

Z-shocks or E-shocks?

Can Tacit Knowledge explain Temporal Clusters of Innovation?

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Abstract

The literature on innovation and technical change identifies temporary clustering, periods of intense innovative activities followed by slower expansion. We are proposing a simple computerized model of entrepreneurship that explains innovative clustering in an intergenerational framework. We assume the entrepreneurial gaze is directed and not general. Individuals will see some opportunities and disregard others depending on their socio-technological environment and personal life history, which induces temporary innovative shocks. Empirical observations illustrate the potential usefulness of such a model.