in some essays they published in “Marxism Today”, then in the “Manifesto for New Times” in June 1989 and finally in the book *New Times*, also

⁵⁰ *Ibid.*, p. 65.

⁵¹ Charles F. Sabel and Michael J. Piore, *The Second Industrial Divide...*, quote., p. 5 and 251-80.

published in 1989, in which they underline the crucial role played by the Italian experience.⁵²

In this context, flexible specialisation would not be the dawn of new production principles, but simply some refinement of the traditional “Fordist” segmentation of the labour market according to sex, age, ethnicity/race, with social costs once again being imposed on the weakest segment (in particular women).

Kumar's overview confirms that a focus on one or another component of the industrial district model can lead to different conclusions. In particular, “... the social embeddedness perspective has increasingly privileged the social and the cultural in explanations of the growth and developments of clustered industries”, with an explicit contrast ... with more economicistic approaches” in which “... causality is no longer seen as flowing primarily from the fact of clustering to a range of other outcomes”.⁵³

In recent years, increased attention to the more economic aspects has led to a rediscovery of Marshall's centrality of scale and volume even in his analysis of industrial districts. This reassessed Marshallian framework now suggests several important qualifications to more recent models of the industrial districts based on an idealised Italian experience. In particular, the “automatic induction” into a cohesive district-wide social economy should be replaced by the weaker assumption that reciprocity out of self-interest is the only necessary product of spatial proximity.⁵⁴

Putting into perspective the Italianate model as a sort of noble embodiment of the industrial district concept also leads to a reconsideration of experiences in other

⁵² Krishan Kumar, *Le nuove teorie...*, quote., p. 69-71. On the British political magazine *Marxism Today* and Scott Lash and John Urry's work *The End of Organised Capitalism*, Cambridge 1987, see Paul Hirst and Jonathan Zeitlin, Flexible Specialisation versus post-Fordism, *Economy and Society*, Volume 20 Number 1, February 1991, 8-15. They criticize in particular Lash and Urry's assumption that flexible specialisation strategies are a consequence of exogenous factors rather than integrated elements of production organisation and business strategy.

⁵³ Andrew Popp, *Business Structure...*, quote., p. 21.

⁵⁴ *Ibid.*, p. 20.

countries where industrial districts have indeed played a significant role in economic development, in particular in the United Kingdom. Quite paradoxically, the concept of the industrial district was elaborated in Britain on the basis of long empirical research into local economic realities, while the role of these districts in local economic development has long been neglected and constantly overshadowed by a Chandlerian perspective of growth dependent solely on the fortunes of large integrated firms. In this respect, Popp mentions a “recent turn in British business history”.⁵⁵ “Throughout the 19th and 20th centuries, the industrial economy of England remained a patchwork of industrial districts, clusters and regional systems... this texture of English industrialisation ... was central to the broad sweep of the path towards forging an industrial society”.⁵⁶ Carnevali underlines that there are at least two reasons for this marginalisation. First, the promotion of large-scale enterprises became a priority for politicians and policymakers as from the early 20th century. The second reason was the decline in the amount of small firms and the emergence of “the most concentrated industrial structure in the world after that of the United States”.⁵⁷

At the same time, an examination of the economic history of English industrial districts offers insight into the sustainability of a district over time, since they are embedded in the world’s first modern industrial economy. The long history of the chemical industry in Widnes, of jewellery-making in Birmingham, or of mechanical engineering in the East Midlands usefully complements the rather short history of the Italian industrial districts, some of which (although not all) can trace their origins back to the Middle Ages but which have taken on their current shape only after the Second World War.

⁵⁵ *Ibid.*, p. 22.

⁵⁶ J. Wilson and A. Popp, *Industrial Clusters...*, quote., p. 1.

In addition, Italian writers are now ready to consider a redefinition of the industrial district concept and in particular reassess the relationship between entrepreneurs on the one hand, and the specific social and political environment on the other. Ivana Paniccia draws a distinction between “canonical” and “non-canonical” Italian industrial districts: the empirical importance of the former is not particularly significant, not even in the “Third Italy”, “with just a few areas (the best known and most thoroughly studied) fitting the stylised model”.⁵⁸ Colli speaks of the “black box” in the relationships between the economic actors in the districts, explained vaguely in terms of “cultural homogeneity”, local values, local ideologies, political beliefs, and so on. However, the specifically Italian long-lasting social structures should not be neglected. Colli himself underlines that “... the historical dimension is of considerable importance, especially in Italy, where industrial districts are generally (even not necessarily) a long-standing history in manufacturing (urban and rural craftsmanship) and in trading (proto-industrialisation and putting-out), buttressed by a tradition of civic democracy and self-governance”⁵⁹

This last point deserves some elaboration. Several commentators have stressed the role played by political institutions in Italy in shaping local environments conducive to the emergence of industrial districts. Trigilia in particular has devoted a seminal in-depth analysis to the effects of political subcultures, reflected in mass-based parties, in ensuring smooth relations between entrepreneurs and labour. However, as Colli stresses, “it is surely possible to see political subcultures primarily as a result of traditional, historically-based social structures, and as another, important expression

⁵⁷ Francesca Carnevali, *Golden Opportunities: Jewelry Making in Birmingham between Mass Production and Speciality*, *Enterprise and Society*, Volume 4, Number 2, June 2003, 272-3.

⁵⁸ Ivana Paniccia, *Industrial Districts – Evolution and Competitiveness in Italian Firms*, Cheltenham/UK, 2002, p. 190.

of the local complex social framework".⁶⁰ Political institutions would not be a cause for the emergence of industrial districts, but rather an effect (together with the districts themselves) of pre-existing, long-lasting social structures.

This interpretation of the cause-effect order is not undisputed. Porter, for instance, does not offer conclusive answers to the question of whether economic development determines social conditions, or whether socio-cultural preconditions predetermine economic development.⁶¹ Writers on Brenta are at times rather ambiguous in identifying the decisive trigger for the launch of the area in the late 19th century: at times they point to the first local mechanised enterprise, other times to the local cultural and social context, shaped by long-standing relations with Venice.

Useful insights into the Italian experience are offered by Putnam's 20-year-long research on democracy in Italy.⁶² Putnam focuses his research on the connection between the quality of political institutions on the one hand, and the quality of civic life on the other. Some themes are central with regard to civic communities: civic engagement (active participation in public affairs); political equality ("... a community (which) is bound together by horizontally relations of reciprocity and co-operation, not by vertical relations of authority and dependency. Citizens interact as equals, not as patrons and clients nor as governors and petitioners..."); solidarity, trust and tolerance (citizens are ... "trustful to one another, even when they differ on matters of substance"); and especially associations, which help develop capabilities of co-operation and the common pursuit of common goals translating in turn into "...

⁵⁹ Andrea Colli, Networking the Market: Evidence and Conjectures from the History of the Italian Industrial Districts, in Wilfried Feldenkirchen and Terry Gourvish (eds.), *European Yearbook of Business History*, Vol. 1, 1998, p. 77.

⁶⁰ *Ibid.*, 83.

⁶¹ Michael E. Porter, *The Competitive Advantage...*, quote., p. 3-6.

⁶² Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton, 1993.

a dense network of secondary associations, (which) both embodies and contributes to effective social collaboration".⁶³

Applying these principles to Italy, Putnam draws a distinction between northern regions (which includes the whole of the "Third Italy" and therefore most of the classic Italian industrial districts), where a thriving civic tradition has led to the establishment of regional governments that work quite well, and southern Italy (the comparatively backward "Second Italy"), where a lack of civic tradition has led to a rather poor performance for local governments.

Social and political networks play a key role in both areas, but are "organised horizontally, not hierarchically" in northern Italy, and the opposite way in southern Italy.⁶⁴ Density of networks in itself is not the crucial factor; it is whether the networks enhance or rather hamper the preservation of and improvements to the co-operative skills of the citizens, which Putnam calls "social capital". Voluntary co-operation is easier in a community that has inherited a substantial stock of social capital in the form of norms of reciprocity and networks of civic engagement.

The higher the given social capital in a given community, the more likely its citizens are to co-operate for their mutual benefit. In fact, networks of civic engagement -- be they neighbourhood associations, co-operatives, sport clubs, or mass-based political parties -- increase the potential costs of the defector in any individual transaction, foster robust norms of reciprocity, facilitate communication and improve the flow of information on the trustworthiness of individuals. Co-operation experiences over the centuries provide models which can be used in the present.

⁶³ *Ibid.*, pp. 88-90.

⁶⁴ *Ibid.*, p. 115.

Andrea Colli refers to relationships between the economic actors in industrial districts as a “black box of social relations”.⁶⁵ Putnam offers a gallant attempt to shed light on this black box by a detailed empirical and quantitative analysis, including an evaluation of associations as indicators of the capability of citizens to embark on “positive” social interaction (i.e. conducive to social and political growth). However, Putnam does not take the next logical step and suggest any direct, automatic and verifiable linkage between the specific social and cultural environment which he investigated so carefully and specific types of local economic growth. He does not go beyond suggesting, rather vaguely, that “norms and networks of civic engagement contribute to economic prosperity and in turn are reinforced by that prosperity”.⁶⁶ In doing so, Putnam weakens the social embeddedness perspective of local economic development, in line with the current reassessment of the industrial district model as a weaker, “thin” version in which social and cultural factors are progressively put into perspective.

Putnam’s detailed research on social and cultural local environments, based on the heritage of the past and on the path-dependency of collective behaviour, lead to a rather tautological thesis. He notes that “positive”, “horizontal” social networks (based on the equality of participants) tend to favour the emergence of political networks of the same kind. Inversely, “negative” “vertical” networks (based on hierarchical relations between unequal participants) tend to favour the emergence of equally negative political and administrative networks. In other words: in regions where most social networks are “positive”, political networks also tend to be

⁶⁵ Andrea Colli, *Networking the Market: Evidence and Conjectures from the History of the Italian Industrial Districts*, in Wilfried Feldenkirchen and Terry Gourvish (eds.), *European Yearbook of Business History*, Vol. 1, 1998, p. 81.

⁶⁶ Robert D. Putnam, *Making Democracy Work: Civic traditions in modern Italy*, Princeton 1993, p.180.

“positive”; the same goes for “negative” networks. The thrust of Putnam’s thesis is an empirical confirmation of the intuitive concept that the efficiency of democratic local government is linked to the capability and interest of citizens to share a set of common values and to pursue common goals.

It can be noted, however, that Putnam’s analysis of a number of efficient local governments in Italy offers a reply to Porter’s remarks on the poor performance of Italy’s public authorities, the main result of which would be to enhance the international competitiveness of Italian firms by training them to cope with immense domestic bureaucratic difficulties.⁶⁷ Putnam’s vague allusions to indirect linkages between efficient local government and economic development are also in line with Porter’s views on the role of governments as a possible secondary element (on a par with chance!) which could strengthen the functioning of the competitive advantage “diamond”.⁶⁸

Nevertheless, Putnam’s contribution can be useful in assessing a number of Brenta’s social and cultural characteristics. Brenta experienced a long accretion of its “social capital”, in particular in the period between the 16th and the 17th centuries, when it played host to Venetian families who spent at least two periods a year (spring and late summer) in their villas and estates along the banks of the waterway, giving birth to a quite complex network of economic and social relations in a semi-urban environment vividly portrayed by contemporary literature (from Sagredo to Goldoni). The last traces of these complex, long-lasting social networks go back to

⁶⁷ Michael E. Porter, *The Competitive Advantage...*, quote., p. 447-9.

⁶⁸ *Ibid.*, p. 126-8.

the early decades of the 19th century.⁶⁹ However, there is no evidence of any direct linkage between the past and the current Brenta industrial district. The continuity between the Venetian artisan shoemaking tradition and the Brenta footwear industry of the 20th century is at best a useful marketing device. A final remark on Putnam's note that "one key indicator of civic sociability must be the vibrancy of associational life (including) ... amateur soccer clubs, choral societies, hiking clubs, bird-watching groups, literary circles, hunters' associations, Lions Clubs, and the like", which are very numerous in Italy.⁷⁰ I recall with pleasure, for instance, that the Dolo football club was established in 1909 and (along with just a handful of other Italian clubs, if not alone) has participated in all the Italian divisions, including – once – the first division. Also other sport clubs of the Riviera have performed well at a national and at times international level, including in skating and swimming. However, this seems to be utterly irrelevant for the fortunes of Brenta's footwear industry.

Brenta as a study in contrasts

As discussed above, much of the specialised literature on Italian districts oscillates like a pendulum. The euphoria following the "rediscovery", mainly by several Italian authors, of Marshall's concept of industrial districts at the beginning of the 1970s was followed by a more cautious approach, which continues to date and in which Italian analysts again participate actively. This time, however, the capability of small firms to face increasing competition and the effects of globalisation is put into question, even when they interact within strongly organised clusters. More

⁶⁹ Ettore Tito, at the time considered the best Venetian painter between the 19th and the 20th century, owned a villa in Dolo and resided there for several months a year; Cesare Musatti, who introduced psychoanalysis in Italy and was one of the most innovative personalities in inter-war Italy, was born in Dolo during the summer sojourn of his Venetian parents.

⁷⁰ Robert D. Putnam, *Making Democracy Work...*, quote., p. 91.

generally, a move towards a “thinner”, more open model of an industrial district puts into perspective the Italian experience. De Cecco’s bleak picture (Italian districts as an illusion) is probably the most striking, but other authors now tend to emphasise the limitations (in terms of size, organisational capabilities, backward and forward linkages, and research and development) of most of the firms located within Italian districts. These limitations curb their competitiveness and are not overcome even by some enhanced local co-operation and efficient self-help organisations.⁷¹

These conflicting attitudes as well as shift of emphasis from the positive to negative are clearly reflected in even the scarce specialised literature available on the Riviera. An overly optimistic image common in the 1970s and 1980s has been replaced, in even the potentially most biased texts (those written on behalf of the entrepreneurial association), by predictions of a slow, dignified, glorious but almost inevitable decline (unless an unlikely thorough overhaul of the whole system is conducted).

Two parallel and related risks must therefore be avoided. The first is a consequence of the “optimistic” vision so common in the 1980s: the temptation to look for some intrinsic rationality in the development of industrial districts, almost a sort of goal-oriented evolution towards a more or less accomplished “ideal district”.

⁷¹ Marcello de Cecco, *L'economia italiana negli ultimi trent'anni*, in Sabino Cassese (ed.), *Ritratto dell'Italia*, Bari, 2001, p. 59-94. According to De Cecco, the (now fading) success of the Italian districts depended largely on transient international factors. These include the devaluation of the lira following the collapse of the Bretton Woods system, which gave Italian firms a significant competitive advantage in terms of lower prices and which favoured labour-intensive, mature and hence price-sensitive industries. Together with developments in labour relations, this paved the way for the massive outsourcing of the early 1970s, which led to the current industrial district system. Public authorities for their part also played a significant role, but inadvertently so, in particular through the labour law called “Statuto dei Lavoratori”. This law imposed a number of stringent labour regulations on “large” firms (with more than 19 employees) but was much more flexible with small- and medium-sized firms. The two oil crises of the 1970s led most European countries to more capital-intensive activities, to investment in research and technology and to firm concentration. In Italy, the reaction was the opposite and led to a decrease in the size of enterprises and to their diffusion and dispersion all throughout the country. De Cecco confirmed his pessimistic view of the Italian districts and of the Italian north-south divide during a conversation with me in Berlin in October 2000.

Far from being a sort of conscious progress towards a well-defined objective, Brenta's history (and the history of other districts) is a continuous trial-and-error process, with emphasis on select components of the model and with different possible options tested and then adopted or, when necessary, abandoned (as was the case with a number of attempts to increase firm size in the 1970s, the launch of a collective brand in the 1980s, and outsourcing in the 1990s). The second risk is a consequence of the new "pessimistic" vision: the economic history of the Brenta district as a simple series of uncoordinated, individual reactions by single firms to external events with little attention to the added value derived from inter-firm and social co-operation.

Brenta, as probably most industrial districts, exhibits certain features which confirm both the "optimistic" and the "pessimistic" visions. On the one hand, Brenta is a national and international success story based in particular on inter-firm co-operation drawing also from the competitive advantages of an area endowed with specific social, cultural and political characteristics. On the other hand, as a producer of traditional high-quality ladies' leather footwear, Brenta shows a remarkable degree of institutional inertia, in many respects lagging behind more innovative, flexible, forward-looking, technologically-advanced clusters of small- and medium-sized firms, in Italy and elsewhere.⁷² Brenta's successes and shortcomings can test the validity of the industrial district model and the need to reassess it, precisely in the light of the fact that "... not all districts are necessarily flexible, consensual or otherwise successful".⁷³

⁷² R. Langlois and Paul Robertson, *Firms, Markets...*, quote., p. 101-19.

⁷³ Andrew Popp, *Business Structure...*, quote., p. 22.

The specific strengths and weaknesses of Brenta, embodied in a history that extends over almost eleven decades, should however also be assessed in comparison with similar cases, in Italy and elsewhere.

Different patterns of development in the footwear industry: lessons from Italy and some emerging countries

Brenta specific brand of conservatism and its chances of remaining viable should be assessed against the background of developments which started in the 1980s, when manufacturers began outsourcing production, and led to the current footwear global value chain. With a few exceptions, footwear production today tends to be managed by global buyers and supplied by producers from developing countries. The traditional integrated shoemaking is superseded by a global supply chain stretching among different countries, zones and cultures, and where large firms operate internationally, position high-level functions in developed countries and outsource “pure” production to developing countries.

In fact, Italy (and Brenta within it) has so far represented the major exception, in which all functions are still usually performed by integrated firms, although with increasing difficulties and amidst signs that some functions, including design, have been partially ceded to global buyers, some of whom however, are Italian.

The transition to the global value chain was gradual, but it has changed radically most existing patterns. In 1968, the US imported 21.5% of its footwear consumption ; in 1998 it imported 92.8% with a 65.35% consumption increase over the same 30-year period. The UK imported 20% of its footwear consumption in 1964, and 90% in 2000. Over just three years (1996 to 1999) the total number of employees in the footwear sector in Britain fell from 25,000 to just under 15,000 (as

many as are currently employed in Brenta).⁷⁴ In the last four decades Europe as a whole has experienced a significant contraction in the footwear sector, with a significant loss of jobs and a significant shift of production to overseas locations.⁷⁵ As a consequence, “the main importers are developed countries and the main exporters are developing countries” with Italy as the major exception (although amidst increasing difficulties, with a share in world exports falling from over 30% in 1985 to under 25% in 1990).⁷⁶

Detailed information on the global value chain’s functioning was provided in April 2005 by Nike’s report on the financial year 2004, which includes data on outsourcing and is fully consistent with descriptions provided by the literature. The report confirms the clear distinction between “high-level” functions on the one hand, and production on the other hand, since “virtually all Nike products are manufactured by independent contract manufacturers” and “... most Nike products are made outside the USA”.⁷⁷ According to its report, in 2004 Nike employed world-wide 644,631 people in over 800 Nike branded contracted factories. A significant part of employees (244,735) worked in the footwear sector⁷⁸. Most footwear workers are in Asia (152,753 in Northern Asia, 88,292 in Southern Asia), and just 1,563 in Europe, Middle East and Africa and 2,127 in America (including the USA). Conversely, Nike Inc. (which acts as the hub and performs the high-quality function of the global system) has 24,291 employees, of whom 11,970 in the USA and just 3,282 in Asia and the Pacific.⁷⁹

⁷⁴ Paul Brenton, Annamaria Pinna and Mark Vancauteren, *Adjustment to Globalization: A Study of the Footwear Industry in Europe - Part 2*, CEPS working documents n. 151, 2000, p.5.

⁷⁵ *Ibid.*, p. 9.

⁷⁶ L. Bazan and L. Navas-Aleman, *Comparing Chain Governance...*, quote., p. 5.

⁷⁷ www.nike.com/nikebiz

⁷⁸ 316,529 worked in apparel and 63,367 in equipment.

⁷⁹ Footwear provides Nike’s highest net revenues: \$6,569.9 million in 2004 followed by apparel with \$3,545.4 million and sport equipment with \$751, while other sectors account for \$1,386.8.

The take-off of the Italian footwear industry took place against the background of the above mentioned gradual shift of production from developed to developing countries. In 1960, Italy ranked fourth in Europe behind France, Britain and Germany. By the mid-1980s, Italy had become the largest exporter in Europe and the second largest world-wide exporter after Taiwan. Until the 1960s, comparatively low wages not only gave Italian enterprises a significant competitive advantage, but also "... allowed a number of other crucial advantages for the following phases of development to be built up", including those considered to be the components of the industrial district model.⁸⁰

From the early 1970s, Italy faced increasing competition from other southern European as well as from a number of Asian and Latin American countries, which profited from cheap labour and thus obliged Italy to enhance product quality in an attempt to reduce price elasticity. Other factors (including the devaluation of the dollar and a shift in consumption habits towards shoes made of synthetic materials) led to a reduction of Italy's share in exports and to a downgrading of its international ranking from second place in 1986 to fifth in 1990. In the 1990s, all the leading Western footwear producers were finding it difficult to remain competitive. Sharp decreases were experienced in particular between 1998 and 2000 (UK 68%, US 47%, France 21%, Germany 14%, but also Spain and Italy 8% each). Italy continued to be an exception among Western footwear producers, defending its share in high quality products while ceding just some of its market share in the low price segments. Italy has outsourced abroad frequently (which partly accounts for the 21% increase in shoe production in Romania, the most important country of destination for Italian outsourcing). This has not been the case for other European producers, where the

⁸⁰ Roberta Rabellotti, *Is There...*, quote., p. 31.

footwear industries were showing further shrinkage at the beginning of the 21st century.

In the light of the above, the following paragraphs will contextualise Brenta in terms of other footwear-producing areas: a number of other Italian districts on the one hand, and two Latin American areas on the other (Sinos Valley in Brazil and the loosely organised Mexican footwear clusters).

Not surprisingly, similarities but also differences exist among Italian footwear areas. Several “classical” Italian footwear areas feature all the fundamental components of the industrial district model mentioned above; but each area also shows some specific interaction among its components, this resulting in quite different historical developments. Brenta’s self-help organisations and formal institutions seem to be generally more developed and to have played a more incisive role in its historical development.⁸¹

The following paragraphs discuss some aspects of five other Italian footwear areas: two regions (Marches and Toscana), and three districts: Vigevano in Lombardy, Verona and Montebelluna in the Veneto.⁸²

The footwear industry in the Marches is relatively recent and encompasses two main areas: Sant’Elpidio a Mare and Montegranaro, totalling more than 2,500 enterprises, 27,000 workers and 24% of Italy’s total production at the end of the 20th century. Both areas took off after the Second World War and were heavily influenced by two factors: the decline of the sharecropping system and rising

⁸¹ *Ibid.*, p. 39.

⁸² Andrea Ordanini, *I principali distretti calzaturieri italiani*, Milan, 1995, passes a sweeping statement on Vigevano’s “failure” to adjust to changing environments since ... it switched from footwear manufacturing to the production of footwear machine tools! This seems to be rather a good example of functional upgrading. Moreover, in his attempt to follow a regional approach, Ordanini tries to identify common features for the three main areas of the Veneto region, but they are so different from one another that we consider them individually.

⁸² Illuminating pages have been devoted to the Marches footwear industry by Michael L. Blim, *Made in Italy. Small-Scale Industrialization and its Consequences*, New York, 1990, in particular on the transition from sharecropping to small industries and the ensuing hybrid system.

international demand.⁸³ This in turn translated into the establishment of a network of small firms in less than one generation, initially through an interesting “hybrid” system that still combined sharecropping and footwear handicraft described by Blim.⁸⁴ The area, however, even at this early stage, was able to produce not only for the domestic, but also for the international market. Ordanini underlines the negative repercussions of such a swift development and the ensuing gap between a rapid economic development and a more conservative social and cultural background. Some enterprises in the area have reached a considerable size, have established respected brands and are known individually (Diego della Valle in particular is currently a nationally well-known entrepreneur). Today, the Marches specialise in middle to upper quality leather production of which half is exported, but preserve a rather traditional organisation with little or no recourse to outsourcing and collective services.⁸⁵

The Tuscan area features more than 1,600 enterprises, just fewer than 20,000 workers and just under 20% of the Italian total output at the end of the 20th century. It caters for different market segments: Pisa and Pistoia specialise in middle- to high-quality shoes, Lucca in lower quality products.⁸⁶ At the beginning of the 1970s, it was the largest footwear area in Italy, but its district identity has been declining since. This is due in particular to its heavy dependance on exogenous elements, in particular the vicinity to the skin and leather area of Santa Croce, the leading role of nearby Florence in fashion, and especially close links with the US market. This produced good results as long as US demand was high, but also constituted a permanent weakness as confirmed by the decrease of US orders from the mid-1980s.

⁸⁴ Illuminating pages have been devoted to the Marches footwear industry by Michael L. Blim, *Made in Italy. Small-Scale Industrialization and its Consequences*, New York, 1990, in particular on the transition from sharecropping to small industries and the ensuing hybrid system.

Unlike in the Marches, Tuscan entrepreneurs seem not to be interested in outsourcing abroad and in non-production related activities.

The origin of the comparatively recent Verona district goes back to two main factors: the availability of a skilled but comparatively cheap local workforce, still available at a time when soaring labour costs had already obliged other Italian areas to shift towards higher market niches, and the favourable geographical location at the crossroad of connections through the Po Valley and with Austria and Germany. Verona has specialised in cheap shoes produced in comparatively large firms, with little recourse to outsourcing.

Montebellunacan trace its origins back to a local hiking shoe tradition established at the end of the 19th century. It has evolved into an original, capital-intensive, highly-specialised footwear district, featuring world brands, strong backward and forward linkages and increasing recourse to outsourcing, thanks to the optimal interaction between its components in the way described by Porter. Vigevano (in Lombardy) has experienced a similar, although less spectacular, evolution. Established at the same time as the Riviera, at the end of the 19th century, it evolved into a high-quality leather footwear area and then partially shifted to footwear machine tool production as of the late 1970s. Vigevano encompasses today both a traditional high-quality footwear sector (50 enterprises, 20 million euro in total production, the largest enterprises featuring a total production of 16 million euro) and an even larger footwear machine tool cluster (890 enterprises with a total production of approximately 300 million euro).

Direct domestic competition among the abovementioned widely varying districts (which account for more than two-thirds of total Italian footwear production) is therefore comparatively rare. Each one has followed specific development paths,

⁸⁵ Andrea Ordanini, *I principali...*, quote., p. 40 and 140.

drawing upon its own strengths and facing the consequences of its own limits, and has therefore specialised in distinct niches.⁸⁷ These districts cover a large range of products and product qualities on the one hand, and of internal organisational and inter-firm co-operation patterns on the other hand, and they have provided specific responses to specific historic and social challenges. The history of the Italian footwear industry confirms that industrial districts even within a single nation and within a specific, barely innovative and technologically mature sector can differ widely among themselves.

As recalled above, Italy is not only a leader in footwear design but also a major producer. It could therefore be useful to examine a number of relevant aspects of the footwear industry in those emerging countries which focus mainly on purely production-related aspects and compare them with Italy (and Brenta) with a view to identifying possible similarities in the starting conditions on one hand, and diverging subsequent developments on the other. This comparison would also underline that the industrial district model is not necessarily the only one, or the best analytical tool which can be applied to local economic developments in mature sectors where economies of scale are limited. On the contrary, excessive focus on this model can be misleading.

Sinos Valley, the Brazilian giant cluster of footwear enterprises, is particularly interesting in this regard. Within just a few decades, it has evolved from a typical local cluster of small firms and artisan workshops, catering for the domestic market (not very different from the Riviera in the early second post-war period) to a sort of super-cluster deeply plugged into the international footwear value chain.

⁸⁶ *Ibid.*, p. 61.

⁸⁷ A. Ordanini, *I principali distretti...*, quote., p. 137.

Both Brenta and Sinos Valley to a large extent are export-driven success stories; both have drawn on capabilities developed by a cluster of small firms and artisan workshops in catering for the domestic market; both share the same basic weakness of an overemphasis on manufacturing and less developed capabilities in branding and marketing. However, Brenta represents a case of endogenous development based on flexible specialisation; Sinos Valley experienced a long period of exogenous accelerated growth based on the production of large batches in large factories, before the growing uncertainties of international markets prompted far-reaching reforms. Until the 1960s, Sinos Valley was essentially a cluster of craftsmen.; A survey in 1968 listed 454 small or very small firms which produced for the domestic market. .A second phase was triggered in the late 1960s by the export boom, which was prompted by US shoe importers looking for suppliers in low-wages countries. The boom was further enhanced by export incentives provided by the Brazilian government and probably also by the well co-ordinated collective response of local entrepreneurs through their self-help institutions.⁸⁸ In Schmitz's words, this paved the way for "... Fordist giants: ... factories of over 2,000 workers (huge for an industry in which scale economies are low) ... organised along conveyors, engaged in highly fragmented repetitive work, making large volumes of standardised products" of medium quality.⁸⁹ This also had an impact on Brenta, where producers were forced to shift to higher market segments to face increased competition from Brazil and other emerging countries. In Sinos Valley, demand for local input and machinery grew rapidly to the extent that "within a radius of 50 kilometres of Novo Hamburgo, the economic centre of the Valley, most inputs (were) produced ... (and) most of the

⁸⁸ The number of firms with more than 500 workers went from five in 1971 to 33 in 1983. Data for 1991 relating to the whole state of Rio Grande do Sul (the bulk of which is represented by Sinos Valley) put the figure for firms with more than 500 workers at 75 and for firms with between 100 and 500 workers at 150. At the same time, small firms still represented a sizeable segment along with the

machines to turn these materials and components into shoes (were) made locally. Roughly speaking, for every job in shoe manufacturing there (was) a job in the local supply industry".⁹⁰ Politically, however, the cluster was weakened: the cluster became more hierarchical and faced a severe functional downgrading, which affected its capabilities in design, branding and marketing.

The 1990s marked the end of the development based solely on production processes. Large firms decentralised internally into mini plants, discarded their conveyors, introduced cellular manufacturing and internal just-in-time procedures, tried to stabilise their workforce, and invested more in training and building more cooperative relationships with their suppliers.⁹¹ Some writers see in this a transition from "Fordism" to flexible specialisation "in both its small and large-firm variant", encouraged by the adoption of Total Quality Programmes supported by buyers and local/federal authorities.⁹² In turn, this led to significant improvements in quality and delivery times but also "left many casualties" in the form of bankruptcies, firing of personnel and downsizing of firms, all of which was unavoidable as the globalisation wind blew harder and translated into cyclical crises.⁹³

Sinos Valley has been presented as being in many respects "a highly developed industrial district", although it is conceded that major deviations from the classical model make it rather a "hybrid" which encompasses elements of the competing

medium and large firms. Production grew from 20 million pairs of shoes in 1970 to 170 million in the late 1980s, while exports in the same period went from nothing to 100 million.

⁸⁹ L. Bazan and L. Navas-Aleman, *Comparing Chain Governance...*, quote..., p. 11.

⁹⁰ *Ibid.*, p. 11.

⁹¹ *Ibid.*, p. 11.

⁹² Hubert Schmitz, *Small Shoemakers...*, quote., p. 22.

⁹³ As in Brenta, currency fluctuations had a major impact on export levels in Brazil. The overvaluation of the new currency, the real, in 1994 was damaging; the mini-devaluations of the subsequent years, at 7% a year, were beneficial. Exports passed from 900 million US dollars in 1985 to 1.8 billion US dollars in 1993, 1.5 billion in 1994 (the year of the "Plan Real") and even further down to 1.3 billion in 1999. An escape from the by then structural crisis was sought (in addition to traditional, short-lived measures such as a devaluation by half for the real in 1999), through a move up in the value chain and a shift away from mere manufacturing to design, branding and marketing channelled through the "Shoes from Brazil Multilateral Programme".

Fordist model.⁹⁴ Consequently, distinctions between the two paradigms become blurred and their relevance as analytical tools is strongly reduced.

A more constructive approach would rather consider Sinos simultaneously from both perspectives of industrial districts and the global value chain. This would offer insights on how local and global governances coexist, rather than suggesting comparisons with “traditional” clusters leading to yet other versions of the industrial district model.

It was the orders placed by large USA buyers that prompted the entry of Sinos into the global value chain and translated into the emergence of comparatively large, integrated “Fordist” firms strictly focussed on the production process and therefore undergoing a simultaneous functional downgrading. In turn, this altered significantly the previous networks of small and medium-sized enterprises, which catered mainly for the domestic market and performed a wider array of function including design, branding and marketing.

However, Sinos’ new “Fordist” structure was never monolithic. Not only the degree of control exercised by final buyers varied and was not always equally intrusive, but also significant clusters of small and medium-sized firms continued to produce for the Brazilian domestic market and escaped pressure from USA and European buyers to concentrate exclusively on production and economies of scale. The continued existence of flexible, small and medium-sized firms and of their mutual relations made possible what Bazan and Navas-Aleman term “underground revolution”, which has been underway since the mid-1990s and consists essentially in a retreat from Fordism and a return to flexible specialisation.⁹⁵

⁹⁴ Hubert Schmitz, Small Shoemakers..., quote., p. 22.

⁹⁵ L. Bazan and L. Navas-Aleman, *Comparing Chain Governance...*, quote., p 13.

In the light of the above, periodisations are merely indicative and should also be put into perspective. Hubert Schmitz's tripartition of Sinos's history (craft until the late 1960s, Fordism in the 1970s and 1980s, flexible specialisation afterwards) underlines correctly the most striking feature of each period, but also tends to convey the rather misleading impression that Sinos's development was an oscillating movement of the whole area from an industrial district-like situation to Fordism and back, prompted by evolution in the international markets. In reality, Sinos's craft production and local networks not only prospered even in the 1970s and 1980s, but even provided the preconditions for the "underground revolution" which has so far ensured the survival of the area (including its Fordist components) in a changing environment.

The same note of caution should be applied also to footwear clusters in another Latin American country, Mexico, where inter-firm relations are essentially of a market-type. The Mexican areas of Leon and Guadalajara had 1,700 and 1,200 footwear firms respectively (i.e. approximately 60% of the national total) at the time of Rabellotti's comparison with Italian areas (including Brenta). As in Brazil and Italy, the Mexican footwear industry produced initially for the domestic market and reached a certain level of sophistication. Unlike Brazil, where the internationalisation of the footwear industry was prompted by US buyers looking for alternative and cheaper production locations, the Mexican footwear industry was exposed to internationalisation by national political developments, in particular the establishment of the Free Trade Area in North America. Rabellotti notes that Mexican footwear enterprises are not significantly larger than those in the Riviera and are definitely smaller than their Brazilian counterparts. They have established some good self-help organisations as well as providers of some common services,

but "... inter-firm division of labour is not common and firms tend to be vertically integrated, internalising all possible production phases and keeping sub-contracting to a minimum ... the relationship between suppliers and shoe producers are less collaborative than in Italy and are based mainly on a pure market mechanism".⁹⁶ This is partly due to the persistent lack of reliability among local suppliers and in general of forward and backward linkages. Commercialisation, in this case very similar to the Italian case, also continues to be one of the weakest points. However, social ties and local cultures are apparently very strong and provide informal but effective interaction among economic actors, to a higher degree than, for instance, in Italy. Rabellotti found in Mexico "a social environment characterised by strong family ties, proximity of economic agents and existence of a sense of community among entrepreneurs and workers which favour exchanges of information and help firms to share their problems and to find common solutions".⁹⁷

At most, it can be said that the Mexican footwear industry is still in a state of flux and could evolve in the direction of structures resembling the industrial district model: in Mexico, "... footwear enterprises and suppliers are now starting to realise the importance of a systemic view of the production process... (there are) a few examples of initiatives to foster the systemic approach, showing a real effort towards building up a system of production in some way inspired by the industrial district model".⁹⁸

⁹⁶ R. Rabellotti, *Is There ...*, quote., p. 36.

⁹⁷ *Ibid.*, p. 38.

⁹⁸ *Ibid.*, p. 36-7.

Fordism *versus* flexible specialisation in Brenta: a local east-west divide

The comparatively successful large scale shoe factories of Sinos Valley confirm that even the footwear industry can benefit from economies of scale and that not all footwear firms are necessarily destined to be small or medium-sized. As mentioned above, the debate on large *versus* small firms has a particular relevance for Brenta, which hosts the industrial footwear district in its western section and a cluster of large heavy industries (Marghera) in its eastern part. Large-scale industrialisation in eastern Brenta started already in the mid-19th century, with a candle factory established in Mira in 1835, which had some success and eventually grew into Mira Lanza, one of the largest Italian chemical concerns.⁹⁹

The Riviera's experience with *both* types of development paths can be relevant in the current reassessment of the role of large enterprises in the economic development of Italy. "Once almost moribund, the field is now alive and well and loaded with opportunities for exciting and important research".¹⁰⁰ In particular, there is a growing awareness among economic historians that the rapid increase in labour and total factor productivity during the Italian "economic miracle" of the late 1950s and early 1960s was due to increased economies of scale along with structural and technological changes. Increased economies of scale were particularly evident in activities such as steelmaking, chemical production and oil refining, where the role of the public sector was particularly relevant.¹⁰¹

⁹⁹ Zamagni V., *The Economic History of Italy 1860-1990: Recovery after Decline*, Oxford 1993, p.19.

¹⁰⁰ John Cohen and Giovanni Federico, *The Growth of the Italian Economy 1820-1960*, Cambridge 2003, p. 107.

¹⁰¹ Consequently, growing attention is now paid to the main instrument through which the public authorities intervened in the Italian economic system: IRI (Istituto per la Ricostruzione Industriale). Some writers in Britain in the late 1960s and early 1970s presented IRI as an example of how Britain could build new public economic structures, building on the role played by Italian holding companies in the rapid growth of the Italian economy during the "economic miracle". Such attention eventually

Marco Bellandi underlines that local systems reach their maximum efficiency “... if the production process is decomposable and its components are actually conveniently divided among the firms in the system”.¹⁰² Consequently, according to Colli, industrial districts are in fact present in those industries “... where it is economically feasible to split the production process between a number of small simply structured firms, each of them performing a special phase” (which does not mean that in real industrial districts some or even several firms can be vertically integrated).¹⁰³ Shoe manufacturing is indeed easily decomposable, both in terms of components (heels, uppers, soles) and production phases (cutting, stitching and sewing, finishing), and it seems therefore eminently well suited for small-scale, flexible production. However, there are no “natural” boundaries between large-scale and small batch production based solely on the intrinsic characteristics of the goods produced, as Sinos Valley (but to some extent also Brenta, in particular during its early “Fordist” stage) confirms. Mass and batch production actually should be seen as complementary and coexisting rather than as mutually excluding alternatives. This is true for production in which the skills of individual workers are decisive. Carnevali for instance notes the absence of a rift between small- and large-scale producers in Birmingham’s jewellery industry by the turn of the 20th century, which leads her to refute “... the existence of a divide between the artisan and factory production and, as a consequence, the sequential interpretation of the process of industrialisation”.¹⁰⁴ But this can hold true even for scale-intensive activities such as those mentioned above, including for instance steel production. Ruggero recalls that

contributed to the establishment in 1976 of the NEB (National Enterprise Board), which “owed much to the arguments of those who presented IRI as an example to be followed”: Jim Tomlinson, *Learning from Italy? The British Public Sector and IRI*, in W. Feldenkirchen and T. Gourvish (eds.), *European Yearbook of Business History*, Vol. 2, 1999, 109-19.

¹⁰² Marco Bellandi, *The Industrial District in Marshall*, in E. Goodman, J. Bamford and P. Saynor (eds.), quote., p. 138.

¹⁰³ A. Colli, *Networking the Market...*, quote., p.77.

¹⁰⁴ F. Carnevali, *Golden Opportunities...*, quote., 279.

all steel companies acquired by the 1933 established IRI (and accounting for approximately 50% of Italian steel production) were placed within FINSIDER, one of IRI's newly-formed sub-holdings, which consequently made it the largest national steel producer. After the destruction brought on by the Second World War and in the wake of the subsequent recovery, the two largest private steelmakers were the automobile maker Fiat and the family-owned Falck group. "The dispute between FINSIDER and the Falck family on the terms of post-Second World War reconstruction is regarded as a classic of Italy's industrial policy debate... FINSIDER insisted on rebuilding large integrated coastal plants based on standardised mass production, whereas the Falcks believed that Italy should eschew the large scale and concentrate on high value-added, small batch production".¹⁰⁵ Although losing market shares to FINSIDER, private smaller companies continued to grow and launched a powerful challenge through the mini-mill sector. Mini-mills, located around the city of Brescia, were originally makers of very small electrical steel and scrap re-roller. Michael Porter mentions this cluster as an example of small firms being able to utilise sophisticated technology. Again some of them (among which Riva and Lucchini) were able to emerge from the mini-mill sector and become significant international private companies.¹⁰⁶

Mass production and flexible specialisation appear as parallel, rather than competing paradigms of industrial organisation, also in the history of Ansaldo, a Genoese engineering and shipbuilding company. Dewerpe shows that craft organisations controlled Ansaldo before the First World War, with little managerial control, and that Taylorism and Fordism were first applied only in the early 1940s, in order to meet the increased requirements of wartime production. However, relations

¹⁰⁵ Ruggero Ranieri, Steel and the State in Italy and the UK. The Public Sector of the Steel Industry in Comparative Perspective (1945-1996), in W. Feldenkirchen and T. Gourvish (eds.), *European Yearbook of Business History*, Vol. 2, 1999, 127-8.

proved uneasy between a new managerial model and the underlying structure of Ansaldo, which was still largely dependent on handicraft: in the end “flexible specialisation won out”.¹⁰⁷

In light of the above, the following paragraphs highlight some aspects of Marghera’s economic history which are particularly relevant to Brenta’s development.

Public works began in 1919, aimed at transforming a vast swamp at the eastern end of the Riviera and on the internal shore of the Venetian lagoon into an entirely new industrial area comprising a port as well as adjacent naval, chemical, petrochemical and mechanical industries. At the end of the 1930s, Marghera produced 88% of Italian aluminium, 59% of alumina, between 90 and 100% of cadmium, 33% of zinc, 47% of ammonium phosphate, 100% of plexigas, and 100% of propan and butane gas.¹⁰⁸ At the height of its development in the early 1970s, Marghera had approximately 55,000 workers, most of whom were either immigrants or commuters from the rural adjacent areas and from the eastern and central parts of the Riviera. The subsequent turmoil -- in particular the two oil crises of 1973 and 1979, the downsizing of large industries in Italy, growing labour unrest and a growing environmental awareness -- plunged Marghera into a crisis which led inter alia to a decrease in employment to 14,000 workers. The area has experienced some recovery in recent years, in particular in shipbuilding and industrial chemistry, still drawing from its main characteristic: “the complex and widespread interaction

¹⁰⁶ Michael E. Porter, *The Competitive Advantage...*, quote., p. 128-9.

¹⁰⁷ William Lazonick, Review of C. Sabel and J. Zeitlin, *Flexibility and Mass Production in Western Industrialisation*, New York, 1997, *Business History Review*, v. 73, Number 2, Summer 1999, 310-1.

¹⁰⁸ Vera Zamagni, *The Economic History...*, quote., p. 292.

between the principal productive cycles in the chemical and electrometallurgical industries", as Petri defines it.¹⁰⁹

In some respects, the relationship between the Riviera and Porto Marghera mirrors the divide between the industrial districts and the Fordist enterprises described by Sabel and Piore: two worlds apart, with little or nothing in common. The former features small enterprises, flexible specialisation, labour-intensive technology, availability of a skilled workforce, and "informal" part-time domestic work; the latter meanwhile features economies of scale, technological progress but also fragmented work at the assembly line, heavy environmental costs and labour conflicts. If Brenta is in many respects (not in all) an autonomous, endogenous and spontaneous district, Marghera is the result of exogenous and planned interventions brought about by state and private actors and by specific political decisions taken at the highest national level.

Marghera has consistently been the object of heated debates, defined by Sergio Romano, the author of possibly the best research on its origin, as very "Venetian": passionate, intense, but also emotional, imprecise, self-indulgent and not action-oriented.¹¹⁰ However, writers have not devoted adequate attention to Marghera's role in the economic development of the adjacent Riviera industrial district despite their physical propinquity which resulted in some reciprocal influence. Some of the resulting effects (in particular, the availability of labour in Brenta, unionisation, an indirect push to move to upper market niches, and political affiliations) will be discussed in following chapters of this thesis. The next paragraphs highlight the aspects of Marghera's economic history which are most relevant in this regard.

¹⁰⁹ *Ibid.*, p. 292.

The literature on Marghera swings from an overall positive assessment to agitated criticism. In a first long phase, from 1919 until the late 1960s, it mainly focused on the economic recovery of Venice brought about by the new industrial area after decades of decline, and on the innovative new “industrial port” which combined a port (on the internal shores of the Venetian lagoon at the eastern end of the Riviera, just 800 meters away from Palladio’s villa “Malcontenta”) with an industrial park to process the commodities delivered by ship and which in turn was connected with the mainland by waterways, roads and railways. Transportation costs for bulky, heavy commodities were therefore minimised. Marghera’s initial success led to the doubling of its area between 1950 and 1960. Plans for further expansion were approved in 1963 but were brought to a halt by the disastrous flood of Venice on 4 November 1966 and by the crises of the 1970s. Attention then turned to Marghera’s shortcomings, in particular the environmental problems caused by highly polluting chemical enterprises and its insufficient forward- and backward linkages with local enterprises. As far as the latter are concerned, Marghera’s shortcomings seem to confirm that “the large enterprise cannot go it alone... (and that) to remain strong, the core firms (of large industries) require a network of related and supporting activities carried out by small, medium-sized and even large firms”¹¹¹. The birth of Marghera was due to a single leading personality: the Venetian Count Giuseppe Volpi di Misurata (1877-1949), who played a significant role in many major events in Italy in the first half of the 20th century as the founder of one of the largest Italian power supply companies, governor of the Italian colony of Tripolitania

¹¹⁰ Sergio Romano, *Giuseppe Volpi. Industria e finanza tra Giolitti e Mussolini*, Venice, 1997.

¹¹¹ Alfred D. Chandler, Jr., Takashi Hikino and Alice Teichova, *International Economy and Large Industrial Enterprises in the Twentieth Century*, in Margarita Dritsas and Terry Gourvish (eds.), *European Enterprise...*, quote., p. 37.

(Libya) and Italian Minister of Finance. By the time he started his plans for Marghera, he was a successful businessman. In particular, he had established *Societa' Adriatica di Elettricita'* (SADE) in 1904, with the aim of providing electrical power to the largest cities of Veneto by connecting the several scattered small power stations into a unified network. SADE's first intervention took place precisely in the Riviera, connecting the small plants of Mestre, Mira, Dolo, Stra', Noventa and Padova, and thus connecting Padua to Venice and indirectly helping the firm Voltan take its first steps. Volpi's excellent political and social connections were instrumental in the success of his initiative. This speaks volumes on the alleged isolation of the Veneto region from the national economic and political powerhouses of the time.

Volpi's vision of Marghera drew upon a number of previous projects and should be set in the context of an ongoing debate on the future of both the port and industry in Venice.¹¹² Marghera certainly shared one of the main characteristics of the industrial districts: the co-location of a number of firms within a comparatively small, homogeneous area. However, the lack of real specialisation in a given sector hampered local inter-firm co-operation and vertical division of labour. The gap between its comparatively advanced technologies and the comparatively backward local economic environment hindered the development of significant backward and forward linkages.

¹¹² In 1905, Erminio Cucchinì presented a plan for a new commercial port not in Venice itself, but rather on the internal shores of the lagoon, near the old Venetian Marghera fortress in a swampy area at the estuary of the Brenta waterway. This proposal was the last and most serious of a number of plans to counter the economic decline of Venice. Surveys conducted in 1904 had confirmed that a lack of adequate space was an insurmountable obstacle to the industrial recovery of Venice itself, where just a few hectares were available.

Indicators confirm a significant development in industrial activities as the new port and the new industrial area were completed and extended.¹¹³ As a consequence, the population of the adjacent village of Mestre and the new residential area of Marghera increased steadily: 7,500 inhabitants in 1901, 30,000 in 1926, 80,000 in 1945, 130,000 in 1958 and 210,000 in 1974. By that time, there were more people there than in Venice proper, where the population decreased to fewer than 100,000 over the same period. In 1971, at the peak of its fortunes, Marghera had 45,000 industrial workers employed in 248 industrial enterprises and 10,000 workers employed in supporting commercial enterprises. Many came from the rural adjacent areas and from the Riviera, which in fact lost up to 5,000 skilled workers who found better pay and more stable employment in Marghera. The following three decades of crisis subsequently reduced employment to fewer than 14,000, although the number of firms remains stable at around 300.

As mentioned above, Riviera's propinquity to Marghera is a significant element which has been frequently overlooked by the specialised literature. In the Brenta historical area, stretching from Padua to Venice, an industrial district coexists with one of the largest Fordist clusters of heavy industry in southern Europe. Both were established at the beginning of the 20th century, both experienced a significant expansion in the second post-war period, and both underwent restructuring and downsizing as of the 1970s. Marghera's industries split the Riviera into two economic halves, with different labour markets and different economic structures. But Marghera also influenced the Riviera footwear districts in several, indirect ways. Commuting had already begun in the 1930s, but increased significantly after the

¹¹³ The 5,000 tons transported to Venice by railway in 1920 grew to over 60,000 tons in 1932. The 240,000 tons shipped to the new port in 1925 increased to 850,000 tons in 1932 and to 2 million tons in 1938. In 1928, 81 factories employed 5,000 workers. By 1938, the number of factories had increased to 94 with 15,000 workers: Guido Zordan, *La Laguna e la terraferma*, in the collective book *Venezia*, Milan, 1985, p. 702-703.

completion of the second industrial zone in 1965, depleting the Riviera's traditional pool of skilled, cheap workers and therefore helping to force Brenta's production into upper market niches, which are less price-sensitive. Marghera's Fordism favoured the unionisation of workers, which was mirrored by a parallel unionisation at least in the largest footwear firm in the Brenta. A reaction to growing unionisation was a closer co-operation among Brenta's entrepreneurs and the establishment of their association as a counterpart to trade unions. The subsequent crisis at Marghera and the return of several workers to the Riviera again favoured Brenta's outsourcing to smaller firms and even artisan workshops, which could draw from this newly available and comparatively cheap source of labour .

At a more general level, Marghera's history confirms the somewhat hybrid nature of the Veneto region within the Third Italy. Far from corresponding to the traditional image of the pre-district Third Italy -- largely rural and dependent on sharecropping -- Veneto had already experienced a significant industrial development after the unification with Italy in 1866. The census of 1911 put Veneto third among Italian industrial regions, behind Lombardy and Piedmont, with 32% of the working population in the provinces of Venice and Vicenza being employed in industry. Volpi's connections to both Rome's political world and Lombard and Milanese financial circles, which were instrumental to Marghera's success, confirm the existence of solid networks in the Veneto region. Alessandro Rossi, founder of Italy's largest textile industry near Vicenza in 1873, and Stefano Breda, founder of Italy's largest steel producers at the time, are just a few other names which verify that at the beginning of the 20th century, when the Riviera footwear system was still nascent, industrial entrepreneurship was comparatively widespread in Veneto.¹¹⁴ The

¹¹⁴ Giorgio Roverato, *L'industria nel Veneto: storia economica di un "caso" regionale*, Padova, 1996, p. 16-18; 231-232.

history of Brenta's nascent footwear industry, set in the context of other industrial initiatives in the Veneto region, questions the usual distinction between the Italian "industrial triangle" and a persistently rural northeastern and central Italy based on sharecropping, to which a very different type of industrialisation would come only several decades later.

Voltan and a number of other local entrepreneurs show that at the time of the first Italian industrial take-off, the whole of northern Italy was much more homogeneous than in the traditional bipartition between an advanced industrial "triangle" in the northwest and a backward northeast (destined to fill the gap almost a century later, before turning itself into the core of the "Third Italy"). In particular, a skilled, capable and comparatively large entrepreneurial class throughout northeastern Italy at the end of the 19th and the beginning of the 20th centuries, at the helm of small- and medium-sized as well as large enterprises of national relevance, was instrumental in the economic developments of the following decades.

Brenta's development in the context of Italy's economic history

Brenta's birth and growth did not take place in a vacuum, but were deeply affected by national and international events. The following paragraphs recall some major developments of the Italian economic history which were closely mirrored by corresponding developments in Brenta. These paragraphs do not offer a summary of Italy's economic history from the late 19th century, but rather underline some crucial elements confirming that Brenta, like probably most other industrial districts, was deeply shaped by exogenous events at the national, European and international level. The role of the main actors of an industrial district, and in particular their degree of autonomy in the definition and pursuit of growth strategies, can only be properly assessed in this wider perspective. It is necessary to go beyond the emphasis on

purely local factors, which is preferred by much literature of the “golden period” of the industrial district model.

The following paragraphs focus on post-World War II developments, when Brenta had already taken up the structure of an industrial district. However, some aspects of the early Italian industrial take-off at the beginning of the 19th century will also be briefly mentioned, in order to underline that even the modest industrial initiatives in Brenta during the 1890s would probably not have been possible without a national positive economic cycle and its spill-overs to the still comparatively peripheral Veneto. References to the Italian economic history are drawn in particular from Zamagni's classical work and from the more recent Cohen and Federico's new interpretations based on revised quantitative data.¹¹⁵

At the time of unification in 1861, the main features of Italy's economic system were its comparative backwardness, its nascent industrialisation, and cyclical trends which depended largely on international factors. A long positive cycle lasted from the mid-1890s to the First World War. It paved the way for the emergence of the Milan-Turin-Genoa “industrial triangle” which was to shape Italy's economy throughout most of the 20th century. However, a number of significant industries was established in other areas, including Veneto. Some leading Venetian entrepreneurs played a role even at the national level, including Alessandro Rossi, who established the largest national textile industry near Vicenza, and Stefano Breda, who established his steel company in 1884 in Padua. State intervention in the economy focused on a progressive shift from liberalism to protectionism and some direct interventions in heavy industry and infrastructure. Some public works were also carried out in Brenta, including the electric tramway from Venice to Padua, new bridges and locks

¹¹⁵ V. Zamagni, *The Economic History of Italy...*, quote.; John Cohen and Giovanni Federico, *The Growth of the Italian Economy...* quote., p. 1-2. A reassessment of economic history as a key to a better

on the waterway, and several small power plants in each of the largest Riviera communes. At the time of the establishment of Voltan's first partially mechanised enterprise, Veneto was playing a significant role in the first national take-off and was taking significant steps towards industrialisation, well before the "Third Italy" caught the attention of observers.¹¹⁶

However, as mentioned above, the interaction between the local and the national/international levels in Brenta's development is best underlined with reference to the post-World War II period. In general, the literature emphasizes continuity rather than radical innovation in post-war Italy, which was made possible in particular by comparatively limited war damage. By 1946, Italy's GDP had already reached 60% of the pre-war level, i.e. twice as high as in Germany. Brenta is a case in point: the network of small firms established by 1940 was still largely in place in 1945, and even Voltan was able to resume its activities without delay.. The industrial structure of Italy was therefore still largely that of the Fascist period and led by three sectors: textiles, electricity and food. In the following years, the relatively small steel, automobile and chemical enterprises, established at the turn of the century and therefore able to build upon decades of preparation, experienced good growth rates. Protectionism was progressively abandoned and the opening of the national economy especially towards other European countries pursued. Italy joined the International Monetary Fund and the World Bank in 1946, the OEEC in 1949, the European Payments Union in 1950, ECSC (European Coal and Steel Community) in 1953 and the EEC (European Economic Community) in 1957. Not

understanding of Italy's current situation is offered by Pierluigi Ciocca, *Il tempo dell'economia. Strutture, fatti, interpreti del Novecento*, Torino 2005.

¹¹⁶ on the role played by the two comparatively large industrial areas of Vicenza (textile) and Marghera (steel, shipbuilding, chemicals) on the economic development of Veneto well before the take-off of the "Third Italy", see Giorgio Roverato, *L'industria nel Veneto: Storia economica di un caso regionale*, Padova 1996.

surprisingly, Brenta too experienced an export-driven growth from the 1950s (well in advance of other Italian footwear areas).¹¹⁷

Italy experienced a phase of intense growth between 1956 and 1963, often termed the “economic miracle”. At the end of this period, Brenta emerged as a fully-fledged cluster of footwear firms. The debate is still open as to which was the leading factor in the economic miracle and whether it was due to exports (which really grew only after 1955 and only for a limited number of products, among which automobiles, oil products, textiles, rubber and footwear) or to a general environment conducive to capital accumulation, in particular through the co-existence of an abundant workforce (which in turn ensured low salaries and moderate labour conflicts), self-financing, and initial technological backwardness, which allowed rapid increases in productivity. A combination of both of these factors probably provides the best answer, as shown by Brenta which experienced growing export rates from the early 1950s but equally profited from an abundant low wage workforce and a rapid increase in productivity due to its comparative technological backwardness.

Brenta appears also to confirm some of Vera Lutz’ remarks on the “dualism” of the Italian industrial system.¹¹⁸ Trade union action, which was effective in large enterprises, would have led to significant salary increases which in turn would have compelled such industries to shift towards capital-intensive production. Small enterprises, where trade union action was much less effective, would have been able to continue their traditional labour-intensive production. In turn, this dichotomy would have led Italy to a three-pronged structure based on labour costs. Enterprises based on economies of scale and therefore obliged to reach an adequate size would

¹¹⁷ Augusto Graziani, *L'economia italiana dal 1945 ad oggi*, Bologna, 1972, p. 26.

¹¹⁸ Vera Lutz, *Il dualismo dell'economia italiana*, in Augusto Graziani (ed.), *L'economia italiana dal 1945 ad oggi*, Bologna, 1972, p. 227-34.

have been ready to pay higher wages. Enterprises where economies of scale were not particularly significant (commerce, some services, etc.) tended to pay lower wages. For a third group of enterprises, economies of scale would have been beneficial, but not essential. According to Lutz, this led to the establishment of numerous firms in which economies of scale could be compensated by savings on labour costs and where, consequently, high and low wages co-existed. The small artisan workshop and the “large” industry, pursuing different strategies, could therefore live and even prosper side by side. This did indeed happen in the Riviera del Brenta, which featured both “large” firms with more than 100 workers, open to some technical innovation but also struck by early industrial action, alongside small labour-intensive artisan workshops with just a few employees s.¹¹⁹

The situation changed in the decade from 1963 to 1973. The nation-wide “crisis” of 1963 (in reality, a temporary slowdown of exports) halted Brenta's growth for a couple of years, prompting its first, limited internal reorganisation which included a more intense working pace, overtime and individual incentives. A second, by far more far-reaching restructuring took place between 1970 and 1974, under much more difficult international circumstances (such as the suspension of the dollar convertibility in 1969, the dollar devaluation in 1971, increases in commodity prices in 1972, and the collapse of fixed exchange rates in 1973) and domestic circumstances (in particular the labour conflicts in 1969 – the so-called “hot autumn”, and the free floatation of the lira in 1973). It affected Italian industry in all aspects, financial, territorial, technological, and affected both capital- and labour-intensive enterprises. In particular, enterprises tended to outsource all phases of production which could technically be performed elsewhere, with only the core production phases remaining in-house. In Brenta (and in other footwear areas as well)

¹¹⁹ A. Graziani (ed.), *L'economia italiana...*, quote., p. 229.

the production of soles and components (for instance, heels) tended to be outsourced, but not the most difficult production phases like stitching and finishing. In the crucial years between 1970 and 1974, Brenta's largest entrepreneurs similarly to the rest of Italy. At the same time, in line with the Brentan conservatism described in preceding paragraphs, innovations were comparatively limited and did not fundamentally alter its characteristics including, as in Vera Lutz' model, the co-existence of small and large firms. On a whole, Brenta's largest entrepreneurs reached the three objectives recalled by Graziani with reference to Italy as a whole: labour costs were reduced; flexibility was enhanced since production could be increased or reduced without modifying the level of employment; and the bargaining power of the trade unions was weakened, since the workforce was now dispersed.¹²⁰ According to Vera Zamagni, two factors are particularly important in this context: first, the existence of local traditions conducive to the emergence of micro-entrepreneurial skills and capable of making up for some unfavourable conditions; second, difficult industrial relations in large firms which made small-scale firms more attractive to entrepreneurs (although the growth of small business took place also outside the decentralisation process).¹²¹ Both factors were at work in Brenta.

In recent years, however, Brenta seems to have lost touch with the most promising developments in comparable areas, in particular the emergence, if not of large firms, at least of an adequate number of medium-sized concerns, specialising in mechanical engineering products and in textiles and clothing, often led by the founding families who are rooted in industrial districts (including in Veneto). De Cecco compares this new layer of enterprises to the German "Mittelstand", which has played a significant role in the economic prosperity of post-war Germany (at least as long as the informal but efficient semi-institutional co-operation between

¹²⁰ *Ibid.*, p. 103-5.

firms, trade unions, public authorities and banks has worked properly). Their future will depend on the responses they will provide to at least five challenges: an Italian banking system still less efficient than its European counterparts; the end of competitive devaluations; the reform of the tax system, which since the late 1990s has significantly eroded the possibility for (and interest in) undeclared labour; the generational transition among entrepreneurs; the lack of skilled workers.

Andrea Colli considers these new medium-sized firms (“pocket multinationals”) as harbingers of a fourth phase of Italian capitalism, after those embodied in large firms (public and private) and in small- and medium-sized enterprises often located in industrial districts. A large number of these new Italian “pocket multinationals” are entrenched in industrial districts, which were instrumental for their birth and growth and which now tend to be restructured along the lines of the hub-and-spike model. A number of these firms are indeed footwear enterprises, located in southern Italy, the Marches, Montebelluna.¹²² Even Brenta’s largest enterprises, again in line with their conservatism, are still far from the minimum critical mass which could trigger entry into this new phase.

Some preliminary conclusions and an outline of the following chapters

The preceding paragraphs have underlined the need for a reassessment of the industrial district model based on its Italianate version, and they have set the context for the analysis of Brenta’s economic history as a case study relevant in this respect. It can be useful now to recall the intrinsic function of industrial districts: *a model*. As such, they are not expected either to capture all facets of the real world or to provide the ultimate explanation of events. A model, much in line with Kuhn’s concept of a

¹²¹ Vera Zamagni, *The Economic History...*, quote., p. 251-2.

¹²² Andrea Colli, *I volti di Proteo-Storia della piccola impresa in Italia nel Novecento*, Milan, 2002, p. 293-4.

paradigm, provides a set of rules of interpretation which can be useful in identifying some relations between specific aspects of the real world and some cause-effect relations.¹²³ A model always implies some degree of simplification and a focus on certain elements at the expense of others, in order to allow for the comprehension of the general functioning of the observed reality and to formulate predictions about future trends. As such, different models can be compatible or even mutually reinforcing. Models do not exist in the real world; they are products of analysts' minds. Industrial districts, including Brenta, are no exception: consequently, a "perfect" industrial district, fully corresponding to the ideal model, does not exist. All comparisons between a given district and a given model have, quite predictably, come up with a list of aspects in which reality falls short of ideal.¹²⁴ A model, like a Kuhn-ian paradigm, can be replaced by a new, more accurate one, more suitable for shedding light on some aspects of reality. And the new model in turn will sooner or later be discarded and replaced. This does not mean that the model was wrong in itself, or that it did not serve its purpose as a tool for analysis or even for action.¹²⁵

In the case of the Third Italy, however, after more than three decades of contributions, debates and discussions, industrial districts have also become more than a mere model.

First, they have become a pattern of self-perception by local clusters of small- and medium-sized enterprises. Observation is rarely neutral and tends to modify the

¹²³ On Kuhn's concept of paradigm: Samuel P. Huntington, *The Clash of Civilisations*, London 1997, p. 29-30.

¹²⁴ Some writers refer mention the Riviera as a test case: see Roberta Rabellotti, Is There an Industrial District Model? Footwear Districts in Italy and Mexico Compared, *World Development*, January 1995, 29-42.

¹²⁵ Huntington lists five criteria to assess a model's validity. It should enable us to: "1. Order and generalise about reality; 2. Understand causal relationships among phenomena, 3. Anticipate and, if we are lucky, predict future developments; 4. Distinguish what is important from what is unimportant; and 5. Show us what paths we should take to achieve our goals": Samuel P. Huntington, *The Clash...*, quote., p. 30. The industrial district model, preferably in its broader version, would probably satisfy even the most demanding interpretation of these criteria.

realities observed: this is true of the natural as well as of human sciences. The persistent attention to the added value of inter-firm co-operation, self-help organisations, local cultures and traditions, collective local identities, synergies within a given area, even direct political and financial incentives, have led the actors operating within a district to pattern their conduct on the industrial district model. To some extent, we are what we perceive ourselves to be and what others perceive we are. In the case of Brenta, the term “industrial district” was almost unknown locally until the early 1990s, and Brenta was seldom listed among Italian districts. Over the last ten years, however, entrepreneurs, trade unions and public authorities alike have increasingly used this concept in referring to Brenta, tending to act accordingly and consequently stressing its collective dimension.

Second, industrial districts have also become a legal concept in Italy. Incentives are foreseen for individual districts, the borders of which are defined on the basis of some (vague and flexible) criteria established by the law. Incentives are granted to both individual enterprises and collective local organisations. In practice, Italian legislation encourages local clusters to present themselves as industrial districts and, in some cases, to act accordingly. The Veneto region, which includes the Riviera, is particularly active in this area.

Finally, industrial districts have also become a tool of Italian foreign policy. For instance, during the Italian presidency of the Council of the European Union (the second half of 2003), the Italian Ministry of Foreign Affairs devoted attention to the industrial districts and launched several initiatives aimed at helping to establish industrial districts in countries such as Croatia, Tunisia and Romania.¹²⁶

¹²⁶ www.esteri.it

A study of the Riviera del Brenta, i.e. a comparatively small local reality, can help shed some light on the above issues. Discussions on the “positive” or “negative” nature of industrial districts within the wider context of the debate on post-Fordism reflect, at a higher level, discussions on the nature of specific developments in Brenta’s history. These developments include in particular the restructuring in the early 1970s, which on the one hand pushed the local footwear industry to higher market segments and triggered enhanced inter-firm co-operation, but on the other implied fragmentation and dispersion of the workforce and at times a deterioration in working conditions. They also include the impact of globalisation and decentralisation in the late 1980s and in the 1990s, often perceived as a threat to the district identity, as well as the role of flexible technology and its adoption by Brenta firms as one key to flexible specialisation. Finally, they also encompass the decline of the political and ideological post-war context, centred on mass-based parties, and the emergence of localist movements such as the Northern League as well as other local movements.

We have already considered Brenta’s specific “innovative conservatism”. This puts into perspective the very concept of the economic, social and cultural quantum leap implied by the Italianate industrial district model or, more generally, by the post-Fordist approach. The cautious “Fordist” innovations in Brenta -- including early recourse to some aspects of Taylorism at Voltan, the decline of the old team work replaced by vertical integration in “large” factories in the late 1940s, the wide-spread adoption of a sort of assembly line in the 1960s – did not have more far-reaching effects than the incremental changes brought about in the early 1960s and, later, in the 1970s and 1980s (in particular enhanced inter-firm co-operation, a certain fragmentation of larger enterprises, some attempts at outsourcing and even a co-operative approach in relations between entrepreneurs and trade unions). Both

sets of changes, that inspired by Fordism and that inspired by flexible specialisation, did not translate into any decisive fracture in the development of Brenta, which has grown incrementally and has preserved its core capabilities over ten decades.

Even internationalisation and globalisation in themselves do not alter this picture. They have always been a characteristic of capitalism and can scarcely be considered a complete novelty (however, their current scale may well be unprecedented). Apart from being part of the Italian economic system, which is particularly exposed to international fluctuations, Brenta already faced international, "global" challenges, in particular immediately after the end of the Second World War in the context of the progressive opening up of the European economy. It was then able to react, in particular with steadily growing exports and by upgrading its product quality.

As a conservative yet successful area, Brenta confirms that the innovations summarized by the industrial district model (or, more generally, by the post-Fordist paradigm) are significant, but have not yet reached (as it seemed a few years ago) that critical mass which would translate into a real new Kuhn-ian paradigm of economic (but also social and political) life. The necessary reappraisal of the role of Italian industrial districts (including Brenta) as harbingers of a new economic and social system, however, does not diminish their continuing relevance in fostering and stimulating current debate. The industrial district model has proved to be flexible and capable of incorporating new elements (for instance more attention to backward and forward linkages). It is therefore still potentially useful even in shedding light on more recent developments.

The interest of an additional case study, like this one on the Brenta, depends ultimately on keeping the appropriate balance between the analysis of the specific case and the relevance of its conclusions for the general model. This thesis therefore

will focus equally on the three key concepts highlighted in its title: *innovative conservatism* as the essence of the *specific Brenta economic history*, to be assessed on the basis of *the industrial district model*.

Consequently, Chapter II sets the context of the Brenta history, presenting an outline of the economic history of the Brenta footwear industry from the establishment of the first industrial firm in 1898 to date.

Chapter III's three sections deal with the three main local collective actors (the local "triangle") respectively: entrepreneurs, workers and public authorities, analysed in particular in the context of their respective main formal organisations (entrepreneurs' self-help associations, trade unions, mass-based political parties).

Chapter IV deals with a specific subject on which all three main actors to various degrees co-operated and continue to co-operate: the Brenta training centre, established in 1923, which has played a role not only in transmitting and enhancing professional and technical skills, but also in forging a collective district identity.

The conclusion refers to the empirical evidence discussed in the chapters in order to emphasize the need to move away from the social embeddedness perspective, in particular through a reassessment of the key role played by local entrepreneurship.

CHAPTER II

The Brenta industrial district from 1898 to 2004

An historical outline

This chapter offers an overview of the Riviera del Brenta economic history from the inception of the footwear industry in 1898 until today, drawing from both secondary and primary sources. The latter include in particular documents kept in Voltan's archives and data provided by the entrepreneurs' association ACRIB (Associazione Calzaturieri della Riviera del Brenta – Brenta Footwear Entrepreneurs' Association).¹²⁷

My vision of Brenta as an example of “innovative conservatism” is not shared by a number of writers, who rather highlight innovations and qualitative developments. This is true in particular for the distinction between two alleged distinct Brenta's “pre-district” and “district” phases, with little or nothing in common. Fiorenza Belussi and Marisa Scarpel list some characteristics of the pre-district phase (in particular “Fordist” methods, low quality products, access limited to local markets, significant role of public orders, an “artisan model” based on a “large” enterprise and a constellation of small workshops) which would be the opposite of those prevailing in the district phase (artisan methods, high-quality products, growing international exports, decreasing direct role of public authorities, decreasing

¹²⁷ I have obtained from ACRIB a set of data concerning the whole district (not just ACRIB's members) for the period 1960-1979. Data include the number of workers, firms (“industrial”, i.e. “large”, and “artisan”, i.e. “small”), total sales, export, total production and average prices. For the period 1980 onwards, the data I have obtained from ACRIB also include the number of workers and firms in each of the Brenta communes. From 1998 onwards, ACRIB data are given for the district as a whole, not for individual communes. Comparisons with preceding years are impossible since ACRIB has adopted a broader definition of the district, which translated into higher numbers of employees, firms and total production. Some data are also provided by the Italian censuses of 1911, 1927, 1937, 1951, 1961, 1971, 1981, 1991, elaborated by ISTAT – Istituto Nazionale di Statistica. Data at a communal level however are provided only by the censuses of 1961 and 1971. All other censuses provide data at a provincial level.

relevance of “large” core firms).¹²⁸ Roberta Rabellotti notes that “... major changes are (now) taking place: an international relocation of production, increasing competition in distribution, mergers of fashion firms and acquisitions of additional brands and the formation of financial multi-project giants. Nothing remains the same, not even in a long-established industrial district like the Riviera del Brenta”. She underlines the need to “... integrate the typical industrial district approach, traditionally focussed on analysing the local sources of competitive advantages, with the global value chain approach which stresses that activities such as design, production and distribution are often located in different regions or countries”.¹²⁹

Some literature also conveys the view that Brenta’s economic history, having gone through the three traditional phases of birth, growth and decline, has already have come to the end of the district as such and to the shift towards other forms of inter-firm and intra-firm organisation, if not to the end of the local footwear industry. Joerg Meyer-Stamer for instance considers the contemporary Riviera as a typical example of growth and crisis of an industrial district. Its expansion phase is marked by progressive functional specialisation achieved through overproportional increase of small supply firms and through the establishment of common services. Since the mid-1980s however the limits are reached of local/regional innovation capabilities, of the accumulation of technical knowledge and of the training of skilled workforce. The co-operation with firms in other regions and countries, as well as outsourcing

¹²⁸ Fiorenza Belussi-Maria Scarpel, *Il distretto della Riviera del Brenta come comunità di popolazioni organizzative*, discussion paper presented at the University of Padua, 2001, p.10-11.

¹²⁹ Roberta Rabellotti, *How globalisation affects Italian industrial districts: the case of Brenta*, in Hubert Schmitz (ed.), *Local enterprises in the global economy: Issues of Governance and Upgrading*, Cheltenham, forthcoming.

abroad, tends to erode local competitive advantages.¹³⁰ Corinna Hilbert and Hening Metz recall Brenta's three-pronged growth path (incubation until the second world war; the establishment of a network of firms in the 1950s and 1960s; a blooming period in the 1970s and 1980s). This co-exists however with weaknesses in horizontal co-operation, the loss of the competitive advantage of low labour costs, and the loss of experience and know-how due to succession problems. All this leads *inter alia* to the dilution of the traditional district organisation and to the adoption of alternative options, including outsourcing to south-eastern Europe and closer links with large fashion groups based outside the district.¹³¹

Unlike these writers, I will underline the continuity in the economic history of the Riviera and the persistence, over more than one century, of a significant set of common features.

The chapter is divided into the following sections:

- the establishment of the first "industrial" footwear enterprise and the firm Voltan;
- the inter-war period;
- the slow transition to the industrial district;
- the "watershed" of 1969;
- restructuring and outsourcing;
- internationalisation;
- conclusion.

¹³⁰ Joerg Meyer-Stamer, *Clusterforderung als Element lokaler und regionaler Standortpolitik: Optionen, Hindernisse und Grenzen – Perspektiven fuer NordRhein-Westfalen*, discussion paper submitted at the University of Duisburg, 2000, p. 52.

¹³¹ Corinna Hilbert - Hening Metz, *Konstitutive Elemente regionaler Innovationsmodelle: Netzwerke, Cluster, Industriedistrikte, Lernende Regionen: Grudlagen, Raumverstaendnis, Akteure, Lernen durch systemische Innovation, raumdifferenzierende Faktoren*, discussion paper submitted to the University of Hannover, 2003.

The establishment of the first "industrial" footwear enterprise

The role of Giovanni Luigi Voltan, who established in 1898 the first (and still existing) footwear factory in the area, has been discussed in particular in the study published in 1998 to mark the centennial of the Brenta footwear industry.¹³² The following paragraphs will assess the impact of Voltan in the larger context of a nascent cluster of small firms, including some reference to Voltan's "myth"; the birth of the first, embryonic district structures; the relationship between endogenous and exogenous factors.

An overview of Voltan's biography and of his American experience

The oldest original and unpublished document which I have been able to trace in Voltan's archives is a small receipt, issued on 26 August 1898 by the director of Stra' tramway station for some shoes ("weighting less than ten kilos") sent to one Signor Petrini in Venice. Even this small receipt, on red cardboard, filled in with elegant handwriting, tells something on the first steps of this entrepreneurial adventure: at a very early stage, Voltan tried to reach out from the small Brenta world, to Venice itself where he had some clients; the location chosen for his enterprise enabled him to profit from existing infrastructures, including the local comparatively good public transport system connecting Stra' with Venice and Padua; at least initially, he worked on small batches, even single pairs of shoes.

At that time, Giovanni Luigi Voltan was twenty-five, having been born on 24 May, 1873 in Stra' to a comparatively well-off family, familiar with dealing with both rural and urban environments. His father Carlo owned two footwear workshops,

¹³² Giovanni Luigi Fontana, *L'azienda incubatrice: Luigi Voltan e la nascita dell'industria calzaturiera*, in Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *Cento anni di industria calzaturiera sulla Riviera del Brenta*, Fiesso d'Artico 1998, p. 35-136.

in Stra' and Padua respectively, ran a rented footwear shop in central Venice (in San Giovanni Crisostomo, very close to the Rialto Bridge) and was also active as a real estate agent. In 1892, the nineteen-year-old Giovanni Luigi faced the turning point of his personal and professional history: a working experience in the United States. He sought employment in Boston, at the time one of the thriving shoe-production centres of the United States, and had the chance to observe closely the local footwear mass production. He then returned to Stra' with some footwear machine tools, and launched his own "mechanised", comparatively very competitive footwear enterprise, soon to be known as "the first mechanised in Italy" and to employ 400 workers by 1904. At least, this is the established version of the story, which links the birth of Brenta's industrial district with the "American dream" of a single, very capable local entrepreneur.¹³³

More accurate research however has led to a reassessment of the above.¹³⁴ The much celebrated American period lasted just seven months and its influence on the future entrepreneurial life of Voltan was at most indirect. According to a document signed by the Mayor of Stra' in 1896, he obtained an entry visa to the United States on 21 December 1896.¹³⁵ His stay in America is described in a number of letters to his relatives in Stra', which highlight his specific interest in the footwear sector, his bent for innovation and exploration, and his good family connections in the US. He first moved briefly to New York and then stayed in Chicago for several months, where he failed to find employment and experienced growing tensions with his relatives both in the USA and in Italy. Eventually, he had no other choice than to

¹³³ See for instance Francesco Jori, *1961/2001-40 anni di ACRIB*, Fiesso d'Artico 2001, p. 58-59. In this version, Voltan returned to Stra' after some years spent working in the United States in the footwear sector and brought home some "revolutionary machine tools" acquired from his former American employer. Fiorenza Belussi, *Tacchi a spillo*, Padova 2000, p. 36, mentions a "breathtaking growth" during the first ten years of the 19th century, based on Fordism and innovative technology with which Voltan had become acquainted during his stay in the USA.

¹³⁴ *Ibid.*, p. 35-48.

¹³⁵ *Ibid.*, p. 43.

return home between June and August 1897. This was a bitter return: he considered his lack of success as a personal failure.

In the following months, after a working experience as an emigration subagent for a travel company in Genoa, he joined the family activities in the footwear sector and entered into business relations with firms in Padua, Venice and Milan.¹³⁶ He launched his own business by establishing a footwear workshop in May 1898, less than a year after his return to Stra'. He married Romilda Viola, whose brother was a Navy officer serving as a military attaché at the Italian Legation in Tokyo. The couple had three sons and two daughter, two of whom continued the family enterprise.

But Giovanni Luigi Voltan did not act in a vacuum, even if the Riviera of the time was a rural, comparatively backward environment. Contrary to the established “myth”, he was influenced more by the new Italian footwear enterprises established in nearby Lombardy than by the America he had seen for some months. Some of these new enterprises should be mentioned here.¹³⁷ Luigi Bocca established the first Italian non-mechanised “large” footwear factory in 1872, by simply concentrating all manual work in a single building so as to achieve better control of his workforce, output quality and delivery times. The first partially mechanised firm was opened by Raimondo Rovatti in Mirandola, in the heart of the Po Valley. By 1891 he already owned four factories employing 350 workers and operating a network of 14 shops. In the same period, the footwear firm Borri, in Busto Arsizio, was the first to use the American “Goodyear” sewing machines. In 1898, Luigi Trolli and other entrepreneurs established the “Societa' Anonima Italiana per Industria di Pellami,

¹³⁶ Vittorio Pampagnin, *La Riviera...*, quote., p. 44-5.

¹³⁷ Giovanni Luigi Fontana, *L'azienda incubatrice: Luigi Voltan e la nascita dell'industria calzaturiera*, in Giovanni Luigi Fontana (eds.), *Cento anni...*, quote., p. 53.

Calzature e Affini" in Varese. They all strove to replace imports from the UK, France and the United States and to profit of a steadily growing domestic demand.

Two early balance sheets (January and June 1899) report a value of approximately 9,000 Lire of stock and just 1,000 Lire of machine tools (corresponding to 30,000 and 2,5000 Euro respectively - 2004 value), and therefore show that Voltan's core business was still retailing and not yet manufacturing. However, in the same year 1899, Voltan ordered several machine tools to the Deutsch-Amerikanische Maschinengesellschaft of Frankfurt, Germany. Even the headed notepaper used by his firm at the time, with its emphasis on "colossal new American systems", confirmed his intention to innovate production methods.¹³⁸

In the early stages, Voltan's activities encompassed men's, ladies' and children's footwear. Commerce however continued to play a crucial role. Just a few months after the opening of the new workshop, a shop was opened in Stra'. A second shop followed suit in Padua, in Via Sant'Apollonia, at least from 1. February 1899, on condition that it would not carry out commercial activities in Stra' and Fiesso. Voltan's shops also sold children's shoes bought from other producers in Venice and in Milan.¹³⁹

A turning point occurred in 1904. Voltan transferred his enterprise to a new area of some 8,000 square meters between the Brenta and another smaller canal, the Tergola. The "myth" mentions a production of some 1,000 pairs of shoes daily and some 400-500 employees in that year. The increases in production and in the size of the enterprise were probably lower. However, "mechanised" footwear factories, besides Stra', existed only in Milan, Turin, Varese, Busto Arsizio and Naples.

¹³⁸ Although soon Voltan's "high quality", and no longer his "advanced" technology (and standardised "mass" production) were emphasised; the headed notepaper changed accordingly: *ibid.*, p. 58.

¹³⁹ Fontana considers this an attempt to pursue a diversification strategy even at this early stage: *ibid.*, p. 66.

Voltan used machine tools produced by the German firm Moebius. In August 1906, Voltan inquired about machine tools with a daily production of 400 pairs of shoes. In November 1906, the firm Moebius provided 7 machine tools worth 7,500 lire (corresponding to 25,000 Euro in 2004); other machines were purchased thereafter, for a total value of 14,815 lire (slightly under 50,000 Euro in 2004: small amounts, but not insignificant in the Riviera at the turn of the century).

Documents signed by all employees put the total number of workers at 164, of whom 43 were female, 121 male (but several domestic workers should also be considered). These are significantly fewer than the several hundreds described by the “myth”, but still a significant industrial reality at the time.

Improvements in the sales organisation took place alongside production innovations.¹⁴⁰ A network of commercial outlets was established, and offered price reductions of up to 40%. In addition to the shop in Venice, others were rented, or directly owned, in Milan (two), Verona (three), Mantua, Ferrara, Vicenza, Udine and Bologna. A factory shop was also open in Stra' on Sundays morning. In turn, these positive developments are to be seen in the general context of a rapidly growing Italian footwear sector, in which the Veneto region played a role. In 1914, at the eve of the first World War, Italy was home to 75 mechanised industrial footwear enterprises, mainly located in the North-West. Five were in Veneto, including Voltan's.

The first World War was in many respects a watershed for the Italian footwear industry. Imports grew in the first couple of years, from just over one million pairs in 1914 to over 4 and a half million in 1916, to be followed by a sharp reduction to under three million in 1916 and just above one million in 1918.

¹⁴⁰ *Ibid.*, p. 87.

Assessments on Voltan's reactions to these major events diverge. Roverato underlines his ability in seizing the opportunity provided by military orders. The firm Voltan, "unlike other areas of the Italian footwear sector - unable to enter the field of military orders - from 1915 onwards, took advantage both of its production specialisation and of its timely deliveries".¹⁴¹ In 1914, Voltan had already asked the German firm Moebius, his traditional supplier, for a turnkey plant with a daily productive capacity of one thousand pair of shoes; and his military production began as soon as Italy entered the war (on 24 May 1915, which was also Voltan's birthday). However, available data are scarce and only refer to single batches. In September 1915 for instance, a batch of 2.008 pairs of military boots was tested, and just eight of them found defective. This happened despite the state of war against Germany, which had severed the links between Voltan and his German suppliers. But the scarce data available points rather to orders in the region of a few thousands pairs of military boots and to the continuation of some production for civilian use throughout the war. There are documents pointing to an increasingly tense situation in the management of the firm, partly due to Voltan's poor health (which compelled him to leave his wife Romilda and Ernesto Boldrin in charge of the day-to-day running), partly to frictions with other close collaborators who had even been granted a participation in the profits of the enterprise and in particular those of the Sunday shop in Stra'.

In the light of the above, and contrary to Roverato's thesis, the First World War was not an "immense opportunity" for Voltan. He provided just a negligible share of the Army's total orders: during the war, three hundred Italian firms had supplied 42 million pairs of shoes to the army, paving the way to a growth of the Italian footwear sector which was to peak in 1930, with a production of just under 30

¹⁴¹ *Ibid.*, p. 94.

million pairs (and made Italy the fifth-largest European shoe manufacturer). It was rather a challenging period which threatened the very survival of his firm, with military orders being a poor substitute for the reduction of demand for civilian products. The vicinity of Stra' to the front line certainly helped supplies to the troops and therefore played some role in ensuring military orders. However, this vicinity also disrupted the comparatively well developed commercial network existing in 1914. Several of the largest shops were even located in cities which came under Austrian military occupation as from 1917 (including Udine, Pordenone, Portogruaro). A letter of Voltan, dated 1916 and reporting serious problems with his close collaborator Giuseppe Leandro, conveys a rather bleak picture.¹⁴²

The inter-war period

Writers are more interested in the first year of Voltan's history than in the inter-war period, and even less in the post second World War events, when their attention is attracted by the nascent industrial district and no longer by the vicissitudes of single enterprises. However, my research in Voltan's archives, combined with existing secondary sources, confirm that at the eve of the second World War, Voltan's had not only survived, but had turned into a solid if unspectacular medium-sized enterprise, rooted in a local economic environment where also other footwear firms had began their trade, selling its products all over Italy, well informed of technological innovations in more advanced countries like Germany, and even considering export.

Giovanni Luigi Voltan retired in 1934, precisely at the beginning of a short-lived period of economic recovery following the international crisis of 1929. He devoted himself to experiments with fur-bearing animals and died on 23 April 1941.

¹⁴² *Ibid.*, p. 96.

The firm was converted into a limited partnership with two associates: Emanuele Voltan, Giovanni Luigi's son, born in Stra' on 25 September 1904, and Cafiero De Pol, his brother-in-law, whose family has had contact with Voltan since 1898. Emanuele Voltan married the daughter of a tannery industrialist in 1940. A second son, Fortunato, also played a role as the initiator of the only significant entrepreneurial initiative in the after-war period: the establishment of a new firm, "Tiziana", specialised in high quality ladies' footwear. It was a short-lived initiative: "Tiziana" was taken over by the parent firm in 1940 and reduced to a mere brand mark. Even while nominally independent, the links between the two firms were very close: a list which I found in Voltan's archives refers to 78 invoices concerning transactions between the two firms in the few weeks from 8th November 1939 to the end of the year.

I have traced in Voltan's archives fifty-eight insurance and paybooks, covering some weeks in April 1934 and then the period between November 1934 and the beginning of 1936. These books convey a rather detailed picture of the firm during the limited recovery following the international crisis of 1929-1933 and Giovanni Luigi Voltan's retirement. The books were duly stamped by the Inspectorate of the Istituto Nazionale Fascista per l'Assicurazione contro gli Infortuni sul Lavoro - INAIL (Fascist National Institute for the Insurance against Work Accidents), Marghera branch. Each book provides weekly data on employees, wages, working hours, absences, type of work contract (piece or daily work), number of apprentices, taxes, rents paid by employees on firm houses, outsourcing, holidays.

The books convey the picture of a comparatively large firm, employing up to eighty workers, some five clerks and employing twenty to thirty temporary workers. Over the period considered, the number of officially registered (and therefore

insured) employees fluctuated slightly between 85 and 79 (with some exceptions). Of these workers, 44 to 48 were males, 35 to 40 females. Flexibility was provided by temporary workers, listed separately in the books. Their number went from none to thirty-three (September 1934) and even forty (October 1934). Additional flexibility was provided by interruptions of work listed as "absences". A number of absences was certainly due to illness or other contingent reasons. However, long absences (for a week or over) tended to be rare (two or three workers at most) but also increased sharply in specific moments, at times with an unequal distribution of sexes, with peaks of 19 female workers; 2 males and 8 females; 40 males and 33 females, in the third week of June, the first week of July and the second week of July 1934 respectively. A seven day holiday was granted in the third week of July 1934 (paid according to status and seniority). The virtual standstill to which the factory came in that month was evidently due to the harvest, the busiest time of the year in the still predominantly agricultural Brenta, when the help of everybody, including the comparatively few industrial workers, was badly needed. This summer slack was partially compensated by an increased recourse to some 25 additional workers in June and July, ensuring some production continuity even during the harvest period. An even more precise picture of production fluctuations is provided by the total amount of working hours. Apart from the exceptionally low amount registered in the week preceding the "harvest holiday" (with just 70 hours worked by four people), figures fluctuates widely from 549 at the end of January 1934 to 6,074 in mid-August 1935 (i.e. about 13 working hours per day per worker). Again, these shifts were determined partly by agriculture, with the busiest period (between October and December) coinciding with the traditional slack in field works. In those periods, the total number of working hours was just under 6,000, with an average of over 12

hours a day per worker, and even reached 6,326 in the second week of November, i.e. over 13 hours per day per worker.

Salaries fluctuated accordingly. The data listed in the books indicate that virtually each worker was paid on an *ad hoc* basis, depending on his or her type of contract (daily or piece work), seniority and status (apprentice or regular worker). Not surprisingly, salaries for male were higher than for female workers. In the week starting on 16th July 1934 for instance the highest wage was paid to a piece worker: 167 Lire for a 48 hours week. For 27 hours (the average duration of that particular working week) salaries varied from 45 to 58 lire, with the lowest (18 Lire) obviously paid to an apprentice. 27 working hours by female workers were paid 25 to 35 Lire, with the two highest wages (just over 100 Lire) paid for a 48 and a 40 hours working week respectively.

The total amounts of wages paid varied from the peaks of 9,025 Lire in November 1935 and 7,224 in July 1935 respectively to a minimum of 667 in June 1935 and to 153 in the week preceding the “harvest holiday”. All wages mentioned here were gross. Taxes paid (and listed in the books) varied between 5 and 10% of gross salaries. Salaries paid to the four of five clerks were usually constant, as did their working hours.

The average gross salary per worker was therefore in the region of 1.2 lire per hour, corresponding approximately to 0.9 Euro in 2004 value. The weekly wage of Voltan's clerk was approximately 155 Lire, corresponding approximately to 3.8 Lire per hour (2.8 Euro in 2004 value). There are also traces of upward mobility within the firm: in the period covered by the books, at least one worker (obviously male) was promoted to the status of a clerk.

The books also shed some light on Voltan's role as an enlightened entrepreneur. They indicate rents paid by workers on houses owned by the firm

(probably those built along the small river Tergola, just behind the factory). The amount is fixed for clerks but varies for workers according to their salaries. The total rents went therefore from 86 Lire per week in the busy autumn 1934 to a minimum of 7 lire just before Christmas of these same years.

Not only workers, but the Voltans themselves continued some family business in agriculture, as was to expect given the rural character of Brenta at the time. In the firm's archives, I have traced a statement by the Mayor of Stra' confirming that on 22 September 1940 one Luigia Baldan weighed 602 kg. of grapes on behalf of Voltan. The same archives also indicates that on 11 November 1941, the same Luigia Baldan received an order to pay 680 Lire for debts related to the rental of a house and some fields owned by Voltan. Wide fluctuations in particular, affecting both production and employment, seem confirmed by one isolated firm book covering the week starting on 16 July 1934. This book conveys the picture of a significantly larger firm, with 151 officially registered workers (95 male, of whom 12 apprentices, and 6 female, of whom 8 apprentices). Consequently, although nine workers were absent during the whole week, the total number of working hours (6,944) was higher than at any time during the year fully documented by the other books for the subsequent period September 1934-January 1936. The low amount of per capita working hours (twenty-seven, concentrated in just three days for most workers) was probably due to the harvest, very much as happened the following year when the footwear production literally came to a halt.

Some data I also traced in Voltan's archives additionally confirm that even the most advanced Brenta footwear industry of the time remained heavily labour-intensive, dependent on foreign technology and confined to the national market.

According to a number of documents which I also found in the firm's archives, Voltan relied on some German suppliers of machine tools well into the

Second World War. This is hardly surprising, given the close political and economic links of Italy with Germany in the mid-1930s and the high quality of German footwear machine tools of the time. A list of invoices received from German firms in the period 1936-1940 amount to 62,767 Lire, of which 43,640 paid to just one firm (Vorsteler and Buerge of Obenbarmen). By comparison, the total salaries paid to workers in 1935 amounted to approximately 160,000 Lire. The only new documents I traced in Voltan's archives concerning its attempts to export regard the failure to launch a partnership with an Italian firm based in Asmara (the capital city of the Italian colony of Eritrea in the Horn of Africa) and the cancellation of a number of orders placed in May 1939, partly due to the insufficient local demand for Voltan's shoes (including the brand shoe "Solleva", which sold quite well in metropolitan Italy).

The 58 firm books and the other documents which I traced in Voltan's archives, covering the mid-1930s (the lull before the storm of the 2nd World War), portray the picture of a comparatively large and structured firm, with long but tolerable working hours, low but still attractive salaries, regulated apprenticeship, some social security and benefits (some paid holidays, some housing), some cases of vertical mobility within the firm, relations with domestic workers, established relationships with machine tools suppliers abroad, even some attempts at exporting. At the same time, the firm remained heavily labour-intensive, deeply rooted in an agricultural environment which dictated to some extent its production rhythms; it was exposed to wild production fluctuations which translated into recurrent temporary loss of work (and therefore of incomes) for large parts of its workforce; and was far from treating equally male and female workers.

Soon, however, new difficulties arose, coming in particular from increased competition *inter alia* by the large enterprise Bata based in the Czech city of Zlin¹⁴³ and from the high prices of raw materials encouraged by an Anglo-Argentin cartel. Emanuele Voltan, who by then held the reins of the firm, described a tense atmosphere in some letters in which he complained of the “uncooperative” behaviour of artisan shoemakers on one hand, and of the problems deriving from international prices and competition on the other hand.¹⁴⁴ A new difficult period began with the Italian war decade, prompted by the invasion of Ethiopia in late 1935. Again, some letters by Emanuele Voltan to the local Fascist party conveyed a bleak picture, but probably exaggerated since he sought a permission to reduce wages.

The uncertainty of the general economic situation is also reflected in a rather contradictory approach to production planning. A letter by Emanuele Voltan in 1934 stated that his firm only produced ladies’ footwear (but a small men’s production was continued throughout the period, with just a short interruption in 1938). Some sport and military footwear were also produced. As to the commercial network, the peak of the early 1920s (35 shops in North- and Central Italy) was never reached again. Documents concerning sales in some shops in Milan, published by Roverato, show a decline (from 82,000 Lire in 1926 to 32,000 in 1939). This is particularly significant since the commercial network was in some respects Giovanni Luigi Voltan’s core business and remained under his direct supervision even after the hand-over to his son Emanuele. After the closure of the “historic” shop of San Giovanni Grisostomo in Venice in 1935, just a few shops remained (Venice, Vicenza, Verona, Cremona, Mantua, Adria and Bologna, i.e. those closer to Stra’). Other shops passed to other members of the extended family. Some breathing space was obtained by switching

¹⁴³ Giovanni Luigi Fontana and Vera Raggi, *Il calzaturificio Voltan tra le due guerre*, in Giovanni Luigi Fontana (ed), *Cento anni...*, quote., p. 105.

¹⁴⁴ *Ibid.*, p. 122.

from shops to a network of commercial agents (six in 1937, eight in 1939, covering *inter alia* Florence and Rome).

At the eve of the Second World War, Voltan still ranked among the few “large” Italian footwear firms. An overview of the Italian industry published by the National Fascist Association of Industrialists in 1939 underlines that “... the large factories, which constitute the backbone of the Italian footwear industry, are concentrated almost exclusively in Milan, Turin, Bologna, Parabiago and Stra” (emphasis added).¹⁴⁵

After Italy entered the war in 1940, production was again shifted to military orders, although a limited civilian production was still continued. All in all, the disruptions caused by the war were worse than in 1915. During the German military occupation of Northern Italy (September 1943 to April 1945), Voltan was a “German protected industry”, meaning that a small production of some thousands of pairs of shoes was continued until the end of the war. On 24 April 1945 the factory was occupied by the local section of the Italian Committee of National Liberation (Comitato di Liberazione nazionale-CLN). It remained under its direct control until 31 May 1946, when it was returned to the Voltan family.¹⁴⁶

The slow transition to the industrial district

The life and work of Giovanni Luigi Voltan and the first steps of his firm should be set in the economic, social and political context of contemporary Brenta and of the networks in which local actors participated.

Voltan’s family, as mentioned, was comparatively well-off and had a comparatively good education. This is evident in the ample correspondence with

¹⁴⁵translation from the Italian original, in *Confederazione Fascista degli Industriali, L’Industria dell’Italia Fascista*, Roma XVII-1939, p. 528.

¹⁴⁶ Vittorio Pampagnin, *La Riviera ...*, quote., p. 85-9.

Giovanni Luigi during his stay in the USA: all letters are written in almost flawless Italian, at a time when over 90 per cent of the Italian population was only really acquainted with the local regional languages (and this was the case particularly in the Veneto region, where the regional language still thrives today). Voltan's personal and social contacts reached well beyond Stra' and he attached at least as much importance to his commercial initiatives as he did to his factory. In this sense, Giovanni Luigi Voltan, the initiator of the local footwear industry but also proud of his American experience and interested in developing commercial networks in a number of Italian regions, is perhaps the least locally rooted entrepreneur in the entire Brenta economic history.

Voltan's participation in local political life has not attracted much attention in literature, also because his contacts, and those of his sons and relatives, with the ruling fascist Party do not fit very well with the traditional "myth" of an enlightened entrepreneur, although he only rose to the local dignity of town councillor in Stra' and Dolo.¹⁴⁷ Pampagnin underlines that he joined the Italian freemasonry. Given the hostility between the Catholic Church and freemasonry in Italy, this can shed some light on the inertia of the Catholic Church (so omnipresent in Venetian rural society of the early 20th century, especially in the education field) not only in Voltan's entrepreneurial efforts, but also in the local patronage initiatives including the training centre established in 1923 which remained for a long time one of the very few education facilities in the Riviera.

Giovanni Luigi Voltan's environment was positively influenced by the contemporary industrial and technological developments.¹⁴⁸ Fontana mentions a

¹⁴⁷ *Ibid.*, p. 79-89.

¹⁴⁸ On the role of Veneto at the time of the "industrial triangle"'s take-off, see Giovanni Luigi Fontana and Giorgio Roverato, *Processi di settorializzazione e di distrettualizzazione nei sistemi economici locali: il caso veneto*, in F. Amatori and A. Colli (eds.), *Comunità di Imprese. Sistemi locali in Italia tra Otto e Novecento*, Bologna, 2001.

letter sent to Voltan by a representative of the Belgian firm Dupont, written in 1898, in response to an enquiry about a possible partnership in a footwear enterprise.¹⁴⁹ Voltan's proposal was turned down. According to the letter, three large footwear factories were already operating in Italy in 1898; production of low-cost shoes by machine tools required significant investments; growing competition by new firms and consequent overproduction were to be expected. Dupont mentions Rovatti (whom we have already mentioned as one of Voltan's sources of inspiration), but also other "large factories" in Northern Italy. In the light of this correspondence, Voltan does not appear as an innovator and the founder of the first Italian mechanised footwear enterprise, but rather as one among a few Italian footwear entrepreneurs. Voltan's vicissitudes in particular seem to mirror very closely those of Pietro Bertolini, who at the beginning of the 20th century founded not only the still existing "Footwear Museum" in Vigevano, Lombardy, but was also one of the promoters of the local footwear industrial district. Exactly like Voltan, Bertolini was created a knight of the Crown of Italy before the Great War and is still considered a sort of founding father of that industrial district. These two parallel histories seem actually to fade into a single standardised biography, which includes the genius of a single entrepreneur, his innovative skills in mechanising old artisan procedures, his capability to exploit the legacy of a glorious past (the Republic of Venice or the Duchy of Milan), a direct continuity between the first local enterprises and the contemporary firms, wide local social recognition through the status conferred by the order of the Crown of Italy.¹⁵⁰

¹⁴⁹ Giovanni Luigi Fontana, *Cento anni...*, quote., p. 100

¹⁵⁰ The roots of several Italian industrial districts can be traced back to a more or less remote past. Michael E. Porter, *The competitive advantage...*, quote., p. 211, notes that the "... history (of the ceramic tile industry in Sassuolo) can be traced back to the thirteenth century". In general however such references simply point to the obvious but quite vague concept of uninterrupted economic life over centuries and the consequent accumulation of a social, economic and cultural common background over the generations. Belussi's reference to the supposedly "late medieval origins of the Brenta district" including a role for its "shoemakers guilds" falls within this category, even if the

Voltan's impact on the nascent Brenta industrialisation should also be assessed against the background of the contemporary local economic situation. In this respect also, evaluations diverge, despite some good quantitative data carefully investigated by Baldan.¹⁵¹ The literature on our subject often underlines the fracture with the past, brought about by Voltan and his followers. Brenta is portrayed as backward if not underdeveloped, so that Voltan's initiatives (and the birth of a local footwear industry as a whole) appear as unexpected, unforeseeable and (on the local scale) major exogenous developments. At the same time, the same literature underlines the continuity with the past embodied in a strong, self-conscious local culture rooted in the legacy of the ancient Venetian Republic, the role played in the centuries by the Brenta waterway, the constant relationship with the nearby cities of Padua and Venice which partly offset the rural character of the area. Belussi even mentions "the medieval origins" of the local footwear district.¹⁵² The situation of the early 20th century, rapidly changing even in the Brenta area, can be better described in terms of timid, partial and unequal development, of which the nascent footwear industry (and the Voltan firm itself) were both the precondition and the consequence. In this perspective, even Brenta first industrialisation was the result not of a quantum leap but of a developmental process following a wavelike path, with continuity between one wave and another rather than discontinuity, as Vera Zamagni notes with regard to the whole economic history of Italy since its unification.¹⁵³ Voltan therefore did not act in a vacuum and did not graciously offer some industrial development to a hopelessly backward area. He rather pursued a skilful strategy (including the relocation of his premises in 1906; the opening of shops in Dolo and Stra'; his active

origin of some specific cultural traits of the Riviera can indeed be traced back even to pre-unitary Italy (Fiorenza Belussi, Il distretto industriale della Riviera del Brenta: tipologia delle imprese e tendenze evolutive, *Oltre il Ponte*, 43-44, 1993, 118).

¹⁵¹ Alessandro Baldan, *Storia della Riviera del Brenta*, Villadelconte 1980.

participation in the local party and political life; his preference for local labour) based on rational use of the limited local resources. Such a development in turn had been prompted by a combination *inter alia* of a growing population, a pool of comparatively skilled workforce and some public works.¹⁵⁴ Among the latter, a mention should be made at least of the electric tramway, opened at the end of the 19th century and connecting Venice with Padua through Stra', Fiesso, Dolo and Mira¹⁵⁵; and of the public works on the Riviera canal, including the dredging and refurbishment of bridges and locks.¹⁵⁶ National developments of which Voltan also profited has been mentioned in Chapter I (including the increased domestic demand for footwear, with imports growing from just 73,000 pairs in 1906 to over one million in 1910).

Several writers refer to Voltan's local dominant position at least until the 1940s. Belussi in particular considers the second World War as a fracture between a pre-district phase, centred on one single "large" factory, and the subsequent sudden emergence of a proper district, with its cluster of several enterprises.

However, there is evidence of a gradual transition from one model to the other. A small but vital cluster of firms and an embryonic co-operation among entrepreneurs were established as early as the 1920s. A few artisan workshops were able to turn into small but solid family enterprises, sometimes with some niche specialisation. Domenico Menin, born in Campoverardo, ten kilometres south of

¹⁵² Fiorenza Belussi, *Il distretto industriale...*, quote., 118. She also mentions a role for Brenta's alleged "shoemakers guilds".

¹⁵³ Vera Zamagni, *The Economic History...*, quote., p. 380.

¹⁵⁴ Stra' passed from 2,132 inhabitants in 1871 to 3,945 inhabitants in 1936; Fiesso from 1,688 to 3,266; Fosso' from 1,632 to 3,786. Source: ISTAT (Italian National Institute of Statistics), *Popolazione residente dei Comuni*, Rome 1994.

¹⁵⁵ But it remained too expensive and slow to allow regular commuting: see Vittorio Pampagnin, *La Riviera...*, quote., p. 69-70.

¹⁵⁶ The bridge and lock in Stra' were rebuilt around 1890; a bridge, a new lock and major hydraulic public works were carried out in Dolo around 1930. See Pietro Casetta (ed.), *Memoria idraulica sulla regolazione dei fiumi Brenta e Bacchiglione di Pietro Paleocapa*, Roma 2002, in particular p. 71 and p. 150-152; Pietro Casetta, Il colmellone di Limena in un'osella settecentesca: la sistemazione idraulica dell'Alta Padovana, *Alta Padovana*, nr. 2, 2003, 24-33.

Dolo, was a sort of community leader in his sector. One of his apprentices, Pietro Cabbia, born in 1898, opened a workshop with six collaborators in 1928.¹⁵⁷ Some evidence indicates that one Gaetano Carraro run a comparatively “large” workshop already in 1865. His apprentices Giuseppe and Vittorio Neri opened their own workshop in 1900. Vittorio Pampagnin recalls the vicissitudes of the firm “Norge” established after the war by Luigi Agnoletto and Camillo Contin, with fifteen employees in the mid-1920s, large enough to participate with some success in the Rome Fair in 1926 and to open a shop in Venice in 1928 (but only to go bankrupt the following year).¹⁵⁸ Many such small enterprises were located in Fiesso, where they could profit from the limited tax exemption decided by the two local government-appointed mayors (“podesta”) who served in 1926-1933 and 1935-1943 respectively.¹⁵⁹ The 1927 and 1937 censuses confirm the existence of some “industrial shoe factories” in the province of Venice: 14 in 1927 (including Voltan) and 19 in 1937.¹⁶⁰ The same figures are listed in a convocation letter addressed by Emanuele Voltan to his local fellow entrepreneurs, in his capacity of Political Secretary of the Fascist Party local branch, again in 1937. In 1938, Emanuele Voltan requested the registration of two artisans in the entrepreneurs’ corporation, “taken into account the number of their employees and the type of machine tools used in their production”.¹⁶¹ By the end of 1939, Stra’ apparently hosted, besides Voltan, some ten enterprises with approximately 100 employees.¹⁶²

¹⁵⁷ Giovanni Luigi Fontana-Elvio Tuis, *Il contesto delle origini. Economia e societa' lungo il Brenta tra Otto e Novecento*, in Giovanni Luigi Fontana (ed.), *Cento anni...*, quote., p. 29.

¹⁵⁸ Vittorio Pampagnin, *La Riviera...*, quote., p. 74-5. The firm “Norge” was named after the Italo-Norwegian airship which successfully overflew the North Pole under the command of the Italian general Umberto Nobile: an attempt to find a fashionable name for an enterprise which tried to be fashionable.

¹⁵⁹ Gino Garbin and Antonio Smania respectively: see Vittorio Pampagnin, *La Riviera...*, quote., p. 74.

¹⁶⁰ Source: ISTAT (Italian National Institute for Statistics).

¹⁶¹ The firms were Calzavara and Sartori, both located in Stra’: see Giacomo Masato, *Per una storia dei distretti industriali: La Riviera del Brenta e il Calzaturificio Voltan (1898-1946)*, thesis, Padua University, 1998, p. 66.

¹⁶² Giovanni Luigi Fontana and Vera Raggi, *Il calzaturificio Voltan...*, quote., p. 121.

The “myth” portrays Voltan as a benevolent incubator of spin-off firms, to which he gave orders and sometimes even financial support, very much along the lines of Michael H. Best’s model.¹⁶³ However, the relationship between the leading firm and the others was at times rather tense. In 1937, Emanuele Voltan wrote to the fascist Industrialists Association of the Province of Venice that, despite the economic crisis, “artisans still work well enough, especially because domestic work does not entail the large expenses of large industries. Artisans should of course continue their activities; but even they should abide by the laws, for instance in respecting official working hours”. In 1938, again, Emanuele Voltan requested the punishment of those who “evade taxes and do not respect labour laws”.¹⁶⁴

With these provisos, the role of Voltan as (voluntary or involuntary) incubator of spin-off smaller enterprises is confirmed by some interviews published by Roverato. Spin-off small enterprises in general were typically established by former employees of Voltan, who had begun working as apprentices at the age of 15 and then started their own business (small workshops of up to ten workers) after the first World War.¹⁶⁵ Pietro Gobbo is the most interesting case. Born in 1899, he started working with Voltan already before the war and set up his own business in 1918. Two years later, together with some other former Voltan workers, he started a small enterprise in Celeseo, south of the Brenta waterway, in the future southern part of the industrial district. In his interview, Gobbo underlines that political life was “quieter than in the politically high-spirited Riviera”. South of the waterway, standards were even lower than in Dolo, Stra’ and Fiesso, shops (including shoe shops) were few and local products (including shoes) were of lower quality. Gobbo started a lower-quality production, to be sold locally but also in nearby Padua. It was

¹⁶³ Michael H. Best, *The new competition*, Cambridge 1990, p. 207.

¹⁶⁴ Giovanni Luigi Fontana and Vera Raggi, *Il calzaturificio Voltan...*, quote., p. 123.

the harbinger of a division of labour between a core area and the periphery of the industrial district.

As underlined in the preceding paragraphs, the Brenta footwear industry at the eve of the Second World War, far from being confined to a single “large” firm surrounded by some micro-workshops, had already evolved into a complex system drawing from those “social networks” described by Colli as “extremely long lasting” and able to survive in the face of radical changes in production organisation.¹⁶⁶ Belussi also recalls Brenta’s “stable social relations which favoured economic growth and local entrepreneurship”.¹⁶⁷

This system was centred on a larger enterprise; some ten to twenty firms with a dozen or so workers each¹⁶⁸; several very small artisan workshops; an emerging territorial hierarchy with a distinction between core and periphery; an embryonic policy of tax incentives to locate in a given commune; a variety of products targeted at different market niches; an emerging “entrepreneurial class” whose names were to be encountered again in the following decades (Caovilla, Gobbo, Ballin, Gasparini, Gastaldello, Beda, Canova, Contin, Agnoletto...)¹⁶⁹; a network among entrepreneurs in the context of the Fascist organisations; the training centre established in 1923 (to which I devote a separate chapter of this thesis). These features survived the second World War and provided the stepping stone for the post-war take-off in the early 1950s, when some still dormant local potentials bloomed. This pattern of economic growth is similar to that of some Italian major industries (automobile, chemical,

¹⁶⁵ Giovanni Luigi Fontana (ed), *Cento anni...*, quot., p. 135; Vittorio Pampagnin, *La Riviera...*, quote., p. 73-78.

¹⁶⁶ Andrea Colli, Networking the market: Evidence and Conjectures from the History of the Italian Industrial Districts, in Wilfried Feldenkirchen and Terry Gourvish (eds.), *European Yearbook of Business History*, , Vol.1, 1998, 80.

¹⁶⁷ Fiorenza Belussi, *Tacchi a spillo*, Padova 2000, p. 14.

¹⁶⁸ With close linkages with one another: see for instance the “authorisation” given by Emanuele Voltan to the firm Ferrarezzo of Stra’ to hire a milling machine operator who had previously worked with Voltan himself: Giacomo Masato, *Per una storia...*, quote., p. 64.

¹⁶⁹ *Ibid.*, p. 78.

steel): established in the rapidly expanding northern Italy of the early 20th century as comparatively modest concerns, they managed to survive the First World War and the Fascist period, went through a phase of consolidation with the support of protectionist governmental policies, and grew steadily in size, technology and output after the war, profiting *inter alia* from national and international circumstances favourable to exports. Not only the social, but also the physical structures of the Brenta footwear industry survived the second World War almost intact. Voltan had even been able to continue its production under German “protection” between 1943 and 1945. No decisive damage was inflicted to other firms, all small and even more labour-intensive. The local infrastructure (railways, roads and waterways) also remained largely unscathed, including the electric tramway which was reinstated immediately after the war.

Again, the vicissitudes of Voltan after the Second World War, and in particular the way in which ownership and control were retained by the founder’s family, shed some light on the peculiar combination of continuity and high flexibility in post-war Italy. Voltan is an example of the Italian family capitalism, based on a flexible and “creative” use of family and personal connections in order to maintain the control of the enterprise regardless of its growth or external changes.¹⁷⁰ Voltan’s post-war experience is typical of some persistent features of Italian capitalism: as Stella writes in the year 2000, if a Venetian enterprise becomes too large for a family, then the family is made larger.¹⁷¹

As mentioned above, Emanuele Voltan had played some local role in the Fascist party as the owner of the sole “large” industrial concern in the Western part

¹⁷⁰ Andrea Colli, *Il quarto capitalismo. Un profilo italiano*, Venice 2002, p. 68-9 and 51-4, analyses the creative forms through which family control is maintained also through generational changes. In this sense, not much has changed since the times of Voltan indirect control of his firm in the late 1940s.

of Riviera, but had been reinstated at the head of his family enterprise as early as 31st may 1946. However tensions continued, to the point that he started discussions on the possible transfer of the management of his enterprise, while retaining his ownership. Talks with “Industria Calzaturiera” of Padua, negotiated in 1947, were unsuccessful. An agreement however was reached in June 1948 with “Industria Calzaturiera Scoiattolo”, an *ad hoc* limited liability company of Padua established just a few months earlier by five persons, four of whom were close acquaintances of Voltan. In particular Corrado Puchetti, a lawyer and law professor from Southern Italy, had been for years the legal counsel of Giovanni Voltan, as proven by documents I traced in his firm’s archives. Valdemar Schu and Giovanbattista Berno were Voltan’s former employees. Giuseppe Romanin only did not belong to this inner circle, having been appointed as a managing director by the Comitato di Liberazione Nazionale and been called to take part in the new endeavour as a sort of guarantor. On the basis of this politically expedient agreement, Emanuele Voltan rented his firm, which was officially managed by “Scoiattolo”. Accordingly, the headpaper used in these years was “Calzaturificio Voltan gestione Scoiattolo” (Voltan Shoe Factory, managed by Scoiattolo). In reality however Emanuele Voltan continued to follow closely, and to influence heavily, the conduct of business.¹⁷²

In the initial post-war years, the firm’s strategy was based on low costs, obtained also by compressing production costs through some technical incremental improvements. Manlio Baba, one of the members of the new managing board, suggested for instance to enlarge the existing assembly lines so to better accommodate machine tools and even obtain additional space for new machines.

¹⁷¹ He also mentions a report by the Udine University according to which 60% of Venetian entrepreneurs employ in their firms *all* their children: Gian Antonio Stella, *Schei*, Milan 2000, p. 173.

¹⁷² I have obtained the information mentioned in the text on Voltan’s post-Second World War history in a meeting in Stra’ with Giovanni Luigi Voltan, owner of the firm and grandson of the founder, on 22 October 2004.

Interesting enough, this proposal was formulated in a letter sent to Emanuele Voltan for his “approval”. The recovery was steady but slow, especially if compared with the rapid growth of the Italian post-war economy. The board of Directors considered the 1951 budget as “satisfactory”, but only in January 1955 did the Board recognise that the situation had “fully returned to normal”. Quite interestingly, Emanuele Voltan regained full control of his enterprise in the same month, by acquiring all shares and then by transforming it into a limited partnership in order to benefit from a more favourable tax regime.

Despite the problems outlined above, Voltan showed some dynamism also in the decade between the end of the war and the return to the full control by the family of its founder. In September 1946 there were some inconclusive talks about the establishment of a joint venture in South Africa (a shoe factory controlled by a group of Italian small firms led by Voltan) and in Venezuela (again, a local factory managed by some 15 Italians). More concrete results were achieved in the field of exports towards the USA. Contacts were established through the “Agenzia Commerciale Italiana”, an import-export agency based in Venice and led by Count Dino Dona’ delle Rose. In 1955, the Republican Commercial Corporation, member of the American Chamber of Commerce for Trade with Italy, wrote to Dona’ delle Rose: “... Voltan has done an excellent job on the lasts and the workmanship and materials used *were rated superior than necessary but that increased the cost*. A high quality standard can be maintained but *it is not necessary to be superior as to make an article too costly...* There must be no deviations from the instructions given but perhaps later on this will be easier” (emphasis added).¹⁷³ Low prices were what the American partners were after, and superior quality was welcome only as long as it

did not translate into higher prices. Probably, this is why these first talks with the Republican Commercial Corporation were not continued. However, after control was returned to Emanuele Voltan, exports to the USA actually began in 1955, always through Dona' delle Rose and thanks to a partnership with one Philip Green who owned a shoe factory near Boston and looked for ways to reduce labour costs. Voltan exported men's shoes (less subject to fashion) to America with the trade mark "Verde" (an Italian translation of its American partner's name). In 1957, some 60% of Voltan's production was exported to the USA. This co-operation required an increased flexibility, including the use of American measures, the conversion from ladies' to men's footwear production, adjustments in design to take into account American rather than Italian tastes, and also additional administrative procedures imposed by export legislation. The partnership came to an end in the early 1960s and Voltan returned to its original specialisation in ladies' footwear. By that time, the Brenta industrial district was a reality: data for 1951 report 1,260 officially registered workers in the seven Riviera communes, employed in 300 enterprises (but several irregular, unregistered workers should also be added).¹⁷⁴

A leaflet printed by the organising committee of the Footwear Trade Fair of Stra' reports 1,987 workers in 1936, increased to 7,699 by 1955.¹⁷⁵

Both the reduced significance of Brenta at the national level and the first steps of the industrial districts are confirmed by a new survey of the Italian industry published by the (no longer fascist) Association of Italian Industrialists in 1953. The picture it conveys is very different from the previous survey mentioned above, published a mere 14 years before. Instead of mentioning factories in just five

¹⁷³ Transcript of the letter by Republic Comercial Corporation of New York to Agenzia Commerciale Italiana of Venice, 3 August 1955, provided to me in Stra' by Giovanni Voltan (grandson of the founder of the firm) on 26th October 2004.

¹⁷⁴ Source: ISTAT-Istituto Italiano di Statistica, National Census 1951.

¹⁷⁵ Fiorenza Belussi, *Tacchi a Spillo*, quote., p. 36-8.

locations including Stra', the 1953 study lists some twenty main footwear centres including Montebelluna, but refers only in passing to a number of secondary industrial locations including not only Stra' but also Fiesso.¹⁷⁶ It is worth underlining that the small commune of Fiesso, traditionally Communist (6 square kilometres, a population of just over 4,000 in 1961 and under 6,000 in 1991) has been the most heavily industrialised in post-Second World War Brenta, both with regard to the number of firms (49 in 1980, 58 in 1990, 49 in 1994) and employees (1,767 in 1980, 1,919 in 1990, 1,843 in 1994), and has therefore been, together with Stra', the real hard core of the local industrial district.¹⁷⁷

Brenta's post-war development was, to a significant extent, export-driven. According to the data provided by the Footwear Trade Fair of Stra', export accounted for 2.7% of the Riviera's total sales in 1938 (including towards the Italian colonies in Africa and the Italian islands of the eastern Mediterranean). There were some attempts: Voltan even flirted with the idea of launching a business with the Netherlands, but the war put an end to it. By 1948 however, the export share on total sales had reached 6% and grew constantly in the following years to become a significant driving force of Brenta's expansion. By 1958, exports amounted to almost half of total production (46.4%).¹⁷⁸ Export grew both in percentage and in absolute terms, with Brenta's total output going from 1,100,000 pairs in 1938 to 2,000,000 in 1948 and 8,000,000 in 1958. Unlike other Italian footwear areas, most Riviera exports went not to the USA but to the relatively easily accessible Germany and other areas of central Europe.

¹⁷⁶ Confederazione Generale dell'Industria Italiana, *L'Industria Italiana alla metà del Secolo XX*, Roma 1953, p. 872.

¹⁷⁷ Source: ISTAT; ACRIB.

In many respects, Brenta experienced its halcyon days between 1965 and 1969, with 12,000 employees and a production of 11 million shoes, while wages continued to remain among the lowest of the manufacture sector (the gap with average salaries was closed only by the early 1970s).¹⁷⁹ By that time, Voltan had turned into a sort of “first among equals”, although for instance it still exhibited the largest number of shoe models at the first trade fair in Stra’ in 1955.

Most “large” Brenta enterprises performed all production phases in-house. Outsourcing to local artisan workshops was rare. Belussi mentions a growing vertical integration of Brenta enterprises as a distinctive feature of this period.¹⁸⁰ Fontana refers to the same phenomenon, but prefers to use the term “industrialisation of the footwear artisanship”.¹⁸¹ Correspondingly, the average size of Brenta enterprises increased from 5 employees in 1951 to 21 in 1961. As underlined in the preceding chapter, this is a common feature in Italy at the time, and certainly is not a unique feature of the Brenta area. However, this more-than-fourfold increase over one decade almost closed the gap with the average firm size of the Italian footwear sector as a whole (21.7 employees per firm in 1951 and 27.4 employees per firm in 1961 respectively).

The "watershed" of 1969

A new phase began in the early 1970s, marked by a decline both in total sales and in production of around 10%. With regard to production, the main innovation was the shift towards a higher market segment. With regard to organisation, the main innovations were the decrease in the number of the “large” vertically integrated

¹⁷⁸ Giovanni Luigi Fontana (ed), *Cento anni...*, quote., p. 322.

¹⁷⁹ Giovanni Luigi Fontana, *Dall’industrializzazione dell’artigianato all’esplosione distrettuale. Strategie e trasformazioni del calzaturiero brentano tra gli anni Cinquanta e gli anni Settanta*, in Giovanni Luigi Fontana (ed.), *Cent’anni...*, quote., p. 276.

¹⁸⁰ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 38.

factories, the increase in the number of small firms and enhanced production decentralisation. All this took place under circumstances less favourable than in previous years.

Growth rates were significantly lower. As production fell (by 15% in 1970, by 8,7 in 1971), so did employment and total sales. Growing national and international competition was one of the main reasons for the crisis. Italian production increased from 139 to 270 million pairs, mainly produced in expanding industrial districts such as Vigevano and those located in Tuscany, the Marches and Naples. But competition now came from those countries (Spain, Greece, Yugoslavia, but also Brazil) where an acceptable quality was achieved with low labour costs, while Brenta's wages, in line with Italian footwear wages in general, had by now aligned to those prevailing in the manufacture sector. Also non-labour costs increased, in particular those of raw hides and skins, and so did labour conflicts.

The impact of labour relations will be analysed in a separate chapter. Here however it should be recalled that by the late 1960s trade unions had taken root in the "large" factories but continued to be extremely weak, if at all non-existent, in smaller artisan workshops. Labour conflicts never reached the same intensity as in nearby Marghera, and the so-called "hot autumn" of 1969, with its strike waves in the largest industrial enterprises, did not reach Brenta. Nevertheless, the idyllic image of harmonic co-operation between workers and entrepreneurs is far from the conditions prevailing in the Riviera of the early 1970s. A significant participation in strikes and other trade union initiatives was the norm in the largest enterprises (those with 50 and more employees) at highly sensitive times such as the re-negotiations of collective work contracts. Brenta was by no means an island of social peace in a sea

¹⁸¹ Giovanni Luigi Fontana, *Dall'industrializzazione...*, quote., p. 277.

of social unrest, and was in turn heavily influenced by outside events, in particular in nearby Marghera. A permanent flow of information and perceptions, as well as a close co-ordination of labour actions, was also favoured by the fact that trade unions were (and still are) organised at the level of provinces, so that the same trade unions offices and branches, and the same trade union local leaders and managerial staff were (and are) in charge of both Marghera and Brenta. The several commuters between Brenta and Marghera also played a role in this respect. Their number peaked precisely between the late 1960s and the early 1970s.

The increased assertiveness of trade unions was also due to new employment opportunities in Marghera, resulting in a decrease of labour supply in the Riviera until the mid-1970s with the loss of up to five thousand often skilled Brenta workers.

As mentioned above, the trade unions increased their bargaining power at the national level, resulting in the adoption of increased legal protection for workers in “large” enterprises (with twenty or more employees) but not for those in “artisan” enterprises (with up to nineteen employees). Therefore, small firms competing on higher added value in niche productions acquired a higher flexibility than larger firms pursuing economies of scale through increasingly large, labour-intensive plants. The average price of a single Brenta pair of shoes was three times higher at the end than at the beginning of the 1970s. Brenta shifted from the traditional mixed production combining men’s, ladies’ and children’s footwear of various quality and ranging from the cheap to the luxurious, to a small, upper market niche (mainly ladies’ footwear). Exports grew from 60% of total production in 1968 to 73% ten years later.

As a consequence, the average size of “industrial” enterprises declined, going from 40 employees in 1968 to 23 by 1976; but at the same time, the number of

enterprises increased from approximately 300 to almost 400. This increase was due in particular to specialised firms. There were 86 accessories firms in 1975, but 153 by 1981.¹⁸² The most labour-intensive production phases were decentralised, this leading to the decline of the traditional vertically integrated firms. Consumer goods enterprises increasingly confined themselves to shoe design, collection of orders and the management of some decisive production phases. Subcontractors and specialised firms took care of the rest. Fontana identifies two decentralised subsystems: the supply of components by specialised enterprises on the one hand, and supply of workforce by artisan workshops and by domestic workers on the other.¹⁸³ However, decentralisation remained confined to some phases and never involved the decisive final phases of lasting, finishing, boxing and shipping.

Restructuring and outsourcing

According to the specialised literature, the above mentioned developments represent a fracture in Brenta history, affecting both its structure and its choice of the market segment. This view, however, should be qualified.

As mentioned above, responses given by Brenta entrepreneurs (decentralisation, a fall in the average size of firms, a shift to higher market niches) were not endogenous, typically local reactions to external developments. They were similar to those given elsewhere in Italy in the same period, not only in mature, but also in comparatively advanced sectors. Far from being original developments, Brenta's events offers a local version of nation-wide trends which were to shape the economic system of the whole Italy for several years to come. It is therefore worth exploring to which extent Brenta really departed from previous patterns and to which extent its responses were adequate.

¹⁸² Fiorenza Belussi, *Tacchi...*, quote., p. 39.

Comparatively major changes did take place in Brenta between 1969 and 1975. Until then, the area had known twenty years of increasing production, employment, total sales and, at least in the final years, also higher wages. All this came to an end in 1969.¹⁸⁴ Constant growth was replaced by irregular peaks and troughs. At the same time, nearby Marghera experienced a progressive decline, including a considerable decline in employment partly due to increasing environmental awareness. The influence of the trade unions was also significantly checked. These developments did have a lasting impact.

However, they favoured the incremental development of specific aspects already present in the district rather than prompted the alleged qualitative fracture recalled by a number of writers. This is true in particular for the allegedly clear-cut shift from a middle-quality to an upper-market production. Throughout Brenta's history, low cost and high quality productions were never mutually excluding alternatives. Giovanni Luigi Voltan himself constantly tried to combine both. He certainly introduced some form of standardised, mechanised production precisely to reduce costs, combined with an aggressive market policy. Actually, part of his marketing strategy was meant to counter psychological resistance of some consumers vis-à-vis the new "mass" production, which was perceived as inferior in quality. Even advertisement brochures shifted from the initial emphasis on the "colossal American machine tools" to the "high quality at reasonable prices". However, Voltan continued also a separate consumer-tailored handicraft production. In the first post-war period his firm was already increasingly specialised in quality ladies' footwear, and his son Fortunato launched a specialised daughter firm in the late 1930s. In the 1920s, Brenta's southern part (Vigonovo, Saonara) had already achieved some

¹⁸³ Giovanni Luigi Fontana, *Dall'industrializzazione...*, quote., p.298.

¹⁸⁴ Higher levels of employment and production will be recorded by the end of the 1990s: such results, however, are linked to a redefinition of the district's borders.

specialisation in low-cost, more simple footwear which differed from the comparatively higher quality of Stra' and Fiesso production.

Assessments on Brenta's responses to the challenges of the 1970s and 1980s vary significantly according to the academic (and to some extent ideological) background of commentators. For some of them, Brenta followed a comprehensive strategy which drew upon collective skills and expertise in the area, leading to a voluntary exit from standardised production and to the shift towards higher market segments. For others, Brenta simply failed to make the necessary quantum leap towards larger enterprises, which only could have led to a new, but also increasingly complex firm organisation.

Fontana considers the "increased rate of mechanisation" as the main feature of the evolution of the late 1960s, this being in turn the result of increased labour costs (higher wages, regulation of apprenticeship, regulation of home work). By the end of the 1960s, so Fontana, Brenta was confronted with the choice between "a mass production with a comparatively high degree of mechanisation on one side, and a high quality production drawing upon a skilled local workforce and building upon the pre-existing local handicraft tradition. **Confronted with these two options, Brenta had no hesitation in choosing the latter**" (emphasis added).¹⁸⁵ Among the reasons for this choice, Fontana mentions the structure of the local system, centred on a handful of "large" factories and on several medium-and small ones; local cultural and social characteristics, including social stability, scarce labour conflicts, availability of a skilled workforce with adequate artisan skills; the presence of several local shoe designers, decisive in the shift towards upper market niches; the

¹⁸⁵ *Ibid.*, p.278.

scarce relevance of economies of scale.¹⁸⁶ Fontana acknowledges that this led also to a decrease in the average size of enterprises and in the establishment of a number of new artisan workshops. He also acknowledges that labour conflicts also played a role in the reduction in enterprise size, “since many employers preferred to deal with single workers rather than with impersonal collective works”. However, so Fontana, all this played only a limited role, since “labour conflicts in Brenta were traditionally much lower than elsewhere in Italy” and also thanks to “the mediation role played by the entrepreneurs’ association”.

According to Fontana, therefore, the decrease in the average size of firms was the consequence of a rational choice, consciously taken in order to profit of Brenta’s resources and competitive advantages. In other words, the responses to the new challenges of the late 1960s and early 1970s were provided by a “return” to the local “typical qualities”.

According to Belussi, however, Fontana simply turns a blind eye on reality: “The history of that period (as reconstructed by Fontana) is clearly influenced by recent events in the district, in particular by the production decentralisation, and **does not reflect properly the events of that time**. (Fontana) unconsciously **does not even want to consider the existence of those events**, and even less is ready to discuss them” (emphasis added).¹⁸⁷

According to Belussi, Brenta enterprises did not choose freely downsizing and production decentralisation. They simply had no choice, given the intrinsic

¹⁸⁶ the limited relevance of economies of scale is a “classical” element in footwear production: mentioning the benefits of the concentration of close to a quarter of the world’s production of kerosene in three refineries, operated by Standard Oil Trust at the end of the 19th century, Chandler suggests to “... imagine the *diseconomies* of scale ... that would result from placing close to one-fourth of the world’s production of shoes, textiles, or lumber into three factories or mills!...the administrative coordination of the operation of miles and miles of machines and the huge concentration of labor needed to operate those machines would make neither economic nor social sense” (emphasis added): Alfred D. Chandler, Jr., *Scale and Scope. The Dynamics of Industrial Capitals*, London 1990, p. 25. In short: “...different production technologies have different scale-or-scope economies... the potential for exploiting the economies of scale varied widely from industry to industry”: *ibid.*, p. 27.

weaknesses of the local system. No Brenta enterprise was large enough to perform adequately all production phases, including design, brand promotion and commercialisation. However, so Belussi, this was no foregone conclusion: by the end of the 1960s some enterprises did try to enhance their size, but to no avail. Belussi rejects the traditional picture of a contemporary Brenta composed almost exclusively of small and very small enterprises and a large number of artisan micro-workshops. She recalls that by 1981, 49 firms still employed each more than 50 people. Half of the total workforce of the district (about 4,200 persons) was still employed in such “medium-sized” enterprises. Eleven out of these 49 enterprises (mostly located in the historic core of Stra’ and Fiesso) employed more than 100 people each. She acknowledges that between 1968 and 1976 the average size of “industrial” firms fell from 40 to 23,5 employees, in particular as a result of the establishment of several small and micro-firms and the ensuing outsourcing. However, she notes, this trend coexists with the persistence of a core of larger enterprises, which was to collapse only a decade later.¹⁸⁸

Roverato sees also a qualitative distinction between the decentralisation in the 1970s and the decentralisation in the 1980s.¹⁸⁹ In his view, the former had been partial, limited in scope, more a reaction to external pressures than a shift in strategy, and only meant to meet temporary, brief demand increases. To this end, two sub-systems were established: supply of components on one hand, supply of domestic or unskilled labour on the other hand. The coexistence of these two sub-systems gave Brenta enterprises an even higher degree of flexibility, enabling them to draw on the existing pools of skilled home workers for upper market productions and on

¹⁸⁷ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 49.

¹⁸⁸ *Ibid.*, p. 39.

subcontracting small factories for larger batches. Imperfect as this decentralisation can have been, it helped bring about some recovery: production in 1979 reached almost nine million pairs of shoes.

In the 1980s, so Roverato, decentralisation became more stable and linked to specific integrated phases of production. Brenta came therefore to resemble more closely the ideal-typical industrial district, based on significant division of labour and local inter-firm co-operation. This shift of production patterns was no longer intended, so Roverato, to achieve labour costs reductions, but to achieve economies of scale.

However, it should be underlined that decentralisation in the Brenta was always confined to a few, typical production phases. The proliferation of subcontracting small firms focussed on just uppers (with producers going from a handful in 1974 to over 160 by 1988) and shoe designs (with designers going in the same period from fewer than 100 to over 400). The increase in the number of other types of enterprises (in particular producers of heels and soles) was much more limited.¹⁹⁰

Another element of the “fracture” underlined by the literature is the export increase following the shift towards an upper market niche. An increase did occur: exports passed from 60% of production in 1969 to 67% in 1975. However, this can scarcely be considered a quantum leap and seems to be rather the continuation of long-lasting trends, with export shares progressively going from 6% in 1948 to 60% at the beginning of the 1960s. The export share on total output did grow after 1969,

¹⁸⁹ Giorgio Roverato, *Composizione e caratteristiche. Anni 1980-1990*, in Giovanni Luigi Fontana (ed), *Cent'anni...*, quote., p. 338-9.

¹⁹⁰ Fiorenza Belussi, *Tacchi a spillo*, , quote., p. 57.

but exports declined in absolute terms since production fell from 11 million of pairs in 1969 to fewer than 9 in 1978.

Despite the emphasis put on quality, price remained a key factor even after the move to a higher market niche. The production decentralisation was not accompanied by significant technological progresses, not even by the adoption of the comparatively simple new techniques adopted in other footwear districts (such as the cutting of hides and skins by laser or water-jet systems).¹⁹¹ Nominal increases in the prices of the Brenta footwear were eroded by a comparatively high inflation (although increases in real terms remained still significant, peaking at 15% in 1974). It should also be recalled that prices increases were not unknown even before 1968 (an average increase of 6% in real terms was for instance recorded in 1965).

Writers on Brenta mention only in passing the effects of a major international development: the collapse of the Bretton Woods fixed exchange rates in 1971. The largest increase in Brenta's exports occurred between 1975 and 1978, in coincidence with both the highest increase in the prices of footwear and with a major devaluation of the Italian lira (the exchange rate went from 653 lire per dollar in 1975 to 882 in 1977). For the first time, Brenta took advantage of the devaluation of the Italian currency; it will do so again, especially in the 1990s and until the introduction of the Euro in 2001.

However, even after the collapse of the Bretton Woods system, Italy achieved relatively stable exchange rates sometimes over periods of several years. During the 1980s in particular, the Lira exchange rate floated within the 6% fluctuations margins allowed by the European Rates Mechanism (ERM), and later on within the standard narrow band of 2,5%. However, at the same time Italy's domestic inflation was higher than in many other European states (in particular Germany). This led to

¹⁹¹ Giorgio Roverato, *Composizione e caratteristiche...*, quote., p. 341.

increased prices of export goods, which obliged Italian firms to explore alternative ways to maintain their competitiveness, either by reducing costs (for example by outsourcing abroad) or by increasing quality.

The rigidity of the Italian exchange rate coupled with an inflation higher than that of its international competitors produced the same effects as a rise in the exchange rate of the Italian lira. This translated into one of the selective factors disadvantages mentioned by Porter, which can be beneficial to economic development: “In actual competition... the abundance or low cost of a factor often leads to its inefficient deployment. In contrast, disadvantages in basic factors, such as labour shortages, lack of domestic raw materials, or a harsh climate, create pressures to innovate around them. *A steady rise in the nation’s exchange rate can have the same effect* (italics added). The result is that the firm’s competitive disadvantage in a narrow conception of competition can become an advantage in a more dynamic one.”¹⁹²

In September 1991, the ERM experienced its worst crisis ever: the Lira and the British pound left the system, while all other currencies, except the German mark and the Dutch guilder, were allowed to fluctuate by a 15% margin either side, corresponding to a maximum of 30% appreciation or depreciation. As a consequence, the exchange rate of the Lira against the D-mark went from 760 to over 1,100 in a few months, before stabilising at, or just below, 1,000. Italian exports received a significant boost. Brenta was no exception, with the export share on total production going up to over 90%. In some respects, the situation was similar to that of the 1970s, when devaluation also had brought about increases in exports. However, in the 1970s such advantages had been short-lived and had been promptly

¹⁹² Michael E. Porter, *The competitive...*, quote, p. 82. Porter mentions the mini-mill technology (in which Brescia-area steel producers have emerged as perhaps the world leaders) as a result of inter alia high logistical costs in a country that like Italy lacks local raw materials.

eroded by higher domestic inflation rates. This did not occur in the 1990s: domestic inflation did scarcely increase as a consequence of the devaluation, so that those Italian firms (including Brenta's) which had been able to defend their positions during the preceding years (either by reducing costs or by increasing quality) could now also reap the additional benefits of significant reductions in selling prices.

Internationalisation

Such a combination of merely incremental progresses, reluctance to undertake structural reforms and heavy reliance on external factors is assessed quite critically by recent writers.¹⁹³ The latest period in particular (from the early 1990s until today) has been investigated in some studies focussed on specific issues.¹⁹⁴

However, a serious obstacle to a comprehensive analysis is the availability of time series data about the district only until 1989. In 2000, Brenta's entrepreneurs' association modified the definition of the district so to include a larger area. Data are now given at a higher level of aggregation, and details on single communes are no longer available.¹⁹⁵ Thanks to this new territorial definition, ACRIB can report since the year 2000 an annual output in the region of 20 million pairs of shoes, annual total sales of 1,6 million Euro, 14,000 employees, a share of 14% of the Italian production, almost 1,000 firms. These figures are all well above the peak reached in 1969 under the old definition of the district.

¹⁹³ Which at the same time underestimates developments and innovations such as those cost reductions and quality improvements which allowed Brenta to maintain its export shares despite higher domestic inflation.

¹⁹⁴ See in particular Fiorenza Belussi, *Industrial Districts: networks without technologies? The diffusion of Internet applications in three Northeast Industrial Districts (Ids) of Italy: results from a survey*, discussion paper presented at the DRUID Summer Conference on *Industrial Dynamics of the New and Old Economy- who is embracing whom?*, Copenhagen-Elsinore 6-8 June 2002; and Fiorenza Belussi-Maria Scarpa, *Il distretto della Riviera del Brenta come comunità...*, quote., discussion paper presented at Padua University, 2001.

¹⁹⁵ Roberta Rabellotti, *How globalization affects...*, quote.

This modification probably attempts to attract a larger share of public incentives provided under the new national and regional legislation for industrial districts, but also tries to enhance Brenta's image. Not surprisingly, the new method was adopted during the centennial of Brenta's footwear industry. Quite paradoxically, the current definition of the district encompasses urban areas (Padua in particular) which do not share any of the characteristics of Brenta proper. No data on outsourcing abroad are provided: "firms do not like to talk about this process of external relocation, because they are worried about the possible negative impact on their image as top quality producers and, indeed, there are signs of decreasing quality".¹⁹⁶

Quite confusingly, the most recent specialised literature refer both to the old and to the new delimitation of the Brenta district. Belussi's study, published in 1998, puts the total sales at 1.9 billion lire (under one million Euro). The study promoted by the entrepreneurs' association in the same year refers of course (how could it have been otherwise?) to the "new" definition and mentions a total production of over 2,6 billion lire (1,3 million Euro); and so does "Club dei distretti", a network of local entrepreneurs' organisations. The Italian Trade Office (Istituto per il Commercio con l'Estero-ICE, a subsidiary of the Ministry for Foreign Trade) again refers to the "old" version.

As mentioned above, the recent specialised literature tends to convey a rather bleak picture. According to Belussi, "the downgrading of the Brenta district into a mere cluster of small artisan workshops (artigianalizzazione) is now irretrievably accomplished, in parallel with the further decline of the medium-sized enterprises". During the early 1990s, "a fracture with the previous trends occurred: decrease of employment by 18%, increased enterprise mortality, decreased enterprises natality,

¹⁹⁶ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 6.

increased industrial turbulence", which all translated into closure of enterprises, further decrease in their size and further outsourcing.¹⁹⁷ Belussi's analysis underlines in particular trends in the number of enterprises: it increased in the 1980s, peaked between 1987 and 1991 and decreased afterwards. Since 1990, so Belussi, firm death rates in the area are higher than firm birth rates. Both remain high in comparison with the total number of enterprises: the former between 14 and 18%, the latter at about 10%, with a particularly negative year in 1993 with over 17% and 9% respectively.

Workforce mobility is consequently very high: every year between 14 and 24% of workers change their employers. As a consequence, so Belussi, "the possible beginning of a structural crisis linked to the decline of competitiveness, and in general symptoms of enterprises fatigue", were apparent in the early 1990s. This was due to "the organisation patterns of the area, which are not in tune with the new international division of labour and to the new models of enterprise organisation" (emphasis added).¹⁹⁸ Brenta, so Belussi, was still a "traditional" industrial district based on low labour costs, including costs of skilled workforce, and not a "post-Fordist" industrial district, based on synergies between production, distribution, marketing and innovation. Technological innovations in particular remained only incremental, with negative effects only partially offset by an "obsession" to production (which in turn made abroad outsourcing particularly difficult, if not impossible for most firms).¹⁹⁹

Even the research promoted by the entrepreneurs' association recalls "problematic elements in Brenta's success". "The high quality of its production

¹⁹⁷ With a peak in 1993, with a loss of 2.037 footwear workers in the whole of the Venice province of which the Brenta constitutes 80%.

¹⁹⁸ *Ibid.*, p. 64.

alone", so Roverato, "is not sufficient to ensure success on its own".²⁰⁰ This is due in particular to the shift towards upper market niches by competitors specialised until recently in low-cost production, both foreign (Spain, Poland) and Italian, to growing costs and decreasing demand, to the loss of traditional solutions (in particular increasing difficulties in having recourse to undeclared labour, because of more stringent control by public authorities and the decrease in available workforce). Brenta has reacted, so Roverato, with further increases in quality (e.g. in terms of delivery times), cost reduction and also diversification of the traditional Western European export markets. However, no significant progress was made to reduce the traditional weakness in the commercialisation of its products, not even after the failure of the Brenta brand mark launched in the 1980s, which "did never really take off, not because of the arbitrary link made between the modern Brenta industry and the artisan tradition of Venice, but because of the insuperable individualism of entrepreneurs".²⁰¹ Several of them, so Roverato, did not really believe that their success was at least partly due to the localisation of their enterprises in the Brenta area.

The added value of firm location within the Brenta industrial district was made apparent precisely by unsatisfactory results of outsourcing abroad. In turn, this has increased the interest on a possible real Brenta brand mark (in other terms: of a potentially powerful symbol of collective identity): that "Cheshire cat" which so far has regularly failed to materialise and whose failure has led to the current situation in which commerce remains firmly in the hands not of commercial departments of local firms or even less of the entrepreneurial association, but of commercial agents acting on behalf of several firms, wholesalers, large foreign purchase companies.

¹⁹⁹ *Ibid.*, p. 68.

²⁰⁰ Giorgio Roverato, *Composizione e caratteristiche...*, quote., p. 347.

²⁰¹ *Ibid.*, p. 351.

A number of writers (but also ACRIB in a study published in 1992) agree that Brenta's survival depends on overcoming the current fragmentation in a large number of small and very small firms. A renewed hard core of strong, comparatively large leading firms is badly needed, in order to prove the whole district with "adequate local leadership on technology, marketing and commercialisation; capability to compete with the global system; achievement of a certain degree of outsourcing abroad", all of which is impossible "in the present circumstances".²⁰²

There are some signs however that things could evolve in this directions. Since 1995, the increase in employment is higher than the increase in the number of firms. At the same time, some firms have explored production outsourcing abroad, in the broader context of the traditional integrated production of shoes and other leather articles being increasingly replaced by a global supply chain which cuts across different cultures and countries.

In recent years, Italian outsourcing abroad has usually taken the form of "Traffico di Perfezionamento Passivo" (TPP): footwear components (usually uppers) are temporarily exported, usually to Central and Eastern European countries (in the early 1990s Hungary and the Czech Republic, nowadays Romania), are worked there and then re-imported into Italy. Italian firms maintain the ownership of such materials, and therefore no custom duties are levied. Belussi has described four cases of outsourcing abroad by Brenta enterprises (one based in Fiesso, three in Fosso'), with various degrees of success.²⁰³ To some extent, these cases represent four possible strategies: a) outsourcing limited to one production phase (the case discussed is quite successful but is not particularly innovative: it simply replaces national with international outsourcing); b) establishment of a network of daughter

²⁰² *Ibid.*, p. 354.

firms (one Brenta enterprise leads a network of small and very small firms in Hungary, Bosnia, Slovenia with approximately 300 employees and provides the necessary training); c) outsourcing of a number of production phases (this imply close and constant contacts with daughter firms abroad: in the case discussed, this has been made possible by improved road and air connections between Timisoara, Romania); d) international division of labour according to the quality of final products (with a two-tier system based on a higher quality production performed in Brenta and a middle-quality production performed in Hungary).

National and regional legislation has also played a role in recent years. The national law on industrial districts was implemented by a decree of the President of the Veneto Regional Council (Assembly) n. 79 of 22 November 1999, which identified 19 industrial district in the Veneto region.²⁰⁴ On this basis, the Brenta entrepreneurs' association and the local trade unions agreed on a "Patto di Distretto" (district covenant) for the development of the footwear industry and employment. The law of the Veneto Region n. 8 of the year 2003 has allowed the 19 Venetian districts to submit a total of 28 such District Covenants, consisting of a total of 122 projects, out of which 115 (including those on Brenta) have been granted public financial support for a total of 15 million Euro.

Brenta entrepreneurs have assessed positively the experience gathered so far and in particular the efficiency of the regional authorities. They feel however that

²⁰³ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 273-303.

²⁰⁴ some are "classical" districts, located within clearly identifiable borders, such as the Riviera del Brenta, Murano, Montebelluna, Arzignano. Far from being a proper district, Schio-Valdagno is the historic core area of the textile enterprise Marzotto, established in the nineteenth century and one of the leading Italian enterprises in this sector. Other "districts" are provinces or portions of provinces (Vicenza, Verona) with thriving mixed clusters of small and medium-sized enterprises, but lacking those characteristics associated with proper industrial districts. The list therefore appears to have been drawn on the basis of an empirical, sometimes politically oriented combination of criteria.

some improvements are needed, in particular as far as the transparency of the calls for bids is concerned.²⁰⁵

On a more general level, the distribution of relatively limited funds to over 100 projects dispersed in almost 10 districts in a region of 5 million inhabitants resembles very much the old Christian-Democrat trickle of small financial supports to the largest possible amount of firms. This is very likely to have helped establish a wide-spread social cohesion and institutional peace, but had failed to steer effectively the spontaneous, somehow anarchical economic development of the second post-war period in the Veneto region.²⁰⁶

However, even with these limits, the new legislation plays indeed a role, although an indirect one. Entrepreneurs in particular have increased their commitment to the dialogue with public authorities. The self-perception of Brenta as an industrial district and therefore to some extent as a collective actor has also been strengthened and is now almost common-place among entrepreneurs. This translates into better co-operation within the district but also in an increased role for the district in dealing with other interlocutors. A good example is the recently concluded agreement with the southern Italian region of Calabria (the poorest in Italy, with an average per capita income corresponding to 69% of the EU average, as opposed to 125 for Veneto).²⁰⁷

Although family firms still constitutes the vast majority of Brenta firms, a small group of executive managers is now coming to the fore. Professional managers now hold the reins of common services providers and are acquiring more

²⁰⁵ Source: Entrepreneurs' association, Verona.

²⁰⁶ This is the essence of the "white", Christian Democrat model. A more "rational", cooperative, intrusive and "district-like" approach was pursued in "red", Communist and Socialist-led regions like Emilia, where public authorities and political leaders did not confine themselves to support spontaneous growth but played a direct role in shaping local economies. It is hardly surprising that the "red" model attracted more attention and was mentioned for instance by Porter and Best. A chapter of this thesis is devoted to the co-existence in the Riviera of elements pertaining to both models.

²⁰⁷ Source: ACRIB.

and more visibility as the relevance of the “corporate” identity of the Brenta grows. Some of them have been in their current positions for years and have reached a higher profile than most entrepreneurs (for instance Mattiazzo, Director of ACRIB, or Tescaro, Director of Centro Veneto Calzaturiero).

The emergence of managers seems to go together with the decline of the traditional Riviera entrepreneurial class and with the control of some enterprises being handed over to outsiders, usually large Italian and foreign fashion groups. Luigino Rossi in particular transferred 90% of his enterprise (RossiModa, one of the largest in Brenta with some 150 employees) to the French group Yves-Saint Laurent in 2002. At Brenta’s level, this is a major development.²⁰⁸ Rossi was in many ways the symbolic successor of Voltan as the leading local personality, not only as an entrepreneur but also in a range of other activities including as editor of “*Il Gazzettino*” (the largest and most authoritative Venetian newspaper, ranking eighth among the largest Italian daily newspapers) from 1983 to 2003 and as Brenta representative in a number of regional, national and European fora. Rossi is the only Brenta entrepreneur after Giovanni Luigi Voltan to have played a truly national role, in particular through his unsuccessful attempt to take over a number of conservative daily newspapers in north-eastern Italy in the mid-1995.²⁰⁹ One year earlier, Rossi had already tried to take over the Milanese daily newspaper *Il Giorno*.²¹⁰

Rossi’s case confirms that ownership and control of Brenta footwear firms can now be de-linked from family control and even pass in foreign hands. Ballin, current Chairman of Acrib, considers this “a significant step towards the internationalisation the district”.²¹¹ However, Brenta’s internationalisation remains

²⁰⁸ see the interview published in *Padova Economica*, 1995/3, p. 9-12.

²⁰⁹ Giuseppe Sarcina, Il Polo alla veneta, *Corriere della Sera*, 13th March 1995.

²¹⁰ Marco Travaglio, *Montanelli e il Cavaliere. Storia di un grande e di un piccolo uomo*, Milano 2004, p. 91.

²¹¹ Source: ACRIB.

for the time being strongly asymmetric: while foreign firms have demonstrated that they are willing and able to take control of local firms, Brenta entrepreneurs so far have not gone beyond the control of small artisan unit in emerging countries in Central and Eastern Europe. This need not be the unavoidable fate of a mature industrial district, as shown by the other Venetian districts of Montebelluna and Cadore where internationalisation goes in both directions.²¹²

In this context, Brenta's strong "corporate identity" could be partly seen as an attempt to mount a "corporate defence" against hard, intrusive competition from abroad which has now come to threaten the very heart of the central, time-honoured local institution: the family firm. Belussi goes even beyond that, writing that the strengthening of local identity is partly a consequence of the insufficient returns of outsourcing abroad, which so far has proven largely incompatible with the peculiar Brenta high-quality, comparatively labour-intensive, locally rooted specialised production.²¹³

Brenta has experienced peaks and throughs, positive and negative phases, apparently repeating themselves in cycles of approximately twenty years. A promising phase of development began at the end of the 19th century, in particular with the establishment of the firm Voltan, and peaked in the first decade of the 20th century. A phase of stagnation followed between the two World Wars, heavily affected by the world recession of 1929 and by the ten years of war started in 1935. A twenty-year expansion phase followed as from the early 1950s, export-led and

²¹² As far as Montebelluna is concerned, the following developments took place between 2000 and 2001: Benetton took over Asolo (mountain shoes) and Nordica (ski bots); Nike (USA) took over Canstar (unknown to the general public but with a key niche position in last production for in-line skater rollers and ice-skaters); Tecnica (ski boots) took over Think Pink (clothing) and Lowa (Germany); Rossignol (France) took over Caben; Salomon took over Rover and subsequently San Giorgio; Head-Tyrolia-Mares merged with Brixia and took over Munari and San Giorgio. In Cadore (eyeglasses district) Luxottica took over RayBan (USA).

²¹³ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 299.

fostered by the opportunities provided by the European Community. The 1970s and 1980s again were difficult, overshadowed by labour conflicts, increased competition from emerging countries, international crises.

The 1990s, especially in their second half, experienced growth of employment, production, exports and total sales, prompted also by the unexpectedly positive effects of the Lira devaluation in 1992.

Each phase has been profoundly influenced by exogenous factors, be they regional, national or international. Belussi's vivid description of the district as an endogenous, indigenous and spontaneous phenomenon, though not entirely inaccurate, should therefore be put into perspective.²¹⁴

Conclusion

Several of the characteristics underlined in the preceding paragraphs, including the resilience of the local "entrepreneurial aristocracy", the re-active, seldom pro-active responses to challenges, the incremental evolution of technologies, inter-firm organisation and commercial structures, the role of families, confirm that the Brenta is an intrinsically conservative industrial district. Flexibility, quick reactions and capability to adjust to evolving environments, which are also considered typical characteristics of successful industrial districts, are usually confined to specific, "institutionalised" (although decisive) phases, like shoe design. Other significant aspects have not changed since the early 20th century: Brenta was and still is a cluster of small and medium-sized enterprises, led by a handful of larger firms all based in a few small communes (a sort of geographical "hard core"), employing labour-intensive technologies,²¹⁵ specialising in leather ladies' footwear

²¹⁴ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 43.

²¹⁵ With labour costs still as a significant component of the final value of products: see Andrea Ordanini, *I principali distretti calzaturieri italiani*, Milano 1955.

of good quality but competing also on price, with a constantly growing interest in inter-firm co-operation and in export. Developments have been incremental and have not altered the overall picture. Even alleged “fractures” or “quantum leaps” are at most accelerations of ongoing processes and shifts of emphasis from some aspects to other.

The specialised literature on Brenta has proposed a division in phases of the local economic history. This can be certainly useful; but such phases are not distinct periods, different in nature or even separated by quantum leaps. For instance, Belussi's distinction between a “district phase” after 1950 and a phase completely dominated by a single “large” enterprise before the Second World War appears to be an oversimplification. As mentioned above, a small cluster of firms, co-operation among entrepreneurs and even some common services existed already well before the second World War, and provided the stepping stone for the subsequent take off.

In the same vein, the shift towards upper market segments so vividly underlined by Roverato and Fontana was in reality the continuation of trends already set by Voltan in the 1930s, when the distinction between a “hard core”, high quality cluster of firms in Stra' and Fiesso and a “peripheral” handful of artisan workshops south of the river Brenta was established.

Technological and organisational quantum leaps are not uncommon even in mature Italian industrial districts. In Chapter I, I have recalled Porter's comments on the impact of technological innovations in the ceramic tiles district of Sassuolo.²¹⁶ A number of the traditionally small artisan workshops of the Venetian island of Murano, specialising in artistic glassware, have in several cases merged with large

²¹⁶ “Highly visible energy and labor cost pressures led to the next major breakthrough by the Italian industry, the rapid single-firing process... the first efforts ... had taken place in the United States in the late 1950s... Italian companies began experimenting with the technique in the early 1960s. ... Continued rivalry led to a break-through in 1972-1973 with the introduction of the rapid single-firing

international companies. Activities like marketing, commerce, international alliances and production outsourcing to mainland Veneto are now more significant than the preservation of century-old traditional artisan skills.²¹⁷ The conservative character of Brenta is underlined by a comparison with similar footwear districts of Northern Italy, which successfully completed the transition from one type of production to another. Although established at the same time as Brenta, Vigevano shifted to the production of footwear machine tools after the second World War. Montebelluna has switched from traditional footwear to ski boots and later on to comparatively innovative products like Geox, which in turn implies the adoption of different technologies and organisation patterns.

However, a debate on Brenta's "quality" would not take us very far, since even the Bank of Italy has recently questioned the possibility of distinguishing between "good" and "bad" industrial districts. Brenta's history should rather be considered as a series of uninterrupted, continuous efforts of local entrepreneurs to use rationally the limited resources available locally. Brenta's current structure is the result of these efforts, spread over decades as an incremental process, usually in response to specific problems and not to be seen as a comprehensive, global strategy pursued individually or collectively. Brenta's approach has been traditionally reactive, not pro-active. Still, this approach proved not only to be successful but also sustainable in the medium and even long term, in conjunction with the local high degree of flexibility provided by a number of factors including the limited size of firms, low entry barriers, available skilled workforce.

process by Marazzi... (in a few years) the cycle time dropped from sixteen to twenty hours to fifty to fifty-five minutes": Michael E. Porter, *The competitive...*, quote., p. 217.

²¹⁷ Paolo Crestanello, L'industria del vetro artistico di Murano, *Oltre il Ponte*, 1995/49.

Inter-firm co-operation in Brenta is certainly rooted in a local tradition with some specific characteristics going back to historical, geographical, social and economic factors. This background enables Brenta to act, to some extent, like the “collective entrepreneur” mentioned among others by Best.²¹⁸ However, this community dimension coexists with the role played by a handful of real, individual entrepreneurs, some of whom were able to shape the local footwear industry over decades. Giovanni Luigi Voltan until the 1930s and and Luigino Rossi from the 1950s to the late 1990s were just the most prominent in an a sort of local “entrepreneurial aristocracy”, composed of a handful of recurrent names (Ballin, Caovilla, Calzavara, Gobbo, Caovilla...). In the same vein, the current managers are the heirs to some key figures of the past, from Trois (the Director of the Training centre in the 1930s) to Zandarin (promoter of the Stra’ Trade Fair in the 1950s) to Donadelli (who chaired the entrepreneurs’ association, without being an entrepreneur, from 1962 to 1981). To a large extent, Brenta’s is a history of persons, not of networks and institutions. This will be discussed further in the following chapter.

²¹⁸ “A fully developed industrial district would behave like a collective entrepreneur: it would possess the capacity to redesign process and organization as well as product”: Michael H. Best, *The new competition*, quote., p. 207.

TABLE V
FIRMS IN THE BRENTA INDUSTRIAL DISTRICT

YEARS	INDUSTRIAL ENTERPRISES	ARTISAN ENTERPRISES	COMMERCIAL ENTERPRISES	TOTAL
1960	93	160	31	284
1961	93	160	32	285
1962	95	162	31	288
1963	94	165	36	295
1964	96	166	33	295
1965	97	166	34	297
1966	97	155	35	287
1967	104	161	37	302
1968	109	164	41	314
1969	101	162	46	309
1970	97	172	37	305
1971	89	183	50	322
1972	86	209	50	345
1973	94	222	50	366
1974	95	219	51	365
1975	97	223	52	372
1976	107	243	46	396
1977	111	242	47	400
1978	121	259	56	436
1979	133	272	60	465
1980	140	288	69	497
1981	147	302	74	523
1982	149	349	73	571
1983	154	385	73	612
1984	170	406	76	652
1985	177	436	77	690
1986	183	515	77	775
1987	195	546	81	822
1988	194	548	88	830
1989	200	602	90	892
1990	190	603	93	886
1991	193	562	77	832
1992	173	524	74	771
1993	172	535	68	775
1994	180	529	68	777
1995	179	522	71	772
1996	171	495	61	727
1997	174	484	61	719
1998	163	470	66	699

Industrial enterprise: with more than 19 employees

Artisan enterprise: with 19 or fewer employees

Source: ACRIB

TABLE VI
EMPLOYMENT IN THE BRENTA INDUSTRIAL DISTRICT

YEARS	EMPLOYEES
1960	9,100
1961	9,155
1962	9,520
1963	9,700
1964	9,920
1965	10,500
1966	11,900
1967	11,770
1968	12,100
1969	12,000
1970	10,500
1971	10,200
1972	9,200
1973	9,300
1974	9,354
1975	9,352
1976	9,306
1977	9,367
1978	9,924
1979	10,120
1980	10,165
1981	10,181
1982	10,120
1983	10,107
1984	10,131
1985	10,067
1986	10,008
1987	9,971
1988	9,823
1989	9,751
1990	9,597
1991	9,419
1992	9,007
1993	9,101
1994	9,137
1995	9,139
1996	9,003
1997	8,912
1998	8,791

Source: ACRIB

TABLE VII
INDUSTRIAL ENTERPRISES IN THE BRENTA INDUSTRIAL DISTRICT

YEAR	INDUSTRIAL ENTERPRISES	EMPLOYEES	% INDUSTRIAL EMPLOYEES	AVERAGE ENTERP. SIZE
1979	133	5,234	51.7	39.4
1980	140	5,375	52.9	38.4
1981	147	5,371	52.8	36.5
1982	149	5,275	52.1	35.4
1983	154	5,077	50.2	32.9
1984	170	n.a.	n.a.	n.a.
1985	177	5,102	50.7	28.8
1986	183	4,954	49.5	27.1
1987	195	4,941	49.7	27.1
1988	194	4,819	49.1	24.8
1989	200	4,477	45.9	22.4
1990	190	4,296	44.8	22.6
1991	193	4,234	44.9	21.9
1992	173	4,117	45.7	23.8
1993	172	4,194	46.1	24.4
1994	180	4,238	46.4	23.5
1995	179	4,297	47.0	24.0
1996	171	4,219	46.9	24.7
1997	174	n.a.	n.a.	n.a.
1998	163	4,171	47.4	25.6

Industrial enterprises: with more than 19 employees

Employees: number of employees in footwear industrial enterprises in Brenta industrial district

% industrial employees: percentage of employees in industrial enterprises on total employment in Brenta footwear sector

average enterp. size: average size of footwear industrial enterprises in Brenta industrial district

Source: personal elaboration on ACRIB data

TABLE VIII

BRENTA INDUSTRIAL DISTRICT: PRODUCTION
 (in pairs of shoes)

YEARS	PRODUCTION
1960	6,018,000
1961	6,269,000
1962	6,430,000
1963	6,548,000
1964	6,682,000
1965	6,819,000
1966	8,620,000
1967	9,650,000
1968	10,387,000
1969	10,970,000
1970	9,310,000
1971	8,500,000
1972	8,500,000
1973	9,100,000
1974	9,050,000
1975	9,010,000
1976	8,650,000
1977	8,615,000
1978	8,700,000
1979	8,930,000
1980	8,120,000
1981	8,580,000
1982	8,270,000
1983	8,005,000
1984	8,600,000
1985	8,660,000
1986	8,420,000
1987	8,175,000
1988	7,929,000
1989	8,005,000
1990	7,895,000
1991	8,100,000
1992	8,072,000
1993	8,505,000
1994	8,690,550
1995	8,809,600
1996	8,509,200
1997	8,398,580
1998	8,138,220

Source: ACRIB

TABLE IX

BRENTA INDUSTRIAL DISTRICT: TOTAL SALES
 (in thousands Lire)

YEARS	Total sales current prices	Total sales at 1998 value	Total sales at 1998 value/IN
1960	15,947	300,135	100
1961	17,553	320,979	107
1962	19,804	344,568	115
1963	21,084	341,193	114
1964	22,919	350,127	117
1965	23,868	349,444	116
1966	31,033	445,429	148
1967	35,244	495,953	165
1968	39,474	548,487	183
1969	45,540	615,493	205
1970	40,986	527,141	176
1971	40,500	496,088	165
1972	50,250	582,770	194
1973	64,600	678,802	226
1974	86,900	764,474	255
1975	108,400	813,884	271
1976	133,200	858,294	286
1977	165,850	904,899	301
1978	188,660	915,412	305
1979	240,164	1,006,853	335
1980	247,660	857,063	286
1981	287,430	837,983	279
1982	305,990	766,766	255
1983	344,215	750,116	250
1984	388,720	766,059	255
1985	420,443	762,955	254
1986	433,630	741,641	247
1987	435,727	712,353	237
1988	428,166	678,726	226
1989	440,275	643,296	214
1990	450,015	619,731	206
1991	477,900	618,453	206
1992	516,640	634,319	211
1993	591,097	696,459	232
1994	643,100	729,027	243
1995	704,768	758,346	253
1996	719,027	744,632	248
1997	739,494	752,767	251
1998	743,019	743,019	248

Source: personal elaboration of ACRIB data

TABLE X

BRENTA INDUSTRIAL DISTRICT: AVERAGE PRICES
 (in Lire, per pairs of shoes)

YEARS	Average current price	Average price at 1998 value	Average price at 1998 value-IN
1960	2,650	49,875	100
1961	2,800	51,201	103
1962	3,080	53,588	107
1963	3,220	52,107	104
1964	3,430	52,399	105
1965	3,500	51,242	103
1966	3,600	51,672	104
1967	3,650	51,362	103
1968	3,800	52,800	106
1969	4,150	56,089	112
1970	4,400	56,590	113
1971	4,800	58,795	118
1972	5,900	68,424	137
1973	7,100	74,605	150
1974	9,600	84,452	170
1975	12,000	90,097	181
1976	15,400	99,232	199
1977	19,250	105,030	211
1978	21,685	105,219	211
1979	26,894	112,749	226
1980	30,500	105,549	212
1981	33,500	97,667	196
1982	37,000	92,716	186
1983	43,000	93,705	188
1984	45,200	89,076	179
1985	48,550	88,101	177
1986	51,500	88,080	177
1987	53,300	87,465	175
1988	54,000	84,115	169
1989	55,000	80,361	161
1990	57,000	78,496	157
1991	59,000	76,352	153
1992	64,000	78,577	158
1993	69,500	81,888	164
1994	74,000	83,887	168
1995	80,000	86,081	173
1996	84,500	87,509	175
1997	88,050	89,630	180
1998	91,300	91,300	183

Source: personal elaboration of ACRIB data

TABLE XI
BRENTA FOOTWEAR FIRMS: PRODUCTION PER EMPLOYEE
(in pairs of shoes/year)

YEARS	PROD./EMPL.	INDEX NUMBER
1960	663,3	100
1961	648,8	98
1962	675,4	102
1963	675,1	102
1964	673,6	102
1965	649,4	98
1966	724,4	109
1967	819,9	124
1968	854,4	129
1969	914,2	138
1970	886,7	134
1971	833,3	126
1972	924	139
1973	978,5	148
1974	967,5	146
1975	963,4	146
1976	929,5	140
1977	916,8	138
1978	876,7	132
1979	882,4	133
1980	798,8	120
1981	842,8	127
1982	816,4	123
1983	792	120
1984	848,9	128
1985	860,2	130
1986	841,3	127
1987	819,9	124
1988	807,2	122
1989	820,9	124
1990	822,7	124
1991	860	130
1992	896,2	135
1993	934,6	141
1994	951,1	143
1995	964	145
1996	945,2	142
1997	942,4	142
1998	925,7	140

Source: personal elaboration of ACRIB data

TABLE XII
BRENTA INDUSTRIAL DISTRICT: PERCENTAGES OF DOMESTIC SALES
AND EXPORTS ON TOTAL SALES

YEARS	% domestic sales on total sales	% export on total sales
1960	40.54	59.46
1961	40.00	60.00
1962	38.00	62.00
1963	37.01	62.99
1964	35.36	64.64
1965	44.01	55.99
1966	44.01	55.99
1967	40.01	59.99
1968	41.52	58.48
1969	40.00	60.00
1970	44.01	55.99
1971	38.27	61.73
1972	37.81	62.19
1973	37.00	63.00
1974	36.00	64.00
1975	33.00	67.00
1976	29.95	70.05
1977	26.97	72.43
1978	27.37	72.63
1979	27.35	72.65
1980	29.00	71.00
1981	29.50	70.50
1982	29.80	70.20
1983	29.00	71.00
1984	28.90	71.10
1985	29.08	70.92
1986	30.01	69.99
1987	29.00	71.00
1988	28.00	72.00
1989	27.00	73.00
1990	26.00	74.00
1991	26.00	74.00
1992	24.50	75.50
1993	21.50	78.50
1994	20.20	79.80
1995	18.70	81.30
1996	17.30	82.70
1997	16.10	83.90
1998	14.70	83.30

Source: ACRIB

TABLE XIII
BRENTA INDUSTRIAL DISTRICT: DESIGN FIRMS AND EMPLOYEES

Year	Design firms	Employees
1979	34	140
1980	36	136
1981	34	119
1982	38	116
1983	41	123
1984	47	n.a.
1985	52	111
1986	55	111
1987	55	111
1988	60	113
1989	80	152
1990	83	159
1991	74	152
1992	79	162
1993	84	162
1994	81	171
1995	85	178
1996	73	159
1997	67	n.a.
1998	63	141

Source: ACRIB

TABLE XIV
SPACIAL DISTRIBUTION
WITHIN THE BRENTA INDUSTRIAL DISTRICT:
HARD CORE AND PERIPHERY

Year	Employees	Hc/ employees %
1979	4,854	48
1980	4,842	47.4
1981	4,824	47.4
1982	4,826	47.6
1983	4,882	48.3
1984	n.a.	n.a.
1985	4,702	46.7
1986	4,623	46.2
1987	4,513	45.3
1988	4,412	44.9
1989	4,348	44.6
1990	4,401	45.3
1991	4,298	45.6
1992	4,132	45.9
1993	4,156	45.7
1994	4,198	45.9
1995	4,283	46.9
1996	4,054	45.0
1997	4,044	45.4
1998	3,974	45.2

Employees: employees in Brenta hard core (Stra', Fiesso and Noventa)

Hc/employees: percentage of employees in hard core on total Brenta employees

Source: personal elaboration of ACRIB data

TABLE XV
WEEKLY WORKING HOURS AND WORKERS SALARIES AT VOLTAN
(JANUARY TO JULY 1935)

Week	Working hours	Workers' salaries
7.1.35	1,854	1,855
14.1.35	713	1,006
21.1.35	1,638	1,508
28.1.35	549	667
4.2.35	2,705	2,452
11.2.35	1,491	1,295
18.2.35	2,789	2,861
25.2.35	3,072	3,056
4.3.35	3,121	2,881
11.3.35	3,272	3,636
18.3.35	3,625	3,535
25.3.35	3,192	3,986
1.4.35	3,396	4,135
8.4.35	3,190	4,724
15.4.35	3,204	3,542
22.4.35	3,006	3,655
29.4.35	2,430	3,190
6.5.35	2,759	3,861
13.5.35	2,386	3,300
20.5.35	2,618	3,545
27.5.35	2,619	3,412
3.6.35	2,479	3,332
10.6.35	2,137	3,382
17.6.35	1,178	2,061
24.6.35	1,748	2,704
1.7.35	2,088	2,424
8.7.35	1,043	1,387
15.7.35	70	153
22.7.35	0	2,698

The first day of each working week is indicated in the first column

Source: Voltan archives - personal elaboration

TABLE XVI
FORTNIGHT WORKING HOURS AND WORKERS` SALARIES AT VOLTAN
(JULY TO DECEMBER 1935)

Fortnight	Working hours	Workers` salaries
29.7.35	4,821	5,975
12.8.35	6,074	7,867
26.8.35	5,835	7,597
9.9.35	n.a.	8,522
23.9.35	n.a.	8,888
7.10.35	5,917	9,200
21.10.35	5,863	9,314
4.11.35	5,996	9,243
18.11.35	6,326	9,156
2.11.35	5,305	7,486
16.12.35	4,004	7,256
31.12.35*	1,739	1,730

* one week only (31.12.35 to 5.1.36)

The first day of each working fortnight is indicated in the first column

Source: Voltan archives - personal elaboration

TABLE XVII
WEEKLY WORKING HOURS OF MALE AND FEMALE WORKERS AT VOLTAN
(JANUARY TO JULY 1935)

Week	Working hours	Males	%	Females	%
7.1.35	1,854	1,276	68.8	578	31.2
14.1.35	713	549	77.0	164	23.0
21.1.35	1,638	945	57.7	693	42.3
28.1.35	549	387	70.5	162	29.5
4.2.35	2,705	1,614	59.7	1,091	40.3
11.2.35	1,491	539	36.2	952	63.8
18.2.35	2,789	1,640	58.8	1,149	41.2
25.2.35	3,072	1,800	58.6	1,272	41.4
4.3.35	3,121	1,740	55.8	1,381	44.2
11.3.35	3,272	1,798	55.0	1,474	35.0
18.3.35	3,625	2,015	55.6	1,610	44.4
25.3.35	3,192	1,736	54.4	1,456	45.6
1.4.35	3,396	1,804	53.1	1,592	46.9
8.4.35	3,190	1,840	57.7	1,350	42.3
15.4.35	3,204	1,720	53.7	1,484	46.3
22.4.35	3,006	1,576	52.4	1,430	47.6
29.4.35	2,430	1,310	53.9	1,120	46.1
6.5.35	2,759	1,570	56.9	1,189	43.1
13.5.35	2,386	1,520	63.7	866	36.3
20.5.35	2,618	1,368	52.3	1,250	47.7
27.5.35	2,619	1,512	57.7	1,107	42.3
3.6.35	2,479	1,438	58.0	1,041	42.0
10.6.35	2,137	1,489	69.7	648	30.3
17.6.35	1,178	908	77.1	270	22.9
24.6.35	1,748	1,155	66.1	593	33.9
1.7.35	2,088	1,072	51.3	1,016	48.7
8.7.35	1,043	619	59.3	424	40.7
15.7.35	70	70	100	0	0
22.7.35	0	0	0	0	0

Source: Voltan archives - personal elaboration

TABLE XVIII
FORTNIGHT WORKING HOURS OF MALE AND FEMALE WORKERS
AT VOLTAN
(JULY TO DECEMBER 1935)

Week	Working hours	Males	%	Females	%
29.7.35	4,821	2,452	50.9	2,369	49.1
12.8.35	6,074	3,272	53.9	2,802	46.1
26.8.35	5,835	3,114	53.4	2,721	46.6
9.9.35	n.a.	n.a.	n.a.	n.a.	n.a.
23.9.35	n.a.	n.a.	n.a.	n.a.	n.a.
7.10.35	5,917	3,447	58.3	2,470	41.7
21.10.35	5,863	3,433	58.6	2,430	41.4
4.11.35	5,996	3,600	60.0	2,396	40.0
18.11.35	6,326	3,720	58.8	2,606	41.2
2.11.35	5,305	3,371	63.5	1,934	36.5
16.12.35	4,004	3,155	78.8	849	21.2
31.12.35*	1,739	1,068	61.4	671	38.6

* one week only (31.12.35 to 5.1.36)

Source: Voltan archives - personal elaboration

CHAPTER III

Brenta's collective actors and their interaction

A. Entrepreneurial self-help organisations as a constituent element of the Brenta district: “formal” versus “informal” co-operation

Brenta's entrepreneurial self-help organisations are often mentioned as examples of comparatively efficient providers of common services.

At first sight, Brenta record in this regard is impressive, with formal institutions established in 1923, 1955, 1961, 1976, 1986, 1996, 2001. However, *formal* organisations like Brenta's do not cover all the ground: *informal* co-operation operates alongside and provides the necessary pre-conditions for the proper functioning of formal structures. Even in Brenta “formal procedures were one thing; informal relationships quite another”, as Terry Gourvish notes on another case.²¹⁹ The degree of efficiency of formal organisations therefore depends not only on their own internal structures, financial support or qualities of their managers, but also on the co-operation skills embedded in the underlying socio-cultural environment. Common organisations tend to function better where the “civic capital”, as Putnam defines it, is higher.²²⁰ Well functioning institutions in turn reinforce the civic capital and can attenuate, if not eliminate, the perennial contradiction between the attachment to one's work and pride in one's expertise on the one hand, and the need to co-operate on the other. This contradiction is particularly evident in industrial

²¹⁹ He comments on the relations between the Board of British Rail and the government: Terry Gourvish, *British Rail 1947-97. From Integration to Privatisation*, Oxford 2002.

²²⁰ Robert D. Putnam, *Making Democracy Work*, Princeton 1993.

districts, which are "... a strong expression of a highly specific entrepreneurial culture in which the individual *ethos* is very strong".²²¹

Inversely, institutions can even play a negative role and increase the rate of inertia of a given context. In particular, both "exogenous" institutions (expressions of the broader economy or society) and "endogenous" institutions (specific to a particular firm or industry) can reduce the rate of innovation and therefore reduce the local competitive advantages.²²²

Brenta is no exception: these conflicting aspects recur regularly throughout its history, in a way which corresponds to a large extent to the quintessential image of Italian entrepreneurship. In particular, Brenta features a number of those negative Italian "national characteristics" described by Porter in the context of his "diamond" of conditions for a nation to become internationally successful. Dealing with firm strategy, structure and rivalry as one of the four main components of the "diamond", Porter notes that the size of Italian firms and the type of Italian family ownership "... reflect, among other things, a high degree of individualism and a suspicion of authority unless coming from the family or extended family. Italy is a country in which family ties are strong, and even today people prefer to remain near their birthplace. Situations where family members all work in the same firm are very common, and rather than enlarging the existing firm beyond a certain level, new firms are created for sons and daughters".²²³ This is a fairly accurate description of conditions prevailing in Brenta over several decades. At the same time, Brenta features also positive Italian characteristic equally mentioned by Porter, in particular a large number of ambitious individual entrepreneurs; sustained commitment over

²²¹ Ivana Paniccia, *Industrial Districts – Evolution and Competition in Italian Firms*, Cheltenham/UK and Northampton/USA, 2002, p. 197.

²²² Richard N. Langlois and Paul L. Robertson, *Firms, Markets and Economic Change*, London and New York 1995, p. 103.

²²³ *Ibid.*, p. 109.

decades to a given specific product; and intense domestic competition, which in turn confirms Porter's thesis of the "... association between vigorous domestic rivalry and the creation and persistence of competitive advantage in an industry".²²⁴ In these positive aspects, Brenta family entrepreneurship confirms "... the importance of family firms as a stabilising factor of the economy in advanced economies... (which)... far from being the exception, seems to be among the basic characteristics of Southern parts of Europe".²²⁵

These conflicting aspects are present in Brenta's history. Brenta has been traditionally a fertile ground for associations, including self-help organisations established to provide some services to local firms. They feature a long history, going back at least to the establishment of the first Sunday school in 1923, and include now an umbrella entrepreneurs' association and a number of specialised institutions. Brenta formal organisations have also shown some flexibility in adjusting to a rapidly changing environment and taking up additional tasks. ACRIB in particular grew out rapidly of its original role as a mere entrepreneurs' cartel for

²²⁴ *Ibid.*, p. 117.

²²⁵ Margarita Dritsas and Terry Gourvish (eds.), *European Enterprise: Strategies of Adaptation and Renewal in the Twentieth Century*, Athens 1997, preface, p. 15. On small firms in Italy see also G. Becattini and M. Bellandi, Mighty Pygmies and Feeble Watusis. Considerations on Italian Industry, *Review of the Economic Conditions in Italy*, 2002, n. 3, 375-406; I. Cipolletta, Family-based Capitalism and Small Firms in Italy, *ibid.*, 2004, n. 2, 239-64.

²³⁰ "Schmitz and Musyck, in a careful investigation of the available literature on industrial districts in Europe, emphasises that knowledge of institutional intervention remains patchy and that there are few evaluations of the services supplied from the user's point of view": Roberta Rabellotti, Is there an Industrial District Model?..., *quote.*, 36.

wage bargaining. Formal organisations have been efficient in some areas, including in some specific issues like the survival of the Training Centre in the early 1970s, and in fostering a local collective identity.

However, they have performed less well in their classical function as providers of those services which are beyond the possibilities of individual small firms, including trade marks and marketing. These are precisely the higher value activities in which Brenta has always been weak, mainly due to the insufficient economies of scale of its enterprises.

Brenta's common institutions are of particular interest since the specialised literature is far from reaching firm conclusions on formal co-operation in industrial districts, and only a relatively limited number of specific case studies is available.²³⁰ A certain distortion is caused by the fact that the best studied cases, on which the Italianate model is built, show highly efficient formal institutions but are far from being common even in the Third Italy. As a consequence, the idealised Italianate industrial district draws from the experience of certain areas especially in Central Italy (in particular Emilia-Romagna, where the civic capital is highest in Italy) and conveys the picture of flourishing formal co-operation of single small-scale enterprises, including in the context of joint-sponsored (publicly and privately) local institutions providing services to all firms on an equal footing, from which the whole firm population democratically benefits. On this basis, "a broad array of supporting institutions"²³¹ has come to be considered as an indispensable component of industrial districts, and in turn feeds the "myth of an efficient local government able to intervene for supporting the need of local industries, creating public or semi-public

²³¹ Frank Pyke and Werner Sengenberger, *Introduction* to Francesco Cossentino, Frank Pyke, Werner Sengenberger (eds.), *Local and Regional response to global pressure: the case of Italy and its industrial districts*, Geneva 1996, p. 3.

centres for real services, for technological developments, for commercial promotion and so on".²³²

Michael Best in particular notes that formal organisations perform a regulatory function without which "... the industrial districts simply could not exist". He also notes that "the Third Italy is a goldmine for studying institutions by which individuals can achieve the benefits of joint action that are beyond the reach of individual action".²³³

His core concept of "productive system" is based on the assumption that "the institutional features of a firm cannot be examined in isolation from institutions that interact with firms, for example inter-firm associations, workers organisations, financial institutions, and governmental agencies".²³⁴ Pure inter-firm co-operation can be successful, but does not provide the collective capability needed to reshape in depth firm networks, when and if needed. Best compares two groups of furniture clusters, one co-ordinated purely by market prices (North London) and the other by a combination of market and formal institutions (Cantu', Lombardy, Northern Italy). "Because British furniture firms were too small to develop international marketing capacities individually, they did not market internationally. Italian furniture firms, in contrast, reacted to the same problem by forming joint marketing associations".²³⁵ According to Best, the case of Cantu' underlines one specific competitive advantage of the Third Italy: the institutional capacity to continuously learn and improve on previous economic performance. But inter-firm institution building is also necessary, since spontaneous market co-ordination is hampered by the "tyranny of the small decisions" occurring when a collective decision-making process takes place. Historical analysis comes therefore to play a key role in explaining the geographical

²³² Roberta Rabellotti, Is there an Industrial District Model?..., quote., 36.

²³³ Michael H. Best, *The New Competition...*, quote., p. 234-8.

²³⁴ Michael H. Best, *The New Competition...*, quote., p. 227.

location of industry, with the relative abundance of factors of production can not describe accurately.

Best postulates a direct link between collective decisions and collective institutions. However, as mentioned above, collective decision-making can also take place outside formal institutions, and nevertheless evolve even into long-term stable relations. Formal organisations *per se* do not automatically ensure efficiency. These aspects are clearly highlighted by Roger Hyater.²³⁶ He notes that an adequate level of co-operation can be achieved *also without the support of formal institutions*, since “... co-operative consultation and co-ordination ... occur in a wide variety of ... ways, including firm-level co-operatives, bilateral exchanges of know-how and financing arrangements, subcontracting arrangements, and also the respect of the norms of competition shaped by local culture and enforced by the threats of loss of future business, loss of reputation and exclusion from exchanges of information and offers of help”.²³⁷ In some cases, the *combined effect* of self-help organisations and respect of such “norms of competition” proves to be very effective.

Hyater mentions in particular Silicon Valley, where the development of a co-operative culture within the context of continuous innovation and relatively short product life cycles translates into “loyalty (grown out of) ... reciprocal decisions to honour unwritten obligations as well as contacts and not to take advantage of one another when market conditions changed”.²³⁸

²³⁵ *Ibid.*, p. 233.

²³⁶ Roger Hyater, *The dynamics of industrial location-The factory, the firm and the production system*, Chichester-New York-Weinheim-Brisbane-Singapore-Toronto 1997.

²³⁷ *Ibid.*, p. 331, with diagram.

²³⁸ *Ibid.*, p. 346-7.

Hyater's model, while concentrating on informal rather than formal structures, highlights *trust* as a key element, which in turn is fostered by geographical proximity and frequent face-to-face contacts.²³⁹

In some cases, formal organisations can reduce social costs generated by insufficient level of trust. Determined and even ruthless action by the local entrepreneurs association was for instance successful even in the Jewellery Quarter of Birmingham, which conveyed "a picture of endemic dishonesty, of an industrial district rife with malfeasance and mistrust, rather different from the cosy relationship described by embeddedness theorists".²⁴⁰ Francesca Carnevali argues that this case "shows the failure of any invisible, social mechanism in eliminating dishonest behaviour, despite the existence of all those factors that should have encouraged embeddedness", and indirectly highlights the possible role of formal institutions where informal co-ordination has failed.²⁴¹

At the same time, growing levels of distrust, especially if combined with external challenges, can prove to be insurmountable obstacles. In the case of the Potteries, "declining trust exacerbated existing downward pressure on prices, intensifying local price competition and hindering collective response (emphasis added). The district as a whole represented a slaughter-house, in which buyers were there to dictate prices" and in which collective institutions failed to reach their objectives.²⁴² In Brenta, levels of trust are considered to be sufficiently high, or at least compatible with its current reputation as a "purely Marshallian industrial

²³⁹ *Ibid.*, p. 332-3.

²⁴⁰ Francesca Carnevali, *Malefactor and Honourable Men: the Making of Commercial Honesty in Nineteenth-century industrial Birmingham*, in John F. Wilson and Andrew Popp (eds.), *Industrial Clusters and Regional Business Networks in England, 1750-1970*, Aldershot/UK 2003, p. 205.

²⁴¹ *Ibid.*, p. 206.

²⁴² Andrew Popp, Trust in an industrial district: the Potteries, c. 1850-1900, *Journal of Economic History*, 3 (1) 2000, 46.

district".²⁴³ In the long run, local levels of trust were sufficiently high to pave the way for the above mentioned comparatively thick network of formal institutions. This seems to derive partly from the specific Brenta history and its local civic capital, recalled in previous chapters, and would therefore confirm the systemic nature of the local levels of trust postulated by Casson.²⁴⁴ At the same time, it seems linked also to the specific nature of Brenta's industry, where raw materials are not precious gold as in Birmingham and where large-scale development plans like in the Potteries were never really considered. However, even in Brenta trust was heavily eroded when external circumstances became challenging. It was so in particular in the critical early 1970s, when ACRIB proved to be incapable of checking the cut-throat competition between entrepreneurs to hire the increasingly few available skilled workers left in the area. A solution was eventually provided by exogenous developments (evolution of the local labour market) but not by collective actions steered by formal institutions. Insufficient levels of trust can also explain the failure of other more limited but in some respects more ambitious formal initiatives based on even closer inter-firm co-operation, which are recalled in the following paragraphs.

The multifaceted reality described above, with institutions failing or succeeding according to a variety of circumstances, suggests to consider a balance between the two extremes of a perfectly formalised system *à la* Best (a sort of idealised Emilia-Romagna) and a spontaneous interaction underpinned by mostly informal social mechanism *a' la* Hyater (a sort of ideal Silicon Valley).

²⁴³ Fiorenza Belussi, *Industrial districts: networks without technologies? The diffusion of Internet applications in three Northeast Industrial Districts of Italy: results from a survey*, paper presented at the *DRUID Summer Conference on Industrial Dynamics of the New and Old Economy – who is embracing whom?*, Copenhagen/Elsinore, 6-8 June 2002, p. 3.

²⁴⁴ Andrew Popp, *Trust..., quote., p. 47.*

Jonathan Zeitlin comments precisely on the great variety of conceivable forms of self-help organisations, each one depending on the given, specific developments in each district.²⁴⁵ The nature of services offered varies widely. Some services regard primarily marketing, others regard key inputs such as bank finance and credit, raw materials purchase and testing, or the training of skilled workers and technicians. Just as the range of services available varies widely from district to district, so does the institutional framework within which they are provided. Sometimes collective services are provided directly by local government; sometimes by artisan, trade or employers' associations; sometimes by co-operative enterprises or consortia of individual firms; and sometimes by ad hoc teams of business people, public officials, trade unionists, bankers and educators. Institutional arrangements range from tenuous commitments to provide some financial assistance to a small Sunday school (as it happened in Brenta in the 1920s) to the nearly Orwellian task of "re-writing" history and fostering local "myths", including myths of co-operation (as it occurred in Brenta in the late 1990s). Zeitlin's insistence on *variety* and *ad hoc* institutions best fits Brenta's history and its rather idiosyncratic coexistence of different types of formal structures.

The recent contributions mentioned in preceding chapters also discuss the role of formal entrepreneurial institutions. As mentioned, a number of writers underline the need for a reassessment of the Italianate model and the return to a more Marshallian vision, with the key role reverting to entrepreneurs and a supporting role coming to "collective actors" (including self-help organisations).

²⁴⁵ Jonathan Zeitlin, *Industrial Districts and local economic regeneration: overview and comment*, in F.Pyke and W. Sengenberger (eds.), *Industrial districts and local economic regeneration*, Geneva 1992, p. 279-294.

In particular, it has been noted that effective local entrepreneurial networks are not necessarily embedded in pre-existing social contexts, and in particular in pre-existing local social and cultural networks, as required by the “thick” version of industrial districts. Entrepreneurial networks can be established and function properly independently thereof, as suggested by the “thin” version of industrial districts, although the convergence of interests necessary to ensure collective action tends to be weaker.

A number of examples can be recalled to this end. Popp mentions the industrial district of Widnes, located in what had been empty uninhabited farmland and therefore by definition devoid of any social or cultural characteristic of its own.²⁴⁶ But further examples can be traced even from clusters of firms located in those areas of North-eastern Italy from which the “thick” version originates. In the mid-1980s, Jacuzzi (the world leader in hydro massage) established its European headquarters in central Friuli, in a scarcely inhabited area with no specific cultural and social traits of its own, which however happened to be close to Valvasone, the village from which the seven Jacuzzi brothers emigrated to the USA in the early 20th century. The “myth”, carefully propagated by Jacuzzi, tells us that the decision to establish the new European headquarters there was taken as a tribute to the origins of the founders’ family.²⁴⁷ This may well be not too far from the truth, although other aspects (including ease of access to European markets, the relevance of Italian outlets, cheap land) were probably considered.

In any case, this external-driven development has prompted the emergence of a growing cluster of firms (often referred to as a proper industrial district), producing both components for Jacuzzi and hydro massage consumer products for the Italian

²⁴⁶ Andrew Popp, *Networks and Industrial restructuring: the Widnes district and the formation of the United Alakli Company, 1890*, in John F. Wilson and Andrew Popp (eds.), *Industrial Clusters and Regional Business Networks in England, 1750-1970*, Aldershot/UK, 2003, p. 210-11.

market. As in many classical industrial districts, most of these spin-off entrepreneurs are former Jacuzzi employees and are connected to one another in a closely-knit network which prospers despite the lack of linkages with a specifically local culture and society. The emergence and growth of this network is instead linked to purely production-related facts. It is the case in particular of the need to achieve spatial proximity, since the components of hydro massage products tend to be fragile and bulky and therefore are difficult and costly to transport.²⁴⁸ Popp has analysed functioning and results of three key institutions which were active in the Potteries in the years 1853-1882. Very much like in Brenta, “though having distinct functions these institutions were closely related”.²⁴⁹ Again very much like in Brenta, they were led and shaped by a small group of leading businessmen who obviously acted in their own interest (although many of them, unlike in Brenta, were born outside the district and had originally weak connections with the area). “Small-scale business may have dominated the district numerically, but large local pottery manufacturers, despite arguing to the contrary, were hugely influential in promoting various sections of the industry through these trade institutions”.²⁵⁰ Popp notes that the success of formal networks depended not only on a number of exogenous factors but also on certain pre-requisites, including a sufficient homogeneity of the firm population: if this is insufficient, formal institutions can scarcely be efficient. In the Potteries, differences in size were so significant that firms often deployed different resources mix, developed different strategies and maintained different network relations. As a result, no collective body was able to reconcile these differences through either power or suasion and therefore to pursue their objectives of regulating, and even unifying, the local industry. In the same way as a sense of collective mission does not necessarily

²⁴⁷ Interview with Sergio Novello, Marketing Director of Jacuzzi Europe, on 24 April 2005.

²⁴⁸ E anche l'idromassaggio inizia a fare acqua, *Il Sole-24 Ore*, 16 March 2005.

²⁴⁹ Andrew Popp, *Business Structure...*, quote., p. 235.

stem from a single sectoral commitment, so the establishment of a common institution does not necessarily prevent cut-throat competition among members, when they perceive that their vital interests are at stake.²⁵¹ As recalled above dealing with trust, Brenta was probably too small and too homogeneous to develop different network relations endangering the cohesion of the district, but showed internecine cut-throat competition as soon as local entrepreneurs felt that their survival was at stake.

At the same time, a number of case studies indicate that self-help organisations can also be effective in dealing with specific issues and in pursuing specific objectives. Francesca Carnevali describes how the Birmingham Jewellery Association (BJA) was able to cope with the specific threat posed by rogue wholesalers in the late 19th century. A specific action (pressure to obtain the severe punishment of culprits) led in this case to specific, concrete results and helped restore mutual trust.²⁵² The BJA again proved to be very effective in achieving specific common goals in the 1960s, assisting in directing production towards an unsuspected, large and untapped market with a sizeable income.²⁵³ As mentioned, ACRIB was quite effective in wage negotiations, in salvaging the Training Centre, in organising collective participation in logically and geographically difficult locations.

In line with the above, the history of Brenta's self-help organisations shows a number of failures and some successes, the most significant of which is probably the strengthening of a collective local identity which in turn reinforces common institutions and can therefore set in motion a self-supporting process.

²⁵⁰ *Ibid.*, p. 244.

²⁵¹ *Ibid.*, p. 259.

²⁵² Francesca Carnevali, *Malefactors and Honourable Men...*, quote., p. 206.

²⁵³ young people aged 15 to 24: Francesca Carnevali, *Golden Opportunities...*, quote., p. 287.

Growth and consolidation of formal self-help organisations in the Riviera

The history of self-help institutions in the Brenta can be divided in distinct phases, which mirror quite closely the stage development model proposed by Brusco and Pezzini.²⁵⁴ As mentioned in previous chapters, horizontal co-ordination existed even at the early stage, and was either favoured by the dominant enterprise or imposed by the local Fascist organisations, and with the establishment of the Sunday School in 1923 as its best known result.²⁵⁵ In the post-Second World War Brenta, the lead was taken by the Organising Committee of the Stra' Footwear Trade Fair, which operated from 1955 to 1963 upon the initiative and with the support of the commune of Stra' and in particular of its Mayor, Giuseppe Vettorel. This co-operation was strictly limited to one specific objective and therefore did not correspond to the idealised continuous, close interaction between entrepreneurs and local authorities highlighted by the social embeddedness perspective. At the same time, it does also not correspond to the alternative, competing myth, often recalled by entrepreneurs, of private and public sectors acting in isolation from each other, on the basis of a tacit agreement: public authorities spending taxpayer's money providing some basic infrastructures (roads, railways, schools, hospitals) and entrepreneurs doing the "real work" of ensuring economic growth.

A good embodiment of this cliché is the speech delivered by ACRIB's President, Luigino Rossi, at a Seminar on Brenta footwear industry held at Dolo on

²⁵⁴ Sebastiano Brusco and Mario Pezzini, *Small scale enterprise in the ideology of the Italian left*, in Frank Pyke, G. Becattini and Werner Sengenberger (eds.), *Industrial districts and inter-firm co-operation...*, quote., p. 142-59.

²⁵⁵ Giovanni Luigi Fontana, *L'azienda incubatrice: Luigi Voltan e la nascita dell'industria calzaturiera italiana*, in *Dall'industrializzazione dell'Artigianato all'esplosione distrettuale. Strategie e trasformazioni del calzaturiero brentano tra gli anni Cinquanta e gli anni Settanta*, in Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *Cento anni...*, quote., p. 35.

29 January 1974. Rossi criticised sharply the alleged lack of any public initiative to support the Riviera Training Centre.²⁵⁶

All this did not prevent individual entrepreneurs and the Association from cultivating personal relationships with both national and local politician, perfectly in line with the traditional networking as a key factor in entrepreneurial success or failure.²⁵⁷ Not surprisingly, the study on Brenta published under the auspices of ACRIB in 1998 includes a number of photographs of politicians visiting exhibitions or participating in events organised by local entrepreneurs.²⁵⁸

Inversely, in an interview in the mid-1990s former Mayor Vettorel recalled the role of public authorities and town councils in the launching of the initiative and played down the role of entrepreneurs. Vettorel recalled in particular the role of the Christian Democrats and their attempts to gain some additional visibility using again the old but efficient method of inviting leading personalities.²⁵⁹

The first edition of the Fair was attended by 700 enterprises, with a cumulative daily production of 10,000 pairs of shoes. The list of participating firms sheds some light on the conditions of the industrial district of the time. Seven communes were represented.²⁶⁰ However, most of them (thirty-six) were located in Stra' and Fiesso (the traditional "hard core" of the district). Most firms produced finished shoes, but also four component firms (heels) and three shoe designers

²⁵⁶ Source: ACRIB.

²⁵⁷ "Photographs of dedication ceremonies, of festival committees, or of entrepreneurs, local authorities in tow, giving tours around the factory to people like Prime Minister Andreotti, served to show ... who really counted in the region": Thomas H. Baker, First Movers and the Growth of Small Industry in North-eastern Italy, *Journal of the Society for Comparative Study of Society and History*, 1994, 636.

²⁵⁸ Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *Cento anni...*, quote.: among other, the photographs of Minister Ferrari Aggradi and the Undersecretary of State Cervone, pag. 226; Minister Colombo, pag. 238; Undersecretary of State for Foreign Affairs Storchiu, p. 239; Minister Tolloj, p. 248; and even the Patriarch of Venice, later Pope John XXIII, p. 303.

²⁵⁹ interview by Michela Vettore, in her graduation thesis *Formazione e Innovazione nel distretto calzaturiero del Brenta (1923-1997)*, academic year 1996-97, Venice University. The Catholic Patriarch of Venice visited the Stra' Fair on 1st September 1957, one year before becoming Pope John XXIII.

²⁶⁰ Stra', Fosso', Vigozno, Fiesso, Saonara, Noventa and Vigozno.

participated. Only five firms were explicitly specialised in a given footwear sector (four in lady-, one in child-footwear). Quite expectedly, all the leading firms attended the Fair (amongst others obviously Voltan, and then Adua, Angi, Ballin, Borella) which were later to launch and steer ACRIB. No participating firm appears to have been incorporated at the time as a joint stock company ("societa' per azioni", s.p.a.); just one was a limited liability company; Voltan itself was an "accomandita" (limited partnership). Participation grew slowly but constantly, passing from 11,000 visitors in 1955 to 20,000 in 1963, from three to nine foreign delegations, from 66 to 140 exporters. The fair was then moved to Padua and eventually discontinued.

Some evidence at a first attempt to establish an all-purpose entrepreneurial self-help organisation is found in a letter dated 10 November, 1946, sent to the firm Voltan by a "Costituenda Associazione fra Industriali ed Artigiani calzaturieri del mandamento di Dolo" ("Prospective association of footwear industrialists and artisans of the Dolo district"). It should have been located in Stra' and cover three areas: protection and promotion of footwear production; legal and tax services to members; the running of a consortium to reduce costs of raw materials.²⁶¹

When it indeed came about - fifteen years later, in December 1961 - the first umbrella organisation in the Riviera (ACRIB-Associazione Calzaturieri della Riviera del Brenta-Association of Footwear Producers of the Riviera del Brenta) was actually quite different from the 1946 project.

ACRIB remained firmly in the hands of a few local entrepreneurs, a sort of "local aristocracy". Seven of the twelve founders were born in the three communes of the traditional core of the district (Stra', Fiesso and Noventa), five in the Paduan

²⁶¹ Giovanni Luigi Fontana, *Dall'industrializzazione dell'Artigianato all'esplosione distrettuale. Strategie e trasformazioni del calzaturiero brentano tra gli anni Cinquanta e gli anni Settanta*, in

communes of the district and only two in neighbouring areas. From its establishment to date, ACRIB has always been chaired by members of this exclusive club or their families. In particular, it was run from 1962 to 1981 by Amleto Donadelli, whom I have mentioned already as the promoter of some technological progress in the early 1960s and one of the initiators of Stra' Trade Fair.²⁶²

Far from playing any role in the shaping of the industrial district (as it could have been the case with the 1946 project), the association came into being once the industrial district had been fully established and had been operational in all its constitutive features (including horizontal inter-firm co-operation) for at least a whole decade, had shown a constant trend towards ever higher shares of exports and had largely contributed to the overall improvement of the standards of living in the Riviera. ACRIB is a product of the growth of the district, not a prerequisite for it. In the beginning, ACRIB was focussed in particular on providing a joint representation of entrepreneurs in work negotiations. However, the objectives of the new Associations went beyond that and included action in four additional areas: analyses and research on issue of common interest; relations with state and public authorities and other institutions, private or public; development of workers' training and education; co-operation with other footwear entrepreneurs' institutions. In all these areas, some results were achieved in the following years. In particular, ACRIB began immediately data collection and analysis, providing indispensable assistance to research on the Brenta history (including this thesis).

ACRIB's establishment had been brought about by exogenous modification on the local labour market, which made enhanced entrepreneurial collective action necessary. ACRIB in itself is therefore the result of Brenta's evolution from an early

Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *Cento anni di industria...*, quote., p. 307-9.

phase predominantly based on comparatively abundant and cheap labour, wage squeezing and family members co-operation (and self-exploitation) to a phase in which employment alternatives were available and in which family connections alone were no longer sufficient to ensure the proper functioning of the system.

ACRIB's growth however became rapidly self-sustaining, independently of results achieved in labour negotiations. Some ten years after ACRIB's birth, the gap between the average wages in Brenta and in the northern Italian footwear industry as a whole closed up with the signature of a local agreements on 1 September, 1974.²⁶³ This took place in a context of increasingly complex labour regulations, more stringent public controls, improved pension and health schemes, which all concurred to make the development of some common services even more attractive for local footwear entrepreneurs.

In its initial years, ACRIB's stance on labour issues was quite uncompromising. Vittorio Pamagnin told me that, in the early 1960s, ACRIB was not different from all other entrepreneurs associations: "rigid and inflexible" (but, he added, "trade unions were not better"). Compromises were eventually reached through the personal mediation of a few "enlightened" representatives of both parties, and not as a result of converging views based on a common local culture or a common "mission". This was partly due, so Pamagnin, to the fact that ACRIB was not yet a real collective actors, but rather a meeting point for a handful of entrepreneurs competing with each other also in holding in check labour unrest in their respective firms.²⁶⁴

ACRIB not only acquired a leading role as the sole representative of local "large" firms, but also established working relations with other entrepreneurs

²⁶² Source: act nr. 46878 dated 22 January 1962 by A. Pavanello, Notary Public in Piove di Sacco-Padova, published in Francesco Jori, 1962 - 2002: 100 Anni di ACRIB, Fiesso 2002, p. 94-101.

²⁶³ Giorgio Gottardi, *Il settore calzaturiero nell'area del Brenta*, Bologna 1978, p. 14-16.

associations. This was no foregone conclusion. ACRIB's co-founder and former Chairman Luigino Rossi recalls the many initial problems ACRIB faced in dealing with the Industrialists' Associations of Venice and Padua, of which both it is now a corporate member. In 1967, together with sister organisations in Vicenza, Valenza Po, Brescia, Alessandria, Florence and Pistoia, ACRIB joined the Italian footwear umbrella organisation (ANCI-Associazione nazionale calzaturieri italiani- Italian national footwear industrialist association) which represented at that time approximately 60% of the Italian production.²⁶⁵ Luigino Rossi served as ANCI's Chairman between 1983 and 1987, focussing his action on the establishment of CMAC (a national provider of quality certificates) and Federpelle (a national consortium for the purchase of leathers and skins), and in promoting exports to the USA.²⁶⁶

Representatives of ACRIB seat since then in the board of Directors of ANCI (traditionally holding the Vice-presidency) and in the European footwear umbrella organisation *Confederation Europeenne des Chaussures-CEC* (European Footwear Confederation), as well as in the respective Boards of Directors of the Industrialists Associations of Padua and Venice, in their provincial Committees for foreign trade as well as in the provincial Commissions for home work.²⁶⁷

As a consequence, membership grew considerably: member firms probably employed 60% of the total footwear workforce in the Riviera by the mid-1970s.²⁶⁸

Relations with public authorities have improved considerably from the early 1990s. They include now relations with Italian institutions abroad, including Embassies and Missions of the Italian Institute for Foreign Trade.²⁶⁹

²⁶⁴ Interview with Vittorio Pampagnin, June 2003.

²⁶⁵ *Materiali di Storia*, nr. 18/December 2000, p. 13-15. See also interview with Luigino Rossi in *Padova Economica*, 3/1995, p. 9-12.

²⁶⁶ www.anci-calzature.com/storia

²⁶⁷ Amleto Donadelli, founding member of ACRIB, was Vice-president until 1976.

There were a few other short-lived attempts to launch enhanced formal inter-firm co-operation. The consortium “Stracalzatura” was established in 1971 by four firms, with a permanent showroom in Stra’. The owners of the four firms rotated as Chairman-in-office of the consortium, which could boast 2,500 different shoe designs. Again, this initiative failed for lack of mutual trust, a sort of small local “tragedy of the commons”.²⁷⁰

ACRIB played a role in supporting Brenta firms’ joint participation in trade fairs, an area in which it could build upon the experience of the Organising Committee of Stra’ Fair. It promoted joint participation in trade fairs not easily accessible to individuals either politically (in Eastern Europe) or geographically (in the Far East or Australia). However, joint participation was scarce in Western Europe (including in Italy) and in North America, precisely in the largest Brenta’s markets. In a list of 23 exhibitions and fairs with official ACRIB participation from 1962 until 1978, just six took place in member states of the European Community; out of a total of 138 firms taking part in these ACRIB initiatives, just 45 did participate in exhibition within member states of the European Community.²⁷¹ Quite expectedly, the same small group of “large” firms always participated in these events.²⁷² ACRIB organised a number of information and research missions abroad, with a total

²⁶⁸ Giovanni Luigi Fontana, *Dall’industrializzazione dell’Artigianato...*, quote., p. 295.

²⁶⁹ A joint promotion of ACRIB and the Italian Embassy in Bonn was organised for instance in October 1998: interview with the Deputy Head of the Commercial and Economic Section of the Italian Embassy in Germany, February 2001, who assed both the results achieved and the co-operation as “positive”.

²⁷⁰ *Ibid.*, p. 228.

²⁷¹ Bondi F-Mariacher, G., *La calzatura della Riviera ...* quote., p. 250.

²⁷² Rossimoda, Ca’ d’Oro, Adua, Menin, Borella, Ballin, Myriam, Caovilla, San Marco, Baldan and Simonato, many of which had been usually present also at Stra’s exhibitions. The complete list follows (in brackets the number of Brenta firms participating): 1962: Adelaide (18 firms); 1963 Leipzig (9); 1964 Luxembourg (4); 1965 Freiburg (7); 1966 (March-April): Utrecht (12); 1966 (April-may): Toulouse (9); 1966 (Sept.): Brussels (9); 1967 (June): Bucharest (5); 1967 (Sept.): Brussels (4); 1967 (October): Belgrade (10); 1968 (July): Moscow and Brno (9); 1968 (October): Belgrade (9); 1968 (October): Stavanger (Norway) (4); 1969 (Sept.): Moscow (6); 1970 (march): Zagreb (3); 1970 (march): London (5); 1970 (June): Melbourne (3); 1971 (April): Kuwait (1); 1971 (May): Göteborg (6); 1971 (Sept.): Tokyo (1); 1978 (March-April) Jeddah (4).

Source: Bondi F-Mariacher, G., *La calzatura della Riviera ...*, quote., p. 250.

participation of 55 firms in the period 1963-1978²⁷³ as well as a number of seminars in Italy.²⁷⁴

However, ACRIB played a significant role in co-ordinating the Brenta participation in the trade fair of Düsseldorf, the largest of its kind. Initially, ACRIB held a concomitant but distinct collective exhibition, since Duesseldorf's Trade Fair was open only to individual firms. Brenta's enterprises were eventually allowed to participate through an *ad hoc* formal organisation, a Consortium (Consorzio Maestri Calzaturieri del Brenta-Consortium of Brenta Shoe Masters) established in 1976 by 64 members. In the same way as ACRIB had been initially established to negotiated collectively with trade unions, but soon took up additional tasks, so the new Consortium was established as a mere Trojan horse to participate in Duesseldorf fair but soon became involved in promoting exports and enhancing local inter-firm co-operation. Since 1993, the Consortium has also provided a fashion consultancy service through a small group of experts who monitor and report regularly on national and international fashion trends. In 2004, ACRIB was considering the establishment of a new Fashion Centre, in part as a response to the acquisition of some firms by a leading French fashion group. This also translated in an increase in the number of ACRIB's staff, which went from five in the mid-1990s²⁷⁶ to ten in 2004.²⁷⁷

²⁷³ the number of participating firms is given in brackets:

1963: Germany (12); 1967: Prirmasens (5); 1967: Romania, Chekoslovakia, GDR (4); 1968: USA (14); 1969: Japan, Hong-Kong, Thailand (4); 1970: Angola, Nigeria, Rhodesia (1); 1972: GDR (10); 1976: Japan, Hong-Kong, Thailand (5).

Source: *Ibid.*, p. 254.

²⁷⁴ 1966, San Dona' di Piave (seminar organised by the Italian Ministry of Foreign Trade); 1968, Stra' (footwear industry in the Veneto Region); 1971, Stra' (sales techniques); 1972, Vigevano (problems and future of the footwear industry); 1974, Dolo (footwear industry in the Brenta area); 1975, Dolo (organisation of the Dolo district); 1976, Venice (meeting with Japanese entrepreneurs); 1978, Venice (meeting with Secretaries General of Foreign Chambers of Commerce in Italy); 1978, Bologna (the national footwear market).

Source: *ibid.*, p. 255.

²⁷⁶ Source: oral information provided by ACRIB, June 1995.

²⁷⁷ Source: Mauro Tescaro, Director of the Footwear Polytechnic, interview in October 2004.

A further consortium was established in 1986 as Centro Veneto Calzaturiero (Venetian Footwear Centre), to run the Training Centre and the three sections of a new Centro tecnologico (“Technological Centre”).

An “Italian Consortium for Lasts” was established in 1996. An internal restructuring within ACRIB led to the establishment of a limited liability company (ACRIB Servizi s.r.l.) tasked with common services in particular in administration, while “political” tasks remain the preserve of ACRIB. A “Footwear Polytechnic” (of which ACRIB is the main shareholder but in which also public authorities, a bank and private companies participate) was established in 2001 and tasked with training and research.

Despite the increase in the number of institutions, Brenta’s real and perceived collective capabilities did not necessarily improve at the same pace. In general, after the shift towards a higher market segment had made wage negotiations less crucial, local entrepreneurs considered collective services as comparatively secondary, with the possible exception of joint participation in trade fairs in “difficult” countries. This attitude remained widespread until the late 1980s.²⁷⁸ Despite its increased membership, ACRIB and the Consortium continued to be considered as a “club” of the largest enterprises, providing little or no incentives for the small ones to take part and fully “play the game” of horizontal co-operation also through the associations themselves. Participation was reluctantly considered by many as a sort of necessary evil to avoid the ultimate punishment in an industrial district: isolation.²⁷⁹

²⁷⁸ Interview with Giovanni Zuin, June 1996. He underlined that not only ACRIB, but also other entrepreneurial associations including the Chamber of Commerce played a role in information and promotion but were not able to deliver “practical assistance”, in particular with regard to export.

²⁷⁹ “... industrial districts in Japan are strengthened by powerful incentives rewarding reliability and trustworthy behaviour”, including concerning active participation in formal self-help organisations: Roger Hayter, *The dynamics of Industrial Location-The factory, the firm and the production system*, Chichester, New York, Weinheim, Brisbane, Singapore, Toronto, 1997, p. 333.

The comparative success of Brenta's formal institutions is ultimately also due to the personal commitment of some leading personalities of the area, in particular Luigino Rossi who invested in it considerable amounts of energy and time. In the mid-1980s, Centro Veneto Calzaturiero was established in an atmosphere of growing recognition of the added value provided by collective services, which was brought about also by the increasing success of the industrial district model among small entrepreneurs themselves.²⁸⁰

Conclusion

Brenta confirms the results of some other case studies: efficient formal horizontal inter-firm co-operation through self-help organisations, supported by public authorities and enjoying the confidence of entrepreneurs who actively contribute to its functioning, is often more an idealised model than an accurate description of reality, even in the "Third Italy". The slow, sedimental and at times idiosyncratic development of Brenta's formal institutions since 1923 confirms that industrial districts can indeed take off and develop independently of efficient formal organisations. Such organisations tend to appear in later stages of industrial districts' development.

Brenta indicates on the one hand that most inter-firm co-operation (in itself one of the key features of industrial districts) can take place independently of formal organisations, and on the other hand that the maximum collective efficiency of formal institutions is reached in the pursuit of well-defined, specific and limited

²⁸⁰ Membership of ACRIB is at times perceived as status- and prestige-enhancing. Social recognition and a possible better place on the social ladder remain powerful incentives even among Brenta's entrepreneurs. In the last years, efforts at improving the poor social recognition for the Brenta footwear industry have led to initiatives such as the Footwear Museum established by Luigino Rossi in his 18th century Palladian villa in Stra', exhibiting a number of paintings and drawings made in the 1950s by Andy Warhol, who used to work as a shoe designer in New York. A co-operation with the Commune of Padua to promote the Museum was been launched in 2004. Source: Interview with Pietro Casetta, journalist and cultural advisor to the Commune of Padua, 15th July 2004.

objectives. Nevertheless, successful formal institutions with limited objectives are easily encouraged to take up additional tasks. This sort of inverse correlation between ambitions and success of formal institutions has been observed in a number of other industrial districts. Francesca Carnevali has analysed very efficient actions by the Birmingham Jewellery Association in a number of limited areas at different times, including reassessment of market strategies and the fight against rogue wholesalers. Andrew Popp has highlighted the failure of larger formal organisations in the Potteries, which pursued ambitious objectives including the unification of an entire industry and therefore ended up clashing against the interests of most single entrepreneurs. Again, this confirms that the essential role in any industrial districts is played by entrepreneurs, acting primarily through their firms. Formal associations are in principle as effective as entrepreneurs want and allow them to be. However, Brenta's history demonstrates also that formal institutions can to some extent influence entrepreneurs' attitudes and soften their resistance to further integration.

B. National and local governments in the Brenta area:

a necessary evil or partners?

This section discusses the role played in Brenta by local and national governments as well as by political ideologies. This is done on the basis of electoral data for the period 1953-1979 which I traced at ISTAT (Istituto Italiano di Statistica - National Institute for Statistics).

My research at ISTAT archives shows that Brenta was permanently split between two almost equally powerful political cultures: Christian-Democratic and Socialist-Communist. This runs contrary to some central aspects of the established Italianate model of industrial district, in which "... the regions which are most typical

of small-firm development ... are usually characterised by the existence of specific subcultures. In these areas, one often finds the predominance of a particular political tradition, whose origins usually go back to the beginning of the century, and a complex of institutions ... which derive from the same politico-ideological matrix" (emphasis added).²⁸¹ Brenta's lack of political homogeneity is in line with the reassessed model analysed in the previous chapters, where companies are the key actors and other economic agents play a subordinaterole.²⁸² In this context, I recall my comments in the Introduction of this thesis on Putnam's research on the "social embeddedness" perspective of a number of Italian economic success stories. Putnam's findings do not postulate any simplistic cause-effect relationship between a given social and political environment and specific growth patterns. Rather he underlines the concept of "civic-ness", which in turn can assume different forms as is precisely the case for the fragmented political landscape of Brenta.²⁸³

"White" and "red" political interventions

Analysts of the role of political cultures in Italian industrial districts have mainly focused their attention on the post-Second World War period. Carlo Trigilia in particular elaborated the concept of two political "subcultures" in the Third Italy, namely Catholic and socialist, which were established in "white" (Christian Democrat) areas and "red" (Communist) areas respectively.²⁸⁴ The existence of two such subcultures has become a *topos* of the literature on industrial districts of the "golden years" (in particular the 1980s).

²⁸¹ Carlo Trigilia, *Small-firms Development and Political Subculture in Italy*, in Edward Goodman and Julia Bamford (eds.), *Small Firms and Industrial Districts in Italy*, London and New York, 1989, p. 175.

²⁸² Philip Raines (ed.), *Cluster Development and Policy*, Strathclyde, 2002, p. 15.

²⁸³ Robert D. Putnam, *Making Democracy Work – Civic Traditions in Modern Italy*, Princeton, 1993, p. 97.

²⁸⁴ Carlo Trigilia, *Grandi partiti e piccole imprese: comunisti e democristiani nelle regioni a economia diffusa*, Bologna, 1986.

The political turning point of the early 1990s included the collapse of the traditional mass-based political parties; the emergence of centre-right and centre-left loose coalitions with no stringent ideological identities; the strengthening of local authorities at the expense of national governments; the emergence of strong devolutionist, even secessionist movements. However, this did not seem to affect either the structures or the performance of Italian industrial districts. The world described by Trigilia seemed to disappear without any major consequence on the social and economic fabric which the mass-based parties had helped to create. In this context, Putnam's research mentioned in previous chapters complements Trigilia's account.²⁸⁵ According to Putnam, the efficiency of political and administrative institutions is determined also by the degree of what he terms "civic-ness" and by the "civic capital" accumulated over decades and centuries by a given local or regional community, and it is the result of a long process of learning how to co-operate "horizontally" in the pursuit of common goals. The underlying social preconditions so created shape in turn both the economic and the socio-political developments. Putnam's model in particular sheds light on some differences between the regions of the Third Italy investigated by Trigilia. These differences can be connected to a higher degree of "civic-ness" in regions with a socialist ethos (like Emilia) than in regions with a predominantly Catholic background (like Veneto).²⁸⁶ I have already underlined in previous chapters that self-help organisations usually have been more common and more efficient in "red" than in "white" industrial districts of the Third Italy. Putnam also notes that "organised religion... in Catholic Italy is an alternative to the civic community, not a part of it".²⁸⁷ As a consequence, involvement in civic life is quite likely to be less enthusiastic in Catholic areas. Incidentally, this could

²⁸⁵ Robert D. Putnam, *Making Democracy Work...*, quote., p. 107.

²⁸⁶ *Ibid.*, p. 97.

²⁸⁷ *Ibid.*, p. 107.

also shed some light on the emergence of devolutionist movements in Catholic regions of the Third Italy in the late 1980s, but only to a much lesser extent in “red” regions.

Quite logically in this context, Putnam considers the “Communist” regions (Tuscany and Emilia-Romagna) as the most “civic” in Italy, significantly more “civic” than “Catholic” ones (including Veneto). This could explain why “red” local governments tend to be more interventionist, self-help institutions more effective, trade unions more incisive and the local “atmosphere” more vibrant in “red” industrial districts, which consequently tend to be closer to the stylised model of Italianate district. In this sense, Philip Raines can be correct in defining Emilia-Romagna as the “core region” of the Third Italy.²⁸⁸

In this respect, Brenta is a hybrid where both subcultures, the Catholic and the socialist, co-existed side by side. Some communes were “historically” red, others “white”, and political control virtually never passed from one to the other mass-based parties for 45 years. Communes located within a radius of a few kilometres were ideologically divided for almost half a century, even within the minuscule historic core of the Brenta industrial district where Stra’ was “white” and Fiesso was “red”. Moreover, the ideological divide was perceivable within each commune, with substantial portions of the electorate (usually at least 40%) supporting the minority subculture. The presence of a strong socialist ethos in an otherwise almost completely Catholic region has probably helped the development of a comparatively high number of relatively efficient self-help organisations. At the same time, the rather ambivalent attitude of entrepreneurs, but also of the local civil society at large, vis-à-vis public authorities and politics, is rather reminiscent of the abovementioned Catholic mistrust of state and public institutions.

²⁸⁸ Philip Raines, *Cluster Development...*, quote., p. 19.

In this context, the history of the interaction between politics and the economy in the Brenta can be divided into three phases.

Initially, relations were direct between state and local authorities on the one side, and the leading enterprise Voltan and a few other local industrialists on the other. Direct public orders (for example for the army) were common, and so were also political involvement by entrepreneurs both in public functions (Giovanni Luigi Voltan was a town counsellor in Dolo) and in party functions (his son was a leading member of the local branch of the Fascist party). Some inter-firm formal co-operation took place within the Fascist organisations, including the entrepreneurs' trade union (membership of which was compulsory).

In a second, longer phase (from 1945 to the late 1980s), relations tended to become indirect, with entrepreneurs focusing exclusively on running their firms and with local politicians intervening rarely (and if so in a private, rather than official capacity) in local economic issues. At the same time, formal organisations, in particular the entrepreneurs' association established in 1961, played an increasingly important role as interlocutor for political and administrative institutions on specific issues (for instance the severe crisis at the training centre in the mid-1970s). The role of the Communist party in particular was significant (in line with the tradition of "red" regions).

A third phase followed from the late 1980s, with relations between the economy and politics again becoming more direct but this time channelled through formal Brenta associations. The national law of 1991, providing some legal and financial incentives to industrial districts as such, and subsequent regional legislation strengthened the role of the formal organisations and favoured direct contact with policymakers at the local and national level. This development concluded a long

process started in the early 1950s, when the nascent Brenta district proved to be a less suitable interlocutor for public authorities than Voltan had been in pre-war years and to some extent until the 1940s.

Apart from the usual scarcity in available data, there are some additional difficulties in assessing the role of politics and public administration in Brenta's history. The role of leading members of the Voltan family in the Fascist regime is mentioned only cursorily by writers, with the exception of Vittorio Pampagnin.

Entrepreneurs also tend to deny any role for politics in economic development, which (not surprisingly) they tend to consider as the result of "pure" entrepreneurship. In the Veneto region (more than in other regions of the Third Italy with a socialist ethos, particularly Emilia-Romagna), this attitude is shared by a significant portion of the public, suspicious of any public intervention. A number of writers on Brenta tend to share this approach. This could partly be justified by the often less than adequate performance by national governments and the national public administration. On this point, Porter remarks acidly that "... the Italian case suggests quite clearly that government policy is not a *sine qua non* of national competitive advantage. The Italian government, at the national level, has created far more disadvantages than advantages".²⁸⁹ Public administration, on its part, has at best been the generator of "... a curious sort of advantage. Italian firms are intensely pragmatic, undeterred by obstacles, and adept at competition and improvisation. They manage constraints rather than succumb to them. Many observers cite Italian success ... as a product of years of coping with the Italian bureaucracy".²⁹⁰

²⁸⁹ Michael E. Porter, *The Competitive Advantage...*, quote., p. 447.

²⁹⁰ *Ibid.*, p. 439.

²⁹² Gian Antonio Stella, *Schei*, Milano, 2000, p. 180-8.

And yet, such sweeping statements do not capture at least some areas of the “Third Italy” where Putnam-ian “civic capital” has paved the way for highly developed local political environments and performing public institutions. Research in this area is confronted with the apparently conflicting *topoi* of very inefficient Italian national governments and quite efficient Third Italy local governments, the former hampering economic development, the latter fostering it.

These issues are analysed in depth by Trigilia’s seminal work. Building upon previous contributions (Bagnasco wrote on the subject already in the early 1970s), he succeeded in making the distinction between “red” and “white” areas a *topos* of the literature on Italian industrial districts.

The overall picture in contemporary Third Italy is now very different because *inter alia* of the collapse of its mass-based parties and their replacement by loose coalitions. The current electoral competition in Italy between a centre-right and a centre-left coalition of parties and movements is not simply the continuation of the previous competition between the Christian Democrats and the Communists, but rather a wholly new phase in which the traditional allegiances to mass parties as mediating forces between conflicting interests are being replaced by political choices based on the capabilities of candidates to provide solutions and answers to specific, concrete problems.

Italian industrial districts have been able not only to survive the collapse of the political system which had been so closely associated with them, but even to experience an unprecedented growth precisely in the years of decline for both the Christian Democrats and Communists. This confirms both the resilience of Italian industrial districts and the limited role played by politics in their development. In some cases, the mediating role played in the past by mass-based parties was carried on by new political coalitions. This was the case in particular in Emilia-Romagna

and Tuscany where the traditional “socialist ethos” survived. It was less so in Veneto, where traditional Catholic values and the direct influence of the Catholic Church on politics have been substantially eroded.²⁹²

Peaceful coexistence of incompatible ideologies

As mentioned in the preceding paragraphs, the Second World War created a fundamental divide in the history of the footwear industry in the Riviera. The pre-war situation was to a large extent clear-cut: one leading entrepreneur, Knight of the Crown of Italy, well connected with the Fascist authorities and a minor role in local politics; a small but growing group of spin-off small firms, controlled by the Fascist entrepreneurs’ associations; and a number of individual artisans. All of this was replaced by free and tough competition between “red” and “white” political parties in a rapid developing economic context. The results of national elections in the Riviera del Brenta communes for the three key decades of its birth, take-off and restructuring are listed in the tables at the end of this chapter.

Table XIX, at the end of this chapter, reports the election results for each of the two chambers of Parliament (Chamber of Deputies and Senate) for the whole industrial district. The table reports in each column the number of valid votes, total votes for the mass parties (Christian Democratic, Communist and the latter’s close ally, the Socialist Party), votes for the Christian Democrats, the sum of votes for the Communist and the Socialist Parties, votes for the Communists alone, votes for the Socialists alone.

Table XX indicates the political majorities (either Christian Democrats-“white”, or Socialist-Communist-“red”) in each of the 12 communes of the industrial district. Tables XXI-XXXIV provide data on the electoral results in each commune for both Chambers of Parliament.

The constantly increasing amount of valid votes from just over 44,000 in 1953 to just over 64,000 in 1979 (both data refer to the Chamber of Deputies) in an area in which voter participation has been traditionally very high (over 90%) reflects the natural growth of the population. The high percentage of votes for the mass-based parties remains very high, on average around 90%, well above the national average (around 70%).

Election results have remained remarkably stable over the years, in line with the local innovative conservatism which I have identified as the specific characteristic of Brenta. Seven communes have always been governed by Christian-Democrats, four by Communists and Socialists, and just one has experienced political changes. Moreover, the gap in terms of votes in the whole district between the “white” majority and the “red” minority remained tiny and was even reduced over the years. The overall red minority/white majority ratio grew from 0.81 in 1953 to 0.93 in 1979 (both data referring to the election for the Chamber of Deputies). The left even achieved a transient, tiny majority in 1976 (only in the election for the Chamber of Deputies). The gap between the “white” majority and the “red” minority was constantly larger in the election for the Senate than for the Chamber of Deputies. This reflects the different ages of voters (over 25 years for the Senate, and over 21, later 18, for the Chamber of Deputies): the preference among younger voters in the Brenta for the leftist parties in the decades between 1950 and 1970 is in line with the rest of the country.

There is no evident relationship between communes’ political affiliation and the specific economic policies they pursued. The two core communes of the district, Stra’ and Fiesso, featuring the largest concentration of firms and workers and which were economically and socially intertwined, were “white” and “red” respectively.

Local events, no matter how significant, are not directly reflected in the preferences of voters. The short-lived novelty of a tiny majority for the left in the elections for the Chamber of Deputies only mirrored national trends. Traditional allegiances and ideologically motivated choices therefore appear to have been even more significant than in Trigilia's model, in which there is a direct connection between political competition and economic development and in which a high degree of consensus for a given political force depends on its capability to mediate divergent interests at the local level. This capability draws upon a closely-knit institutional network (parties, churches, groups of interests, social services, cultural and sport associations) which are all co-ordinated by the dominant political force. This force also controls the local government and is in charge of relations with the national government. Through this network, two goals are achieved: the structure strengthens and preserves itself, and a composition of local divergent interests is achieved. The political subcultures are to be seen as forms of institutionalisation of social movements (socialist and Catholic) originally meant to change society radically and which, falling short of that, took root in those areas where preconditions were favourable. In other words, Trigilia describes the story of a sort of compromise between idealism and reality, with mutual benefits for all actors involved: radical reforms at the national level are postponed indefinitely, but the movements acquire a leading role at the local level.²⁹³

Trigilia also underlines, however, the significant differences between the two models. Social conflicts are more frequent in "red" than in "white" areas. Union organisations and union struggles are more frequent, as are co-operative organisations and social self-help organisations. A pivotal role is played in the white areas by self-help organisations, co-operatives and credit institutions. In general, the

²⁹³ *Ibid.*, p. 148.

“red” communes are more inclined to intervene than “white” communes, and they tend to emphasise the role of politics in the mediation of social conflicts. In the “white” communes, the effort is opposite: a self-confinement of political action and the leading role in social mediation played by social institutions inspired or led by the Catholic Church. The class structure of the two types of areas is one more key element of differentiation. In the “red” communes, the leading agrarian and industrial classes are excluded; the “white” communes tend to encompass all classes and therefore have a more pronounced “territorial dimension”.²⁹⁴

However, both political subcultures pursue the same fundamental objective: defending the local society from the aggressions of market forces and from consequent destabilising effects. Differences in tactics (politicisation and union activism for the red areas; self-help organisations, banks and the mediation of the Catholic Church for the white areas), according to Trigilia, should merely be seen as different means for achieving the same results.²⁹⁵ Trigilia attempts an evolutionary, rather than static, description. He also stresses “signs of erosion” of his model at the time he is writing. In the 1980s, political support for one or the other mass party had already ceased to be an automatic consequence of a global cultural affiliation passed down from generation to generation. Political support became progressively more selective and determined by the capability of the local political forces to provide adequate responses to specific needs. In the early 1990s, ten years after Trigilia’s work, the mass-based party system came to an end. However, other elements of his analysis, less dependent on his dichotomy, deserve further commentary.

a) Trigilia stressed that large areas of central-north-eastern Italy, even prior to their industrial take-off in the first decade of the 20th century, may have been economically backward, but always relied upon a safety net of social structures

²⁹⁴ *Ibid.*, p. 129.

preventing the disintegration of the local society. These areas coincide both with the areas of development for the industrial districts of the Third Italy and with the areas in which sharecropping was most common. They are all areas characterised by a specific balance between “backward” and “advanced” elements, which together give those areas a comparatively strong capability of absorbing the impact of rapid developments and make the social network of relations more resilient. This specific set of characteristics cannot be found in southern Italy (where social aggregation is deficient) or in north-western Italy (where growing urbanisation and industrialisation translate into class frictions and undermine the “territorial” dimension of social relationships).²⁹⁶ Brenta in particular has shown consistently good levels of social integration in comparison with those of the surrounding areas. Evidence of this can be found in the data concerning subsidies paid by the ECA (Ente Comunale di Assistenza - Communal Social Support Agency) to destitute families until the mid-1970s.²⁹⁷ Although per capita income in the Riviera was probably lower than that in other Venetian areas (and in some cases still was until the early 1990s)²⁹⁸, the number of subsidies paid to families with income levels under a given threshold has continuously been smaller than in most Venetian communes of surrounding areas.²⁹⁹ The data which I found at ECA archives confirm this coupling of a less-than-average income and a less-than-average number of destitute families and seem to point to the existence of several informal social networks assuring a certain degree of redistribution *before* the intervention of the public hand.

²⁹⁵ *Ibid.*, p. 128.

²⁹⁶ *Ibid.*, p. 51.

²⁹⁷ Source: *Ente Comunale di Assistenza-ECA reports*, archives of ISTAT (National Institute for Statistics), Rome.

²⁹⁸ Source: *Guidazzurra-Dizionario dei Comuni*, edited by ANCI-Associazione Nazionale Comuni d’Italia, Rome, 1992.

²⁹⁹ This is true not only for the relatively better-off communes of northern Riviera (Stra’, Fiesso, Dolo) but also for those south of the river Brenta (Camponogara, Fosso’, Campagna Lupia).

b) Trigilia stresses that the Catholic political culture tended to support a moderate growth in industry, moderate enough to preserve the traditional rural social equilibrium and to use it for its purposes. This fits well into Brenta's "innovative conservatism".

c) A high level of self-employment is considered by Trigilia a prerequisite for the taking hold of territorial subcultures. Self-employed workers tend to be more focused on preserving the local social order than on class allegiance, and are therefore more open to co-operation.³⁰⁰

d) Trigilia underlines the role of smaller urban centres with a small and medium bourgeoisie, some providers of common services and a handicraft and commercial tradition. These centres may depend on larger cities for more specific services but are equipped to meet most requirements of the rural economic life and of nascent industrial districts.³⁰¹ Dolo played exactly this role following its take-off in the early 18th century as a logistical centre, a commercial meeting point and a crossroads in the centre of the Rivera, halfway between Padua and Venice.

Some initiatives undertaken by Fiesso and Stra' epitomise the nature of "red" and "white" interventions respectively.

Fiesso had 245 employees and 30 firms in 1951 and has consistently had the highest number of employees in the footwear sector in the area since the mid-1960s despite its small size (six square kilometres).³⁰² Even in Fiesso, however, financial support appears to have been the only efficient instrument really available to the local government.³⁰³ Until 1961 in particular the Commune of Fiesso acted only by means of tax relief for new footwear enterprises (for instance, seven were granted in

³⁰⁰ *Ibid.*, p. 64.

³⁰¹ *Ibid.*, p. 65.

³⁰² Source: ISTAT - National Census 1951.

1958). Fiesso, like other footwear communes of the area, also became engaged in financial support for the annual Footwear Trade Fair in Stra' and even increased its contribution from 50,000 to 200,000 lire in 1962. The local government played a role as a direct and impartial mediator, *à la Trigilia*, in 1969, when it invited workers and entrepreneurs to participate in a round of consultations. However, on 12 November 1969 it also approved a document condemning the "inflexible attitude" of the local entrepreneurs, instead supporting the requests of workers as well as the general strike. The motion also requested that the mayor seek tax and rental relief for workers during the period of labour conflicts. Far from playing the idealised role of mediator between conflicting interests, the Commune indeed seems to have sharpened social tensions by taking sides with one party. In addition to a few specific interventions (e.g. one million lire for workers' families), Fiesso local authorities showed an inclination for ideological debates rather than for concrete actions.³⁰⁴ However, confronted with an ongoing labour crisis, they tried their hand at a mediation exercise between workers and entrepreneurs which included other communes and a number of members of Parliament.

The most successful campaign undertaken by a "white" commune in the footwear sector was the support given to the trade fair held in Stra', in particular by its Christian Democratic Mayor Giuseppe Vettorel. This initiative, instead of playing one actor against the other, aimed at encouraging co-operation in the pursuit of a

³⁰³ Massimo Tegon, *Il distretto e gli enti locali. Gli interventi del Comune di Fiesso d'Artico nel ventennio 1950-1970*, in Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *100 anni...*, quote., p. 310-311.

³⁰⁴ Translation of some relevant passages from the communal motion approved on 12 November 1969: "The Communal Council of Fiesso d'Artico supports the workers who in Italy and particularly in our province struggle to achieve better living conditions in workplaces and in society. The Council condemns the unjustifiable inflexibility of entrepreneurs. The current struggles originate from the working class... and are components of a wider process in which working masses, through their struggles, make clear their objectives of social and economic reform. These reforms represent objective needs arising from the current situation": *Ibid.*, p. 311.

common objective and led to the first local semi-formal self-help entrepreneurial organisation .

The main feature of Brenta's political landscape over the longest period of its post-war history was a potentially fragile balance between two political cultures. This balance, however, proved to be exceedingly stable over the decades and translated into a blend of laissez-faire and some elements of a social policy, supportive of industrialisation but not intrusive.

A brief comparison with another footwear area, well investigated from this specific angle, shows how much Brenta's case is idiosyncratic. Michael Blim describes the political events in a footwear area in the Marches, centred on the little town of San Lorenzo Marche, which experienced something unknown to the conservative Riviera: a change of local government, from the Christian-Democrats to the Communists.³⁰⁵ The ascendance of the Communist Party in San Lorenzo Marche was "slow, steady and incremental"³⁰⁶, but culminated in the electoral victory of 1980. The history of San Lorenzo therefore is more a story of a well-functioning local democracy in which two groups struggle (democratically) for power and obtain the support of the citizens on the basis of their performance or the general economic climate, rather than a semi-permanent allegiance to a political subculture. Class differences indeed appear to have played a significant role in shaping the political landscape of San Lorenzo. According to Blim, the rise of the Communist Party passed through the "conquest" of the area's artisans, in particular those who had emerged from the ranks of former shoe workers and peasants. The Christian-Democratic incumbents relied instead on a wider scattering of social strata.³⁰⁷

³⁰⁵ Michael L. Blim, *Made in Italy...*, quote., New York, 1990.

³⁰⁶ *Ibid.*, p. 218.

³⁰⁷ *Ibid.*, p. 242.

However, they experienced power struggles between their right and left wings, the former favouring a policy of laissez-faire, and the latter trying to implement a cautious social policy.³⁰⁸ Blim's description of the early history of the industrial district, far from reporting co-operation among all the local actors and mutual trust based on a respect for a set of common values, "seems something of a Marxian delight", with two "new untested and antagonistic groups – the new workers (from the countryside) and the new entrepreneurs – in a battle over wages and working conditions in an industry that was enjoying unparalleled expansion and success" but which was still based on "just good old-fashioned exploitation".³⁰⁹

Conclusion

Since Trigilia's seminal work of the 1970s, the interaction between small firms and politics in the Third Italy has attracted attention not only for analyses of existing clusters but also for the formulation of cluster policies, of which there has been "a global proliferation" over the last decade or so.³¹⁰

The preceding paragraphs, in combination with various elements highlighted in the chapters on entrepreneurial organisations and trade unions, have tried to shed some light on the progressive development of cluster policies in the Riviera. Brenta confirms the view that policy intervention has little to do with the *emergence* of clusters, and its function in their *growth* seems at best indirect.³¹¹ However, it also indicates that relations with public authorities can indeed enter a new phase once a district has reached a comparatively advanced stage in its development.

Relations between *single firms* and political and administrative authorities of course are common, and have also been common in Brenta. Significant interaction

³⁰⁸ *Ibid.*, p. 224.

³⁰⁹ *Ibid.*, p. 225.

³¹⁰ Philip Raines (ed.), *Cluster Development...*, quote., p. 21.

between the firm Voltan and politics in particular, mentioned on a number of occasions in the preceding chapters, continued as long as Voltan maintained some relevance at a national or regional level. Specific attention to *clusters of firms*, however, is a relatively recent phenomenon (in the case of Brenta, it goes back only to the late 1980s or early 1990s) and therefore should often be considered (in particular in Brenta) a consequence rather than a precondition of their emergence.

There are several reasons for this. State authorities were more interested in promoting heavy industry. Local authorities (communes and provinces) had only limited economic powers in post-Second World War Italy. Their additional role as providers of a sort of “social wage” in terms of transport, public housing, schools and child care centres, was also rather limited.³¹² Consequently, the classical distinction between the interventionism of the Communist communes and the laissez-faire policy of the Christian-Democratic communes tended to blur in Brenta. An innovation was introduced in the early 1970s with the establishment of regional governments and assemblies. Some performed well (usually in northern Italy, including the Veneto region), some less well (usually in southern Italy), as Putnam writes, but all were remote enough from the still largely “invisible” industrial districts of the time to attempt to play a specific role in their development. They did so only when industrial districts were robust enough to be credible (or unavoidable) interlocutors. Still in 1986, more than a decade after the establishment of regional governments, Trigilia wrote that “... the regional level could provide favourable opportunities for attacking problems of scale of the small-firm economy, which seems to require an intermediate level of government between the centre and the

³¹¹ *Ibid.*, p. 23.

³¹² Carlo Trigilia, *Small-firms Development and Political Subculture...*, quote., p. 190.

individual communes. These opportunities, however, have not yet been effectively exploited".³¹³

The weakness of local authorities in itself is not necessarily mirrored in a corresponding weakness of local political cultures. On the contrary, the latter can play a significant role *informally*, outside the official decision-taking process, ensuring what Trigilia terms "... localist mediation of interests... achieved by means of political resources which, directly or indirectly, have facilitated the integration of, and agreement between, the various actors involved in the development of small firms".³¹⁴ However, this chapter also underlines three specific factors which weaken significantly the linkage between Brenta's local firm system and a specific local political subculture: 1) the exogenous influence of the large, integrated firms of Marghera, particularly on Brenta unionism; 2) the significant number of commuters *from* the Riviera to Marghera and at the same time *to* the Riviera from backwards areas in the southern parts of the provinces of Padua and Venice – this meant that the workforce employed in Brenta did not correspond with the voters enrolled in local electoral lists who in the end decided upon the composition of local administrations; 3) a significant number of domestic workers who were residents either of those parts of the eastern Rivera outside the industrial district (Mira) or of comparatively backwards neighboring areas, who did play a relevant part in the production process but were not integrated into the local social and political environment.

In this context, Brenta's lack of political homogeneity as underlined by my research on local political trends reflects a complex composition of the local social and cultural environment. Far from being a "geographically circumscribed area fixed by nature and historical heritage"³¹⁵, Brenta appears to be an open system, permeable

³¹³ *Ibid.*, p.193.

³¹⁴ *Ibid.*, p. 191.

³¹⁵ Andrea Colli, *Networking the market...*, quote., 77.

to influences from outside its borders, whose development, even at critical junctures, was determined by exogenous factors.

As mentioned in the preceding paragraphs, the decline of the mass-based political parties coincided chronologically with Brenta's growing self-awareness as an industrial district and with its increased capability to enter into a collective dialogue with local (and subsequently even national) authorities. The new national and regional laws on industrial districts on the one hand, and the agreements signed with the entrepreneurs' association on the other now cover "... the three points at which policy seeks to affect clusters: 1) through the interaction within the cluster itself; 2) through commonly-accessed factors influencing the competitiveness of the cluster as a whole; 3) in terms of the cluster's self-awareness".³¹⁶ In the case of Brenta, politics seems to have assumed the role of an interlocutor once the industrial district has reached some degree of development (and in particular has achieved some capability for collective *intentional* action), abandoning the benign neglect exhibited in previous phases.

C. The role of trade unions: employer-employee relations in Brenta

In many regards, employer-employee relations in Brenta fits least in the idealised industrial district model. Not surprisingly, most writers have devoted little, if any, attention to local trade unions. I have integrated their contributions with some primary sources including interviews with trade union officials or retired officials and collection/analysis of data provided by entrepreneurs and trade unions alike. My primary sources regard in particular the issues of "undeclared" work (*lavoro nero*),

³¹⁶ Philip Raines (ed.), *Cluster Development* ..., quote., Strathclyde, 2002, p. 27.

the development of relations between entrepreneurs and trade unions, and the social costs of the industrial take-off in the late 1950s and early 1960s.

As mentioned in previous chapters, a crucial role in local employer-employee relations in Brenta was always played by the availability of labour as well as by the average size of enterprises. As usual, Brenta unionisation took root more easily in large than in small firms. It grew comparatively quickly in the 1950s, at the same pace as the establishment of a core of comparatively “large” firms. Further unionisation progress was then hampered by the subsequent waves of firm downsizing, subcontracting and outsourcing of the early 1970s. As discussed above, it is still debated whether such modifications in the structure of the local firm population was essentially a reaction of entrepreneurs to circumvent the effects of more advanced labour legislation favoured by trade unions, or rather an innovative form of enhanced intra-firm co-operation with positive results for all actors of the industrial districts. In any case, Brenta’s trade unions had a direct influence on a number of crucial developments, including the establishment of an effective entrepreneurs association and the shift of production towards a higher market segment. Unlike in the Italianate idealised model, however, the relations between entrepreneurs and trade unions were mostly based on confrontation. Co-operation ensued at a quite late stage, when the industrial district had already taken off and even entered the stage of maturity.

In this context, each stage of development in the economic history of the Brenta corresponds to a specific phase in labour relations. The patronage initiatives by Giovanni Luigi Voltan were probably partly intended to help workers, partly to better control them. In the 1920s and 1930s, several artisan workshops were established, several of them actively helped by Voltan. Relationships between

employers and labour were close: each “paron” (master shoemaker) led a small group three to four “garzoni” (apprentices). A code of conduct, although informal, was strictly observed, for instance with reference to some off-duty Mondays (the “lunedì dei scarpari”, literally “shoemakers’ Monday”). The relative decline of family workshops and the evolution of the relatively autonomous small groups of “paroni” and “garzoni” into hired workforce resulted in new working conditions. In post-second World War Brenta, fragmented and repetitive work was introduced even in a number of small firms, in particular through the assembly line; workers were obliged to perform repetitive tasks and discipline was very strict, much stricter than in the pre-war time when each apprentice had to learn how to produce a complete pair of shoes. The application of some Fordist-Taylorist principles to a still very labour-intensive industry resulted in working conditions which were very different from the niche survival of craft production *à la* Piore and Sabel. The social costs of this sudden introduction of an embryonic Fordism into a rural environment were high, and included a significant number of work accidents as shown in following paragraphs. The history of trade unions in the Brenta begins with this fragmentation of work: the “Lega dei Calzaturieri” (Shoemakers’ League), the first real trade union in the area, was established in the 1950s. Labour conflicts tended to be quite harsh, although limited to the handful of “large” enterprises. The initial tough and uncompromising attitude of entrepreneurs and trade unions alike, which continued until the mid-1970s, was modified and to some extent softened by the growing habit of negotiating together and by some awareness of a common interest in the survival of the footwear industry. However, the key factors in this respect were exogenous modifications of the economic environment and especially of the local labour market. A sort of “rational partnership” emerged in the 1980s and 1990s. This led eventually to the establishment of a number of joint bodies, where trade unions and

entrepreneurs participate formally on an equal footing. This evolution is also reflected in a growing interest of local trade unions in issues other than salaries and working conditions (for instance environment and training).

Two opposite “myths” and a multi-faceted reality

Labour conditions and workers-employers relations represent to some extent the acid test of developments in industrial districts. As recalled above, the specialised literature oscillates between an optimistic vision of excellent employers-employee relations, turning industrial districts not only into efficient economic systems but also into better working (and living) environments, and a pessimistic vision which considers industrial districts as an adjustment to changing conditions to continue the good old labour exploitation. Brenta indicates that such relations evolve over time, and that they are not predetermined by a *genius loci* or local “atmosphere”.

In addition to being limited to “large” enterprises, early Brenta unionisation was also hampered by the weak local presence of the Catholic Church and of its associations. ACLI (a Catholic workers’ network) was virtually unknown in the footwear industry world. Workers preferred to join the Communist trade union CGIL rather than the Catholic trade union CISL. Some Catholic priests helped workers’ organisations; but they acted on their own and did not represent a coherent Catholic strategy as in other areas of the Veneto region.

It is therefore hardly surprising that the initial Brenta unionisation resembled that of “red areas” of the Third Italy, including a comparatively frequent recourse to strikes rather than the search for compromise and mediation on the one hand, and early attempts to enlarge the scope of negotiations to areas such as firm organisation, training and employment.

However, Brenta labour conflicts were more related to specific local situations. In classical “red areas”, labour conflicts were often the direct consequence of national trade union strategies pursuing also national political objectives, as was the case in particular in the so-called “hot autumn” of 1969. This however was comparatively mild in Brenta, where labour relations had been shaped to a large extent by fluctuations in the local labour market in previous years. Labour unrest had already peaked in the mid-1960s, leaving a comparatively rich experience in labour negotiations on both sides.

“Lavoro nero”: the dark side of Italian industrial districts

“Informal” or illegal work (“lavoro nero”, literally “black work”) should be mentioned in this context.³¹⁷ The size of the Italian informal economy is traditionally considered significant. Although precise quantitative data are by definition only tentative, some estimates put the share of the Italian informal sector at around 27% of the national GDP, one of the highest among OECD countries and well above the estimated OECD average (16.7%).³¹⁸ Obviously, the Italian percentage represents an average among widely different regional values. The informal economy is considered to be larger in Southern than in Northern Italy, and it tends to be lower in larger enterprises. In the footwear sector in the Third Italy, informal work played a role in reducing costs in particular during the early phases of outsourcing in the early 1970s. It has probably declined afterwards, both because of technological progress which

³⁵⁶ The literature on the “black”, “informal” or “underground” Italian economy is vast. See for instance G.M. Rey, The controversy over the underground economy, *Review of the Economic Conditions in Italy*, 2003, n. 1, 9-52; I. Cipolletta, The illusions of the underground economy, *ibid.*, 2003, n. 1, 75-88.

³¹⁸ Estimates are provided for example by Friedrich Schneider, in *Schwarzarbeit und die Folgen fuer die deutschen Sozialsysteme un den Arbeitsmarkt*, Inter Nationes, Basis-Info, 25-2001, p. 6. According to these estimates (estimates, not data), the Italian informal economy as a percentage of GDP went from 22.8 in 1989/90 to 26 in 1994/95 to the above mentioned 27.1 in 1999/2000. In the same periods, Germany went from 11.8 to 13.5 to 16, France from 9 to 14.5 to 15.2, Britain from 9.6 to 12.5 to 12.7, Sweden from 15.8 to 19.5 to 19.2, the USA from 6.7 to 8.8 to 8.7, the OECD average from 13.2 to 15.7 to 16.7.

made labour costs less crucial and because of more stringent tax and labour controls which have also reduced *de facto* incentives to use undeclared employment.³¹⁹

Informal employment however does not necessarily always mean labour exploitation. Exploitation in the Brenta did occur in particular in the early phases of the nascent post-war district, during the above mentioned transition from family workshops to the impersonal larger “modern” factories. Not surprisingly, irregular labour and its consequences (non-payment of social security, lower salaries than those established officially, unjustified firing) was high on the agenda of the new Lega dei Calzaturieri. However, from the second half of the 1960s, the informal economy took on new forms as the shift towards higher market segments reduced the proportion of labour in total production costs and encouraged larger firms to subcontract the most labour-intensive production phases. From the late 1970s, the combat against irregular employment ceased to be one of the key issues negotiated by entrepreneurs and trade unions. Attention progressively shifted towards other issues, in particular the defence of existing employment levels together with broader industrial policies including training and environment.

The effective impact of the “informal” economy on the historical development of Brenta is an open question. Certainly, informality decreased costs and therefore contributed to cost-based competitiveness. However, it also implied disadvantages, including diminished efficiency of public support, erosion of trust, mediocre employer-employee relations and reduced economies of scale (“informality” tends to become more and more difficult as organisations become more complex). As production moved towards higher market segments, reduction of

³¹⁹ Marcello de Cecco, *L'economia italiana negli ultimi trent'anni*, in Sabino Cassese (ed.), *Ritratto dell'Italia*, Bari 2001, p. 86-87.

labour costs became less decisive and therefore the interest in having recourse to “informal” economy also diminished.

Specific assessments on Brenta however vary considerably. According to comments I have obtained from local representatives of the Catholic trade union CISL, in the mid-1990s up to 20% of the workforce in the Riviera would have been employed irregularly.³²⁰

According to some entrepreneurs, illegal employment instead would have been comparatively rare and would have served mainly the mutual interest of entrepreneurs and workers alike to avoid taxation. Some estimates of the size of informal activities of small and medium-sized enterprises in the Veneto region are proposed by Gian Antonio Stella, who also suggest a percentage of around 20%.³²¹

The former footwear worker, trade union official and local politician Vittorio Pampagnin gave me a vivid account of standard practices in Brenta, which were quite similar to those traditionally observed elsewhere in Italy and bore no or little trace of a specific solidarity between employers and employees based on an alleged common mission or culture. In this respect, there were no significant differences between working conditions in an industrial district or in firms operating outside a district environment.

According to Pampagnin, “modern informality” began with the “new” factories established after the Second World War and in particular from the early 1950s, with San Marco and Bretas as possible leading enterprises. Previously, wages were usually paid as lump-sums for the execution of specific tasks (or even for the production of complete pairs of shoes) on the basis of agreements usually negotiated

³²⁰ Interview with Giovanni Finco, CISL area manager for Dolo and Brenta, July 1995. According to Finco, given the current level of technology and mechanisation in Brenta firms, the current level of total output can only be reasonably achieved in a number of working hours higher than the official one by at least 20%.

³²¹ Gian Antonio Stella, *Schei*, quote., p. 221.

not by the single workers but by the “paroni” or leaders of small teams of some persons including apprentices. This system coexisted for some time even with the “new” factories, which in some cases simply controlled the quality of supplies and delivery times (not always respected, even in today Brenta, again contrary to the traditional image of well interlocking production phases performed by different firms in a highly co-ordinated manner). “Informality” then consisted in tax evasion by entrepreneurs and workers alike, but was not in itself a direct exploitation of the workforce. Innovations were brought about by modification of work, in particular through the fragmented, repetitive tasks imposed by assembly lines. The traditional mediation of “paroni” was therefore eroded, while wages were related to work and not to products. “Informality” then often meant selective application of labour laws and agreements. The habit of fictitiously hiring, firing and, a few months later, hiring again workers who in reality continued to work all year, was quite widespread and helped to reduce social security and other costs. The system was quite difficult to combat, since it was plausibly presented as a measure to enhance flexibility to face the peaks and troughs of footwear markets. According to Pampagnin’s evaluations, 30 to 40% of the total Brenta labour (labour, not necessarily workers) was “informal” at the beginning of the 1960s. Informality was probably even higher among domestic (female) workers, where control was virtually impossible.

Some thirty years later, “informal” labour has probably been halved.³²² According to Tania Toffanin (area manager of the CGIL office in Dolo), “informal” labour has decreased significantly since the mid-1990s and is mainly limited to some categories of workers, in particular retired people who continue working for a few

³²² For instance, a note by CGIL of November 1997 reported on a survey among its members: 19% of workers declared to have been paid less than the legal minimum salary “in the past”, and 7% to be still paid less than the minimum legal salary at the time of the survey. According to Fiorenza Belussi, the loss of relevance of “irregular” work is a characteristic shared by all Venetian districts in the last twenty years. However, it is more evident in the oldest, more mature districts, where the relationship

hours a day. He mentioned a few concrete examples. A labour inspection conducted in 2001 in a factory in Fiesso discovered five officially retired persons still at work out of a total of 70 employees. Four irregular workers were found in another firm with 40 workers.³²³

Labour flexibility tends now to translate into individual negotiation of working hours and working conditions, providing some adjustment to both entrepreneurs and workers needs. In a way, this is a return to individual working conditions negotiated case by case by "paroni" on behalf of their small teams still in the early 1950s. A number of formulae has been devised and included in the national footwear workers contracts. Brenta workers however, according to Belussi, still tend to prefer the traditional higher wages for extra hours (in the region of 10% in smaller enterprises). Working hours flexibility in the mid-1990s involved over 60% of workers: a percentage similar to other districts and inferior only to the mechanical engineering sector.

The above mentioned aspects are crucial in the history of Brenta unionisation, as outlined in the following paragraphs.

Labour conflicts in the nascent district

Precise information on labour conditions in the early phases of the Brenta district are scarce. Fontana comments on an episode which took place at Voltan's in 1906. The Paduan anticlerical newspaper "La Liberta'" published an article on alleged exploitation of workers. Giovanni Luigi Voltan "invited" his about 120 employees to respond by a letter to the same newspaper. Not surprisingly, Voltan's workers graciously obliged and praised the "good working conditions", in particular

between the economic system and the local social environment is more intense and at the same time skilled workers have become rare: *Tacchi a spillo*, quote., p. 173.

³²³ Interview on 30 May 2002.

working hours: officially eleven a day, "but in practice not even ten".³²⁴ A separate letter was also written by female Voltan employees. Precise data on working hours and labour "flexibility" in the mid-1930s, based on unpublished documents which I traced in Voltan's archives, are reported in Chapter II of this thesis.

The post-Second World War economic growth entailed significant social costs in terms of work accidents and, in some respects, of worsening working conditions.

A considerable increase in work accidents was recorded at the Dolo hospital (which served the whole Brenta area with the only exception of the communes closer to Padua: Vigonza and Noventa) and was described at its peak by Antonio Novello and Franco Fante, two medical doctors who served in the surgery department.³²⁵ Work accidents increased at the end of the 1950s, peaked in the mid-1960s, and decreased rapidly thereafter. In the most critical period, up to 30 percent of patients in the accident surgery department were victims of labour accidents. A quarter of the approximately 1,000 annual surgical operations were on the about two hundred victims of work incidents in footwear factories treated in that hospital. About 10% of casualties suffered complete amputations of fingers (not of hands).. Novello and Fante indicate three main reasons. First, many victims were unskilled commuters, most coming from the poorer communes located south of the district, lacking adequate training and fatigued by the daily long journeys to the working place. Second, many machine tools were dangerous and often carried no safety devices. Third, work breaks were not foreseen: most incidents took place just before lunch,

³²⁴ Giovanni Luigi Fontana, *L'azienda incubatrice: Luigi Voltan e la nascita dell'industria calzaturiera italiana*, in Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *Cento anni...*, quote., p. 76-79.

Fontana publishes also a document confirming the paternalistic attitude of the initiator of the Brenta district: the speech by the oldest Voltan worker at a social event marking the 25th anniversary of the establishment of his firm (1923), in which, quite predictably, Voltan himself is depicted as a "model" and a promoter of initiatives in the interest of his workers: *ibid.*, p. 85.

when exhaustion was highest. The debate following the findings of Novello and Fante, in particular at the 1964 National Congress of the Italian Association of Orthopaedic Surgery, contributed to some modifications in working conditions, which proved to be quite effective. In particular, the introduction of a short interruption of ten minutes during the critical late morning was sufficient to halve their number.³²⁶

Machine tools used until the late 1960s had also other drawbacks. In particular the so-called “ribattitrici meccaniche ad anelli”, a sort of electrically heated automatic hammers, were very noisy and produced strong vibrations. Laws on workers protection existed; implementation however was at best selective.³²⁷ Additional problems derived from a technological improvement of the late 1950s: the replacement of nails with glues to connect soles and uppers. Volatile glues (which dried up more quickly and so reduced production times) were usually preferred. However, they contained dangerous substances such as benzoate, easily inhaled by workers and were therefore prohibited by the Italian law nr. 245 of 5 March 1963.

In 1972, Fiesso (a “red” commune) established a monitoring centre on working conditions in footwear firms, which included two medical doctors specialised in labour medicine. The Communes of Mira, Dolo, Camponogara and Campagna Lupia also joined the initiative. In 1973, Fiesso launched an enquiry into labour conditions of domestic workers. The results of this enquiry were discussed in the preparation of the new Italian law on domestic work, approved in December 1973.

³²⁵ A. Novello and F. Fante, *Le lesioni nella mano nell'industria calzaturiera*, *Rivista di Chirurgia della Mano*, vol. 2, 1964, 100-7.

³²⁶ Interview with Professor Antonio Novello, former Director of the Orthopaedic Surgery Department, Dolo Hospital, on 20 December, 2004.

³²⁷ see in particular the law nr. 547 of 27 April 1955 enabling Labour Inspectors to carry out controls in factories. A national contract on home work had been signed as early as 1948.

Wages continued to be comparatively low, and the gap with other sectors persisted. Wages in the Italian manufacture sector grew by 28.1%, between 1955 and 1959, but those of the footwear sector only by 19%. Even in this context, Brenta was comparatively backward. Three years after the establishment of the Brenta footwear trade union, the Italian National Footwear Association placed Brenta in the second group, together with areas in Southern and central Italy (including Naples, Bari, Ascoli and Macerata), well behind other areas in Northern Italy which were placed in the first group (Varese, Bologna, Firenze and Arezzo).

Growing but unbalanced unionisation

By 1961, two years after the establishment of the Lega dei Calzaturieri, only one workers' council at firm level had been established (San Marco, in Fiesso: again, in a "red" commune). However, in May 1961 the newly established Lega had already 798 members, as many as the trade union in Milan and twice as many as in Alessandria.

Despite the significant social capital mentioned in previous chapters, Brenta workers associations were scarce. By the mid-1950s, just two small structures were recorded. A small office of the Communist-led trade union CGIL was established in Mira and dealt especially with work procedures of local peasants seeking employment in the "large" enterprises of Mira, Mestre and Marghera. One "Circolo ACLI" (a club of the Catholic Association of Italian Workers) operated in Stra', seeking employment for its members in the local footwear factories, rather than in asserting workers' rights and interests.³²⁸ The nascent Brenta footwear unionisation was already in line with the split between "red" and "white" areas on the one hand,

³²⁸ ACLI were established in Rome as a self-help, educational and recreational organisation rather than as a full-fledged trade union, precisely with the aim of contrasting the influence of the Communist parties and is related trade unions.

and between the small and medium-sized firm network of western Brenta and the heavy industry cluster of eastern Brenta on the other.

The first documented strike of some relevance took place in 1957 at the San Marco firm. It was a sort of Luddite action, triggered by the purchase of an automatic stitching machine (“Blake”).

Some co-ordinated action towards the establishment of a real trade union was undertaken in 1958 by Paolo Pannocchia (a native Tuscan), Secretary of the Chamber of Labour (Camera del Lavoro) of Padua and a member of the Communist party. Local offices were open in Stra' and Fiesso. A sort of plenipotentiary of the Chamber of Labour of Padua, Armando Cecchinato, visited the area regularly. This unionisation campaign was therefore started not in the half rural, half urban Brenta environment, but in Padua, by men coming from outside the region, with little or no previous direct knowledge of local realities, and directly linked with the Communist party. But the campaign was rather successful: by the end of 1959, thirteen workers representing six firms (three based in Stra', one in Fiesso, Vigonovo and Camin respectively) officially established in Stra' the Lega dei Calzaturieri della Riviera del Brenta (League of Brenta Shoemakers) as a specialised section of the Communist-led trade union CGIL, encompassing firms in both the Provinces of Padua and Venice.

Not surprisingly, the new league's first initiatives were confined to just a handful of the largest local firms, in particular San Marco. For a few years, this firm came to be considered a sort of acid test for the development of unionism in the Brenta. Luigino Rossi recalls that by the mid-1950s San Marco was the leading firm both for workers and entrepreneurs, with about 200 workers “most of whom” were members of the Communist-led CGIL trade union.³²⁹ According to Pampagnin's recollection (who at the time was one of its employees), San Marco was in many

³²⁹ Source: *Materiali di Storia*, 18, december 2000, p. 18.

respects different from other Brenta firms, both for its comparatively advanced technology and for its hybrid work organisation. Unlike many other enterprises, which continued to hire domestic workers, San Marco entrepreneurs (the Poletto brothers) still negotiated individual wages with each experienced shoemaker, who then worked with his apprentices *in* the factory. Domestic work, while not being really technically improved, was “relocated” into the firm. This led to better quality control and probably also translated into some cost reductions through higher work productivity.

Some specific names should be mentioned here, to underline the close personal and professional connections between a handful of key social players in what was still a small, half-rural world. A significant role in unionisation was played by the Poletto brothers themselves. Both were convinced communists and registered their employees, virtually automatically as Pampagnin recalls it, as members both of the Communist Party and of the Communist-led CGIL. The personnel and administration manager of San Marco, Antonio Ulivoni, himself a member of the Communist party, was subsequently Communist mayor of Fiesso in the early 1970s.

By the end of the 1950s, this hybrid system could not keep pace with new developments. The local leadership passed to another firm, established by the three Baldan brothers, literally located at a stone throw from San Marco but technically more advanced. It was smaller (about sixty workers) but had a proportionally higher productivity (up to 700 daily pairs of shoes). The Baldans pushed even further the centralisation policy pursued by San Marco. Only sewing and stitching were still performed by female domestic workers. New factory premises were built by the local architect Antonio Zandarin (the promoter of the footwear trade fair of Stra’); shoes were sold directly to local shops and not by agents. Some technical innovations were

adopted and spread rapidly to other local firms, including San Marco which was directed by Amleto Donadelli (who later became ACRIB's Chairman). The introduction of a sort of assembly line put an end to the traditional "caregoto" (artisan stool) which had come to represent a sort of local symbol. Technicians from outside the district helped in the fine tuning of the new system, which was perceived as a worsening of working conditions.³³⁰

Collective labour bargaining

The Eighth Congress of the Italian Communist Party (1956) acknowledged the "strategic relevance" of the alliance between peasants on the one side, small and medium-sized entrepreneurs on the other. A specific role in this new strategy was played precisely by those entrepreneurs who had been workers themselves or in any way, for their origin and culture, were considered close to the working class ("ceto medio produttivo" or productive medium class, as it was termed in the political jargon of the day). The Poletto brothers, owners of San Marco but former workers, members and even contributors to the Communist party, were in several respects a perfect embodiment of this. Some role was also played by Lega delle Cooperative, a sort of umbrella organisation grouping the enterprises close to the Communist party, which served from the 1950s until the late 1980s as a sort of sole semi-official intermediary in economic transactions between Italy and eastern European countries. Pampagnin refers in particular to some orders obtained by San Marco through Lega delle Cooperative, which in turn enabled the firm to grant some wage increase and improvements in working conditions (in particular an increase of 200 lire per working hour, approximately equivalent to two Euro in 2004 value). This agreement

³³⁰ Dario Fo, actor and later awarded the Nobel literature price, referred to the negative consequences of this innovation in his performance of his theatre piece "Morte accidentale di un anarchico" (Accidental death of an anarchist) in Fiesco in the early 1960s.

was signed on behalf of workers by Giuseppe Golinelli, the new Secretary of the Chamber of Labour of Venice and a high-ranking representative of the local Communist Party: once again, somebody from outside the district, pursuing a strategy dictated by national, not local objectives. In this early stage, the Lega dei Calzaturieri enjoyed little or no autonomy from the established trade unions of Padua and Venice. The latter in particular seemed quite interested in Brenta's developments and sent regularly "inspection teams" which usually included Umberto Conte and the above mentioned Giuseppe Golinelli. Both were members of the Communist party, had no official role in the Lega dei Calzaturieri and were to play some role in future local developments.

The nascent Brenta unionisation faced serious problems paradoxically ushered in by the signature in Milan of the comparatively advanced national footwear work contract (25th April 1959). The contract had been endorsed not only by the three main Italian trade unions but also by the Italian parliament, which had made it formally equal to a national law and therefore declared it binding for entrepreneurs and workers alike. Its articles 30 and 31 established workers' councils, workers' representatives and codes of conduct at firm level. Most Riviera enterprises however simply refused to acknowledge these provisions, which in their opinion could not be implemented during the local difficult transition from the traditional flexible, semi-artisan system to a "new" industrial organisation.

As a consequence, the gap between law and reality in Brenta was widened. From this moment on, trade unions pursued a double strategy in the Brenta: on the one hand, they strove to improve wages and working conditions; but they devoted equal or even higher attention to the implementation of existing agreements, in exchange for "moderation" and "realism" in the conduct of negotiations. Trade unions bargaining positions continued to be weakened by difficult co-ordination

among workers, dispersed in several small and very small artisan enterprises and scattered over a comparatively large area with poor communication facilities (except in the Padova-Stra'-Fiesso-Dolo section).

Controversies following the non-implementation of the national contract in the Rivera led to the appointment of a full-time trade union staff in charge of Brenta issues: Piero Meneghetti. Like his part-time predecessors, he had virtually no previous knowledge of the footwear industry. He came from Cittadella, in the northern area of the province of Padua, where the Catholic Church and the Christian Democratic party were omnipresent and pervasive. Meneghetti commenced his working life as an employee in a cement factory near Padua, and later became a full-time trade union staff in the Communist-led CGIL. His first public speech in his new capacity was held in May 1960 during a strike at the Minerva footwear enterprise. He was later to serve as Secretary of the Lega dei Calzaturieri until 1980, and was involved in negotiations also at the national level. He died in 1996.

The issues left unresolved by the refusal of Brenta's entrepreneurs to implement the national work contract of 1959 were tackled by the newly-established ACRIB, which finally reached an agreement not with trade unions as such but with a "neutral" body (the Chamber of Labour of Venice, also on behalf of the Chamber Labour of Padua).³³¹ Some provisions of the national contract were replaced by others less favourable to workers, including the freezing of both the 10% national wage increase and the new national job description. Provisions favourable to workers included goodwill clauses concerning a "renewed" effort in the combat against "informal" work and against the non-payment of social security contributions; and ACRIB's support to the implementation of the agreement by all Brenta firms including those which were not ACRIB members. This last point seems to confirm a

³³¹ Luigino Rossi, speech reported in *Materiali di Storia*, quoted, p. 11.

converging interest in mutual recognition as the sole representatives of the respective parties. The specific local situation was therefore acknowledged by both contracting parties: Brenta still lagged behind the most advanced footwear areas of Piedmont, Lombardy and Tuscany, to which the national contract had been tailored, and where wages were 10 to 15% higher, informal work was less frequent and firms were larger and less labour-intensive.

This first local agreement was obviously considered by ACRIB as a success, although it was criticised by the Italian footwear entrepreneurs umbrella organisation, ANCI. Strictly speaking, the agreement was null and void, since it modified legally binding provisions endorsed by the Italian parliament. Not surprisingly, its terms were not reported in a formal, written reference document, but remained rather vague, as diverging witness reports confirm four decades later: some mention a written text, others refer to a verbal consent.

The agreement generated further support for ACRIB. It led to a labour cost reduction in the region of 15%: not a bad result for an area still mainly competing on prices rather than on quality.³³² National trade unions obviously criticised the agreement, in particular CGIL-FILA, which had played the leading role in negotiating the national contract. A trade union representative, Carlo Polliotti, was sent to the Riviera and participated in a hearing at the Chamber of Labour in Venice on 6 March 1962. Golinelli, the negotiator of the agreement on behalf of workers, defended himself against sharp critics. He expressed the view that the agreement was "realistic" and that it would help reduce "informal" work in the interest not only of workers but also of the local industry as a whole.

³³² *Ibid.*, p. 11 and 34.

The difference of wages between the provinces of Padua and Venice had also some impact in the shaping of Brenta's industrial district. Until the labour reforms of the late 1960s, which introduced nation-wide unified rates, Italian wages in the manufacturing sector were classified in six areas, the largest Northern cities belonging to area I and the most backwards Southern regions belonging to area VI. Venice and its province were listed in area I, Padua and its province in area II. Wages were 278.05 lire per hour in the former, 226.15 in the latter. As a consequence, a number of firms were established in Paduan communes, although as close as possible to the border with the province of Venice and therefore at times literally at a stone throw from Stra'. In this way, firms reaped the benefits of reduced labour costs but remained within the same environment.

The 1964 national footwear contract was signed in a rapidly changing environment. The Socialists had joined the national government. The Italian footwear industry had developed further. Production had increased on an annual basis by 8.1% in 1963 and by 9.4% in 1963. However, working conditions remained hard: six working days a week, 48 working hours weekly, wages inferior by some 32% to average manufacture salaries. 34 out of the 157 Italian footwear enterprises with more than 100 workers had established workers' councils. Just one of the Brenta 16 firms had done so (San Marco).

Negotiations for a new national work contract took place in Milan. ACRIB was represented by its Vice-Chairman, Amleto Donadelli, representing some 74 Brenta firms. Brenta workers were represented by the Secretary of the Lega, Pietro Meneghetti, as a member of the Communist trade union delegation. An attempt to de-couple once again Brenta and national negotiations failed. During negotiations, Brenta workers participated for the first time in a two-day national (not local) strike.

By that time, Brenta had moved further towards “new” enterprise organisation based on some incremental technological progress, the widespread use of the assembly line, decreasing recourse to domestic workers, the end of the traditional workers team under the leadership of “paroni”, the fragmentation of several production phases in repetitive tasks. Several sources, including workers³³³ and entrepreneurs’ statements, agree on the significant impact of the skilled workforce drain which took place in the early 1960s. Workers were certainly attracted to Marghera by higher wages (30 to 50%) and job security, but also by the refusal of fragmented and repetitive work. Several among those who left were trained artisans, still capable of producing a complete pair of shoes on their own but whose skills were becoming increasingly irrelevant (it is questionable of course to which extent such skills were of any use in Marghera). Luigino Rossi acknowledged that Riviera entrepreneurs were not able to keep their best workers: emigration to Marghera was also a consequence of “errors”, in particular of the tough stance in labour negotiations and the ensuing increasing “misunderstandings”. While recalling the need to compress costs, Rossi acknowledges that efforts imposed upon workers were “excessive”. Rossi’s firm Rossimoda itself lost some thirty workers, in line with losses experienced by other Brenta firms.³³⁴ Brenta was able to cope with this crisis because the drain was spread over six to seven years, giving time to find alternative workforce in the southern parts of the provinces of Padua and Venice (Cona, Cavarzere). Some workers had already individually sought employment in the Brenta in the late 1950s. Now, Brenta entrepreneurs began to look for them. Luigino Rossi recalls his journeys to Arzergrande, some twenty kilometres south of the Brenta, together with the son of the Mayor of Stra’, to meet some 500 prospective young workers gathered by the local Catholic priest. Other meeting of this kind took

³³³ Conversation with Vittorio Pampagnin on 23 May 2002.

place. Some transport firms (Marzola, SVA) launched a regular service, with up to eight buses departing daily and stopping in Stra', Fiesso and Fosso'. In the late 1950s, some new council houses were specifically built for these commuter workers in Stra' (Edil-Lum district).

Commuting however continued unabated for some years (and continues today, on a smaller scale). COSES provides some data on commuting in those years, showing a significant share of Brenta residents commuting to Marghera and a parallel commuting from the southern parts of the Padua and Venice provinces to the Riviera.³³⁵

The number of trade union members in the Rivera grew over the years, but members remained always a minority. According to Pampagnin, members registered in 1964 were 453.³³⁶ In the year 2000, trade union registered members were over 2,000, out of whom 1,200 were in CGIL, 750 CISL and a few UIL (which was the last to open an office in Dolo in the late 1990s).³³⁷

The comparative scarcity of workers set the tone for renewed negotiations which led to the local agreement signed on 28 September 1974 in Stra' by ACRIB on the one side, CGIL and CISL on the other.³³⁸ This agreement marked a shift from a narrow approach focussed exclusively on wage- and work-related issues to a wider approach encompassing also the future development of the local footwear industry.

The following agreement was signed in Mestre on 23 March 1978, with Brenta entrepreneurs represented not just by ACRIB but also by the Industrialists associations of Venice and Padua. Defense of current employment levels as well as

³³⁴ Luigino Rossi, speech reported in *Materiali di Storia*, quote., 17.

³³⁵ Donatella Calabi, Localizzazione industriale, distribuzione della residenza, movimenti pendolari nella provincia di Venezia, *Rinnovamento Veneto*, 1976-1, 91-101; Giuliano Zanon, *Movimenti Migratori nella provincia di Venezia dal 1968 al 1970*, 1971, manuscript available at COSES, Venice.

³³⁶ Conversation with Vittorio Pampagnin, quote., with reference to a letter by Armando Cecchinato to the trade union Filtea, in Rome.

³³⁷ Fiorenza Belussi, *Tacchi a spillo*, quote., p. 34.

information sharing on investments and subcontracting were included. Entrepreneurs accepted limited outsourcing in periods of “temporary” underemployment of their respective workforces.

From confrontation to co-operation

The 1981 local agreement included consultations over investments, support of current employment levels, control and registration of home workers, use of public subsidies for temporary unemployment (“cassa integrazione”), gender equality, safety of working places, regulation of labour incentives provided by the Veneto region. New forms of employer-employee bargaining were tested, focussing on specific questions of local interest and leaving comprehensive, long and difficult negotiations on general issues to negotiations at the national level.

A Joint Commission on domestic work was established in 1981. It was composed of three members for each side and was tasked with wages, the monitoring of domestic work and arbitration on labour controversies. A “Gruppo di Miglioramento” (“Working group for the improvement of home work”) proposed new types of home work incentives in 1995. New Joint Commissions were established in 1998 on working hours, work organisation, domestic work, international competition. Three additional “Gruppi di miglioramento” were subsequently established on working conditions, training and gender equality respectively, and were tasked to build upon the results of the 1995 group. A six-member “Footwear Council” (“Consulta Calzaturieri”) was established in 2001 with six members, one President and one Vice-president rotating periodically between representatives of entrepreneurs and workers.

³³⁸ The texts of this and the other agreements mentioned in this chapter are deposited in ACRIB's archives, in Stra'; and at the CGIL office in Dolo.

This Council is responsible for the co-ordination of the above mentioned groups; the relations with the Veneto region and other public authorities; data collection on, and monitoring of the Brenta district; the assessment of economic trends.

On paper at least, Brenta had moved from a typical confrontational entrepreneurs-workers approach, based on regular negotiation rounds conducted by ACRIB on one side, some trade unions on the other side, to an on-going co-operation process. This process takes place through permanent joint and specialised bodies working on pragmatic solutions on specific issues including not only "classical" work-related areas (wages, working hours, production bonuses, social services) but also the economic policies affecting the district as a whole (in particular investments and international competition).

A number of proposals submitted by such joint bodies have been approved and enforced (for instance on production bonuses). Additional indirect benefits probably come from the development of co-operation skills through the habit of working together. A common district identity has also been strengthened. Not surprisingly, the concept of the Riviera as an industrial district, within clear boundaries and encompassing eleven communes, was mentioned for the first time in an agreement of 1995 and has become thereafter commonplace also in most officially agreed documents.

The ambivalent role of (female) domestic workers

Despite increased attention by ACRIB, trade unions and public authorities alike, domestic workers (virtually all female workers performing the difficult tasks of sewing and stitching: "mistre") continue to be in several respects the most disadvantaged working group in the Brenta.

Official figures are not very reliable, not necessarily because of "informality" but because domestic workers are obliged to register but not to cancel their registration. According to ACRIB, up to one quarter of all Brenta employees (3,700) were domestic workers in the year 2000. Attempts by Belussi to quantify the number of Brenta firms which employ domestic workers fluctuate between 29 and 58%, probably because of double entries in the registers of both the Padua and the Venice provinces.³³⁹

Domestic work does not seem to have changed significantly over the years. Fifteen interviews co-ordinated by Belussi confirm a static image, with at most modest changes related to the supply of raw materials (now usually delivered by firms to home workers) and the failure of attempts to outsource abroad sewing and stitching.

Still today, female domestic workers play a double role. One the one hand, they contribute to Brenta's positioning in the higher market segment, through their artisan skills which are sometimes still passed on from mother to daughter. On the other hand, they also ensure that necessary additional flexibility which national contracts and labour regulations make less easy to obtain from factory workers.

Along with draw-backs (isolation, weak bargaining position vis-à-vis employers, weak trade union protection), Brenta domestic workers seem to enjoy some advantages. According to Belussi, their level of professional satisfaction is the highest among Brenta workers. Their work is less repetitive and offers the symbolic (but effective) incentive of usually closer relationships with entrepreneurs than those experienced by factory workers.

³³⁹ *Ibid.*, p. 200-201.

There is no lack of goodwill clauses on domestic work in agreements between trade unions and entrepreneurs.³⁴⁰ In the year 2000, about one hundred home workers were registered trade union members. However, none served as a member of firm workers' councils. The "wage anarchy" mentioned by Belussi persists, and the provisions of the national law of 1973 seem to be still applied selectively.

Conclusion

The developments described in the preceding paragraphs confirm the inaccuracy of the common perception that "... areas of small-firms development are characterised by weakness of trade unions and by poorly institutionalised industrial relations".³⁴¹ On the contrary, Brenta has a long, vibrant history of unionism and of entrepreneurs-workers relations, although with peaks and troughs and often limited to the largest enterprises.

Trade unions and entrepreneurs are now able to share some assessments on past labour conflicts and on the events of the last decades, and even to elaborate a common historical perception which in turn strengthens the collective district identity. A meeting held in 2002 in an 18th century villa in Dolo played a symbolic role, with the participation in particular of the founder and honorary Chairman of the entrepreneurs' association and the surviving founders of the first local workers' association of the late 1950s. Workers' representatives paid tribute to entrepreneurship and Rossi recognised the "error" of too rigid positions in labour

³⁴⁰ Article 5 of the agreement of 28 September 1978 states the "common intention" of ACRIB and trade unions to work together in the implementation of the 1973 law on domestic work. The agreement of 23 March 1978 recalls again the "common commitment" to this implementation, foresees information provided by entrepreneurs to trade unions on their home workers, established an obligation of entrepreneurs NOT to have recourse to domestic workers during periods of temporary underemployment of their factory workforce, and confirms the "common intention" of all parties to continue the combat against "informal" work "especially outside factories". The agreement of 12 November 1981 introduced a new method to calculate wage increases, including for the first time a specific production bonus ("integrativo salariale"). Source: ACRIB.

³⁴¹ Carlo Trigilia, *Small firm development...*, quote., p. 181.

conflicts in the 1960s, which “contributed to the loss of thousands of workers who preferred to emigrate to Marghera”.³⁴²

The Brenta test case therefore is multi-faceted. It puts into perspective the traditional image of harmonious relationships between workers and entrepreneurs. Labour conflicts were indeed part of the local landscape. Pampagnin commented lapidarily to me: “you went (from Brenta) to Marghera to show solidarity; to learn how to be a militant; to learn how to organise a strike (in Brenta)”.

At the same time, Brenta’s case puts into perspective also the opposite image, of the birth of a cluster of industries based on the remorseless exploitation of a docile and abundant workforce and with ample recourse to informal work, so dear to some post-Fordists who see in industrial districts and flexible specialisation simply a slightly different way to continue the exploitation of the weakest categories of workers.³⁴³

The overall picture is complex, and includes in particular the fracture between “large” factories, with a certain presence of workers’ associations since the early 1950s, and small firms and artisan workshops, in which exploitation and self-exploitation were checked not by unions as such but mainly by family links and by informal social rules. In general, Brenta’s workers were comparatively educated and skilled: in the inter-war period, the training of an apprentice last for three years. Trade unions therefore found a comparatively favourable social environment and could tap a developed association network which could partially offset the dispersion of workers over a comparatively large territory and the small size of most factories.

This, and the reluctance of the Catholic Church to be directly or indirectly involved in the Brenta industrial district, explains why trade union action in the

³⁴² Luigino Rossi, speech held in Dolo on 10 June 2000, text reported in *Materiali di Storia*, quot., p. 16.

³⁴³ See review in Krishan Kumar, *Le nuove teorie...*, , quote., p. 81-2.

Brenta resembles those most frequent in “red areas” of the Third Italy, in particular in their comparatively more frequent strikes and scarce availability to compromise on the one hand, and in early attempts to enlarge the scope of negotiations to areas such as firm organisation, training and employment on the other.

Rising unionism in Brenta was the catalyst of a phase of intense inter-institutional competition. As discussed above, this was prompted by the almost simultaneous establishment of the *Lega dei Calzaturieri* (the first local footwear workers trade union, under the aegis of the Communist-led national trade union CGIL) in 1958, and the launching of the entrepreneurs’ association ACRIB (originally little more than an entrepreneurs’ cartel to negotiate work contracts collectively) in 1961. Memberships of both organisations were originally limited: only workers of comparatively large firms joined the Lega while Acrib’s membership, in the beginning, included just twelve of the six hundred or so local entrepreneurs.

In the following years, the growth of both organisations depended on their perceived effectiveness, which in turn depended on the resilience shown in negotiations. In this respect, the development of local institutions representing employers and employees was originally based on tough competition, rather than on the co-operation so dear to the stylised model of industrial districts. Co-operation ensued only at a later stage, when the perceived respective interests converged to a significant extent. Even this new phase was therefore ushered in by contingent developments and was not directly determined by the common participation of entrepreneurs and workers in a “community of individuals and a population of individual enterprises” à la Becattini.³⁴⁴ In this respect, Brenta is far from the picture conveyed by Trigilia on the basis of his analysis of Bassano and Prato of the mid-1980s: an “atmosphere where

³⁴⁴ Andrea Colli, *Networking the market...*, quote., 77.

there is little conflict" and in which "... seventy per cent of the entrepreneurs declare themselves to be satisfied with industrial relations, while the opinion of entrepreneurs on this subject on national level is clearly negative".³⁴⁵

A key aspect of these developments was rather the shift towards higher market segments, which reduced the relevance of wages in total production costs. With the ensuing fewer incentives to use undeclared work, the combat against irregular employment ceased to be one of the key issues negotiated by entrepreneurs and trade unions. Attention progressively shifted towards other issues, in particular the defence of existing employment levels together with broader industrial policies including training and environment.

At first glance, this transition from a competitive to a co-operative model of industrial relations has now brought Brenta more in line with the Italianate model of industrial district. Nevertheless, a number of unresolved issues remain. Domestic workers in particular are still often disadvantaged even if their number decreases and their replacement is more and more difficult.

In this context, the current trade unions-entrepreneurs co-operation in Brenta district (which does not necessarily cover all issues and all firms) "... is likely to have a basis in sectoral coalitions of interest rather than in any more pervasive system of values".³⁴⁶ It remains to be seen whether the current balance would enable Brenta to escape instability in case of major external challenges.

³⁴⁵ Carlo Trigilia, *Small-firms development...*, quote., p. 185.

³⁴⁶ Andrew Popp, *Business Structure...*, quote., p. 20-21.

TABLE XIX

Election results in the Brenta district as a whole

Years	Votes	MbP	DC	Left	PCI	PSI
1953 c	44062	39883	22041	17842	10296	7546
1953 s	38704	35929	20315	15614	9846	5768
1958 c	45578	42447	23990	18457	10631	7826
1958s	40674	37982	21590	16392	9264	7128
1963 c	47038	43616	23906	19710	12911	6799
1963s	42376	39074	21640	17434	11509	5925
1968 c	50454	44698	24968	19730	14679	5051
1968 s	44951	42855	22877	19978	14953	5025
1972 c	54642	47504	26705	20799	16274	4525
1972 s	48959	44802	24636	20166	15579	4587
1976 c	62146	57491	28580	28911	23107	5804
1976 s	53036	49453	25128	24325	19283	5042
1979 c	64024	57399	29766	27633	22016	5617
1979 s	54482	50651	26036	24615	19700	4915

Key

C = Elections of the Chamber of Deputies

S = Elections of the Senate

Votes = total amount of valid votes in each election

MbP = total amount of votes for massed-based political parties (Christian-Democrats, Communists and Socialists)

DC = votes for Democrazia Cristiana (Christian Democrats)

Left = votes for left-wing parties (Communists and Socialists)

PCI = votes for Partito Comunista Italiano (Italian Communist Party)

PSI = votes for Partito Socialista Italiano (Italian Socialist Party)

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XX

Political majorities at parliamentary elections in each Brenta Commune

Comm.	53 c	53 s	58 c	58 s	63 c	63 s	68 c	68s	72c	72s	76c	76s	79c	79s
C.lupia	R	R	R	R	R	R	R	R	R	R	R	R	R	R
C.longo	W	W	W	W	W	W	W	W	W	W/R	W	W/R	W/R	W/R
C.nogar	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Dolo	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Fiesso	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Fossò	W	W	W	W	W	W	W	W	R	W	W	W	W	W
Pianiga	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Stra'	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Vigonov	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Noventa	W/R	W/R	W/R	W	W/R	W	W/R	R/W	W	W	W	W	W	W
Saonara	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Vigonza	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Total ID	W	W	W	W	W	W	W	W	W	R	W	W	W	W

Key

C: elections of the Chamber of Deputies

S: elections of the Senate

R: "red", Communist and Socialist majority

W: "white", Christian-Democratic majority

B/R: balanced electoral results with small „white“ majority

R/B: balanced electoral results with small „red“ majority

bold: change of majority

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXI
Elections of the Chamber of Deputies, 1953

Comm.	Votes	Dc	Pci	Psi	Psdi	Pli	Pri	Msi
C.lupia	2648	870	1245	435	29	19	4	28
C.longo	4361	2455	1069	641	52	35	8	44
C.nogar	4158	1590	1629	742	53	45	11	42
Dolo	6400	2695	1836	1266	208	68	33	147
Fiesso	2234	688	719	684	32	12	4	42
Fossò	3116	1360	338	442	40	46	5	45
Pianiga	3490	2125	255	687	81	38	10	67
Stra'	2804	1482	545	520	75	23	10	55
Vigon.	3157	1875	508	542	59	75	8	44
Noven.	2332	1096	769	291	38	30	7	33
Saon.	3054	2060	422	354	79	40	5	32
Vigon.	6308	3745	961	942	159	45	15	125
Total ID	44062	22041	10296	7546	905	476	120	704
Mira	14691	5357	4536	3606	426	109	52	355
Venice	195350	76005	37736	39256	11104	5707	1732	11430
Prov.	415545	176743	81742	86329	20938	9236	2628	18085

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI= Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI= Partito Liberale Italiano (conservative)

PRI= Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov.= results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXII
Elections of the Senate, 1953

Comm.	Votes	Dc	pci	psi	mon.	Msi	Psdi	pli	Pri
C. Lupia	2339	789	1159	296	4	26	27	15	17
C. Longo	3920	2261	1034	487	28	43	46		9
C. Nog.	3747	1475	1589	520	38	44	57		13
Dolo	5799	2550	1783	1001	73	128	176		33
Fiesco	2012	651	692	550	19	43	33		7
Fossò	2069	1273	321	349	13	41	46		13
Pianiga	3133	1995	239	536	176	66	80		15
Stra	2525	1383	549	403	53	43	65		11
Vigonovo	2817	1731	541	393	30	40	51		11
Noventa	2090	1008	676	246	30	30	59	22	5
Saonara	2684	1850	377	258	25	30	79	25	26
Vigonzà	5569	3349	886	729	148	111	242	31	10
Total ID	38704	20315	9846	5768	637	645	961	93	170
Mira	13027	4945	4310	2760	125	301	356	92	92

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXIII
Elections of the Chamber of Deputies, 1958

Comm.	Votes	Dc	pci	psi	msi	Psdi	Pli	pri/pr
Cam. Lupia	2687	1009	1262	280	46	51	24	4
camp.long	4391	2596	1145	498	54	51	24	4
Cam.nog.	4292	1788	1736	606	29	61	26	23
Dolo	6936	3009	2038	1203	136	296	142	39
Fiesso	2430	816	792	670	33	61	26	14
Fossò	2416	1406	357	510	42	61	23	11
Pianiga	3722	2394	317	658	76	116	50	16
Stra	2917	1552	561	534	63	100	47	25
Vigonovo	3370	2080	534	566	31	70	53	12
Noventa	2568	1211	673	513	32	52	41	17
Saonara	3192	2223	391	387	19	81	68	4
Vigonza	6657	3906	825	1401	95	197	67	13
Total ID	45578	23990	10631	7826	656	1197	591	182
Venezia	210890	80450	41332	46556	10541	14494	7740	3843
prov.	440224	190024	86904	95025	15887	26204	12003	4857
Mira	15913	5565	5608	3680	267	460	124	63

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI= Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI= Partito Liberale Italiano (conservative)

PRI/PR= Partito Repubblicano Italiano (moderate left-wing) allied with the Radical Party

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov.= results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXIV
Elections of the Senate, 1958

Comm.	Votes	Dc	Pci	psi	Psdi	pli	Pri	msi-mon.
cam. Lupia	2391	898	1112	261	43	23	4	41
Camp.long	3913	2334	972	465	44	26	7	51
cam.nog.	3833	1586	1547	572	47	23	14	31
Dolo	6277	2787	1815	1086	257	117	42	132
Fieso	2163	752	695	582	56	24	9	33
Fossò	2172	1266	308	469	55	25	8	38
Pianiga	3297	2162	255	599	102	45	17	83
Stra	2593	1389	477	498	93	48	24	53
Vigonovo	2997	1888	452	501	61	44	11	32
Noventa	2322	1120	576	485	57	40	8	36
Saonara	2805	1934	345	319	75	80	14	28
Vigonzà	5911	3474	710	1291	201	73		113
Total ID	40674	21590	9264	7128	1091	568	158	671
Mira	14149	5013	4974	3255	380	120	58	254

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI-mon. = Movimento Sociale Italiano (extreme Right) allied with monarchists

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano Statistica,
 Rome

TABLE XXV
Elections of the Chamber of Deputies, 1963

Comm.	Votes	Dc	Pci	Psi	pli	Psdi	msi	pri
cam. Lupia	2672	958	1282	236	46	68	61	1
Camp.long	4363	2455	1271	428	60	61	56	1
cam.nog.	4332	1730	1960	457	30	75	34	17
Dolo	7484	3123	2481	1059	269	351	108	37
Fiesso	2659	901	1009	552	52	70	35	9
Fossò	2468	1372	512	421	37	77	27	6
Pianiga	3902	2293	564	658	63	191	51	12
Stra	2973	1489	716	460	93	126	55	5
Vigonovo	3471	1983	738	516	73	89	30	7
Noventa	2487	1322	827	431	99	94	41	9
Saonara	3347	2178	526	425	70	88	28	9
Vigonzà	6880	4102	1025	1156	190	260	75	18
Total ID	47038	23906	12911	6799	1082	1550	601	131
Mira	17195	5771	6725	3438	254	589	283	37
Venezia	226736	75509	52887	47191	17724	17178	10462	1853
Prov.	461376	182118	107619	92228	23993	30857	15859	2469

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI= Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI= Partito Liberale Italiano (conservative)

PRI= Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov.= results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXVI
Elections of the Senate, 1963

Comm.	Votes	Dc	Pci	psi	pli	Psdi	Msi	Pri
cam. Lupia	2409	864	1166	214	34	67	57	7
Camp.long	3899	2221	1125	384	54	62	50	3
cam.nog.	3920	1574	1784	395	33	66	32	36
Dolo	6757	2875	2248	950	217	313	113	41
Fiesso	2353	812	892	492	52	63	35	7
Fossò	2193	1237	432	383	41	68	27	5
Pianiga	3461	2075	481	603	73	161	55	13
Stra	2641	1349	634	408	83	112	52	3
Vigonovo	3084	1798	649	452	74	74	32	5
Noventa	2579	1195	732	364	83	157	48	
Saonara	2933	1915	471	335	68	103	34	7
Vigonza	6147	3725	895	945	157	328	97	
Total ID	42376	21640	11509	5925	969	1574	632	84625
mira	15232	5202	5977	2983	227	534	269	40

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXVII
Elections of the Chamber of Deputies, 1968

Comm.	Votes	dc	Pci	Psu	pli	Psiup	Msi	pri	sociald.
C. Lupia	2696	938	1364	130	35	129	56	3	15
C.longo	4480	2508	1413	168	37	260	37	1	17
cam.nog.	4475	1709	2151	243	41	235	28	13	20
Dolo	7731	3111	2631	879	232	549	113	38	39
Fiesso	2943	947	1193	434	70	205	29	5	16
Fossò	2632	1449	632	230	27	207	36	2	12
Pianiga	4167	2452	726	470	87	239	54	7	50
Stra	3170	1567	798	414	64	185	55	10	23
Vigonovo	3735	2034	923	375	77	179	32	4	23
Noventa	3323	1546	963	403	164	165	51	18	
Saonara	3577	2281	606	325	60	230	37	30	
Vigonza	7525	4426	1279	980	186	487	97	30	
Total ID	50454	24968	14679	5051	1080	3070	625	161	215
Mira	18818	6136	8056	2499	263	1209	248	79	122
Venezia	237199	81553	61877	42313	17056	14788	8780	3526	2577
Province	487599	193497	123793	81222	23748	29746	14159	4513	4954

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI= Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI= Partito Liberale Italiano (conservative)

PRI= Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov.= results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXVIII
Elections of the Senate, 1968

Comm.	Votes	Dc	pci-psiup	psi-psdi	pli	Msi-mon.	pri
C. Lupia	2396	849	1297	141	45	59	5
C. longo	3964	2260	1410	194	54	43	3
Cam.nog.	4033	1591	2107	246	46	29	14
Dolo	6897	2934	2702	847	259	116	39
Fiesso	2617	892	1172	435	71	35	12
Fossò	2322	1311	675	250	40	36	10
Pianiga	3763	2309	800	479	99	62	14
Stra	2797	1476	788	391	73	57	12
Vigonovo	3341	1925	925	361	91	33	6
Noventa	2957	1356	974	402	147	61	17
Saonara	3141	1973	676	325	80	52	35
Vigonzà	6723	4001	1427	954	185	116	40
Total ID	44951	22877	14953	5025	1190	699	207
Mira	16736	5697	7822	2584	306	239	88

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov. = results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXIX
Elections of the Chamber of Deputies, 1972

Comm.	Votes	dc	Pci	Psi	msi	Psdi	pli	pri	psiup
C. Lupia	2912	952	1438	143	99	62	24	12	92
C.longo	4771	2557	1559	176	67	62	28	18	208
cam.nog.	4737	1747	2314	226	44	72	19	20	199
Dolo	8239	3456	2820	764	216	237	191	134	305
Fiesso	3220	1050	1371	430	61	76	66	29	98
Fossò	2692	1101	636	577	57	66	52	9	158
Pianiga	4580	2707	856	389	96	142	87	58	191
Stra	3372	1706	885	350	93	105	77	52	73
Vigonovo	4148	2295	1036	388	82	120	52	26	107
Noventa	4069	1977	1091	301	140	164	172	90	107
Saonara	3767	2329	704	224	44	158	72	57	154
Vigonza	8135	4828	1564	557	174	433	157	67	245
total ID	54642	26705	16274	4525	1173	1697	997	572	1937
Mira	19857	6475	8689	2150	409	596	265	252	741
Venezia	240510	83254	66161	28506	15631	14983	12196	9533	6647
Prov.	509510	202079	138573	61748	24914	27760	18042	12604	15249

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI= Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PSIUP= Partito Socialista Italiano di Unita' Proletaria (left-wing)

PLI= Partito Liberale Italiano (conservative)

PRI= Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov.= results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXX
Elections of the Senate, 1972

Comm.	Votes	Dc	Pci	psi	msi	psdi	Pli	pri
C. Lupia	2563	861	1371	151	87	60	23	10
C. Longo	4148	2283	1506	195	61	56	31	16
C. nogara	4257	1617	2209	267	46	67	29	22
Dolo	7480	3178	2756	817	211	216	196	106
Fiesso	2895	953	1270	468	50	70	64	20
Fossò	2374	1316	675	213	47	77	34	12
Pianiga	4125	2476	828	449	87	140	96	49
Stra	3062	1579	795	377	86	103	78	44
Vigonovo	3695	2055	951	430	69	107	58	25
Noventa	3660	1800	1011	341	123	148	160	77
Saonara	3365	2112	680	262	43	148	61	59
Vigonza	7335	4406	1527	617	162	397	168	58
Total ID	48959	24636	15579	4587	1072	1589	998	498
Mira	17851	5980	8238	2198	386	560	275	214

Key:

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXXI
Elections of the Chamber of Deputies, 1976

Comm.	Votes	Dc	pci	psi	msi	Psdi	Pri	Pli
C. Lupia	3290	1046	1854	223	55	54	21	9
C. Longo	5245	2542	2203	317	49	53	23	12
C. Nog.	5498	1874	3016	392	48	72	23	17
Dolo	9078	3573	3711	927	179	217	216	81
Fiesso	3761	1147	1871	485	54	62	61	18
Fossò	3099	1574	997	318	35	67	28	12
Pianiga	5229	2769	1479	538	89	139	72	53
Stra	3732	1773	1264	405	61	84	55	26
Vigonovo	4791	2456	1585	442	86	93	42	18
Noventa	4976	2309	1589	517	113	158	149	40
Saonara	4203	2445	1061	386	51	124	53	15
Vigonza	9244	5072	2477	854	164	322	120	63
Total i.d.	62146	28580	23107	5804	984	1445	863	364
Mira	22909	6641	11817	2840	317	406	316	106
Venezia	254247	85109	90294	32876	10319	9599	11724	3380
Prov.	561991	215076	195934	71835	18292	20437	16926	5493

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI= Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI= Partito Liberale Italiano (conservative)

PRI= Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov.= results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXXII
Elections of the Senate, 1976

Comm.	Votes	Dc	pci	Psi	msi	psdi	Pri	pli
C. Lupia	2760	924	1520	183	91	42	16	12
C. longo	4400	2196	1804	254	52	37	21	13
C.Nog.	4629	1640	2499	328	88	58	24	16
Dolo	7907	3201	3167	848	176	207	172	86
Fiesso	3285	1047	1593	436	89	78	50	22
Fossò	2606	1354	838	266	33	57	22	14
Pianiga	4477	2468	1211	461	86	126	44	25
Stra	3220	1589	1064	350	89	83	47	22
Vigonovo	4083	2130	1341	390	70	80	37	17
Noventa	4294	2069	1341	444	96	146	139	40
Saonara	3559	2123	878	348	38	95	43	24
Vigonza	7816	4387	2027	734	143	324	105	48
Total ID	53036	25128	19283	5042	1051	1333	720	339
Mira	19639	6001	10005	2478	277	389	261	109

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXXIII
Elections of the Chamber of Deputies, 1979

Comm.	Votes	dc	pci	psi	Msi	Psdi	Pri	Pli
C. Lupia	3440	1106	1857	237	64	51	17	15
C. Longo	5516	2646	2251	289	52	60	24	22
C. Nog.	5751	1928	3078	382	52	76	27	15
Dolo	9272	3827	3520	883	170	185	186	77
Fiesso	3806	1195	1713	513	47	69	51	29
Fossò	3239	1671	966	275	45	73	20	25
Pianiga	5322	2867	1313	521	81	122	64	67
Stra	3938	1921	1227	382	59	86	48	30
Vigonovo	4899	2601	1415	440	80	96	45	24
Noventa	5094	2340	1447	520	133	186	129	63
Saonara	4292	2470	955	430	45	98	53	37
Vigonzà	9455	5194	2274	745	179	349	137	114
Total ID	64024	29766	22016	5617	1007	1451	801	518
Mira	23576	6816	11439	2777	320	454	335	156
Venezia	249391	81243	79347	29727	8652	9724	10188	5785
Prov.	565557	215094	179083	66587	16564	20775	15138	9321

Key

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Prov. = results in the Venice Province

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

TABLE XXXIV
Elections of the Senate, 1979

Comm.	Votes	Dc	pci	Psi	msi	Psdi	Pri	pli
C. Lupia	2897	986	1550	193	57	51	18	17
C. Longo	4579	2297	1870	254	40	49	20	15
C. Nog.	4831	1707	2609	322	42	75	25	14
Dolo	8081	3384	3144	810	145	204	182	80
Fiesso	3331	1070	1559	468	39	62	46	35
Fossò	2710	1430	855	241	30	68	18	19
Pianiga	4523	2527	1555	452	77	120	60	52
Stra	3355	1673	1089	335	39	80	47	38
Vigonovo	4160	2234	1270	398	62	88	38	23
Noventa	4391	2075	1313	450	107	172	110	66
Saonara	3630	2138	860	361	39	93	47	37
Vigonza	7994	4515	2026	631	149	335	140	95
Total ID	54482	26036	19700	4915	826	1397	751	491
Mira	20232	6159	10007	2493	270	472	286	156

Key:

Votes = total amount of valid votes

DC = Democrazia Cristiana (Christian Democrats)

PCI = Partito Comunista Italiano (Italian Communist Party)

PSI = Partito Socialista Italiano (Italian Socialist Party)

PSDI = Partito Socialista Democratico Italiano (Italian Socialist Democratic Party)

PLI = Partito Liberale Italiano (conservative)

PRI = Partito Repubblicano Italiano (moderate left-wing)

MSI = Movimento Sociale Italiano (extreme Right)

Comm. = Communes

Total ID = results in the Brenta industrial district as a whole

Source: personal elaboration of data traced in the archives of ISTAT-Istituto Italiano di Statistica, Rome

CHAPTER IV

Transmission of knowledge and institutional co-operation: the Brenta Training Centre

Introduction

In the preceding chapters, I have already mentioned the Brenta Training Centre (the “School”) on a number of occasions. Although established in 1923 and often considered as the best local example of institutionalised co-operation, the nature and intensity of its linkages with the local footwear system have changed frequently over the years. Originally a modest all-purpose Sunday school, the Centre devoted increasing attention to the footwear industry, was then completely absorbed into the system of institutionalised self-help structures of the Brenta district, and has finally acquired a degree of autonomy which enables it to reach out from Brenta proper. During my last visit to the Centre (October 2004), Director Mauro Tescaro underlined to me the increasing number of students coming from outside Brenta, including from competing footwear districts, and the transfer of the management of the Centre from a consortium of local firms to a newly established “Footwear Polytechnic”. On the same day, I visited a group of students attending a first year class, and saw for myself that ten out of eighteen came from outside Brenta.

The following analysis is different from the previous chapter, in which I have discussed the “double triangle” of the main Brenta actors (entrepreneurs, workers and public authorities) and their main formal organisations (entrepreneurs’ self-help institution, trade unions and mass-based political parties). This chapter discusses training and technical education in Brenta as possible areas of individual or joint action by all the above mentioned actors. In this context, formal institutions like the Brenta Training Centre, rather than playing an active role in the shaping of local policies, tend to be used by them in the pursuit of some of their respective interests.

Consequently, while the preceding chapter has analysed *action* by single collective actors on a *wide range* of issues of their *direct* and immediate interest, this chapter discusses their *inter-action* on a *specific*, medium-term issue which they tend to see at least as partly *someone else's* responsibility.

Although the history of the School goes back to 1923, secondary sources are scarce. Giorgio Gottardi recalls the “over fifty-year-long existence of the footwear School O.T. Fava” and its role in fostering local know-how in design. He also recalls that already in the late 1970s some students came from other areas of Veneto.³⁴⁷ Marco Bonzio recalls some financial contributions by ACRIB.³⁴⁸ ACRIB's study is quite detailed above all for the inter-war period.³⁴⁹ Vittorio Pampagnin provides an account of the early years of the School and an assessment of apprenticeship and on-the-job-training.³⁵⁰ The most comprehensive account is provided by Michela Vettore in her graduation thesis.³⁵¹

Brenta's Training Centre played a multi-faceted role, at times concrete, at times symbolic, as one possible way to transfer and duplicate knowledge, and therefore maintain and improve local factor conditions; as a tool to strengthen the local identity; as a marketing strategy to promote Brenta's reputation; and also as a pawn in the complex interaction and bargain among the main actors in the district.

The School has now been in existence for over eighty years (under various denominations), which makes it the oldest local formal footwear-related self-help institution. No wonder that this comparatively long history has taken up some

³⁴⁷ Giorgio Gottardi, *Il settore calzaturiero nell'area del Brenta*, Bologna 1984, p. 57; 36.

³⁴⁸ Marco Bonzio, Quale politica industriale per il calzaturiero del Brenta?, *I distretti industriali in provincia di Venezia: problematiche a confronto*, Documento 18 del Consorzio per lo sviluppo economico e sociale della Provincia di Venezia-COSES, dicembre 1995, p. 5-18.

³⁴⁹ Giovanni Luis Fontana, *La spirale cognitiva: la Scuola "Ottorino Tombolan Fava" e le origini nella specializzazione calzaturiera*, in Giovanni Luigi Fontana, Giorgio Franceschetti and Giorgio Roverato (eds.), *100 anni, quote.*, p. 177-86; Giovanni Luigi Fontana and Michela Vettore, *Da allievi a maestri: esperienze e mestieri nella Scuola Modellisti di Stra'*, *ibid.*, p. 399-411.

³⁵⁰ Vittorio Pampagnin, *La Riviera...., quote..*

³⁵¹ Michela Vettore, *Formazione e innovazione...., quote...*

symbolic value, to the point that the School is often mentioned, in some celebratory literature, as one of the oldest (if not the oldest) of its type in Italy (if not in Europe). Nevertheless, the local actors' attitude vis-à-vis the School has been ambivalent, with little or no support in particular from individual entrepreneurs (with some exceptions) but decisive intervention by the entrepreneurs association in its most serious crisis; lack of interest by the Catholic Church but also some financial and political support by communal governments; sporadic tensions with the regional authorities, but also increased attention by trade unions, at least since the late 1970s. Brenta actors' ambivalent attitude confirms both their reluctance to be involved in an area of which "someone else" should take care, and their awareness of the role played by transfer and promotion of knowledge.

Knowledge transmission and local competitive advantages

Contradictions such as those experienced by Brenta are often mentioned in the specialised literature. The relevance of education and training is in itself seldom questioned.

As Porter notes, "general statements on the importance of training and education in economic development are quite common, as are statements about the impact of transmissions of skills in the specific socio-economic environment of districts".³⁵² Difficulties arise, however, with the implementation of this principle. On the one hand, most firms are aware that training and technical education require a long-term perspective and that the required investment usually bear fruit at best after some years.

³⁵² "... education and training are decisive in national competitive advantage. ...In every nations, those industries that were the most competitive were often those where specialised investment in education and training had been unusually great. Education and training constitute perhaps the single greatest long-term leverage point available to all levels of government in upgrading industry. At the same time the general education system is insufficient to ensure national advantage. As important is setting

Education and training are in fact almost by definition medium- and long-term investments and need continuous perception of their usefulness by the entrepreneurs (and other actors) who support them. Consequently, it is an important task of associations to convince members that participation in such initiatives is worthwhile for their enterprises.³⁵³ But again, considering that returns on investments in education are usually apparent only in the long run, support for educational and vocational training is to be found only in relatively sophisticated economic environments.³⁵⁴

Technical education and vocational training, very much as education in general, is almost by definition a joint enterprise, in which co-operation by a number of actors is often indispensable, in particular between private and public sectors.³⁵⁵ Langlois and Robertson note that "... most nations ... have systems of schooling that turn out potential workers with an assortment of skills of various grades. Employers must then provide further training and education to meet firm specific needs".³⁵⁶ This in turn can take place in a number of ways.

policies that link the educational system to industry and encourages industry's own efforts at training": Michael E. Porter, *The Competitive Advantage...*, quote., London 2000, p. 628.

³⁵³ R. Hayter, *The Dynamics of Industrial Location*, Chichester and New York 1997, p. 332.

³⁵⁴ The importance of training becomes evident "... with the growing complexity of production. As a result, the transitional "on-the-job" method ... is less and less efficient. This is because part of this know-how has to be regularly overhauled if not re-invented. Reskilling is increasingly necessary as regards workforce, at least for technicians and key personnel": Pierre-Andre' Julien, *The role of local institutions in the development of industrial districts: the Canadian experience*, in F. Pyke-W.Sengenberger (eds.), *Industrial Districts and local economic regeneration*, ILO-Geneva, 1992, p. 197-213.

³⁵⁵ Chandler highlights education as one component of large-scale industrialisation in the USA, the United Kingdom and Germany, and underlines the close links between educational structures and further development. However, he has little interest in vocational or professional training and mentions it in passing only when dealing with the "superior" academic education: Alfred D. Chandler, Jr., *Scale and Scope-The dynamics of Industrial Capitalism*, Cambridge-Massachusetts and London, 1990, p. 82-83; 292-293; 425-426.

³⁵⁶ Richard N. Langlois and Paul L. Robertson, *Firms, markets...*, quote., p. 103.

Within their limited possibilities, some Brenta actors explored some of these possible lines of action, including contacts with public education institutes (for instance in Padua).³⁵⁷

But the above mentioned “free-rider” problem remains: returns on investments in training and research can not be kept wholly proprietary, since employees leave and technology is copied (especially in a labour-intensive industrial district like Brenta, where turn-over is high and technology was not a significant barrier to entry).³⁵⁸

The definition of the respective role of firms and employers on the one hand, of governments and public authorities on the other however has been quite often solved pragmatically and with success in Italy. “The real uniqueness of Italy... is the out-of-school learning process in particular industries ... highly specialised knowledge and skills are passed within families and from generation to generation... Geographical concentration (also) speeds the accumulation and diffusion of knowledge. In some fields, such as jewellery, there are long formal apprenticeship programmes”.³⁵⁹

This means however also that formal training is less developed than in other countries. Italy performs well where informal on-the-job training is suitable, and less so where advanced formal training is necessary.³⁶⁰ However, footwear training is now provided by a number of Italian footwear districts, which offer part-time

³⁵⁷ The only university institution in Brenta however specialises in tourism. CISET (Centro Internazionale di Studi e ricerche sull’Economia Turistica), located in Mira, was established in 1991 by Venice University, the Italian Touring Club and the Venetian regional government. It conducts research on tourism and holds a post-graduate course in Tourism management. The Chancellor of Venice University serves as its Chairman.

³⁵⁸ M.E.Porter, *The competitive ...*, quote., p. 593.

³⁵⁹ *Ibid.*, p. 437.

³⁶⁰ Nevertheless, Porter notes that the role of Italian entrepreneurs associations in promoting training centres as being much broader than in most countries. He makes ample references to the strengths and

teaching in particular for students already active in the footwear sector. Most of these training centres were established at a comparatively late stage, from the 1980s, often in co-operation with local authorities, offer part-time teaching and charge annual fees in the region of 5,000 to 7,000 Euro.³⁶¹

The most fertile environment for training is provided by geographically clustered firms, since "... co-operation involving *joint learning*, technology transfer and the development of new business requires face-to-face contacts and levels of trust that are facilitated by geographical proximity" (emphasis added).³⁶² In this context, the development and transmission of skills from one generation to the next is at the very heart of districts' competitive advantages.

The spontaneous, sometimes even unconscious absorption of skills from the environment is a key component of the industrial district model. However, it depends also on the degree of transmissibility of specific skills, some of which are less easy to communicate than others.³⁶³ In particular, "the idiosyncratically synergistic resources that bind organisations together are, in fact, most frequently forms of knowledge that are difficult both to acquire and to communicate to others. This knowledge is often expressed in the form of the individual and collective behaviour

weaknesses of the Italian educational system, but no specific references to the vocational and professional training system: *ibid.*, p. 437-9.

³⁶¹ Some examples follow. A "Marangoni Institute" in Lombardy was established in 1935 and offers design courses for some ten people. A "Scuola Regionale per Calzaturieri" in Lombardy was established in 1977. A "Corso di formazione professionale per modellista tecnico calzaturiero" is organised since 1984 near Lucca, and offers a general vocational course (450 hours) and specialisation courses for shoe designers (60 hours), CAM-CAD (40 hours) and skin and hide experts (80 hours) for some ten students respectively. The Centro di Formazione professionale Santa Croce sull'Arno (CFP), near Pisa, was established by the Province of Pisa in the mid-1980s to support the ailing local leather and shoe industrial distrcit. From 2001, about twenty courses are offered. Another school in Tuscany, SARTECO, was established in Empoli in 1963. A "Scuola Regionale di formazione professionale per calzaturieri" was established in the Marches in the early 1970s. See www.leatherfashionandmore.com/training/ceseca.it and www.leatherfashionandmore.com/training/cfpit.asp. A university First Degree in logistical and managerial engineering, with emphasis on footwear, has been launched by the Castellanza University (Libero Istituto Universitario Cattaneo-LIUC), in Lombardy. A similar course has been envisaged by Ancona University. A co-operation between the Brenta Footwear Polytechnic and the faculty of Engineering of Padua University is underway since the late 1990s: Michela Vettore, *Formazione e Innovazione...*, quote., p. 70-1.

³⁶² R. Hayter, *The Dynamics...*, quote., p. 333.

³⁶³ Richard Langlois and Paul L. Robertson, *Firms, markets...*, quote., p. 14.

of members of the organisation".³⁶⁴ Habits and routines acquired through the years produce a repertoire that is "superadditive, in that (it) can accomplish more than the sum of the skills of the individuals in the organisation." Even when articulation or transfer of the repertoire to others is plausible, it still requires a relatively high investment on the part of those willing and able to acquire them.³⁶⁵

The literature provides a number of case studies which are directly relevant to this thesis. Thomas Baker comments the case of some textile weavers who attended a design school in Schio (in the Veneto region) and were able to draw from that experience in order to start a small firm in their own town in Friuli, which was later to become the incubator for a local system of enterprises. He concludes that even small training facilities can have on a semi-rural area.³⁶⁶

Investments in education in already established labour-intensive sectors can also be productive, provided that firms inertia is overcome. Higher-than-expected returns were shown for instance in the successful revitalisation of some industrial districts in Pennsylvania started in the late 1970s and described by Charles Sabel. It took place through a government-sponsored process of growing co-operation in the provision of services to industries, including vocational training and education. Sabel identifies three phases in the process in which educators interacted with bankers, businessmen, trade unionists, local government officials, all leading to the conclusion that in general the enterprises taking part in the initiative had overestimated the costs and underestimates the benefits of co-operation.³⁶⁷

³⁶⁴ Ibid., p. 13. They build upon Nelson and Winter's concept of routines at the basis of their evolutionary theory of industrial structure and economic growth: R.R. Nelson and S.G. Winter, *An evolutionary Theory of Economic Change*, Cambridge, Mass., 1982.

³⁶⁵ R.Langlois-P.L.Robertson, *Firms markets...*, quote., p. 16.

³⁶⁶ Thomas Baker, *First movers...*, quote., 621-75.

³⁶⁷ Charles F. Sabel, *Studied trust: Building new forms of co-operation in a volatile economy*, in *Industrial districts and local economic regeneration...*, quote., p. 239.

Joint initiatives particularly in the field of education tend to be more common in regions where the “civic capital” is high. Emilia-Romagna (the most “civic” of the Italian regions considered by Putnam) shows for instance a wealth of initiatives launched already in the 19th century, which helped the creation of a local workforce versed in the sectors covered by its 20th century industrial districts (in particular mechanical engineering). This helps to explain why Emilia-Romagna districts tend to be technologically more advanced and innovative than Venetian ones, even in apparently mature and labour-intensive sectors like ceramic tiles.³⁶⁸

A similar story is told by Hubert Schmitz with regard to the German Land of Baden-Württemberg. The local close co-operation with industry is said to be perhaps closer than in the rest of Germany, building upon some initiatives in the field of technical advice and information going back to the middle of the 20th century. The regional organisation for manufacturing and trade established in 1848 under the leadership of Ferdinand Steinbeis in particular deserves a mention.³⁶⁹

At times, a decisive role in the fortunes of local training centres is played by wider specific social and economic developments. In turn, training initiatives can produce results reaching out their original environment (as occurred precisely in Brenta). A relevant example is provided by two industrial districts in West Jutland analysed by Kristensen.³⁷⁰ Both developed out of small railway towns of fewer than 5,000 people: knitting and garment in Herning-Ikast and furniture in Saling.³⁷¹ Both districts owe much of their development to the existence of a national organisation of craft educational institutions linking the small railway towns into a horizontally very

³⁶⁸ Vittorio Capecchi, *A history of flexible specialisation and industrial districts in Emilia-Romagna*, in F.Pyke, G. Becattini, W.Sengenberger (eds.), *Industrial districts and inter-firm co-operation in Italy...*, quote., p. 20-36, describes a number of initiatives undertaken in Emilia at the end of the 19th the beginning of the 20th century.

³⁶⁹ Hubert Schmitz, *Industrial Districts: Model and reality in Baden-Württemberg, Germany*, *ibid.*, p. 101.

³⁷⁰ Peer Hull Kristensen, *Industrial Districts in West Jutland, Denmark*, *ibid.*, p. 123-173.

³⁷¹ *Ibid.*, p. 127.

mobile labour market for skilled workers and potential entrepreneurs. A significant role was played by the Danish co-operative movement established in the 1880's and by a later movement promoted by craftsmen between 1870 and 1900.³⁷² In turn, the local concentrations of skills and variety of craftsmen and their apprentices promoted by such movements provides a basis for a strong, flexible and heterogeneous industrial structure.³⁷³

Kristensen's analysis also points to a paradox typical of some industrial districts, where higher standards of education brought about by economic success, far from stimulating further economic growth result in young searching for other, more socially and economically rewarding, types of employment.³⁷⁴ This is typical of the Riviera and translates today into some real problems in finding adequately capable workforce. This is less the case in other areas, for instance in Baden-Württemberg where the social recognition which goes with employment in the district remains high.³⁷⁵ Another example is the Birmingham School of Jewellers and Silversmiths, established in 1890 as a component of the local entrepreneurs' promotion of a system of governance that could assure the industry's reputation and shed its "Brummagen" label.³⁷⁶ The School, with the "best specimen of art metal work that could be got

³⁷² *ibid.*, p. 136-139.

³⁷³ In West Jutland, "small railway towns, which formerly functioned as service centres for the neighbouring agricultural areas, have served as seedbeds for industrial entrepreneurial activity during periods of agricultural crisis during the century. This spatial organisation, *together with the existence of national institutions like Denmark's apprenticeship and technical schools*, partly explain why, and how, a peripheral region like West Jutland has been able, endogenously, to create industrial development" (emphasis added): *ibid.*, p. 126.

³⁷⁴ "Improved welfare and better education, due to the expansion of the footwear sectors (in the areas), result in an increasing tendency for young people, better educated than their parents, to abandon the sector if they can find alternative, mainly non-manual jobs. The resulting interruption of the accumulation and transmission of skills from parents to children, from one generation to the next, could in the future undermine the collective learning affect which has been so important in determining the competitiveness of the district": *ibid.*, p. 345.

³⁷⁵ Probably because "... in its industry the separation of "head" and "hand" has rarely gone as far as in typically Ford mass production. This is clearest in the skill-intensive machine tool industry": Hubert Schmitz, *Industrial Districts: Model and reality in Baden-Württemberg...*, quote., p. 112. Related training is shaped on this principle: *ibid.*, p. 110.

³⁷⁶ "The School had no equivalent in the country, and its promotion of technical and artistic standards ensured the steady supply of skilled workers needed by the trade": Francesca Carnevali, *Golden Opportunities...*, quote., 276.

together", was one of the results of the biggest ever meeting held in connection with Birmingham jewellery trade, held on 3rd August 1887.³⁷⁷

The above mentioned cases confirm the relevance of training and technical education in several phases in industrial districts development, certainly including the "traditional" transmission, duplication and enhancement of knowledge (Emilia), but in specific cases also influencing their birth and location (Udine, Saling). Precise assessment of district-based, formal and collective action in this field remains however difficult. In this context, both accumulation of past experiences (Baden-Wuerttemberg) and innovative action by interested actors (Pennsylvania, Herning-Ikast) seem to be viable options. The history of Brenta's Training Centre, discussed in the following paragraphs, confirms this multi-faceted picture.

The Brenta Training Centre: a multi-faceted role

Resilience and *flexibility* are specific characteristics of the School. Changes in syllabi, the duration of courses and the teaching methods reflected the evolutions of the local environment. The following analysis will focus on both historical continuity and relations with the local industry. Throughout its existence, the School was more an *effect* of the local industrialisation than one *pre-condition* of economic growth. Nevertheless, it had a positive impact on a number of issues, including indirect benefits in terms of a reduction of transaction costs through enhanced cultural levels of workers, the fostering of local co-operation and the enhancement of Brenta's reputation. The School was usually cost-effective for its sponsors, since most costs were met by students themselves and its equipment and facilities remained basic over several decades. The School's history can be divided into three main periods:

³⁷⁷ Francesca Carnevali, *Malefactors and Honourable Men...*, quote., p. 197-8.

- From its foundation in 1923 until the end of the Second World War, it experienced a relatively rapid development and an even higher growth of footwear-related activities;
- From 1945 to 1975, it completed its specialisation in footwear, but also underwent a severe crisis which threatened its very survival;
- Since 1975, it has further specialised, in particular in shoe design, but has also endeavoured to provide some education in related subjects such as marketing and sociology. The increasing number of students from outside the district has been mirrored by a growing independence of the School of its purely local environment.

The history of the School should also be seen in conjunction with apprenticeship and on-the-job-learning, which had a long tradition in the Riviera and was centred on the distinction, already recalled in previous chapters, between “paron” (master) and “garzoni” (apprentices).³⁷⁸ Each master had usually not more than two apprentices: more would have been disruptive of the existing division of labour, most of which was performed manually and therefore was often repetitive and unqualified. Some masters could exceptionally have more than two apprentices, but only if some of the later were “quasi finiti” (almost accomplished), i.e. able to perform virtually all the tasks usually carried out by the master himself.

Apprentices used to begin working immediately after completing the primary school, i.e. aged between ten and eleven years, but quite often even before. A sort of code of conduct regulated the division of labour of the approximately one hundred distinct phases involved in the production of a single pair of shoes. Obviously,

³⁷⁸ *Ibid.*, p. 98.

apprentices took care of the easiest, most painful and also most boring activities, while masters were responsible of the most complex phases.³⁷⁹

The unequal relationship between masters and apprentices took place on another equally central element of shoe-making: the desk, the so-called “bancheto” (literally “small desk”), with short legs so to enable workers to pick up quickly their working instruments from the ground. Theoretically up to four workers could find place on a “bancheto”, in practice not more than two. The number of hours spent on a desk depended on the demand for footwear and therefore varied widely. Especially at the end of summer and at the end of winter, work pressure diminished; it is estimated that every year each master had three to four months of slack, with work being reduced to a minimum. This had to be made up for during times of increased demand, where working hours could be exceedingly long.

The Centre between 1923 and 1945: first steps of a modest Sunday school

The centre was established in Stra' in 1923 as a modest, all-purpose arts and crafts Sunday school, *not* specialised in footwear-related teaching. The initiative was taken by the local newly-established Veterans' Association, and particularly by its President, Antonio Calzavara, who earned decorations for the campaigns against Turkey (1911-1912) and in the First World War. The School was dedicated to the memory of Captain Ottorino Tombolan Fava, who died in action in 1918. Appropriately, its primary objective was to create a design training centre specifically for children and orphans of veterans. Fortunato Voltan, son of Giovanni Luigi, is credited with some part in launching the initiative, and so too are the Commune of Stra' and other neighbouring communes.³⁸⁰ However, the School

³⁷⁹ For a list of operations performed by masters and apprentices respectively see *ibid.*, p. 92-96.

³⁸⁰ V. Pampagnin, *La Riviera...*, quote., p. 129.

remained initially a child of the Veteran Association, and was chaired by its President.

Courses began on the first Sunday of January 1923. 32 students registered in the first year and 40 in the second. The teaching schedule covered twenty-five Sundays. A relatively broad range of options were offered, such as cabinet-making, carving, decorating, building, cement-laying, tailoring, carpeting, but also shoe-making. Improvement in the overall performance of the school was achieved quite early, with registrations increasing to 56 students. Gustavo Triffi, the first part-time Director, started some regular co-operation with the Professional School "Pietro Selvatico" of Padua (of which he was a teacher) and obtained some limited financial support from both local and national authorities.³⁸¹

In 1928 the School moved to Villa Pisani in Stra', a 18th century, patrician palace decorated by Giambattista Tiepolo, which is by far the largest and most impressive country residence of the area. The School could also afford to be selective, with a relatively high percentage of attendees not passing the final examinations. For instance, there were 34 successes and 26 failures recorded in 1928-29. Some public recognition was achieved through the linkage of the syllabi taught in the School with the new national plan for professional education. On this basis, Gustavo Griffi suggested to replace Sunday classes with evening classes during working days, but to no avail.

³⁸¹ The Italian government offered 1,000 lire, approximately 600 € at 2004 value (but twice as much three years later). 650 lire were offered by the communes of Vigonovo and Novanta respectively, 200 by Dolo, 200 by the Chamber of Commerce of Venice and 100 by "Cassa di Risparmio" of Venice: in total 3,150 Lire (approximately 1,800 € at 2004 value).

In 1931 Gustavo Triffi was replaced by Enrico Giulio Trois, who later was to become the living symbol of the small training centre and remained in this position until his death after the Second World War. Trois focussed strictly on work-related subjects. His annual reports are an important source of information on this early stage of the School's history. Far from being detached, aseptic descriptions, they reflect the enthusiasm and personal commitment of a man who devoted his energy and time to a beloved project.

The economic crisis of the early 1930s reduced the number of enrolments significantly. Quite a few of Trois' initiatives had to be postponed, in particular additional programmes for 1933. Other plans, including a design course for women, could not be implemented. Inversely, the period of economic recovery following the depression of the early 1930s translated into a sharp increase in the number of enrolments.

A further attempt to launch evening classes ensued, but again to no avail. However, syllabi were modified following the adoption of the Boroni system and the ensuing additional attention to the study of geometrical forms. The share of footwear-related syllabi in the teaching programs increased steadily. In 1936/7, 30 out of 90 students chose footwear-related courses. In 1938/39, "tagliatori" (leather cutters), "montatori" (assemblers) and shoe-making courses were offered as additional evening classes.

In the initial war years there was even an increase in the overall number of students, who peaked at 150 in 1941. However, while most teachers were called to arms, the teaching material painfully acquired throughout the years, including some machine tools, was directed to meet other needs. The School eventually discontinued its courses in the last period of the war.

The Centre and the Brenta take-off: peaks and troughs

The School's history in the first years after 1945 is above all a history of reconstruction, in the context of the continuity between the pre-war and the post-war Brenta footwear industry recalled in previous chapters. On 22 December 1946, the Mayor of Stra' confirmed that the Veterans' Association intended to re-open what was still an all-purpose Sunday school. This happened in the early months of 1947. 154 students registered. A refresher course was established to aid those who already attended the School before or during the war. The School began as a purely private initiative, but as early as 1947, it acquired official recognition through compulsory registration with the list of "recognised professional schools" held by Italian public authorities. In 1948, the School returned to Villa Pisani in Stra'. Two years later Giulio Trois, who had been at its helm for nearly two decades before the war, was once again appointed Director. Thus, only five years after the end of the war, the School recovered the position enjoyed in the interwar years, although furniture and teaching materials remained substandard for years to come.

Further development began shortly afterwards, with the appointment as consultant of an architect, Antonio Zandarin, whom we have already mentioned in his capacity of organiser and promoter of the first footwear Trade Fairs in the area. He simplified the organisation of the School and placed more and more emphasis on footwear-related teaching. Only two departments survived, one specialising in footwear and the other regrouping all the remaining professional courses. In 1958 all other courses were discontinued and enrolments peaked at 312 students.

Both the success of the School and Brenta take-off encouraged additional directly footwear-related initiatives in the field of vocational training. A new, well-equipped training centre was opened by INAPLI of Venice (a public institution) at

the beginning of the 1960s. Conceived literally as a small factory and funded by the public purse, its facilities were by far superior to those of the School. However, contrary to most expectations, the new centre failed to assert itself as an outlet for young prospective employees in the footwear sector: it never really came to be seen as a real alternative and had to be discontinued a few years later. In those years, the new "Scuola media inferiore" ("unified middle school", a three-year compulsory school for all boys and girls aged eleven to fourteen) was opened also in Stra'. The School ceased to be the only local institution offering education after primary level.

In 1966, enrolments dwindled to a few dozens. The School could only be salvaged by the intervention of the newly-established entrepreneurs' association (ACRIB), which obtained financial and logistical support from the Istituto Veneto per il Lavoro (Venetian Institute for Labour). As a *quid pro quo*, however, the Institute imposed stringent conditions to bring it into line with its own teaching syllabi. The increase in the number of weekly hours to eight as well as the decision to hold regular lessons on Saturdays, eventually freed the School from its previous Sunday routine but made attendance more difficult for students (who were all already employed).

ACRIB was instrumental in finding temporary solutions. However, it could not provide a definitive solution on its own. In 1973, a mere 29 students registered: they were fewer than in the year of its foundation.

Furthermore, there is some anecdotal evidence of petty rivalries between social actors who were expected to co-operate. In particular, a long dispute between the School and the Archaeological Office of Venice concerning the use of Villa Pisani for the School's activities was perceived as caused by a bureaucratic if not

overtly hostile attitude of distant public authorities, unwilling and incapable to provide any assistance in the local economic development.³⁸²

Another example was the above mentioned new training centre opened by INAPLI of Venice in the early Sixties, where a small factory was funded by the Ministry of Labour. However, courses offered by the new institution were discontinued only after a few years due to insufficient attendance. This outcome was not just the result of the new institution's incapability of competing successfully with the old School (which in the same period also experienced a severe decrease in the number of students). Instead, it was due to a real clash of "models". The newly established school appeared to be detached from the "real life" of the area and did not provide those close contacts and flow of information to and from the firms, which were the most appealing feature for those who enrolled. A negative prejudice against the newly-established training centre can probably be traced down to the existing poor record of relations with both central and local public authorities, which in turn deteriorated even further because of the failure of this initiative at the eve of the economic crises of the early 1970s.

The Centre between further specialisation and new challenges

The revitalisation of the School started in the early 1970s. Syllabi were improved. The first official textbooks were adopted in 1975. Project-design was introduced in 1985.

In the years between 1973 and 1981, enrolments were 34, 84, 79, 114, 142, 135, 140 and 147 respectively.³⁸³

³⁸² The dispute on the School's premises was long. The Venice Archaeological Office vented repeated concerns about the Villa's security and provided a limited numbers of rooms, half of which were considered inadequate for teaching. The school had to move temporarily to other premises in 1953 but returned to Villa Pisani on the basis of an "informal agreement" which lasted until 1984.

³⁸³ Michela Vettore, *Formazione e innovazione...*, quote., p. 121.

Discussions on its future however continued within ACRIB. A possible role of the School was mentioned in an internal report of the entrepreneurs' association of September 1977. The report focussed on competition from low-wages countries and the growing impossibility to respond by simply reducing costs. Training was seen as an integral part of a three-pronged strategy.³⁸⁴

A turning point was the agreement signed on 23 March 1978 by entrepreneurs and trade unions on the enhancement of "... the existing vocational and professional training facilities by means of jointly-agreed schemes, in co-operation with the Venetian regional government and with the regional schemes of professional training".

The role of collective action in the field of footwear-related education and training had by then been widely recognised in Brenta. A public speech delivered by the Provincial Labour Counsellor of the Province of Venice, Flavio Boscolo, sheds some light on the attitude of public authorities.³⁸⁵ He defined education as one of the keys to prosperity in the area and as one of the priorities to be pursued by local authorities and entrepreneurs alike.³⁸⁶ He stressed the need for better professional training for prospective employees and for specialisation courses for employees, also through a "revitalisation" of apprenticeship. In this context, also the division of labour would have been reconsidered, in order to limit repetitive, easy tasks inevitably leading to the loss of professional skills and to personal dissatisfaction and frustration. He criticised the exclusion of footwear-related training from the programmes financed by the Christian-Democratic regional government. He

³⁸⁴ the other elements being action by the newly-established Consorzio Maestri Calzaturieri and Consortium and the promotion of the image of Brenta as a whole.

³⁸⁵ The speech was delivered at a seminar on "The Footwear Industry in the Brenta area in the 1980s", held at Dolo on 23 February 1980. The manuscript is available at ACRIB's archives. Flavio Boscolo, a Communist, co-operated closely with ACRIB and enjoyed great respect among Brenta's entrepreneurs.

³⁸⁶ together with consortia to be established for the purchase of raw materials, R&D and easier access to credit.

commended the growing network of Brenta self-help organisations and promised some financial support to further co-operation among independent firms.

In 1980, the Conference Europeenne de la Chaussure (CEC) established a Committee, led by ACRIB'S Chairman Luigino Rossi, to explore a possible common European training model. The Committee visited a number of training centres in France (Paris and Nantes), the United Kingdom the Netherlands and Western Germany, and also Stra'. As far as the latter was concerned, the final assessment of the Committee highlighted precisely the interaction among local actors including local firms and also entrepreneurs' organisations, trade unions and public authorities.

This growing attention to training issues led to the implementation of the rather vague goodwill clauses of the 1978 agreement and to the upgrading of the School to a "Centre for Professional Training". On 30th April 1980, entrepreneurs, trade unions and local authorities discussed joint financial support for the future Centre and even the possibility that trainees be directly hired by firms without any additional apprenticeship.³⁸⁷

The agreement of 19th January 1981 recalls in particular the need for a "... strict co-ordination between theoretical teaching and practical training".³⁸⁸

The final agreement in this field was signed on 12th November 1981.³⁸⁹ Once again, "... the contracting parts agreed on the relevance of the professional training scheme agreed upon on 23 April 1980 and undertook to implement it by means of a co-operation with the local governments of the area (even if an increase in the number of employees is not for the time being foreseeable) and, in this context, the further development of the Scuola Tombolan Fava, the role of which is

³⁸⁷ Source: ACRIB's archives.

³⁸⁸ Source: ACRIB's archives.

³⁸⁹ Source: ACRIB's archives. ACRIB signed on behalf of entrepreneurs.

acknowledged". The role of the School as a reputation booster was also explicitly recognised.³⁹⁰

The increased attention to training issues by Brenta and Veneto collective actors, while paving the way for the above mentioned agreements, did not lead immediately to significant improvements. In the early 1980s, enrolments stagnated just under the threshold of 150 students, but fell to under 120 in 1984/85. The School was even forced to leave Villa Pisani for good in 1984. It moved to Villa Loredan, another 18th century building in Stra' located in front of Villa Pisani, but on the other bank of the river.

A collective response however was undertaken timely. One year after this worrying signal, the management of the School was transferred to the new Centro Veneto Calzaturiero (Venetian Footwear Centre), established in 1986 and discussed in the previous chapter. The School was therefore in a position to profit of some synergies with the small R&D department of the Centre. At the same time, a special course was launched with the support of the European Social Fund and of a special rotating fund of the Italian Ministry of Labour. Public contributions were possible because Stra' had been listed among the EC "economically declining areas". The course was supported by ACRIB, the communes and the trade unions, was offered to eighty unemployed young people aged between 15 and 22 years, and included 400 hours of theoretical teaching and 2000 hour of practical apprenticeship. Students received a fellowship and were guaranteed employment in local firms at the end of the two-year course. The initiative was discontinued when Stra' was cancelled from

³⁹⁰ Source: ACRIB's archives. An Italian translation of other relevant passages follows: "All initiative undertaken in the above mentioned context should be co-ordinated in the context of the general objective to promote Brenta's quality and reputation... It is also agreed that ... should enterprises experience severe difficulties to maintain the current levels of employment, the contracting parties shall explore solutions that, if compatible with the competitiveness and the economicity of the local production, will preserve both the local employment and the traditional skills of the local workforce, including through specific training courses to be undertaken in the context of the abovementioned scheme".

the EC list of declining areas.³⁹¹ As a consequence, the level of enrolments increased again and peaked at 182 students in 1990/91.³⁹² The percentage of students coming from outside the district grew constantly over the same period, thus confirming some improvement in the quality of teaching. In 1982/83, 84 and 35 students came from the Venice and Padua provinces respectively, and can therefore be assumed to have had strong links with Brenta. This correspond to a percentage of 74.3% of the total number of students enrolled in that year (152). Fifteen years later, the proportion was reversed: Venice and Padua were represented by 44 and 32 students respectively, a percentage of 41.5% of the 183 enrolled students. Treviso (which includes the Montebelluna footwear district) had replaced Venice as the single largest provider of student already in 1992. The number of foreign students had also increased, from none in 1982 to 12 in 1996, although some of them came from former Yugoslavia in the context of some assistance initiatives sponsored by the Veneto region. Also the percentage of male and female students had significantly changed, with females being 15% in 1982 and just under 31% in 1997.

According to Mauro Tescaro, Director of the Polytechnic, the local availability of a reputable Training Centre, open to the outside world and capable of attracting students from other Italian regions and even from abroad, has a multi-faceted positive influence on the local system, which offsets the risks of fostering the competitiveness of other Italian footwear districts.³⁹³ A confirmation of the relevance of the local shoe design is given by a Shoe Designers Association established in Brenta in the mid-1990s, which by the year 2000 included some thirty members (two of which were limited liability companies). Half of them resided in Brenta hard core,

³⁹¹ Michela Vettore, *Formazione e Innovazione...*, quote., p. 109-10.

³⁹² *Ibid.*, p. 122.

³⁹³ Interview on 22th October 2004.

others were based in the other Venetian footwear districts of Verona and Montebelluna.

Finally, on 13 April 1996, the School moved again to Capriccio di Vigoza, to the premises of a dismissed shoe factory which were maybe less prestigious but by far more suited to a training centre than an old patrician countryside residence. Again, the Centre was moved by a few hundred meters: due to the irrational administrative boundaries discussed in previous chapters, Capriccio di Vigoza is located within the Province of Padua, but in fact it is now completely integrated in Stra' and is within walking distance from Voltan's.

The Footwear Polytechnic

In 2001, also the management of the School was again transferred, this time to the new "Footwear Polytechnic" established by ACRIB, Veneto Innovazione (a limited liability company controlled by the Veneto region), the consortium Venetian Footwear Centre, the Italian Footwear Association ANCI and a Venetian bank (Cassa di Risparmio di Venezia). An additional shareholder joined later (Veneta Servizi per l'Industria, a private company). Besides providing some services (quality control, some research in footwear technology and computer-assisted production, at times in co-operation with the Department of Mechanical and Managerial Engineering of Padua University), the Polytechnic runs the Training Centre (now officially known as "Scuola per stilisti e tecnici calzaturieri"-School for Footwear designers and Technicians). The Polytechnic has established some co-operation with similar centre in Florence (POLIMODA) and in the Marches (SCAM in Civitanova), in an attempt to launch a "Network of excellence" in its field under the aegis of the National Footwear Association-ANCI. At the regional level, it has also launched a

co-operation with similar institutions of the two other Venetian footwear districts, Montebelluna (Foundation "Museo dello Scarpone") and Verona (FO.CA.VER.).

Even before the establishment of the Polytechnic, the Training Centre had participated in a number of EC initiatives. In particular, in 1997 it took part in the project "An open learning scheme for continuing training in enterprises submitted to individual changes" (id.n. 216171997) in the context of the Leonardo da Vinci European Union programme. The project aim at promoting a scheme of continuous education for small- and medium-sized enterprises through open distance learning and flexible self-development.

In 2004, the Polytechnic was run by a Managing Director, a Director, two support staff, four courses co-ordinators, with a core team of 37 part-time teachers (entrepreneurs and shoe designers).³⁹⁴

According to Elisabetta Berami, former seamstress and now part-time teacher in the Polytechnic, the Centre is successful in developing design capabilities and in promotion the use of computer assisted technologies, but has not been able yet to offer viable solutions to the problem of transmission of the specific knowledge of the traditional, highly specialised, manual phases of production. Alternative solutions are being studied in co-ordination by ACRIB and the Polytechnic, and include outsourcing to Southern Italy but also new attempts to train workers in some Eastern European countries.³⁹⁵

The Polytechnic also focuses on improvements in inter-firm co-ordination. In particular, it has launched a study in a possible new co-ordinated production process involving a number of component producers.³⁹⁶

³⁹⁴ Interview with Mauro Tescaro, Polytechnic Director, on 24th October 2004.

³⁹⁵ Interview with Elisabetta Berami, 24th October 2004.

³⁹⁶ The components of high-quality (not middle- or low quality) shoes (in particular soles, heels and uppers) are traditionally produced in a pre-determined order, allowing final adjustments of each

The reaching out of the Polytechnic and its interest in a growing number of issues has led also to a joint research promoted by the Polytechnic itself published in March 2004 and offering a comparative analysis of new professions needed in the three Venetian footwear districts.³⁹⁷

Today, the Training Centre offers a two-year standard course (340 hours per year) including footwear projects, drawing, use of models, CAD techniques, informatics and English. An additional third year is also offered, with six specialisation paths including project management, two-dimensional CAD and three-dimensional CAD. A further year of specialisation especially focussed on design leads to the title of “style co-ordinator”. Teaching schedules are compatible with the working times of students (a “full immersion” of eight hours on Saturdays and three additional hours on another week day). School fees are in the region of €750 per year per student, with some contributions by public authorities and ACRIB itself. Some courses are tailored to some specific needs: a courses for disabled has been completed in December 2000 with 11 of the 12 participants having found employment in local enterprises.³⁹⁸

The continuity of the Centre is embodied in its staff. Mauro Tescaro, Director, has been with the School for over ten years; some teachers for even longer. It is the case in particular of one of the best known Brenta shoe designers, Vinicio Borgato, who attended the School at age of 15, was then assistant to some teachers and now has taught there for 39 years. In a conversation at the School in October

component to the other. The new production process studied by Brenta Polytechnic aims at simultaneous production of all components, with a reduction of production time in the order of 60%.

³⁹⁷ *Nuove figure professionali, nuovi formatori e modelli formativi nel settore calzaturiero veneto*, report available at the Polytechnic and established by the Brenta Polytechnic, ACRIB, Fondazione CUOA (a research and education centre of the Industrialists' association), Fondazione Museo dello Scarpone (a provider of common services of Monebelluna industrial district), FO.CA.VER. (Verona footwear industrial district), the Venetian Industrialists' association, the Industrialists' Association of Treviso Province, the Industrialists' Association of Verona province, the Veneto region, with the financial support of the European Social Fund (objective 3 C1 system actions), the Veneto region and the Italian Ministry of Labour.

2004, he gave me a sort of first-hand overall recapitulation of the School teaching philosophy in the last decades. Until the mid-1970s, knowledge transmission was rather empirical, and it depended essentially on the personality of the teachers and on their ability to transmit personal experiences to students. In the mid-1980s, syllabi became more formal and the overall objectives of the School clearer. In the last ten years or so, the increasingly narrow focus of teaching has been reverted and syllabi now include subjects as marketing and “semiotics” (i.e. interpretation of fashion trends). Borgato underlined to me that design training at the School should encourage the development of individual creativity and originality but above all take into account the real requests and trends of an increasingly competitive and hard international market.³⁹⁹

Local technological innovation

The Polytechnic also plays a role in local technological innovation. Recently, attention has been devoted in particular in the diffusion of the new three-dimensional computer-assisted technology. CAM-CAD two-dimensional computer technology is now widespread among interested Brenta enterprises. It is not yet so with the next generation of computer-assisted footwear technology, the production of 3-D plastic models (“*protopizzazione rapida*”) of three-dimensional shoe components (such as soles and heels). These models are literally assembled, layer after layer, by machine tools steered by a computer which “translates” an image into a real plastic object. The model can be easily tested, modified, refined, until the result is considered satisfactory and used for “real” production. This process can lead to significant cost

³⁹⁸ Source: Footwear Polytechnic.

³⁹⁹ See also an interview with Michela Vettore, in *Formazione e Innovazione...*, quote, p. 134-38.

reductions and quality improvements in particular through savings for the costly steel moulds.⁴⁰⁰

In general however Brenta remains cautious even vis-à-vis "soft", comparatively low-cost new technologies, despite recent encouraging signals. Fiorenza Belussi has investigated the diffusion of Internet in three industrial districts in the North-eastern Italy, including Brenta. Asked for the reasons in the delay in adopting new technologies, entrepreneurs of her sample "... generally did not mention as obstacles the item of financial resource or the lack of competent personnel, but the scarce utility of the technology *per se* and the scarce appropriateness of these tools for the typical small-sized firm". However, inter-firm co-operation plays a role even in this regard: over 21% of the Benta sample considered by Belussi has a collective web-site, so that the percentage of Web-lined Brenta firms reaches almost 80%. In general, Brenta firms score better in the use of electronic mail (over 92%), ISDN lines (64%), CAM-CAD (almost 58%). However, Enterprise Resources Planning and Electronic Data Interchange are virtually ignored. The first adoption of information technology by firms of the sample goes back to 1975, but was followed by a stagnation of almost 17 years. A new wave of adoption of ICT technologies started in 1992, a real take-off began in 1995. "In those years, all types of entrepreneurs quite simultaneously ... give rise to the characteristic S shape curve of innovation diffusion studied in the literature".⁴⁰¹

Brenta's persistent caution is even more evident in "hard" technology, where its evolution has been at best incremental. The sewing machine Blake was patented in the USA in the early 1960s, but its use became quite common in Brenta in the 1930s. Heels were of wood until the mid-1950s, when production of plastic heels

⁴⁰⁰ Source: interview with Mario Crosato, computer engineer and part-time teacher at the School, 24th October 2004.

⁴⁰¹ Fiorenza Belussi, *Industrial Districts: networks without technologies?...*, quote., p. 8-15.

began in Brenta's small producers of components. The main technological innovation introduced by Voltan in the last years of the 19th century (machine tools to sow soles and uppers) remained in use until the early 1950s, when it became possible to glue soles and uppers together. Some years later, the widespread use of assembly lines in Brenta reduced production times. In the mid-1960s, driving belts of assembly lines were replaced by air pressure devices. Special ovens were introduced in the late 1960s, reducing drying up of shoes from twenty-four to three hours. Some new machine tools also greatly enhanced working conditions and security. In the previous chapter I have mentioned the dangerous French machine tool "toupit", which was abandoned virtually everywhere by the late 1960s. "Ribattitrice meccanica ad anelli", a sort of large mechanical hammer, very noisy and producing continuous vibrations, was replaced by new, silent machine tools in the mid-1980s. A number of operations are still performed manually, sometimes simply to reduce costs. Laser and water-jet cutting machines for the cutting of skins and hides are for instance available from the mid-Nineties, but are expensive (between 100,000 and 200,000 Euro). In some other cases, manual operations still ensure a better quality (for instance polishing).⁴⁰²

Conclusion

The Brenta School has generated its own small "myth" as the first footwear vocational centre in Italy. What was really established in 1923 was rather a modest all-purpose Sunday school. However, it survived over the decades also in trying circumstances, specialised successfully in footwear-related teaching in the 1950s, attracted increasing attention by Brenta and Veneto collective actors from the mid-

⁴⁰² Ettore Bolisani, Giorgio Gottardi and Enrico Scarso, *Trasferimento di tecnologie in un settore maturo-Dal technology assessment allo sviluppo di tecnologie appropriate. Esperienze nell'industria calzaturiera veneta*, Padova 1991.; Michela Vettore, *Formazione e Innovazione...*, quote., p. 237-50.

1980s, and now attracts more students from other regions of Italy than from Brenta itself.

The Training Centre has become the most successful provider of common services of the Brenta industrial district, the one which is closest to the idealised Italianate model. Commitment over the year to footwear training has been coupled with enough flexibility in the duration of courses, syllabi, teaching techniques; in the management of the School (which was transferred in a number of occasion from one to another of Brenta's organisations); in the role it played as an object of negotiations in the complex interaction between entrepreneurs, local governments and trade unions.

In recent years, the growing number of students from other Italian regions (some even from abroad) and the management by the new Footwear Polytechnic (some stakeholders of which are not located in Brenta) indicate that the School can now reach out of its purely local dimension. However, in a highly integrated industrial district such as Brenta, skills remain multi-faceted, often tacit, idiosyncratic and affect the whole spectrum of social and economic life. Thus, the transmission of formalised teaching provided by a specific vocational centre can only play a supporting role, but can in no manner replace traditional channels such as the learning-by-doing process either in the family or in the factory. A training centre however can be effective if the resources available are clearly and specifically targeted at reasonable, attainable goals such as the transmission and enhancement of specific formal skills which give an added value to local production. In this perspective, the School has been particularly successfully in further specialising (at the expense of all other footwear-related teaching) in shoe design, which has been for a number of years both essential to the Riviera production and scarcely transmissible through the factory routine.

This evolution occurred more as the consequence of exogenous elements, than as the result of rational planning. It was forced by the repositioning in the middle-to-high quality market segment of the early 1970s in response to increased competition from emerging countries and by the consequent search for new competitive advantages in better product quality. Nevertheless, results were significant. The School played a useful role in fostering the district's design capabilities and contributed to the increase in the number of Brenta design enterprises. This in turn has enhanced the advantages associated with co-location and reduced transaction costs also in this specific field.⁴⁰³ Even import of design enhance transaction costs (although less than the import of goods which have to be physically transported), to the extent that many networks of small and medium-sized enterprises simply do not even consider taking up the costs even when their type of production is potentially suited to higher design contents. In these particular cases, the possible competitive advantage turns into bottlenecks to further development.⁴⁰⁴ This trap was avoided in the Brenta: the School's specialisation in design, as well as the subsequent broadening of design-related courses, is an example of a challenge arising from evolutions in the footwear sector which have been resolved successfully.

The Training Centre has also played a role in enhancing the reputation of the footwear district as a whole and therefore of the footwear-related professions, not least through its "myth" as one of the first European footwear educational institutions. In doing so, it has offered some response to Kristensen's paradox that in the long run successful initiatives in the field of training and education can be counterproductive, since their success can lead to an increased tendency for young

⁴⁰³ Other Italian districts rely on outside design supply. This is the case in particular of Sassuolo ceramic tiles, even if the importance of their design content is second only to their physical qualities.

⁴⁰⁴ In the furniture area of Livenza (north-east of Venice), production is based on imitation. The ensuing limited attention to design in the local professional education is in turn an obstacle to the development of higher design contents for the local furniture production.

people to abandon the sector, if only they can find alternative, non-manual jobs. The response provided by the School is the search for a constant upgrading of footwear-related professions (many of which are now non-manual), in the context also of the intellectual appeal (and to some extent also mediatic impact) of the industrial district concept, of which Brenta takes pride in being a "perfect" embodiment.

Some writers now observe that the sustainability of the School's specialisation in design is threatened by the possible Brenta production downgrading in the global value chain, with its firms increasingly receiving specific and detailed orders by large buyers (Italian and international) and therefore progressively loosing their independence in the creation and choice of design. Again, the School's response is provided by the increased number of students coming from outside the district, while the total number of enrolments remain approximately constant. This development indicates that the future of the School is not mechanically predetermined by the destiny of the Brenta district as such. At the same time, the synergies of the School with the activities carried out by the technological sections of the Footwear Polytechnic have opened up new opportunities for collective action in the field of technology diffusion, in particular soft technologies (computer-assisted production and communications), in which Brenta still has ample space for improvement.

TABLE XXXV
THE BRENTA TRAINING CENTRE
ENROLMENTS IN INTERWAR YEARS

YEARS	ENROLMENTS
1923/24	32
1924/25	40
1925/26	56
1926/27	60
1927/28	65
1928/29	76
1929/30	77
1930/31	79
1931/32	66
1932/33	81
1933/34	67
1934/35	91
1935/36	94
1936/37	90
1937/38	122
1938/39	140
1939/40	135
1940/41	128
1941/42	150
1942/43	140

Source: Michela Vettore, *Formazione e Innovazione nel Distretto Calzaturiero del Brenta (1923-1997)*, graduation thesis, Venice University, 1997

TABLE XXXVI
THE BRENTA TRAINING CENTRE
ENROLMENTS FROM 1946
TO THE CRISIS IN THE EARLY SEVENTIES

YEARS	ENROLMENTS
1946/47	110
1947/48	154
1948/49	156
1949/50	165
1950/51	172
1951/52	190
1952/53	243
1953/54	252
1954/55	260
1955/56	264
1956/57	270
1957/58	292
1958/59	312
1959/60	283
1960/61	226
1961/62	234
1962/63	197
1963/64	154
1964/65	112
1965/66	79
1966/67	83
1967/68	87
1968/69	107
1969/70	97
1970/71	44
1971/72	30
1972/73	29

Source: Michela Vettore, *Formazione e Innovazione nel Distretto Calzaturiero del Brenta (1923-1997)*, graduation thesis, Venice University, 1997

TABLE XXXVII
THE BRENTA TRAINING CENTRE
ENROLMENTS FROM THE EARLY 1970s
TO THE RESTRUCTURING OF THE MID-1990s

YEARS	ENROLMENTS
1973/74	34
1974/75	48
1975/76	79
1976/77	114
1977/78	142
1978/79	135
1979/80	140
1980/81	147
1981/82	146
1982/83	144
1983/84	146
1984/85	118
1985/86	151
1986/87	149
1987/88	148
1988/89	150
1989/90	162
1990/91	184
1991/92	176
1992/93	162
1993/94	110
1994/95	136
1995/96	155
1996/97	183

Source: Michela Vettore, *Formazione e Innovazione nel Distretto Calzaturiero del Brenta (1923-1997)*, graduation thesis, Venice University, 1997

TABLE XXXVIII
THE BRENTA TRAINING CENTRE
GEOGRAPHICAL ORIGIN OF STUDENTS

Year	district students	District/total students %
1982/83	119	78.3
1983/84	116	79.4
1984/85	73	61.9
1985/86	104	68.9
1986/87	94	63.1
1987/88	92	62.2
1988/89	91	60.2
1989/90	92	56.8
1990/91	110	59.8
1991/92	102	54.8
1992/93	71	43.8
1993/94	45	40.9
1994/95	60	44.1
1995/96	59	38.1
1996/97	76	41.6

District students : number of enrolled students coming from the Provinces of Padua and Venice

% district students: percentage of district students on total enrolled students

Source: personal elaboration on data provided by Michela Vettore, *Formazione e Innovazione nel Distretto Calzaturiero del Brenta (1923-1997)*, graduation thesis, Venice University, 1997

CONCLUSION

Possibly the best description for the nascent Brenta industrial district has been provided not by economists or historians, but by Aldous Huxley in his short tale *The Little Mexican*.⁴⁰⁵ It is the story of an art merchant who tries to sell a precious painting at Dolo in the early 1920s -- a time of growing political violence prompted by the traumatic legacy of the First World War and by the emerging Fascism, against the background of growing social unrest in the few small factories in the villages scattered along the banks of the river. The story conveys a vivid picture of a number of aspects analysed in this thesis: the specific semi-urban, semi-rural environment in Brenta; the presence of a pool of skilled workers and of able entrepreneurs; cut-throat competition among local social actors; the uneasy yet continuous interaction between the political power and entrepreneurs; local traditions, deeply rooted in social attitudes, which have been instrumental in shaping the development paths of the area; the strong ideological competition within Brenta itself, which did not prevent its economic take-off but which predetermined its forms, for instance in excluding the local Catholic Church from footwear-related initiatives in education and training and, more generally, in shaping the specific blend of conservatism and flexibility in the area. In short, Huxley's story about Brenta points to a number of elements which are crucial to the ongoing reassessment of the industrial district model and the shift from its strong version (the "automatic induction" into a cohesive district-wide social economy) to a weaker assumption (self-interested reciprocity as the only necessary product of spatial proximity).

⁴⁰⁵ Aldous Huxley, *The Little Mexican and other stories*, London 1924.

The amount of the literature on industrial districts is impressive. However, Brenta demonstrates that there is still scope for additional research on case studies. Research is needed especially on those “non-canonical” Italian industrial districts recalled by Paniccia, which are very significant even in the “Third Italy” but have been comparatively neglected by the literature, which instead has concentrated on those that best fit the stylised model.

Additional research is also needed in “mature” sectors. It is precisely the footwear industry that demonstrates that even these sectors can be quite sophisticated in such aspects as brand, marketing, co-ordination of outsourcing, and participating in a value chain which is increasingly global and in which the strength of competitors also depends on their capability to place themselves in the most profitable segments. The footwear industry demonstrates that even “mature” sectors can benefit significantly from economies of scale and that therefore footwear enterprises are not intrinsically doomed to be small- or medium-sized firms. There are no impermeable borders between large- and small-scale production, as Carnevali has demonstrated for Birmingham or, inversely, as Porter and Ranieri recall for the steel industry. In its early stages, Brenta was able to succeed not because it was continuing a time-honoured handicraft tradition à la Sabel and Piore, but because it introduced some elements of Fordism (including mechanisation) into a rural, comparatively backward environment. My research into Voltan’s archives conveys the picture of an enterprise which, in the unfavourable local, national and international environment of the 1930s, enjoyed a comparatively high degree of organisational complexity, a significant number of workers and a place in a growing network of suppliers and customers.

Over the last few years, Brenta has attracted some interest on the part of writers. And yet, “objective” research is still made difficult by some persistent local myths such as the US experience of Giovanni Luigi Voltan and Brenta’s direct links with the handicraft tradition of Venice. Assessments still vary widely on crucial issues such as the birth and take-off of the district in the 1950s and the growing outsourcing of the 1970s. Such areas as unionisation, undeclared work, the social costs of the local industrialisation, relations with the neighbouring heavily industrial area of Marghera and the lack of a unified political culture have not yet been properly addressed. I have considered these aspects from the perspective of the double triangle with the interaction among the most significant Brenta actors (entrepreneurs, workers and political authorities) on the one side, and with their respective formal organisations (entrepreneurial associations, trade unions and political parties) on the other. The picture which emerges from my research is that of a conservative yet resilient cluster of firms, led by a comparatively small group of capable entrepreneurs who take pride in what they can do best (“pure” production) and who are less interested in other footwear-related areas. These local entrepreneurs have been able to seize the few locally available competitive advantages (including skilled workers and a local culture which fostered mutual trust) and, over time, also developed significant co-operation skills along *some* of the lines described in the idealised Italianate industrial district model. Local co-operation was driven not by any common commitment to any collective mission or by a sense of belonging to a common culture, but by a handful of persons (not all of them entrepreneurs) who pursued their own objectives and, in so doing, experienced periods of conflict as well as of sectoral coalitions of interest. The general trends in the Italian economy have always played a crucial role and must be carefully considered in order to assess properly what were truly local responses and what were rather local forms or

variations of national and international developments. This is particularly the case for the early steps of the local industry at the beginning of the 20th century, which was not endogenous but took place in the favourable environment of the early Italian industrial take-off. Likewise the cases for the export-driven take-off of the Brenta industrial district in the 1950s, which was favoured by the progressive dismantling of trade barriers within Europe, and for the economic recovery of the 1990s, again prompted by the devaluation of the Italian national currency.

In light of the above, Brenta confirms “the power of the past” recalled by Dritsas and Gourvish, embodied in a sort of path-dependent development covering not only economic but also political and social arrangements which modify in turn not only its organisational and technological level but also the mentality and the institutions of its entrepreneurs. At the same time, Brenta confirms the extent to which the recent shift in the literature was needed -- from the Italianate “social embeddedness perspective” à la Piore, Sabel and Best to the more specifically economic aspects of local systems emphasised by Popp, Carnevali, Wilson, Raines and Melling. In the economic context, entrepreneurs are the key actors, and ultimate responsibility for success or failure depends on them. The social and cultural context and other actors, both individual and collective, play a useful supporting role, which is usually proportional to what Putnam terms “the local civic capital” and which is strongest in the core area of the Third Italy, Emilia-Romagna (but not so strong in Veneto, including Brenta). The growing need for a reassessment of the Italianate version of the industrial district is also widespread among Italian writers. Colli for instance has introduced the notion of “black box” to define the relationships between the economic actors in the districts, explained vaguely in terms of “cultural homogeneity”, local values, local ideologies, political beliefs, and so on.

In turn, putting into perspective the Italianate model as a sort of noble embodiment of the industrial district concept also encourages a reconsideration of past experiences in other countries where industrial districts have indeed played a significant role in economic development, including those with a long history of large-scale industrialisation. Quite paradoxically, the concept of the industrial district was elaborated in Britain on the basis of long empirical research into local economic realities, but it has long been overshadowed by a Chandlerian perspective of growth dependent solely on the fortunes of large integrated firms.

Brenta's case also confirms, however, that the industrial district model remains a powerful analytical tool. The crucial role played by the Italian industrial districts in reviving and updating Marshall's industrial district model is also unquestionable, despite the growing awareness of the rather obvious fact that industrial districts unfortunately are not necessarily all successful, innovative and flexible. The industrial district model, as all models, implies some degree of simplification and a focus on certain elements at the expense of others in order to allow for a comprehension of the general functioning of the observed reality and to formulate predictions about future trends. A "perfect" industrial district, fully corresponding to the ideal model, does not exist. All comparisons between a given district and a given model, quite predictably, have resulted in a list of aspects in which reality falls short of ideal. In the case of the Third Italy, however, after more than three decades of contributions, debates and discussions, industrial districts have also become more than a mere model.

First, they have become a modality of self-perception by local clusters of small- and medium-sized enterprises. Observation is rarely neutral and tends to modify the realities observed: this is true for the natural as well as human sciences.

Persistent attention to the added value of inter-firm co-operation, self-help organisations, local cultures and traditions, collective local identities, synergies within a given area, and even direct political and financial incentives have led the actors operating within a district to act along the lines of the industrial district model in many respects. This happened in Brenta, although the term “industrial district” was never used by local economic actors until the early 1990s and Brenta itself was seldom listed among Italian districts.

Second, industrial districts have also become a legal concept in Italy. Incentives have been foreseen for individual districts, the borders of which are defined on the basis of some (vague and flexible) criteria established by the law. Incentives are granted to both individual enterprises and collective local organisations. In practice, the Italian legislation encourages local clusters to present themselves as industrial districts and, in some cases, to act accordingly. The Veneto region, and Brenta within it, is particularly active in this regard.

Finally, industrial districts have also become a tool of Italian foreign policy. In particular in this respect, the Italian government has launched several initiatives to assist the establishment of industrial districts in countries such as Croatia, Tunisia and Romania and has strengthened the dialogue with district organisations in this regard, including with organisations in Brenta.

The ongoing debate on the virtues and vices of the industrial district model (made stronger by the declining performances of “real” industrial districts in Italy as well as in a number of other countries including Germany) has determined a shift in attention from their positive to their less positive aspects. This is clearly mirrored even in the specialised literature available on the Riviera. The overly optimistic image common in the 1970s and 1980s has been increasingly replaced by predictions

of a slow, dignified, glorious but almost inevitable decline (unless a thorough restructuring of the whole system is undertaken, which is quite unlikely to happen).

Two parallel and related risks must therefore be avoided. The first is a consequence of the “optimistic” vision so common in the 1980s: the temptation to look for some intrinsic rationality in Brenta’s history, some sort of objective-oriented evolution towards a more or less accomplished “ideal district”. Far from being a sort of conscious progression towards a well-defined objective, the history of Brenta (and of other districts) has been a continuous trial-and-error process. A number of possible options were explored and then adopted or, when necessary, abandoned (as was the case with some attempts to increase firm size in the 1970s, the launch of a collective brand in the 1980s and outsourcing in the 1990s). The second related risk is a consequence of the new, “pessimistic” vision: Brenta’s economic history as a mere sequence of uncoordinated, individual reactions by single firms to external events, with little attention paid to the added value derived from inter-firm and social co-operation and to the unquestionably path-dependent development. I rather suggest that we consider Brenta’s history in the light of what I define “innovative conservatism”, where developments have been incremental rather than “quantum leaps”. Brenta’s strategy over half a century was of a mixture of resistance to change and deep commitment to the existing structures on the one hand, careful exploitation of all possible flexibility intrinsic to its products on the other. Brenta’s entrepreneurs were narrowly focussed on “pure” production, albeit they were well aware of the flexibility intrinsic to the existing firms sizes, employment and district governance. Brenta’s attitude therefore was not simple inertia or blind refusal to consider novelties, but rather a specific balance between opposite forces. This loyalty to “innovative conservatism” has been successful and has proved that viable districts are not necessarily always highly flexible. Brenta also proves that conservatism does

not necessarily hinder the development of a number of key features of the ideal-typical industrial district, in particular the embodiment of districts' collective identity in self-help institutions, increasingly efficient interaction with political and administrative national and local authorities, co-operation with trade unions well beyond the traditional area of working contracts.

A narrow focus on some core functions has also reaped specific benefits in terms of increased specialisation of local workers. In turn, this hyper-specialisation has further refined the smooth functioning of local networks and local formal institutions, which have been able to build upon previous experiences undisturbed by the strain of adjustment to innovation. Brenta's hyper-specialisation has strengthened its competitive advantage in a small niche of the global value chain and ensured its survival (so far) in the current new context in which high-level functions are increasingly detached from "pure" manufacturing.

My sectoral analyses of the four key areas of formal self-help organisations, unionisation, the role of politics and training confirm the main concepts highlighted above.

The local entrepreneurial umbrella organisation ACRIB and its daughter organisations are often considered quite effective. However, this was the result of a slow, gradual development. Despite concrete results obtained in specific areas (the Stra' Trade Fair in the 1950s, collective bargaining with trade unions in the 1960s), local entrepreneurs considered collective services as comparatively secondary in importance, with the possible exception of joint participation in trade fairs by "difficult" countries. Despite their increasing membership, local entrepreneurs' associations were considered a "club" for the largest enterprises until the mid-1980s, providing little or no incentives for the small firms to participate and fully "play the game" of horizontal co-operation also through the associations themselves. Many

enterprises reluctantly considered participation as a sort of necessary evil to avoid the ultimate punishment in an industrial district: isolation. Again the comparative success for Brenta's formal institutions was also due to the personal commitment of a handful of leading personalities.

Consequently, Brenta confirms the results of some other case studies: efficient formal horizontal inter-firm co-operation through self-help organisations, supported by public authorities and enjoying the confidence of entrepreneurs who actively contribute to its functioning. This is often an idealised model rather than an accurate description of reality, even in the "Third Italy". The slow, progressive and at times idiosyncratic development of Brenta's formal institutions since 1923 confirms that industrial districts can indeed take off and develop independent of efficient, even invasive formal organisations. Such organisations tend to appear in the later stages of the industrial districts' development.

Brenta also indicates on the one hand that a large part of the inter-firm co-operation (in itself one of the key features of industrial districts) can take place independent of the formal organisations, and on the other hand that the maximum collective efficiency of the formal institutions is reached in the pursuit of well-defined, specific and limited objectives. In turn, however, successful formal institutions with limited objectives can easily take on additional tasks and even, to some extent, influence entrepreneurs' attitudes and ease their resistance to further integration.

My research into the ISTAT archives demonstrates that Brenta was permanently split between two almost equally powerful political cultures: Christian-Democratic and Socialist-Communist. Research also indicates that local authorities and political patronage played a comparatively limited role in Brenta, which was

overshadowed for several decades by the huge political interest in the heavy, mostly publicly-owned industry of nearby Marghera. This runs contrary to some central aspects of the established Italianate model of the industrial district, in which one should find a predominance of a particular political tradition, established since the late 19th century. In the established model, this predominance translates into a number of specific local institutions through which politics performs a central mediation role and therefore ensures the social stability necessary for “harmonious” economic development.

The classical distinction between the interventionism of the Communist communes and the laissez-faire policy of the Christian Democrats communes tended to blur in Brenta and did not affect to any particular extent the location or performance of firms in a Christian-Democratic versus a Communist commune.

The weakness of local authorities in itself is not necessarily mirrored in a corresponding weakness of local political cultures. On the contrary, the latter can play a significant role *informally*, outside the official decision-taking process, ensuring an effective mediation of interests. However, three specific factors weakened significantly the linkage between Brenta’s local firm system and a specific local political subculture: 1) the exogenous influence of the large, integrated firms of Marghera, especially on unionism in Brenta; 2) the significant number of commuters *from* the Riviera to Marghera and at the same time *to* the Riviera from backwards areas in the southern parts of the provinces of Padua and Venice, who participated in the economic development but not to the same extent in the social and political life of the district;; 3) a significant number of domestic workers who again did play a relevant part in the production process but were not integrated into the local social and political environment. Far from being a geographically circumscribed area fixed by nature and historical heritage, *à la* Becattini, Brenta appears to be an open system,

permeable to outside influences. The decline of the mass-based political parties coincided chronologically with Brenta's growing self-awareness as an industrial district and with an increased capability for entering into a collective dialogue with local (and subsequently even national) authorities, who in turn have abandoned their traditional "benign neglect". The new national and regional laws on industrial districts on the one hand, and the agreements signed with the entrepreneurs' association on the other hand, currently cover all the main areas in which policy can realistically expect to influence the clusters' development.

My research also underlines that Brenta has a long, vibrant history of unionism and of entrepreneurs-workers relations, although mainly limited to the largest enterprises. This runs contrary to the traditional image of areas of small firms, which are characterised by weak trade unions and poorly institutionalised industrial relations. Brenta helps put into perspective the traditional image of harmonious relations between workers and entrepreneurs. Local labour conflicts were indeed part of the landscape, with Marghera playing a role as a sort of incubator for labour discontent. At the same time, Brenta's case also puts into perspective the opposite image, of the birth of a cluster of industries based on the remorseless exploitation of a docile and abundant workforce with ample recourse to informal work, an image so dear to some post-Fordists who see in industrial districts and flexible specialisation simply a slightly different way of continuing the exploitation of the weakest categories of workers. The overall picture is more complex and includes in particular the fracture between small firms and artisan workshops, in which exploitation and self-exploitation were put into check not by unions as such but mainly by family links and informal social rules, and "large" factories where unionisation already took off in the early 1950s. Brenta's workers were always comparatively educated and

skilled: in the inter-war period, the training for an apprentice lasted three years. Trade unions therefore found a favourable social environment and could tap into a developed association network, which could partially offset both the dispersion of workers over a comparatively large territory and the small size of most of the factories.

This, together with the reluctance of the Catholic Church to become directly or indirectly involved in the Brenta industrial district, explains why local trade union campaigns resemble those most frequently found in the “red areas” of the Third Italy, in particular with a comparatively frequent recourse to strike rather than search for a compromise or seek mediation, and repeated attempts to enlarge the scope of negotiations to areas such as firm organisation, training and employment.

Rising unionism in Brenta was the catalyst for a phase of intense inter-institutional competition. This was prompted by the almost simultaneous establishment of the first local footwear workers trade union in 1958 and the entrepreneurs’ association in 1961. In the subsequent years, the growth of both organisations depended on their perceived effectiveness, which in turn depended on the resilience demonstrated during negotiations. In this respect, the development of institutions representing employers and employees in Brenta was originally based on tough competition, rather than on the co-operation so pivotal in the stylised model. Co-operation ensued only at a later stage, when the perceived respective interests converged to a significant extent. Even this new phase therefore was ushered in by contingent developments and was not directly determined by the common participation of entrepreneurs and workers in a community of individuals and a population of individual enterprises *à la* Becattini. In this respect, Brenta is far removed from the classical picture conveyed by Trigilia and others of a mediator role effectively being played by the mass-based political parties, and this in turn leading

to a reduction in labour conflicts. A key determinant of this evolution was rather the shift towards higher market segments, which reduced the relevance of wages in total production costs. With the ensuing fewer incentives to use undeclared work, the fight against irregular employment ceased to be one of the key issues negotiated by entrepreneurs and trade unions. Attention progressively shifted towards other issues, in particular the defence of existing employment levels together with broader industrial policies, including training and environment. At first glance, this transition from a competitive to a co-operative model for industrial relations seems to have brought Brenta more in line with the Italianate model for the industrial district. Nevertheless, a number of unresolved issues remain. Domestic workers in particular are still often at a disadvantage even if their numbers decrease and their replacement is made increasingly difficult. It also remains to be seen whether the current balance would enable Brenta to escape instability in the case of major external challenges, as has been the case in the past.

Some useful insight into Brenta's history finally can be obtained through an analysis of its footwear school. The school has generated its own small "myth" as the first footwear vocational centre in Italy. What was really established in 1923 instead was a modest all-purpose Sunday school. The school has survived through the decades also under trying circumstances, specialised successfully in footwear-related teaching in the 1950s, attracted increasing attention on the part of collective actors from Brenta and Veneto from the mid-1980s, and now attracts more students from other regions of Italy than from Brenta itself.

The training centre has become the most successful provider of common services to the Brenta industrial district and the closest to the idealised Italianate model. A commitment over the years to one type of training has been coupled with

enough flexibility in the duration of the courses, syllabi and teaching techniques; in the management of the school (which was transferred on a number of occasions from one Brenta organisation to another); and in the role it played as the object of negotiations in the complex interaction between entrepreneurs, local governments and trade unions.

In recent years, the growing number of students from other Italian regions (some even from abroad) and its management by the new Footwear Polytechnic (a number of stakeholders of which are not based in Brenta) indicate that the school has now achieved a significant capability for stretching beyond its purely local dimension. The training centre has also played a role in enhancing the reputation of the footwear district as a whole and therefore of footwear-related professions, not least thanks to its “myth” as one of the first European educational institutions for the footwear branch. In so doing, it has offered a response to Kristensen’s paradox that in the long run successful initiatives in the field of training and education can be counterproductive, since their success can lead to an increased tendency for young people to abandon the sector when they find alternative, non-manual jobs. The response provided by the school is to search for a constant upgrading for footwear-related professions (many of which are now non-manual), also within the context of an intellectual appeal (and to some extent also a mediatic impact) for the industrial district concept, for which Brenta takes pride in being a virtually “perfect” embodiment.

Once more, this underlines the evolution of the industrial district concept (be it “Italianate” or “neo-Marshallian”) as it has been experienced in Brenta: from a purely theoretical analytical tool to a concrete organisational model, which is worth considering in view of the very real benefits it can provide.

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