



# **CITER**

Info centre - Knitwear and Textile

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## **1 Introduction**

CITER<sup>1</sup> is a limited liability consortium whose members are ERVET<sup>2</sup>, a range of producers' associations<sup>3</sup>, and nearly 500 enterprises operating in the textile sector (55% of which are micro-sized while 45% are small- or medium-sized). The City Council of Carpi, the Chamber of Commerce as well as some local banks are supporting partners of the Centre. CITER was founded in 1980 to support the enterprises of Emilia-Romagna operating in the textile and clothing sector. The centre offers to its client firms access to knowledge inputs of crucial importance for their competitiveness a) on colours, fabric and design fashion trends, b) on key developments in the national and international market, c) on the evolution of production technology; and d) on the availability qualified sub-contractors. Thanks to its intense involvement in pilot research programs co-financed by primary national and international institutions (such as various universities, the National Research Council, the European Community, UNIDO, the Club of Industrial Districts, ENEA), *CITER* is probably the best-known real-service centre currently operating in Italy.

The purpose of this paper is to provide a) an introduction to the history of this institution and b) a description of the role it has played in the Carpi cluster over the last two decades. For ease of presentation, its chronological evolution will be presented in five sub-sections (2.1 to 2.5) and broken down according to four major watersheds. An attempt will also be made to frame the history of CITER within the evolving political environment which has characterised the district. Such a task is a complex one because CITER cannot be considered merely as the agency which realised the strategic initiatives identified by other actors but also, and increasingly through its history, as the instrument to identify such initiatives. Furthermore care will be paid to differentiate between those instances when CITER acted as a "neutral forum" for the establishment of a consensus within the district and those when its managers played a leading role within such a process. The main results of such analysis will be briefly summarised in section 3.

## **2 The establishment of CITER**

While CITER acquired its present configuration only in 1980, the key features of its establishment cannot be fully understood unless the history of its predecessor

(*Centro Tessile*) are accounted for in details. For this purpose it becomes necessary to discuss some events which took place in the period 1975-1980 and which greatly influenced not only the mission but also the structure of the Centre as it is known today. Such a task will be undertaken in section 2.1. Section 2.2 reflects upon the creation of the Centro Tessile in Carpi. Section 2.3 describes the project of the service centre as the institutional response to latent needs of the cluster producers which could be identified as a result of the experience of Centro Tessile. Section 2.4 and 2.5 recall the heyday of CITER as well as the transformation it had to undertake in the 1990s to re-define its role within a radically changing industrial district

### **2.1 *The identification of a range of policies for the district of Carpi***

The idea of establishing a real service centre to support the activities of the small- and medium-sized enterprises (SMEs) of the industrial district of Carpi belongs to a wider project by the associations representing the micro-sized manufacturers and, more specifically, by the provincial branches of the National Confederation of Artisans (CNA) and of the General Confederation of Italian Artisans (CGIA). In October 1975, CNA organised a symposium in Carpi where Ugo Sala (at the time president of the textile branch of the artisan association) introduced a four-point list to the wide audience of local manufacturers, producers associations and policy-makers. The four requests presented by Sala included:

- a. the establishment of a dedicated training institution for the workers and entrepreneurs of the district;
- b. the creation of a specialised info-centre offering access to knowledge on issues concerning fashion trends, technological innovations, and market developments;
- c. the inauguration of a branch of the national agency supporting exporters (*Istituto per il Commercio Estero*) in Modena, and
- d. the birth of a fashion house in Carpi to coordinate the move of the local producers towards more profitable market niches.

The **rationale for the symposium** and for the requests which were put forward by Sala on behalf of the district artisans was manifold and at least four main lines of

explanation can be identified. First of all, it was becoming increasingly clear that the characteristics of the production undertaken within Carpi were evolving rapidly with a very significant impact upon the smallest ones among the local producers. Over the late Sixties and early Seventies, the district had faced a period of relatively prolonged and stable increase of the national demand. The rapid demise of home-workers (to whom the final producers sub-contracted the actual knitwear manufacturing) had given way to the birth of numerous artisan workshops which were characterised by a more capital-intensive production technology and therefore by more significant start-up costs. As a result of this trend, the **competencies traditionally 'available' within the district were becoming obsolete** and novel 'barriers' to the creation of new firms were emerging.

A second but related point involved the **lack of a well-established 'production culture'** within the district. Up until the interwar period, the main activity of the manufacturers of Carpi had been the production of straw-hats. While the transition towards knitwear manufacturing had proved relatively easy in terms of production technology, it was a very recent phenomenon. This feature implied that much of the skills and competence which are frequently embedded within the local culture in most other Italian industrial districts, were either absent or significantly under-developed in Carpi. As a result the need was more urgent than in other districts, and therefore more visible, for 'explicit' institutional responses to such a gap in the local culture.

The third problem was related to the previous ones and its consequences were becoming increasingly evident with the emergence of competition. Over the early 1970s a significant growth had characterised the textile-manufacturing districts elsewhere in Italy so that the market quotas that the entrepreneurs of Carpi had earned in the post-war period were being challenged. More specifically, **competition was growing** from Puglia (where labour costs were lower than in Carpi) and from Veneto (where more resources were being invested on product marketing). While these developments were being perceived by some of the local producers and by their associations, the initial invariance in profit margins had led the majority of the local producers to underestimate the pace of change and to over-estimate their ability to react to it.

The fourth point, and most probably the one which acted as the catalyst for the 1975 symposium, was related to the significant **changes of the institutional**

**environment** which surrounded the district manufacturers. While a regional government had been established in the immediate post-war period, the decrees which regulated its activities were issued only in the early 1970s. As a result of these legislative innovations, the regional government was gaining a central role, especially in terms of the industrial policies targeted to the artisan sector. In 1973, furthermore, the regional government had created *ERVET*, the regional development board, with the explicit function of coordinating the regional industrial policies. The establishment of these new institutional partners were offering to the artisan organisations an immediate incentive to put forward detailed, medium-run projects which were suitable to the newly-defined competencies of the regional government and of *ERVET*. The symposium was therefore envisaged as **a focal point to overcome the fragmentation of requests** which had been traditionally put forward to the local policy-makers.

At a closer look the proposals presented at the 1975 symposium stemmed from **two underlying exigencies** of the district namely the need to strengthen the production capabilities (request a. and b.) and the marketing capacity (request c. and d.) of the local manufacturers. Significantly, the project related to the first exigency were to prove markedly more successful in the following decade than those related to the second exigency. Whereas the project of a “fashion house” for the district was soon discarded, the idea of a training facility was almost immediately seized upon by the producers’ associations and by the public institutions alike. As it is going to be emphasised in the following sub-sections, the third component of the program (the real service centre which is nowadays known as CITER) was addressed in the early 1980s largely as an off-spring of the training project.

## **2.2 The establishment of Centro Tessile**

Thanks to the endorsement of the public institutions (*in primis* the regional government but also of the Mayor of Carpi) and to the consensus among the key producers’ associations, the proposal of a **vocational training institutions** suited to the characteristics of the local manufacturers was rapidly realised. A pilot project was launched in 1976 which was later to become known as *Centro Tessile*. The artisan associations, and Ugo Sala in particular, based their work on the realisation that, in

order to be successful, **the centre had be markedly different** from the other public training institutions operating in the district. In other words, the clearest priority of the founders of the Centro Tessile was that the district entrepreneurs should be convinced not only that they had some control upon the syllabus being thought, but also that these courses were enriching from a practical point of view and tailored to their own needs.

In order to realise such a clearly-define priority, it was agreed that the person in charge of the pilot project (Loredana Ligabue who was to become the director of CITER) should operate along **two complementary guidelines**. On the one hand, she had to assemble a small team of young and motivated **workshop tutors** each of whom would participate to a training workshop to ensure constant feedback opportunities to all the participants. On the other hand, she was required to contact **experts** who commanded a wide acknowledgement (such as researchers from key consultancy firms or marketing directors of primary firms operating in the textile sector) and who could therefore indicate the clearest indicator of the novelty of the project. The **generous funding** which was available to the pilot scheme in 1976 (but which was prolonged until 1979) from the Social Fund of the European Community greatly helped with the achievements of both targets.

Initially, the vocational training course was tailored at the needs of the 'entrepreneurs' of the district and it was aimed at strengthening their understanding of the production process and their competencies in the evaluation and use of new technologies. Unsurprisingly, the largest portion of the participants was drawn from the smallest firms operating in the area. At this stage, the **role of the producers associations** (CNA and CGIA above all) was to increase the awareness of their members around the issues discussed in the workshops and to publicise widely the opportunities available through the centre.

As a result of the **success of the 1976 initiative**, however, the need was identified to strengthen the competence of the local producers also in areas such as fashion or product marketing. A greater number of workshops was therefore organised which were opened also to the 'middle managers' and to the 'skilled workers' of the district. Personnel from the medium-scale firms was therefore drawn into the vocational training project. The close ties established between a) the group of 'workshop tutors' headed by Ligabue, b) the participants in the courses and c) the

representatives of the producers associations helped to keep a close focus upon the needs of the firms of the district and to target always more carefully the content of the workshops. Over the following three years, the audience of participating firms kept increasing and altogether more than 300 enterprises and over 600 people took part in the vocational training project.

### **2.3 From Centro Tessile to CITER**

The opportunity of a **constant interaction with a stratified and qualified sample of the district entrepreneurs** provided the management of Centro Tessile with an unmatched opportunity to test the reaction of the local producers to the provision of services which could further strengthen their production capabilities and competitiveness. Furthermore, it could also count upon the **relationships established with a pool of experts** who held up-to-date knowledge concerning the evolution of the textile market and who had been initially contacted as the teaching staff for the workshops. The Centro Tessile was therefore located at a **privileged junction between the district and the 'outside' world**. The experience accumulated within the centre could therefore provide the ideal environment for the second project identified in the 1975 symposium, namely for the service centre which was to become CITER.

A clear example of the principles just presented are the initiatives on fashion trends which characterised the vocational training project. Starting from 1978, Centro Tessile autonomously took the decision to present the design, colours, textures and patterns for the upcoming season to the participants to its courses. Numerous such initiatives were taken at that time, as the personnel of Centro Tessile was continuously striving to broaden the range of 'inputs' provided to the cluster producers. Very much in line with the strategy of Centro Tessile, it was decided to ask one or more experts drawn from key research institutes and fashion firms in the country to deliver their presentations to the participants to all the courses. The reaction of the district entrepreneurs to this specific initiative was remarkably more enthusiastic than on average. This feature clearly signalled not only the need for a centre which would gather and process such type of information on a stable basis but also the magnitude of the **hidden demand** for this type of services.

As the funding opportunity provided by the European Social Fund was drawing to an end in 1980, the need became evident to build upon the competencies gathered in the post-1975 period and to prevent a dispersion of the people who had been involved in the vocational training project. The main institutional supporters of the Centro Tessile met once again in Carpi in October 1979 to discuss the creation of an Info Centre on Fashion and Technology. Representatives from ERVET, from the main producers' associations (Confindustria, Association of Small Enterprises, CNA and CGIA) and from the Chambers of Commerce of Reggio Emilia and Modena signed a paper which identified the **key operating principles of what was to become CITER**, namely the collection, classification, and diffusion of information regarding the evolution of a) fashion and b) production technology for the SMEs operating in the textile and knitwear industry of Emilia-Romagna. The project linked up with a broader strategy which was emerging within ERVET and was aimed to establish "real service centres" as the key instruments of the regional industrial policies.

CITER was created in August 1980 in Carpi. The centre was established as a limited liability consortium to provide a forum for an on-going discussion among its shareholders and thus to initiate a more effective public-private partnership within the district. Not all the initial supporters took however part in the creation of CITER. The association of the medium- and large-scale producers (Confindustria and Federtessile) were not among the founders of CITER. What apparently held such association from participating in this earlier phase was their scepticism concerning the role of ERVET, and more generally the involvement of the public institutions in a centre providing real services to the enterprises. Nonetheless, the success of CITER in the 1980s and the growing involvement of many medium- and large-scale district producers in its activities led Confindustria to gain membership status in the mid 1980s.

#### **2.4 *The evolution of CITER over the 1980s***

In order to optimise the relationships between the personnel of CITER, the potential users of its services and its founders (above all ERVET and the producers' associations) and therefore to improve the prospects for an early success, the individuals who had participated to the vocational training project were asked to play a

central role in the establishment of the centre. Ugo Sala (who had by that time joined the Association of Small Enterprises - API) was nominated president of CITER while Loredana Ligabue was appointed as CITER's first director. Patrizia Righi and Deanna Borghi, who had acted as workshop tutors since the 1976 edition, were also requested to work for the newly-created service centre.

A significant element behind the immediate success of CITER was the **role played by the associations** representing the artisans and the small-scale textile producers of the region (API, CNA, CGIA). These associations acquired shares of the consortium with the aim of selling them back to their associates thus a) facilitating an early capitalisation of CITER and b) publicising its existence within a far broader audience of potential customers. The enthusiasm displayed by these associations was remarkable, especially when compared to the scepticism of the representatives of the medium- and large-scale textile manufacturers. Such a gap is by no means surprising. The services which CITER aimed at providing were clearly beyond the reach of the individual micro- and small-scale producers, but also of their associations. The centre was therefore perceived as an opportunity to broaden the spectrum of services available to the members of these associations and to draw much needed financial resources from the regional government and from ERVET. As a result of the efforts of the producers associations, but also of the effectiveness of CITER in delivering useful services to the knitwear and textile manufacturers, nearly 500 companies had gained membership by the mid-1980s.

Over the first few years of operation, CITER tried to implement the proposals put forward in the program approved by its founders in 1979. The services provided to the client firms were centred around two broad issues: fashion and technology. For each of these topics, the centre would **gather information** from a variety of sources (magazines, experts, consultants, catalogues), it would **catalogue** such inputs and make them available in the most effective ways to the enterprises. CITER asked an annual subscription fee for each of its services. Discounts on the such fees were however available to the centre's founding members. As a matter of fact not all such members chose to become subscribers of the centre's services. A free-trial period was offered to the new clients but also to those who decided to broaden the range of services acquired from CITER.

The services related to the evolution of fashion proved remarkably successful among the clients of CITER, most of whom were independent firms (as opposed to sub-contractors working for third parties). Information on technology, and especially on regulations governing the use of textile machinery, was also eagerly sought after by a significant sample of the associates of the centre. As a result of this success, but also of the continuous financial endorsement of ERVET, CITER could control sufficient financial resources to broaden the spectrum of its services. Renewed emphasis was therefore placed on the provision of **information a) on final markets** (data on domestic and foreign markets as well as on the social and economic changes affecting final demand) and b) on **computer technology**. The use of new technologies were also pioneered (as in the case of CITERA discussed later on in this paper) to improve access to the databases assembled at the centre through the years. A further sign of the expansion of the centre over the 1980s was that the 'user catchment' spread outside the boundaries of the Emilia-Romagna as agreements were made with similar centres located elsewhere in Italy. As a result of this growth, the personnel of CITER increased to 17 people in the late Eighties and CITER became the second largest real service centre of the ERVET system.

Over the 1980s, CITER experienced a period of **remarkable success** and growth to become one of the best known examples of real service centre quoted in academic journals the world over. It would be however misleading to characterise this phase in the life of CITER as an "age of gold" and to contrast it in an over-simplified way to the problems experienced in the late 1990s (see the next sub-section). The continuous evolution of the range of services provided to its client firms, while successful, was certainly not without problems. Sala and Ligabue repeatedly recalled this period as one of a continuous **creative tension**' between the management of CITER on the one side and the client firms and their associations on the other. A great deal of resistance was experienced as the centre tried to broaden its horizon and to become involved with textile manufacturers located outside the district. At the annual general meetings the question was continuously asked whether it was in the interest of the local producers (and especially of the smallest ones) that CITER made available to its clients information about sub-contractors located outside the district or about providers of raw materials located outside Italy.

By the same token, the attempts made by CITER to increase the awareness of its members about the globalisation and the structural changes of the world economy were looked at with a certain suspicion by the representatives of the producers' associations sitting on the centre's management board. The attempt to broaden the range of CITER activities was also relatively troublesome as the strategic decisions of the centre's management were perceived, at least initially, as an attempt to **encroach upon the traditional sphere of activity of the other support institutions** operating within the area. Increasingly, therefore, the management of the centre had to invest its resources to win over the support of its members but also of the policy makers of the region. While these confrontations were never explicitly referred to as a conflict over the right to define the strategy of the centre, they were not as peaceful and trouble-free as they might have appeared on the surface. The appointment of Paolo Rossi as managing vice-director of CITER in 1990, which relieved Ligabue from the more operation-oriented tasks of management, is certainly an indicator of how absorbing the 'political' tasks involved in directing a real service centre had become.

## **2.5 *The emergence of new challenges in the 1990s***

The fate of CITER cannot be separated from that of the producers to whom it sold its services which continued to be overwhelmingly located in Carpi, despite the repeated attempts by its management to diversify and broaden the client base. The late 1980s were a period of unprecedented growth for the district as the emergence of the so-called *pronto moda* production (prêt-à-porter) disclosed unprecedented profit margins to the local producers. The *pronto moda* production was characterised by the very rapid turn-over of small batches of commodities with a high fashion content but of relatively modest quality. Firms operating within *pronto moda* required constant information on the latest developments in fashion trends to be able to out-guess the market and thus to gain new orders. This type of production was therefore ideally suited to the characteristics of the producers of Carpi but also to the services traditionally provided by CITER.

The demise of the *pronto moda* production in the early 1990s (as a result of profound changes of the consumption patterns in the Italian market) disclosed all to

clearly the **structural weaknesses** accumulated by the district manufacturers over the previous decade. Firstly, a rapid worsening of the national terms of trade vis-à-vis the traditional foreign markets (e.g. Germany) boosted up the competitiveness of the producers from the Far East. Secondly, the evolution of national demand rewarded those textile producers who had invested on the quality of their products and on their marketing capacities, such as those located in the district of Treviso. Thirdly, sub-contracting to the low-labour-costs areas of Eastern Europe and Southern Italy became logistically less expensive. In spite of the devaluation on 1993 (whose effects were however largely absorbed by 1995), the district of Carpi entered a phase of significant **de-industrialisation** as a result of the emergence of these three forces. Over a decade, more than 600 firms ceased operation (amounting to nearly one fourth of those operating in 1988) and 4,000 job places were lost (or 30% of the employees of 1988). Over the same period, some of the largest local producers were taken over by textile manufacturers from outside the district (often from Veneto) and therefore much of the strategic decision-making and of the design-intensive parts of the production process were displaced from Carpi.

CITER was inevitably caught within this rapid re-structuring process, so much so that its financial viability was severely tested. Such a challenge was the result of two developments. On the one hand a major share of the revenues generated by the traditionally profitable services related to the evolution of fashion were wiped away in a short period of time. Beside the disappearance of a significant number of the district producers (which had gone out of business or had been acquired by groups from outside the region), the main element which conjured to such a circumstance was a **reduction in the demand from the traditional customers of CITER**, which were attempting to cut production costs. On the other hand, the response of the district manufacturers to the 'new generation' of services (such as those related to the evolution of product markets) was timid, in spite of the emphasis and the investment that the managing board of CITER had placed upon them for years. The ability of the majority of the local producers (and especially of the smallest ones among them) to implement more aggressive marketing policies proved to be limited while their **preferred marketing instrument remained the compression of production costs** within their traditional markets. A reduction in the aggregate customer base of CITER

challenged, in turn, its ability to invest and to adapt to the evolving characteristics of the national and international markets.

Two further developments challenged the ability of the centre to keep up with its traditional innovativeness. On the one hand, a profound re-thinking was taking place of the role of ERVET within the regional economy, and especially on the effectiveness of the system of real service centres as it had developed over the 1980s. A regional law was passed in 1993 which affected dramatically the traditional policies of the development board: from industrial policies centred around the financial support of a number of real service centres with more or less clearly defined missions, ERVET **shifted its emphasis more markedly towards project financing**. This change became effectively operational only in 1995, in other words at a junction when CITER was in severe need for complementary funds to attempt a radical change in its structure.

The 1990s also presented a second challenge to the viability of CITER in its traditional configuration, namely the **emergence of private consultants** who could provide the local firms with expertise and capacities often comparable to those accumulated within the centre. Over the late 1980s and early 1990s, CITER had effectively played a significant 'demonstration effect' thus signalling the existence of an effective demand for ancillary services targeted to the specific needs of the textile manufacturers of the district. Furthermore, a significant **reduction in the costs of the technology** (and especially of information technology) required to supply state-of-the-art ancillary services dramatically increased the 'contestability' of the markets within which CITER had traditionally been a monopolist for much of the 1980s. Services that had proved highly appealing to the customers and profitable for CITER in the late 1980s were therefore effectively abandoned in the mid-1990s.

A good example of such a tendency is the fate of the **CITERA database**, probably the best-known project undertaken by CITER in the late 1980s and one of the most commonly quoted in the academic literature on industrial districts. In conjunction with the national agency for the diffusion of technology (ENEA), CITER designed a database system to catalogue and retrieve images on laser disk which was revolutionary for the time. Through subsequent steps entirely financed by the centre, the system was integrated with a colour printing device (vastly more refined than the

ones available on the market) and then with a CAD software explicitly designed for the textile industry. Initially a dedicated station was installed within the premises of CITER and access to the system rapidly became a profitable service favourably received by many of the district producers. As image-processing devices became increasingly inexpensive and well integrated into the overall operating system, CITER started to sell dedicated stations to several dozen firms operating in the district. In the mid 1990s, as operating systems and CAD software gained further user-friendliness and as professional scanner facilities became affordable to relatively small consultancy firms, CITERA lost much of its appeal for the district producers. When the Japanese producers introduced on the market textile machinery with CAD-CAM capacity, the design possibilities which had had initially been the exclusive domain of CITERA were effectively available to any producer in the district.

In the late 1990s, a) the erosion of the traditional customer base, b) the emergence of private competitors, c) the re-definition of the industrial policies of ERVET, and d) ultimately the mounting crisis experienced by the district of Carpi significantly reduced the ability of CITER to undertake the kind of continuous development which had been the prime feature of much of its history. As a result what became more visible were the terms of the conflict that had remained largely latent over the earlier life of the centre, namely the **tension between a enterprises which appeared to be ready to take up the challenge of globalisation and enterprises which favoured the strengthening of the relationships within the district**. While the first constituency was largely in need of expanding their competencies and relationships well beyond the boundaries of the district and of the regional economy (and therefore supported the evolution of CITER towards a 'centre of excellence' which could liaison with the sources of 'state of the art' knowledge at the international level), the second constituency seemed to perceive such opening up as a threat to their economic viability rather than as a challenge for re-structuring.

For much of the 1980s, the destructiveness of such conflict was kept relatively at bay thanks to the abundance of resources. In other words, CITER was in a position to offer a diverse range of services which could appeal to the entire spectrum of firms operating in the district. As the difference between the various constituencies operating within the district evolved in the direction of further divergence over the 1980s and early 1990s, the ability of CITER to please its clients was eroded. Mounting financial troubles

on the one side and diversification of the client base on the other conspired to challenge the configuration that had characterised the centre over its life. Faced with these challenges, CITER was therefore required to focus its strategies (explicitly abandoning its attempt to address the needs and demands of its entire client base) and therefore to re-define the terms of the consensus among its share-holders.

The exercise proved significantly more challenging than an external observer may expect. A **re-definition of the internal structure of the centre** (resulting from the exit, over a relatively short period of time, of both its director and its president) certainly reduced the ability of CITER to promptly respond to such a challenge and to inter-act effectively with its share-holders (ERVET and the representatives of the micro-sized enterprises *in primis*). Fiscal year 1997 was therefore a bitter year in the life of CITER as the size of the employed personnel had to be reduced. Fiscal year 1998 will probably be a watershed for the centre. An ambitious plan to increase the paid-up capital of CITER should be finalised which will should sanction the re-definition of its long-term strategy and of its institutional supporters.

### **3 Conclusion**

It is now nearly twenty years since the need for an info-centre like CITER was identified within the district of Carpi and a wide support was gathered behind such project. It seems therefore possible to attempt an evaluation of this experience. Doubtlessly, the case of CITER displays how effective a **public-private partnership** can be when it builds upon a) the willingness of a public institution to offer financial support to a medium-term project aiming at strengthening the 'production culture' available in a SME cluster, b) some highly motivated and capable personnel, and c) the continuous involvement of the producers and of their associations. There really appears to be little evidence to support the belief, which has been common in much academic literature on industrial districts, that the correct equilibrium between these three elements was achieved with a relative ease, at least over the first decade of operation of CITER. It certainly took some time before a sufficiently large number of entrepreneurs came to appreciate the importance of accessing updated information (on fashion, on technology, on markets, on technology) for the competitiveness of their

businesses. While the producers associations, and especially those representing the interests of the micro- and small-scale producers of the district, certainly played a highly conducive role, their relations with the managers of the centre have not been as peaceful as they might appear at first sight.

It would be equally incorrect to believe that CITER, having identified the importance of supplying a certain kind of updated information to the producers of the district, found a mission that was as relevant twenty years ago as it is today. Quite on the contrary, the evidence gathered displays a continuous emphasis on the need to re-invent, or at least to **radically re-interpret**, such mission in a quest for new services and for new clients firms. While it is probably true that this need is more intense and more stringent in the late 1990s than it was in the mid-80s, it appears that this need to innovate was present at the beginning of the centres life very much as it is today.

What appears to have changed in the mid-90s is a set of exogenous variables which are largely beyond the immediate reach of CITER. The change in the priorities of ERVET, the emergence of fierce competitors from outside the district, the demise of *pronto moda* and the profound differentiation of the firms of the district (often as an indirect effect of the structural changes that CITER itself helped to initiate) have led to creation of a surrounding environment which is profoundly different to that of the late 1970s. What appears to be presently unclear is to what extent the knowledge base and the relationships which CITER established over the last 15 years will help the centre to adapt successfully to this new environment. Yet these doubts only prove that a real service centre is necessarily an on-going project, an institution that needs to **innovate continuously** in order to keep up with its customers and with the market that they need to confront.

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<sup>1</sup> Centro di Informazione Tessile dell'Emilia Romagna - Emilia Romagna Textile Information Centre

<sup>2</sup> - Emilia Romagna Regional Development Board

<sup>3</sup> API (Association of Small Enterprises), Assindustria, and the three associations representing the handicraft producers (CNA, CGIA, and CLAAI)

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