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The social orders of flexible specialization are very different from those of mass production. They involve a constant rearrangement of the structure of production and a continual repositioning of the different institutional components of the economy. A good deal of cooperation is required among workers and managers. Firms shift back and forth: a firm which is a competitor one day may become a subcontractor the next. The prototypical structure in this regard is the high-fashion garment industry in such urban centers as New York, Paris, and Milan. The city-centered regions of central Italy have been particularly successful in developing the new dynamic version of this type of production in products ranging from shoes and textiles to machinery. This form of production flourishes in the traditional urban economy where many small producers operate in close physical proximity to one another, each dependent on a dense industrial community.

A revival of older urban forms is not inevitable. Flexible specialization also emerges within the old mass-production corporation through the decentralization of authority, and the creation of much looser but also more cooperative and interactive linkages among the corporate components. In such organizations the new productive modes are not as heavily linked to a particular city or region. New interactive communication technologies facilitate the intimate cooperation which was once possible only through the kind of physical contact that urban conglomeration permitted. Nonetheless, it is difficult to imagine this technology substituting for the city in the near future.

Flexible specialization as a mode of production favors cities in another respect as well. Because economies of scale are reduced or eliminated, the city becomes a visible economic unit independent of the national economy. Lately we have seen certain cities, like those in central Italy or around Boston and San Francisco in the United States, emerge in a world market independently of the nations in which they are embedded. But the logic of the new technologies is that cities will increasingly be able to produce efficiently for their own needs and extensive trade with the outside world. As they do so, it becomes feasible for each to develop its own idiosyncratic consumption patterns.

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