

Introduction

The events occurred during the last decade shed a light on the fragile mechanism of Global Value Chains (GVCs) (Gereffi and Lee, 2012, Benito *et al.*, 2019). Firms of any size (i.e. SMEs and MNEs) are facing challenging time in term of sourcing and location decisions. To provide the most efficient solution to their clients, managers are now focusing on their domestic economy, fostering the phenomenon of manufacturing reshoring (Fratocchi *et al.*, 2016).

Literature Review & Conceptual Framework

We based our reshoring definition on the work of Foerstl *et al.*, 2016. In their framework, both the dimension of ownership and location is taken into account. Reshoring is a strategic decision for maintaining the firm's competitive advantage and for creating new value added, which allows a sustainable competitive advantage.

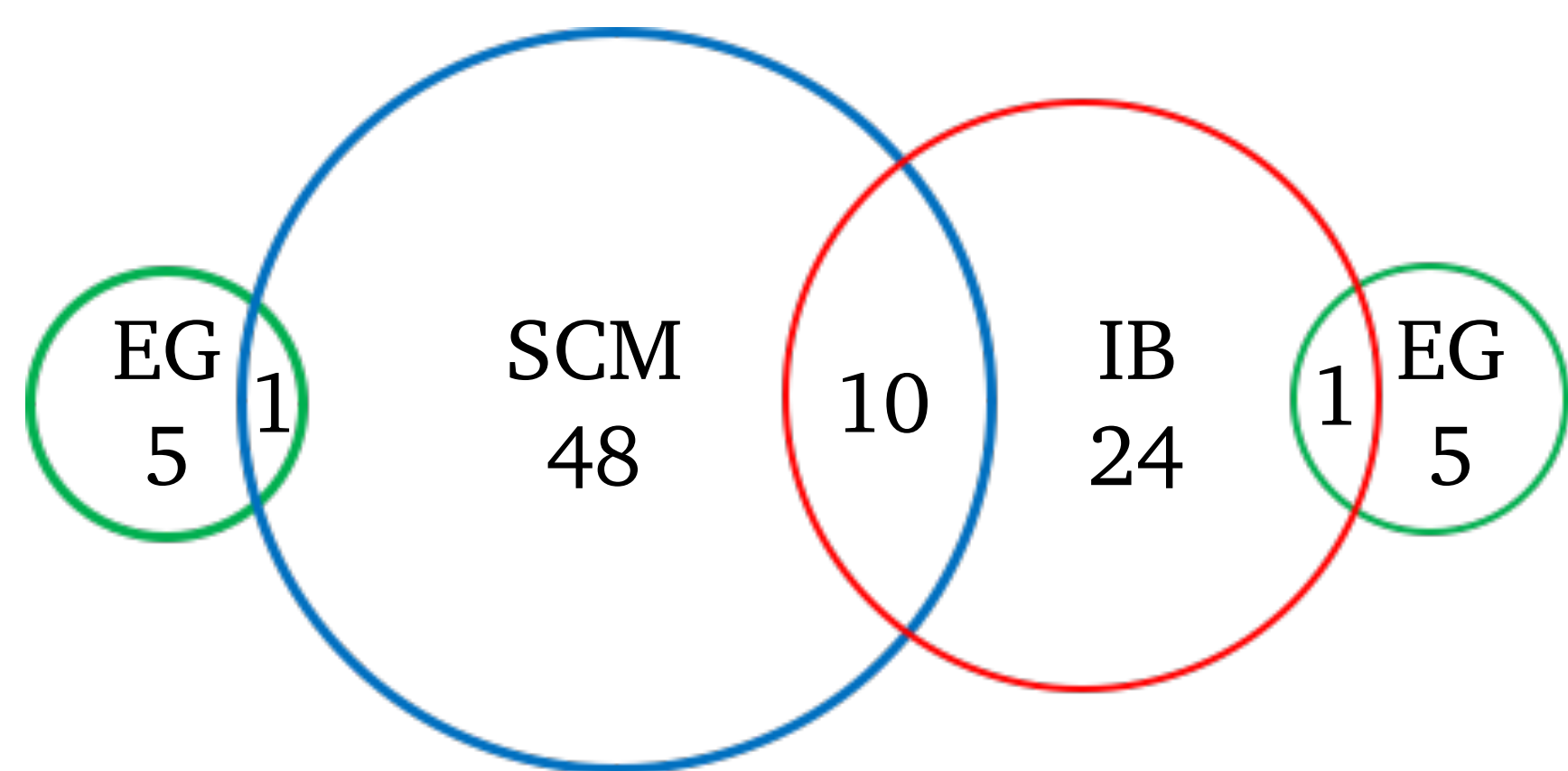


Figure 1- Number of Academic articles in Economic Geography (EG), International Business (IB) and Supply Chain Management (SCM); Author Elaboration, 2019

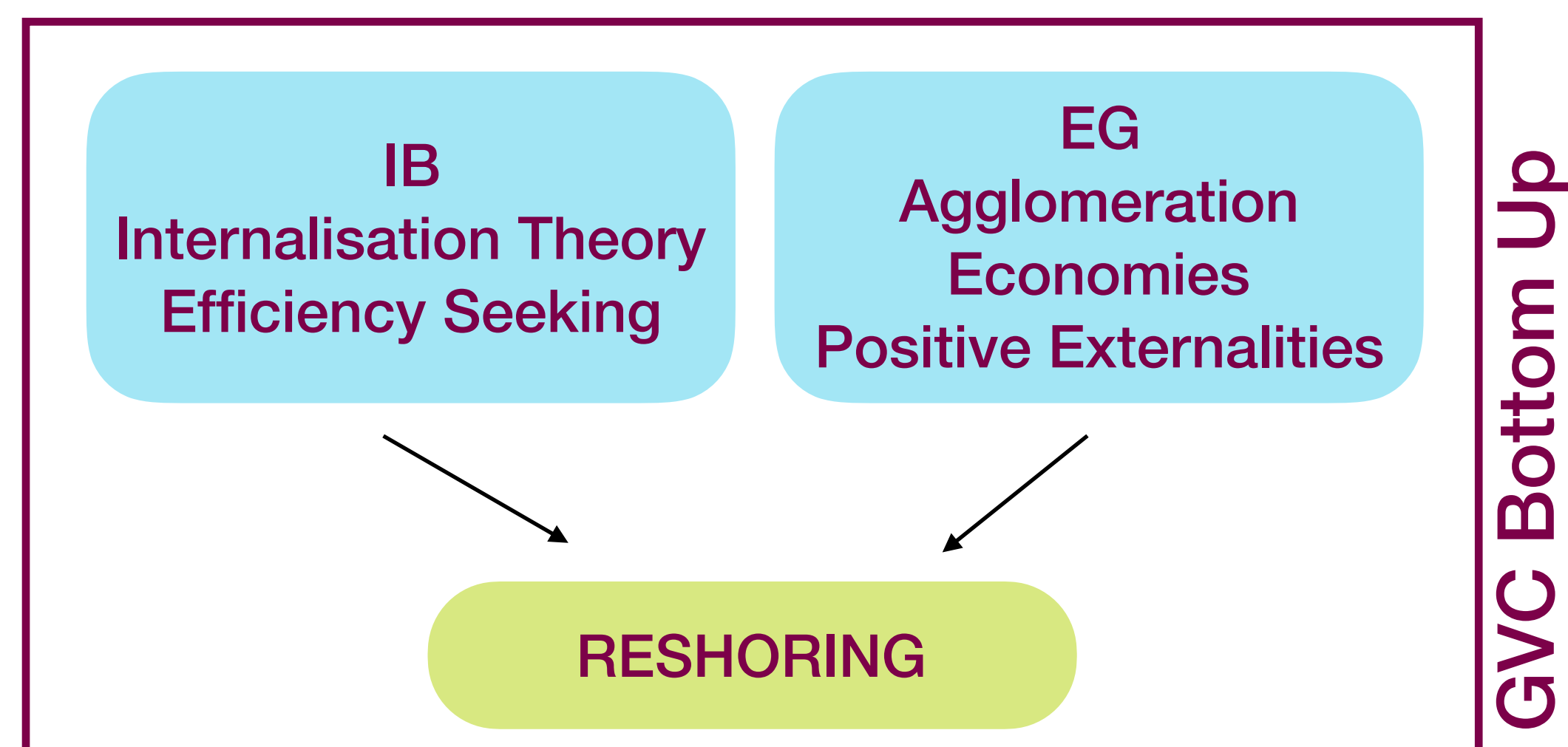


Figure 2- The Conceptual Framework; Author Elaboration, 2019

Theoretical Contribution: EG&IB chained with the logic of bottom up approach of GVC in advanced economies.

Methodological Contributions: Adoption of Critical Realism to case study research.

Empirical Contribution: Exploring the attractiveness of a territory for hosting a reshoring strategy.

Diletta Pegoraro¹, Prof Lisa De Propris¹, Dr Agnieszka Chidlow²

¹Department of Management, ²Department of Strategy and International Business

RQs & Model

RQ1. To what extent do the territorial capabilities, supplier networks, and technology influence the reshoring strategy in the region?

RQ2. How does the firm's GVC influence the decision to trigger a reshoring strategy?

$$y_i^* = \alpha + \beta_{terr} + \beta_{sup} + \beta_{tech} + \beta_{size} + \beta_{bec} + \beta_{clu} + \varepsilon$$

where:

i = Reshoring, In-house, Insourcing

* = Veneto

Ind Vars are latent factor score of CFA:

β_{tech} = Technology

β_{sup} = Industrial composition

β_{terr} = Territorial capabilities

Control Vars:

β_{size} = Firm size (Number of employees); β_{bec} = BEC Sector; β_{clu} = Surveyed firm is in a cluster

Methodology

► Mixed-Method approach (Bryman, 2016; Bhaskar *et al.*, 1998)

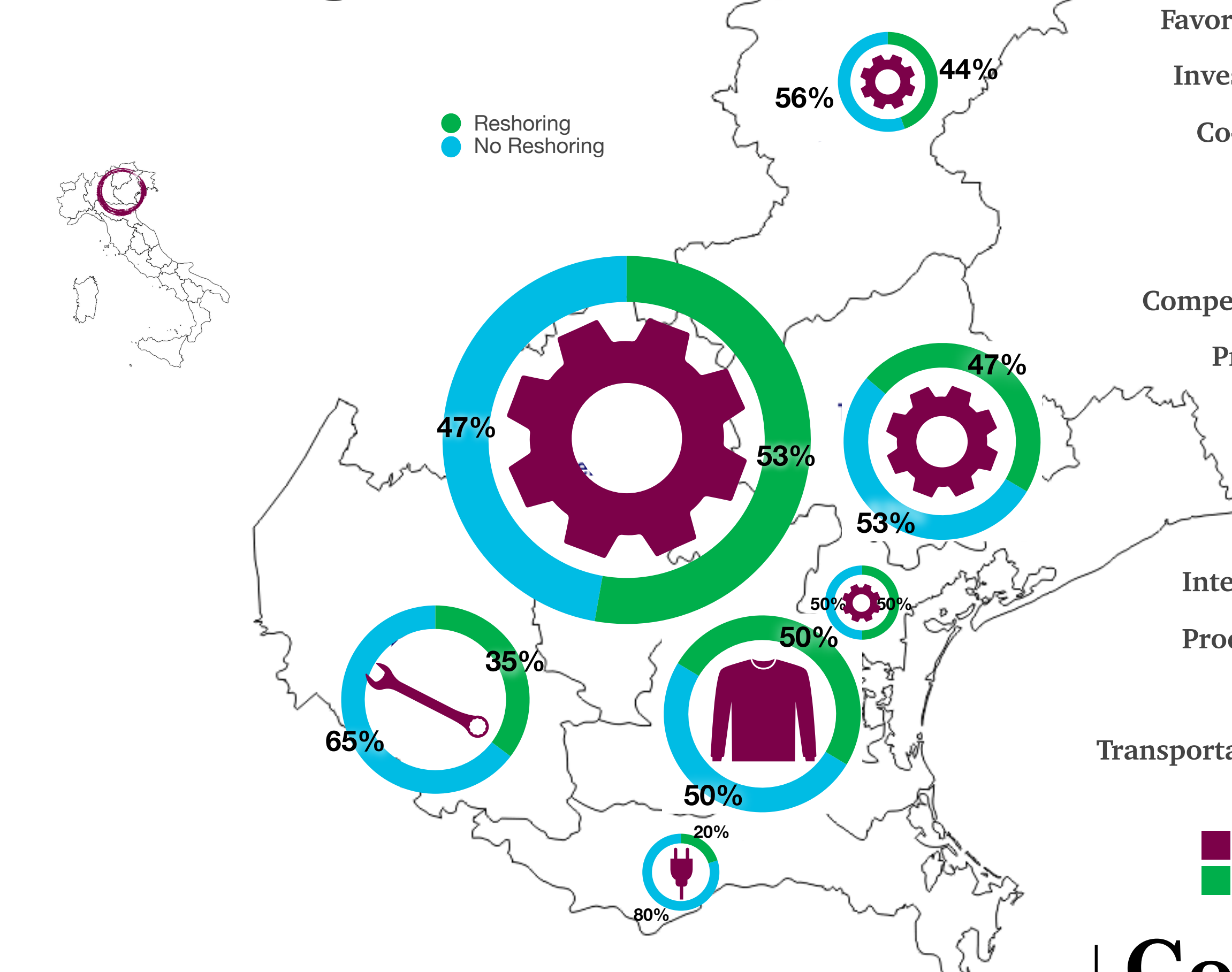
► Cross-Country survey undertaken in 2018 in Veneto (n= 108), West Midlands (n=101) and California (n=121) (Dillman *et al.*, 2014)

► Firm Case Studies (N =3) + 1 Interview with Policy maker (Welch *et al.*, 2011)

References

- Benito, G.R., Petersen, B. and Welch, L.S., 2019. The global value chain and internalization theory. *Journal of International Business Studies*, pp.1-10.
- Bhaskar, R., Collier, A., Lawson, T. and Norrie, A., 1998. Critical realism. In *Proceedings of the Standing Conference on Realism and Human Sciences*, Bristol, UK (Vol. 4).
- Bryman, A., 2016. *Social research methods*. Oxford university press.
- Dillman, D.A., Smyth, J.D. and Christian, L.M., 2014. *Internet, phone, mail, and mixed-mode surveys: the tailored design method*. John Wiley & Sons.
- Foerstl, K., Kirchhoff, J.F. and Bals, L., 2016. Reshoring and insourcing: drivers and future research directions. *International Journal of Physical Distribution & Logistics Management*, 46(5), pp.492-515.
- Fratocchi, L., Ancarani, A., Barbieri, P., Di Mauro, C., Nassimbeni, G., Sartor, M., Vignoli, M. and Zanoni, A., 2016. Motivations of manufacturing reshoring: an interpretative framework. *International Journal of Physical Distribution & Logistics Management*, 46(2), pp.98-127.
- Gereffi, G. and Lee, J., 2012. Why the world suddenly cares about global supply chains. *Journal of supply chain management*, 48(3), pp.24-32.
- Welch, C., Piekari, R., Plakoyiannaki, E. and Paavilainen-Mäntymäki, E., 2011. Theorising from case studies: Towards a pluralist future for international business research. *Journal of International Business Studies*, 42(5), pp.740-762.

Findings



	Reshoring	In-house	Insourcing
	Std.Err	Std.Err	Std.Err
	Sig	Sig	Sig
Technology	0.409	311.58	0.158
	0.291	541.00	0.119
	0.210	0.001*	0.015**
Territory	0.107	0.010	0.363
	0.130	0.020	0.420
	0.06***	0.022**	0.382
Supplier Network	3.43	0.128	2.68
	3.17	0.216	2.38
	0.182	0.224	0.267
Size	1.312	0.887	1.30
	0.308	0.428	.320
	0.249	0.804	0.285
Bec	0.792	3.531	0.687
	0.221	2.658	0.270
	0.458	0.094***	0.342
Cluster	1.03	0.656	0.833
	0.450	0.533	0.384
	0.945	0.604	0.693

*p<0.01 **p<0.05 ***p<0.10

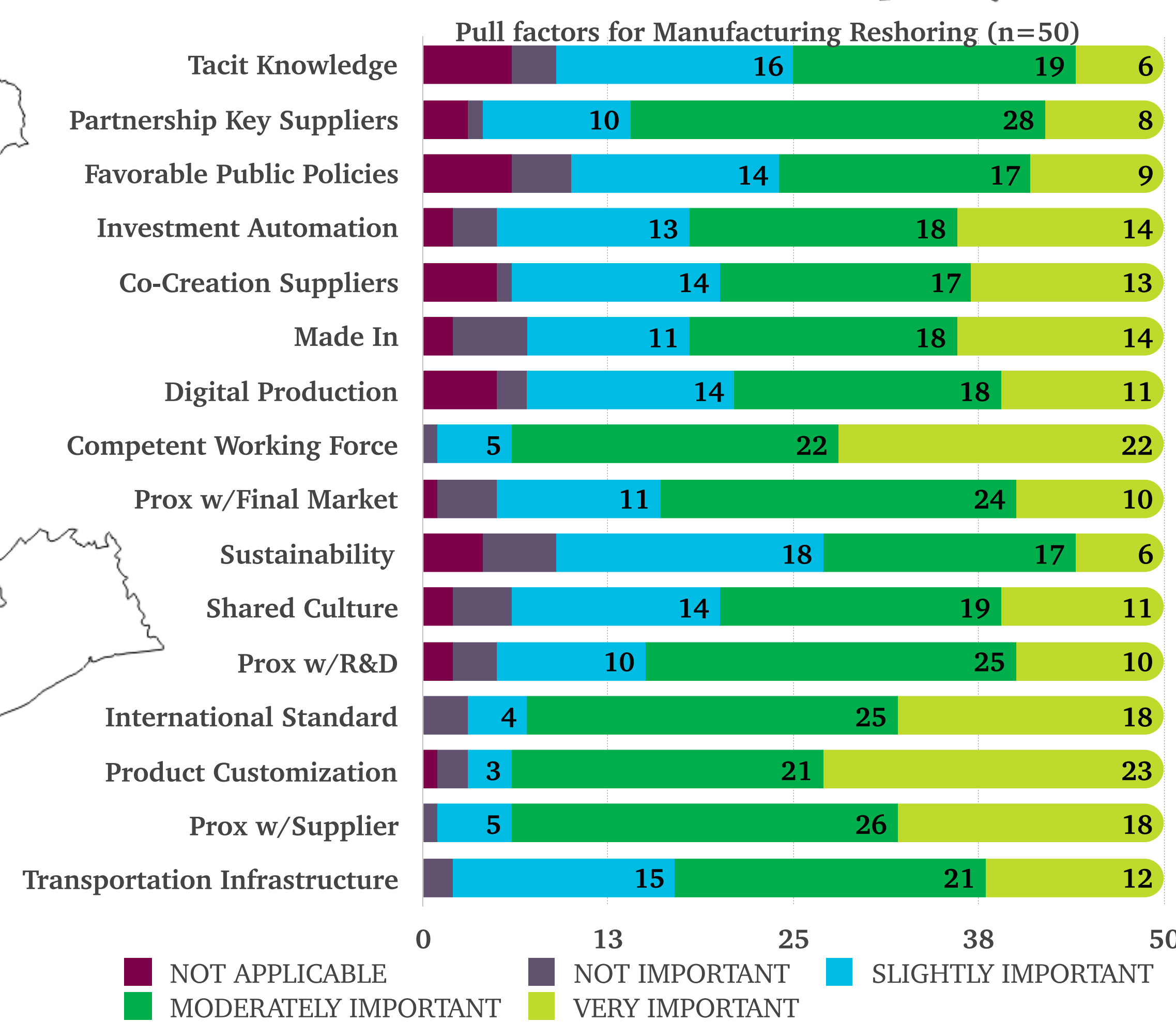
"There was the need of innovation transfer from the institute to farmers, especially regarding the automatization of farming, we asked for regional funding and we've got them" - PM Gamma

"This policy on reinvesting in the territory is paying off because we are leveraging the identity of the brand" - CEO, Alpha

"We chose to be Italian, hence the Italian production was absolutely necessary" -CEO, Beta

"We need craftsmanship and know-how. Here there is!" -CEO Alpha

"I finance everything that can increase competitiveness on new technologies, on automation, which does not involve job losses, but re-qualification of existing jobs. I push universities to do applied research in the third mission, which is the increase competitiveness in the territory" - Regional Minister of Education & Labour



Conclusion

RQ1: **Territorial capabilities** related to proximity and territorial identity are considered important and significant for adopting a reshoring strategy, especially *In-house*. Whilst, the presence of a wealthy **Supplier Network** and competent working force is important but not significant for adopting a reshoring strategy. **Technology** is of primary importance whence the firm decide to move the production *In-house* or swap with domestic suppliers. Favourable public policies are considered important, as the Regional Government is indirectly active in supporting local firms to increase their competitiveness.

RQ2: The firms more involved in the reshoring are those in **machinery and equipment** and **apparel sectors**. Firms producing in the **intermediary sectors** are significant across reshoring strategies, suggesting that sitting as a **relational supplier** within the lead firm's GVC positively influences the adoption of a reshoring strategy.

Acknowledgements

We would like to acknowledge the support from the EU Horizon 2020 MAKERS project which is Research and Innovation Staff Exchange under the Marie-Curie Actions, grant agreement number 691192. In addition, we would also like to say thank you to the Studies and Research Centre of the Association of Chambers of Commerce of Veneto Region for support with the data collection.