

# Input Procurement and Family Firms: Firm-level Evidence from Italy

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This article provides an empirical assessment of global sourcing. Combining international economics literature on global sourcing with family business and international business literature on family firms' (FFs) internationalisation, we build a comprehensive framework wherein sourcing is shaped by location (domestic versus foreign sourcing) and ownership (integration versus outsourcing) decisions.

Relying on a new firm-level, cross-sectional dataset on a large and stratified sample of Italian manufacturing firms, we address the relationship between global sourcing and firm-level features, such as family presence in ownership and control, productivity, and input specificity.

Our probit and multinomial probit estimates suggest that the FF status is negatively related to foreign sourcing, and plays a marginal role in orienting firms' ownership decision; moreover, firms' productivity fosters foreign sourcing, and reliance on specific inputs favours integration. Our study contributes to international economics literature on global sourcing by studying factors other than productivity and input specificity that affect input procurement. Additionally, it contributes to the family business and international business literature on FFs' internationalisation by taking a supply-side perspective and investigating sourcing through the interplay between location and ownership choices.