

From crisis to recovery: The role of entrepreneurship in local economic resilience

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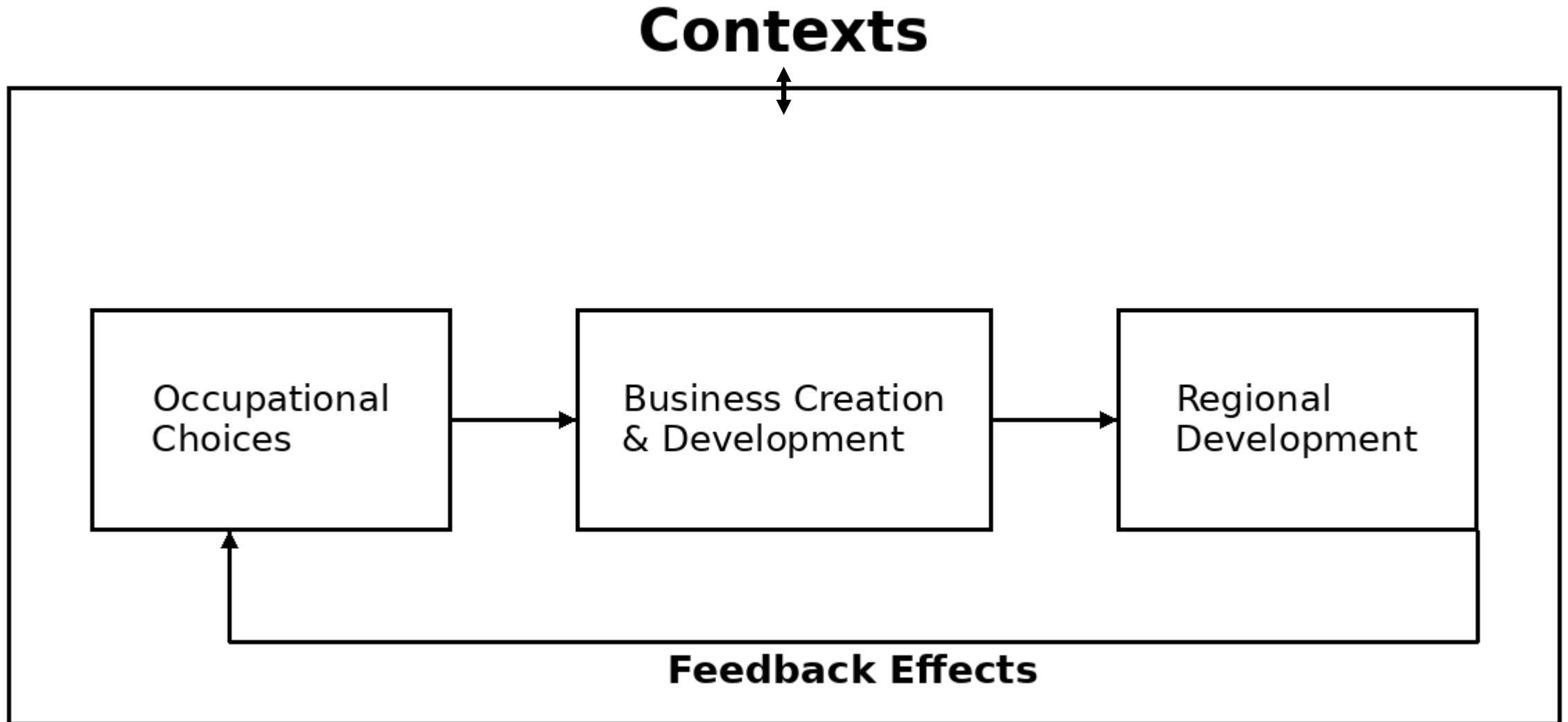
Joint work with Abdoulaye Kané and Nadine Levratto
(CNRS & I3, Mines Paris, PSL)

“When and where does entrepreneurship contribute to local resilience?”
Revise & Resubmit for *Regional Studies*.

Contents

- Introducing an inclusive framework of my research
- Entrepreneurship and regional resilience
 - Entrepreneurship as an underexplored driver of regional resilience
 - Channels linking entrepreneurship to resilience
 - Research framework and main contributions

An inclusive research framework



Entrepreneurship and regional resilience

(joint work with Abdoulaye Kané and Nadine Levratto)

- The 2008 Great Recession had uneven impacts across European regions. Some regions recovered quickly, others struggled.
- This ability to resist and recover is called regional economic resilience (Martin & Sunley, 2015).
- Key determinants of regional economic resilience include:
 - Productive structure
 - Institutions
 - Innovation systems
 - Socio-demographics

Cf. Modica & Reggiani, 2015; Nyström, 2017.

- **Entrepreneurship is a key but underexplored factor**

Entrepreneurship and regional resilience

- Entrepreneurship enhances resilience by:
 - Promoting innovation and competition
 - Creating jobs and economic dynamism
 - Allowing flexible adaptation (especially entrepreneurial SMEs)

(Cf. Ayala and Manzano, 2014; Reinmoeller and Van Baardwijk, 2005; Audretsch & Fritsch, 2002)

- Firm dynamics (entry, exit, growth, decline) shape recovery
- Entrepreneurs respond differently in crises (adapt vs. exit)
- Research gap:
 - Limited quantitative studies
 - Evidence restricted to a few countries
 - Weak empirical robustness overall

Entrepreneurship and regional resilience

- We examine where and when entrepreneurship influences regional resilience
- Approach
 - Spatiotemporal analysis (across regions and over time)
 - Case study: France (304 labor areas, 2007–2015)
- Innovation
 - New entrepreneurial propensity indicator (shift-share method)
 - Accounts for local dynamics beyond national trends
- Findings
 - Entrepreneurship supports recovery and long-term stability
- Contributions:
 - Advanced methodology (shift-share + spatial models)
 - Highlights spatial spillovers and temporal dynamics
 - Provides insights for policy to strengthen resilience through entrepreneurship

Entrepreneurship and regional resilience

- Four indicators of resilience, measured by private employment variations, each associated with a specific period:
 - resistance gap (between 2007 and 2009)
 - recovery speed (between 2009 and 2011)
 - rebound effect (between 2009 and 2015)
 - global performance (between 2007 and 2015)

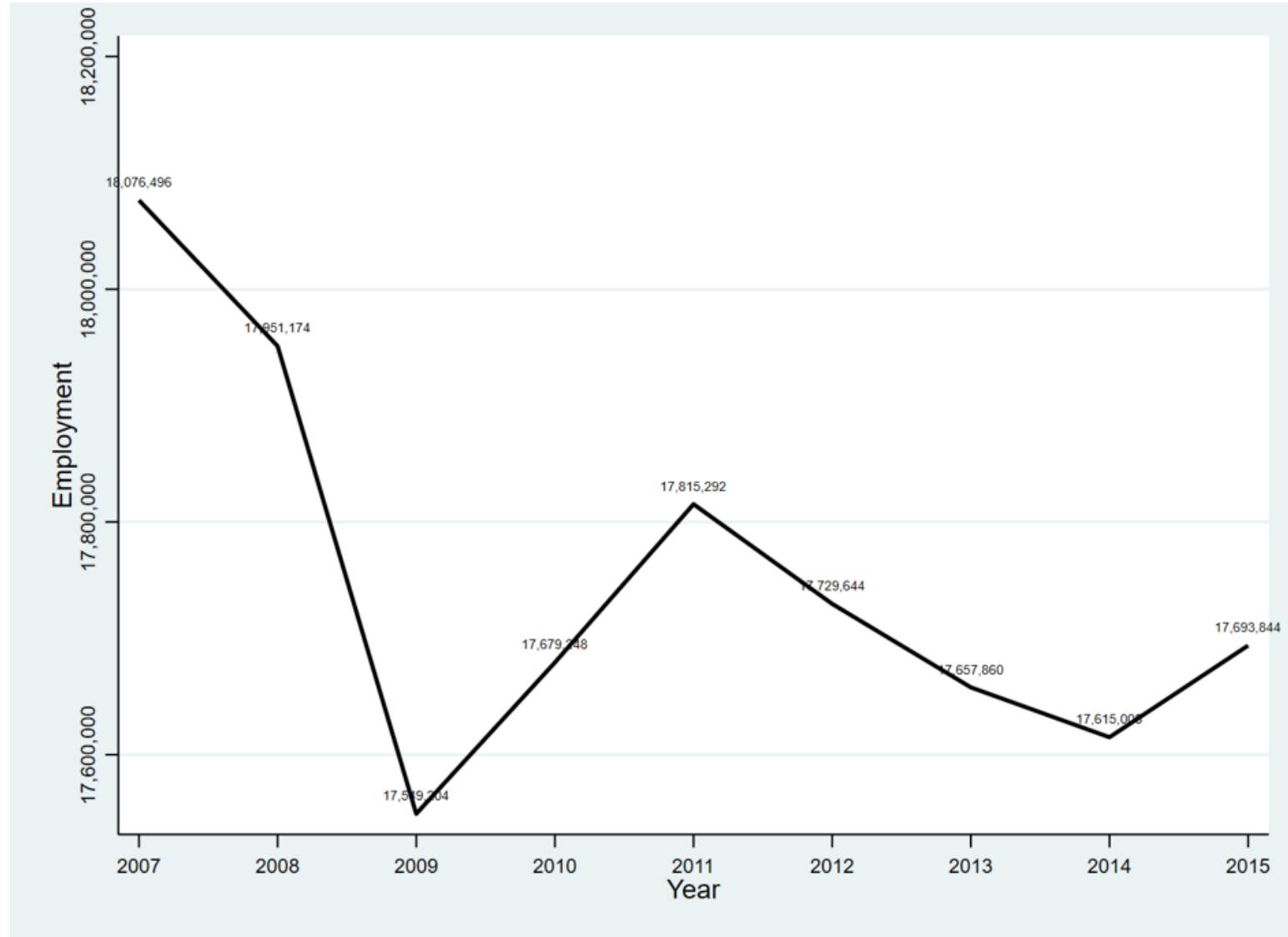
(Martin, 2012; Martin and Sunley, 2015)

Entrepreneurship and regional resilience

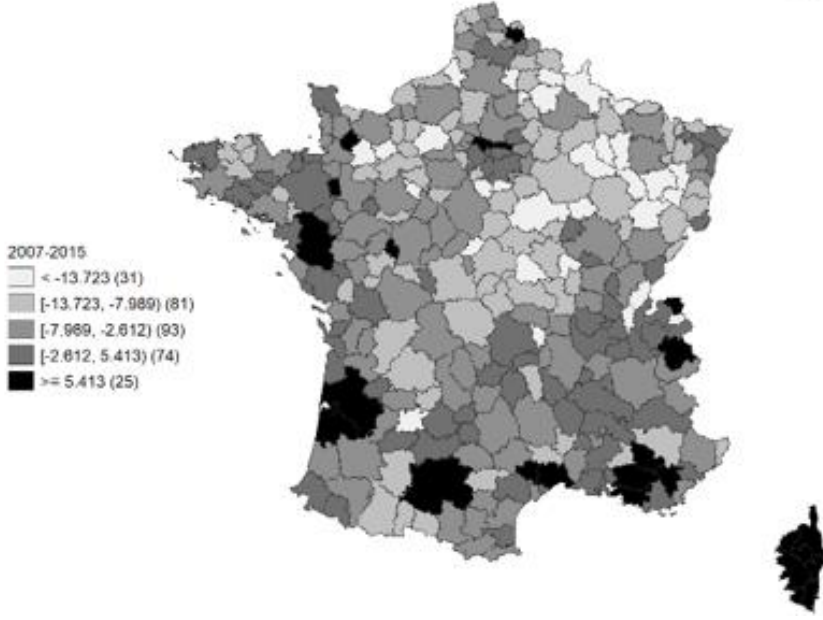
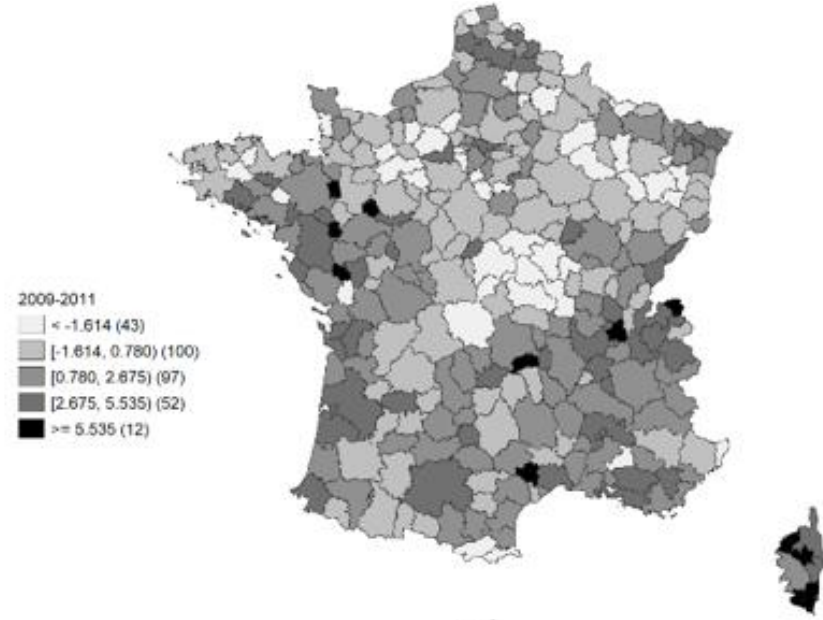
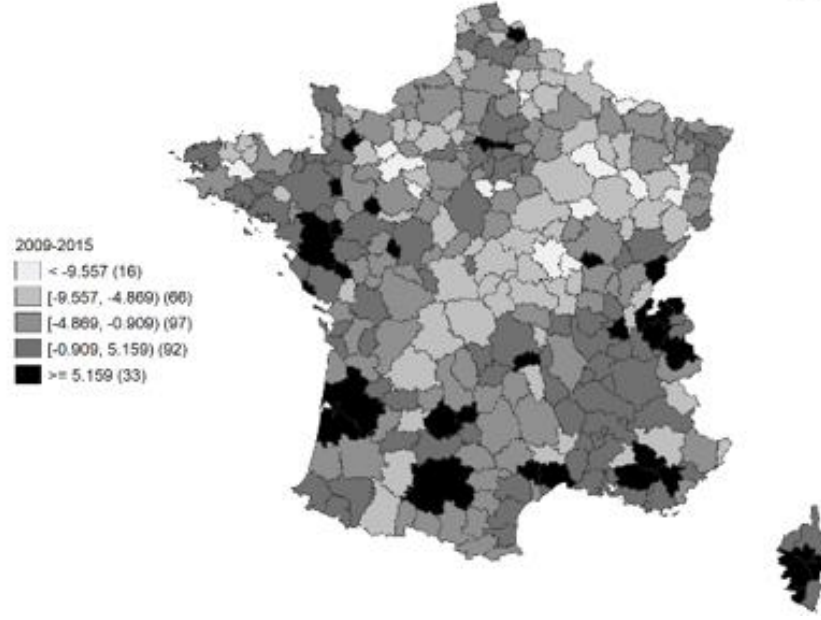
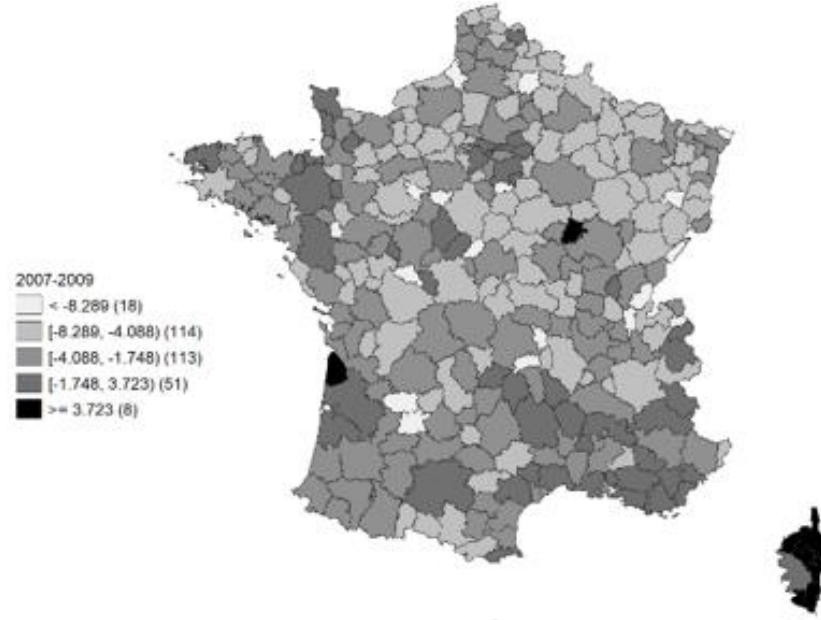
- Independent variables:
 - Variable of interest: the local effect of a dynamic shift-share approach decomposing the number of establishments created (Barff & Knight, 1988)
- Controls:
 - employment density;
 - Krugman's synthetic specificity index;
 - Herfindahl-Hirschman concentration index (HHI);
 - the share of employment in manufacturing.

Entrepreneurship and regional resilience

Trends in French employment
in the private sector



Variation in salaried private sector employment at the level of the labor market area



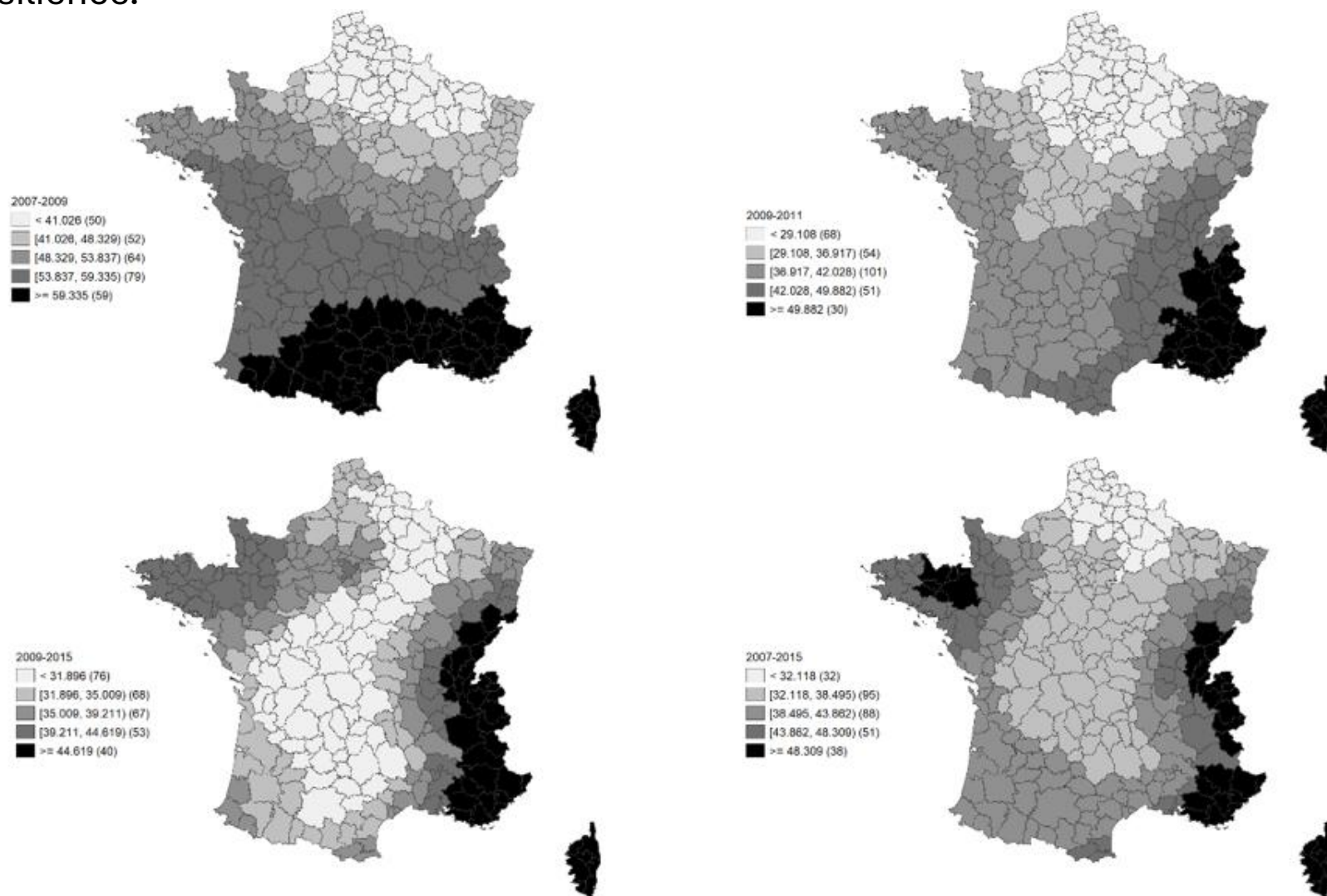
Map of coefficients of Entrepreneurship variable using GWR

Significant positive impact on regional resilience across all periods studied (2007–2015).

Strongest in southern and eastern France.

Influence most pronounced during the initial crisis resistance (2007–2009).

Persistent spatial clusters confirm that entrepreneurship plays a key and lasting role in shaping local resilience.



Entrepreneurship and regional resilience

- Entrepreneurship positively contributes to regional economic resilience, supporting both short-term recovery and long-term stability.
- Local entrepreneurial dynamics matter, beyond national and sectoral trends, as documented using a dynamic shift-share approach.
- Spatial effects are significant, with stronger impacts at the onset of the crisis and in specific regions (notably southern and eastern France).
- Resilience is multi-dimensional, shaped by entrepreneurship alongside other factors such as agglomeration effects and industrial structure.
- Policy implication: fostering supportive environments and encouraging business creation can strengthen regional resilience.
- Future research: be careful about types of entrepreneurship and contexts, as effects vary depending on local conditions and entrepreneurial forms.

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THANK YOU FOR YOUR ATTENTION !

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