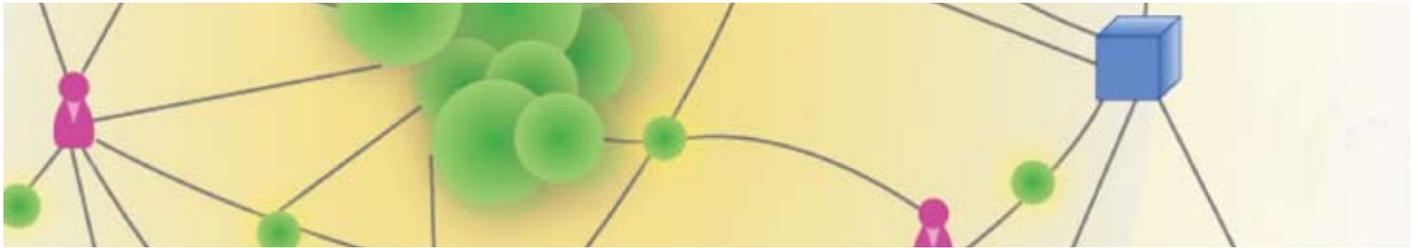


Towards the Liquid Network

Italy in Transition

Simon Kwok
Russell Taylor



Forward

The foundation of this paper began with the reading of *The Solid Side* edited by Ezio Manzini and Marco Susani (1995). The readings were part of our four-week preparation course for the seven weeks we would be spending in Italy to study design and innovation. In the summer of 2006, a small team consisting of Simon Kwok, Ahssan Moshref, Christine Poh, Jenny Thai, and Lian Xue, focused on the importance of “relationships” in design. The team was impressed by the unique and effective ways Italian companies build relationships with designers. We wanted to identify the strengths and weaknesses of the network Italian companies work in and also compare it to networks in other countries. Our field school director, Russell Taylor, attended the 2006 Salone del Mobile and noted a deep questioning of the emerging relationship between Italy and China. Our team took an interest in this and decided to pursue this topic and have it our research focus for our coming 7 weeks in Italy. We immediately noticed the immense difference between the relationship networks that Italy and China form. After a week of preliminary research on this focus, we wrote a preparatory paper and created our preliminary information models that outlined our ideas for Solid, Gaseous, and Liquid Networks.

The core purpose of our study in Italy was to retrieve primary data to support the hypothesis of this and other papers. This has led us to discover significant shifts in the Italian urban landscape. The interviews were conducted with well-established, even legendary, designers and their companies such as Artemide, Danese, Da Driade and the Atelier Mendini. They showed us their unique perspectives and ideas. Up and coming design firms were also interviewed such as Luca Galofaro, cofounder of Roman architectural firm laN+ and Michele Rossi, cofounder of Milan-based Park Associati. In our desire to understand the issues from multiple perspectives we also interviewed design students at Oliveira Toscani's La Sterpaia studio. Finally we interviewed James Irvine as we found it important to get the point of view of an “outsider” or non-native Italian designer who currently lives and designs there. In total, we conducted fourteen interviews this year. This allowed us to get a broad range of perspectives, from internal to external, and from the established generation to the up-and-coming generation. The formulation of a focus, Italy's relationship with China, allowed us through these interviews to confirm observations that we have made and gain different insights. Our

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team's questions centered around the opinions that companies and designers had about China, their current relationship with them, as well as prospective relationships they see Italy having with China.

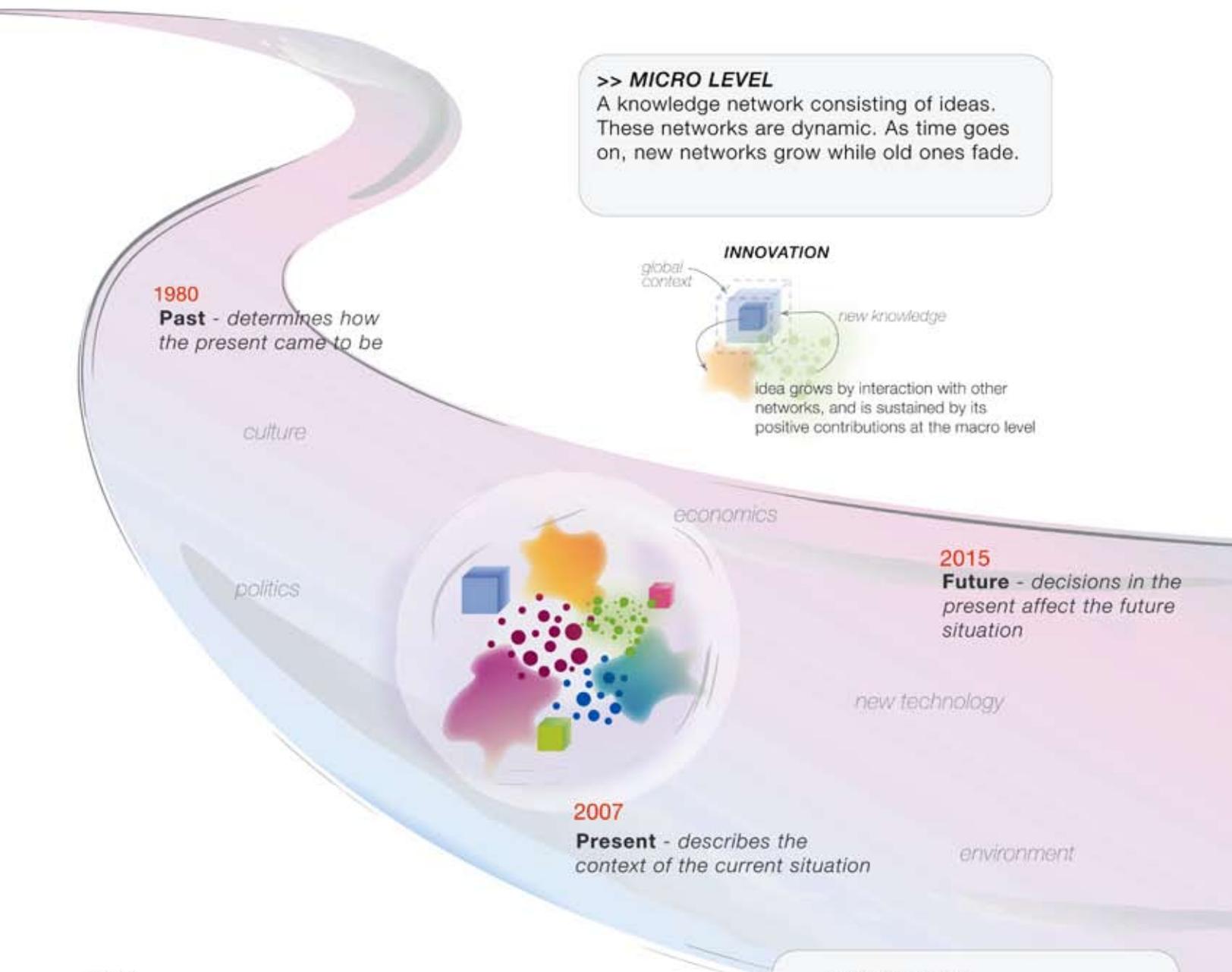
From our field research, observations, and interviews, we analyzed the elements of Italian design that have for decades allowed Italy to be at the forefront of the design industry internationally. Furthermore, we surveyed the issues and opportunities that have surfaced in recent years in the globalized world with China rising as a major industrial power. These were then correlated to predict possible actions and consequences.

The paper will describe our three models, its strengths and weaknesses, as well as examine the relationships from a micro perspective—ideas (designers), and a macro perspective—foreign (countries and the global market). In Italy, our observations were focused on these relationships. Our study was based around Italy and Italian innovation, therefore this paper will revolve around Italy – with China playing a more secondary role. It is important to note that our expertise is in Italy, not China; ideas presented in this paper about China will be through its correlation and affect on Italy. It is also important to note that there is no absolute fit to the described Solid, Gaseous, and Liquid Networks. Associating Italy with the Solid and China with the Gaseous does not mean that they fall strictly into the description. To claim as such would be to stereotype. Solid and Gaseous are not dichotomies but rather two ends of a continuum. The Liquid Network exists as an indication of the idealized middle, a balance between Solid and Gaseous. It is the point in which networks strive to achieve in order to sustain innovativeness.

This paper's goal is to contribute to the Italia Field School meta-project. It incorporates research and ideas gathered in class and in the field throughout the past three years in which this Field School has run. This year we built upon the research gathered and synthesized from the previous years' groups. As the Italian designers and companies have generously given their time and knowledge to us, we only hope that our research will offer something in return.



*The Italia Field School Gruppo of 2006 with
Michele Rossi of Park Associati*



1980
Past - determines how the present came to be

culture
politics



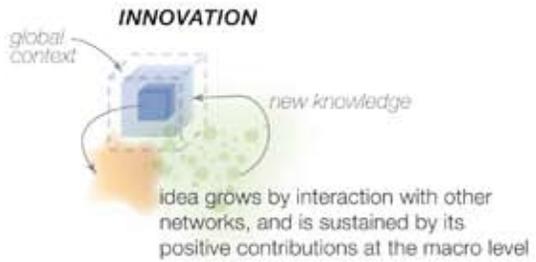
2007
Present - describes the context of the current situation

economics

2015
Future - decisions in the present affect the future situation

new technology
environment

>> MICRO LEVEL
 A knowledge network consisting of ideas. These networks are dynamic. As time goes on, new networks grow while old ones fade.



>> MACRO LEVEL
 A temporal network associated with past, present and future events.

the
GlobalNetwork
 formed from complex interrelationships from micro to macro level.

-  Solid Networks
-  Gaseous Networks
-  Liquid Networks

Introduction

We live in a world where everything is interconnected. From the micro to the macro level, everything is a part of everything and everything affects everything else. These complex interrelationships form networks. At the macro level, there is the temporal network associated with past, present, and future events. The past is relevant in determining how the present came to be. The present is relevant as a means to describe the context of the current situation. And the future is relevant because we can affect the future by the decisions we make in the present. At the micro level, we have our knowledge network, which consists of individuals and their ideas. From macro to micro there is time, space and people, all of which are interrelated affecting each other in a two way manner. Considering how design works as “nested” scales, Metrogramma (2005) stated, “Starting from the designer, a design can possibly transform an entire part of the city”.

True innovation begins at the micro level, but has an impact strong enough that eventually spreads and brings positive changes at the macro level. We learn most powerfully from Italy that true innovation begins from ideas and maintains the strength of those ideas. Furthermore, these strong ideas do not deviate from its core concept or become distorted even at the macro level. A great idea does not lose its value even with time. If anything, it grows stronger in meaning. It is fundamental within the knowledge network to be conscious of the temporal network.

For example, an innovative product would be one that learns from patterns of the past, utilizes ideas and information that currently exists, and anticipates the effects and repercussions of the product in the future. In design, it is of paramount importance to understand these relationships, and it is also a key to innovation; It is indeed in this fundamental way that design and innovation are linked.

In trying to understand how Italy is able to sustain its innovativeness, interest was taken in their unique system where designers work independently with companies and collaborate with single design projects, as opposed to perhaps a North American approach where designers are hired into a company and stay there under contracts and protectionism.

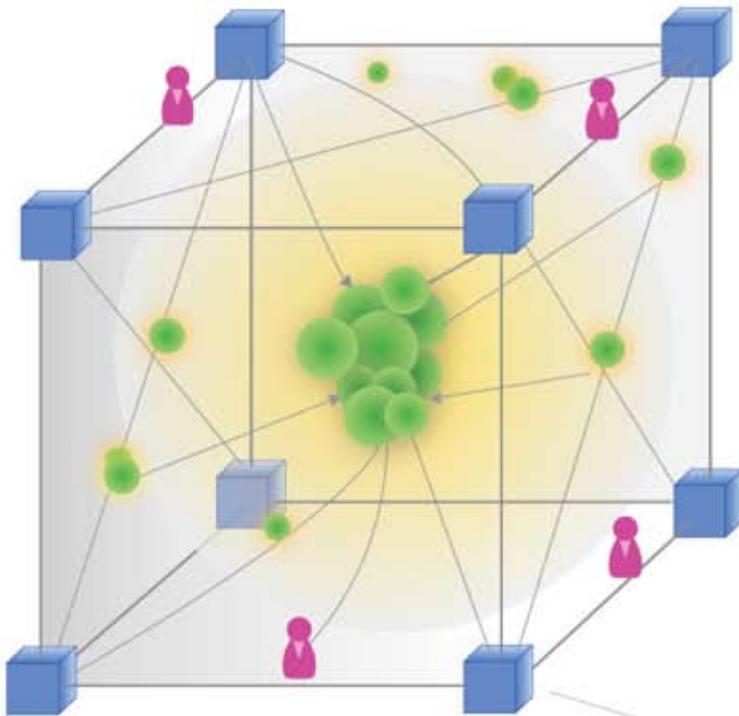
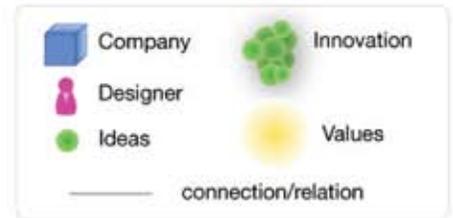
Furthermore, Italian Designers form relationship ties with the manufacturing companies, which are intended for the long term and often even last a lifetime. While the company gains ongoing independent insight and fresh ideas, the designer maintains autonomy and creative freedom (as well as market free-agency).

Towards the Liquid Network

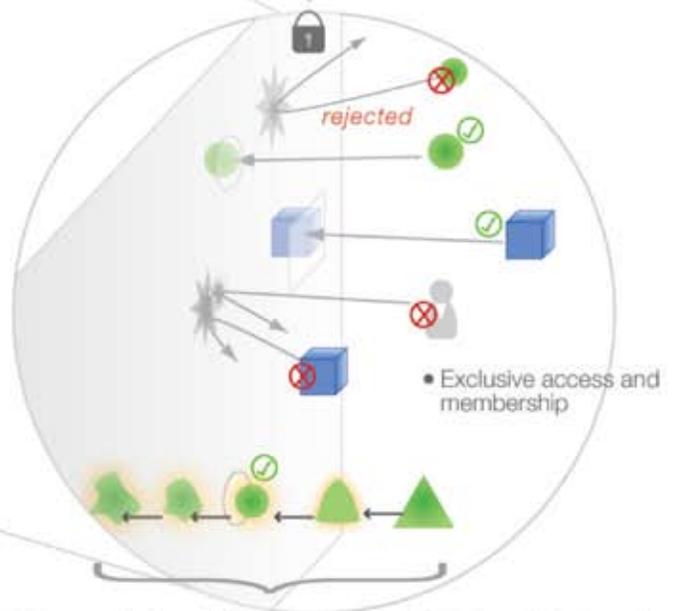
From looking at Italy's rich culture and long history, it reveals evidence of a long tradition of designers working in this manner. It is the prevalent workshop-like environment known as the "bottega". It is clear that Italy's past plays a significant role in its ongoing contemporary economic success. This can clearly be seen in Italy (particularly in the north) in how it has remained a world-leader in innovation today. However, we also consider the repercussions and negative impacts that this history has had in suppressing radical ideas.

SolidNetwork

- Strong connections and reliance between each entity.
- Strong, rigid structure and closed off to external ideas and companies/designers
- Very strong identity (Foundation built on values, traditions, culture)
- All entities share traditions and well grounded values
- Ideas are not radically different; follows values and identity
- Slow to adapt to large-scale changes
- Core knowledge/innovation emanates strong values
ideas also emanate and are based on values (●●)



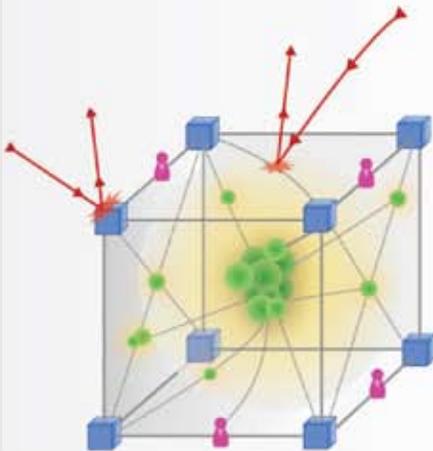
- ⊗ does not compliment the network
- ⊙ Compliments network; fits in
 - Secure and protective.
 - Closed off
 Acts a filter, accepts only ideas or companies/designers that compliment the network (fits requirements)



Some ideas that don't fit, may be forced through the networks filter until it fits and is acceptable. But this process makes the idea become distorted and deformed (from what it was originally) as it is forced & pushed into the network to fit.

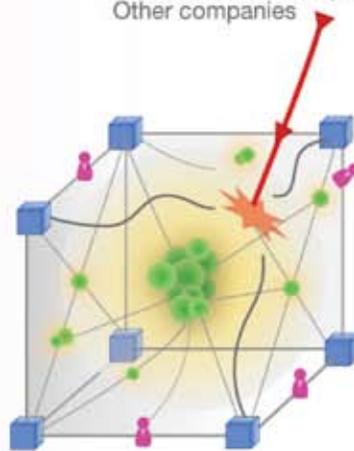
Secure, protective to impacts

- impacts from external threats or competition



Large scale impacts

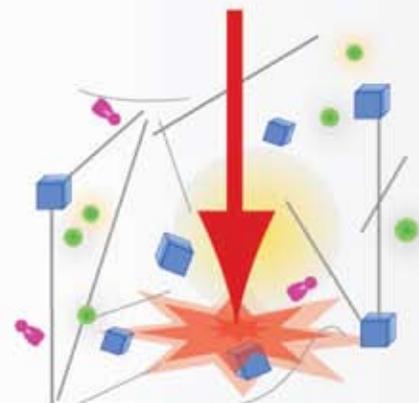
- Impacts that adversely affect a company/designer/network foundation
- examples: External pressure
Decrease in consumption & profits
Other companies



... may lead to ...

Collapse of the Network

- Because of the heavy reliance on each other, the loss of any entity will affect the whole network and may lead to a collapse
- slow to recover or unrecoverable



Solid Network

This network is characterized by strong connections between each of its entities. They are heavily reliant on each other and their processes in order to produce results of great quality. However, the network is rigid and closed off to external ideas to a point where it is at times almost xenophobic. The network is exclusive. As a result, accessing or becoming part of this network is extremely difficult. It also closely safeguards its ideas against those outside the network. In this way, the network protects itself from external threats and is able to maintain its tight connections.

The main goal of a Solid Network is to create a highly productive environment. The ideas here are extremely strong having been nurtured by all the entities of the network. Over time, the ideas evolve and are able to manifest in various forms of innovations. To maintain close ties with each other, the entities in the network share traditions and well-grounded values. Changes are made only to reinforce the structure of the network and its existent values. People and their ideas that are taken from outside the network are strictly controlled; only those that compliment the existing ideas and meet the strict criteria become a part of the network. This gives the network a strong identity, a strong direction and a clear distinction between itself and others. Its rigidity and strength thus allows it to repel any external threats or competition from other networks.

However, due to the network's closed-off nature, it is difficult to cultivate radically different ideas over time. Although ideas may become highly developed, they lack fresh and radical ideas that are from a completely new point of view. Values are strictly followed and so the network appears to be resistant to any radical changes. This causes the network to adapt to large-scale macro level changes at a slow pace. Because the network is so rigid, it is able to protect itself from the impact from negative elements outside the network. However, large-scale impacts can cause the network to collapse leaving it slow or unable to recover. These can include both physical and non-physical events such as natural disasters or stronger competition. Furthermore, due to each entity's heavy reliance on each other, the loss of an entity strongly affects the others and may even cause the network to collapse.

Current Situation of Italy

Italy began building the framework of a Solid Network during the economic miracle that began in 1946 and climaxed around 1965. Italian companies that became largely successful such as B&B Italia, Artemide, and Cassina, all closely managed the entire design cycle of their products from the initial concept to manufacturing in the same city or town to the point where the customer receives their product. This allowed them to ensure the traditional craftsmanship quality of their products that has given Italy its high reputation. The reason behind this is because of the nature of its economic miracle, which John Foot (2005) characterizes as a “slow industrial revolution”. He further articulates that “[this] created a sort of interplay between city and country side, between artisans with long traditions of working with say silk or wood, or things like that; an interplay with that and modern industry” (Foot, 2005). Unlike Britain or Germany, Italians did not all leave their lands to become workers. Instead many of them stayed on or kept close relationships with their land for a very long time. This rather smooth transition to modernization



The Segis Factory in Poggibonsi

allowed strong traditions of family, care and quality to not be lost and greatly contributed to the success of the Italian design (and architecture) industry. It is an important process that Stephano Boeri (2006) calls metabolization where a city is always growing on itself but never totally canceling what was there in the first place.

Italian companies ensure a strong relationship with not only their designers but also all of who work in the company. In our field study, in no other place did we witness this close relationship than at the Segis factory in Poggibonsi. The owner Franco Dominici (2006) carefully hand picks workers who are not simply qualified for the positions, but also are comfortable to work with and are devoted to their position. He also created a genuinely ideal and comfortable environment for them to work in. In creating such an environment, workers there all genuinely enjoyed their jobs and cared about the quality of their work regardless of their position. He explains that it is extremely difficult to find such workers, but the results are well worth it. A position at the company may require a lot of work, but workers once hired are treated like family and have strong long lasting relationships with each other and the company. Segis was a great artifact for how Italy as a nation is built almost exclusively on these tight connections and an underlying sense of family.

Companies in Italy utilize their connections with various Italian designers to allow its company to grow. Italian designers are able to bring new ideas into the manufacturer's artisan quality and efficiency graft them together to create something new and better (Zucchi, 2006). This process is applied in other aspects such as combining research done at different Italian companies into creating new innovative ideas and products.

The problem is that through the process of globalization, ideas being shared through Europe and globally, become competitive enough to challenge the system and network that Italy has. Companies around the world are expanding and tapping into foreign markets acquiring and sharing ideas. They are designing at a high quality level that was once solely found in Italy. Some companies are certainly already manufacturing at close to the level of quality of Italian factories and at a fraction of the cost. Many research the culture and context of a particular society in order to market or design specifically in that location. This also brings fresh ideas and points of view back to the company that can be applied in marketing in its local area or a foreign area. Italy on the other hand, often designs strictly under its own context. This has worked to date within Europe because the culture is similar. Italy is at the centre of all this being the producer of culture and lifestyles – through its innovation – that is then pushed outward to Europe. However in the Far East and perhaps partially in North America, the culture is disconnected and the effects of its innovations have had little to no influence there. Culture and trends have evolved completely different than that of Europe causing ideas from the Far East to seem fresh and exciting compared to once radical ideas of Italy and Europe that have been overused and overprocessed. As Susani and Manzini (1995) suggests, ideas in Italy and Europe are getting homogenized and out-dated.

Shopping has become an incomprehensible jungle of choices because product personalities and brand profiles have been diluted by the folding together of many different but ever more similar lifestyles ... companies are continuing their “market as usual” ... applying recopies and models of a by-gone age.

Recent ownership and management changes in the largest Italian Design companies that formed the original wave of the Economic Miracle, such as Cassina and B&B Italia, are an indication that what has worked since the 1950s is undoubtedly changing. Though the independent designer in Italy such as Alberto Meda or James Irvine does not work exactly as Cassina or B+B Italia does, what is changing for the larger companies has portents for how the smaller companies and organizations will be affected. Certainly in their independent work with these particular companies, there is a decided shift for the “Italian designer”.

This shift can also be identifiable in other levels of the production process. One of the core strengths in Italy that takes its roots from the traditional bottega discipline is where designers were welcomed inside the shop floor and participated in the manufacturing, engineering and workshop level of the factory enabling them to be close to materials and trades people. Such examples made both parties better and more knowledgeable, creating a fruitful relationship and understanding of each other's limitations and process. Factories and manufacturers were once producing for designs that were created in the very same city so that design was strictly related to factories and to industry” (Noto, 2006). However this is no longer the case and those that choose not to outsource face extremely high costs, which leads to raised costs for their products. This ultimately ends up in lower consumer rates and loss of competitiveness in the market. The dilemma is that out-sourcing is causing many companies' close relationships with local Italian and trusted manufacturers to break down. As a result, outsourcing threatens quality, which has been one of the most definitive aspects of Italian design and their companies.

Another breakdown in the network that has occurred is with the division of design education in Italy into the separate programs of industrial design and architecture. This division has surfaced up into the design industry itself. Traditionally, designers that trained first in architecture brought an interdisciplinary strength that was decades ahead of its time. In an attempt to create specialization in the two fields, communication between the two has broken down and the harmony between objects and space has become disconnected and thrown into a state of disarray. Many companies and designers we interviewed such as the Mendini brothers and

the designers at Labics pointed out that the school system no longer produces the elite designers it once did. Some of the great teachers of the past such as Achille Castiglioni have passed away. The idea of the bottega and an apprenticeship way of learning is fast becoming neglected. The cycle of the successful designers breeding a new wave of successful designers no longer seems to be occurring in Italian schools. As a result, the best designers in Italy today are increasingly not “Italian”.

The issues with the school systems as well as the disconnections with factories can be attributed to size. The Mendini brothers (2006) expressed their concerns that the design schools have become “too big, too bureaucratic” and Ricci and Spaini (2005) noted that the manufacturing process had become so complex that it was now difficult for that tradition of close relationships to be preserved. The school system is extremely important in that it molds the future generation of designers. Yet Luca Pongellini (2005), one of the main designers of Cliotstraat, expresses his opinion on a reform in the school system about 10 years ago where “after the reform, it’s much more similar to a factory that [produces] people who they can use. “[T]he highest number of persons [with a degree] that [the] school is able to [produce], the bigger the success for the school... we call it the ‘factory of excellence’”. Italian design students no longer seemed to be trained to be critical thinkers, innovators and knowledge workers, but rather people that could support companies and do as they are told. They are trained to fit into what already works rather than to improve and challenge designs.

Any form of growth has been stunted due to over-preservation throughout the country. In Rome, a mentality of preservation and untouchability hangs over the city and for decades contemporary architecture was all but forbidden in the city of Rome. “Until four years ago, if you wanted to do a contemporary project in Rome you had to hide it ” (Clemente, 2006). There is an obsession of preserving the glory of the past and disallowing the new to tarnish its great history. Some in Italy believe that this is detrimental to the growth of their cities as it affects the extension of the nation, which impedes the growth of its economy and its ability to innovate. At the individual level, having a mentality of preservation can possibly prevent inspiration.

One of the unique opportunities we had during our time in Italy was to gain insight from some of the top design students in Italy on their opinions and feelings about the current situation of Italy as they see it. La Sterpaia is a design studio established by Oliviero Toscani where top design students are hand picked by him through intense competitions. He looks for genuinely unique and radical projects from these students. In our interview at Toscani’s studio La Sterpaia, one of the three exceptional students from the University of Florence, Sauro Guarniari (2006) was able to articulate clearly the negative effects of Italy’s rigid Solid Network:

Towards the Liquid Network

Identity makes you rich, but for design and architecture it's not so good. Only for space in our minds because we can see many things, but we must also think about instruments to make things. Michelangelo made culture with his hands. It was simple. We must think globally now, not just about Italy. Not just in our hands [our work, what we produce], but in our minds. Our historical places like Montepulciano and Siena are important to see, but the rest compresses our creativity. Then we think only about historical things. We feel too much authority from the past.



From Left to Right: Ginger , Juri, Sauro, and Andrea

It is interesting to see the thoughts of a next generation of designer. Many studios and designers we interviewed noted the lack of a new wave of designers. It seems that the 'legends' and maestros such as the Castiglioni, the Mendini, and Sottsass have overshadowed them.

There is such a strong identity in Italy that young designers feel suffocated by it—impeding their freedom to have unrestrained design ideas. Some designers even expressed their envy of Canada of being free from these restraints in designing. Though the cultural patrimony can be a gift, it can also weigh heavily on design and designers and it certainly affects the range of work that designers and architects can take on whenever the historic cities and archaeology are involved.

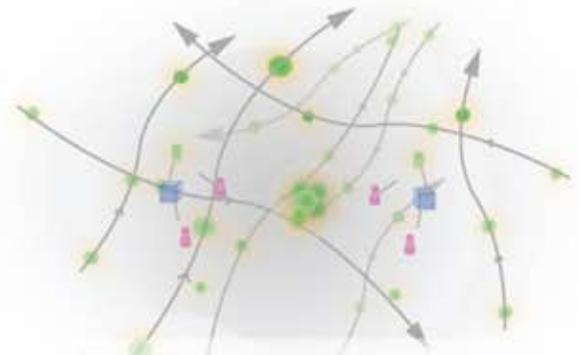
When Italy “thinks outside the box” they don’t stray too far from it. New ideas such as high tech ideas are rejected from Italy and labeled as being too different. They are seen as deviating too far from the identity of the Italian network. In other cases, new ideas are distorted in such a way that it fits in with conventional Italian methods and processes. The absorption of Ivrea, a school doing truly innovative Interaction Design, by Domus Academy is an indication of this. “Italy is a country use[d] to very slow changes. It’s very difficult to say ‘ok, this is brand new’ and then all of a sudden [have] everybody [accept it]” (Poncellini, 2005). This is the mentality of Italians. Poncellini goes on to explain that this is what has caused many Italians to so slowly adapt Interaction Design. “It is not uncommon for materials manufacturers to discover that they do not know what to do with their new inventions, however remarkable and innovative they may be” (Manzini & Susani, 1995). Interaction design was indeed producing innovative concepts, methodologies and ideas to design.

However many of them stayed at the conceptual level and were never implemented. Furthermore, having Ivrea absorbed into Domus Academy dulls the edge and radicalism of what Interaction Design could have brought to the design knowledge network of Italy. In this way perhaps it makes Interaction Design more easily accepted in Italian design as it is diluted with methods and concepts that already exists.

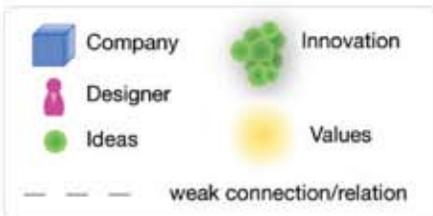
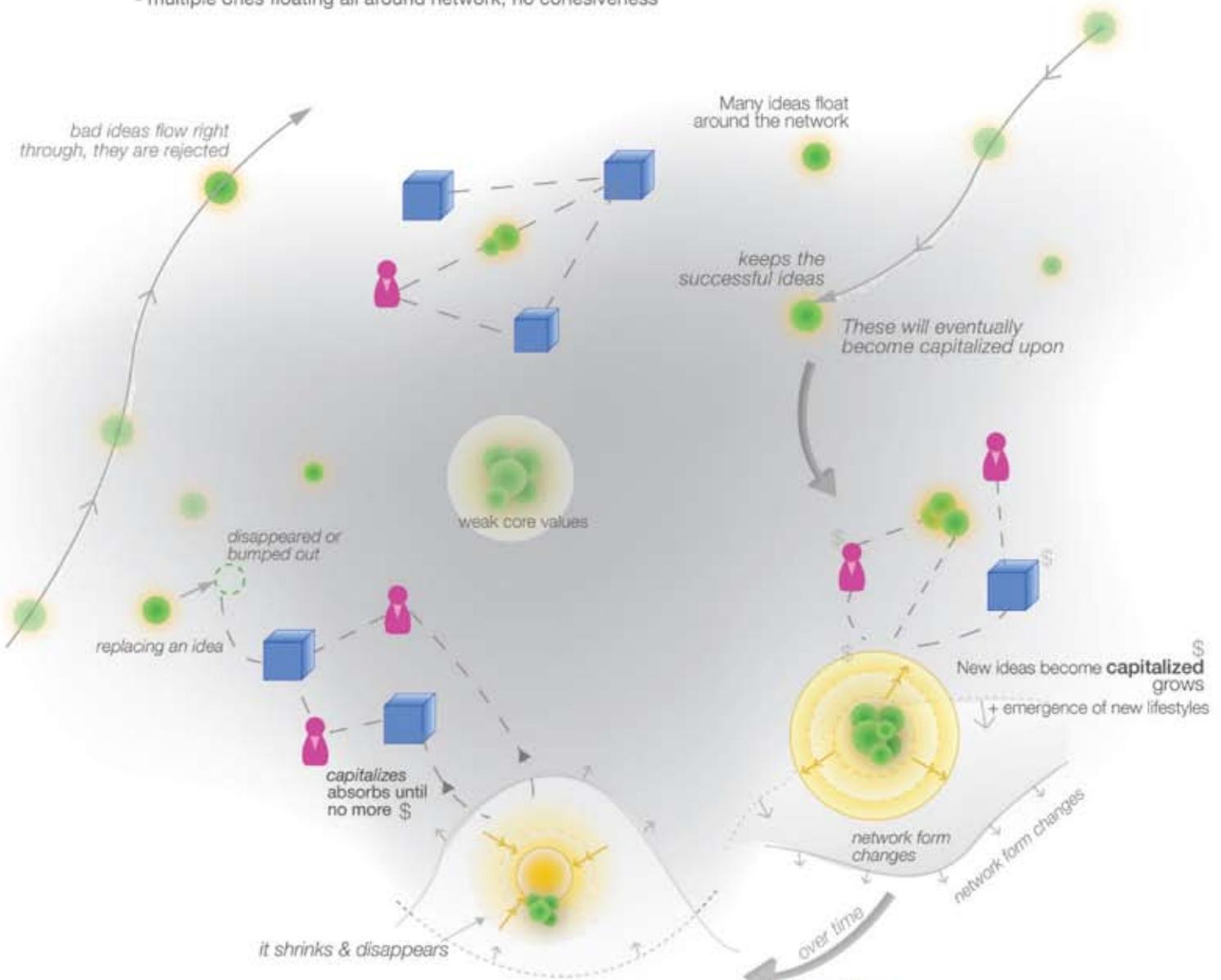
Many Italian companies give no thought to investing in high technology and brand it as beyond their needs and expertise. They feel that it is an unnecessary risk as they are currently successful. The fall of industry leader Olivetti has indeed been heavy. It has been seen as an omen to other Italian companies causing them to avoid high technology in fear of a similar fate. Perhaps the only company we saw doing heavy research into high technology today was Artemide. Since Artemide is a lighting company it must utilize the technology of electricity. For this reason, they have been able to find beneficial relationships between what has been working in the past and new technologies. But this example seems to be an exception and not the norm. Other companies, at most, adapted new machinery for manufacturing as we witnessed at the Segis factory. Yet there are no cell phone or computer companies emerging. Italians see this as too far off the mark and feel they will never get to the point in which they can compete with existing companies. If this were true, how then did Samsung in Korea enter an already saturated cell phone market and become successful enough to compete with existing cell phone manufacturing companies among other technologies? Italy has the innovative and creative process to be able to excel in any domain; someone simply needs to take the risk.

Gaseous Network

- Open and reliant on external ideas
- Very good at identifying and capitalizing on ideas
- Highly flexible to change
- Always updating, focus is on the "New" and "Now" (fads)
 - focus on the present
 - constant shift of new themes/products in short periods of time
 - as a result, they are highly competitive
- Lack of cohesion
 - poor communication and relations within network
 - unable to produce innovation
 - not their own ideas, **quality** is lower than original ideas
 - ill-defined goal
- Weak sense of identity
 - multiples lifestyles and different values
 - multiple ones floating all around network, no cohesiveness



There are many external ideas that are pulled in and constantly flow through the network. This flow helps to sustain it.



Ideas also emanate and are based on values (●)

Over time

- Ideas/innovation becomes outdated, loses value and eventually disappears
- The idea may also be discarded or bumped out by another 'new' idea, being replaced
- Network form changes

Gaseous Network

The Gaseous Network is extremely open to and reliant on external ideas. Highly diverse ideas are constantly flowing into the network, which helps to sustain it. Entities within the network are readily accepting of change and the network itself is highly flexible. They are highly proficient at identifying, utilizing and benefiting upon good ideas that they acquire externally. There is a strong emphasis on the “new” and the “now”, producing new products and shifting to new themes within short periods of time. This allows the network to be kept up-to-date and highly competitive. The highly diverse ideas that flow into the network allow all its entities to have unique points of views. Furthermore, a variety of different lifestyles emerge allowing more radical ideas to manifest giving the network more space to grow. As a result, the network is then able to reach out to further external sources acquiring even more ideas.

The disadvantage of the Gaseous Networks is its lack of cohesion. With so many diversified ideas being brought in with little filtering, it becomes difficult to meaningfully correlate them to produce innovation. Although there is a common goal, it is ill-defined and there is no definitive strategy in reaching this goal. The entities are only loosely tied together by this goal and lack a strong sense of identity across the network as a whole. This can also lead to contradictions between the various entities. Connections between them are loose and thus communication is not very strong. A lack of focus means a lack of the required direction for innovation. Ideas that are strong at the micro level tend to fizzle out before reaching the macro. To make up for its inability to produce innovative ideas, Gaseous Networks utilize their ability to import large amounts of ideas and its ability to identify good ideas. The side effect of this is that it creates constant change and constant updates that become short-lived fads. Furthermore, this short sightedness tends to cause an inability to differentiate between average quality ideas and those that can potentially be groundbreaking. Changes can be abrupt, difficult to follow, with ideas quickly becoming out of date. Because of the lack of cohesion and specified strategy for its goal, these disconnected ideas do not complement each other and fail to keep its value. Good ideas may not be given the needed time to take root and grow to reach a macro level of change.

China As a Gaseous Network

China is currently putting a lot of effort into gaining recognition as a modernized state in the eyes of the world. This is the main goal that is driving much of the decisions and motions of the country. Unlike Italy, it does not have the processes in place to generate strong ideas internally and looks for ideas externally. It takes everything and anything that it can find then rapidly filters out bad ideas and capitalizes on the good ones. Either because China does not have the process of generating good ideas or whether it believes it is more efficient to import them, as a result it has created an extremely efficient system where external ideas are imported and adopted at a rapid rate. These ideas are then capitalized upon as much as it can until it has lost its effectiveness.



Professor Yu Guoming

At the more micro level in terms of consumers, many fads result from this. Professor Yu Guoming (2006) at the Designing Designers keynote during the 2006 Salone de Mobile in Milan explained that “the absence of a universally recognized ideological and cultural value system is behind the rush to luxury and exhibitionism: this has produced the largest luxury goods market in the world”. Chinese consumers are under the mentality of the need to constantly purchase items in order to keep “up-to-date” in technologies, fashion, and other commodities. This however creates a variety of social lifestyles, which creates more possibilities of new products. It also creates competition that further motivates the need for the rapid growth and updating. This emergent market is the interest that Italy has in China, an export market keen to luxury goods—the core of Italian products. The threat to Italy is that China has little control over copyright and intellectual property.

Having a vague unifying goal and the constant flow of ideas passing in and out of the network, China's identity was not shaped by itself under a planned strategy. It emerged rather naturally and as a result it is tainted with many negative aspects. The "Made in China" label follows preconceptions of strong, efficient mass production and low costs as well as copies and inferior quality. Although China wants to erase these negative aspects, it is difficult due to the large size of the network, a lack of cohesion, and a lack of a strategy to meet such a goal.

An important ability China seems to be short of is processing and innovating upon the knowledge and ideas that they take in. On the surface, China seems to be bringing in ideas from various nations around the world and learning their methodologies as their primary import. 2006 was "The Year of Italy in China" and at first appears to be an opportunity for China to learn Italy's effective innovative methods. However looking at most of the events it seems to benefit Italy more. The events are centered on exposing the Chinese to Italian history and culture. It talks about the reason for Italian quality and its importance. In this way the value of Italian products are revealed to the Chinese people, however what does this do for the Chinese? There is no mention of the Italian process or how to achieve this quality. Perhaps by exposing this to the Chinese, they become aware of this and thus pursue it. Yet ideas change so quickly that they may not even have the time to process it. 2007 will be the "Year of Russia in China" and new ideas will be presented. There appears to be little processing of the ideas that they are bringing in and to integrate them into the Chinese context to help them grow. In terms of "thinking outside the box", China does not seem to really have a box. Therefore all ideas they possess seem exciting and interesting, but are short lived due to a lack of correlation with previous or current ideas. If China is in fact producing innovative ideas, they are going unnoticed with ideas dying at the micro level. China is not nourishing and developing these ideas further and thus they die nearly as soon as it is born.

Pressures From China

As mentioned earlier, Italy is a producer of lifestyles and cultures and pushes that out into Europe. Even in North America we have similar values to Europe since the foundation of what is present day North America originated from Europe. Although many countries in the Far East were colonized, nations such as China have had over ten thousand years of culture accumulated before that. The Far East is highly disconnected from Europe and the culture and lifestyles there have mostly

evolved separately. Innovation in Italy and Europe is not necessarily innovation in the Far East. The products designed under the European context of cultures, lifestyles and values do not match that of the Far East and thus have little meaning there. In the globalized world, China is simply too big a market to ignore.



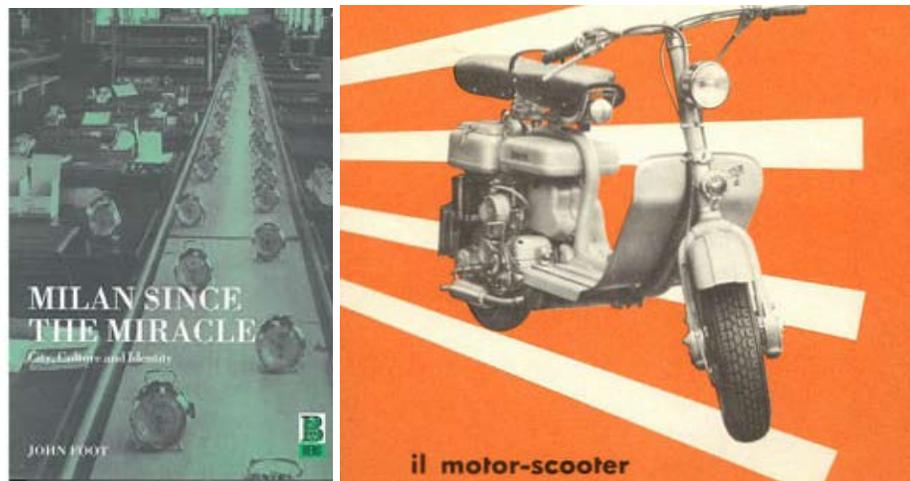
The Breeze by Segis

In Italy and in companies around the world, one of the vexations they have with China is its ability to copy and reproduce products at a lower cost and at a phenomenal rate. China's manufacturing sector is extremely efficient and fast and the quality of their products (including copies) is improving (Noto, 2006). This has many companies frustrated as Italian companies create designs that have taken perhaps years of research that can be copied nearly as soon as they hit the market. This is part of China's ability to absorb and apply existing knowledge. Some companies we interviewed such as Segis are not as concerned about this. Franco Dominici (2006) the owner of Segis explains:

I don't think that we suffer anything against the copies of the 'Breeze' from China, or Malaysia, or wherever they have copied [it]. Surely, I am not pleased about this, but that doesn't mean anything. [As long as] you still work and you do your own work directly... you invest in machinery... you invest in technology. The difference is in the quality, not the image... We (Segis) are fast to change our product. China is not so fast, thank God. Why should we be scared?

Companies such as Segis recognize Italy's strength in producing new innovative ideas. They recognize that Italian innovation is not merely just about their product's forms and shapes, but process. Some Italian companies have faith in its design process and believe that this will keep them ahead of China.

But why are there copies and why does the market accept them? To paraphrase Carlotta de Bevilacqua (2006), in China, the authenticity is also in the copy because the idea is there. She ties this in with Confucian teachings where the ability to create a perfect copy of something is the ability to fully understand its meaning. Although Confucianism was once very prominent, we are not assuming that these teachings directly relate to the copies that many companies in China produce. It is about mentality and the roots of it. Understanding the underlying roots of a problem will help to discover ways to manage it.



Left: John Foote's *Milan Since the Miracle*
Right: An ad for the Lambretta 150d

Radical change is typically sparked by a strong need for improvement. Despite its ongoing and current economic woes, Italy seem unmotivated to change. They have sustained being an innovation capital since the economic miracle and many maintain faith that it will continue to do so even in light of the globalized world. The economic miracle in Italy was the direct result of a need to rebuild Italy after the Second World War. The need for affordable and efficient goods led to great products such as the Bialetti Moka and the Piaggio Vespa, products that are still popular today and have retained some level of their affordability. They are great products designed in an era of intense need and change. Because the war had destroyed so much, they had the freedom to make a fresh start. Today there is no pressing need in Italy as many of the family companies are still creating innovative ideas and designs successfully. However, if one asks around off the record in the Italian design companies and design studios, there is a clear sense of an increasing concern. There are signs of a possible decline and this is partially due to pressures from outside—nations such as China.

In our interview with Filippo Spaini and Moise Ricci (2005), they seemed almost nostalgic of the post-war days when Italy was in poor condition, but at the eve of its Economic Miracle, “Because the big ideas [are] born when you have no money, no resources, and no facilities to do what you like... La difficoltà l’aguzzare l’ingegno”. It is a balance. When you have very few resources and abilities, ideas must be good; there is more care given to them since that is the only asset that is available. Risks are taken since there is little to lose. However when you are well off, you become less willing to take risks and less willing to spend the time and worry to perfect and challenge existing ideas. Perhaps the recent economic woes, the pressures mounting from globalization and other arising problems is setting the stage for a dynamic shift in Italy. When asked if and how Italy will bring itself out of its current recession, John Foot (2005) answered that Italy’s strong traditions and values need to be kept intact in order to sustain its strong identity and reputation.

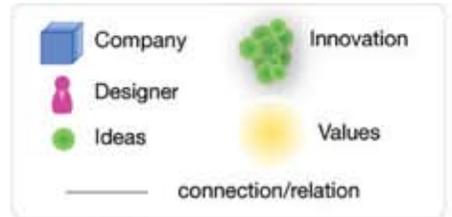
If you cut back on your research, your innovation sides, then [innovation]’s not going to happen. Quality is not going to happen. There is a great temptation to do that though, obviously, if you’re [a] company [seeing] this 4% drop in consumption over one month, then it’s true you’re going to get scared at that point about what the future’s going to be.

It appears that some companies are panicking over the situation having made cut backs or even selling their traditionally family-owned companies. Some companies are utilizing the process of having an innovative idea, licensing it, making money then putting it into the stock exchange. It may be a good way to make money. However, in the long term this is bad for Italy since the companies are then made public and global by being sold off, the designer will follow and Italy is left with nothing. “We lost fashion since it went to Paris, we lost our highways because we sold to Spain, if we lose design, all we’ll have left is tourism!” (Bevilacqua, 2006).

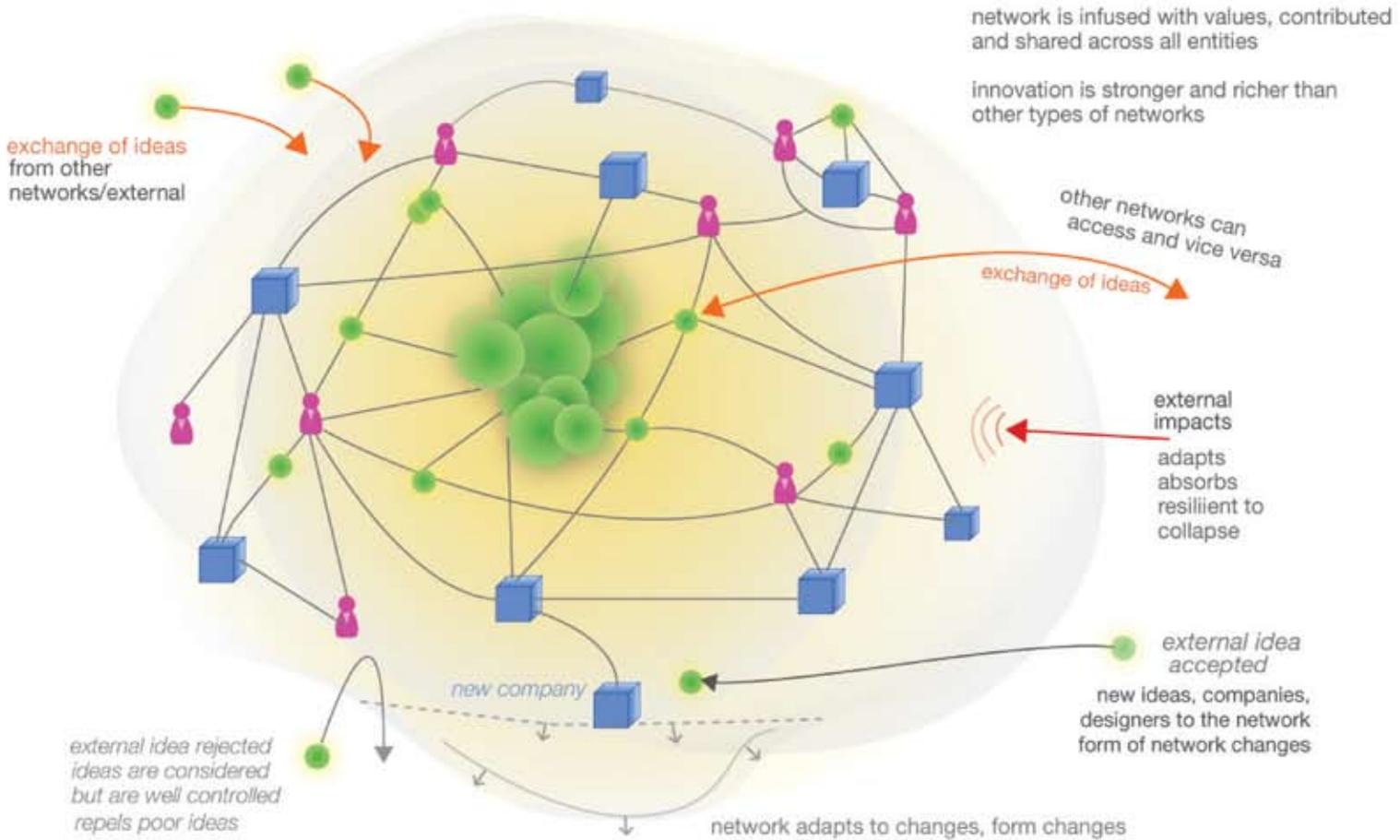
The core values are essential to Italy’s success and they need to be held on to. Yet it is not enough simply to reinforce these values and hope to weather the storm. Italy needs to look beyond its network and begin making connections and interacting more with the outside.

LiquidNetwork

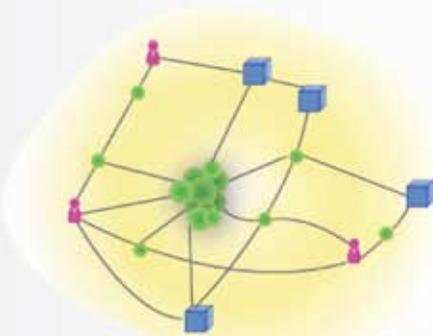
- Built on foundation based on strong values
- Works in the context of a knowledge society
- Allows other networks to access its utilized ideas and assets
- Open to new, radical and similar ideas to existing ones in the network
 - promotes sharing ideas and encourages improvement and level of innovation
- Understands and incorporates traditions and values with ideas and innovations
- Flexible to change
 - Traditions & values may adapt to change (eg. politics, trends...)
- Past, present and future seen as a continuum with complex interrelationships - considered when creating ideas = richer and more meaningful innovations
- Reaches out to other networks for exchange of ideas, or to obtain fresh innovative ideas to bring back into the network.



(●) ideas also emanate and are based on values



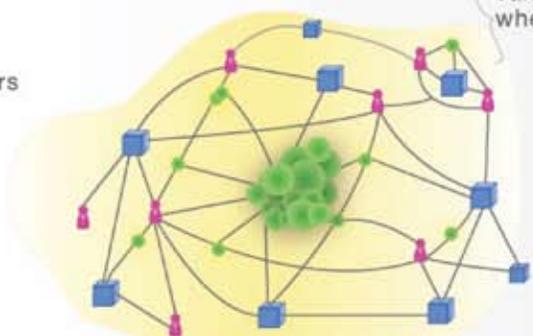
Fluid enough to adapt to change and cohesive enough to hold itself together



Adapts to change, impacts, new ideas/companies/designers

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Over time, network may expand, change form, new innovations

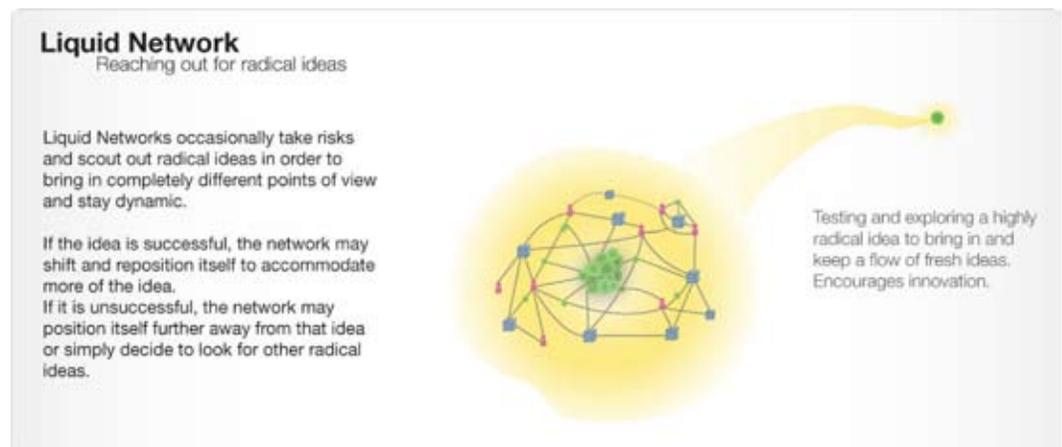


keeps strong values even when changing

Liquid Network

The Liquid Network is based on a balance between solidity and fluidity in a world Manzini and Susani (1995) describe as being biologically and semiotically alive. The foundation of the network is its strong core values and processes. It is able to keep these strong values and processes even when expanding to new fields and is flexible to change. Its strength is in its ability to understand and incorporate the past, present and future into its ideas. In doing so it also sees the correlation from the micro to the macro. By looking at the past, traditions and values that have been reliable can be retained. These are routines and disciplines for observations of what worked and what did not work in the past.

The root of the problem and the root of successes in the past are what are analyzed. In terms of the present, the current situation, trends, politics and recent events need to be taken into account. In looking at the future, issues such as sustainability and the effect of interventions are considered. Past, present and future are not seen as segments in time but need to be analyzed as a continuum with complex interrelationships. These are all considered in formulating ideas, making ideas rich and meaningful from the micro level up to the macro level.



Towards the Liquid Network

Ideas from abroad, both radical and similar to those existing in the network, are open to acceptance yet the importing of ideas is well controlled. The values and goals of the network are considered, ensuring that the ideas can be added to the existing body of knowledge, enriching the network and producing innovation. Although ideas that have a clear path of innovation are more easily accepted into the network, the Liquid Network recognizes that it is the radical unclear ideas that have potential to create the highest level of innovation. In this way the network is able to stay cohesive yet still keep an edge with radical ideas and new points of views. Entities within the network trust that these ideas will not harm or collapse the network. Liquid networks are flexible enough to adapt to change, yet cohesive enough to hold it together.

Rank	Country	GDP (purchasing power parity)
1	<u>World</u>	\$ 60,630,000,000,000
2	<u>United States</u>	\$ 12,310,000,000,000
3	<u>European Union</u>	\$ 12,180,000,000,000
4	<u>China</u>	\$ 8,883,000,000,000
5	<u>Japan</u>	\$ 4,025,000,000,000
6	<u>India</u>	\$ 3,666,000,000,000
7	<u>Germany</u>	\$ 2,480,000,000,000
8	<u>United Kingdom</u>	\$ 1,818,000,000,000
9	<u>France</u>	\$ 1,794,000,000,000
10	<u>Italy</u>	\$ 1,667,000,000,000
11	<u>Russia</u>	\$ 1,584,000,000,000
12	<u>Brazil</u>	\$ 1,536,000,000,000
13	<u>Canada</u>	\$ 1,111,000,000,000

GDP rankings from 2005

One of the most important characteristics of the Liquid Network is that it allows other networks to access much of its assets and ideas that have already been utilized. This is to promote sharing of ideas and to challenge existing ideas for improvements. The Liquid Network works under the context of a knowledge society where knowledge is applied to existing knowledge to create new knowledge hybrids that can then be inserted into new cycles (Drucker, 1993). Thus an engine for innovation is created.

Fruitful Relationship with China

It is important to point out that Italy may be in no better a situation than China is. It is mainly a matter of perspective. In terms of reputation Italy undoubtedly is far more renowned than China. However looking at the 2005 Gross Domestic Product (Purchasing Power Parity) rankings, China ranked an unbelievable second! It is only behind the United States and six ranks above Italy. Italy excels in quality —reflected in their reputation — and China excels at quantity — reflected in their profits. Andrea Sanguineti (2006), representative and consultant of Artemide told us in his presentation “[Italian] companies are not concerned about costs, prices or marketing in terms of the market. These companies are more concerned about trends, finding new performances and searching for social transformations in the world”. Such telescopic thinking has allowed Italy, especially Milan, to uphold its reputation as a leader in innovation, and looks to be one of the key attributes to maintaining it. They design for quality, to improve the quality of life and for recognition. This all comes before profit and it is reflected in the relatively low net worth of even the most successful Italian companies (Irvine, 2006). However, such companies believe that the family business being sustained over time as an enterprise outweighs short-term gains. It’s not that profit is not important, but it is not sought with the fierce intensity of Chinese corporations. Italy, like Chinese corporations, does invest as well, but they invest in innovation.

China on the other hand is almost solely profit-driven, which has its own benefits as can be seen in the development of their powerful manufacturing sector within a short period of time. Its approaches to industry and design are very different than that of Italy’s. They take in good ideas and capitalize upon it, but do little to improve or innovate upon it. It is usually expertly recreated, whether it be a service or product, and done so until it finds better ideas or methods to replace it. The investments Italy makes in innovation are not practiced in Chinese companies. Also the nature of the Gaseous Network that is found in China allows its companies to grow at a rapid rate but largely disconnected from one another. China has the

underlying desire to modernize and be recognized as a modernized state. So in what ways can China and Italy form relationships to fully utilize each other's strengths in a mutually beneficial way?

Rather than competing with China head on, some Italian companies are instead looking to develop ideas and strategies in which it can form a beneficial relationship with China. For example, Maria Claudia Clemente (2006) cofounder of Labics believes that China and Italy are in need of each other. Rather than only being defensive about the Chinese, strategies should be developed as to where Italy should position itself in light of the Chinese boom. Other companies such as Alessi and Danese have already begun the process of connecting with China. They have gone down a bumpy road in order to reach the mutual relationship they have with China today. There were many valuable lessons learned through this and both sides changed and adapted themselves to each other.



*Left: The West Kowloon Cultural District in Hong Kong by Foster + Partners
Right: Oriental Art Centre in Shanghai by Paul Andreu*

At the turn of the millennium, the economies of many eastern Asian countries were booming and are continuing to do so today. All eyes suddenly turned to the Far East, especially China, due to its large size and power. Everyone wanted to tap the Chinese market, however many failed to do so because they failed to see the large difference in the culture and society of China. Furthermore, the language barrier barred many companies from better understanding this difference. Most of what was known about China was based upon stereotypes of an exotic country being very different from that of the west but one that was rising in power and soon to rival the world. Actual cultural facts, the mentality of the Chinese people, needs, desires and values were not very well known.

From what we gathered in our research, China currently seems to want knowledge and ideas. As Danese's president Carlotta de Bevilacqua (2006) has learned from her company's outpost in Hong Kong, China has invested a lot in public buildings because they want to show the world that they are modernized. She goes on to say that China was very keen on doing business with Europe in terms of technologies so lighting companies in advance made business because China at the time did not have the competence to create the complexity in high technologies. Carlotta de Bevilacqua (2006) continues by giving this example of how Germany was successful in interacting with China:



Maria Claudia Clemente , Co-Founder of Labics

[I]n Germany, starting with their Lufthansa buildings, 20 years ago [the Germans] understood that the very great business with China was to sell know-how, not just in terms of products, [but also in terms of] materials. Remember that China does not have steel at all. So they buy from Germany steel and competence—know-how. So they set up factories [similar to] BMW and Lufthansa in terms of services. When I say exchanges, they learned how to manage a flight company. So business in China is really possible if you have know-how and products to sell that they need.

This is a critical insight as to how China has interacted with European countries and a clear reason as to why. We can see trends in this analysis in what China is doing and understand its needs. China is clearly importing knowledge, and complex knowledge at that. Yet what they do with it is simply copy their functions then build it in their own country. Manufacturing, China can do; synthesis of new ideas is the harder issue.

Similarly Maria Claudia Clemente (2006) feels that although Italy will not be able to compete with China's manufacturing power, Italy can export its knowledge and know-how. "I think that we, Italians, have a lot of quality and creativeness and a concept of beauty, because it's in our history, to give [to others], without being afraid of gaining nothing". She feels that China needs Italy's innovative ideas and Italy needs China's efficient manufacturing. This is the mutually beneficial relationship that she sees China having with Italy.

China is able to pick up new ideas at an incredibly rapid rate and this is their strength. What they lack is the ability to process the ideas, to combine ideas with other ideas to produce innovation. This is the expertise of Italian companies. What Italy can do for China is to process and provide ideas that have been enriched and refined. China can then be able to adopt those ideas and produce them at a highly cost effective and efficient way. This is not simply limited to manufacturing but perhaps services as well. Also, Italy needs to be more open to new ideas; radical ideas that depart from anything conventional or existent in the current market. Though Italian design led the world in radical design though the 1960s and 70s, "radical" in 2006 is less evident. Many of the designers, especially the younger generation, we interviewed in Italy expressed how they felt constrained by historical preservation, the achievement of the maestros of the past, the strong culture and identity. Italy is looking outside and bringing in ideas. This quality has made Milan what it is: a design center that attracts the best from around the world. But is Italy exploiting this key attribute or taking it for granted? Italy can learn from China's ability to identify good ideas and absorb the knowledge. Yet it seems that not enough is being done to realize this fact.

The positive reputation that Chinese companies have is highly efficient manufacturing abilities, strong organization, strong structure, strong military-like systems, and low costs (Clemente, 2006). It is interesting to point out that the last point can be further described. Chinese industries do not just produce things at a lower cost, they actually have the ability to minimize and make costs low. Many people associate cutting costs with lower quality. Although that may be true in some cases, it is not always so. Unfortunately this negative preconception is quite prominent in many parts of the world including Europe. As a counter-example, to many people's surprise, many of the products from Alessi, a highly successful kitchen product design company in Italy, are manufactured in China. However the quality of materials and workmanship meets the expectations one would expect from an Italian manufacturer. In this way Alessi has been able to make some of their products more affordable, and it has allowed them to introduce new lower-cost lines that will hopefully shift their public's brand-perception of the classic Alessi brand from the

signature design objects alone. Their new cook-wear sets in the “A di Alessi” line are exemplary and show Alessi already moving in this direction. Alessi has been able to connect with China where innovative designs and ideas are developed in Italy and production is done in China. More importantly, they have been able to create a dialogue with their Chinese manufacturers in ensuring quality. Gloria Barcellini (2005) during our tour that she led of the Alessi factory in Omegna noted that its engineers closely manage all suppliers and producers both internal and external. In this way Italians are able to heavily interact with external sources but are still in control maintaining core values and quality. Italian companies have always lived or died on “quality” and this idea looks to continue in maintaining a strong identity for “brand Italia” to move forward with. But Italian companies must make a shift in how to deal with quality as competition has gone up for this part of the market. It is no longer just Italy who can produce this, as was seen to be the case in the 1960’s and 70’s.

The Italian firms, companies and designers must get better at communicating the quality and the complexity of their designs in new ways. Rome architectural firm laN+ has published articles in a variety of Chinese magazines where they explain the worth and value of their work by implicitly linking it to Italian quality and designs. Although organized by the Chinese, the 2006 “Year of Italy in China” and other trade initiatives are providing opportunities for Italian designers to broaden their reach. For laN+, this has worked and resulted in several high-profile commissions and competitions. However the firms’ work is differentiated by the ideas involved in their projects and not just the forms. In effect, these projects are difficult to copy. These are things an Italian can bring that Chinese designers cannot do yet. Unfortunately, many Italian designs are still too heavily based on the form alone. As a result, they are easily copied since the idea is only in the form. Danese’s Carlotta de Bevilacqua (2006) explains the situation and her point of view on this:

The problem is [...] to guarantee in the market the fact that if I have invested in research [et cetera] [...] and then I arrive with [a product] and you copy I have to be protected. But you have to underline that maybe we are too much linked to the shape and not the concept. Why [has the] iPod not been copied yet [when it has been on the market for] 5 years? Because it is not only about the shape. This I think is the reason. So I think we have to learn from the Asian experience that in terms of culture we don’t want to colonize them [to] our [culture] but we want to create a dialogue. In terms of authenticity, we have to offer a new vision, a new answer of living and not an object that you can buy and [display].

The important idea here is that design should be focused on the concept. Likewise, Gloria Barcellini (2005) explains that it is important not to jump immediately to the solution. She stresses that the concept is the most important element behind Alessi's product and not the final solution or the form. Bevilacqua gives the example of the iPod but this is not to say that producing high tech products is the solution to the problem of the copies. In North America, one can say that the iPod may not be copied exactly per se, but at least mimicked to a certain extent. So many of its successful attributes such as the scroll wheel, iTunes, online music store and other attributes can be found in other products, which reflects the impact that iPod has had in redefining the portable media landscape. The iPod itself is about a harmony in all its elements and is not just attributed to its glossy white finish and sleek looking design. Both consumers and manufacturers need to understand the value of the product beyond just its form. Value is a combination of material, form, function, usability, versatility, simplicity, multiplicity of use, joy-of-use, feel, customizability, all of which are elements which makes many Italian products unique and innovative. This is what companies, especially in Italy, need to communicate not just to consumers in China but all around the world. In advanced capitalism, if people do not understand the product, do not see the value and do not appreciate it, they will not understand the worth of the product. Italy knows this problem all too well. Street vendors sell faux Prada and Fendi on the sidewalk, often right beneath the showroom of the authentic stores who are helpless to do anything about it. Communicating quality has become essential to maintaining the Italian network.

Challenges In Understanding China

To understand China, Italy must be able to create a successful dialogue with China. This can be difficult for a number of reasons. First is the language barrier where Mandarin, the official language of China, has absolutely no relationship with Italian whatsoever. This makes learning the language difficult for both sides. There are not many who speak fluent English in China either and finding Italian-Mandarin translators is very difficult. Language is of paramount importance to communication and is perhaps the greatest barrier between China and Italy. When we interviewed Massimiliano Fuksas (2006), we asked him about possible opportunities with China that he saw. He responded by saying "I think we don't know each other. We don't know anything. We speak a different language. With India it's easier, we speak the same language, common language, but with the Far East it's much more difficult".

Culture in China is very much different as well. It is different from the mentality of consumers to how business is conducted with clients. Cultural differences need to be assessed and known in order to even approach Chinese companies and representatives in forming a relationship. Being a modernized or modernizing country, China has very different needs than Italy and perhaps the rest of Europe. It is necessary to gain a deeper understanding of a country in order to determine its needs and values. Yet the language and cultural difficulties at the initial stages of communication has made it seem too difficult for many Italian companies to adequately assess the risks. Currently most companies are either completely uninterested in building relationships with China or are waiting and observing how other companies interact with China.

The size and population density of China is often difficult to understand where statistics can be confusing. As mentioned earlier, in the 2005 per capital GDP (PPP) standings, China ranked second place. One would think that the country is modernizing and the country is doing very well with educational institutions springing up and bringing in European and North American ideas. The fact is that these positive aspects are mainly from a few of China's cities with the rest of China not doing anywhere near as well. China is socially polarized where ten percent of the population controls 90 percent of the national wealth (Guoming, 2006). Similarly, when teaching the Chinese about the value of Italian quality, this is only exposed to a small fraction of the Chinese population and the rest are left with stereotypes if anything at all. Much of the Chinese population live in poverty and decisions to make quick profits that disregard consequences are often made. Therefore in understanding China, one must go further and understand the different regions. The mentality of people in Hong Kong for example is very different than those in Beijing. Many more Hong Kong residents speak English and have closer ties to the West than those in Beijing, which may provide a safer entry point into the culture. However it is important to keep in mind that Hong Kong is just one city—a city that was under British rule right up until 1997. Many inhabitants of Hong Kong, similar to those in Taiwan, do not consider themselves as part of China. In fact, in the case of Taiwan, you can greatly offend someone in or from Taiwan by associating him or her with China. Yet its language accessibility and more westernized culture make Hong Kong especially an adequate entry point into the Chinese market.

In our interview at Danese, we learned much about the company including how the new president repositioned the company and their relatively recent endeavors in China. After Danese's purchase by the current president, Carlotta de Bevilacqua in the late 1990s, the company needed to revitalize itself after a nearly

Towards the Liquid Network



NEWS, Danese's theme for the 2006 Salone del Mobile. It marked Danese's new approach to design.

ten year hiatus. Danese was one of the first unfortunate classic Italian labels to go down. Yet, in a twist of fortunes, after Carlotta de Bevilacqua bought the company she brought in her almost scientific sense of studying the successes that she had been so good at while designing for Artemide. The first thing she did at Danese was to do a thorough analysis of the brand and its assets, re-capturing the bold industrial company in its new post-industrial context. Few of the Italian design companies seem to have been moved to make such study of themselves. Yet recently for even the most powerful of Italian companies, Cassina and B&B Italia among them, the post-industrial reality is finally hitting home where Italians no longer own these Italian companies, let alone the families who began them.

With a thorough analysis within the new contexts, Danese felt confident enough to go on further and take the risk of creating a presence and a relationship with China in order to utilize China's efficient, low cost manufacturing system. This risk was also necessary in reviving the company from its fallen state. Danese set up

a headquarters in Hong Kong as an outpost to learn about the Far East. Developing a relationship, through trials and faults, allowed Danese to better understand the Chinese culture and its ways of doing business. At this point it is unclear how these forays will work for companies taking risk in China such as Danese and Alessi, but we sense that they are on the right track, and growing outside of the traditional networks. We fear, as does Carlotta de Bevilacqua, that if Italian companies do not change and regenerate the momentum created by the economic miracle that Italy will cling desperately to the past and lose its design edge and service nothing but tourists. This would be a nightmare scenario.

Italy as a Liquid Network

There seems to be an agreement among most of the companies and designers we interviewed in Italy up until 2006 that the nation needs to open up more. Italy has fallen to protectionism and has become too defensive (Clemente, 2006). Carlotta de Bevilacqua's (2006) vision was that Italy needs to recreate a new network that is open in which the innovation engine would be in Italy and it maintains its connections with various nations around the world. This way, nations, companies and designers can learn from each other's unique perspectives. This allows a controlled diversity of ideas that can be both local and global (Clemente, 2006). What this means is that you can have design that is recognizably Italian but made specifically for a city in another country.



A range of low to high end Alessi Products

These ideas are an extension to what Italy seems to already be doing within its own network. Cliostraat's Luca Poncellini (2005) explains that one of the strengths in Italian design is the collaboration of people with highly diverse interests into one project. This allows various perspectives. Italian designers operate in a freelance-like way where Italian designers are invited to do research and design for a company bringing in new ideas and helping to move the company forward. If designers stay too long in a similar environment, they become overly comfortable with a particular method that works and closed off to outside ideas. Gloria Barcellini (2005) explains that the reason why Alessi prefers to work with outside designers is that they see them as the real resource for innovation. Thus from a micro to macro prospective, Italy brings in designers and people with diverse backgrounds and interests from around the world to design for their companies which evolve the companies' understandings and enables them to design for various contexts around the world and still maintain a distinct Italian flavor. The companies themselves then house the ideas and knowledge that the designer has brought and shares it with the next designer they invite who will then add to or further develop ideas and enriching the companies body of knowledge.

In further extending Italian methodology, we look at Alessi's (2005) idea of "the borderline". Designers at Alessi constantly try to push the borderline of innovative products. The line itself represents the tolerability of the market. Alessi identifies this borderline by observing which of the farfetched ideas are accepted and successful and which ideas are not. Their designs are constantly experimental and challenging the norms. It is important to create a correlation with the new and the existent, yet also experiment with the limits or radicality that can be accepted with one's designs. Raffaella Saporiti (2005) explained that sometimes designs were created ahead of their time and the product is not accepted until years perhaps even decades afterwards. In a global context, Italy must become proficient at identifying ideas that push the limits, yet are still acceptable. And similar to Alessi, it seems a risk-taking "hit and miss" approach needs to be adopted, which emphasizes the importance and need for contextual analysis that Italian companies do very little of. Saporiti's designs may be seen as designs ahead of its time, but as Franco Dominici (2006) explains, rejection of a product whether its concept is sound or not, can be attributed to a misjudgment or misinterpretation of the market. As such, a critical self-analysis, similar to what Carlotta de Bevilacqua (2006) did with her company Danese, is needed. She identified the company's strengths and weaknesses to determine the direction her company would take and positioning of her company in the market based on Danese's needs and strengths.

John Foot (2005) identifies the economic woes and what he calls an “economic block” that Italy is currently undergoing with its lack in exporting knowledge:

I don't think [radical change] can come from within the system itself. I think the system works pretty well. In design, I call it a system in my book [Milan since the Miracle, 2001], the links between all these different things, these networks. The renewal of that can only come from outside, from when the economic wave comes—when the next wave comes. Certainly, Milan produces more designers than most places in the world. It's like there's an overproduction of architects and maybe that's a danger with designers as well, yet most of them find work in that vast archipelago of that world.

The issue here is that Italy is deadlocked in its own successful system. The system is highly efficient and effective yet it is being starved from lack of fresh ideas. Furthermore, the size of the system has become so large that the schools are simply churning out students to accommodate for necessary skill workers, while cutting the production of innovative knowledge workers.

Many Italians express an increasing concern that a new wave of innovative and charismatic young designers may not be in sight.

Conclusion

Italy is already making improvements to their networks realizing that it can no longer survive solely on innovating ideas under its own context. It can no longer hold on to the idea of ignoring costs for quality. Quality may be well understood in Italy but not on a global scale. It is also unrealistic to attempt to change the mentality of the world to that of Italy. Italy must open up and design in the context of others by understanding other cultures and applying their own positive aspects.

The key is to look at the successes and to understand, at a deeper level, the machine that makes it all happen. In Italy, its innovative ideas are from culture that is closely connected and a mentality of innovating to improve quality of life. China's speed and efficiency can be rooted back to its need to govern such a large and densely populated country. Looking into the past, Italy was at the cross roads

of trade, being ruled by many civilizations. It had the west's most powerful, longest-standing empire that spanned well beyond its borders. It was the birthplace of the Renaissance, and of the Enlightenment. It had its disasters in the Second World War and its Economic Miracle. China has one of the oldest histories and its own great empire. It began as a vastly unorganized nation that was then united by its emperors who then commanded vast armies and ruled over vast areas of land. However, through colonization and then communism, the country crumbled and fell into chaos. It is only within the last century that China has reestablished itself, but it is a large country and as such change and improvements are sporadic. Currently Italy is faced with high costs in Europe and the threat of competition in the globalized world. China is rapidly catching up with the rest of the world with its rapid growth pushed by its government.

Italy's ability to innovate is a skill that has been built up by its history, culture and positioning. They have been masters at this within their own country and context. What they need to do is to expand this skill in applying it not at a global scale but at the same scale in different contexts. Attempting to apply a strategy to a global scale is too erratic and diversified to manage; there is no universal standard.

Italy has good examples in the design sectors that are leading the way toward this new reality. Exemplary young design studios like Milan's Park Associati do not just work one type of project (i.e. banks, housing, government building) but continuously explore new areas by working in projects that they have never done before. At the same time they are able to compete with companies that have, for instance, worked on banks all their lives. How? First, they have a strong and malleable process of design; a machine that they have developed that can be applied to any sort of design. Secondly, because they seek out new areas constantly, and are new to a particular field and are not "experts" in the field, they are able to have a fresh point of view to design without thinking about other precedents (Rossi, 2006). The best of the young designers, native Italian designers, understand this shift and are not afraid to take risks. But there are only a handful of these bright young designers and not enough of them know this, or see it as an opportunity. They find Italy at present stifling and they seek freedom. We found this so clearly in our talk with the students of Oliviero Toscani's experimental interdisciplinary La Sterpaia design studio, and their emphasis on how their greatest need and value of design is "freedom". There are some rare examples of young Italian Designers across Italy that are doing this, Luca Galofaro leaps to mind, a whirlwind of energy, a seemingly unstoppable force. They are an example for the students, an example that they themselves lacked. Getting the word out may be the biggest challenge at present.

Towards the Liquid Network

Italy has this strong process of innovation and it can most certainly be applied to different contexts around the world. This is what is hopefully the future of Italian design. To be able to let go of some traditions, utilize its strong knowledge economy and design processes and reach out to all parts of the world. In Italy, we have witnessed first-hand good examples in the design sector that are leading the way toward this new reality, in their progression from the Solid to the Liquid Network.

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