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GEOGRAPHICAL CONTEXTS OF ENTREPRENEURSHIP

Spaces, Places and Entrepreneurial Agency

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Introduction

Whatever definition of entrepreneurship we apply, it mainly focuses on what individuals do. Agency is the starting point for entrepreneurship. However, entrepreneurship does not take place in a vacuum, but in particular circumstances, that is contexts. These circumstances, structures, and other agents are formative for entrepreneurship: they enable and constrain entrepreneurship, and they are constructed and enacted by entrepreneurs. The role and relevance of geographical contexts are not self-evident. For some, globalization means the end of geography (Cairncross, 2001; O'Brien, 1992), because processes of time-space compression have dramatically decreased the relevance of spatial distance. You can much more easily fly to locations on the other side of the world than ever, and communication with people around the world, regardless of the distance between them, has never been so easy. Acting globally as an entrepreneur seems less constrained than ever. However, in contradiction, place is said to become more important in the current period of globalization: most of the world's venture capital and unicorns (start-ups valued at US\$1 billion, before public offering) are concentrated in a few places, with Silicon Valley standing out of the crowd. There are huge differences in self-employment rates between countries, and large cities, in general, are becoming more and more important concentrations of talent, entrepreneurial talent included. It is these new articulations of the local and the global that make the geographies of entrepreneurship such a fascinating field of studies.

This chapter focuses on contexts of entrepreneurship, in particular geographical contexts, and entrepreneurial agency. We start this chapter with the twin terms *space* and *place* that are key in understanding geographical contexts and how they are used in relation to entrepreneurship before we turn to present a model of

entrepreneurial ecosystems that allows us to focus simultaneously on the geographical contexts for entrepreneurship and the agency of entrepreneurs within those. We then discuss entrepreneurial agency in relation to places in more detail. At the end of the chapter, we focus on new articulations that are currently emerging and outline a future research agenda.

Space and Place

Understanding Space and Place

In everyday language, *space* and *place* are often regarded as synonymous with terms including *region*, *area*, *location*, *geography*, and *landscape*. For geographers, however, space and place are distinctive key concepts to understand geography (Hubbard, Kitchin, & Valentine, 2004). Space refers to objective and place to subjective geographical contexts. Space has traditionally been conceived as a surface on which the relationship between things are played out, with distance and connection as concepts capturing spatial differences. Examples of space being the physical space in which entrepreneurship takes place, range from accessibility via plane, car, and train, to the workspace in a building, and the connectivity of nodes in social spaces. Place is subjectively defined. What constitutes a place is largely individualistic: simply put, a place means different things to different people. Examples of subjective place are the sense of place entrepreneurs have, place-specific cultures, and formal institutions, including politics and language. In reality, spaces devoid of subjective elements, and places devoid of objective elements are rare. The objective and subjective elements can overlap: countries and regions often having both objective physical and subjective institutional demarcations. They may also be disconnected: diaspora entrepreneurs' feeling of belonging, largely reflects a socially constructed view of the home country, and in social contexts, you can be physically proximate to certain persons while affectively being at a large distance.

This chapter focuses on geographical contexts, because for understanding entrepreneurship one has to take into account multiple geographical contexts. Even though one could say that entrepreneurship takes place in one geographical context, for example the 'world context', the geographical contexts that are relevant for entrepreneurship are multiple, ranging from the individual workspace to the world and perhaps outer space to the geographical location of the household of the entrepreneurs, their place identity, and the local and national institutions that enable and constrain the business activities of the entrepreneur. These contexts can be nested, reflecting different spatial scales (ranging for example from daily commuting/travel-to-work regions to nations to continents), potentially reinforced by political and economic hierarchical powers (municipalities, provinces, nations, supranational entities like the European Union).

Putting Space Back Into Place

Place does not exist without physical space. Research that has emphasized ‘other’ places for entrepreneurship or ‘other’ forms of entrepreneurship in relation to contexts has started to re-connect place and space, albeit in some instances more implicitly than explicit. We have identified the following discussions as important in this regard: the role of gendered places and spaces for entrepreneurship; research that brings household, family and neighbourhood perspectives to entrepreneurship; and research exploring new spaces for entrepreneurship.

Welter, Brush, & De Bruin (2014) provide a review on research that looks into how *spaces and places are gendered*, illustrating the close interactions between space as the physical business site and place as social and institutional spatial contexts and their impact on the nature and extent of women’s entrepreneurship (Hanson, 2003, 2009). Physical space directly influences venture survival and development. Because women often start home-based they are frequently trapped in low-growth and low-performance activities (Thompson, Jones-Evans, & Kwong, 2009). However, women entrepreneurs also cluster spatially when working outside the home and in high-tech entrepreneurship. Mayer (2008) investigated high-tech female entrepreneurship in two established (Silicon Valley, Boston) and two emerging high-tech regions (Washington, Oregon) in the U.S. Women entrepreneurs tended to be located in suburban areas rather than the downtown locations whilst men-owned tech companies did not show such a spatial concentration. That implies that women select their business location based on more than business considerations.

Entrepreneurs may start from home, not only because they require the flexibility that space can provide but also because they lack resources. *Households and families* are important sites and places for entrepreneurship (Welter, 2011). Family, for example, impacts on entrepreneurship to a much greater extent than is implied in the literature on family businesses which puts the business into focus. Other perspectives focus on the wider family and their role for entrepreneurship in providing material and immaterial resources and support or in constraining entrepreneurial activities. Research has included a family embeddedness of entrepreneurship (e.g., Aldrich & Cliff, 2003), drawing on findings from family sciences (Jaskiewicz, Combs, Shanine, & Kacmar, 2017) or introducing the concept of family entrepreneurship (Bettinelli, Fayolle, & Randerson, 2014; Randerson, Bettinelli, Fayolle, & Anderson, 2015). Researchers also argue that households be studied as spatial sites of entrepreneurial activities. Entrepreneurial households can facilitate business growth, as has been shown for rural farm businesses in Norway and Scotland (Alsos, Carter, & Ljunggren, 2014): Business and households are nested within each other; family and kinship simultaneously are resources for business development and can impose restrictions onto business growth. Research therefore suggests a circular household–entrepreneurship interdependence model (Mwaura & Carter, 2015) to model the complex relations between business impact

on the lives, well-being and fortunes of the household (Carter, Kuhl, Marlow, & Mwaura, 2017). Research on urban neighbourhoods and communities expands this spatial perspective on entrepreneurial households to their embeddedness in local places (Mason, Reuschke, Syrett, & van Ham, 2015; Van Ham, Reuschke, Kleinhans, Mason, & Syrett, 2017), drawing attention to the interplay of social and spatial contexts. Such local neighbourhoods and communities are the primary domains of many young ventures.

Not all households and families, however, are spatially close, and they may act entrepreneurial even though spatially disconnected which has been studied for the example of enterprising families living on both sides of a border, in this case the border between Belarus, Lithuania and Latvia (Welter et al., 2014). Family involvement came in two patterns. The first pattern reflects typical family participation in entrepreneurial ventures: Some family was directly involved in trading activities; some took over household responsibilities and the like. The second pattern of family involvement resulted from the border context. Family visits across the hard border between Belarus, Lithuania and Latvia, were possible because cross-border families were subject to favourable border-crossing regulations, especially if pensioners were involved. Family members living across the border triggered new opportunities for Belarussian entrepreneurs, asking for specific goods to be brought along on visits; they used their connections to market surplus brought along, thus reducing the risks and constraints connected with the informal trading activities; and they also helped to access products that, at that time, were scarce in Belarus and could be (oftentimes semi-legally) reimported to Belarus. This pattern of family involvement reflects the interplay of specific spatial, institutional and historical contexts (i.e., the border contexts during the transition from socialist to market economies in Eastern Europe in the late 1990s and early 2000s) with entrepreneurship, highlighting the importance of a spatial perspective on entrepreneurial families and households.

Recent work has started to pay attention to *new spaces of entrepreneurship* where social context is a constitutive element of space. For example, co-working places are gaining importance for entrepreneurs who may share office space, together with the social context inherent in co-working, and they oftentimes are used by freelancers or solo entrepreneurs (e.g., Fuzi, 2015; Gandini, 2016; Gerdenitsch, Scheel, Andorfer, & Korunka, 2016). Bouncken and Reuschl (2018) suggest that co-working emphasizes community building despite its pronounced focus on entrepreneurial autonomy. They point to co-working spaces as fostering entrepreneurial self-efficacy and trust which, in turn, will positively impact on entrepreneurial learning and performance. Other studies look at so-called makerspaces as spaces for (new) entrepreneurship. Making is commonly understood as “small-scale, integrated design and production of physical goods using low-cost equipment” (Eisenburger, Doussard, Wolf-Powers, Schrock, & Marotta, 2019, p. 1), makerspaces as physical spaces that are “shared fabrication facilities, representing a local manifestation of the movement and functioning as vertically

integrated settings in which members benefit from co-located activities” (Browder, Aldrich, & Bradley, 2019). The authors model the maker movement as based on social exchange, the availability of technology resources, and with knowledge exchange and sharing as constitutive elements.

However, users of such new spaces may have similar attitudes to these flexible and open-space working arrangements, which indicates the potentially dark sides of such spaces. Even where these spaces have been constructed with openness in mind and foster social relations, the similarity of those using them may result, over time, in lock-in effects and a loss of openness, thus being detrimental to the region’s development. Many of the new spaces for entrepreneurs are white and male-dominated, also because the built environment implicitly acts as additional constraint, excluding some and favoring others (Welter & Baker, 2020). Research on women entrepreneurs in high-technology business incubators (Marlow & McAdam, 2012) and makerspaces (Rosner, 2014, p. 67) suggests a highly gendered culture of these spaces in terms of who gets access and is supported. All this already points to the complexities of the interactions between entrepreneurship, place and space which we explore next from an ecosystems perspective.

Reconnecting Entrepreneurship to Geographical Contexts: An Ecosystems Perspective

Even though entrepreneurship is first and foremost about agency, there is growing recognition amongst entrepreneurs and other stakeholders in the entrepreneurial process about the role of place and space. This recognition is most strongly articulated with the new concept of entrepreneurial ecosystems. Just like it takes a village to raise a child, it is recognized that it takes an entrepreneurial ecosystem to create and grow a business. The entrepreneurial ecosystem comprises a set of interdependent actors and factors that are governed in such a way that they enable productive entrepreneurship (Stam, 2015). This set of interdependent actors and factors enable and constrain entrepreneurship within a particular territory (Stam & van de Ven, 2020). Entrepreneurship is an emergent property of the interactions of the elements and actors in the entrepreneurial ecosystem (Arthur, 2013; Fuller, Warren, & Welter, 2008; McKelvey, 2004). An entrepreneurial ecosystem includes both space and place. It is often spatially delineated, includes a physical infrastructure and has a spatial distance to actors and factors outside its territory. It also includes subjective elements like place-based culture and leadership.

Building on prior academic studies (Stam, 2015; Stam & Spigel, 2018), an integrative model of entrepreneurial ecosystems consisting of ten elements and entrepreneurial outputs has been developed. These ten elements are operational constructs of the broader concepts of institutions and resources of an entrepreneurial ecosystem. An entrepreneurial ecosystem includes institutional arrangements and resource endowments. The institutional arrangements component is captured by the formal institutions, culture and network elements, what has

been called socio-cultural factors (Thornton, Ribeiro-Soriano, & Urbano, 2011). The resource endowment component is captured by the physical infrastructure, finance, leadership, talent, knowledge, intermediate services and demand elements. Entrepreneurship is the outcome of the ecosystem. Table 15.1 summarizes and relates these concepts, constructs and elements of entrepreneurial ecosystems.

The presence of these elements and their interactions are crucial for the success of the ecosystem. Institutions provide the fundamental preconditions for economic action to take place (Granovetter, 1992) and for resources to be used

TABLE 15.1 Constructs of Entrepreneurial Ecosystem Elements and Outputs

<i>Concept</i>	<i>Construct</i>	<i>Definition</i>	<i>Element</i>
Institutions	Formal institutions	The rules of the game in society	Formal institutions
	Informal institutions	Cultural context	Culture
	Social networks	The social context of actors, especially the degree to which they are socially connected	Networks
Resources	Physical resources	The physical context of actors that enables them to meet other actors in physical proximity	Physical infrastructure
	Financial resources	The presence of financial means to invest in activities that do not yet deliver financial means	Finance
	Leadership	Leadership that provides guidance for, and direction of, collective action	Leadership
	Human capital	The skills, knowledge, and experience possessed by individuals	Talent
	Knowledge	Investments in (scientific and technological) knowledge creation	Knowledge
	Means of consumption	The presence of financial means in the population to purchase goods and services	Demand

<i>Concept</i>	<i>Construct</i>	<i>Definition</i>	<i>Element</i>
	Producer services	The intermediate service inputs into proprietary functions	Intermediate services
New value creation	Productive entrepreneurship	Any entrepreneurial activity that contributes (in) directly to net output of the economy or to the capacity to produce additional output	Productive entrepreneurship

Source: Stam and Van de Ven (2020)

productively (Acemoglu, Johnson, & Robinson, 2005). Institutions also affect the way entrepreneurship is pursued and the welfare consequences of entrepreneurship (Baumol, 1990). Networks of entrepreneurs provide an information flow, enabling both the creation and effective distribution of resources. A highly developed physical infrastructure is a key element of the context to enable economic interaction and entrepreneurship in particular. Access to financing—preferably provided by investors with entrepreneurial knowledge—is crucial for investments in uncertain entrepreneurial projects with a long-term horizon. Leadership provides direction and instigates collective action for the entrepreneurial ecosystem. Perhaps the most important element of an effective entrepreneurial ecosystem is the presence of a diverse and skilled group of workers ('talent'). An important source of opportunities for entrepreneurship can be found in knowledge, from both public and private organizations. The supply of support services by a variety of intermediaries (including business services, incubators, accelerators) can substantially lower entry barriers for new entrepreneurial projects and reduce the time to market of innovations.

The proposed Entrepreneurial Ecosystem model (see Table 15.1 and Figure 15.1) extends insights from the geography of entrepreneurship literature by travelling the ladder of abstraction from theoretical constructs to observable elements of an entrepreneurial ecosystem. Specifically, the entrepreneurial ecosystem causal model is based on three propositions (Stam & van de Ven, 2020). First, the co-evolutionary proposition that the entrepreneurial ecosystem elements are mutually interdependent and co-evolve in a territory. Second, the upward causation proposition that the 10 observable entrepreneurial ecosystem elements explain the levels of entrepreneurial activity in a territory. Third, the downward causation proposition that prior entrepreneurial activities feedback into entrepreneurial ecosystem elements in a territory.

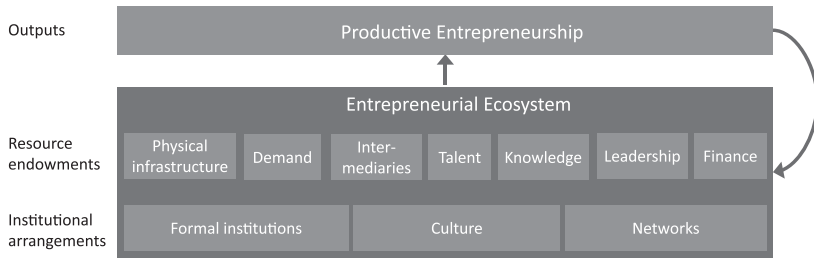


FIGURE 15.1 Entrepreneurial Ecosystem Model

Source: Based on Stam and Van de Ven (2020)

The growing interest in entrepreneurial ecosystems signals yet another shift of the entrepreneurship field in its consideration of geographical contexts for entrepreneurship and in contextualizing entrepreneurship. Entrepreneurial ecosystems are said to be defined and demarcated by a particular territory, mainly because many of the actors and factors enabling entrepreneurship need to be in spatial proximity of entrepreneurs but also because stakeholders of the ecosystem have a jurisdictional responsibility (public stakeholders) or identify themselves with the place in which the ecosystem is situated.

Whilst the entrepreneurial ecosystem approach emphasizes the structures enabling and constraining entrepreneurship, it also puts entrepreneurial agency centre stage in the governance and change of the ecosystem, via leadership and feedback effects of entrepreneurship on the nature of the entrepreneurial ecosystem. It thus combines agency—the ‘doing contexts’ perspective (Baker & Welter, 2018) we turn to next, and the geographical contexts of space and place. Entrepreneurial agency can be an output and input to the system: entrepreneurship emerges as a product of the ecosystem (‘emergent property’), enabled and constrained by its elements and their interactions, but entrepreneurial agents can also change the ecosystem by infusing their knowledge and networks and by acting as a role model or even as a leader, enforcing collective action, changing formal institutions and cultures (‘institutional entrepreneurship’).

The Agency of Entrepreneurs in and Towards Geographical Contexts

Entrepreneurs can influence geographical contexts, as they enact, talk about and visualize their contexts (Baker & Welter, 2020). Entrepreneurial activities and actions impact on and change the geographical contexts, as Feldman (2014, p. 10) observes: “What matters most is human agency—the building of institutions and the myriad public and private decisions that determine the character of place”. In describing a case of a locally rooted company with broad global sales which, by

settling locally in the hometown of the entrepreneur, helped reviving a peripheral town and region, Feldman (2014) points to that his entrepreneurial actions do not fit existing explanations of what makes places entrepreneurial. However, her example clearly illustrates that and how entrepreneurs engage with and enact their spatial contexts—they ‘do context’ (Baker & Welter, 2017). Research has explored entrepreneurship as change-making for and in a variety of places. In this section, we draw on selected elements of the model set out in the previous section to briefly discuss the facets of entrepreneurial agency in relation to spaces and places.

Institutional Change and Entrepreneurship

Places change because formal and informal institutions change. Entrepreneurship is one of the mechanisms through which such change can happen. Some research identifies differences in the importance attributed to spatial factors between family and non-family start-ups (Bird & Wennberg, 2014): Family start-ups were less concerned about economic factors but put higher emphasis on non-economic factors like favourable place attitudes towards entrepreneurship. The authors suggest that this may reflect the long-term orientation of family firms and their strong regional embeddedness, which favours them locating in regions they are familiar with and where they can easily establish long-term oriented relationships with relevant stakeholders—even if those regions may not prosper economically. Socio-spatial links and a strong past in the region apparently help family firms to overcome (temporary) resource scarcities and, in turn, influence the enterprise community within the region.

This points to the role of regional traditions and mentalities that may foster or hamper entrepreneurial agency within places. For example, Fritsch, Obschonka, and Wyrwich (2019) show a link between historical differences in regional levels of self-employment (as a measure for entrepreneurial activities), favourable cultural attitudes towards entrepreneurship and new firm formation rates in the present. Where regional entrepreneurship levels historically have been high, the authors observe a positive relation to the current entrepreneurial personality fit. Variations in the average entrepreneurial personality fit across regions that result from these historical differences positively affect current new business formation. The authors conclude that entrepreneurial place traditions matter, as they foster place-based role models which are transmitted across generations.

Such entrepreneurial place traditions even survive disruptive political shocks, as has been demonstrated for Kaliningrad, a former Soviet, now Russian exclave (Fritsch, Sorgner, Wyrwich, & Zazdravnykh, 2019). Historically, Kaliningrad was part of East Prussia until the Second World War, before the German population was expelled and the exclave came under Soviet rule. But despite the fundamental shocks the exclave Kaliningrad experienced over the past century, historical entrepreneurial attitudes still influence today’s entrepreneurship, as reflected in the positive relationship between industry-specific self-employment rates in

1925 and industry-specific share of small firms in 2010 (Fritsch, Sorgner, et al., 2019, p. 791). The authors identify a place-specific awareness of entrepreneurial traditions as helpful transmission mechanism throughout periods of high uncertainty. Similarly, research has illustrated how entrepreneurs creatively use, re-use and recombine spatially demarcated resources and institutions, as, for example, the shared cultural and historical backgrounds of the population both sides of a national border, to circumvent and adjust border regulations in their favour (Casidy, 2011; Fadahunsi & Rosa, 2002; Polese & Rodgers, 2011; Welter, Xheneti, & Smallbone, 2018).

Some research also suggests that maker entrepreneurship could assist in reviving regional manufacturing in the U.S. (Wolf-Powers et al., 2017). Makers certainly can change local places, not least because of their ‘unruliness’ and the grass-roots nature of the movement. For example, Lin (2019) shows in which ways the maker-space movement in Taipei draws on socio-spatial strategies across multiple spaces as alternative strategies for urban development but which contradict existing official policies that focus on the makers’ potential contribution to local development.

Such behaviour has been labelled ‘institutional entrepreneurship’ (Li, Feng, & Jiang, 2006). However, that concept has been criticized for its lack of attention to contexts (Clegg, 2010) and to the emergent nature of entrepreneurship (Aldrich, 2010) respectively the dominant focus on intentional agency (Welter, 2012). Welter and Smallbone (2015) therefore suggest the concept of institutional change-makers to also capture institutional change as an unintended by-product of entrepreneurial actions. Much research on entrepreneurship in turbulent political or economic contexts shows entrepreneurs acting as rule-breakers or rule-avoiders (e.g., Mair & Marti, 2009; Welter & Smallbone, 2011), thus—unintentionally—contributing to institutional change over time.

More in line with the core concept of ‘institutional entrepreneurship’, that is intentional entrepreneurial agency directed towards institutional change is the dealmaker, introduced by Feldman and Zoller (2012) as a key change agent: The dealmaker is someone who is deeply embedded in a place and intentionally and actively builds local capacity, thus demonstrating place-based leadership through assuming “a constitutive role” and demonstrating “regional stewardship by making connections in purposeful ways” (p. 26). Their empirical results for 12 exemplary U.S. regions suggest that the presence of many dealmakers, signalling a highly networked regional economy is a more suitable indicator to assess successful entrepreneurial regions than high rates of firm birth. Also, firms that are connected to at least one dealmaker can improve their business performance, as reflected in employment and sales (Kemeny, Feldman, Ethridge, & Zoller, 2016).

Networking for Community Development

Focusing on the person and their networks, Johannisson (1990) introduced the community entrepreneur as someone who acts in favour of the community, who

networks for local development (Johannisson & Nilsson, 1989) and who “also takes pride in making him/herself redundant by building a self-organizing community” (Johannisson, 1990, p. 78). In its original understanding, community-based entrepreneurship has a distinctive geographical connotation and is linked to disadvantaged places, with the community acting collectively as entrepreneur and enterprise (Peredo & Chrisman, 2006, 2017). Much research on community-based entrepreneurship focuses on investigating the role of entrepreneurs for (disadvantaged) communities. For example, depleted places which are characterized by low economic prospects, but high social and place attachments, have been shown to offer unique opportunities for community-based entrepreneurship—opportunities that allow entrepreneurs to do good to the place while doing business (Johnstone & Lionais, 2004): The entrepreneurs that initiated social community change were both anchored in their local and in the outside world. Business leaders had acquired their education outside of the place of business and held high-status employment positions prior to their community business whilst at the same time they had no problems stepping outside their status and roles and challenging community perceptions.

Marti, Courpasson and Dubard Barbosa’s (2013) study looks into how a local community in Argentina becomes entrepreneurial. They identify the interactions between a close-knit local community, with values like mutuality, care and belonging, and community members who are outgoing, emancipated and provide individual leadership, as vital for its entrepreneurialization. Similarly, for rural entrepreneurship, Korsgaard, Ferguson, and Gaddefors (2015) suggest that local thick social ties matter as does the willingness and ability of entrepreneurs to communicate and interact beyond the region their business is located in. Not surprisingly, those that are not fully embedded in local communities and economies are quicker in relocating outside of their place, creating bridges between spatial contexts (Korsgaard, Müller, & Tanvig, 2015). Accessing resources outside the region also will support regional development, because entrepreneurs contribute to openness and prevent lock-ins.

Jennings, Greenwood, Lounsbury, and Suddaby (2013) suggest a classification of community entrepreneurship that goes beyond the geographical, social and disadvantaged notion of community but includes also well-off spatial community contexts as well as industry and sector, national and transnational contexts. They emphasize the various ways beyond community-based entrepreneurship that entrepreneurs profit from being embedded in place and simultaneously can contribute to spatial change by leveraging various elements of the entrepreneurial ecosystem as resources.

Leveraging Human Capital, Knowledge and Social Networks as Spatial Resources

Where a place-bound knowledge infrastructure such as higher education organizations has existed for a long time, this positively impacts on today’s

entrepreneurship, drawing attention to the interplay of historical and social contexts as spatial resources for entrepreneurship. For German regions, Fritsch and Wyrwich (2018) can identify a clear impact of regional historical knowledge trajectories, entrepreneurial traditions (especially of science-based businesses) on innovative business activities today. Del Monte and Pennacchio (2019) expand this, showing for Italian regions that not only the place-bound historical knowledge base is positively related to current innovative entrepreneurship but also past place-related creativity as reflected by the presence of scientists and inventors in past times.

Also, communities of practices as spatially bounded networks that are based on trust, spatial and relational proximity, have been shown to assist small firms, especially in peripheral regions, to leverage knowledge and other resources. For knowledge-intensive business services, Schmidt (2015) illustrates the role of spatial knowledge spillovers in improving strategic decision-making within the firm and the quality of services offered. Brinks and Ibert (2015) focus on the relational spaces of such communities. However, such communities of practice also rely on members being able and willing to engage and develop their spatial community. And not all entrepreneurs show the same commitment to the places their business is located in as has been shown by Crowley, McAdam, Cunningham and Hilliard (2018), who suggest a link between the networking identity of owner-managers and their willingness to participate in developing their community of practice.

Social capital, as reflected in networks and such communities of practice, also fosters knowledge transfer between enterprises and other organizations residing within a place. Such collective learning needs spatial and social proximity, because it emerges from conversations and interactions among individuals within a regional context. However, social capital also has its dark sides in this regard: for Poland, Kaminska (2010) shows how bonding social capital changed its role and impact on regions over time: it contributed to local economic development in the early 1990s but became more harmful over time, restricting learning and de-learning within the region as well as negatively impacting on cooperative behaviour. Research for enterprises in Russia (Batjargal, 2003, 2006) illustrates a differentiated picture of inert social capital in relation to business and regional development: Extensive and resource-rich networks which however are relationally inert, improved business performance. Old-tie networks that are not renewed create stability in turbulent economic and institutional contexts, although over time they contribute to firm-level and regional lock-in effects.

Advancing a Future Research Agenda on Geographical Contexts for Entrepreneurship

In the final section, we briefly outline avenues for future research on geographical contexts for entrepreneurship, that build on and could extend current perspectives on the geographical contexts of entrepreneurship.

Expanding Entrepreneurial Agency: The Construction of Entrepreneurial Places and Spaces

The mechanisms through which geographical changes happen are not only entrepreneurial actions but also the way we make sense of the world, through our cognitions (Brännback & Carsrud, 2016), as well as the words and images we use to describe our world (Welter, 2019). High-tech entrepreneurial identities are influenced by potentially contradictory place-based discourses whilst entrepreneurs simultaneously engage in ‘place-making’ through their own storytelling (Gill & Larson, 2014), entrepreneurial ecosystems also are narrated (Roundy & Bayer, 2019), regional institutions are lived and interpreted experiences (Lowe & Feldman, 2017), and entrepreneurship is influenced by the materiality of places and the role of place-specific artefacts (Muñoz & Kimmitt, 2019). We suggest this focus on the various mechanisms of context construction as fruitful future research themes, because it can provide novel insights into why entrepreneurship differs across regions and why some places are more entrepreneurial than others.

Entrepreneurship, New and Old Forms of Spatiality

Digitization potentially changes the role and impact of spatial proximity for entrepreneurship and it creates a new form of spatiality. Entrepreneurial networks no longer need spatial proximity to emerge although relational proximity may still be required; hybrid virtual communities afford social dynamics and entrepreneurial learning which does not happen in face-to-face contexts (Grabher & Ibert, 2013). Still, there is an ongoing discussion as to whether entrepreneurship networks can only operate in digital space or whether they need face-to-face contacts as well. The recent emergence of new physical spaces for entrepreneurship such as co-working spaces or makerspaces appears to reconfirm the importance of real-world contacts beyond the virtual exchange possibilities the new technologies offer. Research could explore the good and bad sides of spatial proximity and distance in relation to physical, virtual and hybrid spaces for entrepreneurship.

Digital technologies also contribute to a revival of home-based business, allowing entrepreneurs to easily connect from home to the world, thus bridging local sites for business with global spaces. Is this indeed a part of a process connecting economy back with society as has been suggested by some (Luckman, 2015, p. 146)? Which are the social and individual consequences of the further intrusion of economic considerations in spaces and places that have been considered private, thus further blurring the boundaries between work and private lives? Overall, we need more studies that uncover the complexities of the new spaces and places, their impact on entrepreneurship respectively the agency of entrepreneurs in shaping these geographical contexts the ways they want and need them.

Developing the Entrepreneurial Ecosystem Approach

Entrepreneurial ecosystem research has the promise to provide a science-based framework for improving the conditions of entrepreneurship and to ultimately improve aggregate welfare. In order to achieve this, we need to better understand both the elements of ecosystems and the interactions within and between these elements, in other words, their interdependence and co-evolution. The entrepreneurial ecosystem approach provides a new lens to study the geographical contexts of entrepreneurship. An improved and expanded analysis of space and place is needed. Space not only includes the territorial bounds of the ecosystem but also refers to the nestedness and multiple spatial scales that are relevant for the actors and key mechanisms driving entrepreneurship. Space also includes the role of physical infrastructures enabling interaction, the movement of bodies, artefacts and data. The latter currently is being revolutionized by digitization. However, the effects of space on entrepreneurship are often mediated or moderated by the nature of place that is the meanings people give to and derive from their geographical context. Studying these interactions within and between elements of entrepreneurial ecosystems, their interdependence and co-evolution, necessitates a rich set of quantitative and qualitative methodologies and a large research program to integrate and accumulate the findings of how entrepreneurial ecosystems work around the world.

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