

# The territorial embedment of global industrial networks. Theoretical insights and evidences from foreign MNCs' affiliates in Turin (Italy)

Francesca Silvia Rota

Dipartimento Interateneo Territorio  
Politecnico e Università di Torino (Italia)  
rota@econ.unito.it

draft version – please do not quote without permission

**Abstract.** In the paper the concept of territorial embedment is introduced as a relevant theoretical and analytical tool in the investigation of the complex system of mutually constitutive relationships between firms and territories (the “firm-territory nexus”). My reading of the literature, coupled with empirical findings and interviews with a selection of affiliates companies from foreign MNCs, localized in Turin (Italy), led to the assumption that territorial embedment is the result of a process of local anchorage evolution, enabled by three major conditions: i) local networking; ii) collective action; iii) strategic commitment. As a consequence, embedment can provide more relevant feedbacks to the territorial capital of the host system than anchorage: the anchored firm is influent only to “traditional” components of the territorial capital; the embedded one, on the contrary, can contribute to all the components, both “traditional” and “innovative”. Yet, this condition it is far more difficult to occur. Consistent with this, local actors such as investment promotion agencies (IPA) can play a major role in preparing, once the foreign-owned company has settled, the enabling conditions to turn anchorage into embedment.

**Key-words.** Multinational companies, anchorage, embedment, firm-territory nexus

## 1 Introduction<sup>1</sup>

One evident effect of globalization is the augmented world-wide interconnectivity among actors and places. The planet is crossed by an increasing number of flows allowing the exchanging and sharing of information, money, goods and people. In the resulting “wired” (Martin, 1977) and “network” society (Castells, 1996 and 2002), the impediments generated by physical distance are more and more easily overcome via technological and organizational innovations<sup>2</sup>. Following Sassen (2000), “the master images in the currently dominant account about economic globalization emphasize hyper-mobility, global communications, the neutralization of place and distance” (p. 79). Yet, global networks are never completely footloose. In any network, being it global or local, *constituent links* always have an *origin* and a

---

<sup>1</sup>The paper (still draft) discusses the preliminary results of a ongoing Post-doc fellowship (it will end on June 2010), co-funded by the Regional Government (Ministry for University, Research, Innovation and Internationalization policies) of Piedmont region (Italy) and SiTI (Higher Institute on Innovation Territorial Systems). The research project, entitled “Multinational companies: networks and embedment”, has also been developed with the collaboration of CEIPiemonte, the Piedmont Agency for Investments, Export and Tourism.

<sup>2</sup> This society “has emerged out of the electronic communication revolution of the 1970s to become the 'architecture' of globalization in the 1990s”. A new “*space of flows*” (Castells, 1996) emerged, which “exists at three main levels: the electronic communication networks which are integrating the world; the material networks through which commodities, information, labor and knowledge are circulated; and the elite networks of work, rest and play” (Taylor and Catalano, 2001, p. 3).

*destination*. They “move” from a starting to an ending node, that is placed somewhere<sup>3</sup>. As Phelps and Waley noticed (2004), the process of international economic integration, in which enterprises play a significant orchestrating role, is a *contradictory* one involving both a space of flows and places. This contradiction produces, in turn, a variegated landscape of relations and a whole range of territorially rooted organizations and institutions.

Focusing on global industrial networks, relevant local anchorages are represented by parent headquarters, domestic plant/operating units, foreign companies (affiliate, associate or subsidiary)<sup>4</sup> and joint ventures. Foreign affiliates and subsidiaries, in particular, are the means multinational companies (MNCs) use to access directly markets and resources (labor, know-how, competencies, infrastructures, etc.) in unfamiliar, often geographically remote, contexts. Moreover, in many cases of foreign direct investment (FDI), companies create subsidiaries with affiliates in host countries in order to prevent any negative stigma associated with foreign ownership or negative opinion associated with being owned by a controversial parent company.

The decision from a MNC to directly invest in a foreign country (i.e. its decision to internationalize conceptualized, among the others, by Dunning in 1977, 1981 and 1998) is a common yet complex process, reflecting management board’s strategies, geographically dispersed corporate logics, and macroeconomic trends, as well as local opportunities and constraints<sup>5</sup>. Yet, the most distinguishing feature is the rapidity it modifies and re-organizes its multiple localizations and functions around the world (Barba Navaretti and Venables, 2004).

These facts, together with empirical evidences of predatory behaviors and exit strategies by transnational corporate investments<sup>6</sup>, fed the perception of foreign multinationals (and, in turn, their affiliates) as *footloose* and *evil* (Görg and Strobl, 2003). A portion of general public and policy makers see them as unwelcome threats to local resources, identity and coherence (Phelps and Waley, 2004). In particular, plant shutdowns, though they are not necessarily more frequent from foreign companies than domestic ones<sup>7</sup>, are accused for (Phelps and Waley, 2004; Bernard and Jensen, 2007): i) dramatically downsizing the industry productivity; ii) a relevant share of local gross job destruction; iii) discontinuities in industrial restructuring. Moreover, foreign affiliates may reduce the opportunities for domestic agglomerative economies by confining their linkages to foreign suppliers and industrial customers (Dunning, 1998; Bellak, 2004).

In any case, there is also a world-wide recognition that foreign-owned companies are welcomed bearers of foreign wealth and knowledge. Although they embody foreign and global

---

<sup>3</sup> Actually, some theorists fiercely criticize a network perspective in socio-spatial and geographical analysis. According to Macleod and Jones (2007), for instance, the recourse to hierarchically organized concepts, as scales and networks, and distinctive categories is a forcing and incorrect routine among scholars. On the contrary, a “fluid” and “flat” ontology is required, “capable of accounting for socio-spatiality as it occurs throughout the Earth without requiring prior, static conceptual categories” (Marston, Jones and Woodward, 2005, p. 425).

<sup>4</sup> The terms “affiliate”, “associate” and “subsidiary” refer to the degree of ownership that a parent company holds in another company. In most cases, the terms affiliate and associate are used synonymously to describe a minority stake in the ownership of the company. A subsidiary, on the other hand, is a company whose parent is a majority shareholder. For the rationale of this work (the study of foreign-owned companies’ territorial embedment) this is a *key* distinction, since the larger the parent’s degree of ownership the higher the exogenous character of the firm. Nevertheless, in presenting the theoretical background of this paper (par.1-3), the term “affiliate” will be used as a synonymous of “foreign-owned company”.

<sup>5</sup> Nowadays the internationalization of firms is a quite common phenomenon in the business realm (Eckert and Engelhard, 1999): domestic firms, operating only in their nation state, are more the exception than the rule. Thus, the investigation of the multinational company rises as a more and more relevant research issue. Outstanding theorists of MNC’s organization and global strategies are, above all, scholars from management studies and international business literature. Economic and political geographers, on the contrary, mainly focus on the geographical localization of multinational companies, their global and local linkages, as well as their effects on regional development (Taylor and Thrift, 1982; Phelps and Waley, 2004; Yeung, 2009).

<sup>6</sup> In Italy, as in many other European countries, “historical” Italian groups, such as FIAT (automobile manufacturer), INDESIT (household electrical appliances), OMSA (hosiery manufacturer), have recently decided to move a large amount of their domestic activities to low labor cost and emerging countries.

<sup>7</sup> Empirical studies from Bernard and Sjöholm (2003) for instance, showed that foreign plants. In Indonesia are significantly more likely to close than comparable domestic establishments

investment interests – in principle, alien from local issues<sup>8</sup> –, they *do* engender multiple positive externalities in the host local territory<sup>9</sup>.

Thus, affiliates from MNCs are important (positive and negative) levers in the development of a given territory<sup>10</sup>. Yet the opposite is also true: MNCs need local anchorages to expand and develop their activities (Colletis and Pecqueur, 1999). As Sassen (2000) clearly states, there is a tendency to take the existence of a global economic system as a function of the power of transnational corporations, without considering that the capabilities for global operation, coordination and control contained in the power of transnational corporations need to be produced (and reproduced) via specific practices, reflecting *place* and *production process* conditions. “Developing categories such as place and production process does not negate the centrality of hyper-mobility and power. Rather, it foregrounds the fact that many of the resources necessary for global economic activities are not hyper-mobile and are, indeed, deeply embedded in place” (Sassen, 2000, p.79).

In other words, Sassen allows us to recover the concrete, fixed, localized processes through which economic globalization exists. Giuseppe Dematteis (2005) develops this concept further, claiming that the human action (social, economic and political) do not exist in an autonomous sphere, distinct and detached from the materiality of places. On the contrary, any human action, being it individual or collective/social, and its representations are necessarily (yet not deterministically) filtered by properties that are firmly rooted to soils/territories and unevenly distributed in the geographical space (Dematteis e Governa, 2005). From the combination of human agency and the materiality of places and their transformation the world society and economy is constantly molded.

From such a perspective – that can be traced back to a relevant international literature, starting from the work of Spinoza and coming to Deleuze and Guattari, passing through the works of Marx, Merleau-Ponty, Foucault etc. (Dematteis, 2006) - the paper focuses on practices of affiliates from multinational companies as a key aspect of the mutually constitutive relationships between firms and territories, defined by Dicken and Malberg (2001) as “firm-territory nexus”.

More specifically, I hypothesize that *territorial embedment*, here defined as the result of a process of *active networking* between a given economic actor (the affiliate of a foreign company) and the *constituent components* of the host territorial system (a city, a region) –, provide relevant information to explain stable, lasting and proactive presence of foreign affiliates.

Contingent with these assumptions, the paper firstly introduces the analytic concept of a ‘firm-territory nexus’ to explicate the complex relationships among firms, territories and industrial systems, in turn embedded in the overall macro dimensions of governance systems (§ 2). Then, after describing the theoretical assumptions (and practical consequences) of the adoption of the territorial embedment notion to firms’ behavior (§ 3), the paper focuses on anchoring and embedding processes by foreign multinational (§ 4). Qualitative data on foreign-owned companies in Piedmont region (Italy) are subsequently analyzed to address the following questions: What does explain foreign affiliates’ embedment in the local system? Which are the

---

<sup>8</sup> There is no personal judgment in such an affirmation. MNCs are economic actors following a private intent/mission. Even if there is an increasing attention for ethic, responsible and social behaviors from firms and large corporations, their core objective remains the economic and financial interest of its shareholders.

<sup>9</sup> “The impact of inward investment on the host economy has been studied widely (for example, Dunning 1994). It includes aspects of the balance of payments, employment, capital stock and resources, rent shifting, welfare, and dependence. Part of the impact of inward investment on the host economy is related to the existence of performance gaps between foreign-owned and domestically owned firms” (Bellak, 2004, pp. 29-30).

<sup>10</sup> As demonstrated by Barba Navaretti and Venables, there are mixed feelings about MNCs and their affiliates, rarely grounded in economic arguments (2004): policy makers want to attract them, take pride when they rank high in the list of the largest firms in the world, but they are unhappy when MNCs close down local activities to open up new ones elsewhere, or when foreign brands compete successfully with local ones.

relevant enabling conditions? At which territorial scale (urban, metropolitan, regional) does the embedment process take place?

As an effect of the ongoing global crisis, local governments and territorial agencies are more and more interested in detecting factors inducing foreign MNCs to maintain local investments further. Respect to this, outlines from my investigation might provide some hints and policy suggestions.

## 2 The firm-territory nexus

Following Dicken and Malmerg (2001), the paper focuses on the interconnections between economic activities and territories through an exploration of the mutually constitutive relationships between firms and territories, or, to say with the authors' words, "the firm-territory nexus". The rationale of this concept is the recognized importance of: i) the role of space and place in shaping the transformation of firms; ii) the impact of such transformations have on the wider processes of territorial development.

It conceptualizes the *dialectic* between *economic activities*, including such phenomena as firms, industries, and other types of systems of networked economic activity, and *territorially defined economies*.

In economic related studies, a renowned milestone in the study of the relations between a firm and its external environment is the introduction of the concept of *embeddedness* by the sociologists Karl Polanyi and Mark Granovetter. The former originally introduced the term in 1944 in the book *The Great Transformation* (Polanyi, 1957) with a "twofold" meaning (Beckert, 2007, p.8):

- i) institutional anchoring of the economy. According to this meaning, markets are necessarily limited by institutional regulations which connect them to the moral fabric of society;
  - ii) political or social reformist task of stabilizing a (democratic) organization of society through the institutional regulation of markets, especially in the realms of land, labor and money.
- Firm behavior is thus inherently influenced and shaped by the larger social systems in which all economies are located.

Almost 40 years later, Granovetter adopted the same concept in the article *Economic Action and Social Structure*, stressing the idea that economic relations between individuals or firms are *embedded* in *actual social networks* and do not exist in an abstract idealized market (Granovetter, 1985). Respect to Polanyi, who rarely used the term and considered it central in his work (Dequech, 2003; Beckert, 2007), Granovetter suggested that the embeddedness of economic actors, i.e. the patterns of social relationships among them, was the core variable for the explanation of economic outcomes as an alternative to the contrasting "undersocialized" and "oversocialized" views of action in sociology. According to Granovetter, economic action is "embedded in concrete, ongoing systems of social relations" (1985, p. 487). This use of the notion of embeddedness promotes a structuralist perspective, in which economic outcomes are explained by the structural properties of social networks (Granovetter, 1973). For this the embeddedness described by Granovetter is also referred to as "structural embeddedness".

Proceeding from Granovetter's programmatic essay- via further adaptations and some "interpretative misunderstandings" (Beckert, 2007, p. 10) that determined uncertainties still vivid in the current use of the concept (Montgomery, 1998) - the term embeddedness has entered in the current language<sup>11</sup>. Moreover, the network approach to society and economy has

---

<sup>11</sup> Linguistically speaking, the root of the word embeddedness is the verb "to embed" (or imbed), which means "to fix firmly in a surrounding mass", "to enclose snugly or firmly" or "to cause to be an integral part of a surrounding whole". The verb might be also used with the figurative sense "to take roots". Many dictionaries, among which The American Heritage's *Dictionary of the English Language* (2009), recognize the existence of derived terms such as embedded, embedding and embedment. Yet there is no reference to the term embeddedness.

become *key* not only within the new economic sociology, but also within other social sciences such as economic anthropology, economic history and economic geography (Beckert, 2007).

Among economic geographers, in particular, a huge stream of literature adopted embeddedness related concepts in analyzing local innovation processes and systems (districts, clusters, learning regions, regional innovation systems, etc.). In other words, geographers analyzed the firm-territory nexus from the perspective of cognitive and technological locally embedded exchanges. Among them, Bathelt, Malmberg and Maskell (2004) analyzed spatial clustering of economic activity and its relation to the spatiality of knowledge creation in interactive learning processes, distinguishing between the learning processes (“buzz”) taking place among actors embedded in a community by just being there and the knowledge attained by investing in building channels of communication (“pipelines”) to selected providers located outside the local milieu<sup>12</sup>.

A major difference respect to economic sociologists is that economic geographers do not interpret embeddedness as something that contains, limits in a way, the action of economic actors. On the contrary, they interpret embeddedness or *embedment*, as it often referred to<sup>13</sup>, as the property of economic actors whose development (economic, social, technological etc.) is firmly rooted in the local (urban, regional) system they belong to. From such a perspective the wider and stronger the roots, the firmer the territorial nexus the actor establishes locally.

This nexus may be positive as well as negative in its effects. The pursuing of private aims by firms, for instance, might generate processes of barely exploitation and spoliation of local resources. Moreover, large manufacturing firms, are also responsible for relevant economic, social and environmental risks. Alternatively, initially local positive externalities for the firm may turn into negative ones (in terms of rising costs, lost opportunities, local resistance etc.) eventually damaging them.

From an exploratory review of the geographic literature focusing on global production networks, has sought to highlight and uncover the webs of relations within which MNEs are embedded, I realized that “embedment oriented works” follow at least three different approaches:

- i) *Institutional approach*. According to this approach (that is close to Karl Polanyi’s definition of embeddedness), both individual business organizations and industrial systems are socially determined. Social factors such as rules, laws, habits, traditions, etc. affect their development and display regional differences. In economic geography, an institutional approach is traditionally used in the investigation of development pathways, growth potentials and success factors from regional economies. In this sense it is.
- ii) *Network approach*. Network analysis attracts increasing attention from scholars applying social network methods to the empirical investigation of urban (world cities, city-regions, etc.) and industrial (innovation systems, inter-organizational interaction, knowledge flows, etc.) issues (Ter Wal and Boschma, 2009, p. 793). According to this approach (that is consistent with Mark Granovetter’s focus on “structural” embeddedness), the form and the features of the overall network of relations influence the socio-economic processes.
- iii) *Territorial approach*. This third option is that of scholars who put at the centre of their analysis the territory<sup>14</sup>. It allows for a more complex explanation of embedment, as the result of a wide range of factors and relationships - physical, environmental, not only

---

<sup>12</sup> The authors argued that the co-existence of buzz and pipelines both characterize outward-looking and lively clusters, and assign advantages not available to outsiders.

<sup>13</sup> A big problem in addressing my analysis has been the definition of the term embeddedness (which is not an officially recognized English or America term) in social sciences in comparison with other related terms mentioned in the literature such as embedding, embedment or (rare) embeddedment.

<sup>14</sup> As Dematteis underlines, this term is quite abused. From the perspective of territorial studies the territory is the result of a long term co-evolutionary development process between a system of local actors and a local milieu. As a consequence, goods and natural resources, hydro-geological and ecosystem equilibriums, building areas, historical and cultural legacies, fix capital (infrastructure, buildings, equipments), cultural endowments, etc. they are all components of the territory (Dematteis, 2005).

social, cultural and economic (§ 3), and re-assumes Polanyi's concern with the stability of the larger social (territorial) system. Geographers who adopt a territorial approach assume the network as an analytical tool, exemplifying organizational dynamics and cognitive processes inside economic systems (Grabher, 2006; Keeble *et al.*, 1999), and an organizational/governance model (Cox, 1998; Marlow, 1992; Soldatos, 1992).

These approaches are all relational – they are all part of that “broader relational turn in economic geography” described by Phelps and Waley (2004)<sup>15</sup> –, yet different. The institutional and network ones, for instance, have a limited perspective, as they focus exclusively on social relations and do not pay attention to the physical dimension of the firm-territory nexus. The latter, in particular, analyses relationships from a single point (structural cohesion of the ties), without taking attributes of actors and institutional rules into account (Beckert, 2007). The territorial approach, on the contrary, takes pieces of explanation from the other two, overcoming many of the abovementioned “limits”. For that, in the paper the analysis of affiliates from foreign multinational companies is pursued with a territorial approach.

### 3 The territorial embedment of firms

On 1993 the book *The embedded firm* edited by Gernot Grabher provided international scientific community with a comprehensive account of network forms of inter-firm cooperation. Respect to the existing research, this collection of studies extended the analysis on the economics of inter-firm relationships by assessing the social and economic issues of firms' involvement into high technology, subcontracting and regional networks. Using both institutional and network approaches, Grabher aims at demonstrating that the success of these processes is attributable to specific forms of embeddedness of economic activity within the wider societal context.

Hereby I develop a territorial reading of the social embeddedness at the basis of this book, introducing the concept of *territorial embedment*.

From a practical point of view, territorial embedment results from a widening of the range of relationships that are considered influential to firms' decisions: these are not only economically and socially constructed, but they reflect also the cultural, institutional and territorial organization of the local system they are embedded in. At the same time, the “territorially embedded firm” actively contributes to the construction of the host system from multiple perspectives.

In order to clarify the concept, a useful starting point is the distinction between embedment and anchorage. In economic geography studies these terms are often interchangeable. Yet they are not the same. The embedding of a firm in a given territorial system always starts from an anchorage. Thus, the anchorage is the necessary (yet not satisfactory) condition to start its territorial embedment process. In its turn, the anchorage is related with the evolving localization process: particular conditions, such as relevant greenfield investments, proximity to important suppliers and clients, etc., can dissuade delocalization and exit strategies, making the anchorage stable even when initial positive localization factors have turned into negative.

As a consequence of its localization, the firm can also benefit from different types of social-economic integration with the host local context, eventually turning the anchorage into embedment. Yet this evolution is nothing but sure.

---

<sup>15</sup> This approach contrasts with that of flat ontology which denies the relevance of scales and networks as useful categories in explaining current socio-economic and socio-spatial processes. A flat ontology “is capable of accounting for socio-spatiality as it occurs throughout the Earth without requiring prior, static conceptual categories” (Marston, Jones and Woodward, 2005, p. 425);

The economic sociologists Zukin and DiMaggio (1990) have developed a taxonomy of four types of embedment (“embeddedness” in their works) constitutive of economic agents<sup>16</sup>:

- *structural*. It recalls Granovetter’s contextualization of economic exchange in patterns of ongoing interpersonal relations (§ 2);
- *cultural*. It refers to shared collective understandings in shaping economic strategies and goals;
- *cognitive*. It derives from structured regularities of mental processes limit the exercise of economic reasoning;
- *political*. Economic institutions and decisions are shaped by a struggle for power that involves economic actors and nonmarket institutions, such as the legal framework of the state.

According to the methodological premises of my work (territorial approach and widening of the relationships influential to firms), territorial embedment implies all, or at least most of, the dimensions described by Zukin and DiMaggio’s. Yet this is not sufficient. Making reference to the analytical concept of “active networking”, introduced by some scholars to describe territorialization processes (Dematteis and Rossignolo, 2005), in this paper I assume that what distinguishes the territorial embedment of a given firm from other forms of anchorage is its active involvement in the development of the local system. Consistent with the local development theory (Conti, 2006; Dansero, Giaccaria and Governa, 2008) and the approach of local territorial systems (Dematteis and Governa, 2005), *active networking* involves a relevant (single and collective) involvement (strategic, project, factual) of the firm in the governance of local development processes (Bigli, Cotella and Rota, 2010).

Concretely, the general conditions<sup>17</sup> enabling the *shift* from anchorage to territorial embedment are:

- *Local networking*. The firm is actively involved in local initiatives, relationships and project involving multiple actors and resources (economic, social, cultural, environmental, institutional etc.);
- *Collective action*. The firm does not pursue private interests only, but also collective and public ones. To say it differently, the firm participates to public-private and private-private initiatives such as those related to clusters, districts, technological platforms and poles, local consortia etc.;
- *Strategic commitment*. The relationships between the firm and the system are perceived as strategic by both the local system and the firm. According to this, there is an active involvement of the firm in the territorial governance.

When these conditions are fulfilled, the firm is supposed to be territorially embedded, turning from a locally-settled external agent into a (pro)active member of the local economy and

---

<sup>16</sup> Unquestionably, the broadening of the concept of embeddedness, together with increasing attempts to underline relationships among different types of embeddedness (Dequech, 2003), bring this concept closer to the meaning of territorial embedment hereby discussed. Nevertheless, social embeddedness fails in considering the influence of vertical/ecological relationships linking the firm to its host environment. Following Beckert (2007), “the embeddedness makes economic and social integration possible as system of regulation of markets insensible to real societies, anthropologically and historically [geographically, I might also say] intended, can produce social and political instabilities influencing exchange in their turn”. The analytical challenge is thus to identify the social preconditions for the organization of the economy that allow both the fulfillment of economic functions and the realization of a human, social and political order. In this paper the thought of Beckert is developed further: the goal is the fulfillment of sustainable development for firms and territories. Consistent with the firm-territory nexus theory, territorial embedment is in fact related to both the influence of the external system (i.e. territory) on the firm, and the influence firms do generate on the environment they are embedded into.

<sup>17</sup> These conditions are general in the sense that they can apply to all types of firms and territories. From this point of view, territorial embedment is a concept to the construction of a general theory of the firm.



a society over time, and act on knowledge creation and knowledge exploitation, giving rise to increasing returns.

My impression is that, as such, embedded firms can contribute to both innovative and traditional components of territorial capital. Anchored firms, on the contrary, can influence traditional sources only. Consistent with this, anchorage and embedment have different territorial impacts, asking for different policy tools and governance systems.

Territorial embedment generates a more profound and lasting impact on territories than anchorage. In fact, active networking, which is at the basis of embedment, makes the firm to be not only a (pro)active member of the local system, but also an strategic source of its development: local networking, collective action and strategic commitment are relevant requisites of most of the goods Camagni identifies as innovative sources of territorial capital: relational operating services, cooperation networks, agglomeration and district economies, relational capital etc. These enables positive externalities, such as the reduction of transaction costs, easier transmission of knowledge and technology, improved access to investment and cooperation opportunities, and many other, which, in turn, are innovative levers of regional development and attractiveness<sup>19</sup>. Almost certainly, embedded firms' active involvement into the local governance also allows for a better knowledge of investment opportunities and, in turn, better conditions for the reproduction of the initial investment (via reinvested earnings and new investments). In addition, their commitment can reduce the risks (economic, social, environmental, etc.) connected with their presence.

Yet embedment is hard to occur. Especially when affiliates from foreign MNCs are considered, clashes between global private logics and local collective interests can hinder the path towards embedment. In the current crisis this is a major loss for the territorial system (UNCTAD, 2008 and 2009) as foreign-owned affiliates are responsible for consistent reinvested earnings feeding inward direct investments (FDIs).

At the same time, the positive effects of embedment in a particular place cannot be taken for granted over time (Henderson *et al.* 2002). Local and global disinvestment or plant closure, in particular, can start a process of "disembedding" (dis-anchoring, I might say), which can be only in part hindered by local resistance (Phelps and Waley, 2004). As Phelps and Waley noted (2004), "interest in the participation of MNEs within sticky places has tended to celebrate the strength of locally bounded processes and the efficacy of local institutional capacities that are thought to be sought by MNEs. [...] Less attention has been paid to the emerging limitations of these localities and the role that MNEs do or do not play in their troubles" (pp.196-197).

From such a perspective, the firm-territory nexus can be interpreted as a process of multilvel definition of the territoriality of places, intended as the result of a dynamic adjustment between the social components and the material and immaterial capital of a territory (Dematteis, 2005; Dematteis and Governa, 2005).

As such, the relationship between anchorage, embedment and dis-anchorage can be described as follows (figure 2).

The decision of the parent company to localize its activities in a foreign country (a) activates/starts the anchorage process between the newly created settlement and the selected host system. This localization process can be whether mediated/filtered by local actors (investment attraction agencies, local government, single exponents of the local society etc.) or independent. As a consequence of the anchorage, the whole MNC's global network results linked to the local system, which whom it exchanges flows via its local affiliate. As mentioned in the introduction of this paper (§ 1), the intensity of these exchanges vary according to the degree of the ownership between the parent company and its foreign unit (affiliate, associate or subsidiary relationship). Differences also result from the type of the investment/settling: greenfield (b) or brownfield (c) investments.

---

<sup>19</sup> There is no doubt, for instance, that much of the success of Silicon Valley is due to the presence of the headquarters of some global *colossi*, such as Microsoft and Google, which are deeply rooted into the local network of social, economic and technological relationships and attract innovative firms around the world.

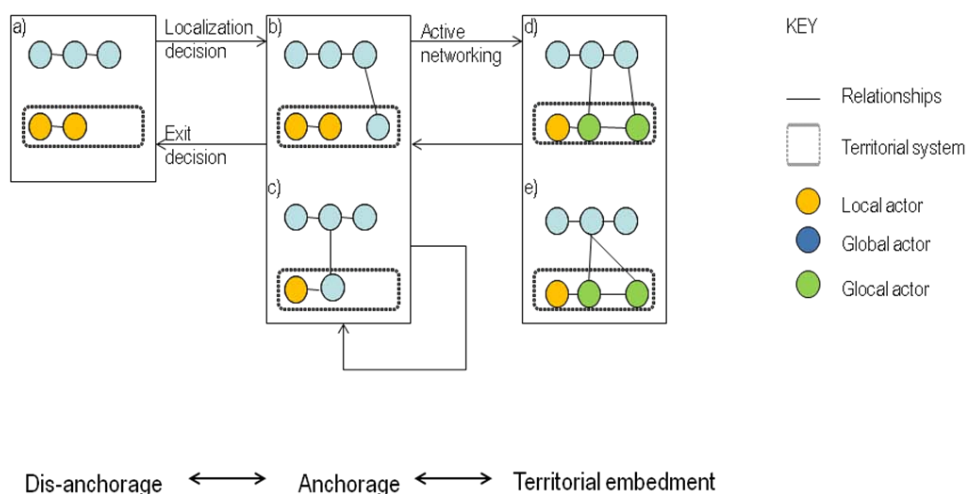


Figure 2 – Anchorage, Embedment and Dis-anchorage between local and global actors  
 Source: adapted from Bigli, Cotella and Rota (2010, p.21)

Over time the anchorage can embark on three different development paths: to endure, to degenerate into dis-anchorage; to turn, at the abovementioned conditions of active networking, into territorial embedment. At this stage (d; e), the foreign-owned firm is rooted into the local system so deeply that dis-embedment is rare and, in any case, it implies the withdrawal of embedment into anchorage first: anchorage is a reversible process, embedment is not. Consistent with that, embedment can prevent some of the risks due to foreign investment: as demonstrated by Barba Navaretti and Venables (2004), the MNC transnational organization enables high flexibility which allows, in turn, *fast* disinvestment decision. This rapidity is a major problem for the host community, as it prevents public administrations and civil society to elaborate any timely countermeasure. As a consequence, the analysis of MNCs’ anchorage and embedment emerges as a challenging topic for local governments and investment promotion agencies more and more interested in dissuading foreign investments to move elsewhere.

#### 4 Embedded vs dis-anchored foreign-owned companies in the Province of Turin

In order to analyze the territorial embedment of foreign-owned firms in a given local context, I have assumed the cases of five important foreign MNCs’ affiliates in Turin (Italy)<sup>20</sup>.

Located at the feet of the Alpine arch, in the North-Western portion of Italy (a competitive macro region in Europe (Conti, 2010; Berta, 2008; Demetrio and Rota, 2010), at the crossroad of some strategic transport axes, the metropolitan area<sup>21</sup> of Turin is one of the largest (almost 2.2 million of inhabitants, 41% of which is resident in the regional capital, Torino) and richest in Italy. Torino has 908.825 in 2008 (<http://www.regione.piemonte.it/stat/bdde/index.htm>) the other municipalities of the province are 315 and they population is 2.290.990

Also its region, Piedmont, occupies a relevant position in national rankings. In addition, Turin is characterized by a relevant industrial specialization in both traditional (automotive, machinery, electrical equipments, food) and high-tech (aerospace, robotics, ICT) industries. Respect to the past industrial splendor, when the city pushed both local and national economic growth and it

<sup>20</sup> More specifically, I adopt as a reference area the Province of Turin (Nuts3 level according to Eurostat).

<sup>21</sup> In Italy there is no official definition of metropolitan areas: as a consequence, several different delimitations (functional, political and statistical) can be produced. Here we refer to Eurostat data on major larger urban zones (LUZs) in the EC. See: [http://epp.eurostat.ec.europa.eu/portal/page/portal/region\\_cities/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/region_cities/introduction).

was renowned world-wide as Fiat's "one-company town", the urban industry (local units, employment, competences) has been dramatically downsized and a difficult industrial transition started (Santangelo and Vanolo, 2010). Diversification and internationalization have been major processes characterizing the last decades of the city's strategy (Associazione Torino Internazionale, 2000 and 2006). Huge functional and physical transformations, only partially due to the organization of the 20th Olympic Games<sup>22</sup>, also occurred, changing the image of the city radically. As a result, nowadays Turin emerges in the European classifications and scenarios as more dynamic and lively place where to live and work (Cabodi, Rossignolo and Rota, 2010). Nevertheless, such an industrial orientation goes on being a major lever in the city's development and it still influences greatly its representations (Vanolo, 2007; Rota and Vanolo, 2007). Though the city's post-Fordist transition was associated with relevant drain of local (mainly traditional) firms, which decided to delocalize, at the same time an increasing amount of productive investments were attracted from abroad. The most part of these investments were brownfield. From the 60s, many industrial local productive units have been acquired by foreign-owned MNCs, pursuing a twofold aim: to get access to specialized competences and to enter the local market. In particular, the presence of potential important clients in the automotive, metal-mechanic and electrical sector was a major lever in the internationalization of the urban economy (Rota and Vanolo, 2007). Greenfield investments, on the contrary, occurred above all in the service sector (ICT, bio-industry, large-scale retail, environmental consultancy), attracted by the possibility to start technological partnerships with local research centers and to widen their markets. This framework is nowadays heavy challenged by the evolving global scenario of FDI (Sansoucy 2010) and the rising of new MNCs' strategies (Balcet, 2010) asking for timely policy responses (Lanzetti, 2010; Morris, 2010).

The problem is that there is no official international database of MNEs and the existing unofficial ones are rarely updated. For instance, in 2009, of the total 371 foreign multinational enterprises CEIPiemonte supposed to be localized in the province of Turin, 12% were not more present (for cessation of the activity, transfer in other region/country etc.), 10% did not have any local management; 5% had turned into domestic-owned firms (CEIPiemonte, 2010).

Thus, in my analysis, I considered the case of three<sup>23</sup> of the residual 270 foreign-owned companies surveyed by CEIPiemonte, which were characterized by a local management (being it a key enabling condition for the establishment of relevant relationships with the territorial system). At the present stage of my analysis<sup>24</sup>, I selected them among the most renowned foreign-owned companies, with a long term localization in the Turin area (10 years and over). In addition, I considered only firms from two of the most important sectors of the urban economy (automotive and Information and Communication Technologies - ICT) and I chose them among those who are considered by the common sense as a constitutive part of the system. The rationale of the selection process was to point out potential examples of territorially embedded firms. In doing that, relevant sources of background information were in fact interviews with experts, on-line and newspaper articles.

Then, I considered from the same selected industries three more foreign companies, which were, on the contrary, presumed examples of detached (dis-anchored) actors of the Turin's system. In particular, I selected them among companies both menacing to leave and recently left.

According to the automotive sector, parent companies of the presumed embedded firms are:

---

<sup>22</sup> Actually, much of the physical transformation of the city was already decided by the master plan of the city, which was elaborated in 1995, years before the city decided to participate to the Olympic bid.

<sup>23</sup> As the research is still ongoing, the empirical analysis has been conducted only partially. In the next few weeks, the lacking interviews will be carried out. As a consequence, the preliminary results discussed in this paper, might need some revisions.

<sup>24</sup> People know the history of both the parent and the affiliate company, as they have been often mentioned in newspapers and by the local media.

- the Swedish SKF. This leading global supplier of rolling bearings, seals, mechatronics products services is present from more than 40 years in the SKF Airasca district (28 km southwest of Turin) which comprises: the Automotive Division plant, the Car Corner Business Unit, the central storehouse, the Automotive Division Drive by Wire Business Unit, the central administrative offices of SKF Industrie S.p.A;
- the Detroit (U.S.) headquartered General Motors. GM is one of the world's largest automakers. As the result of a relevant investment started years ago by GM Powertrain Europe, it will become soon operating at the Polytechnic Campus (Turin) the GM Hybrid Development Center, a structure that will be the place of the development of the new diesel hybrid cars of the automotive group.

The dis-anchored ones are:

- the Brazilian Embraco. In 1994 this world leader in hermetic compressors specialized in cooling solutions acquired in Riva di Chieri (28 km southeast of Turin) a former productive plant manufacturing compressors since 1956, in order to produce refrigeration systems to local clients (Turin automotive district). Nowadays a long delocalization process is coming to a final solution with the definitively exit of the MNC from the local system;
- the French Michelin, global manufacturer of vehicles' tires. The large historic Michelin plant "Dora", localised in the northern portion of the city, was constructed ex-novo in 1906. The choice of Turin as center of the new Michelin factory was determined from the fact that between 1899 and 1907 in Turin were constructed more than 30 new factories of automobiles. For years the plant of Turin Dora carried out within the group the company-pilot task. Yet it was closed on December 31st, 1997.

According to the ICT sector, I considered:

- the rooted French Eutelsat, a leading European satellite operator and one of the three top operators in the world for the supply of fixed satellite services. Eutelsat's Skylogic subsidiary operates turnkey broadband services for both professional and consumer markets from its SkyPark teleport inaugurated in Turin in 2006, one of the largest hubs in the world for satellite-based broadband services for professional and consumer markets;
- the dis-anchored US Motorola. In 2008 this world-wide leader in communication solutions and services (voice and data communications systems, wireless handsets, wireless accessories, digital entertainment devices) suddenly decided to close its Turin technology center for Research and Development, after a decade of fertile, widely advertised, interaction with the host urban system and, in particular, with Turin's research centers.

Once selected the companies and their local affiliates, I analyzed them looking for analogies and similarities in: i) the mutual relationships they developed with local actors; ii) which sources of territorial capital (if any) did they affect. In doing that, I compared, with a dynamic approach, qualitative data from interviews with both experts from the selected MNCs and local connoisseurs<sup>25</sup> of their presence in the Province of Turin. In order to overcome the predictable limits related to such a methodology<sup>26</sup>, the obtained opinions were completed with additional sources of information such as local media, on line documents, scientific publications, etc.

---

<sup>25</sup> I interviewed, among the others: territorial analysts and scholars (for instance, experts from IRES Piemonte, the regional center for socio-economic research), managers of DBs containing information on settled foreign MNCs (in particular: the person in charge of the REPRINT data base), persons in charge of regional and local agencies (CEIPiemonte and the former ITP Agency, Finpiemonte - the regional financial agency, and the research unit of the Turin Industrial union), former and present employees of the selected foreign firms.

<sup>26</sup> Data on firms' strategies obtained via interviews and questionnaires, as territorial and industrial analysts know, often encounter difficulties due to: the inadequate competences of the interviewed person respect to the formulated questions; the reluctance of the interviewed person to reply in a comprehensively, honestly and effectively way; the subjective influence of the interviewer; etc. Nevertheless, when adopted with awareness and convenient devices, interviews have evident benefits that cannot be achieved via quantitative manipulations.

CEIPiemonte, in particular, has been an extremely significant source of information, since it started a survey of the MNE presence in the Province of Turin (under the project Observer<sup>27</sup>) contextually to my analysis. This observatory, financed by the Turin Chamber of Commerce is mainly based on questionnaires and interviews, and it aims at diffusing among policy makers and the civil society a deeper awareness of the preferences and issues of the foreign enterprises that have chosen to settle in Turin<sup>28</sup>. As a result, I discovered both expected and unexpected results (for a summary, see table 1).

According to the active networking it is quite rare and it is very difficult to say anything on that at the present stage of the research. Thus, I prefer to focus mainly on the contribution of territorial capital from foreign MNCs.

Preliminary results from the interviews show that localized *relational private services* are quite frequent among both embedded and isolated companies. GM, Motorola and SKF, in particular, developed external linkages with other local firms, as well as they transferred R&D results to other actors of the local system. All of them found in the Polytechnic of Turin a relevant partner with whom to share R&D results. Yet, the occasions are quite different. Quite peculiar is, for example, the decision of SKF and GM to be technical partner of the Polytechnic team of almost 30 engineering students (the “Idra - Team H2polito” participating to the “Shell Eco-Marathon Europe” organized in Lausitz (Germany) on May 6-7th (another foreign partner is Autodesk). Thus, the two MNC have transferred some of their R&D results to the students to develop their project of a low-consume car prototype (Idra), fed by hydrogen, which has been already presented to domestic and international fairs (Bologna’s Motorshow, Rome’s MoTechEco, Hannover Messe). Embraco, Eutelia and Michelin, instead, developed above all important economic relationship with local clients and draw (at least initially) competences from the local labor market.

According to the *proprietary networks & collective goods*, some companies are proprietary of important landscape and cultural resources such as SKF and GM, whose plants are successful examples of industrial archeology recovery, deeply characterizing the surrounding landscape. Michelin, Motorola and Eutelia also recovered dismissed industrial areas yet with a limited impact as urban landmarks.

Another interesting result regards the *Cooperation networks & Governance of land and cultural resources*: all the (presumed) embedded companies have in fact developed public-private partnerships in services and schemes of public interest, which deeply rooted them into the local system. SKF, for instance, is member of the Turin *Consulta per la Valorizzazione dei Beni Artistici e Storici* (Consultative Committee for the Artistic and Historical Heritage) promoting and financing artistic and cultural events, as well as the restoration of important urban architectural/artistic masterpieces. GM organizes a yearly running competition (GMove) that brought together many different local companies and regional associations for one day.

*Relational capital* might also emerges as an important feature. Yet it still needs further analysis (interviews) to be properly understood. *Agencies for R&D transfer, Receptivity, Connectivity & Agglomeration and District economies*, on the contrary, are not so much relevant among the selected companies.

---

<sup>27</sup> For further information, see <http://centroestero.org>

<sup>28</sup> Aim of the Observer project are: i) to provide the information for the development of policy actions to consolidate MNCs’ presence; ii) to increase local embedding and attracting factors, improving the set of relations the territory can offer; iii) to increase the knowledge of the global FDI market and dynamics. There are evident overlaps between the aim of this project and my research program. Yet, in the case of the Observatory managed by CEIPiemonte, there is little attention for a theoretical analysis of the origins, features and dynamics of the embedment process. Though it focuses on the positive territorial effects deriving from foreign-owned companies, the priority is not to lose important productive units, rather than to construct a general theory of the MNC. Especially in the automotive, electronics and robotics industry, exit strategies from important MNCs might in fact cause a dramatic “domino effect” on the related local supply chain (Lanzetti, 2010; Morris, 2010).

## 5 Some preliminary conclusions

The partial results of my investigation seem to demonstrate that not all the dimensions of territorial capital are relevantly influenced by embedded companies: *Relational private services* and *Cooperation networks & Governance of land and cultural resources*, in particular, result important in the investigated embedded cases. The case of SKF is clear from this perspective: a strong involvement in endogenous cultural activities developed by the Turin's Consulta is related to a strong and proactive local commitment. Also *Proprietary networks & Collective goods* seem to be important. While, almost surprisingly, *Relational capital* and soft goods such as agglomeration and district economies or R&D transfer services characterize isolated companies more than embedded ones. Nevertheless further analysis is due in order to make a more robust test.

	Automotive				ICT	
	embedded (presumed)		isolated (presumed)		embedded (presumed)	
	Skf	Gm	Embraco	Michelin	Eutelia	Motorola
Relational private services; University spin-offs (private goods; hard+soft goods)	External linkages for firms Trasfer of R&D results	External linkages for firms Trasfer of R&D results	External linkages for firms	External linkages for firms	External linkages for firms	External linkages for firms Trasfer of R&D results
Proprietary networks & Collective goods (club/impure public goods; hard goods)	Landascape Cultural heritage (private 'ensembles')	Landascape Cultural heritage (private 'ensembles')		Cultural heritage (private 'ensembles')	Cultural heritage (private 'ensembles')	Cultural heritage (private 'ensembles')
Cooperation networks & Governance of land and cultural resources (club/impure public goods; hard+soft goods)	P/p partnerships in services and schemes	Strategic alliances in R&D and knowledge P/p partnerships in services and schemes			P/p partnerships in services and schemes	Strategic alliances in R&D and knowledge
Relational capital (club/impure public goods; soft goods)				Collective competences		Collective competences
Agencies for R&D transfer Receptivity & Connectivity Agglomeration and District economies (public goods; hard+soft goods)		Receptivity & Connectivity	Agglomeration and District economies		Receptivity & Connectivity	

Table 1 – Firm contribution to innovative territorial capital  
Source: results of the analysis

## References

- Associazione Torino Internazionale (2000), *Il piano strategico della città*, Associazione Torino Internazionale, Torino.
- Associazione Torino Internazionale (2006), *Secondo Piano strategico dell'area metropolitana di Torino*, Associazione Torino Internazionale, Torino.
- Balcet G. (2010), "Le politiche di fronte a nuovi attori e nuove strategie multinazionali", speech presented at the Conference *Observer*, February 11th, Torino.
- Barba Navaretti G., Venables A.J. (2004), *Multinational Firms in the World Economy*, Princeton University Press, Princeton (NJ).
- Bathelt H., Malmberg A., Maskell P. (2004), "Clusters and Knowledge: Local Buzz, Global Pipelines and the Process of Knowledge Creation", *Progress in Human Geography*, Vol. 28, No. 1, pp. 31-56.
- Beckert J. (2007), The Great Transformation of Embeddedness: Karl Polanyi and the New Economic Sociology, *MPIfG Discussion Paper*, No. 07/1, <http://hdl.handle.net/10419/19938>
- Bellak C. (2004), "How Performance Gaps Between Domestic Firms and Foreign Affiliates Matter for Economic Policy", *Transnational Corporations*, Vol. 13, No.2, pp. 29-56.
- Bernard A.B., Jensen J.B. (2007), "Firm Structure, Multinationals, and Manufacturing Plant Deaths", *The Review of Economics and Statistics*, Vol. 89, No. 2, pp. 193–204.
- Bernard A.B., Sjöholm F. (2003), "Foreign Owners and Plant Survival", NBER Working Paper.
- Berta G. (ed.) (2008), *La questione settentrionale. Economia e società in trasformazione*, Feltrinelli, Milano.
- Bighi S., Cotella G., Rota F.S. (eds) (2010), "Torino e Piemonte fra locale e globale: Politiche di rete e ancoraggi territoriali. Tre percorsi per la ricerca", WP DITeR, n. 32/2010.
- Cabodi C., Rossignolo C., Rota F.S. (2010), *Torino e i suoi territori. Scenari competitivi e coesivi in Europa*, Carocci, Roma.
- Camagni R. (2008), "Regional Competitiveness: Towards a Theory of Territorial Capital", in R. Capello, R. Camagni, P. Chizzolini, R. Frascari (eds), *Modelling Regional Scenarios for the Enlarged Europe: European Competitiveness and Global Strategies*, Springer-Verlag, Berlin.
- Capello R., Caragliu A., Nijkamp P. (2009), "Territorial Capital and Regional Growth: Increasing Returns in Cognitive Knowledge Use", Tinbergen Institute Discussion Paper, No 059/3, [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1443830](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1443830).
- Castells M. (1996), *The Rise of the Network Society*, Blackwell, Oxford.
- Castells M. (2002), "Local and Global: Cities in the Network Society", *Tijdschrift voor Economische en Sociale Geografie*, Vol. 93, pp. 548-558.
- CEIPiemonte (2010), *Observer. Osservatorio multinazionali a Torino*. [http://www.centroestero.org/repository/09\\_02\\_2010\\_11\\_05\\_observerschedatecnica.pdf](http://www.centroestero.org/repository/09_02_2010_11_05_observerschedatecnica.pdf)
- Colletis G., Pecqueur B. (1999), *Firmes et territoires, entre nomadisme et ancrage*, Syros, Paris.
- Conti S. (2006), "A Systematic Perspective on Local Development", in R.A.Boschma, R.C. Kloosterman (eds.), *Learning from Clusters: A Critical Assessment*, Springer, Amsterdam, pp 19-50.
- Conti S. (ed.) (2010), *Piemonte*, Mondadori, Milano.
- Corrado F. (2005), "Il concetto di risorsa territoriale", in Corrado F. (ed.), *Le risorse territoriali nello sviluppo locale*, Alinea Editrice, Firenze, pp. 15-38.
- Cox K. (1998), "Spaces of Dependence, Spaces of Engagement and the Politics of Scale, or: Looking for Local Politics", *Political Geography*, Vol. 17, pp. 1–23.
- Dansero E., Giaccaria P., Governa F. (2008), *Lo sviluppo locale al Nord e al Sud. Un confronto internazionale*, Franco Angeli, Milano.
- Dematteis G. (2005), "Quattro domande sulle risorse territoriali nello sviluppo locale", in F. Corrado (ed), *Le risorse territoriali nello sviluppo locale*, Alinea Editrice, Firenze, pp. 7-14.

- Dematteis G. (2006), "Sul crocevia della territorialità urbana", *Bitacora*, vol. 10, No. 1, pp. 53-63.
- Dematteis G., Governa F. (eds) (2005), *Territorialità, sviluppo locale, sostenibilità: il modello SLoT*, Franco Angeli, Milano.
- Dematteis G., Rossignolo C. (2005), "L'internazionalizzazione del sistema", in Associazione Torino Internazionale (ed), *Scenari per il sistema locale. Valutazioni sul Piano Strategico di Torino e sulle prospettive di sviluppo nell'area metropolitana*, pp. 37-59.
- Demetrio V., Rota F.S. (2010), La capacità innovativa: imprese e territori, in S. Conti, C. Salone (eds), *Rapporto della società geografica italiana*, SGI, Roma. Forthcoming.
- Dequech D. (2003), "Cognitive and Cultural Embeddedness: Combining Institutional Economics and Economic Sociology", *Journal of Economic Issues*, Vol. 37, No. 2, pp. 461-470.
- Dicken P., Malmberg A. (2001), "Firms in Territories: A Relational Perspective", *Economic Geography*, Vol. 77, No. 4, pp. 345-363.
- Dunning J.H. (1977), "Trade, Location of Economic Activity and the MNE: A Search for an Eclectic Approach, in B. Ohlin, P. Hesselborn, P.M. Wijkman (eds.), *The International Allocation of Economic Activity: Proceedings of a Nobel Symposium*, Macmillan, London, pp. 395-418.
- Dunning J.H. (1981), *International Production and the Multinational Enterprise*, Allen & Unwin, London.
- Dunning J.H. (1998), "Location and the Multinational Enterprise: A Neglected Factor?", *Journal of International Business Studies*, Vol. 29, No.1, pp. 45-66.
- Eckert S., Engelhard J. (1999), "Towards a Capital Structure Theory for the Multinational Company", *Management International Review*, Vol. 39, pp. 105-136.
- Görg H., Strobl E. (2003), "Footloose Multinationals?", *The Manchester School*, Vol. 71, pp. 1-19.
- Grabher G. (2006), "Trading Routes, Bypasses, and Risky Intersections: Mapping the Travels of 'Networks' Between Economic Sociology and Economic Geography", *Progress in Human Geography*, Vol. 30, No. 2, pp. 163-189.
- Grabher G. (ed) (1993), *The Embedded Firm. On the socioeconomics of Industrial Networks*, Routledge, London.
- Granovetter M. (1973), "The Strength of Weak Ties", *American Journal of Sociology*, Vol. 78, No. 6, pp. 1360-1380.
- Granovetter M. (1985), "Economic Action and Social Structure: The Problem of Embeddedness", *American Journal of Sociology*, Vol. 91, No. 3, pp. 481-510.
- Keeble D., Lawson C., Moore B., Wilkinson F. (1999), "Collective Learning Processes, Networking and 'Institutional Thickness' in the Cambridge Region", *Regional Studies*, 33, 4, pp. 319-332.
- Lanzetti R. (2010), "Scenari economici regionali e Multinazionali", speech presented at the Conference *Observer*, February 11th, Torino.
- Macleod G., Jones M. (2007), "Territorial, Scalar, Networked, Connected: In What Sense a 'Regional World'?", *Regional Studies*, Vol. 41, No. 9, pp. 1177-1191.
- Marlow D. (1992), "Eurocities from urban networks to a European Urban Policy", *Ekistics*, Volume 59, N. 352/353, Atene, pp 28-33.
- Marston S.A., Jones J.P. III, Woodward K. (2005) "Human geography without scale", *Transactions/ Institute of British Geographers*, 30, pp. 416-432.
- Marston S.A., Jones J.P. III, Woodward K. (2005), "Human geography without scale", *Transactions/ Institute of British Geographers*, 30, pp. 416-432.
- Martin J. (1977), *The Wired Society: A Challenge for Tomorrow*, Prentice-Hall Inc., Englewood Cliffs, New Jersey.
- Montgomery J.D. (1998), "Toward a Role-Theoretic Conception of Embeddedness", *The American Journal of Sociology*, Vol. 104, No. 1, pp. 92-125.

- Morris P. (2010), “Il progetto: ragioni, obiettivi e metodologia”, speech presented at the Conference *Observer*, February 11th, Torino.
- Phelps N.A., Waley P. (2004), “Capital Versus the Districts: A Tale of One Multinational Company’s Attempt to Disembody Itself”, *Economic Geography*, Vol. 80, No. 2, pp. 191-215.
- Polanyi K. (1957), *The Great Transformation*, Beacon Press, Boston [or. ed.: (1944), *The Great Transformation*, Farrar & Rinehart, New York].
- Rota F.S., Vanolo A. (2007), “The Hyper-Real Urban Landscape: Turin in the Eyes of Foreign Investors”, [www.eura2007.org.uk/conferences/vitalcity/abstractsandpapers/papers-final](http://www.eura2007.org.uk/conferences/vitalcity/abstractsandpapers/papers-final).
- Sansoucy L. (2010), “Scenario mondiale ed europeo degli Investimenti Diretti Esteri”, speech presented at the Conference *Observer*, February 11th, Torino.
- Santangelo M., Vanolo A. (eds) (2010), *Di capitale importanza. Immagini e trasformazioni di Torino*, Carocci, Roma. Forthcoming.
- Sassen S. (2000), “The Global City: Strategic Site/New Frontier”, *American Studies*, Vol. 41, No. 2/3 (Summer/Fall 2000), pp. 79-95.
- Soldatos P. (1992), “Strategic Cities Alliances: An Added Value to the Innovative Making of an International City”, *Ekistics*, Vol. 58, No. 350/351, pp. 346-349.
- Taylor M., Thrift N.J. (eds.) (1982), *The Geography of Multinationals: Studies in the Spatial Development and Economic Consequences of Multinational Corporations*, Croom Helm, London.
- Taylor P.J., Catalano G. (2001), World City Network Formation in a Space of Flows, GAWC research project, No. 10, [http://www.mi.vt.edu/publications/otherresearch/document-pdfs/gawc\\_world\\_cities.pdf](http://www.mi.vt.edu/publications/otherresearch/document-pdfs/gawc_world_cities.pdf)
- Ter Wal A.L.J., Boschma R. A. (2009), “Applying social network analysis in economic geography: framing some key analytic issues”, (special issue paper), *Annals of Regional Science*, No. 43, pp. 739–756.
- The American Heritage (2009), *Dictionary of the English Language*, Fourth Edition, Houghton Mifflin Company [or. edition: 2000].
- United Nations on Trade and Development - UNCTAD (2008), *World Investment Report 2008. Transnational Corporations and the Infrastructure Challenge*, UNCTAD, [www.unctad.org](http://www.unctad.org).
- United Nations on Trade and Development - UNCTAD (2009), *World Investment Report 2009. Transnational Corporations, Agricultural Production and Development*, UNCTAD, [www.unctad.org](http://www.unctad.org).
- Vanolo A. (2007), “The Image of the Creative City: Some reflections on Urban Branding in Turin”, *Cities*, Vol. 25, No. 6, pp. 370-382.
- Yeung H.W-C. (2009) Transnationalizing entrepreneurship: a critical agenda for economic geography, *Progress in Human Geography*, Vol. 33, No. 2, pp. 210–235.
- Zukin S., DiMaggio P. (1990), Introduction, in P. DiMaggio, S. Zukin (eds.), *Structures of Capital: The Social Organization of the Economy*, Cambridge University Press, Cambridge, pp. 1–36.