THE EVOLUTION OF GEOGRAPHIC STRUCTURE IN NEW INDUSTRIES*

Steven Klepper
Carnegie Mellon University, Pittsburgh, USA

We review the evolution of the market and geographic structure of the automobile, television receiver, and tyre industries in order to gain insights into the primary forces governing the agglomeration of industries. Spinoffs, which are firms founded by employees of incumbent producers, played a prominent role in the agglomerations that emerged around Detroit, MI and Akron, OH in the automobile and tyre industries respectively. The television receiver industry became less agglomerated over time, and this is connected with the domination of the industry by diversifiers from the radio industry. The patterns in all three industries are shown to be compatible with a theory of organisational birth and heredity proposed in Klepper (2003).

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sk3f@andrew.cmu.edu