

CIFREM SEMINARS

Learning dynamics between rivals in alternative space arrangements (with Guido Fioretti and Vincenza Odorici)

***Cristina Boari
Università di Bologna***

***Thursday, October 30 2008
at 3 PM - DISA seminar room
Faculty of Economics - Via Inama, 5 - TN***

Knowledge has become a crucial asset in modern production systems, and its creation has become a key process in order to sustain or increase competitiveness. The ensuing shift toward a knowledge-based economy has amplified research interests in geographical clustering of firms, for geographical proximity is supposed to ease inter-organizational learning. Indeed, there is substantial empirical evidence claiming that firms located in geographical clusters are more likely to learn and innovate than isolated firms. However, this renewed attention to the subject of geographical proximity highlights how far we are from having a clear understanding of its influence on inter-organizational learning and innovation. Within this general debate our paper investigates the impact of geographical proximity on inter-organizational learning, where rivalry is the addressed relationship. This is quite unusual in the literature, for most theoretical developments and empirical tests have focused on inter-firm cooperation, whereas far less attention has been paid to the interplay of geographical proximity, rivalry and learning processes. By combining different evidences originated in the cognitive managerial literature and in the economic geography literature we build an agent-based-model with a “proof” purpose. Our modeled processes are as follow: 1) Geographic proximity does not limit rivals’ identification to local rivals; 2) geographic proximity influences the number of identified rivals; 3) geographic proximity increases the depth of comparison with rivals; 4) a certain amount of cognitive proximity to rivals is a necessary condition for comparison and learning to occur. Our simulations shows that clustered firms have generally an advantage over isolated firms providing significant support for the combination of the modelled processes.