Mapping the reshoring activities in Italian provinces with large-scale data

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The practice of reversing previous offshoring decisions, i.e., to re-shore, is high on the political agenda, but a comprehensive overview of its size and economic implications is still missing. The main hindrance lies in the lack of an accurate large-scale measurement of the phenomenon. So far, studies on reshoring mainly draw on case-study and survey data with limited coverage and representativeness. This constrains researchers' ability to combine reshoring data with other datasets, limiting the analysis of this phenomenon's dynamics and its welfare implications.

Our study strives to develop a widely applicable, data-driven measure of re-shoring, taking advantage of a unique dataset, which links COEWEB-ISTAT population data on Italian firms' imports with Bureau van Dijk Aida data about firms' production sectors and balance sheets. We draw on previous firm-level measures of offshoring (Hummels et al., 2014) and on previous attempts at measuring reshoring (Delis et al., 2019).

We define reshoring as a negative change in narrow offshoring to a particular partner country that is persistent over time and is not matched by any increase in narrow offshoring of the same firm to any other country over the following 5 years. We map the distribution of restoring activities across Italian provinces.