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## LUNCH SEMINAR SERIES

**November 22, 2017, h. 12.30 – 14.00**

Building U7, IV Floor, Room 4066,  
Via Bicocca degli Arcimboldi, 8 – 20126 Milano

### **“EMPLOYMENT EFFECTS OF INNOVATIVE STARTUPS. REGIONAL EVIDENCE FROM ITALY”**

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#### Abstract

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This paper investigates the impact of technological knowledge spillover effects (KSE) on firms' level of employment using a sample of 260 innovative startup companies across 20 Italian economic regions. We particularly test for the specialization, competition and diversity hypotheses related to KSE. Our results provide robust evidence in support of regional specialization as source for increased employment, while higher levels of competition and a more diverse regional production structure having negative effects on firm's employment levels. In addition, we found a lack of technological convergence across regions, suggesting that local knowledge effects would have the largest positive effects on employment when regions emphasize on developing competitive advantages linked to specialization in related industries. Furthermore, our results indicate that firms' employment decisions are mainly determined in the year of formation. In sum, This lead to developing and using local technologies driven to unlock opportunities deriving from either new ideas, or ideas with untapped applications. The evidence points out in favor of existent and persistent regional heterogeneity in terms of economic and technological specialization as sources of employment. These results then lead to believe that for further growth along already existent paths of technological capabilities seem to be preferred.