

**Special session**

**The neighborhood economy: local dynamics of firms and networks**

**Organiser:**

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In less than a decade, the relational dimension has gradually but successfully entered economic geography, leading to new insights in the importance of relations between actors and their effects on economic development at different spatial levels. At the individual level, for entrepreneurs, it is acknowledged that next to human and financial capital the network (social) capital is crucial in both the early and later phases of firm development (Street & Cameron 2007, Stam 2008, Sorenson et al. 2008). Network contacts affect firm performance, in terms of output or job growth (Lechner et al. 2006, Watson 2007). For many entrepreneurial firms, especially the young and smaller ones, the local residential neighborhood is the nexus of network contacts providing a.o. emotional support, practical information, or hands-on help (Malecki 2009). These localized contacts, albeit personal, professional, or a mix or both, strongly anchor entrepreneurs – and as a consequence, their firms. This is one of the reasons that firm mobility is low, and that entrepreneurs that move their firm rarely leave the municipality – let alone the neighborhood of origin.

We follow Welter et al (2008) who state that the neighborhood level has been overlooked in studies on entrepreneurial and firm behavior, as the literature has long been dominated by traditional perspectives on (international) market demand and supply, profits and costs, and agglomeration economies resulting in distinct spatial economic patterns and growth chances of firms. In contrast, what is actually happening in the growing number of small entrepreneurial ventures, often starting from home and even being managed from home during the entire firm life course, is not always nor directly related to international competition, cost efficient market forces or innovation strategies. Rather, the drivers of economic choices of many neighborhood entrepreneurs and firms are often found locally; in their own social environment. This special session focuses at exactly this small spatial level: the neighbourhood.

This special session seeks to bring together and discuss original contributions on the importance of the neighborhood level in the urban economy, and its relevance for understanding economic behavior of local firms and entrepreneurs. We welcome papers, both theoretical and empirical, that address topics including but not limited to:

- The (changing) role of neighborhoods and/or localized network contacts for local entrepreneurship and firm dynamics – i.e. firm birth, growth, survival, relocation;
- The comparison and analysis of neighborhood economies on the one hand, and the overall urban economy with respect to firm dynamics and entrepreneurship;
- The comparison and analysis of economic activities, networks, and firm dynamics in contrasting neighborhoods;
- Causes and consequences of *localized* entrepreneurial and firm behavior;
- The spatiality of economic networks and their impact on local entrepreneurship and firm dynamics;
- Exploring and explaining the evolution of local economic networks and the consequences for the neighborhood economy;
- The need for, potential of and/or limits to neighborhood-based economic policy.

**Submit your abstracts to:** [V.Schutjens@geo.uu.nl](mailto:V.Schutjens@geo.uu.nl)

**Deadline abstract:** **January 15, 2010**

**Deadline full paper:** **June 1, 2010**