

***Knowledge Transfer and the Location of
New Information and Communication Technology
Establishments in the Dutch Province of Zuid-Holland****

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Abstract

This paper looks at the determinants of births of new establishments in the information and communications technology (ICT) sector among 416 4-digit zip code areas in the Dutch province of Zuid-Holland (South-Holland). In particular, we examine the role of agglomeration economies and other locational attributes in determining where new firms will locate. Agglomeration economies facilitate knowledge transfer and are thus expected to be important determinants of entrepreneurial activity. We find that more industrially diverse zip code areas that are already relatively specialized in ICT attract more start-up establishments than other zip code areas. This result supports previous evidence that high-technology enterprises tend to collocate in areas where economic activity is spatially dense.
