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A

É di moda la crisi:
Crisis and Continuity in the formation of the Biellese Industrial District

Volume I

by
David Christopher Leonard

A dissertation submitted to the Graduate Faculty in Anthropology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

2001

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This manuscript has been read and accepted for the Graduate Faculty in Anthropology in satisfaction of the dissertation requirement for the degree of doctor of Philosophy.

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Abstract

É di moda la crisi: Crisis and Continuity in the Formation of the Biellese Industrial District

By

D. Christopher Leonard

Advisor: Professor Jane Schneider

This work traces the formation of a northern Italian industrial district specialized in the production of woolen textiles from the end of the 18th century to the late 1980s. The object has been to explore and clarify the relationships between a trajectory of industrial development and regional culture in the evolution of a distinctive regional political economy. The larger problematic which this work engages the degree to which trajectories of capitalist development – specifically industrialization – are socio-culturally embedded or relatively autonomous as neo-classical growth and development theory predicts. The work in this context, evaluates competing theories of the origin, development, and nature of industrial districts.

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In memoria di i miei genitori
Julia Emilia Bader Leonard
1915-1999

David Phelps Leonard
1922-1983

e di mio maestro e mentore
Sylvia Helen Forman
1943-1991

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Nec certum sedem, nec propriam faciem, nec munus ullum peculiare tibi dedimus, o Adam, ut quam sedem, quam faciem, que munera tute optaveris, ea, pro voto, pro tua sententia, habeas et possideas. Definitia certeris natura intra praescriptas a nobis leges coercetur. Tu, nullis angustiis coercitus, pro tuo arbitrio, in cuius manu te posui, tibi illam praefines. Medium te mundi posui, ut circumspiceres inde commodius quicquid est in mundo. Nec te caelesttem neque terrenum, neque mortalem neque immoratlem fecimus, ut tui ipsius quasi arbitrarius honorariusque plastes et fictor, in quam malueris tute formam effingas.
Giovanni Pico Della Mirandola 1486
De Hominis Dignitate

Capitalism – that is, the economic-political system of the modern nations– confronts us with its reality. It is various and multiform: it is reality in movement... Capitalism presents us with a reality with many facets, especially economic ones.
Benito Mussolini
(cited in Zeev Sternhell et al 1994:218. Originally in "L'impressa disperta"p.3)

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Acknowledgments

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Introduction

I. The Culture and Political Economy of Industrial Capitalism

This work traces the formation of a modern Italian industrial district, the Biellese, and shows why and how it came to be the way it is in the present. I examine one form of contemporary industrial capitalism in a regional setting and answer several inter-related questions about how it came to be the way it is as a distinct regional socio-cultural entity that is also a component of a modern national economy, a modern national state, and a component of the global economy of textile/garment manufacture. I hope this study will explain why the modern Biellese, in these multiple contexts, came to have the distinctive configuration of a mono-cultural, industrial district that in modernity is characterized by small-sized, family-owned firms. I also show how this particular manifestation of modern capitalist industrialization is the outcome of a distinctive historical trajectory in which continuities in regional culture and society and the discontinuities typical of capitalist market volatility have interacted dialectically to produce a configuration that is counter to the developmental trajectory of large scale, multi-divisional (henceforth, M-form) and multi-national corporations that are thought by most to be typical of modern industrial capitalism and the necessary outcome of economic development. That is, in this case, I account for the structural diversity of industrial development as a socio-cultural and a political economic process.

The subject of industrialization might seem at first glance to be an over-worked field having attracted the attention of historians, economists, sociologists, and

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anthropologists for the better part of a century. But the interest in small-scale firms situated in industrial districts has re-opened a set of questions which, if never satisfactorily answered in the first place, had ceased to attract much attention. The attention directed at small firms and industrial districts in North-central Italy -- e.g. Arnoldo Bagnasco's (1977) Third Italy – suggested that culture and history have played a far more important role in the form, style, and organization of factory production than conventional accounts of the industrial revolution had hither to fore acknowledged. The subsequent publication of Charles Sabel and Jonathan Zeitlin's (1985) lyrical pæan to small scale, cooperative manufacture loosed a torrent of often idolatory and uncritical scholarship on the purported virtues of small scale manufacture. If the initial enthusiasm has been tempered by revisionist scholarship (e.g. Blim 1990), I think there are a number of questions of both historical and ethnological import that remain. I propose to address them.

The relationship between culture, society and forms of industry remains problematic I suggest, because of the tendency to view both culture and industrialization as relatively fixed, invariant totalities, especially in relation to each other. People have culture as it were, and capital has industry. A more specifically ethnological problem is the tendency to view capitalist firms as a singular phenomenon driven by a universal "logic of capitalist accumulation." This voids the concept of any historicity and entails a conception of capitalists as extra- cultural actors who paradoxically, are stripped of agency by the elevation of accumulation to natural law. Furthermore, the segregation of capitalists and the firms they build from the culture and society in which their activity is

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located obscures the relationships that exist between local society, kinship, family, and marriage strategies that are no less the ground for entrepreneurial activity than for workers or any other actors. The recognition that a great many if not most, capitalist firms are subject to a host of claims on time, resources, and strategy that cannot conventionally be subsumed under a rubric of accumulation or even interest maximization should lead us to an examination of firms as instances of purposive organization deeply enmeshed in the socio-cultural context in which they are created and exist. But to say that firms are enmeshed in a specific and particular world is not to say that they are subsumed in the cultural and social context in which they come to be and generally, attempt to purdure. I mean to suggest by this that firms both pursue accumulation and seek to survive and that this requires ongoing struggles by the principals to accommodate accumulation to local patterns of social norms and practices. This is dialectical in character evidencing the powerful temporal and contingent interplay between each principal's intentions, the socio-cultural context in which principal understands his or her plans, the matrix of social relations in *and* without the production sphere, and more generally, the parties necessary attention to the way people in their world do things, talk about things, and make public judgements about their fellows' activity.

I shall show that the emergence of a distinctive modern regional political economy of small and medium-sized textile firms is the product of an historical process that involves a succession of organizational forms embedded within a regional subculture. This succession of forms is not the outcome of a necessary developmental logic or propelled by some evolutionary mechanism but is contingent, reflecting the crisis-ridden

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nature of capitalism as a political-economic process. By placing crisis at the core of the explanatory framework, I am able to account for both the volatility of capitalist relations of production and vouchsafe a space for human agency, individual, collective, and more broadly socio-cultural. This account then, is situated in the paradigmatic framework of culture *and* political economy as the necessary objects of enquiry necessary to understand social change.

There are compelling reasons for extending ethnographic enquiry to the core areas of the advanced capitalist world. In the first place, they are relatively understudied by anthropologists. Thirty years ago, Dell Hymes (1969:4) observed that the old, implicit division of labor that assigned anthropology to the marginal populations, the "uncivilized places abroad", while sociology held the franchise for Europe and North America, "has quite broken down." Laura Nader (1969: 289) noted in a similar vein that, "there is comparatively little field research on the middle class and very little first-hand work on the upper classes." While there has been significant expansion of research in the advanced capitalist world, it has not been without problems. For both practical and ideological reasons, research in the core capitalist regions typically is focused on marginal groups or pariah sub populations and, at the opposite pole, elites. Cultural anthropology rightly focuses on the un-noticed, un-acknowledged, and overtly stigmatized people ignored by sociologists except under the rubric of deviance. A sense of social justice certainly motivates many practioners to choose the subjects we study. More recently, the influence of Foucauldian and other "post-modern" approaches seeks to undermine conventional normative categories seen as complicit in establishing and maintaining the

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social structures of power and domination. The problems stem from the tendency to assume that "bourgeois society and culture" is globally homogenous -- or rapidly becoming so --as well as inauthentic. Elites however they are defined for analytic purposes, tend in near isolation from the larger society in which they inhabit the commanding heights. The relative endogeny of elites in the Schumpeterian sense of class not withstanding, no elite operates in a perfectly impervious sphere of social relations. Coupled with the tendency to assume a global, singular "logic of capital," all distinctions are per force, erased. This leads to a caricature of class relations in core capitalist regions of the world where boundaries are rarely as clear cut and dichotomous as these Manichæan views purport them to be. Too often, there is a covert ethnocentricity to these views in so far as other societies are assumed to be merely extensions or inferior reflexions of American and other advanced, industrialized societies.[1] Most important to my view, these introduce distortions into the study of industry and its relation to society.

Capitalist industry is not globally homogeneous. There are important cross-national, sectoral, and scalar differences that reflect different historical trajectories of development in different states, regions and even localities in the world capitalist system. While global, trans-national capitalist firms gain almost all the attention, they are numerically few in number even if they are disproportionately powerful. The multi-divisional corporation is but one form of organization amongst many. Most importantly, the logic of capitalist accumulation is only rarely, if ever, extra-cultural and, hence, requires analysis that is sensitive to the plethora of potential influences, desires, designs, constraints, and sentiments that comprise it in the thought and activity of human agents

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who enact capitalism. It is cultural and culturally situated.

Industry and industrialization are culturally situated events and processes that occur in class-structured, capitalist, fully monetized, market-organized societies characterized by the organization of most economic activities in firms. I think ethnographic analysis of -- and ethnological theorizing about -- socio-culturally situated firms should be comparative as well as cleaving to the disciplinary canon of holism. In the first instance, that means paying attention to the forms of organization in which productive activity takes place and how it is historically constructed and enacted compared with structurally similar regions. Secondly, it means that understanding class relations is central. Here, I do not mean a caricature of worthy proletarians and evil capitalists in which the latter have all the agentic capacity of a Pavlovian dog. Class relations here means that people interact and typically interact with others with whom they share class membership in a way different from those with members of other classes (Joseph Schumpeter (1951; 1991). Schumpeter emphasizes that family is the vehicle of class membership, no less true for elites than it is for proletarians or anyone else. These interactions pervade industry, indeed industry comprises tools, materials, and the complex interactions of differently situated people who bring into work some of the world they live outside, and return from work with some of the life of the shop or factory. In the case of a small, relatively homogeneous region such as the Biellese, the intermixing of - or perhaps, it is more accurate to say - the inter-penetration of contiguous arenas of activity is of central importance. They are observable sets of social relations that comprise in Alexander Lesser's (1961) fine turn of phrase, the "webs and nets" of social life. In other

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words, while there is an important place for both elites studies and for those that focus on subaltern and subservient classes (depending on context), I claim there is a pressing need for work that studies them in concert and in conflict. And this is especially so in the case of unraveling the claims and counter-claims about industrial districts.

The anthropological approach of culture and political economy with which I identify myself owes its origins to debates about modernization and development or more properly, the failure of these purportedly quasi-evolutionary processes to occur or to occur very unevenly, in places outside Northwestern Europe and the United States. The breath-taking assumptions of modernization and development theorists cut across disciplinary boundaries invoking history, economics, psychology, ethnology, political science, sociology, and geography in formulating why some regions of the globe (although the unit of analysis was - and remains - the national state) failed to approximate the afore-mentioned core regions of the capitalist world system.[2] Most often, modernization theorists invoked (and still invoke) the absence of a set of values, norms, and dispositions to social action (i.e. culture) in some subject population as the primary impediment to becoming like U.S. or British economies and societies.

Modernization and development theories while invariably privileging psycho-social factors as explanations, undergird the majority of theories about industrialization even those that privilege technological innovation. Whatever factors are identified as inhibiting the formation of a capital goods sector (e.g. lack of resources, geographical location), explanations ultimately return to the problems with elites, workers and the role of the state. The failure of a heavy industrial sector in capital and intermediate goods to

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emerge in a national economy is both the source of under-development and its explanation whether one turns to conventional (neo-classical) accounts or to Marxist and neo-Marxist accounts of under-development. A nation either fails to do it because of defects in values, morals, and cultural practices or it is prevented from doing it by capital, the logic of global capitalism, or some similar formulation.

Italy has played an unusually prominent role in these debates in two distinct but inter-related ways. First, Italy was the exemplar of a "late industrializer" in the estimation of Alexander Gerschenkron (1962), the author of the most influential work on development economics and industrialization in the immediate post-war era.[3] The subsequent work of economic historians and sociologists such as David Landes, Sydney Pollard, Joel Mokyr and even Douglas North, as well as the current champions of small-scale industrialization (e.g. Charles Sabel & Jonathan Zeitlin, Michael Best, Carlo Triglia, etc.) cannot be understood without reference to Gerschenkron's arguments about institution building in late industrializing countries. But Italy has an indigenous political and historical fault line that long anti-dates explanations of industrialization in comparative economic history. This second element is the North-South problem. The North-South fault line can be traced back to Classical (Roman) antiquity, became more salient with Unification in 1870, but it has become evermore significant in the 20th century. The North-South problem briefly and crudely, invidiously compares a "developed" North with an under-developed South and seeks the explanation for the latter in one or another kind of pathology indigenous to the latter. The fact that Italy has been and remains a national state in which regions marked by sub-cultural, linguistic and

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historical differences are salient has only exacerbated the issue.

Edward Banfield's (1958) provocative The Moral Basis of a Backward Society has elicited critical response from anthropologists, sociologists, and historians of Mediterranean Europe which included both the Anglophone scholars and those in Italy and elsewhere in Southern Europe. While Banfield's targets so to speak, were the psycho-social impediments to modernization and development as adumbrated by development sociologists and economists he had, perhaps unwittingly, played into the much older North-South debate. Debate over Banfield's claims has continued almost undiminished to the present.[4]

The invocation of the North-South debate and the problems of under-development may seem quixotic when the subject of this work is a province in one of the regions comprising the industrial North, indeed the heartland of the "Iron Triangle" circumscribed by Milan-Genova-Turin. Piemonte, the region in which the province of Biella is located, is among the wealthiest regions per capita GNP in Italy, and the Biellese is amongst the wealthiest provinces in the regione.[5] But the Biellese like the Como and Bergamo districts in Lombardy are poor cousins in the debate. None of these districts are characterized by large-scale heavy industry supposedly characteristic of the "first Italy," nor obviously, are they under-developed like the "second Italy" ; and they are not a part of the now much vaunted "third Italy." [6] Most often these city-centered regions of small-scale, family firms specialized in one or another usually high-end commodity are either un-mentioned, viewed as medieval relics soon to disappear, or consigned to the Marxist catch-all residual category of "petty commodity production." The Biellese fails to make

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an appearance in any of the literature on Italian industrial districts precisely because it eludes the now orthodox divisions and categories into which social scientists have carved modern Italy.

This failure by the Biellese to fit readily into a category also affects its status in the historical scholarship of industrialization. Conventional accounts of industrialization invariably identify technological precocity, firm density, and, perhaps most importantly, firm scale and scope as the criteria for inclusion in the evolution of modern industrial society. The Biellese's distinctive history doesn't fit readily into this framework, so it goes un-mentioned. Italian industrialization in the 19th century receives virtually no mention because the conventional account is that it didn't occur until the fin de'siècle. The medieval Florentine wool industry is ritually invoked to demonstrate how deeply into economic stagnation Italy had declined prior to the command economy of the First World War.

If conventional historical scholarship ignores 19th century Italian industrialization, and the Biellese was perhaps the most throughly industrialized region in Italy in 1870, the social history of industrialization and class formation pursued by Marxist historians also occludes the historical experience of the province. Where conventional historians of industrialization typically endorse a "triumphalist" view, in which history is a race track and England won followed by the U.S. and Germany, social history has its equivalent in the identification of who first formed a working class that behaved in accordance with theoretical expectations. While the first successful (if not the first) industrial strikes in Italy occurred in Biella in 1865 built on a rich base of worker self help and friendly

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societies, the region's workers are always faulted for being insufficiently proletarianized, for not forming the right sort of organizations, or failing to turn class solidarity into political power. [7] Similarly, the emphasis of much social history on the resistance of populations to the dissolution of pre-modern social and cultural practices in the process of proletarianization often has the effect of dichotomizing historical experience into heroic cottagers and defiant proletarians with little conceptual or historiographical space for greater socio-political complexity. The Biellese is penalized on both grounds.

The account this work provides of the formation of the modern Biellese industrial district is not intended to carve an exceptional historical and ethnological space for its subject. Rather, I hope to show that it represents an overlooked and understudied dimension of the larger processes identified with the social, cultural, and political transformations that industrialization has wrought and continues to forge in the contemporary world in Italy and by implication, beyond. I cleave to the view that industrialization past and present, is a process not an end point, and that particular trajectories are historically contingent. The construction of an intelligible account of it requires attention to the facts that industrialization is a cultural, social, technical, and a political economic process and, hence, that capitalist industry does not assume a single form in all places at all times. Equally importantly, it does not arrive at a particular end point as assertions about the development of trans-national and multi-national corporations operating extra-nationally in a global economic system too often suggest. Substituting a new teleology of post-modern, global capitalism and de-ratiocinated consumers for the earlier triumphalist modernization and development theories or a

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Marxist one of immanent, terminal capitalist crisis is no less anti-historical and anti-ethnological.

II. Crisis Theories and the Ethnography of Late Capitalism

Crisis is in fashion roughly translates the title of this work, a phrase I borrowed form the headline of a Biellese newspaper article published in the fall of 1988. Indeed, crisis talk is an important motif in Biellese conversation and journalism, impressing itself on my understanding as I came to know the region in the late 1980s. The sense that the present is a state of crisis is not novel nor confined to the 20th century. Suspended as humans are between a past that appears stable, if only because it is action completed and immutable, and a future that is subject to human design to only a limited extent, their present is the site of contention between the past and future. Furthermore memory, individual and collective, is a powerful if less than conscious, instrument of filtration and selection. Were one to distinguish between the art of historiography and the act of remembering, it could be said that the former is an interrogation of the relative veracity of forms of memory crystalized in documents of one sort or another, while the latter is the art of selectively forgetting in order to make the present intelligible, the future less threatening, and to connect them contiguously into a liveable whole.[8] Often this nostalgia is both telling and possessed of an abiding pathos as individuals and groups struggle over what cannot be undone and what will always be open, under-determined. Colloquially, it can be said that each person assumes that his time is one of crisis. The sense of living in crisis or at least, the tendency to conceive of the present as crisis is not, I suspect, a

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cultural universal, nor is it an exclusive property of "modernity." The ubiquity of crisis imagery, metaphor, and narrative is connected with humans' capacity to powerfully shape their own world and, hence, the almost certainty that their plans and designs will be thwarted or smashed to ruins. Most likely, although I speculate here, the capacity to experience the human socio-cultural artifice as crisis ridden is directly proportional to social and technical complexity. Perhaps in this sense, crisis is the property of state-organized society.

Certainly, the (Hellenic) classical world was possessed of a powerful sense of the fragility and contingency of life, of the role of fate and fortune in human affairs. The modern sense of the tragic is deeply indebted to Greek philosophy, ethics, and drama: it is the very capacity to evaluate, to make choices, that opens individuals, communities, and polities to catastrophe and disaster.[9] Scholars have detected a sea change in human attitudes towards fate and its role in human agency in late Medieval Europe, more specifically the Renaissance, that re-introduced the classical emphasis on the capriciousness role of Fortuna in human life. Indeed, caprice, vulnerability, and the fragility of the human condition is the Janus face of modern possessive individualism. The epigrammatic excerpt from Pico's De Hominis Dignitate with which this work is prefaced expresses this re-discovered undetermined character of human life.[10] Explained as secularization (Weber's disenchantment of the world) accompanied by the belief that modern man was confronted by ceaseless change in contrast to the supposed relative stability and fixity of prior ages, by the end of the 18th century, both the power of human agency and the immutability of change have been largely accepted as defining the

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individual existential condition and that of the social as well.

Crisis though, now has assumed a central role in social theory, political economy, literature indeed, all the human sciences and arts. Since the French Revolution (if not before), crisis has become the central trope in commentary and reflection about human affairs. Most often, the invocation of crisis imagery occurs where the author seeks to identify a break with the past in de Tocqueville's sense that past experience, thought, practice and, most importantly, tradition no longer provide a guide for understanding the present and, hence, undermine human agency.[11] Marx of course, saw crisis as the central defining feature of modernity, a product of the bourgeoisie's ceaseless, revolutionary energy. The powerfully evocative rhetoric of the Manifesto bespeaks a Heraclitan world of constant flux, transformation, dissolution and chaos propelled by the ongoing revolutionizing and transformation of the means of production.[12]

Crisis interestingly, does not play an important role in economics until the later 19th century. Classical economics was concerned effectively with elucidating aspects of the circular flow of wealth, the advantages of market and contract, and with the problem of value.[13] The more contractarian political theory and, hence, economics became, the less room there was for what we might identify as a concern (in their terms) with non-performance of contract and ultimately, market failure.[14] Yet crisis is necessarily central to economics because as Karl Polanyi (1968) noted, the economy is an instituted process; a product of human activity.[15] At the aggregate level, an economy is human goal-oriented activity and thus ineluctably shares in the existential precariousness discussed in the previous paragraphs.

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Crisis is closely related to fate and fortune (in the Renaissance humanist sense) because it is a turning that articulates the past and future at the present. Etymologically, crisis refers to a point of decision and in pathology, to the state in an illness at which either recovery or demise will ensue.[16] But crisis, like revolution, interest and any number of central terms in scholarly and ordinary discourse is subject to a host of meanings and interpretations.[17] Crisis means different things in different contexts, at different levels of analysis, and by different speech communities.[18] But even if crisis is put to quite distinct uses by scholars and ordinary people, it retains commonalities between them that permit us to bridge between specialized discourse and the discourse of ordinary Biellese.

Crisis in economics and political science refers to a species of events in economic and political systems at various levels of scale and abstraction. Most often, economists refer to crisis in a national economy or to a sector of it, although globalization has forced an expansion of intellectual horizons to a limited degree. Political scientists almost invariably refer to states or governments. James O'Connor (1987:1-3) distinguishes four theories which assign a meaning to crisis at different analytical levels.[19] Market theory is the most abstract. Crisis in this context is systemic collapse of the economy at the level of exchange or in market relationships although colloquially, economists use the term for any number of phenomena. For Marxists, crisis refers to the collapse of a regime of production and accumulation of capital. [20] Social theory examines capitalist social disintegration, while social-psychological theory examines personality disintegration. In principle these can be linked so as to frame an understanding of the meaning of a crisis

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that encompasses individual 'subjective' experience as related to systemic collapse or transformation. More importantly, the relationships between the experience of individuals and groups can be articulated with more systemic "crises" without reducing the former to epiphenomena of the latter or by conflating individual, group, and system crises. [21] The sense that many Biellesi have of life balanced precariously on the edge of a precipice is intimately connected with the volatility of textile markets since the end of the 18th century. From the turmoil of the French occupation at the turn of the 19th century, to the demise of the cottagers at mid century; from the tariff war of the 1870s to the Second World War, and down to the present through the market crises of the 1950s, 60s and 1970s, Biellesi possess a crisis ridden modern history. This in turn, could be situated in the more comprehensive phenomenon of phases of capitalist development but I eschew any assumption of necessary terminal capitalist crisis.

I will use this multiple sense of crisis as a mode of emplotment, a means of constructing a history of the Biellese, that enables individuals and groups to have an active role in their own history.[22] It is not just that the region and its people have experienced shock, dislocations, natural disasters as well as economic upheaval of local and extra-local genesis, but also that Biellesi actively think in terms of crisis of personal, familial, communal, regional and national scope. So in addition to its analytical and organizational utility, it has the properties of cultural authenticity and salience that can help this narrative move from large-scale events to individual lives and back again without, I hope, doing great injustice to either.

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III. Firms, Families, Individuals and Capitalism

Let me return briefly, to the problem of a realistically present capital in ethnography. Much of the substance of this work concerns firms, a concept not frequently invoked or employed in cultural anthropology. Firms are a way of specifying organized economic activity although in contrast to terms such as corporation, business, and company it implies a higher a level of generality and abstraction. The concept of the firm employed here has the status of such terms (specifying concepts) as lineage, corporate group, and phratry sharing of both their definitional and taxonomic properties. A firm (or *the* firm) then is a conventional phenomenon devoid of any ontological status because it is not rooted in any conceivable human nature or the human condition (v. John Gunnell 1986:206-7). Following Gunnell's definition of conventional objects, the firm is a species of 'what people do and the artifacts of these doings' involves their behavior (most broadly construed) and the material products of that activity (e.g. institutions, artifacts, texts).[23] But it is, of course, a particular form of social activity that can be distinguished from other forms of activity.

The most vexing problem about specifying firms in this way is that as a class of historical phenomena I encounter the problem of whether firms are a constituent element of capitalist social relations or whether they must be viewed as a broader currency of human affairs. The impulse is to say that firms reflect the historically specific onset and then ongoing predominance of pursuing accumulation for its own sake widely understood to be the core feature of capitalist social relations of production. But I should like to qualify this definition. When we invoke accumulation as an interest, we are situating it as

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a paramount interest amongst a panoply of real or potential interests. Accumulation (of capital) in my view, cannot be defined as an extra-socio-cultural "logic" that operates independent of human social activity, ineluctably shaping all human activity once capitalist social relations of production pertain. Because this is manifestly not the case, it must needs be qualified to say that accumulation for its own sake is an impetus and always a possibility in the context of organized human productive activity over the last seven or eight centuries (at least in Europe) but not defining to the extent that it precludes a complex of both self and other regarding interests at the same time.[24] If accumulation per se cannot exhaust the capitalist's (or entrepreneur's) interests, it is difficult to see how the opposite of those interests, the wage earner's interests, can be also so characterized in exclusion to a more diverse packet of interests. Accumulation as an impetus must be viewed as a variable not a fixed or constant point. In the context of the relations of superordination and subordination, of capital and labor, are a complex of issues that can only be resolved by reference to ethnography and history. So too firms are a variable that express the concatenation of social and political economic forces presented to individuals, families, formal and informal groups at specific historical moments. We need to view firms dynamically as both an answer to specific problems and as a set of complex processes by which the past, present and future of human activity are linked.

In the Biellese, firms happen to be at the center of what I want to explain, so they will occupy a good deal of the discursive space in the ensuing pages.

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IV. The Culture and Political Economy of an Industrial District

My interest in conducting research on the Biellese grew from the study of a body of work on industrialization, industrial districts, and the relationship between culture and forms of industry. I chose to study the Biellese because it met several criteria I had set for a research site. It is in the industrial North of Italy, a region that has been relatively understudied by Anglophone cultural anthropologists. The Biellese is an industrial district and has an eight century long engagement effectively mono-cultural, with woolen textile production. I wanted to study a highly successful industrial district rather than a region or community at the margin of Italian and European society. I sought a regional focus rather than the conventional community study on the grounds that industrially organized production could not be understood from the more circumscribed focus of the latter. I employ the culture and political economy perspective in political economic anthropology to understand the development of a core capitalist region in Italy. I hoped to untangle what is involved in the assumption that capitalism and capitalist industry specifically, is no less cultural than any other configuration of society or more broadly, a social formation.[25] Furthermore I hoped to advance the application of ethnographic study to entities and processes that have not frequently been understood to be anthropological subjects, specifically capitalist firms in relation to regional culture and political economy. Finally, I have sought to recast questions about small scale industry and industrial districts in Italy and more globally. These questions are complex and derive from a range of themes in post-war scholarship in anthropology, history, political economy, geography, and economics. I shall sketch their lineage in the next several pages.

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The impact of world system analysis on historical, sociological and anthropological scholarship by the early 1980s had been considerable. Immanuel Wallerstein's The Modern World System (1974;1980;1988) and Fernand Braudel's work had first provoked scholars in a variety of disciplines to examine the emergence of capitalist economy and society from a much broader perspective, especially to examine the links between large scale political economic developments and their regional and even local expression. [26] Eric Wolf's (1982) Europe and the People Without History had forcefully articulated the existence of powerful connections between capitalist development and the experience of people's European expansion had drawn into complex webs of political, economic, social and cultural relations. In the wake of these and other synoptic and synthetic works, attention by sociologists, historians and anthropologists returned to reworking the process of capitalist development in Western Europe, itself. One area in which this broader revisionist impulse has had a dramatic impact is industrialization as a dimension of capitalist development.

Traditional accounts of industrialization had to extract ruthlessly from a large and exceptionally fine corpus of work, two great themes. First, industrialization as a product of capitalist development began precociously in England and then spread to the Continent, North America, and by the end of the 19th century, to some regions in Asia and South America. Much of the corpus of work from 1950 to the early 1980s had sought to work out the problem of English exceptionalism and then trace the process of the followers. One important aspect of this scholarship focused on impediments to industrialization and the differing experience of "late comers."[27] The other axis of

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revisionism pertained more directly to the issue of just what it meant to be a "late industrializer" and the likelihood that this conception obscured more about the processes of capitalist industrial development in Western Europe than it could disclose.

The re-evaluation of European development and industrialization took two distinct trajectories to vastly oversimplify the great diversity of scholarship. One methodology sought to capture the experience of populations and specific groups that had too often been ignored in the focus on large scale political economic and institutional development. The example of Edward Thompson's (1968) Making of the English Working Class stimulated a new working class history – a history from below – that paralleled the emergence on the continent of micro storia (micro history) following the pioneers of the Annales school. A second trajectory of revisionist scholarship returned attention to the processes of development in manufacturing itself. Here, the work of Franklin Mendels (1972) and others in his wake on regionally (and locally) concentrated and intensive manufacture before the advent of the factory system effectively exploded the traditional historical chronology and periodization of capitalist industrialization. Drawing on the contentious debates about the transition from feudalism to capitalism, the scholarship on proto-industrialization further eroded the grand narrative of industrialization in Europe as it had been written and received in the immediate post-war era.

The effects of these revisionist projects ramified into scholarship on the onset of manufacture/ industrialization into the latter 19th and early 20th century. By the early 1970s, national histories of industrialization and capitalist development had given way to

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fine-grained regional studies and had confirmed that national-states were only the appropriate unit of analysis for some kinds of processes and phenomena. The regional diversity of manufacture from the 13th century to the present suggested that the concern with industrial rationalization, economies of scale and scope, and accumulation *qua* accumulation obscured the role of regional society, history, and culture in the differing histories of kinds of manufacture and of different regional trajectories of development and decline.

Nowhere were these issues more salient than in the study of post war Italy. Italy was by conventional standards, a late industrializer, and by 1918 it was deeply bifurcated into an industrialized North and an under-developed South. Yet by the early 1960s, Italy routinely had amongst the highest rates of GNP growth in Europe – if not the world. While heavy industry in Italy was noted for a few giant corporations closely tied to traditional elites and to the state, much of Italian post war growth and rising prosperity were the result of vast numbers of small firms regionally concentrated sector by sector in industrial districts.

The seminal work of several Florentine sociologists and economists around the North, especially the work of Arnaldo Bagnasco (1977), recast the debates about culture, political economy, and trajectories and patterns of industrialization. Bagnasco proposed that there were not two Italies but three: the industrial North, the under-developed agrarian South, and a Third Italy in which patterns of land tenure (especially share-tenancy), the cultural ideal of familial extension, and a centuries long tradition of craft production had led to a configuration of clusters of family firms in industrial districts.

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The Prato wool industry has received in this light, more attention than any other area of Italy or Western Europe, anointed as the alternative to corporate capitalism. Anglophone scholars soon joined the fray exuberantly.

Charles Sabel and Michael Piore (1984) saw in the Italian case material the possibility that there might exist an alternative trajectory of capitalist industrial development in which the defects of large scale corporate capitalism were absent: an alternative to both socialist and capitalist bigness, exploitation, and alienation of workers. A year later, Sabel and another collaborator, Jonathan Zeitlin (1985) traced the existence of small scale, often family-based, often collective and collaborative manufacture back to the end of the 18th century, extending the focus to France and Germany as well as Italy. The proposal once made attracted a host of geographers, economists, sociologists, historians, and a few anthropologists. The debate has several distinct axes that have engaged various constellations of proponents and critics.

One axis of contention has been over the degree to which Third Italy firms are more or less exploitive than other more conventional capitalist firms. Here, the issue turns on whether the small firm represents an elaborate form of sub-contracting and is more exploitive or entities less focused on accumulation and, thus, exploitation. Another major theme is how small firms and industrial districts exemplify or fail to distinguish themselves as examples of cultural-historical trajectories that embody specific clusters of socio-cultural norms. This corpus of work and the issues it raised flows directly from the earlier concerns of Edward Banfield (1958) and the "civic culture" school associated with Gabriel Almond and Sidney Verba (1963). Where initially the emphasis had been for

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Banfield et al on the socio-cultural norms that inhibited modernization and development it has now become embroiled debate over meta-theories of social norms as causes for (and continuities in) social cohesion or alienation in modernity. Best exemplified by the recent work of Robert Putnam (1993) and Francis Fukuyama (1995), it has also spread into industrial organization with often baleful results. This "path dependency" literature has too often made facile categorizations of societies as either possessing or failing to possess virtues such as "trust" and "cooperation" bereft of any serious or sustained ethnographic and historical analysis. Organizational studies more specifically, have sought to extract management principles and practices from sites deemed to have developed "capitalism with a human face."

Furthermore, studies of peculiar local and regional trajectories of industrial development that are assumed to embody Parsonian clusters of norms and values suited to modernity have an elective affinity with the object of much of the "deliberative democracy" and "discourse ethics" literature that has developed in response to Jürgen Habermas' work.[28] Implicit in much of what Michael Blim (1990) has characterized as neoliberal political science and economic policy formulation is the assumption that places like Prato for example, illustrate the fundamental linkage of capitalism with democracy, even if this is not clearly articulated. Smallness of scale, apparently communitarian norms applied to capitalist industry, rich ties of association both familial and social, and multiple modalities of participation in commerce and sociality all contribute in this view to a valorization of an idealized "industrial community."

Finally, economic and political geographers have appropriated the issues

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associated with the salience of a small firm sector throughout Western Europe. A large corpus of work now shows convincingly that the industrial district with a cluster of small firms identified first by Alfred Marshall (1961) has been no less than the large M-form corporation, a "rational" response to problems of markets and factors of production. Yet the literature broadly concerned with the economics of location is internally divided by those who view industrial districts as a parallel trajectory of industrialization: a response to geographic, socio-political, and political economic signals, and those who view it as another of the indices of a new era of "dis-organized" or post-modern capitalism.[29] The former have sought to identify a set of factors that give rise to this alternative trajectory and its apparently distinctive socio-cultural and economic norms and practices (e.g. Best 1990; Herrigal 1996; Saxenian 1994). The latter, especially those loosely identified with the "regulation" and "social structures of accumulation" schools, have tended to view the persistence and even fluorescence of small-scale industry and industrial districts as a part of a larger strategy of capitalist globalization of *the* economy (e.g. Leborgne and Lipietz 1987).

This work engages several of the broad themes I have identified.
The industrial history of the Biellese including its pre- and proto-industrial past indicates that there are linkages between mono-culture (or mono-industry) and industrial form. But they are highly contingent; there is not a necessary progression from one to the other. The wool industry and, hence, Biellesi society has been characterized by four productive regimes over the last three centuries: cottage, proto-industrial, the early factory system of the wool aristocracy, the attempted "break-out" into vertically integrated, large scale

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firms, and the current configuration of the regional system. This latter is comprised of a host of small and "micro" firms, a mid-sized stratum, and a few larger firms with upwards of 1000 employees. The post-war regime has seen the emergence of gruppi: family holding companies that have majority shares in several companies and often, cross-holdings in other gruppi.

There are close linkages between a regional political economy predicated on a single or few products but the strong form of "path dependency" advanced by Putnam (1993) and many of the advocates of the "Third Italy" school is not sustained. The dependence on a single or only a few related products for which there is no ready substitution has cultural consequences. The incomplete proletarianization of the Biellesi operaio-contadini in the later 19th century often viewed as an impediment to class formation (Cento-Bull and Corner 1993; Tilly 1992), appears to have been crucial to the persistence of the small and micro-firm, and to its eventual resurgence in the post-war era. The profound imbrication of family strategy and firm formation and developmental strategy suggests that current conceptualizations of the firm, capitalist accumulation, and ultimately, interest theory need to be reconsidered in the light of the diverse and often complex "bundle" of interests with which entrepreneurs confront the market. A more sensitive and nuanced consideration of interest constellations will enable us to understand more effectively and clearly the meaning of the "embeddedness" of political economic activity. Finally, deriving from the previous points, it is manifest that there are multiple trajectories of industrialization that lead to configurations of firms and the local and regional political economy of which they are a significant but not exclusive component.

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V. Research Methods

This work combines history and ethnography; as such it reflects my commitment to the study of culture and political economy. The work is based on two periods of ethnographic fieldwork undertaken in 1988-89 and 1991. The complexity of studying a region as opposed to a community made the periods of ethnographic fieldwork somewhat apart from the traditional method of immersion in the life world of some group of sufficiently manageable scale to be easily encompassed. The Biellese, a part of the province of Vercelli until 1993, has over 90 municipalities (comuni) and a population (in 1988) of just under 200,000.[30] Textile and related manufactures are situated in about two thirds of these municipalities while the weight of population is concentrated in about a third of them. People are more than likely to reside in one place but work in another, identify with yet a third place, and have kin, family, and friends liberally distributed throughout the region.

I took residence in a mountain hamlet not by design but by necessity. I had no prior connections to the region and hence no opportunity to be slotted into a living arrangement with a family. The paucity of rental housing and the high cost of that available left little choice. Assuming residence in a hamlet of 36 permanent residents in a town with a population of about 350, in an alpine river gorge at 700 meters altitude was not without ironies when my intention had been to place myself in the heart of a modern, industrial region. Barely 20 kilometers from the center of Biella, my own living circumstances had greater affinity with the 19th century cottagers than with modern workers. I lived in a very old house divided into apartments. The outer walls of stone

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were at least a foot thick but had no insulating power. Domestic life involved the endless stoking of wood stoves and a kitchen redolent with kerosene. I climbed up to a second floor loft each night to sleep, lacking only a few goats in the kitchen to make for 18th century authenticity.

Fortune was kind for next to the house where I lived was a café where young working men and women from around the region gathered nightly. It also drew, on weekends, middle and upper class Biellesi on the way to their case Romani (vacation houses) in the mountains. It became the center of my social life and almost a living room and office as well.

A group of young workers I met at the bar afforded me entry into working class life and constituted my core group of informants. About half were directly employed in the textile sector, the rest were in tertiary work or were un- or under-employed. They also provided links to other young men and women in the region and, through their families, encounters with several generations of working-class Biellesi. I also fortuitously met a range of men in the professions, in politics, and in public administration who provided links to middle class Biellesi and to a different perspective on Biellesi affairs than that provided by young workers. Finally, and equally fortuitously, I met the son of a local elite family, a man about my own age, who helped me immeasurably in learning about the industriali, the local capitalist class -- both the old elites and the recently arrived. I came to know several proprietors of small firms and had encounters with a few of the most successful mill owners but with very limited results. In fact, ferreting out financial and technical information about privately held firms proved to be all but impossible. For

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obvious reasons, entrepreneurs are loath to divulge proprietary information. In a society where playing fast and loose with anything subject to state taxation and oversight has been developed to a high art, their reticence is even more understandable. Therefore, most of the information about firms' performance and finances are insubstantiable gossip and innuendo gathered from competitors and onlookers.

I maintained a day book, files on each of my principal informants, and a topical file system on local politics, the textile industry, and other regional and local events of note. I collected press clippings in all of these areas. I conducted a small number of more (or less) formal interviews with small businessmen and frequently sounded out acquaintances in more casual conversation. I have been able to draw on copies of my own correspondence with friends, family, and colleagues.

I undertook research in the municipal library reading the relevant literature in the special collection on the regional history, economy, and culture maintained there. I concentrated on local histories unlikely to be available outside the region and material on regional politics and industrial relations. I followed the local press assiduously as well as reading back for a decade. As others have also found, public records are not public to all or only partially so. Similarly, archives of the various industrial associations were only indifferently available, perhaps because my public persona was too closely identified with working class youth.[31] I surveyed material especially tesi di laurea in the national library in Turin. Industrial census data and regional employment data were obtained from the Library of Congress and the library of the University of Washington in Seattle (an OECD depository library). This material has the obvious limitation of being aggregate for the

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province of Vercelli and/or the Regione of Piemonte. Raw industrial census data has never been available to me much to my regret. My method then, arrived at through naivete, trial, and error, was to pursue ethnography while also studying regional history.

IV. Plan of the Work

The work falls into three interdependent sections. The first part, Chapters One through Four introduce the region and its people, and the social and political organization of the contemporary Biellese. The second section, Chapters Five and Six, evaluates the literature relevant to understanding contemporary small scale capitalist industry and its place in the larger capitalist political economy. These two chapters assess theories of the firm and theories of industrialization. Drawing heavily on institutional economics, my interest is to build anthropologically sensitive models of firms and of alternative trajectories of industrialization, linking these to anthropological concerns about the way social labor is recruited and deployed. The third section traces the development of the modern Biellese from the end of the 18th century to the present in three chapters. I have focused on the crises that have been decisive to the region's developmental trajectory. Chapter Seven provides an overview of medieval and early modern history. Chapter Eight covers the period from 1815 (the Restoration) to 1914 that encompasses the emergence of the factory system in the region. Chapter Nine covers the period from 1918 to the early 1980s and reconnects the historical narrative with the lives observed in ethnographic fieldwork. The ninth chapter draws us back into the orbit of the actors introduced in the first section. Chapter Ten provides an epilogue that reevaluates ten years later, the

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interpretations I have made. The conclusion links the levels of analysis, institutional, firm, family and individual, that comprise a picture of contemporary culture and political economy in the Biellese.

Appendices A and B provide additional material that could not be included in the main body of the text. Appendix A provides maps and several diagrams that illustrate the changing character of production over two centuries, labor market data, and a detail map of the province. Appendix B describes the production of wool with reference to three firms differently situated in the regional economy.

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1.

2. The national-state has yet to be abandoned by the most stalwart practioniers of macro-level cross-national comparison. See Ronald Inglehart (1997)

3. While W. W. Rostow's (1961) The Stages of Economic Growth: A non-communist manifesto is more well known, Gerschenkron's work is far more seriously regarded amongst economic historians. None the less, it is Rostow's neo-evolutionary account of stages of growth combined with his conception of the requisites for "take-off" that influenced most development theorists.

4. The current state of the debate is ably covered in Jane Schneider, ed. (1998) Italy's Southern Question. The recent works of Robert Putnam and Francis Fukuyama are the most salient examples of the critical (Putnam) and uncritical (Fukuyama) employment of Banfield's's views.

5. Italy is divided into regions (regioni) and regions into provinces (provincie).

6. The first and second Italy correspond to the North-South dichotomy. The third Italy owes its appellation to Arnoldo Bagnasco's (1977) work that asserted that the regions of North central Italy had yet a third, distinct set of features situated in a unique socio-cultural matrix and historical trajectory

7. See Anna Cento Bull (1989) and Louise Tilly (1991). The problem in historical analysis of how peasants' and workers' political consciousness is evaluated can be traced back to Eric Hobsbawm's (1959) argument (in Primitive Rebels) that absent a working class political party, peasants, etc. are "pre-political". This is in marked contrast to Max's complaints about "trades union consciousness".

8. I recognize that there are significant differences between conceptions of history. Certainly one could not confuse Renaissance humanist philosophy of history with Rankeian "scientific history or either with Althusserian or Foucaultian anti-history. None the less, a view that history is distinct from memory is shared by at least, the former.

9. See Martha C. Nussbaum (1986) especially Chapter 11. Cf. Hannah Arendt (1968).

10. I am not here, entering into the debate over the shift in philosophical anthropology between medieval and early modern Europe. I think the shift at least in emphasis and articulation (rhetoric) has been well established. See for example, Agnes Heller (1978) and J. G. A. Pocock.(1975).

11. This is of course central to Burkean conservatism although would-be modern Burkes rarely have the erudition to pull it off.

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12.Marshall Berman's (1982 [1978]) essay "All That is Solid Melts Into Air" remains the finest appreciation of Marx & Engels fundamental modernity.

13. Because economics or political economy, is not separable from moral philosophy and political theory, I necessarily skate on rather thin ice here. It's not that men of letters and leaders of state didn't acknowledge panics, deflations, etc. that we might call crises, but thinking about crisis *qua* crisis is generally lacking.

14. See Alan Ryan (1984) Property and Political Theory.

15. To invoke Polanyi is not to commit to his belief that pre-capitalist economic formations could not be understood through marginalist (neo-classical) concepts. Agency is equally central to neo-classical and modern marginalism.

16. Crisis is descended from the Greek, κρίνειν, to decide. The modern sense certainly reflects its use in pathology where it is action on some being by another more than the active sense of deciding. This passivity seems to be present in economics which paradoxically attribute agency to self-interested actors in the normal functioning of an economy but speak of crisis as if it was exogenous; not of human origin

17.This is to say that it is an "essentially contestable" term (v William F. Connolly 1993[1974]).

18. I intend this in a more colloquial sense than Jürgen Habermas (1979: 2-4;) v. Thomas McCarthy (1978) without disclaiming any relationship..

19. Three types of crisis are often distinguished in political science. Here, the meaning is the moment of breakdown in functioning in a systems: crisis of the political system, governmental crisis, and international crisis. v. G. Pasquino in Dizionario di Politica (1990 N. Bobbio et al, a cura di), p. 272-4.

20. "The crisis of capitalist relations of production must be seen as an overall social crisis -- that is, the historical decline of an entire social system and mode of production, operative throughout the whole epoch of late capitalism (Ernst Mandel 1978:570).

21. This is one form of the larger problem that Margaret Archer (1988) has called the error of conflation, confusing "parts and people", and usually identified as the problem of structure and (or versus) agency (cf. Anthony Giddens 1979: II) but in this case is characteristic of functionalist economism.

22. Here, I follow Hayden White's (1973: 5-38) lead in acknowledging that all historical writing inevitably employs one or more trope as well as the more conventionally acknowledged aspects: chronicle, story, (mode of emplotment,) mode of argument and mode of ideological implication. It is especially important to distinguish this from post-structuralist arguments that everything is "fictive"and by implication, that all knowledge

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production is "just a story". See White (1973: 31-3, note 13) where he distinguishes between the bi-polar system tropes by structuralists such as Roman Jacobson, and classical rhetoric (the Humanists and even more explicitly in Vico).

Humanist historiography drew a distinction between chronicle (Leslie White's famous "one damn thing after another") and history. History required a critical attitude toward source and traditional claims about the past embodied in myth. It of course went hand in hand with the sense of self-creation characteristic of Renaissance humanism. See Hans Baron (1988, volume I); cf. Quentin Skinner (1978, volume I); Agnes Heller (1978)

23. Gunnell (1986:209) specifies three basic, analytically distinct properties of conventional objects: extension, significance, and meaning. Extension refers to the sign of an object that may be manifest in bodily action, vocal sounds, artifacts, and other palpable manifestations of intentionality. Extensionality necessarily must have significance within an identifiable context whether that be grammatical, semantic or social that gives it a certain kind of meaning and is recognizable as an instance of that kind. Meaning is, "...the dimension of conventionality that identifies the particular conventional object and indicates the conventional force it carries within a particular set of circumstances." By invoking Gunnel's definition of conventional objects, I intend to distinguish my understanding of social phenomena from both Donald Davidson's concept of natural kinds and from Levi-Straussian concepts of innate mental structures.

24. I eschew a discussion of interest although it might be salutary. The concept of interest is so complex and so historically extensive as to preclude any easy synopsis. I have been influenced by Albert Hirschman (1986); Hannah Arendt (1958) amongst others in my understanding (or perplexity) of the problem of interest. I think that the issues of essential contestability ably summarized in William Connolly's (1993) The Terms of Political Discourse are central to any consideration of interest as, I hope, my treatment will exhibit.

25. The issue of articulation of modes of production is irrelevant because the region is and has been capitalist since at least the late 16th - early 17th century.

26. Wallerstein has been by no means alone. The re-emergence of synoptic history had been pioneered by the Annales school to whom Wallerstein acknowledges a great debt. The translation of Fernand Braudel's magisterial three volume work as well as the availability of the earlier work on Mediterranean world in the age of Philip II of Spain posed a host of historical problems about developmental trajectories across Europe. No brief note can encompass the diversity of history and historical sociology on a grand scale that appeared from the early 1960s on. Certainly Barrington Moore's work and that of his student, Theda Skocpol, are seminal. Eric Hobsbawm's volumes on modern English and continental history are important as are the works in series such as the Cambridge Economic History of Europe, and the Fontana series edited by the now often overlooked Carlo Cipolla. Similarly the work of Charles Tilly, his collaborators and successive generations of his students has forced a re-examination of the relationship of state formation to regional development in both industry and agriculture.

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27. The history of industrialization is thus a kind of proxy variable for the processes of modernization and development that pre-occupied economists and political scientists from the early 1950s through the late 1980s. The severe criticism levied on modernization and development theories was one of the factors that sent social scientists back to history after thirty years of arguing for its irrelevance to social science.

28. Considerations of time and the already considerable length of this work have precluded that examination of the "political" dimension of the Biellese I had originally hoped to include.

29. This work is perhaps best exemplified by David Harvey (1989) and Scott Lash and john Urry (1994) as well as the work of Allen Pred and his students.

30. Census estimates vary for the region over the last three decades leading to discrepant figures in the text. This reflects two distinct phenomena: the split of the province of Vercelli in 1993 and a longer term decline in the population of the Biellese.

31. News about one's status travels fast by underground circuits even in a large region. I understand that I maintained a reasonably good reputation but I was clearly not of the elite. Even with introductions, I couldn't play in their league for financial reasons.

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CHAPTER I

Crisis is in Fashion, Fashion is in Crisis

I. Fast Forward

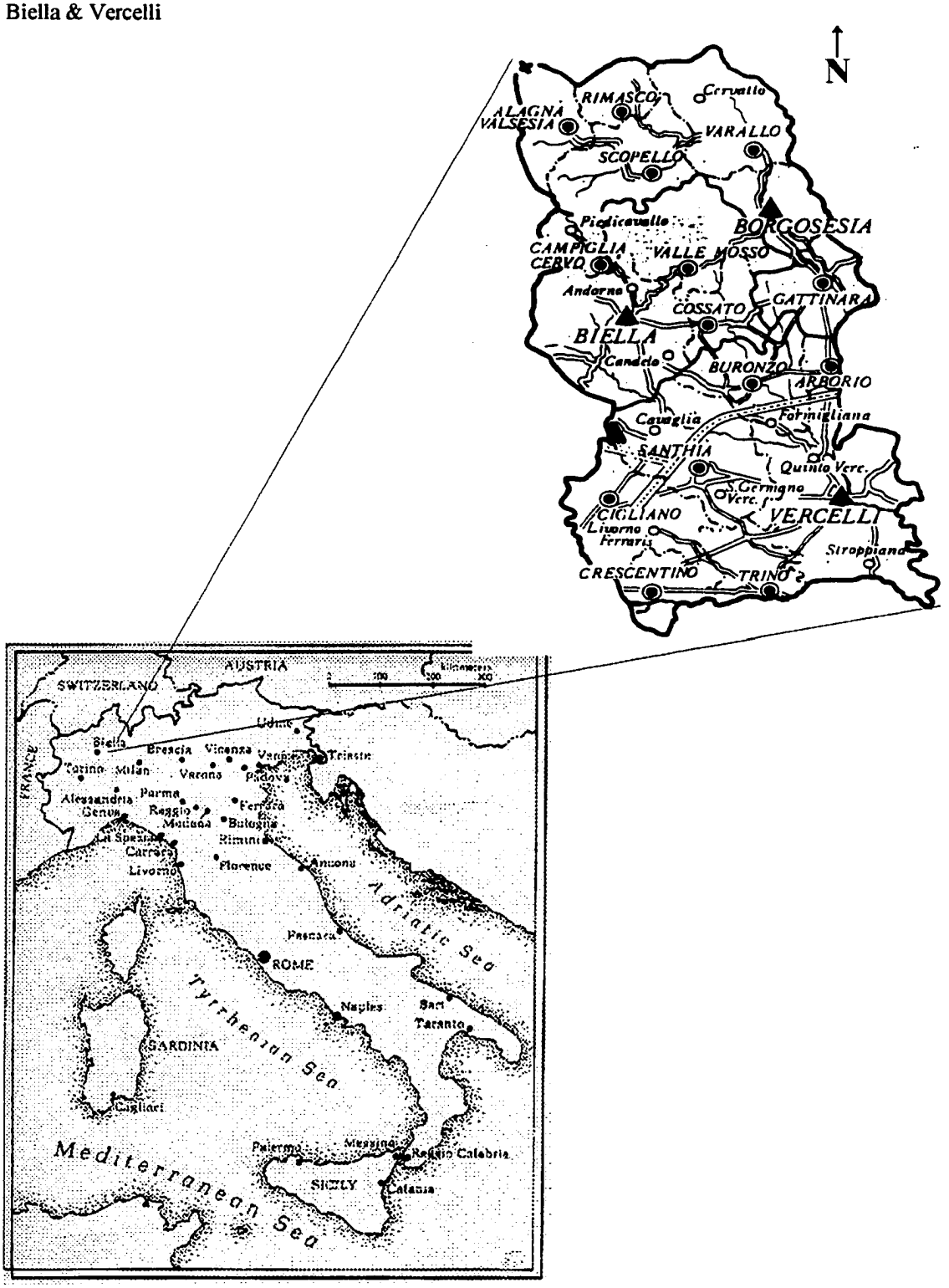
> Two hundred years of spinning, dyeing, weaving, cutting and stitching have peppered Biella, Como, the Veneto and other pockets of the Italian landscape with mills and workshops operated by families and linked in tight networks. More management gurus see this, rather than Silicon Valley, as the future of business organization (EC 4/11/98).

The effusive optimism of this and other similar journalistic sketches of the contemporary Biellese could hardly be in greater contrast to the "mood" of the region a short decade earlier. In the later 1980s, Biellese industriali were hopeful for an improved regional economy but they and many citizens, workers and politicians were beset with doubt, insecurity and a palpable sense of facing, yet again, the unknown. While the local chamber of commerce and the Unione Industriali Biellese (henceforth, UIB) issued hortatory slogans such as "striving for total quality", and "protect the value of the name 'made in Italy", many Biellesi believed that they again faced a crisis in the regional economy.

Biellesi know all about crises for they have experienced so many of them. There have been international crises, national crises with regional consequences, major regional crises and smaller ones associated with a few towns, one or two firms, and those that occur only to one or a few individuals. Crisis is the leitmotiv in the scores of histories, memories, and the narratives of lives of Biellesi. "A di moda la crisi, la moda e in crisi." Crisis is in fashion, fashion is in crisis.

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Figure 1. Provinces of Biella & Vercelli



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Like the equinoxes that mark the solar year, crises punctuate Biellese history, memory, and experience. In 1988, Biellesi could look back to the beginning of the decade to a difficult period of industrial restructuring. Looking a little further into the past there were the years of lead (anni di piombo) and the hot autumn of 1968. Coinciding with the hot autumn, the region had experienced the worst flood in modern memory. A mere decade before those epochal events, the Biellese had suffered the loss of its Middle Eastern markets to Asian producers causing the collapse of some old line firms and the contraction of many others. Looking deeper into the past are the last years of the war when German occupation, partisan and near civil war conditions, privation and even starvation stand deeply etched in memory. Still further back, beyond the experience of the living and known only through family stories, memoirs, histories, and the past concretized in the built environment, is the equinoctial crisis of the industrial revolution in the Biellese. Then, the independent cottage weavers were broken as a class and the region's working class born in its demise. Thousands of Biellesi left the region for other places in Europe, Argentina, Brazil, South Africa, Australia, and the United States: a diaspora lovingly preserved in a multi volume work that lists all known Biellesi migrants and their ultimate destinations.[1]

The past, as Walter Benjamin's (1969:257-8) angel of history knows, is an endless pile of rubble and disaster: Where we perceive a chain of events, he sees one single catastrophe which keeps piling wreckage upon wreckage and hurls it in front of his feet. But, in Benjamin's famous turn of phrase, a storm is blowing out of Paradise that propels the angel backwards into the future; and we call this storm progress. For the

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Biellesi, this storm is a centuries long engagement with and dependence on, woollen textile production. However else Biellesi may mark the passage of time, modernity is the theogeny of industrial textile production. And, as much as Biellesi history and experience are punctuated by crises, and these crises serve as reference points in individual, social, and historical time, there is also a sense of crisis as possibility, a precarious platform from which to launch projects for the future. If Biellesi are as a heterogeneous mass, ambivalent about this future, the storm Benjamin's angel calls progress, and what we identify as capitalist process, it is because it is what they know, what their parents and grandparents knew, and therefore known. Yet it is also always de novo and, hence, in the Heraclitan sense that anticipates Marx, all fire and flux.

This sense of risk, uncertainty, and flux that so many contemporary social theorists identify with modernity (e.g. Anthony Giddens (1990; 1991), David Harvey (1989), Jeffrey Alexander (1995)) is, I shall argue with qualifications, an integral part of traditional Biellesi life. Barely five years after the sense of foreboding in the late 1980s, the region was experiencing some of its most robust good fortune in the post-war era. In early 1996, the New York Times (NYT: 2/03/96) noted that this province of barely 200,000 inhabitants counted 1800 firms in the textile sector, effectively a mono-culture. Amongst this myriad of tiny firms are some larger, well established names known about the world, or at least the world of elite high fashion: Ermenegildo Zegna SpA, Cerrutti SpA, and FILA SpA. Lesser known, but important in the high end of the textile trade, were firms such as Luigi Botto, Fratelli Harry, Modesto Bertotto, and Ing. Loro Piana. And other smaller, lesser known firms, were important in almost every phase of textile

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and garment manufacture as well as the manufacture of textile machinery. Beneath the horizon of notability, hundreds of small and tiny firms ply to the larger firms or operate in international, European, regional and local markets.

The persistence and success of the Biellese industrial district and others like it around north and central Italy is something of an oddity in a time when the trends of modern global capitalism would seem to favor huge multi-national firms that enjoy economies of scale and scope. Indeed, commentators from both neo-classical and Marxist perspectives typically dismiss industrial districts such as the Biellese as remnants of an earlier (pre- or proto-) industrial era not yet dissolved by the solvent of capitalist rationality. But, as I hope to show, the success of the Biellese is neither new, novel, nor of only antiquarian interest. In fact, regionally specialized niche production usually embodied in Marshallian industrial districts is as much a trajectory of capitalist social process as are TNCs. The industrial district, first described as an organizational form by the English economist Alfred Marshall, refer to a local aggregation of small and medium-sized firms engaged in similar activities in marked contrast to a single or a few large dominant firms. Industrialization writ as technically sophisticated capitalist rationality is, I claim, far more deeply imbricated with culture than we often admit. If that is the case, as I believe it to be, then a revision of both the relationship between capitalist rationality and of the production of modernity is in order not because prevailing accounts are, per se, wrong, but because they are insufficiently attuned to the diversity of cultural and historical processes that constitute it. Similarly, I think, we should pay greater attention to Marx and Engels' emphasis on crisis as a central feature of modernity but not as

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millennial end-time.

How do Biellesi explain their good fortune to themselves in the light of their pre-occupation with crises? I will suggest that their explanations are closely linked to both experience, memory and history of the indigenous capitalist development over more than two centuries that has taken place in a specific locale and remains bound to it. Biellesi proprietary capitalism (v. Phillip Scranton 1983;1989) is inseparable from Biellesi culture, society and history, or to use Michael Granovetter's (1985) phrase, it is imbedded within it. The volatility of capitalism inheres in Biellesi culture, society, and history, hence the importance of crisis as both metaphor and as experience. Before turning to testimony of individuals to begin this account, I shall briefly situate my interest in the Biellese in a broader Italian and world context. The great themes of capitalist industrialization and capitalist crisis play-out on a number of levels from institutional to individual and it is to the specificities of ordinary people in the late 1980s that I now turn, to begin at the ground zero of individual lived experience.

II. Two or Three Things I Know About Them

This brief story and the others that follow are points of entry into Biellesi lives. They are neither cautionary nor exemplary tales about how ordinary people triumph against great adversity in the world. They explore the problems and consequences of the specific trajectory of political-economic change that has produced this small industrial district or, in Eric Hobsbawm's (1997) turn of phrase, "...[H]ow the present came to be the way it is." But I will focus initially on how young workers construe themselves to be

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"political." In subsequent vignettes, I offer other facets of Biellesi self construction. I provide these initial snapshots of individual experience in part to offset the greater weight given to institutional features later in this work.

The events of which this account makes use are opinions voiced by men and women in café conversations and arguments abstracted from my notes taken during a year spent amongst them. For while much of my day time was spent in archival research, in interviews, and playing the flaneur in various Biellese towns, my evenings were almost invariably spent at one or another café in the region. I came to know a good many men and women who worked in one or another of the multitude of shops and mills that comprise the textile industry but, by happenstance, my core group of acquaintances and friends were tertiary sector workers or just barely employed at all. This placed them as something like outsiders in the regional occupational structure, a position of considerable ambivalence for some of them. Skeptical of the boosterism and enforced optimism of the mainstream, some of them also felt marginalized, left behind by the region's prosperity. While a mill job held little attraction, without professional credentials there was little chance to earn a solid wage outside the textile industry.

I never had any indication that any of them had ever engaged in the sorts of activity we categorize as collective action. They were too young to have experienced the period of student and worker mobilization of the 1970s and not having gone to university, had little direct exposure to the currents of thought that ebb and flow amongst students. The events which I relate may well be synecdochical for younger workers throughout the industrial triangle of Italy and beyond, perhaps even across Western Europe, although this

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claim would be extravagant. They would most likely speak as Enrico did when we were spinning around in his car at very high revolutions, on the ice, in a ski-area parking lot to, "all we want (you and me, Cris) is a bit of fun and "un pezzo di figa."" Or, Claudio, un-employed, drunk and leaning over the rail of the passageway over the river Cervo, saying how awful it was to be lonely— a man without a woman, to know that he will not follow his father in "tessile," to have no real prospects—but, "noi siamo continentali, Piemontese–non siamo cafoni: Italiane (We're continental, Piemontese, we're not peasant fools like (southern) Italians)."

The larger context, like the storm clouds which hug the pre-alpi Biellese for months each year, is of a conjuncture of several momentous interrelated processes of change occasioned by European integration, the initiation of the open market in 1992; the sea-changes that swept central and north-central Europe, and the immanent collapse of Italy's post-war ruling regime and politics. On a larger scale the global change in the processes of capital accumulation that David Harvey (1989) has characterized as the shift from the "Fordist-Keynesian" consensus and configuration of the post-war years to one of flexible accumulation were most directly felt in the region which exports 80 percent of what it produces to the EC, Japan, the U.S., and Canada and is profoundly sensitive to the slightest change in market conditions.

By the middle of October, the two weekly papers were indicating that most of the middle-sized and small firms had less than six weeks of forward contracts; and their workers were heading for a Christmas season on cassa integrazione (the equivalent of unemployment relief in the U.S.). In other words, crisis was looming again. Yet there

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was little in the way of organized (or even un-organized) response. Where a decade earlier there might have been work stoppages or even plant occupations to signal workers' concerns, the unions and most of the political parties were mute.

In the Bar Popular, the potential for economic troubles insinuated itself as a topic of conversation in the interstices of young men's and women's conversational concerns. Most often sports were the order of the evening with football taking precedence but closely followed by motor sports especially road rallies, or teaching the anthropologist how to speak Italian properly. A few of my friends were intensely interested in the regional economy and the fortunes of the industria tessile and, not surprisingly, their interest was closely associated with a more cosmopolitan family, greater exposure to Europe through travel and, most often, more education. Only one friend of solid working-class background, a muratore (literally, a wall-maker, but mason is an approximation) by profession, had much interest in these issues. But he was from Valle Mosso, from a staunch communist family in a town that has been and remains the most staunchly communist in the region.

Claudio, Carlo, Enrico, and Alberto are habitues of this small café in a little hill village above the city of Biella. Around the table they occupy is a halo of girlfriends and casual acquaintances; talk segues from topic to topic. The atmosphere is heavy with cigarette smoke and dense with the clatter of table football and the songs emanating from the jukebox. Claudio is officially unemployed but he has occasional work off the books, lavoro nero as it is called, installing car stereos and making picture frames. Carlo works a big yarn spinning machine at Lana Gatto halfway down the valley towards the city.

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Roberta works at Lana Gatto too. Enrico drives a truck for a construction materials business and will marry Roberta this fall. Alberto keeps a café in one of the smaller, more remote villages further up the valley.

They are winners in the Italian miracle of development; in its particular realization in the Biellese. Only Alberto is old enough to remember times of relative privation; when his family left the Biellese during one of the business crises in the mid '50s to find work in Torino. For the other young men, now in their mid twenties, and, indeed, for most of the other men and women in the café this evening, the trajectories of their lives have not encompassed any of the gritty meanness of immediately post war, urban Italy portrayed in neo-realist films of that era—much less the struggles with necessity and of dislocation that thematically dominate, Anglophone ethnography of rural and particularly, southern Italy. All of them own automobiles of recent vintage, equipped with stereos (installed by Claudio), sartorially reflect current fashion, take vacations in both summer and winter, in short they are "middle class consumers," although they are industrial and tertiary sector workers or barely employed at all. Enrico holds unions in contempt: "They just take your money and do nothing for you. They're just like the politicians who live well off our work." It is a sentiment with which Carlo agrees. Lana Gatto is represented primarily by Confederazione Generale italiana del Lavoro, the union affiliated with the Partito comunista italiano while the firm for which Enrico works is represented by Confederazione italiana sindicati lavoratori, associated with the Christian democratic party. A one-day general strike called mid fall was scheduled for a Monday to ensure compliance. It made a "Ponte" (a bridge) that is, a long weekend.[2]

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This contempt for unions and a cynicism about the political parties with which they are closely associated is aimed initially at the hierarchies who are assumed to enrich themselves at their constituencies' expense, and to be in bed with the politicians. The last significant strike occurred in 1983 — a major plant occupation coupled with several months of strikes and public manifestations, although their have been smaller manifestations in the intervening years. Until the early 1980's, Biellese textile workers were noted for their militancy, a tradition of the capacity for mobilization that has historical roots in the 19th century. Biella was amongst the first factory towns in Italy, the site of the first organized resistance by cottagers and craftsmen to the coercive discipline of the factory system (1863), a locus of labor militancy in the inter-war years, and of partisan resistance in the Second World War.[3] Post war Biellese labor repeatedly struck, occupied factories, and was able in the context of cyclic but ongoing growth to wrest relatively high wages and considerable control in shop floor issues.[4]

The small scars on Carlo's and Roberta's fathers' hands and arms testify to the hazards of working around huge looms, spinning, combing, and carding machines and to what thirty years of militancy has secured for their children. Carlo and Roberta have begun to accumulate scars too but they seem to signify only the cost of the wage packet that buys cars, stereos, and clothes. They are winners but the past has been left to them with no testament.[5]

Claudio knows that they are living in a privileged moment, in a bubble of prosperity. His father is a mid-level manager at a prestigious men's suiting firm. The firm's owning family is considering opening a plant in China and perhaps at another

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location in Asia, although this is not public knowledge. They are worried that they will not be able to compete on price, as Biellesi labor is expensive by global standards.[6] If the cachet of "made in Italy" were to be lost, an entire stratum of small producers might well disappear as the larger ones transfer production elsewhere.[7] The "logic of capital," as it is conventionally portrayed, to drive globalization will turn places like Biella into "has beens", like the English Midlands, the rust belt of Roubaix in France, and New England mill towns. Claudio has not followed his father into tessile (as the industry is usually referred to) and of six brothers and sisters only one sister works in the warehouse of her father's business. Claudio feels trapped between what he knows are the careers available to men like him in the Biellese and his own inclinations and aspirations. The thought of machine minding repels him, yet for un-degreed men like him, the possible routes into independent business run through the mills and shops of the textile industry.[8]

In the Biellese, if you do not work in tessile or one of the services that support it, you go elsewhere in Italy, to Germany or Nigeria, or Brazil or Australia, and do some other kind of work, or remain on the periphery socially and economically. Claudio and his brothers speak French, and have a meal ticket, they hope. Alberto speaks French and Piemontese but he will not move. [9] He is tied to the upper valley by an ailing mother. At thirty-five, Alberto is already sliding through the cracks of prosperity. Having taken refuge in Piemontese folklore and the novels of Gozzano, he dreams of having a little piece of land and some beasts, but his family is landless. He wishes to return to the Biellese of a century ago when an agro-pastoral existence was still tenuously viable. He finds his younger companions callow for they neither know what good fortune they have,

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at what price it has been purchased, nor how ephemeral it may well be.

Enrico is neither landless nor he believes, is his livelihood threatened. When he marries, he and Roberta will stand to inherit the family house, that he recently remodeled. Referencing a popular song he is jokingly called "the material guy" because of all the things he owns. There is not a tool or piece of sporting equipment he does not possess. Some of his family were important in the labor movement after the war, and I have heard that some were Blackshirts too, although this may be a different family.[10] Enrico believes that the Biellese will not suffer because they have always stuck together in times of difficulty such as in the great flood of 1968.

The Biellese confronts several interconnected problems that threaten to grow to crisis proportion, eroding the foundations on which these young people's good fortune rests. The region, the city and a network of some 96 surrounding villages and towns is overwhelmingly dependent on woolen textile production, an industrial monoculture typical of the Italian pattern of regional city specialization. The Biellese is, to use Alfred Marshall's (1919) term, an industrial district specialized in textile production. Sixty per cent of its product is sold in European Union (henceforth, EU) countries while Japan, Canada, and the U.S. account for most of the rest. At the time of my fieldwork EU member states were harmonizing the regulations governing business and finance in preparation for the cessation of some market barriers in 1992 and the introduction of a single currency in 1999 that will enhance the free flow of goods, labor and capital. The industry in the Biellese is stratified into a small number of larger firms many of which produce for the luxury end of the global textile market, and a host of medium and small-

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sized firms. The other firms, the artisanal and micro-firms are more mixed in character. Some are integrated, undertaking all phases of production from processing raw wool to finished cloth and even garments, but the majority perform only one segment of production, such as cleaning, combing and carding, dying, spinning or weaving. Many of these firms came into existence from the middle 1960s to the early 1970s when, in an earlier crisis, large firms divested themselves of the most costly and labor intensive phases of production or became proprietors when their jobs were lost in the collapse of old-line firms. This window of opportunity opened at least in part because government regulation encouraged the export of production while protective tariffs inhibited imports. The advent of the open market and the continuing global re-deployment of labor-intensive manufacture to low-cost labor areas may erode the conditions for existence for much of the Biellese industry. This rationalization can also undercut the basis of the world to which Enrico, Carlo, Claudio and Alberto are accustomed, but there are it seems, no loci for mobilization to which they will turn.

Politicians, industrialists, and ordinary citizens are aware of these threats to their good fortune. A week does not pass without some local worthy being quoted in the docile press, "We have to protect the value of 'Made in Italy'" and, 'Striving for total quality.' But other factors intervene to add to the sense of being at the edge of a precipice. The region has an inadequate and aging infrastructure; it is peripheral to the main transport arteries, and it has an antiquated internal road network. Environmental problems are now significant. Treatment of domestic and industrial effluents for example, is hopelessly inadequate but remediation is prohibitively expensive owing to the

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dispersion of both towns and industry in hilly terrain. And there is no consensus in the political class reflecting the national-level turmoil in Italy's political system. Governments in the cities and larger towns mirror the configuration of the national government through 1992, that was the pentapartito, a fractious and unstable coalition of five major parties engaged in competition to corner and deploy resources in patronage. The parties of the extra-parliamentary left, Lista Verde and Democrazia Proletaria had by the 1980s, lost much of the support they marshaled in the previous decade, existing as rump clusters of isolated if vocal critics. Monarchists and fascists were virtually invisible while the Piemontese regionalist party is weak and internally divided. Voting is a civic obligation, but as another friend explained, "I don't vote for any party or candidate, I vote to disrupt. That is all I can do."

Claudio and his friends are not apolitical nor are they completely uncritical of the order of society and their place in it. Their inertia, if it can so be described, comes not from a facile acceptance of a Candidean world but from an abiding scepticism of the political process as it exists. They are suspicious of the claims of the political class and of the industriali alike, but find little attraction in the traditional forums of party or union, much less in church or extra-parliamentary groups. They have abandoned the public world of politics such as it exists. When capital moves -- as some fear it will -- they will follow as best they can.

On a cold rainy March afternoon, I returned to the Bar Popular from the official celebration of Liberation day held in front of the town hall in Biella. The occasion was marked by a small group of elected officials, veterans, and Carabinieri honor guards. In

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speeches made brief by the rain gusted into the portico, they celebrated the birth of the Republic and praised the memory of the Partisans whose lives were lost to make it. A small cavalcade which I did not join then repaired to the principal cemetery to lay memorial wreaths on the graves of the "caduti per libertá" . It was left to an ex-partisan to observe in the final speech that most of Italy's dead fell for Fascism.

Back in the café the air was thick with cigarette smoke and heavy with rock music and the clatter of table football. Enrico, Claudio and all the others were deep in talk and argument, telling tales, in solidarity, below the threshold of the state, in public?

III. The Civic Uses of Crisis

The 20th anniversary commemoration of the great flood of 1968 occurred the fall of 1988, the first year I was in the Biellese. Along with the observance of Liberation Day it is viewed as amongst the most important crises in modern Biellese history. The flood of October 1968 devastated several towns in the eastern part of the province of Biella. Liberation Day of course, marks the surrender in the spring of 1945 of the German forces occupying Italy north of the Apennines, the end of the Second World War in Italy, and the foundation of the Second Republic in spirit, if not constitutionally. It also celebrates that role of Italian partisan forces in achieving this victory, a crucial component of the legitimacy of the post-war republic.

The responses evoked by these two commemorations in the Biellese may help us to understand the role of crisis in Biellesi consciousness socio-psychologically and historically. Disasters play an outsize role equivalent to foundational events and myths.

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Natural disasters are a species of crisis with distinctly different properties than those created by human agency. Their origin in a realm outside of humans agency lends them a neutrality, a space for the re-affirmation of civic and political virtue distanced from the immediacy of conflicting interests, political cleavage, and social division. The memory of human crises in contrast, brings to the fore the fragility of the social terrain and the human practices that both produce and sunder them. However much, "*the* economy" is naturalized (and reified), it is nonetheless indubitably a product of human activity even if made at a very great distance from my Biellesi protagonists. One might say then, that the commemorations of natural disasters celebrate a kind of benchmark, of history-beginnings, while the commemorations of human crises acknowledges the inescapability of being in history.

The Biellese is a compact region, now a province, at the base of the Alps situated equidistant from Milan and Turin (See **Figure 1**). As noted above, the city of Biella and another 90 some communes have a combined population of approximately two hundred thousand inhabitants. The region is an industrial district dominated by small and medium-sized family-owned firms specialized in the production of woolen textiles. It is amongst the oldest industrial districts in Italy with a factory system dating to the 1840's, although pre-industrial cottage production of woolens dates back to the Middle Ages. The institution of factory-based manufacture in the 19th century brought forth a militant working class with dis-empowered domestic weavers at its core. Indeed the first successful industrial strikes in Italy were conducted by Biellese workers over work rules and the length of the working day. The region remained at the center of Italian labor

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struggles with factory owners even if it was overshadowed in the 20th century by worker militancy in Milanese and Turinese heavy industry. The region was also a center of partisan activity from mid 1943 to 1945 reflecting both the militancy of its workers and the proximity of a mountainous sanctuary from German occupation forces. Thousands of Biellesi died in the last two years of the war in battles with the occupying forces or after being deported to German concentration camps. While strife between workers and factory owners has been muted from the early 1980s to the present, post-war struggles produced waves of strikes and factory occupations in the years preceding the middle 1980s.

The political economy of textiles is exceedingly volatile. Business cycles and product cycles are sharp and steep. Colloquially, when things are good for the Biellese, they are often very good. But there is rarely a gradual softening of markets, most often they go bad suddenly and precipitously. Biellesi can enumerate all the post-war "crisi", such as, the loss of middle eastern markets to Asian competitors, or the down-turn in the 1960's that sent the Rivetti's vertically integrated mills into receivership, and the family fortune (and prestige) crashing into ruin. So crises, crisi, are accepted as an inevitable if deeply unsettling part of life over and above the often remarked penchant of Italians to apply "crisi" to everything from personal problems to cosmology (v. LaPalombara 1977). One might almost say that the Biellesi measure their lives, and historical time by crises.

While Biellese party politics and government have cleaved in most respects to the "partitocracy" (with its essential dependence on "crisi" as a modus operandi), several local particularities are worth noting. Biellesi have traditionally maintained a strong

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identification with their village or town of origin in a pattern of regionally based identity common in Italy. Coupled with relatively low rates of emigration and immigration, this has manifested itself (over the last century of industrial production) in webs of kinship and marital relations that cross-cut class and political cleavages. The predominance of family-owned firms has meant that elites are predominantly local in origin, embedded in relations with commoners. While Biellesi readily recognize their own and others' class position (e.g., classe operiao, classe dirigente, industraili) they are likely to have kinship networks that contain relatives in all of them. In the late 1980's for example, the leader of the Communist party (now the Democratic part of the left) was a Sella, also the surname of the most powerful elite family in the Biellese, owners of the major regional bank as well as numerous other properties and service firms, and to whom the Communist Sella was directly related. Finally, owing to the aforementioned volatility of textile markets and the relative ease of entry of firms, some workers transit to firm ownership and some owners fail and revert to worker status with relative ease and not inconsiderable frequency.[11] The social and political terrain then can be murky - independent of the complexity of political party allegiance and inter party competition. People routinely and happily told me that the Biellese is a tight, enclosed society: "Una società chiuso, Cris, è proprio chiuso."

In late October of 1968, a period of unusually heavy rains in the region that already enjoys about the highest average annual rainfall in Italy precipitated a flood. The terrain of the pre-alpi Biellese is characterized by ridges and peaks rising to over 2000 meters over a distance of less than 20km from the Pianura. The mountainous mass is

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intercut with steep and narrow river valleys, the gradient of the rivers flowing down to the Po having provided the motive power for 19th century factories. On November 2, 1968, a wall of water over ten feet high on the Torrente Strona ripped through the town of Valle Mosso, coursing through factories, and literally tearing the looms, combing, carding and spinning machinery from them. The damage in Valle Mosso and to a lesser extent in other towns in eastern Biellese destroyed or damaged over 500 businesses, cost the lives of fifty citizens, and did immeasurable damage to other property, livestock and vineyards.

The 20th anniversary of this event saw an outpouring of civic sentiment. Local papers ran special supplements describing the trauma while local mayors, juntas and worthies dedicated plaques and monuments commemorating it. Graphic photographs of the destruction were counterpoised with photographs of shining new factories and houses. The young workingmen and women with whom I spent a good deal of my time remembered fleeing with their parents to higher ground as water rose in houses to five and more feet of depth. While these youth remembered the dislocation as an adventure, their parents recalled their terror followed by demoralization in the wake of such impersonal and powerful destruction. But the newspaper and magazine accounts emphasized certain features beyond the recounting of the disaster itself. The flood coincided with heightened tension and struggle between industriali and workers in the region and all across Northern and Central Italy. Later the period was to be called the "Hot Autumn" (Atumno caldo) ushering in the years of lead (anni di piombo) of right and left wing political mobilization, struggle and violence. The confessional press (two local papers Eco di Biella and Il Biellese, one reflecting the DC, the other the Partito Liberale,

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the party of the great industrialists) as might be expected, emphasized the capacity of workers and management to suspend struggle in order to reconstruct in the wake of the disaster. These sentiments were not lacking from the progressive (e.g., communist, proletarian democracy, and green (Lista verde) press). The left-green monthly (originally Biella Proletario, now Biellasario) emphasized the lessons that should have been learned by all Biellesi — that poorly controlled development, improper zoning, and upstream deforestation contributed to the severity of the disaster. Some of the accounts emphasized the enforced modernization of many factories as an unintended but beneficial consequence of the disaster. But all noted, in one way or another, that being Biellesi had to take precedence over the real divisions that existed between workers and factory owners

Liberation day the following spring was in sharp contrast, a more muted and ambivalent commemoration. The observance occurred on a blustery day, grey with driving rain that gusted into the arcade of the municipio where the mayor of Biella, flanked by veterans both of the partisan and the fascist army, and a gaggle of junta (city council) members and political figures stood. Liberation Day, as I noted at the outset, symbolizes the legitimacy of the Republic earned with the blood of the partisans. If it has been to a great extent traduced through hagiography and the historical fact that the dominant party in post war Italy (the DC) had very little to do with the resistance, this obscures a deeper problem, the reality that many Italians were as actively or passively supportive of Mussolini's regime as were ever opposed to it. Not only does everybody know this, but in Biella (and other towns in north and central Italy) where from 1943 to

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1945, the conflict was as much between Italians as against the German occupiers, this knowledge is palpable and concrete. Families, friends and neighbors are aware of who did what to whom even if this knowledge is submerged in melancholy memory. The reality is that most people were deeply compromised during the war for, after all, one had to live in those times under the regime of the Germans and the Republic of Saló, a difficult process even before the very hard winter of 1944. The reality of living in an occupied country is that few can afford selfless and heroic resistance; passive collaboration is a fact of life, in the realm of necessity.[12] Somewhere around 10,000 people died in partisan warfare in Piedmont, Lombardy and Val d'Aosta between 1943 and 1945. More were deported to Germany in forced labor. A locally raised infantry division was destroyed on the Russian front in 1943 (near Stalingrad) of whom less than 300 survivors returned. Only in the middle 1960's did many elderly Biellesi learn of the fate of their sons two decades before. If they are still un-consoled, many can take pride nonetheless in their neighbors' certificates of appreciation, signed by Field Marshall Harold Alexander (Allied commander in Italy in 1945), for aiding soldiers and Jews to escape to Switzerland.

The speeches on Liberation day 1989 extolled the virtues of the Republic and praised the heroic efforts of the partisans who had purchased its liberty with their blood and lives. One is constantly reminded by monuments, the names of streets and piazzas names that the martyred for liberty are the basis of the Republic's legitimacy. It was left to an old communist partisan to observe that most of Italy's war dead died for Fascism but must be remembered, their deaths mourned no less than the deaths of the partisans.

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The commemoration of these disasters obviously evokes painful memories, whether the disaster is of human or "natural" making. For both threatened the social fabric through its disruption by events, loss of lives and the emmiseration of the living. No less obvious is the apparent neutrality of "nature" that allows the suspension of cleavages in the face of a greater threat to the community and polity in contrast to the heightened conflict of crises of human making, and hence in their commemoration. Crisis causes a rupture that is more than the sum of its physical effects for it interrupts the sense of the continuous flow of time; intervening in the flow of human affairs and dramatically sets apart the "before" and the "after". But where "natural" disasters as crises clearly separate the past from the future, human engineered crises, at least in this case, do not. It is no wonder that crisis is the central trope of modernity.

IV. Local contradictions

Biella on an early October afternoon of 1988 was thronged with crowds walking the cobbled streets of its central business district. On market Wednesdays they ebbed and flowed from the Plaza of the Martyrs for Liberty, jammed with food and merchandise stalls, down the narrow cobbled streets of the 'old town', the central business district. Business men in somber suits, women in fashionable town clothes, infants in luxurious perambulators, adolescents dressed in university sweat shirts and shod in Reeboks and heavy Timberland lugged-sole boots, and workers and shop clerks in their white coats or monos, the blue or brown overalls of the factory, eddied and flowed between exquisitely fashionable shops. Shop windows adorned with elaborate displays of pastry and prepared

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foods vied in color and opulence with boutiques displaying the latest Milan designs, lingerie, shoes, dresses, and every imaginable accessory. In the travel bureau windows, posters extolled the beaches and resorts of Thailand, Tunisia, cruises on the Mediterranean, and shopping forays to New York and London. Even the elderly women and men scuttling about with their overfilled plastic satchels seemed the height of fashion, like English matrons and country gentlemen in their heavy coats and three-piece suits. Over and above shopping for food and goods, market day seemed to be an inordinately social occasion: seeing and being seen by others, participating in small trifling discussions, or merely observing and taking pleasure in the social amenities, a formal yet relaxed display of self and kin, gossip and pleasantries, in which Biellesi seemed steeped in the importance of being in public, and being Biellesi. This density of activity was not confined to the old town above the public garden, nor to Biella exclusively, for these scenes and encounters are to be found in all of the major towns of the region -- Cossato, Valle Mosso, Borgo Sesia, Strona, arrayed along the base of the pedimonte and cached in the first folds of the pre alpi Biellese.

When times are good for the Biellese, they are often very good. The industria tessile is a cypher for the health of the bourgeois world of consumption in Italy, in Europe, and across the advanced industrialized world, and even for elites in the developing world. Depending on how one measures Biellese exposure in international trade, the figures vary from 30 to 60% of regional output in exports. The vagaries of exchange rates accepted, this is at least $40,000,000 per annum.[13] When the major fashion houses of Milan, Paris and New York, and London show-case a seasonal collection, they

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have already consulted with Biellesi textile designers and manufacturers months in advance. [14] Biellesi manufacturers are committed to the purchase of materia prima (wool, cashmere, alpaca, camel hair, and synthetics) a year before, and brokers of these materials are committed even further in advance of actual production schedules and delivery dates. Once fashion trends have been established by the couture shows, the pret a porter manufacturers rush to re-interpret designs into merchandise for a larger market. This too has an impact in the Biellese. While many of the most prestigious regional firms such as Zegna and Cerrutti produce their own label(s), they and other firms also produce suiting available to garment manufacturers across the world. The demand or lack of it ramifies from suiting textile and garment firms through a host of specialist intermediate good firms: spinners, weavers, warpers, dyers, cleaners, and in meccanotessile, machine manufacturers and refurbishers, as well as producers and service providers in electronic control and cad/cam. Ultimately, the level of demand nationally and internationally will have an effect on virtually all of the firms in the textile sector in the region. But to assert that market volatility has a dramatic effect on Biellese firms is to identify only a part of its over-all regional impact.

The textile sector (in 1998) accounts for at least 45,000 of the active working population although employment, un-employment and labor-force data should be viewed with considerable scepticism reflecting the region's the incalculable amount of under-employment and, especially, lavoro nero.[15] Employment in other sectors has usually been affected by changes in tessile employment. Until the early 1990s, tiny firms categorized as artisanal producers were exempt from a range of state regulations as well as from

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collective bargaining agreements. This provided both productive and labor market flexibility to manufacturers, although a substantial portion of the artisanal firms were -- and are – not subcontractors but autonomous producers.

The collective bargaining contract is industry-wide reflecting the national pattern of sectoral collective bargaining between Confindustria and the three largest labor unions (CGIL, CISL, and UIL).[16] Regional negotiations between the UIB and the three unions tailor the national contract to local conditions and are the forum for local conflicts. Like most collective bargaining agreements, the national contract covers three to five years depending on the economic conditions and the areas of conflict between capital and labor antedating contract talks. Capital, beyond trying to limit wage increases and concessions on shop floor rules, has always to contend with an uncertain future a paramount element of which is the traditional volatility of post-war textile markets. Labor's position is no less complex and contingent. If the industry has prospered during the course of the previous contract, then workers hope to extract higher wages to recoup the share of industrial profitability foregone under its terms, and engineering a wage increase under the next contract reflecting projected growth in regional industrial profitability. While the basic platform of conflict between capital and labor is familiar throughout the advanced industrialized world, there are, as I have intimated, special conditions in the Biellese and other industrial districts engaged in consumer goods production that distinguish them from other industries – for example steel and automobiles. [17] Markets in the global political economy of textiles don't "soften" the way they tend to do in such consumer durables and producer goods industries. They go bad suddenly and

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vertiginously. This is a knowledge which virtually all Biellesi possess and is one reason why they are so well versed in the language of crisis.

Because of the afore-mentioned long lead times in contracting and production, not all of the industry goes into a slide at exactly the same time. While the industriali might well prefer a synchronization of down-turns with contract negotiations, they rarely coincide. In the fall of 1988, as I have noted, many of the small and medium sized-firms had less than six weeks of forward contracts in October and many workers could anticipate spending the holidays on cassa integrazione.[18] Tax delinquencies increased throughout the winter months as "mom and pop" operations fell behind on local and provincial tax obligations, and the UIB issued a new round of hortatory slogans. Vacation plans were on hold and the weekend exodus to San Remo for some discrete gambling had ebbed. Yet by mid spring, the fears of a more general crisis had eased. Idea Biella and Pitti Uomo, the major industry fashion/trade shows, had gone well and some of the larger firms were encouraging overtime offering the incentive of lavoro nero to workers on weekends.[19]

Less than three years later, the specter of crisis again loomed large over the region. The firms in pettinatura (combed wool), cardata (carded wool) and dyers were in big trouble, although the rest of the industry was reasonably healthy. They were stuck in a cost squeeze between insufficient forward contracts, volatile material costs, and obligations under the industry collective contract that had expired in 1990 but was by default, still in force.[20] The UIB requested a meeting with the unions to see if some provisions of the contract could be stretched-out or deferred. Workers were owed a wage

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increase of some £300,000, the first slice of a larger, multi-year schedule of increases mandated under the terms of the contract. Indeed, more than a third of the affected workers (15,000) were owed a total of £190,000 in three slices. Both capital and labor were in a bind manifest to all the region's inhabitants. The failure to conclude a new contract in 1990 obliged the industriali to come through with the mandated wage increases (under the old contract valid from 1987-1990) even though several sectors of the industry were known to be vulnerable to cost squeezes and diminished forward contracts. In other words, playing "hard ball" in the off and on contract negotiations had not yielded the hoped-for result. Yet the unions and their workers were also in a bind. Unless they acceded to a stretch-out in wage increases, they might well force a number of firms under and would certainly be party to lay-offs amongst their constituents. But being generous and magnanimous did not guarantee any long-term advantage in the face of UIB intransigence in contract negotiations. For both parties, the failure to find a compromise would lead to an increase in regional uncertainty and tension, ramified far beyond the immediate protagonists, themselves. Ultimately of course, wage increases were stretched-out and the basic problems between workers and owners deferred for another occasion.

When the basic conflicts endemic to capitalist societies become too pronounced, capital and labor step back from the brink. They have all been there before and many remember the agonies of deep division and even of tragedy that abide as landmarks in the local and regional history. The UIB issued a new spate of hortatory slogans and workers invoked their solidarity not only against capital, but also against the forces of nature and the German occupiers so many years ago. Biellesi invoked being Biellesi and how that

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transcends everything more parochial. Attention returned to mushroom festivals and sports teams. On market days, people paraded in their best, dandled infants, bought locally grown rabbits and complained about the price of artichokes. The few remaining goat and sheep herds moved up to summer pasture, the shepherds trumpeting the wonderful "Urrumphs" of Piemontese as the admiring onlookers say to each other, "We're Biellesi, continentals. We've always been Biellesi and we stick together."

Ultimately, capital and labor muddled through, agreeing on a stretch-out on the wage increases. But a new contract was not to be devised for several more years by which time, the conditions had changed yet again. A di moda la crisi.

V. The Rivetti Gate

Just three block east of the Giardano Publico on the steep bluff above the Torrente Cervo with the Cerrutti works wedged between the bluff and river below it, is the most impressive monument in the city of Biella: the Rivetti gate. A brick arch connected to the adjoining building presents a sold 19th century industrial architectural facade to the street. But this fine portal leads nowhere, for there are no buildings within the notional court it once defined. It is all that remains of the Rivetti factory complex. Once one of the most prominent and prosperous fully-integrated wool firms in the region, a product of the great expansionary phase of industrialization in the 1880s that saw a new generation of entrepreneurs of working-class origin muscle their way into a previously aristocratic domain, Rivetti collapsed under the impact of national recession in the mid-1960s. In this crisis, as Richard Locke (1989: 139-40) notes, of six firms in the region that employed

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between 500-1000 workers and one that employed more in 1970, by 1979 only one remained.

The Biellese exhibits its industrial past no less than the Romans' imperial past is evidenced in cities and towns from Val d'Aosta to Vercelli across the North. On the ridges below the Monte Bo that separates the Biellese from the Alta Val Sesia, one can find abandoned hamlets, a few stone houses and barns perhaps occupied in summer by one of the few remaining shepherds in the region. They are testimony to the great Alpine de-population, now virtually complete, that began in the late 18th century. Further down, in Camendona for example, is the shell of an early water-driven mill. As Claudio pointed out to me, one can date both industrial and domestic architecture by the proportions of height to width. The Camendona mill has narrow floors, three in number, supported by heavy, high arched pillars. Modernity lowers ceiling height and increases floor dimensions as reinforced concrete permits greater unsupported spans. The Sella works along the Cervo at Biella echo the longer, narrow and high austerities of the hill town mill buildings and suggests the grand proportions of the now absent Rivetti works. In the city itself, in Valle Mosso, Strona, Val Sesia, and other towns at the pedimonte, mill architecture reflects the later 19th century "international style" pioneered by English and then American manufacturers: a gated court giving onto a U-shaped arrangement of shops, warehouses, and production facilities.[21] Early 20th century architecture introduced the now classic wide and low structure of a single floor, roofed with triangulated dormers to admit day-light and improve ventilation. The wave of building in the post 1979 boom that locationally embodies the process of both renewal and pianurazzazione are typically

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also long and low. But they are space frame construction usually of covered with corrugated steel panels or pre-cast concrete. [22] The same wave of renewal that caused the destruction of the old Rivetti works save for its massive gate, saw the destruction of four square blocks of mill buildings across from the public garden. An overflow parking lot from the late 1980s into the early 90s, the site now holds an Essa Lunga shopping mall with a banking, office, and apartment complex that echoes to some degree, the factory buildings it replaced.

More difficult to identify for they blend with domestic architecture and myriad of machine, repair and retail buildings, are the small firms that comprise the numerical majority of the modern Biellese wool industry. Perhaps one example will illustrate their submersion and in the city and town scapes. In 1991, I resided for a few months near Benna, some 8 kilometers below Biella, in the hamlet of Verrone, a town on the boundary of the pianura. At its southern end begin the rice paddies, although a Lancia parts plant sits incongruously amongst them. Verrone also has a modern sub-division (largely for upper managers in area industry) as well as several smaller mixed farms. Some of the modern mills, warehouses and a few older (1950s vintage) factories line Route 230, the highway to Vercelli. Walking up to the center to place telephone calls, visit the shop for supplies, or to go for coffee in the evening, I passed on the winding lane several of the large, three story house compounds typical of the region's towns and hamlets. One expected to hear sounds emanating from the court yards: children's voices, chickens squawking, agricultural machinery, women conversing at their domestic tasks or hanging laundry. But only after several weeks of daily perambulation did I connect the low whir

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and click in one neighborhood with its source. Looking through a small, barred window (courtesy requires a circumspect nosiness), I was able to see a five meter bank of spinners operating in what once had been a barn or some other outbuilding. It was only intermittently tended by whatever women or men were about. They must have had some electronic signal in the house to indicate a stoppage, for the inhabitants went about their other tasks (which included working land outside the village) except when bobbins had to be changed or a thread parted. Otherwise, the machines marched back and forth across the floor in Taylorian solitude as if some 21st century robot had become the soul of an 18th century farm building.

While the small and tiny shops that comprise a substantial part of the Biellese industrial district are not always as covert as was my neighborhood factory, their architectural indistinction as well as their spatial dispersion across the majority of the 96 municipalities of the province, suggests an ethnographic and methodological difficulty that architectural proserpography escapes. How does one study an industrial district?

Alfred Marshall (1919) who named the phenomenon of an agglomeration of small and medium sized firms in the same or closely related production, operating in webs and nets of cooperation and competition as an "industrial district", was thinking of Midland cities in England such as Sheffield and Birmingham. Perhaps in a city-based industrial district such as Prato or Brescia, one can take a few firms as representative of the whole complex, trace out the relations between firms, their workers (who are likely to live in the same neighborhoods) and, hence, construct an analogy to the classical village community studied by ethnographers. It may even be possible to choose a neighborhood that

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contains both residential and productive locations as a synecdoche. Indeed, were I able to return again to the Biellese (as I hope to do), I would attempt to further this study by pursuing this strategy, knowing what I now know about the region's history and formation. But the Biellese, on account of the dispersion of its activity across a compact province, presented novel problems for a novice ethnographer.

The title of this work suggest some of the dimensions of the problems I faced in regard to a conventional community study. While my initial plan had been to study working-class political culture, both the times of the late 1980s and the particular phase of production organization in the Biellese rendered this too formidable a task. For in the absence of heightened conflict between capital and labor such as had been the case a decade before, class cleavages in these small towns and firms are infrequently salient. One approach then, would have been to examine how elites suppressed or excluded a range of working-class interests from emerging above the political horizon (v. Low-Beer 1978; Gaventa 1980:1-32; Habermas 1986). This would however, have privileged the study of larger firms over the mass of small and tiny firms in which owner/manager-worker relations are far less clear-cut. It also would have required a greater focus on political parties as institutional entities which political scientists have already done quite effectively (e.g. Golden 1988; Hine 1993; as well as the older works such as Tarrow 1977; LaPalombara 1987; cf. Kertzer1980). Part of the Biellese's attraction was that it did not fit the model of large industry always thought to typify the Iron Triangle. While it was not clear to me initially that the Biellese was not under going de-industrialization, I was soon disabused of this view. What gradually became more salient, as I became more

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familiar with the region and was instructed by a widening circle of friends and acquaintances, was that the current manifestation of the industria tessile was only the latest in a succession of complexes of organizational forms dating to the middle ages. In this sense, the industrial production of textiles combining tiny, small and medium-sized firms was the latest phase of a cultural-historical and political economic process in which Biellesi sought to maintain a form of life revolving around the production of woollen cloth, the vicissitudes of which continually worked on that form of life. I came to believe therefore, that I could not place class struggle at the center of the explanatory framework but as one of several axes along which social process is enacted.

I came to the belief that I would have to represent different aspects of this cultural process ranging from the institutional perspective (e.g. political economic, industrial-organization) and diminishing in scale and scope to firms, families and, ultimately, to individuals. Hence, the rather unwieldily structure of this work that counterpoises history with ethnography, and regional geography with industrial organization as an attempt to represent an industrial district ethnographically in terms of the past, present and future. The workers and shoppers who daily pass through the Rivetti gate may only be subliminally aware that they are transiting between this complex past and an equally problematic future.

V. The Biellese industrial district and the global political economy of textiles.

The production of cloth holds a privileged place in political economy and in the history of the development of global, modern industrial capitalism. No other use item,

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commodity, necessity or luxury good spans the millennia of human existence so continuously and constantly, at least since its apparent origins in the upper paleolithic some 40,000 years before the present. Nothing else so quotidian has the capacity to be invested with so much meaning and so many meanings simultaneously. [23] But beyond its capacity to signal, signify, and crystalize meanings, cloth-making played a central role in the industrial revolution. It is perhaps *the* trope for all the social, technical, and political economic transformations wrought over three centuries; first in Europe and ramifying across the globe. Pre-industrial craft production drew upon both men and women as skilled crafts persons and, hence, the re-organization or outright destruction of craft and cottaging is always a signal series of events or multi-skeined processes of transformation. The application of mechanical energy to textile manufacture in early modern Europe too is synecdotal of the broader trends in engineering and applied chemistry that are part and parcel of industrialization. The rational organization of labor for production and accumulation embodied in firms and their factories also crystalizes the broader trajectories of capitalist development. So too, the creation of markets driven by production rather than responding to demand occurs early on in textile production, captured under the rubric of fashion.[24] Finally, the globalization of production linking widely geographically dispersed centers of production in commodity chains is almost, pioneered in textile production. The Biellese to a greater or lesser degree manifests elements of all of these centuries-long processes. The present-day Biellese is one small but not un-important kernel in the global textile and clothing industry. In order to understand the place of the Biellese in the global industry and to trace out the trajectory

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of its development requires some sense of the industry as a whole.

Western Europe and five East Asian countries (China, Hong Kong, Japan, South Korea, and Taiwan) accounted for 78% of world textile exports, valued at about $77 billion in 1989 (Dicken 1992:237-9). Exports from these two regions accounted for about 26.5% and 33% (including Thailand) of clothing exports respectively, in the same year (Ibid:242-3) with an estimated value of $72 billions. The Italian share of cloth and clothing exports in 1989, was 8% (cloth) and 9.5% (clothing) valued at approximately $8 billion and $9.5 billion, respectively(Ibid:237-44). Italy along with Portugal and Greece, was the only Western European country to maintain a positive balance of trade in the textile-clothing sector, but Italy's exports dwarf the latter two by a factor of 4. The U.S. by comparison accounted for only 4.5% of cloth and only .5% of clothing exports in 1989 and had a negative balance of trade in the sector of nearly $24 billion (Ibid:237-44). These data should correct the prevailing picture that cloth and clothing manufacture have completely fled the OECD countries for Asia and the developing world, although it is evident that Southeast Asia and now Central America and some African countries have an increasing share. The U.S., which was never a significant exporter of either cloth or clothing, has seen its small share become minuscule. The diminishing importance of textile and clothing manufacture in the U.S. reflects loss of market share in a huge domestic economy. Thus it is important not to universalize trends in U.S. industry and the domestic market; important regional and cross-national differences exist.

Another frequently accepted characterization of the textile/clothing sector is the belief that the sectors exhibit a high degree of economic concentration even though

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production is now widely dispersed geographically (Fröbel and Heinrichs 1980; Bonacich, Cheng, Chinchilla, Hamilton, and Ong eds. 1994). The characterization of the modern trans national corporation (henceforth, TNC) in the textile/clothing sector is a firm (more often a holding company) that coordinates different phases of production while owning little or no productive capacity itself. Perhaps the U.S.-based Liz Claiborne corporation represents an extreme of the stereotype. Claiborne is a mid-priced women's apparel label sold primarily in the United States through both independent retailers and large department store chains (e.g. Mays). Claiborne owns no production capacity itself. Rather, it has a design staff that interprets haute couture into mass-market pret a porter. Designs are transmitted to its brokers in Hong Kong and Singapore who, in turn, sub-contract each phase of the production process while LC coordinates distribution (without even ware-housing the products (v. James Lardner TNY 1988)). Alternatively, producer good textile companies in the U.S. and the U.K. have sought to use size and scale to lower the cost per unit through continuous process manufacture combined with concentration. Peter Dicken (1991: 252) notes that as of 1989 the U.S. counted nine of the 20 largest textile companies in the World, Japan five, and the U.K. two. Italy in contrast has only four firms in the top 50 but none in the top 20. We can draw a rough distinction between the U.S., Japan, and the U.K. and Western Europe on the basis of degree of concentration in the textile sector. Japan and especially the U.S. exhibit considerable concentration in the textile sector while most of Western Europe is characterized by a relatively low degree of concentration. Garment manufacture, the examples of Benetton, Liz Claiborne or Levi-Straus not withstanding, exhibits a fairly low degree of

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concentration cross-nationally and globally. But Italy is distinct from much of Western Europe as well as Asia and the U.S. with only Germany exhibiting salient similarities. The Italian economy is characterized by a small number of TNCs in heavy industry, power generation, insurance, and consumer durables. Otherwise, cross-sectorially, the economy exhibits large numbers of medium, small and in some cases, tiny firms usually characterized by low capitalization and small market share both domestically and in export. Measured by net annual sales (fatturato netto), only two textile firms made the top 100 Italian firms and both are artificial fiber producers (IM 2/11/87:32-3). [25] The largest firm specializing in woolen production, Marzotto Manifatture Lane, ranked in 1987 119 in net annual sales and 95 in capitalization (IM 2/11/87: 36-7). Benetton, the trans-national apparel chain ranked 47 by net annual sales and 115 by capitalization in 1986, although it has probably grown in the intervening decade. Only one other primarily or exclusively apparel producer or producer-retailer was in the largest 250 Italian firms in 1987. Gruppo Finanziario Tessile (GFT), a manufacturer of designer mens' wear that briefly became the darling of the Harvard Business Review set before imploding from over-ambitious expansion in the mid-90s, ranked only 99 by net annual sales in 1986 (IM 2/11/87: 131; HBR 10-11/91: 28-44).[26]

A third area in which a stereotype confuses the picture is the all important issue of labor cost. Here again, it is useful to distinguish between the textile and clothing (or apparel) sectors of the industry. In the textile sector over the last half century most of the unit production cost reduction has been derived from automation and increasing the efficiency of existing technology. This has decreased the labor input per unit of

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production. But it is important to note that there have been no major breakthroughs in the technology over the last century, only incremental improvements. Cost control in labor, then, has generally meant reducing the number of workers required in each phase of production and increasing the number of machines that a worker can effectively manage. Garment production in contrast, involves an ineluctably large component of human labor. The strategy of garment producers then, has been to seek out the lowest cost labor available. But this simple dichotomy masks internal variation in both sectors. It should be noted that the market niche for which a product is intended has an impact on the willingness and the capacity of the manufacturer to absorb higher labor costs per unit. Dividing the market for both cloth and garments into high, medium and low price categories permits an over-simplified but useful gauge for labor cost elasticity. The high-end market requires small-batch runs to meet changing fashion trends. Because the price point at which a garment will be sold permits a very large mark-up all the way along the production process, a large input of skilled labor can be absorbed. Thus both high-end textile production and high-end garment assembly, especially for the EU market, remains centered in the OECD countries. [27] The medium price point is a much larger market and, hence, rewards efforts to move towards continuous process manufacture as much as it is possible. The afore-mentioned Liz Claiborne and Benetton both seek out low labor cost areas for assembly of garments: East Asia and Eastern Europe, respectively. The mass market (low-end) garment producers privilege cost above all else as unit-profit margins are inevitably thinner than in the two other categories. But it should also be noted that different kinds of garments are more or less amenable to cost-squeezing across market

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price points (at the wholesale end). The more standardized a garment's sizing and construction is, the more amenable its construction is to cost reduction through the search for low cost labor (Phizacklea 1990:37). Men's garments vary less in style and construction from year to year (as do under garments) and are thus more easily out-sourced to low-wage regions. Women's garments change more frequently and thus, at least at higher price points, may reward the retention of assembly closer to core regions and their markets. The point to be drawn is that the global industry is not homogeneous globally and therefore, that gross generalizations about the sector should be made with caution. While it is true that much of the global textile-apparel sector is characterized by the incessant search for lower labor costs, this is not uniformly the case.[28]

Textile and garment production is spread throughout Italy but it is overwhelmingly concentrated in the North and North-Center. A number of the regional centers of textile production have been important at least within Italy, since the 12-13th century: Prato-Florence, Biella, Bergamo, Como, Milan, the Cunese (south/south-west of Torino). Other areas such as the Veneto experienced a long hiatus between the 16th and later 19th centuries. A few textile industrial districts are the product of modern technology and chemistry such as Carpi's (Emilia-Romagna) specialization in synthetic fibers, especially hosiery. The Italian wool industry is overwhelmingly concentrated in just two provinces: Prato and Biella, although there are important manufacturers in Lombardia and the Veneto as well.

The Biellese as the province of Biella is commonly called, is virtually an industrial mono-culture in textiles. The UIB ([1998] ui.biella.it/ita/sistema.htm) estimates

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that there are currently 5,000 unitá locale produttive (production units) with about 45,000 workers in the textile sector. The textile sector includes all the processes associated with producing cloth, garment production, and textile machinery production and maintenance, called meccanotessile. These 5,000 production units (or discrete locations) are distributed amongst the 96 commune of the province, although they have become concentrated along the pedimonte since the 1960s. Data from the 1985 census provides a good picture of the size and type of firms operating in the province as of the mid 1980s. These data are somewhat deceiving because firms can be counted in more than one category especially between the textile and apparel sectors.

Figure 2. Firms by Sector and Number of Employees[29] (1985)

Sector	# firms	# workers	$\bar{x}$ workers per firm
Tessile	3526	45548	12.91
Abbigliamento	685	50033	73.04
Meccanotessile	470	4429	9.42
Total	4681	96051	20.51

Furthermore, they are for the province of Vercelli that until 1993, included the Biellese. None the less, the figures are striking. The average number of workers per firm is less than 21. The relatively small if not tiny, size of firms measured by the number of workers is reflected even more starkly in **Figure 3**. Even allowing for a range of other industrial activity in the province, there are very few large firms (6) in the region of which two are in the Biellese. If those firms are subtracted from the textile and apparel sectors, firm size as measured by employees diminishes further.

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Figure 3. Firms Size by Number of Employees in 1985 [30]

(Province of Vercelli, includes all industrial activity)
F = firms W = workers

1-9 workers		10-49		50-99		100-499		500+	
F	W	F	W	F	W	F	W	F	W
6502	16170	948	18065	134	9212	106	20922	6	4839

Some measure of the density of tiny or artisanal firms can be achieved by noting that 96% of all industrial firms in the Province of Vercelli (in 1985) employed less than 50 workers and fully 84% of them employed 9 or fewer workers. By the same token 25% of the workforce was employed in firms with 9 or fewer workers and a full 53% of the workforce was employed in firms with 50 or fewer workers. The same census (ISTAT 1985: 2-3) counted 2397 firms directly engaged in one or another phase of wool textile manufacture (class # 431) while fully 70.5% of these were classified as artigiani. The artisanal firm was until the early 1990s, a legal category that permitted establishments of less than 15 workers but usually less than 10, exemption from both the collective contract and from the social contribution. Similarly, manufacturers of maglia, maglieria, and calze (underwear, knitwear, and stockings (class # 436)) numbered 444 establishments of which 74.5% were classified as artigiani. Similar distributions exist for the other sub-classes of textile manufacture. The province of Biella then, is a veritable rabbit warren of industriousness in textiles, garments, and textile machinery.

The distribution in size and type of firms in the Biellese could easily lead one to suspect that the region's economy cleaves to the classic pattern of dualism whereby two

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labor markets exist driven by a small developed industrial sector and a much larger sweatshop sector.[31] Such dual labor markets typical of Singapore and Hong Kong in the 1960s through 1980s, of New York at the turn of the century and now, increasingly, again in the 1990s and often though to characterize the Italian industrial sectors. The Biellese does not conform to this stereotype.[32] Official unemployment fluctuated around 4.5% for the 1980s, and historically has been low in comparison with the national average. Real unemployment is undoubtedly higher, reflecting the vagaries in how the unemployed (and employed) are counted and the existence of a small population (200-400 in 1988) of immigrant extra communitari, mostly North and West Africans.[33] Under-employment is amongst the young, probably higher than the provincial figures indicate. Amongst my group of friends, 3 out of 25 were not employed full-time. Were this to be representative of the provincial population of men and women between 18 and 25, it would render a youth un- and under-employment rate of close to 24% and consistent with data for Settontrional Italy (v. Note 33).[34]

Wages and working conditions covered under the various collective bargaining contracts (contratti collettivi) that govern the textile, clothing and textile machinery sectors are complex and it is difficult to arrive at general statements about wages. However, given that qualification, the base hourly rate for the lowest of the seven categories of worker (operaio) was £8578 (about $5.84 when calculated at £1500 = $1.0) for the year 1990, under the contract covering April 1,1987 through December 1,1990.[35] The UIB (1996:73) estimated the cost of labor in 1987 at £ 16,250. increasing to £20,560. by December 1990. The discrepancy reflects several factors. The collective

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contract stipulates basic hourly wage rates of which the figure cited is the lowest category while the UIB data includes all the employers direct costs averaged for all hourly workers Some parts of the industry pay on a piece rate (lavoro a cottimo) basis. Piece rates have to take into account how production is organized (i.e. is it part of a continuous process or a stand a-lone activity) and provide for the negotiation of expected hourly production between management and workers. The rate per piece cannot be less than 7.5% of the base hourly wage rate for the given category of worker (Industria della lana, Contratto Collettivo1987-90: 47-9 (henceforth, IDLcc)). A category 7 worker could expect to earn a base weekly rate of £741,000 per 40 hour work week in 1990 (about $494 at £1500 = $1.). Overtime is paid at various increments of the base hourly rate.[36] Management and other white collar workers are covered by different collective bargaining agreements. Comparison with U.S. wage rates is not straight forward because Biellese workers receive a minimum 6 weeks paid vacation per annum, accrue national pensions and receive nationalized medical benefits (reflected in employer's direct labor cost (v. **Figure 4**, Appendix A for 1980-1995 direct labor costs)). Workers are entitled to paid sick leave and women are entitled to paid pregnancy and neo-natal care leave. There are also various oddments built into the contract that schedule bonuses over the life of the contract. Finally, it should be noted, average wage costs in the Italian (national) textile-apparel sector are in the top tier (slightly below wages in Germany).[37]

The big question then, is whether artisanal-scale firms manage to pay lower wages. The simple answer is that some must pay lower rates if only because they can easily employ off-the-book workers (lavoro nero). The easiest way to pay a sub-standard

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rate is to not officially pay kin at all. This is possible in tiny family establishments where machine-tending is one of a bundle of activities including domestic work, that go on simultaneously (v. Chapter III on family resource pooling). But it is also the case that large firms will pay regular workers to work overtime in lavoro nero which saves the worker taxes and the employer both taxes and the social contribution. The flexibility permitted to artigiani should not however, be interpreted as a cover for sweat-shopping. Many of the artisanal firms are covered under their own collective bargaining agreements.[38]

Furthermore, given both the fairly tight labor market in the Biellese and the fact that most work in tessile requires skill and training of a fair degree, I think it is doubtful that artisanal firms can be considered a part of a dual labor market aligned against small, medium, and large firms.[39] Additionally, the ease of entry and exit in the artisanal and micro-firm sector most likely inhibits the any tendencies towards a dual labor market. The legislation that required artisanal and micro-firms to start paying the social contribution (1992) further diminished any advantages duality might confer on employers. Finally, as subsequent chapters will show, the Biellesi working class has had a century of experience with the industriali (as have industriali with workers). Little in the way of systematic, exorbitant exploitation could long survive un-noticed or un-challenged.

The industria tessile, abbigliamento and meccanotessile in the Biellese then, is a complex set of relations between workers and entrepreneurs, between firms of different sizes undertaking different phases of the manufacture of thread, yarn, cloth, clothing and

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textile machinery. These activities are situated in a geographically small region containing a small population that, if not homogeneous, is characterized by a high degree of regional endogamy. Kin, family, and marital ties connect people across class, occupational, and geographical boundaries in ways that partially confound the conflicts they experience as workers, entrepreneurs, and capitalists. But neither is the industry nor its workers, entrepreneurs, financiers caught in a static and fixed set of social and political economic relations. Three quarters of a century after the end of the Second World War, Biellesi can look back to tumultuous times, crises, that have repeatedly changed the ground on which their collective and individual livelihoods and fortunes have been made, sundered, and made again. They can look backward to the huge mills that are now empty or reused for small firms, reminders that the configuration of industrial society is, itself, contingent.

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1.Published by the Fondazione Sella over several years in the 1970s and 1980s. Fondazione Sella is the creature of the Sella family which controls Banco Sella, the second largest private bank in Italy.

2.The work week is Monday to Saturday. Five days, the hours are from 8-12 and 2-6 PM. Saturdays are a half day.

3.See Ramella, 1983:X; Berta 1978. "Dalla manifattura al sistema di fabbrica"Storia d'Italia. Annali 1.

4.The minimum monthly pay packet in a union shop is just over 1.2 million Lira, about a thousand dollars, but the value of the packet is enhanced by government subsidies for children, housing, healthcare, etc.

5.Rene Char, a French resistant and poet made this remark in 1945. v. Arendt 1968.

6.The cost advantage enjoyed by Asian producers over the EC is huge. For example the dollar cost per kilogram of cotton shirts to be sold (wholesale) in the US in 1991 was: EC $40 per kg. Hong Kong $25 per kg. Indonesia and China $19. Per kg. (EC 12/07/91). The current Asian financial crisis in 97/8 will likely to have widened this gap substantially.

7. By the middle 1990s Loro Piana, Piacenza, and Zegna had operations in Mongolia, Zegna Baruffa was licensing extensively in Hong Kong and Singapore, earlier, in the mid and later 1980s Loro Piana had purchased mills in Connecticut and Rhode Massachusetts. Several firms had purchased holding in North Carolina (upholstery fabrics). See NYT (2/03/96) "A Place Where Molto is Bello", Harvard Business Review (vol.69, #5 (Sept-Oct),1991, and my own notes.

8. Young women in the Biellese also do not view machine minding as a desirable career. An August 1986 survey of recent graduates (scuola media superiore) found that only 17.8% of women graduates desired to work in factories (azienda). Social mobility and desirable careers are seen to come through further education. See "Le donne non ammano l'industria" (IB 26/08/88).

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9.Piemontese is a neo-Latin language that stands in relation to Italian and French much as Catalan does to Spanish and French. Now rarely spoken, it was once the prevailing dialect in Piemonte before unification selected Florentine dialect as "Italian". See Guilio Lepschy (1990), Tulio de Mauro (1996) There have been efforts to revive it (the Piemontese autonomy party favors it)

10. The preponderance of a fairly limited set of surnames testifies to the region's homogeneity. Family names are usually associated with one or two villages (or hamlets) or towns in the region, sometimes evening being the village or hamlet name. For example, a hamlet of the town of Quittengo is Albertazzi, the name of the (then) mayor (sindaco)of the town.

11. I do not have firm entry and exit data for the textile industry alone. Furthermore, UIB and provincial data do not reflect unregistered businesses conducted by individuals. None the less, the province showed a net loss of 151 registered businesses in 1986, a gain of 96 in 1987, a gain of 1 in 1988, a loss of 173 in 1989, and a further loss of 290 in 1990. (UIB 1996:44).

12. The re-appraisal of life in occupied Europe especially in France in Italy, has been a public and painful process. For Italy, see Claudio Pavone (1991), for France (amongst a wealth of material) see, Tzvetan Todorov (1996)

13. Regional output estimates vary considerably and are useful only as a approximate measure of gross domestic regional product. Total output in 1991 was estimated to be about 6,000 milliardi Lira (LS: 11/7/91).

14. The lead-time for a textile manufacturer is about 18 months in advance of the seasonal collection (e.g. fall, winter (resort), spring, summer).

15. The current UIB estimate of regional unemployment is 5% against a national average of 12% (OECD = 12.3% (EC 11/14/98).

16. There is a collective bargaining agreement for the wool industry that includes felting and several other materials. Textile machinery production and repair is I believe, covered under the metalmeccania collective bargaining agreement.

17. These differences are over and above the thin capitalization typical of firms in the Biellese and across the spectrum of small-to medium firms in Italy.

18. Cassa Integrazione, a product of the Statuto di Lavoro of 1975, is the Italian version of unemployment compensation, although it operates quite differently from the U.S. system. Cassa integrazione allows industries to lay-off workers who then receive about 80% of their normal pay. Industry contributes but the majority of the fund is underwritten by the state (Furlong: 1994: 249 & passim).

19. Idea Biella (Como) and Pitti Uomo (Florence) are annual trade shows.

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20. Primary material supplying countries (China, Mongolia, Australia, New Zealand) routinely practice something like valorization.

21.Ralph Biernacki's (1995) argument that English and German conceptions of work and labor were markedly different hinges in part on an analysis of mill architecture. The courted or gated English style (adapted across much of Northern Italy) emphasized the control and regimentation of workers, while the "open" German style reflected the greater autonomy of German workers, itself a reflection of trust by mill owners. English employers, he argues, controlled product while German owners purchased work. See Part I, Chapter 3 (93-143 (The control of time and space)). The English (and American) "closed court" mill design is suggestive of Michael Foucault's (the Panopticon of Power) discussion of Bentham's design for a prison. But where Foucault understands this as the ultimate expression of Utilitarianism, Biernacki views mill architecture as expressing culturally different conceptions of work (English & German). For the archeology and history of Biellese factory architecture, see G. Basilico (1989).

22. Space-frame construction consists of a steel post and beam frame on a concrete pad. The walls have no loading-bearing role. Fascist-era mill architecture as a distinctive style doesn't to my knowledge, exist in the region. The headquarters of the UIB, a dark green marble sheathed mausoleum is the only distinctive piece from the 1930s.

23. See Csikszentmihalyi and Rocheburg-Halton (1981:13-17) who note that the original meaning of "invest" was "to clothe". The emphasize that human-made objects can be interpreted through the psychic activity of the interpreter as well as having been given shape by the intention of the maker. Marx in his famous comparison of the worst architect and the most adept colony of bees is drawing attention to the same double intentionality of human-made objects. The capacity to embody meaning and signal it is captured in the archeologists' concept of "style" (Wobst 1977).

Anne Hollander (1978: 1, 3) pursues a, "[V]isionary history of fabric [that] is traceable through its poetic life in pictures and sculpture." While primarily devoted to clothes, she notes that cloth, "...brute, raw fabric not directly in use by a tailor can yet be indirectly used by an artist, who will see in the bunched fabric of a bed sheet the potential elements of a created fiction." Kennedy Fraser (1981:146) in a powerful essay exploring the role of fashion in modern societies notes that, "Although all fashion looks mobile and rebellious at times, its roots are surprisingly constant: to think or act for reasons of fashion in any given field is to support that field's established centers of power"

24. The issue of whether pre-industrial production was driven primarily by local/regional demand whereas proto-industrial and industrial production creates demand is controversial. There is a clear case to be made for production creating markets especially in the case of English mercantilism first destroying the indigenous Indian textile manufactures and then substituting its own calicoes, etc. (J. Schneider, personal communication). Arguably, European proto-industrialization created the possibility for a fashion industry in that diverse materials became

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available that enabled seasonal or annual fashion changes. The issue is not crucial to my argument.

25. Both Enichem Fibre and SNIA fibre are controlled by Gemina, an Agnelli family holding company. For the maneuvering amongst the capitalist elite in Italy in the late 1980s and early 1990s, see Patrick McCarthy (1997).

26. GFT produces amongst others Armani, Joseph Abboud, Ungaro, and Valentino menswear. This is technically, sub-contracting but at a very high level. Indeed, the degree to which various firms in both textiles and apparel subcontract suggests that greater care should be taken in routinely associating "sub-contracting" with sweatshop production and/or low-wage offshore production. Technically, they are all subcontracts. GFT lost its independence in the wake of its near bankruptcy.

27. There is also the issue of tariffs that for simplicity, I shall leave aside for the moment.

28. It should be noted also that a good many firms produce goods over a range of price points. A major fashion house has a bespoke line, pret a porter, and often secondary labels at lower price points (e.g. Donna Karen and its DKNY line).

29.Abstracted from, ISTAT (1985). Censimento generale dell'industria. Book 1, part 02.

30. Abstracted from, ISTAT (1985). Censimento generale dell'industria. Book 1, part 02, page XXIV.

31. See Suzanne Berger & Michael Piore (1980) on dualism. The issues surrounding female labor force participation are ably covered by Francesca Bettio (1988a; 1988b). It should be understood that there are two distinct problems that often overlap in Italy - especially in the Mezzogiorno. First, like the rest of Europe, the absorption of youth into the labor force is very slow. Youth are likely to be over-represented in the categories of un- and under-employment. In 1993, ISTAT (cited in EC 26/10/93: 16) estimated southern teenage unemployment at 50.4% (males), 68.2% (females while for the north the figures were 15.1% and 27%, respectively. OECD youth unemployment data for 1997 show Italy with a rate of about 33%, up from 28% in 1990 (EC 22/8/98). The second problem, both an index of dualism and a result of it, is the underground economy. Again, ISTAT (ibid.) estimated that the economia sommersa amounted to 18% of GDP in 1990. Figures for the province of Biella are unavailable (figures are broken out regionally) but are certainly lower than the national average.

32. Neither does the Biellese resemble offshore production in the Third World.

33.My estimate for 1988.

34.Female labor force participation is quite high in the Biellese and has been since the rise of the factory system in the 1850-70s (v. Chapters 7,8,9). But arriving at a reasonable estimate of

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women's participation in the industria tessile is difficult. Employment/unemployment data are compiled for the region and not broken-out provincially. Active labor force data are by commune and by broad sectoral categories that do not directly correspond to sectors as defined in the industrial census.

35. The basic hourly rates for the 7 categories of operaio is basic monthly rate/hours worked per month (IDLcc 1987-90: 45). My estimates of hourly rates and weekly take-home pay (pre-tax) are, therefore, subject to some margin of error.

36. Overtime rates begin at a 30% premium and rise to 60% of the basic hourly rate depending on how much is required and when it is worked (e.g. weekends, night, holidays, etc.).

37. Cited in Peter Dicken (1992: 248). OECD data (cited in EC 22/5/93: 56) place mean Italian manufacturing labor costs as third only to Germany and Sweden with a total cost of $17. Per hour of which about $7. Are non-wage costs.

38. These are: CC-Imprese artigiane dei settorie tessili - abbigliamento - clazaturio, and CC-Imprese artigiane lavanderie e tintorie.

39. This is quite different from shoe-making as both Michael Blim (1990) and Victoria Goddard (1996) describe it. Spinning, weaving, etc. do not fit readily on the kitchen table as do shoe parts.

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CHAPTER II

The Biellesi and the Biellese

I. Introduction

This chapter describes the physical, cultural and social environment of the province of Biella, most often called "Il Biellese", and sometimes, "the Republic of Biella" (LR 0/0/88).[1] I describe the geography of the region and briefly discuss agriculture. I then provide a brief survey of the ancient and medieval history of the region to situate the period covered in the study in a deeper historical and cultural context. The chapter then turns to a description of key features of social structure: kinship, marriage, and the family. Before turning to a discussion of the social structures of inequality, I discuss familial consumption patterns.

Figure 1 [2] shows the approximate extent of the province of Biella. In 1988-89 when I first undertook field work in the region, the Biellese was still a part of the province of Vercelli whose capital city of the same name was some 30 kilometers south-southeast of Biella. Vercelli is a regional center for the intensive paddy rice and cereal agro-business that dominates the Po basin from the eastern suburbs of Torino all the way east to the Po delta on the Adriatic above Ravenna. The Biellese, itself, is bounded on the east by the Sesia river, one of the two important Po tributaries (the other being the Doro Balthea that drains the southeastern facade of the Monte Bianco massif via the Valle d'Aosta). The western boundary of the Biellese is the Morenica della Serra, the lateral moraine of the Monte Bianco glacier created during the last ice age.

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II. The view from the Panoramica Zegna

The view from the crest of the ridge separating the Biellese from the Val Sesia, on the "Panoramica Zegna", a scenic drive built by one of the region's great modern woolen textile magnates, offers stunning vistas at every point of the compass. North, the main summits of the central Alps, that demarcate the Swiss-Italian frontier, Lyskamm, Monte Rosa, Macugnana, and Piz Dufour thrust great white, angular pyramids above the proscenium of intervening ridges. In the near distance the rugged mountainous terrain is framed by the lesser summits of Cima di Bo to the west and Monte Barone to the east. Westerly, a rocky wall tapering south into the Morenica della Serra delineates the barrier-boundary with the Valle d'Aosta, a linguistic as well as geographic divide between Italian- and French-speaking Italy with pockets of Walzerian German speakers in the northeastern-most valleys. To the east, the ridges fade in the foschia (haze) that lingers all summer over the western most post-glacial lakes, Orta and Maggiore.

Turning one's back to the Alps reveals the amphitheater of northwestern Italy defined by the course of the Fiume Po.[3] The river's course is threaded between Italy's Alpine suture with Europe and the more ancient spine of the Apennines, here bent westward, as if by both age and impact to form the hills of the Monfferato and the boundary with Liguria. The vista from southwest to due south to southeast is of deeply folded hills cut by narrow short valleys divulging into the haze of the Po basin. From the 1500 meters ridge crest to the hazy plain of the pianura is barely 30 miles and the panorama of hills and valleys are speckled with clusters of red-tile roofed buildings marking the region's settlements. Above 1000 meters these settlements are often only a

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few houses and a scattering of barns and outbuildings. Many of which are completely or partially abandoned, and the others being inhabited only seasonally. These are case romani, or "Roman houses" that is, vacation houses. In the upper reaches of the valleys, the frequency, density, and size of hamlets and villages increase. In the Val Cervo, for instance, a substantial village sits in the great glacial cirque at the head of the valley. Descending from Piedicavallo, hamlets and villages are set along the narrow valley scoured by the Torrente Cervo. They are perched on knobs and set in folds of the valley walls.

Still lower, the valley broadens slightly and there are more substantial towns of from 1,000 to 4,000 inhabitants set on the prati, the meadows along the river's bank. Here, jostling with the tightly clustered housing blocks and little piazze are to be found the dull grey three- and four-story factory blocks, evidence of the first phase of industrialization in the early 19th century. Their presence attests to the centrality of water power in the first stage of industrialization in the region. On the periphery of some of these towns are newer and larger, usually single story factory buildings that attest to the continuing presence of the industria tessile. From Tolegno to Biella, some six kilometers, the banks of the river are lined with a steady succession of old and newer factory buildings. Where the Cervo debouches from the last confining hills at Biella are the long grey buildings of the famous Sella works, the first modern textile factory in the Biellese.[4] Immediately below the Sella works is the Cerrutti works, hard by the river below the old working-class quarter of Riva.

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At the eastern edge of the city, above the Cervo, are the ruins of the famous Rivetti factories, demolished in the 1970s to make way for new car parks and streets. Below the city, where the land slopes gently downward along the major highways leading to the provincial capital, Milan and Turin (only about 80 kilometers distant), are new textile factories. They are the result of pianurazzazione, a neologism that indicates the flight of factories and population from the mountain hamlets and hill villages to the plains. Their presence there attests to the post-war conversion of the industry to electricity (on the national grid) from the traditional, indigenous sources of power.

This brief journey down the Cervo repeatable along any of the other streams and rivers that drain the pre-Alpi Biellese from the crowning ridges to the plains, encapsulates the industrial history of the Biellese. It has been an un-steady flow over two centuries from mountain and hill village cottage production of wool textiles to factories stacked along the water courses which provide the motive power and the impetus for industrialization, to the new modernesque factories powered by electricity sprawled along national routes 230, 143 and 142; creeping inexorably towards the Autostrada (super highway) link and now beyond the confines of the region and even of Italy, itself. Contrary to the rivers whose flow slackens as they reach the plain, pianurazzazione has accelerated as an historical flow, ever more rapid, turbid and disruptive in the half century since the Second World War.

The present "crisis" in the Biellese is only the latest episode in the volatile ongoing process of creation, growth, slackening and destruction that the economist Joseph Schumpeter (1934) identified as the central, defining and driving characteristic of

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capitalism.[5] The evidence of creation and destruction is physically inscribed on the Biellese landscape. There are shiny new factories sprawling along the highways in dramatic counterpoise to the abandoned villages in the mountains, abandoned factory buildings in the upper valleys, and the imposing gateway to the Rivetti works in the center of Biella – all that remains of that family's fortunes and its once massive factory complex. Echoing the violently convoluted terrain of the pre-Alpi Biellese, ten centuries of history are compressed into the human landscape of the built environment.

III. History and Geography

The geography of the Biellese then, is defined by its situation at the base of the Alps, the foothills known as pre-Alpi and the Pedimonte. The following pages locate the region in Italy, describe its topography and climate, and give a cursory history of the region to the end of the 18th century. The object of this section is to provide for the reader a sense of the physical, historical, and social-cultural character of the region through the variegated character of the landscape, settlement patterns, distances between villages, towns, and cities, and economic activity other than the production of textiles, clothing and textile machinery. It describes weather patterns and how the streams and rivers flow, where vines can be cultivated, and where the agricultural regimen of the plains gives way to that of the mountains. These are elements by which the shape and flow of social and individual life have been often identified and measured and continue to be important in its social, economic and political life.

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The Biellese and the valleys to the north-northeast, the Vals Sesia and Ossola, are among the most well watered in northern Italy receiving on average, annually, more than 200 centimeters of precipitation.[6] The run-off of the winter snow-pack flowing down the steep gradients of the Cervo, Strona and other rivers has historically provided the water for washing and dyeing wool and later, the motive power for the first textile factories in the Biellese. The Cervo, for example, drops from 1,000 meters at Piedicavallo to 400 meters at Biella, a distance of only 21 kilometers. Below Biella, the land becomes gentle in contour, properly a part of the pianura. Along an invisible contour line at approximately 200 meters of altitude, irrigated rice and other cereal crop cultivation begins to dominate, marking the southern boundary of the Biellese with the Vercellese. This eco-zonal and territorial boundary is something of a sub-cultural boundary as well. It demarcates a division of economic and social interests in the present between the Biellese mono-culture of textiles and the Vercellese rice and cereal agro-business economy. And it reflects older linguistic and cultural particularities that perpetuate and reinforce regional identities that have served as vehicles for intro-provincial rivalries between Biella and Vercelli. Historically, for example, Biellesi were (until the mid 19th century) primarily peasant proprietors (or in local terminology, operaio-contadini) while the majority of Vercellesi were braccianti, landless waged laborers.

Biellesi speak standard Italian, especially the post-war generations, but many also speak French and an unquantifiable minority Piemontese. Prior to Unification and the establishment of Florentine dialect as the national standard, Piemontese was the primary language among the common people (elites undoubtedly spoke French). Piemontese is a

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distinct Neo-Latin language that stands in relation to modern Italian and French much as Catalan does to modern (Castillian) Spanish and French. Amongst older Biellesi, particularly in the hill towns, Piemontese is the language of choice in the home and it is heard in public not infrequently. Most of the young men and women with whom I spent much of my time in 1988-89 knew at least some phrases in Piemontese, and some of them were (to the best I could determine from the remarks of others) completely fluent. Competency in French as well as Piemontese probably reflects the proximity of the region to the patois speakers of the Valle d'Aosta. Speaking Piemontese or at least being able to utter some moda di dire and colloquial expressions was amongst my social confidants a mark of being Biellese. It is to the constitution of local identity I now turn.

IV. The Biellesi and the Vercellesi

The Biellese and the Vercellesi are, as I have noted and shall further explain, intimately linked in history and, under the Second Republic, have been juridically joined as well. Until the early 1990s the Biellese was a district of the province of Vercelli, a fact which rankled most Biellesi, although for differing "reasons". But the key causes of Biellesi resentment of the Vercellesi beyond the parochial tensions engendered by campanilismo (local chauvinism), is (or was) the combination of quite different local economies lodged under the same provincial "roof". Where the Biellesi economy is industrial, the Vercellese economy is dominated by agro-business, the great risae that cover the Po basin like a checkerboard from the eastern suburbs of Turin all the way to its delta above Ravenna, Vercellesi have not had a lock on provincial electoral and patronage jobs, but the fact --until recently -- that the provincial government and service bureaus

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were lodged in Vercelli has meant that Biellesi were forced to play second fiddle in the distribution of resources allocated and administered through the provincial government. Developmental initiatives of importance to the Biellese are of lesser concern to Vercellesi politicians.

Paramount amongst the Biellesi initiatives has been the improvement of transportation links to the two autostrada routes by which materials arrive and finished goods exit the region. Biella has no direct, high-speed highway connection to the A5 autostrada to Aosta and the Monte Bianco tunnel to France and Switzerland. Nor has a proposed link eastward to the (proposed) A8 link to the Simplon pass been constructed. The Vercellesi with several interchanges on the A4/5 fail to appreciate the urgency the Biellesi feel about the subject. But the irritation Biellesi politicians, industriali, and ordinary citizens have felt with the Vercellesi is not restricted to this example. The allocation of financial resources and the location of infra structural resources such as hospitals, funds for sewage and water treatment plants, funding for municipal and regional transport are all felt to be generously apportioned to the Vercellesi at their expense. Even obtaining a replacement driver's license had meant, until the 1990s, a trip to Vercelli!

Historically, Biella and the Biellese have been on the periphery of political and economic power in Piemonte. The Biellese acquired some importance only in the last 200 years when it became a center of proto-industrial and then industrial textile production. But Piedmontese history and the Biellese within it is long and complex. The Alpine regions of northern Italy, to violently compress the centuries, have been inhabited

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since pre-history with evidence of mining, for example, dating to the Bronze Age (v. Donati 1998). Roman expansion in the third century BC involved the subjugation of peoples of Celtic origin (in the western Alps) long established in the major valleys leading to the passes into the Valais and westward into Gaul (e.g. Val Susa). These pre-Roman inhabitants of the Alps undoubtedly practiced first hunting and limited agriculture and later the form of subsistence known as Alpwirtschaft or agro-pastoralism. The inhabitants of the Po basin practiced some cereal agriculture although the region was then heavily forested. Roman interests, hence, were two-fold; the exploitation of the fertile Po basin and more importantly, the security of the major trans-Alpine routes. Biella and the Biellese figured in neither of these concerns, although there is archeological and historical evidence of Roman occupation of the region.[7]

Vercelli (Vercellae) in contrast, was a Roman castrum and an important administrative center in the system of Roman towns on the Via Aemilla across northern Italy, as well as a way-station on the route to the Valle d'Aosta and the Val Susa (v. Chester Starr 1965:XXI). The Biellese's position as a dependency of Vercelli (until only a few years ago) thus dates from Roman times. The collapse of the Roman Empire under successive waves of invasions from the northeast in the third through fifth century has left little imprint on the region beyond (to stereotypic beliefs about the physiognomy of Italians) the surprising frequency of blond-haired, blue-eyed Biellesi. Northwestern Italy came under the sovereignty of the Carolingian empire in the later eighth century, ruled from a distance through feudaries, and with the local capital in the city of Pavia. The political problems of feudal monarchs were legion, revolving around the conundrum of

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buying the loyalty of subordinates without, at the same time, providing the territorial basis for vassals to establish hereditary rights in land and establish of an independent base of power. The solution often tried involved granting fiefs to high clergy on the assumption that the rule of celibacy precluded the conversion of a fief into a hereditary claim -- a strategy that, if sound in principle, was fraught with exactly the kind of problems it was meant to forestall.[8] Chris Wickham (1981: 56) claims that the key to understanding the origins and perdurant strength of localism in Italian history (and society) can be traced to this period when bishops and counts, the former urban-based and the latter rural, first emerged as separate and competing loci of power.

Italian city republics are invariably associated with Tuscany ignoring the fact that this phenomenon was widespread across northern and north-central Italy from the 12th century on. The emergence of independent city-republics governed by town patriciates, groups of propertied citizens --often merchants and guildsmen-- signaled the resurgence of commerce and trade in the later middle ages (v. Hibbert 1953; cf. Jones 1997).[9] Indeed Otto of Freising was to note in the 13th century that Italy had become, "...totally divided up among cities" (cited in Chittolini 1989: 691). Piemonte (and Liguria—under Genoa), Perry Anderson (1974: 170-72) has argued, is the exception to the Italian rule that matters to the north-central Italian pattern of city-states controlling territory (contade) and therefore, separate resource bases (land, population, tax revenues) with which to maintain political autonomy. But Anderson's attention is focused primarily on the emergence of absolutism and, therefore downplays the counter-balanced and looser knit structure of monarchs, nobility and towns that existed even in Piemonte.[10] The House of

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Savoy, in the period after the collapse of the Carolingian Empire was able to establish a regional state, in large part by playing off the French and Spanish-Austro-German (Holy Roman Empire) contenders. Piemonte was to experience three centuries of independent existence as a buffer state between French and Habsburg absolutism. Turin, it should be noted, does not share the history of city autonomy enjoyed by lower Po basin cities. Anderson (1974: 169-70 & passim) claims and not without merit, that the relatively rudimentary economy of Savoy in comparison with the Lombard and central Italian city states, combined with royal absolutism, made possible the preservation of Piemonte as the future launching pad for Italian unification.[11] Nonetheless, the pattern of strong local commune even if (and when) subjected to regional control in a feudal system is fairly pronounced.

The Biellese was subject to the Bishop of Vercelli for the duration of the middle ages and Biella first appears as a place name of any consequence only in the 9th century. The city was briefly incorporated as a free community (universitas) of buoni uomini but passed back rapidly under the control of the Vercellese, specifically, the bishop of Vercelli.[12] None the less, Biellesi political administration was similar in form to other medieval Italian cities. It had included an elected consulate, a podesta, and an elected credencia (the legislative assembly). The town statutes, while primarily concerned with the quotidian affairs of governance, certainly establish the importance of cloth making and its relation to the agro-pastoral economy. Various articles cover, for example, the rights of common people to lease pasture land and the desirability of producing cloth for local merchants rather than non "Bugella".

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By the end of the 14th century (Trecento) political rivalry between the Milanese Visconti and the Turinese Savoyards (in the context of the French-Habsburg imperial struggles over Italy) had definitively established the river Sesia as the boundary between the two effectively feudal domains of these dynastic families. It remains the boundary between Piemonte and Lombardia to this day. The territory to the west of the Sesia, including Vercelli, Biella, the Vals Sesia and Ossola was incorporated into Piemonte or, rather, the domains of the House of Savoy. The subsequent (16th century) subordination of Lombardy to the Habsburg monarchy did nothing to change these boundaries although it effectively insured that the central Po basin was to be the principal battleground for both the Napoleonic wars and the Piemontese campaigns against Austro-Hungary in the quarter century of Italian unification.[13] And it is in the context of these dynastic and territorial struggles that the Biellese wool industry emerged as supplier of uniform cloth to the House of Savoy in the 17th and 18th centuries.

V. Geography and Identity

The ancient, medieval, and early modern history of the Biellese is not exemplary by the standards of much of the peninsula, or even Vercelli, the regional rival. For this study, the world prior to the end of the 18th century is, as it were, a pre-history. The status of the Biellese as a political-economic periphery until the 19th century means that the broader context of environment, human subsistence strategies, settlement strategies, and cultural traditions situated in the framework of medieval and early-modern Italian history, are more significant to locate the past's effects upon the region's present.

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The Biellese, as I have already indicated, occupies a territory at the juncture of the Alpine region proper, and the pianura. The territory ranges in altitude from 200 meters to 2600 meters and, hence, includes at least four distinct eco-zones with significant climatic variation and encompasses a range of distinctive microclimates. On the eastern boundary of the Biellese, along the banks of the Sesia, lies Gattinara. Gattinara, itself, is on the flood plain but the first hills form the northern edge of the town, and are given over to intensive vini-viticulture of the fine wines bearing the town's name (Gattinara, also Spana, both produced from the Nebbiolo grape). Similarly, on the western periphery of the Biellese, the land rises west and south-west of the Torrente Elvo to the crest of the Morenica della Serra. The Lago di Vivirone, spring-fed but glacial in origin, appears like the period below the exclamation point of the Serra. Here too, there is intensive vini-viticulture in the form of the locally prized Bramaterra, Caluso Passito, and Erbaluce. [14] Between Gattinara on the east and Azeglio on the west is land still devoted to mixed (mostly cereal, including rice) agriculture. Here the land holdings are smaller than on the pianurra proper, at least according to accounts by several farmers in the Benna area with whom I spoke. Where pianura risae (rice growing estates) often control through ownership and leasehold hundreds of hectares of land, the Biellesi mixed crop commercial farmers apparently average about 50 hectares and combine leasehold and outright ownership. The contrast is between corporate (if nonetheless family-controlled) rice agribusiness and family mixed crop agriculture. This is not merely a difference in scale for the difference has over the last century, had important social and political ramifications over the last century. The development of commercial agriculture on a

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grand scale in the Piemontese and Lombard sections of the Po basin depends on the utilization of landless waged-labor, or braccianti, an episodically if often importantly, militant presence. First, the penetration of Asian rice cultivation in the 1880s had led to mass unemployment in the Novarrese and Vercellese (Castronovo 1977:93-108). This crisis then was further exacerbated by a general collapse in agricultural prices also occasioned by foreign competition. The collapse of the agrarian order in the Po basin eviscerated an already marginalized rural labor force resulting in both militancy and out-migration at the same time that the Biellese factory system, as I shall discuss later (Chapter 7), was undergoing a key crisis in "modernization". To radically compress a complex historical event, the collapse of agricultural prices led Piemontese and Lombard agrarian elites to ally with the cotton and wool aristocracy to promote tariff barriers leading directly to the Franco-Italian "tariff wars" that very nearly destroyed the Italian economy toward the end of the 19th century.

The landscape changes dramatically above the 200 meters contour line with the first hills of the pedimonte (the mountain's feet) which segue into the pre-Alpi. The transition between plains and hills is rapid; the hills rising abruptly to more than 300 meters in a matter often of a few kilometers. At the base of this first folding of hills are the city of Biella and moving easterly, Chiavazza, and then Cossato. The valleys of the pre-Alpi Biellese are typically deep, v-shaped and hence, relatively narrow and steep-sided in contrast to those worked by glaciation such as the Valle d'Aosta and Val Susa. They are also relatively short; the longest of them covering a distance of only 25 kilometers.

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Two centuries ago the majority of hill-town and village inhabitants combined farming, herding, domestic production of textiles and various skilled-craft activities. Traditionally, more than a century ago, a family herd might have typically included several milk cows, a like number of heifers, 30 or more sheep, and a few goats (Viazzo 1989:23). Herds were pastured above 1200 meters in the summer and moved to lower terrain in early October, frequently to be wintered on farms on the plains. The winter pasturing was often on the basis of an annual contract between the herder and a farmer whereby in exchange for milk, cheese, and meat, the farmer provided protected pasture and fodder. While present day sheep and cattle herds are only a tiny fraction of their early 19th century size, and agro-pastoralism in the region has all but disappeared, this pastoral history still looms large in folk culture and identity. The few shepherds remaining are virtually professional peasants, and the fall descent of a small herd down the Valley Cervo through the village in which I resided brought everyone out of the bar to cheer the their yodeling. Beyond a romantic and perhaps sentimental affection for the agro-pastoral past, Biellesi genuinely prize the fruits of local agricultural and pastoral production. Butcher shops proudly bill rabbit, beef or chicken as nostrano, ours. Locally produced Toma, a Savoyard cheese, is preferred over the "inferior" Valdostana variety. Restaurants display hay rakes and other agricultural implements on their walls, and feature traditional dishes such as polenta with rabbit, fonduta, the Savoyard cheese fondue, delicate crepes of chestnut flour, and baugna cauda, the Piedmontese national dish. Similarly, the artisanal production of textiles along with stone working is revered even if these now represent a tiny fraction of economic activity.

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VI. City, town and country

Settlement in the Biellese has been historically nucleated. Biella (52,000) and the now nearly contiguous town of Chiavazza, is by far the largest followed by Cossato (15,500) and Borgo Sesia (15,300). No other towns in the region surpass 10,000 in population and the vast majority of the (approximately) 90 other municipalities are less (and frequently much less) than 3,000 in population. Biella is the regional center for the Biellese. Since provincial administrative offices are located in the city, as is the hospital for the region, although for other services, citizens must travel to Vercelli. Many of the factories and shops that employ much of the region's work force are located in and around the city. From 6:30 until 8:00 in the morning the hills and valleys of the Biellese resound to the roar of automobile traffic as thousands of Biellesi head to work. All the major roads in the region flow through Biella itself, causing traffic jams at the various choke-points in the road net, such as at the bridge over the Cervo at Chiavazza. Like most Italian (indeed European) cities and towns, in Biella the antiquity of human urban habitation has left the built environment ill-equipped for the mass automobile ownership and use that came with post-war affluence. Biella is built on the slopes of the first hills of the pedimonte although the modern city has been expanding in an untidy grid down the post-glacial glacis of the Barra'gia. Biella and most of the other towns in the region (e.g., Cossato, Valle Mosso) are working towns with a sturdy rather than a graceful architecture. The stuccoed walls of many buildings weather rapidly in the temperate climate, assuming a staid, somber prospect given to shabbiness if left un-attended for too long. More recent city blocks (20th century) are often faced with granite or marble, most

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often dark and ponderous. The oldest part of the city is nested in the bowl of hills to the west of the Cervo. The basilica (10-11th century for the oldest parts) and, several blocks to the west, the church and monastery of St. Sebastian are the only existent civic buildings dating to before the 16th century. The town hall is across the street from the Battistero of the basilica. Above the monastery, the hill rises steeply to Biella Piazza, crowned by an attractive 18th century piazza surrounded by dwellings reminiscent of Austrian rococo. But the commercial heart of the city, its retail district, is lower down on the Via Italia and the Viale Giacomo Matteoti. The former is blocked to vehicular traffic, forming a pedestrian walk way while the latter is arcaded in the style of the Via Roma in Turin. The most stylish shops are on the Via Italia. The Banco Sella, the bank of the most famous and successful family in the Biellese, is strategically located at the intersection of these two streets and the Via Torino. The other major banks are arrayed along the Via Italia, except for the garish modern structure of the Cassa di Risparmio di Biella located to the south on the Corso Europa near the rail station. Cater-corner to the Banco Sella is the northeast corner of the Piazza Vittorio Veneto, the public garden. The northern-most of the central districts of the city is Riva, the old worker's district overlooking the original Sella factories arrayed along the banks of the Cervo above the bridge to Chiavazza. The buildings crowd the narrow streets leaving them in shadow, save for a few hours at midday. Immediately west of Riva is the plaza of the martyrs for liberty. Once the site of several important mills (one of them is now the municipal theater), this large open area is for most of the week given over to municipal parking, but

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on Tuesdays and Saturdays the open market dominates the piazza, and indeed, the entire city's attention.

A few blocks below the public garden on the Via Torino is the imposing dark grey marble columned edifice of the Unione degli Industriale Biellese, the organization of the "grande industrials". The associations of the small and medium-sized industries and artisanal manufacturers also have offices in the central business district. At a safe distance to the west of the garden is the Camera di Lavoro and the offices of several of the trade unions that represent the Biellese work force in negotiations with the UIB. If the market and the Via Italia are the centers of retail and public civic life, the nexus of the Camera and the UIB is the heart of the region's political economy.

East, across the Cervo on route 142, is Chiavazza, then Vigliano and then Cossato, a seven kilometer stretch of highway lined with factories and increasingly, ex-urban retail and service businesses. At Cossato, following route 232 and paralleling the Torrente Strona, is the eight kilometer stretch to Valle Mosso and the original heartland of Biellese textile production. Above Valle Mosso, the site of the Botto works, and another seven kilometers is Trivero, the virtual company town of the internationally renowned firm, Ermenegildo e figli Zegna, with shops in Tokyo, Paris and New York. Still further east at the confine, the border of the Biellese and of Piemonte, is Borgo Sesia which as its name implies, is situated on the banks of the river Sesia. The settlements in the arc of hills between the Sesia on the east and the Serra on the west are all smaller in size than the cities and towns on the pedimonte. In this hilly, convoluted terrain are some 70 municipalities, administratively rationalized under the Fascist government of the

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1930s from a far larger number of towns, villages, and hamlets. The town of Quittengo in the upper Cervo valley for example, consists of the hamlets of Bogna, Balma, Riabello, Rialmosso, Roretto, Albertazzi, and Oriomosso as well as Quittengo, itself. Yet the official population of the town in the middle 1980s was well under 500.[15] As I have already noted, many of these villages are depopulated in the winter months, while numbers swell in the summer and fall. Biellesi now resident in the larger towns of the pedimonte maintain not only a nostalgic identification with the village of family origin, but maintain a house or houses in them as well. The majority of full-time residents in these towns, shop keepers and service providers excepted, commute to work in the factories, shops and offices of the pedimonte towns. The road net of the upper valleys is outdated; often narrow, winding, and iced in late fall and winter. This may well be a disincentive for people holding jobs on the pedimonte to remain living in the middle and upper valleys. This process of alpine depopulation, Pianurazzazione, has been continuous since the mid-19th century. While commuting has enabled towns at the mid-valley level to maintain population, the more remote towns have continued to decline.[16] Mass automobile ownership, one index of post-war prosperity, has enabled modern day Biellesi to live in both worlds in a way that earlier generations, dependent on public transit or outright proximity to the workplace were unable to do.

The workday and the work-week is typical of most of northern Italy. The factory shift begins at 8 for most workers and extends to noon or half past noon from Monday to Saturday (when only a half-day is worked). Most workers, managers, everyone but a skeleton crew of essential staff, returns home at noon for the two hour closing. This is

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duplicated in retail establishments, banks, offices and services in which all but an essential minimum return home for dinner, il pranzo, the major meal of the day and around which household and familial life seems to revolve. The rush to exit factories, shops, offices and schools at mid day creates another rush hour of roaring and honking vehicles heading back up and out to the villages and hamlets that now comprise the bedroom communities in the region. People dash in and out of shops for needed items or perhaps to compensate for the lack of a spouse in the household to do the daily shopping. The region and the city are then suffused with quiet for two hours, broken again at two o'clock in the afternoon by the second exodus. These human flows occur with the regularity of the tides ebbing and flowing as workers and managers, clerks and bureaucrats return to their posts. Work continues until six or six-thirty when yet again vehicular and pedestrian traffic, swirls in the streets and roads of the cities and towns of the Biellese. People crowd into the fruit and vegetable shops, the butchers, bakeries, and the small-scale supermarkets that now compete with traditional specialty shops.

Young men and some young women will re-emerge from their homes mid-evening to go to their neighborhood café or to venture further afield to some favored night-spot. While students may only go out briefly (and not every evening), young men and women past school age but still residing in their natal home socialize and court one another in the regions bars and cafes. Middle-aged and older men may slip into their neighborhood bar for a coffee and a chat, perhaps a game of cards such as scala quaranta or a variant of scopa. If there is an important soccer match (calcio) on television, Juventus, Inter of Milan, or Torino -- perennial powerhouses -- the bars may be more

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heavily populated and the atmosphere more festive and rowdy. But evenings tend to be the province of the younger, single men and women for the majority of whom independence and adult life are not necessarily defined by separate residence.

Vil. Family, Kinship, Marriage, and Household

More than entrepreneurial skill or access to finance capital, families are the core feature of the Biellese industrial district. Lives and businesses are launched from families, and the two remain inextricably intertwined over the "life courses" of both businesses and individuals. Both businesses (firms) and individuals are deeply imbricated in transgenerational forms and strategies of social being. Where firms may or may not be created and managed (or just survive) such that they exist for several generations, individual Biellesi are located in affective, localized trans-generational entities that precede and succeed them. This fusion of productive activity with kinship and marriage practices and customs is familiar to anthropologists of pre-capitalist Europe, and elsewhere in the world. But we are wont to think that the existence of modern capitalist society renders these organizational and affective forms and strategies irrelevant, or, at best, peripheral to the social structure of a modern economy. The Biellese forces us to reconsider these assumptions which have largely been uncritically derived from progressivist-evolutionary theories of modernization and the over emphasis of the multi-divisional corporation on one hand, and atomistic individualism on the other. Even more to the point is the gross over-simplification of modernity adumbrated by many accounts of the advanced industrial societies as "post-modern". In these accounts, social

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life is portrayed as fragmented and de-ratiocinated, bereft of the kinds of social linkages that have characterized "traditional" societies. While both of these characterizations are apposite to some degree, and certainly capture the situations and experiences of significant segments of the population of advanced industrialized (and developing and underdeveloped societies), these portrayals fail grossly to account for significant continuities and adaptations by other segments of the populations about which they purport to speak. Certainly, the salience of trans-generational families does not describe all of Biellesi experience, and I do not claim this. But for many Biellesi, the linkages between family and life course are still important.

It is from *particular* families that young men and women are propelled into the labor market, and into public life as citizens and economic agents of one kind or another. And it is to their families of reference that Biellesi continue to turn for nurturance and solidarity even in adult life, after they have formed their own families. Families and kin inevitably share the stresses and strains of the volatility of the political economy of textiles that dominates the region's economy, as it eventuates in periods of growth and of contraction. These stresses and strains are in the form of layoffs for workers and business failure (and success) for entrepreneurs and capitalists.

The conjugal family household is the dominant residential (or house-holding) form in the Biellese, but the conception of family (and its ideal form) evinced by Biellesi is of a multi-generational, extended family. "Family" then, often encompasses a larger number of kin than are physically resident in a particular house or apartment. Biellesi draw a distinction between "relatives" (parenti) and "family" (famiglia) that illustrates the

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boundaries of the latter as circumscribed to the original conjugal dyad and its offspring and some of the offsprings' spouses and children. "Families" come into being when a man and women marry and, more often than not, have and rear children; although the parents, themselves, have links to earlier families, those of their respective parents and siblings.

Large, extended families of three generations (and occasionally more) appear to have been common up to the late 19th century (Ramella 1983:11) when most Biellesi still combined subsistence agriculture with household production and (or) factory work.[17] The collapse of subsistence agriculture in the later 19th century in concert with the demands of waged factory labor have brought about a secular change in family size in terms of the average number of offspring per conjugal dyad. Where five and more children was common a century ago, two children is about the average for post-war Biellesi couples. Some of my informants, men and women then in their twenties, expressed the desire to have no more than two, and some thought only a single child would be optimum. The increasing preference for smaller numbers of children in the region is consistent with national demographic trends. Italian fertility is now below replacement rate and there are publicly raised fears that the burgeoning imbalance in the population structure will have grievous consequences in the not distant future.

This brief examination of three families presents examples of the range of possibilities in family and household form in the region. The Moncatini (Fig 1, Appendix A) are an example of the post-war family engaged in small business with only a small number of offspring (see Appendix B for a discussion of the Moncatini's textile

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businesses). The Nardini (Appendix A, Fig 2) typify the compound-extended family, harking back to the norm of proto-industrial family form. The third family, the LaBianca-Boset, (Appendix A Fig 3) is included to illustrate the flexibility of post-marital residence strategies in the face of the problems young couples encounter in forming a new household.

Guido and Valerio Moncatini were both married and established families in the mid 1950s. Both had lived with their parents until marriage, and Guido (1) and his wife Lela continued to live in his parent's house, caring for his mother after his father's death. Guido and Lela had two sons, Marco (6) now in his early thirties, and Guilio, now in his late twenties. Marco married a southern girl (7) in the mid 1980s and, initially lived with Guido, Lela, Guilio and Guido's mother Lela (1). They moved within a year into an apartment purchased with family funds in a town only a few kilometers from his parents' home (they had a child in 1993, sex unknown to me). Guilio, still single, who has followed his father into the family business, still lives with his parents (Appendix B). Even though Marco and his wife and child comprise an autonomous household, they are still very much a part of Marco's natal family. Several days each week they dine with his parents, and the flow of resources and reciprocal aid is continuous between the two households. The family of Guido's deceased brother, Valerio (4,9,10,13), is considered a separate family but there are nonetheless, close ties of affection and mutual support with them.

The Nardini family more closely resembles Biellesi families of the last century in its size and extent. While compound families of the size of the Nardini family are now a

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distinct minority in the Biellesi, the ideal of familial extension is still widely shared.[18] Biellesi families were often compound and extended when their livelihood combined subsistence agriculture, household textile production and, later factory work (Ramella 1983: 11). The core of Biellesi small firm capitalism is still the family-controlled firm or a family-controlled holding company that coordinates a group of firms; a point to which I shall turn in a subsequent chapter.

The Nardini (Appendix A, Figure 2) embody the ideals of familial extension described by Sydel Silverman and Donald Pitkin (1985) for many regions of Italy. Silverman describing the Umbrians of "Montecastello di Vibio" (1975:180) writes,

> When people talk about the ideal family, they generally describe a three-generation family in which the sons all bring their brides into the paternal household.

Further, the distinction between kin (famiglia) and relatives (parenti) that I noted for the Moncatini family describes the boundaries of the family. One noticeable difference between Montecastellani and Biellesi is the apparent Biellesi indifference to which family a new marital dyad is linked and with whom it shares the most powerful sentiments of family solidarity and identity. Both married Nardini sons and several of the daughters have made the Nardini senior's house the focal point of familial identification. This apparent indifference to customary preferences for patrilocal post-marital identification (and residence) reminds us again of Pierre Bourdieu's (1972) observation about Kabyle (Algerian) attention to ascribed kinship, marriage, and post-marital residential "rules" that it is practical kin who make marriages, and official kin who celebrate them. The other significant boundary is the shared budget, the pooling of resources amongst kin, now

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primarily in the form of the pooling of income for both savings and ordinary household expenditures. Silverman (1975:180 & passim) notes that appearances can be deceiving if one examines official records. Families may be listed as two or more separate families (and hence households) when in reality, they comprise a single large family in terms of identity and the resource-pooling criterion. Where the Montecastellani families described by Silverman are likely to be propinquitous, Biellesi families may well be spread over a number of towns in the region, separated by as much as 30 or more kilometers.

The Nardini (Appendix A, Figure 2) are based in Valle Mosso, although their origins are in Gattinara at the south-eastern extreme of the region. Pietro's (the pater familius') father was a vineyard worker descended from one-time small holders in Gattinara. Elena's father was an orphan who became a railway laborer. They met and married in the mid 1950s after Pietro had secured a job in the warehouse of one of Valle Mosso's most prestigious, old-line firms. Lorrenzo, their first son (3), was born in 1955 and five more children (5,6,7,8,9,10) followed at roughly 18 month intervals. Elena and Pietro (1,2) explained to me that they could not imagine not having as many children as God would give them. Both of them had come from small families denied the pleasure (and security) of a household filled with children and later surrounded by their children's spouses and children. Pietro, a liceo graduate, advanced to ever more responsible positions at B____, becoming by the early 1980s one of several marketing managers responsible for the firm's export trade. All of the Nardini's children grew to adulthood and all completed at least liceo, although some of the younger sons have taken more circuitous courses than Pietro and Elena would have liked. Their eldest son went on to

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university persevering to a degree during the tumultuous years of the early 1970s. Lorrenzo married the woman he met and dated in university, Nicolá (4), and then returned to the Biellese to start a career and a family. He and Nicolá lived for the first years of their married life in an apartment in a village on the western side of the Biellese. Yet three or four times a week, they returned for pranzo at midday at Pietro and Elena's house. Their first child, Pietro (12) was born in 1987 and their daughter, Laura (13), was born in 1990. They have now purchased an apartment in Biella to ease commuting on the region's clogged highways. Their children often spend the morning with Elena.[19] While Lorrenzo was away at university, Maria (5) bore a son, Paulo (11) out of wedlock. Maria's relationship with the genitor never reached the point of marriage, and he is neither a part of the family nor does he maintain contact with the child. Maria and Paulo initially lived with the rest of the family, her son accepted as a treasured and legitimate member of the family.[20] Later, she took an apartment in the same neighborhood as her parent's house. Elena cared for Paulo before he was of school-age while Maria was at work in the magazzino (warehouse) of the same firm at which her father worked. She and Paulo take almost all their midday meals with the family, and I am certain that key durable good purchases and other expenses for Maria's household are funded out of the family stock of capital. All the other children were between 18 and 28 in the late 1980s, and still resident in the Nardini house. All of them worked and pooled part of their income with that of their parents. The younger sisters, Carla and Sylvia (7, 9) had steady boyfriends (they were fidanzati) who came for the midday meal several times a week. They were actively saving towards marriage, assisted by their parents. Sylvia and Manfreddo, her fidanzato,

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were already planning the remodeling of a house (owned by his family) in one of the hill villages in the eastern Biellese that would become their residence at marriage. We shall return to the Nardini family's story later in the discussion of families and firms but the point I wish to emphasize is the compound and extended character of the Nardini family. The dotted lines in (Appendix A, Figure 2) show the autonomous family-households that constitute the Nardini extended family. The bonds of solidarity, sharing, affection and intimacy between parents and children are not severed at achievement of adult status or at marriage (see D. Pitkin 1985:205-17), nor do these new families created by marriage fragment into the isolation supposedly typical of post-modern society.

The Moravino and LaBianca-Bozet families illustrate another aspect of Biellesi family, marriage, and residence practice; the flexibility of affiliation.[21] Diego Moravino dated Michelangela La Bianca assiduously for five years before they married. They were to be seen almost every evening together in the café I frequented. Diego's father keeps a small appliance repair shop. His only sibling, a sister, was already married and living with her husband in a house provided by her husband's family in the next town. Diego's parents had emigrated to Argentina in the mid-1950s following the well-worn trail of migration (and pendant migration) by Biellesi to both Argentina and Brazil. But the post-war boom in Italy that brought rising prosperity caused them to reconsider their move. The Biellesi weathered an unusual crisis in the early 1950s caused by the loss of near-eastern markets to Japanese competitors. Yet by the early 1960s, the region's economy was again expanding. For the Moravinos, the pull of kin and place was sufficient to compel them upon return. As a small shop keeper, Diego's father is, perhaps, typical of

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the petite bourgeoisie, the group that has been the bulwark constituency of the Christian Democratic Party. As a shop-keeper he is partially dependent on the regulatory regime that has excluded large-scale retail and service businesses such as the Italian equivalents of French "hypermarche" or the U.S. Walmart. Diego forswore going to university to assist his father in his business but soon took another job as a warehouse manager for a building supply firm. Where Diego was impelled by family loyalty to assist his father, the impulses to both be independent and to be able to build the financial (and prestige) bundle of resources necessary to make a marriage appear to have been an important part of his decision to become an impiegato, a salaried employee. Another element may have been his family's status relative to that of his fiancé Michelangela.

Michelangela's father owns a real estate agency, and property as well. Primarily involved in commercial real estate, he maintains an agency in Biella but operates throughout the province. He owns the building in which his family lives, in a town where his family has been present for several generations. For Diego, winning Michelangela's heart was not synonymous with winning her family's approval and he ultimately transferred his identification to her family (which has no male heirs). Signor LaBianca is a somewhat distant figure, remote in his status as a successful businessman in the region, yet his interests (if I may presume to infer them) were not ill-served by the prospect of a son-in-law of Diego's capabilities and charm. Soon after I left the Biellese in 1989, Diego and Michelangela were married in the village where the LaBianca and Bozet (her mother's family) had lived for many generations, and where her ancestors are interred in the village cemetery.[22]

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The young couple now live in an apartment in her father's house, attractively remodeled befitting their new status. They live a formally independent life as a couple but in the context of the LaBianca-Bozet extended family. This includes caring for Signor La Bianca's mother who was increasingly unable to care for herself as well as filling in at the LaBianca agency. So, while their married life is autonomous, it is carried out in the broader context of an extend family and the obligations, constraints, and freedoms this produces.

VIII. Patterns of Consumption

Food events and more specifically, the commensal act of the mid-day meal are still the heart of family ideology and practice. In principal if not always in practice, the act of gathering for the mid-day meal is central to Biellesi family life. However much activities of individuals and extra-familial obligations commit them to being in other social circumstances, the mid-day meal, il pranzo, beckons. In a way that might seem quite alien to American or English hierarchies of obligation and importance in which food events rank relatively low, Biellesi still prize and place a high priority on gathering to eat together at mid-day.

The importance of sharing the mid-day meal is a kind of key to unlocking the organization of daily time as well as family and social solidarity. Frequently, to give an example, a common social courtesy is not, " how are you?", but, "Ha mangato bene?" (have you eaten well?). Where Anglo-Americans typically associate well-being with the physical state of the body (vis a vis its appropriate functioning and the absence of

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disease), Biellesi often inquire as to whether one has eaten well. This is not an enquiry about whether one has eaten at all, or whether one has consumed "healthy" foods such as granola, but whether one has eaten with family and friends, in a supportive setting, involving the full complement of courses centering on the pasta, salad, secondo (meat and/or fish) contorno (vegetable), and fruit, cheese, and coffee that are the fundamental stages of the meal. And these fundamental stages of the social enactment of eating in concert are the measure of being well. That is, it is not just eating, and not just having a multi course meal, but the fact that these two elements occur in concert with one's family, or at least with social intimates, that is the basis for being well.

While there are certainly many exceptions on a daily and weekly basis to this rule, I think Biellesi would generally agree that the consumption of a good meal amongst family and/ or friends is central to the good life. This conception of the good life, of "eating well", extends well beyond the act (or the activity) of the meal, itself. To eat well is to be enmeshed in a world of familial connections, to be situated amongst kin in a supportive and nurturing way. Conversely, the kind of isolate autonomy profiled in American accounts of professional life in which the dictates of the job structures all else, is viewed as nearly pathological. Indeed, the day is structured around its key food events that divide periods of rest, labor, and sociality.

The morning meal is not elaborate, lengthy, or even necessarily commensal. The need to send children to school and adults to work may make for a serial set of acts rather than a singular one. Typically, people consume espresso, and fruit and bread or pastry, sometimes yogurt. Café is drunk black or with warmed milk. Around ten o'clock or

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10:30, workers, impiegati and funzionari break for a mid-morning snack, la merenda. People rush to their café for a coffee or tea and a pastry or a little sandwich (pannino) to sustain them until midday and to gossip with friends and co-workers. Then at noon or half past, the great rush home commences. The streets of Biella and the other towns at the pedimonte become jammed with traffic as everyone heads home for the midday meal. Il pranzo or dinner, is the major food event of the day and hence, the major familial social event of the day. While the complexity and scale of the menu certainly varies from time to time and family to family, it has a fixed and meaningful structure. On the table is bread, mineral water and wine along with the place settings and any condiments (usually salt and pepper, perhaps oil and vinegar). The meal can begin with antipasto such as vitello tonato or other prepared dishes, or it can be simply a plate of cold meats such as prosciuto crudo e cotto, salami, or mortadella. Prepared dishes are usually reserved for more formal or celebratory occasions reflecting the increased labor time that goes with them. Then comes the pasta, il primo, greeted with a subdued sigh of pleasure and expectation. For if the antipasto provokes the appetite with piquant flavors, il primo sates the physical hunger. Il primo can be pasta asciuta, pasta fresco, or minestra (soup); they are all in the category of pasta. Most often with my Biellesi surrogate family, pasta asciuta was sauced with a simple tomato sauce with Parmesan cheese available for grating. The ratio of sauce to pasta is important and diametrically opposed to U.S. preferences. The sauce should be just sufficient to coat the pasta ("colored" with sauce) so that the flavor of the wheat is not drowned. Concomitantly, the pasta should not be overcooked, but cooked until there is just sufficient starch remaining to render a "bite", a

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sense of the texture when it is eaten. Indeed, pasta is freighted with such psychological import that I have witnessed spousal disputes erupt over how the pasta was cooked or over-cooked, depending on perspective. Friends told me that about 200 grams per person (uncooked) was about the right amount for a serving.

After the pasta is consumed, conversation returns and the salad is served. While typically a green salad, it may also be one of tomatoes and onion, or just grated carrot, but all of them sauced with a simple vinaigrette.[23] Bread is of course, crucial throughout the meal. Eaten without butter, it serves to mop up one's plate, as a baton to emphasize a point in discussion, and as a pacifier to keep the babies from getting too impatient while the adults finish whichever course they are eating. There are a good many types of bread available from bakeries and markets ranging from the indigenous, rustic ciabata to something little different than American putty bread, but sold as pan de mie. My surrogate family preferred the medium-sized hard rolls whose crust shatters gloriously when the roll is broken. Bread like pasta, is a food that holds nearly religious significance over and above its role with wine, in communion. "Good" bread has a hard crust and a light, almost elastic flesh and is redolent of wheat. The ciabata is the quintessential local bread loaf; nearly rectangular in dimension, and low-lying. It tastes of its sole ingredients: wheat flour, salt, water, and yeast. But other breads are common and popular including "healthy" breads such as pane integrale that includes all sorts of other grains. The point about bread is that it is like pasta, central to the meal but where the former serves to sate the hunger, bread is the connective tissue that links each part of the meal into a structured whole. If bread is one of the axes along which the meal, is structured, wine is the other.

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Biellesi typically drink red wine with their midday and evening meals. My surrogate family in a practice common in the region, bought wine in quantity from vineyards each year. Unlike the U.S. where a host of state laws derived from the prohibition era still stigmatize the consumption of alcoholic beverages, Italian (and indeed the rest of Mediterranean Europe) law does not. Wine is considered to be a food, to be consumed along with other foods, not a dangerous substance the consumption of which is to be discouraged. Biellesi families typically have long-standing relationships with one or more vineyards from which they purchase anywhere from 55 to 300 or more liters a year. As one does not have to travel outside the province to find wine, much of it is locally produced but I know people who purchase from elsewhere in Piemonte, Liguria and even Toscana.

A trip to the vineyards is an exciting excursion. One loads the empty 55 liter demijohns into the back of the car and carefully covers them so the financial (tax) police will not notice that you have no tax stamps on them. My experience involved a trip down to the Monfferato, the foot hills of the western Apennines that rise on the south bank of the Po. The vineyard was owned by two older brothers, the Fratelli G. who produced both red and white wine on the "prima linea di colline", considered to be a prime growing location. In December the wine is still new and restive in its large concrete tanks. The red has the hard, flat acidity of youth, the fruit undeveloped and tasting more of currents than the grape. But it holds promise and my companion initiated negotiations more as a courtesy than to drive a bargain as he had purchased from these men for years as had his father before him. While I am not certain of the grape variety, it was probably Nebbiolo.

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The white, in surprising contrast, was vinted from Riesling grapes that even young, had more in common with Alsation Riesling than with the heavier, fruitier German style. We settled on three demijohns of red and a demijohn of white and then drank a bottle of the previous year's red to consummate the transaction. The wine would need to sit at least 6-8 weeks after its journey. The white was bottled after six weeks, always on a luna decrescente (a waning moon) so it will be still not effervescent: accidentally a sparkling wine. The red waited another two months for it was still "working" in the demijohns. Table wine is typically bottled in two liter bottles stopped with a porcelain, replaceable stopper. With my surrogate family, we often drank two of them at midday.

Il secondo, the meat or fish course follows the salad. The increased consumption of meat and poultry since the 1950s is a testament to increased wealth for Biellesi and indeed, for most Italians in the post-war era. For the poor and for the working class before the miracle of post-war development, pasta was the sole course along with some salad greens. My surrogate family kept ducks, chickens and rabbits in pens outback by the fruit trees and the kitchen garden. These were taken to the local butcher for slaughter when they were to appear on the menu. But veal was very popular either as cutlets (or scallops) or as a veal roast cooked on top of the stove.[24] The secondo is served accompanied by cooked vegetables, il contorno but without an additional starchy food – already provided by the pasta and bread. Typically, the preparation is simple involving slow cooking with a few herbs. Meats are served with their own juices rarely in the more complex sauces one might find in central France. There are of course many exceptions to this, such as the traditional rabbit stew served over polenta. Polenta, while it is the traditional staple of

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Piemontese food is often cited as such but now infrequently prepared because it requires close supervision over many hours to make it properly.

The close of the meal is invariably fruit, cheese, and coffee. Apples, pears, and fresh figs in season are the staple. One or two local cheeses are presented with the fruit: Toma in any of its variations (e.g. fresh or at various stages of aging), Gorgonzola dolce (a soft, creamy version of the blue cheese), and Gran Padana, the young, Parmesan-style cheese produced throughout the Po basin. Espresso accompanies the fruit and cheese, after which the table is cleared and then people retire for a short nap before returning to work at 2 or 2:30.

The workday extends to 6pm. The evening meal, la cena, is less complex than the midday meal. Often, amongst my friends, it was left overs from midday, perhaps soup or pasta but rarely elaborate or time consuming. Young people, if they have no school work, then leave for their cafes or as it was with a number of my friends, to attend night classes towards their degree. Several concluding observations are in order about the structure of food events and the structuring of social time. Snacking between meals is the exception. While people do snack or make the trip to an ice cream parlor or pasticceria as a social event, between-meal eating is far less frequent than in the U.S. Indeed, while "modernity" has certainly influenced and altered social practices in Italy, the preservation of the workday structured around the midday meal has been remarkably resistant to assault in the name of economic efficiency. Given the importance of food to social relationships and the centrality of food imagery to the representation of health and well-being, it represents a significant continuity in Biellesi individual, familial and social life.

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IX. Class, Status, and Prestige in Biellese Society

The social structure of Biellese society can be described along several axes, principal amongst them are those of social class, status, and prestige. This section provides a notional map of the "webs and nets" (Lesser 1961) of social relationships, roles and statuses by which Biellesi can be objectively located on the axes of these abstract dimensions of social structure. Equally important, it also describes how individuals, families, and some non (and quasi-) groups conceive of themselves and others as located relative to each other on this map.

This section describes the crucial armatures of social structure in contemporary Biellesi society as they can be represented by reference to schemata of. stratification. By stratification I mean, *grosso modo,* that Biellesi society is not composed of social equals (in wealth, power, or status) and that it is differentiated (and differentiable) by both subjective and objective criteria of inequality. Class is an important criterion and axis along which Biellesi are cleaved into fairly distinct strata by self reference as well as by objective criteria. I will not enter into the (now) long running debates about whether people act on the basis of class consciousness or membership, or the related issue of how to place different categories and groups in a pre-ordained conceptual system of stratification.[25] I accept as incontrovertible that people in some instances do act on the basis of a clearly conceived and intersubjectively shared sense of class. But social actors do not always operate on the basis of interests clearly articulated in terms of class, much less manifested in this way.[26] This qualification having been made, there are, still a number of conceptual and practical (relating to ethnographic description) issues about

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class, status and prestige that need to be clarified in advance of describing the Biellesi. This discussion of the configuration of social class in Biellesi society has several dimensions: a set of abstract categories for social locations, culturally constructed categories of stratification that Biellesi (and probably most Italians) share, and more locally self-referential evaluations about social locations.[27] Where as observers may categorize Biellesi by class (in the Marxian sense), by social class and market position (Weberian), or by occupation as it suggests social class (Lloyd Warner, Sylos Labini) Biellesi group each other by local cultural categories that both conflate and cross-cut these analytical constructs. The purpose of a discussion of class in the Biellese is to provide a socio-cultural map of locations in terms of these various configurations that rings true from both an internal and an external perspective. For example, while a strict Marxian classification would present Biellesi society as divided into owners and workers, this does not provide enough range for the amplitude of distinctions that are drawn by both Biellesi and many "outside" observers". I have opted instead for a messier synthesis of Marxian class position conjoined to occupation as its social place appears to be agreed upon by Biellesi. I hope to suggest the dimensions of class, status and prestige as they contingently exist rather than as a fixed, ahistorical classification.

Ira Katznelson's (1986) synthesis of the large corpus of material on class lends to the conceptualization of class, class formation, and class consciousness considerable ease and clarity in addition to propaedeutical virtues. Katznelson suggests a four tiered model that moves from abstract-analytical and, hence, "experience distant", to the actual activity of agents or "experience near" description. The first and most abstract level at which

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class can be described is at the level of trajectories of economic development, that is, at the level of the economy. Capitalist societies abstractly, are all characterized by the predominance of privately owned firms that operate on the basis of rationally-calculated profit-maximizing decisions and employ labor for wages, while selling what the firms produce on the market. Katznelson notes that while capitalism is structured in coherent ways (such that one can differentiate capitalists economies/societies from for example, command economy societies), they none the less have distinctive differences reflecting a range of specific and exclusive factors including demographic patterns, cultural traditions, state organization, and other inherited practices that reflect different historical trajectories. In this sense, a purely abstract division of the population into workers and capitalists independent of the history of productive forces and property relations could tell us little. Italy's "late" industrialization counterpoised to the "precocious" development of capitalism in the Quattrocento would seem to bear this out. So to the persistence of the northern development and southern underdevelopment is a specific and peculiar feature of Italian history. The second level to which Katznelson draws our attention is, in historiographic and ethnographic terms, one where attention is paid to how specific patterns of economic development shape life and social relations in particular capitalist societies, moving from the trajectories of capitalist development qua capitalism to particular histories. I shall in this section, only sketch the structure of class at these two levels as the historical trajectory of European industrialization (and hence, class formation) and Biellesi historical experience are examined in detail in several succeeding chapters. Katznelson's third level of analysis focuses attention on classes as actual groups

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that exhibit shared dispositions and histories arising from a knowledge of the social system of which they are a part. In the Biellese, this is not so much problematic as it requires reference to Biellesi history because, as I shall detail, there are distinct epochs that are defined by distinct political economic conditions (and, importantly, production regimes) that have shaped class relations. The fourth level identifies organized groups that engage in collective action in the social form of social movements to achieve (or at least to struggle for) identifiable goals that are broadly understood by the participants in these actions.

The broad outline that Katznelson's schema suggests is largely implicit and can be more carefully detailed by turning to Joseph Schumpeter's criteria for defining class (1951).[28] Schumpeter identifies the elements of cohesion of a class (or at least the social strata) by reference to how they can be empirically identified as perdurant groups. Because they are not corporate (in the modern era) in any conventional sense (although they employ juridical and socio-cultural devices to be quasi-corporate), Schumpeter focuses on the criteria by which we can identify perdurant "non-groups" that have the capacity of persisting through time. Briefly, for I shall return to this theme later, Schumpeter argues that classes are defined by the kinds of social practice that serve to perpetuate permeable boundaries but are tactically designed to be exclusive. For what is crucial to entrepreneurs or others at (or near) the apex of a societal order is preservation of that position, as well as shutting the gates on others.

The kinds of social practices to which Schumpeter draws our attention are those (kinship, marriage, systems of friendship, acquaintanceship and asymmetrical quasi-kin

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and friendship relations) that have traditionally been the purview of anthropologists for they are the substance of organized, ongoing social life itself. So class as a status and as an element of the local system of stratification is also not always congruent, it is a more complex and, to use the term popularized by Michael Granovetter (1985), an embedded reality even as it surely also can be described by abstract categories. Because class in the Marxian political - economic sense appears to be so abstract, bereft of historical and cultural-historical context, a discussion of the struggle between producers and owners is often reduced to a caricature of more complex processes. Biellesi for example, routinely talk about the "political class" (classe politica), the working class (classe operaio), and the ruling class (classe dirigente) intermixed with terms that reference occupational categories (e.g., dipendenti, impiegati, industriali) but which simultaneously refer to class positions in the stratification system. While no preliminary discussion (and certainly, no obiter dicta about the class system) can foreclose the confusion and ambiguity inherent in actually existing worlds, the following discussion of class, status and prestige in the Biellese seeks to navigate between the Scylla of abstraction and the Charybdis of ethnographic particularisms. By the same token, I shall sketch the system of stratification from both a (notional) "native's" perspective and an external perspective.[29]

The classical Marxian definition of class defined by relationship to the means of production is effectively bi-polar. One group owns and controls the means of production and another does not. They are necessarily engaged in (political) struggle over this exclusionary control of productive resources, although the vehicles (political-economic, cultural and ideological) through and by which this power is effectuated differs from

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society to society and through time.[30] Capitalism embodies primarily economic means, unlike earlier social formations in which power and its legitimation were extra-economic.[31] But societies are only rarely bifurcated into two distinct classes in and by which this contest is manifested. Rather, as Marx himself illustrated in the XVIII Brumaire of Louis Bonaparte (1981), there are all sorts of strata, classes and groups enmeshed in conflict, collusion, and temporary and shifting alliances in actual historical circumstances. At the least, one might draw a distinction on the basis of controlling significant productive bases of wealth versus ownership of property, per se.

Contemporary Italian society, and the Biellese as one small part of it, can be roughly divided into three classes, the capitalist class, a petite bourgeoisie, and a working class, although as I have suggested, from a purely abstract, Marxian analytical perspective there are only two: capital and labor. The Biellese is one node in a larger structure of class relations at a national level but not perfectly homologous with the national model. Parenthetically, it must be noted that different theorists of class employ the same lexicon of terms in somewhat different ways. The terms elite, ruling class, and bourgeoisie each identify roughly the same stratum of the population, those at the apex of the stratification system. These terms connote somewhat different definitional criteria reflecting contrasting expectations about confluence of wealth as power and access to institutionally constructed and vested power in the state. Where class theorists emphasize the primacy of the system of property relations in the creation and deployment of power, elite theorists cast the net somewhat more widely. Power in this view inheres in a range of institutions and cultural practices.[32] Hansen and Parrish (1983) argue that fin d'siecle elite theorists,

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having failed to find a coherent ruling class, identified the occupation of roles in institutions (e.g., the state and perhaps elite associations such as Confindustria, the national association of manufacturers), and civil society as the locus of power in modern society. They (Hansen & Parrish) argue that the occupation of (or at least access to) institutionalized political power had always to be accompanied by non-institutional forms of organization, specifically, the kinds provided by kinship and marriage.[33] Hence, hegemonic power to which elites aspire, is based on the advantages property relations bestow, elaborated through positions of primacy in the juridical and institutional roles of political society and through the formal and informal places provided by civil society, itself based on the webs and nets of kinship, friendship, and less formal relations.

But there must be some place to start to construct a provisional picture of Biellesi society. Taking roles in institutions and other socially produced activities as one measure of class, Sylos Labini has constructed a model of changing class composition in Italy over the last century that serves as a point of entry. Labini (1982: Appendix, table 1.2) estimates that the bourgeoisie comprised 2.6 percent of the population in 1971. This category includes professionals as well as proprietors, directors and entrepreneurs. If we subtract the former, the haute bourgeoisie, notionally the capitalist class included about 1.7 percent of the (then) Italian population of 56 million. These estimates are necessarily approximate for a capitalist class which if it does nothing else, does not publicize its net worth or the linkages to power, they probably grossly over state the size of the Italian capitalist class. Using Hansen and Parrish's (1983: 268) definition of elite status as accumulation sufficient to be a market factor, the size of the Italian capitalist class, and,

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hence the Biellesi capitalist class, diminishes considerably. There may well be by these criteria no Biellesi at the apex of the Italian class system, save for a few Sellas. Hansen and Parrish (1983:268-69) also note that a key measure of elite status is the capacity for transgenerational perpetuation. Schumpeter asserts that (1951:115-18) a crucial diagnostic of a class is that its members behave towards each other in ways distinct from how they behave towards non-members. Paramount to elites beyond accumulating wealth (and hence, power) is their preservation of it through the careful husbanding of resources, effectuated through patterns of socializing, kin deployment, and marriage strategies as well as investment and political strategies.

The Biellese capitalist class is quite small in size. A handful of families own and control through holding companies various gruppi, clusters of autonomous firms controlled through stock (or outright) ownership by family holding companies. Amongst the capitalists are elements of the Sella dynastic family group, various Bottos, Bertottos, Cerruttis and Zegnas and perhaps seven to ten other families of the "wool aristocracy". Through control of the largest and most successful industrial and commercial groups in the region, these families or elements of them, are linked to the national capitalist class by interest and affinity although they are (for the most part) small potatoes compared to the first tier, national-level dynastic groups such as the Agnelli. Wealth in the Biellese then, is largely in the form of ownership and control of productive capital, itself embodied in the fixed capital of production facilities and the instruments of finance of and for the industry. Wealthy families are linked to each other through kinship, marriage, and friendship; and the most successful amongst them have deep familial roots in the region.[34]

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Paramount in position in the Biellese capitalist class is the Sella family that controls the Banco Sella as well as commercial leasing and financing firms, real estate, and, through share ownership, minority holding in other Biellese family holding companies.[35] The Sella dynastic family holds a position unlike any of the other elite families that comprise the local capitalist class in that its dynastic presence extends over a far greater stretch of modern Biellese history than any other member of the elite. The Sellas are a quintessential elite family. Beyond their financial, industrial, and commercial luminaries, Sellas have been government ministers, scholars and scientists of considerable distinction.[36] The family's preeminence is perhaps best represented by the converted convent atop a hill overlooking Biella, akin to a castle overlooking its domain, that is one of the family's residences. That is, they are able to control the social reproduction of elite status through social and business strategies, through cultural practices, and through political strategies. Only the Ermenegildo Zegna's presence in the town of Trivero comes close to the presence and prestige of the Sellas. But the Sellas are the model to which other elite families cleave and to which the arriviste and the would-be elites ascribe. The Vercellese local capitalist class is, in contrast, more heterogeneous with control of land and the infra structural apparatuses of agribusiness being the primary basis of membership in the provincial capitalist class.

Below the elite families is a thriving petite bourgeoisie. They control factories and even groups of smaller firms, as well as shops and service industries. And they are the bulwark of the professions. Labini estimates that the middle class, the piccola borghesia, comprised 49 percent of the population in Italy in the early 1970s of which

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about 17 percent were salaried workers (impiegati) and the remainder relatively autonomous artisans, shop owners, and direct cultivators. In the Biellese, direct cultivators account for only a fraction of this group, around one percent, far less than Labini's national average of 12 percent. Small shop owners account for a substantially larger share in the Biellese; and more Biellesi shop keepers are likely to be engaged in production as opposed to retail activities than the national average. Artisans also account for a larger share than the national average.[37] The petite bourgeoisie in the Biellese is an heterogeneous stratum and a class only in the formal sense of its relation to the means of production as one or another kind of small proprietor. Even professionals are more internally fractionated than their social location might suggest.

Doctors, for example, are divided into segments based on those who have established an official practice with the national health system and those who are still on its periphery. Establishing a practice with the requisite number of patients is a lengthy process during which younger physicians are the peripatetics of the medical profession; filling in on weekends and vacations for established clinicians, traveling a grueling round of clinic and home visits, and even moving about the region of Piemonte to fill scheduling gaps and build experience in the hope of securing a fixed practice. The difference in income for a younger physician and his or her older titular, peer is substantial. I knew several younger physicians who had been in this limbo for close to five years and who still, as a result, depended on assistance from their families in order to make ends meet.

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Shopkeepers and artisans are also subject to this internal differentiation. There is a major difference between the proprietor of a small job shop in the textile sector, a spinner with three meters of bobbin winders for example, and the proprietor of a newsstand. A tabaccheria, which sells newspapers, magazines, cigarettes, candy, etc. as well as tax stamps, is a highly regulated institution in Italy. In addition to government regulations covering the sale of journals, tax stamps, salt, and matches, journalai (as they are called) are unionized. Not only are their daily and monthly business hours regulated, but also the items they may stock, and the prices they may charge. Members of both the Nardini and the Moncatini families were newsstand proprietors for periods of several years but left the business when the combination of long hours, little vacation time, and marginal profitability became evident to them. The spinner in contrast, while suffering through the vicissitudes of the business cycles, can in good years, comfortably support an extended family the size of the Nardini.

The range in wealth and economic independence (and often security) among different fractions of the petite bourgeoisie is too great for a klass für sich. to coalesce. While shopkeepers traditionally have been a bulwark of support for the Christian Democratic party (Democrazia Christiana), and no doubt translated into significant electoral returns for its successor, Forza Italia (Go Italy), even voting behavior (as poor a measure as this may be) does not support the view of the petite bourgeoisie as a coherent class.[38] Indeed if local electoral behavior suggests anything, the persistence of PDS administrations in Valle Mosso, in the eastern and traditionally more militant end of the

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Biellese, suggests that much of the middle class doesn't vote for the conventionally middle class parties.

Erik 0. Wright (1978; 1989) has advanced the concept of *contradictory class locations* to contend with the diversity of social locations, and the consequent fragmentation of classes as political forces.[39] The classic example of a contradictory class location is that of managers, salaried members of the working class but in the position of command and control. Small retail shopkeepers and the owners of small firms are also faced with the problem of objectively counterpoised interests. In relation to elites and the capitalist class and the political and economic strategies they pursue, small proprietors are subordinate, yet they are autonomous property holders most of whom employ waged labor. While they may identify interests in common with the grand industrialists, they are subject to different economic and political constraints that may well be at odds with them. The interests of retail and service proprietors is not necessarily congruent with the interests of small firm proprietors. I shall explore these issues as greater length when I discuss the regional political economy. It is to the working class I now turn.

Labini (1982) estimates the Italian working class in the early 1970s at 47.8 percent of the national population. In the Biellese owing to the small size of the elite and the equally small number of direct cultivators (contadino), the working class is at least half the population. When we look (in Chapter 9) at the structure of the local political economy and gauge the active work force, the proportion will be shown to be greater as a percent of the total. The Biellesi working class was made from the class of operaio-contadino (worker-proprietors) by the mechanization of (most importantly) weaving in

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the latter half of the 19th century (see Chapter 8). During the course of the last forty years of the 19th century independent weaver-cultivators virtually disappeared as industry mechanized and simultaneously, the agricultural subsistence base of cottage (or domestic) production of textiles collapsed. By the late 19th century, the Biellese had a militant industrial working class and it has one to this day, although its capacity to act as a class has been episodic in the post-war era.

X. **Status and Prestige** in **Biellesi Society**

Marco Nardini once observed to me as we watched a young man in a brilliant red Ferrari 512 dawdle (blipping the throttle at appropriate moments) past a group of young women chatting on the corner of the public garden, that the difference between the children of the newly rich and the old line families was that the true elite did their misbehaving in Milan, while those of the arriviste families flaunted their wealth around Biella. Between i richi and i poveri in the Biellese there is a great distance marked by both the visible appurtenances of wealth, and the less tangible conceptual hierarchies into which Biellesi sort each other. One such hierarchy conflates visible wealth, occupation, and the degree of Biellesi-ness, itself a compound of ethnic and geographic criteria arrayed on the continuum of familial longevity in the region. Another set of categories corresponds to a hierarchy of occupational status.

At the top of both are the great families of the wool aristocracy and the Sellas, bankers to the industry. At the very bottom are the north and central African immigrants, many of whom eke out an existence as casual laborers and street peddlers.[40] The

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"Africani" (or neri) by their recent arrival and their visibility as dark-skinned people, as well as the condition of poverty in which most of them live, occupy the bottom rung of the status hierarchy once occupied by immigrants from the South. The Biellese has never been a major receiving area for intra-peninsular migration, or more recently, extra-communitari that is the Italian euphemism for African migrants. But there have been periods in the past, like the present when the region has received the spill-over of migrations largely aimed at the major northern cities, Milan, Turin, and Genova. In the 1950s and '60s, large numbers of migrants from the Mezzogiorno and the islands (Sicily and Sardinia) moved north as the older asymmetries between north and south were accentuated by the post war "boom" that propelled the "Italian miracle" of rapid growth and prosperity. As Paul Ginsberg (1990:219 & passim) notes, the existence of laws until 1961 limiting legal migration (a relic of the Fascist era) has meant that meaningful estimates of internal migration are difficult to make. But two waves between 1955-63 and 1967-71 are most significant. By 1971, more than nine million southerners had moved to central and northern Italy. Turin alone is believed to have received more than 200,000 Sicilians in two decades (1990: 435-8) with other, smaller Piedmontese cities (e.g., Ivrea) gaining population at nearly the same rate relative to their size. Calogero, an established businessman in the town in which I resided, remembered arriving in Turin as a small boy. He graphically remembered clutching his mother's hand in terror as they made their way through the station of Porta Nuovo, through crowds of people in number and density unknown to him from his village in western Sicily, and all of them speaking a language he could not understand.

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Biella was not a major receiving area in part because of the tight labor market and the fact that an industrial mono-culture does not provide the entry level positions to totally unskilled workers available in more heterogenous local economies. Probably an even more important factor in the relative paucity of immigration is that the major waves of intra-peninsular migration coincided with major crises in the regional economy. Southerners who had not become property owners by the mid 1980s and lived in the public housing projects at the southern edge of Biella, occupied the rung above the bottom of the status hierarchy in the Biellese. The Siciliani were in real terms, not numerous (although, again, reliable population figures are unavailable) and I suspect that much of the image of them derived from local "knowledge" of the problems in the peripheral ghettos in Milan gained from newspaper and television reportage.

Above the lowest positions in the hierarchy into which people can be placed on the basis of putatively ethnic and racial as well as class and wealth criteria, the location become less distinct until the apex of the grande industriali is reached. The emphasis shifts from ethnic to occupational criteria. Most broadly, Biellesi distinguish between laborers, workers, and clerical staff. A lavoratore is someone employed in manual labor which, while it may require considerable skill (such as a muratore, a plasterer-wall builder), is inferior in status to a worker, an operaio, in a skilled job in a textile firm. While both of them are categories of manodópera, (literally, hand worker) labor in general, a common laborers is of lower status than his or her skilled counterpart. The existence of a specific descriptor for a working class job distinguishes it as elevated in status from the catch-all lavoratore. The textile sector encompasses a great many skilled,

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specialized jobs that bear specialized titles such as tessitore (weaver) perhaps the most prestigious working class role historically, in the Biellese.[41] Different than operaio but not greater in status are impiegati, clerical staff in both factories and other service industries (e.g., bank staff). While impiegato notes white (and pink collar) staff in general, it distinguishes clerical staff from production workers in the factory context. White collar workers in nonproductive sectors (e.g., service industries, government bureaucracies) might be categorized as functionaries (funzionari) or just the often maligned bureaucrat. The owners of small shops fit in this slot in the hierarchy as well. While they are proprietors of businesses, the owner of a fruit and vegetable shop or a tobacconist is still a worker as much or more than as a proprietor or an entrepreneur.

Managers, professionals, and independent entrepreneurs are another step up from salaried workers whether in the private or public sectors. Entrepreneurs, the nearly mythical individuals much beloved by business school hucksters and capitalist romantics such as George Gilder, have their place too in the ideology and hagiography of Italian capitalism. But given the character of the economy of the Biellese, imprenditori (entrepreneurs)are more real than the hortatory Horatio Alger stories of business magazines. The textile sector is composed of a great many small to very small firms and a much smaller number of medium to larger-sized firms. The very nature of this configuration generates ample possibilities for both entry and exit of start-up businesses founded by workers or salaried staff of more established firms. Public attention, esteem and prestige is bestowed on those few who manage to translate a start-up, micro-firm into

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an ongoing corporate entity or an established, specialized niche firm (v. Appendix B: The Textile Industry for an example, "Ghislaine").

Professionals, as I have already discussed are members of the bourgeoisie, but rarely the haute bourgeoisie (grande borghesia). The upper levels of management of the medium and larger-sized firms, banks, directors of public entities and the senior cadres of the political parties and elected officials (the classe politici in local parlance) are arrayed at the upper end of the middle class and transit into the lower reaches of the upper class. One means to disclose membership in the professions, at the upper reaches of the ceti medi (middle classes), is through the use of honorific titles in formal social interaction.

Social courtesies in public life are important to Biellesi. Introductions among those who are not socially intimate and social intercourse in the context of public and business activities carry a titular gravitas unfamiliar to North Americans. This may well reflect the history of Western European societies that have been formally stratified (e.g. estates). In Italy, Renaissance humanists articulated a conception of intrinsic human dignity and a capacity for human self-realization in the context of urban life to be characterized by courtesia and civiltà. The new social groups that emerged with north-central Italian city-state merchant capitalism that distinguished themselves from rural nobility were perhaps less a solvent to traditional feudal social relations than the intrusion of new classes (Jones 1997:I) They became a political and economic force with which the feudal nobility had to reckon in part because they were social statuses without any precedent.[42] But as Silverman has pointed out, bourgeois town-dwellers increasingly came to emulate the values of elites in the manners of civiltà. In Liberal Italy, the real

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hereditary or acquired titles of nobility and the ideal of a rentier existence from landed property remained salient.[43] However much the image of pre- and proto-capitalist elites actively obstructing the construction of a modern, industrial, capitalist Italy may be deeply distorting of the tremendous variation of developmental trajectories within what is now the Italian national state, there is an element of truth to this view even in the context of the heartland of Italian Industrialization.

Still another element in the construction of a titular discourse of courtesia in modern Italy that owes its existence and perdurance to the particularly density of bureaucratization created by the early modern and post-war Italian recht-staat is the procedural-legal quagmire of Italian public life and public entities. More than a century ago, Italy had a plethora of lawyers. The excess of lawyers in Italy is often noted, but there are myriad of doctors as well — who never practice. In other words, the acquisition of a professional title has been an important element of vouchsafing the appearances of class position; even if the social status and economic reality of the title's holder was powerfully at odds with it. But if all these speculations and opinions have a measure of truth, there is I think, another dimension to the discourse of titular status and prestige.

The proportion of Italians who completed more than primary school or, at best, some years of secondary school, was until the late 1950s, relatively low. Since then, of course, a great many more young men and women have suffered the grueling exams that earn the bachelors degree, the school leaving degree that stands somewhere between an American high school diploma *and an* associate's degree *from junior* college (in the

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U.S.). The achievement of this formal status has far greater meaning, and I think, more significant ramifications, for Italian youth than does the high school diploma for American youth.

XI. Prestige and Consumption

Biellesi are not immune to the blandishments of consumer society and the sense of status that the possession of material goods brings in other capitalist societies. The absence of sumptuary laws in a society of formal (juridical) equality narrows the field of potential visible markers of class position and social prestige to consumption goods as a vehicle for the display of social class (and consumption capacity). For Biellesi young people between school leaving age and their absorption into the labor market in clearly defined occupational niches, the boundary construction and maintenance of friendship-acquaintanceship groups and the visible capacity to consume become the important social markers. As I have noted, young men and women socialize in bars, cafes , and in the region's several discotheques.

Biellesi youth are as fashion conscious as their American, English or German counterparts. In 1988, the most desired clothing items reflected the internationalized character of bourgeois consumption through the elevation of American outdoor shoes, specifically Timberland lug-soled boots, to the heights of fashion. These shoes cost well over $100. a pair (about 140,000. lire). While Italian and other European knock-offs were readily available, they did not bestow the fashionability of the "real thing". But perhaps the most manifest status item is the automobile. Car ownership in Italy has

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steadily increased over the last two decades (78 percent of Italian families now own automobiles and 30 percent have more than one (PA. 25/4/96:29). Most Biellesi families seemed to have at least one car. The families of the young men and women with whom I was intimate had one car per adult member of the family. This represents a sizable investment as automobiles are a major durable good purchase. Automobiles are heavily taxed (IVA, or the value-added tax) and insurance is mandatory. Benzina (gasoline) is very expensive in comparison with its price in the U.S., costing more than four dollars per gallon. There are also annual road-use taxes that are calculated on the engine displacement of the vehicle. While the automobile that a young man or woman drives is not an inerrant measure of wealth, the size, make and age are a rough and ready guide to social position in the prestige hierarchy. There are differences between men and women as automobiles are of greater interest and importance to men than to women. Finally, the visible display of wealth through prestige items of consumption is not a social system into which all are ineluctably locked. Individuals need a certain amount of "capital" to participate in society at all, to achieve a place in the system of stratification, but conspicuous consumption is to a greater or lesser degree, volunteeristic.[44] Unlike class position, itself partially determined by the elements of cultural capital such as educational attainment, and hence, occupation, individuals can opt out of the visible display of wealth in consumption.

At the top of the auto prestige index are those makes and models, domestically produced and imported, that indicate sufficient wealth such as to make considerations of petrol, insurance and road use taxes irrelevant. Ownership of a Ferrari, a Mercedes or a

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Range Rover bespeaks the capacity to consume conspicuously.[45] A notch below the elite car level are the large Fiats, Lancias, and Alfa Romeos, as well as a smattering of Citrons, Renaults, Volvos, Saabs and BMWs.[46] These are the cars of the grande bourgeoisie and the wealthier professionals. While these cars might be considered modest and fuel-efficient by U.S. standards, the weekly expenditure of around £90,000 (about $60., 1988) to fuel the car is not inconsiderable. A notch down are the cars of the middle class, the middle-echelon Fiats, Renaults, SEATS, VWs, Fords, Opels and Citrons. Compacts by American standards, the engines in the 2 to 2.5 liter range, they nonetheless incur greater road use taxes than sub-compacts and fuel expenditures to match. One option for the men and women in their early 20s (in 1988-9) was to purchase one of this class, used. While suffering somewhat in prestige by the fact of being used, this was more than compensated for by the fact that they possessed the horse-power to propel them at the break-neck speeds my male friends favored. The great majority of Italians own automobiles that would be classified as subcompacts in the U.S. These are the legions of Fiats, Renaults, Peugots, SEATs and Ford and GM that team Biellese and other Italian city streets and highways. They possess engines of .9 to 1.5 liters and are designed to be very fuel-efficient (30+ mpg) while permitting four or five adults to travel in not complete discomfort. The Fiat Uno, more aerodynamic than its boxier predecessors, provided a sense of stylistic modernity clearly distinct from the tiny cars my friend's parents had initially owned.[47] But if it looked more modern than the Fiat 127s and 126s, the Uno was still clearly utilitarian. It was also ubiquitous which diminished its capacity to clearly separate its owner from the mass. The car most desired by my male friends was

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the VW Golf, especially the turbo diesel powered variant. While small and fuel efficient, it was also powerful and sporty. Equally important, it could be purchased in black, a color apparently not an option in the Fiat catalogue for its small cars. Its boxy German styling bespoke of a cosmopolitan owner, "Siamo continentali, non siamo italiani."[48] Initially only one of my friends had a turbo diesel and was secretly (and not so secretly) envied by the other men in the loose circle of friends and acquaintances. By 1991, at least four owned Golfs, two of them turbo diesels.

If the Golf was the most desired auto for young men, the car they least liked was the Fiat Panda (850) and the Cinquecento, successor to the famous "Topolino" (Fiat 500). Yet these models were the most affordable for the men and women in the terra incognito between school and an established place in society through absorption in the labor market. Driving a Panda made manifest to all one's peers that one's income was small, and that discretionary family wealth was insufficient to deploy sons or daughters in middle class cars. But, as I have noted, the auto prestige index is not fool-proof. The possession of a vintage Topolino for use in town where parking is scarce and difficult, is high prestige.

This chapter began with a description of the Biellese in geographical and historical terms. It then provided an overview of marriage, family and kinship before turning to a discussion of class, status and prestige. The next chapter discusses the institutional structures of the Biellese: government, politics, and the labor market.

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Chapter II Endnotes

1. Newspaper citations are abbreviated with the paper's initials followed by the date (day/month/year). IB: Il Biellese; EB: Eco di Biella; SS: Stampa Serra; LR: La Republica; CS: Corriere della Serra; Il Sole/24 Ore: ISO; IL: Il Manifesto.

2. See Appendix A. Map derived from the Servizio Cartografica del Touring Club Italia (1987). Piedmonte, Valle d'Aosta, D36, Original scale 1:200,000. Scale in text is approximately 1cm = 1 kilometers.

3. Italian terminology for water courses includes the word, fiume: river is reserved for large, important rivers such as the Po. Torrente covers most of what would be both streams and rivers in English.

4. The Sellas are among the most wealthy and esteemed families in the region although they exited textile production for banking a century ago.

5. J. Schumpeter 1950: 81. "...[T]he problem that is usually being visualized [by economists] is how capitalism administers existing structures, whereas the relevant problem is how it creates and destroys them."

6. Much of the region received better than 1,000 millimeters of precipitation on average per annum (Guida d'Italia, #51, Il Biellese, la Valsesia e l'Ossola, 1982: 25).

7. There is evidence of ancient pre-Roman exploitation both mining and ceramic, on the Serra (Guida d'Italia, Il Biellese..., #53, 1987: 54-5.

8. See Chris Wickham (1981:56-7 & passim) and Giorgio Chittolini (1989).

9. Susan Reynolds (1994; 1997) argues contra Hibbert, that the role of minor nobility in the development of the commune is greatly overstated. Philip Jones (1997) argues that there is a decisive difference between the medieval town patriciate and the new forms of citizenship shaped by interest in the comuni. On the whole, I think Reynolds and Jones have superceded Hibbert's (older) views.

10. See J. Russell Major (1996). A reviewer has noted that at least for France, Major, "...sees a political system that rested on cooperation. The [French] monarchy had neither the army nor the bureaucracy to impose its will, and it relied on the consent of representative assemblies and the support of local nobles to gather taxes, maintain an army and pursue dynastic interests (Theodore K. Rabb 1996:5)." If this is true for France in the 15th-16th centuries, it is likely more true for Piedmonte.

11. Cf. R.R. Palmer (1956: IV); Charles Tilly (1990: 58-66); and note 11 (supra.)

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12. Buoni uomini refers literally, to "good men" but is in fact a cypher for citizenship based on occupation and wealth – the basis for the emergence of townsmen with privileges and independence vis a vis feudatory and clerical authority.

13. The Napoleonic campaigns in Italy, initial annexation of Savoy and Nice (Nizza) in 1793 followed by the overwhelming military defeat of the Piedmontese in the 1797 in which 15,000 Piedmontese were captured and 10,000 killed (Palmer 1956: 256-57; Harry Hearder 1983: 48-9), followed by the Russian-Austrian debacle at Marengo in 1799. The major battles between Piedmont and Austro-Hungary all occurred between the outskirts of Milan and the Sesia River.

14. This small vinicultural area achieved DOC status in the mid 1990s.

15. The population of Quittengo declined from 262 in 1992 to 232 in 1997 (UIB 1998:6). Note that official "inscribed" population may not reflect actual resident population.

16. Census data from the late 1990s show that the region overall has suffered a continual decline in population from 195,800 in 1989 to 190,000 in 1997. Even Biella's population has declined from 51,500 in 1989 to 47,700 in 1997 (UIB 1998:9).

17. See the essays of Giovanni Levy (1985) for medieval Piedmonte social structure (cf. David Herlihy & Christiane Klapisch-Zuber 1985 [1978]), Rudolph Bell (1979: V), and David Kertzer & Dennis P. Hogan (1989) as well as the essays in David Kertzer & Richard P. Saller, eds. (1991).

18. The debate over the supposed dichotomy between north and south with regard to family form is not relevant to this work, but see Peter Laslett, ed. (1983), Sydell Silverman (1975: 185-212) and Donald Pitkin (1985: 5-15, 205-19).

19. By late 1999, Lorenzo and Nicolá had bought and renovated an old farmhouse only 4 km from his parents.

20. Now (2000) doing his military service, he will join his grandfather's firm as a textile designer when he returns.

21. In principle, all Biellesi have compound surnames (cognome), reflecting both mother and father's surnames, although not all choose to publicly use them. The first name in the series is father's surname and the one used if the compound surname is not. The second is mother's family surname, so for example, LaBianca is Mariangela's father's surname. At marriage she became, in customary terms, Moravino-LaBianca. Biellesi kinship is nominally patrilineal, although the point I wish to emphasize is the strategic flexibility of family identification.

22. They still live in the apartment renovated by her father but much has changed in 10 years. (v. Epilogue

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23. A good friend noted to me once as I struggled to get the balance of oil and vinegar correct, "La cosa piu difficile (in cocina) e condire la insulata."

24. Ovens, save for bread baking, were a novelty until after the Second World War. Even today, many homes have a cooktop with three or four burners, but no oven. Many Italian meat and poultry dishes then, are designed to be pan-roasted rather than oven roasted.

25. See Ira Katznelson (1986); and the essays in Erik O. Wright, ed (1989: 1994) for the contemporary debates about class. The development of class as an objective component of societies and as a subject of political theory can be traced back to Aristotle (1980 (ed. Barker)); medieval political theory falls outside the purview of this discussion, but for a description of estate society, se Marc Bloch (1961), Feudal Society, Volume II, part VI. Nineteenth century social and political theory (and political economy) revolves around Marx's critique and revision of the classical political economists (1976). Fin d'siecle, 19th century responses to Marx are, most importantly, Max Weber, ed. Gerth & Mills (1946: II); Emile Durkheim (1933), see also, Joseph Schumpeter (1951). Significant post-war discussions of class include (but are in no way restricted to): Ralph Dahrendorf (1959); Frank Parkin (1979); Anthony Giddens (1979; 1983; 1987). A brief but useful introduction to the subject is still, T.B. Bottomore (1966). The most useful (for my purposes) anthropological discussions of class are Eric R. Wolf ($$$ 1983) and Peter Worsley (1984: IV & passim). Lloyd Warner's (1941) examination of class in Yankee City while theoretically fuzzy, was still an important exercise in constructing a map of class from empirical data. For Italy specifically, see Sylos Labini (1982), as well as the descriptions of social class in Sydell Silverman (((1976) especially for an application of Warner's method of eliciting social ranking in a community) and Michael Blim (1990: III).

26. See Donald Dunham (1990: 37 & passim). He notes (following Gary Becker) that neo-classical economic theory merely assumes a reasonably stable constellation of preferences at any given time for actors. These preferences are, of course, institutionally (and perforce, culturally) shaped and historically contingent. Further, these preferences exist in a hierarchy of value in terms of the expenditure of resources the actor is willing to deploy in the service of his/her ends. Class can be one of the institutional settings that shape and channel both the substance of preference and the resources devoted to their achievement.

27. E.O. Wright (1994: 22 & passim) distinguishes between monodic and relational properties of class as one of a number of forms of inequality. monodic properties of a class can be defined without reference to other units (e.g., ownership of capital), while relational attributes apolitically, require other units (e.g., power). This is something of a departure from Marx who, according to Ralph Dahrendorf (1959: 13-15) understood the relational attributes of class as definatory.

28. Schumpeter (1951: 106-07, emp. in orig.) notes that there are four key issues regarding class. First, there is the nature of class qua class. Second, is the character of class cohesion, third is the problem of class formation. These first three are of a different analytical order than the historical circumstances of the, "concrete causes and conditions of an individually determined,

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historically given class structure."

29. These correspond to what Marvin Harris (1979: 32-45) has called "emic" and "etic" perspectives, accepting his cautionary note that I am neither elevating myself or "natives" to the position of ultimate judges of the character of local reality.

30. See Eric R. Wolf (1983: 7-23), and Tom Bottomore (1966: 13-35).

31. The debates about modes of production are outside the purview of this work, but see Barry Hindiss & Paul Q. Hirst (1975). The debates about modes of production may seem now (20 years later) very arcane. But the interest it stimulated in extra-economic modalities of exploitation and legitimation of power were salutary for cultural anthropology. The best contemporary précis of modes of production — social formation is Eric R. Wolf (1983).

32. See Norberto Bobbio, "Teoria dei Elites", in Dizionario di Politica (1990: 350-56); Antonio Gramsci (1971).

33. This seems to be a fact being rediscovered by institutional economists (see for instance, Mark Granovetter (1995)) although even the discovery of informal business groups has not led them to a serious analysis of kinship, friendship and marriage strategies as a key mode of activity.

34. These issues are covered in greater detail in Chapters $$$. See Allessandro Scassellati 91994), Valerio Castronovo (1964) and Guido Quazza (1961).

35. See Allessandro Scassellati (1994 (1 & II): Chapter 6) discussion of the Sella family to the end of the 19th century. See Valerio Castronovo (1997: 613-77) for a general survey of the post World War II era.

36. See Allessandro Scassellati's (1994) history of the Sella family.

37. These are rough estimates as there are no easy methods to derive fractions save access to tax records. In the late 1980s, the Biellese was still a part of the province of Vercelli, making estimations of Biellese class position (not an official category in any case) more difficult to ascertain.

38. The April 1992 elections for the Camera (lower house of the national legislature) gave (for Torino - Novarra - Vercelli) the DC 22.2 percent, PDS & Rif 18.4 percent, PSI 14.8 percent, and the Lega 20.6 percent with another eight parties receiving the other 24.8 percent (LR 7/04/94). In 1994, with the weakening of direct electoral proportionality, the Lega Nord and Forza Italia virtually swept the election, yet the "Progressisti" (a multi-party center-left alliance) still too 26.4 percent of the vote (LR 30/03/94). What matters here, is that some parts of the middle class continues to vote "left" even with the changing complexion of the Italian party system.

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39. See E.O. Wright (1978; 1989; 1994) as well as the various adumbrations of the "New Class" theories. See George Conrad and Ivan Szelenyi (1978) and G. Carchedi (1989). The utility of the new class theories an Italian context is well summarized by John Low-Beer (1978: 1-27); cf. Anthony Giddens (1983); Nicos Poulantzas (1975 [1968]).

40. See D.C. Leonard (1994) for the Biellese; Jeffrey Cole (1994) for an overview of migration literature on Italy and the racialist responses to North African immigration. See Michael Piore (1979) for a general discussion of migrants and labor markets, Suzanne Berger and M. Piore (1980) for dual labor markets.

41. E.J. Hobsbawm (1984: 195) notes (in the English context but, nonetheless, applicable in the Biellese) that terms such as weaver refer back to established pre-industrial artisanal traditions in which these trades had the position of independent small producers rather than _____$$$ labor positions.

42. See Sydell Silverman (1975: 1-11); D.C. Leonard (1985); On the medieval origins of universities (hence, non-hereditary titles and honorifics), Jacques LeGoff (1980: 135-49). See also Norbert Elias (1978: 5-50, 99-116); Agnes Heller (1978).

43. Martin Clark (1984: 29) notes that there were 7,387 noble families in Italy in the 1880s as well as various regional quasi-aristocratic forms (Piedmont had an additional 318 signori).

44. Pierre Bourdieu (1984: 53-5) observes that the capacity to keep economic necessity at arm's length is a key constituent of refinement, or the possession of cultural capital. In this sense, the interest in, and acceptance of automobiles as a prestige measure by the young Biellesi men, demonstrates a lack of refinement.

45. Thorstein Veblen (1948: 128) observes, "...[T]he serviceability of consumption as a means of repute...is at its best in those portions of the community where the human contact is widest and the mobility of the population is greatest." While Veblen intended the comment to refer to the social, it works for the spatial as well, in that travel in cars is the height of visibility.

46. Fiat has maintained a better than 50 percent share of the Italian automobile market even after the reduction of steep tariffs that had protected its position in Italy since 1950.

47. See Penny Sparke (1990) for a discussion of the promotion of modernity in design in post-war Italy as an element of building a consumer society.

48. See D. Christopher Leonard (1991) for Biellesi youth's assertion of being "continental".

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Chapter III
Government, Politics, and the Labor Market

I. Introduction

Biellesi encounter each other in public and in the work place in a range of institutional settings that mediate between their statuses and occupations. They are inscribed in municipal registers as resident citizens. The benefits to which individuals are entitled require their interaction with local and regional functionaries. If they become unemployed are seek to change jobs, they legally must do so through the chamber of labor (camera del lavoro) even if actually getting a job requires negotiating with unofficial intermediaries. They must obtain licenses and patents for driving automobiles and a wide range of other activities regulated by municipal, regional and national government. Italy is noted for is heavy, politicized bureaucracy; product of the postwar political settlement that enshrined the Christian Democratic party (henceforth DC) in national power. Thus, a crucial dimension of politics locally, regionally, and even nationally was securing access to resources controlled by the state. This chapter examines several crucial institutions that formally articulate Biellesi as citizens and workers: government, the labor market, and the political process.

While much of the discussion in this chapter is initially, of the institutional arrangements and structures that comprise the environment in which individuals, groups and firms operate, it is not background or context, but is constitutive if only partially, of the culture of the Biellese. The electoral, deliberative, executive, and bureaucratic

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institutions of government and the political processes by which they are in part constituted and legitimated comprise the avenues to, and the arenas in which some of the more important economic issues that confront Biellesi firms and, hence, citizens are articulated and transacted. Similarly the labor market, that is the availability of positions in public and private enterprises both formally and informally, the composition of the active work force, and the formal and informal mechanisms by which firms and other entities recruit and slough-off workers; and workers find, decline and leave positions, is central to an accurate picture of Biellesi society and culture.

The glacial pace and apparent indifference of Italian bureaucracy, the chaos of public policy execution, and the clientelized character of government and the state autarchies are an important contributing factor to the sense of crisis that often grips the region (and Italy as a whole). While these institutions and the social practices they manage may buffer some individuals and groups from the consequences of business cycle fluctuations, for others the opacity of government agencies and services amplifies their insecurity. To individuals especially young labor market entrants who (in this work) provide a lens in the examination of the Biellese, finding a secure job, a posto fisso, is often a daunting experience for it usually requires negotiating a path through these institutions and the complex and often conflicting motives of public officials entrusted with the exercise of public functions. For many it exacerbates their sense of isolation and marginality.[1] But in order to provide an adequate perspective on the Biellese, it needs to be situated in Piemonte and Italy.

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II. Municipalities, Provinces, the Region and the State

This discussion of politics and government will focus on the lower (provincial and municipal) administrative and representative institutions of the Italian Republic, but these exist in the larger, more turbulent sea of national politics and government. Italy has a distinctive "political culture" (Almond and Verba 1963; Tarrow 1974; Tullio-Altan 1986; LaPalombara 1987; Hine 1993; Furlong 1994; Putnam 1993; McCarthy 1995) shaped by the processes of Unification and the subsequent travails of the Italian state and society. But the reality of local (and trans-local) formal and informal interest articulation is dynamic and dialectical in that the configuration of local forces and interests in the formal arena of government and the less formal arenas of party, correnti, (roughly, personalist, party factions) and social networks, exists and pay attention to, ever larger spheres of agency and activity in the national state.[2] A brief overview is in order.

Politics and policy making in the modern Italian state since1948 have been viewed by many Anglophone scholars (and a good many Italian ones as well) as perhaps the most chaotic and crisis-ridden in western Europe. Anglophone political scientists have viewed Italy as an "immature democracy" in which ideological parties have held sway because it had not yet reached the maturity of a stable, U.S. style system of "catch-all" parties.[3] The existence of political blocs articulating fundamentally different and opposed conceptions of the relation of the state, society and the economy (i.e. the existence of communist, socialist, and fascist-monarchist parties) was interpreted as an index of retarded development.[4] With the waning of modernization theory as the dominant framework of understanding, the consensus interpretation has shifted towards a characterization of the Italian political system as "bargained pluralism" (v. David Hine

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1993) and the relationship of state, market and society as neo-corporatist (Schmitter and Lembruch, eds. 1979) reflecting both its origins in the politics of Liberal Italy and the hierarchical alignment and harmonization of interests (at least in theory) of Fascist corporatism.[5]

Italy, it is often observed, has averaged more than one national government a year over the last half century (since 1948). The instability of ruling parliamentary coalitions is counterpoised to the fact that every post-war government (up to May, 1996) has been dominated by the Christian Democratic party (Democrazia Christiana, henceforth, DC) and a series of junior partners (with the exception of the first government of national unity and a period in the 1970s). So, in another sense, Italy has had amongst the most stable governments (or, at least, ruling elites) in western Europe since the Second World War. Initially the DC's coalition partners were drawn from the center-right parties such as the Republican party (Partito repubblicano italiano, henceforth, PRI) and the Liberal Party (Partito liberale, henceforth, PL). In the 1960s, the DC first took the Italian Socialist party (henceforth, PSI - Partito socialista italiana) as a junior partner in its "opening to the Left". While the DC governed alone or nearly alone for a period in the 1970s in the wake of the "hot autumn" and the subsequent years of labor militancy and left and right-wing terrorism, by the 1980s its grasp on parliamentary power came to be maintained through five party coalitions known as Pentapartito in which the PSI was often the tail wagging the DC dog. This came to be known as partitocrazia or partitocracy reflecting both the multi-party coalitions that formed governments and the disruptive presence within the various parties of factions or correnti coalesced around a dominant leader. While correnti often reflected the leader and his followers' location on

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the ideological spectrum within their party, these factions have drawn much of their coherence from elaborate patron-client chains that permeated down to the local base of the leader (and his followers') territories. Local political party structure frequently mirrors in miniature the national-level correnti as I shall show when I turn to Biellese local and regional politics.

The pattern of DC-led, weak coalition governments was to collapse in the early 1990s under the combined weight of the end of the DC's Cold War-anticommunist raison d'etre and the public corruption scandals ("clean hands" - mani pulite investigations). This led first to the brief tenure of a media tycoon (Sylvio Berlusconi) and then to the first left-center government in Post-War Italian history, the Olive tree coalition known as l'Uliva headed by Romano Prodi. But these latter events are effectively outside the scope of this work. The half-century of DC dominated government with the left, principally the Italian Communist party (Partito communists italiana, henceforth, PCI) but including a changing mix of splinter parties and extra-parliamentary groups in virtually permanent opposition, in the context of Cold War geopolitics created an unusual political culture which in one way or another -- and with considerable regional variation -- permeated politics and government down to the municipal (communal) level. A central feature of DC political hegemony was the maintenance of political dominance through the systematic employment of patronage politics and corruption. Because the DC as a party was never an ideological party with a coherent conception of state and society beyond the necessity of retaining control of the national state in the face of the largest (and best organized) communist party in western Europe, control of the state's ministries apparatuses were routinely parceled out to key correnti within the party whose power was

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regionally based. For example, Guilio Andreotti's (the wiliest politician in postwar Italy) base of support was Sicily and his grip on power and influence was firmly rooted in his capacity to deliver state resources to the local constituencies. But if Andreotti and the Andreottiani as his faction was called exemplified in the extreme clientelist politics including vote buying, rigged contracts, kick-backs, bribes, and the pervasive entanglement with organized crime, this style of politics was typical for Italy for the last half century. The pervasiveness of corruption was not uniform throughout Italy and I shall shortly discuss this aspect, but the important fact is that the longer this style of politics persisted, became more deeply entrenched and pervasive, the more Italians of whatever political stripe were of necessity drawn into it. By the 1980s, even the most incorruptible communist administrations in (for example) Bologna or Torino (or Valle Mosso in the Biellese) were compromised by the fact of having to deal with regional and central government ministries and agencies for whom the *modus operandi* was corruption.

The fact that corruption had become at least by the 1970s, the normative pattern for the allocation, deployment and distribution of state resources in no way diminishes the substantial regional differences in political culture in Italy. Beyond the fundamental North-South dichotomy, Italy is a country of regions with differing historical experiences and distinctive cultural and linguistic traditions that mediate (as well as help to produce) the effects of national institutional and political culture. The regions created under the Second Republic partially reflect these older historical, political economic, and cultural boundaries. Piemonte, for example, has seven provinces of which Biella is the most

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recently created (in 1993). But administrative boundaries alone cannot capture the complex nature of regional diversity.

The constitution of 1948 stipulated that a range of powers hither-to-fore exercised by the national government through the prefectural system would be devolved to regional governments. In the wake of the collapse of the governments of national unity and the consolidation of state power under the DC (in 1948), the devolution of state powers was only extended to a few regions: the islands (Sicily and Sardinia) and the provinces with fractious (or potentially fractious) non-Italian speaking populations, French speaking in the Val d'Aosta (the Haute Savoie) and the northeastern, German speaking areas (Trento - Alto Adige) ceded by Austria in the settlement of claims after World War I. The rest of Italy remained under the provincial system with the administrative writ of the state carried out through a system of Prefectures (Tarrow 1974) until regional assemblies were authorized in 1968 and instituted beginning in 1970 (Putnam 1993:18-26).
The prefect was intended to coordinate the activities of the various state agencies at the provincial level, but with an emphasis on public order and internal security (Furlong 1994:80 & passim). This pattern reflected the extension of the Piedmontese pattern of centralized state authority and administration from Unification through the succeeding century.13 But the extension of centralized state authority in post-unification Italy overlay older political and cultural entities and cleavages, especially the heritage of urban-based polity particularity of north-central Italy, Venice and its terra firma, and the influence of Bourbon rule emanating from Naples as well as Piemonte, itself. Tuscany or Umbria, Lombardy or Venezia, however much they may be identified with an Italy that pre-dated unified Italy, have distinctive linguistic, cultural, and political-economic

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characteristics that have not disappeared with the post-war national state. Indeed, it was precisely the strength of this regional particularity that led D'Azeglio to make the famous remark that having made a unified Italy, the task was now to make Italians. The strength of regional specificity has not disappeared in the last half century since the Second World War. As I have already intimated, the DC prevailed throughout the south electorally, and through various government autarchies that were the channels of development funds to the Mezzogiorno. Much of north-central Italy came to be dominated politically by the PCI with Emilia-Romagna, parts of Marche, Umbria and Tuscany and became known as the "red belt. The contest between "Catholic" and "Communist" attempts at achieving hegemony has been the subject (since the 1950s) of both serious scholarship and a series of most humorous novels.[6] Northeastern Italy (Veneto and Venezia-Giulia) were solidly Catholic, conservative DC strongholds in which the Catholicism tempered the DC's more centripetal tendencies. These sub-cultures have been studied by Anglophone scholars so that a reasonably comprehensive picture of regional traditions and specificities exists, even given the quite different interests of the authors.[7] All of these works attest in one way or another to the ways in which modern society, culture and political economy are historically conditioned.[8]

The same cannot be said for Piemonte and perhaps, Liguria and Lombardy, the "iron (or) industrial triangle" or settentrione Italy as the north is also called.[9] Perhaps because with the great cities of Milan (Lombardy) and Genova (Liguria) along with Torino (Piemonte), the "industrial triangle" has been subsumed into developed Europe and has been assumed to be homologous with it socially, culturally, and historically. But Piemonte, is itself, internally diverse even if its hinterland is overshadowed by the size

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and political economic importance of Torino. The hinterland of Piemonte can be thought of as a circle of cities in regular Van Thunen circles of first, second, and third order settlements radiating around Torino (allowing for the distortions imposed by topography). Immediately to the west of the Biellese, at the mouth of the Val d'Aosta is the Canavese with the small city of Ivrea. Ivrea on the Dora Báltea river is the original site of the Olivetti works, one of the first great modern industrial corporations in Italy. It lodges on the flanks of the Gran Paradiso massif. Westward is the Val Susa, the long narrow valley leading to two major routes into France. South of the Val Susa is the Cunese, centered around the small city of Cuneo. The Cunese was the center of the western Alpine cottage woolen industry until the early 19th century, but is now a center of furniture production. East and southeast of Torino, to carry the ring of dependencies to Torino and to the original domains of the House of Savoy, are Asti and then Alessandria in the Monfferato hills. These provinces are important viticultural producing areas. But they also exhibit in the form of fortresses and strongholds, the medieval feudal origins of the Savoyard absolutist state. Northeast of Alessandria (and almost due east of Vercelli) is Novarra, an industrial and agro-business city on the border of Lombardy. In the center of this ring is Torino, the regions's capital, and the second most important industrial center in Italy after Milano.

Turin (Torino) is the original capital city of the House of Savoy and its 18th century avenues radiate out from the complex of palaces of the monarchy. The east and southeast districts are dominated by the huge Fiat Mirafiori and Lingotto works and their sprawling working class quarters. The western side of the city houses Fiat Aerospace and other subsidiaries. Fiat is the largest corporation in Italy accounting for close to five

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percent of Italian GDP (gross domestic product) and a quarter of the Milan stock exchange's capitalization.[10] Fiat is controlled by the Agnelli family through a holding company that also controls or has significant interests in a range of other industrial, real estate, service and financial companies. The presence of Fiat in Torino is equivalent to GM and Ford in Detroit, or Daimler Benz in Stuttgart. The weight of the population of Torino in proportion to that of the rest of the region and the presence of a large industrial working class have influenced Turinese and Piedmontese politics in the post-war years. By 1971, greater metropolitan Turin numbered nearly two million in population accounting for about half the regions's population (Castronovo 1977:639). In the wake of the political struggles of the late 1960s and early 1970s, the city has had both Communist and center-right coalition governments. The institution of regional parliaments and by the late 1970s, the transfer of a range of functions (such as health care, environmental planning, etc.) to the regional ministries combined with Turin's more heterogeneous population has also resulted in shifting parliamentary majorities in Piemonte. But the shear size and importance of Torino in relation to the rest of the regions has often left the lesser provinces and their cities and towns at a disadvantage. I shall now provide a brief overview of municipal government and then move to several illustrative cases of what might be called the politics of jobs and everyday life.

The devolution of powers to the regions implicit in the 1948 constitution but not effectuated until the late 1970s has meant that provincial and municipal governments have had to lobby the central state for resources for any project. Between the professional corps of bureaucrats in central-government controlled ministries, regional and provincial political administrations, and intra-party competition, small and medium municipalities

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exist in a turbulent sea of political forces. The provincial government has an elected Consiglio from which a giunta (council) is selected.[11] The provincial administration controls a limited sphere of activity including maintenance of the provincial roads, public health and some aspects of the sanitary (health) services and often provincial public transportation. Municipal government was also elected with candidates for selected from partisan party slates mirroring the pure proportionality system of national parliamentary elections. The majority party in the giunta elected until the early 1990s, the sindaco as were the assessori, department heads of the various municipal services.

Provincial and municipal services such as transportation, utilities (e.g. electricity, gas, water sewage), telephone service, public housing, and a variety of other public services are conceptually at least, independent state corporations which the assessori administer in their municipality. Some of these corporations are national in scope (e.g. health services, telephone) while others are regional or provincial. They are known by acronyms such as SIP (Societá Italiana per l'Esercizio delle Telecomunicazioni S.p.A.), the telephone company, and ATAP S.p.A. (Azienda Trasporti Automobilistici Pubblici), the provincial bus company, that are the hallmark of modern societies. Each of these agencies is a significant public employer and, hence, a potentially significant source of patronage jobs and rich possibilities for corruption as well. The Vigili Urbani (literally, city watchmen) is the only branch of law enforcement directly under the administration of the municipality. The various other police services are national in scope, including the Carabinieri, the Polizia Stradale, and the Polizia Finaziaria, the financial (tax) police. The judicial system is also national in scope, but the relevant level for the municipality is the pretore (trial judge) who both directs investigations and tries cases.[12] Health services

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(SSN, Servizio Sanitariá Nazionale) are also national but have regional, provincial and local administrative and service delivery manifestations. The police, telephone service, bus company and the health service all have small roles to play in the story of everyday life. However, not all communities are administered in the form I have just briefly described.

Municipalities do have limited powers of taxation in the form of property taxes and municipal fees, but they are dependent for much of the municipal budget on funds appropriated by the national government and allocated through the administrative system of the various agencies. To the best of my knowledge, Italian towns do not possess independent bonding authority as do, for instance, U.S. cities and towns. An important result of this lack of fiscal autonomy is to make public works almost wholly dependent on national (and to some extent, regional) level administrative and political decision-making. The smallest municipality has next to no clout with the provincial, regional and national governments nor the autonomous service agencies. The Biellese excepting, Biella, Cossato and Valle Mosso, are all small towns and villages and many of them have well less than a thousand residents.[13] Small towns and villages have an elected council (consiglio) usually of 15, with the mayor elected by the council. Elections in these communes are not formally partisan, although the political affiliations of the candidates are public knowledge. The small size of many hamlets and villages had already been a major factor in the Fascist regime, grouping them into towns in the 1930s. But the continuing pianurizzazione, the outflow of population from the mountainous zones, has diminished year-round residence even further since the war. For these towns, almost any municipal project is a struggle against overwhelming odds in gaining the attention of

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provincial or regional administrators. As funding for services such as roads and sewers is allocated in part by a per capita formula, the fact that a great many of the houses in the hill and mountain villages are occupied only seasonally means that their owners are inscribed on the rolls of another commune, in Biella, Torino, or even Roma (hence the name for these summer houses: Case Romane), and the community receives less funding than its actual service burden requires. These problems were explained to me in the fall of 1988, by the (then) mayor of the commune of Quittengo, a cluster of some eight villages and hamlets in the upper Cervo Valley. Over coffee one Sunday afternoon, as the weekend traffic of excursionists and owners of case romani roared up the narrow grade through the hamlet of Balma, he explained that the towns sewer and water systems as well as the roads were inadequate and out of date. Yet appeals to the provincial administration did not so much fall on deaf ears as to rank so low on the scale of provincial importance as to require a three or four year lead time to have the necessary funds appropriated. By that point, whatever exigency had occasioned the request had usually reached either hazardous or near emergency condition. The funds at his direct disposal were limited because so many of the houses in the eight hamlets were owned by nonresidents. He also pointed out that the topography of the Cervo Valley and the dispersion of the hamlets perched as they are on the sides of a very narrow, steep-sided river valley, conspired to make the cost of modernization of these key utilities and services prohibitive on a per capita basis. The electricity system of the Alto Val Cervo for instance was antiquated, a single line of supply running up from Sagliano Mica further downstream. A good winter storm or a drunken driver on a summer Saturday night could, and sometimes did, turn-off all the lights above Sagliano Mica which was, in

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contrast to the upper valley towns, on the grid. This meant in practice that several thousand inhabitants of the pre-Alpi Biellese routinely lost power for greater and lesser periods of time during the winter and spring months when heavy snow, ice or rain storms are common.

An effort to give the mountainous towns and villages some additional bargaining power resulted in yet another autonomous quasi-administrative, quasi-promotional entity that grouped contiguous towns in associations to pool the costs of some services. But, however well intentioned this initiative was, it has had little impact on the needed modernization of services, although they have performed well in promoting the town's histories, craft specialties and other tourist attractions.

But there are other problems for these small mountain villages and towns that illustrate both the difficulties posed by the centralized administrative system Italy possesses, and its long-standing politicization. The population is aging-out, in the sense that the demographic structure has tipped decisively towards inhabitants 50 years and older. The process of pianurizzazione, segments of the population moving out of the mountains to the towns and cities at the base of the mountains, has meant that the needs for health care, public transportation, and in-house assistance for the elderly have risen as the active, working-age population has diminished.[14] Further, as noted in Chapter I, the difficult commute in winter discourages the working age population from remaining. Mountain villages are in peril of being unable to reproduce themselves socially as the young and adult population now works at lower altitude, anywhere from 10 to 40 kilometers distant. Biellesi retain deep attachments to the mountain and valley settlements that are the locus classicus of Biellese identity and culture, but the realities for

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married couples working in the economic core of the region, the necessity for their children to ride buses for 40 to 75 minutes to get to school, and the distance to shopping and services, all militate against the continued viability of the pre-Alpi Biellese. Yet, even as the population of the upper valleys continues to shrink, Biellesi maintain the houses with which their families are historically identified, traveling to them on weekends and often, deploying them as first houses to married children.

Some of the problems of the communitá montana such as the shortages funds for public works projects, are shared by many of the larger lower altitude cities and towns. But they have a host of problems generated at least in part by their recent growth and success. In examining some of these, the problems of the polity (what political scientists would call the political system) will also be made clear. I will compare and contrast two towns in the region, both of them, Biella and Valle Mosso, important centers of industrial textile production, as well as regional central places. Biella, now the provincial capital, and even in the 1980s, was the administrative center for the northern end of the province of Vercelli. Valle Mosso in contrast is situated at the eastern end of the Biellese, the heartland of the Biellese 19th century industrial revolution. Valle Mosso, wedged into the narrow valley of the Strona, counts several of the more important textile firms in the region, such as Botto S. p. A, amongst its many textile firms. But for comparative purposes, Valle Mosso is most interesting for the continuity of Communist-led or dominated municipal governments over much of the post-war era. This is in marked contrast to Biella where local versions of the national DC coalitional politics have prevailed specific local conditions. Biella, Valle Mosso and many of the other towns along the pedimonte are sufficiently large that they have partisan, political elections for

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the mayor, council, and assessori. Until the electoral reforms of the early 1990s, this meant that each political party fielded a slate of candidates for the various offices from which the electorate selected by voting for the requisite number of candidates and (if voting for two or more on the same slate) indicating their preference. Italy, until the electoral reforms of the early 1990s, had strict proportionality with a very low vote threshold for a party to gain representation. It was possible and often likely, even at the municipal level, for the giunta to reflect as many as five or more political parties.

The two major sub-regions gravitating around Biella and Valle Mosso, respectively, have somewhat different configurations of interest group aggregations both of which contrast with the "communal" politics of the mountain towns and villages. The western half of the Biellese centered on Biella has a municipal politics that mirrors the partitocracy at the national level while the eastern Biellese centered on Valle Mosso, has a polity that resembles to some degree, the "Red Belt" of North Central Italy (e.g. Emilia Romagna). These quite distinctive political cultures reflect the specific histories of the interaction of capital and labor over the last century, particularly since the 1930s. I will discuss these historical trajectories only briefly here, as they are covered in greater detail in Chapters 8 & 9. Turning first to the city of Biella, I discuss a local polity that closely resembles the stereotypic picture of partitocracy.

The associations of the manufacturers (UIB and artisanal, small and medium firms) are not primarily political but inevitably have both a political dimension and, in the case of the UIB, considerable political influence. Beyond articulating the interests of the large manufacturers and providing a unified public voice on matters of concern to them, the UIB's principal role is to bargain with the regional labor unions to set the sector wide

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contracts that characterize Italian labor-management relations. But the members of the UIB also have links to political parties as do the three unions (CGIL, CSIL, and UIL). In the post-war years, the grande industriali have been closely linked as a group to the Partito liberale (PLI), which traces its origins back to the Giolittan era of Liberal Italy (Hine 1993:22-4; Clark 1984:327-34). Its official platform has been to segment the interests of heavy industry in the north along with northern agribusiness. In the Biellese, the PLI also draws support from the professions and the banking industry. In the Biellese context, the Liberal party has actively promoted the modernization of regional infrastructure, especially the improvement of highway links to the Autostrade and the improvement of the regional airport, as well as more conventional business interests such as lower corporate taxation.

The DC casts a much wider net for constituencies than does the PLI. Its traditional bulwark is the middle classes (ceti medi) especially shop keepers and other small businessmen, but it also draws substantial working class support building on the political conservatism of many workers (v. Chapter I). In the Biellese, the DC has dominated city government in Biella (and Vercelli) and the other pedimonte towns. The giunta of the consiglio of Biella in the late 1980s was a five party coalition (pentapartito) dominated by the DC under the leadership of Luigi Squillario, then the mayor. Unlike the PLI or the PCI which had reasonably coherent platforms, the DC's strategy was electoral success by any means possible. In this regard, the DC nationally and its regional presence in the Biellese, more closely resembles the U.S. "catch-all" parties in which ideology (or for that matter programmatic goals) are distinctly secondary to electoral success. The DC in the Biellese championed the achievement of provincial status for the region even

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though it was effectively the resistance of supra-regional DC elites which held-up the issue for many years. The junior partner in the giunta (in 1988-89) along with the PLI was the PSI with three representatives. The PSI both locally and nationally, suffered from the problem of maintaining a distinct image independent of the DC. Having, at the national level, been the little brother of the DC and not having articulated any clear programmatic goals, regional-level PSI leaders of the late 1980s had a problem identifying just who their constituents were, and how their interests might be served.

The problems for the PSI in maintaining a distinct image and platform were quite clear in Biella in the fall of 1988. With the PCI in opposition in the giunta, and small but significant pockets of support for minor parties to the left of the PCI, such as Democrazia Proletaria (henceforth, DP), and Green elements, the PSI was trapped between its position as an establishment party and its historical-ideological roots as representative of working-class interests. In October of 1988, the PSI held a one day conference on the problems and needs of small business, particularly in the textile sector. The conference featured a series of speakers, most of whom were regional-level party officials, but a few of whom were business and environmental specialists. The keynote speaker extolled the PSI's commitment to and support of piccoli e medie industrie. While the party functionaries spoke of their commitment to the needs of the small firm sector in terms of cooperative marketing strategies, access to loan capital, and state support for export, the specialists addressed more intractable problems faced by this stratum of manufacturers. Briefly, to not wander too far from political dynamics, Biellese firms all face the problem of waste water treatment (aqua nera) and disposal.[15] The various processes of cleaning and preparing textiles as well as dyeing them produce highly toxic effluents that currently go

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directly into municipal sewage systems which are completely incapable handling them. While some larger firms have the financial capacity to install filtering equipment, few have done so and the small firms which are typically under-capitalized, cannot afford the equipment to comply with the statutes (should they ever become effectively enforced). Furthermore, even though production is dispersed throughout the region, regional-systemic initiatives to address the problem are moot, as the province lacks the political clout to extract the resources for a multi-billion lira project from the national government. The PSI specialist (an exceedingly knowledgeable and cogent speaker, in my estimation) was very clear in detailing the problems faced by this stratum of firms, but the PSI advanced no clearly defined program for addressing what their own specialists had identified.

This performance in political terms seemed to me to be fishing for support amongst a constituency who, given their position almost between capital and labor, had no effective representation. But this conference was a one-shot deal, for between 1988 and 1991, no palpable support to this constituency on the part of the PSI ever materialized.

The PCI had gone back into opposition in early 1988, after a period of active cooperation with the majority coalition. While the specific policy issues that occasioned their return to opposition escape me, the PCI also has had a difficult experience over the 1980s in balancing the interests of its working class (and intellectual-professional) constituencies against the majority party coalitions. Like the other Left parties, balancing had to take place in relation to the inseparable set of issues surrounding the health of the textile monoculture in the Biellese on which workers depend for their livelihood. The

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DC and PLI in contrast, can argue for the health and vitality of industry with all the classic laissez faire assumptions. In practice, the PCI has to couch its initiatives in support of cooperative strategies between capital and labor for industrial development and in terms of the social welfare needs of its constituents (v. Blim 1990: VII). But in the context of both regional- and national-level party politics and government, neither the PCI nor the PSI provincial and local cadres have the capacity to initiate and pursue programs designed to address provincial-level (i.e. Biellese) programs.

The fact that provincial-level political elites have such limited capacity to initiate and carry-out programs that might conceivably benefit one or more political constituencies decisively shifts the focus of political struggle to the administrative sectors where funds can be dispersed. Several examples will suffice to show the politicized character of regional and municipal administration brought about by this set of circumstances. The staffing of state agency is in part administered by provincial and municipal governments. In Biella in late 1988, staffing and finance in ATAP (the regional bus company) and the hospital had become foci of political struggle to dispense patronage positions and influence finance and investment strategies.

ATAP is, like public transportation everywhere, a chronic money-looser.[16] By the late 1980s its primary role had become the transport of school children, the elderly, and the poor about the region, except in the urban corridor of Biella-Cossato and their immediate environs. Much of its annual deficit was expected because public transport invariably operates at a loss and requires public subsidy. In the fall of 1988, several directorial positions in ATAP were open, the drivers and service personnel were without a contract, and ridership had again slipped over the previous year. Furthermore, the

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annual audit had disclosed financial irregularities of an undisclosed nature. Responsibility for the greater-than-expected deficit became a political football in which the opposition parties scored penalty kicks at the expense of the DC-dominated directorate, while Vercellesi and Biellesi DC directors tried to pass responsibility for the losses and the irregular nature of the losses back and forth across the political pitch.

One dimension of the excessive deficit appears to have been fueled by patronage-driven overstaffing, although the rhetoric of "cost-cutting" and rationalizing (i.e. cutting) employment that is the habitual response of liberal capitalist administration common to all capitalist states obfuscates any objective evaluation of the issue. It may also have been, although this is also shrouded in the obscurity of Italian politics, that some of the imbalances in the ATAP accounts might have resulted from the diversion of funds for purposes not congruent with its charter. Attaching responsibility for the debacle provided a political field-day for Biellesi and Vercellesi politicians, although the opposition parties wisely chose to remain mute on the sidelines while the DC protagonists heaped calumny on each other. The issue was further complicated by the fact that appointment to the open directorial positions was squarely in the hands of the DC, but divided between Biellesi and Vercellesi DC officials. Vercellesi ultimately won the battle of the appointment, but only in the face of the threat of a driver's job action that would have severely disrupted life throughout the region, and even while a longer term contract for ATAP personnel remained largely unresolved. The financial irregularities of ATAP's accounts may well have figured in the Sindaco of Biella's later sentencing to a period of house arrest, although again, the precise malfeasance remains obscure.

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The bus company contra temps is an example of provincial-level political machinations. Control over staffing at the hospital in Biella while local in the political dimension, is regional in the way that state agencies both inhibit efficient organization and transmit the politicization of these entities from the top all the way down to the smallest local manifestation. The proximate cause of the dispute in the Biella hospital was (yet another) staffing rationalization plan originating at the regional level. This plan sought to adjust the kinds of specialty medical services in regional hospitals in line with actual regional (e.g. Piemonte) use rates. According to the national plan, hospitals are arrayed in a hierarchy of service provision whereby high-cost specialty services are provided by major teaching and research hospitals which, for Piemonte, is Torino. Other kinds of services (e.g., oncology, specialized surgery, etc.) are deployed on a population density - territorial basis. There were in 1988, two major hospitals in the province of Vercelli, one in that city and one in Biella. The rationalization plan called for a reduction in overall staffing as a part of the re-deployment of medical services. One unit in the Biella hospital (about 300 beds) was a pulmonary surgical and treatment unit that included seven surgeons and supporting staff. While the initial recommendation apparently called for the elimination of this unit because the Vercelli hospital (a teaching and research unit) provided the service, this element of the plan soon fell by the wayside. Instead, the DC political cadres under Sindaco Squillario sought to fire the entire pulmonary unit staff, who had been hired under PSI auspices, and replace them with a new team selected on the basis of DC patronage.

The directive to first dissolve the unit and then reconstitute it with new staff had already been issued before a wave of resistance was effectively mounted. The existing

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staff notified their patrons who, in turn, appealed to provincial and regional-level PSI cadres. Whatever merit there may have been in a rationalization of services (including staff reductions) had been hopelessly compromised in the face of a rather transparent maneuver to provide jobs for DC constituents. Given the difficulties encountered by young Italian doctors to which I have already alluded , the effect was to sow further dissension in the provincial URS. In 1991, the position of director of the regional URS also became the focus of political struggle. A search committee reflecting the important factions promised to select a pool of candidates, "solely on merit", and in due course a retired physician from Biella who happened to have been a DC counselor, was selected (LS 12/07/91; LR 11/07/91). Charges were again levied by the opposition parties that the process had overlooked more qualified candidates in favor of political cronyism (lottizzazione).[17]

The thorough politicization of hospital staffing had yet another, more personal dimension that same fall. The son of very good friends of mine who had been chronically under-employed applied for a job in the hospital's supply unit as an inventory clerk. While this was a low-level job, in no way challenging to a person of my friend's capabilities, it was a posto fisso, a secure position for which he was most certainly qualified. He made formal application for the position while, concurrently, his father spoke with several acquaintances connected to both politicians and hospital administrators about his son's application. He did not, of course, get hired. While I do not know who was hired (not having an independent source within the USL), he had no reason to believe that he had not been overlooked because his father, a man of consummate integrity and, hence, no debts or credits with patrons (indeed, no patrons),

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had no claim on those in a position to affect the selection process. Some months after Mauro Nardini had not gotten the job, and remained only marginally employed (and deeply bitter about his own marginality in a way that was personally corrosive), we discussed local politics - and Italian politics generally over a Saturday evening meal. Between the clearing of the salad plates and the service of a fine poached veal roast served with bitter greens, Mauro's father spoke of his own wariness and cynicism of the political process. He said, "[W]e are not ideological in how we vote; we vote to disrupt a corrupt process. Often we vote Communist because they at least are in opposition, and less corrupt." From a man as cosmopolitan as he (an international textile broker adept in four languages other than Italian), this seemed to me to provide the most succinct and damning indictment of government and politics in the Biellese.

The Pentapartito (DC, PSI, PLI, PSDI and PRI) giunta in Biella in the late 1980s was not without formal political opposition. The PCI has significant support in Biella, and even greater support in the eastern part of the Biellese. Valle Mosso indeed, has had PCI mayors and PCI dominated giuntas for all of the post-war years. In Biella, the PCI under the leadership of Max Zegna and following national policy, cooperated with the pentapartito giunta for much of the early and mid 1980s, but in late 1988 returned to formal opposition. The minor parties of the left and right had no representation on the giunta or in the consiglio. The rightist parties such as the Movimento Sociali Italiana (henceforth MSI, the Fascist party) and the monarchist party (subsequently merged into the MSI) had virtually no presence in the region in the late 1980s. The Piedmontese league , while not strictly a rightist party, which sought regional autonomy as well as the

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preservation and promotion of the Piedmontese language, regional customs and heritage also achieved only minimal success.

The parties on the left of the political spectrum had a significantly greater regional presence, although their electoral success was on the wane in the late 1980s as was membership for most of them. The two major poles of orientation were DP and the Green List (Lista Verde, henceforth, LV), one of the Italian manifestation of European environmentalism. They are not unrelated in terms of their constituencies because, with the end of the great wave of mobilization in the 1970s, many on the ideological left turned their attention towards environmental and "life-style" issues encompassing some feminist concerns, and issues such as housing and urban planning.[18] In the Biellese, the publication of Biellasario (the title shortened from an earlier incarnation as Biella Proletario) beginning in 1988 provided a forum for presentation of radical-environmental perspectives on issues of civic concern as well as one of the only regional alternatives to the solidly center-right, confessional mainstream press.[19]

Valle Mosso is considerably smaller than Biella (about 10,000) and is truly economically mono-cultural in textiles. The concentration of textile workers in the town itself and the surrounding towns and villages is much greater than Biella where services, retail, banking, and public entities leaven the population with a middle class (and elites) not exclusively dependent on the industria tessile. This has historic roots as I have noted elsewhere, in that the mountainous eastern end of the province was the heartland of cottage production well into the 19th century. The contrast between Valle Mosso and Biella is suggestive of the effects on political culture of different historical trajectories of collective action described by Caroline White (1980) for the Fucino basin. The Valle

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Mossesi tradition of cottager and then working class militancy in the latter 19th century, the Fascist era, and the resistence appears to have provided generations of Mossesi with tradition, cultural symbols, and social legitimacy of protest. In Biella with its more complex social and class structure, these attributes are more muted. The fact that World War II partisan activity was concentrated in the eastern end of the Biellese seems to bear this out (this area's geographical peripherality to the German need to control transport routes in northern Italy undoubtedly played a role as well, v. Pavone 1991). [20]

But what is significant about Mossesi post-war political culture is that the political engagement and militancy of significant segments of the population never really ceased. Moreover, the apparently bifurcated class structure (between workers and owners/managers) in the context of monoculture constrained the development of the kind of more diffuse (and, hence open to the clientelist style of politics) that prevails in Biella.

Bepe and his fidanzata, Carolina, both came from solidly Communist families in Valle Mosso. Bepe, following his father, is a muratore, a craftsman who builds and finishes the stuccoed walls of residential and commercial buildings. Carolina is a refinatore in the Botto works. She checks the bolts of cloth after they have come off the looms to find the imperfections: broken threads and other mistakes, and re-weaves them. She is at least a second generation reweaving specialist. Bepe and Carolina (when she made her occasional appearances at the Bar Popular), were often teased by other men and women because their families were active in PCI cultural and social activities, and they had pledged to have a civil wedding ceremony with no ecclesiastical participation.

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If they can be viewed as exemplars of working class culture (as I believe they can be), then we can more readily understand the more classical style of Valle Mosso politics, how the exposure of malfeasance on the dam (diga) contracts came out of Valle Mosso, and the continuing existence of alternative press to the provincial, confessional press.

In other words, where the class composition of a town remains largely bifurcated between workers and owners and especially where local employment is dominated by medium to large-sized firms, more classically oppositional politics seem to be prevalent. Where social and occupational position has become more blurred, local politics seems to more closely resemble the Italian norm.

III. Antipolitics: The Travails of Youth

Perhaps one of the most striking parallels between contemporary Italy and the U.S. in their approach to youth is the heightened societal concern with drug abuse amongst the young. In the Biellese of the late 1980s, substance abuse most often took the form of heroin use with often tragic consequences. Rarely a week passed when the death or near-death of a young person (most often, but not exclusively male) was not reported. Along with deaths from drunken driving and the not uncommon suicide of draftees, these notices provided a sad litany of the risks for youth.[21] I mention these problems not because I can assign them explanatory status in understanding the contemporary Biellese but because the death or incarceration of young men and women touched people I knew quite well. The burden of heroin addiction is born as much by the family as it is by the afflicted person in this small world.

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A fairly wide variety of illicit drugs excluding marijuana, was fairly readily available in the region although I never encountered street dealing. The proximity of both Milan and Turin both major distribution points for illicit drugs probably made their acquisition easy. Drug use was not an issue amongst the group of men and women I knew best but most of them could have obtained them should they have so desired. While I do not have data that would show participation rates across class, age, and occupational strata, it appeared to be concentrated amongst youth 15 or 16 to late 20s. I knew of no instance in which the offspring of an industriali was busted but friends who interacted with them told me that drug use was not uncommon in higher circles. But dealing and use was more than likely concentrated amongst working class youth.

Experimentation with illicit drugs is almost always connected to peer groups. While many of my friends had had the opportunity to try drugs under the auspices of acquaintances, those who had done their military service spoke of the ubiquity of drug abuse amongst draftees in the military. Few young men look forward to their military service and I knew no one who had or had a sibling who had made the military a career. Even their families spoke of the shock of having a son wrenched away for the better part of two years. While compulsory military service is a now fading memory in the U.S. it still predominates in Western Europe where terms of service range from one to more than two years. Furthermore, unlike the U.S. where an important component of achieving adulthood is complete autonomy frequently defined as leaving one's natal home, in Italy generally, and in the Biellese specifically, becoming an adult doesn't mean leaving home (v. Pitkin 1985: 210-14). As I have already noted (Chapter II), most Biellesi youth continue to reside with their parents until they marry. Even then, most of them retain

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close relations with one or both natal families. Perhaps then, the experience of being forcibly removed from one's family to the strange and hostile regimentation of the army causes greater difficulty than it might for American youth. I know of several families who had to intercede using the offices of elected representatives with the son's commanding officer in order to head-off a personal crisis. At least three Biellesi youth committed suicide while in the military over the year 1988-89; a surprisingly large number given the small size of the conscriptable age cohort. And others I know for a fact, acquired their addiction during military service.[22]

Certainly, the risk-taking character of youth cannot be ignored in any society in which there is a substantial transitional period between youth and adulthood. This is more salient for males than it is for females, and it is reflected in the relative frequency with which males are involved in automobile accidents, drug over-doses and petty criminal activity. But this behavior suggests that the traditional patterns of social entry into adulthood, and labor market entry have changed. Most youth no longer transit directly from school to work and from childhood to adulthood as did their parents' generation. Indeed, in Italy (and for most of the EC) youth un-employment is a stubborn, divisive and apparently intractable problem. As the travails of many of my friends at the Bar Popular attest, finding a good job with only a school leaving certificate or no certificate at all is a ticket to the least stable and desirable sector of the labor market: the bottom.

There is for many Biellese youth, a long interregnum between school-leaving and their eventual settlement in a more or less permanent job, a posto fisso. There is of course, a great deal of variation in their experience occasioned by many factors and

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individual circumstances. But, grosso modo, Biellesi youth, Italian youth more generally, and most generally, young workers throughout the EC, confront a difficult period of transition between their social status as youth and their absorption into local, regional and national/international labor markets as adult workers. This discussion pays particular attention to that segment of the Biellesi age cohort (between 18-26 years old in 1988) who had not yet made a completely successful transition, or had failed almost completely to do so. Having defined this group and compared their experience with their more successful peers, I turn to the Biellese labor market.

Some of the factors that contribute to labor market rigidity are noted; such as the effects of an antiquated secondary and post-secondary educational system, the official system of hiring through the camera del lavoro, the tri-partite wage bargaining system (state, industry and labor), and the influence of unions and family-held firms on the regional labor market. Having already discussed clientelism and lottizzazione in the discussion of local-level politics, I turn to a brief examination of employment data for the Biellese from 1960 to 1985. The chapter concludes with a discussion of the experiences of younger workers through the eyes of the "boys at the Bar Popular".

I first examine the concept of labor markets from both neoclassical and Marxist perspectives and then discuss the criticisms leveled against each version. I then discuss briefly, the general character of labor markets in the EC, and Italy more specifically. An examination of the regional labor market serves several distinct but related purposes. First, the nature of the regional labor market (and the active labor force) must be in some ways distinctive in contrast to normative expectations about both demand and supply for the Biellese industrial district to socially and economically reproduce itself. Subsequent

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chapters chart the modern history of the Biellese and show how the sociocultural processes of the textile industry's development have shaped a political economic, social, and cultural world that is unlike the conventional picture of industrial society in some important respects. I show, for example, that unlike apparently similar situations in Philadelphia and the West Riding in Yorkshire (v. Chapters VI-VIII), the Biellese has successfully reproduced itself socially and economically through more than a century of economic, technical and political changes. The capacity of local capital and the local workforce to shift market orientation in the face of crises has no simple economic explanation and captures the sociocultural and historical particularities that are basic to these successes. Finally, the contemporary successes of Biellese industry built on market position and ever-increasing technical sophistication may now be undermining its capacity to reproduce itself. Here, the experience of Biellesi younger workers is relevant to an understanding of the present and the region's future prospects.

But the concept of labor markets first needs to be explored before turning to the Biellese case material. The relatively high base rate of unemployment throughout the EC, and particularly pronounced in Italy, Spain and the other Mediterranean countries of the EC, is often explained as the result of national labor market rigidities in comparison with (for example) the United States. Impediments to the free flow of labor in the form of more active government intervention in, and regulation of labor markets, combined with more generous social support policies (e.g. unemployment payments) is frequently cited as a basic ingredient for persistent, high (i.e. structural) unemployment.

The active workforce in the Biellese are those between age 15 and the age of retirement, roughly 65 years of age. It excludes children enrolled in school and adults and

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disabled persons receiving pensions, and it doesn't even attempt to capture a population of those who stay at home (e.g. housewives (casalinghe)). Unemployment data has the further liability of failing to capture "discouraged" workers; those who have abandoned actively seeking a job through formal channels or ceased to collect unemployment and related benefits. As provincial-level data were largely unavailable, national data will serve as proxies for Biellese data that undoubtedly depart to some degree from national averages. The participation rate in the work force for all of Italy was 55.9 percent in 1988 with male participation at 72.1 percent and female participation at 40.1 percent (de Luca and Bruni 1993:22, table 8). I suspect that women's participation rate in the Biellese is considerably greater than the national average. If the higher estimate of the active workforce in the Biellese is accepted (90,000), this renders a regional participation rate of 45 percent.[23] There are several factors that suggest that this low participation rate under-represents the actual active workforce. Like Italy, the Biellese has a low birth rate, below replacement in the longer term. The demographic structure of the population is tilted by the presence of a large cohort of 60 plus years of age. For instance, I encountered many retirees who had spent their active work life outside the Biellese, often outside Italy itself (e.g. in the U.S., South Africa), living comfortably on their pensions in their native villages. The presence of these trans-national "snowbirds" increases the elderly as a segment of the population. More importantly, calculations of labor force participation do not accurately capture informal sector employment, artisanal work, or household-based work. Until 1993, firms in Italy with less than 15 employees were exempt from the social contribution making it difficult to establish active workforce estimates. Finally off-the-books employment (lavoro nero) also (to the extent that it doesn't overlap with the

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aforementioned categories) depresses participation rates. I believe therefore, that real participation in the Biellese is over 50 percent of the population.

The workers in the textile sector probably account for at least half of the active work force, as many as 45,000. Total employment in 1988 for example, can be also further sub-divided into workers (operai), salaried professionals (dipendenti), and managers (dirigenti). In large textile, clothing and texmeccanica firms, there are clear-cut occupational and functional hierarchies, but the smaller the firm the less value these distinctions hold. Nonetheless, these functional and occupational categories provide a rough means for assessing points of entry into the textile labor market. The top stratum is managers likely to be university trained whether or not they are members of the owning family. In a stratum immediately below them are the salaried professionals in engineering, chemistry, design, marketing, and other functional specializations. They too are now likely to have university training, frequently from an Italian public university, or from the textile school in Biella. But others in this stratum are men and women who have worked their way up through the ranks at a firm, having started as line workers or office clerks, or weaver's assistants in their youth. Many of them in the late 1980s, were in their fifties, their fortunes committed to a firm many years ago, and now rewarded with positions of very considerable responsibility and status. Below the dipendenti are the workers, but to be an operaio is not to be a part of an homogenous mass of waged labor, like "potatoes in a sack". There is, as in all industrial manufacture, a complex hierarchy of positions in which certain skilled jobs bestow prestige and command respect. Amongst the most important in the Biellese textile have been weavers, the loom operators. However much the nature of the job may have changed over the last three

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quarters of a century, the independent-craft origins of the profession still inform the valorization of jobs and skills in tessile. While weavers, bale breakers, and machinist's assistants are all workers (operaio), they are at opposite ends of the spectrum of skill and status on the shop floor and in wages. The large number of specialized, skill-intensive jobs in textile production means that recruitment is not a straight forward process. Entry-level positions in, for example, an integrated lanificio encompass jobs such as machine oiler, stock room or warehouse clerk and some machine-minding (such as bobbin changing on spinners). But many of the other jobs require considerable training.

Several of my acquaintances tended spinning machines in either a yarn or a thread mill. In each case, job entry had been facilitated by the fact that a father or mother (or another close relative) had been employed or was still at the factory. But most of them held jobs that required little or no training and no credentials to hold. Part of their problem is the rigidities of the educational system that offers little in the way of alternative trajectories into skilled work in comparison with, for example Germany.

Compulsory education in Italy ends at age 14 but the majority of Biellese youth attend a liceo or a technical school until the age of 18 or 19. Graduation from liceo entails passing written and oral examination offered at the end of the school year. The exams are a national phenomenon in that the questions are set nationally and each June there is a week-long spectacle of anxious 18-year-olds tortured by what the questions will be, and then depressed afterwards by their perceived performance. Failure of an exam means retaking the course, attending a cramclass, or resigning oneself to not matriculating at university. The Italian liceo system like most European educational systems, is specialized in that students decide on a particular course of study such as the sciences,

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arts, teaching, or languages and pursue study in that area to the relative exclusion of other subjects. But as de Luca and Bruni (1993) note, Italy has a high "drop-out" rate in comparison with other EC countries.

> In the late 1980s, drop-out rates were above 10 per cent in the compulsory school curriculum, 30 per cent in higher secondary school and 70 per cent at university level... (:107).

While drop-out rates at all levels are higher in the south than in the north of Italy, my experience with younger workers in the Biellese suggests that the far lower (northern) aggregate drop-out rates should not be accepted uncritically. Most of the young men and women who comprised my pool of informants had studied in the sciences tracks in technical or vocational schools, for the degree called geometró, which has no U.S. direct equivalent, but is similar to a civil engineering bachelor of science degree.[24] But for most of them progress had been slow and fitful. Some of them had left school to work and attended school at night. Others had left school at sixteen or seventeen to work, abandoning the prospect of formal credentials. Few of their parents had had the luxury of completing their formal (secondary) education, much less attending university. They may well have desired to attend university, but their economic position precluded it. This is not to say that educational credentials are un-valued. But employment in the industria tessile has not traditionally required educational credentials. Rather, one got a job with a firm and learned as one worked, gradually progressing to the more skilled tasks such as weaving or into the ranks of management.

But this pattern is changing. The advent of evermore sophisticated, automated, and digitally-controlled technology in textile production now puts a premium on technical education. There is a technical school for the industry in Biella that provides

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comprehensive training in textile design and the evermore complex chemistry and engineering of modern fiber and cloth production. The professionalization (and credentialization) of key phases of fiber, textile, and garment production threatens the older guild-like apprenticeship pattern of training and advancement in the industry and, hence, constricts the avenue of mobility for men and women who do not perform well in the competitive, performance-based educational system. For some of my informants, the trajectory their parents' work lives followed, of advancement in the industry to evermore skilled (and well-remunerated) work, has been effectively foreclosed by their own inability to successfully navigate in the educational system. Where, in the past a man or (less frequently until the 1970s) a woman without formal educational credentials could rise to importance and even command in a firm, many of my informants now look for independence and autonomy through other kinds of jobs such as driving a long-distance truck or becoming one's own boss in the construction trades.

For young women whose situation parallels that of their mate peers and who, traditionally, might have hoped to become teachers had their academic performance been better, the options are entry level positions in textile factories or becoming shop clerks until they marry and bear children. Loretta de Luca and Michele Bruni (1993:106) note that while men often eventually transit from waged labor to self-employment; this is much less common for women. While a number of explanations for this phenomenon are available (and will be discussed subsequently), the more limited opportunities for women reflect, I think, continuing gender-based bias in both the trades and the professions.

The situation for technical school and university graduates is not easy either. While most of the young men and women who I knew well might be categorized facilely

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as amongst the less successful in negotiating their way into jobs and status, university graduates also often experience a long hiatus between achieving a university degree (or an equivalent technical diploma) and a posto fisso. While the problems that university graduates face are only tangentially relevant to an examination of the Biellese, a few comments are in order. First, labor market entrance for university graduates in Italy, France, and Spain (and to a lesser extent, across the EC) is slow and often problematic. But it is not universally so for all graduates. Like university graduates in all the OECD countries, graduates in engineering, physical sciences, and other technical disciplines have a relatively direct and rapid entry into the labor market. The traditionally favored degrees in law, medicine, and philosophy fair far more poorly as the experiences of young doctors in the Biellese illustrates; even if the prestige these degrees bestow remains a powerful incentive. The burgeoning of the social sciences in the 1970s and 1980s has also left graduates in these fields with few opportunities commensurate with their training. In short, university graduates are in over-supply in Italy in a political-economy ill-equipped to make productive use of what economists so fondly call "human capital".

Finally, there are technical schools and institutes that offer an alternative to conventional university education. The textile institute in Biella offers degree programs in textile design, textile engineering and chemistry. It also has a course that results in a "master of fibres"

Labor markets are but one important but not overly critical component of the grand edifice of modern economic theory. In the perfectly abstract world of (neoclassical, mathematical) economics all the factors of production are available through the market mechanism hampered by neither time, space nor a dearth of information available to

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potential buyers and sellers. Problems of factor availability are solved through the price mechanism whereby scarcity of a factor drives up prices and abundance drives prices down. Reality at any given historical moment is much more complex than this highly abstracted and idealized model admits, but the function of models is of course, to provide a simplified and more readily intelligible picture of this fecund reality. I leave aside for a moment, the claims that most markets are ideological fictions in the minds of economists and government policy makers.

I will begin with the conventional description of labor markets applied where possible, to the Biellese. In contrast to much of the rest of Italy, and almost all of the south, the Biellese has had (for much of the post-war era) a tight labor market. Wages and annual incomes for Piedmontese workers average about 135 percent of the national average.[25] Unemployment in Piemonte has hovered between 5 percent and 8 percent throughout the 1980s in stark contrast to official unemployment levels in the south as high as, or higher than, 30 percent. Biellesi unemployment was rarely over 5 percent over the 1980s which, if one is to accept the premise of the Philip's curve (or NAIRU), is effectively full employment.[26] This fact (of low unemployment) might seem to present a substantial challenge to any definition of crisis (or crises) in the region, particularly when compared with other provinces in Italy. As I have already noted, the use of the term crisis is common in the Biellese (and in Italy), so there is *prima face,* a significant disjuncture between a purely economic appraisal of the region and the perspective of its inhabitants (industriali not excepted).

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The case of one of the Nardini brothers is illustrative of the lack of transparency in regional labor markets. He made application (as noted above) for a job in the regional hospital, and by the terms of the job description, was suitably qualified for the post. Yet his application was apparently, never seriously considered, and he did not gain the post. I have already advanced the explanation that personalist-party political patronage played the deciding role in another receiving the job, but unless we are willing to write this off as an "exogenous" influence on the labor market, it still has to be explained in economic terms. The role of patronage and personalist relationships (and sometimes clientelist) are of course, not exogenous to economic process (or for that matter virtually any other social dimension of life). Buyers and sellers of labor, politicians appointing constituents to jobs, or bankers evaluating the credit-worthiness of a potential mortgagee want to know about that person as he or she is evaluated by others connected in a web of social relationships such that they are in a position to genuinely evaluate the candidate's capabilities or liabilities. While this process of information gathering and evaluation based on non-formal standards appears to violate the principles of both market rationality and meritocracy, cleaving to a rigid and formalist conception of who has, and what is relevant information contravenes the reality of what intuitive and formal evaluation for a post, a recommendation, or whatever actually is. This becomes patronage only when the pool of applicants is artificially narrowed by some criterion, such as party affiliation. It becomes clientelism when knowledge and merit are secondary to the potentiality of reciprocal (if not necessarily equal) resource exchanges as a *quid pro quo* for recommendation. The Nardini man clearly suffered from the latter, not the former. But these particularities are

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significant generally, and in the Biellese specifically, only in so much as they can illuminate the workings of the labor market.

The concept of a dual labor markets was first advanced by Michael Piore and Peter Doeringer (1971) primarily to explain why minority workers in the U.S. were unable to obtain employment even in the tight urban labor markets of the late 1960s. They noted that there is often in effect two different markets, one of which (the primary sector) behaves closer to expectations, and another (secondary sector) with quite different characteristics. In their model primary sector jobs were characterized by higher wages, greater job stability, better fringe benefits, high unionization rates, greater worker autonomy, promotion ladders and often, employing sophisticated technology. Secondary sector employment was typically low waged with low job security, few if any fringe benefits, rigid work rules and little or no advancement. Typically primary sector jobs were held disproportionately by white males while women and minorities filled secondary sector jobs (Jamie Peck 1996).

The Biellese economy certainly has its share of low-end jobs in services and casual labor. School drop-outs and the small pool of African immigrants in the Biellese can be viewed as providing the low skill, low wage laborers. One explanation then, for the relative lack of success for the Nardini brothers, and the other men and women who frequented the Bar Popular, is that by lack of credentials and training, they were part of a secondary labor market. This pool of workers would grow in size were one to count home workers and off-the-books workers as competing in a secondary labor market. However, lavoro nero, part-time work and home-working are not necessarily lower-waged than comparable jobs in textile factories. The very large number of very small

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firms operating in the region along with the persistence and occasional efflorescence of cottaging makes the subsumption of the Biellese labor market to a classic dual labor market problematic.

The fluidity of firm entry and exit combined with the familial basis of Biellese small-scale proprietary capitalism does not fit the model of segmented labor markets well either. In 1973, Michael Reich, David Gorden, and Robert Edwards argued that monopolistic capitalist corporations actively pitted workers against each other, exploiting race, gender and ethnicity as a means of labor control. Combined with de-skilling, this enabled corporations to both keep wages low and workers docile.[27] While labor market segmentation may characterize some of the most urban northern Italian regions, especially in the wake of the great south to north migrations in the 1950s to the late 1970s, and the more recent influx of extra-territorial immigrants, the Biellese possesses no firms in a position to exert this kind of control directly. In concert (e.g. through the UIB) the large industries do exert, or try to exert, control over wages but the tradition of sector-wide bargaining with the unions in a heavily unionized industry serves as a counter balance to these tendencies. In this sense, the Marxist models (often based on U.S. and English case material of large industrial corporations) also fail to accurately represent the complexities of the Biellese labor market, and perhaps those of Italian industrial districts generally.

The salience of large corporations in the U.S. led Peter Doeringer and Michael Piore (1971:1-2) to conceptualize a third form of labor market; the internal labor market. They define an internal labor market as an administrative unit (such as a firm) governed by a set of rules and procedures in contrast to the external labor market where pricing, training, and allocation decisions are controlled directly by economic variables. The two

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markets are inter-connected in that certain job classification constitute "ports of entry and exit" to and from the internal labor market (Ibid:2). The other jobs in the firm are filled by workers already in the institution which has the dual effect of shielding those workers from the competitive forces of the (external) labor market while imposing a heavy disadvantage on workers in the external labor market. Doeringer and Piore go on to note that the internal labor markets of different industries have distinguishing properties. Manufacturing establishments characteristically have "enterprise" markets in which entry level jobs are "fairly responsive" to external labor market conditions meaning that both hiring and firing (or layoffs) are driven by competitive forces (Ibid: 3). Non-entry jobs however, are shielded from these forces, and promotion decisions weight seniority significantly as well as ability. Craft markets, in contrast, are defined by guild-like rules of entry. Craft markets typically are geographically bounded with a union or professional organization holding territorial sway in entry. Both craft and enterprise markets then, are quite different from competitive labor markets in which supply and demand set pricing and allocative decisions.

The concept of an internal labor market bears a considerable resemblance to the theory of the firm as developed by Ronald Coase (1988 [1937]) and elaborated by subsequent scholars. Coase's point was that firms come into existence when information and transaction costs can be reduced or avoided through internalizing activities that would otherwise be transacted in the market. Both dual and segmented labor markets at least from the perspective of buyers of labor, operate precisely to reduce the costs of information gathering, training and, as Marxist scholars point out, the need to socialize or discipline new hires to a particular set of work and administrative rules — what I have

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identified as production regimes. But where the attention of economists concerned with economic organizations has primarily focused on the large, multi-divisional corporation as the sine qua non of modern industrial capitalism, the Biellese industrial district (as well as a good many other Italian and European industrial districts) is composed of a range of very small to medium sized firms. Industrial districts as Marshall pointed out, depend on a combination of competition and cooperation between firms to achieve the kinds of efficiencies ordinarily thought to result from scale in multi-divisional corporations (v. e.g. Chandler 1977; 1990:380-96; Best 1990; Lazonick 1991). One of the salient characteristics of the Biellese and of the other major Italian textile and garment industrial districts (e.g., Prato, Carpi, Bergamo) is their geographic circumscription. In virtually none of the major Italian textile districts does the workforce encompass a significant participation by immigrant labor (although this may be changing in Prato). It may be useful then, to think of the Biellese as comprising an internal labor market defined by its traditional geographic and sub-cultural borders rather than by the legal boundaries of a single multi-divisional firm. Emilio Reyneri notes that labor markets are always regulated by one or another institution, whether it is the market, the state, collective bargaining or by *family, community and clientalistic networks* (1989: 131 emp. added). As he goes on to note:

> This is true not only for "less developed" economic systems and various forms of "underground economy" but also for the most advanced industrial systems, in certain social and political settings characterized primarily by the presence of small firms (1989:13 1).

Reyneri has in mind the "Third Italy", the central and northeastern regions but the description applies equally well to the Biellese and, perhaps, the Cunese as well in

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northwestern Italy. The Biellese labor market actually combines state, bargained and community regulation as well as patronage and clientelism. As for the latter, I suspect as the example of the Nardini man illustrates, clientelism operates most fully, in public sector employment where party politics and party cronyism can hold sway. In contrast, mid and smaller sized firms mix state and bargained labor market regulation, while the smaller and micro-firm probably depend most heavily on familial and community regulation. But I emphasize, these are not hard and fast boundaries between firm size and type and the prevailing form of regulation.

Three parties are involved in formal labor market regulation: the state, the manufacturers associations and the unions. Only the most sketchy summary will be offered of the complex interrelationships between the three major "players" in the Italian economy. In the classical model of the labor market, the state sets the ground rules of the market and then allows market principles alone to determine supply, demand and pricing of labor. But the state necessarily intervenes to further its current macro-economic policy whether that may be (amongst other things) price stability, to promote growth, to dampen inflation, or to reduce conflict. One residue of the Fascist era, although extensively modified in the 1970s, is, as I have already noted, the pattern of sector-wide bargaining in setting contracts between employers and workers. The model of harmonized interest in the corporatist ideal became more complex in the post-war era when unions divided along ideological (or at least party) lines. Contract bargaining is undertaken between the relevant management entity (in the Biellese, the UIB) and the relevant worker's entity (in the Biellese, the Camera del Lavoro).[28] But contracts have often been industry-wide.

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Another important feature of labor market regulation is that hiring (at least until recently) could take place almost exclusively through the official employment agency (camera del lavoro). Initially under post-war statutes, employers could only specify how many workers were needed and the local agency provided candidates selected from its list under a complex formula that weighted time unemployed and need (e.g. number of dependents) rather than skill. While this did not apply to many highly skilled occupations, it was also increasingly honored only in the breach for most employment (de Luca and Bruni 1993: 91-3; Reyneri 1989: 132-3). Reyneri states that this further encouraged clientelism as firms "began to use particularistic 'chains' based on church parishes and electoral clienteles" (: 132; v. White 1980). It may also be viewed as a stimulus to lavoro nero and the complex sub-contracting systems that characterize small scale industry in a number of sectors (e.g., shoes, garment production, engineering).[29] The Cassa Integraione di Guadagno plays an important role in shielding regional industry and labor respectively, from crisis. The origins of the Cassa are again, in the Fascist era where it was designed to protect workers in heavy industry from the systemic crisis of the Great Depression. While state policy in the early 1930s was to discipline labor, depress wages, and increase output, the corporatist ideal was at some level to harmonize interests even if this primarily involved first de-mobilizing labor.[30] The Cassa Integrazione was a temporary wage replacement scheme for workers laid-off from industry. The scheme required employers to contribute to a state fund that, in turn, paid a modest sum to the worker as replacement for lost wages. This was intended to be a short-term unemployment compensation scheme but it has evolved in the post-war era to become an industrial adjustment program for industries in crisis. Under the new manifestation of the

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Cassa, workers in industries designated as being in crisis or under-going sector-wide restructuring are eligible for a 75 percent wage replacement when they are laid-off. While it is designed to be a relatively short-term expedient, in practice, the benefits can be nearly unlimited in duration. In the Biellese several rounds of crisis and re-structuring have placed significant numbers of workers on Cassa Integrazione for various periods of time in the 1960s, again in the 1970s and early 1980s. In the fall of 1988, when I first came to Biella, local news accounts indicated that many of the small firms had less than 90 days forward contracts and that workers faced a holiday season with the prospect of being laid-off.

V. Local Politics, Society and the Textile Industry

I have sought to show in the preceding sections that the socio-cultural and political economic character of the Biellese is both fundamentally like but in detail, unlike other regions of Italy. Formal political institutions and the ways and means by which elites are formed and come to inhabit institutional roles, and less formally, achieve statuses and prestige positions are not at all unlike much of northern, if not all of Italy in the post-war era. Similarly, the way in which families are formed and the loyalties and expectations of kin are not unlike other parts of Italy. Generational experience at least in the post-war era is not foreign to at least, central and northern Italy. But to say that it is, 'just like the rest of Italy' helps us to understand little or nothing about the relationship between citizens as citizens, workers, industriali as kin, and government bureaucrats as both 'us' and 'other.'

Ideally, the information that would most clarify the multiple relationships between capital and labor, citizens as citizens, workers as citizens, etc. would form a sort of matrix

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in which the complex relations could be displayed in all their complexity. But this is not possible because it would require a density of ethnographic and sociometric data only a lifetime of engagement with the region might produce. So what I shall argue next is that the spare precis I have offered provides sufficient suggestions about culture, society, and capitalist activity such as to provide the reader with a road map to follow the historical exegesis in chapters 6-9 that develop my contentions about the Biellese's specific developmental trajectory.

Quite obviously, the current state of the labor market is a condition with which entrepreneurs must contend. So too, the way in which municipal and provincial governments operate is another set of conditions. Just as important in my estimation even if the evidence is more circumstantial, is the impact of relative endogeny (meant here as low rate of in-migration) on the region's political and social structure. All of these realities are a part of the contexts in which entrepreneurial (in the Schumpeterian sense) much less corporate activity (in the marginalist sense) take place. But, as I have suggested, the contexts for piccoli, media, and grandi industriali are different independent of the differences in legal structure that most often distinguish between artisanal, small , and corporate firms.

Italy, like the other EC national states is unlike the U.S. considered to have a dense and difficult regulatory environment in which entrepreneurs must make their way. Economic activity is mediated through a host of national laws and regulations and in Italy, by the suffusion of state regulatory bodies by the political parties; a dimension of partitocracy. Where in the past, institutionalists tended to focus on state institutions and formal policy, increasingly political scientists have identified a more complex interplay

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between the state, the credit system, and firms as the terrain on which industrial policy is played-out (Maurizio Ferrera (1989: 116). The existence of industrial policy itself, has been the subject of contentious debates among economists of one or another ideological orientation. While economists (e.g. Hayek or Friedman) may argue that the state can only play a deleterious role when it intervenes in the market, the reality is that all states have *de facto* industrial policies because all of them collect and redistribute wealth through taxes, and all of them regulate credit and capital markets thereby shaping the flow of resources geographically, sectorally, and across the spectrum of the population.

Italy has pursued developmental policies with regard to the South since Unification. Post-war reconstruction aid targeted several sectors of the economy (power, heavy industry, and agriculture) and at least since the mid-1970s, sought to direct industrial adjustment, also called industrial restructuring (v. M. Ferrera 1989: 120-1; Richard Locke 1995). The specific instrument is Law 675 promulgated in 1977 that created CIPI, (Comitato Interministrale per la Politica Industriale (?). CIPI was intended to, "...formulate industrial adjustment goals as well as implement them for single cases," (Ferrera 1989:121) with input from everybody concerned: Confindustria, the unions, and individual firms. The object of the process was to produce consensus amongst the affected parties about the path of industrial restructuring. Textiles constituted one area in which industrial restructuring was manifestly necessary by the late 1960s as the global shifts in textile and garment production undercut Italian participation in the low and middle end of the market.[31]

Structural adjustment as a dimension of industrial policy is a polite way of easing non-competitive firms out of the market and cushioning the impact of down-sizing on

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displaced – that is, newly un-employed -- workers. But it is necessarily politicized because of the close linkages between party, state institutions and the ramifications of correnti that articulate elected representatives with local constituencies. Hence which firms receive what kind of aid (or fail to receive aid) is a painful process of struggle. The textile sector in Italy unlike for example, the automobile industry, steel, or petro-chemical industries never reached the point of being dominated by a few large firms although Marzotto, Lane Rossi and a few others were close to achieving the status of market factor in the immediate post-war era but rapidly changing market conditions derailed this possibility. [32] As the forces both internal and external on the textile and garment sector in Italy mounted in the latter 1960s with the consequent demise of some firms (e.g. Rivetti) and a general crisis atmosphere in the major wool centers – Biella & Prato – the industry as a whole could not avail itself of strategies open to producer good industries. Cartelization and increased tariffs were out of the question reflecting both sectoral fragmentation and the absence of a few firms with the political muscle to force the issue at the state level (v. Mancur Olsen 1965) as could for example, FIAT. Second, reflecting the geographically centralized character of woolen production (Biella and Prato) with the localization of a highly skilled labor force, the low barriers to both entry and exit in virtually every phase of the production process worked against conventional capitalist-managerial strategies for bargaining the state into anything more than some subsidies and the afore-mentioned CIPI initiatives. Finally, many commentators (e.g. Locke, Ferrera, Rossi & Toniolo) mention the cumulative effects of wage indexation (scala mobile), the increasing weight of the social contribution on employers, and the difficulty of actually

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shedding workers save through firm exit.[33] This then is the macroscopic picture of the institutional environment for the Biellese over the last quarter century.

The view from within the Biellese is as I have tried to show is complicated by the specifically local environment. People are by and large, known to each other or at furthest, two links away in a social network. Hiring and firing workers far from the idealized picture of transparent labor markets operate as I have suggested, like a region-wide internal labor market complicated by sentiments of kinship, affinal ties, and localism. If this is true for employers (industriali) it is equally or more true for workers. One is preceded by one's reputation that depends on one's family's reputation at least to a degree inadmissible rarely acknowledged in organizational literature. Yet, I hasten to note, this is not exclusively patronage or clientelist behavior although that is often involved. Rather it is an attribute of small industrial monoculture carrying the weight of many centuries of history.

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Chapter III Endnotes

1.This is not to assert that the position of labor market entrants in Italy is identical with equivalent cohorts in the U.S.

2.The phrase, "political culture" derives from the projects of 1950s and '60s closely tied to modernization and development theories. See Gabriel Almond and Sidney Verba (1965) for its initial presentation.

3.See for example, Joseph LaPalmombara (1965), cf. Robert Wade (1975). The immature democracy characterization is closely tied to modernization theory but it privileges the political system. Central to this view is that the U.S. political party system is more modern because no party questions the form of the state nor the existence of a "free market" economy. The assumption has been that with modernization, Italians would abandon commitments to alternative forms of the state (e.g. socialism or social democracy) and would support political candidates solely on the basis of parochial (read economic) interests. The whole political/civic culture school is very much an artifact of cold war social science.

4.The close relationship between economic and political development theories under the rubric of modernization theories is most evident. See Deane Thipps (1974) and usefully summarized in James M. Cypher & James L. Dietz (1997), cf. Arturo Escobar (19__).

5.See Stanley Payne 1996; Giovanni Gentile (1960: 121-48). On corporatism see Alfred Stepan (1978:3-73), on fascism, see Zeev Sternhell (1994)..

6. These pitted the local priest, Don Camillo, against his communist adversary, Bepe, a caricature of the sneaky communist who is at the same time ineffectual and well-meaning. While wholly anti-communist, the works provide a wonderfully humorous take on Catholic-Communist contest in the 1950s. See also David Kertzer 1980.

7. For the Veneto and Catholic conservatism, see Robert Evens (1976) but compare Douglas Holmes (1989) and Tom Baker (1987; 1994), for Emilia Romagna, see Kertzer (1980). For Toscana, see Sydel Silverman (1978) and Richard Wade (1975). For Naples, see Thomas Belmonte (1989), Percy Allum (1975), and Victoria Goddard (1996). Norman Lewis's (1978) Naples '44, is still one of the most depressingly stirring accounts of chaos and corruption in late-war Naples. Edward Banfield's (1964), The Moral Basis of a Backward Society, effectively set the terms of debate that still resonate to this day. His many critics include S. Silverman (op. cit.), T. Belmonte (op. cit.), Caroline White's (1980) fine and neglected study of the Fucino basin, Donald Pitkin's (1985) magisterial study of an Italian family over five generations is also now out of print. Roland Sarti's (1985) history of rural Apennine communities is a useful counter balance to Rudolph Bell's (1979) study of northern Toscana- southeastern Liguria. Eric R. Wolf & John Cole's (1993 [1974]) La Frontiera Nascosta is now complemented by Pier Paolo Viazzo's (1989) fine demographic study of alpine communities. Notice that Piemonte is virtually absent from Anglophone ethnography.

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8. The ways in which the present is shaped by the past fall short, I think of the nearly uni-lineal sort adumbrated by Robert Putnam et al (1993) and dizzyingly universalized by Francis Fukuyama (1995). In fact, Putnam and Fukuyama come rather close to a conception of culture as superstructure that Leslie White proposed but is totally detached from any economic and material base.

9. Settentrione refers to the North wind and metaphorically, to North Italy.

10. The OECD Economic Survey of Italy (1990/91:61) estimates FIAT's share at between 4-5% of GDP for 1989. IRI accounts for another 4-5% of GDP. The Milan exchange is small in terms of the number of issues traded and poorly capitalized by European standards (EC, survey of Italy, 6/26/93: 13 & passim).

11. Reforms in the early 1990s led to direct election of the mayor who then selected directors for key administrative posts. This made municipal government more directly responsive to the electorate – or so it is hoped. These reforms also ended pure proportional representation. Parties after the electoral reform had to achieve a threshold of about 10% of the popular vote in order to be represented. Preference ballots, that enabled the parties insert their favored sons into elected office were also abandoned.

12. The post of pretore has also been eliminated under institutional reforms initiated in the early 1990s.

13. The province of Vercelli had in 1989, 92 commune classified as communitá montana with an aggregate population of 137,940. Excluding the towns of the Val Sesia (28 commune) leaves 68 commune with a combined population of 100,849 and a mean population per town of 1483. For emphasis, the 15 commune of the Val Cervo had a combined population of 20217 and a mean per town of 1348. If we take only the communi of the Alte Valle del Cervo, 5 towns with a combined population of 1067, the mean is 213! (LS 5/3/89, data from Regione Piemonte, Assessorato Agricola e Forestazione). The hamlet (frazione) of Quittengo in which I resided in 1988/89 had a population of 36 – including me.

14.The then president of the Communitá Montana Valle di Mosso noted in April of 1995 (IB 11/4/89) that the communities he represented, "..é un'area che negli ultimi 15 anni ha manifestato un trend demografico fortamente negetivo (-13.2%) generato da saldi negativi sia natruali che migratori; presenta inoltre un notevole tasso di invecchiamento della popolazione residente."

15. The principal, national environmental legislation is the Merli laws (1980s) that mandated air, water, and other environmental standards. The problem of waste water treatment in the Biellese had been a proposed private/public venture (CORDAR) that floundered on the huge cost necessary to link geographically dispersed producers of toxic effluent (v. Biellasario 1989:1: 05).

16. Public transport inevitably looses money not because it is inefficient but because other forms of transport (i.e. automobiles, aeroplanes) benefit from hidden subsidies (e.g. road construction subsidies, etc.) That offset the real cost of these alternatives (. J. Allen Whitt 1982; EC 1992,

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Survey of the Automobile Industry, WSJ 4/8/92, "Different Roads").

17. The Republica's reporter, Marco Trabucco, noted that, "The by now famous commissioner-managers [for Piemonte] while all degreed, and with no less than five years administrative experience, are, in fact just about all bureaucratic party monsters (grande carrozzone partitico)."

18. See Robert Lumley (1990); Paul Ginsborg (1990) and especially, Il Manifesto: Venti anni dopo, storiogragrafia e distorsioni (2/21/88, supplement Al # 300) for the complex genealogies of the Left.

19. The antipathy towards labor by the region's press (Il Biellese, Eco di Biella) is well documented in Mariella Beschi & Piera Bourdini (1972/3 unpublished tesi di laurea, U. Torino

20.The complex political processes at work during the war years (1943-1945 especially), the experience of mass mobilization, guerilla warfare, and the complex and morally complicated situation of resistance and compliance, have had an abiding influence on political attitudes and practices in the eastern Biellese (See chapter 9).

21. Military service (18 months) is still compulsory in Italy although since the 1960s there has been a provision for alternative service for conscientious objectors

22.Owing to the sensitivity of this information for individuals and families, I have excluded any discussion that might compromise anyone.

23. This figure is undoubtedly too liberal, but compensates for the lack of provincial labor force data. The workforce in the industria tessile in 1988/89 was about 44,000 (UIB 1996: 25).

24. Course of study data for 1995/6 provide a picture of intentions if not results. Provincial scuola superiori enroled about 5,500 students of whom about 1450 were in the industriale track, 1300 in the professional track, 800 in commerciale, 200 in magistrale, 550 in classica, 1100 in science and 550 in geometra. (UIB 1996: 21)

25. Provincial-level income data for the province was not available and regional data are undoubtedly colored by the huge population of Torino. GDP per capita for Piemonte was 110-130 (where 100 = the national average). Piemontese official unemployment in 1989 was 6.8% (EC 5/26/90:20, survey of Italy) although the Biellese certainly had lower official unemployment than the region at large (probably about 5%). Income data for Italy is not very useful in isolation but adjusted to purchasing power parity (OECD 1990/91: 31-4) renders Italy at $17650, Germany 20,200, U.K. 16250, France 19270. Italian per capita income was about 67% of the U.S. mean (ibid. :60).

26. The Philips curve purported to establish a relationship between the rate of inflation and the unemployment rate. The closer to full employment a national economy achieves, the greater the inflation rate. Zero inflation is thought to be reached with a "natural" unemployment rate of between 5 and 8%. NAIRU is non-accelerating inflation rate-unemployment. See Geoffrey M. I. Tootell (1994: 31-4). The Philips curve and the NAIRU have been subjected to telling criticism

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in the last several years.

27. The classic argument on de-skilling was advanced by Harry Braverman (1974).

28. The Biellese Camera del lavoro was established in 1901 and solidified as an effective institution by 1910 (Marco Neiretti 1987:22-3).

29. Different authors view sub-contracting in either highly negative or mildly positive light. Michael Piore and Charles Sabel (1984) viewed subcontracting as good; bestowing flexibility on firms and workers. Michael Blim (1990), Luigi Frey (1975) and Victoria Goddard (1996) viewing sub-contracting in shoe and garment industries, rightly note that it is a way to increase exploitation. But one should also note that the nature of sub-contracting varies from sector to sector and with it the potentiality for hyper- or even normal exploitation. Shoe assembly can be done on the kitchen table (v. Goddard 1996), spinning for example, cannot. I argue elsewhere that I do not think the Biellese sustains the kind of exploitation achieved in garment, shoe, or electronic assembly (v. Laurel Benton 1990). See Chapter 4.

30. Relations between Confindustria and the Fascist (state) were by no means tranquil. See H. F. Adler (1995: 318 & passim).

31.This is discussed in greater detail in subsequent chapters. See Chapter 9 especially. Global restructuring in textiles are discussed in detail by Peter Dicken (1992); Richard Locke (1989;1995); Folker Fröbel et al (1980).

32. Unlike monopoly and oligopoly conditions, the concept of market factor acknowledges that a firm or firms with sufficiently large market share can shape the market in a given sector without attaining the critical mass necessary for monopoly (v. Edward C. Hansen & timothy Parrish 1983). In highly fragmented sectors, market share of 30-40% may attain the capacity to disproportionately shape the market. For automobile, steel and petrochemical industries globally, see Peter Dicken (1992). For the Italian automobile and petrochemical industries, see Richard Locke (1989). Note that in a highly fragmented market sector such as textiles, cartelization does not appear to be a potentially successful strategy.

33. The issues surrounding entry and exit are surveyed in Richard Caves (1998) but cf. Albert Hirschman (1970).

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CHAPTER IV

Families, Firms and Industrial Capitalism

I. Introduction

This chapter and its companion, Chapter V, examine several inter-related conceptual issues about the two institutions of capitalism, the firm and the industrial district, and seek to cast them in a more cultural anthropological perspective by liking them with kinship as an organizational mechanism. There are at least two compelling reasons for turning to literature outside anthropology to understand the firm and the industrial district. First, there is an absence within anthropology of a theory or theories of capitalist firms as a dimension of cultural process. As James Acheson (1996: 331 emp. added) has observed, " Anthropologists have shown little interest in the working of peasant households or *in family firms in general.*" These lacunae are compounded by the constraints imposed by the analytical strategies typically open to political economic anthropologists which, following on Polanyi's conception of the economy as an instituted process, conceptualize these kinds of institutions either on purely organizational grounds, or as defined axiomatically by a pre-figured economic logic such as capitalism.[1]

A wide gulf often exists between general theories of political economy including the specification of the way key institutions actually operate, and the ground zero of actual organizational structure and the behavior of its constituent members. Markets, firms, the accumulation process itself, as they are abstractly defined often bear only a limited resemblance to the historical record or to what can be observed in the world. Yet a micro-sociological focus exclusively on the behavior of small groups or populations of

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individuals often is compromised by the assumption of some cultural or economic logic that prefigures what can be observed. As Gerald Sider (1986: 5) notes, "Either culture becomes derivative, an attachment to other, more "basic" political economic processes, or culture appears autonomous, independent of the realities of social class." I hope to avoid the worst extremes of either, to steer a course between the Scylla of reductionism and the Charybdis of what Isaiah Berlin (1953: 1) called, "...the vast variety of experience." This chapter then, explores how economists and other social scientists have thought about the firm, certainly one of the key institutions of modern capitalism. In so doing, I want to explore the linkages between families as entities and firms as entities as they have been theorized in the social sciences. Building on these bases, I turn to the issues of modalities of industrial growth and the role of the embeddedness of accumulation strategics in socio-cultural matrices that are to a considerable degree historically conditioned by their socio-cultural and geographical location. My aim throughout is to synthesize out of readings of a number of theorists, a tenable structure for understanding the historical trajectory of social and political economic change in the Biellese over two centuries. I begin with a review of historical and ethnographic studies of industrialized communities and the processes of proletarianization. I then turn to theories of the business firm, drawing primarily from institutional economics. Subsequently, I pursue the same tactic for kinship and family structures, seeking to link these two conceptual domains. I then survey the literature on industrial districts, small-scale industry, and flexible specialization. Finally, I survey theories of industrialization and their conceptualization

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of the accumulation process. In this context, I evaluate labor process studies against material on firms, families and industrial change.

Studies of firms, and family (or proprietary) capitalism have not been prominent until quite recently in cultural anthropology (v. James Acheson 1996). This reflects emphasis and interest more than any specific bias against industry per se. Until the 1960s, anthropological attention was primarily focused on peoples in non-state societies, and on the processes of integration of peasant communities into modern national states and the world capitalist economy. This naturally placed the emphasis on agriculture and to the extent it mattered at all, artisanal production. The interest in the subsumption of peasant (and other) societies into capitalist economies and the processes of proletarianization tended to place the focus on changes in patterns in consumption rather than production, and on the ways in which traditional productive activities tended to be replaced by commodity purchase. The dismantling of traditional societies, however much there were continuities as well as dis-continuities often framed our thinking about industrial production at whatever scale, as a prime agent in this complex set of processes.

The exception to this general pattern is in applied or development anthropology which has produced a large corpus of work relating to productive activities. Yet to gloss a diverse body of work, its focus has been on how to re-orient traditional agrarians towards market directed production. Thus much of the emphasis has been on impediments to market-oriented production, bottle-necks in economic development strategies, and for much of the earlier literature, how to get peasants to behave rationally in the face of the market.[2] Except for specific development plans, the development

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literature has little to say about firms as a modality of organization, embedded in complex webs of relationships with other institutions and organizational entities (e.g. v. Arturo Escobar 1995). Thus this literature does not speak directly to what Charles Sabel and Jonathan Zeitlin (1985, 1997) have identified as a distinct trajectory of industrial development, that is: small firms and industrial districts.[3]

A second body of literature, small business studies, is more directly germain to this work but also is quite problematic in relation to my purposes. Small business research (or family business as it is also called), burgeoned in the late 1970s in the U.S. and U.K. but with significant interest in Europe, especially Italy. The emergence of a family business research and consulting industry in part reflected the belated recognition by schools of management that the majority of firms in any advanced industrialized economy are not huge M-form corporations, but small, family-owned and often family managed entities. These firms have a range of problems specific to them not shared by multi-divisional, publicly held corporations. Paramount amongst these are the difficulties that arise out of the fusion of families as owners/managers and firms as ongoing entities. Much of the attention (and advice) has been tendered on the issues of generational succession from the founder, and sorting out managerial rationality from familial dynamics. While potentially fruitful in its interest in the dynamic interplay of kinship and capitalist rationality, much of this literature adopts the case study approach employed in business schools and therefore, lacks either a comparative or a historical perspective. I will make reference to some of this literature in a subsequent section. My attentions therefore, will be focused on those bodies of literature most immediately relevant to both

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a theoretical understanding of firms and families and to their historical situatedness. I shall now turn to a survey of working-class history and ethnography.

II The Vicissitudes of Working Class History and Ethnography

The central theme of social and working-class history over the last two decades has been the twinned processes of proletarianization of peasant/agrarians and working-class formation during the industrial revolution. A related body of work primarily by sociologists has examined the labor process in factories although these works usually do not attempt to link shop-floor activity with the world outside the workplace. This historians' focus on the process of proletarianization and the emergence (or failure to appear) of working class politics has also shaped a growing body of ethnography covering both the developed and developing world. Social historians and anthropologists have often drawn on each other's work freely adopting the others' theoretical frameworks, methods and data sources although not always without tensions.[4] Indeed historians have often consciously modeled their work on ethnography.[5] While earlier works (such as Frederic Engels' Condition of the Working Class in England and the Hammonds' studies of town and country laborers in England) sought to chart the path of industrialization and its impact on agrarian peoples drawn into factory labor primarily in England, a generation of post-war English Marxist historians including E.P. Thompson, Christopher Hill, and Eric Hobsbawm fundamentally altered the terrain of study.[6] Since the publication of E.P. Thompson's (1968) The Making of the English Working Class, several generations of historians on both sides of the Atlantic have sought to delineate and to document the

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experiences of men and women undergoing the wrenching transformation from peasant proprietors to wage laborers; from independent crafts people to workers dependent on capitalist industry for a livelihood.

Beyond a dedication to re-writing history "from below", that is, from the perspective and experience of peasants and workers rather than from an institutional perspective, much of this historiography has sought to examine a set of related issues as well.[7] As I have noted elsewhere, one theme has been a sustained criticism of the "triumphalist" view of industrialization as a progressive, evolutionary phenomenon and; a sustained critique of the "race-track" view of history in which the earliest industrializer becomes the standard of comparison for all succeeding candidates. Frederic Engels' and other 19th century authors (e.g. Charles Dickens') muckraking exposés of the miserable conditions of the new industrial working class in England provided models for later reconstructions industry by industry, of the conditions of the new working classes.[8] Yet much of the earlier work seemed (at least to subsequent generations) to cast workers and peasants as essentially passive recipients or victims of the march of industry across first England and then Continental Europe and the U.S. Thompson and others in his wake, recast the discussion by moving from a largely mechanistic (and economistic) conception of class to one in which forms of solidarity drew deeply from an anthropologically informed conception of culture which, on occasion, was articulated and manifested in identities and social mobilization in which class was a self-identified element.[9]

Following Thompson's model, a second generation of historians has sought to extend the critique of earlier work and to undermine the (then) prevailing view of the new

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workers as essentially passive victims of the political economic and social forces reshaping European and American society.[10] Eric Hobsbawm and others' accounts of the active resistance of craft producers and masters to their subsumption into factory labor and resisted de-skilling provided an important counterbalance to both the views of the passivity of workers under industrialization and to the exaggerated claims for the homogeneity of human experiences in the process.[11]

Labor and working class history for much of the Continent and the U.S. in the 1970s and early 1980s came to be informed by a Marxian frame of reference owed both to the influence of the English historians and to the re-surfacing of a Marxian political economic framework in American historiography and the social sciences. These new studies (to characterize a heterogeneous corpus) reflected to a greater or lesser degree many of the themes of the systematic studies of capitalism and imperialism by the first generation of Marxian political economists at the turn of the century, such as Rosa Luxemburg, Otto Bauer, and Lenin. Implicitly or explicitly, much of the new history sought to explain the failure of socialist revolution in Europe as had this earlier generation. There were, of course, significant variations in the specific themes, topics, and methodologies that reflected both national traditions of historiography and, more importantly, the specific "problem" that industrialization and working class formation presented in each country (and later, region). In this tradition, post-war labor history sought explanations for the problem of the formation of proletariat in Europe, the U.S. and other countries which failed in almost every instance to be able to act as a class to capture political power.

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One response to the failure of proletarians to respond as a class drew on the body of historical work that sought to fracture the image of industrialization as a uniform process in which some countries or regions arrived at the appropriate destination earlier than others. Where historians influenced by the work of Alexander Gerschenkron (1967) had sought to account for the impediments to industrialization in various countries especially in terms of the role of the state and banking (the twin themes in Gerschenkron's work) in producing an integrated national market that could support large-scale, heavy industry, other historians sought to disclose the character of specific national trajectories as they actually occurred.[12] The impact of Franklin Mendals path-breaking study and subsequent works on proto-industrialization both lengthened the historical chronology of the process and dis-aggregated it into specific regional histories that exhibited considerable variation in the timing, form and substance of the onset of factory production. Jonathon Zeitlin and Charles Sabel's (1985) influential study of the complementarity of small and large scale industry in the process of industrialization accounted for the persistence and perdurance of the former.

This has had particular ramifications in Italy. The influence of Antonio Gramsci's work cannot be under-estimated in setting the terms of debate and providing a set of problems about modern Italian history that cast a long shadow to this day. Like his contemporaries Vilfredo Pareto and Gaetano Mosca, Gramsci was concerned with the failure of the Italian bourgeoisie to produce a "bourgeois revolution".[13] This led to a related set of other problems amongst which was both the late emergence of an industrial working class and the ease with which socialist and communist revolutionary aspirations

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were submerged by Fascism in the inter-war years. If Italy's case involved special problems, amongst them the "distortions" introduced by the North-South divide, the late and largely state-driven development of heavy industry, and, hence, the patchiness of proletarianization, it nonetheless stimulated the writing of a substantial body of working class history. And much of this sought to identify a proletariat and measure its capabilities and, ultimately, its failures to act as a revolutionary class.[14] Over and above the particular foci of Italian working class historians has been the problem of integrating modern Italian industrial history into a larger European context. Until the early 1980s, Anglophone social historians of industrialization (with a few important exceptions) had largely ignored Italy, a region of historical studies usually left to Renaissance specialists. Eric Hobsbawm (1959) explored 19th century social movements while Louise Tilly et al. (1975) provided a pioneering survey of contention. But with some exceptions (e.g., Bell 1986; Corner and Cento Bull 1993), this distribution of both ethnographic and historical labor has largely persisted. It has been left largely to political scientists to examine, to define and carry out large scale studies on worker militancy and political participation in modern Italy.[15]

By the early 1980s, some historians of the working class and industrialization came to question whether the prevailing materialist perspective with its purported or actual teleological premise of the inevitability of terminal capitalist crisis, was adequate to reconstruct and explain the diverse histories of European, American, and increasingly, the new industrial workers created by the globalization of factory-based industrial production in other parts of the world. William Reddy (1984; 1987) questioned whether

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either class as the medium of identification and solidarity or economism (his phrase was "market culture") as the principal mode of worker's cognition and agency had ever been historically accurate or analytically adequate. The impact of Foucault's strategy of an archeology of epistemes and subsequently his emphasis on the capillarity or interstitiality of power/knowledge regimes led some historians to reject outright any claims for the analytical priority of production relations. This focus on the constitutional of subjectivity(s) and the field effects of the internalization of disciplinary practices (first adumbrated by Norbert Elias 1978 [1939]; 1982 [1939] some 40 years earlier) that constituted them further led social historians away from the grand narratives of class, resistance, and class cultures.[16] The apparent facility of "thick description" as a discursive and rhetorical style, whatever its limits when dealing with historical documents, to render the multiplicity of meanings and their contingency in life worlds similarly drew some historians towards one skein of ethnographic writing. Where Thompson and those influenced by him sought to place workers as historical subjects in a re-worked history that cleaved to historiographical principles in practice since Quattrocento humanists first articulated them, a new generation attacked this as so much Enlightenment rationalism tinged with Marx's teleological history. Class, social mobilization, industrialization, et cetera were discarded as discredited "meta-narratives", fictions about fictive subjects. Further, the fixation on the medium of language as an autonomous realm speaking through the assemblages of power/knowledge epistemes that earlier historians had mistakenly thought to be subjects, displaced history writing (and ethnography writing too) from a set of broad thematic concerns with social change. In

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their place emerged a fascination with the writer's rhetorical and narrative construction of history, emphasizing the self-conscious assembling by the historian of a specific selection of events, expository tropes, and authorial presence into a "naturalized" history.[17] The emphasis on the indeterminancy, ambivalence, and polysemy of language pursued by the "linguistic turn" in working class history has appeared to invert the relationship between base and superstructure, returning to a concept of culture as it is related to material life that Leslie White might not have found un-familiar.[18]

The concern with language, representation and the symbolic dimensions of the experience of proletarianization and working class life has not been dominated by the more radical applications of either a Foucauldian or one or another post-modernist exposition. Indeed from the outset of the new labor history there has always been a concern with expressive culture ("the language of labor"). Whether (to stretch the definition to its broadest) one examines the oral histories of popularists such as Studs Turkel (1972) in the U.S. some of the History Workshop participants in (Manchester) U.K., or the more theoretically self-conscious work of practitioners such as Luisa Passerini (1987) or Judith Adler Hellman (1987) in (and on) Italy, the ability to write history constructed from the testimony people give about their lives has served as an important counter-balance to an excessive focus on class-construction in the context of changing production relations. But it seems that much of what is produced under the rubric of cultural studies is less cautious in its willingness to assert that culture from some point in the late 19th century became commodified and that individual and group experience is now effectively assemblages of these commodities.[19] This is not to assert

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that significant issues under-developed in labor and working class history have not been brought to the fore in the process but that the concern with "subjectivities" has often come at its worst, dis-articulated from materially-grounded social process or at least at its expense.

There are other important skeins of history writing that do not always cleave to the post-modern practices. Feminist historians most importantly, have sought to account for the experience of women and to discover whether patriarchy and capitalist industrialization are analytically distinct or deeply imbricated processes in the subordination of women. Working generally within this paradigm historians and social scientists have explored the ways in which the changing conditions of work devalued women's contributions, and how the development of capitalist labor markets reshaped the relations and boundaries of domestic and public worlds for women (and men). The work of Gay Gullickson, Louise Tilly, and Joan Scott are amongst the most well known. More recently, Elinor Accampo (1989) has more systematically combined fine grained social history with demography in a study of family history and class relations in the St. Etienne (France) area over a century. Perhaps the most potentially fruitful contributions to a revisionist labor and working class history have been the ethnographic studies of Third World women drawn (or driven) into waged factory labor. However much ethnographic analogy may be fraught with the danger of inappropriate comparison and identification, studies such as Aiwha Ong (1987) and Diane Laureen Wolf (1992) provide carefully wrought accounts of the impact of women's entry into wage labor in "traditional" societies.[20]

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Yet problematic still to working class and labor history and to "industrial" ethnography (cultural studies perhaps even more so) is the frequent absence of a realistically present capital.[21] Capital remains largely implicit with references to managers, owners, boards of directors, state functionaries who regulate aspects of life and the labor process. Aiwa Ong (1987) and Ellen Oxenfeld (1993) are nearly alone in devoting substantial discussion to management and the firm in an ethnographically rich account. The emphasis on corporate "offshore" production in the developing world where management and directors are often continents away undoubtedly skews this record. But it must be remembered that employment in both the OECD and the developing countries is frequently in smaller entities: the classic owner-managed firm. There are, of course, exceptions to this characterization. In Western Europe, the work of Michael Blim (1990) and Laurel Benton (1990) exhibits careful concern for the ambiguity of worker/manager dichotomies typical of small and micro-firms where owners and workers may be one and the same, or from the same families, or related through extended kin and friendship ties.[22] Blim provides an exceedingly useful critique of the current romance with micro-firms in the Third Italy (cf. Charles Sabel & Michael Piore 1984) that I shall discuss at another point.[23] Douglas Holmes (1989) provides a convincing portrait of Friulian "worker-peasants" and a few pieces of testimony on the complexity of operaio-padrone relationships. Michael Blim and Francis Rothstein's (1992) edited collection situates small-scale production in the global context as does the work of Gary Gereffi (1994) and his collaborators. There is a large body of work on Mezo and South America as well as the Carribean that focuses on work and the labor process. But these

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tend to fall on either side of the divide of direct concern with the firm. Many of these studies examine the experience of women and men drawn into industrial work (e.g. Fernandez-Kelly 1983; Lamphere et al. 1993). Yet neither Kelly nor Lamphere and her collaborators express much interest in the firms that exploit the workers whose lives they study. Instead, they are the relatively anonymous "multi-nationals" with little attempt made to represent them other than as "management", and no real devotion to representing the complex social relationships above those on the shop-floor.

Scott Cook and Leigh Binford's (1990) study of rural petty commodity producers in Oaxaca, Mexico goes to considerable lengths to examine small-scale production in the Mexican economy. By implication, their work applies to the nature and conditions of petty commodity producers in both the advanced and the developing world. They rightly emphasize that the Mexican economy is not characterized by dualism (i.e. that petty commodity producers are in the "informal sector") and note that, "Today's capitalist may be yesterday's petty commodity producer, just as tomorrow's petty commodity producer may be today's producer" (Ibid: 32). The ubiquity of peasant-artisan production world-wide they suggest, indicates that neither Marxian nor Rostowian models of development have adequately theorized the role of small-scale producers in either developing or developed economies. Recognizing that barriers to entry are low and that exit is just as easy goes some ways towards recapturing the fluidity, complexity and contingency of conditions in modern capitalist economies. They further note that petty commodity production is prefigured by proto-industrialization in Europe where formal subsumption preceded proletarianization (Ibid:4-5, v. Chapter VII). Yet they still view small-scale

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commodity production in contemporary Europe as largely a product of capital's need to control and depress the cost of labor (see also, Goddard 1996; Frey et al.1975) as the developing world is increasingly used as a pool of low cost labor. (Here, conditions in the Biellese and those in either homework in Europe or in offshore production are very different as wages in the former tend to be above the (Italian) national average.) Finally, Scott and Binford, in opting for a view of the enterprise exclusively through the lens of the labor process with its concomitant emphasis on exploitation, fail to adequately theorize the firm. I shall return to their work as well as other labor process studies in the discussion of theories of the firm in the next chapter.

Finally, while not strictly germain to the small and medium firm sector, Gustavo Lins Ribiero's (1994) analysis of the complex politics of large scale development projects, especially in bidding contracts, goes some way toward providing an ethnographic account of large corporations and linking their behavior to the actual social processes (among workers, managers, etc.) in their construction phases. Rather than viewing "capital" and "corporations" as monoliths, Ribiero is able to disclose the kind of "politics of production" (Burrawoy 1985) that exist at a number of levels from states and international agencies, between firms, and the actual context of production.

If it is difficult for ethnographers to represent capital as embodied in for example, owners, managers, and shop steward/foremen, it is doubly difficult for historians to do so. They often lack any documentary evidence of the social relationships between "bosses and workers".[24] The political perspectives of many practitioners in both history and cultural anthropology in which "bourgeois society" and the "bourgeoisie" itself is

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prefigured as the antagonist, and thus rendered them homogeneous "others" across space and time undoubtedly contributes to this imbalance. This is a peculiar phenomenon in which societies clearly stratified into classes (on the basis of whatever notional system the author prefers) seem to lack a living classe dirigente, and, hence, to accounts in which there are effectively, no class relations except those assumed by the model (e.g. domination, resistance respectively).[25] If we are to take seriously E.P. Thompson's strictures against reifying class and Joseph Schumpeter's identification of the motor of economic change with its emphasis on the often social and familial core of the firm driven by an entrepreneur, this will require treating capital as more than the hidden planet that distorts the orbits of nearby bodies. This means abandoning "meta-narratives" of class and capitalism, work and community in which the fundamental embeddedness of capitalist relations of production is largely devoid of one part of the dyad, and representing "capital" as fully fleshed-out human beings who have interests, desires, capacities, flaws, and possibly even some virtues more carefully grounded in historical and ethnographic data than a reified "logic of capital".[26] In other words, if we are to understand the processes involved in industrialization, including early accumulation by elites and the social and economic "wedges" they were able to insert in the traditional social fabric in order to undertake centralization and mechanization of production, and to transform a regional cottage proto-industry into a factory-based production regime, we need to look at relations between operaio-contadini, merchants, and local elites. And to do this, I believe, requires thinking about the firm (or enterprise although I shall use the

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former) in a way at least as systematic as anthropologists have thought and conceptualized kinship and family relations.[27]

Cultural anthropologists as I have already noted, have written rather sparingly about the (business) firm in comparison with economists and economic and historical sociologists.[28] The corpus of work on the firm by all of the social sciences is dwarfed by the voluminous production of management theorists and consultants, a domain of work that has as much in common with Renaissance hortatory guides for princes as it does with social science.[29] Ethnographies tend to encounter the firm only coincidentally and tangentially in the process of explicating the lives of some population touched in some manner by capitalist firms. With a few exceptions that have been noted, the organizational and institutional reality of capitalist firms manifests itself in ethnographies (if at all) in much the same way that the obligatory history and context chapter once did: an unproblematic series of entities with which subjects interact. If the firm is under-theorized in cultural anthropology, as I believe it to be, then too it is located outside the continuum of social relations in which anthropological subjects are embedded and perforce, to which cultural anthropologists address themselves. This statement needs the qualification that the relations of command and obedience, superordination and subordination, and lateral and vertical relations within the hierarchical organization typical of the modern firm are viewed quite un-problematically: they are accepted as given. Because anthropological subjects typically are located in subordinate groups (workers rather than, say, managers), little attention has been devoted to the more

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complex relations typical of the small firm sector and especially of industrial districts such as the Biellese.

An equally important lacuna is the uncritical acceptance of the multi-divisional firm, often the trans-national corporation as the model for all firms. The often highly-rationalized style of corporate management is usually the purported norm by which management-worker relations and firm behavior are conceptualized and the conditions of anthropological subjects evaluated. Whether the author's perspective is Marxian or Liberal, firms tend to be subordinated to and behave according to the logic of capital. The logic of capital is uniformly and almost exclusively the pursuit of accumulation qua accumulation, while anthropological subjects have a greater dimensionality, complexity of motive, and more full-figured agency.

III. Theories of the Firm

This section surveys theories of the firm with greater emphasis on 20th century theorists than their predecessors in the 18th or 19th centuries. In fact, serious and sustained theorizing about the firm can be said to have began only after capitalism had fully developed in Europe.

Firms in the capacious sense of purposeful organizations, have been around at least as long as state-organized societies. Some of the earliest surviving records are bills of lading and accounts receivable from long-distance trade in the ancient Near East. Complex account-keeping, forms of credit and other financial instruments have been a compliment of both large and small scale commodity production probably as long as the

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records needed to record transactions about which they speak. The necessity of managing long-distance trade from pre-history through early states and empires and of coordinating production with multiple and diverse inputs, complex production processes and significant staffs of specialist workers under the control of a master or bureaucrat attest tot he reality of business organization long before this complex of tasks was ever theorized.

M.I. Finley (1973: 1) observes that while manuals for property management and for agronomic instruction were not uncommon in classical Greek civilization, the Greeks did not conceive of a separate domain of economics. In Xenophon's Oikonomikos (early 4th century, B.C.), "...there is not one sentence that expresses an economic principle or offers any economic analysis, nothing on efficiency of production, "rational" choice, the marketing of crops" (:19). In the Greek hierarchy of value, agriculture came first, extraction from nature second, and trading, crafts and other such activities a lowly third. Finley emphasizes that neither the Greeks nor the Romans had a concept of investment qua investment. While land and other property (including chattel) were bought and sold, and market values fluctuated, there is no evidence of intentional investment for the purposes of accumulation. Certainly, elites had an interest in "improvement" of agricultural land to which these manuals speak. But their interest was to use modern terms, increased output rather than decreased cost per unit. Similarly, they had no concept of amortization. Finley notes that like modern German, ancient Greek lent itself to compound nouns, and that there are more than one hundred known nouns that combine "seller" with some object (such as corn seller) yet there is no evidence of "house seller,"

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"property seller," or "broker" (118-119). Perry Anderson (1978: 19) notes that for all the literary, artistic, architectural, philosophical accomplishments of the Ancient world as well as the administrative, legal, fiscal and organizational developments that characterize the culture of the ancient city,

> "...behind this urban culture and polity lay no urban economy in any way commensurate with it,...the material wealth which sustained its intellectual and civic vitality was drawn overwhelmingly from the countryside."

Manufacture remained at the craft level and, as Anderson also observes, the costs of transport militated against concentration and instead promoted de-concentration: the iteration of small scale craft production where ever it was needed. The combination of a slave economy and the social values that promoted the concerns of civic engagement for the citizen, the agonistic life in the polis, and the devaluation of productive (manual) work meant that there was likely little inclination to theorize about those areas of life deemed the realm of necessity (v. Hannah Arendt 1958).

Commercial practices in the Roman Empire generated a corpus of laws governing contracts and transactions but no theorization of the firm and little interest in its organization and dynamics. Much as the ancient world was predicated on, and valued most deeply the landed estate of the patrician, Medieval Europe was also primarily agricultural. An essentially agrarian society in Western Europe accommodated merchants and craft production in both urban and rural settings. A large body of customary commercial practice was enforceable through courts, guilds and other trade associations. Much of this became codified in Cannon law which achieved by the 10th century a fairly uniform body of codes so that merchants across the Christian West could count with

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some certainty on uniform expectations and practices. That it also benefitted the Church both in terms of influence and in revenues is not coincidental. Neither is it coincidental that church bodies should provide the models for other kinds of secular, corporate activities. Organizationally, production had become more complex and commercial practices reflected the longer duration of transactions with items such as letters of credit, double-entry bookkeeping, limited liability partnerships and other financial and commercial instruments. But the emergence by the 10th or 11th century of more sophisticated practices along with new kinds of corporate bodies did not appear to have engendered much theorizing about them.[30] No more than for the Greeks or Romans, Medieval and Early Modern theorists were concerned about the state and citizens, about the legal bases of the state, and the exposition of rational law in the context of Christian theology. They were not concerned with the mundane and quotidian except with regard to how it should be regulated.[31] The tradition of political philosophy from its Greek and Roman roots through early and high Medieval Christian Theologians such as Augustine, Aquinas and Ockham down to the early Renaissance was effectively concerned with the right organization of the state and society, its appropriate regulation of its subjects and their relation with both the ruler and with the Divine (v. Passerin D'Entreves 1959; Skinner 1978). It is only in the 12th and early 13th centuries that the emergence of the precocious republican (commercially-based) communes in Italy drives the first wedge between Medieval theology and the possibility of a secular state, an hence a theorization of politics and the state at variance with its precursors.

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It should be noted that Medieval theorists and theologians had well-developed conceptions of the corporation which along with estates largely defined medieval society. The Christian world was envisioned as a series of hierarchically organized, nested corporations. Often this was represented in analogy to the body of Christ with the Church as its head, the peasants as its feet, merchants and militates as its arms, and so forth. Corporations were defined by rules of membership that included hereditary (estates), voluntary (ritual brotherhoods, monastic orders), through apprenticeship (guilds) and by natality (citizenship), and wealth (Patriciate). Their commercial precocity (discussed in Chapter VI) produced business and accounting innovations of the sort previously mentioned. But it could be argued that as well that the theorization of the state and politics opened the way for conceptualizing worldly practices of other sorts, including business. The point then of this cursory transit is that whatever the developments in political (and legal) theory over many centuries, the theorization (as opposed to descriptions of practice) of business does not exist. It is only the emergence of capitalist relations of production that drive sustained reflection on the practices that came to dominate first Europe and then the world.[32]

The etymological roots of the modern usage of the term "firm" are two: from ferme in medieval French, to establish and make solid, and from the Latin firmare, to confirm and, hence literally, to sign one's name. The latter is 16th century while the former is 17th century usage. It comes rapidly to mean a way of doing business, or conducting an activity. There are many more ways of doing business than establishing a customarily or legally defined body, or corporation. In any case, the modern corporation

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was not recognized (at least in the United States) as a legal "person" until the later 19th century and so to use the modern limited liability corporation is to read the historical record backwards with regard to the firm. Modern Italian laws for example, recognize at least five degrees or kinds of incorporation that are roughly the equivalent of the U.S. continuum from doing business under one's own name (or an assumed one) to the publically-held corporation with publically-traded shares.[33] Hence, it seems more accurate to spread the net as widely as possible in conceptualizing the firm.

I shall briefly discuss two interpenetrated trajectories of theorizing the firm in this section. For convenience each author discussed will be grouped under one of two rubrics, and reflecting their orientations towards, respectively, a sociological approach and an economistic approach. In the following section I shall trace the evolution of theorizing the firm from Adam Smith to the New Institutional Economists of the late 1980s. Theorizing about the firm grew out of the English Enlightenment concern with re-evaluating medieval and early modern conceptions of society and polity. As this work is not concerned with political theory, I shall skate uneasily and un-confidently over the myriad issues and problems that intellectual historians, political philosophers and theorists take as their subject. As both J.G.A. Pocock (1975) and Albert Hirschman (1977; 1986; v. 1973; supra) make clear, the propensity of humans to truck and barter (the phrase is Adam Smith's) has not always been viewed as an admirable facet of humanity. Political theorizing in the 17th and 18th centuries led to a series of grudging accommodations to the reality of the fundamentally new social formation of first mercantile and then industrial capitalism. Since antiquity, agrarian values had been most

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lauded and prized; viewed as producing and securing virtue in citizens and the right order of polity and society. The emergence of commercial elites in the Medieval world was often viewed as disruptive and corrosive of Republican virtue. Indeed, these views were to influence Jefferson and other Federalists in the 18th century who saw in landed property and a yeoman farmer citizenry the potential for a polity un-corrupted by one citizen being beholden to another for livelihood (through either wages or credit) and, hence, susceptible to coercion in his judgement about public affairs. As Hirschman points out, passions that required control or at least counter-balance came eventually to be views as *doux commerce*. Samuel Ricard (cited in Hirschman 1986: 108) in one of the first manuals on commerce was apparently the first to articulate the notion that: "Commerce attaches [men] one to another through mutual utility. Through commerce the moral and physical passions are superseded by interest."

Hirschman (Ibid:109) goes on to make the all important point that these civilizing and moralizing attributes of commerce (industriousness, assiduity, frugality, punctuality, and probity) were subsequently made central to the virtue of commerce by David Hume and Adam Smith. The market once these virtues were believe to inhere in its operation then became central to the satisfaction of human wants. It would have not only produced new wealth because of the technical division of labor and subsequent technical progress, but as an externality or at least an unintended by-product, would make a more gentle and civilized man. These new habits acquired in trading and bartering would help humans towards a more smoothly operating market (Ibid:109). The point is that there has been a complete inversion in the relationship between commerce, politics, and civil society by

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the time these authors have come to reflect on their world and the practices that increasingly came to dominate it.[34] It is this new recognition that markets (and combinations) of one sort or another increasingly operate outside the traditional political and social forms that signals the beginning of theorizing about the firm.

I have so far skirted around the problem of exchange and economic rationality ("economism") that bedeviled political economic anthropology in the 1950s and 1960s: the so-called formalist - substantivist controversy. While I think Polanyi's critique is very much a part of its time, a reaction to the crudely utilitarian tenor of mainstream (marginalist) economics, it bears a brief precis because much of the newer synthesis in institutional economics implicitly takes parts of Polanyi's criticism quite seriously. In an influential essay, Karl Polanyi (1968 [1958]) argued that economies are instituted processes. The neo-classical (economic) assumptions including methodological individualism, a hierarchy of preferences and of choice under conditions of scarcity of resources in the context of multiple desirable ends, were inappropriate to non-monetized, non-market organized exchange. Polanyi asserts that a more comprehensive and logically prior (to the neo-classical model) definition of economics is what he calls "substantive" in that it examines (i.e. both empirically as well as theoretically) human's organized interaction with the natural and social environment. Economies typically exhibit a dominant form of integration which can be grouped under the rubrics of reciprocity, redistribution and exchange.

> Reciprocity denotes movements between correlative points of symmetrical groupings; redistribution designates appropriational movements towards a center and out again...

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while exchange specifies the back and forth movements amongst multiple points (1968: 128).

Polanyi further notes that each of these forms assumes the existence of institutions that structure and recursively regenerate (or sanction) the particular form. Institutions, to borrow a source in anticipation of the direction I shall pursue, are "the humanly devised constraints that shape human interactions" (North 1990:1). In other words, "economic" practices are socio-culturally embedded and they are subject to change over time. But equally importantly, institutions (as well as customs, beliefs, laws, etc.) can be viewed as devices for storing information and, hence, reducing uncertainty. Polanyi's criticism of the application of economism to cultural and historical moments that were prior to or devoid of market-based exchanges has a limited but salutary validity. His error (if the failure to anticipate others can be so characterized) was in not following out the implications of his own argument. He recognized that reciprocity, redistribution and exchange are types of transactions, and that all transactions involve "costs" to the parties in ascertaining the necessary information to engage in them. The interest in transaction costs was to spawn some of the most interesting theorizing about the firm and more generally about human interactions. This concern with transaction, to further anticipate the direction of the discussion, was to be the direction pursued by both the transaction cost economists from Ronald Coase to Oliver Williamson, and the institutional economists such as Michael Granovetter. Furthermore, the concern with the problems of obtaining information has led both economists and political theorists to re-examine the nature of trust. [35]

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Eighteenth century political economic theorists (such as, Smith, Quesney, and Ricardo) were fascinated by two dimensions of the newly discovered market foundation of societies. One was the existence of the market per se, while the other involved the division of labor that markets occasioned. Smith is famous for discovering that the actor's pursuit of self-interest in aggregate, led to optimal conditions - a harmony that came not from the "sweetness" or civilizing tendency of commerce, but as an unintended consequence of individuals' self-regarding actions.[36] This also meant in practice, that markets led to the most efficient allocation of resources.

This precis of the classical economists of course overlooks their contributions to money theory and to kinds of markets (i.e., in the factors of production). We see from it however, that they had little to say directly about the firm, although the notions of a complex division of labor and (thereby) increased worker productivity, and the measurement of circular flows of wealth speak indirectly to both firms and the accumulation process. It may be remembered in passing that the classical economists were to a greater or lesser degree, making arguments against mercantilism which placed the interests of the state at the center of economy where in their view it hindered the natural operation of markets.[37] The emphasis on the naturalness of the market, its capacity to produce equilibrium while at the same time accommodating expansion and growth, and the belief that all of these were manifestations of laws as independent, timeless and universal as Newton's mechanics, indicate a dramatic change in orientation from either the medieval view of passions or its pre-Enlightenment belief in the civilizing capacities of commerce.[38] If it had little to say about the firm beyond the implications of

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the division of labor, this is perhaps as Karl Polanyi observed that until the emergence of capitalism and monetized market exchange, commerce drove industry while afterwards the relationship was reversed.[39]

Nineteenth century political economic and social theory is too vast an arena to treat in a unitary fashion, but for rather different reasons than 18th century natural philosophy. Much of this expansive map is owed to both the increase in production of works in the last century and equally to the increasing boundaries between the emerging disciplines that we now know as the social sciences. Nonetheless two important skeins of theorizing about economic and organizational phenomena are reasonably clear cut (reflecting my initial distinction). These, Maurice Dobb (1973) remarks, reflect the emergence of two rival sorts of theorizing,

> "...purely 'exchange' or market theories, which casts the economic problem in terms of 'natural' or universal factors and theories which by stressing social relations of production and/or income-distribution have given prominence to 'institutional' factors and displayed economic problems in a mainly 'institutional' shape" (:26).

Marx is clearly of the second sort as are Weber, Durkheim, and Pareto (to the extend that the later may not exist comfortably in both camps). Ricardo, Say, Jevons, van Thünen, and Walras are all part of the former group although most of them wrote more widely than this dichotomy admits. The point is that the market (or exchange) theorists had virtually nothing to say about the firm because they thought it was irrelevant to building economy theory. Particularly evident in the genitors of marginalist theory (e.g., Jevons and Walras) and in subsequent micro-economists virtually to the present is that economic theory is actually a theory of choice. Real world conditions such as forms of organization

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were quite literally irrelevant to economics. R.H. Coase in calling this into question (1988: 3) quotes approvingly Martin Slater's comment that, "The firm to an economist...is effectively defined as a cost curve and a demand curve, and the theory is simply the logic of optimal pricing and input combination."[40] William Lazonick (1991: 154-155) draws attention to the assumption by economists that all firms in a sector are alike and that "The firm is depicted as a passive actor that takes technology as given and reacts to changes in supply and demand by substituting at the margin." As Coase (Ibid:3-4) goes on to say, "The rational utility maximizer of economic theory bears no resemblance to the man on the Clapham bus or, indeed, to any man (or woman) on any bus." To which I would add, or to any firm ever known by any person, in any place, in any time.

This is not the place to summarize the many criticisms leveled at modern marginalist economics from virtually every discipline in the academy.[41] Rather my emphasis will be on the more institutional (or sociological) tradition in sociology and economics and what some of its protagonists had to say about the firm. But there is one crucial observation that can be made about marginalist economic's conception of the firm. The firm for market-oriented marginalists represents an instance of *market failure* (Best 1990: 106-107, emp. added). Market failure reflects an insufficiency of information to establish price. In the ideal world of economics, markets are utterly transparent to transactors who arrive at the instant of exchange with all requisite knowledge. Transaction costs do not exist and therefore price is automatically established (reflecting the actors preferences)

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Marx, of course, had a good deal to say about factories even if he never fully articulated a theory of the capitalist firm (or pre-capitalist ones either). We might begin by noting that because Marx began with the human, social confrontation with nature, a theory of the firm is not absolutely necessary. Production organization (most broadly understood) was predicated on how social labor was recruited and deployed, in the sense that Eric Wolf (1983) identifies as three major modes of production (kin, tributary, and capitalist). There is also materials and techniques, and, perhaps, a stock of wealth. The issue is how these elements are brought into relationship in some socially reproducible form that is critical to distinguishing capitalist from prior modalities of production. What is distinctive about capitalism is that capitalists are able to purchase human energy (as labor power) from people who have no other means to ensure their livelihood.

Factories are spatial and locational concentrations of tools, techniques, labor, materials, and wealth that result in use objects.[42] The factory, the term itself etymologically derived from the Latin *facere*: to make, came to identify the factor (from the French, *facteur*), or agent who supervised an activity for an owner of property. The fattoria in Italian refers to the steward's house on an estate where key agricultural processes, such as, threshing, grape crushing and vinifying were conducted under the supervision of the owner's agent. So, factor and factory seem to have embodied both the sense of making and of controlling the processes of making well in advance of the modern English conception of a specific form of the built environment in which productive activities were carried out under supervisory control. The factory enabled its owner to concentrate a host of activities associated with manufacturing under one roof,

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thereby reducing inefficiencies of time, effort, and resource utilization occasioned in independent artisanal production always subject to a broad range of social, cultural, and environmental vagaries. In the textile trades this meant coordinating bale breaking, washing, carding/combing, spinning, warping, weaving, dyeing, fulling and finishing, hither to fore largely independent crafts, under one roof.[43]

Marx foresaw that as the entrepreneur invested in the fixed capital of buildings, machinery and tools, and the materials necessary for production, his investment would inevitably depreciate if it were not in use, thereby diminishing his stock of capital. It behooved the entrepreneur to keep production going to most efficiently utilize capital lest it dissipate into the ether. Increased output, however, would tend to depress unit price and hence, profit per unit. The entrepreneur having invested in fixed capital whose costs could be only recovered through sale of output would necessarily seek to reduce the cost of the only factor of production over which he had any control: the cost of labor. The result is fore ordained for workers who, detached from ownership of the means of production, have only their labor power to sell: further emmiseration. But the more important ramification from the perspective of factories qua factories, is that entrepreneurs would necessarily be in a competition between themselves that would in the long run (or not so long run) drive some out causing concentration in that particular sector. The result would eventually be a market monopoly position for one manufacturer operating ever-larger, more efficient plants with very low cost labor. Marx in this regard, marries a sociological analysis of social organization of production (an institutional perspective) to an abstract theory of market (or exchange).[44]

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Theorizing the firm in terms of a concept specifying a range of phenomena, that is a conventional object, may well have seemed to be an error of reification for Marx and subsequent Marxist political economists.[45] The adumbration of the labor theory of value and the explication of the underlying logic of the capitalist mode of production provided all the tools necessary for the project of political economy. Any historical situation could be adequately addressed (that is, explained) by reference to the labor process: the specific form of extraction of surplus value at the point of production, and by a specification of the ways in which the accumulation process structured a range of institutions (e.g. the state).[46] Indeed, Georg Lukács (1971: 91-92) in an essay on the problem of reification states, that, "The fate of the worker becomes the fate of society as a whole; indeed, this fate must become universal as otherwise industrialization could not develop... His fate is typical of society as a whole in that this self-objectification, this transformation into a commodity function reveals in all its starkness the dehumanized and dehumanizing function of the commodity relation."

In Capital, Volume 1, Marx pays significant attention to the advent of the factory system of textile production in England. Indeed, it is his primary historical example by which he illustrates his arguments about the development of capitalism and the consequent alienation and emmiseration of workers. Much of this is exceedingly careful historical exegesis with ample employment of quantitative data on mechanization, output and so forth. Marx was certainly aware, as his own writing shows, that the English textile industries encompassed a broad variety of forms ranging from traditional artisanal to full-blown vertically integrated factories. Yet he was convinced that the logical outcome of

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capitalist industrialization must be concentration to a monopoly or near-monopoly state. Moreover, the ultimate outcome of these society-wide (and eventually, global struggles for monopoly) must be systemic crisis. With the firm precluded as a specific object of enquiry, and the problem of scale (of enterprise) rendered irrelevant, Marxist economists and historians attended to grander problems such as imperialism until well after the Second World War. Rather than examining business cycles seriously, many Marxist economists saw each crisis as potentially, the onset of the one grand crisis that would usher in socialism.

Max Weber's interest in capitalism was quite different than Marx's insomuch as he was expressedly interested in the institutional requisites and pre-requisites of capitalism. Weber's corpus is too massive and diverse to effectively address his many insights about both economic history and the methodology of economic sociology. Famously, Weber (1958) proposed that the asceticism, self-denial, and valorization of good works emphasized in Reformation theology were electively affinitive with the new economic and institutional arrangements that in early modern Europe gave rise to modern capitalism.[47] Thus, the world view and social practices of Protestants coincided in a sort of positive serendipity with the emergence of institutional structures that were capable of supporting rationalized, purposeful, goal oriented worldly activity. Zweckrational (goal-oriented) action as one form of social action was specifically means-ends calculating in contrast to action motivated by custom, value or effect (wertrational) (v. Aron 1970: 220 & passim). Institutions that embodied the zweckrational were purpose-built organizations that had publically intelligible ends. While the earliest forms

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of this are to be found in church organization especially in monastic orders such as the Cistercians, and after the Carolingian reforms, in the Church itself, increasingly states appropriated these organizational models in the interests of administrative efficiency. Modern bureaucracy then was a development (or application) of rational administrative principals directed towards particular ends (v. Collins 1986). In fact, administrative zweckrationality enhanced the capacity of organizations to efficiently wield power towards some self-chosen end.

Weber emphasizes that late Medieval Europe experienced a combination of changes including rationalized technology, market growth, increasing state power and autonomy, freer labor, and entrepreneurial organization of capital as the necessary conditions for capitalist development (Collins 1986: 52-55). Therefore, if he did not specifically theorize the firm, he nonetheless identified a set of conditions and range of dispositions necessary, for firms to emerge. He rightly locates the models for subsequent capitalist activity in monastic orders and views the emergence of entrepreneurial activity in concert with corporate forms of organization as central to the dynamic of capitalism.[48]

Weber was never comfortable with purely theoretical economics because it assumed away the complexity and poly-valence motives of human activity.[49] The concern with motive and orientation to action of course, reflecting Weber's dialectically linked objective and understanding (verstehen) sociology. Swedborg (1999: 36) notes that Weber understood economic rationality as an historical process in which evolving social and commercial practices reflected changing value constellations. Crucially, he believed that economic rationality was of a different sort than rationality in other aspects of social

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life. He drew a distinction to this end between formal and substantive rationality. "Formal rationality is characterized by the extent to which calculation is possible...the more precise an economic calculation is, the more formally rational it is (Ibid: 36-7). Substantive rationality is more complex and ambiguous because it revolves around the provisioning of groups of people and thus involves reference to values and ideal interests (Ibid:37).[50]

Drawing the various skeins of Weber's thought together to assess his contribution to theorizing the firm is difficult. Clearly, The Protestant Ethic and the Spirit of Capitalism is an extended case study in the growth of economic rationality and its valuative foundations. Yet many of Weber's early case studies on agrarian economy remain unavailable in English limiting our ability to measure his real contributions to an historically grounded economic sociology. Swedborg (Ibid:103 & passim) notes that he remained fascinated by the commenda to the end of his life. This 13th century Italian business innovation is, to the best of my knowledge, the first instance of fully rational risk sharing in commercial endeavor in which both risk and liability were apportioned according to the share of capital investment in a trading venture (v. Jones 1997). Nonetheless, Weber does not appear to have theorized the firm qua firm.

Durkheim in stark contrast was actively hostile to economics as a discipline because it both denied the fundamentally moral order of society and constructed an idealized homo economicus that could not exist in real life (v. Smelser and Swedborg 1994:11-13). He therefore had nothing directly to say about the firm although his insights into the rights and obligation entailed by multiple roles and statuses that comprise organic

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solidarity are suggestive of the complexity of interest that Weber identified in social and economic life.

Theorizing about the firm explicitly was left to two historical (and evolutionary) economists: Alfred Marshall (1842-1924) and Joseph Schumpeter (1883-1950). Marshall was perhaps the first successful profession-academic economist, ultimately holding a chair in the subject at Cambridge and thereby shaping an entire generation of English economists including J.M. Keynes. His Principles of Economics (1908) was viewed by many as second only to Smith's Wealth of Nations (Niehans 1990: 246) and was the standard textbook for a generation. Marshall is remembered in economics tests for several contributions to marginalist economics including a graphical representation of supply and demand curves, examining elasticity in demand, and distinguishing the relative weight of demand and cost on value. But he is viewed as a transitional figure between historical economics and modern theoretical economics He made in his historical work a number of observations about both firm and about industrial districts (in Industry and Trade, 1919) and it is to these aspects of Marshall's work that I shall return.[51]

Michael Best (1990:107-108) notes that where Leon Walras constructed an equilibrium theory of price based on supply and demand, it excluded any consideration of production.[52] Marshall, in contrast, provided a theory of production as n integral part of his general equilibrium theory. In Marshall's view, "undertakers" (his quaint term of business men) establish firms to turn inputs into outputs. The relationship between inputs and outputs is based on his "law of return" (Ibid:107).

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> Diminishing return means higher costs and an upward-sloping supply curve; increasing returns means decreasing costs and a downward-sloping supply curve.

Marshall asserted that the part of production played by nature would tend to show diminishing returns, while the part that humans played would exhibit a tendency towards increasing returns. This was because the increase of labor and capital "leads generally to improved organization" (Marshall in Best 1990:107). For a marginalist to utter a phrase in which the word organization is used is breath-taking! But the imputation is that there are increasing returns to scale (or what we now call economies of scale). Furthermore, Marshall suggested that the firm enjoying the initial advantage would, in the longer term, loose out to late comers and less efficient firms (Ibid:108); a sort of biological model owing not a small amount to Spencer whom Marshall often cited approvingly (Niehans 1990: 239). The biologism aside, this observation is consonant with the observations current at least since Smith, that any advantages accrued through techniques or controlling the cost of labor would be rapidly lost through the rapid diffusion of knowledge about the techniques industry-wide. Similarly, being first with an innovation or a technology or most efficient (input to output ratio) does not necessarily confer any, much less long-term, advantage for much the same reasons.[53] The English, for example, attempted to prevent the diffusion of textile machinery technology, well into the 19th century but to little or no avail as the designs jennies, waterframes, and power looms were rapidly copied on the Continent.

Marshall's contributions to theorizing about the firm and industrial development were not restricted to formal models of market behavior even though he is remembered

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for his contributions to marginalism rather than institutional economics. As Lazonick points out, Marshall began with a dynamic theory of the firm driven by an entrepreneur who energetically harnesses technology, seeks out skillful workers, and acts in an economic and social environment that was anything but balanced and static.

Marshall proposed that the "...central concepts for analyzing the relations between firms and markets are internal and external economies" (1991:151). Internal economies are a product of the skills of the entrepreneur, his (or her) workers capacities, and their collective capacities to organize and respond to novel situations (Ibid:151) – in other words, the organizational dynamics of the firm. External economies, in contrast, were an outcome of the clustering of "specialized industries in particular localities" which favored small firms by providing easy access to, "skilled labor, subsidiary trades, and communication networks" (Ibid:151). Lazonick ably summarizes Marshall's observations about the potential superiority of the industrial district over large, multi-divisional firms (although Marshall thought that large firms would have a competitive advantage in hiring the most able workers because of their superior capitalization):

> Localization may promote the economic utilization of expensive machinery by a small firm because of regional concentration of aggregate demand for a specialized product. Over time, localization also promotes the development of productive resources within the industrial community as skilled workers perfect and pass on their crafts and develop machinery to 'relieve the strain on human muscles' and take over 'monotonous work in manufacture'(Ibid:151).

Marshall's conceptualization of a regionally bounded concentration of specialized firms, what he called an "industrial district." is central to understanding the Biellese and a

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great many other areas of Italy (and other areas of the world) as well and I will return to it in a subsequent section of this chapter.

Marshall was keenly interested in firms themselves; particularly in their evanescent character. Like Schumpeter discussed next, he was also interested in entrepreneurs, their capacity and energy to organize combinations of resources, technology, labor and capital into an ongoing organization. Firms as institutions reflected most deeply and powerfully the energy and drive of the entrepreneur. They would continue to exist, possibly expand, although continual expansion was not fundamental, "...as long as his [the entrepreneur's] energy and enterprise, his incentive and organizing power retain their full strength and freshness..." (cited in Lazonick 1991: 153). Barring unforeseeable crisis and catastrophe, the risks inherent in any individual or collective endeavor, the firm would continue to exist. But in balance, Marshall thought that energies would become dissipated, successors to the founder less able or committed, or flexible, and that a useful maxim was, "shirtsleeves to shirtsleeves in three generations" (Marshall cited in Lazonick 1991: 154; cf. Hansen and Parrish 1983).

Marshall was never to fully adumbrate a socially and culturally situated theory of the firm as he moved from these promising and important observations towards an equilibrium model (supra) that could be articulated in the abstract, mathematical equations of marginalism. But as Giacomo Becatini (1990: 51, note) observes, Marshall was nevertheless struggling to articulate a socio-cultural and economic theory of the firm, and firms in multiple firm environments, that might encompass and show the inter-penetrated character of contract and community: gemeinschaft and gesellschaft as

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identified by Ferdinand Tönnies. Yet Marshall was unable to "pull these strands together" to construct a theory of firms and markets that could account for their existence both organizationally and in terms of market behavior. An even more serious problem with Marshall's turn towards equilibrium theory was the absence of a temporal dimension. While he clearly saw that firms were deeply dependent on human energies, and that those energies might dissipate or dissolve for the entrepreneur or, more often, in succeeding generations, the commitment to equilibrium theory obviated the serious attention to historicity such a theory would require.

Joseph Schumpeter (1883-1950) was a half generation younger than Marshall and unlike Marshall, was deeply concerned with the problem of economic growth and change. Two major works, The Theory of Economic Development, and in the late 1920s, The Business Cycle, are now almost completely ignored by modern economists as having contributed no insights that could be readily fitted into the marginalist paradigm.[54] There are several aspects of Schumpeter's thought that are of interest in the context of theorizing the firm. First, Schumpeter effectively stood the marginalist paradigm on its head by arguing that the assumptions of market equilibrium conditions provided little or no insight into economic growth and change. Second, and like Marshall, Schumpeter identified the entrepreneur as the motor of growth and change. Thirdly, Schumpeter famously identified the processes associated with business cycles, firm creation, maturation and failure as "creative destruction": his analogue to Marx's logic of capital accumulation. Finally, in the essay "Social Classes" (1950) Schumpeter identified the parallel dimension to firms in the process of familial succession and class position. This

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latter essay, unfortunately also usually overlooked, links together (at least potentially) the socio-historical processes involved in the transgenerational dynamics of firms and families in a way useful to understand the historical development and perdurableness of Biellesi proprietary capitalism. I shall examine each of these contributions briefly in the following sections.

The assumption of equilibrium (or, at least tendency to equilibrate) central to marginalism seemed to Schumpeter to elide the explosive and unstable properties of capitalism. Markets, firms, entire economies were only rarely in the sort of stasis and balance at the core of the models used to describe their operation. Markets may not exist and if they do, they not "clear" effectively. Firms, but especially actors in the rigid methodological individualism of orthodox economics, rarely have access to information about alternative courses of action sufficient to even approximate the model of rational choice. Economies too are only rarely in equilibrium, at whatever scale they are specified, or if they appear to meet the model's expectations, do so only by the ruthless paring away of conditions and context, blithely excluded as "externalities" or as exogenous influences.

Schumpeter began with the entrepreneur, as had Marshall before him, but was more emphatically empirical, sociological and historical in orientation. The entrepreneur organized combinations of techniques, resources, labor and capital to produce for the market whether to meet existing demand or to risk all in creating the possibility of new demands created by new commodities. Unlike Marshall's emphasis on the collections of skills in the artisan that could be scaled-up into industrial production, Schumpeter took

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the etymological sense of entrepreneur in its original sense: to undertake and to stand between as an intermediary. Much as Anglophone anthropologists in the 1960s and 1970s (e.g., Silverman 1977; White 1980; Wolf 1977) were to emphasize the role of the broker intermediating between local and national level constituencies and actors, Schumpeter saw in the entrepreneur an actor who could organizationally forge new combinations of labor, capital and innovative technology, and resources to construct what the owners or possessors of these factors of production could not themselves individually achieve. Schumpeter is clear that the entrepreneur is an organizational innovator, not an inventor of new techniques of production or new machinery.

Drawing on the insights of the classical economists, Schumpeter discerned that the entrepreneur's innovation might initially take the market by storm, but that others would emulate it, especially if barriers to market entry were low (as, for example, they typically are in textiles), that proprietary techniques and products would inevitably diffuse (as Adam Smith had observed) and that the costs of production would become the most significant axis along which advantage would be gained or lost. Schumpeter described the product cycle without using the name. Applied to firms and markets, there was typically a period of initial slow growth, followed by a "take-off". As other entrepreneurs entered the market, it would gradually become saturated, sales begin to decline, and weaker firms shaken-out. This cyclicity applied to firms, to products, and to markets in equal measure.

Firms, as Marshall had emphasized, tended to have a life cycle characterized by the burst of energy of the founder, maturity in the second generation, and rarely survived

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the third generation after the founder: shirtsleeves to shirtsleeves in three generations. Similarly, markets are cyclic not because there is some natural law or biological clock but because market participants do not have knowledge sufficient to achieve the equilibrium of the marginalist model in which the market always clears. They are subject to a host of "imperfections": supply-demand imbalances and variable transaction times, and poor information flow (signals), for example. It is precisely the dynamic qualities of entrepreneurs that drive market growth but make them inherently unstable so that one can identify business cycles (typically 7-11 years in developed economies).[55] Schumpeter came to believe that this inherent instability of capitalism would lead states to manage markets in something like the Swedish model of market socialism to buffer the effects and consequences of booms and recessions that so evidently had led to chaos and destruction in the first half of this century.

Schumpeter provides a more fully fleshed view of the entrepreneur as a, social, cultural, and historical being located who acts despite uncertainty, takes risks, and is rewarded or shattered for his efforts. Further, he noted the fundamentally familial base of capitalist enterprise. Entrepreneurs are socially located in a matrix of kin and social relations from which they propel themselves into the market. Dependent as they are on the energies and capacities of a kin-based core in building an enterprise, and in controlling and transmitting capital from one generation to the next, most are subject to failure if not in the first or second generation, then by the third. Relatively few firms transcend their kin- and family-based core and become institutions that purdure for a number of generations. I shall expand on the kin- and familial-base of capitalist

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enterprise in a subsequent section of this chapter and take up the issue of corporate capital's potential for "dis-embedding" later in this section. But Schumpeter, I believe, provides the foundation for an anthropologically informed account of the capitalist enterprise, and the social character of markets and the accumulation process. Schumpeter also provides a means to understand crises in capitalist economies and societies without the burden of assuming that they are signs of terminal collapse as had Marx. Instead, Schumpeter places crises at the core of capitalist economies and societies and suggest that they are a crucial to its dynamism. Furthermore, crises are a property of firms, regions, markets, and entire economies linked by the periodic cycles that exist for agents located in a transgenerational matrix, for firms in markets and geographies, for markets regional, national, and transnational, and for economies located in what is now a global system of capitalist relations of production.[56]

Marginalists, concerned with market behavior and price setting mechanisms have generally avoided considering the firm. One of the central assumptions are that markets exist for all the factors of production. The nature of these markets is perfect competition: that all sellers and buyers have access to all relevant information to inform choice making, itself understood as operating under the constraint of multiple wants but limited means. Furthermore because all sellers will find buyers and vice versa, no one will be left with a transaction that cannot be consummated. Markets are also unconstrained in time and space. These two assumptions mean in lay terms, that markets always clear. Supply and demand may change over time thus leading to changes in prices, and it is price theory that has largely captured the attention of modern economists. Where markets failed, it

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was because of externalities or in dealing with public goods. But as Robert Skidalsky (cited in Heilbroner and Milberg 1995: 34) observed, "Economics was, still largely is, built up from the logic of choice under conditions of scarcity, Keynes' vision...has to do with the logic of choice, not under scarcity but under uncertainty." The implications of uncertainty rather than scarcity governing choice making are many. Most of them will not be dealt with in this brief tour d' horizon but one suggestive area is why entrepreneurs typically choose kinship relations in ownership and organization of firms. Not all marginalists avoided the firm even if it could be represented as the intersection of supply and demand curves. In the late 1930s, R. H. Coase wrote a startling and powerful article which was then largely ignored for close to 40 years. The Nature of the Firm (1988 [1937]: 36, 37) posed the novel question of why do firms exist at all?

> Yet having regard to the fact that, if production is regulated by price movements, production could be carried out without any organization at all, well might we ask, Why is there any organization?...Our task is to attempt to discover why a firm emerges at all in a specialized exchange economy.

This may seem quite absurd from the perspective of anthropology (and the other social sciences) but within mainstream economics wherein there are only aggregates of individual interest maximizers, the question is quite radical. Coase points out that while economic theory depends on the price regulation of production, it also admits the coordination function of the entrepreneur. Coase proposed to answer the question why in some instances production was regulated by price, and in other instances by the entrepreneur. He notes (:36) that the Lancashire cotton industry weaver can rent power and shop space and can obtain looms and yarn on credit, all without the intervention of

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the price mechanism. The amount of vertical integration which varies from industry to industry and from firm to firm operates without the "supersession of the price mechanism".

Coase's answer, to crudely represent a very elegant and complex discussion, is that firms are a means for managing transaction costs. There are costs associated with using the price mechanism. The most obvious one is the cost of discovering what the relevant prices are at any given time in order to organize production (Ibid: 38). If we take the example Coase mentioned (the Lancashire weaver), the cost of "...concluding a separate contract for each exchange transaction which takes place on a market must also be taken into account (Ibid:38-39). The more complex the production process, the greater the number of contracts must be negotiated, consuming inordinate amounts of time and energy, not to mention the problem of how effectively markets operate. So in place of a series of contracts for the factors of production, a single contract is substituted for each.

> The contract is one whereby the factor, for a certain remuneration (which may be fixed or fluctuating), agrees to obey the directions of the entrepreneur *within certain limits*. The essence of the contract is that it should only state the limits to the powers of the entrepreneur. Within these limits, he can therefore direct the other factors of production (: 39 emp. in orig.).

The social scientist, especially the Marxist, needs to suspend disbelief (and judgement) for a moment in order to appreciate just what Coase has done. Price theory being fundamentally asocial had no way to account for institutions which as Douglas North (1990:12) points out, exist precisely where the costs to transact are high. The failure of mainstream (marginalist) economists to take the problem of institutions

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seriously has had rather grievous consequences that are a direct product of their behavioral assumptions regarding self-interested utility maximizers. The assumption of complete knowledge (in every situation) necessary to exercise rational choice in the condition of scarcity of means among competing ends is, of course, effectively untenable, as is the corollary assumption of a universal rational means-end calculus. Reality is much more complex and contingent and, as North emphasizes, characterized by incomplete knowledge filtered though subjective "models" of reality of actors that are not consistent across a population, much less universal. Furthermore, some realms of human social and cultural activity are completely excluded from contracts or anything approaching the rigorous rationality and means-ends calculus that the behavioral (and psychological) assumptions of marginalism specify, much less price-derived contracts. Durkheim suggested and Polanyi emphasized that all contracts are to one degree or another culturally pre-figured whether this is articulated as property rights, custom or tradition.[57] Hence, considerations within a family are almost universally supposed to be free of calculation of this sort. Relations between kin typically involve those of trust and, perhaps even more importantly, a virtually inbuilt body of knowledge about the web of kinsmen and women. In this regard, it is most sensible for familial or kin groups to be the core of business firms for they obviate a whole range of transaction costs by making kin relationships perform "double duty". I shall pursue the implications of Coase and North's critique of the failure of the marginalists to deal with institutions more fully in a subsequent section on kinship. But there are some further important ramifications of Coase's attention to transaction costs and the nature of the firm that need to be explicated.

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One of the most important implications for my purposes, concerns the distribution of firm sizes in any given industry. In order to show why Coase provided a deeply significant departure from traditional theorizing about the firm, a telling lacuna that applies to both Marxist and neo-classical economics, we need to pursue a tangent, briefly.

Both neoclassical economic historians and Marxist historians have tended to assume that concentration would ensue from competition. For Marxists, the logic of accumulation drives economic concentration in the face of the falling rate of profit brought about by increased investment in organic capital. In Marx's time, this concentration was already underway in the English cotton industry and several heavy industries. While marginalists effectively duck the issue of monopolistic concentration by emphasizing efficiency (never quite properly defined) as the criterion of evaluation, economic historians have had to account for "real world" conditions in which market power became concentrated quite rapidly. In Europe, giants in heavy industry emerged by the 1870s; Krupp and Thyssen in Germany, Schneider-Cruseot in France, and Carnegie (U.S. Steel) in the U. S., for example. These tended to be confirmatory of the Marxian position that ruthless competition (in concert with state policies) would produce monopoly power in the most important heavy industrial sectors. But a student of Joseph Schumpeter, Alfred Chandler, Jr. provided an alternative historical account that buttressed the neo-classical position.[58] Chandler's argument in brief, was that freed from the constraints of state and societal dispositions and traditions, U.S. industry developed relatively unfettered. In this environment of laissez-faire, captains of industry of the latter 19th century were able to innovate organizationally, practices becoming to model for

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corporate structure, and eventually diffusing world-wide. Chandler's trajectory of managerial development and corporate organization owes a little to both 19th century evolutionary arguments and to Durkheim's Division of Labor in Society. Looking back over two centuries of the U.S.'s rise to industrial supremacy, Chandler argued that over and above the technological innovations, the most important innovations had been managerial. He traced a trajectory from the artisan who combined the roles of director, worker, coordinator, and marketer to an increasing division of labor that separated command and control from production organization, marketing and finance. The result is the multi-divisional firm in which the executive functions are separated from production. Freed from overly close supervision of production, managers can engage in strategic planning in investment decisions, market strategy, and locational decisions. William Lazonick (1990: 214-215) notes that the organization identified by Chandler, the managerial elite of the corporation, acts strategically to alter the economic environment.

> Modern enterprise, by bringing many units under its control, began to operate in different locations, often carrying on different types of economic activities and handling different lines of goods and services. The activities of these units and the transactions between them thus become internalized. They become monitored and coordinated by salaried employees rather than the market mechanism. Modern business enterprise, therefore, employs a hierarchy of middle and top salaried managers to monitor and coordinate the work of the units under its control. Such middle and top managers form an entirely new class of businessmen. (Chandler 1977: 3)

Chandler has drawn on Coase's insights about the management (and reduction) of transaction costs through the internalization of relations between autonomous business entities by constructing an over-arching management structure. The ideal type of the

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modern corporation is of a multi-divisional firm in which locational, investment, production, and market decisions can be made solely on the basis of economic rationality, operating both through the market or the long-term contract. Chandler shows that the triumph of American "big business" such as the Pennsylvania Railroad or United States Steel is that they are independent or nearly independent of the state, the region, and perhaps even the society in which they operate. Since the Second World War, this capacity to"dis-embed" has made possible the trans-national corporation of such scale and scope that states must negotiate with them as equals, and often must accede to their interests. Indeed their preponderant market power has escaped the control of any one, even combinations of states.[59]

The trans-national corporation (henceforth TNC) certainly represents the apogee of modern capitalism, a condition on which both liberal and Marxist scholars can agree. Yet it is deeply mistaken to assume that this is the playing out of a unitary logic of capitalist development. There is significant variation among TNCs reflecting the historical roots of individual corporations and their original socio-cultural location. ABB (Asea Brown Boverai) is not mistakable for IBM, nor Fiat for Daimler-Chrysler, nor Benetton or, Liz Claiborne. Even in the rarified worlds of trans-national capitalism, corporate strategies for dealing with labor, for example, most often reflect the traditions, struggles, and accommodations between capital and labor, and the state policies that have legitimated them in their countries of origin. The conclusion I wish to draw from this is that size and scale are not related logically to the model of the firm as an entity for choosing between the market or the contract in Coase's theory of the firm. There are

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many strategies by which transaction costs can be managed, all of them shaped by history, culture, the experience of capital-labor struggles, the role of the state, and so forth: the strategies are contingent. The particular balance between market-based and principal-agent based strategies is not logically determined.

The idealized model of exchange is that of two parties who enter into a temporary relationship solely for the purpose of exchange with supply and demand embodying both actors' calculation of utility to establish price. As I have already noted, actors rarely have the kind of knowledge implied by the model, and may well evaluate the world through subjective prisms that are incommensurate with each other as well as being at variance with the "objective" reality. The process of discovering all the information necessary to enter into exchange is the transaction cost. As Coase pointed out, entrepreneurs often choose not to use the market but to opt for contracts to save on transaction costs. This introduces the principal-agent problem that came to dominate institutional economics for a number of years. As Coase had also noted, the contract specifies the boundaries of the agent's obligation to the principal while leaving both flexibility in managerial decision-making and deployment of the agent's capacities to the principal. This immediately disclosed a hornet's nest of problems with how contracts could be enforced.

As noted above Karl Polanyi had distinguished between three forms of exchange: reciprocity, redistribution, and market exchange. His argument was that monetized, market exchange was an historically recent phenomenon, and that the attempt to fit human exchange trans-historically into the economistic market model deeply distorted much of the way human interchange was constructed, enacted, and consummated. The

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principal-agent problem is perhaps, a more general way of talking about how exchange obligations are enforced. In the broadest sense, all exchange relations are governed by institutions whether or not they are "formal" and whether nor not any kind of "contract" is involved. In this sense "customary" societies (i.e., non-state societies) deal with enforcement of obligation through authority, not legality.[60] Often relationships exist for a wide variety of "reasons" and therefore can be used as a vehicle for other, exchange-related purposes. Eric Wolf (1983: 91) succinctly defines kinship as, "...a way of committing social labor to the transformation of nature through appeals to filiation and marriage, and to consanguinity and affinity." It therefore involves symbolic constructs that "...continually place actors, born and recruited, ...into social relations with one another. These social relations permit people in various ways to call on the share of social labor carried by each, in order to...effect the necessary transformation of nature." Kin-based societies solve the "principal-agent" problem as it were, before it is a problem. This is why, as both Eric Wolf (1977) and Douglas North (1990) the latter in taking to task his economist colleagues, point to both the "personalizing" of relationships in bureaucratized institutions and to the persistence of kin-groups in complex societies. [61] While social scientists most often point to elites as those most persistently employing kinship and controlling and deploying resources through kin networks in complex societies, it is a practice not at all restricted to them as this work will show. But as North (1990: 42-43) sums up the issues involved, "...culture defines the ways individuals process and utilize information and hence may affect the way informal constraints get specified. Conventions are cultural specific, as indeed are norms."

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However, principal-agent problems are not dealt with exclusively, or even primarily through kinship or friendship in state-organized, and now, capitalist national states. The legal system is a set of formal constraints enforced through the use or threat of coercion or violence. I do not want to spend any time on the issue of contract enforcement through the legal system. Moreover, there are other "third party" kinds of enforcement at the level of firms operating in a competitive environment. Firms are dependent on other firms, and indeed on consumers in the market in order to exist. There is always a broad mix of constraints that constitute the overall environment in which they operate; in which they are to use Granovetter's term "embedded".

The point of this extended discussion has been to establish a workable notion of the firm. Firms are institutions established by entrepreneurs that reduce transaction costs by removing a range of supply, organizational, and managerial operations from the market in capitalist societies. "The firm is a system of relationships which comes into existence when the direction of resources is dependent on an entrepreneur" (R. H. Coase 1988: 41-42). Coase has provided a bridge between sociological and economic conceptions of the firm that situates it squarely in an environment in which the market is one among a number of constraining and enabling conditions and influences.

Coase (Ibid: 45) thought that firms would have a tendency to grow in size under the following conditions:

> (a) [where] the less the costs of organizing and the slower these costs rise with an increase in the transactions organized;

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> (b) [where] the less likely the entrepreneur is to make mistakes and the smaller the increase in mistakes with an increase in transactions organized;
> (c) [where] the greater the lowering (or less the rise) in the supply price of factors of production to firms of larger size.

But firm growth is not rendered inevitable or ineluctable as it is in both the Marxian model of concentration toward monopoly conditions and under Alfred Chandler, Jr.'s assumption of an evolutionary growth towards maximal organization efficiency. The environment may be such as to favor different outcomes than either concentration into a single integrated, large firm or the growth of a multi-divisional firm. One of these possible trajectories is, of course, the formation of an industrial district with a large number of tiny to medium-sized firms.

In the 1950s, Edith Penrose (1995 [[1959]) undertook to provide a theory of the growth of the firm which, like Coase's work, was largely ignored until recent years. Her key point about firms is how large a span of control key management can support. Her phrase for span of control is "authoritative communication" but the meaning is synonymous with the geographer's phrase. Authoritative communication

> "...can consist on the one extreme of the actual transmission of detailed instructions through a hierarchy of officials and, on the other, of the mere existence among a group of people of observed and accepted policies, goals, and administrative procedures established in the past." (1995: 20)

To this continuum of span of control, one needs to add that socio-cultural practices, traditions, and customs may also provide the basis for authoritative communication in the absence of any clear-cut hierarchy, or its total absence. Policies, practices, norms, goals are all available in the cultural milieu of mono-cultural regions, legitimated and re-

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legitimated by appeals to tradition, history, and cultural specificity, and re-enacted because they provide much of the medium of communication for actors.

Penrose (Ibid: 21) goes on to argue that financial corporations are a very different matter, and that the existence of patent license agreements, multiple classes of stock, long-term contracts and leases, further complicate the span of control issue. One of her major points is that what she calls "economies of growth" are not the same thing as economies of scale, the latter only available to large firms (: 100-103). Furthermore, entrepreneurs may not be able to see opportunities for growth, mis-understand their position, make errors in judgement, or not want their firm to grow. In the latter category, the entrepreneur may discover that growth converts him from an active participant to a distant manager, losing the sense of camaraderie, or, for that matter, the personal experience of power that scaling up the firm requires.[62] Alternatively, small firms may be unable to develop new products, thereby inhibiting growth or they may be unable to procure capital to finance expansion. In sum then, firms do not have to grow in size or perish. The entrepreneurial firm (Penrose) or proprietary capitalism (Scranton 1983) is an alternative trajectory to the multi-divisional corporation that is uncritically accepted as the ideal type for all capitalist firms. As Scranton (1983: 7) notes, "The array of unincorporated formats for capitalist production (partnerships, family firms) has been quietly passed over." The failure of Chandlerian efficiency theory to explain differences in the scale and scope of firms or to provide a convincing historical explanation for the timing of their appearance suggests that firms have been poorly theorized in mainstream economics and business history Coase's insights into the nature of institution formation

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suggest that attention should be focused on how information is obtained and circulated and how this leads to substituting contracts for markets.

I discuss in this pen-ultimate section the ways in which institutional economists have attempted to come to terms with the socio-cultural and historical situations of firms. That they have for the most part failed to do so attests to the strength of the reductive and deductive penchant of economist; what Albert Hirschman called, "physics envy."

Hirschman's punning allusion to the Freudian concept points to fundamental ontological, axiomatic and epistemological problems at the core of modern neo-classical economics. These contradictions have been elegantly explored by Philip Mirowski (1989).[63] The central problem evident since the pre-Socratic Heraclitus is that humans are confronted the reality of diversity and difference and search for principals of identity and invariance. Philosophical and scientific enquiry (as well as the social and human sciences) has sought resolution to these paradoxes in conservation principles of which the conservation of energy is the most fecund in allusive possibilities. [64]

Briefly, for the argument is exceedingly technical, economics like the other social sciences has sought to approximate the natural and physical sciences. This has meant appropriating concepts from them and employing them metaphorically. Until the latter 19th century, metaphors tended to be appropriated from natural science and from classical mechanics. This meant in practice that economic models posited substances that circulated or otherwise behaved like fluids, for example. Classical theory treats value as a substance that is added in production, circulated in exchange, and destroyed in consumption. Combined with the zero-sum assumptions about the other factors of

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production that were widely held, the substance theory of value was central to model of the circular flow of wealth. Economic theorists from Aristotle to Marx thought that labor was crystallized in whatever was produced adding value. Unlike his classical contemporaries, Marx argued that value was retained in consumption because it passed back into labor. There were problems with this conception because some things arrived with lots of value already in place (e.g. precious metals) and other things seemed to accrete additional value in the process of exchange. In fact Marx in an advance over his contemporaries had in effect two theories of value: value as crystalized labor and surplus value. The first was the labor power/unit form which suffered as did all substance theories from assuming that the relationship was eternally fixed (dated labor). The second, the difference between the socially necessary amount of labor and the amount actually extracted over and above that actually added to commodities is a real cost model. The point is not that Marx erred but the limitations of the physical metaphor to which he and the other classical economists were bound.

Neo-classical economics based on the concept of marginal utility, appropriating from the physics a quarter century after Marx, abandoned substance models in favor of field theory. This substituted the concepts of force, space, particles, work and energy (the marginalist analogy, respectively: commodity, individuals, disutility, and utility) for the circulatory and hydraulic metaphors prevailing through Marx (1989: 224-5). Utility is not a substance anymore than light understood in its wave form is. The preference for one or another commodity is inherently with material substance. Behavior (consumption) is a

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consequence of utility calculations and is in any case evanescent as well as immaterial. [65]

Mirowski elegantly sums up the neo-classical project as follows

> The neoclassical appropriation of nineteenth century energetics hinged upon a comparison between mass points coming to rest in a space permeated by a field of force and commodities coming to rest in a configuration of fields of utility. (1989: 280)

The adoption of a field theory (the energetic metaphor) has had a number of pernicious consequences for economics. The two most important from my perspective have been the incapacity to accommodate production under the metaphor and the baleful impact on thinking about institutions. They are not un-related.

Let me turn briefly to the problem of production which will be treated in detail the next chapter. Production is in the first place, apodictically institutional in nature.[66] But even more galling, production has not been subsumable to the energetic metaphor. Mirowski shows that neo-classical economics reverted to a substance metaphor when it came to production and that this naturally, does not connect logically or otherwise, to the edifice of energetic field theory. The attempt to reduce institutions to matters of circulation have not fared much better.

The evolution of property rights and their legal enforcibility was central to the emergence of capitalism as both Weber's conceptual and historical work has shown.[67] Property rights are centrally about the control over and the alienability of persons and substances. Interestingly, many scholars of the law and economics school focus on the importance of property rights to contract which Coase as I have noted, saw as a substitute

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for the market. In its most reductive and nominalist form one find statements about institutions such as "[They] are really nothing but specific collections of attenuated property rights" (cited in Papendreou 1994: 165-6 note 18). The circularity of these arguments attests to the power of the field (energetic) metaphor that has to be rigorously insubstantial.

Transaction cost economics (or the new institutional economics as it is also known) re-stimulated academic economics after the demise of the Keynesian consensus of the immediate post-war years, and the apparent failure of monetarism to do more than serve as justificatory rhetoric for core elites (v. Heilbroner & Milberg 1995; Hirschman 1986). Much of the innovation in mainstream economics had actually involved relaxing core assumptions in the key behavioral model at the center of marginalism. This had begun with Keynes who I have noted, stated that the central problem was choice-making under conditions of uncertainty rather than (necessarily) scarcity. Coase, Frank Knight and others had forced a reluctant profession to acknowledge the ubiquity of institutions other than the market as relevant to economic activity. A post-war generation then attempted to introduce yet another note of realism into the otherworldly abstractions of marginalism.

The assumption of perfect information flow so that actors could rationally decide how to deploy scarce resources had always been honored in the breach for it obviously did not apply to the real world. Herbert Simon (1972) qualified this key point by accepting that actors rarely had access to all the relevant information to behave in the way the model required, and that markets were rarely transparent. In the face of incomplete

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information, actors did the best they could. The admission of bounded (situationally limited) rationality appeared to save the key assumption of the means-ends calculus while also admitting that it was totally unrealistic. It is in this context that institutional economics (or transaction-cost economics) advanced itself as an alternative to price theory and its ramifications. Because so much of human activity was carried out inside one or another kind of institution in which there was no obvious market or markets, the claim (that Coase et al had advanced) that economics ought to examine these institutions was compelling. Oliver Williamson (1975: 1985) advanced a coherent, unified view of transaction cost economics. Having already dealt with Coase's concept of transaction costs as the basis for firm formation, I do not want to sketch out the entire edifice of Williamson's project (if that were possible in any case). Rather, I want to illustrate where this supposedly institutional perspective is as carelessly reductive and essentially ahistorical as the mainstream marginalist perspective to which it offered a corrective.

The central problem with modern transaction cost economics (or institutional economics), like marginalism, is its ahistoricity. A number of other problems flow from this central assumption. The specification of a set of general tenets about when non-market devices will be used and when market exchange will be used is salutary insomuch as it admits that much of human activity is not governed by market principles. But as with mainstream marginalism, institutional economics makes the fundamental error that identifying zweckrationality in either market or institutional realms is the same as being able to identify just what the rationality is. Here we are back with the problem of economizing individuals even though institutions necessarily have a range of goals that

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do not involve maximizing utility, or, at the very least, bothering to define what exactly defines utility in any given situation.

Williamson (1985: 52-53) asserts that transaction cost economics can predict when transactions will be carried out through the market and when they will be internalized in institutions following three criteria : asset specificity, uncertainty, and frequency. Frequency is the criterion identified by Coase; costs are reduced by replacing multiple contracts made on the market by a single contract. Uncertainty and asset specificity ought to move us towards a more culturally and historically sensitive account, although in Williamson's work they do not.

Remember that Keynes (and Knight) had subtly shifted the ground rules of economic analysis when he noted that economic activity was characterized by choice of ends and deployment of resources under conditions of uncertainty, not scarcity. This shift places uncertainty at the center in a way inconceivable under price theory. Williamson (1985: 57), citing Hayek, notes that "The economic problem of society is mainly one of adaption to changes in particular circumstances of time and place." Williamson (1985: 58-9) attributes much of the problem to behavioral uncertainty: that is, agents do not really know what is going on and have to make decisions based on inadequate information, or just dither about. This is a useful if rather a truistic statement. Populations may not behave in predictable ways. But rather than expanding this insight into information problems into an historico-sociological account, Williamson (and the rest) abandon it at just this point. He is unwilling, or unable to make the leap from a rather pedestrian abstraction to the possibility of an historically rich explanation. That is,

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his interest in a general theory of the sort that physicists supposedly possess causes him to fail to explain or provide an explanatory mechanism. For unlike physicists, Williamson is unable to specify under any condition what the content and consequence of uncertainty is. But let us turn to asset specificity which is an even greater compromise with history and sociology than is behavioral uncertainty.

Asset specificity crudely, refers to the "hazard" (Ibid: 54) that ensues from investing in a specific technology.[68] The choice having been made, it is quite possible that conditions may change and that the investment in one sort of technology precludes switching to another. Asset specificity then, is another way of thinking about the economics of location in time and space, although Williamson does not so acknowledge (Chapman and Walker 1990). Furthermore, asset specificity is an acknowledgment that some resources (factors of production) may be well beyond the reach of the market. As a result, a range of constraints may well exist on the capacity of capital (whether an entrepreneur or a TNC) to move at will to take advantage of favorable market prices for the factors of production. Williamson (1985: 55, 95-6) identifies four different types of asset specificity: site specificity, physical asset specificity, human asset specificity, and dedicated assets. These are relatively straight-forward concepts with the exception of dedicated asset specificity. Dedicated assets are those investments made on behalf of a commitment to a particular buyer of the firms' product. In the Biellese for example, Fratelli Hary SpA is a specialized yarn and thread firm almost all of whose output goes to a Swiss manufacturer of high-end knitwear garments, to whom Fratelli Hary is committed through long-term subcontract arrangements.[69] Hary's investment depends on the

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ongoing-ness of the relationship as does investment by the Swiss firm. Hary would not have undertaken investments in new machinery in late 1970s and early 1980s except with the understanding of a long-term commitment from its Swiss partner.

Asset specificity then suggests that the idealized picture of markets in which all the factors of production are spatio-temporally completely mobile or liquid is at best exceedingly partial. Much of what constitutes a firm's capacity to maintain itself in a particular market niche is firmly anchored in geography, society and their shared history. I shall leave further discussion of embeddedness until the third aspect of transaction cost economics, uncertainty, discussed by Williamson has been defined.

Uncertainty is, of course, a given in human affairs. This is not just a function of bounded rationality in the sense articulated by Herbert Simon and widely adopted in the social sciences as well as economics. Even given an actor (or actors) with perfect knowledge assumed in neo-classical economic theory, there are always un-intended consequences to human activity such that no amount of knowledge can either disclose or foreclose all possible outcomes. Some considerable portion of human activity is contingent in that an intended outcome is possible but not necessary.[70] Economists usually do not operate at this level of existential doubt, but rather, view uncertainty as the market context in which entrepreneurs act. Responses to uncertainty at a variety of levels of scope and scale therefore usually refers to issues such as whether to pursue integration of one kind of another. Given that, one of the crucial assumptions of transaction cost economics is opportunism: the recognition that the contingency of the stream of events

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may throw-up novel situations for the entrepreneur. Economic activity is, in the language of structural Marxism, always under-determined.

An important dimension of both markets and hierarchies (the latter term is Williamson's for what both Coase and North identified as institutions) is the general problem of enforcement or, to phrase the issue most broadly, trust. We have encountered this issue in a micro-economic context as the principal agent problem, an attribute of contracting. There are, as I have already noted, a range of vehicles for enforcing contracts. Hobbes, the pro-genitor of this entire skein of thought, saw it in terms of what is now called "third party" enforcibility: the sovereign. But coercion is a notoriously poor instrument for gaining compliance, much less enthusiastic participation in some activity. Indeed, even in the realm of exchange, most economists would now pay lip service to Polanyi's distinction between reciprocity (and redistribution) and exchange as modalities that enshrine enforcement (in transaction cost terms) in forms of relationships that are "extra-economic" or at least "prior to economic" to a greater or lesser degree. It turns out that even in the Smithian world of perfect exchange, some social glue and grease are needed to facilitate economic activity.

The treatment of the problem of enforcibility has followed two distinct trajectories that meet and part at various points. The first, to which I have already alluded, is governance structures while the second focuses on the issue of trust, per se. I shall leave governance structures alone for the moment (until the discussion of industrial districts) and turn to the issue of trust. First, I want to note that the Marxian analysis of capitalist social process obviates any concern with either trust or governance. Once some portion

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of a society's population has been stripped of its productive autonomy, they are trapped in alienated waged labor. Hierarchies of whatever sort, much less contracts, are viewed through the analytical lens that focuses on the specific forms of exploitation (e.g. Burrawoy 1985) in the spheres (or domains) of social life: shop floor, family, and gender. So the focus and emphasis is invariably on coercion, whether this is at the "point of production" or in the more nuanced Gramscian conception of hegemony. Interestingly, even as staunch a marginalist as Kenneth Arrow (cited in Williamson 1985: 405) observed, "Trust and similar values, loyalty or truth telling, are...not commodities for which trade on the open market is technically possible or even meaningful." But while many economists then proceed to unproblematically ascribe these sorts of values to the society in which the market is situated, others have opened the door to a more historically and sociologically informed account.

Perhaps after Karl Polanyi, the most literate and sophisticated economist has been Albert O. Hirschman. Like Robert Heilbroner, and to a considerable extent Deirdre McClosky and Douglas North, Hirschman has never been bewitched by number magic, but has sought in the course of an unusually long and distinguished career to draw insight about the complexity of the human condition, and that realm of it which we partially capture under the rubric of "economics". Unlike his more conventional brethren, Hirschman has always accepted the historical contingency of human activity. He has sought to both enrich and correct what has purported to be a natural science of choice-making under conditions of scarcity with the historicity (that is the situatedness) of human decision-making. This has involved a number of increasingly erudite essays about

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the historical development of key concepts in economics, thereby undermining many of its pretensions to have created a timeless system of natural laws (1970; 1982; 1986; 1991; 1995). These brief remarks cannot, of course, do justice to the catholicity of thought of one of the finest minds of the post-war era, but they do suggest that the central assumptions of economics need to be stood on their head — much as Marx believed he was doing.

In Exit, Voice and Loyalty (1970), and the subsequent Shifting Involvements (1982) Hirschman took up the same issues that had led first Coase, then Knight, Williamson, and North to address themselves to institutions. Unlike these others, Hirschman did not begin his enquiries with the formalisms of marginalism, but rather with the contingencies of the human condition. Because actors don't arrive de novo at the point of action in a transparent world of clear choices, but are deeply enmeshed and imbricated in socio-cultural and historically given circumstances, they are deeply constrained in their possibilities for action. Indeed, there are usually not clear choices to be made amongst competing ends that can even remotely "satisfice" (to use Herbert Simon's term) the complex and usually in-articulable set of motives, beliefs, assumptions, fears and desires that comprise what economists blithely call, "interests".

Hirschman has graciously de-mystified interest by showing that it is a modern language of desire preceded (at the time of doux commerce) by the belief in passions as defining the psychic geography of humankind (1977). If as Hirschman clearly shows, these "moral" sentiments (to use Adam Smith's term) are so deeply culturally and historically situated, the efficiency of markets governed by the "invisible hand" that

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Smith asserted can no longer be seriously entertained as a universal explanation. One of Hirschman's observations is that neither Smith nor subsequent economists dealt with failure, although all of them tacitly acknowledge that it is a part of human experience. In the face of perceived failure, he proposes an elegant taxonomy of three alternatives: exit, voice, and loyalty.

Exit, of course, means severing the relationship or contract. Voice involves attempting to influence the stream of conduct from within subject to all the constraints of bureaucratic governance structures. Loyalty is the suppression of the urge to publicly doubt in the face of crisis. These conceptualizations were occasioned as Hirschman notes (1970: 9), by the fact of "man's curiously ambivalent attitude towards his ability to produce a surplus." But the general observation aside, Hirschman has asserted both a mechanism for dealing with market (most broadly conceived) failure and an initial statement for the conditions under which trust or trust-like sentiments are salient and come into play. The conditions in firms, markets, and other kinds of institutionally defined and bounded relationships are shown to posses far greater situated complexity and contingency than either marginalist or institutionalist economists have been willing to grant.

Before returning to Williamson, and the conventional definition of trust as a component of governance arrangements, there is an additional implication of Hirschman's argument that needs to be considered. If agents are not opportunistic or maximizing under all circumstances, some of which (at whatever scale of analysis) are customary or institutional, then surely, any theory of choice-making (preference) however

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it is cast, must be able to specify under what conditions one or the other principle is operative. Markets and hierarchies as conceived by Williamson and others (even North) have not addressed this issue adequately.

This over-simplified representation of Hirschman's much more complex and nuanced argument returns us to the problem of trust in the construction and maintenance of both market and hierarchal (institutional-transactional) entities.[71] But as Williamson (1985: 406), himself, admits, "...operationalizing trust has proved inordinately difficult." One index of just how difficult conceptualizing — much less operationalizing — trust is, is to be found in Edward Lorenz's (1993) "Flexible Production Systems and the Social Construction of Trust". For Lorenz, trusting is a means-ends calculus that involves:

> ...[D]epending on how the trustee makes use of the new possibilities of action the trustor will be better off or worse off than had they not been made available. The situation is one of risk for the trustor because the new possibilities of action are made available without any binding commitment from the trustee on how he will make use of them and because of the existence of a time lag, which precludes monitoring the trustee's behavior as a condition for making them available.... The decision of an agent to place trust (as defined above) in another depends on her *believing* that he will act in a way that makes her better of than worse off. (Ibid:308, emp. in orig.)

First, it is obvious in this account, that the capacity to trust has been subsumed under the conventional marginalist assumption of maximizing behavior. Trust in this instance is a kind of evaluation of risk of change of condition psychically and/or materially. Having asserted the universality of the mans-ends calculus, trust becomes a sub-species of interest calculation, wherein interest is defined minimally, as loss-minimization. In fact, trust has been reduced to contract. We are back with Gary Becker's attempt to

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universalize self-interest by applying marginalist assumptions to the family, etc. This elides the central problem of contestability (differential meaningfulness) over and above its de-historizing the problem (v. Connolly 1993).

Trust obviously involves the suspension of whatever normative (or purportedly normative) standards of suspicion pertain in a given place, in a given historical moment.[72] Anthony Giddens (1990: 30 & passim; cf 1991) notes that "trust" crops up in everyday language frequently, although I should note that it is largely absent from social theory. Giddens (Ibid:31), following Niklas Luhman, notes that trust implies confidence,... "a more or less taken for granted attitude that familiar things will remain stable." Accepted uncritically, this definition would seem to suggest a condition very different than that articulated by Lorenz or Williamson to the extent that he addresses the issue at all. But Giddens (Ibid: 33-4) goes on to clarify and refine what a working definition of trust looks like. It involves he says:

> (1) an absence in time and space; (2) it carries the connotation of reliability in the face of contingent outcomes; (3) it is the link between faith and confidence, and as a result; (4) "...[T]rust may be defined as confidence in the reliability of a person or a system, regarding a given set of outcomes or events, where that confidence expresses a faith in the probity or love of another, or in the correctness of abstract principles..."

While one can recognize Lorenz's starting point in the definition Giddens advances, Lorenz's adumbration is devoid of the multi-facetedness necessary to render plausibly the complexity of human agency in social relationships. Trust then, is not reducible to calculations of risk surrounding individual interest. That is not to say that calculations of

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risk do not accompany trust (or its lack) but that the latter cannot be subsumed under the former.[73]

If trust then, involves confidence in the reliability of a person (or system, Giddens asserts) regarding a given set of outcomes, what gives rise to trust and how is it socially reproduced? I think at this point that Stanley Diamond's (1974: 255-80) distinction between the rule of law and the authority of custom is relevant.[74] Quoting first Paul Radin and then J. G. Peristiany, Diamond (Ibid: 256-7) emphasizes that, "[a custom]...is obeyed...because it is intimately intertwined with a vast living network of interrelations, arranged in a meticulous and ordered manner," and that, "...[it] is not that the common values should exist, but that they should be expressed although no common political organization corresponds to them." I want to qualify Diamond and the interlocutors he quotes approvingly. First, I do not think that a rigid dichotomy between primitive and modern society is warranted and, hence, that Diamond's assertion that customary authority has disappeared is sustainable, anymore than I am willing to accept a dichotomy between modernity and post-modernity. It is likely that customary authority is circumscribed by politico-juridical systems, but not that it disappears. Second, Peristiany's observation that customary authority may not correspond with any over-arching political organization needs to be qualified. Customary authority in modern societies is precisely, vested in kinds of ongoing social relationships, the kind in which trust can ensue, that operate typically below the horizon of political and legal power and tacitly, within many of its presumed arenas. These observations about the persistence of customary authority are not particularly novel. As I noted earlier, both Wolf (1977) and

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Silverman (1977) have attested to the need to "personalize" relationships in the iron cage of bureaucracy in order for these kinds of institutions to work. The same obviously holds true for the firm, although that was not the object of their scrutiny. While they viewed these as kinds of "survivals" almost, from pre-modern, pre-rationalized societies into modernizing societies, I assert that this kind of transforming bureaucratic roles and statuses into personalized (i.e. friend, and quasi-kin relations) is central and crucial to the operation of all institutions in modern societies. As Adam Seligman (1997: 18) notes, we have trust in persons and confidence in institutions. Where confidence is insufficient, the nature of the relationship has to be changed. That transformation is precisely how "trust" can be established, and having been established, continue to be maintained. having placed the issue of trust in a broader perspective than economists are wont to do, I now turn to the issue of embeddedness of economic activity as a way of drawing together several of these skeins of thought preparatory to discussing the role of kinship and the capitalist firm.

Michael Granovetter (1985) in a seminal article attacked the proposition that there was a decisive break between "pre-modern" societies and "modern" societies in the degree to which the economy had become, in the latter, a largely separate sphere of activity. His reprise of the formalist - substantivist debate that preoccupied economic anthropologists in the 1960s and 1970s was not to re-open it but to argue that modern economies are much more imbedded in systems of socio-cultural relations than either economists or anthropologists had allowed (1985: 482-3). Furthermore, the program of the institutional (or transaction-cost) economists led inexorably towards this conclusion

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because it advanced the proposition that a broad range of exchanges (contracts) were not executed in the market but through institutions (firms, etc.) as I have illustrated in the preceding discussion. He argued that economists had ignored social structure at their peril, for it is precisely the ongoing stream of human conduct and interaction that makes rational-calculating activity possible as a subset of a far larger web of relations.

Both sociology and economics, he argued, have cleaved to a view of the actor as, respectively, over-socialized and under-socialized, for sociology, citing Dennis Wrong's (1961) complaint about the sociological propensity to view actors as so sensitive to the perception of peers, superiors, etc. as to downgrade political-economic interests in favor of approval. Economists, conversely, operate with the Hobbesian model of an atomistic individual, single-mindedly in pursuit of self interests. The irony, Granovetter notes (: 485) is that both, "...have a common conception of action and decision carried out by atomized actors." For classical and neo-classical economists, social relations are, if they are acknowledged at all, merely a source of "friction" in exchange, while for sociologists, "... behavioral patterns have been internalized and ongoing social relations have only peripheral effects on behavior." Even when economists attempt to take social relations into account, they "abstract away" from the, "...history of relations and their position with respect to other relations — what might be called the historical and structural embeddedness of relations" (Ibid: 486). He cites Gary Becker's work as an extreme example of this tendency, but he observes that this problem is pervasive in economics even amongst those who attempt to introduce real social relations into economic arguments. I should note in passing that Marxist economists do not escape his strictures

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in that they usually posit a "logic of capital" that over-determines the behavior of individuals.[75]

Institutional (or transaction cost) economists do not escape Granovetter's attention and strictures, either. Most of them, he asserts (Ibid: 488), proceed from the under-socialized viewpoint and then proceed to argue that:

> ...[S]ocial institutions and arrangements previously thought to be the adventitious result of legal, historical, social, or political forces are to be viewed as the efficient solution to certain economic problems.

The very impetus that propelled institutional economics as an alternative to market theories is effectively undermined by this sort of functionalist reductionism. Remember that Coase's original insight was that if markets were so efficient, there was no way to account for the existence of firms (or other institutions). Williamson, Granovetter argues (Ibid: 494-5) effectively re-appropriates the Hobbesian state of nature in which the firm has replaced the sovereign. But more to the point, Williamson has missed the opportunity for as, "analysis of social structural influences on market behavior." Granovetter asserts that, "...the anonymous market of neoclassical models is virtually nonexistent in economic life and that transactions of all kinds are rife with...social connections..." The common sense evidence that comes to mind is the known existence of interlocking boards of directorates described first by C. Wright Mills, and later William Domhoff. Political and economic elites socialize with each other, their children marry, they often live in close proximity in the same neighborhoods or towns, and vacation at the same locations. The point is not that their economic and political roles (or statuses) make possible this interaction, but vice versa: that the circumscribed world of such social groups with

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significant and relatively impermeable boundaries creates a situation of trust, privacy, exclusivity in the stream of conduct that makes the undertaking of often high-risk economic and political behavior.

This is, of course, not confined to elites. One can point to ethnic market niches (e.g. Orthodox Jews in the diamond trade in New York) or to regional economies in an industrial sector (e.g. entrepreneurs and venture capital in Silicon Valley (v. Saxenian 1994). Furthermore, social relations operate within firms as much as they do without. Granovetter points out that Williamson's belief in the efficacy of hierarchy is unwarranted on the ground of a single telling example. The M-form corporation, a vast hierarchy, supposedly operates along the lines of the Weberian ideal type of bureaucracy wherein the structure and roles make individual actors completely interchangeable. Transparency in the organizational structure combined with compliance exerted by hierarchy makes trust relatively unimportant. Yet malfeasance, such as embezzlement, requires significant trust and cooperation; that is, personal, ongoing relationships in order to carry-off secret transactions successfully. Impersonal market exchanges may well be governed by generalized morality, but the more intimate and ongoing the interaction, the more it must be invested with friendship, kin, or quasi-kin relations. The point is not that webs and nets of social relations preclude malfeasance (one of the major quandaries in the principal-agent problem) but that neither trust nor malfeasance would exist without ongoing social relationships. The central problem of how cooperation is achieved with a modicum of security under conditions of uncertainty — the condition for any enterprise

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— is most readily addressed through the medium that humans know most intimately: kinship, marriage and family.

V. Il Nono fondo, figli svilupo, nipoti mangiano[76]

The grandfather founds, the sons develop and grandsons consume (eat) the firm. This epigram echoes Alfred Marshall's comment that it was usually shirtsleeves to shirtsleeves in three generations, and Joseph Schumpeter's observations on families and the accumulation process. The three generation "rule" is widely noted but it points us to the central role of kinship, marriage, and family in capitalist industry specifically, and capitalist social process generally. I shall now turn to a brief summary of literature on kinship, marriage and descent in order to analytically connect families and firms

Kinship theory was a central concern in social anthropology in the inter-war years and down to the 1960s reflecting the emphasis in the discipline with non-state societies, and on the ethnographic micro-analysis of community. British social anthropologists working in Africa and Southeast Asia recorded the role of descent, marriage rules, and residence rules in non-state societies. A generation of American anthropologists working in Mezo-America and the Carribean emphasized that peasants, sometimes residing in closed corporate communities, were a part of larger, complex societies in which local communities characterized by kin, marriage, and relations of more or less formal amity were articulated with larger national societies through mediators or brokers who combined quasi-kin and friendship relations with more formal economic and political roles (v. Silverman 1977; Wolf 1966;1977; 1983; cf. Redfield 1956; Roseberry 1989).

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Similarly, Anglophone ethnography in Mediterranean Europe emphasized the important and continuing role of kinship, marriage and especially family in both subsistence production and in articulating rural cultivators and workers with regional and national institutions (e.g. Holmes 1989; Pitkin 1985; Silverman 1975; White 1980; v. Kertzer and Saller, eds.1991). Michael Blim (1990), Anna Cento Bull and Paul Corner (1993) and Alessandro Scassellati (1994) have examined the role of kinship, family, and kin-based networks in small-scale industry in Marche and the accumulation process among "great families" in Italy, respectively (for Spain, v. Benton 1990; Hansen and Parish 1983; McDonogh 1986). This literature on the importance of kinship in modern societies falls along the two ends of the spectrum, elites and peasants, but it is suggestive of the ubiquity with which kin, family, and marriage permeates advanced capitalist societies as a means of structuring a significant portion of social relations, including industry.

Returning to Wolf's definition of kinship (supra) let us add another dimension. Wolf (1983: 91) notes that kinship is a way of mobilizing social labor through appeals to filiation, marriage, consanguinity, and affinity. He further notes that it is a particular way of establishing rights in people and thus laying claim to social labor, although the ways in which rights and claims varies considerably cross-culturally. But he goes on to note that it works in,

> "...basically different ways in two kinds of situations, those in which resources are widely available, ...and those in which access is restricted and available only to those with a "kinship license". In the first case, the ties of kinship grow out of the give-and-take of everyday life and link people who are in habitual interaction with one another. In the second, the circle of kinship is drawn tightly around the resource base by means of stringent definitions of group membership." (: 91)

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Indeed as Wolf has suggested elsewhere (1977), even where formal roles in institutions define social places, they are almost always converted into personalist ties. The social glue of kinship is also the social grease which enables the rigidity of role and role expectations in large organizations and bureaucracies to function more smoothly. I suggest that industrial districts such as the Biellese depend on kinship ties in both the senses that Wolf identifies as well as the friendship and clientelist dimensions he has analyzed elsewhere. Kinship in all these manifestations is, to use the language of Coase, a way of obviating transaction costs. This is implicitly acknowledged each time the problem of trust, so crucial to social relations and to firms, is mentioned. Blood is thicker than water.

Identifying kinship relations with transaction costs is not to economize the former in the way that George Dalton, Karl Polanyi and others warned against. Rather it is to assert that much of what is established in the way of firms in modern society depends for its existence on kinship, either in assembling the bundle of resources necessary to start, to find labor in the crucial early stages, to recruit trusted employees, to establish links with other firms, to obtain credit or capital, and to transmit the firm across generations. Furthermore, marriage strategies ensure that the patrimony can be preserved and transmitted through the production of heirs and the cementing of strategic alliances ensured through affinity.

Finally, if not exhaustively, the webs and nets of kin, affinal and friendship relations transmit critical information about the environment without reference to price-setting mechanisms at all (Lesser 1963). As Albert Hirschman (1970: 81 & passim)

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implicitly recognized, kinship solves the principal-agent problem through the invocation of kin-based loyalty (trust), rights and obligations. It is, as he notes, most efficacious when it appears most irrational!

The epigram with which I began this section attests to both the strength of kinship and to its potential weaknesses. One of the areas in which this weakness manifests itself is the problem of succession. Almost all the problems connected with the trans-generational deployment of resources that are evident in different inheritance strategies in traditional (European) societies are present in firms that owe their origin and existence to entrepreneurs who enact them (initially) primarily through the idioms of kinship and marriage.

VI. Families and firms

The preceding discussions of the history of the concept of the firm, the contribution of institutional (transaction) economics, and kinship can now be summarized in a working definition of the firm that synthesizes the various elements. Firms are a phenomenon of state-organized societies. The firm is a way of appropriating and deploying social labor in humans' confrontation with nature. In contrast to subsistence production, it is directly oriented towards production for exchange, for production over and above the capacity for consumption of the participants.

Firms are created by the actions of entrepreneurs who individually or in concert with others, coordinates capital, labor, technology, social power, social organization, and resources to produce some material object or render some service to other members of the

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society (or societies) in which the firm is socio-economically situated and geographically located in time and space. Recruitment to a firm can occur through several different means: 1) through appeals to filiation, marriage, consanguinity and marriage; 2) through the manipulation of customary and/or legal relations of super-ordination and subordination that define and deploy a continuum of types of statuses of unfree personhood; 3) through a variety of bargaining mechanisms that in capitalist societies are called labor markets (v. Chapter III). Regardless of how recruitment occurs, the existence of a discrete social organizational entity (the firm) requires that the loyalty of all labor mobilized will be maintained at least in part by appeals to actual kinship or through the representation of contractual relationships as kin or quasi-kin and familial relationships. In principal, firms are intended to be institutional entities that exist transgenerationally. Some species of firms, in capitalist economies can become vehicles for accumulation of capital. In such circumstances, production becomes secondary to accumulation for the sake of accumulation.

Firms can vary greatly in size and scope as organizational entities from a unit homologous with a household to an M-form corporation with hundreds of thousands of participants. At the extreme end of the spectrum -- the TNC (e.g. a very large M-form or H-form corporation or a trans-national corporation) -- some corporations are able to dis-embed themselves from the constraints of local, regional, and national society and impose something approximating a partially autonomous "corporate culture". No corporations have, as yet, completely dis-embedded from the sovereignty of a national state allowing complete autonomy.

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Finally, regardless of scale or scope, formal hierarchies are always partially subverted by the necessity to maintain the stream of human conduct and interaction. While large — and H-type corporations may be able to escape form the conventions of local or regional society and impose a "corporate" culture that approaches the comprehensiveness of other "total" institutions -- for example carceral, military, or monastic institutions -- the capacity to exact compliance to rigid role definitions, behavioral norms, and stylistic conventions is ultimately limited.[77] Smaller corporate entities, lacking the scale and scope of their larger cousins are bound by local and regional cultural and social norms, conventions, and styles to a far greater extent. It is in the context of the embeddedness of most industry, firms that is requires we now turn to the problem of industrial districts.

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Chapter IV Endnotes

1. I hasten to note that citing Polanyi does not imply a commitment to his contention that marginalism is inapplicable to pre-capitalist economies.

2. See Albert O. Hirschman (1986) for reflections on economic development. Aurturo Escobar (1994) provides a trenchant if lopsided critique of "development" qua development. Comprehensive treatments of the problems and processes of rural development are to be found in Henry Bernstein, Ben Crow and Hazel Johnson (1992) and James Cypher and James Dietz (1997).

3. Sabel & Zeitlin's (1997) World of Possibilities: Flexibility and mass production in western industrialization, arrived on the scene too late to be properly incorporated in this work. However, the case studies the various authors present, and Sabel & Zeitlin's introductory essay are, I believe, broadly congruent with the approach I have adopted.

4. The call for greater sensitivity to social science theories, methods, and techniques by historians was sounded by Hayden White's (1978 [1966]) The Burden of History. The circle was effectively closed when the "post-modern" turn in anthropology drew anthropologists to White's (1973) Metahistory: The historical imagination in Nineteenth Century Europe. Some anthropologists have taken White's cautionary notes about the similarity between stories and history to mean that historical facts are indistinguishable from events in stories, all having the property of fiction (i.e. being made). This is a semantic sleight of hand or, rather, an intentional obfuscation of an important distinction. Similarly, many anthropologists have been charmed into error by White's identification of the key ropes that undergird historical employment and exposition. To argue as White does (1978: 31-33), note 13) that this mode of stylistic analysis is exceedingly fruitful is not to reduce the project of historiography to linguistic indeterminacy in the fashion of some post-modernists (e.g. Robert Ulin 1996: 200-202). In between, there have been a range of sallies from one discipline onto the others' turf. See for example, Bernard Cohen (198?) History & Anthropology: The state of play, and articles by William Reddy (198? Cultural anthropology) and Dietrich Schlumbohn (198?) Historians in a life boat (CSSH get refs). There has been a course, a much broader range of interchange than these largely critical-theoretical efforts exemplify. For example the impact of demography for both the Annales school and for social historians is marked.

5. It should be noted that an "ethnographic" approach is most sociological studies is not quite the same as the ethnography in cultural anthropology. By and large, ethnography is a data collection method in sociology meaning often that the researcher has eschewed formalist and quantitative data collection in favor of small subject populations and an emphasis on qualitative and interpretative data reduction and interpretation.

6. This is not to slight the contributions of the "Chicago School" of sociology, especially the work of W. Lloyd Warner (1941).

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7. In part, of course, they are all reacting to progressivist and neo-evolutionary accounts of industrialization. Implicit in these accounts (which was to parallel and mingle with modernization theory) was the assumption that industrialization was both inevitable and barring a few warts, generally a good thing.

8. The literature on the development of the textile industry in England is so vast that no list of citations could do justice to it.

9. E/P. Thompson's (1963: 9) statement, "By class I understand a historical phenomenon, unifying a number of disparate and seemingly unconnected events, both in the raw material of experience and in consciousness. ...I do not see class as a "structure", nor even as a "category", but as something which in fact happens (and can be shown to have happened) in human relationships." He goes on to emphasize that class is not an "it" from which a "consciousness can be then deduced, nor is it the crude parody of Marx that Whig critics so happily demolish.

10. See Alan Dawley (1976: 3-5) who acknowledges both Thompson and the work of the comparative sociologist Barrington Moore Jr. The impact of Marxism on U.S. history generally cannot be under estimated. There is the obvious example of Eugene D. Genovese, but also for example, Gary Nash (1979) and the subsequent generation of historians such as Christopher Clark and Jonathon Prude.

11. See for example, E. Hobsbawm & Joan Scott (1984 [1980]) Political Shoemakers.

12. David Landes (1969) is a key work but see also Patrice Higonnet et al. (1991), Joel Mokyr (1990), and Richard Sylla & Gianni Toniolo (1991).

13. Gramsci actually employed two distinct characterizations, the first is rivoluzione mancata (revolution that didn't happen) and rivoluzione passivo. This latter case refers to the role of the state (Piedmont) taking over the function of the classe dirigente. He notes that Italian elites didn't want to lead, just dominate! (1971: 104-105).

14. See for example, Stefano Merli (1972) and Renzo Del Carria (1970).

15. See for example, Sydney Tarrow (1989); Roberto Franzosi (1989); and Miriam Golden (1988). Roberto Franzosi's work is a model of ethnographically informed quantitative sociology. The exceptions to socio-historical studies are the contributions of Louise Tilly (1976; 1992) and Donald Bell (1986).

16. Elias in a short article, the reference to which I have lost, referred to control over the "means of orientation" as a key element of state/societal power.

17. See Peter Dews (1987) for a critical treatment of post-structuralist thought. The two most sustained criticisms of Foucault's conception of power are to be found in Jurgen Habermas (1991: 238-294) and Nancy Fraser (1989: 17-55). See the essays in Leonard Berlanstein, ed. (1993) Rethinking Labor History for the impact (pro and con) of the "linguistic turn" in social

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history.

18. John Habakkuk (1997: 12) in a recent review of John Brewer and Susan Staves, ed. (1997) Early Modern Conceptions of Property, note this tendency to invert base and superstructure, to produce a history of tropes rather than a materialist history. He quotes approvingly a statement of Robert Gorden about the cost of conceiving of property as (exclusively) "absolute dominion".

> "The price that has been paid for the compulsive power of the absolute dominion trope has been a heavy one, a maddeningly persistent tendency to suppress and deny the collective and collaborative elements, the necessity of mutual dependence inherent in social endeavour, and the consequently enormous distortion in our common capacities to understand and regulate our social life."

But this suggests (to me) that increased attention to informal social institutions of workers (and others) that constituted early-modern civil society ought to be investigated (e.g. the self-help societies in the Biellese in the 1850-90s), rather than an endless concentration on essentially contestable political terms and concepts (cf. William E. Connolly 1993 [1974]).

19. See Robert Lumley (1990) and the more recent Italian Cultural Studies (1997).

20. The literature on women and work is too vast to adequately survey in this context. I have cited here only works that I found particularly instructive. Suffice it to say that there are now several generations of scholars working in the genre of women and work. Amongst the earlier practitioners are Helen Safa, June Nash (1986) and Eleanor Leacock (1986) whose edited collections ably reprise the field. More recently, the work of Louise Lamphere et al. (1993) and Ellen Oxfeld (1993) are useful contributions. Amongst political economists, the work of Jane Humphries (1984), Jill Rubery (1988), and Nancy Folbre is exemplary.

21. Jack Goody (1996: 122) notes that family history tends to ignore interactions between common, merchant and siegneurial families even outside the economic realm.

22. See also the work of Thomas Baker (1991987;1994) on Italy.

23. See also Sharryn Kasmir's (1996: 121-143) useful comparison of cooperatives and private firms in Spain. Without, per se, providing a theory of the firm, she makes a thoughtful distinction between rights and powers of workers and worker/owners noting that the former is potential while the letter is actual. This is quite close to the liberal theory of rights as existing only in so much as they come to be exercised and corresponds to what Isaiah Berlin (1969: 121-131) has called "negative liberty".

24. There is a large body of biography of "capitalists" some of which rises above hagiography. Similarly, there are studies of firms that are more than paeans to corporate success. But the kind of social history of capitalism which more closely fulfills my image of balanced assessment are works such as Phillip Scranton's (1984) Figured Tapestry, and Michael Blim's

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(1990) ethnography, Made in Italy to cite just two.

25. An exception is the ethnographic literature on clientelism for Italy (e.g. Silverman 1975; 1977) and Spain and works such as James Scott's (1985) Weapons of the Weak.

26. That Marx recognized the greater complexity of class(s) relations, and the contingency inherent in an "historical moment" is evidenced in the 18th Brumaire of Louis Napoleon. Here class relations are not dyadic but polyvalent.

27. I note in passing that I view kinship and family structure as two conventional objects of inquiry not existing in a fixed nature. John Gunnell (1986: 207-208) in criticizing contemporary political theory, notes that, "politics [to which I would add kinship, families, and firms for that matter] is an instantiation of certain conventions of human action, it is a property, attribute, r quality attaching to instances of conventional objects. Conventional objects are (1) what people do (act, speak, think) and (2) the artifacts of these doings (institutions, texts, and other products of artifice."

28. Because the term corporation is subject to different meanings in different contexts, I have opted for the more inclusive term firm. Where corporation is employed, its specific legal or technical meaning will be indicated in context.

29. See Deirdre McClosky (1998 [1985]) for the rhetoric of economics, there has yet to be, to my knowledge, a serious study of the genre of modern management tracts.

30. To note that there was little theorizing about new kinds of profit-oriented business activity is not to say that there was not remarkable innovation in it. The best source for Italy, the site of the most precocious development is Philip Jones (1997) but see Giovanni Arrighi (1994).

31. It is in this sense that, for example, the concept of just price as adumbrated by Augustine of Hippo (5th century) in the City of God, is a part of the state's duty to promote order and general welfare. See R.A. Markus (1967: 198-207)

32. The problem of whether 12th -14th century Italian merchants and bankers were actually capitalists, merchant capitalists or neither is long and contentious. The corpus of work on this issue and related matters is huge. The debate was first framed effectively by Max Weber (v. Swedborg 1999) although Henri Pirenne (1952) articulated the revision of capitalist origin to the 13th century. Richard Goldthwaite (1980;1993) has argued that Renaissance banking did not circumscribe a circuit of capital in the modern sense. Arrighi (1994) and Jones (1997) as well as the earlier work of Robert Lopez and the contributors to the Cambridge Economic History of Europe (ed. S. Thruppe)

33. The following are the types of incorporation for Italian businesses:

I. Societies of Capital

1. S.P.A. Societa'per azioni - "Publically" traded stock-on exchange or over the counter

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2. S.R.L. Societa' restrita limitata - Limited to L.20 millions of capital - not publically traded

II. Societies of Persons

1. S.N.C. Societa' in nome collectiva
2. S.A.S. Societa' in accomendita semplice. Minimum of two persons of whom one is liable for all debts.
3. S.D.F. Societa' de facto. A temporary form or transitional for new businesses which must become one of the other types — although people manipulate this.

34. There is a species of literary criticism called reception theory (v. Hans Robert Jauss 1982; also the work of Peter Uwe Hohendahl) that examines the reception - that is the audiences - for literary work; quite in contrast to contemporary post-structuralism (there is no audience) or cultural studies (an emphasis on representation - but not well defined). The point is that social change generates responses to the new conditions in which humans find themselves. I have tried to suggest this as an alternative skein of Renaissance humanism and republican politics in the Quattrocento commune (D.C. Leonard 1986).

35. The most accessible overview on the current problematization of trust is Adam Seligman (1997).

36. The specification of self-regarding interest is not accidental for Smith (in the Theory of Moral Sentiments) certainly acknowledged the equal centrality of "other-regarding interests. See William Connolly (1993) for a useful discussion of self- and other-regarding interests. See also Albert Hirschman (1986). Jurgen Habermas has been concerned with interest and action throughout his scholarly career.

37. See Fred Block (1994: 691-710) who notes that the traditional view of the relation of state to economy rested on two paradigmatic assumptions: that the state and the economy were analytically separable entities subject to unique axial principles. Hence, arguments revolved around the desirability of greater or lesser state "interference" in the economy, the traditional view inherited from Locke and Smith through Classical Liberalism was of the desirability of a "night watchman" or minimal state.

38. The importance of physics as the model for economists' desire to make their enquiry scientific and the outright poaching of physical models for use in economics is elegantly discussed by Philip Mirowski (1989).

39. Cited in Eric R. Wolf (1983: 267).

40. The Later quote is in his Introduction to Edith Penrose's (1980: 2nd edition) The Theory of the Economic Growth of the Firm. This was unfortunately omitted from the (1995) 3rd edition - the one I possess.

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41. Some of these are: Maurice Godelier (1977), Marshall D. Sahlins (1972; 1976) , James Carrier (1997).

42. They are spatial because they have a particular range of forms of defining usable space, and locational because they are placed in an environment to reflect choice making about distance and time factors in reference to resources.

43. This logic is concisely described in E.R. Woolf (1983: 274-276).

44. See E.R. Wolf (1983) for a non-specialist's explanation of Marx's political economic theory. I have eschewed a technical explanation of Marx's theory as it is not directly relevant to the sociological and historical themes pursued in this work. Meghnad Desai (1979) is a useful primer for (Marxian) economists.

45. This contention seems to fare in the light of the fact that very few Marxist political economists or historians ever employ the term "firm". By and large the literature reflects the use of a binary division into petty commodity production and factories eliding what I think is more than a gradational problem in conceptualization.

46. "Exploitation at the point of production" is a phrase coined in a debate between several modern Marxist economists and sociologists. See Erick Olin Wright (1994:51-71). "Coercion and Consent in Contested Exchange", and Samuel Bowles and Herbert Gintis (1990: 165-222), "Contested Exchange".

47. The concept of elective affinity was taken from a Goethe novel (The Elective Affinities; v. Peter Worsley 1984: 37-39). Goethe, a noted polymath who wrote on the physics of color and light as lucidly as he wrote poetry and novels, had a kind of correspondence theory about nature and human affairs sharing equivalent underlying laws.

48. Weber (1978: 1: 375 & passim) saw in modernization the replacement of the "communistic" character of the (patriarchic) household in which production was still and integral component, to a more impersonal rationalized economy. As market (or contract) replaced affinity (gemeinschaft), voluntary associations substituted for the families lost power as a total institution. Yet Weber has little to say about the firm (in contrast to an extended discussion of large-scale commercial households) qua firm, as bureaucratic organization was his primary interest.

49. Richard Swedborg (1999:173-4) notes that all of Weber's academic appointments were to chairs of economics and that he refused a chair in sociology. But this reflects the prevailing views about economics in late 19th century Germany. Weber, Werner Sombart, and others were committed to a social economics (sozialökonmik) the term apparently borrowed from J. B. Say's (1828) Economie Sociale –an interesting fact given the later appropriation of Say in marginalism. Social economy (or interestingly, political economy) acknowledged that the economy is part of a larger whole. Scientific enquiry thus was obliged to develop the linkages between economic theory, economic history and (in Schmoller's concept), individual psychology (Ibid:177-8).

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Weber was committed to the development of both social economy and economic sociology as necessary.

50. Weber had also drawn a distinction between ideal and material interests. Typically in social action both are involved but as already noted, the more calculation is involved, the more purely economic the interest and, hence, the behavior becomes. One can see in Weber's concern to construct a more complex theory of human social behavior in which substantive and formal rationality play a role, the origin of Polanyi's reification of formal and substantive economy.

51. Industry and Trade, while written earlier than the Principles of Economics, was not published until rather late in Marshall's life (Niehans 1990: 240).

52. My treatment of Marshall is based on Michael Best (1990) and William Lazonick (1991) as well as Jürg Niehans (1990), unless otherwise noted.

53. This is perhaps best illustrated by the fate of the first "PC" manufacturers such as Osborne or Tandy, neither of which still exist. See Joanna Stavins (1995: 13-24) "Firm Strategies in the Personal Computer Market: Are established brands better off?".

54. Schumpeter's first work was along the lines of Marshall's Principles of Economics, his later works included Imperialism and Social Classes (1950), and Capitalism, Socialism, and Democracy. Jürg Niehans' (1990: 451) comment on Schumpeter's contributions to economics is: "Beyond suggestive interpretations of history, economics now required models of economic growth, and such models Schumpeter could not provide." Niehans does allow that Schumpeter was a fine economic historian. There is, however, a Schumpeter society of economists who work in his tradition – largely European in membership.

55. "business cycles are a type of fluctuation found in aggregate economic activity of nations that organize their work mainly in business enterprises; a cycle consists of expansion occurring at about the same time in many economic activities, followed by similarly general recessions, contractions, and revivals which merge into the expansion phase of the next cycle; the sequence of changes is recurrent but not periodic..." (Burns & Mitchell 1946, cited in Howard Sherman 1991: 7).

56. Interestingly, Max Weber respected Schumpeter greatly — inviting him to contribute to an encyclopedia of social sciences when Schumpeter was still in his mid-20s. As Randall Collins (1986: 117-123 and passim) points out, Schumpeter and Weber both responded to the intellectual and explanatory challenge Marx had posed, especially the problem of capitalist dynamism.

57. It is precisely in this way that Gary Becker has the problem upside down. It is not that human institutions such as the family can not be represented as *if* they represent rational choice making, it is that culturally they are specifically excluded.

58. See Alfred Chandler, Jr. (1977) The Visible Hand: The managerial revolution in American business, and two other works, Strategy and Structure: Chapters in the history of the

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American industrial enterprise (1993), and Scale and Scope (1990). This is not to slight Adolph Berle and Randolph Means (1954) work, Cf. William Lazonick (1990, 1992); Michael Best (1990) and Charles Sabel and Jonathon Zeitlin (1984).

59. I should note in passing that William Roy (1997) has shown convincingly, that Chandler's efficiency model of corporate managerial evolution in the U.S. is both historically and statistically wrong. The emergence of multi-divisional firms was restricted to but a few sectors, especially railroads and steel. The states and national state were instrumental in financing both and in ultimately, ending public (state) ownership in them. The separation of ownership from management was engineered by a relatively small number of financiers (e.g. Gould) who sought to displace bankruptcy costs away from themselves.

60. Stanley Diamond (1974: 267) observes, "...customary behavior comprises precisely those aspects of social behavior which are traditional, moral and religious—in short, conventional and non-legal." Custom and law are thus contradictory because the latter depends on a third party enforcer: the state employing organized force. Note that Diamond's distinction between the rule of law and the order of custom is quite close in its ascription of authority to custom to Hanna Arendt's (1968: 109) partial definition of authority in which the "...compelling element lies in the relationship itself and is prior to the actual issuance of commands..."

61. See Mark Granovetter (1994) on business groups.

62. Mark Casson (1997:V) in developing an essentially cybernetic model of the firm, notes that the more information rich an environment is, the more subject to volatility it becomes. At some point there is so much information (another way of identifying structure) that deciding to whom to listen becomes a major problem (i.e. a transaction cost that proves insurmountable).

63. Mirowski's treatment is powerful and impressive but marred by the economist's tendency to resort to superciliousness in his exposition.

64. Mirowski (1989: 17 & passim) finds the most compelling early modern articulation of conservation principles in Descartes. 1) the conservation of modes of bodies, including motion and rest, in the absence of disturbing factors; 2) conservation of the total quantity of "force of motion" in collisions between bodies; 3) the determination of this force to act in a straight line tangent to the path of the body.

65. Mirowski (1989: 225) illustrates this point with a conventional utility gradient where the vector A represents changes in an individuals preference for two commodities at every point from 0 to ∞ resources (income). Assuming a stable set of preferences as neo-classical economists do, the vector describes a perfectly linear rate of change.

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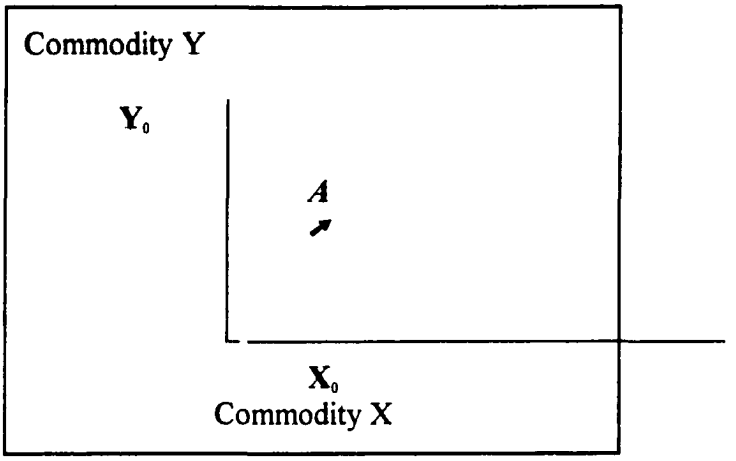


Figure 5. Utility gradient of 2 commodities

66. This is true whether one is a Marxist or a marginalist. For the former, it is social labor, for the latter it involves input/output mechanisms that have an ongoing character

67. Weber argued that three attributes of law were crucial to the rise of rational capitalism: advanced commercial contracts, a legal concept of the modern corporation, and a calculable legal order. The latter means that individuals can foresee the consequences of action vis a vis the law (Swedborg 1999: 99-107.

68. As Mirowski (1989: 309-10) notes, most marginalists have treated technology as exogenous (that is, outside of any market). Some have gone so far as to argue that an exogenously given technology can be treated as a field in commodity space.

69. In contrast to small and medium-sized firms such as one finds in the Biellese, one can point to armaments production as being characterized by a high degree of asset specificity comprising dedicated, site, and physical specificity. The buyer-producer relationship is between M-type corporations and states!

70. The distinction between contingent and necessary when applied to events is one of the central limiting conditions for historians in that events must occur, and what may or may not occur. This is a way of distinguishing necessity from possibility. Historiography in part is the art of constructing a chain of events post hoc, to show how other alternative trajectories are highly improbable. In part this is a result of our seeing history as a stream of events that seem to follow

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one another in orderly succession, just as individual activity is a stream of conduct rather than isolated acts (v. Anthony Giddens 1979: 53-9). Human life is also bound by the arrow of time, in that it inexorably starts, runs its course, and then ends. It is tempting then, to assume that the aggregate of human lives must somehow answer to the same kind of trajectory - no matter how deeply mistaken this supposition is. History, Isaiah Berlin (1978: 11 & passim) notes that a singular distinction between the natural sciences and history is that, in natural sciences, we make appeals to general principles in order to explain particulars whereas in history it is the other way round. It is both the post hoc character of ;most economic theorizing and the failure to acknowledge contingency that also bedevils it.

71. Hirschman has other things in mind than what I have stated, for Hirschman is also undertaking a powerful critique of both optimizing behavior (and even satisficing behavior) but as I have already mentioned these, I will not lay-out his very elegant treatment of these issues.

72. I do not want to take up the issue of trust—or lack of it—in modernity, although I recognize that the belief that scepticism and doubt are the regnant modalities of social encounter is a central tenant of (so-called) post-modern thought (v. Peter Dews 1987: 31-8; Gunter Remmling 1967). What seems to me so indicative is that "trust" as a category to which we might devote attention has largely disappeared from view except insofar as its obverse, mistrust, has become the central motif of the post-modern condition (v. Anthony Giddens 1990: 29-36).

73. This is an example of what Margaret Archer (1988: 97-100) has identified as the problem of conflation of levels of analysis in social theory and cultural analysis.

74. It is relevant here, to note that virtually the sole modern political theorist or social theorist to distinguish between authority and the threat or actual use of violence was Hannah Arendt (1968 [1989]). Clearly Diamond was responsive to the distinction she drew as is evident in the material of his I have cited.

75. The pervasiveness of this institutionalist bias is evident in both the French Regulation school (v. Robert Boyer 1990) and the U.S. social structures of accumulation approach of such noted figures as David Gordon and Samuel Bowles (v. David Kotz et al., eds. 1994; Richard Edwards 1975). It is also evident in the work of David Harvey (1982; 1989). As I have noted elsewhere (supra), Marxist accounts tend to bifurcate the world into the structure of capital accumulation on a grand (often global) scale, and then examine how it is played-out on the ground in labor process studies with no connective tissue to link them.

76. Quoted in Sylvia Junko Yanagisako (1991: 321). I did not ever hear this uttered verbatim in the Biellese but, gossip always turned to the sons and daughters of the grandi industraili who drove fast, expensive cars and had no connection with the father's firm — usualiy deployed into "leasing" as a way to keep them away from the prized family resources.

77. The degree to which even very large corporations are ultimately unable to impose social and cultural styles and norms of their own — and thereby exact high degrees of compliance on

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the part of employees — is evidenced by the continual turn-over of managerial strategies. One can point to the fact that in U.S. management schools, the last two decades have produced about six major "plans" such as the "learning" corporation, "re-engineering", "TQM" (total quality management) and an endless stream of guide books and hortatory manuals for corporate managers. This literature has yet to receive the critical study it deserves (and I cannot undertake it here) but this corpus of work, as I have noted elsewhere, is in a tradition stretching back to Renaissance Humanist guides for princely behavior, such as Machiavelli's II Principe. The most important point is that workers rapidly adapt to whatever new system of behavioral norms, expectations, styles and rhetorics - and then begin to subvert them. Managerial strategies have to change because the capacity to compel compliance is very short-lived.

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CHAPTER V

Trajectories of Industrialization and Industrial Forms

I. Introduction

The survey of several key theories and concepts related to industrialization undertaken in this chapter has a specific purpose: to suggest that industrialization and, hence, the particular configuration of a specific regional industry in terms of the distribution of firms by size as well as the balance of firms/markets is under-determined.[1] The under-determination of a particular regional political economy vis a vis firms and markets runs counter to most conventional theories of economic growth, to conventional assumptions about industrial development as a sub set of growth theory and to Chandlerian efficiency theory about rationalization of firms. What remains is historical explanation: the assumption that antecedent conditions dramatically reduce the potential outcomes of social processes. The purpose of this discussion is to partially at least, expose and make clear the implications of unilineal and quasi-evolutionary growth schemata.

Entrepreneurs, firms, and constellations of firms do not occur on the featureless terrain, nor operate in the frictionless market of economic abstractions, any more than do workers and ordinary citizens. A firm, an industry, an industrial district, perhaps even a national economy is the product of a specific historical trajectory (or several trajectories), one amongst a plenitude of such possible trajectories. Therefore, an explanation of a particular outcome for some designated unit (e.g. region) must necessarily be historical in

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character and method. No appeal to purportedly universal laws of the motion of capital or utility curves can provide an empirically sustainable account.[2] Yet almost all theorizing of growth (*qua* growth) and histories of industrialization ultimately subordinate historical facts to fit theoretical constructs. The degree to which both economic theory and the history of industrialization ultimately conform to essentially unilineal accounts of European (and then American) experience between the late 18th and the late 20th centuries would suggest either that it has been satisfactorily explained or that key problems have been ignored. My view is that the latter obtains.

The outcome of an historical trajectory in an ethnographic present reflects antecedent and ongoing cultural and social forms and processes that constitute the environment in which social actors, entrepreneurs amongst them, seek to act, to construct lives. One might characterize the relationships between past, present, and future that social actors confront as dialectical reflecting the continual interplay of the apparent fixity of the past with the spacious uncertainty of the future (Alexander 1995; Arendt 1968; Benhabib; 1992 Bernstein 1971;Bourdieu 1977; Giddens 1979, 1990, 1991). More simply but ecliptically captured in poetic language, Theodore Roethke (1958: 151) observed, "She moved in circles and those circles moved."

This chapter extends the project of constructing a conceptual framework for explaining the historical development of the Biellese industrial district through an examination of the key concepts that both prefigure and undergird economic, historical, and ethnographic analysis of capitalist social process. Where the preceding chapter defined firms in an anthropologically sensitive model, this chapter broadens the canvas to

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examine theories of industrialization, development, and forms of industry and situates firms and the labor process in this broader framework. This project involves examining several discrete but deeply imbricated theoretical assumptions and exegetical strategies of historical, organizational, and economic scholarship.

The first section examines the concepts of production, growth, and technology from an economic perspective. I first review theories of technology and production in both Marxist political economy and neo-classical economics because without it, there is no growth theory Second, I will examine the concept of growth in economic theory because some theory of growth is central to any historical explanations of industrialization. My ultimate aim is to connect production and growth theories to institutions and organizations to complete the project began in the preceding chapter (Chapter V) of providing a model of proprietary capitalism (Scranton 1983) with which to understand the development of the Biellese. But the central thrust of the argument pursued here is to suggest that no universal model of economic growth is tenable and, hence, that there is no way to predict configurations of firms as predicted in Chandlerian efficiency theory.

Section Two compares and contrasts Marxist and neo-classically-inspired histories of industrialization and evaluates their respective merits and flaws. Here, I seek to disclose the way in which abstract conception of value whether as vector or substance, help or hinder the reconstruction of histories of Western European industrialization. My contention is that *grosso modo*, both Marxian and neo-classical theories of growth and industrialization are trapped between substance and vector theories on one hand, and

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historical theories of determinate divisions of labor (as products of modes of productions) and undetermined conceptions of trajectories of multiple modalities of economic organization on the other hand.

Section Three examines the economic and historical literature on industrial districts. Here I seek to reconnect models of the firm developed in the previous chapter with the concepts and categories discussed in this chapter and situate them in the larger issue of globalization and the international division of labor. Industrial districts as a theorized category suffers from the fundamental problem in both Marxian and neo-classical theory that they must either be a form *de novo* in modernity (e.g. regulation school), a holdover from a pre-capitalist mode of production (most Marxist), or a transitional form that has stubbornly refused to disappear according to theoretical expectations (neo-classical growth theory). I suggest that the incapacity to accommodate diverse realizations of scale and scope (to use the Chandlerian terms), reflects the unwillingness to accept diversity in firms as institutions and to the reality of the socio-historical embeddedness of institutions. If economic theories cannot predict efficiencies in the input/output ratio, but also cannot make predictions at the level of scale and scope (a way of talking about both firm size and the distribution of firm sizes), then the relationship between production sets and growth theory breaks down. That is, a particular distribution of firms in an economy, an economic sector, or a region by conventional neo-classical theory is *ipso facto* maximally efficient. If multiple discrete distributions of firms exist simultaneously, some must be sub par or inefficient and the assessment must turn to externalities and/or exogenous factors to explain the multiple outcomes.

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Economic history is in this sense, the study then of the impediments to efficiency and of market failures not the triumph of growth and development.

II. Technology and Production

> Technology is the transformation of nature into products or services useful to people. In order to transform a natural object ...energy has to be applied. But also information has to be applied. (Stinchcombe 1983:126)
>
> The causal structure of the production process involves transformation of (i) a raw material using (ii) energy, (iii) labour, and (iv) produced means of production. (Elster 1983: 96)

Technology, technological invention and innovation, production, production sets or systems, technological change or changes in systems of production and economic growth constitute a cluster of closely related concepts that refer to complex patterns of human mental and physical activities. They are also ineluctably social in character. Yet beyond a quotidian sense of them, they are exceptionally difficult to isolate in order to understand just what is meant by each and all of them in concert as they are deployed in economics and social science. I suggest that definitionally, technology, growth, and production are so deeply conceptually imbricated that they cannot be effectively specified without recourse to historical narration and exegesis.

Technology and production would seem at first glance, to be devoid of any conceptual problems and free from the taint of ideological presuppositions so evident in the study of firms. Nature in the form of substances is extracted, human ingenuity is applied to conceiving how it may be transformed into other substances, human labor

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power is applied to affecting the transformation(s), and then the new substance is deployed in exchange. Technology at first glance then, would seem to be apodictic but this is not so. Production is no less problematic.

Conceptually, both production and technology frequently embody a range of assumptions that reflect the theoretical stance of the economist, historian, or anthropologist employing them. Both Marxist and marginalist theories circle around a set of problems about the transformation of nature into cultural "products" without being able to resolve them. Vector theories appear to be able to account for the directionality of human agency but cannot account for its substance. Substance theories can account for tekne and fabrication but cannot assign directionality in scale and scope for them without invoking a metaphysical agent (the logic of capital). I shall first discuss what is typically meant by technology as this is widely understood to be a crucial part of production.

Technology is viewed as un-problematic in both Marxian and neo-classical economics but is in fact quite conceptually elusive. Technology is a subset albeit an important one, of the factors of production: capital, labor, and the produced means of production (Marxist) or evidence of rationalization and efficiency (neo-classical). David Landes (1969:1-40) in the most influential post-war history of industrialization did not deem it necessary to define technology in his introduction. This is an indication of just how un-problematic the cluster of loosely related apriori assumptions, axioms and concepts that comprise "technology" is. Yet tekne, technique, technology, craft knowledge, applied knowledge or whatever term is chosen, is not given because the concept of "technology," itself, has specific historical (hence, both broadly cultural and

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more specifically ideological) origins and referents. Leo Marx (1994: 242-9) perhaps the most astute historian of the ways in which (American) industry and machinery are culturally valorized or vilified, notes that the term technology was not employed in its modern senses much before the early years of the 20th century. While the term was in use in by the latter 18th century, it referred to a literature that described mechanical processes, specifically "practical arts" reflecting its etymology from the Greek *tekne*; "art" or "craft" (Ibid: 247). Marx (Ibid: 247) further notes that neither Karl Marx nor Arnold Toynbee, the former mid 19th and the latter turn of the century and both astute economic historians, made use of the term.[3]

Technology in the sense of first tools and then machinery effectuated with and through craft knowledge captures much of what 19th century historians meant by the term.[4] But this is by itself insufficient to capture the elusive complexity of the concept. Rosalind Williams (1994: 218) observes that technology has to include more than machines. Most definitions include something like Marx's concept of labor power because they acknowledge (at least implicitly) that material objects do nothing without human subjects. Having subsumed production under the concept of technology, most modern historians, economists, organizational theorists, and economic geographers speak of a "technological system." It is only a small step to then conceive of technology or the technological system, as somehow quite independent of human activity. It takes on the appurtenances of natural law that is as independent of human agency as are natural laws in the physical and natural sciences. This is reification (v. Lukács 1971) and obscures the

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degree to which policy (whether private sector or state) determines the selection and employment of technology as well as constraints on its uses.

Technology in the most radical neo-classical version of this view, is value neutral reflecting the fact that it is exclusively concerned with the application of efficiency and rationality that can be isolated as a dimension of human activity. This is precisely the role it plays in marginalist accounts of growth that I shall examine in a subsequent section. Before turning to production – now hopelessly conflated with technology – it should be noted that technology is almost invariably linked to a grand historical narrative. The technological system is almost always invoked in combination with or attached to, an idea of progress, to determinism, or both. Even Marx on occasion invokes this apparent independence of technology when he states that with the hand mill you get a society with the feudal lord and with a steam mill, a society with the industrial capitalist (cited in Bimber 1994: 90, note 17). These kinds of progressivist assumptions are present even more forcefully in marginalism.

The idea of progress in its original 18th and 19th century form need not detain us very long. Articulated first by French Enlightenment philosophes, this view held that humans were perfectible and that Western European and then American developments most perfectly exhibited this property.[5] At its core, the idea of progress viewed the growth of scientific knowledge as an indication that positive knowledge (and control) could be extended to human life as it had been for example, to geology or astronomy. The discovery of immutable principles about the natural world would soon extend to human society leading to a more rational and harmonious world untroubled by all the

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superstitions, beliefs, and odd customs that hither to fore perturbated it. Even if the theory in its most encompassing form as applied to the perfectability of human kind has largely been abandoned, vestiges of it remain (legitimately and otherwise) in theories of technical progress.[6] Nonetheless, I think that technical invention and innovation can still be viewed as embodying something akin to positive knowledge as in progress of scientific knowledge but the concepts should not be stripped of the fundamental human component explicit in *tekne (*or *kraft)*: craft knowledge. Before returning to invention and innovation, let me briefly discuss technological determinism.

Technological determinism is shared by any number of both Marxist and mainstream historians. The basic feature of any technological determinist theory is that invention and innovation increase output in production. Most of them share the assumption that technology is a cluster of ideas, practices, and tools marshaled to human conceived and designated ends. Bruce Bimber (1994) argues that three distinct types of technological determinism can be identified: a normative, nomological, and an unintended consequence account.

The normative account is in Bimber's view, best exemplified by Habermas' (1970) early work, Towards a Rational Society. Habermas was concerned that modern societies had become over reliant on norms of efficiency and rationality at the expense of other human values (Ibid: 82). Most dangerously, as these become the dominant norms, they are removed from the sphere of politics ceding control over them and permitting them to be progressively extended to other areas of society. In less sophisticated ways,

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the normative view dominates post-modern thought in which technology is the prime mover in the distopic visions of Foucault and others (v. Heilbroner 1994).

The second form Bimber calls nomological and identifies G. A. Cohen's (1978) defense and explication of Marx's theory of history as a kind of technological determinism as an elegant example. The basic premise is that technology exercises casual influence on human practices or more comprehensively that, given the past and natural laws, there is only one possible future (op cit: 83). This describes "primer mover" arguments found in archeology and cultural anthropology (e.g. White) as well as historians' accounts.

The third version identified by Bimber is the unintended consequence account. This view not unlike Hirschman's (1991) "perversity thesis" in reactionary political theory, asserts that technological innovations have unintended and unforeseeable consequences. Human actors are unable to anticipate the result of the actions they undertake when it involves technology. This view while not necessarily dystopic, emphasizes the independence of technology to the extent that humans cannot foresee its consequences. Regardless of just how independent of human control technology may be in these accounts, they all assign primacy to technology. Yet there is a worm at the core of technological determinism when it is viewed as independent of human activity (i.e. taking on a life of its own). Technology necessarily embodies both machinery and human activity – in the sense of tekne or craft knowledge. Technology cannot be both a property or aspect of human activity and something independent of it as it is often assumed in technological determinist accounts. Technology cannot take on a life of its own, it can

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only be turned to other ends by human decision.[7] None the less, technological determinist accounts all posit directional change over time (whether this is progress or regress) and they all assume that either invention or innovation or both, are at the core of (modern) history.[8]

When economic theorists and historians seek to account for growth, technology is the residual that explains the difference between quantities of input and output (a production function). Productivity growth when capital and labor are held constant must result from technological change: invention and innovation. The two concepts are often conflated although they refer to quite different activities. Invention from the Latin *in-venire*, means roughly to come into or find. Discovery in this sense is ruled by serendipity however much the finding may have been preceded by rigorous study and experimentation. Innovation from the Latin *in - novare*, refers in contrast to discovering or finding, the making anew of some known practice or substance (or both). These are quintessentially human activities however much the materialization is often in new objects such as machines. One wonders why then, that economists frequently distinguish between technology as measured by innovation and invention and labor productivity growth when by their definitions of the terms the three concepts are not readily separable.

The issue is further muddied by the fact that modern growth theorists assume that all technology – the exogenous factor – is known and the issue for an economic actor is choosing between competing technologies.[9] This makes technology exogenous to the firm and hence, necessarily separates technology from the very actors who might in a real world possess "craft" knowledge. Technology in this view is both inside an organization (

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craft knowledge embodied in workers, managers, etc.) but has to be formally treated as something outside an organization (an input "purchased" by the firm). This assumption and the "stylized facts" that are used in an attempt to salvage it from complete unreality are necessary to make the awkward historical facts of industrialization fit production sets.[10]

The basic equation for measuring what happens when something mysteriously gets made is as I have noted, the production function: an input/output ratio that describes a vector on a graph plot. The production set is comprised of all the vectors of input and output quantities. A vector is in a production set if it corresponds to a productive transformation that an organization can accomplish (Nelson and Winter 1982: 59). Further, "The production possibility set is a description of the state of the firm's knowledge about the possibilities of transforming commodities (Arrow and Hahn cited in Ibid: 60). Notice that production has a way of materializing and de-materializing for different purposes in neo-classical theory. At one point there are actual inputs and outputs and in the next instant it is all knowledge. The latter viewpoint as Mirowski (1989) has made clear (vide supra, Chapter V) is necessary to make production consistent with preference theory: the core of modern neo-classical economics. Nelson and Winter (1981) are at pains to note that, the ontic confusions and contradictions aside, it has been extremely difficult to pinpoint just where knowledge resides in a firm. Implicitly then, the agentic dimensions of human labor reflected in *tekne* and *kraft* have to be re-introduced into the model.

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Typically, neo-classicists need to repose knowledge with managers for to impute it to workers would distort the picture of how wages for workers are set. Furthermore, it would becloud the issue of ownership in the firm because if much of the knowledge was diffused amongst workers, managers and owners, it would be difficult for legal owners to claim rights in contract (i.e. property rights) over all the capacities (including technology) that comprise the firm. Nelson and Winter (Ibid: 62-3) suggest that knowledge is possessed by a firm as a whole which suggests that the institutional perspective I have taken is not without merit. Industrial districts as Alfred Marshall (1961) recognized drew their strength from populations of workers who possessed craft knowledge who could be drawn into firms. This situates tekne firmly in society or some smaller sub unit of it such as the Biellese. Here, tekne is social and the product of long historical experience with the problems of processing, weaving, and finishing wool.

Neoclassical theory does not pay serious attention to production *qua* production beyond the mysterium tremendum that outputs have somehow accreted "value" not present in the inputs. Institutional economists have sought to introduce a measure of realism back into economic theorizing by drawing attention to the crucial fact that much of human activity operates designedly outside of markets. Yet institutionalism as I noted earlier, is continually seduced by the apparent rigor of value (preference) theory into reducing institutions to a simulacrum of the market. This returns us to the problem of value theory introduced in the previous chapter.

Mirowski (1989) has observed that the fundamental problem with the energetic metaphor that prefigures marginalist theorizing is that it could not accommodate

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production without turning it into the caricature of the process -- evident even in the Solow model. The difficulties encountered with technology, invention and innovation as components of production are further testimony to this basic problem.

Classical economists including Marx had settled on a substance theory of production. Value was added during the process of transforming raw materials through the addition and combination of energy, labor, and the produced means of production. It is important to remember that in classical economic theory, value was created in production, remained stable in circulation and was destroyed in consumption. The Marxian model more consistent with the bio-energetic metaphor, did not conceive of value as destroyed but as re-circulated much as energy is re-circulated in trophic chains in ecology.

Production and social labor for Marx and Engels is as Wolf (1982: 73-5) has elegantly distilled their views, a complex dialectic of organized human confrontation with nature. The labor process is the expenditure by humans of energy to release yet more energy that occurs in organized (customary, routinized, and institutionalized) ways. Viewed from this perspective, one can largely escape the tautologies spun by neo-classicism in which technology, production, invention and innovation spin like a dog chasing its tail. The problems encountered with the basic elements of homo faber's activity that I have traced here become even more stark when we examine theories of growth and development.

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III. The Trouble with Growth Theory

Joel Mokyr (1990: 4-6 & passim) provides a useful taxonomy of sources and processes of economic growth. There are four basic forms: investment, the increase in the capital stock; commercial expansion (increase in trade); scale or size effects; and increases in the stock of human knowledge (including technological knowledge). Virtually all econometric models can be reduced to one or a combination of these elements. Because I have already surveyed the issues surrounding technology, I shall not pursue it further; focusing instead on scale effects and investment.

Production, economic growth, and industrialization are not synonymous, but they are as I have noted definitionally very closely linked. Production is making but entails some measure of increase over and above a transformation in form of substances, usually conceived as value. Growth refers to increase but different growth theories may point to the increase of different substances, quantities, or qualities. Industrialization also refers to changes in form, in this case production, but typically it implies growth in production achieved by the application of technology in new or renewed institutions. All three usually embody a conception of technology that plays a greater or lesser role in explaining production, growth and industrialization, the ambiguities of the technology concept not withstanding. The four related concepts are at the core of explanatory strategies in writing the history of industrialization and in the explanations historians develop for the differing outcomes of the processes because explicitly or implicitly, they depend upon economic theories.

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Medieval and Enlightenment theorists viewed the world as closed, a zero-sum system. This had important consequences in terms of investment especially in terms of envisioning sources for increasing the stock of capital. Because value was created in production and destroyed in consumption, any increase in the capital stock had to arrive from outside the system (however defined). Trade was the only possible source. [11] There were two schools of mercantilism: the balance of trade and the free-trade proponents (Mirowski 1989: 148 & passim).

Balance of trade mercantilists placed their faith in money as the index of value and in the state, the creator and guarantor of currency. This meant in practice that wealth could only be increased by augmenting the supply of noble metals from outside the system. It also placed a premium on a positive balance of trade in which things were exchanged for those metals thus increasing the stock of wealth (Ibid: 148). Monarchs whether they understood mercantilist arguments or not certainly understood that one could toy with the system by debasing the currency. The episodic outbreaks of pleas to return to the gold standard in the contemporary U.S. attest to the potency of the image of an index of wealth based on gold or silver as does the constant harping about the balance of trade.

The other branch of mercantilism favored free trade, echoes of which still resonate in the modern world. In its most extreme form Mirowski (Ibid: 151) notes, proponents of it asserted that there was no need for any value principle. One late 17th century theorist, Barbon declaimed "Things have no value in themselves," and "There is no fixt [sic] price or value of anything (Ibid: 151). Mirowski observes that the failure of the free trade

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branch of mercantilism to commit to a standard of value or any conservation principle led to a dead end. None the less, this view has the kind of spare economy praised by Occam and is effectively more consistent with a field theory of value.

Classical economists such as Ricardo and Malthus read the issue differently. Malthus is famous for predicting that population increase would drive the exploitation of evermore marginal land. This would lead to a decrease in output per unit of input and thereby bring on catastrophe through the exhaustion of wealth (capital). This dismal picture captures a vision of negative productivity in which the process of production destroys value. The classical economists then, cleaved to a fixed resource endowment that necessarily limits growth. The limits imposed by resource endowments combined with constraints introduced by population increase left but a few avenues to growth. One solution to the problem was to be found in imperialism. World empires such as the Roman empire had captured new populations with the resource endowments they controlled and exploited as a source of growth through the expansion of the sources of tribute. The balance of trade version of mercantilism largely appropriated the form of a tributary system but applied it to markets in the sense that more revenue had to be realized from sale of products than was expended in the purchase of raw materials in the newly captured markets. The British destruction of the indigenous cotton manufactures of India to facilitate its own industry and, hence, produce a surplus of trade is perhaps, the most famous example of this strategy. Theories of imperialism whether Marxist (e.g. Lenin, Luxemburg) or neo-classical (Hobson) seek to answer the problem of growth through physical expansion of the market.

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Another strategy for vouchsafing national growth was the protection of new technology. Great Britain which initially had a technological advantage in cotton spinning and weaving after the inventions of the jenny and powered loom, sought to prevent the diffusion of them. This policy still actively pursued by national states and not only in the areas of weapons technology, was pursued on two levels: export controls and the extension of property rights in patents. [12] Attempts to restrict the diffusion of technology have been uniformly unsuccessful and this failure in all likelihood propelled the patent system as a way of extracting value that might otherwise be lost in the diffusion.

After the great period of political economic theories of imperialism, growth theory in economics has eschewed the political side of the equation in favor of "purely" economic explanations. The problems of economic growth whether aggregate or endogenous, leaving aside the problem of the appropriate unit of analysis, has captured the attention of economists. Most economists and economic historians distinguish between the long expanse of European (indeed world) history prior to the 19th century take-off into self-sustaining economic growth and a fundamentally different set of conditions after it. Yet the criteria for growth that Mokyr identifies are assumed to apply both before and after this watershed period. While my own discussion of Biellesi economic history straddles this divide (i.e. from 1815–1985), the period after the advent of the factory system (1840+) nearly fits the assumptions of self-sustaining growth.[13]

Modern growth theory (i.e. post WWII) begins with Nicholas Kaldor whose influence on economics extends far beyond his substantive contributions. Kaldor

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pioneered the phrase, "stylized facts".[14] Stylized facts have had a pernicious effect in economic theory because the purposeful distortion of reality in the interest of theoretical elegance has become standard practice. Economists rarely feel obliged to adduce any empirical data in support of a theory now that making up the facts is accepted. Nonetheless, Kaldor (cited in Solow 2000 [1970]: 2-3) characterized the "broad facts" about the industrialized economies. It should be noted that these characterizations assume a steady state economy.

First, real output per man-hour grows at a constant rate over "fairly long periods of time."

> Since output is the product of labour input and output per unit of labour input, the rate of growth will be the sum of the rates of growth of labour input and productivity.

Second, the stock of real capital grows also at a rate slightly greater than that of labour input also over fairly long periods of time. Further, because "...the rates of growth of real output and the stock of capital goods tends to be about the same... the ratio of capital to output shows no systematic trend."[15] Fourth, the rate of profit "shows a horizontal trend" except when there are dramatic changes in effective demand. Per-worker rates of growth in output vary substantially from country to country and finally, "Economies with a high share of profits in income tend to have a high ratio of investment to output."

These theses are highly idealized and virtually no modern capitalist economy reflects all of their conditions consistently. Indeed, Solow (Ibid: 8-9) in pursuit of theoretical clarity further simplified the conditions in his model to not only a steady-state

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economy but to a one commodity economy. He further assumed that population and labor force grow at a stable rate. A further assumption is that net saving and capital are a constant fraction at any one time. Finally, and this is the key, technology is described by two constant coefficients: both the labor and capital requirement per unit of output is fixed at any instant and over time.[16] $V(v)$ in this case, represents the two constant coefficients of capital and labour requirements. This can be expressed as $s=vn$ (Harrod-Domar constancy condition, cited in Solow 1970:8). [17] The consequence of the Harrod-Domar constancy principle was to make national economic growth dependent on savings – ultimately the source of the stock of capital (Coates 2000: 266-7). Residues of this emphasis on savings rates remain to this day as the historically low savings rate in the U.S. has often been compared unfavorably with the relatively robust savings rates of Italy and Japan. Yet differential savings rates poorly account for differing national growth rates.

The kind of steady-state conditions specified in the Harrod-Domar model never obtains in reality. It makes assumptions about capacity utilization, labour force growth rates, and capital/labour requirements per unit of output that are highly unlikely to remain stable "over a fairly long time." Solow sought to disentangle which of the three components is variable and, hence, could account for differing rates of economic growth. [18] As David Coates notes (Ibid: 266), Solow's innovation was to replace the capital/labor input ratio with technology: "straight labour, straight capital, and residual technological change." The residual of technological change as the variable in growth theory is external to the basic processes of a national economy and for this reason was called "exogenous

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growth theory". The policy implications such as they could be fairly derived directly from Solow's model was that most kinds of state intervention in the economy would produce either no effect or pernicious effects – echoing Hirschman's (1991) "perversity thesis."[19] An important implication of exogenous growth theory from my perspective is that it is too abstract to specify what a growth trajectory will be beyond an aggregate rate of growth. Furthermore, technology as I have argued (supra) is conceptually too diffuse and ineffable to bear the kind of explanatory weight it is forced to carry in exogenous growth theory.

A subsequent generation of economists were to take up growth theory after a quarter century hiatus. Associated principally with Robert Lucas, Robert Romer and Phillipe Aghion and Peter Howitt, this new round of theorizing has been called endogenous growth theory.[20] As Coates (2000: 267 & passim) has noted, different theorists latched onto different factors in their search for explanation of growth. Lucas for example, defined capital much more broadly and thus triggered an explosion of interest in "human capital". This led inexorably to a broadening of the canvass in searching for the requisites for sustained growth particularly in terms of how the state (and sometimes other institutions) directed or sought to canalize investment decisions towards education, job training, health care and a potentially even larger arena of social factors now subsumed under the rubric of capital. Romer suggested that investment triggered learning which rapidly diffused thus stimulating a broader range of productivity gains than had been conventionally acknowledged.[21]

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The renewed interest in institutions manifested by some of the proponents of endogenous growth theory brings us back to the concerns of the "new institutional economics" discussed in the previous chapter. The crucial aspects of both growth theory and institutional economics to be gained is that "number magic" and "physics envy" proved to be inadequate to understanding political economic and social change whether the object was national economic growth or in the case of development theory, its failure to occur. These are not the only failing but the inability to account for differential national growth rates in the post-war era much less the quite distinctive configurations of capital, banking, sectoral growth and sectoral configurations flows directly from these initial lacunae.

Purely economic growth theories don't specify the form in which growth take place beyond the very general specifications of market expansion, increases in capital stock, and increases in the stock of knowledge (technology). But industrialization is implied. Let me briefly restate their implications for industrialization The more classical or Smithian the model, the greater the emphasis on the market selecting for a perfect division of labor without the tendency to concentrate in larger firms. With the addition of efficiency (in both an allocative and a managerial sense), the emphasis shifts towards concentration. Schumpeterian growth (Coates 2000; Clark and Juma 1988; Nelson and Winter 1982) in contrast shifts the dynamic from technology per se to entrepreneurial activity but with the implication that this will lead towards oligopoly conditions. Marxist growth models – to the extent that they have been developed – assume that the development of the forces of production will lead to concentration as well.[22] All of these

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are to a greater or lessor degree "supply side" models following the classical assumptions that production (the input/output model) is the crucial variable. Demand-side models remain largely implicit predicated as they are on assumption about population and labor force growth being a constant. While the depression era generated considerable interest in the effects of under-consumption (i.e. Keynes), modern economists focus almost exclusively excessive demand and inadequate savings (paucity of capital) rates as sources of distortion in growth rates.

When growth theories are transposed onto the historical record, they typically result in one or another kind of stage theory. The most famous example is W.W. Rostow's (1961;1990) formulation. Here, demand plays a role in that markets must reach a critical size in order to stimulate production that leads to economic "take-off" in the form of self-sustaining growth. Yet, almost regardless of the orientation of the theorist, the typical primary assumption is that a heavy industrial core is crucial to development (economic growth). The assumption that a producer goods – heavy industrial core was necessary to sustained economic growth led both to the "Soviet" style plans that were predicated on the same kind of retrospective reading of English, German and U.S. industrial development as driven it. This of course, largely ignored the historical record in which a multitude of smaller firms producing both producer and consumer goods actually preceded the heavy industrial core.

If the assumption of growth theories has been that heavy industry drives industrialization, their embodiment in industrial location theories is somewhat different. Classical location theory (e.g. Weber) postulated that factor costs were decisive in the

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physical situation of production on the geographical plane. Intuitively and historically this makes sense. All early textile manufacture grew where the primary material was produced or where it could be introduced. Location theory recognizes that because all the factors of production are rarely in close proximity on some featureless (and therefore barrier-less) landscape, the determinant of location was necessarily, transport cost. Proximity to markets, materials and labor ought to determine location under the assumptions of economism.

II. Theories of Industrialization and historiographical practice

The ways in which historians, whether economic, institutional or social, have characterized the complex and multiple changes that fundamentally altered first European, then American and now Asian, South American and African societies have themselves undergone substantial revision over the last two decades. While most of the emphasis in my discussion will focus on economic, institutional and technological history, the changing perspectives and understanding in these quarters have been shaped as much by work in social history broadly conceived, as has influence spread in the other direction. Histories of industrialization of course, are informed by conceptions of what data is relevant to explain how the present came to be the way it is. But almost without exception historians and economists conflate economic growth with industrialization.

The school book history of my youth provides a caricatured oversimplification of what I have called the "triumphalist" account of European and American

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industrialization. This account begins with England, blessed with a constitutional monarchy and rugged individualism that gave space to heroic individuals to experiment to produce technical innovation. While Josiah Wedgewood of pottery fame (v. Nancy F. Koehn 1997) may well most approximate the idea type of the heroic innovator, the school book triumphalist account often focused on technical innovation per se, through figures such as James Watt, inventor of the steam engine. Technical innovation drove increases in production, making possible better, cheaper things for people to buy thereby vastly improving the quality of their lives. It happened first in England while being retarded in the continent owing to the conservative character of absolutist monarchial regimes. It spread rapidly to the U.S. because it was too unfettered by absolutism, because of cultural times with England — despite the wars of independence — and immensely aided by the natural wealth of the North American continent. The tableau of innovators and marvelous machines that still emerges from memory is Elijah Whitney and interchangeable parts for muskets, and Benjamin Franklin demonstrating that lightning was an electrical current. Europe followed suit as soon as the obscurantism of monarchy had been excised by the French Revolution except for Spain (and by implication, the Mediterranean littoral) still mired in Inquisitorial murk. But it took the better part of the 19th century for Northern Europe (read Germany) to catch-up to the U.S. and the British Empire. Mass, standardized production ensues somewhere between the U.S. Civil War and the First World War, the Robber Barons are slapped on the wrist for their excesses, but praised for steel, railroads, and the limitless possibilities of consumer durables that were to come from their pioneering efforts. The U.S. wins the Second World War

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through industrial supremacy that ensures a free world and ushers in the American century with Eisenhower, cars with big fins, TV dinners and the "New Frontier" of space exploration.

The point of this excursus into memory of school book history (not to mention the hagiography of capitalists and crude nationalism inflicted on the young) is that it embodies in main, the key elements of the triumphalist account of industrialization and the production of modernity. It is a uni-lineal, evolutionary, and progressivist account in which the fittest thrive and forge ahead of all the others to arrive at the golden present. The central mechanisms that propel growth and change are individualism embodied in Anglo-American culture directed to technological progress. The account assumes that all others must follow the same path to enlightenment and material sufficiency, and that there are national-cultural impediments to progress: a heady mix of social Darwinism, nationalist ethnocentrism, and technological determinism.

The triumphalist account, of course, contained a margin of truth and a superfluity of error and prejudice which is why it has been so easily skewered by critics such as Thorstein Veblen. England was the first to undergo a substantial transformation but its origins are not to be found in individualism or native precociousness.

In order to make sense of the periodization of industrialization made by historians and the "prime movers" they have emphasized, it may be useful to group them by the features they identify as crucial to the process. Clearly, some identify cultural characteristics of the English as important to that countries precocious development (e.g. Smelser 1959). More recently, the fascination with the success of Japanese industry re-

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introduced "culturalist" arguments although much of the literature characterizes Japanese culture as remarkably like English "individualism".[23] Most importantly for my purposes, the "Third Italy" school and related proponents of small-scale industry cleave to a culturalist account although it is in important ways, at variance with the Weberian and Parsonian culturalist accounts.

Technological factors are viewed as central to industrialization and growth by both liberal and Marxist historians. The major liberal historians of industrialization identify technological growth as the motor of industrialization although there are differences in what other conditions constitute the matrix. Triumphalist accounts aside, the most influential post-war historians of industrialization are David Landes and Alfred Chandler Jr. whose work remains the point of departure for everyone else. While Chandler's work is restricted to the U.S., David Landes focused first on European industrialization (1962) and recently globally in a work that evaluates the West versus the rest (1997).[24] Neither Landes nor Chandler want for critics. Landes' most able critics are Sydney Pollard (1981) and in the last decade Charles Sabel and various of his students (e.g. Sabel & Zeitlin 1985; Gary Herrigal 1996; P.Q. Hirst & J. Zeitlin 1991). Landes and like-minded historians such as Joel Mokyr (1990) have returned fire with a weighty rejoinder (P. Higonnet, D. Landes & H. Rosovsky, eds.1991). Chandler's critics include many of the same group of scholars although their criticisms of him focus on the contingency of the historical development of organizational form and the rationality of a variety of corporate structures (e.g. M. Storper & R. Salais 1997).

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The first consequential theorist of industrialization and the production of modernity is, of course, Karl Marx. Where Smith had identified an increasingly complex division of labor and the "miracle" of the market as the stimulus to growth, neither competitive advantage nor supply and demand deratiocinated from human activity could provide a theory of the process. This Marx did.

Marx no less that Smith sees the expansion of markets driven by increased demand as an expression of profound changes. Smith had not been unconcerned with the emergence of new passions and desires evoked by the stimulus of material plenitude occasioned by the market (e.g. Theory of Moral Sentiments, v. Albert Hirschman 1977: 17-19; 1986). But by eliding the less pleasant associations of cupidity with the term interest and asserting that aggregate cupidity produced a summum bonum, Smith steered around the problem. Marx (1967 [1888]) traced briefly the expansion of markets that first out-grew the capacity of medieval guilds to undertake and regulate production. The opening of the New World further stimulated this process so that manufacture comes to be replaced by machino-facture.

> ...[M]arkets kept on growing; demand went on rising. Manufacturing no longer was able to keep up with growth. Then, steam and machinery revolutionized industrial production. The place of manufacture was taken by the giant, ***modern industry***; the place of the industrial middle class, by industrial millionaires, the leaders of the whole industrial armies, the modern bourgeois (Marx & Engels 1967; 59-60, emp. In orig.).

The means by which industrial change (or development) takes place is essentially technical and scalar, but the motive force is the bourgeoisie.

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> ...[T]he modern bourgeoisie is itself the product of a long course of development, of a series of revolutions in the modes of production and of exchange (:60).

Marx's lyrical tribute to the revolutionary capacities of the bourgeoisie is in effect, a theory of modernist development. Marshall Berman has pointed out that the Heraclitan flux and dynamism that Marx attributes to them is matched by Marx's own language: that this new phenomenon of modernity could only be represented in anamatopoetical language (1982).

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> The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and with them the relations of production, and with them all the relations of society...Constant revolutionizing of production, uninterrupted disturbance of all social relations, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones (cited in M. Berman 1982: 21; Marx 1967 [1888]: 62-63).

He goes on to say that all old-established industries have been destroyed, dislodged by new ones whose introduction becomes, "a life and death question" for all civilized nations (:63-64). These industries no longer exploit indigenous resources but scour the globe for material. This leads to globalization ("universal inter-dependence") and the capacity to produce novelty creates insatiable new wants and desires. The bourgeoisie, "...creates a world in its own image" (1967: 65).

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Marx (in Capital) and Engels (in the Condition of the Working Class in Manchester) went on to detail the political economic processes in detail, and the actual effects of the process of capitalist development (especially in England). But their account of capitalist development through industrialization set the terms of debate against which virtually all succeeding historians and political economists have had to argue or expatiate.[25]

One of the central issues with which historians of industrialization have had to struggle is whether the Marxian account of capitalist development industrialization especially, could be detached from his political economic analysis of capitalism with its implication of eventual terminal crisis and predicated on the labor theory of value. In the wake of two world wars with the Great Depression in between, there seem to be only a limited set of strategies for doing so. One strategy is to confine the account to industrialization *per se*, thereby eliding the issues of immanent social crisis. The other required re-appropriating elements of progressivist thought that emphasized increasing rationality, and, hence, increasing human control over societal dynamics. [26]

The fact that England, the U.S., Germany and somewhat later France all developed a heavy industrial core, national markets, a centralized banking system, accompanied by diminishing (if still large) agrarian populations in the latter 19th century led to the view by many, as I have repeatedly noted, that economic development and industrialization were one and the same thing. Furthermore, a cursory glance at the record of each of these countries suggested that they followed the same trajectory into industrialization. Initially based on consumer products especially textiles, demand for

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consumer products rapidly generated profits that could and were redeployed into the production of producer goods, especially the iron and steel necessary to build infrastructure and the fixed capital of industrial production. The issue then became how to account for the lack of success of other European countries and, later, the lack of imbalanced development of South American and Asian countries (with the notable exception of Japan). The apparent uniformity of the historical record, of course, shielded the relative diversity of the actual developmental trajectories of Western Europe and the U.S. from view. Nonetheless, the economic development theorists up to the early 1960s focused their attentions on the core industries: steel and other producer goods, transparent financial markets, a centralized banking system capable of efficiently allocating capital.[27] Having sketched this broad framework within which historians have operated, I now turn to several key works in European industrialization

III. Marxian and Neo-classical Histories of Industrialization

Histories of industrialization can be broadly categorized as cleaving to either a Marxist or a neo-classical political economic framework. The discussion will be limited to works that emphasize industrialization at the expense of more synoptic treatments in which industrialization plays an important but subsidiary or partial role.[28] My focus is on European industrialization and where appropriate, examples from U.S. economic history.

The principal point to be emphasized in any discussion of European industrialization is the role of precocious English industrialization in the 18th century.[29] The position of England as the first industrializer has had a dual impact on the historiography of industrialization. One effect has been until two decades ago, to emplace

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England as the model and measure what other national states lacked. This was formalized in Gerschenkron (1962) but also led to any number of works that sought to account for English exceptionalism (e.g. Smelser 1959). This has had the effect of defining European industrial development as a first mover and various more and less successful ways of "catching up". This framework has generally characterized national histories of industrialization for specific European national states. A direct byproduct of English exceptionalism was the tendency to view English industrialization as a cohesive whole rather than the quite diverse (regionally and sectorially) trajectories of industrial development it in fact underwent. It is perhaps not too great an overstatement to claim that the themes of proto-industrialization and small-scale manufacture that have generated so much interest and production in the last two decades are broadly, a revisionist response to the old orthodoxy of English exceptionalism and first-mover status. A further consequence of positing England as the case to which other should be compared has been the appropriate unit of analysis. Landes following both Kuznets and Gerschenkron (and W.W. Rostow who abstracted a more general model from European industrialization) took the national state as the appropriate unit of analysis

The broad duality of Marxist and neo-classical work I have identified leads their respective authors to emphasize different aspects of industrialization. Again, at the risk of oversimplifying the issues, Marxists typically identify changes in the labor process as indices of broader changes in class formations and relations.[30] The focus on political economy as the relevant lens through which to examine social change tends to view technical and technological change as a byproduct of political economy. This is evident

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for example, in the Italian literature in which the search for the formation of an industrial proletariat capable of vying for political power has shaped the Marxist historiography of industrialization (e.g. Merli 1972; Tilly 1994). Economic growth has generally not been an important theme in Marxist historiography in large part because the focus naturally, has been on changes in the social structures of inequality that are indicative of class processes.

Historians working within a broadly neo-classical paradigm emphasize technological change and the ways in which innovation in the production process then reshaped other areas of society as by product of market expansion and business rationalization. In contrast to Marxists, economic growth has been at the center of liberal historiography reflecting the central themes I have already outlined earlier in this chapter. Rather than treating of individual works sequentially, I shall use David Landes (1969) as a foil against which to assess other approaches and emphases.

David Landes (1998: 187; 1969: 1-40) provides the most sustained and historically rich account of the evolution of modernity in neo-classical terms. Modernity (the Unbound Prometheus of his [1969] title) combines self-sustaining growth realized through the industrial revolution, concomitant shifts in the organization of production, and the emergence of a state that vouchsafes property and the rights and interests of an entrepreneurial-ownership class. These concepts are boldly defined in his introduction. The industrial revolution is the product of a series of inventions primarily in the cotton industry, that gave rise to a new mode of production: the factory system. While the

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number of innovations that collectively, brought about this transformation are myriad, they can be grouped into three basic areas:

> (1) the substitution of machines– rapid, regular, precise, tireless – for human skill and effort; (2) the substitution of inanimate for animate sources of power, in particular, the invention of engines for converting heat into work, thereby opening an almost unlimited supply of energy; and (3) the use of new and far more abundant raw materials, in particular, the substitution of mineral, and eventually artificial, materials for vegetable or animal substances.

He goes on to emphasize that these "substitutions" made self-sustaining growth possible and that they are with the addition of new forms of production organization, the industrial revolution. While the cited passage is from a more recent (and controversial) work than the Unbound Prometheus (1969), this brief set of factors sums his mature understanding of the history.[31] His choice of terms (e.g. substitution, the conversion of energy) is intentional for his model is the production set of neo-classical (or marginalist) economics. Substitution at the margin for whatever the quantitative and qualitative gains of motive power, machinery and new inputs are measurable only in this sense is accompanied by several other phenomena: organizational change and the more complex and less readily subsumable to marginalist assumptions, modernization.

The new forms of organization involve increases in scale and the application of rationality to the handling of all the forces of production (inputs). Key amongst them were the separation of the direction of work from the actual shop-floor production, reflecting the separation of ownership from the actual producers. It also involves the stripping of autonomy from workers in the organization and scheduling of work, the

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imposition of shop floor discipline. The industrial revolution in Landes understanding, thus combines the production set with the Chandlerian managerial revolution.

The technological system combined with the managerial revolution of the factory system are dialectically related to the evolution of the modern bureaucratic state that, abandoning the Hobbesian sovereign (Leviathan) or the Lockian "night-watchman" state, becomes supremely attentive and responsive to the interests of a burgeoning capitalist class.

These new material and social forces and interests initiate the process of modernization. Where industrialization refers to the technological changes and their economic consequences (Ibid: 3), modernization encompasses a broader range of transformations and their political economic and social consequences. It encompasses urbanization (the rural to urban shift), the demographic transition characterized by diminishing birth and death rates, and the afore mentioned development of the bureaucratic state.[32] Substantive modernization means that economic growth becomes self-sustaining in contrast to earlier periods in which regions flourished and then declined.[33] Landes model is unashamedly the neo-classical model of growth in its basic form – something like the following: $Y_t = F(K_t, L_t, N_t)$.[34] Landes' job is to descriptively show the effect of technological change (innovation and invention) that is otherwise not present in the model. This view (unlike the Solow-Swan model) assumes that technology is a kind of factor substitution; a magical property that comes from outside the economy and that capital and labor inputs can vary in proportion. [35] Indeed, Jacob Schmookler (cited in Rostow 1990: 451) noted

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> [N]eoclassical economy theory...suffers from this deficiency [what really happens in the long run] because it makes no provisions for changes in technological knowledge...[T]echnological change has to be introduced into the analysis from the outside. It is assumed, not explained.

We have returned to the problems outlined at the outset of this chapter because even the Solow-Swan model could only identify technology as a residual after measuring input versus output. Even more problematic is the issue of how organizational change is represented in models that take only factors of production into account. This is clearly central to Landes account.

His (Landes 1969: 114) summation of the crucial elements of the English industrial revolution indicates this importance. "But by revolution we mean a transformation of the organization as well as the means of production." As it turns out, Landes has settled for an explanation for technical change that depends on substitution of machinery for labor and, hence, for a model of technological change that views invention and innovation as driven by the cost of labor.[36] This is the view first (to my knowledge) articulated by John Hicks (cited in Elster 1983: 101).

> "A change in the relative prices for the factors of production is itself a spur to invention, and invention of a particular kind – directed to economising the use of the factor which has become relatively more expensive.
> I have already (supra.) discussed the problems that inhere in assuming a causal

relationship between factor price substitution as rational choice and technological change but they merit a brief review. There are in fact, several different rejoinders to cost-driven invention and innovation. First as a critic of Hicks, W. G. Salter noted (cited in Ibid: 101-2)

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> The entrepreneur is interested in reducing costs in total, not particular costs such as labour costs or capital costs. There is no reason to assume that attention should be concentrated on labour-saving techniques.

Second, as some more recent historians have argued, the adoption of inventions and innovations does not exhibit (in the historical record) anything like the rational means-ends calculus that pure factor substitution demands. This can take the form of a "lock-in" to inferior technology that becomes institutionalized and seemingly, precludes the adaption of superior (i.e. more efficient) technology. The most famous case is the "QWERTY" type-writer keyboard designed initially to prevent typists from operating the original mechanical machines too rapidly and thereby hopelessly jamming and damaging the mechanism. Finally, it is not at all clear even in the English cotton industry, Landes' prime mover, that wage costs were that important an issue in the adoption of new technologies.[37]

Let us now turn to the issue of organization, a dimension of both the industrial revolution and modernization that Landes accords great importance in his causal scheme. The organization of production is of central importance in both Marxist and marginalist accounts of modern European (and American) history even if its role and substance reflects quite different processes in these alternative historiographies.

The central assumptions of efficiency theory best articulated by Chandler, is that economies of scale and scope are achieved by developing larger, integrated production units (typically factories). The assumption is – and it is born out in *some* sectors – that two kinds of scalar efficiencies can be achieved. One is the advantages to be gained by vertical integration in some arena of production. The second is that greater volume of

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output lowers the unit cost of production thereby increasing profitability per unit and in aggregate. Efficiencies of scope have to do with increasing the product mix where a firm already has mastery of the production process. Landes does not claim that efficiencies of scale and scope apply uniformly across all industries, rather he compares England and the continental followers sector by sector. But the implication to be drawn from his discussion of the steel industries especially is that these factors were decisive in Germany and the U.S. ultimately outstripping England. Finally, it is worth citing Landes' coda to his work for it reconfirms his commitment to the central tenets of neo-classicism. Having noted that whatever the specificities of components of production sets may be,

> "...[T]wo things remain and characterize any modern industrial system: rationality, which is the spirit of institutions, and change, which is rationality's logical corollary, for the appropriation of means to ends that is the essence of rationality implies a continuous process of adaption. (Landes 1969: 546)

A principal theme of Sidney Pollard's (1981) Peaceful Conquest is that the national state was not the appropriate unit of analysis with which to historically parse industrialization. Indeed, "a major premiss" of the work is that regions rather than national states undergo industrial development. Regional development in Pollard's view requires the tools of industrial geography and the economics of location rather than the rationality of the production set in order to understand both which regions "develop" industries and the regional distribution of industrial sectors.

> Supply must rule supreme in such an investigation, and it is for this reason that our interest centres on such factors as location, resources, methods of production, or trade policies. (Ibid: vi)

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Second, and again in marked contrast to Landes' identification of growing rationality on the part of both entrepreneurs and a bureaucratic state, Pollard sees the relative absence of state interference between roughly, 1780 and 1880 as a key to development (Ibid: vii). Finally, Pollard is unwilling to grant technology and the rationality of the production set too great a role on philosophical grounds relating to the problem of historical causality (Ibid: viii-ix).[38] That is, Pollard is suspicious of the "covering law" model of historical explanation especially as these draws closer to the claims of scientificity of economic theory. [39]

A succinct way to illustrate the different interpretations of Landes and Pollard is in their treatment of the role regional factors in early industrial location. He notes that most precocious manufacture was related to pre-existing concentrations of craft or guild activity. This typically reflected several factors. Supply of materials was most crucial whether this was local fleece, coal, wood or other materials. The connection between dense local or regional manufacture often reflected sufficiently robust agricultural production to support a non- or part-time agrarian work force. Proximity to critical markets was not incidental to regional specialization (Ibid: 32-3). Interestingly, Pollard (Ibid:33) notes that "Beyond mere technology, regions also developed a style of their own, including forms of industrial organization." The rise of the West Riding in Yorkshire at the expense of East Anglia seems to have reflected the prevalence of long staple wool in the former while the latter grew largely short-staple wool. Other sources cited by Pollard point to the control of merchant factors in East Anglia whereas the West Riding was dominated by cottage weavers whose independence conferred the flexibility

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to shift product as demand changed (Ibid:34). Where Landes identifies the effect of managerial rationality on industrial development, Pollard is willing to entertain a constellation of antecedent conditions, factors and effects not all of which are necessarily salient in any one region. Furthermore, Pollard hints at the importance of custom and tradition – at elements of culture – as important in regional trajectories.

The element of contingency is a central theme in Pollard's tracing of regional industrial trajectories. He notes that the time at which a region began to industrialize canalizes to some degree the range of "choices" open to it but this must be understood to operate within the larger context of tradition, location, resource endowments, markets, and state policies. More than anything else Pollard (Ibid: 333) leaves us with the understanding that, "...the process is never repeated in identical fashion." This fact that national states have not described the same trajectory of industrialization, has stimulated a large body of work in both industrial history and concomitantly, in development (growth) theory. While this work is influenced by a number of growth theories (e.g no-classical, Schumpeterian, Marxist, SSA, and the various skeins of regulation theory), it may be said of most of them that they recognize the importance of pre-existing institution as canalizing forces in the developments of industries and markets.

A majority neo-Marxist viewpoint (Storper and Scott 1992: 5)

> ...[C]onceives of the development of technologies, markets, and institutions as pathways whose historical trajectory is governed by the complex interplay between prevailing rules of social order, and the probing and experimental character of much economic behavior.

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While the orthodox regulation school (e.g. Boyer 1988;1990; Leborgne and Lipietz 1987) often stretch to find a cohesive fit between modes of industrial production organization, prevailing accumulation strategies, state policies and other institutions, the more relaxed configurations proposed by geographers and economic historians (Chapman and Walker1987; Dosi et al 1988; Lash and Urry 1994; Storper and Scott 1992; Storper and Salais 1997;Storper and Walker 1989) have considerable merit. Without accepting path dependency in a strict sense, certainly the complex of cultural norms and dispositions as well as *grosso modo* the historical context from which actors strategize, must lead to differing patterns of action and organization. Indeed, the belated recognition of a cultural dimension is most salutary.

> Capitalism has cultural foundations: groups of individuals with different rationalities have different time preferences and utility functions, and hence select themselves into different activities and organize those activities in a wide variety of more or less efficient ways. (Storper and Salais 1997: 13)

The acknowledgment that rationality, efficiency, and utility are in important ways culturally constructed and conditioned requires that the institutions of particular capitalisms are historically derived and contingent on the interplay of culturally embedded actors operating under uncertainty. Couple with the geography of location (i.e. resource location, transport cost, etc.), a viable set of indices for specifying particular trajectories of industrialization emerges. In sharp contrast to both Landes and to Chandler for whom technology, a universalized conception of efficiency, and a monist conception

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of rationality produce a single historical trajectory, several historians have recovered the diversity of European industrialization.

The key work undoubtedly, has been that of Sabel and Zeitlin (1985; 1997). Historical Alternative to Mass Production (1985) traces small scale, flexible manufacture through the 19th century. Taking up where the work of William Reddy (1084; 1987) left off, Sabel and Zeitlin point out that the emerging demand for both the produced means of production and for consumer goods required great flexibility to meet changing market conditions. The adaption of new technologies by what had been effectively artisanal and quasi-guild entities (in Mulhouse, France for example) permitted a wide range of organizational forms that might coalesce around one set of products and reconfigure in the face of changing patterns of demand.

> Institutions had to create an environment in which skills and capital equipment could be constantly recombined in order to produce a rapidly shifting assortment of goods.(Ibid: 144)

Local and regional specialization was socially reproduced as each new generation entered into labor often in apprentice-like conditions. The experience of the factory or shop was a defining feature of social and cultural life in municipalities like Biella or Valle Mosso, or Mulhouse or St. Etienne. Like Reddy, Sabel and Zeitlin are suggesting that mass production requires a rupture with past practice and culture where craft traditions have prevailed. Unlike the experience for the majority of Americans who confronted as immigrants a labor market in which capital held all the advantages and could thus shape and reshape production organization and indeed, social life itself, many

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Europeans – the Biellesi included – confronted technological and political economic change as a struggle about which they already knew the "moves".

Sabel and Zeitlin (1985) represented this diversity initially, as one branch of a bifurcate schema: mass production or the multiple forms of non-Fordist production. Echoed in the work of Piore and Sable (1984) the rediscovery of organizational and productive diversity assumed the mantle as an alternative form of capitalism that avoided the harsher forms of capital/labor struggles through greater cooperation, greater worker autonomy, and the concomitant increased worker control. They have since (1997) modified their position in the light of both criticism and additional historical research. They now far more realistically, articulate a model that seeks to accommodate the interplay of markets, actors, the weight of history in its socio-cultural complexity, and uncertainty. In my view, they as well as the institutional economists, are struggling towards a dialectical view of political economy and culture in which the impetus for accumulation is always acutely sensitive to the context in which the diverse interests and desiderata that comprise it can be acknowledged. Subsequently, Storper and Salais (1997) have identified the diverse forms through which organization forms sensitive to (that is: products of) socio-cultural historical situations, technological possibilities, class configuration, market situation, and state policies to articulate models of "worlds of production". While this may still suffer from the initial flaws of Sabel and Zeitlin's work to the degree that they can envision only a limited set of possible forms in their model, it has the significant advantage of returning our gaze to actors, culture, and history in which both workers and capital are fully-fleshed human beings.

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Let us return briefly to the issue of industrial form: organization, as it has captured the fancy of so many economists and historians. Efficiency theory, chandler's assumption that the multi-divisional firm was a logical, evolutionary product of earlier organizational forms is untenable historically (v. William Roy 1997). Large M-form and H-form corporations as entities are barely more than a century old. The assumption that the huge corporation created in the later stages of the process of industrialization in Europe and the U.S. are permanent fixtures once created, is like the existence of national states, belied by the facts. Of the top fifty industrial corporations in existence around 1925, less than 15 percent still exist as autonomous entities Similarly if on a smaller scale, the great textile firms created by the second generation of the Biellese industrial aristocracy in the late 19th century have virtually all disappeared (e.g. Rivetti, v. Chapter VIII). This is not to argue that economic concentration has diminished in the OECD countries, but rather, that capitalism is a dynamic, volatile, and crisis ridden and driven political economic system.

The volatility and crisis-prone tendencies of capitalism are insufficiently acknowledged in most of the historical and developmental literature surveyed in the preceding section. The key lacunae in these evolutionary accounts of industrialization is the surprising incapacity to account for differing distributions of the size of firms in any given sector over a specified duration. Nor can they effectively account for shifts in corporate organization. Furthermore, these vaguely or explicitly progressivist accounts seem uninterested in shifts in organization over time that both seem to reflect and to shape the propensity for different distributions of firm sizes. Thus the point to be understood is that diverse organizational forms do not merely survive over time (Sabel

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and Zeitlin's (1985) point) but that organizational forms are touted as "efficient" and then fall out of favor in management literature and in practice. The conglomerate corporation (in the U.S. 1960-70s) is a prime recent example.

The form of a business enterprise – a firm – surely reflects in part the economic environment in which it operates: market conditions, state regulations, the cost and accessibility of capital, and labor market conditions. But it is not at all certain that either one specific rationality or efficiency is the driving force. Similarly it is less than certain that technological innovation leads to growth either in the firm, the market or a regional or national economy. The recognition by scholars usually called the "new institutionalists" that there was something more to economic growth than technological innovation (pace Schumpeter and a variety of scholars who had long realized this) has led to a significant shift in growth theory. Giovanni Dosi and his collaborators (1994:3) note that,

> "...the most striking difference between historians' and economists' interpretations [of development] is that the former heavily relies on the joint identification of variables and processes affecting development while the latter most often assumes an invariant (and indeed quite peculiar) economic process."

IV. Culture and Industry: Industrial Districts

The increasing recognition amongst historians and institutional economists that industrialization, while it could be periodized cumulatively as a single long trajectory, was internally diverse regionally and even locally was further stimulated by a corpus of work produced (from the early 1970s)at least initially, by Italian sociologists. The task as

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they conceived it initially, was to account for the particular configuration of post-war Italian economic growth and development in the light of Gerschenkron's explanation for Italy's condition as a "late industrializer".

Before turning to the cultural, political economic and geographical arguments advanced by the "Third Italy" sociologists, let us review what the terms of debate are about. While Gerschenkron's argument in Economic Backwardness in Historical Perspective (1962) is frequently interpreted as an invidious comparison between England and those that only later achieved a fully industrialized national economy, this is not completely or even partially fair. Gerschenkron thought that significant advantages accrued to later industrializers, singling out the role of German banks in both loaning capital and investing in industry thus providing stability and continuity unavailable in the under-developed and fragmented English banking system and capital markets. Italy differed from Germany in that large full-service banking (i.e. both finance and investment as well as depositary services) did not emerge until the end of the 19th century. Major Italian banks (e.g. Banca di Roma, Banca Commerciale Italiana) as they developed had exceedingly close ties to the state, or perhaps we should say, with various correnti at the state level. Coupled with a thinly capitalized financial market, the avenues open to emerging firms to access capital for expansion, and to financial markets was (and remains to this day) quite limited.[40] Secondly, Italy's period of rapid heavy industrial growth was tied directly to the state's requirements for armaments in the First World War. Either the state established the necessary works (e.g. Terni in steel) or lavished credit and investment on selected "private sector" firms such as Fiat, Ansaldo, and Siemans (v.

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Vera Zamagni 1993; Martin Clark 1984: 119-24).[41] It was precisely the capacity to coordinate between government and industry that Gerschenkron had thought might confer advantages to the late industrializers.

Yet Italy in 1900 was in no measurable way comparable to Germany, which had unified at the same time as Italy. Italy had nothing like Germany's capacity in iron and steel, railroads, coking plants, or any of the other indices of heavy industrialization. The share of its workforce engaged in waged industrial labor was minuscule in comparison with Germany, and the share of exports to the national economy was also tiny in comparison with England, Germany and even France. Italy's place on the industrial periphery of Europe in 1900 was powerfully shaped by even-increasing inequalities between the North and the South. The South contributed more than half of the national agricultural product in wheat at the turn of the century. Aggregate inequality in wealth is graphically illustrated by the fact that the just over 25 percent of the national population resided in the South (in 1900) but accounted for only nine percent of the taxable national wealth (Sydney Pollard 1981: 232).

Economic Germanism that, in addition to promoting state direct intervention in industry and banking, promoted protection of key economic sectors. The pursuit of protectionist policies (although a part of a continent-wide trend) were to produce grievous consequences for Italy, and especially peasant and working class Italians. The tariff wars with France (1887-98) largely instigated by coalition of Northern agricultural and industrial interests were to wreck havoc differentially on Italy's regions. in the South, the loss of French grain markets combined with the increasing competition with Australian

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and American cereals led to the collapse of the rural economy. In the North, already significantly integrated with France and the rest of the continent, the tariff wars ruined both industry and agriculture (with the possible exception of the cotton industry, that had been in decline under foreign competition). The immediate consequence was the massive waves of emigration, initially in both North and South and then largely from the South from 1895 until the First World War temporarily foreclosed this option. Emigration resumed again after 1919 but was then stymied by changes principally in U.S. immigration policy that in 1921 reduced the numbers admitted by two thirds. The changes wrought by Fascism need not detain us very long. As Martin Clark points out, Fascism in both its squadristi phase in the 1920s, and as state autarchy policies in the 1930s was primarily a phenomenon of Northern and North-central Italy (1984: 272 & passim). Command industrialization, the foundation of IRI and IMI, and the needs of military re-armament reinforced the existing bias towards the limited number of large-scale industries that had benefitted from WWI. Fiat, Olivetti, Ansaldo, Pirelli and others came effectively to control national markets in their respective sectors. State salvage of banks in the late 1920s (e.g. IMI) only reinforced state connection with these large corporations at the expense of any other enterprises. Finally, it should be noted that the aftermath of the Second World War did next to nothing to change this pattern as the Second Republic inherited the legal, administrative, and even policy structure of the 1930s virtually intact. Little in the early post-war years was to threaten this pattern of corporatism. Yet by the middle of the 1950s, Italy was undergoing a period of massive economic growth, much of it based on export production of consumer items and, to some

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extent, consumer durables. Much of the new export-oriented production did not come from the long-established large firms, e en if industrial design from firms such as Olivetti are often remembered (v. Penny Sparke 1990). In fact, much of the dynamic growth occurred not in the Industrial Triangle but in north-central Italy and the Northeast. This new phenomenon of tiny and small firms producing for a growing domestic market and for export production in areas hither to fore not noted for industry occasioned a re-examination of the existing bifurcate model of the two Italies (north and south).

The existence and persistence of regionalism in Italy is often noted, yet it was not considered to be a virtue until the early 1980s. Summing up a decade of earlier work, Arnold Bagnasco (1984) proposed that a three Italy model was more appropriate than its predecessor. Emilia-Romagna, Tuscany, Umbria Marche and ports of the Trentino, Veneto and Friuli represented regions with post-war growth in industry distinct from the traditional centers of heavy industry (the Iron Triangle) or the non-industrial south (v. Carlo Triglia 1990: 163). These areas exhibited some common cultural and historical features that are now understood to have constituted a specific historical path (or trajectory that enabled small-scale manufacturing to develop in the boom years of the 1950s.

All these areas had the common historical experience of the Renaissance commune tradition of city republics dominating a small hinterland with relatively dispersed settlement in the countryside. The land tenure patterns also held similarities with either share-cropping or peasant proprietorships predominating, accompanied by domestic and draft production to augment household subsistence. In many areas, share-

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cropping or small proprietorships had persisted into the 20 the century. All had experienced periods of mobilization in the inter-war years, and some again in the wake of the Second World War. Yet there were significant differences in post-war political culture, with the regions in the northeast staunchly Catholic (if mediated through more liberal party factions than the mainstream DC) whereas much of Emilia, Tuscany, and parts of Umbria comprise the "Red belt" of PCI strength. In toto, these features comprised a specific sub-culture at variance with either the South (where latifundium, agro-towns, and landlessness predominated) or the Iron Triangle (where urban heavy industry, rural de-population and early proletarianization). While the "Third Italy" sociologists noted (e.g. Triglia 1990: 161) some areas of Lombardy and Piedmont conformed to this model, the emphasis has always been on the emergence of small-scale industry *de novo* in these traditionally non-industrial areas.

Carlo Triglia (1990: 160) defines the industrial districts that coalesced in the immediate post-war years as clusters of small firms that form, "...an integrated territorial system[s] with varying degrees sectorial specialization." Giacomo Becatini (1990: 38), returning to Alfred Marshall and expanding on features Marshall had identified as crucial to industrial districts, defined an industrial district as a "...socio-territorial entity which is characterized by the active presence of both a community of people and a population of firms in one naturally and historically grounded are." In so doing, he acknowledged that dimensions of his definition depended on a specification of values or a value constellation that might bother economists. Indeed, the explicit interjection of cultural, historical and valuative criteria was to make possible the appropriation of the nexus of the Third Italy

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model to more politically and institutionally (and morally) oriented scholars such as Robert Putnam (1993) and especially Francis Fukuyama (1995). In contrast, political economists and some institutional economists have criticized the model for eliding the real character of industrial change. By the early 1970s, a good many political economists in Italy, Europe and elsewhere, had come to view small-scale industry and flexible specialization as a new initiative by capital to reduce labor costs by special dispersion of production and the utilization of sub-contracting (Boyer 1992; Dicken 1992; Frey et al. 1971; Harrison 1994; Gereffi and Korzeniewicz, eds.1994; Rodwin and Sazanami, eds. 1991; Scott and Storper, eds. 1988). Because there are significant differences of interpretation of these phenomena, I shall discuss the issues surrounding industrial districts in greater detail.

The Third Italy-industrial district model abandoned or at least significantly relaxed the behavioral and psychological assumptions of the classical (marginalist) economic model. By introducing history, culture and values as significant variables in economic behavior, it violated the assumptions of least cost that are at the core of models of the firm, exchange, and industrial location.[42] Recollect that in the previous chapter, I noted that modern transaction cost economics asserts that the existence of firms as kinds of hierarchies comes into existence where the information cost to spot transact is too great, and that incomplete contracts provide larger term buffers to information costs and to uncertainty. Williamson (1975), in seeking to recover the elegance of the timeless, featureless terrain of marginalist economics has in effect "de-institutionalized: and dis-embedded firms in order to make them correspond to (neo-classical) markets in this

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framework. The Third Italy economists and sociologists inserted history, values and culture as key determinants in shaping specific clusters of markets and hierarchies (firms, in Williamson's terms). But there are potential objections to their interpretation of the Italian case (and other national cases as well).

While Alfred Marshall's name is invoked as the economist to identify the industrial district, it should be remembered that Marshall did not go very far with the concept. He thought that internal and external economies might be realized through the agglomeration (or clustering) of smaller firms, those that proved to be most efficient would in the long run, grow in size at the expense of the others. Chandler (1990) thought that increased firm size coupled with managerial and organizational rationalization offered such advantages in economies of scale and scope as well as greater efficiencies that firms in a sector must necessarily grow or drop by the wayside. This would seem to be the case in the global textile sector where markets are highly competitive and the barriers to entry are low. Highly competitive national and international markets, coupled with the availability of the most modern technology to most entrants would favor firms that could wring cost out of every dimension of production and marketing. This has been the case in the global textile sector because both technology and raw material costs are relatively uniform across national boundaries, this leaves only labor as an arena in which competitive advantage can be gained. here, marginalist and Marxian expectations of industrial change converge in expecting concentration in ever larger firms.[43] This was the experience for the U.S., the U.K. and Japan through the early 1980s. The other response to competition (beside controlling market access through government policy, e.g. the

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MFA) is to reduce the cost of labor. This is called production sub-contracting although it encompasses everything from "out-sourcing" to "going off-shore" as a part of the "new international division of labor".[44]

The issue of sub-contracting is a thorny one for Third Italy and (more generally) industrial district aficionados. Where Sabel & Zeitlin (1984), Piore & Sabel (1984) and the Third Italy sociologists (v. Pyke, Becatini & Sengenberger 1990) see culture, history and territoriality shaping a distinctive complex of industrial districts that offer (indeed are) an alternative to traditional large-scale corporations, Fordism, and consequent relentless exploitation of workers, many others see out-work, sub-contracting, and petty commodity production as labor-cost saving strategies by "capital".

Sub-contracting and out-work (domestic work) hardly merit attention in conventional economic texts (e.g. Schmalensee & Willig 1988). Oliver Williamson (1985: 219-35) is at least willing to accept the Marxist analysis that control rather than efficiency as the prime motive (for sub-contracting) but he asserts that power is to nebulous a concept, un-operationalizible, to account for the diversity of situations to which it is applied. Yet Williamson does note that security considerations are an issue for workers and that they also complicate the classical assumption of labor is as fungible and mobile as the other factors of production. To the extent then that sub-contracting is mentioned, it falls under the rubric of labor markets, which is where they reside for Marxists and post-Marxists as well.[45]

The problem of sub-contracting then is thorny for both Marxist and marginalist economists because neither power (over labor) nor efficiency can account for the actual

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diversity of situations in which entrepreneurs/capital finds itself. So sub-contracting per se does not necessarily indicate either power or efficiency strategies. For example, in the late 1980s one Biellese firm discussed and I believe made commitments to the Chinese government to open a training institute and production facilities for the processing and production of cashmere in Mongolia. While this may appear at first glance to be offshore production (it is in the sense that the material was not imported to Italy), the proposed agreement was effectively a quid pro quo for access to cashmere for at least ten years. As Mongolia accounts for close to 90 percent of the raw cashmere available on the world market and withholds material under a valorization scheme, the direct investment in Mongolia in exchange for an assured quota would likely offset any savings obtained by the much lower cost of Mongolian labor. From a marginalist perspective, the firm is likely to have exchanged worker productivity and control for access to the materia prima. In Marxist terms, the problems are even murkier. While lower direct labor costs may have been obtained, it is not clear that a small Italian firm actually will or could gain greater control over foreign (Mongolian) workers in a situation where the quid pro quo involves the export of technology, techniques, and education to a venture controlled by the state. If we want to measure exploitation in this case, certainly it must be parsed out to both the socialist state and to capital.

The same applies to home work. Perhaps the most interesting case occurred in Vermont (U.S.) in the early 1990s. In this case, women in North and Central Vermont undertook to knit sweaters on contract for a firm that marketed them (primarily to ski shops) as hand-knit. The USDL investigated, claiming that the arrangement contravened

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existing protective legislation that enjoined putting-out work. The relevant legislation was a legacy of the early part of the century when the government sought to control the ruthless exploitation of sweated domestic work in large cities, such as New York. However, some of the Vermont women claimed that they could earn far more through home knitting than through any conventionally waged job in the region. Furthermore, the unfavorable comparison was magnified when the costs of transportation and childcare were included for women dispersed in rural area, much less the flexibility for the women of engaging in the work when and how they wanted.

I am suggesting that no absolute standard exists for either efficiency or for exploitation, beyond their utility as heuristic devices for asking questions about the nature of the arrangements. Certainly abstractly, capital seeks efficiency or, from the Marxist perspective, increased power, in the pursuit of profit. If the analysis begins with the conclusion that either efficiency or exploitation (a way of talking about power) is necessarily the prime objective, the analysis is teleological.[46]

Finally, not all sectors of production in the economy are amenable to sub-contracting or home-work. Shoe manufacture for example, is readily adaptable to fragmentation of the production process (v. Blim 1990; Goddard 1996). Similarly, some kinds of electronic instrument and consumer commodity items assembly can be successfully sub-contracted or even out-worked (e.g. Benton 1990) . Textile manufacture can be sub-contracted but the necessity of employing heavy machinery for almost all phases of production requires some measure of capital on the part of the contractor. Hence, it is not amenable to the highly exploitive conditions of home-work examined by

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authors such as Victoria Goddard's study of shoe manufacture in Naples. Garment manufacture, in contrast, is easily out-worked (v. Bonacich et al.1994; Waldinger 1988) and accounts probably, for the greatest amount of out-work globally.

If sub-contracting is as I have suggested, more problematic than either marginalists or Marxists have acknowledged, this is equally true for the status of small firms. Between domestic or putting-out work and H- or M-form corporations (hierarchies in Williamson's terms) exists a seas of small to medium sized firms. As I suggested in the preceding chapter, firms ought to be viewed in more than power/efficiency/profit terms. They reflect complex calculations that involve familial, dynastic and other considerations that we collapse into the aforementioned categories at explanatory peril. The fact as Sabel and Zeitlin (1985) have shown that a range of organizational forms existed and persisted into modernity that permitted both cooperation and competition amongst spatially localized aggregations should suggest that whatever other defects are to be identified with the lumping together of all of them under the rubric of sub-contracting is in error.

A central claim of the Third Italy sociologists and the political economists and historians who have expanded on their insights, is that the (Italian) industrial districts exhibit the capacity to engage both competition and cooperation and flexible specialization. This capacity results from organizational flexibility and hybridity embedded in a social field or matrix in which the population of entrepreneurs, workers, financiers, government bureaucrats and the population at large share a range of understandings and ways of going about things that cleaves close to Pierre Bourdieu's

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(1977) concept of habitus, loosely write large. Because it depends on specific historical trajectories, it is a path-dependent form of industrial community. Indeed, a good many of the most effusive proponents of flexible specialization in industrial districts are actually talking about the Third Italy (Bagnasco 1977) the success of whose industries (especially in Toscana) are attributed to a cluster of cultural norms and values. [47]

But the central fact is that culture is not a fixed constellation of norms, values, practices and dispositions. It is as Wolf (1982) said, a way of socially engaging nature in which human efforts are social, and reshaped and reforged in the confrontation with uncertainty. While it may be more readily intelligible in a small-scale, non-state society, the social confrontation with nature replete with all the institutional forms that humans create in this ceaseless activity can in principal be rendered visible in complex, capitalist, industrialized societies if we resolutely pursue an historical approach.

I began this chapter with a discussion of technology and production in order to show that these are not neutral, precise concepts. I turned then to the way in which economists and the historians influenced by their dicta have sought to show that industrialization is, in principle, reducible to one or another equation that purportedly accounts for economic growth. I have suggested that growth theory independent of its incapacity to either predict or account for differential national growth rates, cannot account for sub-national (i.e. regional) forms of industrial organization. The emphasis on rationality, efficiency, accumulation deratiocinated from a socio-historical context provides only caricature, not explanation. Finally, I have suggested that the concern with small-scale industry manifested in the "Third Italy" work and related studies has confused

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the causal relationships. It is not industry that makes a culture anymore than culture makes an industry. Rather, commitments to particular kinds of production – often not "chosen" but given by location and prior history – have cultural consequences that constrain the range of options open to historical actors at any given moment.

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Chapter V Endnotes

1. I use under-determined in a loose Marxist sense that a particular configuration of firms, markets and political institutions cannot be logically derived from an abstract characterization of capitalist accumulation. But here, I differ from the SSA school that assumes that "... the interaction between the accumulation process and a large set of social factors is assumed to follow a significantly regular and predictable course." (Kotz 1994: 53)

2. I have repeatedly used the term "account" in preference to explanation in the analysis of the subject. I do so because no appeal to principal can foreclose other explanations when one must appeal to historical interpretation.

3. It should be clear that the plethora of terms (mostly Latin and Greek in origin) indicate the difficulty in constraining production and technology to some readily specifiable set of activities (matter in motion) or preference. I admit that I have no way to assign analytical (much less ontological) priority to one or the other. While many social theorists frame this problem in terms of agency and structure, and hope to dissolve it by reference to one or another kind of dialectical interplay (e.g. Marx, Storper and Salais, Lazonick in industrial history/theory, and Habermas, Arendt, Luhman, and Giddens in social theory), I am not arguing that it can be readily resolved. Rather, one has to pit human observed experience (ethnography) against theoretical expectation and register the degree of non correspondence. I don't think this is at odds with either the kind of operationalism that Bridgeman advocated or with more modern versions of scientific realism (e.g. Urrey & Keat 1976). Neither probabilism nor Popperian falsificationism expect 100% conformation to expectations (that is variation as opposed to a counterfactual).

4. Here it is instructive to think of the German kraft. Marx used the term arbeitskraft which has been translated as labor power (Biernacki 1995: 42 & passim). Yet the sense implied by power id probably less Weberian (i.e. in the sense of coercive capacity) than in terms of *capability*. We need to remember as Wolf (1982) reminds us, that labor involves both head and hand.

5. John Passmore's (19??) The Perfectability of Man and Herbert Butterfield's (1951) The Whig Interpretation of History.

6. Leslie White achieved something like this in his theory of cultural change as increased energy capture per capita. White's energetic theory is not progressivist in any sense, rather it is closer to a determinism although not an exclusively technological one.

7. The contemporary fears of "technology out of control" are thus ideological mystifications of some groups employing machinery, techniques, etc. for purposes that others find threatening especially if it is done without their knowledge or consent.

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8. One of the problems to be explained is why growth, progress, technical innovation (or invention) seem to be a purely European and then American phenomenon. While various accounts note that there have been periods of growth in China and in the Arab expansion in the Mediterranean basin, the explanations for why it is initially, a European phenomenon have been subjected to the criticism of ethnocentrism. Here, critics seem to confuse the explanations offered (usually the enlightenment is the whipping boy) with any serious examination of differential rates of change, etc. since the 18th century. The best exception is the work of Choudhuri, a student of Braudel.

9. The most widely cited version of the aggregate production function is the Solow (or Solow-Swan) model which states: $Y(t) = A(t) \cdot F(.)$. A is a productivity parameter that reflects the current state of technological knowledge (also called a "time drift"). The tendency for the capital-output ratio is offset by technological progress (Dosi, Freeman & Fabiani 1994:2 & passim).

10. The phrase was employed by Robert Solow and refers to in effect, data that has been so effectively massage that it cannot help but meet a model's expectations. In other words, "stylized facts" are not facts at all.

11. Conquest and theft while often tacitly accepted and even promoted by crowns and states, never achieved intellectual respectability.

12. An area worthy of anthropological investigation is the extension of the concept of the protection of property to ideas. The phrase "intellectual property" is paradoxical yet it is now widely accepted (at least in the advanced capitalist world) that thought – about which others can know only through communication – is a substance that can be bought, sold, or stolen.

13. Paul Krugman in a review of Fischer's book on long waves of economic development – the reference to which I have subsequently lost – noted that the problem with Fischer's analysis was that it imputed business cycles back into the 18th century long before a fully commodified economy (a basic condition for business cycles) existed.

14. There was of course a great deal of work in the inter-war years Keynes not the least but for simplicity I shall stick to Solow's schema (even though it ignores hicks completely). It should be noted that the great depression is the context that really stimulated both inter-war and post-war growth theory.

15. Solow (1970:2) notes that this statement is controversial because amongst a variety of factors, in a fluctuating economy the stock of capital changes slowly while output can fluctuate rapidly.

16. "...In the sense that they do not change over time (Solow 1970: 8)." He acknowledges that this may ultimately be untenable.

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17. s= savings and investment are a fraction of net output, v= labour and capital per unit of output, n=population and labour force growth at a constant rate (Ibid: 8).

18. If $s<vn$ the growth of the capital stock doesn't keep pace with the growth of the labour force. If $s>vn$, then capacity exceeds the labour force (Ibid:9).

19. In fairness to Solow, it should be noted that he explicitly states that modeling at this level of abstraction is akin to a parable, and should be interpreted in this light (Solow 1970).

20. See Phillipe Aghion & Peter Howitt (1998), David Coates (2000), and Robert Solow (2000[1970]) for endogenous growth theory.

21. My characterization is drawn from David Coates (2000: 267 & passim).

22. Marxist models have tended to focus on exchange rather than production. Dependency and under-development theories all effectively focus on how unequal exchange privileges centers at the expense of peripheral economies/countries/regions. In this sense, they hark back to mercantilist theories except with an overlay of the economics of location.

23. Francis Fukuyama (1995) while characterizing Japanese society as "high trust" associates this with supposed virtues such as deferring gratification (i.e. a high savings rate) and deference to authority. While the Japanese emphasis on group solidarity and cooperation at the expense of individual initiative might seem at odds with the individualist model, it does answer to most of Weber's criteria for the elective affinity between Protestantism and capitalism -albeit substituting Confucian and Buddhist self-abnegation for Protestant denial.

24. While Landes wrote for a wider audience in this recent volume, it is fatally flawed by a petulance towards those with whom he disagrees independent of the argument he sets forth.

25. Note that while Marx's account is apparently teleological, it is distinctively different in kind than earlier (and later) theories of progress. While this is subject to considerable debate, the issue of progress is not immediately relevant to this account and I shall not address it here (v. Kenneth Bock 1978; Albert Hirschman 1986; 1977).

26. Robert Brenner's (1998) The Economics of Global Turbulence of course offers an exceedingly cogent and detailed argument for decline employing falling rates of profit. Unfortunately, it was published too late for me to effectively integrate his work into this account.

27. A good deal of attention has been paid to state-making as well (v. Charles Tilly 1990).

28. I will not discuss in any detail the large number of works that take as their theme the emergence of capitalism or its development. Were space not a consideration, works such as the Cambridge Economic History of Europe (Postan ed.), the Fontana series on European history (Cipolla ed.) deserve consideration in their entirety and for the often superlative individual chapters. Similarly the work of William McNeill (1963) and Fernand Braudel (1979a; 1979b;

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1982) and Perry Anderson (1974) would certainly deserve more consideration than space permits. For much the same reason, I will not cover Emmanuel Wallerstein's (1974; 1983; 1988) Modern World System nor its like-minded works of Michael Adas (1989) or Michael Mann (1986). Similarly, I will not survey the large literature one can group under the rubric of dependency theory and underdevelopment

29. Here it is appropriate to distinguish English industrial development as a component of British imperial expansion (v. Corrigan and Sayer 198_).

30. A signal exception to the Marxist tendency to accord lesser attention to technology is the now largely forgotten work of the English scientist J.D. Bernal.

31. His original formulation is more economical: "...that complex of technological innovations which, by substituting machines for human skill and inanimate power for human and animal force, brings about a shift from handicraft to manufacture and so doing, gives birth to the modern economy (1969: 1).

32. Landes notes that without technological maturity and industrialization, modernization is a sham (v. Schneider, Schneider & Hansen 1974).

33. He mentions the Florentine economy in this regard.

34. This is a model of total factor productivity growth (cited in Rostow 1990: 513) in which K, L, & N are respectively, capital, labor and land inputs at time t. F is factor productivity and Y is output at time t.

35. The Harrad-Domar model maintained the classical assumption that input proportions were fixed (v. Rostow 1990: 335).

36. "...[T]he high and rising cost of English labour was an encouragement to mechanization, hence growth, in the eighteenth century. Even after the initial period of industrialization, the rate of substitution of machines for men reflected fluctuating wages or wage demands." (Landes 1969: 115)

37. Sidney Pollard (1981: 24-5) asserts that the unit cost of carding and spinning diminished with mechanization of cotton. Even if the cost of weaving remained roughly stable or increased slightly, the overall costs of production diminished. Initially (later 18th century), mechanization of spinning led to the increase of cottage weaving so wages may have assumed a larger share of total production cost but did not increase the cost of production.

38. I have already touched on some of the issues involved in historical causality as they pertain to industrialization in the section on technological determinism and, later, technological change. We might apply Collingwood's (1946: 81) remark about the Enlightenment philosophy of history to economics and economic history in general, that "...[T]he historical process developing...by a necessity of its own, an immanent necessity in which unreason itself is only a

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disguised form of reason."

39. The covering law model of historical explanation is associated with Hempel and Popper. This model proposes that historians' explanations are no different in principle than those of a natural scientist. Basically it claims that an event is explained when its occurrences can be deduced from a set of determining conditions and relevant general laws. William Dray and others cleave to a view that a specification of necessary prior conditions of the event plus an identification of some disjunctive conditions in order for the event to occur. (Edelstein 1967:9)

40. The savings-bank movement of the 1870s (the casse di risparmio) must have had an effect on the availability of credit and capital regionally, but I know of no modern estimates of its importance, nor its share of deposits in comparison with the state-sponsored banks.

41. The shift from pure economic liberalism of the generation of Cavour to "economic Germanism" in the 1880s coincides with the establishment of the major banks, and is a part of the state participation in development through selective financial support of industry, high tariffs, and direct government investment (v. Franklin High Adler 1995: 21).

42. Alfred Weber (192(developed the least cost model of economic location. This has been modified subsequently to allow for variable costs for different factors of production, and further amplified by Allen Pred's concept of a behavioral matrix that took into account the information available to a decision maker and her capacity to use it — thus incorporating Herbert Simon's concept of bounded rationality. The problem with all of them to a greater or lesser degree was the assumption that location decisions were for new plant(s). See Keith Chapman & David Walker (1990: 18-24).

43. This appreciation is best expressed by Brian Toyne (1984: 21), "Throughout this entire process of development, the international flow of technology, capital and know-how is very important. The faster and wider it spreads, the more rapid the development process becomes...These increased flows, combined with constantly shifting comparative advantage in production and changes in government policy, make for a truly dynamic and competitive global textile environment."

44.See Michael Blim & Francis A. Rothstein (1992); Edna Bonacich et al. (1994); Kim Moody 1(1997) as well as the earlier work of Folker Fröebel et al.(1980) on the new international division of labor.

45. The concept of labor market segmentation was developed by peter Doeringer & Michael Piore (1971). Randy Albeda & Chris Tilly (1994) provide an overview of post-war U.S. labor market segmentation within the SSA (Social structures of accumulation) framework. Luigi Frey et al. (1971) surveyed sub-contracting in Italian textiles as a dimension of labor market segmentation in the 1960s. Michael Blim (1990) and Victoria Goddard (1996) detail how labor market segmentation operates through home-work, sub-contracting, and lavoro nero in the shoe industry in Marche and Naples (respectively). Most authors in the U.S. point to corporate use of

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race, class, and gender as the key axes along which labor markets are segmented, while European and Japanese firms often resort to one or another form of production sub-contracting. For electronics, see McKinsey & Company, Inc. (1993: Computer Electronics: 4-5-5)

46. Note also that terms such as efficiency, exploitation, and power all meet the criteria of "essentially contestable" terms as explicated by William Connolly (1993). For an attempt to define power, see Thomas Wartenberg (1990) who has argued that power could not be objectified — that is — detached from social fields in which actual human agents intentionally act.

47. The literature on small-scale industry in Tuscany is burgeoning although the authors cleave to two or three themes. After Bagnasco (1977), M. Piore & C. Sabel (1983); C. Sabel & J. Zeitlin (1982); E. Goodman & J. Bamford (1995); W. Sengenberger et al (1990); R. Leonardi & R. Y. Nanetti, eds. (1994); A. Amin & N. Thrift (1992); P.Q. Hirst & J. Zeitlin (1991); E. Lorenz (1993); G. Rossini (1988); P. L. Belvisi & P. Carnazza (1988), and R. Rabellotti take a generally favorable view of Tuscan small-scale industry. Criticism of the Third Italy and the assumed benefices it bestows are to be found in M. Blim (1990) B. Harrison & M. R. Kelly (1993); A. Pollert (1988);I. M. Taplin & J. Winterton (1995); I. Hardill (1987 [U.K.]); F. Murray (1988); and A. Ingerson (1984) – to mention only a small number sources.

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É di moda la crisi:
Crisis and Continuity in the formation of the Biellese Industrial District

Volume II

by
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Chapter VI

Industrial History of the Biellese to 1815

I. Introduction

This chapter surveys the history of textile manufacture in the Biellese from its pre-industrial origins to 1815. Chapters VII and VIII continue this survey to the late 1980s. This three chapter survey further sub- divides the history of wool production in the Biellese into several periods beginning in the late 15th -early 16th century down to the present. These periods while at one level arbitrary, cover the succession of production regimes that anticipate the modern system of manufacture in the Biellese industrial district. They also identify the key ruptures that enabled new production regimes to prevail through the aegis of earlier "crises" in Biellesi capitalist culture and society. This chapter covers two periods: 1) the pre-industrial era from the 15th to the 18th century, and; 2) the character of Biellese proto- industrial production at the end of the 18th century. It then briefly compares the Biellese with two contemporary woolen textile centers: the West Riding of Yorkshire and the Philadelphia area in the United States. Chapter VII traces the development of the modern "patriarchal" factory system from its workshop manufacture origins up to the outbreak of the First World War through an examination of key political economic, social and technical crises in the 19th century. Chapter VIII extends this survey to cover three periods: 3) from 1914-1950, patriarchal industry under fascist autarchy and the post-war recovery, and; 4) the post-war boom to 1978 and the collapse of patriarchal industry ; and, 5) from 1978 to 1991 as the industria tessile searched for flexibility through changes in firms and markets. The

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capsule histories emphasize the social organization of production as it has been shaped and reshaped by political, economic and technical changes. The survey is prefaced with a discussion of Biellese history in the context of the history of industrialization generally, and more specifically, Italian industrialization. It thus situates the Biellese within the issues of industrialization, the firm, and growth theory developed in Chapters IV and V.

Compressing more than five centuries, unequally, into a brief account necessarily does injustice to the historian's craft as well as to the very extensive corpus of work on Italian textile history specifically, and Northern industrialization, generally. The grounds for treating a long and rich history so summarily are several. First, a history of Biellese industrial development (however schematic and abbreviated) provides the necessary background for understanding Biellese industry as it now exists. The present-day configuration of the industria tessile came to be the way it is in the present through a centuries- long process of growth and change. From the 16th century on, Biellesi life has been punctuated by crises of "external" and "internal" origin, and of greater and lesser import, that broadly justify the periodization. The industria tessile (the textile industry) from pre-industrial times to the present has had a decisive influence on regional culture and society. And the industry reflects, partially to be sure, the successive regional 'worlds' in whose creation it has played such a decisive role. A concrete manifestation of the decisive influence of textile manufacture in making the modern Biellese are the variations in firm size and organization and the locational shifts of manufacture that have shaped the built environment and the social world lived within that social and physical architecture.

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Modern Biellesi woolen textile production assumed its modern form through a history punctuated by wrenching transformations that occurred over the course of the 19th century. The French Revolution and the subsequent Napoleonic invasion of Northern Italy returned that region to the status of battlefield between France and Austria as it had been in the 16th century. The Kingdom of Piedmont was first effectively and then juridically under French control from 1790 to 1815. This opened Piedmont to French competition, but also to commercial and technical innovation and reform. The restoration, while restoring royal patents for cloth production, never fully undid French reforms. Piemontese crown policy finally capitulated in 1844 with a liberalization of tariffs and an official end to corporatist commercial and manufacturing policies. This liberalization of trade and finance had the effect of directly threatening both the old "aristocratic" manufacturers in the Biellese, and threatening the regime of artisanal masters. Technical innovations introduced over the next 30 years further undermined the proto-industrial regime until the decisive rupture in the early 1880s. This period saw the destruction of the cottage weavers as autonomous producers and the emergence of modern vertically integrated, complete cycle (ciclo completo) factory production and the formation of an industrial proletariat. Between these great crises or ruptures, more typically market-related crises also influenced Biellese society.

The history of the mutability of an industry illustrates the longevity, volatility, and continuity of the capitalist mode of production played out in successive production regimes in this region of Italy. The mutability and volatility of textile manufacture over nearly five centuries, that is, from the mid-16th century to the present, speak to the crisis-prone character of capitalism that is in the context of the microcosm of the Biellese, a central theme of this

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work. But it also attests to the chronological depth of specifically local capitalist society and to this regional social and cultural richness.

These earlier crises in Biellese history also provide a record, a measuring stick of sorts, against which the current "crises" can be interpreted in both a more restricted sense of economic disequilibrium, and in a way that challenges the putatively more pervasive, corrosive and vertiginous political, economic and cultural crisis identified as post-modernity. This chapter then, plays a part in constructing the basis for an an informed speculation about the future prospects of the Biellese industrial district and the social world it both creates and reflects in the light of its past.

In each of the five periods significant changes took place in the (then dominant) production regime of the industria tessile. Whether they were directly in response to changing regional, national and/or international markets, themselves sensitive to the changing political conditions nationally and internationally, or more pro-actively, to counter initiatives by labor, or to technological advances, Biellesi merchants, masters, factors, and capitalists have had to confront threats to their economic well being, their capacity to accumulate, and their social and political pre-eminence.

This history of epochs of production regimes punctuated by crises is, as it were, the environment within which Biellesi entrepreneurs and workers have lived together in physical, cultural, and social proximity, but often separated by political and economic chasms. The crises that episodically interject themselves into the fabric of Biellesi society, drive workers and capitalists to define and to work to achieve individual *and* collective interests. That is, the struggles between Biellesi peasants -- then workers and then factors, now industriali, are

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central components of whatever can be claimed to be a regionally distinctive culture, and a regionally specific industrial culture within (and to some extent transcending) the region. The nature of these struggles is that of capitalist society anywhere in the world system: the acquisition and maintenance power, resources, freedom of movement, and the capacity to define the "terms of discourse". For capitalists, the purpose of struggle is also to secure the conditions of ongoing accumulation, while for workers, it is often a defensive battle to hold onto resources -- material, social, and symbolic-- in the face of sustained assault. However much this is characteristic of capitalist societies, and perhaps the entire world the interest here, is because at least some of the "script" is distinctively Biellese. [1] And these struggle involves moments in which capital and labor have had to accommodate, even suspend struggle in the face of perceived -- and very real- threats to their collective interests.

Capitalist industrial development in the Biellese, often organized around and embodied in family-owned and controlled capitalist firms, is a defining feature of Biellese culture. The Biellese to re-emphasize the argument I shall pursue, has not just "become modern" or become industrial. Biellesi culture and society has been full-blown capitalist culture and society for well more than two centuries. A schematic tour through this volatile history serves another more critical function. By illustrating the volatility of industrial society in this specific context, I show also that there are important continuities in Biellese society, culture, and individual and collective identities, in spite of periodic upheaval. The existence (indeed persistence) of social and cultural continuities in the Biellese suggests that the pervasive fragmentation of identities and the de-authorization of social practices, customs, and beliefs central to many characterizations of the " post-modern condition" (or post-

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modernity) are at best, overstated. Indeed, it may be that post-modernism as a theory or cluster of loosely related concepts, suffers from exactly the defects identified in "modernization theory" (v. Tipps 1973; c.f. Fukuyama 1992). I shall later return to these issues, but it is historical material that will provide the evidence against which these kinds of claims can be evaluated; and to these I now return.

II. Scherzo industriale

Before turning to the actual history of the Biellese, several aspects of industrialization generally, and the place of the Biellese in Italian industrialization specifically, need to be clarified. These take the form of two disclaimers and a brief discussion of historical debates about the causes of Italy's late industrialization. First, because this chapter places Biellese history at the center, it necessarily distorts the place of the Biellese in the history of the Italian textile industry, and more generally, in the history of Italian industrialization. I do think the Biellese is an exceedingly interesting case of an industrial district existing from pre-industrial to present times, but I do not want to suggest that its role was more important in Italian (or European) industrialization than the place conventional historical scholarship has accorded it. None the less, a city (and its region) that had come by the 1880s, to be called "Little Manchester" for both the volume and density of production and the ferocity of labor strife deserves greater attention than it has been accorded. Except for the monographic studies of the development of the Piemontese textile industries of Valerio Castronovo (1964) and Guido Quazza (1961), which are of interest only to specialists, the Biellese is virtually ignored by general historians of industrialization in Italy, and of Europe. Pre-industrial Biella and its hinterland were small in both population and in output in comparison to (for example)

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the Florentine wool industry of the Quattrocento. In the 16-18th centuries the Biellese while an important supplier to the Kingdom of Savoy, was a relatively small center compared with for instance, contemporaneous East Anglian wool industry much less linen production in Flanders. The Biellese became an important center of wool manufacture and ultimately an industrial district in the 19th century, but the value of Biellesi output at mid century was dwarfed by that of the Lombard silk industry in the same period.[2] Secondly, the attention given to a range of themes in the history of industrialization is intended to situate the Biellese history, not to promote a revisionist history of Italian industrialization. The Biellese didn't drive the Italian industrial revolution although it was amongst the precocious first modern industrial districts in Italy. The attention to the precocity of the Biellese and a few other locations in Italy are exceptions that prove the rule: Italy was amongst the "disadvantaged late comers"(Kemp 1985). What the Biellese does 'offer' as an item of I believe, considerable interest, is continuity of mono-cultural production over the entire existence of capitalism on the peninsula. Equally importantly, it offers insight into the origin and persistence of industrial districts driven by small to medium-sized, family owned and controlled firms.

The standard student's history of modern Italy (Clark 1984:12-42) notes that at Unification, Italy's economy was overwhelmingly dominated by agriculture. Industries such as they existed were closely linked to agriculture and textiles represented by far the most significant industrial sector. The vast majority of the population was still directly engaged in agriculture, and even those employed in textile workshops (many of them women and children) spent important periods of the year tending to subsistence and (or) commercial

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agricultural work. While workshop (opificio) production occurred in rural and urban areas throughout the peninsula (e.g., Naples had a thriving textile proto-industry before the end of the 18th century), industrial manufacture was concentrated in Northern Italy. For the most part organized through small-scale and very often artisanal production.[3]

A number of impediments to early industrialization existed for Italy independent of its fragmented political structure prior to 1870. Italy is poor in many of the natural resources that enabled rapid heavy industrialization elsewhere in Europe. Italy possesses negligible iron deposits and no large, accessible coal deposits. The proximity such deposits to textiles is often viewed as the motor of the industrial revolution in England (Landes 1969; Pollard 1981). The difficulty of regional integration in Italy has been exacerbated by geography. The mountainous spine of the Italian peninsula is an impediment to internal east- west communication while the entire territory is virtually walled-off from Europe by the Alps. The Po basin too, divides the North from the Center by the same Apennines that divide the peninsula longitudinally. The very configuration of a national state on a long narrow peninsula it could be argued, was an impediment to national integration. The spine of the Apennines and the great arc of the Alps to the north also conspire to make much of the peninsula's terrain only marginally suitable for agriculture. But the geographical deficits have been exacerbated by millennia of human political economic machinations.

The Center and North have dominated the South since Roman antiquity. The tenurial pattern of latifundium is Roman in origin and, to eclipse centuries, the Florentine Republic largely controlled tax revenues from Naples and further South and thereby came to control the export of grain by the mid-14th century (Abulafia 1981; Smith 1978:350-55; Arrighi

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1994:96-109).[4] The pattern of a north- central center dominating a southern periphery thus pre-dates capitalism and capitalist modernity. The crises of the 15th century and the subsequent shift of the locus of capitalist development from the Florentine, Genovese, and Venetian republics to the Atlantic economies left Italy as a relative backwater, a semi-periphery, without disturbing the existing internal inequalities between North and South. The very precocity of Italian capitalist development in the 14-16th centuries contributed to its eclipse in the subsequent centuries (Arrighi 1994; Maurice Aymard 1982). By the 19th century, the Italian core (itself peripheral to the industrial and financial core of Europe) had shifted decisively away from central Italy to what was to become the "industrial triangle" of Milan-Turin-Genoa. The conflicting interests of agriculture and manufacture were to become central features of the Italian state from Unification to the First World War (Clark 1984:93-6).[5] While the contest of economic elites that resulted in the tariff wars of 1878 to 1890 did not plot directly onto North-South cleavages (Southern agriculture already having suffered irreversible losses with the entrance of American and Australian grain on the world market), the pattern of elite competition was decisive in shaping modern Italian polity (Clark 1984; Gramsci 1971:64-66). Southern agricultural elites had an interest in free trade, while northern agriculturalists and industrialists favored protection for nascent industry and small scale agriculture. Northern Italy experienced a spurt of industrial growth in the penultimate decade of the 19th century. A good part of the growth of heavy industry was driven by internal demand, but the role of the state cannot be discounted. The state's role in industrial growth operated both through tariff protection and the command stimulus of military procurement. But neither can the tariff wars be seen as exclusively driven by purely economic interests.

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Indeed, Italian inferiority in the face of French resurgence in the latter half of the century was instrumental in driving Italy towards its (nearly fateful) entanglement in the Triple entente (Drei Kaiser bund). French pretensions combined with the importance of Swiss and German finance capital to northern Italian industry (particularly textiles, Wavre 1988) were not however negligible.

But all this being granted, the conventional view of an industrialized society heavy industry, transport infrastructure, a modern financial system, a large domestic market, and so forth, still distorts Italian history and the history of industrialization. Like modernization theory of which it is a sub-species, many accounts of industrialization pick a "winner" and then hold the less fortunate to scrutiny for their failure to properly emulate the success story. A more balanced history would recognize that the process is always patchy and inconsistent not unilineal and totalizing. The appropriate unit may well not be a national state at all. Modern industrial society is the sum of effects and processes that are differential in time and space. Hence, the Biellese is a counterfactual to the image of 19th century Italy as pre-industrial. The second element in the distortion is also a product of the "race-course" model of history -- namely the emergence of General Motors or FIAT as the exclusive model of industry. The Chandlerian depiction of rational, bureaucratized large manufacturing firms is at best very partial; at worst it completely misinforms (Chandler 1977). Marx's concentration on the process of accumulation qua accumulation also overstated the degree to which production would necessarily concentrate in ever larger firms (v. Marx 1976: XV, 928-30; Best 1990:47-73; Piore and Sabel 1984:19-48).[6] The Biellese as a precocious industrial district therefore still further merits attention as an important counter example. I shall now

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turn to this distinctive history by introducing a framework within which to understand Biellese experience.

III. Manufacturing Regimes

The historical process of industrialization is often periodized to capture taxonomically, the distinctive features and conditions of its social, technical and political dimensions at various critical junctures from a pre-industrial order to modern industrialized society. The concept I shall employ here is that of manufacturing regimes, derived from Marx and more directly from Michael Burrawoy's (1985) The Politics of Production. Burrawoy, seeking to refine Marx's analysis of capitalist production, has adumbrated a taxonomy of factory regimes. His schema provides the analytical framework within which to predict the occurrence (more properly, the possibility of occurrence) and form of working class movements in capitalist societies. Burrawoy argues that the type of factory organization is alone sufficient to explain the kind and periodicity of workers' struggles, independent of contextual social, cultural and political factors.

Factory regimes as Burrawoy conceptualizes them, are not in my view as independent of their socio-cultural and historical context as he suggests them to be. The kind of autonomy for causality at the point of production seems to dismiss the important regional cultural variations in the terrain of industrial struggle that suggest a greater degree of embeddedness than he allows. Italian workers at least in the Biellese, have managed for example, to hold on to specifically local temporal work-day organization, the noon to two closure being the most salient. Nonetheless his model, suitably modified to reflect aspects of this embeddedness, is what I shall call production regimes.[7]

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The factory regime is "... the overall political form of production, including both the political effects of the labor process and the political apparatuses of production." The labor process is defined as "... the coordinated set of activities and relations involved in the transformation of raw materials into useful products." While the political apparatuses of production are "... the institutions that regulate and shape struggles in the workplace." These struggles are what Burrawoy calls the "politics of production" (1985:87).

The succession of factory regimes traces the emergence (and eventual triumph) of market despotism defined by three criteria: competition among firms, the real subordination of workers to capital, and the dependance of workers on the sale of labor power for wages. The subordination of workers to capital occurs in Marx's view, in three stages.

In pre-industrial (although not necessarily pre-capitalist) society, handicraft production is the norm. Workers own and control the instruments of production but are subject to exploitation and ever-increasing competition from factories (workshops). In the sub-Alpine textile manufactures including the Biellese, this would correspond imperfectly, to the old corporatist regime of monarchical patents (licenses) that prevailed into the 1840s.

The second stage is defined by the formal subsumption of labor to capital. The workers are brought "under one roof", that is aggregated into one or more locations. Workers retain control of the labor process but no longer own the instruments of production which are now owned by capital. This corresponds, again I emphasize imperfectly, with the period from about 1840 to the 1880s in the Biellese.

The third stage occurs when labor is formally subsumed under capital. Labor loses control over the labor process, having already relinquished ownership of the instruments of

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production. Instead of **handling** the same tool, workers now **serve** the same tool over the work life (1985:89 emp. added). The workers are no longer a subjective element of production but are an objective element. The formal subsumption of labor to capital was substantially complete in the Biellese by the beginning of this century. Its critical moment was the struggle between industriali (the industrial entrepreneurs) and the autonomous, domestic hand loom weavers in the 1880s. The key feature of this struggle involved both control over weaving (the replacement of hand loom weavers by mechanical looms in factories) and the organization and daily and seasonal scheduling of work. One dimension of this process is the imposition of continuous work, or at least work schedules reflecting entrepreneur's labor needs rather than the operiao-contadino's. The worker-small proprietor, (often translated as worker peasant [Holmes 1989]) needed to tend to agricultural work as well as weaving and the loss of scheduling flexibility signals a critical juncture.[8]

IV. Pre-industrial woolen production in the Biellese

The first set of crises in the industrial history of the Biellese involve the reorganization of domestic cottaging into a putting out system controlled by factors. The second stage of this process, familiar from both English (Joyce 1980;1987; Thompson 1993) and later, French (Gullickson 1986; Merriman 1985; Reddy 1984) European experience was the reorganization of production from a putting-out (verlags) system (or directly from independent artisans) into the system of direct managerial control and spatial propinquity of factory manufacture.[9] The wresting of control from domestic manufacturers by factors into a factory system was a process, not an instance. This process while substantially complete in

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some phases of production by the 1860s in the Biellese did not ever completely eliminate small-scale dispersed production. The wresting of control over weaving was not achieved until the end of the 19th century. Indeed, the long-term co-existence of apparently pre-, proto-, and ultimately, modern- industrial forms of production organization is a most significant feature of Italian woolen textile production. The centuries preceding the dominance of modern-industrial manufacture were not however, an inert and changeless rural economy. This account necessarily compresses most of medieval and early modern history in the interest brevity and concentrates attention on the period from the late 18th century forward. However, the origin of the Biellese's importance as a regional center of production is intimately linked to textile production elsewhere in northern and central Italy.

The Biellese has been a site of woolen cloth production since at least, the Middle Ages (e.g., 12-13th centuries) and domestic production of woolens antedates surely, the emergence of Biella as a town in the 11th-12th century. The oldest surviving statutes of the town of Bugella date from the later 9th century. While various guild statutes including the weaver's statutes date from the 13th century (Sella 1904). Biella and its surrounding network of hamlets and villages was only one point in a constellation of medieval nodes of textile production suspended as it were, in an ether of rural and village domestic production in northern and central Italy.[10] The Apennines and the circum-Alpine arc in Northern Italy were characterized by an agro-pastoral economy in which sheep-herding played a significant role. As late as 1750 the *province* of Biella was estimated to include over 40,000 sheep in its agricultural inventory.[11] The Biellese was not too distant from significant transhumant systems (e.g. Alpes Maritime, and on a smaller scale, Liguria). C.T. Smith (1978:249)

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suggests that large scale seasonal flock movements were locally significant in this (and other) areas in the wake of the demographic crisis of the 14th century. Local flocks peaked in size again in the mid 19th century when the region may have had as many as 400,000 sheep in the years preceding the collapse of regional primary material production. Biellesi told me that the local pattern reflecting traditional custom had been (until the virtual disappearance of sheep-herding in the 1950s) for Biellesi herders (montanieri) to have annual contracts with farms on the pianurra (plains of the Po basin) for winter pasture in which the leaser received milk, cheese and fleece in exchange for pasturage. But a point to be emphasized is that from late medieval times on, the Biellese has been as dependent on the importation from non-local sources of the materia prima, i.e. raw wool, as on locally produced fleece.

An early 17th century royal report on textile production in Piedmont and Lombardy (cited in Dewerpe 1985:42) notes that the "industrious population of the Biellese" appreciated the advantages of joining the pursuit of agriculture with the production of cloths. The rapporteur had seen "with his own eyes" the patent of 1408 that licensed production and prescribed the methods for producing cloth of the appropriate quality in Biella and its surrounding towns. [12] Royal licenses exist from the 14th through the18th centuries, either restricting the Biellesi to the production of ordinary cloths or subsequently, enabling them to produce finer cloths, transport it, import primary material, and export semi-finished goods.[13]

Biella of course, was never in competition with the great medieval Italian wool centers of Prato and Florence; and never developed as an important city republic. The "city" in the 15th century was tiny (several thousand in population -- at best), reflecting its geographical and political marginality. It and its hinterland were neither centrally located

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nor of strategic significance (in contrast to a town such as Ivrea)as being situated 40 kilometers distant from both the eastern and western trans-alpine routes into France and the Valais. Its medieval existence was vouchsafed by patents made amongst "good men" much as in the other central and northern Italian communes but its importance in the wool trade was subsequent to the great central and northern Italian guild city republics. The market niche that the Biellese came to occupy requires an excursion into peninsular history.

The general features of the shift from a Mediterranean-centered European political-economy to the Atlantic economies are well known and non controversial. The particulars of the changing competitive advantage enjoyed by first Italian, then Dutch, and finally English textile producers is but one part of this larger shift in the locus of economic power in early modern capitalism. The central and northern Italian city republics that dominated western European woollen, linen, silk, and cotton textile production in the 13-16th centuries did so only relatively. That is, textile production was ubiquitous in Europe (as it is effectively, in all pre-industrial societies) as cloth is a necessity. Textile production existed to some extent everywhere: a sea of dispersed, rural domestic production with islands of concentrated pre- and proto-industrial production in both town and country. The precocious Italian centers were geographically ideally situated at the nexus of medieval trade routes connecting the Levant, Black Sea and other Eastern markets with Northern and Western Europe. Merchants from Florence, Milan and other northern and central Italian cities, operating first through the Champagne fairs, purchased wool and unfinished cloths from northern English estates (originally often ecclesiastical) and sold luxury goods obtained from the Eastern pole of their trading system. The urban production of textiles from wool (and other primary materials)

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was controlled by guilds. Actually, the guilds controlled the key phases of production in which value was added to the prime material while ensuring that other labor-intensive parts of the processing and production were excluded from guild status. Thus, washing and dyeing were not permitted guild status while spinning, weaving and the finishing processes were the key guild productive activities. Guilds men were often merchants as well. The wool guilds' monopoly activities along with merchant-factoring, and commercial agriculture comprised the circuit of capital that was the primary motor of capital accumulation in these city republics. [14] And it was the fortunes of these cities that were affected by the crises of the 17th century.

Biella to briefly put these issues back in context, became an important woollen textile center precisely at the time, and as a direct consequence, of the collapse of the textile industries in the major central and northern Italian urban centers. Its modern "history" begins as it were, as the byproduct of decline elsewhere in Italy. The crisis of the 17th century in Northern Italy occurring at the end of what historians conventionally call "the long 16th century" (of growth and expansion) was itself, a century long process of crisis, recovery and then collapse by the early 18th century. The city republics such as Florence, Milan, Pavia, Como, and Brescia that had precociously become mini-mercantile capitalist states in the 12th-13th centuries, built in part around textile production, all suffered dramatic declines in textile output in the early 16th century. These same cities enjoyed a recovery by late in the century, but this was followed by their rapid and irreversible decline as textile production centers.

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The initial crisis, manifested in a precipitous decline of production, had several causes the most significant of which were the state of chronic warfare in Settontrionale and north-central Italy combined with the stifling restraint of trade imposed by the urban guilds (Cipolla 1968; 1976:230 & passim; De Vries 1976:98-9 & passim; Romano 1974; Sella 1968:112-115; 1970). The crisis provided an opening into which first Venice, and subsequently Dutch and English merchants were able to appropriate hither-to-fore Milanese and Florentine markets (in both Europe and the Levant). The initial results of the northern Italian decline (in the absence of commercial records) are measurable in a number of ways. Sella notes (1968:113), for example, that the acceptance for membership in the Milanese wool guild dropped from 158 for the first decade of the 16th century to less than 50 in the third decade and never really recovered. This indicates that once Milanese guilds men lost their Eastern and northern European commercial connections and markets, they were unable individually or corporately to recover them. Guild membership rapidly lost its attraction as a means of mobility and accumulation. Chronic warfare across Northern and Central Italy, the other axis of crisis, led directly to urban population decline, especially along the routes of military access in northern Italy. Pavia's population for example, suffered a 56% decline to barely 7000 inhabitants, in the first 15 years after the French invasion (e.g., by 1535). The unstable and frequently violent environment not coincidentally, contributed to population growth elsewhere as those with portable or fungible property moved to more secure centers. During this period Torino grew markedly in size at the expense of secondary and tertiary towns such as Asti, Biella, and Ivrea (Levi 1985:13). Venice buffered from Austrian and French depredations by its own strength and the shield of its terra firma possessions, took

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advantage of the virtual cessation of peninsular competition to rapidly build a powerful, non-guild, export wool industry directed towards its near captive markets in the eastern Mediterranean and the Black Sea region. Venetian production rose from less than 2000 cloths per annum in the first decade of the 16th century (e.g., 1,320 in 1516) to nearly 15,000 cloths by mid century. Annual output peaked at nearly 29,000 cloths in 1600 and had fallen to under 2000 cloths by 1715 (Sella 1968:108-111).

The northern and central Italian cities briefly re-cooped much of the earlier fortunes by late in the century. But the fortunes of Venetian merchants were rapidly under-cut in the very core of its commercial empire; the Black Sea region and the Levant. Florence, Milan, Como (amongst the other larger centers) were also again to be eclipsed by the emergence of English and particularly Dutch competition. In less than a century, between 1600 and 1700, northern Italian cloth production dropped from an annual rate estimated to have been between 70 and 80 thousand cloths a year to but a few thousand (Wilson 1968: 212). For Venice, the deciding issue was direct competition in its eastern markets from English and Dutch merchants. The withering competition in traditionally safe eastern Mediterranean (and Black Sea) markets was compounded by the Dutch "capture" of the supply of Spanish fine (merino) wool output.[15] Similarly, English and Scots production that had been purchased as fleece and also semi-finished cloth was now worked nearly exclusively by producers in those areas. Dutch and English weavers had also, by mid century, developed a range of mixed-fiber cloths of much lighter weight than the Italian coarser and heavier, pure-wool cloths.[16] The new textiles including worsteds and such novelties as camelots (which did in fact, incorporate camel hair in the cloth) aided Dutch and English textile pre-eminence as the growth of an

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urban bourgeoisie both expanded and altered the market for cloth (Braudel 1979:313-333).[17] The effects of the shift of political and economic gravity to Atlantic Europe on Italy were devastating. In political terms, the peninsula ceased to be the locus of struggle amongst the emerging European states. Economically, in a century and a half (roughly 1550 to 1700), Northern and Central Italy went from being the most advanced pre-industrial economy in Europe to virtually an economic backwater. But the demise of the large, urban domestic producers ironically, left spaces for both dispersed rural production and for smaller centers such as the Biellese, to supply local, regional (and ultimately, national) domestic markets. And it is to the Biellese that we now turn.

The shift from mercantile capitalist to modern capitalist manufacture it is often argued, required the breaking of the guild monopoly on key phases of production in textiles and a number of other industries. Guilds, however much (for example) wool merchants were innovators in organizing labor and capital, pioneering business practices, and promoting civic virtue, were as interested in restraining entry into the sector as in accumulation, per se. Guilds operated much like the modern professions, such as physicians, to limit entry to certain skilled trades and to thereby control key phases of the production process. The ability to control wage cost in other phases of the production process (e.g., washing and dyeing fleece in 13-15th century Florence) was the complement to direct control over the phases in which the greatest value was added (i.e. weaving, finishing). The wool guild was the most powerful politically and economically in Renaissance Florence, for example, but textile and other guilds were key urban political actors along the "dorsal spine" of western Europe (Tilly 1983; Wallerstein 1980:196).[18] Merchants encountered the organized economic interests of guilds

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men as a political fact, indeed political power, in the city-based polities of the renaissance whether Italian or later, Dutch. The solution to the power of the guilds, the argument runs, lay in shifting production to the countryside where city-based guilds had little or no power. Biella can be viewed in this light at least until the 16th century. It was plausibly an alternative non-guild location to Milan and other north-central urban locations, except that the 16th and 17th century reports several forms of production. These reports (both official, royal reports and traveler's observations) mention several distinct forms of production: purely domestic production, domestic producers working on account for other domestic ateliers (workshops), more conventional putting-out by factors with royal patents, and large scale workshops [19]

Rural production tended to develop in regions of Western Europe where feudal ties were weakest, often in the hill and mountainous peripheries (Kriedte 1981:19). Merchants in these regions were able to organize existing household (cottage) producers in putting-out systems in which the means of production remained in the hands of the producer but provision of material and marketing were the under the direct control of the merchant. But the demise of earlier urban textile centers (principally wool but also linen, silk and cotton) engendered the increase of dispersed largely rural production across northern Italy. Here again, northern and central Italy generally, and the Biellese specifically, only partially fits the general case for proto-industrialization. The emergence of republican communes in the 12th-13th centuries was driven by urban mercantile and guild antagonism to feudal power whereas the Flanders and German cases refer to the 17-18th centuries. And, as P.J..Jones has noted, most labor in central and northern Italy was titularly "free" by the 14th century (Jones 1966; Aymard 1982).

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But at the same time that textile production was escaping the city walls and guild constriction under the aegis of merchants, northern Italy as a whole was eclipsed by the emergence of the Atlantic economies.[20] Italy to compress four centuries into one sentence, was to fall into the shadow of first the Dutch republic, then England, and finally the rest of western Europe to emerge into the partial light of fragile modernity only with the forced industrialization of the First World War. This is jumping ahead in the story, but the point here, is to emphasize how much of the modern debate over Italy's failure to "modernize", hence, unify, and ultimately to produce a modern economy (characterized by large-scale capitalist enterprises) is bound up with the transitional period of the late medieval -early modern period. One skein of this argument continued to find Italy's bourgeoisie responsible for the northern half of the peninsula's relative (and ultimately, absolute) economic and political decline in the 17th century (Aymard 1982). I shall return to the subject of proto-industrialization with regard to the history of industrialization after further describing Biellesi particulars.

Certainly the granting of royal patents and licenses (key to the import and export of material) from the 15th century on attests to an ongoing if relatively small scale (at least by contemporary Florentine standards), center of production.[21] What Biella and other towns along the alpine boundary did have (independent of a weak or non-existent guild system) was populations already engaged in quite specialized craft/artisanal production as a complement to an agricultural and pastoral livelihood, and heavy concentrations of sheep. The hinterlands of the Kingdom of Savoy were a virtual sea of dispersed production of textiles. By the early 18th century, Biella and its region was amongst the three most important woolen centers in

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the Kingdom of Piedmont. [22] While domestic production of textiles (cottaging, for brevity) can be expected to have been important across the arc of the Alps, most of the upper valleys from Lago Maggiore west into the French and Walzerian valleys on the north side of the Val d'Aosta as well as the area of the Western Alps (e.g.,Val Susa, Cunese) also sent men as regular seasonal migrant, craft specialists throughout Western Europe from before the 14th century on. In contrast to the view that the Alpine areas were exporters of excess population owing to the inability of the habitat (in conjunction with inheritance customs) to support it, the current view is that craft specialization combined with the agro-pastoral economy supported a substantial population. This population of the western Alpine fringe was far greater than any estimate of what agriculture, alone, would have been able to support. The consistent seasonal mobility pattern included adult male itinerancy in a western European craft-specialist market during the winter months (see Viazzo 1989; Fontaine 1991). Whether as plasterers, stone workers and other construction trades, fresco-painters, weavers, peddlers and even professional beggars and rag pickers, much of the adult male population of the upper valleys of the western Alps (and probably of the Alps and perhaps western Apennines generally) left for some of the winter months to ply trades in France, the Low Countries, and the principalities of the Holy Roman Empire. The Biellese (as part of the province of Sesia) in contrast even to the Vals Ossola and upper Sesia, had the poorest agricultural land in the western Alpine regions in northern Italy. This would suggest that Biellesi peasants were more dependent, earlier than those in other regions on craft, cottage, and then verlags production, and ultimately, factory labor. This possibility must be tempered by examples such as the Alto Val Cervo (v. **Map 2**, Appendix B[23]) where tanning and

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finishing hides, hatting, stone masonry and civil engineering remained important non-textile skills into this century. Let us now turn to the physical and social context of pre-industrial production generally in the Biellese specifically.

The region of the Biellese before the industrial revolution of the 19th century consisted of the town, Biella, and a network of villages in the convoluted mass of hills known as the pre-Alpi Biellese. Biella itself until the early 19th century, had a population of well under ten thousand. No other town such as Valle Mosso, or villages came close to this size. [24] Indeed, the growth of Biella and the towns of the pedimonte (at the base of the hills and where water courses divulge onto gentler terrain) mushroomed in size only in the first half of the 19th century. Until the early 19th century, the population was distributed amongst a myriad of villages (at least 80) themselves tucked into pockets in valleys, perched on hillsides, and houses in serried ranks in the lonely cols dividing the Biellese from the adjacent Vals Aosta, Sesia and Gressoney. This pattern of a dense network of hamlets in the hills and mountains was typical of the provinces of Piedmont, Liguria and Nizza (ultimately ceded to France in 1860). A mountain hamlet might have housed as few as four or five family groupings in separate but nearly contiguous dwelling. These familial origins are reflected to this day in frazione, districts of a modern municipality that reflect the prior existence of once autonomous villages that frequently bear a particular family's name.[25]

But villages ranged in size from less than 100 population to nearly a thousand in the late 18th century. Settlement distribution as has been suggested, placed larger villages and towns in the lower valleys and where the mountain steams divulged into the upper reaches of the pianurra while villages and hamlets were perched at higher elevations. Several sources

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suggest that extended families were more common in the Biellese pre-alpi than elsewhere in Piedmont (Ramella 1983: IV; Viazzo 1989:231) which might account in part for the persistence of named hamlets. Hay barns (sometimes with seasonal habitation for shepherds) were distributed above tree-line in a pattern typical of Alpine Europe (Dewerpe 1985:350-55; Pounds 1985:255-6: Smith 1978:278, fig.5.6; Viazzo 1989). Tenure patterns differed sharply between the pre-Alpi and the pianurra. In the hills, the majority of the peasants were small holders while on the plains (below 250 meters) peasants had become landless day laborers (braccianti) well before the 18th century. The hill (and mountain) dwelling peasant proprietors, or worker-peasants, comprised the labor force of the pre-industrial wool industry, and were destined to become its working class.

V. Family structure and class structure in the fin de siecle Biellese.

The Kingdom of Sardinia at the end of the 18th century was still formally a society of fixed statuses reflecting the house of Savoy's maintenance of a royal absolutism. The Kingdom of Sardinia, the house of Savoy, although geographically displaced from its lands of origin to the west of the Maritime Alps, and a plethora of dukes, counts and minor nobility dominated political and economic life. Piedmont was a conservative Catholic state uncomfortably sandwiched between France and Austria-Hungary. The vast majority of the population (total Piemontese population at 1800 was probably around 2.2 millions) were peasants, whether landless workers in the Po basin or small proprietors in the mountainous Apennines and Alpine periphery. Turin, by far the largest city in the Kingdom, had a population of around 93,000 at the end of the century (Hearder 1983:43), Genoa although not

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formally annexed to Piedmont until the first years of the 19th century was somewhat smaller and liberal and cosmopolitan by comparison. Where Genoa had a thriving commercial class (even if state power was vested in a hereditary class much like that of Venice),the middle class of Piedmont was tiny. Constrained by crown control of finance through the patent (license) system, the kingdom was, at the turn of the century, bereft of even the rudiments of a banking and credit system, and, hence, maintained a chasm between aristocratic privilege and the small masters, merchants and traders who might have otherwise stimulated a middle class.

The social structure of the Biellese appears to have reflected this pattern in main. The vast majority of the population in the pre-alpi Biellese was operiao-contadino. Small masters and a few merchant-entrepreneurs, craftsman and lower clergy formed a rump "middle class". Each village and town had its complement of titled nobility. Local aristocracy in the Biellese does not seem to have been for the most part a product of hereditary, landed elites. This is not to say that by the end of the 18th century they didn't have substantial land holdings, but that their social origins were more humble. The Sella, Ambrosetti, Vercellone, Piacenza and Borgnana - Picco families, collectively known as the "wool aristocracy", had come to be titled through success as merchant entrepreneurs in the wool trade (Castronovo 1964). The Piacenza for example were originally of Cremona but were established in Pollone by the mid-16th century. By the early 17th century, the Piacenzas had two "case di vendita" in that town, indicating their status as merchant- entrepreneurs and, by the mid 18th century, Francesco Piacenza founded the first lanificio in Pollone and had obtained a perpetual right to the waters of the Torente Oremo from the town. The securing of water rights is consistent with

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merchant - entrepreneur control over the finishing and dyeing as well as the marketing of cloths.

Francesco married Anna Maria Ormezzano, the sister of Carlo Antonio Ormezzano, an ancestor of Quintano Sella, the progenitor of the present day owners of the Banco Sella.[26] By 1757, the Piacenza had family capital in excess of £200,00 and had purchased 3100 tavole of land in Cossato, Borriano and in the Vercellese (Castronovo 1964: 141 & passim). The Sellas, themselves has originally been feudal administrators in the Mosso district (circondario). As early as 1640, Giacomo Sella had a "small laboratory" (suggesting dyeing and perhaps fulling) in Mosso Santa Maria. But the key figure in the Sella dynasty is Comino (1598-1678), originally a broker of wool and silk but also a mortgage holder and money-lender in the region Trivero--Crevecuore--Mosso-Lessona (Ibid:145) from whom the three distinct branches of the family ramify. The Borgnana - Picco also have 17th century origins as small masters in dyeing and finishing (Ibid:156-7). The success of the wool aristocracy beyond their initial ability to leverage themselves into a commanding position was their collective and individual capacities to maintain their status as much through judicious marriage strategies as through business acumen.

Biellesi irrespective of social class, have tended to marry in patterns that preserved or, if possible enhanced, the both the bases of continued familial existence and geographic ties to their paese (village or town of residence or, at least, identification). Amongst elites, this pattern, as Alessandro Scassellati (1994) forcefully demonstrates, has been a central component of Italian elite strategies coupled with political and business strategies and tactics, of remaining in the accumulation process.

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Franco Ramella (1983) has provided a picture of village life in Mosso for the critical years of change that saw the shift from workshop and cottage manufacture to factory based manufacture. While his account begins in 1835, the characteristics of the Mossese population is typical of the Biellese as a whole at the end of the 18th century and is a reasonable proxy for earlier centuries. The catasto of 1821 lists some 256 proprietors (land holders) of whom 93 possessed more than 60-70 are while 193 had less than 60-70 are (1983:71, table 4). [27] A single proprietor had 10 hectares, another 6 possessed between 3.5 and 6 hectares each, while another 23 had between 50 are and 2 hectare. Stated more bluntly, 193 property holders inscribed in the catasto each had less than 1 and a half acres of arable land for the principal cereal crop, maize, and kitchen gardens. But small holders had access to silvicultural resources and to the "vast" ("i vasti pascoli comunali" [Ibid::71]) communal pasturage for beasts (sheep, perhaps a milk cow , goats as well as the likelihood of a pollaio and rabbits). Furthermore, Ramella suggests that a good many also had holdings further afield, in the gentler terrain of the Vercellese where grapes were cultivated on the hills and rice (after circa 1750) on the irrigable, low-lying land.[28]

When the range of productive activities by family members is taken into account, households were a veritable rabbit warren of activity Extended families appear to have been common if not the norm. Sons worked for and with their fathers in both agricultural and wool processing. Women and girls undertook a separate set of agricultural and manufacturing operations under the overall authority of the pater familius. The developmental cycle of the domestic group typically led to households of three generations: the parental generation, immature offspring, and a married son or sons (or daughters should

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the family have no sons surviving to adulthood), and the offspring of the second generation. Inheritance followed a pattern in which male and female heirs received different kinds of property, not necessarily strict equal partibility. The oldest son was slated to receive the real property of the house and lands while the second and subsequent sons received cash inheritances at the death of their father. Daughters in contrast, received a dowery when a marriage was contracted, calculated on the basis of the expected value of the family patrimony divided amongst the offspring. The size of the dowery varied according to the wealth of the bride's family and perhaps also in regard to the social status of the marriage partner, but dowery invariably included the marriage bed, a wardrobe, bedding and other household "linens", lingerie and other "parafernali donneschi" (Ibid:73), and either cash or land. Inclusion of the latter at the time of marriage occurred only if it did not threaten the integrity and viability of the family subsistence base. Post-marital residence was patrilocal; daughters went to live in the houses of their husbands. Instances in which a family had no sons surviving to adulthood and perhaps also in cases where strategic considerations over rode custom, the husband might move to his wife's parents' residence. In these cases, he assumed his wife's surname in hyphenation with his own (e.g., Bozzala - Pret). Ramella (1983:72) comments that these cases appear more common amongst wealthier families. But importantly, "The house, the farm -- the lands neighboring the residence -- and the family name, that the sons were to perpetuate, remained closely associated." While only a tiny minority of modern day Biellesi are engaged in agriculture, houses in the village(s) of origin or identification are still powerfully associated with particular families. In the Alte Valle Cervo, where I resided, many of the houses in more remote villages had been converted into

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"case romane", (literally, Roman's houses) summer houses of now non-resident Biellesi who none the less would part with them only in the direst of circumstances.

Small proprietors combined subsistence agriculture, herding, non-textile crafts production and, of course wool processing and weaving. In domestic wool processing, women carded and spun wool while men wove.[29] Washing, dyeing, and finishing processes appear to have been male, while refinitura (or refinisaggio) re-weaving (repairing broken weft threads in the finished cloth) was exclusively a women's activity. This sexual division of labor appears to have been customary in household production. Just the fact that some portion of the adult male population was engaged in winter work outside the region would push up the participation of women. As Viazzo (1989; cf. Ramella 1983:II) has noted, the production cycle was seasonally structured with agriculture and pastoral activities dominating the summer and early fall months and craft activities carried out in the late fall, winter and early spring.

Cottage textile manufacture prior to its concentration in a few zones such as the Biellese and later, into factories in the mid-19th century, had several kinds of contracts. Peasant proprietors produced on their own account, on contract to their peers and for factors in several arrangements (in their own dwellings and/or in workshops owned by the factor). Domestic production included the initial processing, spinning and weaving of the cloth, while production for sale (as opposed to domestic use and local exchange) often would be finished at the factor's premises. Actual output figures for the production of cloths much less any intermediary product per household in the Biellese are a virtual unknown before the 19th century. But production figures for the early 17th century Florentine wool industry cited by

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Cipolla (1976:124-5) suggest that workers could produce about 6 "pieces" of cloth per year, a piece being about 35 yards in length. The figure of 180 (total) yards of cloth per household for domestic producers seems too high if we assume a single loom per household. The Florentine figures were for waged workers in a highly organized factory system of manufacture, while Biellesi montanieri also had a certain amount of subsistence work even in the winter months of peak production (e.g., caring for animals). Even assuming a domestic weaver could produce 18 inches per day over a five month production season yields about 75 yards, or barely 2 pieces. Perhaps hamlets coordinated work schedules and shared tasks amongst households. If so, output might double but still be less than Florentine (or contemporary French -- such as Verviers -- output). These figures while wholly speculative are still reasonable guesses.[30]

Royal patents to produce first ordinary cloth (14-15th centuries) and later, licenses to produce and export fine and super fine clothes (up to the French invasion in 1790) were not of course, granted to peasants. Production under royal patents (e.g. finer cloths) was in the hands of merchant factors (titled aristocrats) and was clearly destined for extra-local markets, certainly Turin and most probably Genoa as well. The House of Savoy following mercantilist policy common to most contemporary monarchies of the time sought both to stimulate production of its own requisites and to inhibit competition with the royal workshops in and around Turin. [31] But organized workshops whether the crown "ospedale" (in Turin) or the workshops controlled by titled aristocrats holding crown patents were until the 1840s but a small part of the production regime. The initial process of the wool, combing, spinning and weaving of cloth were primarily undertaken by household producers. In the Biellese, these

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were concentrated in the dense network of villages in the pre-alpi; the greatest density in the eastern end of the region (see **Map**, Appendix A).

18th century censes (or what passed for them) of the province of Sesia group production into three types of "firms": fabrica, mastri-fabbricatori-capitalisti (masters) and operiao-contadino (peasant-workers), (Quazza 1961:142, Castronovo 1964:257-8). While peasant workers may barely qualify as firms by modern organizational criteria, they were a distinctive way of engaging in business, and hence, do justice to the etymological roots of the term.[32] The factories (or more properly, workshops) I shall discuss presently for they account for a small but significant portion of production of finished woolen textiles. The great mass of primary production was undertaken by household producers, the worker-peasants and the mastri. At the time of the Restoration (1815) workshops (aziende) engaged in mechanized combing, carding and spinning accounted for but 1,000 of the 10,275 discrete production places in the Piemontese wool industry (Gregorio Sella report [1829] to the Camera di Comercio cited in Castronovo 1964:258). And these 1,000 workshops included only some 17 clearly capitalist firms. Another 146 fabbricatori were spread around the towns of Trivero, Camendona, Mortigliano while a host of hamlets in the northeastern end of the region were linked in a myriad of contractual relationships with peasant-proprietors for processing the wool into usable forms whether this was carded wool, the "catena" (chain or ribbon) thread, or woven cloth. The vast majority of peasant -proprietors apparently had ongoing informal or contractual arrangements with mastri. Whether these relationships informal or contractual persisted from year to year is less easy to ascertain, but surely the spatial proximity of

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differently situated producers and the web of kinship and marital ties in these hamlets promoted continuity in supplier/producer relationships.

The subcontracts if they can so be called invariably specified an amount of work over the fall and winter months. The name of the weaver or spinner is given, only occasionally is his wife's name listed. Also recorded are either the amount or the weight of the material consigned, the quality of the finished product expected, the density of weft cord, or the length of the piece to be woven -- depending on the speciality(s) of the worker-proprietor's household. warp and weft densities were governed by Savoyard statute. Payment was invariably by piece rate (lavoro a cottimo) in which customary rates for different amounts of work in different processes were measured (e.g., carding, spinning, weaving [Castronovo 1964:257-8]). These networks of production phase contracts (or agreements) pertained between mastri and worker-proprietors, between worker proprietors and fabbricatori, and between fabbricatori and worker proprietors.

The masters were a step-up from the worker-proprietors. Castronovo (1964:257) describes a master as, "... a proprietor of a small laboratory", with several men in his household, possessed of some financial resources (capital) and owner of looms and the equipment necessary to finish and dye cloths. The mastri were dependent on a web of contractual relationships with operiao-contadino to undertake basic production phases: breaking and washing fleece, carding and spinning wool, and most of the weaving as well. The relationships between mastri and worker-proprietors resident in the same villages and hamlets must have depended on both kinship relations and proximity as much or more than any attempt at garnering cost advantage in the highly regulated commercial environment of

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the late 18th (and early 19th) century. Nonetheless, the reduction of risk captured by internalizing what would otherwise be transaction costs through contracting with kin, friends and neighbors should not be overlooked (Coase 1988:62-4; Wolf 1977:170-72).

In some instances, masters were sufficiently successful at accumulating fungible capital that they became merchant-entrepreneurs (mercanti-imprenditori). The possession of liquid capital enabled merchant entrepreneurs to purchase raw materials and shepherd them through the production cycle carried out by various operiao-contadino subcontractors. The role of these merchant entrepreneurs is for all effects and purposes, identical to the modern day Pratese impanetore.[33]

The third form of local production unit is the workshop or factory controlled by. entrepreneurs who were, until the early 19th century, a small group of aristocratic proprietors with crown patents. Workshops concentrated on only a few phases of production in which control over quality was most critical: finishing and dyeing of cloths. The possession of patents (licenses) enabled entrepreneurs to garner contracts from the crown (cloth for military uniforms), the single most important in terms of value. While workshops might have up to several hundred workers under contract, they were rarely if ever, all under the same roof. **Table** shows the relative distribution of workshop woolen textile production in the Kingdom of Sardinia in the early 19th century. Workshops or factories account for only a small proportion of total production, and correspondingly, of the total population engaged in one or another phase of woolen textile production. The Biellese share of total Savoyard woolen production has already climbed to almost half. These figures exclude cotton production, not incidental in the Biellese but nowhere near as important in the region as it

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was in the Cunese, Val Susa, and elsewhere in Liguria and Nice. Thus, the key phases of textile production in the Biellese before the end of the 18th century constituted a proto-industrial system of production in which key elements of the production cycle were predicated on the existence of autonomous worker proprietors possessing all or nearly all, of the requisite factors of production. The relationships between worker-proprietors, masters and the entrepreneurs (fabbricatori) reflect organizational deployment of production phases that would not have been unfamiliar to bankers and members of the Arte di Lana in 14th century Florence, but neither are they that dissimilar from the tercista system as exercise in Prato in the 1970s-1980s.

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Table 1.

Selected wool textile workshop data from pre-Unification Kingdom of Sardinia

province	workshops (including filature)	spindles	looms	workers
Biella	79	11,240	816	5,329
Torino	12	2,460	139	687
Genova	30	2,560	130	1,598
Cuneo	55	1,080	114	618
Mondovi	8	1,530	280	1,446
Pinerolo	2	1,960	70	560
Kgdm. of Sardinia (including Nizza, Saluzzo,& Chiavari)	69	2,990	206	1,059
TOTALS	255	23,820	1,755	11,297
Biellese share of Savoyard production by category	31%	47%	46%	47%

(Source: elaborated from Statistica del Regno d'Italia, Censimento 1858, Vol.III, data cited in Castronovo 1964:259.)

The social world of worker-peasants, masters, and merchant entrepreneurs, fabbricatori and the "wool barons" such as the Sellas is more difficult to capture than commercial census data. Many sources point to the precariousness of worker-proprietor life in the late 18th and early 19th century. The vagaries of subsistence production combined with the uncertainties caused by the vicissitudes of an essentially market-dependent production could not have been less than this. But contemporary accounts speak of the

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misery of the worker-peasants trapped on land-holdings now (in the early 19th century) insufficient to support them and increasingly dependent on wages to purchase basic commodities. The disruptions of the Napoleonic wars (1792-1815) exacerbated the already difficult conditions for Biellesi specifically and the Piemontese generally. A report on the conditions of Biellesi worker-proprietors from only a few years after the Restoration (1815) notes that, " ...[V]i e' della miseria... e quei poveri operai non sono mai nel caso di fare alcun avanzo o risparmio".[34] He (Conte Serra) noted that many of them had to work on contract to various contractors, often two or more at the same time (Castronovo 1964:256). [35]

The French occupation of Piemonte in 1790-92 and the subsequent reduction of Piemonte to dependent political status had far-reaching political and economic consequences that illustrate (if on a small scale) the impact of the First Empire in dissolving the old order in Europe. Removing Piemonte from the orbit of British Mediterranean influence re-oriented the region to France, and Europe. In the Biellese and the other Piemontese textile centers (e.g., the Cunese), wartime disruption and the stimulation of demand had specific consequences. One consequence of a quarter century of war that is difficult to measure is the fact that the Po basin was one of the major arenas of military campaigning. Casualty rates for example, are difficult to calculate for Piemonte much less in the Biellese. But Napoleon at the close of his first Italian campaign in the spring of 1796, boasted to the Directorate that he had killed 10,000 Piemontese and captured another 15,000 (Hearder 1983:47-8).

A more direct consequence of the quarter century of continental war was the demand for military cloth, for uniforms. The Biellese became a primary supplier of military cloth for

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the house of Savoy and was to remain a primary producer of uniform cloth from the end of the 18th century to the collapse of Fascism in 1943.

VI. The Biellese proto-industrial district at the end of the 18th century in the context of the industrialization of textile manufacture in Europe and the U.S.

The attention devoted to the development of textile manufacture in the Biellese prior to the 19th century is implicitly comparative. As I noted earlier in the this chapter, Italy was a "disadvantaged latecomer" to industrial transformation,[36] (Pollard 1981) retarded or under-developed depending on the grand unilineal evolutionary narrative to which one turns. But I have also noted (Chapter II) that whichever measure of industrialization (and modernization) one might employ, each has distinct conceptual and analytical limitations. I have dealt with the Biellese largely de-coupled from Italy as a whole. It was not a "national society" or a national state (which the entire peninsula did not become until 1871). This strategy is advised because, following Sydney Pollard (1981), I think the emergence of industrial districts specifically, and industrialized society generally is a regional, not a national phenomenon. While the Kingdom of Sardinia at the Restoration (1815) certainly cannot match the degree of regional integration and development in terms of markets, transportation links, financial and commercial networks, and other social, political, and locational features (e.g., the built environment) of England at the same period, it is not very useful to argue that the great density of production in the biellese is then, by definition, "medieval", "pre-modern", or "pre-industrial". As Sydney Pollard is at pains to emphasize, industrialization is regional in scope and process (1987: vii, 7). This final section of the chapter then, briefly assays the conditions in comparable regions in Western Europe and the United States -- the

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West Riding in Yorkshire (England), location of the 18th-19th century woolen worsted manufacture and of a carpet manufacture industrial district in Philadelphia, PA (United States).

The West Riding area of Yorkshire became an important English center of woolen and worsted manufacture in the early 19th century. The process of industrialization, the development of factory organized production of first worsteds and somewhat later woolens preceded from a much older cottage woolen industry dating to the middle ages. In the 18th century, the West Riding woolen industry was dominated by legions of small masters, rural artisans and domestic producers dispersed in villages across the western hills of the Pennines[37] This dispersed proto-industrial region largely displaced the earlier city-based (and guild dominated) industry of the East Anglian "wool" towns (e.g., Norwich, Lavenham) by the mid-18th century (Hudson 1986; Landes 1969:44-5; Pollard 1981:10-17). [38] While the key technical inventions such as the jenny (Hargreave, 1764), the waterframe (Arkwright, 1769) and slightly later the mule jenny (Crompton, 1799) were all introduced in the last thirty years of the 18th century, they were initially more readily applied in cotton (especially the long staple fiber) than wool. This factor plus several others made cotton rather than wool manufacture the driving force of the industrial revolution in England.[39] Nonetheless, wool had been and was to remain an important if secondary element in British textiles.

Pat Hudson notes that workshop and small-scale factories were first established for cloth "dressing," that is the finishing processes of dyeing, fulling, and scribbling. As these required a certain amount of capital for machinery, dyes, and water rights, they became divorced from domestic manufacture (1986:32 & passim). Actual spinning and weaving

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remained the province of domestic manufacture. The domestic weavers marketed their cloths in regional markets, the wool halls. The development of worsted wools gradually bifurcated the West Riding industry into woollen and worsted sectors. Carded wool could be spun on the equipment domestic weavers possessed, and thus the spinning and weaving of carded wool remained the preserve of domestic manufacture into the early 19th century. It was not uncommon for groups of domestic manufacturers to pool resources and establish their own finishing "factories". More common, by the end of the 18th century, groups of clothiers, closer to the end user market, established finishing works. This enabled them to rapidly produce cloth to reflect the tastes of a consumer market in London and other cities. The most successful at anticipating and meeting market demand were able to accumulate capital.

Worsted thread in contrast to carded wool thread is produced of tightly spun long staple wool fiber (tops) that has first been combed to produce a uniform "ribbon" or "slub" of fibers in parallel. It is technically more difficult to produce, especially on the kind of equipment that was available to domestic producers. While woollen yarns were soon adopted for spinning on the jenny, worsted wools were usually spun on the frame or throstle which were capable of producing a greater twist under higher tension (Ibid:26-7). Access to this machinery in the late 18th and early 19th century required greater capital resources than was available to most West Riding domestic weavers and spinners. The cost of primary material (stuff) was also generally greater than the capital resources available to domestic producers, restricting worsted production to merchant-entrepreneurs and clothiers. Hudson characterizes the organization of the woollen and worsted industries in the first quarter of the 19th century as follows:

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There were four basic organization units in the woollen sector (Ibid:36-7). Fulling and scribbling mills were often owned by groups of small clothiers in shares. The small domestic clothier working on his own premises and producing plain, undressed cloths sold in the local cloth hall. Merchant manufacturers evolved from both clothiers and merchants increasingly undertaking all the phases of production in factory establishments. Independent master cloth dressers worked on commission for a merchant or buying from clothiers and selling to merchants.

In stark contrast, worsted manufacture evolved into a putting-out (verlags) system. Driven by the technical and capital demands and the greater number of production stages, late 18th and early 19th century worsted production came to be controlled by businessmen with no necessary connection to the trade (Ibid:39). Hudson notes that domestic worsted spinners were quite rare by the 1840s in the West Riding. Yet Hudson also notes that worsted mills were generally larger than woollen mills. Even so, throughout the 19th century (in workforce), worsted manufacture tended towards vertical disintegration. The technical sophistication required to produce worsteds combined with the capital costs of the materials and machinery appeared to have favored a pattern of production-phase specialization. Hudson emphasizes that once this pattern was established even the mechanization of weaving and later combing tended to be in autonomous firms (Ibid:40-1). **Tables 2** and **3** show these patterns in summary form.

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Table 2. Number of persons employed in Yorkshire manufacturing establishments for which masters returned census forms 1851

Number employed	woollen cloth manufacture	worsted and stuff manufacture
1-9	52.3% (304)	28.5% (39)
10-49	38.6% (224)	37.2% (51)
50-199	6.9% (40)	23.4% (32)
200+	2.2%a (13)	10.9% b (15)
a) includes 3 employers with 350+, 2 with 500 each b) includes 9 employers with 350-55-, 1 with 1,000, and 1 with 3,000 employees.		

adapted from Hudson, p.41, Table 2.2

Table 3. Specialization of function in Yorkshire wool textile mills, 1834.

Function of mills	#s of woollen mills	#s of worsted mills
scribbling, carding, slubbing, & fulling	65	____
spinning (a)	14	72
weaving	2	3
integrated	46	10
a) includes some mills spinning and preparatory processing		

adapted from Hudson, p.41, Table 2.3

In many respects the West Riding wool industry is not overly dissimilar from the Biellese in the same period. But West Riding cottagers appear not to have had the same subsistence base. Factory production moved outward from the cities (e.g., Huddersfield) and "colonized" the surrounding countryside, or to use Sydney Pollard's phrase, gradually "thickened-up" in the emerging industrial regions and districts (1981:22). The West Riding

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industry in comparison to the Biellese, was technically more sophisticated at an earlier date. Most of the early key technical innovations that drove mechanization of textile production occurred in England and these pushed the development of factory production in the West Riding even if the most startling transformations took place in cotton. But overall we should note that as late as 1851, most English workers were still employed in workshops or the kind of domestic-artisanal settings that had dominated manufacture a century before (Ibid:25).

Early industrialization in the United States provides a substantially different case for comparison with the Biellese than does the West Riding of (Yorkshire) England, the heartland of the industrial revolution (and the source of both labor and technology for the U.S.). While my primary interest in the U.S. case (carpet manufacture in Philadelphia) is later in the 19th century, its origins, the early configuration of firms, and the relations between mill owners and textile workers is also instructive. Before turning to the particulars of Philadelphia textile manufacture, some general remarks about the U.S. are in order.

The United States at the end of the 18th century was still for all extents and purposes a society de novo, however much the social, cultural, and political economic structures owed to the dominant English influence.[40] Unlike either the Biellese, the West Riding or any other place on the continent, the emergence of regionally based industry in the United States depended upon the melding of immigrants of diverse traditions into the matrix of a nascent capitalist society. While early capitalists were almost exclusively of British origin, by the early 19th century the social bases of entrepreneurship broadened considerably even if the dominant merchant and agrarian elites were solidly British (and primarily English).

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The largely immigrant base of textile labor in the Philadelphia region provided a quite different panoply of possible strategies by early U. S. capitalists than those of their English and Piemontese contemporaries. Even the earliest experiments in New England at attracting the farm familys' daughters rapidly proved inadequate as a source of labor supply. The use of indigenous labor in Massachusetts had brought with it some of the problems faced by contemporary Biellesi merchant capitalists: native male and female workers were wont to disappear at certain times during the year to take care of agricultural tasks, hunt and fish, and otherwise attend to subsistence activities outside the purview (and the scheduling needs) of mill owners. Immigrants, landless and de-ratiocinated were dependant on the outset on one or another form of waged labor. In Philadelphia in contrast to Lowell (MA), both capital and labor were often, initially "deratiocinated", giving room for different patterns and trajectories of growth and conflict. Lowell more familiar in American industrial history because it was the first instance of the factory system, initially depended on attracting the daughters of New England (and later Québécois and Maritime province Canadians) farm families as its labor force.

In important ways, American society and particularly capitalist industry was freed from many of the constraints of the past, the dead weight of history in Marx's famous phrase. It is precisely this fact of being "west of history" that contributed to an historical pattern of the most naked exercise of capitalist managerial power in industry reflected most explicitly in a history of bitter conflicts between capital and labor. [41] But the case I wish to examine is initially devoid of the violent clash between unfettered capitalists and workers deeply constrained by hostile political, juridical, cultural and social institutions. The history of the

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Philadelphia textile industry, primarily engaged in the production of carpets, has been explored by an historian of unusual erudition and sensitivity, Philip Scranton (1983; 1989). For the purposes of comparison with the Biellese, a century and a half of small firm textile production ("proprietary capitalism") in an industrial district in the Philadelphia area is supportive of the proposition that the phenomenon I trace in the Biellese is not unique. It is certainly one example of the alternative trajectory that Sabel and Zeitlin identified in Europe (1985). But the eventual demise of the Philadelphia textile district (in the late 1930s) suggests that the survival of industrial districts such as the Biellese enjoyed some advantage and are different in some identifiable respects from the aggregated industries or industrial districts, whose existence is based on locational factors alone -- detached from a longer, continuous experience of conflict and continuity.

Philadelphia was a mercantile city in the 18th century and by the early years of the 19th century, the second most important commercial city in the United States after New York. From its origins as the center of William Penn's land grant, Philadelphia by the late 18th century was a thriving commercial center both as an entrepot and a nascent manufacturing center. While shipbuilding and the commercial and service trades related to a thriving port city dominated the colonial economy of the city, artisanal and domestic textile manufacture accounted for 1-3% of the workforce in the city proper (Smith 1990:214).[42] If one takes into account urban domestic spinners and weavers dispersed domestic processing in the hinterlands of the city, the figure would undoubtedly rise.[43]

Philadelphia's population was swelled by waves of immigration in the last quarter of the 18th century. English and Germans, and then masses of Irish, Scots, and English

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spinners and weavers displaced in their countries' of origin by the mechanization of cotton, linen, and wool spinning and weaving, swelled the population of the city and its hinterland. Between the early 1780s and the end of the century, immigrants arriving at the central Atlantic seaboard cities never dropped below 3,000 per annum, except for the actual years of the Napoleonic conflict (Shelton 1986:34; Smith 1990). Along with their long experience in carding, wheel, jenny, and mule spinning, hand and flying shuttle loom weaving, many of them brought experience in resistance to (and ultimate defeat by) the organizational and technical strategies of English and Scotts textile capitalists. Loom and jenny breaking confronted the first efforts of Philadelphia capitalists in the late 18th century, to introduce mechanized textile production (William Scranton 1983: 78-9; Shelton 1986:33). The resistance of the workers to capital was to have far-reaching consequences in Philadelphia. Local capital settled on several strategies including a variant of the "Rhode Island system," indistinguishable in most respects from the large-scale workshops in the Biellese.[44] As in the Biellese, spinning and weaving were put-out to domestic producers, while finishing and dyeing, as well as marketing and purchasing the raw material were centralized under the direct control and observation of the owner. This involved two kinds of putting-out. Some work was directly put-out to domestic weavers while other mills used the existence of thousands of independent domestic sub-contractors as a "safety-valve"; putting out yarns they were unable to work in their centralized factory settings. Yet a third strategy was to sell mill-spun yarn direct. Early in the 19th century, Philadelphia entrepreneurs had discovered out of necessity the advantages of an elastic workforce for which it was neither responsible in hard times, nor which was centrally located in factories where it might well become restive in the

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frequent market down-turns (Scranton 1983:82 & passim.). Equally important to the emergence of what Scranton calls "proprietary capitalism" were the product cycle strategies evolved by Philadelphia entrepreneurs. Initially entrepreneurs concentrated on the production of ordinary cotton, wool cloths, and servicing the shipping industry with sail cloth. But the development of the Lowell and other New England factories (combined with the market vicissitudes caused by conflict in the late 18th and early 19th centuries) forced a more diversified and flexible product strategy. The Globe Mill census of 1820 cited by Scranton showed a product mix including yarn, sheeting, shirting, gingham, fringes, web, bed lau, and millinette (:88, table 4.1). Philadelphia entrepreneurs not only produced a more diversified mix closely attuned to seasonal and market changes, they also adjusted production more closely to demand in marked contrast to the Lowell factories. Large scale factories such as Lowell and, later, Rockdale, produced nearly continuously to amortize the heavy investment in machinery and the capital and organization deployed in the disciplinary regime of these factories. Finally, it should be noted, Philadelphia entrepreneurs in the textile sector were not usually from elite families whose fortunes and political power derived from shipping and commerce (Scranton 1983: 90; see Baltzell 1958). Initially these were men of English origin, but the waves of immigrants from Europe gradually brought men of experience and ambition from Germany (primarily Saxons and Rhenish) who were to come to dominate the emerging Philadelphia textile district.

Table 3. Philadelphia Textile Firms by Sector and Workforce in 1820.[45]

			work force			
sector	N	capital (000)	men	women	children	total

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wool	8	$178	142	56	132	330
spinning	6	$44	16	21	55	92
cotton	21	$335	253	168	250	671
other	4	$27	18	7	17	42
Total	39	$584	429	252	454	1,135

Philadelphia at the outset of the 19th century was perhaps more diversified in product than was the contemporary Biellese or West Riding. But in regard to production technology and firm organization it is not markedly different from the English and Piemontese districts. Its primary distinguishing feature is the origin of its work force and the fact that Philadelphia was already a larger urban center in 1790 than Biella is in 1994. What is evident in Philadelphia even in the early 19th century, is the flexibility conferred by proprietary capitalism. I shall return to the comparison between Philadelphia textile district and the Biellese in the subsequent chapters.

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VII. Summary

This chapter has described the woollen proto-industry of the Biellese to the onset of the 19th century; specifically to the end of the Napoleonic wars in 1815. I have surveyed the history of textile production in the Biellese in the centuries prior to the close of the 18th century and described the social, technical, and locational features of this, then, proto-industrial district. It remains to partially sum this experience in order to suggest the configuration of historically contingent conditions on which Biellese entered into the 19th century. The three most significant elements of this scene are the social organization of production in the Biellese at 1815, the impact of the Napoleonic wars, and the place of the Biellese in comparison with other woollen textile centers at the same period.

The French revolution and the ensuing 25 years of intermittent warfare fractured the old political order in Western Europe, and with it much of the mercantilist and corporativist commercial relation as well. War both stimulated demand for a range of strategic commodities in Europe (and the Americas) including wool textiles (the preferred stuff of military uniforms), and deeply disrupted traditional markets and trading relations.

The French occupation of Piemonte in 1790-92 and the subsequent reduction of Piemonte to dependent political status had far-reaching political and economic consequences that illustrate (if on a small scale) the impact of the First Empire in dissolving the old order in Europe. Removing Piemonte from the orbit of British Mediterranean influence re-oriented the region to France, and Europe. In the Biellese and the other Piemontese textile centers

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(e.g., the Cunese), wartime disruption and the stimulation of demand had specific consequences. A consequence of a quarter century of war more difficult to measure is the fact that the Po basin was one of the major arenas of military campaigning. While casualty rates are difficult to calculate for Piemonte much less in the Biellese, Napoleon at the close of his first Italian campaign in the spring of 1796, boasted to the Directorate that he had killed 10,000 Piemontese and captured another 15,000 (Hearder 1983:47-8).

The impact of the Napoleonic period on the Biellese in other respects is more readily assessed. English wool was foreclosed as a prime material for the region, stimulating the development of more local sources. While English technology had been difficult to acquire owing to British mercantile policy, the French occupation turned Biellesi sights towards French and German sources of technology. French commercial policy eroded the House of Savoy's internal commercial and manufacturing policies enabling the most perspicacious entrepreneurs, such as the Sella family, to initiate the process of mechanization and organizational rationalization that profoundly shaped the course of 19th century Biellese history. The weakening of (Piemontese) crown policy occasioned by the war and occupation was also to provide the interstice into which a new generation of entrepreneurs, of humble social origin were to intrude themselves. These "openings" for local entrepreneurs and the consequent increase in output also were to propel centralization of woolen textile production in Piemonte (and more generally across Lombardy, the Veneto and Liguria) into only a few specialized centers of which the Biellese was to become preeminent.

Finally, this chapter has shown that the Biellese woolen textile industry was not markedly inferior or more primitive in organization and technology than contemporary

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American and English wool textile centers. While cotton manufacture in England, the U.S. and elsewhere in Europe certainly outpaced northern Italian, sub-alpine manufactures, this was not the case in woolens which, as I have suggested, presented technical, organizational and socio-cultural barriers to rapid concentration into factory systems unlike working cotton fibers. The high degree of technical skill required to weave even medium quality woollen cloths, the difficulty of handling long staple wools, and the mechanical complexity for spinning worsted thread all conspired to launch woollen textile manufacture on a different developmental trajectory than king cotton. In the early 19th century there are no wool analogues to cotton in Lowell, Manchester or Mulhouse. The persistence of small firm industrial districts surely owe their existence in part to this fact.

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1. These terms have been employed by James Scott (1985) to describe routinized forms of both resistance and obedience.

2. Wool did not (again) become a significant industrial sector (much less, an export product) in modern Italy until the turn of the (20th) century. Stefano Fenoaltea's recent estimates (cited in . Zamagni 1993:86-7).

3. Alain Dewerpe's (1985) contention is that proto-industry in the north dominates virtually to the First World War.

4. Abulafia notes that the Florentine Republic came to control southern grain production through loaning money to the perennially cash-strapped Kingdom of Naples in exchange for which it took grain .

5. This brief introduction necessarily slights the complexity of North-South conflict. It also oversimplifies the situation of agriculture in Italy -- particularly the impact of different forms of tenure in different areas and the effects of sale of common and church lands in the mid 19th century (v. Schneider & Schneider 1974 for Sicily; Abulafia 1981 for the peninsula; Zamagni 1993:66-71 for effects of sale of lands). Zamagni, on a related note emphasizes the importance of the link between small proprietor land ownership in the north and the emergence of decentralized industry.

6. "This expropriation is accomplished through the action of the immanent laws of capitalist production itself, through the centralization of capitals. One capitalist always strikes down many others. Hand in hand with this centralization, or the expropriation of many capitalists by a few, other developments take place on an ever-increasing scale..." (Marx 1976:929).

7. The thrust of "analytical" Marxian political economic analysis has shifted focus from a presumption of exploitation based on the assumption of a particular configuration of class relations towards a micro-economic analysis of exploitation at the point of production. See Samuel Bowles & Herbert Gintis (1990) and the response of Erik O. Wright & Michael Burrawoy (1994).

8. On the concept of worker-peasant, worker-small proprietor, or part-time peasant, and the continuum of peasantry to proletariat, see Douglas Holmes (1989:56-89).

9. The literature on proto-industrialization is now very large. The work that set the terms of debate on proto-industrialization are : Franklin Mendels 1972; Peter Kriedte et al 1981[1977]. Industrialization Before Industrialization. See also Carlo Poni 1985. Proto-industrialization, rural and Urban; Charles Tilly 1983. Flows of Capital and Forms of Industry; Jean Quataert 1988. A New View of Industrialization..., for an overview of the debates about proto-industrialization.

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10. Kriedte 1981:13-15 notes that proto-industrialization typically occurred first in "barren mountain regions" incapable of supporting the native population. Cf. Viazzo 1989.

11. Biella has been at various times a separate province, hence the italicized province. After incorporation into the (French) Empire, it was a part of the larger province of Sesia, and after the restoration, was amalgamated with Vercelli. Biella became a province again only in 1994. Estimate of sheep population cited in Valerio Castronovo 1964:26, note 5

12. The reporter mentions not only Biella but also a number of villages including Andorno, Bioglio, Praglia, Mortigliano, Ronco, Zumaglia, Sordevolo, Tolegno, and Pollone. All of these villages (now towns) are within an 8 km. arc of Biella.

13. Quazza (1961:42, n.3) notes that the earliest patent is for 1245 (which was an agreement amongst "buoni uomini", that is, a local patriciate, in the manner of the northern and central Italian republican commune), a statute of weavers in 1310, of drapers in 1348. A charter for Mosso (now Valle Mosso) was issued in 1581, while 18th century licenses, patents, and statutes regarding the wool industry are numerous.
In 1733, the crown ordered that Biellese weavers produce only "panni ordinari" and a few other types and could not trade on their own account outside the region. This was not rescinded until 1757.

14. The literature on the transition from feudalism to capitalism and the development of early modern capitalism is so rich and voluminous as to preclude any easy selection. Perry Anderson 1974; 1974; Giovanni Arrighi 1994; Fernand Braudel 1977; 1979; Rodney Hilton, et al 1976; Karl Marx 1976; Immanuel Wallerstein 1974; 1979; Eric R. Wolf 1983 a important works of synthesis. See reference in text for the crisis of 17th century (infra).

15. The proto-industrial cloth workshop in Naples and other Southern urban centers declines around this time.

16. The so-called "new draperies" employing combed, longer staple wool supplanted the older, coarser weaves. The Leiden weavers developed lakens (employing domestic wools) and camlets that blended camel hair (sometimes even silk) with Spanish Merino over which they had a near monopoly. English weavers achieved dominance in worsteds and related weaves. See Charles Wilson 1968; Irena Turnau 1988; see Pat Hudson 1986 for the West Riding industry that replaced Norfolk manufactures.

17. Interestingly, the demise of guild-centered urbanity which as its origins in the medieval town patriciate makes clear, is in many respects a part of the society of orders in which sumptuary laws regulated the appearance (both literally in costume, and more figuratively as a person of a recognized status), gave way to a commercial world in which the public space was dominated by commercial elites. this is what Marx meant by civil society (but see J. Habermas 1989 [1962]).

18. The corridor reaching from the estuarine cities of the Low Countries down the Rhine to Basel, then Geneva, and into Northern & Central Italian cities. See Charles Tilly (19??),"Space

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for Capital, Space for States"(refs?)

19. See Dewerpe 1985; Aymard 1982:178 & passim; Castronovo 1964: I.

20. Aymard (1982) and Abulafia (1981) amongst others, have shown that the dualism of north/south was generated by the precocious north and central Italian economic development of the 13- 14th centuries in which the pattern of unequal exchange and under-development of the south was established.

21. The recapture of licensing of productive activities is an aspect of what is known as "re-feudalization", the rigidification of class (more properly, estate) boundaries after the demise of independent city republics. Crown issuance of patents, and hence, control over commercial and manufacturing activities was never as air-tight as the notion of re feudalization might suggest. The House of Savoy had a direct interest in promoting textile manufacture for the supply of military uniforms but it also needed to protect its own workshops in Turin, essentially poor houses and orphanages in which the indigent were employed. In any case, barriers to mobility were not insurmountable.

22. Torino had a developed craft industry in woolens. The other areas that combined agro-pastoralism with cottage production were the Cunese and Pinerolese, both west of Torino (see G. Quazza 1961: 40-41 & passim).

23. Map elaborated from Touring Club Italiano D36: Piemonte Valle d'Aosta 1987. Milano, Servizio Cartegrafico del Touring Club Italiano.

24. Giovanni Levi (1985:13 (table 1) & passim) shows Biella with a population of 5,487 in the early 18th century. Levi notes that the plague of the 1630s apart, Torino was effectively a primate city in the 17th century and population in provincial town diminished sharply

25. There have been several waves of administrative reform over the last two centuries that grouped and regrouped hamlets and villages and redrawn territorial boundaries. from the restoration (1820?) until the mid 1930s, all of the Biellese was administered as the circondario (district) of Biella. The Fascist regime grouped many small villages into new towns for administrative rationality. Village names were retained as frazione's name.

26. My colleague, Alessandro Scassellati has traced the emergence of Italian elite families and their strategies for capital accumulation and political power (see Scassellati 1994: II: 469514). A chapter is devoted to the Sella family.

27. The catasto notes that of the 256, 5 were priests, and an additional five were religious institutions . Only 14 families lived within the village proper (1983:70-1). Are apparently refers to arable land as opposed to pasture (pascola) and forest. One hectare equals 100 are and one are is about .025 acres.

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28. By modern roads, the famous wine town of Gattinara is barely 20km distant from Valle Mosso, suitable viticultural terrain is even closer. Similarly, terrain suitable for irrigated rice cultivation (risaie begin at the 200m. contour) is less than 20km. distance from the town.

29.The Italian wool trade from the middle ages exhibited a large female labor force. 17 century Florentine data show a nearly 2:1 female to male ratio in 1604 and a better than 3:1 ratio by 1627. The increase in female laborers was in a period of decline in the Tuscan wool industry suggesting that female labor was cheaper! The data also show the participation of large numbers of children. See Carlo Cipolla 1976:124-5 & passim.

30. These estimations also do not take into account the different ways in which activities could be structured in domestic production. E. P. Thompson (1993 [1967]) drew attention to the different rhythms and pacings - of -work before the authoritarianism of the clock and machine-driven schedules of industrial time. See also Viazzo 1989 for discussion of household division of laboring circum Alpine Italy, and Joan Scott & Louise Tilly 1978:31-60 for women's work in the household division of labor.

31. Royal workshops were the ospidali, poor houses, in which paupers, orphaned and abandoned children labored while receiving bed and board.

32. The term, firm, derives from the verb firmare (firmus), to confirm or sign -- hence to sign or the name under which some activity was conducted and "signed for" (Italian firma=signature). It connotes the activity of two or more person engaged in a collective endeavor in which one represents the activity of both in relation to others in some kind of exchange.

33. The social origins of the impanetore and the operation of the Pratese tercista system are examined by my colleague Jane N. Conrad

34. "There is the misery... and these poor workers are without a chance to make or save a scrap."

35. Gian Carlo Serra was a Genovese nobleman of moderately Jacobin sentiments who promoted economic development in the Republic of Genova (see Harry Hearder 1983:46).

36. The phrase is Sydney Pollard's (1981).

37. The West Riding of Yorkshire encompasses the area bordered on the north by County Westmorland, on the west by the Irish Sea. The eastern boundary is roughly, the central spine of the Pennines and to the cities of Leeds and Manchester defines its boundary.

38. The advantage of the West Riding over East Anglia was initially that the former had long staple wool, the latter short staple wool.

39. See E. J. Hobsbawm (1962:32, 33-42), Phyllis Deane (1965:87-102). In addition to technical advances suited to its properties, the historical conjuncture of British imperialism (control in foreign markets), vast supply of material from the American slave economy served to create

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markets for cotton fabrics rather than just satisfy existing ones.

40. See Gary B. Nash (1979),especially Chapter 2, The Urban Polity.

41. The phrase " west of history" I owe to D. P. Leonard, unpublished manuscript.

42. Smith's estimates from tax record surveys consistently find half the labor force in service-manufacture sector in the period 1756-1798. Because some activities that are actually phases of textile production are collapsed into the category "retail crafts", the tax census may understate actual participation in textile manufacture. Purely, "industrial" activities, of which textiles are apart, accounted for around 15% of the workforce over the period surveyed (1990:213-215).

43. Much of the city's 152 square miles remained essentially rural in character until the mid-19th century.

44. See Jonathon Prude (1985): Town-Factory Conflicts in Antebellum Rural Massachusetts, and Bruce Laurie (1989:28-31) for a discussion of the Rhode Island system. Basically, the Rhode Island system (pioneered in Pawtucket but present in the Blackstone valley) involved family production in entrepreneurially provided and owned housing. It is as it were, a precursor to the company town employing proto-industrial organization.

45. Source, Scranton (1983:100).

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CHAPTER VII

A Century of Crises and Transformation, 1815-1914

I. Introduction

The Biellese in 1815, the year of the restoration of the House of Savoy in Piedmont, was still the most important center of wool manufacture in the Kingdom of Sardinia. But processes set into motion by a quarter century of general European upheaval were to dramatically alter the region and the lives of its inhabitants. Technological innovations, combined with political-economic forces and events over the next half century, were to propel the district from one amongst a substantial number of textile centers in Piedmont and Lombardy to the premier center of industrial woolen textiles in Piedmont by Unification, a half century later. Between 1870 and the turn of the century, the Biellese then became one of Italy's most advanced industrial centers, centers of working-class militancy, retaining this status until World War I.. This chapter traces region's socio-cultural, political, technical and economic transformations of the Biellese from a center of proto-industrial manufacture into a modern Marshallian Industrial District.

The transformation to mid-sized and larger specialty firms and a few large integrated ones was not a linear development in which fully mechanized, integrated (ciclo completo) factories emerged like a moth from its pre-modern chrysalis. The development of the modern industry required complex conjunctures of capital accumulation, technical innovation, the harnessing of political power by new elites (entrepreneurs) pursuing new

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combinations (to use Schumpeter's phrase). Tumultuous social dislocations turned Biellesi operai-contadini into proletarians, while factors that might be considered "exogenous" or at least trans-local in character became increasingly important.

Paramount amongst these latter factors were shifts in the political economy of agriculture throughout Italy, but importantly, within Piedmont, itself. Large-scale cereal agriculture especially wet rice in the Po basin created a class fraction of agro-business elites who made common cause with industrialists both against local labor and in favor of protectionist policies. Late in the century, the struggle between northern and southern agrarian interests aligned Biellesi industrialists with protectionist factions in the north. The famous "tariff war" with France in the 1880s that resulted significantly damaged both agricultural and nascent industrial interests. But factors indigenous to Italian and regional (e.g. Piedmontese, Ligurian and Lombard) textile (and other manufacture) markets also influenced Biellese developments significantly.

But the events that for-shadow the emergence of the Biellese and the process of Italian Unification ushered in the 19th century. The French revolution and the 20 years of continental strife changed the balance of power in Europe and directly stimulated the sentiments for nationalist movements in its wake. Italian unification and, hence, the stimulus for economic development are longer terms consequences of these events. The thirty years of intermittent warfare of the Napoleonic era at the outset of the century was both a stimulus to and a hindrance upon indigenous Piedmontese manufacturers as were the more attenuated and episodic wars of unification. For the Biellese specifically, the

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demand for war related textiles especially uniform cloth was a critical stimulus of industrial development (v. Chapter VI).

These broader forces and events were serendipitiously in conjunction at various times in order for two generations of Biellesi entrepreneurs to break the independence of the cottage-based weavers by the 1870s, thereby spatially centralizing production, and concentrating the control and organization of most phases of textile production in the hands of factory owners. It is difficult to over-emphasize that the developmental trajectory of the Biellese industrial district in the 19th century (1815-1914) was contingent not a fore-ordained process and that the triumph of large-scale factory-based production was neither ever total nor uncontested. The reader needs to keep in mind that the relative success of the Biellese, its precocity as an industrial center in Italy, has always been and continues to involve, a complex interplay of entrepreneurs experimenting to find ways to remain economically viable in the face of the ever more volatile national and international markets for textiles. Simultaneously, operai-contadini later workers, struggled to protect and further their interests, amongst them the attempts to maintain continuity with the social and cultural worlds their mothers and fathers had made and the relative autonomy of small-scale owner-operator production. The tensions and struggles among and between Biellese capital and labor took place during Italy's attenuated period of Unification, itself a politically complex and economically volatile phenomenon. The making of the modern Biellese industrial district is a socio-cultural and a political economic process however infelicitous these phrases may be. The Biellesi then, not only engaged in protracted struggle amongst each other but also struggled in a turbulent

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environment that compelled local responses to both locally and trans-locally generated changes.

The survey of the 19th century developments is divided into three sections followed by a summation. First I examine the world of the Biellesi operaio-contadini and local elites at the time of first crisis immediately after the Restoration. I then turn to a discussion of technical, organizational and financial developments in Biellese textile manufactures. This is followed by a discussion of class, proletarianization and industrial development in labor and working class history in the last quarter century. I argue that the focus on class and proletarianization to the exclusion of class relations and elite-worker interactions and the firm as a socio-cultural construct has led to significant lacunae in the ethnographic and historical study of industrialism. I then examine the first round of "factory-making" in the region with a focus on the social and political economic constraints within which Biellesi entrepreneurs operated and to which the operaio-contadini responded. Having advanced the discussion of the Biellese to mid-century, I turn to a comparison of the Biellese with two contemporary woolen textile industrial districts, one in the U.S. and the other in England. here, I briefly examine developments in the West Riding in England, and the Philadelphia, PA textile district as a means to assess the Biellese against two of the most advanced 19th century woolen textile centers, and to contrast their respective developmental trajectories with that of the Biellese. The purpose of this diversion is to illustrate my claim that the Biellese industrial district's production was as technically and organizationally advanced as competitors in the "early" industrializers.

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The three decades from about 1860 to 1890 are among the most tumultuous and critical in the formation of the modern Biellese industrial district. Climaxing in the early 1880s, a new generation of Biellesi entrepreneurs succeeded in breaking the control of the independent weavers and centralized mechanized, factory-based weaving. Their eventual, if only temporary and partial success made possible modern integrated manufacture (ciclo completo) and the emergence of large-scale firms operating on the factory system. Because the industrialists' "victory" was incomplete, the Biellese's trajectory into modern industrialization was canalized into a Marshallian industrial district, rather than a few Chandlerian multi-divisional, large-scale corporations. This partial victory of the new Biellesi capitalist class nonetheless generated a profound crisis for the operaio-contadino class. Thousands of Biellesi abandoned their homeland and emigrated to the U.S., Argentina, and to other western European countries. The majority who remained became the most militant of the emerging Italian working class.

The pen-ultimate section surveys the Biellese industry over the last half of the century to the outbreak of the First World War from the perspective of its economic integration into the Italian national economy, with particular attention to market crises and the business cycle. I also briefly survey the international political economy of woolen textile production to place the Biellese in context. I conclude by evaluating the century of Biellese industrialization against conventional models of industrial development.

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II. The Biellese at 1815: The first crisis

Piedmont emerged from the Napoleonic era as again independent, its crown and its autonomy guaranteed by the victorious powers at the Congress of Vienna. In principal, Piedmontese royal authority picked-up where it had left of in 1796 with royal absolutism and the system of feudal (or quasi-feudal) estates, prerogatives and mercantilism restored.[1] The Biellese, while physically unvisited by warfare, was not untouched. Gregorio Sella in an 1832 report to the Turin chamber of commerce (of which he was a member), noted that there were 17 Biellesi manufacturers who had adopted (variously) mechanized carding, spinning, and dressing (apparecchiatura) machinery. These accounted for but one thousand of the 10,275 establishments (unitá locale) comprising the regional wool industry. Another 146 fabbricatori in Trivero, Camendona, Mortigliano and the other north-eastern valleys depended on women cottagers (spinner, primarily) who with many other operaio-contadino spinners and weavers, also worked independently and sold on their own account (Castronovo 1964: 258).[2] But the apparent stasis masked to some degree, a profound erosion of the 18th century social formation. The pattern of elite and merchant control of much of the provisioning of the raw material as well as the finishing operations reflected the pattern of pre- and proto-industrial manufacture in the Biellese and, indeed, across Europe in the 18th and earlier centuries. Most of the aristocratic families that had dominated the Biellesi wool trade managed to weather the revolutionary period, although the Sellas were already the preeminent family in the region. While a few of them had enthusiastically embraced

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French liberalism (including Giovanni Dominico Sella) most welcomed the re-establishment of the monarchy.

The condition of the cottagers was undoubtedly less secure although it is more difficult to assess. We do know that the Napoleonic wars had been both a stimulus to textile production across Europe reflecting the demand for standard-issue military uniforms, then made exclusively from wool, and also a depressant; reflecting the disruption of local and regional markets. The impact of war, itself, could not have been negligible on Piedmont the scene of bitter fighting in the early Napoleonic campaigns. The Biellese was the primary source of military cloth for the House of Savoy, although it undoubtedly lost ground under French occupation as French firms were favored over northern Italian and other producers in occupied areas.[3] This is the context for the first crisis of the century.

Franco Ramella (1983: 28-9) notes that the number of workers active in the administrative area of the Biellese (circondario) fell from 7,500 in 1789 to only 3,100 in 1810 with the greatest declines in the Mosso area which had been the area of greatest concentration of cottaging. On the issue of how much of this decline ("una gravissima stasi") reflects wartime disruption and perhaps, how many workers were impressed into military service and became casualties, the three principal regional historians (Berta, Castronovo, and Ramella) are mute. But Ramella notes that the Restoration did not mark a complete return to the 18th century pattern of relative stability. Instead, the volatility of the war years continued with market fluctuations causing misery and privation amongst Biellesi cottagers in the years immediately following the Restoration. Market volatility

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undermined operai-contadino livelihood in two important ways. First, the inability to sell cloth on local and regional markets immediately and directly threatened livelihood by imperiling their capacity to purchase that portion of food (and new wool for work). Second, the longer term consequence of the diminished number of independent producers provided an opening for entrepreneurs to take over market share previously held by operai-contadini.

The opening provided by the post-Napoleonic war demographic crisis coincided with the availability of new, mechanized textile technology. Developed in England and initially jealously guarded secrets, the design of spinning jennies, water frames and powered looms rapidly diffused across the Continent in the early and mid- 19th century. Much of this technology was initially not easily adaptable to important local production – especially worsteds -- but in carded (short staple) wool the dominant type available locally and regionally, the new technology was readily adapted for local use. The initial round in the 19th century struggle between capital and labor was decided decisively in favor of the industrialists.

Viewed as a set of choices of possible production sets (v. Chapter V), the strategies of the wool aristocracy could be viewed as rational choice of competing technologies. Yet to do so would be to vastly oversimplify the character of social and political economic struggle in the region. Certainly, local entrepreneurs (the wool aristocracy) viewed new technology as desirable albeit as much for the direct control of the complex process of producing woolens as for any increase in output or quality. But its adaption is a function of their capacity to out-manouver the operai-contadini class when it

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was grievously weakened. The condition of the Biellesi operai-contadini class bears some scrutiny to understand how it became vulnerable.

Ramella describes two distinct periods of crisis for operaio-contadini in the first half of the 19th century (1983: 34-7). These he terms the A and B phases, using demographic data as a proxy for largely unavailable econometric data. The first, (A phase) is the result directly of market volatility (in primary commodities) that radically imperiled cottagers' subsistence budgets (comprised as they were of both cash from wool work and subsistence farming). The second and longer crisis in the Biellese was the effects of competition from the first episodes of concentration of manufacture in factories. The effect of the initial decline in local production on the part of independent cottagers was briefly, in Ramella's estimation, to provide an opening for entrepreneurs to change their "investment" strategies. Where, prior to the end of the 18th century, the wool aristocracy concentrated on the finishing of cloth and the provision of materia prima to peasant-proprietors, after 1815 the imbalance of supply (of production capacity) and demand made the investment in the machinery of various production phases more practicable and attractive. I shall pursue this topic in a subsequent section.

The impact and severity of these two crises on the operaio-contadini, the first was of relatively short duration, while the second was more attenuated. Ramella shows (in the absence of any data on shares of output for manufacturers and cottagers), by demographic data, especially infant mortality rates. In the immediate years up to the Restoration (1815), markets contracted quite dramatically, cottagers were immediately almost impoverished, and we can surmise, nutritional insult to both mothers and infants caused

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the infant mortality rate to soar to 254.5 per thousand recorded live births (or 25.4 percent). The tenuousness of the weavers' position is immediately apparent. Because they were unable to sell on local markets, they were unable to purchase the necessary quotient of grain to complement their own production. The increase (and volatility) of raw wool prices constrained their capacity to produce a cash income. Furthermore, both raw wool and grain prices increased steadily throughout the first half of the century, often fluctuating wildly and adding both to hardship and uncertainty. Market fluctuation was compounded in its impact by the dense networks of contracting and sub-contracting that pertained not only between elite merchant/finishers and cottagers but equally importantly, amongst the cottagers themselves. A general downturn in the market meant not only that cash income from direct sales diminished but also, that their ability to collect on debts and contracts made amongst them likewise diminished. Another contributing factor to the straightened circumstances of the Biellesi operaio-contadini may have been the effects of two unusually poor harvest seasons in 1816-18 caused by cool wet summers and colder than normal winters (Pounds 1985: 193). While I have no direct evidence that the harsh conditions that caused crop failures across much of western and northwestern Europe caused crop failures in the Biellese, it would combined with demographic change, go some ways to account for the rise in infant mortality.

How dramatic these figures actually are is somewhat difficult to assess in the absence of good comparative data for other similarly situated proto-industrial districts. Pier Paolo Viazzo (1989: 216-8 & passim), surveying a number of demographic studies of Alpine Europe notes that infant mortality rates in Europe tended to co-vary by altitude.

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Until the latter 19th century, high altitude populations had a lower infant mortality rate than did those at lower altitudes. This relationship only changed to favor low altitude populations at the turn of the century (20th) when modern hygiene and sanitation methods diffused earlier to urbanized plains populations than to Alpine villages. But how useful this is the Biellese is less clear for villages such as Mosso where the altitude is barely above 500 meters whereas Alagna (the town studied by Viazzo) in the Val Sesia, stands at an altitude of 1195 m. with many of the related villages higher still. For the Biellese, the vast majority of towns, villages and hamlets are below 800 m. Using Viazzo's (1989: 217) mid-century infant mortality rates for Swiss Cantons as a guide (with Ticino at 149:1000 and Glarus at 292:1000), one might expect an infant mortality rate between 175 and 200:1000. The kinds of stresses encountered by early 19th century Biellesi resemble those of other western European populations during the same period.

Louise Tilly and Joan Scott (1978:26-30) suggest that infant mortality rates in western Europe in the 18th and earlier centuries often averaged 25 percent by the first year and increased markedly in the event of crop failures and epidemics. The immediate shock wave of increased infant and child mortality followed on crop failure or disease rapidly with little or no lag time. Infant and child mortality reflected a demographic regime in which natality to (roughly) 25 years of age was the period of greatest risk. Gay Gullickson (1986: 156-57) estimates that the infant mortality rate was 170:1000 in the Norman proto-industrial village of Auffay for the same period. But here, the greater size of land holdings may have buffered the population to some extent. She notes that this rate did not differ substantially from conditions under the Old Regime (i.e. prior to 1789)

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but that infant mortality crested again in the 1850s at around 189:1000 (19 percent) with the onset of factory production and proletarianization. This peak roughly parallels the Biellese peak of the second (B phase) crisis. Rudolph Bell (1979) calculates that roughly 17 percent of infants died within the first year for the three Italian non-proto-industrial villages during the same decade. If Ramella's figures for the area of greatest density of operai-contadini, the eastern zone of the Biellese, are representative of the region as a while and even perhaps, for other Piemontese, Lombard and Friulian proto-industrial districts, it would seem to suggest that Biellese operai-contadini (cottagers) were more vulnerable to market fluctuations earlier than the now nearly conventional interpretation of a radical break between a pre-industrial world of relative adequacy ruptured by the onset of industrialization and consequent proletarianization.[4]

Thus it would appear that relatively "self-sufficient" cottagers were subject to market-based or market-like discipline before the transformation to a factory system of capitalist firms. This likelihood accords with my contention that northern Italian small producers, be they urban or quasi-rural, were a part of a loose but not ill-defined system of capitalist (or, at least merchant capitalist) relations much earlier than conventional accounts of Italian capitalist/industrial transformation have generally allowed.

Family-size in the Biellese was as I noted in the previous chapter, often fairly large and frequently households contained extended families.[5] Marriage was not deferred for women during the first half of the 19th century.[6] Biellesi data cited by Ramella (1983: 46) suggest that roughly 70 percent of women married by the age of 24, and conform to Maurizio Barbagli's (1991: 254) observation that the average age of marriage for women

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in rural Piedmont (and Lombardy) was 22 while for men it was 27. But this pattern altered dramatically by 1850. Not only did the age at which women in Mosso (the center of cottaging in the eastern Biellese) married increased over the first half of the century, the number of marriages increased twofold. Some of the later marriages (ages) from all periods may reflect second marriages after the death of a spouse but the increasing age of marriage undoubtedly reflects the first phase of the process of proletarianization in the region. This phenomenon appears to have two linked explanations familiar from elsewhere on the Continent and England. As families became progressively more dependent on the wages of minor children, marriage age increased as parents "held on" to children longer to capitalize on their earning capacity. Given the small size of land-holdings characteristic in the Biellese pre-Alpi, increased agricultural intensivity could not solve the basic economic problem. Coupled with the secular trend of population growth, more dependents put increasing pressure on the limited resource base of the operaio-contadini.[7] Furthermore, grain and raw wool prices increased substantially over the first half of the 19th century taxing the operaio-contadini's capacity to purchase subsistence goods and material for production. Both grain and wool prices increased around 1822 with wool peaking at 140 and grain at 120 of the 1820 baseline price. Both wool and grain prices continued to rise for the next half century (with some notable peaks and troughs). Grain prices peaked again in 1828-9 at 160 of the 1820 benchmark. Wool prices also peaked in 1827 and 1830 at about 160 (Ramella 1983: 68). Linked to the families' dependence on the wages of offsprings is the likelihood that the costs of establishing a new conjugal dyad also increased as family incomes were stretched. In

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other words, men and women had to save much longer (in a pattern not un-reminiscent of Biellesi youth in the 1980s) in order to be able to afford marriage. The evidence of population growth to which I have already alluded is also illustrated in the number of women between the ages of 19 and 29 whose marriages were registered in the parishes of Mosso, nearly doubled between 1800-1820 and 1838-1852 (107 versus 206). These sums exclude marriages at which the woman was over the age of 29 assuming for the purposes of argument only, that these are second marriages.

Figure 1. (F. Ramella 1983: 46)

Age of Marriage for Women in Mosso from parochial registers				
Age	1800-1820	1821-1837	1838-1852	1853-1857
≤ 19	41 (35.96%)	36 (19.00%)	35 (14.70%)	17 (6.85%)
20-24	43 (37.70%)	95 (50.25%)	116 (48.74%)	104 (41.94%)
25-29	23 (20.17%)	39 (20.63%)	55 (23.11%)	79 (31.85%)
>29	7 (6.14%)	19 (10.00%	32 (13.44%)	48 (19.35%)
Sum	114 (99.97%)	189 (99.89%)	238 (99.90%)	248 (99.90%)

If all marriages are summed, the increase is somewhat greater. While the greatest increase in population for Italy in toto was in the period after 1860, virtually any increase in population coupled with a gradually decreasing death rate and the very limited resources (in arable land) available to most Biellesi put increased pressure on individual families and family groups.[8] What is most remarkable about Ramella's data is that Biellese marriage patterns appear to run counter to pan-European trend of declining marriage age during the onset of industrialization.[9] It would seem that the first crisis for the Biellese operaio-contadini does not fit the "labor demand" model of population

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demography (especially marriage age and fertility). But whatever its origins, this phenomenon was to have serious consequences for the region's autonomous proto-industrial population for it opened the door to centralization and mechanization of production. Finally, it is a crisis that is both market-based and demographic in origin.

The Biellese wool aristocracy fared far better during the turmoil of the Continental wars, French occupation, and economic and political uncertainty than did operaio-contadini. While some merely weathered the period, the Sella family, particularly Giovanni Dominico Sella and his cousin Bartolomeo actively promoted their families' and the region's fortunes during the time Piedmont was a French department. Giovanni Dominico was a Liberal Jacobin (Castronovo 1964: 146) and sought the end of feudal privileges, to reorganize the Canton of Mosso's finances, and to promote public works in the region.[10] He held several offices under the French regime, including both that of the consigliere of the Arrondissement of Biella and of the Department of the Sesia. But few of the other aristocrats were committed to revolutionary principles of equality and social improvement. Meanwhile other families of more modest origin and without either the capital or status of the Sella and the other (more minor) wool aristocracy, were able to significantly enhance their position. The appellation of "wool aristocracy" I should note, has been accorded to these families by local convention, for most of them were not in fact (at least in the early 19th century) titled or landed families of any consequence.

The Borgnana-Picco of artisanal origins, for example, appeared to have used the period of French rule to leverage themselves out of the peasant-worker class to become

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more substantial merchant-manufacturers. Only three years after the Restoration, Gioacchino and Giacomo Antonio are listed as principals in a lanificio on the right bank of the Strona (Castronovo 1964:156). The Negri, one of the oldest families in the region with evidence of employing peasants in putting-out work as far back as the 8th century (Ibid:159), also made progress towards elite status.[11] By 1822 they had ownership of looms and the lease of a fulling mill and, in the preceding century, had progressively jumped from growing hemp and herding cattle to running a cloth emporium in Ochieppo Superiore. The same year, in alliance with Guabello di Mongrando, they ventured into the fabrication and sale of carpet, although their efforts were constrained by Bergamasco competition. The Bozzala made similar strides from artisanal status to merchant-factory owners. Indeed, Luigi Bozzala's (1798-1856) son, Giovanni (1827-1882), was able to contract a marriage with Matilde Sella, daughter of Maurizio Sella (owner of works on the Cervo in Biella) in 1827, evidence of the family's accession to "aristocratic" status. The Galoppo (Ibid:160-63 & passim), another family with artisanal origins in Valle Mosso as early as the latter 16th century were also able to capitalize on both the relative liberality of the French Regime and the ensuing depression for cottagers after the Restoration to move into the owning and merchant class. In the absence of family histories of these upwardly-mobile merchants, the connection between the artisanal past and the new status as merchant-manufacturers after the Restoration can only be imagined, but what is significant for my purposes is the apparent solvent that the era of the Napoleonic wars applied to both commerce and community in the Biellese.

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Valerio Castronovo (1964: 187-88 & passim) notes that the French occupation ended the protectionist policies previously pursued by the House of Savoy. If it did not flood the region with novel goods, local producers, both elite and common, were exposed to French and other textile goods which reflected different (and more sophisticated) production methods and different fabric styles. Some of these were accompanied by French entrepreneurs (LeClaire is the most significant) who injected technical innovation into what had been a largely regionally-oriented industry. In the wake of the Restoration, forward-looking Biellesi merchant-manufacturers were to travel about the continent and to Great Britain to learn of the new processing techniques for wool, new fabrics, new dyeing techniques and styles, and the organizational strategies of European and English manufacturers.

A nearly immediate consequence of the discovery of a continent-wide pattern of innovation in woolen textile production focused on the wool, itself. The indigenous sheep breeds of northern Italy, such as the Cuorgné and Bergamasche, produced a short-staple wool high in lanolin content, less flexible to work, and therefore less suitable to the higher-tensioned threads required for the new cloths such as twills and worsted. The coarser, short-staple wool (less than 30 mm.) also was less susceptible to modern dyeing techniques in which the fiber, not the finished cloth, was dyed. By mid-century, the introduction of English and French methods of pettinatura (combing) required a much longer staple wool than local breeds could provide. The investment in, and development of new sheep led to substantial increases in the regional herds. Repeating a process that had occurred in England (the first time with monastic orders in the 16th century, the

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second driving the enclosure acts of the 16th - 18th centuries) and in Spain with the Crown's interest in the Mesta well into the 18th century, pastoralism increased in the early 19th century throughout Italy proper and in Sicily and Sardinia.[12] But in the Biellese, this proved to be a relatively short-lived expansion, for by the second half of the century, the number of sheep in the region— and across the western Alps— declined steeply as foreign wools (American and Australian) entered the market.

If Biellesi entrepreneurs had their eyes on the innovations in textile production pioneered in England, France and Germany, there were not able to immediately push technical innovations in their home region. Technical innovation and mechanization of processing phases was initially limited to carding, spinning, and dressing (apparecchiatura). But, in 1832, there were only seventeen manifatture in the region that counted as many as 146 fabbricatori who had these machines in use (Castronovo 1964: 258). While manufacturers might gradually subsume other aspects of the production process such as refinishing and dyeing to mechanized production, the avenue to complete-cycle production in vertically integrated firms was to remain blocked by the independent weavers' control over the crucial "skilled" phase until well after mid-century.

Factories emerged from the existing system of merchant/factor owned and operated workshops which had always undertaken some phases of textile production. The finishing of cloth including fulling, dyeing, and the creation of the finished surface of the clothes had been in the hands of the merchant/entrepreneurs since the middle ages. The new point of entry for entrepreneurs came with the introduction of mechanization of

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spinning coincident with the first crisis for the operai-contadini in the 19th century. The spinning jenny had been developed in England in the last quarter of the 18th century by Arkwright and Hargreaves, and improved by the addition of rollers by Samuel Crompton. Rollers operated on the frame to increase the tension under which the thread was spun in a consistent fashion, thereby increasing the strength of machine-spun thread which had initially been less durable than hand-spun (Reddy 1984: 49-51). But the key innovation was the multiplication of work capable of being performed by a single spinner over hand- (or wheel-) spinning. The earliest jennies had four or six spindles (fusi in Italian), but the number of spindles was rapidly expanded. Until the advent of ring-spinning late in the 19th century, technical development involved the multiplication of the number of spindles per machine and the introduction of power sources other than human effort to drive the machines. But even the advent of ring-spinning (less suitable to woolen fibers) was never to displace jennies in wool production.

The advent of mule-spinning introduced a new way of quantifying production, and of measuring the output per worker. After the introduction of the jenny in England, an owner or a census enumerator could readily count the number of spindles employed in an establishment, and of all the establishments in a locale. Potentially, it gave the Biellesi merchant factors the capacity to gain control over a phase of production hitherto fore undertaken by women cottagers whether on contract or as independent workers. In the Biellese, in contrast to the initial pattern of jenny mixed (i.e. both cottagers and manufacturers) ownership in England a half century before, the expense (and technical acumen) of jennies meant that they were almost exclusively in workshops (or factories)

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rather than cottagers' houses. The number of spindles then is a useful index of concentration of manufacture and its mechanization in the region. The earliest reliable figures date only from 1858 when the Biellese counted 79 establishments engaged in partially integrated manufacture including spinning with 11,240 spindles, 816 looms, and 5,329 workers (Castronovo 1964: 259). The Piedmontese wool industry at mid-century was still fairly widely diffused with significant concentrations of manufacture in the Cunese, Torino, Genova, and Nizza (Nice) as well as several smaller centers. Yet the Biellese already accounted for almost half of the Kingdom's spindles (47%) and the same proportion of the factory workforce in woolens.

Firm formation in the woolen industry often followed this pattern in the early stages of the industrial revolution in England (Hudson 1986), then France, Germany and elsewhere in western and central Europe (Pounds 1985: 312-17; Biernacki 1996). This pattern of amalgamative growth is particularly the case with woolen textiles where a number of technical barriers to mechanization (e.g. the difficulty of working short-staple wool on early jennies) as well as the resistance of independent weavers, inhibited the establishment of integrated firms de novo. Dyeing and finishing, some preparation of the raw wool and increasingly in the early years of the 19th century, carding and spinning came to be housed in a single establishment controlled by a manufacturer.

Several other factors weighed on the formation or expansion of an existing firm. The production of any goods transformed from raw material into finished commodity involves greater or lesser duration between the investment in the raw material, the processes of production and its eventual sale - when the costs can hope to be recovered.

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The purchase of raw wool represented a major investment that could only be recovered on the sale of finished cloth sold on the market. If the entrepreneur was fortunate to contract with the Crown, advance payment or credit might be available. Even if material was produced under contract (rather than on speculation), wages, materials necessary to production, fixed capital investment, taxes and tariffs, and credit (if it was available) were costs in addition to the purchase costs of local, and increasingly in the 1830s and 40s, imported wool. The risk for Biellesi entrepreneurs was therefore of a different kind and order than it was for the operai-contadini. The latter, as illustrated in the previous discussion, faced substantial risks including that of privation and pauperization. In principle the operaio-contadini, working with their own material or material advanced by a merchant-entrepreneur, largely producing their own subsistence, were less vulnerable (although they of course were not). The entrepreneur as it were, staked most of his capital each season in the face of market uncertainties. Valerio Castronovo (1964: 308 & passim) makes clear that the original wool aristocracy such as Giovanni Dominico Sella, had considerable resources independent of their wool business proper. At the death of his father, Pietro in 1828, his inheritance included,

> "factory and goods in [both] Valle Superiore Mosso and Mosso Santa Maria ... the relevant accounts payable from the businesses, the patrimony concentrated primarily in agriculture (vineyards, hay, granaries, wine and beasts (excepting sheep), the operation of a mill in Trivero (with buildings, a house, machinery, furniture, goods and woods...), and estates [tenuta di cascine] in Baloco and Formigliana."

This branch of the Sella family was amongst the wealthiest in the region but others possessed similar if perhaps smaller patrimonies. But as Castronovo is at pains to make

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clear, many of them had considerable fungible wealth in addition to property, materials and accounts receivable (1 964: 308-31 0). Giovanni Giacomo Sella on receipt of the inheritance was obliged to distribute shares to some relatives and his account books show that he also paid several other obligations to associates. The share to his cousin, Angela Maria alone was £2,719,37.[13] Some measure of the potential profit to be made from textile related business alone is evidenced by the fact that the net capital worth of his business grew in three years (1834-37) from 1.7 billions to 2.464 billions of Lire (:313)! In other words, the original generation of manufacturers, the wool aristocracy, were self-financing out of a diversity of resources in a pattern no way different from the Arti di Lana merchants of the Florentine Trecento except that the starting point of the circuit of capital was the opposite (in land rather than in wool). Wealth produced from agricultural and vinicultural holdings was cycled into the woolen industry and profits from woolens were re-cycled back into other kinds of property as well as being devoted to material purchases, wages and capital investment in the textile business.

What was not readily available was bank credit. The premier families in the Biellese had access in all likelihood, to letters of credit or other devices to purchase on foreign markets (both machinery and wool) such as London for wool and Germany, France, and England for machinery, but there was no local bank until the foundation of the Cassa di Risparmio di Biella in 1856 (1964: 320). But the savings bank movement that led to the founding of Casse di Risparmio across northern and central Italy during this period provided secure depositories for common people's savings, and were never intended to underwrite elite-driven industrialization. Several commercial banks were

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founded within a decade of the CRB, but the region's most powerful modern bank's (Banco Sella) origins are in the Banco Guadenzio Sella e Comp established only in 1886 (:320).

It has often been argued that the late industrialization of Mediterranean and Central Europe reflected the absence of a commercial bank sector which could underwrite industrialization. Yet some care needs to be exercised in accepting this dictum. Pat Hudson (1986) has effectively demonstrated that early industrialization in the West Riding of England was not dependent on commercial or investment bank capital. Alexander Gerschenkron had argued that banking played different roles and had variable importance in industrialization depending on other measures of "relative backwardness". He saw England and Germany as exhibiting two contrasting cases in the role that bank credit and capital played in industrialization. In England, the capacity of entrepreneurs to self-fund much in the manner of the Biellese wool aristocracy combined with the relatively low capital needs relative to profits for many of the English manufacturers made banking (or its absence) relatively unimportant. Relatively backward countries in contrast, needed sources of capital that were unavailable from the sort of "boot-strapping" that occurred in England. Gerschenkron's ideal type was Germany where the mixed bank that both invested in firms, loaned capital, actively participated in managerial oversight, and took in deposits came to dominate, and to rapidly underwrite rapid industrialization (v. Richard Sylla & Gianni Toniolo 1991; Alexander Gerschenkron 1962; cf. Joseph Schumpeter 1934: 111). Italy was not to have any such institutions until late in the 19th century, and then they were founded and operated by German financiers. But if

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Gerschenkron's general thesis of the role of banking in late industrializers is reasonably accurate at the national level (the unit he used), it is less helpful in understanding industrial development in the Biellese. The Biellese, as this study emphasizes, is a particular island even within Piedmont. While bank capital was to become ever more important over the course of the 19th century and remains important in the present, its role is less important to the peculiar mix of small, medium and large firms that survived out of the crises in the 19th century that are the focus of this chapter or to their legacy in the present century. Nonetheless, it should be noted, that Biellesi entrepreneurs complained as early as the 1830s about the relative unavailability of bank credit and loan capital (Castronovo 1964: 320-1). But until the pace of technical innovation compelled Biellesi industriali to frequently refurbish or replace fixed capital in plant and machinery, and this was to occur only after mid-century, family patrimonies, judicious marriage strategies, and cross-investments between family groups appears to have met indigenous capital requirements without unduly constraining the growth and development of firms in the region.

The process of centralization of production in factories and the mechanization of various phases of the production of cloths was as I have already noted, attenuated. The strength of the operaio-contadini handloom cottagers constrained the wool aristocracy and the nascent bourgeois manufacturers to centralize and mechanize around the core process of weaving, expanding on the existing shop-based activities of preparation of wool for spinning (including combing), spinning, and at the finishing stages such as fulling and finishing (trimming the surface) and dyeing. Figure 3 $$$ illustrates the distribution of

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firms in the region and the deployment of the "factory" work force immediately after the Restoration. Thus, of a total factory workforce of about 5,700, only 1,031 were undoubtedly working in a proprietor's shop. The rest were in the vast majority of cases, working on contract in their own houses. The evidence for the ongoing virtual monopolization of weaving by operaio-contadini is attested to by the small number of looms under the direct control and supervision of manufacturers (194 out of the 337 listed as belonging to manufacturers). The largest part of the factory workforce was engaged in spinning, whether in a shop or in the home, 3319 at the least. This latter figure accounts for only those spinners working on contract to manufacturers whether in the shop or at home. The substantial annual output of pieces of cloth for each of these towns and the establishments located there can only be understood by factoring in hand-loom weaving not accounted for in the data available to Quazza. I have suggested that an annual output of between six and eight cloths per year per family establishment is a reasonable guess (v. Chapter $$$). Even assuming that the output per loom in several establishments (Fratelli Pico, M.V.I.; Piacenza, Pollone, and Ochieppo Superiore) includes no hand loom weavers (an unlikely occurrence), output per loom increases by only a factor of 3 to 3.5 (e.g. 24 cloths per year versus 6-8 for cottagers).

The break-through into centralized, factory-based production then is a product of manufacturers increasingly capturing control of spinning. The capture of spinning, employing jennies and mule jennies, made possible ultimately increasing output in weaving by first inserting a wedge of managerial control into what had been hither to fore

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an aspect of cottage production and through increasing output per worker; output per woman worker operating machines with ever greater numbers of spindles.[14]

Figure 4. Woolen mills in the Biellese in 1819*

Lanificio (mills) & stabilimenti (related shops in 1819	Number of workers	Number of Looms	Total Output in pieces of cloth†
Biella (a number of shops)	169	28	680
Mosso Valle Superiore (2 Sella works)	670 (includes cottage weavers)	53	3,220
Mosso Valle Inferiore (Fratelli Pico)	40	4	882
Mosso Valle Inferiore & Croce Mosso (Fratelli Robiolo & Fratelli Torello)	100	9	942
Sordevolo (Ambrossetti & Vercellone)	720 (includes cottage weavers)	90	2,899
Pollone (Piacenza)	33	4	190
Ochieppo Superiore (a number of shops)	89	22	640
Ochieppo Inferiore (Berizzi e Birolini)	600	40	800
Trivero, Ronco, Zumaglia, Portulo, Cóggiola & other hamlets (a number of shops)	3319 (includes all spinners in the Biellese)	87	2,000

*Abstracted from Guido Quazza (1961: 47). †See endnote #15.

The impact of mule spinning then, cannot be under-estimated both in terms of increased production capacity and the disruption of the existing social arrangements (and income) of the operaio-contadini. Franco Ramella (1983:39), in graphically illustrating the impact of the mule, notes that the output of ten women in the Sella works, working on mules (Cockerill from Liege) now equaled the output of 100 families working with hand and wheel spinning! The impact of mechanization on the family economy was magnified owing to the persisting pattern of male, winter-time peripatea as masons, plasterers, and

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stone workers (Ramella 1983: 39 & passim; v. Chapter VI; cf. Viazzo 1989). As men were the weavers, the mechanization of spinning meant that the residents spouses' incomes declined as they were drawn into the web of factory-based work reflecting the devaluation of unit-output in spinning occasioned directly by the introduction of the mule. As the vast majority of women continued to spin at home (v. Table $$$ for industry figures), the devaluation of hand spinning relative to water-powered mules directly imperiled the family economy of the operaio-contadini. In addition, factory spinning (in contrast to domestic) reflecting prevailing social norms, was at least initially, male task. Hence sons (especially sons not inheriting the family property) often became machine attendants in the mills. Ironically, increased output of thread initially strengthened the position of the hand loom weavers whose skilled work was in greater demand.

The first (Ramella's A phase) crisis then, is built around a number of apparently contradictory forces operating differently on manufacturers and operaio-contadini. For the operaio-contadini, the increasing birth rates squeezed their subsistence base and overtaxed the common lands of the various commune. Price instability in both cereals and wool further exacerbated their position. At the same time, increasing output of thread led to increased demands on weavers, although mechanical spinning undercut the balance of engendered domestic production. For manufacturers, the obstacles to modernization (mechanization) of plant and to increased output were interpenetrated with the operaio-contadini's problems. A central problem was that labor for factory work was not readily available and it was to take several decades to pry the regional population (of operaio-contadini) out of their subsistence autonomy. Peak demand for factory work often

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coincided with peak demand for agricultural tasks and with the significant numbers of male craft peripatetics in the off-season. While young men might be lured into apprenticeships through long-term contracts (as much as five to ten years according to Ramella), they often worked almost at their leisure when to work would conflict with family labor demand. Thus the mechanization of the preparatory and finishing stages was held hostage to the independence of the domestic weavers.

Set against the ideal type of fully integrated, continuous process manufacture organized under the same roof or in close spatial proximity that is, the modern Fordist factory (capitalized as a publicly held corporation), the Biellese in the period from the Restoration to the late 1830s is anything but modern. Firm ownership is familial, reflecting the centuries-old custom of vesting property in the senior male and transmission through partible inheritance that favored the oldest son. Capitalization also reflects the pattern of medieval business entities in which wealth generated in land and rent flowed into the firm, and profits of the firm were banked, re-invested in fixed capital, or re-invested in property. Biellesi wool aristocrats were islands of concentrated manufacture in a sea of independent operaio-contadini on whom they were dependent for key phases of the production process. Furthermore, the wool aristocrats were deeply constrained in their initiatives to shape the labor process and, hence, the organization and pacing of production by their dependence on a labor force operating on its own, agrarian schedule. The relations between operaio-contadini and the wool aristocracy was further enmeshed in a web of local ties, of kinship, marriage, village and locality, in which it was embedded and to which production organization was largely subservient. The production

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regime, to the extent it can be accommodated into the modification of Michael Burrowoy's scheme proposed in the previous chapter, is patriarchal, yet the substantial and substantive autonomy of the operaio-contadini put limits even on these quasi-feudal class relations. But between the 1830s and the 1870s, a new generation of entrepreneurs of artisan and operaio-contadini origins, and driven by the pan-European models of technical innovation and acquisitive drive was to alter the social and economic physiognomy of the region.

III. From 1830 to 1870: The making of the factory system

The second 19th century crisis in the Biellese, which Franco Ramella has called the B phase, culminates in the 1880s with the emergence of fully integrated, factory-organized wool production. The crucial events, for it was not a single struggle but a series of interpenetrated initiatives by capital and resistance by operaio-contadini, was the eventual success of a new generation of entrepreneurs in wresting control of weaving from the operaio-contadini cottagers. The defeat of the operaio-contadini cottage weavers created a working class in the Biellese much as similar processes of concentration of manufacture in the hands of entrepreneurs had done and continued to do across Great Britain and the continent. Yet the processes of industrialization and working class formation, and the creation of a modern industrial district as they occurred in the Biellese resemble the overall pattern of these processes elsewhere in Europe and depart from the conventional schema in significant ways. The particular trajectory into an industrial district that took place in the Biellese in the later 19th century reflects the constraints

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imposed by the regional society and culture of textile production stretching back to the Middle Ages. It also is tinctured by the structure of Piedmontese political economy, and Italian state formation. More grandly, it reflects the interplay between industrial development across Europe in the textile sector. Before turning to an account of the creation of an integrated factory system in the region, I wish to reappraise the reader of some cautionary remarks about the history of industrialization and working-class formation issued in an earlier chapter.

The histories of industrialization, of working-class formation, and of a specifically working-class politics have been deeply imbricated and interdependent over the last half century. Regardless of the historian's political sympathies (which affect the selection of topic and its conceptual bases and, perhaps, narrative construction), each depends on sets of assumptions, claims, and interpretations made by historians working in the related subject areas. Hence, accounts of the development of working classes are dependent on particular interpretations of the development of industry, while accounts of industrialization must pay attention to the regional and national social histories of the populations affected by the process. One key element in the mix is as I have argued, a kind of fixation on quantitative and institutional measures of industrialization articulated by figures such as Alexander Gerschenkron. This in turn has led historians of working class formation to search for critical thresholds in proletarianization occasioned by the critical mass of industry, and so on. Individual nation states have their own historical trajectories and their own sets of preoccupations by historians reflecting over-all a kind of "first past the post" view of all these complex interwoven skeins of events and processes.

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Italy's modern history is particularly rich and difficult. For liberal historians, the problem of nation-state formation, especially the development of national institutions and a national economy, is paramount. For economic historians, it is the uneven development of the Italian economy and the late industrialization confined largely to Settontrionale Italy that is the issue. For political historians (of whatever ideological persuasion), the failure of elites and the bourgeoisie to forge a modern polity and a modern political-economy is central, while for labor and working-class historians, the belated politicization of the working classes and their failure to effect an ongoing political presence is the great problem. I reiterate these general themes because all of them have had something to say about the Biellese, if only in passing; and all of them find something wanting about the Biellesi historically.$$$[15]

Louise Tilly (1992: 1-19) briefly surveyed the Italian debate on class formation, working-class politics, and industrialization at the beginning of her monograph on class and politics in Milan at the fin d' siecle. She asserts that the set of problems I have mentioned were first articulated better than a century ago by the first socialist elected to parliament. The questions posed were and are: Was class formation driven by the emergence of large-scale industry?; and, what role did regional differences play in this process? Without here retracing her synopsis except for its emphasis on the problem of regional - national-linkages she notes that both Berta and Ramella's work focuses on resistance of the Biellesi cottagers to mechanization (and factory emplacement) of weaving, that local organization was lateral and regionally based, and that (in Berta's words) unionization was "slow and late" (G. Berta cited in Tilly 1992: 8). Ultimately,

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the Biellese is as it were, disqualified from an important place in Italian labor and working class history for what it was not rather than what it was and is. Implicitly or explicitly, the Biellese is relegated to proto-industrial status (e.g., Dewerpe 1985) or incomplete or insufficient proletarianization (e.g., Anna Cento Bull & Paul Corner 1993). While these may be accurate from the perspective of the particular problem orientations of the respective authors, they elide the very issues that may be relevant to the formation of an industrial district and to the complex and distinctive relations that lie at the heart of its existence that concern this author. Phrased less critically, the Biellese didn't help these authors to answer the kinds of questions they wished to pose.

The second period of crisis in the Biellese in the 19th century is more attenuated and if anything, more complex than the first crisis following on the Restoration. This second period of crisis, Franco Ramella's B phase, is in the simplest terms, the struggle by industriali to break the operaio-contadini cottage weavers' control of the weaving phase of production. Just as in the English midlands a half century earlier, the formation of integrated firms in which all phases of cotton production were directly under the control (and usually under the same factory roof of an entrepreneur, so too, the Biellesi industriali sought to centralize both control over and the spatial location of woolen production. But where English entrepreneurs in cotton and to a lesser (or at least regionally varying) degree in wool, had the advantage of populations of crofters and rural weavers and spinners who had become (or rapidly became) landless, and hence exclusively dependent on craft activities for income and hence, subsistence, this process was more complex in

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the Biellese. There never was a wholesale enclosure of commons until late in the century, after the power and autonomy of the operaio-contadini had already been broken.

The processes of proletarianization of the operaio-contadini is only one, albeit important, dimension of the formation of the Biellese industrial district. Industriali also struggled with organizational and technical innovation, and with the changing character of regional, national and international markets. These conditions ever in flux throughout the latter 19th century, also placed Biellesi entrepreneurs in the position of requiring increasing capital merely to keep pace with continent-wide trends in technology, organization, marketing, and product. Thus, an exclusive focus on proletarianization as is often pursued in the history of European industrialization and working class formation is insufficient to capture the complexity and represent the diversity in the dialectical interplay of socio-cultural, technical, political and economic dimensions of the process of industrialization and the formation of a regional industrial mono-culture. I shall pursue parallel narrative lines in this section, following both operaio-contadini and industriali. But prior to this discussion, I shall briefly survey the state of technique in cloth production in the early 19th century in the Biellese.

The industrialized component of the Biellese woolen industry in the early 1830s represented only a minority fraction of the complete regional complex of production of woollens. Figure $$$3 (preceding section) illustrates that the inroads regional entrepreneurs had made into the preserves of the operaio-contadini were quite restricted, especially in the weaving phase of production. But as the preceding section has shown, the combination of primary commodity price volatility, population increase, and the

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residue of wartime disruption had fundamentally undermined the pre-modern production system and its regionally circumscribed division of labor. Leaving aside the finishing processes (of cloth), the primary threat to the stability of cottaging was initially, the increase of mechanized spinning and other pre-production phases. Spinning was vitally important to the domestic economy of cottagers and also the key to increased output. Yet early mechanized spinning, adapted from machines designed for the spinning of cotton fibre, produced an inferior thread to the hand or wheel spun material. In the English wool industries, this had led initially, to the manufacture of mixed fibre clothes in which the warp was linen while the weft was wool. While I have no documentary evidence one way or the other, the lack of mention of this arrangement by the principal historians (Quazza, Ramella, and Castro) might suggest that the easy availability, at least up to 1860-1870, of hand spun thread, permitted local manufacture (weaving) of machine spun weft on hand-spun warp. Certainly the distribution of output in the 1830s amongst machine and hand (and wheel) spinners would suggest this division.

The other area in which invention had led to technical and production innovation was in the preparation of cleansed wool for spinning. Carding was also the purview of women cottagers prior to the 1850-1860s. Carding (cardatura) entangles the fibers of the material to produce a thick, loosely aggregated bundle (or rope, often called the ribbon or nastro) that can be drawn out in spinning. Biellese cloths, from the early middle ages on, had been primarily manufactured from short staple wool which required carding preparatory to the spinning process. The mechanization of carding in tandem with weaving had been instrumental in England in shattering the independence of cottaging.

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But by the middle of the 19th century, even local, much less regional or trans-regional demand, was increasingly for finer cloths such as the twills and worsteds produced first in England. Worsteds required a high-tensile thread that could not be readily produced from the local stock of short-staple wool. The regional stock improvement initiatives of the wool aristocracy combined with judicious purchases of foreign wools were to provide the long-staple fibers necessary to produce finer (i. e. higher gage) threads for finer (i.e. higher dernier) cloths. While driven in large part by the emergence of a continent-wide audience for changing fashion, it should not go un-remarked that worsteds, twills, and other similar cloths did not require fulling and some of the other finishing stages of fustians, droghettis, and tricots. The technical impediments to manufacture of worsteds, twills and similar clothes was therefore counterbalanced by the relatively simplicity of production once these barriers had been overcome.

Some parts of the production process for woolens remained resistant to mechanization until late in the century. The cleaning, sorting, carding or combing and spinning of cotton first yielded to mechanization in England enabling the factory organization that is to say, the integration of the phases of production into a nearly continuous process, early in the 19th century. Wool was more resistant to mechanization for some of these phases and, hence, remained an impediment to integrated continuous process manufacture. Spinning woolen thread of sufficient tensile strength to serve as warp proved quite resistant to mechanization. Initially this was partially solved by weaving multi-fibre clothes in which, as in the case of fustian, substituted higher strength linen or cotton warp for wool while the weft was of wool. The innovations of Arkwright

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and especially Crompton (in the late 18th century) in spinning in which with the former a single set of rollers and with the latter double rollers operating at different speed imparted both twist and tension to the ribbon first made possible higher strength thread in cotton but was soon adapted to the spinning of wool.[16] Similarly, combing wool presented technical problems that were not fully overcome until after mid-century. The mechanization of weaving and the technical inventions and innovations that accompanied it will be discussed subsequently in the context of regional capital-labor struggles. Finishing operations had also become partially subject to mechanization. The water frame permitted fulling and had been one of the first operations amenable to wheel-driven technology early in the 18th century. Teasel ing, the raising of a nap on the cloth had also been mechanized by the turn of the century although trimming and other surface preparations were slower to be mechanized. Similarly, dyeing remained a labor intensive operation for much longer.

In conclusion three points need to be re-emphasized. First, wool, especially long staple wool, remained less tractable to mechanization until the middle of the 19th century. Second, while the key inventions in textile technology were largely in place by the end of the 18th century, their diffusion and, especially, their adaption to finer woolen cloths was a much slower process stretching well after the mid 19th century. Third, and most important from my perspective, the various inventions and innovations in textile technology did not immediately confer any special advantage on centralized, integrated manufacture. It is precisely the ease with which almost every phase of production in woolens could readily exist in rough autonomy from the others that provided one axis

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along which the Biellese could continue to be competitive with initially a system of largely small-shop operations. Whatever advantages were to be gained from centralization of control and integration of the production phases might just as well turn into a liability under different market and social circumstances. That is, the purported advantages conferred by economies of scale in the multiple division firm in which management and executive functions were separated from quotidian production supervision does not apply universally as has been supposed by several generations of business and management theorists and historians (e.g. Alfred Chandler Jr. 1977; cf. Michael Best 1990; Charles Sabel & Jonathon Zeitlin 1985).

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Chapter VII Endnotes

1. It should be noted that feudal privileges even in the 18th century, did not include labor tribute as it had in "classical" feudalism. Feudal rights and privileges were restricted to tax collections (i.e., a financial or money equivalent), political offices and other similar bureaucratic mechanisms (Guido Toniolo 1990:37-8).

2. See Alessandro Scasselafti (1994: 279-308) for a proserpography of the Sella family in the early 19th century.

3. See Geoffrey Parker (1988) especially Chapter 2: "supplying War", Franco Ramella (1983: 28-9) notes that French policy was to promote its own industry at the expense of conquered and incorporated areas. More generally, see Sheilagh Oglivie (1996) on military stimuli to proto-industrialization.

4. One view of industrialization's rise of capitalism attributes a dramatic decrease in familial security to proletarianization. closely associated with this is the contention by many historians interested in women's status, that women lost status and were economically marginalized by the onset of industrialization/capitalism. While this seems to be the case for many English workers, even here the evidence is not uniformly supportive of this contention. See Maxine Berg (1987) for the English evidence, and Janet Thomas (1988) for a broader overview of the issues. Louise Tilly and Joan Scott's (1978) work is still the best general overview of the issues, but as these issues of gender inequality under patriarchal capitalism are not central to this work, their discussion is confined to succeeding notes.

5. The larger than normal family size in the 18th century — even if the evidence is anecdotal — runs contrary to the norm for most of Alpine Europe. Robert McC. Netting (1993: 68-72) notes that in Törbel (Switzerland), families remained relatively small (a mean of 2.5 offsprings). Yet elsewhere (e.g. Java), he notes that the potential returns from intensive agriculture combined with the increased potential security for the parental generation favored more offsprings.

6. See Jack Goody (1983; 1996) for the "European marriage pattern". Cf. Lawrence Stone (1987).

7. Population in the Piemontese Alps increased by roughly 36 percent between 1806 (250,000) and 1848 (340,000). These figures may not include the pre-Alpi Biellese although Viazzo (1989: 194-95) from whom they are taken, states that other sources suggest that the valleys south of the Monte Rose massif incurred equal if not greater population increases.

8. N.G. Pounds (1985: 115) cites a birth rate of 36.2:1000 and 28.7:1000 death rate for northern Italy in 1875. The first census did not occur until Unification.

9. The various theories associated with population increase, marriage age, family size, and eventual fertility decline are summarized in Jane & Peter Schneider (1996: 41-65).

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10. Jacobins being the group that most vigorously pursued equality and representative-based polity during the Revolution of 1789. It should be noted that feudal privileges in Piedmont were confined to tax collection, political offices, and a few other rights but excluded labor tribute from the peasantry. Thus, Piedmontese feudalism in the 18th and early 19th centuries was unlike the classic model (v. Gianni Toniolo 1990: 37-8).

11. Castronovo's comment is, "[una] rigidi schemi coopertivi" with rural labor from the end of the 700s (1964: 160).

12. Raymond Carr (1982: 12-3) notes that the Testa, the largest and perhaps oldest corporation in Spain, was not destroyed by economic liberals until 1839. Pastoralism remained economically important until the end of the 19th century in Spain. C.T. Smith (1978: 246-47) notes that there were still about 1.5 million sheep herded transhumantly in 1910 but that this number was dwarfed by the approximately 12.5 million ship in sedentary herds at the same time. N.J.G. Pounds (1985: 243-46) notes that the 19th century saw the decline of sheep herds in western and central Europe (from 140 to 70 million by mid-19th century), becoming increasingly restricted to more marginal Mediterranean lands. He estimates that the transhumant flocks in Tuscany may have numbered as many as 4 millions in the latter 19th century. Estimates for flock size in the western Italian Alps are untrustworthy and difficult to obtain. Flock size appears to have crested about mid-century and then declined precipitously thereafter. Viazzo (1989:103) cites herd sizes for the upper Val Sesia (Alagna) of 1,000 in 1845 but 217 by 1908. This decline was undoubtedly driven by the introduction of Australian wools by late century.

13. While conversion to 1997 Lire is impossible, a conversion to purchasing power parity at 1985£ yields a figure of better than 10 million lire. Purchasing power parity conversion coefficients used throughout this work employ those developed by John Earle (1986: XVII-XVIII). As his earliest figure is for 1861, the figure of 10 million may actually be lower than the 1834 purchasing power of Angela Maria Sella's inheritance.

14. *Abstracted from Guido Quazza (1961: 47)
†Cloth types include: frisoni, fustagni (fustian), casimiri (cashmere), droghetti, saie, mollettoni, baracani, imperiali, mezzelane, and tricots.

15. See E. H. Carr (1961) for what is still the most clear-headed essay on "doing history". The practice can never be just "one damn thing after another" because any iteration of "things" implies some criteria of selection and principles of relationship between them.

16. Ring spinning, invented in the U.S. in 1828 did not become widely diffused until after mid-century (Joel Mokyr 1990: 142).

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Chapter VIII.
The 20th Century: Crisis and the recrudescence of small-scale industry

I. Introduction

This chapter traces Biellese history from the end of the First World War until the early 1980s. I have divided this roughly half century period into four crucial periods of crisis: 1) The Biellese under Fascism including the final two years of civil war culminating in the liberation; 2). Postwar recovery and the first market-loss shock; 3.) The demise of the old-line, vertically integrated firms in the middle and later 1960s, and; 4.) The recrudescence of small-scale industry. These periods follow chronologically but my emphasis is on events and processes that have successively reshaped the regional political economy to the detriment of a narrative treatment. I emphasize capital-labor relations, the scale and scope of firms, and the problems of firm formation, exit and succession. Sections II and III provide a brief overview of 20th century development and capital labor relations from the conventional neo-classical and Marxist perspectives. These inevitably have the quality of "potted" histories but are I think, justified in providing the broader context in which Biellese history is situated. The final section (VII) knits the historical account of this and the preceding three chapters with the ethnographic material in the first part of the work and the theoretical excursus in the second.

II. Industrial development to 1955

I shall reprise the key features of the conventional account of 20th century Italian industrialization and economic development in order to both re-situate the Biellese in a broader context and to emphasize where the region's modern history ill fits this

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conventional account. Section III provides a companion precis of capital-labor relations. The key themes of the conventional account are two, and can be roughly summarized as follows.

1.) Economic development, "take-off" (the Rostow metaphor), or the onset heavy industrialization in the form of primary and intermediate-sector production (all three terms are used -- often inter-changeably) is attributable in part to the lack of economic, political, and social integration in Italy prior to the Second Republic (1948+) and persistent to a degree to the present. The consequences have been in the form of increasing inequality between North and South, economic dualism reflected geographically in the national state and sectorally across the economy. The persistence of a "weak" national state reflects regional inequalities and fundamental regional/sectoral conflicts that both antedate Unification and that have been exacerbated since then.[1] The institutions of the state, a stato di diritto in form, have in consequence been "colonized" by personalist factions that reflect regional constituencies and power bases and by the effusion of para-statal institutions created and maintained by factions (correnti).[2] The effect is a clientelized state in which national policy formulation and enaction is compromised and often subverted to parochial ends.

2.) The second theme in the standard account not un-related to the first, is economic impediments to industrialization; the paucity of the materials necessary to propel industrialization. Often remarked is the peninsula's meager resource endowment in comparison with England, France or Germany. Coupled with geographical and topographical barriers both natural and historical (e.g. Italy's peripherality to the Atlantic

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economies), these formed formidable obstacles to sustained industrial development prior to the present century. Finally, Italy's experience of fascism (1924-1945) is often viewed as an aporia in the march to achieve the status of a modern, capitalist state and economy rather than an integral part of the process.

Equally important in a new national state (i.e. after Unification) was the paucity of indigenous capital resources to underwrite capital-intensive projects such as steel mills and other producer-good industries. While perhaps too much emphasis has been placed on the deep division of interest between Southern agrarian elites' conservatism and capital-starved Northern entrepreneurs' liberality, there is some truth to the argument that traditional conceptions of investment in property by the former squeezed the liquidity of the latter. Several other elements are a apart of the matrix of impediments to Italian industrial development. The majority of Italy's population remained agrarian until after the Second World War.

Almost paradoxically, both peasant landlessness in the South and the existence of a landed peasantry in the North have been seen as impediments to development. The exflux of millions of southerners from the 1870s to the New World in the late 19th and early 20th century robbed Italy of a working class along the lines of its 18th century English predecessor. They were, so to speak in the right condition at the wrong time. Similarly, the fact that many Northern peasants were either landed or lease-holders (e.g. mezzadria) has also been adduced as an impediment to building a mobile industrial workforce. Indeed, the modern (post WWII) high rate of house ownership in Italy (upwards to 70% by some estimates) is sometimes cited as a partial explanation for labor

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market rigidity: that through property ownership people are immobilized. [3] Finally, it has been asserted that the very strength of the craft tradition (i.e. petty commodity production) combined with the relative absence of national markets for much more than grain and oil until after the Second World War, served as an impediment to industrialization.[4]

Italy became "modern" by the standards of economic historians in the crucible of the First World War. The requirements of war, fielding mass armies equipped with modern armaments and supported by the logistical infrastructure necessary to supply them, drove industrialization and economic integration, at least in the north and north-center of the country. The impetus for industrialization was, in effect a command economy. The position of the late industrializers as Alexander Gerschenkron (1962; cf. Hugh Franklin Adler 1995: II, esp. pp. 111-3) had argued, fostered the development of a range of relatively novel institutions and state policies to compensate for the lack of a gradual accretion of public and private mechanisms that had occurred in Great Britain and the United States.[5] The state played an active role in promoting industrial development in both Germany and Italy. Railways were nationalized in Italy as early as 1905 (M. Clark 1984: 120) and the state underwrote the development of steel production primarily for armaments from the 1880s on. Banks in both countries held large equity positions in the firms to which they lent, a pattern that remains a distinguishing feature of both national states to the present. Italian banks after the banking crisis of 1894 were a hybrid of state and private capital. The lack of indigenous capital resources was partially compensated by significant German, Swiss, French and Austrian capital (Clark 1984: 120-3; P. A. Wavre 1988). The new banks such as Banca Commerciale Italiana, Banca di Sconto, and Banca

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di Roma (with close ties to the Vatican) actively undertook the formation and development of what were to become the key heavy industries in hydro-electricity, steel, and ship construction amongst others.

The government's industrial mobilization for total war amounted to financing a few large, existing firms to manage the huge demands for armaments and other supplies. This gave a tremendous boost to the fortunes of FIAT, Ansaldo, Siemens and a few other large firms that had unlimited state financing and produced on a cost-plus basis. Their war profits were astronomical by the Armistice in 1918 -- as was Italy's national debt. But an immediate and far-reaching consequence of the command economy was to cement in place the close ties between a very few large firms, the state, and the principal Italian banks. The pattern of paucity of finance (loan) capital to other, smaller and less well connected firms in favor of the large few first established in the late 19th century, became permanently entrenched and to a significant extent remains so to the present. There were of course other profound consequences of the Great War.

Italians had to the extent that popular sentiment can be measured, been unenthusiastic about entry into the war in contrast to English, French and Germans. The Italian socialist party was the only one in Europe to vote against entry into the war and remained in steadfast opposition throughout the conflict. Neither Southern peasants, Northern workers, nor militant socialist agricultural workers in the North wanted entry into the war. The most immediate consequence of entry in 1915 and especially after the disaster of Caporetto (Italy suffered over a half million casualties in 1916) was mass conscription. While total mobilization is often seen as a binding agent for new nations

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and at least superficially it was for Italy, mass conscription equally brought peasants from all over the country into harsh conditions in the military, independent of battlefield casualties. For a class typically (and rightfully) suspicious of the state, military service undoubtedly served to confirm their worst fears as well as to expose many to socialist doctrines. This was no less the case for northern workers who were already politically mobilized, the majority of them socialist. Major war industries were placed under military jurisdiction, subjecting workers to autocratic discipline and harsh penalties in the event of insubordination. Entry into the war occurred fast on the heels of the famous "red week" (August 1914) during which agrarian socialists protest and open revolt in Emilia Romagna and Marche had been brutally suppressed. So all had cause to be resentful and were open to contestation when conditions permitted.

The original plan for mobilization of industry and the coordination of industrial production came from the Confederazione Italiana dell'Industria (CIDI) the predecessor of Confindustria (Confederazione Generale dell'Industria Italiana (1919)), articulated most forcefully by Camillo Oilvetti (v. H. F. Adler 1995: 112-14 & passim). Olivetti hoped that carefully planned mobilization would also include a social component to placate workers and to ameliorate the harsh working conditions that obtained in most factories even before wartime militarization. For reasons that are obscure, CIDI quickly ceded control of mobilization to the state leading by war's end, to a proliferation of bureaucracies that oversaw every petty aspect of industrial policy. Adler (ibid.) notes that this was in marked contrast to the experience in the U.S., England, and Germany where the strength of sectoral trade associations both able to manage and coordinate production

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and the respective states' willingness to leave it in their hands, precluded the kind of interpenetration of state and industry that came to characterize Italy. Adler calls this the "pre-corporatist" experience. The state in this era was actively interventionist in industrial affairs but without any explicit ideology of corporatism associated with Fascist economic and industrial policy a decade later. The point to be garnered from Adler's careful study is that there are not significant discontinuities between pre-Fascist policies and Fascist ones. The corporatist tradition didn't cease with the demise of the Fascist regime in 1943 nor under the Second Republic either. Indeed as Roland Sarti (1971) has noted, Fascist policy was a mass of contradictions at every stage of the regime. Even more important than its dis-organized and contradictory policies was the capacity of Confindustria to effectively shape its own destiny.

> The immediately noticeable consequence of giving private interests a public role within the syndical state was that those private interests could pursue their particular goals under the cover of public policy."(1971:80)

The attention paid here to industrial mobilization and the continuities with post-war (WWI) and then Fascist industrial policy might appear to be at some remove from the issue of the orthodox accounts of industrialization in Italy. The bias for bigness is not the sole preoccupation of corporate CEOs and Stalinists, but pervades the historiography of industrialization as well. Missing from most treatments of Italian industrialization save for the obligatory mention of the persistence of the (usually archaic) craft sector, is any real discussion of the important nodes of small and medium-scale industry throughout the peninsula but especially present in the North. These were the backbone of the pre- First

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war economy and remained so after the war, no matter the glorification of heavy industry by both neo-classical and Marxist historians and sociologists.

Fascist economic policies beyond strengthening the hold of Confindustria and the interlocking relationships between the major banks, industry and state regulatory bodies introduced a number of other confusing and contradictory polices. One of these was the impulse to promote authocthonous economic growth and development. Another was the promotion and heroization of craft production.

The drive for self-propelled economic growth is most famously represented by the "battle for wheat," a drive for self-sufficiency in cereal production, but the regime also undertook massive public infrastructure projects, amongst them draining the Pontine marshes to create agricultural land and the construction of a modern highway system: the autostrade. Fascist ideology beyond the corporatist component of harmonization of interest through state mediation also drew on the valorization of struggle – hence the battle imagery – and an often contradictory valorization of both what we might call in the contemporary argot, "family values" and elements of futurism. The regime was pro-natalist, circumscribed emigration, sought to reinforce a traditional sexual division of labor. At the same time, Fascist ideology appropriated the romance with machines, speed, violent and unremitting change at the core of the futurists' such as Marinetti's, aesthetics. Being at once both futurist and romantically anti-modernist represents perhaps most clearly the contradictory bordering on incoherency, of the competing dimensions of official fascism.

Roland Sarti (1971) notes that this contradictoriness is especially clear in the

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official attitudes towards the core of large scale capitalist enterprise and small-scale enterprise. The Confindustria (successor to CIDI) represented the interests of large industry centered in the Iron Triangle. In reality, a few powerful firms such as FIAT, Ansaldo, Siemans, the electric power producers, and a few others dominated Confindustria. These were either outright monopolies in their sector of the economy or cartels. As virtually every commentator has noted, the capitalist-industrial elite was not particularly sympathetic to Fascism seeing in its vaguely collectivist or post-socialist impulses, a threat to private power and its cozy relations with bank and commercial ministries. Neither did the regime ever seriously intervene against the interests and prerogatives of the great industrialists. But at the same time, Fascist ideology glorified the craftsman in part to emphasize the dignity of labor itself (a vestige of its socialist roots) while at the same time, calling for concentration and rationalization to produce greater economic efficiency (1971: 83–5). As Sarti (:84) rightly observes:

> The presence of large numbers of small, independent producers was a challenge and a refutation of the Marxist dichotomy between capital and labor. The small producer was both employer and laborer... The small producer was the very symbol of the integral society exalted by fascism.

The regime's efforts to enrol firms in the national syndicate, one dimension of the policy that sought to organize classes and economic sectors into a hierarchy of corporations mediated through the state, thus sought to group large and small firms alike into the CGII (Confindustria). Some of these efforts were vitiated by competition between and among various syndicates as the greater number of firms represented, the greater the potential power of the syndicate (:82). Firms had to join but they could either be

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represented by CGII, in effect an agency fee or could assume a more active political and economic role. From our perspective, beyond noting the kind of pre-, neo-, and full-blown corporatist efforts that have continued to play a role in Italian industry and commerce down to the present, is the acknowledged density of small firms integral to the inter-war Italian economy. Here the numbers are quite impressive. 150,278 firms were registered with CGII in 1938 of which 107,126, *71%*, employed ten or fewer workers and an additional 758,832 even smaller firms were registered as craftsman shops. (:83)

The importance of small-scale industry then, triumphalist accounts not withstanding didn't decrease in any measurable way with the advent of heavy industrialization and efforts at forced modernization under the fascist regime. We should also note here, that a complex of institutions that have continued to be salient in Italian society and economy were formalized or initiated under Fascism. Sectoral bargaining between labor and capital is a pattern that owes its origins to corporatist policies. In the same vein, the exemption from the contributi (social contributions) by artisanal firms of less than 5 employees in effect until 1993, was a fascist policy response to the afore-mentioned contradictions between economic rationalization and heroization of the craftsman. Similarly, the oft mentioned bias of the post-war DC towards its middle class and shop-keeper base reflected in a plethora of regulations restricting competition against small retailers, market vendors, etc. is not a DC innovation but rather, a shrewd maintenance of Fascist-era policy by a political party that captured and sought to maintain the same political base as the fascists. One could as well, point to the maintenance of elements of fascist social policy under the Second Republic in matters such as dopo

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lavoro and residency rules. The reality is that the Second Republic inherited a legal and juridical framework from fascism virtually un-amended.

Italy entered the Second World War almost completely unprepared. Hitler had repeatedly assured Mussolini that he did not contemplate the outbreak of general hostilities before 1943 (as he had assured his own general staff). While Italy was bound to Nazi Germany (and Imperial Japan) by the Pact of Steel, it was not bound to enter the war should it be initiated by one of its treaty partners but only in a defensive war. Italian industrial capacity had been sorely taxed by the regime's adventurous foreign endeavors (e.g. in Spain and Abyssinia).[6] Stocks of raw material especially petroleum were low and Italy was almost completely dependent on imports for vital war materials. Furthermore, it fared poorly militarily almost from the outset. Only German intervention first in the Macedonian-Greek campaign and then in the north African campaign staved off early defeat. By early 1942, much of Northern Italy was subject was subject to Allied aerial attack. Initially only Turin was subject to British bombardment but by mid 1943, most of northern and central Italy was subject to carpet bombing directed at heavy industry, port, and rail infrastructure. Furthermore, by mid-1943, Italy was effectively reduced to the status of a German satellite. Italian industry was harnessed to German ends and thousands of Italians were deported into slave labor in German factories. Further, the Allied victory in North Africa sent thousands of Italian soldiers to their death or captivity while the subsequent German defeat at Stalingrad destroyed the equivalent of two more Italian armies. The Italian surrender in September of 1943 if anything, intensified the destruction of Italian industries and infrastructure as Central Italy remained a war zone until 1945. In

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Northern Italy under German military occupation, the severity of German repression, allied bombing, and the resistance/civil war furthered still the human and material wreckage.

Italian post-war recovery and the subsequent (and so-called) Italian-miracle of post-war growth is equally interesting to this story. Surprisingly, the war damage to Italian productive capacity had been relatively small: about 8% (Vera Zamagni 1990:__) although productivity declined to 1915 levels. Damage to non-industrial infrastructure was greater but required proportionately less capital input to put right. After the failure of the government of national unity (1948), the first DC government – aided no doubt by massive assistance by the U.S. and the Vatican – pursued a set of economic development policies that were shaped, externally, by U.S. – Marshall Plan dictates and, internally devoted to heading-off agrarian crisis.

About the latter there is little doubt. In the immediate post-war years (48-52) major land-occupations in the South driven by agrarian socialist beliefs were met by cold steel. In the wake of the suppression of the peasant revolts, the DC set about building a completely clientelized political base while, in the North, industrial policy without any discontinuity with Fascist industrial policy, fostered free-trade by large-scale industrial combines. Marshall Plan aid everywhere in Europe was predicated on the use of capital and credits to build "free market" – that is, essentially, export platform economies locked economically, into the U. S. orbit. Because U.S. policy had never been sympathetic to "small business" however much the rhetoric lauded initiative and "boot-strapping," the real beneficiaries of reconstruction aid were the very same cartels that had become

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throughly meshed with the state during Fascism.

Not surprisingly, there is little sectoral data available to clarify the relative contributions of small and large-scale industry in the immediate post-war era. In an era in which modernization and development theory was nearly hegemonic, only models such as the Total Factor Productivity (TFP) were and are employed. This model is prior to and essential to the Solow growth model that is a straight input-output model in which the residual quantifies increasing technological sophistication. It does not distinguish the relative contributions of different sectors (being aggregate) nor is it directed towards the relative contribution of firms of different size and scale. (irrelevant under the assumptions of the model).

How Italian post-war recovery actually occurred, and what was involved in the immediate precursors to the "miracle" of the late 1950s and 1960s should be of greater interest than it apparently is. The reality of post-war recovery is to be explained by several constituent factors, among them the continued salience of small-scale industry generally across the national state, and specifically in the very regions that had been salient for the better part of a half-century combined with the new locales of quasi-craft production that have subsequently become the focus of so much attention: Venezia-Friuli, Lombardia, Marche, and Toscana.

What were the official sources of post-war recovery? UNRA, Marshall Plan aid and other sources targeted two sectors of the Italian economy: the capital goods sector and agriculture (v. Vera. Zamagni 1990). In the capital goods sector, this meant heavy investment in steel and related manufactures that in no way made any change over Fascist

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policy. Post-war investment policies maintained the pattern of investment in heavy industry in "state" controlled corporation that nearly perfectly reflected Roland Sarti's estimation of the making of public of private interests (supra.). In agriculture, the land occupations and open rebellion in Sicily and parts of the South were met by military suppression, although token land reforms in the form of sale of lands were made. Similarly, share-cropping agreements in the Center and North-Center were legally redefined to a 60-40% division favoring the share-cropper. Agricultural output nearly doubled in the immediate post-war years. But this fact is more than likely attributable to the relaxation of Fascist policy ("the war for wheat"), than it is to any structural changes in the agricultural sector. In industry, the end of the war left the country at productive capacity roughly equal to that of 1915. While this was rapidly altered, no data available to me has been able to demonstrate that the capital goods sector – to which foreign aid to Italy was almost exclusively devoted – accounted for the rapid recovery in entirety. The small firm sector must have been responsible for much of the dramatic increase in GDP, exports (as a component of the former), and the rebirth of Italian industry. Hence, an important part of the story to be told in this chapter is – through the example of the Biellese – the contribution of small scale industry in the Italian miracle of development in the later 1950s and 1960s. The subsequent discovery of the "Third Italy" while certainly exhibiting novel elements, is less remarkable than it might seem. This is certainly one part of Michael Blim's (1990) treatment of the Ancona- area shoe industry. Thomas Baker (198-) emphasizes the generational "window of opportunity" for small engineering shops in the Veneto, along with the now famous Tuscan wool shops (Pratese) and

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ceramics (the most noted amongst others). But what remains salient about both historical treatments and economic analyses is the willful and woeful neglect of the small business sector.

III. Capital and Labor from 1900 to 1968

If the orthodoxy of industrialization holds the development of a heavy, capital goods sector as its core reflecting the technological bias of historians and economists, the development of a working class, labor militancy, and a union movement in Italy cleaves to another almost equally rigid orthodoxy but of the Left. Stated most crudely and simply, this account is concerned with the appearance of an industrial proletariat (the working class) that is capable of organizing to contest for state power. It is in some respects, a mirror image of the neo-classical account of industrialization because it too is predicated on the appearance of a heavy, capital goods sector although here, the role of that sector is important for different reasons.

Central to the orthodox account is the conditions necessary for the development of a true industrial proletariat. The proletariat is the only revolutionary class potentially, because its members have been severed from all traditional and customary linkages to society. Paramount is the loss of property and customary rights usually associated with freehold. Detached from property, the nascent working class is wholly dependent on the sale of labor power and thus unlike peasants, small holders, and craftsmen is again, potentially capable of recognizing its class interests unfettered by the mystifications of membership at some level, in the capitalist social order.

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But more is required than this complex of structural conditions. Class requires mass and the concentration of that mass in spaces where numbers can be efficacious. Typically, the quantitative threshold is believed to occur in urban industrial centers. Hence, the importance of Manchester UK, Pittsburgh US, and the Ruhr in Germany where huge industrial plants concentrated workers in dormitory districts and where the struggles to achieve livable wage and working conditions might spark the coalescence of a class für sich.

The debates about Italian working-class formation among historians, sociologists, and economists is amongst the richest and densest of any national historiography in Western Europe; far out of proportion to Italy's role in European political history from 1850 to 1950 (to define a convenient if artificial century). Precisely because Italy was a "late industrializer" (Gerschenkron 1962), much of the attention has been focused on two themes: uncovering the urphänomen of the Italian working class – its first concrete existence in time -- and ultimately, diagnosing why it failed as a revolutionary class. Louise Tilly (1992: 1-15) has ably summarized the Italian debate preparatory to her own study of the Milanese working class.

She conveniently parses Italian debates into two counterpoised positions. She traces a quarter century process of vacillation between the local and the national in class formation. The crucial problem yet un-resolved in these historical debates, is wether if industrialization is a national process, then class formation must also be one. If, as much of this work has sought to show, aggregate and synthetic treatments mis-represent more than they illumine, then attention should be directed towards specific locales

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because they provide the evidence of specific historico-political economic trajectories into modernity (what ever that might mean). If capitalist social process does not, as I think, conform, to a single trajectory of industrialization (i.e. heavy industrialization plus working class formation), then accounts that attempt to measure class formation as a process twinned and inexorably linked with it, we are required to look more carefully at specific trajectories of industrialization.

Here, we need to take up an un-examined assumption that pervades the debate, cross-culturally. The central assumption of neoclassical (marginalist) accounts is that the national-state is the appropriate unit of analysis. This view has been subject to so much telling criticism that we need not explore it further (I have already so done). Yet class formation (the Marxist alternative) is predicated on precisely the same kinds of national-state assumptions. Yet because their measure is of a contest for national power, working class formation must necessarily be judged by the emergence of national-level, working class parties (and/or unions) that can genuinely vie for state power. But this makes the globalizing assumption that class formation has the sole interest of vying for state power; and that this "interest" is the exclusive legitimate expression of working men and women's cognition and agency. Predicated as this conception is on mass as class, urbanization as the basis for class, and the presumption that proletarian consciousness can only emerge in these circumstance under heavy industrialization, we have a ticket to historical misunderstanding of significant proportions.

Now, let us return to Louise Tilly's admirable precis of Italian scholarship on class formation. Unstated but implicit is a dichotomized model of class formation in her

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narrative. Either class formation is, as E. P. Thompson alleged a cultural process in which people, through the experience of struggling for their being in the world – with their panoply of interests subject to the historian's precision in illumination, the appropriate historiographical strategy or, there is an extra-historical logic to class formation.

This extra-historical logic of class formation is none other than technological determinism expressed, and criticized, in my treatments of the standard works on industrialization. Let us now return to Tilly's (1995) with these provisos in mind.

The central problem with both developmentalist tracts and those devoted to class formation in Italy is that Italy is unlike the implicit model, England. Unlike England, Italy was not suddenly presented with a landless class of laborers in a nascent capitalist, imperial system. Rather its experience is diverse, regionally and temporally. Tilly begins her summary with G. Manacorda's evolutionary schema. In this account, fraternal and friendly societies, the first expression of quasi-class sentiment, leads inexorably towards the first congress of socialists in 1892. The unit is the national state even if Manacorda's evidence is Northern textile workers (L. Tilly 1995: 5). Textile workers, acknowledged by Manacorda to be the avant garde of the Italian working class are none the less, place holders in an evolutionary schema in which in principle, any form of labor could have filled the category. No mention is made realistically, of the pan-European Mediterranean pattern of agrarian socialism salient especially in Italy and Spain in the late 19th and early 20th centuries.

In both Italy and Spain, landless laborers in both large and small-scale agriculture had been early and vociferous militants, infected by socialist (and other) doctrines. The

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fact that many had been landless (in the Po basin, they are called braccianti) for a considerable time, and that their position was not in any way different from contemporary "wetbacks" in the US, seems to have been lost on most historians. Just because they were laborers to capital-intensive, and of course, capitalist, agriculture is not a good reason to dismiss their experience or how they the articulated interests they did.

These lacunae not with-standing, Lucio Cafagna reacting to Alexander Gerschenkron's arguments, identified metal meccanica workers as the vanguard in Italian class formation. State and private (e.g. FIAT, Ansaldo, etc.) initiatives in heavy industrialization created the core of an Italian working class. This of course moves the start date for a working class forward some 30 years but it has the advantage that the workers were engaged in classically heavy industry.

This treatment could still not capture the diversity of the ways and means that Italian men and women were drawn into, and lived industrial lives. Tilly then turns to what she calls a dual track model. Men and women in the primary (heavy industrial) sector gravitated towards the socialist party while men and women in the tertiary sector (including textiles and agriculture) created fraternal and sororal bodies that eventually coalesced into the camera di lavoro (Tilly 1995: 5). This seemed to solve the dual problem of preserving a classical trajectory of working class formation while not being overly untrue to the far more complex historical record. Here again, I wish to draw attention to the saliency of landless agrarian workers in both the Po basin and the South (especially Sicily) who appeared to have formed a set of interests consistent with what we identify as class even if they were agrarians.

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Stefano Merli (1----) sought to cut the Gordian knot of Italy's incapacity to conform to purported Marxist and Lenninist models of class formation under heavy industrialization – even if the latter wasn't taking place according to schedule. Merli, even if Louise Tilly needed to modify his schema, reverted to a more classically, Leninist theory of history. For Merli, the emergence of a heavy industrial, urbanized work-force was crucial to class formation. This meant the automobile, steel, weapons complex driven by the state in the latter 19th and early 20th centuries. This placed both class formation and industrialization in the two decades prior to the fin de'siecle; just where all the conventional modernization theorists had placed it. While this has the cogency of consistency with so many accounts, it replicates all the problems with industrialization, modernization, class formation, and, necessarily, the bias against less than large industry, that this work has sought both to bring to the fore and to call into question as defining.

The final example that Louise Tilly adduces is the work of Andrea De Clementi (19–). De Clementi has sought to coordinate working class formation with economic crisis or at least, a conception of cyclicity in the economy. While one might justifiably call into question a business cycle model of the Italian economy before it was entirely monetized, De Clementi's approach has the advantage of not trying to force all evidence into a unitary and monistic model. She locates working class formation in the demise of the North-Central Italian peasantry and argues that rural and town populations were trifurcated in the avenues of survival open to them. The first group were artisans who were undergoing displacement under industrialization as a result of de-skilling (the classic model). The second group were urban home workers who were faced with the

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diminution of real wages, and the third group was unskilled labor, largely urbanized, who threatened the former vis a vis wages, but were themselves threatened by the strategies of industrial elites and by other workers.

De Clementi reads the historical record interestingly in another way. She finds that the two decades from 1870 to 1890 were relatively free of overt labor strife but that the arrival of the down-phase of the business cycle led to an increase in labor struggle in the last decade of the century. While the Biellese for one, is a counter-factual, her model is not without considerable import. She understands class formation as a single conjunctural event associated with the crisis engendered by the perigee of the cycle. Furthermore, she assigns an important role in class formation to women and children drawn into the labor force – characteristic of textile production across North and Central Italy – where male historians typically view them as distractions or outright impediments in the path of male labor in heavy industry's assigned role as the makers of a working class.

The problem none the less is the central explanatory weight assigned to the appearance of a class <u>für sich</u> and its relationship to national-level industrialization. Because the historical evidence for the 19th century permits multiple interpretations depending on the region or locale examined, the definition of "industrialization" one chooses, the properties of class assigned definitive weight, and the extent to which each of these is slotted into a matrix of forces that nationally or at least supra-regionally, vies for state power, no single explanation has evidentiary or explanatory superiority over the others. The argument of whether class formation preceded industrialization or vice versa

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then is in the terms Tilly and legions of Italian historians and sociologists have framed it, the wrong question.

The struggles of Italian artisans, peasants, braccianti, and workers at the turn of the century presents a complex geography and social topography that is peninsula encompassing. Rather than searching for the moment when a working class makes its appearance, the more appropriate set of questions concerns the relationship between regional political economy and the types of class struggles propelled by economic and political change that occurred in these structurally diverse regions. These can be fitted into a more complex model of " development" that assigns differential weight to local, socio-cultural, economic, and political processes vis a vis the supra-regional or even national-level developments. Here, De Clementi's identification of three distinct groups is useful in that it accepts that prior to the development of an effectively national market, the processes are regional. The relationship between state policies and the effects of international market perturbations articulate with regional political economy as something like the economist's externality. As regions are drawn through market changes and shifts, largely local-level processes of struggle, increasing industrial density or changes in the scale, scope, and organizational form of industries, the relationship between regional and "external" factors alters towards interchange and away from impact. The bases of capital – labor conflict and their content more than likely reflect as well as reshape these larger (at least quasi-national) relations.

The penetration of socialist and other dissenting doctrines amongst peasants, artisans and workers coupled with the penetration of modernizing capitalist ideologies

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among regional and state (political class) elites also need to be factored into the equation. Thus for instance, the founding of the Partito Operaio (the predecessor to the Italian socialist and communist parties) in 1882 reflects the existence of reasonably widespread penetration of socialist ideas amongst urban and proto-industrial workers, artisans and peasants and braccianti. The political pressure that lead to the 1878 tariff war with France, reflects the spread of modern, state-oriented interest articulation by both agrarian and industrial elites as much as does good, old-fashioned repression of workers. Evidence that even elites had to acknowledge the widespread adoption of workerist doctrines is certainly provided by the issuance of the Rerum Novarum bull

I do not think in the light of these several observations, that a search for a *national* working class before the end of WWI is worth the trouble. None the less, the configuration of regional, state and international factors by the last decade of the 19th century lead to heightened worker-peasant militancy over the 25 years to the outbreak of the European war. The war through all the forced mobilization and rationalization already discussed tightened inter-regional linkages between and amongst differently situated populations subject to capitalist discipline. The war was in Reggie Jackson's famous phrase, the straw that stirred the drink.

The cessation of international hostilities released the immediate heightening of tensions across Italy. National integration encompassing economic rationalization accelerated intra-regional linkages amongst workers, peasants, etc. in a density of linkages that knit local responses to capital labor struggle through the apparatus of first party and then union. The emergence -- or should I say re-alignment of elite fractions at

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both the regional and national level under the initially incoherent umbrella -- of Fascism in the immediate post-war era is well known. But it bears repeating that Fascism initially drew strength from regional bourgeois reaction to agrarian mobilization in the Po basin. While industrialists were in no way averse to intimidating workers should it be possible, the great fear was amongst agrarian elites and small town bourgeoisie who welcomed (and often covertly backed) the violent repression of the squadristi. This reflected the very real political threat represented by rural socialist capture of local governments, aggressive land occupations, and the formation of cooperatives.

Industrial workers were not inactive either. Strike activity never ceased during the war. There had been widespread strikes in Turin in 1917 even under military jurisdiction. By 1919, strike activity increased to the unheard of level of 1871 discernable actions with more than 1.5 million workers directly affected and 22 million man days of labor lost (Solomon Barkin 1977: 8). The number of strikes, participation and lost working days increased in 1920 and maintained virtually the same level in 1921.

The governments (in this period) were caught between the massive mobilization of both town and country workers, the increasing power of the labor movement – the CGIL – to disrupt production, the increasing power of reaction, and the fears of both agrarian and industrial elites. Given the fractionation of the polity both nationally, regionally, and by class it could do little else than to grant concessions to all in hopes of maintaining a modicum of order. Universal suffrage was granted to all males over 21 and the Confindustria accepted in principle an eight hour work day. Yet simultaneously, the state tolerated the most violent attacks by squadristi on legally elected municipal

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governments in Emilia Romagna and the Marche. Simultaneously, major occupations of heavy industrial plants especially the FIAT auto works seemed to suggest that organized labor might have the capacity to move from paralyzing industry to state power – however remote this was to be in fact. But the establishment of factory councils in which workers were to have a voice in production and especially, organizational (work rule and scheduling) decisions, deeply frightened the grandi industriali.

The Fascist seizure of power when it came in 1924 was as it almost always is claimed to be, a coup mounted in the name of restoring order in a highly charged atmosphere in which the makers of disorder inherited the state. It is not the purpose of this discussion to re-elaborate the chronology of those events (v. Adrian Lyttelton 1973) but rather to suggest that the accession to power of Mussolini was nowhere near as coherent, planned, or informed by some philosophy of state power as is often represented.

Certainly the Fascist accession to power had a number of fairly immediate effects paramount amongst them the de-mobilization of workers. Reflecting the heterogeneous bases of support for the new regime that included ideological fascists, reactionary petit bourgeois, large land owners, luke-warm support by grandi industriali, and not inconsiderable working class support mobilized through the vehicle of nationalism, it is not surprising that the Fascist enjoyed a hiatus from assault.

We need to remember that the worker's movement was itself, deeply divided in Italy and across Europe. The advent of the Comintern placed powerful pressure on the left wing of socialist parties across Europe, not insignificant in the fractionation of left parties. This had played out in Italy too in the division of the old Socialist party into a

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Communist and Socialist party almost contemporaneously with the crisis represented by the struggle to attach the factory council movement to larger political ends. It is perhaps easy with a half century's hind-sight, to criticize the fundamental naivete of Gramsci and other Communist leaders' beliefs that they were operating consistently with the logic of history when they eschewed a broad-based workerist movement in favor of a Lenninist strategy. Certainly, the reason why Gramsci's reflections are still read with profit so much later is his own groping towards an understanding of "historical forces" not impoverished by Leninist a-historicism. [7] This meant in practice accepting that there was not nor would there ever be, a logic of history that might direct left elites walking the path to state power. This implied that specific national trajectories – and regional trajectories to the extent they could be acknowledged within the model – were necessarily fundamental in shaping strategies directed towards the capture of state power. Left in the lurch were for the most part, the very workers for whom left elites purported to speak. With some noble exceptions, it was workers who were to pay the price with their freedom and often their lives over the next decade.

In Italy, the transition from heightened mobilization of workers in the mid- 1920s to the quiescence of the 1930s and early 1940s is remarkable. Certainly, much of this was accomplished by the elimination, banishment, cowing, and repression of workers and their institutions in the decade preceding the outbreak of the Second World War. But it also meant that, because the communists and socialist had been forced underground by the late 1920s, they were forced to come to terms with being prescribed from any kind of public power or voice. Unlike the French communist party that remained legal long

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enough to compromise itself over the Soviet-German non-aggression pact, Italian militants were forced underground as was the complex of supporting institutions developed in the preceding years.

No brief account such as this can do justice to the complexity of forces re-invigorated by Fascism in Italy between the mid-1930s and 1943. The post-war assignment of centrality to the communists is legitimate because they had the most broad-based sympathy. But alienation, resistance and rebellion were not restricted to the communists even if they mustered by far, the largest active constituency. Much of the independent and dis-affected left coalesced around the party "Justice and Liberty," while others cleaved to socialists, still others were monarchists although they were a distinct minority. What is important to remember about resistance elites (using the term loosely) is that Christian Democrats were largely absent.

Even more important than the explicit allegiance of leadership cadres in dissent and resistance against the regime, is the fact that this tells the story of political elites rather than workers and other citizens. There is no way to capture the experience of ordinary people much less represent the complexity of their lives as people subject to both the Italian and then the German regime in the way that we can point towards the activity of intellectuals and other elites.[8] For ordinary, working class people, the choice to go into active resistance is undoubtedly quite different in character than it was for cultural and political elites. Most often, it involved moral and political ambiguity largely unknown to elites who most often had the networks and hence, the capacity to flee elsewhere in the face of the near certainty of discovery by police and intelligence forces

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of the regimes. The truth of the matter is that ordinary people have deeply locally circumscribed networks that limit their ability to disappear and, hence, they can only operate in a local "sea" of protection. They are therefore, deeply at the mercy of the complicated and conflicted world of officialdom connected as this is with family, kin, association, friendship, employer-employee relationships as well as patron-client relationships -- in their little area.

By late 1943 when resistance active and passive to the regime was significant, worker and elite resistance depended on locally based webs of complicity, collaboration, and outright resistance that defy the kind of moral absolutism too often applied to wartime conditions (v. Claudio Pavone 1995; Tsvetan Todorov 1997). This complex concatenation of social and political economic forces is perhaps, most clear in the major strikes that shook Italy in 1943. Centered in the great FIAT factories in Turin, heartland of the modern heavy industrial sector, core of the heavy industrial organized labor sector, the strikes reveals to us the complexity of the political situation more clearly than either politicians or historians might care to admit. While the labor struggles in the major cities are outside the scope of this account, the experience of the Biellesi to which I shall turn in the next section, is both illustrative and representative of this period.

By late 1943, Italy was effectively out of the war. Mussolini was a puppet in his rump state, the Republic of Saló. German military and state cadres controlled Italy from central Italy north and were ruthlessly coercing both agricultural and industrial production to the German war effort. Whatever advantage against workers the industriali had garnered after a decade of Fascism was now counterpoised with the difficult and bitter

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reality that they had benefitted from fascism, while most workers had seen their condition deteriorate. Whatever advantage gained against militant organized labor had soured in the recognition that ordinary workers and peasants held the moral high ground, even if they could not effectuate their interests to establish a new state and society -m even if they were still thinking in such grandiose terms.

Workers too understood that, unlike the 1920s, nobody could be made to disappear to leave a social and political terrain on which they could, as it were, start over again de novo. As much as workers and capital were locked in a deep and bitter struggle that the Fascist regime had masked, the fall of it in no way liberated them to try anew in the light of their experience. But as much as workers and peasants had gained moral authority out of the struggle, industriali and the political classes had the uncritical but uncompromising support of the Allies for whom the spectre of social revolution loomed very large. The British favored reestablishment of the monarchy and the status quo ante. The U.S. wanted a liberal regime but didn't wish to help the British. Both were deeply fearful of social revolution and sought often at the expense of their own war and post-war reconstruction strategies to avoid the most powerful and coherent resistance forces namely, the PCI which dominated the CLNAI. While the U.S. might have been willing to deal with Justice and Liberty, it was a party with no mass base. The net result was that the Allies settled for the closest thing to status quo ante they could muster. There was to be no social revolution in Italy even if that meant leaving most of the hodge-podge edifice of Fascist juridical and administrative structure intact.

The provisional government of national unity that ruled between the cessation of

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the war and the first national elections was of course, hamstrung from the start. The 1948 elections that installed the DC and center right parties in coalition then set the pattern that was to endure in one form or another until 1990. The new government was faced with all the accumulated problems with both industrial and agrarian labor and peasants suppressed by the Fascists but then resurgent in the waning months of the war. Indeed, massive strikes in early 1945 had paralyzed production in the major Italian industrial centers. Milan had been effectively liberated by workers and resistants (often one and the same), and Turin was also in the control of CLNAI forces. Strikes were to continue for the next several years accompanied in the South with land occupations and other forms of agrarian unrest.

Consequent on the collapse of the governments of national unity, the principal unions each associated with its sponsoring party: CGIL, CISL, and UIL increasingly were unable to present a united front in negotiations with Confindustria.. While directly a consequence of the hardening political divisions In Italy in the context of DC dominance itself partially an artifact of U.S. support, the fractionation of the union's negotiating posture perhaps unintendedly, served to weaken organized labor's power vis a vis both Confindustria and the State. Organized labor's bargaining power was also weakened by the very high unemployment in the immediate post-war years. In this sense, Italian labor's capacity to exact concessions on wages, work rules, and benefits compared unfavorably with their French, German, and even British counterparts in the decade of the 1950s.

U.S. policy also fostered freer trade and an export orientation (if not an export-platform approach). But export in heavy industrials (producer goods and consumer

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durables) was still hampered by several major impediments. The tariff structure from the Fascist autonomy policy remained largely in place. Most of the Western European economies also maintained strict capital and exchange policies while also seeking to foster domestic consumption (fed by domestic industry) and promotion of exports. Italian heavy industry suffered from the chronic dearth of indigenous sources of raw materials while simultaneously being chronically short of foreign currency reserves (balance of payments as well as currency holdings). It is in this context that the emergence of new sources of export oriented-industries in engineering, consumer products, design and fashion need to be situated (v. Vera Zamagni 1993; Penny Sparke 1990; Thomas H. Baker 1987; 1994; Paul Ginsborg 1990). While much can be made of the craft tradition in Piemonte and especially, Toscana and Emilia Romagna (Bagnasco 1977; Leonardi & Nanetti 1994; cf Sabel & Zeitlin 1985), the more compelling source of small-scale, entrepreneurial innovation for export production is to be found in the low barriers to entry in most of these sectors (e.g. furniture, household goods, textiles, industrial design services). For Schumpeterian entrepreneurs, low cost of entry (i.e. low capital cost) was crucial because foreign aid (Marshall plan aid) was targeted elsewhere (at heavy industry and infrastructure) and access to domestic capital inhibited by the same relative paucity of either bank loan capital or capital markets that had been an impediment since the end of the 19th century. This left family capital such as it existed, and virtually compelled entry on a very small or craft scale for any but traditional regional elites. We may then, account for much of the Italian "miracle" in the mid 1950s to early 1960s to a combination of pent-up domestic demand and the growth of the consumer product export market fueled

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in part as well by low wages in comparison with Western European and American competition.[9] Another important dimension of the Italian "miracle" of economic growth (my reservations about growth models not withstanding) was the high level of protectionist tariffs encompassing both producer and consumer goods that exists to a significant degree in place to the present. Italian steel, automobiles, consumer durables (e.g. washing machines, stoves) and many consumer goods (e.g. food products, clothing and even furniture) were insulated against foreign competition by a maze of tariffs and other non- monetary restrictions. Some of these were general to the advanced industrialized West; the most significant in terms of the textile industry being the MFA (the Multi Fibre Agreement). The MFA generally representative of other non-tariff agreements, restricted the import of both cloth and clothing from Asia (especially), Africa and Latin America to the developed economies to specific target levels effectively protecting national industries.[10] Interestingly, raw wool (fleece) was never the subject of import restrictions or tariffs to Italy. Key agricultural products were also covered by import tariffs and restrictions including rice and wheat. [11] The automobile market in Italy has been protected to such a degree that only in the last 10 years has the share of other European manufacturers risen to 20% with FIAT controlling all but a fraction of the remainder. Similarly, in retail trades, the DC has protected a traditionally important constituency, the small retail entrepreneur (i.e. food stores) by erecting a virtually impregnable wall against the penetration of "big box" retailers into the national market.[12] The regulations governing store hours (both Italy and Germany regulate hours of business) goes so far as to ensure food and clothing store closure on the days that open air

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markets are held. The Italian (and pan-Western European) market then is a complex maze of customs, regulations, and tariff restrictions that at least in the 1950s and 1960s, served to stimulate and protect indigenous retail and industrial firms. Viewed then from the perspective of neo-classical macro-economics and state policy, the years of sustained economic growth in Italy and especially the emergence of the small firm, industrial districts may be less novel than some of its boosters allow.

Two other aspects of the growth of the small firm sector in a number of Italian regions also merit scrutiny: the regional distribution of their emergence and the relationship between traditional industrial firms and production sub-contracting. The argument of the "Third Italy" sociologists that Toscana, Emilia Romagna, and Marche represent an alternative trajectory of industrial development driven in part by endogenous cultural and social traditions would seem to largely exclude Venezia Friuli, northern Lombardia and most certainly Piemonte. None are noted for mezzadria contracts in agriculture (although it probably was substantially more common in the North before the 18th century); nor does familial extension or inter-family cooperation hold a signal place in any of the (Anglophone) ethnography of these regions. Douglas Holmes (1989) along with Jean Quataert has advanced a category of worker-peasant to describe the combination of subsistence small holders also engaged in part-time, episodic and even full-time waged factory labor.[13] While Holmes' principal concern is with the conflict between gemein and geschell-schaft for Fruiliani in the organization of world view and behavior, the concept of worker-peasant is to me, suspect. Their concept seems to owe greater fealty to a semantic gulf between waged and non-waged labor than any actual

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incompatibility between them in structuring life worlds, local community, or a divided weltanschauung. Biellesi "worker peasants" in the 13 through 15th centuries readily melded subsistence production, cottage industry, and long-distance, off-season waged labor in plastering and stone work. A small fraction of the hill population still does so having replaced engineering for plastering. Similarly, Riojana (Rioja, Spain)"peasant workers" who are in fact small scale vini-viticultural producers also work full time at a Toshiba factory making radios near Tarragona without apparently the kind of schismatic consciousness of Fruiliani. The point is, the concept is unnecessary if not erroneous in describing complex individual and family economic strategies that draw upon a range of linkages to the market. Tom Baker (1987; 1994) notes that small-shop engineering firms he surveyed in Friuli in the mid 1980s evinced a specific generational property. Firm start-ups seem to have been confined primarily to the generation coming of age during and immediately after the Second World War. Firm starts declined significantly by the late 1960s and early 1970s suggesting both that the appeal of the heavy self-exploitation necessary to become a specialized or niche producer paled for the succeeding generation (presumably in the face of a broader labor market) and, equally likely; that barriers to entry, capital costs, and firm life chances declined.

I suggest that the regional argument for micro-firms and industrial districts does not stand up under scrutiny. Let two more markedly different examples suffice: the Pinerolo-Cunese furniture industry and stone working in the Massa-Carrarese. The area around Pinerolo (immediately to the west of Torino in Piemonte) is noted for the density of firms engaged in the production of medium and higher-end furniture. While there may

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have been local traditions of craft production and production for the Piemontese aristocracy before this century, it is not noteworthy. Rather, furniture production would appear to have come in the wake of the collapse of the regional wool and cotton textile industries by the end of the 19th century (v. Alain Dewerpe 1985; Valerio Castronovo 1977). The regional industry's prominence (and success) has been in the post-Second World War period coinciding with the period of rapid economic growth in Italy. In complexion, the Pinerolese furniture industry appears (from anecdotal evidence) to have many of the properties of the vaunted Tuscan industrial districts (e.g. the Pratese wool and central Tuscan ceramics zone) with many small, family-owned firms that engage in both cooperation and competition. Completely lacking the purported cultural traditions or the historical depth of Tuscan specialized industries (wool, ceramics, leather goods), it none the less exhibits the properties of the model. The second example again only briefly mentioned, is the stone quarrying and working industry of the Massa Carrara area of northern Tuscany. Quarrying and working marble is of great antiquity – at least since roman if not Etruscan times – in the area. From the 14th through the 16th centuries, marble was shipped throughout Italy and into Northwestern Europe. Travertine and other marbles can be found in monuments, public buildings, churches throughout the continent, the U.S. and, now elsewhere. Thin sheet marble and marble tiles grace the shower stalls and kitchen floors of the very wealthy from Kuala Lumpur to Beverly Hills in the modern global economy. Yet Massa-Carrarese firms are still overwhelmingly small, family-held and operated. Increasingly firms in the region (and around Verona) have expanded their efforts to control a significant portion of stone brokering world-wide, while much of the

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technology used to cut and surface stone globally is locally developed and manufactured. The point is not that history, historically deep traditions and regional sub-culture does or doesn't matter, but that these factors alone are unlikely to explain either continued success or failure of small-scale industries in industrial districts.

Sub-contracting is as I have argued earlier (supra, Chapter VII) too broad a category to explain *per se* heightened exploitation or its absence. While the presumption in most Marxist micro-economic literature (to the extent that this exists in formal terms) is that sub-contracting *ipso facto* is an increase in the rate of surplus extraction, this overlooks the wide variety of circumstances in which sub-contracting is an expression of the division of labor in some production process. Having so painted sub-contracting, it becomes difficult to distinguish between degrees of surplus extraction much less a technical division of labor in which (beyond some basal level of extraction, no greater degree of exploitation occurs) a firm is not the appropriate focus of attention. The bias towards the inevitability of (industrial (i.e. firm)) concentration in many Marxist accounts provides little conceptual much less empirical space for commodity chains, complex divisions of labor between firms, or parity-based sub-contracting.[14]

But there are situations in which the claims of sub-contracting as a new instance of sweated work are clear-cut. Both Michael Blim (1990) and Victoria Goddard (1996) show that shoe production in Marche and Naples (respectively) depends on this kind of highly exploitative out-work. Similarly Luigi Frey et al (1972) have shown that the initial impulse in both Pratese textiles and Tuscan ceramics after the collapse of the old-line, larger-scale integrated firms in the late 1960s and early 1970s was to save on labor cost

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through forms of out- and home-work that (for example) Michael Piore and Charles Sabel (1985) ignored to the detriment of their general argument about industrial districts and small-scale industrialization as an alternative trajectory that is less exploitive than conventional large-scale, integrated firms. The problem in evaluating the Pratese case is that the fractionation of larger firms into small, phase-specific shops (such as warping, weaving, finishing, etc.) occurred on top of an existing, older pattern of sub-contracting managed by impanetore. These brokers took contracts for cloth and then farmed-out each phase of the production process, often to kinsmen. Most of these brokers appear to have emerged out of agrarian families late in the 19th century, a parallel system to integrated firms that enabled the Pratese to meet a range of demands from small-batch custom work, to continuous-process large batch production. Given that Prato has traditionally specialized as much in re-processed woollens (lana di Stracco) in which the rag pickers constituted the bottom end of the labor market is it did in new woollens, the wool industry is a complex of firm types and sizes structuring a labor market that encompassed everything from the lowest waged rag pickers to very high waged independent contractors (e.g. warpers) to conventional hourly workers. Yet even with this highly fragmented system, the Pratese bears only a limited resemblance to the low wage subcontracting in shoe manufacture (excepting rag picking) detailed by both Michael Blim (1990) and Victoria Goddard (1998).

The growth of several new industrial districts from the mid 1960s on also vitiates the argument that breaking up larger firms was necessarily a managerial strategy to weaken labor. Brescia has become noted for production of spectacle frames to the near

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exclusion of any other manufacture. While Luxotica has become (only in the 1990s) the single largest firm in the region, from the late 1960s a fairly large number of firms existed on sub-contract or jobbing opening up the possibility of "designer" eye-glass frames. Bergamo and Como both have significant textile (silk) manufacturing operation the mirror in many respects the distribution of firms found in the Biellese from the mid-1970s on.[15] The point is that the emergence of small-scale manufacture cannot automatically be explained as wage saving or cost cutting by capital. Neither the emergence nor disappearance of small-scale manufacture, micro-industry, or sub-contracting networks provides a one-way causal chain.

There are other ways to understand the relationship between small-scale industry, post-war Italian growth, and capital – labor relations than as wage-saving strategies by management. While Marshall plan aid and the economic recovery policies of the post-1948 DC-dominated governments were targeted at large industry, pent-up demand in the decade following the war created a boom in consumer industries (v. P. Ginsborg 1990: 210-15). The economic "miracle" conventionally dated from 1958-63 was the culmination of a dramatic process of economic recovery and growth that built through the early 1950s. Attention is usually paid to the growth of the large industrial firms such as FIAT, Olivetti, Zanussi, etc. that both satisfied domestic demand for consumer durables and other domestic products and became significant exporters. But the fact is that Italy's post-war growth was driven as much by medium and small-sized firms as by the large established (and a few new) firms. Italian firms across the continuum of scale and scope replaced antiquated equipment much of which dated from the early 1920s. This enabled

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the larger firms to move towards Fordist production organized by Taylorist time-motion studies. By the late 1950s, many large firms had achieved a level of technical sophistication and automation that they could hire unskilled labor for machine minding rather than more skilled labor.[16] The huge waves of immigration from the South into Milan and Turin into the early 1960s. By 1967 for example 50.2% of the blue collar manufacturing jobs in Turin were categorized in the lowest (unskilled) rung of the job ladder (cited in Roberto Franzosi, 1995: 81).[17] FIAT for instance, was able to achieve significant cost savings by employing immigrants from the South and Sicily in its new automated plants. But the use of unskilled immigrant labor in manufacturing appears to have been primarily a strategy open to large firms (>500 workers). Certainly many migrants from the South took all sorts of marginal jobs outside of manufacturing with wages if anything lower than manufacturing industry rates but typically medium and smaller firms (across the iron triangle) had less recourse to this option for reasons I shall explore. But one important element is that in the textile sector (and also to some extent metal-working), re-organization of production rather than capital investment appears to have been predominant strategy. A study by Federlombarda (the regional equivalent of the Biellese UIB) cited in Robert Franzosi (1995: 79) of manufacturing firms showed a linear drop in the use of automated and semi-automated equipment by firm size. 80% of the firms with more than 100 workers could employ primarily unskilled workers while 45% of the firms with 1-19 workers depended on no-automated machinery; 34% of firms with 20-49, and; 22.2% with 100-249 workers. One explanation then is that the small firm sector regardless of region in Italy was relative to large firms that gain the spot-light,

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starved for capital that would have enabled them to cheapen labor cost through hiring low skilled workers to work new, automated machinery. I know of no similar data for the Biellese for the same period but I sense that modernization of technology was delayed by about a decade.

The focus on large firms whether in terms of modernization or in terms of the conditions of workers may obscure the picture of capital-labor relations in the post-war economic miracle as much as it illumines them. ISTAT national data on plant size measured by number of employees shows the importance of small firms throughout the post-war period.

Plants By Size				
Employees	1951	1961	1971	1981
<2	445,107	353,648	297,705	333,256
3-5	75,396	91.923	83.530	109,951
6-10	21,007	35,325	40,060	62,943
11-50	18,298	32,125	42,182	63,465
51-100	3,106	5,106	6,483	7,049
101-500	2,741	3,858	4,862	5,174
501-1000	353	381	427	422
>1000	199	186	235	233

Source: ISTAT, 1986 (cited in R. Franzosi 1995: 85)

These figures show the growing importance of medium, small and micro-firms across the manufacturing sectors of the Italian economy over 30 years. While the number of tiny artisanal shops declined by roughly 25%, the number of firms with 3-5 workers

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increased by roughly 32%. In each of the next three categories the increase is by no less than 66% and in the case of mid-sized firms (51-100 workers), by 44%. The fact that large and very large firms also increased in number over the period suggests that fractionation of existing firms into sub-contracting arrangements doesn't explain the existence, growth or strength of the small firms, regardless of industrial sector.

There is another possible explanation, considered by Roberto Franzosi (1995: 127-9) indirectly. Smaller firms have markedly lower rates of unionization. The threshold for penetration of union organization seems to be about 20 employees (:129) if Bolognese data can be generalized across the iron triangle and the red belt. The same Federlombarda study cited above noted that in firms with 1-19 workers, only 22.4% had a functioning union organizational structure, 22.9% had a unionized workforce, and only 25% of all firms in the category were unionized. As the size of the firm increased, these rates also increased so that firms with over 100 workers had at least some union presence. As Franzosi's interest is to explain the pattern of strikes in Italy in the post-war era, he notes that most small firms in the sample (70%) experienced no strikes while no firms with a workforce over 500 did not experience strikes. This might suggest that the creation of myriads of tiny firms was a way to escape unionization and to dodge the most powerful technique in the workers' repertoire.

A more probable explanation is one advance by Franzosi and confirmed anecdotally at least by explanations offered by informants in the Biellese. Small shops are characterized by face to face relations. The proprietor is per force the negotiator and workers my be loath to press disputes over wages and work conditions when they will

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inevitably become personalized, rupturing shop solidarity (and the work process) and perhaps, endangering his or her job. A friend of mine who worked for a small texmeccanica firm in the Biellese seemed to confirm this. The firm for which he worked had only 15 or so workers including the two men who owned the firm. The owners had been themselves workers until going independent in the 1970s (v. Appendix B). Some of the workers (although not my friend) were staunch adherents of the PCI and apparently, the issue of unionization had been broached at some time preceding 1988. But a majority of workers decided against it and the militants went along although they did not cease to be active PCI militants. These conditions are what Michael Burrawoy (1985) called a patriarchal regime where the authority of the boss-owner held direct sway. Yet my friend when asked, asserted that his bosses perhaps because they had been workers themselves, assiduously cultivated a non-confrontational and relatively egalitarian regime – as well as delivering above average wages. The Biellese in contrast to larger urban regions has few exclusively working class residential districts. Workers and owners of small firms live in towns and villages around the region un-segregated by class. While the grandi industriali maintain estates or live in the fanciest quarters of Biella or above in the hills, people are likely to encounter each other in carrying out the quotidian activities of life. It may be that assigning patriarchy as both label and explanation is too strong, although there are certainly different dynamics in small workplaces than larger ones.

(Incomplete - no national/regional strike data)

IV. Beginnings and Endings: Industriali and workers, 1943-45

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The triumph of the industriali was to be short lived, only two decades. Italian capital represented by Confindustria nationally, and regionally in the Biellese by the immediate precursor to the UIB managed a rapprochement with the state that left the industrial elites relative autonomy. In the Biellese, Fascist control of the syndicates removed the Camera del Lavoro as a relatively independent bargaining agent for labor. This did not free the region's industry from labor strife but it did make the cost to politically active workers and their leaders quite high: prison or internal exile. The fact that wool was never subjected to import restrictions left the industry able to produce for domestic demand and for military procurement. Thus while the effects of the depression were not small, the industry never suffered a complete collapse of demand. But the advent of the Second World War was to fundamentally alter the political terrain in the Biellese; in great measure redressing the imbalance in power relations between capital and labor.

Wartime in Italy and more specifically, in the Biellese enfolded so many crises, so many kinds of crises so as to defy any general characterization. The Second World War was for Italy a disaster on several fronts: national, regional, political, local and personal to name the most obvious. The nature of the disasters and the variety of crises spawned were a direct product of the way Italy exited the war. The fall of Mussolini and the appointment (by the king) of Marshall Badoglio in 1943 led to a several interpenetrated wars: Germans and Fascist Italy versus Allies (1942-3), Germans and Fascists (Republic of Saló) against the Allies (1943-45) and Germans and Italian Fascists against the Resistance (1943-45). The latter has rightly in my view, been called a civil war as well as a war of liberation (v. Claudio Pavone 1991).

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Nationally, whatever claims could have been made for the Fascist regime having produced authocthonous development from the mid 1920s to 1938 were dissolved, manifest in the economic and social ruin of the country in 1945. Italy's place as a state in Europe and in the international system was so low that a half century was required to repair it. [18] The Italian economy was devastated although this was the result less of destruction of infrastructure and physical plant than from the distortions of a command economy imposed on a relatively weak and still substantially agrarian economy. The same command economy (war economy) had sharpened the already radical inequality between North and South reflecting the entrenched northern industrial elites' capacity to capture the lion's share of industrial production for war. Whatever ameliorative measures the regime had made in the South (e.g. the fairly successful attack on the Mafia in Sicily by the regime or the anti-malarial campaign in the southern peninsula and islands) had been un-done by the capacity of local elites to thwart programs or by the errors of omission and commission of the Allied occupation. [19]

Politically, Italy was a tinder box in 1945 with all the un-resolved tensions between ideologies, classes, and regions present in 1924. It was as if Pandora's box had had its lid closed in 1924, and then re-opened in 1943. (See sections I, II supra). The form and composition of national government in the immediate post-war years owed as much to U.S. and British inability to agree on what they wanted as it did on the competing conception of polity and society of the major political forces: the communists, Christian democrats, socialists, independent left (the Action Party), and the orphaned right (L'Uomo qualunque).[20] The grandi industriali were in a sense, an independent force

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that had yet to be recaptured (or themselves to recapture) by a political party in 1945.

Furthermore, the conflicts between Italians that Claudio Pavone(1991) has identified as civil war fundamentally altered the balance of powers between capital and labor in the region. The crises of war, famine (winter of 1944-5), internecine strife, labor-industriali conflict reshaped the social terrain on which post-war settlements, accommodations and conflicts were to be enacted.

The Biellese a small center without strategic production or transportation links went physically unscathed in the Second World War. It was so safe that the Piaggio small engine and vehicle works were relocated to the Sella works along the Torrente Cervo in 1942. The role of industry was as it had been in the Great War, to produce military cloth and clothing as well as cloth for other national domestic needs. The industriali had every reason in 1940 to have another "good" war: high profits (cost plus military contracts) and no problems with labor. For Biellesi workers the advent of war promised little hope and the likelihood that new risks were to be encountered. In the wake of the factory occupations in 1924 concurrent and contributory to the Fascist seizure of power, the working class was cowed into submission and quiescence. But for the majority of workers excepting those banished to internal exile or forced to flee abroad, the 1930s were not terrible. But the Biellese was strategically located in another way.

By mid to late1942 the tide of war had turned decisively against Italy and had put Nazi Germany permanently and fatally on the strategic defensive (e.g. defeat in north Africa and at Stalingrad).[21] As Italian fortunes waned and her position became evermore that of a German satellite, internal resistance began. Initially, much of the resistance was

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in the form of desertion by soldiers and the failure to report by new age classes. But it drew fundamentally on communist cadres who had already been underground for more than a decade – some of them with military experience from the Spanish civil war. After the collapse of the regime in 1943 and the concurrent German occupation, the risks to both Italians and those dependent on their assistance increased immeasurably. Apprehension in these activities or betrayal under the Fascist regime meant a prison term; it meant concentration camp or immediate execution under the Germans .[22]

The first organized efforts at armed resistance appear to have been centered in the eastern end of the Biellese.[23] Valle Mosso and the surrounding towns and hamlets in the Val Strona had been the most important center of PCI strength in the region prior to Fascism and became the locus of resistance activity in 1943. The identification of the petite bourgeoisie (e.g. shop keepers, bureaucrats) with the regime, an extension of their pre-war anti-working class sentiments, further eroded whatever claims to "moral" superiority the regional ruling class had at least partially possessed.

Thus by 1943 the industriali were in an exceedingly difficult position. They were identified with a regime now client to Germany and identified with its barbaric policies. They were also bound to continue producing for the war effort increasingly under German direction for German war needs. Strike activity began in Torino in early of March 1943 and rapidly diffused across the industrial centers of northern Italy. Mason (:285) notes that several specific conditions had made northern workers restive by early 1943: increasing conscription and perhaps more importantly, the failure of the government to deliver on promises of wage increases nor to control runaway food and fuel prices. While

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post-war accounts ascribe the leading role to militants in the Mirafiori (FIAT) works, Mason's (:283) careful sifting of the available evidence suggests that women workers at the Rasetti works spontaneously put down their tools in a "white" strike.. The Biellese, barely 80km form Turin, mirrored the conditions of the regional capital. Reduced rations, increased call-ups, and wages insufficient to offset price inflation of basic goods. The first strike, precursor to more sustained job actions and increasingly organized resistance, began on March 29, 1943 and continued to April 8 (Perona 1987: 148). The Fascist prefects, police, and industriali here were equally aware that worker dissatisfaction had grown as the government had failed to make good on promises for wage increases and supply of basic goods (especially bread).[24] The fall of the regime in July of 1943 further complicated the issues confronting the principal parties, the government, industriali, and workers, with the addition of the first nuclei of armed resistance. In concert with workers' representatives, a Camera di Lavoro was re-established dominated not surprisingly, by communists although for the sake of appearances, the extant Fascist bureaucracy was left in place.[25] Yet there were significant tensions between moderate and more radical representative of the labor movement. The socialists hoped to restrain armed resistance in favor of protecting workers and ensuring a modicum of support and protection from the authorities and the industriali. The communists were set on pursuing a dual strategy of worker militancy and armed insurrection (:151-2). This latter strategy prevailed and the general strike of December 20-1, 1943 was accompanied by partisan occupation of the upper valleys. The declaration of the partisan republic of Ossola and the concomitant public presence of partisans in the hill regions of the Biellese proper was more than the

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German occupiers cared to overlook. The strike was broken by Fascist and German troops on the 23rd of December as a part of a large and well-planned rastrellemento. Several workers were executed in factories in Valle Mosso, and the partisan republic was destroyed, its survivors scattered about the region.[26]

Yet the harsh German response merely impeded but did not end resistance in the region. The Fascist authorities and the industriali were in no position to obstruct the rebirth of an organized labor movement (the Camera) and sought to come to a formal accommodation with the unions which while not under partisan control, enjoyed their protection (:155-6). This permitted the re-establishment of broad-based political representation in the unions (e.g. socialist, communist, and social/Christian democrat) and confronted the industriali with a *fait accompli*. The so-called "Mountain Contract" acknowledged by the industriali in the summer of 1944 at Cóggiola, returned labor relations and contractual terms that mirrored pre-war and pre-fascist norms. For the duration of the war, workers might undertake partisan activity but remain on company pay rolls in order to receive ration cards. In fact, a good many active partisans received rations this way and were, simultaneously, provided cover against German and Fascist authorities. Workers engaged in "white"strikes (directed against war production rather than industriali per se) that temporarily paralyzed production but entailed no loss of the all important rations. This compromised position of the industriali meant that the post war relations between capital and labor would begin from a position of rough parity, a position the workers had not enjoyed since the triumph of the factory system in the 1870s.

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II. Three Crises

The Biellese survived the Second World War virtually unscathed. While hundreds of Biellesi men lost their lives in military service or in the partisan war that raged across Northern Italy from late 1943 to May 1945, the productive capacity of the region was untouched. The city was never bombed as it produced no product of strategic value. In the immediate wake of the war, Biellese mills could return to production as soon as global commodity chains that brought the raw materials from Australia, New Zealand, and South America were re-established. Furthermore, after years of privation caused by both Fascist autarchy policies and then the combined effects of rationing, German depredations and battle field disruption, there was widespread "pent-up" consumer demand. Mill owner, the large industrialists who had actively collaborated with the Fascist regime, initially feared retribution yet both nationally and locally, outside the summary justice exacted in the last days of the war by partisans few collaborators were persecuted and virtually no expropriations of property took place (v. Ginsborg 1990; Pavone 1991). The industrialists might have believed that with the exception of the new contract (the compact of the mountains) negotiated under duress from the Partisans in 1944, the industry over-all would return to the *status quo ante* of the inter-war years.

This was not to be for reason that are both internal and external to the regional political economy. Internally, labor had established moral ascendency reflecting its key role in the resistance and its suffering under Fascist repression. Nationally, textile production increasingly concentrated in a few regions, and internationally, foreign competition eroded traditional export markets. Finally, the impact of technological

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innovation -- the substitution of capital for labor -- cannot be overestimated.

The internal situation in the Biellese was as I have suggested, complex. The Pact of the Mountains forced the predecessor of the UIB to accept the legitimacy of both the Camera del lavoro and the unions which supported it. Work rules, wages, working hours were all decided along decidedly more worker-friendly lines. But the workers' hopes for greater bargaining strength in the post-war era were offset by the national reconstruction policies pursued by the first DC- led governments amply supported by the U.S. and Great Britain. U.S. Marshall plan aid predicated as it was on national government that excluded the Left from power, also cleaved to orthodox liberal economic policy prescriptions for Italian economic renewal.

Economic reconstruction under the Marshall Plan favored capital at the expense of labor in several ways. Comprehensively, the plan's components devoted reconstruction aid to several sectors key amongst them electric power, heavy industry, and agricultural production. While aid did flow to lesser industries, the emphasis was on integrating Italy into the post-war, U.S. led global economy. Re-capitalization was to be jump-started by the investment in producer good industries and exports while wage demand and, hence, consumer demand were inhibited. Keynesian "pump-priming" was aimed at capital, not at labor and consumers. This strategy may have influenced the maintenance of high savings rates that characterized Italy in the second half of the 20th century thereby achieving one of the major goals of classic growth theory that demanded high savings for capital investment. Yet the close ties between banks and political parties (and with industrial elites) did not unleash a wave of lending to smaller companies. Neither did Italy move

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towards an American-style equities market. In fact, the establishment of DC hegemony with its consequent clientelist politics effectively restricted both bank and equity capital to the traditional large firms. The impact on labor and on Italian post-war growth are a peculiar outcome of these conditions.

Confindustria with Allied backing, rapidly achieved ascendency over labor even with the former's tainted past. The situation was exacerbated by the fragmentation of the union movement in Italy in the wake of the DC's ascent to power in 1948. The DC led unions broke with the Communist and Socialists ushering in the fragmented, tri-partite structure that persists to this day. Yet the Socialist and Communist party leadership responded with a policy of circumspection and restraint on the rank and file. This strategy reflected the estimation by the PCI leadership that they must achieve hegemony – and historical bloc with the bourgeoisie – before the transformation to socialism could occur. But as Roberto Franzosi (1995) notes, the acceptance of the DC/CISL plan for shop-floor versus industry wide bargaining and local selection of factory representatives was to dramatically weaken the party and the union across the industrial North

In the Biellese, the immediate post-war era then, was something of a stalemate. Industriali in contrition had to be reasonably sensitive to labor, but labor could operate only within fairly circumscribed limits. Yet all of this was to change rapidly in the middle 1950s. By the early 1960s, the complexion of the textile and garment sector had changed dramatically.

IV. The End of the Old Order

The recovery of Europe and Japan under the auspices of Marshall Plan aid in the

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context of the new bi-polar world order combined with the constriction or outright end of pre-war empires set in motion a new wave of market and manufacturing re-adjustment and deployment. One component of the first post-war crisis in the Biellese directly reflected the shifts in the international division of labor in textile and garment production. The shifting sources of textile and garment manufacture globally in the middle 1950s was accompanied by a changing market structure as NICs intruded both textiles and garments into markets that had been controlled by national producers or in the case of ex-colonies, metropolitan producers. Italy generally, and the Biellese specifically, rapidly lost market share in the Middle East and North and East Africa in the later 1950s. While much of this diminution in market share was in cheap cotton and cotton goods it also affected the market for woolens. While wool exports increased in absolute terms in the decade 1950-1960, the value of these exports increased by only 47% over the same period (unadjusted for inflation [Ibid: 302]).

I do not have a clear sense of the distribution of firms by size for the immediate post-war era. Aggregate national figures for both textile and garment manufacture suggest that while production concentrated geographically, this was not accompanied by a concentration into a smaller number of larger size firms. Bruni (1969: 298) cites a figure of employees per unitá locale of 54.1 for wool manufacture and just 2 for garments in 1951.[27] A decade later garment production had markedly concentrated (from the virtual absence of an "industry") with the emergence of new firms serving a regional or national market. In contrast, woolen production saw a diminution of employees per unitá locale indicating that whatever levels of concentration (into larger firms) had been achieved in

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Tuscany and Piedmont during the inter-war years was now being reversed. There is national (aggregate) data for a number of sectors (as defined by industrial census product codes) that very small firms (6-10 workers per unit) increasingly replaced artisanal firms (≤2 [Ibid: 300 & passim]). While this data is strongest for those regions now identified as the Third Italy (Emilia-Romagna, Toscana, Marche, Veneto, Umbria), the trend undoubtedly affected the Biellese as well. Finally, there is evidence that the wool aristocracy in both Biella and Prato were not renewing industrial plant. Rather, the strategy of the established larger firms appears to have been to wring what profits they could from existing plants without renewing the fixed capital component of their businesses. Bruni (1969: 310 compare indices for investment rates with occupation (workers) and production in 1961. The category of various textiles (including synthetics) has an production/investment index ratio of 261/147 while that of wool is 225/110 (1951=100).

This is the situation that faced the Moncatini brothers in the wake of the war (v. Chapter II, page 112; Appendix B). Both Guido and Valerio went to work for a woolen mill in the center of Biella. [28] Guido was at this time attempting to put the memory of a year in Dachau as a slave laborer behind him. Yet neither of the Moncatini brothers were to remain at this mill for very long. By the early 1960s it had gone bankrupt and been liquidated in a pattern that fundamentally altered the city and its region. Whether there move from the mill was voluntary or in the face of its impending collapse, I do not know but within a year they had established their own tiny lanificio, a micro-firm in woollen cloth weaving.

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Two forces produced two different crises that effectively recreated the class of small and tiny firms between 1961 and 1971. Furthermore, the mid 1960s saw a "conjunctural" crisis caused by the collapse of the internal (Italian) market for middle and low grade textiles in the face of foreign competition (Frey 1975: 82). The first crisis involved belatedly, the substitution of capital for labor in the form of new capital investment in modern machinery. Typically, the installation of new, more modern machinery was undertaken not by the large established firms but by smaller firms eager to make their mark. The second crisis completed for the most part, the dis-articulation of the old vertically integrated firms into phase-specific smaller firms that are to a great degree, characteristic of the region's economy to this day.

The consequences of these two crises are more complex than those that typically ensue from business collapse. The shrinking or demise of an industrial sector has become associated almost exclusively with "de-industrialization". This involves the bankruptcy of firms, the liquidation of their physical assets, and significant job loss. In the Biellese, the collapse of a number of firms certainly produced job losses (in the range of 5-7000). Yet the collapse of larger, vertically integrated firms opened the door to the creation of new small and micro-firms. The most significant barrier to entry in textile production is the cost of machinery. The demise of large firms flooded the market with used machinery; machinery that was refurbished often modified to run faster or more efficiently by the same workers who had been made redundant.

We need to briefly examine the technology of textile production in order to both understand the consequences of the substitution of capital for labor and the windows of

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opportunity opened by de-verticalization (see Appendix B for a more detailed discussion). The production of finished woolen cloth requires a number of steps that can be broken into three groups: preparation of the fiber for spinning, weaving, and finishing the cloth. The first wave of invention in 18th and early 19th century England had mechanized primarily the spinning and weaving parts of the process and some of the steps in finishing. Preparing the wool fleece which arrives in compressed bales, involves breaking the bales open, removing large debris, and then washing it. Typically it also involved chemically treating the fiber to remove some or all of the lanolin. These processes were not fully mechanized until the post Second World War era. The second stage encompasses preparing the fiber for the type of cloth to be produced. Short-staple wool is carded, that is fibers are fed between steel bristles to cause the short fibers to become enmeshed forming the "slub" (nastro in Italian). Depending on the gauge (dernier) of the thread (or yarn) to be produced, one or more slubs can be combined in a drum from which the material can be drawn by a spinner. Carding technology has also undergone significant evolutionary development since WWII. There are now several different spinning technologies: traditional spinning jennies (although much improved over the original technology), ring spinning, and air-jet spinning. Jenny spinning produces the finest threads but output per hour is limited by the necessity to use relatively small uptake bobbins. These need to be replaced relatively frequently imposing limits on both output and requires more labor – to change the bobbins and mend broken threads. Ring spinning is continuous but produces a coarser thread unsuitable for the finest cloths such as worsted. Air-jet spinning is the most rapid but again is hampered in that it produces a

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coarser thread with less tensile strength. Once the thread is produced, several threads may be combined to produce two, three, or more ply threads (or yarns) for both increased strength and to achieve specific aesthetic effects. Thread must then be treated before it is used in weaving. Wool fiber (like all hair) if examined under a microscope, is composed of tiny barb-like scales. It is these barbs that enables woolen fibers to be carded into a slub by catching on each other. But in weaving, both warp and weft thread have to be drawn over and under each other many times. Were they not chemically treated, the friction would cause the thread to abrade and break. So both warp (the longitudinal continuous fiber rolled-up on the loom beam) and the weft thread (the threads actually woven by alternatively lifting different groups of warp threads and passing it through) have to be "sized", coated with material that stiffens the thread and less susceptible to friction in the weaving process.

I should note that weaving worsted cloth departs from the process described above. Long staple wool form Merino and similar breeds (or cashmere, vicuna, or alpaca) is separated from the shorter staples in the fleece. These long staples called "tops" are combed to align the fibers rather than carded. The slub is formed by the overlapping long fibers in the slub. Worsted thread is created under greater tension and with more "twist" applied during spinning. This produces a stronger, finer thread but worsted thread cannot be spun on ring or air-jet spinners.

The process of weaving cloth is effectively the same whether it is done on a back-strap loom in highland Guatemala or on an air-jet loom in any one of thousands of plants around the globe. The looms used in modern Biellese textile mills produces a bolt one

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meter wide. The type of cloth to be woven determines the number of cords in the warp. In both Prato and Biella, there are still firm that specialize in production of the warp (orditura = warping, orditore = warper). Different clothes have different densities of thread per square inch or meter. The famous worsted suiting "super 100" cloth developed in Huddersfield, England, has 100 threads per square inch producing a very fine and exceptionally durable cloth. The type of cloth and its pattern is determined by the pattern in which the warp cords are alternately raised and lowered to permit the passage of the weft thread. Hand and early mechanical looms depend on the passage of the weft thread wound on a bobbin placed in a small boat shaped device called a shuttle. A good hand weaver probably cannot effect more than two or three passes (picks) per minute as the weft thread must be tamped after each pass. Mechanized looms greatly increased the speed at which cloth could be woven. In Prato in the late 1980s, I saw American-made mechanized looms that had been sent to Italy as Marshall-plan aid that were still in operation. They operated at about 50 picks per minute making a sound like a very agitated grandfather clock. The fastest mechanical looms achieve rates of up to 425 picks per minute. The amount of weaving that can be done without a machine-minder intervening is determined by the amount of thread carried on the bobbin in the shuttle. The most modern looms are so-called "rapier" and water or air-jet looms (Abernathy et al 1999: 199). A rapier loom sends the weft cord on a steel rapier half-way across warp where it is caught and pulled the rest of the way by a second rapier. Water and air-jet looms a shuttle-less and can operate at up to 1000 picks per minute and a freed from the necessity of changing bobbins. They thus lend themselves to continuous process manufacture: very

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long production runs of the same cloth.

Finally finishing cloth requires removal of the sizing with various chemical solvents, dyeing the cloth, and then finishing it to produce the desired surface effect on the cloth. Most of these processes have been mechanized for some time although handling of the bolts from one stage to the next is now more automated than a half century ago.

The decade of the late 1950s to mid-1960s saw the introduction of newer looms and increased mechanization of pre- and post-weaving stages in the Biellese. But the shift that led to dramatic declines in employment were not exclusively technological. They *combined* mechanization with shifts in market orientation as well as responding to conjunctural effects of recession, inflation and the changing regulatory regimes of the MFA and other bi- and multi-lateral accords covering textile and garment manufacture. While the industriali may well have hoped to use mechanization as a stick with which to beat labor, the fact that their very survival was threatened complicated the situation.

Equally important from my perspective is the impact of industrial fragmentation produced by the demise of many older vertically integrated firms. While some workers undoubtedly shifted to jobs outside the sector or migrated, many others found work in new, tiny specialized firms that undertook one or two phases of production. Many others established their own micro-firms. [29] Thus the re-emergence of small-scale and micro-firms in the Biellese appears to have quite different origins than most of the Third Italy cases recently explored by sociologists and geographers (e.g. Leonardi and Nanetti 1994;Piore and Sabel 1984; Pyke and Sengenberger 1990). Prato and Biella share

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considerable similarities in that both experienced the collapse of larger, vertically integrated wool firms and both have deep histories of mono-industrial textile production. In neither city (and in the case of Biella and its region) did craft traditions disappear. Rather, one must view the accumulated skill (tekne) of its labor force in factory production as the reservoir from which new firms emerged. In both cases, the re-emergence of micro-firms in phase-specific operations in concert with more traditionally organized – and larger scale – firms is the contingent product of sectoral crisis. In the biologist Jacques Monod's (1971) phrase, it is a combination of chance and necessity.

Table

Unitá locali and employees by sector in Biellese wool production, 1971						
	spinning, carding & combing		washing & combing		weaving & artisanal spinning and weaving	
n workers	ul	workers	ul	workers	ul	workers
< 5	764	1625	144	276	9556	15496
6-9	156	1164	29	214	298	2112
10-19	354	4998	24	337	266	3459
20-49	323	9756	22	657	202	6157
50-99	95	6484	6	474	75	5362
100-499	61	12131	14	2889	87	17784
500-999	9	6698	4	2628	12	7902
1000+	1	1170	-	-	4	

Data from the 1971 industrial census (Frey et al 1975:80) show graphically the concentration of micro- and artisanal firms concentrated in weaving and spinning (row 1, columns 6 and 7, $\bar{x} = 1.7$ workers per firm). While this is a decade after the first round of

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crisis in the early 1960s, it probably represents the fullest expression of micro-firms in the Biellese because it reflects the collapse of Rivetti and several other smaller firms in 1965. A mean of 1.7 workers per artisanal firm is suggestive of a modern version of cottaging in which a husband and wife team may well have been the complete staff. Alternatively, many of these tiny firms represented workers from the same factory now on their own.

But there is another element to the restructuring in the wake of crises from 1961 through 1971. Not all of the larger firms collapsed. Indeed, the demise of Rivetti and other established firms opened new terrain for smaller firms that also dated from the late or fin d'siecle 19th century. Cerruti (established 1881), Ermenegildo Zegna (1912) and Ing. Loro Piana (1930s) were all established if small firms that responded to the conjunctural crisis in a quite different way than the large firms. Recognizing that the market for low and middle end fabrics and garments had been irretrievably lost to Biellese producers, they sought to move up market. Cerruti pioneered the practice of clothing movie stars and other show business personalities gratis as a form of free publicity for his firm. Cerruti suits for men and elegantly tailored dresses for women thereby acquired cachet through their association with celebrities propelled no doubt by the widespread diffusion of television ownership. Zegna, without the same pedigree as Cerruti took longer to emerge as a factor in the international luxury market for clothing. Zegna initially produced cloth and then clothing on contract for other firms (a practice it still maintains). By the middle 1970s as Italian fashion houses became as important as Parisian one, Zegna began to market clothing under its own name more aggressively. By the early 1980s, Zegna had begun to open its own shops in major cities around the world.

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By continuing to sell cloth, making cloths on contract for couture houses, and marketing its own lines, Zegna exploited virtually every niche available in the luxury market while attempting to maintain diversity of markets. Loro Piana followed a slightly different strategy. It developed several lines of suiting material which it sought to establish as branded much as had the crofters of Harris. In fact, the premier Biellese firms all sought to gain exclusivity by "branding" so as to permanently distinguish their product from competitors.

Where these mid-size firms sought immediately to capture part of the international luxury goods trade, many of the smaller and tiny firm worked under a variety of sub-contracting arrangements. Typically small spinners, dyers, warpers, and finishers work on subcontract for weaving firms. The phrase "per conto terza" or tercista system describes the web of contracting relationships that come into being for the purpose of producing a specific "job" – an order of cloth. A weaving firm might receive a bid from a broker (intermediating for the garment manufacturer). The weaver would then typically go to a wool broker to procure the raw material often on credit. With the supply assured the firm would line up the washers, spinners, and warpers to process the wool and make arrangements for the dying and finishing if this could not be performed in-house.

Several commentators (e.g. Frey 1975; Locke 1989) emphasize the decentralization of production as primarily a cost-cutting measure. Certainly, the demise of Rivetti and other large firms placed tremendous pressure on the working class. Indeed, capital-labor relations were deeply strained throughout the decade of the 1960s. The industry-wide collective bargaining agreement achieved in 1962 increased the cost of

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labor by nearly 25% as workers finally collected on the implied bargain struck during reconstruction. But this was achieved only after bitter strife including strikes and plant occupations (Locke 1989: 137 & passim). Also overlooked by these sources who focus on sub-contracting and down-sizing (i.e. job loss) is the demographic trend until then largely obscured by the region's initial post-war success. Like most of Italy, the population growth rate of the Biellese was barely at or actually below replacement rate at the end of the Second World War. By the middle 1960s, the region was below replacement rate but also suffering from a gradual process of out-migration. Often viewed as an element of pianurizzazione, the gradual depopulation of the mountainous zone, the gradual decrease in regional population also included people leaving the province altogether. The fact that the Biellese is on the periphery of the two largest industrial cities in Italy (Milan and Turin) both of which saw significant growth during the period undoubtedly makes relocation relatively easy and without imposing distance from the province as a cost. The region's labor history might have been even more tumultuous in the 1960s and 1970s had their not been such a "safety valve"(v. Locke 1989: 137 & passim).

In October of 1968, the great flood (v. Introduction) devastated the towns in the valley of the Strona culminating a decade of struggle, re-organization, and job loss. The flood as I have noted, is viewed as an epochal event by Biellese as if nature both chastised them and issued a cautionary note about the future. The natural crisis is widely acknowledged by both the industriali and labor as a turning point in the Biellese for the province, and for capital and labor relations. While one does not want to over estimate the effects or durability of communitas elicited by natural catastrophe on the region, it

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certainly assumed iconic status for both the region's fragility and the desire to remain Biellesi. The cooperation required to restore gutted houses and factories did go some way to building a new basis for capital labor cooperation. It had the unintended consequence of forcing further plant modernization in the eastern end of the province.

In the immediate wake of the flood, the period of heightened mobilization by youth generally, and amongst industrial workers swept across Italy. The "hot autumn " of 1969 ushered in a decade of struggle across north and central Italy. The polarization that characterized right and left nationally was embedded within regional particularities in the Biellese. The region had already experienced heightened conflict between capital and labor in the early 1960s. The early 1970s by contrast, saw the parties to local struggles diversify reflecting the emergence of a range of extra-parliamentary left parties. The eastern end of the Biellese – the towns on the Strona, Valley Mosso especially, already had a dominant PCI political culture. This expanded to include DP (Democrazia Proletaria), Lota Continuo, and a small cadre of Red Brigade adherents. [30] Yet heightened ideological and political sensitivity might easily target the UIB and the grande industriali, the obvious representatives of the capitalist class, could be applied less readily to the large fraction of micro firms. The transit from worker to owner/proprietor placed many workers in what Wright (1994) has called a contradictory class location. Whether viewed as self-exploiters as well as exploiters of other workers, or quasi-workers exploited in subcontracting arrangements, the artisanal and micro-firm sector fit uneasily into the existing continuum of political cleavage. This was further exacerbated as I have noted (Chapter III) by the localized character of production that tended to have

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members of the same families ending up on opposite sides of the divide. As much as class struggle was very real during the 1960s and early 1970s, it was always complexified by the cross-cutting allegiances of family, kin and community. The social and political economic relations established by the crises of the 1960s had resembled some of the same contradictions and dynamics present in the first wave of industrialization a century earlier.

V. Capital, Labor and Restructuring in the Early 1980s

The crises of the 1960s and the political turmoil of the 1970s were barely past when the Biellese entered a new round of crisis in the early 1980s. This crisis represented less the consequences of failure to modernize equipment than the fundamental changes in the textile and apparel market. The crucial changes that most directly affected the Biellese were the vastly increased competition in both home and export markets, and the changing character of retailing garments that reverberated all the way back along supply chains. Furthermore as Richard Locke (1989: 136;cf. Abernathy et al 1999) the relationship between textile producers, garment manufacturers had dramatically altered. Where textile firms had once sold to myriad small customers (in Italy), they now confronted larger size garment producers who in turn, sold to retail shops. Where once a woolen firm could decide what sort of cloth it would manufacture based on previous experience, it now was competing with other firms to supply according to a garment firm's requisites. While Italy's retail market remained relatively fragmented, most of the other OECD countries that constituted the potential export markets had well developed national retail chains that purchased centrally from garment manufacturers. By the middle 1970s, the fashion

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business had transformed from a handful of couture firms in Paris, New York and Milan and the national garment producers that supplied their markets with knock-offs to an internationalized system of couture firms that themselves sought to capture a larger share of the market – and profits – by producing couture, pret a porter, and "sport/casual" or second label lines. The emergence of firms such as Liz Claiborne and Calvin Klein in the U.S., Benetton and to a lesser extent, Stefanel in Italy that produced virtually nothing themselves further eroded the ability of textile firms to set their own terms in manufacture (Zanfei 1985). The emergence of Milan as an important fashion center spawned a new set of Italian couture firms with textile and apparel production needs. The emergence of these "designer" lines of clothing throughout the advanced industrialized countries with their emphasis (indeed, dependence) on seasonal and annual design changes required of textile mills the capacity to produce relatively short runs of material on much shorter notice. The nature of the fashion system or at least its intent from the capitalist's perspective is precisely the rapid and ceaseless change that Marx identified as central to the bourgeoisie. Fashion firms merely took Marx seriously.

The ramifications for textile firms in general of these shifts in supply and marketing chains are several (v. Gereffi 1994). As garment and retail chains replaced small independent tailors and family shops, the portion of the profit captured by the textile producer diminished. Apparel manufacturers that produced long runs of relatively standardized garments such as underwear or men's trousers were in a position to bargain-down the cost of the material further compromising the manufacturer's position. Indeed, much of the impetus for the MFA (multi fiber agreement) was meant to protect both

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garment and textile producers in the OECD countries from lower-cost Asian producers. In the U.S. where virtually all the small shop production such as the Philadelphia carpet manufacturers (v. Chapters VI, VII) had already disappeared, the MFA (with respect to textile production) was meant to protect continuous-process manufacturers now located almost exclusively in the South Atlantic states. Yet even these low-wage, "right to work" (anti-union) areas could not match Asian and Central American wage costs. In fact, Biellese and Pratese firms could not compete in this market either and by the early 1980s no export-oriented firms of any stature remained in long-run, continuous process manufacture. Increasingly, the Biellese textile sector is divided into a relatively small number of integrated firms such as Zegna and Cerruti who produce on their own account and a much larger group who "job" for the garment firms they supply. But this simple division obscures the complexity of contracting and sub-contracting arrangements. A brief look at the modern fashion system will aid in understanding these complexities.

The fashion "system" has produced a range of effects that fundamentally altered the terrain for textile producers: the demand for diversity in fabrics but in relatively short production runs, seasonal production, very small batch "custom" material, and "lean" ordering/inventory systems. An example of the demand for fabric diversity can be seen in men's shirting (cotton -- not wool). Where professional men in the 1950s wore white shirts to work by the 1970s, retailers following the lead of fashion firms now sold shirts in many colors and patterns. Instead of long runs of pinpoint cotton cloth, cotton firms now had to produce a variety of cloths (e.g. Oxford, pinpoint, chambray) in a variety of colors and patterns. Yet the quantities for each were much less than when only one or two

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fabrics in one or two colors were required. Men's apparel is more stable in design and color season to season than is women's apparel (Abernathy et al 1999). Designer firms and the second tier (pret a porter) firms now demanded changes in the color, texture, and pattern of textiles for each new season (fall, vacation, spring, summer). The fashion season now requires different fabrics for each of these seasons (or at least spring and fall).

As Frederick Abernathy et al note (1999:39-54) the growth in diversity of products put tremendous pressure on retailers as the number of goods a large department store (e.g. Printemps, Debijenkorpf, Harrods) stocked rose by as many as 3,500 SKUs (stock keeping units) a year in the late 1980s. By the late 1980s a large department store might stock as many as 150,000 distinct units (SKUs). As stores carried greater stocks, they often ended up with large inventories of unsold goods that had to be steeply discounted or jobbed to discount stores. The response was "lean" retailing in which inventories were pared to the bone and considerable pressure placed on manufacturers to produce more nearly on demand. The extension of "just in time" inventorying on manufacturers in turn, pressured their suppliers: the textile mills. The most advanced versions of lean retailing such as Benetton, order in very small batches in order to test demand or to fine tune the product mix to different national buying patterns over the annual fashion cycle. The intentional minimization of inventory and the displacement of investment risk onto the garment producer has enabled Benetton to become immensely profitable.

The premium placed on rapid turn-around and small batch production was to play

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to the strength of the Biellese configuration of many tiny phase-specific firms coupled with weaving mills of various size that emerged after the round of crises in the decade of the 1960s. In concert with the evolution of the trade fair cycle – especially Idea Biella and Pitti Uomo – Biellese firms (along with those in Prato) began to build a reputation for being able to present a broad range of possible products to garment manufacturers and then rapidly produce whichever materials were ordered. Indeed, the shift from long-run production to productive flexibility typically meant discovering a particular market niche that a firm or a group of firms could successfully exploit.

We know that in the early 1980s, large integrated firms began to "spin-off" phases of the production process to workers. Locke (1989) notes that some firms even capitalized the workers who had been "down-sized" into their own firms (v. Appendix B). The firm "Ghislaine" exemplifies this pattern. Ghislaine is a "small" firm by Biellese standards with about 10 full time staff including the owners, Guido and Edo. They had been mechanics for a large, integrated textile firm that wanted to downsize. They were offered a contract by the firm to continue servicing its machinery as well as low cost loan capital to go independent. They soon not only serviced machinery for a number of firms but began to renovate older machinery and resell it both regionally and in Portugal and Turkey. Similar spin-offs helped to swell the number of phase-specific firms in washing, combing and carding, spinning, weaving, finishing and dyeing.

The evolution of the Moncatini family's firms illustrates some of these features (v. Chapter II, Appendix B). In the late 1950s Guido and Valerio had left the large mill to establish their own small lanificio. The firm was reasonably successful but Valerio began

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to tire of the activity as his role became increasingly specialized in sales. He longed for independence and to be able to tinker and experiment on his own. The brothers parted ways amicably, leaving Guido with what became "Lanafil", a small lanificio. Valerio began to experiment in his own house with ways to produce chenille, ultimately mastering the process of combining wool and synthetic fibers. He established a micro-firm, initially himself and one worker who became his wife. He never wanted the firm to grow very large with all the attendant managerial and financial work that would ensue. Indeed, his hope was that his eldest son would continue in the business and eventually succeed him. The entire family worked in various roles in the firm along with four other employees. But the eldest son found working under his father stifling. The family bought a news stand for him and waited until the younger son had completed military service. Now the younger son has a leadership role in the firm while Valerio is less active. Guido's firm managed to weather difficulties in the late 1980s and is now managed by his son (Guido died in 1991). There is the assumption that if one family suffers financial difficulties the others will aid them.

While one can portray an overly beneficent picture of Biellese proprietary capitalism, I have sought to suggest that the re-emergence of small scale flexible firms did build on historical social experience and has been powerfully conditioned widely shared socio-cultural norms about the role of families as collective entities. The re-emergence of the small firm sector was contingent; a product of crises of internal and external origin. But the response to economic crises occurs within a cultural and historical context. Furthermore, the configuration of many small, some medium-sized and a few

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larger firms is in terms of the current nature of the complex world market in textile and garment manufacture, economically reasonably efficient.

The small and tiny firms frequently have had significant advantages over their mid-sized competitors. Frey (1975: 312-319) observes that the small shops enjoyed considerable cost advantages over mid- and large-sized firms. The tiny firm often coextensive with a family supported no administrative overhead. In effect, the managerial hierarchy could be viewed as a cost of contract enforcement (v. Chapter IV) and economically inefficient form when authority and trust within family structure provided the same institutional arrangements at no additional cost. Neither did tiny firms have problems with carrying inventories of material as they typically operated in a network of other subcontractors. Similarly, their cost of labor was generally lower. While initially micro-shop workers earned somewhat less than their equivalents in unionized, mid- and larger firms, at least by the mid 1980s, the wage gap was narrow if not gone.
Frey estimates (Ibid: 316) that the micro-firms may have enjoyed an overall cost advantage over larger firms between 25 -33%. Frey also acknowledges (where Locke [1989] does not) that the family composition of these firms is important in another respect. Their cost advantage occurs at least in part because the purpose of the firm is different. Harking back to cottaging in the 19th century, family firms at this scale are oriented to family strategies more than accumulation for its own sake. Larger firms pay a penalty in their institutional structure in part because that structure is necessary to enforce the value extraction process from waged workers. Family firms can afford elasticity in wages or even their abeyance in part because the enterprise is directed towards a larger

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familial goal of providing for its own members and ensuring the livelihood of subsequent generations. Donald Pitkin (1999 [1985]:20-1) cautions that we have tended to view the family as an object on which society and the market acts and, hence, have fixated on its composition (i.e. households) rather than as a process of relational transitions that typically encompasses three (sometimes four) generations. Where Pitkin's subjects are a peasant – now working class – family, his insights apply equally well to family micro-firms in the Biellese. "...[I]n consumption as well as production a calculation is made that the interests of all are best served by sharing their resources and aptitudes"(Ibid: 21). If we can accept that working class families in Lazio or mezzadri in Tuscany (Silverman 1975) have collective interests articulated through the idiom of family, it should not be too difficult to accept that workers and petite bourgeois in the Biellese also conceive of a bundle of interests in this way.

Family strategies embodied in firms is not risk-free. Indeed an un-systematic reading of tax delinquency and bankruptcy announcements in the local press in 1988-89 suggested that firms frequently run into difficulty. The very nature of niche product, specialized manufacture has risks. In the fall of 1988, many of the carders, combers and spinners had little more than one month's forward contracts and anticipated placing their workers on cassa integrazione over the holidays. Because of both the short lead contracting and the general volatility of the textile/garment sector, the region's small firms remain exposed to crisis.

Larger firms such as Zegna and Cerrutti in contrast, employ more broad-based strategies to buffer against seasonal and business cycle fluctuations. Zegna manufactures

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clothing under its own name (and retails it as well), it produces garments for designer labels (e.g. Armani), and it sells cloth to other garment firms (Dunhill, Ralph Lauren). Cerrutti pursues a similar strategy. A few other mid-sized firms engage in jobbing almost exclusively, counting on their ability to produce multiple products for a variety of distributors to shield them from demand fluctuation. Another important adaptation is the gruppo.

The gruppo is a family holding company that owns either outright or a controlling interest in several firms. While family holding companies have a long tradition in Europe generally, and Italy specifically (e.g. the Agnelli family companies including Gemina SpA, that controls FIAT SpA and FILA SpA), gruppi are not solely the preserve of dynastic families. Firms that frequently operate in concert may choose to pool their interests in a gruppo to formalize operating relationships. More frequently, a firm that encounters financial difficulties may be in effect, purchased by other firms with which it has long standing contractual relationships. Modesto Bertotto, a mid-size family owned lanificio ran into financial difficulties in the middle 1990s. According to my informant, a man who had worked at the firm for many years before going independent, the company, "bled capital like a stuck pig" until the filature, its principal creditors, purchased it to save themselves. I am not clear as to all the reasons for the firm's difficulties but I believe that it was very dependent on Japanese markets and suffered when Japan went into deep recession.

A step below the gruppo is the informal family group. Because families remain the social and political economic building blocks of Biellese society, family strategies are

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not confined to the textile sector alone. The Nardini family is exemplifies this tradition (v. Chapter II, Appendix A, figure 4). Pietro and Elena have six adult children (a seventh, a son died several years ago) and three grandchildren. Three of their children are married, two daughters and a son. When I returned to Biella in January 2000 after an eight year absence, I contacted them at once. When I had recovered from the news of the death of their second eldest son, a dear friend and teacher, Pietro and Elena began to relate the family news to me. First they proudly showed me the new dining room, converted from an under-house garage next to the kitchen (the most important room in the house). Pietro exclaimed that they had to make a new dining room to accommodate their expanding family. The long, narrow room (about 4x8 meters) had a table nearly as long as the room to seat all the husbands, wives, men and women friends, and grandchildren at one sitting. Over a wonderful pranzo, Pietro explained that while the last year had been difficult owing to the family's tragedy, the family was in good shape. Everybody was launched into some meaningful and useful activity, and all returned to the family house at least once a week for the midday meal. After lunch, he showed me his new office and warehouse. Pietro had been an export director for a solid, mid-sized lanificio. In 1991, he had gone independent in cooperation with a broker in the Asian markets he knew best. Now, ten years later, the warehouse was a testament to his success. One daughter had been sent to the UK for language training, and now ran the home office. His eldest grandson, then in the army but trained as a textile designer, would join the firm as a consultant at his discharge. Another office complex suited a daughter-in-law for her practice in midwifery. This daughter-in-law and her husband had recently purchased a

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dilapidated farm house only a few kilometers from Pietro and Elena's house. The remodeling was undertaken by a son in law and the man friend of another daughter; the former a contractor, the latter a mason. Gradually, Pietro and Elena's plans for their children and themselves are coming to fruition. They are secure, comfortably well-off but not rich. More importantly, their children remain in a halo of loving relationships, secure and Biellesi.

VI. The Biellese in an Era of Flexibility and Globalization

The Biellese at the beginning of the new millennium remains one of the two most important woolen textile centers in Italy. It is now one of the most prestigious textile manufacturing zones in Europe although in size it is dwarfed by Prato in Italy, and centers elsewhere in Europe. Nearly 1300 active firms operate in the textile sector with another 1000 in secondary and tertiary activity related to it. The cloth, clothing, and textile machinery manufactured in this small province with a population now less than 190,000 is sold throughout the advanced industrialized world and in the developing world as well. After 20 years of struggle from crisis to crisis, the configuration of the industria tessile appears stable. At least for the present.

Yet nothing vouchsafes the stability and good fortune of the region and its people. Two centuries of modern experience with the volatility of textile markets, the intrusion of war, heightened periods of conflict between capital and labor, and the restless dynamism of a globalizing European and world economy have impressed upon many Biellesi the need for caution about the future.

The province is faced with a growing demographic problem not unrelated to its

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mono-industrial economy. Like the rest of Italy, its population has been below replacement rate since the end of the Second World War. As the industry has modernized and the large firms gradually disappeared, the labor force has gradually shrunk within the textile sector and across the board. It would appear that young Biellesi who do not work in textiles, in the service sector, or in agriculture and construction leave the region. Population in the province has declined by about 8% in the city of Biella over the last decade while for the rest of the province, the decline is about 3%. The demographic profile of the province has changed to further reflect the growing population of the elderly and the general failure of young people to have children or to have small families.

But the population remains well off by Italian standards. It is amongst the highest waged provinces in Piemonte, and amongst the wealthier industrial zones in Italy. The wealth and sense of well being so visible to me when I first lived in the region is just as evident today. The city center is now dominated by a large urban mall where mills once stood. Construction is evident throughout the city and on its periphery. Accession to provincial status now provides the region with its own core of state functionaries, the provincial offices housed in a 15th century convent now converted to the purpose. The long dreamed highway links are in the planning stages and some are even under construction. In short, many of the plans of the political and industrial elite articulated a decade ago have been or are about to be realized.

The Biellese exists in stark contrast to the West Riding in Yorkshire and the Philadelphia textile district so ably described by Philip Scranton (1983; 1989). Yorkshire woolen manufacture still exists but is a shadow of its 19th century amplitude.

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Huddersfield "super 100s" can still be found in the best men's suits in any financial capital in the world but the region is no longer credibly an industrial district as it was still in Alfred Marshall's time. The Philadelphia carpet manufacture has all but disappeared, victim lower wages further South, the rise of synthetic manufacture and in all probability, the American disdain for proprietary capitalism articulated in the popular financial press and dignified in "efficiency theory." Why does the Biellese remain while these other great centers have gone?

Surely an answer if there is one, and if so it must be complex, has to involve chance, Machiavelli's fortuna. The volatility of capitalism embodied in patterns of investment, state policies, changing markets, and the fundamental uncertainty that undergirds it play out differently in different regions and even towns. I have argued and sought to show that the Biellese industrial district in its present form of a constellation of tiny and small firms around a core of mid-sized firms is the product of proximately (in the Aristotelean sense) a two century succession of forms of industrial organization. The production regimes that came into being as entrepreneurs sought new combinations and peasants and then workers sought to defend their patrimonies, their form of life led in the crux of crises to new production regimes that could contain the capricious and volatile mix of internal and external forces. Within this larger historical flux some continuities do stand out. If it cannot be said that culture causes certain forms of industrial organization, the consequences of mono-industry include cultural ones. Biellesi familial strategies predicated as so many of them are on involvement in tessile, serve as a moderating force against the capacity of capital to "disembed" – to become extra-cultural through inventing

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corporate cultures. The very volatility of the global textile industry has further aided the retention of these local particularities. Contingently, the fragmentation of the industry in the 1960s was its salvation and serendipitiously enabled a regional sub-culture to redefine itself in ways not inconsistent with its past. Finally, I hope this work conveys the reality of capitalism as a socio-cultural and historical process, not as a dis-embodied logic. I have sought to show that Biellesi capitalists were as relentlessly "rational" as any other but often began from culturally different premises.

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1. I do not subscribe to the evaluation of Italy as a weak state as the cause of its development "problems." For a critique of the weak state theory, see Margaret Levi (199_).

2. Stato di diritto is the direct translation of the German recht stät and somewhat confusing since it refers to states as created entities characterized by positive law in contrast to the older notion of the state as an entity brokering between the claims made by different groups on the basis of tradition, custom, etc. V. Ginafranco Poggi 1978; Gustavo Gozzi 1990:1103-1112).

3. See EC ____(refs.)

4. See __ get refs.

5.The degree to which the state remained aloof from the promotion of industry, banking, and infrastructure is the subject of considerable disagreement. Both Great Britain and the U.S. had state-owned armories (Dulwich and Springfield, MA, respectively). The U.S. supported the growth of railroads through massive land grants that amounted to state subsidies. Both had independent state banks or their equivalent (in the U.S., J.P. Morgan served as the lender of last resort until after WWI).

6. A military report in 1940 estimated that FIAT's productive capacity was then inferior to 1914-15 (Valerio Castronovo 1977: 525). The military estimated that annual Italian industrial capacity was able to supply only 30% of that needed for a year of war (:529).

7. Interestingly, one of the most sympathetic essays about Gramsci remains Luigi Barzini's (197?) "Antonio Gramsci and the Locomotive of History." Much of the recent literature on Gramsci, like much of the literature on the inter-war left, ultimately is a-historical – falling prey to Monday-morning quarterbacking accounts of how they could have done it had they just read which-ever author is involved.

8. While there is a significant corpus of memoirs, accounts and scholarly treatments of "ordinary" Italians' experience, little of this has found its way into English. The exception is Luisa Passerini's (1987) Fascism and Popular Memory. There is a significant body of memoirs of largely, English officers' accounts of their experience of being on the loose in Italy after 1943. No appreciation of this work exists to my knowledge but it is a potentially important ethnographic corpus.

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9. It should be remembered that the £ was pegged at 850 to the $ until the oil crisis of the early 1970s and the subsequent collapse of the Bretton Woods system.

10. In January of 1989 I had to pay $45. In duty on a $160. down filled coat sent to me as a Christmas present!

11. The content of pasta asciuta (dry pasta) is regulated by Italian law to hard (Durum) wheat, water and salt. The whole issue of market versus cultural practices has become a central arena of contestation in the contemporary world; particularly between the U.S. and the rest of the advanced industrialized world

12. Again, the most important but largely un-studied contest between capitalist market ideology and the impulse to protect cultural practices, is an important component of this struggle.

13. Quataert developed the concept and he and Holmes have pushed it in several articles.

14. Parity-based sub-contracting is my shorthand for work-sharing amongst firms in a situation in which technical, labor, or time-based constraints suggest the out-sourcing of work in which labor-cost savings is not the primary criterion.

While I cannot name every Marxist economist, certainly the tradition of Baran & Sweezy (1966) in which de-skilling is seen as central to modern firm and inter-firm behavior in aggregate at the level of a national economy, is representative. Neither Poulantzas (1975) nor various other subsequent structuralist accounts (e.g. Offe) or the "dis-organized capitalism" school seems to be willing to take on micro-economic or sectoral analysis.

15. The characteristics of these districts – with special focus on Emilia Romagna is ably covered by M. Storper & R. Salais (1997: 149-73).

16. This is of course the argument of Harry Braverman (1974).

17. Eventually, the job ladder (hierarchy) had seven levels with unskilled female labor occupying the bottom four rungs. Initially in metal-working, job classification hierarchies typically spread to other sectors with contract renewals (Franzosi 1995: 81).

18.Evident for example, in the widespread belief in Europe and the U.S. that Italy was incapable of entering monetary union in the EC in the first round. This reflected the widespread view in Anglophone political science that Italy was an "alienated" and "immature" democracy (e.g. the early Sidney Tarrow, Robert Wade and the whole "civic culture" group). It is still reflected in the work of Robert Putnam and Roland Englehart.

19. On the anti-malarial campaign, see Frank Snowden (1999). While the degree to which the Allied powers (especially the U. S.) knowingly re-introduced Mafia as a policy, there is little argument that both the OSS and the occupation government made use of American mafia who made good use of the opportunity.

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20. See Paul Ginsborg (1990:Chapter 3).

21. It is worth remembering the two Italian armies disappeared in the Russian offensives of late 1943 and early 1944. I do not have official figures but the size of the formation would suggest no less than 150,000 men.

22.for example, Primo Levi was surprised by a Fascist patrol in 1944 only weeks after he had taken to the foothills of the Grand Paradiso, and sent to Auschwitz.

23. Unfortunately, I am dependent on incomplete notes from 1988 to reconstruct the complex relationships between workers, owners, government administrators and even avowed Fascists in the period of 1944-5. Neither Guido Quazza's nor Claudio Dellavalle's work on the Biellese 1943-5 has been available to me in the U.S.

24. Perona (1987: 149, note 82) draws attention to prefectural letters to Vercelli that ascribe both food shortages and price inflation to the rise of a black market in key subsistence goods. As is often the case, the petite bourgeoisie, the shop keepers, were gouging under the tacit approval of the authorities or, at a minimum, their failure to crack-down on profiteering.

25. It is important to note that even Fascist prefects and industriali recognized that the communists would dominate any new organizations because only they had the moral authority gained by long resistance and, in many cases, imprisonment (v. Perona 1987: 150-1).

26. My acquaintance, Senor Nardini, was I believe deported to Dachau in this round-up as were hundreds of other men and women.

27. The latter figure indicates the virtual absence of anything other than local tailors.

28. The building has since been converted into the municipal theater – facing on the piazza to the martyred for liberty – the piazza itself was created through the destruction of several older mills.

29. The family of one of my informants emigrated to Brazil in the early 1960s but returned to the Biellese in the mid-1970s. South Africa and Australia were also important sites for both pendant migration and permanent immigration.

30. There were several political assassinations in the province in the early 1970s, all of them police officials.

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Chapter IX

Epilogue: É di moda la crisi. La moda é in crisi

I. Introduction

This work set out to answer a set of inter-related questions about the formation and development of industrial districts through a case study of the Biellese. This case study beyond the intrinsic merit of adding to the ethnographic record of Italy and contributing to the ethnographic study of advanced capitalist society, sought to assess a set of claims and counter claims about what industrial districts represent and where they fit in the structure of globalized, advanced capitalism.

The subject of industrial districts has attracted the attention of historians, sociologists, anthropologists, and political economists over the last two decades for diverse reasons and motives. A large corpus of both theoretical exegesis and case studies on industrial districts now exists. If there has been a recent slackening of scholarly production, this may reflect exhaustion more than the achievement of a consensus on the nature, origin, and prospects for industrial districts or their relationship to mainstream, large-scale capitalist firms. Industrial districts for some historians represented an alternative developmental trajectory of industrialization that contradicted the orthodoxy of necessary concentration sector by sector, to achieve economies of scale and scope.

Historical research has showed that firms did not have to grow ever larger pursuing monopoly or oligopoly position as many both Marxist and neo-classically oriented scholars had argued. To this account, some scholars have added an additional

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layer of revisionist interpretation. Industrial districts with their numbers of small firms situated in relations of both cooperation and competition created an environment in which at least some of the conflict between capital and labor characteristic of modern industry was avoided precisely because hierarchies were shallow and capital-labor relations were face to face. Small firms it was suggested continued the ethos of craft and guild into modern capitalist industry. By the early 1990s, after the initial research for this work had been completed, I encountered the work of several economists and industrial geographers who had "rediscovered" industrial districts. Industrial districts (and the new term, industrial clustering) assumed a significance of greater weight often freighted with post-modern gravitas. Where Piore and Sabel (1984) had initially suggested industrial districts achieved the advantage of flexible specialization in commodity production for evermore fragmented (or niched) markets, smallness, clustering, flexibility soon came to be viewed as evidence of a post- Fordist era. Industrial districts in the most fevered accounts were signs of "dis-organized" and "post-industrial" capitalism.

Some political economists have suggested that the modern re-emergence of small-scale industry at least in some sectors, reflected increased price competition between older centers of production and the developing world with its low cost wages. The evidence from commodities as diverse as garments, auto parts and electronics manufacture and assembly lends considerable weight to these arguments. specialized weavers pay lower wages in the Biellese Some economists and economic geographers concentrating on a different set of examples, have refurbished Marshall's original formulation and argued that the ready availability of skilled labor and low barriers to

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entry are defining pre-conditions.

Finally, almost meta-theoretically, is the relationship of "culture" to developmental or even evolutionary trajectories of industrialization as a defining structure of modern societies. Almost all of the work already mentioned can be viewed as assessments of the saliency of path dependency. Path dependency in a weak and stronger version has been employed both to account for the failure of development and for its occurrence. From Weber's identification of an elective affinity between worldly asceticism and early accumulation to Fukuyama's low and high trust societies a re- appropriation of Banfield's views -- scholars have sought to assess how much weight in shaping historical processes, customs, practices and institutions that is, culture, really have. In the strong version (e.g. Putnam 1993), centuries old habits and institutions decisively shape modernity. The weaker version is at the core of the "Third Italy" (Bagnasco 1977; Cento Bull and Corner1993; Goodman et al 1989; Piore and Sabel1984; Sabel & Zeitlin1997; 1985 and subsequent social constructivists (e.g. Herrigal1996) accounts. In the "weak" version of path dependency culture most often kinship, marriage, post-marital residence patterns, and extensive intra-familial cooperation are central to explaining the emergence of small-scale industrialization. For those hoping to discover the existence or at least the possibility of a more benign capitalism, the salience of family and kinship offered an understandable appeal.

This welter of theoretical and explanatory choices both initially motivated my decision to study the Biellese and ultimately complicated the project. Testing any one of them might have provided a more straightforward account but would have left open the

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possibility that I had missed the central issue or issues. Thus, the rather unwieldy structure of this work arose from seeking to evaluate a cluster of theories rather than a single contention. Furthermore, I hoped to connect a more structural and institutional account with the experience of Biellesi not merely as proxies for masses, classes, and capital.

II. Question of origin in industrial districts

The Biellese did not transit from pre-industrial craft production to the present configuration of mix of many small and tiny firms and a few mid-sized firms in a single, continuous developmental trajectory. Rather the regional economy had undergone a series of ruptures or crises in the last century and a half that enabled new organizational forms to emerge. From 1870 to 1945, the regional system was dominated by large, vertically integrated firms. The development of the post-war configuration apparently so similar to Prato and other Third Italy districts was the direct consequence of market crisis: the loss of military cloth as a backbone and the concomitant loss of low end national and Middle Eastern markets to Asian competition. The collapse of most of the large firms (by1965) created unusual conditions. Large numbers of skilled workers were on their own and large amounts of machinery were suddenly available at bargain prices. This conjuncture drove the re-emergence of the small firm stratum of the industry. Not coincidentally, the collapse of the old vertically integrated firms accelerated the process of depopulation of the mountain zone (pianurazzazione) and regional out migration.
A few larger firms (+/- 500 employees) Cerrutti first, saw that moving up-market might be the only way to survive. Cerrutti initiated branding in the Biellese in the late 1950s by

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clothing Italian television and movie actors gratis to build its reputation. Firms such as Zegna and Loro Piana followed suit by the end of the 1960s. With the Biellese established as a supplier to the fashion industry, small firms could work on subcontract to the majors, job (conto terza), or work on their own account as market conditions permitted. The Biellese in this regard, is not unlike the Pratese where the post-war collapse of vertically integrated firms re-invigorated a sub-contracting system although Prato was specialized in lana di straccia (re-processed wool). Similarly, Tom Baker's (1987;1994) study of engineering shops in Friuli notes that the highest rates of firm entry were in a period from around 1955-65. The Biellese experience then was consistent with post-war regional growth patterns elsewhere in North and Central Italy.

Let me now turn to situating the Biellese in the context of competing explanations for the existence (and survival) of industrial districts. Marshall originally observed that competition for skilled workers might inhibit the emergence of a single, dominant firm. His example, Birmingham, England, had an established craft-scale manufacture of iron products. The potential for mechanizing some engineering tasks in the late 18th and early 19th century led to the fluorescence of metal-working firms of which Triumph and BSA armament manufacturers who turned to motorcycle production -- were the longest lived. Marshall's focus on the availability of skilled labor seems compelling to me. But we need to distinguish between districts that actually produce products and industrial clustering where product assembly dependent on low-waged labor prevails. Benton (1990), Blim(1990;1990), Bonacich et al (1994), and Rothstein and Blim (1994) have all emphasized the role that low wage (relatively and absolutely) play in contemporary

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districts, characterized by small and micro-shops, and the much vaunted flexible specialization. The evidence from Italy is diverse. In the textile, garment, shoe, and apparel sector, small firms do typically pay lower wages. Here, the ability to avoid much of the Statuto dei Lavoratoro (worker's charter) including paying the social contribution, the capacity to hire and fire without going through the Camera del Lavoro, as well as lower wage structure is consistent with data from the Developing World (e.g. Bonacich et al 1994; Goddard 1996; Hsiung 1996). But Lazerson's (1988) data from Modena noted that prevailing wage rates for larger engineering firms carried over into smaller and artisanal firms. Artisanal firms often established satellite firms not to lower wage costs but as cooperative ventures with similar firms in order to pool activities and achieve economies of scale. Meccano tessile in the Biellese appears to conform to this model (see Appendix A). Further, it is not clear that artisanal and small-scale weaving firms pay lower wages than do larger firms. Hence, some elements of the production cost such as spinning and dyeing may well cleave to the low wage model while others do not conform to it.

But wage costs alone cannot account for industrial clustering and the origin of industrial districts. Anne-Lee Saxenian's (1994) comparative study of the Boston, MA/Route 128 corridor and Silicon valley is suggestive of the other form. Both emerged because of the ready availability of highly-skilled electrical and computer engineer from MIT and Cal Tech/Stanford/Xerox PARC, respectively. The core of technical university students and faculty conducting research with external (often Federal) funding effectively lowered the barriers to entry as research and development for most early start-ups

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antedated firm formation. Subsequently, the concentration on software in Silicon valley (at least in the last decade) has grown because in software development, there are virtually no barriers to entry.

The Biellese ironically, has elements of both the high and low wage model. Certainly, the emergence of the modern industry in the period 1845-1870 depended on appropriating low-cost, largely female and child labor in order to undermine the independence of the largely male cottage weavers as had English entrepreneurs before them. Yet, in the wake of the collapse of vertically integrated firms in the 1960s, the availability of skilled (but no longer low-waged) workers propelled both the new mid-size and the small firm strata. Undoubtedly, there is a wage cost differential between firms such as Zegna and the micro-shops but it should be remembered that this is in the context of industry-wide high wages by Italian standards (see UIB cost of labor, Appendix B).

Yet the availability of skilled labor cannot account for all instances of industrial clustering. Michael Best (1980) and several other geographers have pointed to a "spin-off" model of industrial districts. In this case, the establishment of a primary firm generates the conditions for a range of subcontractors who provide low-volume and specialized services for the primary (and even primate) firm. Best cites the Springfield (MA) Armory from the 1820s to the 1870s as a case in point. A century later, the presence of Pratt & Whitney aircraft engine manufacture supported as many as 300 machine shops in the greater Springfield area. In each instance, the smaller industries collapsed with the demise or downsizing respectively, of the primary industry. So industrial districts are diverse both in terms of their originating conditions and the

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sectoral and market conditions that enable or constrain their development. The origins of industrial districts then, are too diverse to be explained by a general theory that would account for all cases. There is considerable evidence that the Biellese like the Pratese, Como, Bergamo and other Central and Northern Italian districts share at least some of the features that Piore and Sabel first identified as flexible specialization. As Storper and Salais (1997: 21 & passim) note, all production must survive a test of economic coherence which means in the global market, creating the absolute advantages that propel economic specialization. There are a number of strategies for achieving this including flexibly-specialized industrial districts but also encompassing monopoly or oligopoly corporations in national markets and trans-national corporations. Indeed, this is the substance of Oliver Williamson's (1975) transaction cost approach: that markets and hierarchies are alternative responses to the problem of contracting. The limitation of Williamson's approach is that scale and scope (i.e. firm size and form) are themselves responses to uncertainty in markets.

The long survey history of Biellese industry (Chapters 7-9) demonstrates that within the context of mono-industry, the region has been faced with a series of market-based crises since the end of the 18th century. The modern industrial district is a tactical response to market fragmentation induced by the growth in, and transformation of a globalizing textile-garment market. The Biellese, Pratese, Como, Bergamo and other districts in Italy is tied directly to the "fashion system". Whether the product is shoes, garments, silk garments, eyeglass frames, or woolen suiting, they are now all subject to the annual or even semi-annual season of retail fashion sales. As Frederick Abernathy et

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al (1999) note, the emergence of "lean retailing" displaces much of the traditional costs of maintaining inventory back onto the producer. Stores do not risk large inventories but instead insist that garment and other manufacturers be able to supply stock almost on demand. Further, successful retailing now needs to rapidly reflect fashion changes that take place seasonally at the couture level of the industry. This rapidity of change combined with the low-inventory but large product mix puts significant pressure on manufacturers. The capacity to rapidly shift the production from one to another design, color, and fabric mix is essential for cloth producing firms.[1] This flexibility is what has enabled the small firm stratum in the Biellese to thrive over the last two decades. But it has also made the regional economy more vulnerable to shocks caused by sharp down-turns in consumer spending across the advanced capitalist economies. But it should also be noted that the increasing volatility of the market to which the Biellese is inextricably tied that has driven the development of the modern configuration of the district.

III. Industrial districts and path dependency

Much of the debate over the nature of industrial districts turns on the issue of path dependency which in turn depends on the directionality of causality between industrial form and culture. Giacomo Becattini (1990: 38) has most clearly specified the relationship between culture and industry.

> The industrial district is a socio-territorial entity which is characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area. In the district, unlike other environments, such as manufacturing towns, community and firms tend to merge.

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While Becattini (Ibid. 38, 39) admits that this definition is "stylized" and in respect to his conception of community, quite close to an idealized, closed corporate community, his understanding of the direction of causality is clear. It is the development of a "relatively homogeneous system of values and views, which is an expression of work and activity, of the family, and of change" that gives rise to "a set of institutions and rules" all of which are "functional" to the kind of economic activity in the territorial entity. These cultural and institutional factors decisively influence the population of firms. Firms are largely in the same manufacturing sector or filières (closely related phases of production)of it. But most importantly, "firms become rooted in the territory and this result cannot be conceptualized independently of its historical development (Ibid. 40). His summation of the dynamical interaction between community, firms and markets notes that,

> The origin and development of an industrial district is therefore not simply 'local' result of matching of some socio-cultural traits of a community..., of historical and natural characteristics of a geographical area..., and of technical characteristics of the production process, but also the result of a process of dynamic integration...between division-integration of labour in the district, a broadening of the market for its products, and the formation of a permanent linking network between the districts and external markets (Ibid. 44).

The arrow of causality points from culture to industry or, rather, industrial districts. Becattini (and others) commitments to this form of path dependency are paradoxically, at once too sweeping and too narrow to be convincing. Like Putnam's (1993) study of the differential success or failure of regional government in Italy, it confuses correlation with causation. In narrowly specifying the prior existence of

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community, Becattini and others must ignore the great diversity in industrial clustering/industrial districts; many of which are devoid of the attributes of community they identify(v. Schmitz and Nadvi 1999). There are demonstrably industrial districts that coalesce without existing cultural/social and institutional forms that precede industry. Silicon valley – to the extent that it is an industrial district (and it is in Saxenian's view) possesses no such "community" much less values. Rather, following the spin-off model (e.g. Best 1990; Saxenian 1994), there was plenty of skilled labor, very low barriers to entry, and the institutional model of the research university. There was also enough finance capital to allow a thousand capitalist ventures to bloom. What is now identified as a "culture" in software development is the consequence of a specific trajectory of market growth and the firms that sought to exploit it.[2] Hence the "strong" path dependency argument is empirically controverted.

The Biellese as a region has survived eight centuries on the back of woolen production in large part because there has been nothing economically, to replace it. The great arc of towns and villages in the pre-alpi stretching from the Ligurian coast in the West across to the lakes in the center of Italy were almost uniformly dependent on agro-pastoralism and then woolen and cotton production. None of these centers survived the 19th Century save the Biellese. Its survival was vouchsafed from 1780 to 1945 by military cloth production and the close ties between local elites (e.g. the Sella family) and the House of Savoy. The post-war era has been a series of shocks and crises as Biellesi capital and labor has sought to adjust to rapidly changing and fluctuating conditions in a now globalized textile and apparel market.

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Michael Blim (1990: 256) has noted, "[T]he capitalist rules of the game, however fuzzy, temper the impact of specific cultural forms on economic development." Whatever the merits of some of the characterizations of the Third Italy in terms of the prior existence of "community" neither the Pratese wool industry nor the Marche shoe industry (Blim 1990) can be characterized by a regional homology of values, norms, and institutions in the way Becattini specifies it. In the Biellese regional identity is strong reflecting both the historical depth of mono-industry and the region's relative isolation at the periphery of the iron triangle (Milan-Genova-Turin). Certainly, the existence of broad intersecting webs of kin relations once localized in villages and hamlets but now region-wide knits many Biellesi across class, status and prestige lines, but their salience should not cause us to elide the very real existence of class conflict between industriali and workers now and in the past. Entrepreneurialism and especially, credentialization of jobs narrows the apertures to the industry. As they industry's labor demand has diminished while the demand for formal credentials has increased over the last three decades, more young Biellesi leave the region heightening the sense of precariousness captured in the phrase é di moda la crisi.

Claims for a culturalist economics as Michael Blim (1990) has shown must be viewed with considerable scepticism. Becattini and other advocates of the Marshallian industrial district as a distinctive cultural form have confused the issue of community

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with the diversity of forms of capitalist enterprise. I have suggested that in the context of capitalist society, firms are vehicles for complex clusters of interests held by entrepreneurs. Viewed organizationally, firms differ only in scale and scope. But viewed as legal entities for conducting both accumulation strategies and family strategies, the may well reflect cultural differences. This fact however, places culture in the context of political economy and institution building. In effect, it turns path dependency upside down.

IV. The view from the Bar Popular

The continuity of nearly complete dependence on the wool trade means that all Biellesi are deeply aware of conditions in the industry. Trade news: the price of wool, the health or sickness of firms, the often contentious relations between capital and labor dominates the business section of the local papers. The condition of the industria tessile overflows the boundaries of "economics" into the cultural and social. High school students are polled to assay their attitudes towards working in the industry. Fashion news in a fashionable country directly reflects and refracts the health of the local economy. History whether industrial archeology, craft fairs, the work of local historian all reflect this centuries long engagement with the wool trade. For young men and women, the crucial decision in their high school years is whether they will train for the industry or attempt to break from the confines of being Biellese which has meant being in the

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industria tessile whether as a worker, a salaried professional, or in the secondary sector. The degree to which the industry impinges on individual and social life through individual work and through family strategies, the degree to which social reproduction is so closely linked to regional economic reproduction means that even if the strong form of cultural causation of path dependency of industrial form is untenable, we must reckon with the cultural consequences of so close and continuous a linkage.

In 1988 and 89 the habituée of the Bar Popular were in their early 20s, not long out of school or still completing their degree at night. They were both attracted and repelled by the prospect of a life in the industria tessile. Attracted by the aura of fashion, by the obvious wealth of many of the children of the industriali, and by its apparent cosmopolitanism. Yet for working class men and women with minimal credentials, they were ill placed to enter into employment except at the lowest rung of the career: as manodópera, hourly workers. Several of my acquaintances were machine tenders then and others were to try these jobs in the intervening 8 years before I was able to return to the Biellese. Only two of my original reference group had any connection with the industry in January 2000. The others had settled for tertiary sector jobs in construction and low-level managerial jobs in the service industries that play an increasing role catering to the industry. One had worked himself to death at the age of 39 establishing his construction firm. Indeed, the Bar Popular was no longer the same establishment it had been in 1988-89. Gone was the rustic Piemontese decor replaced by cool post-modern design including a fish tank embedded in the floor like an artificial river and icy blue lighting. When I asked after my friends, the pleasant, young proprietor knew none of them by name or

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face. They had made their bargain with being Biellesi, and now it is another generation's turn.

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1. It should be noted that most of the U.S. and European large-scale, continuous process firms such as Levi-Strauss have fared poorly over the last decade.

2.En passant, it is debatable that beyond the possibilities of rapid accumulation software development (including e-commerce) possesses and the necessarily collaborative nature of code production, that silicon valley manifests much of Becattini's conception of community.

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Appendix A

I.

This appendix contains several maps, charts, and graphs that were to unwieldily to integrate in to the chapter(s) where the material they graphically illustrate is discussed.

II. Detail Map of the Biellese

The detail map, **Figure 12**, (fold-out overleaf) reproduces a portion of the Touring Club Italia Piemonte Valle d'Aosta Grande carta stradale d'Italia, D36 (1985/86). The scale of the original map is 1:200000. The detailed enlargement has a scale of (roughly) 1 centimeter = 1 kilometer (1cm:1km). References to place names in the text are followed where appropriate with grid coordinates (e.g B-5).

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Map 12: Detail Map of the Biellese

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Gaby
1047
2205
2201
C. d. Mologna Picc.
Rif. Alpe Anval
C. del Croso
2556
A. Lavaggi
1090
Alpe Col di Sopra
Cima di Bo
2000
Tre Laghetti
C.ma dell'Asnàs
2040
C. d. Vecchia
Rif.
2187
1872
Piedicavallo
1037
L. d. Vecchia
1858
953
Issime
M. Cresto
2546
Montesinaro
882
Valmosca
A. Calcinone
Pescatore
Grand Praz
Rosazza
Beccara
Piaro
Sampiglia
Cerro
Planaz
C. Gragliasca
2213
Gliondini
Quittengo
1625
M. Marca
Boccioli
Sésserai
1382
N.232
S. Giovanni
L. Vargno
Pillaz
1684
1216
Rif. Renata
2391
M. Camino
2230
M. Tovo
Oriomasso
Bielmonte
C. di Barma
2261
M. Mars
2600
S. Pàdio
Cervo
Balma
Rialmosso
Prarello
Camandona
Faletti
Rif. Rosazza
1485
1702
Riabella
Passobreve
Ste-Marguerite
L. d. Mucrone
2339
Santuário di Oropa
Oropa
Casale
Rif. Coda
2280
C. di Carisey
2132
M. Mucrone
S. Fermo
Sagliano Micca
Taviglianо
Callabiana
2320
M. Bechit
Vecchia
Miagliano
S. Eurósia
Andorno
Micca
Pettinengo
Tollegno
Váglio
Trivero
Zumaglia
Colma di Mombarone
2371
Rif.
La Trappa
1011
Chiavolino
Bagneri
S. Grato
Pallone
622
Burcina
Cángio
627
Sordévolo
Galfione
S. Carlo
Rubiola
Fiàbio
Occhieppo Sup.
Chiavazza
Ranco
Moschetta
Bossola
954
Sant. di Graglia
Graglia
Occhieppo Inf.
Vallesella
Muzzano
Cambursano
Barazzetto
Ponderano
357
Savignasco
Gagliánico
Sandigliano
323
Mongrando
Bornasco
Sala Biellese
Torrazzo
Borriana
Filippi
Rivalta
Chiaverano
Burolo
Zubiena
Ris. Nat. la Bessa
Zanga
Torrazza
N.419
N.230
N.338
N.143
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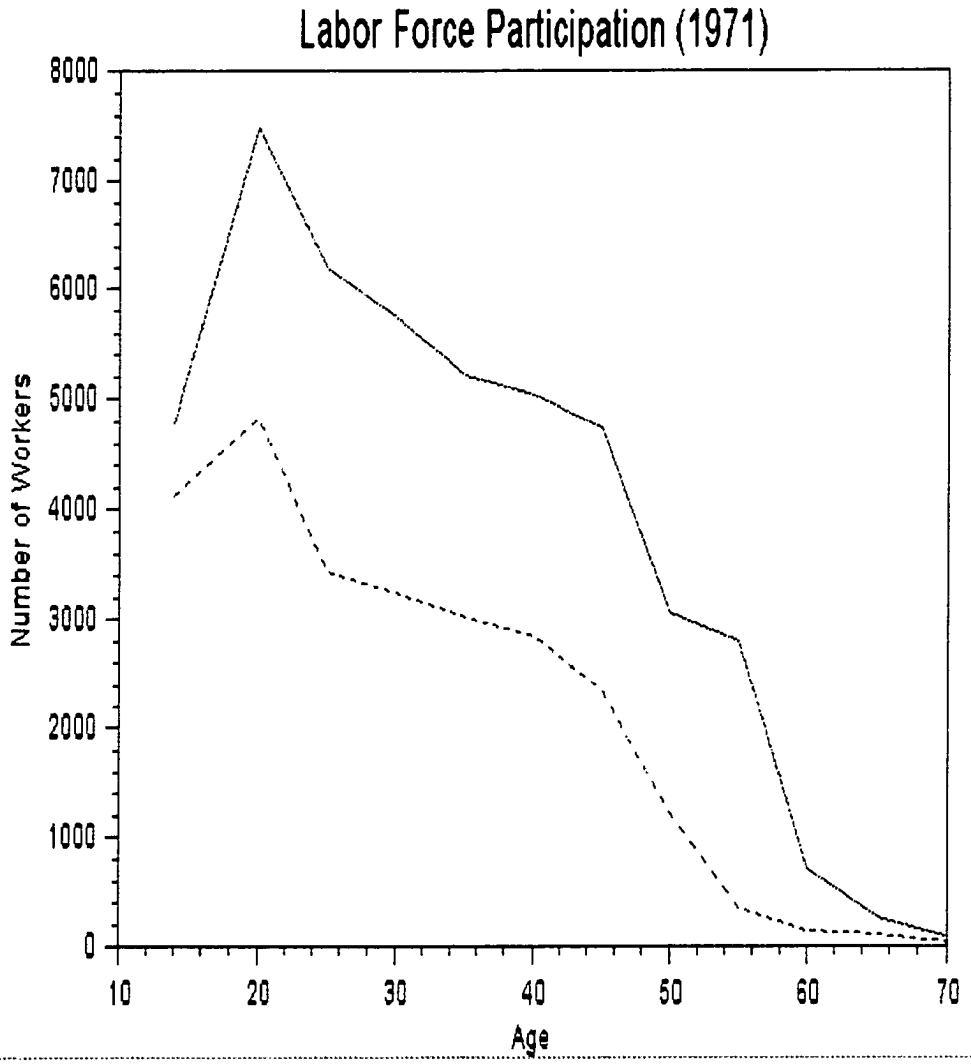
II. Labor Force Participation

The following tables and graphs (**Figures 13, 14, 15**) provide evidence although incomplete and dated, of the active and in-active labor force in the Biellese. Because The Biellese became a province only in the early 1990s, data aggregate both Vercelli and Biella.

The first graph shows participation in industry and extractive industries (in the Biellese, this is granite quarrying, Vercelli has no extractive industries (save sand & gravel pits). These data are for waged workers only. The second graph aggregates salaried white and "pink" collar workers, independent workers and non-active females who listed their status as housewife (casalinghe).

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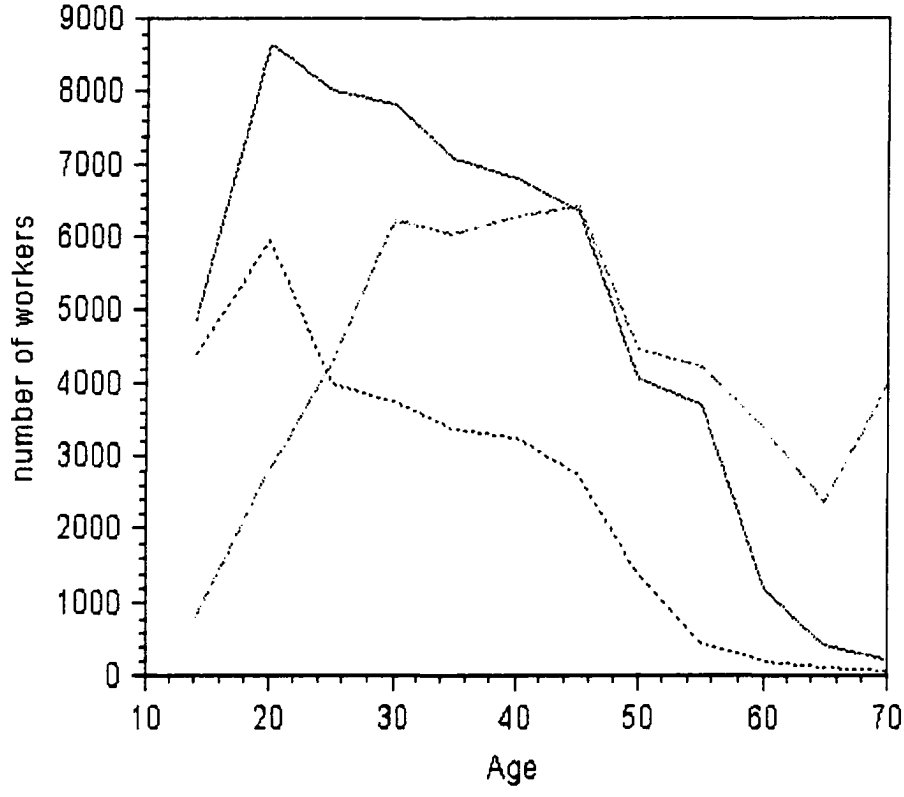
Figure 13.



Legend: Dashed line = female labor force participation. The solid line = males. These data represent only waged workers in manufacturing and extractive industries in the Province of Vercelli in 1971, the most recent year for which I was able to obtain data. Because extractive industry comprises only a tiny fraction of the male work force, these data are a reasonable proxy for the industria tessile.
Source: 11th Censimento Generale Della Popolazione. Volume VI. Tomo 1, Professioni E Attivitá Economiche, Tavola 11.

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Figure 14. Total Workforce in Manufacture & Extractive Industries



Legend: Solid line = males. Dotted line = females. Dashed line = non-active women who identified themselves as housewives, and is included for comparative purposes. The data for men and women workers aggregates waged, salaried, and independent workers (lavoro in proprio). Source: ISTAT 1975 (v. Figure 4).

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Figure 15.

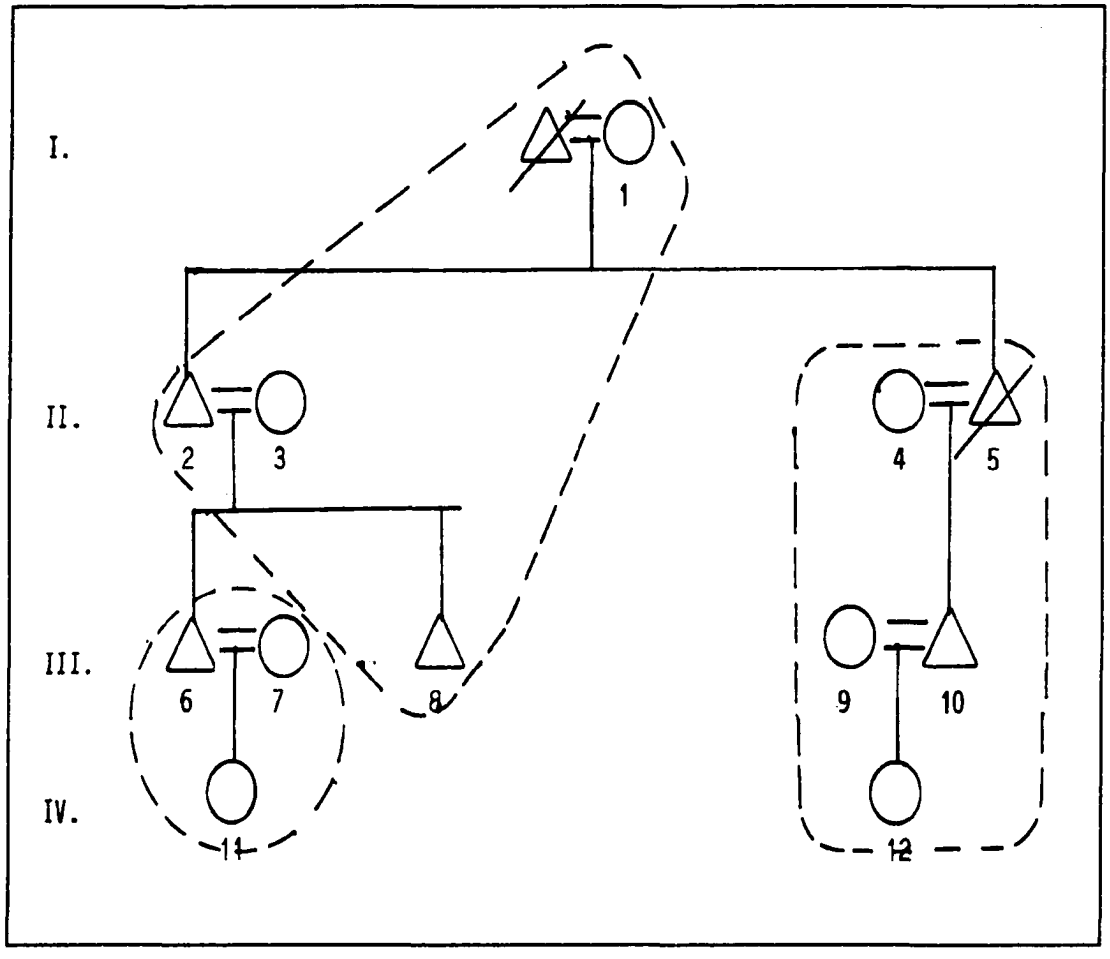
Average Hourly Blue-collar Wage Cost, 1980-1995[1]			
Year (December)	**Cost per hour in £**	**Index: 1980=100**	**% variation from preceding year**
1980	6,925	100	17.1
1981	8,414	121.5	21.5
1982	10,001	144.4	18.9
1983	11,501	166.1	15
1984	12,534	181	9
1985	13,982	201.9	11.6
1986	15,056	217.4	7.7
1987	16,250	234.7	7.9
1988	17,321*	250.1	6.6
1989	19,256	278.1	11.2
1990	20,560	296.9	6.8
1991	22,513	325.1	9.5
1992	22,278[t]	321.7	-1
1993	22,690	327.7	1.8
1994	23,227	335.4	2.4
1995	24,210	349.6	4.2

III. Kinship, family, and residential groups for three Biellesi families

Figures 15, 16, 17 depict kinship and residential groups for the Moncatini, Nardini, and LaBianca Bozet families.

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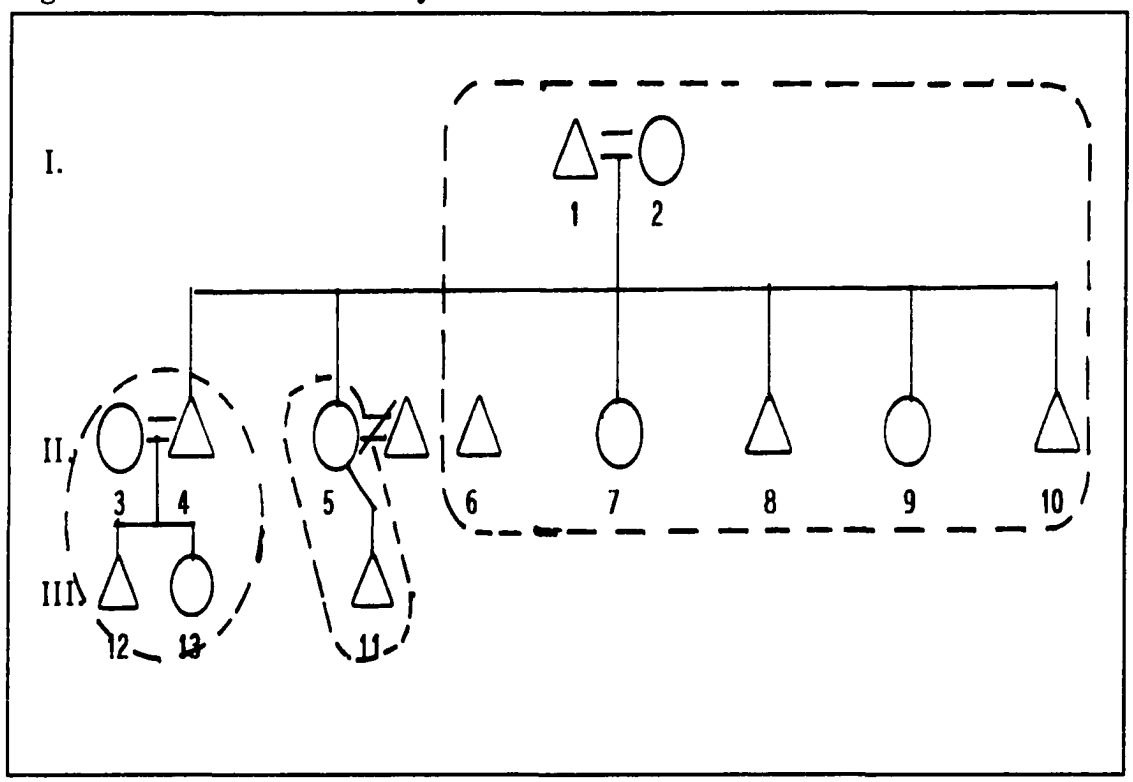
Figure16: The Moncatini family



Legend: Roman numerals indicate generation. Arabic numbers indicate specific persons (keyed to text). Dashed lines indicate households.

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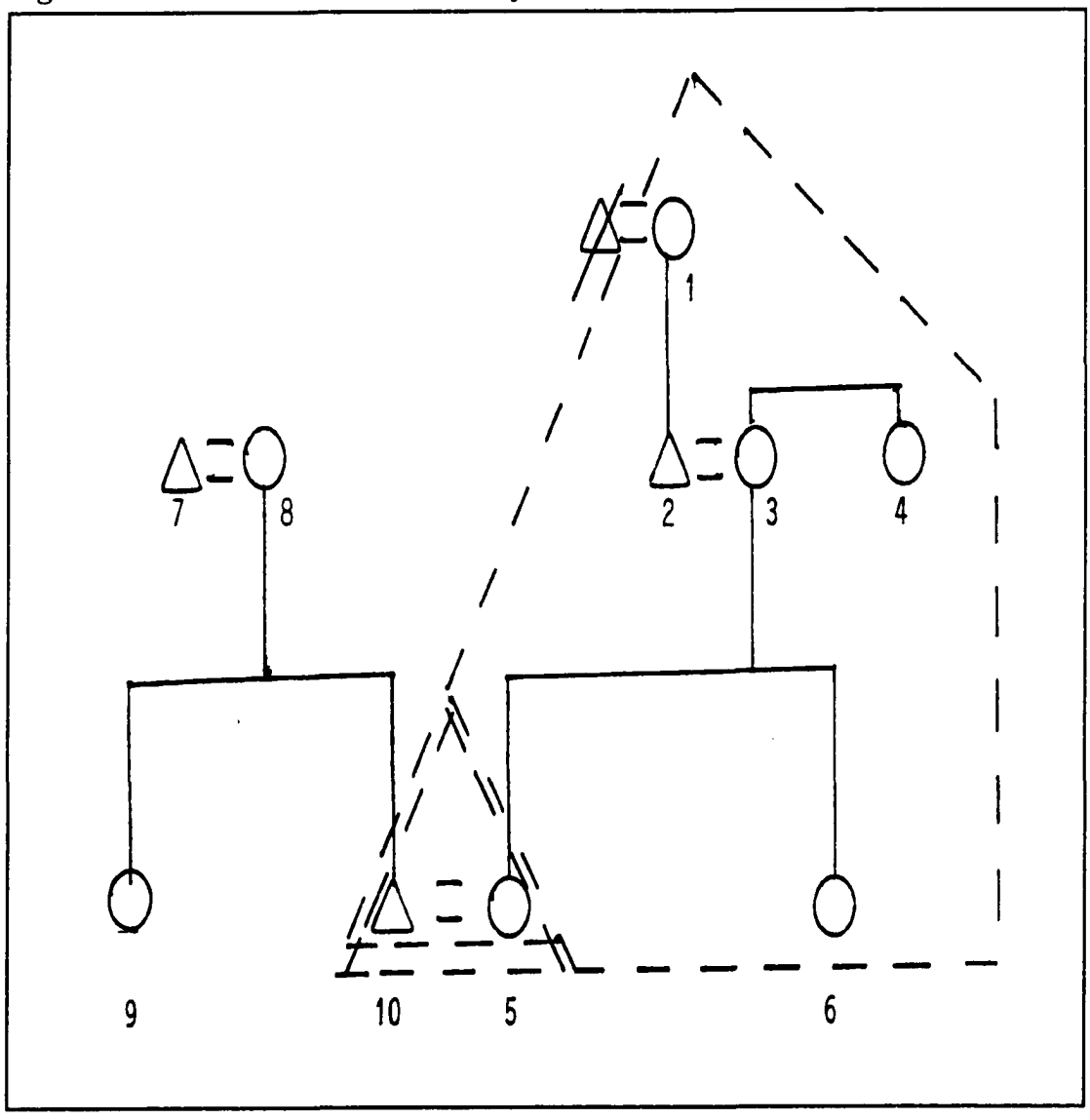
Figure 17: The Nardini family



Legend: Roman numerals indicate generation. Arabic numerals indicate specific persons (keyed to text). Dashed lines enclose households.

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Figure 18: The La Bianca Bozet family



Legend: Arabic numbers indicate specific persons. Dashed lines indicate households.

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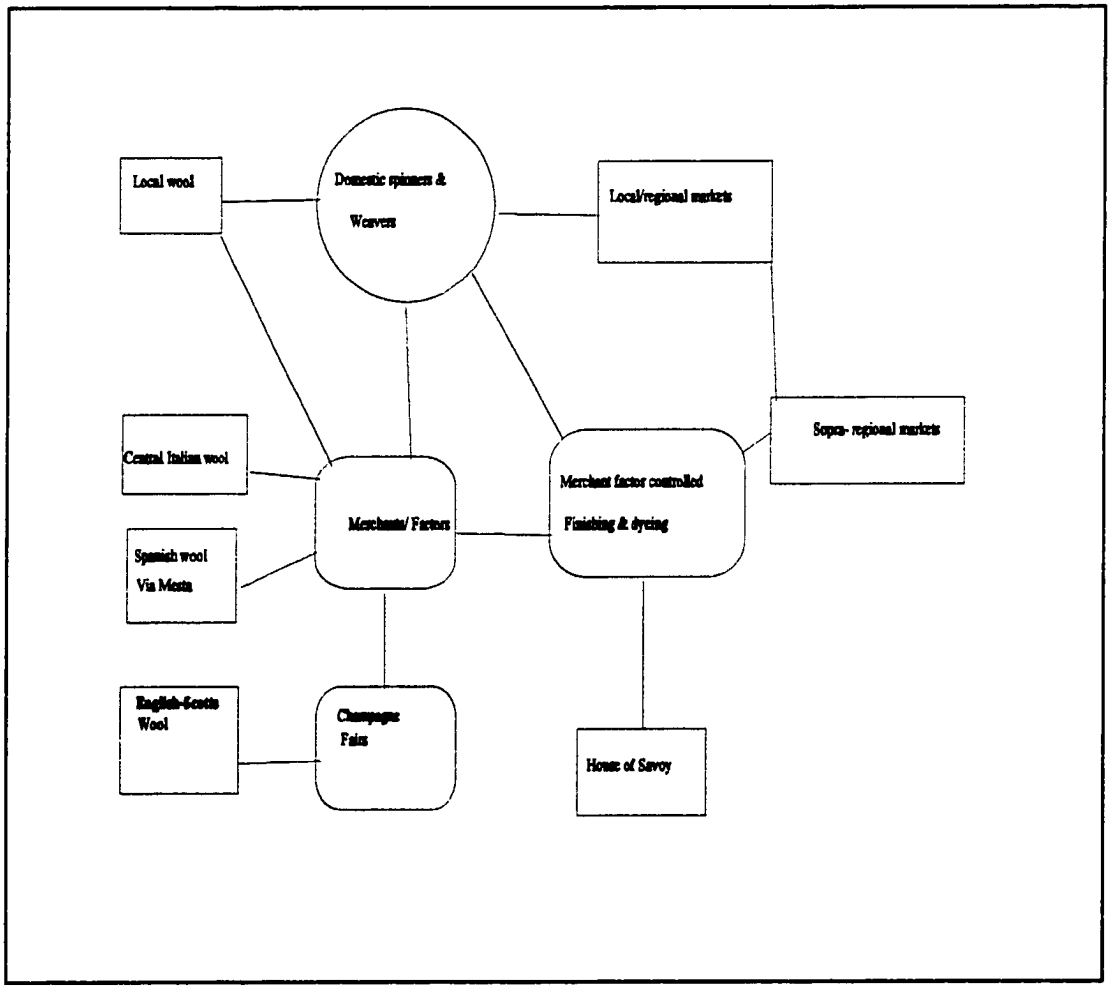
IV. Biellese Commodity Chains, 14th - 20th centuries

The following tables (**Figures 19, 20, 21**)illustrate the changing patterns of primary commodity production, trade, processing and re-export to markets in the Biellese from the 14th through the 20th centuries. Commodity chains (v. Gary Gereffi & Miguel Korzeniewicz, eds. 1994) display the linkages in production. Comparing commodity chains from different periods provides a measurement of the changes in the spatial location of different phases of commodity production, and the increasing complexity of production processes in changing world markets. Terrence Hopkins & Immanuel Wallerstein (1986: 159) defined a commodity chain as "a network of labor and production processes whose end result is a finished commodity."

A feature of modern capitalist production that distinguishes it dramatically from the earlier phases of industrial capitalism and from merchant capitalism (for want of a better term) is both the increasing number of steps from primary commodity to the actual sale of a finished product and the increasingly long linkages between phases of production. But it should be remembered that distance of linkages (between labor and production processes) per se, is not a distinctive feature of modern capitalism as archaic long-distance trade aptly illustrates.

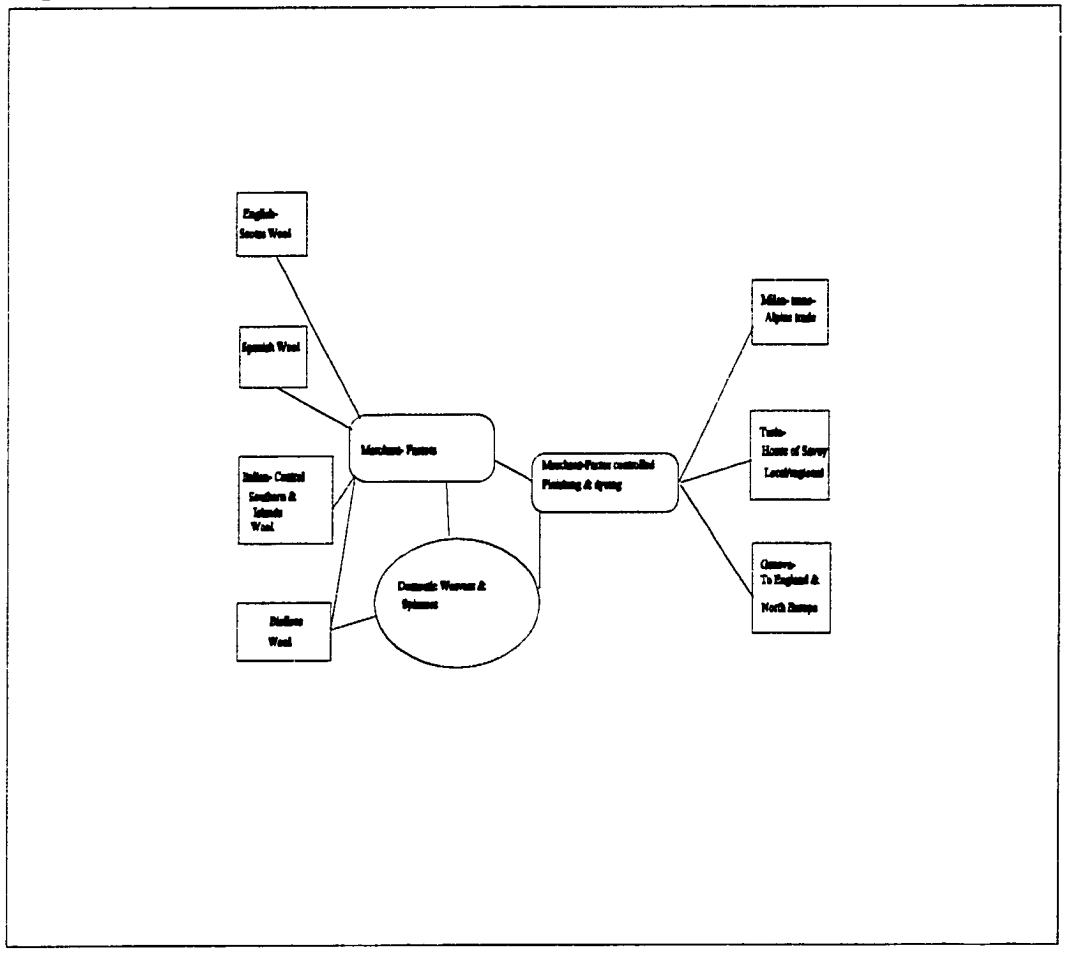
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Figure 19: Wool Commodity Chain 12-16th Centuries



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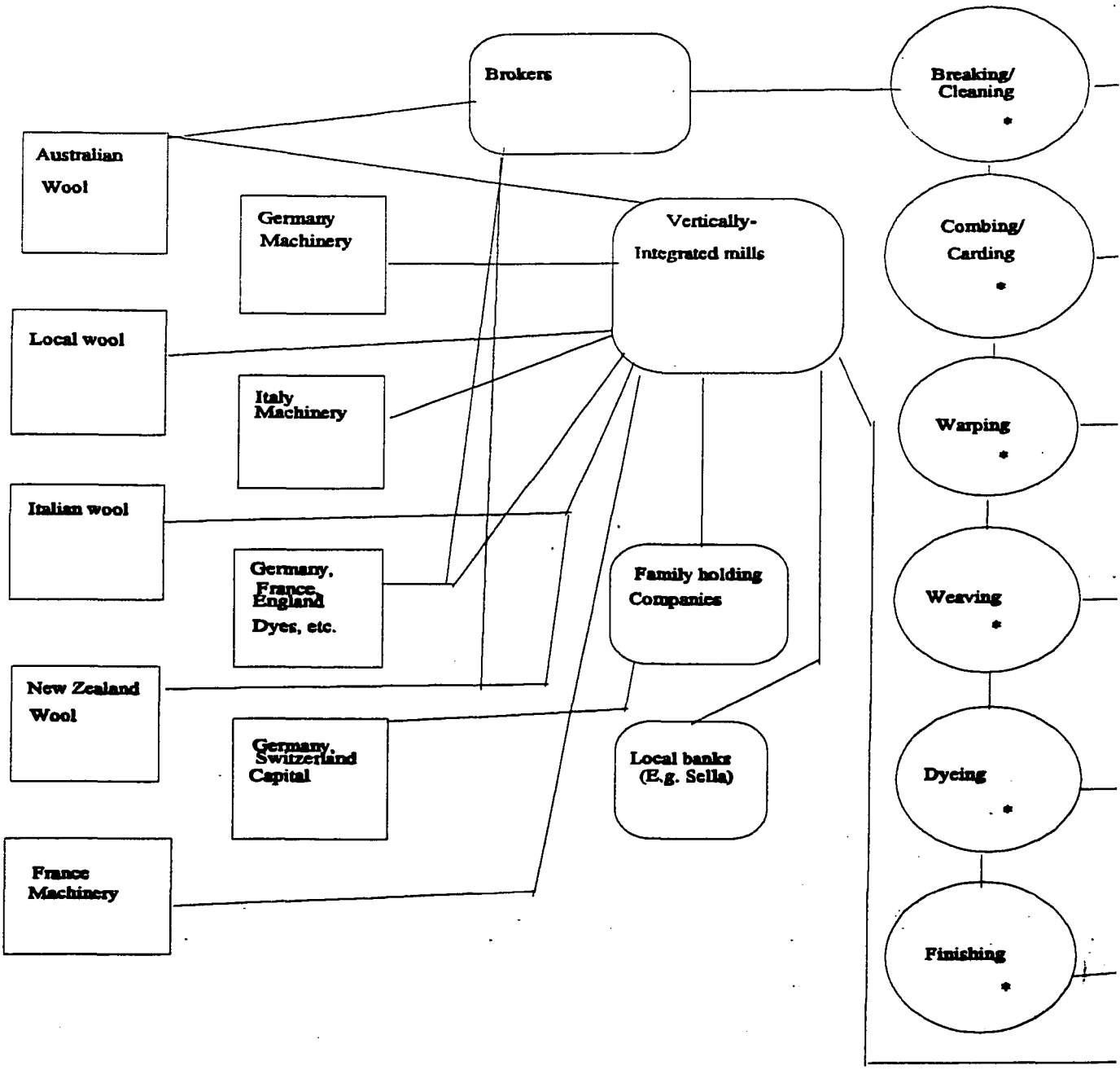
Figure 20: Wool Commodity Chain 17-18th Centuries



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Figure 21: 20th Century Commodity Chain

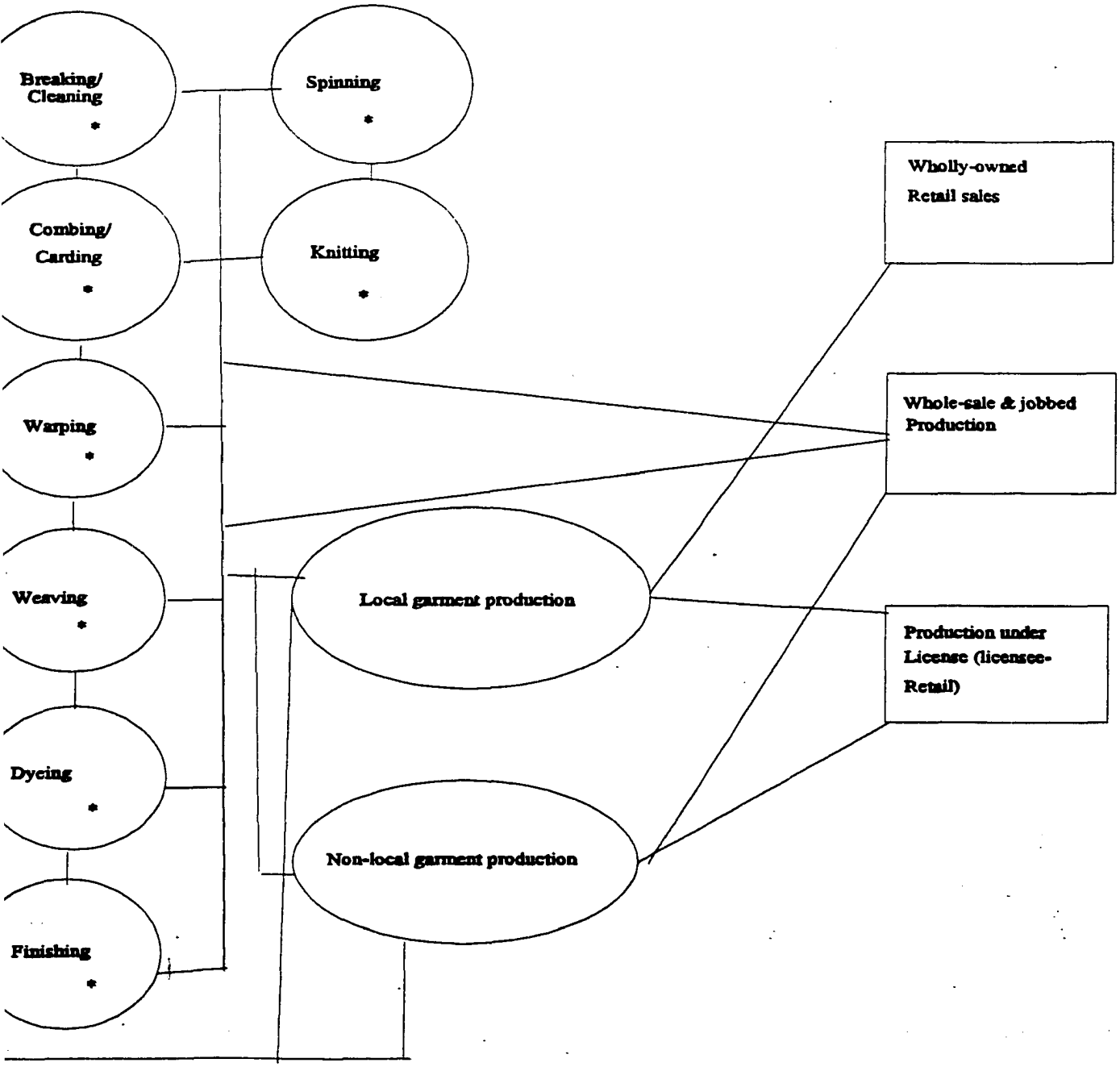
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Figure 8.
20th Century Commodity Chain
(*= independent small firm)



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1. Economia biellese 1995 (1996: 73) * does not reflect changes in tax withholding laws; † does not reflect changes in taxes, wage indexation, etc that reduced cost of labor.

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Appendix B

The Textile Industry

I. Introduction

This chapter provides a description of the *industria tessile* (the textile industry, as it is commonly called in the region) in the Biellese. The industry is pervasive in geographic, economic, social and cultural senses. At various instances, I shall speak of the Biellese in terms of the regional political-economy of textile production, at other times as an industrial district. In important respects, the region is an industrial monoculture with all the connotations that this term invokes. And in social and historical terms, it became and remains a regional industrial system, or in the term coined by Alfred Marshall (1916), an industrial district.

The Biellese thus constitutes both the context in which lives are lived and a cluster of instruments crucial in shaping much of the substance of those lives as well.

There is another reason why a tour d'horizon of the industria tessile in the Biellese is important, beyond its structural and process roles. Capital may well have a "logic" that can be abstracted from the historically, geographically, and culturally and socially particular "moments" that constitute ethnography but it is visible in human terms only *in* the actual relationships and amalgamation of relationships on the ground. Philip Scranton has noted (1983:8-9), there has been a tendency in history (and, I would add in sociology and anthropology) to portray "capital" as a monolith, a thing, just as labor was partially lost to view in a "frozen" abstraction of class. Reified capital "acts" on the world, "does"

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things to people, workers especially, but is remote and unknowable. Even the modern, multi-national corporation in contradistinction to this view, is ultimately, a dynamic set of relationships directed towards the capitalists' goals of profit, accumulation and the reproduction of the circumstances most favorable for to those goals. And as Scranton most forcefully shows, much of industrial history of the U.S. and for that matter, all the of the advanced capitalist nation-states, has little to do with the giant mass-production (sometimes multi-national) corporation. This is most powerfully true of Italy where small, primarily family-owned and controlled firms dominate the economy numerically and often, politically. In this sense, the Biellese is representative political-economically of industrialized, modern Italy.[1] A sense of the density of entrepreneurial activity can only be captured by a detailed portrait of capitalist culture in the region.

Some sense of the pervasive physical and geographical presence of tessile is graphically illustrated by the fact that of 90 some commune in the region, only the alpine villages (perhaps 15 municipalities with at best 1 0% of the regional population) do not now have some active shop, mill or warehouse connected to some sector of the industry. And where there is no active production facility in the villages of the upper valleys, there is often an abandoned shell of a factory, a relic of the first phase of industrialization. The textile industry accounted for close to 60 percent of the active work force in the early 1980s. There are relatively few Biellesi families in which at least one member has not been employed in some area of the industry at some point in his or her life. And if the present generations have climbed into the professions, the civic and party bureaucracies, or become shop-keepers, surely a grandparent or great-grandparent worked in a mill.

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Biellesi society runs to the rhythms and cycles of the industry. In September, the cloth manufacturers are gearing up the fabric collections for the spring fashion collections a year and a half away. The clothing and knitwear manufacturers are producing the garments for the coming spring's collections. The meccano-tessile sector has just finished its most arduous month, August. For when the mills close, major repairs and the installation of new machinery are undertaken in an exhausting parody of Ferra'Agosto (the August holiday). In the winter months, the summer weight fabrics for 18 months hence are under development, and summer garments for the next summer are in production. In spring, it is the fall fabrics for the fall season a year and a half away, that they begin the first stages of the production processes, and clothing for the proximate fall is being made.

The industrial calendar is as filled with fetes and festivals as was the older agrarian ones they have only partially replaced.[2] In late medieval Europe, commerce revolved around annual fairs which brought sellers and buyers into contact; the Champagne fairs being the most notable example. So too in each sector of the modern industry exhibits at a number of national and international expositions each year.[3] Textile machinery (meccano-tessile) exhibits at Texmekanica. Cloth, thread and clothing manufacturers look forward to Pitti-Filati (so-called because it is held in the Pitti Palace in Florence). Pitti-Uomo is the Italian showcase for the all important manufacturers of suiting. Ideabiella as well as the Milan season, showcase Biellesi products at Italian venues for an international audience. And Biellesi firms exhibit at major European, Asian and American shows as well. The local press runs a special supplement on the

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important Italian and European exhibitions for an upbeat fair with buyers in an expansive mood signals work, while hesitant buyers and contrary fashion trends spell layoffs, financial straits, and sometimes ruin.

But when firms are working to make seasonal deadlines for shows or for production, there is compulsory overtime and the newspapers are filled with optimistic forecasts. At the end of each season, and sometimes before the end of the season, for those in the preparatory phases (e.g. carders, spinners) there are ominous pronouncements; that this or that group has only two weeks work left in contracts. The pace of regional life responds to and is regulated by the annual and seasonal cycles of each sector of the industry, the flux of the international textile economy, and the slower and more powerful pulse of the business cycle.

II. Industria tessile

This section describes the Biellese textile industry sector by sector and provides brief descriptions of the production processes undertaken by them. The passages for each sector draw on aggregated data about firms in that sector and provide illustrative examples of actual firms. The industria tessile in the Biellese is quite diverse in both firm size and firm specialization but all firms can be categorized as belonging to one of four sectors: tessile, abbigliamento, maglieria, and meccano-tessile, that is: cloth, clothing, knitwear, and textile machinery. There is however, a bewildering array of names for processes or parts of the processes involved in manufacturing textiles and clothing. The processes and production methods exist in such profusion, attached to particular histories

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which have shaped the names by which they are known (for instance, "scotching"), that there are international lexicons to aid members of national industrial groups in understanding exactly what they are talking about! This welter of obscure names might be avoided were it not for the fact that firms often undertake only one or two of the processes and are therefore identified as being a part of that sub-sector. To add to the confusion, clothing and knitwear are lumped together in both official statistics and press reports as often as they are separately identified.

The smallest sector of the industry is textile machinery production, meccano-tessile. The machinery sub-sector encompasses the production, maintenance, repair and installation of textile-related machinery. The meccano-tessile sector mirrors the industry as a whole both in the predominance of small firms and in the importance of production for export. The Biellesi share in national meccano-tessile production in 1987 was about ten percent with a value of 237.6 miliardi lire (EB 1/12/88:5).

Figures for both the number of firms and total employment in the sub-sector vary depending on the criteria of measurement. A Camera del Lavoro (Biella) industry employment survey for the early 1980s, found that meccano-tessile accounted for about 15 percent (about 6,200 persons) of employment in the Biellese (Locke 1989:195,197) organized in about 170 enterprises (CG, 1989:2-3).[4] By type of legal organization (i.e. form of incorporation), the CG (1989:8-9) enumerated 470 firms with only 4,429 employees for all engineering firms. Of these enterprises which includes activities not directly associated with tessile, a note worthy 255 were individually owned firms (in effect, sole proprietorships (impresse individuali)) with 800 total employment while only

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15 were publicly held companies (societá per azioni (SpA)) with 787 total employment. In 1988, the Unione Industrials Biellese (the industry group for large companies) arrived at a figure of 2,000 total employment (dipendenti) in meccano-tessile (EB 1/12/88:3,5) although this figure may reflect only those firms of sufficient size to claim membership in the Unione. Whatever the actual number of firms and the total employment in the Biellese, it certainly fluctuates as new "firms" enter the arena and others depart. Some enter in the form of legally constituted firms while others do business as individuals or work in the sector below the threshold of official registration. $$$In a later chapter, I will assess business and employment trends in meccano-tessile as an assessment of the industry as a whole.

Meccano-tessile in the region can trace its origins to the pre-industrial era of cottage-based industry. Prior to 1800 equipment was constructed "one-off" and reflected technology in existence and in use since medieval times (v. Quazza 1961, chap 3). There must have been considerable local expertise in both making and repairing looms and other machinery in an industry that at 1800-1810 had as many as 6,000 workers out of a total population of 15,000.[5] Quazza notes that the introduction of new French, English and Belgian technology into Piedmont was somewhat retarded. The Jacquard loom, arguably the most important technological innovation in textile production of the early 19th century was not in use in the Biellese until around 1830, fifteen years after its introduction in Lyon (1961:107).[6]

The central figure in the initial phase of industrialization in the region was Pietro Sella, at least by hagiographic conventions. Sella a factory worker who became an

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industrialist, is said to have purchased a mechanized loom ("meccaniche all'uso di Francia") in France and transported it by mule to the banks of the Torrente Strona and thereby, ushered in the industrial era by dint of his obstinate and courageous work ("..opera coraggiosa e ostinata" (Castronovo 1964:187)). The story also goes that Sella, rebuffed in his quest to obtain a piece of English machinery (probably a mule jenny), memorized its general design and reproduced it on his return to Biella.

Hagiography aside, early Biellesi entrepreneurs were forced for a variety of reasons to produce a good part of their own equipment and, hence, developed a facility with technical innovation in design and manufacture of textile machinery.[7] The impediments to importation of the most advanced machinery (e.g.. the jacquard loom) effectively forced regional autochthony. These were primarily the lack of access to finance, high tariffs (Piedmontese, later Italian), and the unwillingness of Belgian, French, English and later German manufacturers to sell equipment (Castronovo 1964:188-89).[8]

The necessity of undertaking research and development in the tools of the trade became important and remains an important component of the Biellesi industry. Indeed, the belief that Biellesi are technically oriented and clever (furbo) as foxes is an important element of local ideology. The Biellese came to be called the Manchester of Italy not only because of the concentration of similar firms in one location but also because it generated (and continues to generate) innovations in both the technical means of textile production as well as its' reputation as a leader in innovations in textile design and

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production. The modern meccano-tessile sector has then, both significant antecedents and considerable continuity from the origins of the regional industry.

The textile machinery sub-sector has a number of distinct areas of specialization: machines for filatura cardata, semi-pettinata, pettinatura e lavorazioni complementari; control devices for automating production; dyeing machines and control devices for dyeing machines; cloth finishing machines; and accessory equipment for various subsidiary phases of textile production. Machinery for combing, carding and spinning and automation devices accounted for over half (145.4 milliardi di lire) of the 1987 output by value of production; while finishing and dyeing machinery accounts for an additional £43 m. (IB 02/03/89:VII). None of the firms in the meccano-tessile sector is very large whether measured by capitalization, value of annual production or by the number of employees (firm size).[9] Roj Electrotex for example, a maker of electronic controls, employed only 250 workers at its peak before it was forced into re-organization in 1991 (EB 15/6/91), while "Ghislaine", a repairer and remanufacturer of older machinery, had only nine employees. A mean of employment in all of the machinery firms in the province of Vercelli yields an average of only 9.4 employees per firm while another measure, employees per SpA (publicly held) firm, yields only 52.46 workers per firm. The following section profiles Roj Electrotex and Ghislaine, the mature business firm and the start-up respectively, as typical of firms in the sector. The history and development or the life cycle of firms that characterize the Biellese reinforces the notion that the principal difference between "larger" and "smaller" firms is one of scale.

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Furthermore, families as owners, managers and workers are the important if not key factors at every point along this continuum of size.[10]

A direct outgrowth of the wave of restructuring of the early 1970s, "Ghislaine" SRL is typical of the generation of meccano-tessile firms started in the Biellese in the last twenty five years. In addition to the two partners who founded and own the firm, it employs only seven full-time workers.[11] Edo and Carlo (pseudonyms) had been employed as machinery repairmen for several years in one of the larger lanificio in the eastern end of the Biellese. They had been trained as young men (then in their late teens or early 20s) on the shop floor, to perform routine maintenance and repairs on the power looms, carding, roving, and spinning machines, as well as other equipment, that comprise the infrastructure of an integrated woolen mill. Their status in the plant's organizational and occupational hierarchy was that of operiao (common worker or laborer) but as roving repair men, they enjoyed considerable autonomy. With several other men, they constituted a small group of "trouble-shooters" who intervened any time there was a breakdown in the machinery and therefore, an interruption of production. They also helped to design and undertake modifications to the machinery, particularly carding machines. Machinery in industrial production almost always has to be modified by the end user to meet the specific production needs. Factory owners almost invariably pressure the machine mechanics to increase the speed of production and then pressure the machine operator to run it as rapidly as possible. The older the machinery gets, the more likely the plant's maintenance staff will have to design "fixes" to keep the machinery in operation or to extend its useful life.[12]

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Ghislaine, as I have noted, got its start in a round of restructuring in the early 1970's when larger firms renewed their efforts to rationalize production by divesting themselves of phases of production (such as dyeing wool) and attempted to make more efficient use of their labor forces. Edo and Carlo were offered the opportunity to go out on their own as independent repair/service technicians with the security of a service contract from their employer and a modicum of financial aid. The firm saved money by contracting only for the time they actually serviced or repaired its machinery and saved the cost of contributions for pension, medical care and unemployment compensation for these workers as well . But the new arrangement permitted Edo and Carlo to contract with other mills and smaller shops to repair and service machinery.

Many of the small shops for whom they performed maintenance and repairs were themselves start-ups generated in the same wave of industry-wide rationalization that had propelled Edo and Carlo from the ranks of the working class into the ranks of the "industriali". Many of these new, tiny firms operating in garages or partially refurbished barns had purchased old, out-dated machinery at low prices from their previous employers as these firms installed new, faster, more highly automated machinery. The micro-shops needed to drive this equipment hard to cover the purchase costs, materials and to meet the production schedules of the firms from whom they sub-contracted work (very often, the firm(s) at which they had been employed).

In the tradition of the 19th century innovators and tinkerers, Edo and Carlo began to experiment with refurbishing and modifying old machinery. The push by Biellese firms to modernize equipment as well as the collapse of several old-line firms made

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available a variety of older, out-dated machinery, more than could be readily absorbed into the emerging tier of small (or micro-) firms. Buying a machine here and there and working in the interstices between service contracts, Edo and Carlo drew on skills acquired when they had modified machinery at the woolen mill (lanificio) and had honed working on a greater range of equipment types and manufactures in their "free-lance" career. Initially working only together and gradually taking on workers, they developed a new line of business, reconditioning and remanufacturing obsolete combing/carding machines. While much of the market for these machines was in sales to the stratum of "micro-manufacturers" and artisanal shops in the Biellese created by the recurrent crises and the rounds of restructuring each crisis triggered, by the late 1980s, Ghislaine had ventured into the international market. By June of 1989, Ghislaine, now with seven full-time workers and the ability to bring in part-time, after-hours (and off-the-books) workers, had successfully sold enough retooled carding machines and looms to equip a mill in Turkey. In the spring of 1989 when I last visited Ghislaine, several carding machines and several "kits" to speed-up some older looms were in the process of being crated for shipment to Portugal.

Ghislaine is not unionized although wages are comparable with unionized shops.[13] Several workers told me they preferred the flexibility of the non-union shop offered by the owner-managers of Ghislaine to the more rigid, contract bound environment of a unionized shop. Edo and Carlo, I was told by one informant, "Guilio", do not lord over their workers and do not make an issue about distinguishing between management and labor. In a shop that occupies two large bays in a turn-key industrial park with only a

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small office, it would be difficult to enforce a rigid separation between management and labor even if Edo and Carlo wished to impose one. Neither do they wear suits and neckties to work, dressing in the casual attire or overalls like their workers. The men go about their business: stripping down a recently arrived carding machine, machining a new gearset on a state-of-the-art lathe, or moving a frame into the painting bay with only an occasional consultation with Edo. Guilio, in a manner reminiscent of the way a good many workers spoke about their bosses, said that Edo and Guilio were like friends not like the padrone in other factories. In a shop where all the workers, even the lowliest apprentice stripping grease from the recently arrived combing/carding machine, have considerable skill, it is expected that each will work autonomously. But another friend commenting on the "good boss" phenomenon told me in the bar one night, "Everybody's padrone (boss) is a friend and a good guy. The bastards and the exploiters of workers always own another shop."

The example of "Ghislaine SRL" accentuates contradictions in the labor process and in Biellesi society on a number of levels. Wave after wave of crisis-driven restructuring over the past thirty years has created opportunities and spelled disaster for workers and owners, alike. The creation of a sub-contract stratum of artisanal and micro-shop production has blurred the boundaries between worker and capitalist without in any way altering the fundamental relationship. For Edo and Carlo, it propelled them from the ranks of workers, although workers with far greater autonomy than most workers enjoy, into the ranks of capital. The experience of Edo and Carlo is by no means unique, for the processes of industrial restructuring has turned many workers into small entrepreneurs.

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While the motive force propelling these social and political economic processes such as the effusion of small firms in the 1970s, is the need of the grande industrials to maintain or establish anew their market niches in the Italian, European, and world markets for textile products, with the incumbent effects on labor and the working class population of the region, these shifts offer both problems and possibilities. Creative destruction is not just a demolition. I shall return to these forces and their ramifications for workers in regard to the labor process and class location in a later section to spell out the ironies as well as the contradictions it creates for almost all Biellesi.

The case of Roj Electrotex illustrates the fragility of the economic health of the machinery sector.[14] In June of 1991, Roj Electrotex, without any forewarning of what proved to be a desperate financial crisis, was forced to put a third (90) of its 240 workers on paid furlough (an Italian form of unemployment, cassa integrazione). The pain of financial crisis was exacerbated by the humiliation for its proprietor, Remo Roj, who had only recently ascended to the presidency of the UIB (Unione industrials degli Biellese)! The proximate causes of the firm's collapse were several. The international market for looms and associated equipment had dropped by better than half in the previous year (1990), reflecting the onset of recession in the United State's economy which, in turn, caused a global reduction in capital spending in the textile sector.[15] Roj's sales in accessories for looms (electronic controls and associated hardware) had dropped some 30 percent.

The signals of an imminent recession loomed by late 1988 and early 1989. The press coverage of Texmekanika 1989, the annual trade fair for the sector, was rife with

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carefully couched hints that the tremendous growth and even greater optimism, of the 1980s was near an end. As one local reporter at Texmekanika headlined his article, "Meccano-tessile: non è piu boom" (IB 3/3/89). But these cautionary voices were outnumbered by the overwhelming boosterism of the local press and manufacturers, "trend positivo per le imprese" or "sempre piu electronics," While reliable data on the failure or financial difficulty of artisanal and individual firms in the sector are very difficult to find, news of difficulties experienced by a primary SpA firm is immediately a major public event. For Roj (the UIB president) the public humiliation of his firm's financial distress was compounded by a noisy noon-hour demonstration by 50 or so female Electrotex workers on the steps of the UIB's mausoleum-like building on a major thoroughfare in Biella. Ultimately, he was forced to cede control of his firm in all but name.[16] The proximate cause for the failure of the firm was the softening of demand for textile machinery and electronic controls for that machinery, as first the United States and then the rest of the OECD countries slid into recession. The efficient cause was the collapse of Finpez, SpA under the weight of debt. The final cause, to continue the Aristotelian analogy, was major risk-taking by the ambitious Bergamesque family, the Pezzoli.

A most interesting aspect of the firm's (Roj Electrotex) crisis is the system of linkages between firms by which relatively small companies become part of a gruppo. A gruppo is a system of cross share-holding by which firms are controlled by a holding company. In Italy, the holding company is usually the vehicle for a family. A gruppo is probably the most common form of corporate control and organization in Italy. Fiat is

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after all, controlled by the Agnelli family's holding company, and Fiat accounts for six percent of Italian GDP! The organization and structure of gruppi as key elements of the structure of Italian capitalismare discussed extensively in Chapter 7$$$ but in this context the important aspect of a gruppo is that it is an efficient mechanism and strategy for leveraging control of firms. Leverage is the using of assets that have been purchased with borrowed funds as collateral to raise more capital to purchase other assets. Most often, the projected earning capacity of the target firm is used to "guarantee" the loan capital.

Roj Electrotex in 1991 was a part of the Gruppo Pezzoli controlled by Finpez di Bergamo. The Pezzoli family had invested through Finpez, its family holding company, in a variety of textile and textile machinery companies in a dizzying expansion initiated in 1986. Finpez bought outright or a controlling interest in five firms in 1986, four in 1987, five in 1988, and an additional two in 1989. The annual turnover (giri d' affari) of Gruppo Pezzoli vaulted from 300 miliardi in 1986 to a 1,000 miliardi of lire in 1990. In five frenetic years it had transformed itself from being a typical bergamesque family textile machinery company into a mini-multinational with 4,000 workers in 40 locations in Europe, the U.S. and South America. This heady growth through acquisition was driven by debt that could be financed by the balance sheets of the acquired firms. Each new firm added to the net value of the gruppo and permitted Finpez to borrow to undertake new acquisitions. This strategy of growth through highly leveraged acquisitions was a hallmark of the "go-go" 1980s throughout the most advanced industrial nations. Capitalist firms have always grown through acquisition (just as dynastic families arrange advantageous marriages to "acquire" resources, and peasants acquire houses and

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holding by the same method). What was novel in the 1980s, first in the United States and then elsewhere, was undertaking the acquisition through mortgaging the target to an unprecedented degree. The acquired firm's operating profits are counted on to pay the debt service while the acquiring firm adds the acquired firm's net worth to its own balance sheet to be in a position for another round of acquisitions. This strategy works very well as long as economies are expanding. When demand tails off, the effects on the firms that make up the gruppo make the whole endeavor look very much like a Ponzi scheme!.[17]

Roj Electrotex's problems began when sales in textile machinery, the principal focus of the gruppo through its subsidiary, Vematex, slumped and Finpez was unable to service its 200 miliardi debt. As the Fiom-Cgil (Biella) secretary Walter Gazzabin noted, "most of Roj's difficulty was "imported" from the Gruppo Pezzoli" (EB 17/6/91:11). But in another sense, much of the problem was home-grown, for Paolo Roj had not been a complete innocent in tying his fortunes to Gruppo Pezzoli. The route to increased international sales, business growth, and access to capital for expansion within the firm were through some form of strategic alliance. Prestige and status as well as accumulation in the manner enjoyed by the Biellese's "old-line" capitalists such as the Botto, Bertotto, or Zegna lay along this same line of expansion.

Roj was saved from liquidation by a new "fusion" with another firm in the Biellese, Incas di Vigliano, in the form of joint commercial venture called Anataroj rsl. The details of the financial arrangements that extricated Roj Electrotex from the ruins of Gruppo Pezzoli, and added a new link to the already complex web of participation and

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ownership, were not made public. Anataroj however, was to market a system composed of both Roj and Incas components, Datatess and Antara respectively, which remotely control and monitor textile machinery and the automated movement of materials.

Like the industria tessile generally, the machinery sub-sector is characterized by three tiers of firms: individual operators, artisanal size firms, and small- to-mid-sized firms. The sense among the Biellesi industrials is that there must be ongoing concentration in order for Biellese meccano-tessile to continue to compete in an international market against German, Swedish, Japanese and American firms. Development costs, marketing arrangements, and the high cost of local labor figure in their worries in a volatile industry that in 1992, was mired in recession. But there will remain necessarily I believe, a stratum of tiny enterprises in the region. Individuals doing business as machinists and repair specialists are necessary to the larger firms as a low-cost alternative to retaining in-house service capability. Firms like Ghislaine will continue to emerge and dissolve as the possibilities for re-engineering machinery for the used market regionally, nationally and internationally will likely also remain. The three tiers reflect elasticity in demand for machines and demand for labor and will consequently ebb and flow with the business cycle.

III. Tessile

The largest sector of the industry in the Biellese by employment, number of firms, and value of production is the industria tessile. While the local public and even trade publications use tessile (textiles) as a cover term for the entire cloth/clothing industry, it

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has a more restricted meaning encompassing a wide variety of activities involved in the processing, spinning, dying, weaving and finishing of cloth. A picture of the typical contemporary Biellese firm is difficult to capture because the industry is now segmented into tiny, small, medium and a few large-scale firms. There are, in addition, a few integrated firms and a great many that undertake only one or a few parts of the production process. Whether a firm manufactures cielo completo (integrated bale to cloth/or clothing manufacture but traditionally, bale to cloth) or undertakes one or a few phases of production is not always a function of firm size. So I have decided to describe the production process here and discuss the issue of firm size and structure in Chapter $$$.[18]

Wool is the principal natural fiber worked in the region although several firms also make use of cashmere, alpaca and camel hair. Increasingly, natural fibers are blended with natural man-made fibers and purely synthetic fibers.[19] A number of Biellese firms, primarily producers of maglia/calze (knitwear, vide infra), use cotton fibers. Wool arrives in the Biellese in compressed bales weighing several hundred pounds that are delivered from the ports of entry by trailer-trucks. Most raw wool (lana greggia) used in the world's textile industries is produced in Australia and New Zealand although South Africa and China as well, export raw wool. Scotland and the north of England once major producers of wool for the continental industries, are no longer significant exporters. That wholesale prices for fleece (vella) are quoted for the major Australian, New Zealand and South African auction houses in the local (Biellese) papers suggests the importance of raw material prices to textile producers.[20]

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The fleece has received a preliminary washing before baling at its point of origin, but it must be further cleaned and any extraneous material removed. Scouring (lavatrice), as the cleaning process is called, typically involves a continuous process, multi-bath machine through which the raw wool is mechanically propelled. Chemical solvents and cleaners are used in the washing process.

There are two basic types of woolen cloth and therefore, two different sequences of production. Wool fabrics are made from either woolen (filato cardato) or worsted (filato pettinato) yarns. The first stage of production is preparation of the cleaned and treated wool (semilavorato) for spinning.

For worsted yarn, the cleaned fleece is sorted into its two component parts mechanically. This process, called scutching in English, separates the tops, the long fibers, from the shorter quirkier fibers. Conventional woolen yarn is made by teasing the entire mass of fibers without separating them into long and short staples (hence lower quality fleece can be employed). At this point in woolen manufacture, the fibers are ready for carding (cardare) which teases them into an intertwined mat. Worsted production requires that the fibers be combed (pettinare) to roughly align in parallel the intertwined fibers.[21] The carding machine then pulls tufts of this mass into a system of rollers with teeth that form it into the *sliver*, a loosely-entangled mat of wool fibers. The density of the proto-thread is controlled by varying the speed and pressure under which the material is fed through the machine. The sliver is fed in easy loops into a large metal can and is then ready for drawing (stiro). Worsted wool usually appears from the carder as a very fat loosely meshed yarn (if it has been gilled) also called the sliver.

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Drawing machines stretch, twist, and combine multiple slivers by feeding them over a sequence of rollers. In each set of rollers (made of steel or alloy), the top and bottom roller spin at different rates. The ultimate set of rollers in the draw frame spins much faster than the initial set of rollers. As the slivers are fed through the drawframe, they are combined, twisted and stretched into a finer yarn. The sliver can then be fed onto a roving machine (roccatrice) which completes the process of drawing out the fibers into a loosely-meshed yarn wound onto a bobbins. Up to this point however, the yarn (first as sliver and then as roving) has virtually no tensile strength. It is then ready to be fed to a spinning machine (filatrice).

There are several different techniques for spinning. Essentially all the machinery used in the actual transformation of natural fibers into cloth was developed in the late 18th century in England but there has been continuous evolution in the design and capabilities of machinery in the last century and a half.[22] There are two basic types of spinning machines: ring (filatoio ad anelli) and mule spinners (filatoio intermittente). Mule spinning is more common in the Biellese as it is the only method suitable for making worsted yarns. Ring spinning produces a coarser yarn that is unsuitable owing to the inability of the machines to produce the tension necessary for worsted yarn.

Mule spinning machines are arrayed in long banks in mill buildings (and sometimes garages too). I have been told that they are purchased by the meter rather than by the number of bobbins! For example, a micro-shop filatura (thread spinning shop) in the town of Benna had about 12 meters of spinning machinery in a converted garage that formed one side of the family's housing compound. An automated mule spinning

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machine consists of two elements arrayed in parallel banks some two to four meters apart. On one bank, fixed in place, are the bobbins of roving. The roving from several bobbins are fed through a set of rollers — much like drawing and roving machines — and are fed onto spindles on the other frame. This element of the machine is on rollers or wheels that permit it to advance towards the other bank. The first pass draws roving through the drafting rollers to the full width permitted by the moving frame. At the same time, the spindles (fusi) rotate so the roving is both stretched and twisted into a thread. The spindles are then spun further to impart greater twist, hence greater strength, to the thread. Then the frame advances back across the room to draw out a new length of roving. As the first stage is repeated, the yarn already produced is drawn-up onto the bobbin. Ring spinning in contrast, is a continuous process.

The amount of roving, the type of fibers, the amount of twist imparted to them under specific tension determines the weight, strength and size of the thread (or yarn). A thread composed of only long staples (or tops) heavily twisted ("hard twist") and with considerable tension makes a worsted thread. Combinations of short and long staple and of woolen fibers with camel, cashmere, vicuña, and various synthetics produce threads with different handling characteristics and aesthetic qualities. Yarn is manufactured in much the same way except that far less tension and twisting is required to produce it. Dyeing can take place at this stage either "in house" for the larger firms or subcontracted to a specialist firm (tintoria).

The thread or yarn at this point can be consigned or sold to weavers, knitters in the region or sold outside the region. If the firm is a sub-contractor, the material will have

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been produced for a knitting or weaving shop, be destined for a warping shop (orditura, itself a subcontractor), or sold on the world market. Integrated firms shuttle the material to the next phase of production. Before turning to the weaving or knitting of thread/yarn into cloth, several observations about this description of the process and the process itself, need to be made.

As noted at the outset, this is a simplified view of a complex, multi-stage process. All natural fiber thread and yarn passes through a process that involves breaking the bales, cleaning combing/carding into slivers and then spun into thread. The number of stages and the types of machines used depends on the type of fiber and the kind of thread/yarn being produced. The mix and number of machines depends also on the capitalization of the manufacturer or sub-contractors. In the most technically sophisticated, modern mills, the material can be handled automatically (i.e. mechanized and automated) from breaking the bale to finished thread. A central thrust of technical research and development in the meccano-tessile sub-sector is the automation and integration of materials handling throughout these processes. Less capitalized operations transfer the materials from one operation to the next by workers. But even the most advanced, automated operations still require substantial numbers of workers. The sliver and roving even if monitored by video, require the availability of a worker to mend it should it separate and usually, to replace empty sliver (or roving) cans. Spinning machines require constant, close monitoring by workers. The threads often break requiring a worker to retie or re-attach the thread. The worker must introduce him or herself between the two banks of machines. I have seen workers in small shops dodge

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under the threads of a bank of machines to re-attach a broken thread but this is dangerous. In larger filiture, in which many meters of spinning machines are installed end-to-end, good parts of the operation have to be stopped to repair each separated thread. Workers are under considerable pressure to keep the line going and hence, take considerable risks to minimize production interruptions. Injuries are not an uncommon phenomenon not because the machinery is inherently more dangerous than other kinds of industrial machinery but because any large machine, operating at high speeds poses some risk to those who must work on or around it. For smaller operations, the artisanal and small firms, the machinery may be older with fewer safety features or old, outdated machinery may have been modified to run at higher than design speeds.[23] I shall return to the subject of workplace risk in the subsequent discussion of the labor process.

Wöven cloth is composed of an interlocked grid of threads. A loom is prepared with a warp through which weft cords are passed to make the interlocking grid or web. The warp is the set of cords held in tension, that run longitudinally on a loom. Perhaps easiest to visualize on a simple hand-operated loom, the warp is composed of heavier threads set in parallel and wound onto a revolving beam from which they are gradually drawn as needed. The length of the warp determines the length of the piece of cloth that can be woven. The warp is passed through the reed of the loom, a frame in which hundreds of wires are vertically set to separate the warp cords. Treadles lift alternate warp cords (or groups of them) to permit the passage of the shuttle which carries the weft cord. After the shuffle has passed, the treadle drops the warp, a bar tamps the weft against those already in place, and lifts the alternate set of warp cords so that the process

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can be repeated. The width of the warp determines the width of the bolt of cloth woven on the machine. The design, handling, and strength characteristics of the cloth to be woven (beyond the type of thread used) are determined by, varying the number of warp cords per width of the bolt of cloth, the sequence in which warp cords are raised (and the number of cords raised) to permit the passage of the shuttle carrying the weft, the number of passes of the weft with each elevation of a treadle, and the amount of tamping applied to the weft. There are a very large number of conventional patterns for woven cloth such as worsted, twill, tweed, etc. Cloth quality is commonly measured by thread count, the number of threads per square inch (or centimetro quadratto) where greater density equals higher quality, as well as the quality of the primary material (e.g. lambs wool).

The speed at which looms operate has increased geometrically in the last fifty years. The contrast between the most advanced looms and antiquated equipment is astonishing. I visited several micro-shops in Prato in 1988 in which the looms dated to the late 1940s ("Marshall Plan aid" as one weaver humorously said). The looms operated at about 50 picks per minute (ppm); the shuttle producing a sound rather like an over-agitated grandfather clock.[24] Reasonably efficient power looms in these shops operated at about 250 ppm. The most modern equipment used in Biellesi firms such as Botto SpA, Ermenegildo Zegna SpA, and Fratelli Bertotto SpA, employ numerically controlled water-jet and even shuttle-less looms that operate at better than 2,500 ppm. While an analogous sound to the old looms was difficult to detect over the other noises in the factories I visited, the noise was closer to a sustained metallic hiss than any detectable passage of the shuttle.

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After the cloth has been woven, it is inspected for defects such as broken threads, that must be remedied by hand (a job held still, primarily by women). The cloth is then ready for finishing (finisaggio) which can include one or more of a variety of processes including fulling, trimming, and sometimes dyeing, bleaching, or printing. This description has rather oversimplified the process of material handling from baled fleece to finished cloth in several ways. There are any number of intermediate steps in which chemical treatments make the material, whether raw wool, thread or cloth, amenable to dyeing or the application of other finishes. But "complete cycle" manufacturing (cicio completo) covers bale to bolt of cloth. Firms that sell to clothing producers or are contracted to produce lots of cloth for specific manufacturers are ready to ship at this point. In contrast, a vertically integrated firm such as Zegna or Cerruti would then send the material on to their clothing production area (abbigliamento) in Biella, elsewhere in Italy, or "offshore" to Hungary or Romania.

Most small and medium scale firms, the overwhelming majority in the Biellese, produce on contract or speculation. The exception (beyond vertically integrated manufacturers) are a few top-end firms that enjoy exclusive contracts with garment manufacturers or produce "name branded" suitings (e.g. Loro Piana). The range in size and specialization of Biellesi woolen firms precludes description of a "typical" firm. Further, the reticence of small businessmen (and women) to divulge anything of substance about the real condition of their businesses also worked against gaining a detailed financial picture, even if I was permitted to visit a facility. Chapter $$$ examines families and firms, but in the interim, I offer some vignettes about small size

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firms from the extended family I shall call the Moncatini.[25] The Moncatini brothers' firm may be as close to typical of the stratum of post-war start-ups as can be found.

Two separate firms owned and operated by the Moncatini brothers were active in the Biellese tessile industry in 1988, and both are small firms — even by Biellesi standards. Lanafil is a woolen cloth manufacturer in the Basse Valle Cervo, one of some 60 firms in the commune with a registered resident population of less than 4,000, one step removed up-river in elevation from the city of Biella. Lanafil, in 1988-89 had about 40 employees although they were not all continuously employed for the entire work-week. Texguido, Guido's firm, is a specialist manufacturer of chenille and total employment is less than ten, including family members.[26]

A good many Biellesi workers have become proprietors of small firms in the post-Second World War era. The change from operiao (blue collar worker) to propretario (proprietor) or imprenditore (entrepreneur) is not unidirectional. People establish business but then return to more secure employment in established firms, or pursue them simultaneously. The crisis of the late 1980s, as I shall show ($$$in subsequent chapters), is the shrinking of the small firm tier in the textile sector. The Moncatini family and its firms offers an illustration of the intimate relation between family and firm that characterizes a significant segment of the Biellese textile sector.

The Moncatini family arrived in the Biellese at the height of the Great Depression from the Veneto. ($$$The Moncatini's did not all arrive in the Biellese at the same time.) When Guido Sr's debt became unmanageable in the late 1920s he gradually sold all of the agricultural land and buildings that had been the source of their wealth in their home

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town northwest of Venice. While this absolved him of debt, the family ceased to have the income derived from the agricultural and commercial leases. Guido Sr. managed to get a job as a petty bureaucrat in Rome in the early 1930s. He moved to Rome and sent his wife and two young sons (Guido, born 1927, Valerio 1930) to Biella where Maria was able to obtain work in a lanificio.[27] Lela, Guido and Valerio were not to see Guido for the next ten years as he worked in Rome and remitted income to his family in Biella. The outbreak of the Second World War found Guido Sr. still in Rome and his family resident in the old working-class district of Biella, Riva.

Biella was physically unscared by the war. The established textile firms of the region were dedicated to military production such as uniforms, blankets and other requirements of the armed forces. The city and the region had no industries of strategic importance to attract Allied bombing. In fact, the city was deemed sufficiently safe to relocate much of Piaggio's production of motor vehicles to the old Sella works along the banks of the Torrente Cervo for the duration of the war.[28] The city was physically unscathed but suffered the other deprivations and tragedies of war, including heavy casualties in locally raised divisions on the eastern front. The collapse of Mussolini's regime in 1943 brought German occupation and control throughout the north as Italian industry was harnessed to German war demand. The Germans also impressed northern Italians into forced labor in German war industries. The impressment was intended both to release Germans for military service and as a punitive measure on regions of Italy in which the Resistance was active. Biella suffered on both accounts.

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In early 1944, Guido, then working in a textile factory located where the Piazza Mortiri delia Liberta is now located, was caught in a German round-up in the city. He was shipped to Dachau concentration camp on the outskirts of Munich and later Oberomagau where he was forced to work in a prison factory for a year. Guido was supremely lucky. He suffered from a debilitating malady in his legs which rendered him useless in heavy factory work and was returned to Italy in early 1945. The Moncatini brothers, Valerio initially and Guido after a period of convalescence, returned to work soon after the cessation of hostilities.

The Biellese recovered economically from the war more rapidly than did other areas of Italy. Its factories were intact and even in the immediate post-war chaos, demand for household textile goods and clothing, pent-up after years of austerity, was strong, Guido and Valerio worked in a lanificio during the day and studied at night to complete their secondary education — interrupted by the war. The brothers were restless in their capacity as wage laborers in the woolen mill (lanificio) in which they worked. In the middle 1950s they established their own business (societá) in Biella Chiavasso (another district) where the family then resided. This small firm, funded by the family, was a ritorcitura in which spun woolen fibers are twisted into yarn and bundled into skeins. With the establishment of the ritorcitura, the brothers moved decisively from the status of workers to owners. They also entered into the web of relations with other producers in the region. They did not buy raw wool and transform it into yarn for domestic and commercial consumption. Much like the guild system of Renaissance Florence in the Quattrocento, a portion of the industry in the Biellese was again by the late 1950s

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fractionated into a loose system of small shops and factories where each undertook only one or two phases of production. The Moncatini brothers prospered by sub-contracting with other small manufacturers to undertake their phase of production. If larger firms had insufficient capacity, firms such as theirs provided the elasticity to meet heightened demand.

Guido and his son, Marco spoke of the desire for independence as a key reason for the brothers' original business venture. I was often told that "being one's own boss" was the reason for an independent venture, or the grounds on which some Biellesi hoped to become independent. The Moncatini brothers were already their own bosses in the sense that they owned machinery and employed others to undertake some of the work for wages. But they were far from autonomous because they operated within in the web of woolen production in the region dependent as they frequently were, on jobbing for other, larger firms.

They established the Filatura di Ponte Selvatico in 1959 with three other partners. This new firm was both larger in size and produced a different wool product than their original family firm. A filatura is a thread-making factory whose production is used for woven goods, in contrast to finishing yarn for knitting or knitwear production. Unlike the original skein-winding business, the filatura produced for an industrial end-user market, weaving mills, rather than being an intermediate production phase. It was less subject to short term fluctuations of demand for sub-contracting than the ritorcitura. The new ditta (business) was such a success that the Moncatini's were able to buy-out their partners by the mid 1960s.

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In 1962, Guido married one of his employees, Lela Beccatini whose family had moved to the Biellese from Breccia during the 1930s (Valerio married within a few years). Marco was born a year later and his brother, Guilio was born in 1966. The brothers concentrated on different aspects of the business. Guido sold the thread they produced while Valerio was intensely involved in the day-to-day operation of the factory. Valerio who died in late 1990, was described as a workaholic by both his brother and his nephew. Guido became progressively disenchanted with constant sales trips around Italy and, with Valerio's increasing desire to control all aspects of the business. In 1969, the brothers parted ways, definitively and not completely amicably. The original firm was dissolved and Valerio, having purchased his brother's interest, established Lanafil taking with him most of the employees and equipment.

The buy-out and the dissolution of the old firm was immeasurably aided by the fact that Lela had continued to experiment with the production of chenille.[29] Guido, who had always enjoyed tinkering and experimenting, set to develop commercial production of chenille employing both natural and artificial fibers. Texguido was designed to remain small as it provided Guido and Lela with a reasonable income but did not impose on them a range of managerial problems associated with larger firms. Further, chenille has a solid niche in the fashion industry. By becoming a specialty manufacturer, Guido distinguished himself from a great many other small Biellesi textile firms.

A significant advantage of falling within the category of artisanal-level production is that small and very small-scale firms were not required to meet either all the requirements of collective the bargaining agreements or provisions of the social

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obligation (the law was amended in 1992). Artisanal-scale firms to be exempt, could employ no more than ten workers (including family members) and five apprentices. The employment of family members contributed to lower labor cost. The small size of the firm confers cost-savings over and above savings in labor, in administration, and there are often significant advantages in the economies of sale. Luigi Frey, et al. (1975:166-67 & passim) calculate that these advantages can translate into nearly 50 percent savings in unit-cost over mid-sized firms.[30]

Valerio's firm was a more typical small scale weaving mill. Lanafil was not as specialized as Texguido. Instead, Valerio jobbed contracts that were too small or involved too short a production run to interest larger firms. While Lanafil was more profitable than Texguido in good years, the sharp swings that characterize the textile business cycle were harder on the firm's finances. Lanafil had to employ many of its workers in legitimate posts, was covered by the collective bargaining agreement, and had to put workers on cassa integrazione in slack periods. Texguido in contrast, benefitted from the elasticity of its largely familial labor force. In late 1988, Lanafil was struggling to obtain contracts forward into Spring of 1989. Valerio, who himself admitted he only knew how to work, and not relax, was the object of concern even by his brother with whom he still enjoyed a relationship not devoid of competition and a certain jealousy. Lanafil struggled through 1989 and into 1990. Valerio died suddenly of a heart attack in fall of 1990, leaving the business to his only son. Guido was stunned by the loss of his brother however strained their relationship had been, and wondered if he should see Texguido before he ran himself into the ground. Marco, Guido's oldest son had in the

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intervening years, indicated that he didn't want to continue the business, and Guilio, the younger son was still doing military service. The turmoil over Valerio's death, the problems of succession, and the difficult conditions in the textile market indicate the range of factors that contribute to the fragility of the small and artisanal firm sector in textiles. But to some degree, the health of small textile firms (at least those not end-user product producers) is driven by other firms that purchase their material. The final section briefly surveys the garment and knitwear sector of the industry.

IV. Clothing and Knitwear

There are two other areas of production undertaken in the Biellese: garment production (abbigliamento) and knitwear production (maglieria, or maglia/calze to cover knitwear and hosiery). The processes involved in knitwear much less the multitude of stages from design top marketing involved in a full-scale garment production firm are beyond the scope of this discussion. The following sections provide an overview of the garment and knitwear sector, and illustrate several business strategies currently pursued by integrated manufacturers in this sector.

Maglieria - calzetura is the rubric under which firms producing knitwear fall. The Biellese is not a major center of maglia/calze production in comparison with for example, Carpi (the center for synthetic fibre knitwear production such as hosiery). Firms operating in for example cotton and cotton blend knitwears are a minority. Several different strategies are present in this sector: sub-contracting, license work and straight jobbing. There are several firms that engage in production in one or another of the kinds

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of garments in this sector of the industry and almost all of them are to a greater or lesser extent, jobbers. A jobber is contracted to produce a run of some garment, a sweatshirt with a university coat of arms, for example, at a certain level of quality, at fixed unit price for another firm that may market it under its own name. More than likely, the batch will be sold to yet another firm, either an export shop or quite often, a retailer to sell as a "house" brand. An afternoon trip through the Globetex factory discount center on the Fratelli Rossetti in Biella is like a trip to the locker room of the global health club. There are sweatshirts and sweatpants in the pasty grey associated with fitness emblazoned with the logo of every university in the U.S., Europe, and a few that have yet to grant a degree. But there are also polo shirts, sweaters, lingerie in great profusion, sleepwear with Disney motifs, with recognizably French cartoon designs, as well as the omnipresent football logos, and knit sportswear with the then current Italian youth fashion that has elevated the " woodsy" look of North American outdoor clothing to the apogee of fashion consciousness. Globetex and the few other contract (or job shops) are the hardy survivors of a what had been until the early 1970s, a much more significant stratum of the regional industry. These firms (or divisions of older, integrated firms) had been oriented toward the middle tiers of the consumer products market that Italian firms had progressively lost from the 1960s on, to Asian and other Third world producers.

A second strategy not unrelated to the first is production under license. The vast majority of fashion designers operating at the level of haute couture and pret a porter actually make their profits (as corporate entities) by having mass-market adaptions of elements of their spring and fall collections. Haute couture for fashion designers, is the

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advertising (the loss leader) that brings the contracts with retail chains. The pret a porter and the mid-level "knock-offs" produced under license or just copied, are retailed through the large department store chains that dominate the market in most of the OECD countries.[31] Couturiers of a generation ago such as the Italian, Oleg Cassini (primarily men's wear) sold the right to put their name on a garment. Increasingly, corporations in the United States purchased the rights to produce designer name garments of every type, size and quality level and retail it under that name. The result is that designer apparel lines bearing a designer's name or the exclusive rights to a name are now bought and sold just like divisions of companies or any other property. Designers are now just as likely to sell their name as they are to maintain control of the products bearing his or her name. It is also now quite common for manufacturers to virtually "invent" designers, the most explicit case being that of the "Tommy Hilfiger" name in the United States. The explosion of "designer" name apparel after the Second World War reflected the growth of an international, mass market in clothing. Post-war income growth built on government consumption subsidies created a nearly insatiable demand for products that had the cachet of couture that the newly enfranchised consumer had hither-to-fore only read about in newspapers. Similarly, the growth of women's fashion magazines paralleled (and cross-fertilized) the mass market of designer-name, trademarked goods.[32]

The evolving strategies of manufacturing, marketing and retailing apparel might seem at first glance to be irrelevant to the Biellese, but they are not. Some Biellese knitwear firms manufacture garments that are sold both under designer labels and "private label", while others work exclusively on contract to apparel distributing firms. Still

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others are themselves both manufacturers and licensors. the most well known Biellese firm in this regard is FILA, a sportswear manufacturer and trademark that has been sold amongst multi-national corporations. Still other firms contract with other manufacturers to produce goods sold under their own name. Here the names of Zegna and Cerrutti are most salient.

The trend internationally, in apparel manufacturing from the early 1960s into the late 1980s, was towards licensing to the exclusion of actually producing anything in the "name's" own manufacturing operations. Carried to the extreme, one arrives at the strategy of Beneton which neither owns nor manages any production facilities. Everything is sub-contracted to jobbers, most often small scale manufacturers and the micro-shops that have made the "Third Italy", especially Tuscany noteworthy. But Beneton subcontracts outside of Italy as well, even if the majority of its merchandise was once produced by Italian contractors. Beneton and Liz Claiborne (to name just two) have actually crossed the threshold and are no longer manufacturing firms at all (Beneton was a manufacturer only at the outset); they are retailing corporations that have dodged the mark-up of intermediary firms by dealing directly with small producers (v. Gary Gereffi & Miguel Korzeniewicz, eds. 1993; Peter Dicken 1992:246-7; Brian Toyne et al. 1984; OECD n.d.).

The issues involved in the transformation of textile and apparel industries will be further discussed in a $$$later chapter. Here, it is important to note two aspects of the process as they affect the Biellese. First, the emergence of global commodity chains linking core retailer/distributers with peripheral producers is at the core of the loss of

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(first) the low-end commodity business in the Biellese in the 1950s and 1960s, and (second) the middle stratum in the succeeding decades. The same forces that are shrinking the small producers now (and earlier) were the cause of the demise of the old-line, patriarchal, ciclo-completo firms in the immediate post-war years) are ironically propelling old-line mid-sized family firms into the ranks of the luxury trade. Their success (and I believe the fortunes of the Biellese) rest on capturing the luxury market in suitings and other fine apparel as the apparent commodification of "designer" names cheapens those products. That is to say, the old-line specialty family firm, exercising direct control of manufacturing and retailing all that is sold under its name, now operating on a global scale, in a tiny but immensely profitable niche is another manifestation of globalization.

A few of the larger, "top-end" firms such as Ermenegildo Zegna SpA and Cerruti SpA, and Ing. Loro Piana SpA. are vertically integrated manufacturers in exactly this way. Some other high-end firms engage in a mixture of licensing, production, and sub-contracting (e.g. FILA SpA., a sportswear firm) and yet others are themselves, exclusive contractors to Milanese and Parisian couturiers. The fully integrated producers undertake virtually every phase of production or sub-contract out some of the initial phases of production, and purchase material and even fully-fashioned garments from other firms to sell under their own label. Some other firms are parts of gruppi wherein they either receive material from or send material to another member of the group on an exclusive basis. A third category of firm is exclusively a knitting specialist. Almost all of the "top-

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end" firms that have the capability to produce clothing also produce pret a porter lines for Italian and French designers.

A firm such as Cerruti, Loro Piana, or Zegna produces the major garments (e.g., suits, coats) while purchasing from other top-end manufacturers in other regions, the articles of clothing it sells under its own name. A different strategy increasingly pursued by firms such as Loro Piana, is to promote its suitings as a "brand name" (much in the way that "Harris Tweed" or "Viyella" are Scotch and English high-end branded name cloth). Both Loro Piana and Zegna now maintain their own shops in Paris, Tokyo, New York, London, Los Angeles and other "world" cities. But for every firm that succeeds, others fail. The wreckage from other management expansion strategies are front page news and litter the tax delinquency notices in regional papers in the Biellese. One such casualty of the "go-go" years was the Bertrand Group.

The Gruppo Bertrand[33] collapsed spectacularly, in late 1990 after months of negotiations with creditors. It was only the most prominent of a large but not readily ascertainable number of failures in the Biellese in 1990.[34] Bertrand had in the five years prior to its collapse, diversified into real estate development, obtained effective control over several local textile firms through stock purchases and purchased land and an upholstery manufacturer in South Carolina in an attempt to shield itself from the volatility of the textile and abbigliamento sector of the economy. Bertrand had in fact sought to become a "mini multi-national" as had several other local firms.[35]

The centerpiece and the public manifestation of Bertrand's aggressive expansion strategy was to have been a new commercial center in the heart of Biella. This

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development will provide (when finally completed with alternative financing) municipal and commercial office space, retail and residential units, and underground parking for hundreds of automobiles; all housed in a gleaming, glass structure covering more than two city blocks. It would have housed the administration of the Bertrand Gruppo as well. The location of this development project is emblematic of the city's business elites' attempts to channel and foster Biella's growth as a regionally important commercial and industrial center into the next century. The site once held part of the Rivetti textile works demolished in the middle 1980s — some twenty years after the demise of Rivetti — and it links the historical core of the city with more the modern (i.e. 20th century) apartment and commercial blocks to the south and west. It is just south of the Piazza Vittorio Veneto, a two-block square park bordered on the northeast by the arcaded blocks of the Via Torino and the strategically and centrally situated Banco Sella.

The design of the project is controversial and it has evoked both profuse praise and harsh criticism locally for its stark contrast to the conventional square brick and reinforced concrete buildings of the surrounding blocks of the city. Architects' renderings of the building show a pair of linked pyramidal structures faced in reflective glass. Bertrand's attempt at a public monument may be viewed as an example of the "go-ahead" style of aggressive business promoted by the Unione industrials Biellese in promotional reports such as Biella 2000 (1987$$$). Evoking the progressive character, civic concern as well as the business acumen of the first generation of Biellese industrialists such as the Sellas is a form of auto-reassurance to the troubled industry. But in Bertrand's case it also reflects a relative newcomer's attempt to become quickly a member of the first circle of

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Biella's industrial leaders. Bertrand is not one of the "first families" of Biellese industry. It is not represented amongst the first generation of Biellesi industrialists in the 19th century. Nor is Bertrand a common name associated with one of the villages and hamlets of the Biellese which as a measure if not definitive, is a useful index of a family's historical roots in the region. Bertrand hence, represents one strategy by local capital — in this case backed by several Milan interests (including an insurance firm which held a majority of the outstanding shares) — to confront the coming new Europe and the changing global economy.

Filati Bertrand at the time of the collapse of Bertrand Finanziaria, was a mini-conglomerate. Filati Bertrand came to be called Bertrand Gruppo by 1990 reflecting its growing diversification at "home" in Biella, elsewhere in Italy, and abroad. Bertrand Gruppo had been agglomerated over a period of years by Bertrand employing family resources and in the early to mid 1980s capital loaned by Milanese financiers. Bertrand was very much a part of the "go-go" 1980s business psychology. Indeed he was I am told, fond of distinguishing himself from old-line Biellesi family capital on the grounds that he wasn't conservative, took risks, and pursued a strategy of growth and expansion. By 1990 in the Biellese, Bertrand Gruppo comprised: Bertrand Finanziaria SpA; Finanziaria Tessile SpA; BTE -Bertrand Textile Engineering SpA.; A. Bertrand SpA; Cardwool SpA; Fantasia SpA; Cofiar SpA; Linearredo SpA; and, MTT SpA (Manifatura Tessile $$$?). But Bertrand Gruppo through its finance arm, also had interests in several other old and prestigious firms. These holdings included a two thirds (of the shares) interest in Guabello Antonio & Fratello SpA. The finance, engineering and direction are located in

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Biella, Cardwool and Fantasia in Vigliano, and the remainder are in Massazza, about twelve kilometers out of the city on the Vercelli road.

Bertrand, himself the son of a reasonably prosperous laniero (the Bertrands were not a "first family" of manufacturers), came to prominence in the early 1970s ($$$? check) when he succeeded the senior generation at the helm of Bertrand SpA and the family holding company. The preceding decades had seen the collapse of several of the old integrated firms (Rivetti, amongst others) while, as the manager of a conservative small-scale lanificio, Bertrand could not readily jump to sportswear licensing as had FILA (riding the tennis boom of the 1970s).

The answer was to assemble an agglomeration of firms that would push Bertrand into the front ranks while, ultimately, making the group less vulnerable to the sharp peaks and troughs of the textile business cycle. In fact, at the time of its collapse, Bertrand was attempting to finance the construction of a block-long pyramidally-shaped office and retail complex at the foot of the giordano publico, on the bulldozed remains of a defunct lanificio! Bertrand would not have been the first to attempt to diminish his family's fortunes to the volatility textiles. A century earlier, the Sella family had become bankers to the industry in the Biellese. Perhaps the existence of so many cadet Sella boys and girls driving Ferrari's and Maserati's finally rankled as much to Bertrand as it did the young working men with whom I spent my time. More likely it was the models of Silvio Berlusconi and $$$ de Benedetti, and Raul Giradino apparently escaping the clutches of Italian small business into the brighter sun of multi-national conglomerates that caught his eye, but Bertrand, as had Remo Roi, became dependent on capital over which he

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ultimately had too little control. When the private financiers on whom he depended for capital were caught short (there was some suggestion that their affairs were in worse shape than this), Bertrand was over-extended. The individual parts of his gruppo survived, although many under different ownership. How much of the Bertrand fortune was shielded from bankruptcy is not yet known, nor is it likely ever to become public! Nor do I know what the state of South Carolina will do with industrial bonds floated for Bertrand's entry into the upholstery market in the U.S.

This chapter has surveyed the industry in the Biellese, the idustri tessile. It has provided a general overview of a complex, multifaceted set of industries operating in an industrial district. I have explained how woolen textiles are made and how the machine with which they are made and maintained.

$$$Overall, the chapter provides a picture of the industry, albeit, a very partial one. The next chapter examines a complex set of issues that serve to define firms, firm strategies, and the functioning of an industrial district in a global economy. This chapter will also show how changes in firm size and business strategy both presage and reflect trends in manufacturing and marketing on the international scale.

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Notes

1. Ninety-nine percent of Italy's companies are family owned according to an International Institute for Management Development quoted in Economist (4/12/94:63). By comparison, the U.S. is estimated at 96 percent and Great Britain at 75 percent. A good many if not a majority of the "publicly held" corporations in the OECD countries are actually family controlled including one third (33%) of U.S. Fortune 500 companies.

2. The festivals associated with the seasons, planting, harvesting, and the coming into - season of various plants (e.g. fava beans, artichokes, and in the Biellese, the arrival of Porcini mushrooms), and the vinting and bottling of wine are still important regional events that are celebrated. This would seem to suggest that at least part of the claim about "post-modern" life — the sense of discontinuity and alienation from the past— are not trustworthy generalizations..

3. The Champagne fairs evolved in the 12th century at the juncture of north-south trade routes, "at the midpoint of the natural route between Bruges and Venice" (H. Pirenne 1952:105 & passim). Unlike medieval markets, the modern trade fairs are predicated on complex markets already in existence but share with their medieval predecessors the articulation of buyers and sellers who would otherwise not meet. Small firms such as the majority in the Biellese, cannot afford a large sales force to service potential clients world-wide. Exhibitions and trade fairs provide the venue. A. Saxenian (1994:48-9) notes that this is an important feature for the small electronics firms in the Silicon Valley regional industrial district.

4. The actual number of firms is somewhat difficult to calculate from the industrial census. The 6th Censimento Generale dell' industria, del commercio, dei servizi e dell' artigianato (1989, Tomo 1.#02) lists 166 impresse (enterprises) in meccano-tessile (category 323) for the province of Vercelli. Taking all machinery enterprises, there were 470 with 4,429 employees as of 1985.

5. "Un chiffre de 5 à 6 000 ouvriers nous semble plus réaliste." A. Dewerpe 1985:28.

6. The key technological innovations that transformed textile production were the spinning-jenny (Hargreaves, 1764-67), the water-frame and throstle (Arkwright, 1768-75), the mule-jenny (Crompton, 1785), mechanical loom (Cartwright, 1784), and the Jacquard loom (1 804) as well as the harnessing of water and then steam to drive looms and other machinery. See G. Quazza 1961:113 & passim.

7. The importation of machinery was hindered by both Piedmontese state policies -which protected agriculture, taxed mechanized industry to protect the artisanal producers, and restricted access to foreign capital -- and export bans (or virtual bans) enacted by the English and French to protect their national textile industries' technological advantage. V Castronovo 1964:259-60; M. Clark 1984:23.

8. Gregorio Sella stated in 1848, "II fabbricante piemontese deve essere costruttore di macchine, utensili, torni, ferro, ghisa, ottone, metalli, arnesi di sconoscuiti al fabbricatore del

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Belgio; il lanificio deve bastare a sé ed avere tutto da sé, deve avere nel su ambito pronti i filatori, i tintori, i dirretori d'ogni ramo, il fabbricante accudire alla sorveglianza di triplici o quadruplici prodofti e all'enciclopedia tecnologia" (Castronovo 1964:188).

9. Capitalization in an arena in which all but the largest firms are privately held (and those that are not, the stock (azioni) is not publicly traded) is virtually impossible to obtain. annual output by firms is also difficult to get — as it is a good way to estimate the net worth of a firm! A partial explanation is that revealing too much about a firm's financial condition makes it vulnerable to increased government scrutiny vis a vis taxation, off-the-books work, social contributions, etc. Another element not to be discounted, even in an environment in which inter-firm cooperation is as important as competition, is revealing too much about one's finances to one's neighbors (figurative and literal).

10. Scot Cook and Leigh Binford (I 990:8-10) note a similar problem at the thresholds between the peasantry, dependent and independent petty commodity producers and full-blown if small-scale capitalist production. The key distinction between petty commodity producers and capitalist enterprises is for Cook and Binford, that petty commodity producers owner-operators utilize non-waged labor. A good many Biellesi small or micro-shops are built around self-exploitation or exploitation of kin in quasi wage labor.

11. "Ghislaine SRL" is a pseudonym for an actual firm. Data presented are accurate to the best of my knowledge but all financial data are estimates.

12. Even though machinery is set-up for a production run by a trained crew often with engineers from the manufacturer present, machine tenders learn a good deal of practical or "craft" knowledge about making it work right and keeping it running. Tom Juravich (1985:49-55), notes that even "de-skilled jobs" require considerable craft knowledge. Cf. H. Braverman 1974: Chap 5,; R. Edwards 1979.

13. A firm the size of Ghislaine, fifteen or fewer employees, was technically not bound by the provisions of the national contracts negotiated between the unions and relevant section of Confindustria (such as the U.I.B) in 1989. Ghislaine appeared to be paying competitive wages and contributing towards worker benefits. The requirement to pay the social contribution (i.e. social security, etc.) was extended to firms with less than 15 employees in 1992. Whether this will have the desired effect of removing the microshop/wage advantage loophole remains to be seen. V. L. Frey et al., eds. 1975:chap. 3 the smallest firms obtained a cost advantage of 8 - 12 percent over a medium-sized firm in the late 1960s and early 1970s); cf. R. Locke 1989:140-43; v. L. de Luca & M. Bruni 1993:132 suggest that the existence of small firms/self-employment has in the last decade, multiple causes — taking regional differences into account, e.g.. M. Warren 1994. See chapter $$$.

14. The material on Roj Electrotex is drawn from press reports in EB 15-27/6/91, IB 15-27/6/91, and LS 15-27/6/91, reports in the same three newspapers in March 1989, and my own sources.

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15. An indication of the rapidity of the global economic slow-down can be gained from changes in GNP. Italian GNP growth slowed from just over three percent in 1989, to two percent in 1990, and fell to just over one percent in 1991 (Eurostat data quoted in NYT 6/26/92:Dl)

16. The ugly dark-grey stone building with massive, black marbled pillars is of course, a product of the Fascist era when the principals of the UIB were early and enthusiastic supporters of Mussolini.

17. Popular interest in this kind of gambling with companies and other people's money - on a grande scale peaked in books (and the move) such as Barbarians at the Gate. The collapse in 1993 of Fin— is identical in form to the collapse of Finpez — only much larger. See Jane Kramer 1994: etc.***$$$.

18. Consulted for accuracy in rendering a description of the production process were: A.J.Hall (1969) The Standard Handbook of Textiles, and B.P. Corman (1983) Textiles: Fiber to Fabric, 6th ed. Italian terms are from my own sources and from, Multilingual Glossary of Textile Terminology, 1st ed.

19. Natural man-made fibers are cellulose-based and include such fibers as rayon (e.g., viscose) and triacetate. They are made from processed plant fibers, usually soft wood pulp. There are a great many synthetic fibers which are made from derivatives of oil, coal or natural gas. These synthetic polymer fibers include polyamide (nylon), polyester, polyvinal (e.g.,. acrilic) and polyurethane (spandex) (P. Kenis 1992:40,189-91).

20. Fleece are categorized by breed (e.g.,. merino) and then by the thickness of the fiber (mym) and its length in millimeters. Merino fleece is the most desirable wool for worsted because of its relatively long staple (fiber length) with the finest fibers fetching the highest prices. The very finest fleece can be the object of fierce bidding wars. In March 1989, a Biellesi and an Japanese bidder dueled for the production of a Tasmanian farm. The Biellesi representative of Loro Piano di Quorona Sesia won with a bid of $298.83 per bale, about $3008 per kilogram of wool in 1989 dollars! (IB 2/3/89). This also suggests the volatility of the primary materials markets.

21. The terms cardata and pettinata seem to be used nearly interchangeably.

22. Obviously spinning and weaving are very much older but the mechanization of these processes such that output per worker increased dramatically and that the output was uniform in size and quality, are 18th century innovations.

23. The meccano-tessile firm "Ghislaine" mentioned earlier in the chapter was not the only Biellesi firm engaged in the modification and upgrading of machinery. Most machinery has safety-shutoff devices but that does not preclude injury. I do not have any reliable estimates of injury rates in the industry or by sub-sector — much less firm size.

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24. I am indebted to Jane N. Conrad for the tour of Pratese micro-shops and the opportunity to meet several micro-shop owners.

25. All the names of the family members and the firms are pseudonymous. Further, certain key details reflect composite pictures of a number of similar families to protect their anonymity and privacy. The histories and business details are accurate in-so-far as I have been able to determine.

26. Chenille is a cord core with a fuzzy exterior often used as edging and bordering material on women's exterior garments.

27. It is possible that textile work was available because of the Fascist autochthony program in industry (limiting imports, pushing import substitution) and also, perhaps because of the importance of military contracts.

28. Piaggio is famous for its three-wheeled vehicles powered by small engines known as "Ape", wasps, for the buzzing sound the engine emits.

29. Chenille is a cord or thread with a soft-napped pile used often on the border of garments.

30. The 50 percent advantage in unit-cost of production over mid-sized firms is derived from an estimated 20-25 percent in the cost of sale (costi di vendita), 15-20 percent economy in administrative-organizational costs, and about 10 percent economy in labor cost. Savings on machinery (regardless of technical sophistication) probably are in the order of 30-40 percent over mid-sized firms. Small-scale firms not conforming to regulations (e.g. unregistered) may enjoy even greater advantage. (Frey, et al. 1975:164-7).

31. Interestingly, Italy is the only OECD country in which department store chains (for example Marks & Spencer in UK & US, or Galierie Lafayette in France) do not dominate the retail apparel market (see Economist 3/4/95 "Survey of Retailing"). No Italian retailer appears make the top 25 in either volume or profits. The two Italian chains of note Upim and Standa (controlled by Silvio Berlusconi's Fininvest) are stodgy money losers. However, a wealth of regulation erected over fifty years to protect "mom and pop" retailers within Italian CBD accounts for the paucity of large-scale broad band retailers. This formidable class fraction of petit bourgeois shop keepers, unsurprisingly, were central to the Christian Democrat's electoral predominance. The exclusionary regulations were the payoff to this important interest.

32. See Gøsta Esping - Anderson 1990 for a comparative analysis of welfare regimes, Sylos Labini 1982 for the rise in importance of the Italian petit bourgeoisie. For a brief overview of changes in consumption in Italy, 1950-1970 see Paul Ginsberg 1990:235245; Penny Sparke 1990. The capacity to consume commodities is often taken to be the central, defining feature of self-hood in modern (late- or post-) capitalist societies. See Stuart Ewen 1976 (U.S., unfortunately not comparative); Rosalind Williams 1982 (France) for advertising and the emergence of department stores, respectively. Roland Barthes (1967:25-8) half numerously,

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spoke of clothing, cars and food as constituting semiotic systems. Kennedy Fraser (197$$$) was amongst the first to seriously look at fashion as a form of commodified selfhood. The French intellectuals, especially Jean Baudrillard (1981) and Jean-Francois Lyotard (1984 [1979]). It is the latter who noted, playfully trashing the poet Donne, that, " A self doesn't amount to much, but no self is an island..." (1979:15 [emp. in orig.]). More useful discussions of the postmodern condition are to be found in Anthony Giddens (1991), David Harvey (1989), and on the evolution of the concept of modern selfhood, Charles Taylor (1989).

33. There are three major elements of the group in the Biellese: Filati Bertrand, Finanziaria Bertrand SpA, and Bertrand Finanziaria SpA. Filati Bertrand has eight incorporated (SpA.) divisions within the region. The collapse of Bertrand Finanziaria has affected Filati Bertrand but the disposition of constituent corporations was not settled at the time of writing. The State of South Carolina was stuck for notes on an industrial park and a factory with the fall of Bertrand Finanziaria.

34. The total number of business failures is difficult to quantify because there exist a variety of legal forms for engaging in business. A firm such as Bertrand SpA (societá per azioni) is visible because it is formally incorporated as a corporation with stock traded on the Milan exchange (although shares were in fact tightly held by a few individuals and corporations). Many smaller "firms" are the personal property of the proprietor(s) and hence appear as personal bankruptcies. There are a variety of legal forms between personal property and a societá per azioni.

35. The phrase is that of La Republica 1989: $$$ used to describe both Boggio and Zegna Baruffa.

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