

Abstract

In this paper we investigate the spatial aspects of the conditions of entrepreneurship on the one hand, and the consequences of entrepreneurship on the other hand. The consequences are the effects of individual interactions that may lead to the emergence of complex systems that are largely the “result of human action, but not of human design” (Hayek, 1967). These emergent systems have spatial coordinates and localized effects on the growth of knowledge and economic activity. The emergent systems—new organizations, institutions, industrial clusters, cities, and regions—in turn form the context for subsequent entrepreneurial actions.

We show the strengths and opportunities of Austrian economics for the indeterminate dynamic analysis of entrepreneurship and evolving selection environments, and the spatial aspects of these processes and structures. We explicitly investigate the bridge between evolutionary economic geography and Austrian economics.

The paper is structured as follows: in the second section, we introduce Austrian as well as evolutionary geographic treatments of entrepreneurship. In the third section we investigate entrepreneurship and its conditions of space and place. In the fourth section, we elaborate on the urban aspects of the conditions of entrepreneurship as it is approached in evolutionary theories. The fifth section centers on the spatial aspects of the consequences of entrepreneurship, with a particular focus on its impact on urban and regional development.