



# Public Lecture: Co-worker networks and agglomeration externalities

## Rikard Eriksson



Rikard Eriksson is professor of economic geography at Umeå University. His research concerns how the spatial economy transforms through the dynamic processes of economic novelty that emerges from the micro-behavior of economic agents.

He has published in journals in economic geography and urban studies and is widely known for his innovative work.

## Where & when

Tuesday, May 9, 12:15–13:45

GIUB 007 (Hallerstrasse 12)

## Abstract

Inter-personal linkages are crucial for the generation of new knowledge and the mobility of workers is often argued to be a direct medium to diffuse unstandardized knowledge in space. This paper explores how social networks influence regional economic development on the base of different types of knowledge externalities. To address this issue, we construct a weighted co-worker network for the entire Swedish economy 1990-2008 and aggregate tie weights on plant- and industry-region levels. Based on previous literature, we argue that co-worker networks across plants within industry-regions are important for creating MAR externalities while networks across industry-regions should be

important for Jacobs externalities. We find evidence that growing density of the plant-level network is a key feature explaining the presence of MAR externalities as it positively influences productivity, particularly in large regional industry-clusters. While diversity as such is not related to productivity, we find that regional co-worker ties to related industries compensate for the absence of industry clustering. Conversely, industry diversity of co-worker ties is positively related to employment growth. A feature especially prominent in strong industry clusters. Finally, we show that linkages to the same industry in other regions are important for productivity in cases where regional specialization is absent, while specialized non-local ties are more beneficial for employment. Thus, while the type of linkage (specialized or diverse) influence the performance of agglomerated plants differently depending on how performance is defined, we also find that the linkages to other firms in the region and to other regions depend on the degree of industry clustering.

**Authors:** Rikard H. Eriksson, Balázs Lengyel (MIT)

## Sponsored by

Unit Economic Geography & Center for Regional Economic Development (CRED)

