

**Entrepreneurship and territorial development: toward a co-evolutionary  
perspective**

*A conceptual review*

**Entrepreneuriat et développement territorial : vers une perspective de co-  
évolution**

*Une revue conceptuelle*

**AATIF Youssef**

PhD student

Faculty of Economics and Management – Kenitra  
Ibn Tofail University – Morocco  
Laboratory of Economic Sciences and Public Policy

**HAYOUN Firdaws**

PhD student

National School of Business and Management - Beni Mellal,  
Sultan Moulay Slimane University – Morocco  
Research Laboratory of Economics and Management of Organizations

**OUABOUCH Brahim**

PhD student

National School of Business and Management - Beni Mellal,  
Sultan Moulay Slimane University – Morocco  
Research Laboratory of Economics and Management of Organizations

**MALAININE Cheklekbire**

Professor researcher

Faculty of Economics and Management – Kenitra  
Ibn Tofail University – Morocco  
Laboratory of Economic Sciences and Public Policy

**Date de soumission** : 24/02/2026

**Date d'acceptation** : 19/04/2026

**Pour citer cet article** :

AATIF. Y. & al. (2026) « Entrepreneurship and territorial development: toward a co-evolutionary perspective. A conceptual review », Revue Française d'Economie et de Gestion « Volume 7 : Numéro 5 » pp : 48- 71.

Author(s) agree that this article remain permanently open access under the terms of the Creative Commons  
Attribution License 4.0 International License



## Abstract

This article offers a conceptual review of the links between entrepreneurship and territorial development. Based on a cross-analysis of several theoretical approaches (entrepreneurship, regional economics, and economic geography), it highlights the co-evolutionary relationship between entrepreneurial action and territorial dynamics. Far from being a mere driver of growth, entrepreneurship transforms territories by mobilizing local resources, creating jobs, and fostering innovations tailored to local contexts. In return, territories influence entrepreneurship through their resources, infrastructures, institutions, and cultures. This dual interaction calls for a systemic perspective based on the notion of localized entrepreneurial ecosystems. The article advocates for a reconfiguration of public policies in favor of more contextualized, embedded, and collaborative support. It also sheds light on the limitations of existing literature and proposes avenues for future research on entrepreneurial trajectories embedded in territorial dynamics.

**Keywords:** Co-evolution; entrepreneurial ecosystem; entrepreneurship; territorial development; territorial embeddedness.

## Résumé

Cet article propose une revue conceptuelle des liens entre entrepreneuriat et développement territorial. À partir d'une analyse croisée de plusieurs courants théoriques (entrepreneuriat, économie régionale, géographie économique), il met en évidence la relation co-évolutive entre l'action entrepreneuriale et les dynamiques territoriales. Loin d'être un simple levier de croissance, l'entrepreneuriat transforme les territoires en mobilisant les ressources locales, en créant des emplois et en stimulant l'innovation adaptée aux contextes locaux. En retour, les territoires influencent l'entrepreneuriat par leurs ressources, infrastructures, institutions et cultures. Cette double interaction appelle une lecture systémique fondée sur la notion d'écosystème entrepreneurial territorialisé. L'article suggère une reconfiguration des politiques publiques en faveur d'un accompagnement plus contextualisé, ancré et collaboratif. Il met en lumière les limites de la littérature existante et propose des pistes de recherche futures autour des trajectoires entrepreneuriales inscrites dans les dynamiques territoriales.

**Mots clés :** Ancrage territorial, co-évolution, développement territorial, écosystème entrepreneurial, entrepreneuriat.

## Introduction

Over the past decades, entrepreneurship has emerged as a key driver of economic and social development, attracting growing interest from both policymakers and researchers. It is widely seen as a catalyst for innovation, job creation, and the renewal of the productive fabric (Acs & Armington, 2004; Audretsch, 2007; Davidsson & Honig, 2003). In the context of globalization, transformations of local economies, and the reconfiguration of territories, the role of the entrepreneur goes beyond the mere act of business creation to become part of a broader dynamic of territorial regeneration (Mason & Brown, 2014; Stam, 2015).

At the same time, the territory has reasserted itself as a strategic scale of analysis in understanding development. Far from being a simple geographical entity, it is now viewed as a complex space shaped by resources, institutions, social networks, and specific cultural dynamics (Camagni, 1995). Thus, territorial development, particularly in its endogenous forms, emphasizes the capacity of territories to mobilize their own resources and capabilities to foster sustainable and inclusive growth (Moulaert & Nussbaumer, 2005).

From this perspective, the present study is structured around the following central research question: **How do entrepreneurship and territory co-evolve in shaping territorial development dynamics?**

To address this question, the article pursues two main objectives. First, it aims to analyze the mechanisms through which entrepreneurship contributes to territorial development, particularly through job creation, innovation, and the mobilization of local resources. Second, it seeks to examine how territorial characteristics, such as institutional frameworks, resource availability, and socio-cultural dynamics, influence entrepreneurial processes and outcomes.

Several studies have shown that entrepreneurship can contribute to the structuring of territorial dynamics by leveraging local specificities, enhancing regional attractiveness, and generating spillover effects across economic sectors (Feldman et al., 2005; Sotarauta & Pulkkinen, 2011). Conversely, territory can also play a structuring role in entrepreneurial activity by providing material, immaterial, and institutional resources that support the emergence and sustainability of entrepreneurial initiatives (Malecki, 2007; Torre & Rallet, 2005).

Despite the growing body of literature on entrepreneurship and territorial development, existing studies often adopt fragmented approaches, either focusing on the entrepreneur or on territorial dynamics in isolation. It therefore seems necessary to move beyond these disciplinary divides and adopt a systemic and co-evolutionary perspective.

This article contributes to the literature by proposing an integrated and co-evolutionary perspective that connects these two dimensions within a unified conceptual framework.

The article is structured as follows: it begins with a conceptual framework of the key notions of entrepreneurship, territory, and territorial development. Next, it examines the role of entrepreneurship in transforming territories, followed by an analysis of how territory influences entrepreneurial activity. Finally, it discusses the co-evolution of entrepreneurial and territorial dynamics and proposes both theoretical and practical implications.

### **Research Methodology**

This article adopts a conceptual literature review approach, aiming to provide an integrative and interdisciplinary understanding of the relationship between entrepreneurship and territorial development.

The review is based on a structured selection of academic sources drawn from major contributions in entrepreneurship, regional economics, economic geography, and economic sociology. The selection of the literature was guided by several criteria, including relevance to the research topic, theoretical contribution, and recognition of the authors in their respective fields.

Both seminal works and more recent studies were included in order to ensure a comprehensive and balanced analysis.

Furthermore, the literature was analyzed using a thematic approach, structured around key dimensions such as the role of entrepreneurship in territorial development, the influence of territorial factors on entrepreneurial dynamics, and the co-evolutionary processes linking these two dimensions.

## **1. Conceptual framework**

### **1.1. Entrepreneurship: a plural and evolving concept**

Entrepreneurship is a multifaceted concept whose definitions have evolved over time. Historically, early economic studies, most notably those of Schumpeter (1939), viewed the entrepreneur as an agent of change, a driver of innovation, and a creator of disequilibrium in an economic system constantly seeking transformation. In this approach, the entrepreneur does not merely exploit existing opportunities but rather creates new ones, thereby disrupting market equilibrium.

Other approaches, such as Kirzner's (1973), place greater emphasis on entrepreneurial alertness, that is, the ability to identify and seize unexplored opportunities in the market. More recently, the perspective of Shane & Venkataraman (2000) has reshaped the field by defining

entrepreneurship as the process of discovering, evaluating, and exploiting economic opportunities, emphasizing the interaction between the individual and their environment.

Far from being a homogeneous activity, entrepreneurship today encompasses a wide variety of forms: traditional business creation, social entrepreneurship (Defourny & Nyssens, 2010), intrapreneurship, technological entrepreneurship, and rural entrepreneurship, among others. This diversity is also reflected in the profiles of entrepreneurs, who differ in their motivations, resources, and life paths (Bruyat & Julien, 2000; Gartner, 1988).

### **1.2. Territory: a structuring social and economic space**

The concept of territory goes far beyond mere geography. It is understood as a lived and organized space, carrying identities, social relationships, and institutions that influence economic behaviors (Benko & Lipietz, 2000). Thus, it is considered a socio-economic construct resulting from a historical process of resource accumulation and relational dynamics. In regional economics, several theoretical approaches help characterize the foundational role of territory in development dynamics.

- **The innovative milieu approach**, reformulated and updated by Camagni & Capello (2002), emphasizes relational proximity among institutional, economic, and scientific actors, fostering processes of collective learning, cooperation, and innovation diffusion. This milieu is seen as a local innovation ecosystem, where constant interaction among actors enables the emergence of a creative dynamic specific to the territory. It assumes a certain degree of trust, shared culture, and active supporting institutions.
- **The theory of industrial districts**, initiated by Marshall (1920), focuses on territories where numerous small and medium-sized enterprises coexist, often specialized in the same sector. These entities benefit from external economies (such as skilled local labor, access to specialized suppliers, and shared infrastructure) while maintaining their autonomy. The district fosters incremental innovation dynamics, flexible specialization, and strong socio-professional integration of entrepreneurs within their environment.
- **Recent work in economic geography** emphasizes various forms of proximity (institutional, geographic, organizational, cognitive) and their role in structuring economic activities (Torre & Rallet, 2005). These proximities determine access to information, coordination among actors, trust, and therefore the capacity to cooperate or innovate within a given territory.

These theoretical perspectives converge around a central idea: that territory should no longer be viewed as a mere backdrop or passive support for economic activity. On the contrary, it

constitutes an active resource, a coordination framework, and sometimes even a collective actor, in the sense that it influences strategies, networks, and entrepreneurial behaviors. It shapes the trajectories of businesses based on its specific resources, history, collective learning capacities, and institutions.

### **1.3. Territorial development: an endogenous and sustainable vision of growth**

Territorial development is defined as a process of economic, social, and environmental transformation that is locally rooted and driven by the territory's own actors (Moulaert & Nussbaumer, 2005). It relies on a bottom-up dynamic in which initiatives emerge from the ground and are tailored to local specificities; this is the essence of endogenous development. In contrast to exogenous development, which often focuses on attracting capital, foreign investments, or large corporations, this endogenous approach prioritizes the mobilization and enhancement of internal territorial resources, such as human capital, entrepreneurial fabric, local know-how, cooperation networks, and cultural or natural heritage. It aims for rooted development, one that strengthens territorial autonomy, stimulates local innovation, and fosters more inclusive and sustainable growth.

This approach requires decentralized governance, involving all stakeholders, local authorities, businesses, universities, civil society, and citizens, who are called upon to collaborate in defining shared strategies for territorial valorization and development (Camagni & Capello, 2013). Such governance encourages local actors' participation in decision-making, thereby ensuring a better alignment between implemented policies and the actual needs of the territory. Territorial development is thus generally based on three essential pillars. First, the creation of sustainable economic activities, often driven by local entrepreneurship, capable of anchoring added value locally and enhancing economic resilience. Second, social and territorial cohesion, aimed at reducing inequalities between regions, neighborhoods, or social groups and promoting broader economic inclusion. Finally, the promotion of local resources, be they natural, human, cultural, or institutional, in a long-term sustainability logic.

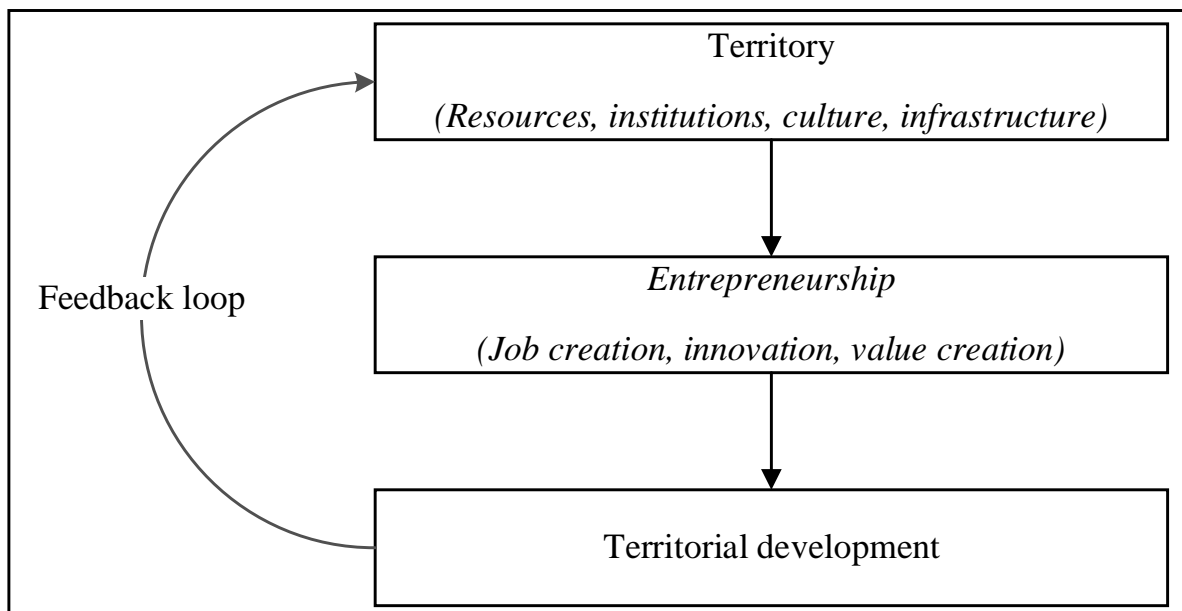
In this context, the entrepreneur is no longer just an economic agent seeking to maximize individual profit, but rather a territorial change agent, carrying projects capable of transforming, activating, and reconfiguring local dynamics. Through their local embeddedness, network, and innovative capacity, they can spark collective dynamics, strengthen the territory's ability to act, and play a key role in building a sustainable development trajectory.

#### 1.4. Conceptual framework of the co-evolution between entrepreneurship and territory

Building on the previous theoretical developments, this article proposes a conceptual framework that highlights the co-evolutionary relationship between entrepreneurship and territorial development.

On the one hand, entrepreneurship contributes to territorial development through job creation, innovation, and the mobilization of local resources. On the other hand, territorial characteristics, such as access to resources, institutional context, infrastructure, and social capital, shape entrepreneurial dynamics and outcomes.

This interaction is dynamic and reciprocal, forming a co-evolutionary process in which entrepreneurship and territory continuously influence and reinforce each other over time.



**Figure 1. Conceptual framework of the co-evolution between entrepreneurship and territory**

Source: Developed by the authors based on the literature

## 2. Entrepreneurship as a driver of territorial development

Entrepreneurship, beyond the traditional economic function attributed to it, namely, business creation and profit-seeking, can also be considered a strategic lever for territorial development. It is no longer merely an individual market activity but rather a phenomenon embedded in a collective and spatial dynamic. Through its ability to generate employment, mobilize and enhance local resources, and stimulate innovation, entrepreneurship plays an active role in transforming the socio-economic structures of territories. This role is especially critical in contexts of public policy decentralization, post-industrial economic transitions, or targeted

regional reindustrialization (Acs et al., 2009; Audretsch & Keilbach, 2005). It thus becomes a tool for adapting and strengthening the resilience of territories in response to global economic shifts and local development challenges.

### **2.1. Job creation and revitalization of the local economic fabric**

One of the most tangible and immediate contributions of entrepreneurship at the territorial level is job creation, whether direct (within the new businesses themselves) or indirect, through spillover effects on the local economy. New businesses invigorate economic activity by engaging suppliers, stimulating local demand, and strengthening territorial value chains, which can generate positive multiplier effects across other related sectors (Fritsch & Mueller, 2004). This role is especially vital in economically fragile or transitioning regions, where entrepreneurial initiatives can compensate for the withdrawal of public investment, factory closures, or the scarcity of traditional salaried jobs.

Moreover, entrepreneurs are often deeply embedded in their local environment, giving them a nuanced understanding of the needs, opportunities, and constraints specific to their territory. This proximity allows them to design more targeted offerings than those of large corporations, which are sometimes disconnected from local realities (Naudé, 2010). In this sense, entrepreneurship is not merely about integrating individuals into the economy, it also strengthens the self-organizing capacity of territories by developing proximity-based economies, promoting short supply chains, and supporting rooted, non-relocatable activities (Boschma, 2005). It thus contributes to the economic resilience and sustainability of territories,

### **2.2. Valorization of territorial resources**

Entrepreneurship also significantly contributes to the valorization of territorial resources, whether tangible (natural resources, cultural heritage, local infrastructure) or intangible (traditional know-how, technical or artisanal skills, human capital, and social networks) (Camagni & Capello, 2002; Rodríguez-Pose, 2013). By integrating these resources into their projects, entrepreneurs help rediscover, reinterpret, and modernize local assets, while reinforcing the economic and cultural identity of the territory. This dynamic promotes the emergence of specific territorial niches with strong potential, especially in sectors such as agri-food, sustainable tourism, artisanal crafts, or creative industries.

This valorization process generally relies on territorial embeddedness, where the business does not operate in isolation but establishes interdependent relationships with its local environment (Torre, 2009). This translates into cooperation with other local actors (associations, local authorities, research centers, other companies), the creation of sectoral synergies (e.g., clusters

or competitiveness hubs), or integration into both formal (partnerships, interest groups) and informal networks (trust-based relations, social embeddedness).

From this perspective, entrepreneurship becomes a lever of territorial differentiation, enabling the design of unique development paths tailored to the specificities, strengths, and aspirations of each territory (Camagni & Capello, 2013). It thus helps position certain territories as hubs of excellence or innovation, capable of attracting talent, investment, and institutional recognition.

### **2.3. Innovation, resilience, and inclusive development**

Entrepreneurship serves as a vector for territorial innovation in the broad sense. It is not limited to technological innovation, although this is crucial in some sectors, but also includes social, organizational, and environmental innovations, often driven by entrepreneurs committed to their territories. These forms of innovation are characterized by their capacity to address local needs unmet by traditional market mechanisms or standard public policies. They frequently emerge in areas such as alternative education, community health, social inclusion of vulnerable groups, or ecological transition, domains where conventional models often reach their limits.

In contexts of crisis, economic restructuring, or industrial transition, entrepreneurship plays a crucial role in strengthening territorial resilience (Simmie & Martin, 2010). Thanks to their adaptability, entrepreneurs can swiftly adjust their business models, experiment with new production or governance methods, and support the reconfiguration of their territories. This entrepreneurial flexibility enables some struggling regions to reinitiate development trajectories based on innovative local initiatives.

Furthermore, from a sustainable development perspective, many studies highlight the growing importance of social and solidarity-based entrepreneurship in building more inclusive and cohesive territories (Defourny & Nyssens, 2010; Galera & Borzaga, 2009). This type of entrepreneurship emphasizes social as well as economic goals and favors logics of participation, redistribution, and collective utility over individual value creation. It thus helps reduce inequalities, combat exclusion, and strengthen social ties within local communities.

### **3. The territory as a catalyst for entrepreneurial action**

While entrepreneurship can transform territories, it cannot thrive in an institutional, social, or geographical vacuum. Indeed, entrepreneurial initiatives are strongly influenced by the structural and institutional characteristics of the territory in which they emerge (Audretsch & Feldman, 1996; Stam, 2015). The territory thus acts as a catalyst, or even a revealer, of entrepreneurial activity, by providing an environment conducive to identifying opportunities, access to resources, and the development of entrepreneurial skills.

### **3.1. Access to strategic resources: a determining condition**

One of the most significant contributions of the territory to entrepreneurs lies in the differentiated access to strategic resources necessary for the creation, development, and sustainability of their ventures. The territory is not merely a physical location but rather a reservoir of resources whose nature, quality, and accessibility greatly shape entrepreneurial trajectories (Audretsch & Feldman, 1996). These resources are multiple and interdependent. First, human resources. This refers to the availability of a qualified workforce, whether scientific, managerial, technical, or artisanal. The presence of educational institutions, relevant vocational training, and local learning dynamics promotes alignment between available skills and business needs (Malecki, 2007).

Next are financial resources, which include access to bank credit, seed capital, local investors (regional funds, business angels), as well as targeted public grants or support mechanisms (innovation aid, tax exemptions, local project calls). These vary widely across regions and influence entrepreneurs' ability to mobilize funds at both startup and growth stages (Mason & Harrison, 2003).

Technological and informational resources also play a key role, particularly in innovative sectors. These include access to research centers, university labs, competitiveness clusters, fab labs, incubators, and science parks. Such structures facilitate technology watch, knowledge transfer, innovation support, and integration into learning ecosystems (Feldman, 2001).

Finally, institutional resources relate to the regulatory, administrative, and infrastructural environment of the territory. The quality of transport infrastructure, digital networks, institutional stability, inter-organizational cooperation, and the flexibility of local administrative procedures are all factors that can either encourage or hinder entrepreneurial activity.

It is important to note that the availability and accessibility of these resources are neither uniform nor equitable across different regions. This territorial heterogeneity helps explain spatial inequalities in entrepreneurial dynamism. Major urban centers, often better equipped with infrastructure, innovation networks, and funding, tend to concentrate high value-added entrepreneurial projects. In contrast, rural or peri-urban areas face structural resource deficits, although they may offer competitive advantages such as lower costs, strong social embeddedness, or a quality of life conducive to alternative business activities (Korsgaard & Tanvig, 2015).

### **3.2. Contextual effects: institutions, infrastructure, and culture**

Through their institutional, infrastructural, and cultural contexts, territories exert an indirect but decisive influence on entrepreneurial action. It is not only about available material resources, but also about the social and symbolic environment in which individuals make economic decisions. Several studies have shown that entrepreneurship is a socially embedded phenomenon, it cannot be fully understood outside the normative, institutional, and cultural framework in which it takes place (Granovetter, 1985; Thornberry, 2001).

At the institutional level, rule stability, administrative transparency, regulatory predictability, and access to support mechanisms all influence local entrepreneurial dynamics. A climate of trust among local stakeholders (public institutions, banks, associations, companies, universities) strengthens cooperation and reduces uncertainties linked to business creation. Conversely, an opaque, unstable, or overly bureaucratic institutional environment may deter entrepreneurial engagement, especially among young project initiators or in high-risk innovative sectors.

Material infrastructure also plays a foundational role in the anchoring and growth of entrepreneurial activities. This includes transport networks (roads, ports, train stations), logistics, energy supply, and, crucially in today's context, digital infrastructure. A well-connected region facilitates market access, optimizes production and distribution costs, and increases the overall competitiveness of local businesses.

For example, broadband access and digital technologies have become prerequisites in many sectors, such as e-commerce, digital startups, online services, and distance learning. A territory lacking adequate digital infrastructure is automatically marginalized in the knowledge economy. On the other hand, connected territories can attract new entrepreneurs and revitalize rural or isolated areas previously considered unfavorable to innovation.

Finally, a supportive cultural context, one that values autonomy, creativity, risk-taking, individual success, and innovation, tends to enhance entrepreneurial intention and facilitate business creation (Aatif et al. 2025). Conversely, in environments where failure is heavily stigmatized or where social conformity outweighs personal initiative, potential entrepreneurs may be discouraged or restrained (Liñán & Chen, 2009). Though often implicit, this cultural dimension profoundly shapes representations of entrepreneurship, its perceived attractiveness, and individuals' paths.

### **3.3. Proximity and territorial social capital: toward a dynamic of cooperation**

A territory can actively foster entrepreneurship by offering a dense relational framework, structured around various forms of proximity that facilitate interaction among local actors.

Geographical proximity enables physical meetings, rapid coordination, and reduced transaction costs. But other types of proximity are equally critical, namely, social proximity (shared networks, interpersonal ties), cognitive proximity (common knowledge bases, language, and references), and institutional proximity (shared norms, regulations, and organizational frameworks) (Boschma, 2005; Torre & Rallet, 2005).

These forms of proximity are not just spatial or technical, they shape how cooperation occurs, how information circulates, and how trust is built between actors, thus enhancing the fluidity of interactions. They stimulate the creation of networks, both formal (competitiveness clusters, professional associations, business groups) and informal (entrepreneurial clubs, peer support, personal ties), which play a crucial role in launching, financing, supporting, and sustaining entrepreneurial ventures.

Within these territorial networks, entrepreneurs gain easier access to key partners, clients, suppliers, funders, mentors, and support institutions. They benefit from a collective momentum where peer learning, best practice exchange, and mutual motivation strengthen both individual and collective capabilities. These interactions also reduce information asymmetries, which are often critical in the early stages of business development.

This is where the concept of territorial social capital emerges, defined as the set of trust-based relationships, shared norms, and local institutions that facilitate coordination and cooperation among territorial actors (Westlund & Bolton, 2003). This social capital functions as a strategic intangible asset: it is hard to replicate elsewhere but plays a decisive role in local entrepreneurial success. It encourages repeated interactions, reciprocity, and limits opportunistic behavior.

This cooperative dynamic is particularly evident in territorialized entrepreneurial ecosystems, where interactions among economic, academic, institutional, associative, and civic actors create a stimulating, learning-oriented, and empowering environment for entrepreneurs (Stam, 2015). These ecosystems are not just actor groupings, they are complex systems of interdependence where innovation, exchange, trust, and adaptability coexist and co-construct entrepreneurial and territorial trajectories. Their performance depends not only on the diversity of available resources but also on the quality of the relationships connecting them.

#### **4. Towards a co-evolution of territory and entrepreneurship**

As previously discussed, a dual dynamic and interdependent movement can be observed. On the one hand, entrepreneurship actively contributes to territorial development by mobilizing and enhancing local resources, creating sustainable jobs, boosting economic activity, and stimulating innovation across various sectors. On the other hand, the territory profoundly shapes

the conditions for the emergence, establishment, and sustainability of entrepreneurial initiatives by providing a favorable institutional, infrastructural, cultural, and relational framework.

This constant back-and-forth between entrepreneurial initiatives and territorial characteristics suggests that these two dimensions cannot be considered in isolation. On the contrary, it calls for a more systemic and interactive understanding of their relationship, going beyond traditional linear or causal approaches. The question is no longer whether entrepreneurship influences the territory or whether the territory shapes entrepreneurship, but rather recognizing that both are co-constructed in a logic of co-evolution, namely, a reciprocal, progressive, and context-dependent process of mutual influence (Korsgaard & Tanvig, 2015; Sotarauta & Pulkkinen, 2011). This approach helps to better understand how certain territories manage to develop resilient and innovative entrepreneurial ecosystems, while others struggle to foster local dynamics despite having seemingly similar resources.

#### **4.1. The emergence of local entrepreneurial ecosystems**

The concept of the entrepreneurial ecosystem offers a particularly relevant analytical framework to grasp the co-evolutionary logic between entrepreneurship and territory. Inspired by the biological sciences, this concept has been adapted to the field of entrepreneurial economics to describe an interconnected environment of actors, institutions, and resources that locally interact to support entrepreneurial activity (Stam, 2015). It refers to a set of actors, resources, institutions, rules, and practices that interact within a given geographic space to support, nurture, and amplify entrepreneurial activity.

Unlike approaches focused on the individual or on the mere provision of support services, the ecosystem perspective emphasizes the systemic and relational dimensions of entrepreneurship. It highlights that entrepreneurial performance does not depend solely on the skills of the entrepreneur but also on how the local environment facilitates or constrains their initiatives (Stam, 2015). These ecosystems are characterized by strong territorial embeddedness, adaptability, and dynamic evolution based on interactions among actors, public policies, innovations, and socio-economic contexts.

A high-performing entrepreneurial ecosystem cannot be reduced to the mere presence of good infrastructure, an incubator, or a venture capital fund. It is based on a set of systemic conditions:

- High-quality interactions between ecosystem actors-entrepreneurs, local governments, funders, universities and research centers, associations, etc.
- Collaborative governance, based on coordination and mutual trust among ecosystem stakeholders.

- A shared entrepreneurial culture that values innovation, initiative, and experimentation.
- Entrepreneurial territorial leadership capable of federating energies, generating a common vision, and mobilizing the necessary resources.

In such a system, entrepreneurs must be able to easily and quickly access key resources, integrate into support networks, receive appropriate guidance at each stage of their project (from ideation to internationalization), and operate in an environment that is stimulating, reassuring, and conducive to risk-taking (Malecki, 2018; Neck et al., 2004).

In this regard, the territory should no longer be viewed as a mere physical support or location but as a structuring actor of the ecosystem. It determines the ecosystem's contours, shapes the rules of the game, organizes interactions, and creates the conditions for opportunity emergence. Conversely, entrepreneurial activity itself transforms the territory by reorganizing its economic dynamics, activating or reshaping social networks, influencing political priorities, and sometimes even redefining its collective identity. This reciprocal and progressive dual transformation lies at the heart of the co-evolution logic.

#### **4.2. Logics of embeddedness, adaptation, and differentiated trajectories**

The co-evolution between entrepreneurship and territory is based on a set of interactive mechanisms, including three key logics: embeddedness, adaptation, and differentiated trajectories. These logics reflect how entrepreneurial and territorial dynamics adjust, reinforce, and transform each other over time.

Firstly, embeddedness refers to how entrepreneurs become durably rooted in their territory by establishing strong and continuous ties with local resources, institutions, socio-economic actors, and communities. This embeddedness is not merely geographic, it is also identity-based, relational, and strategic. It fosters loyalty to the territory, builds trust among local stakeholders, and mobilizes collective support around development projects (Torre, 2009). The more embedded an entrepreneur is in their territory, the better they are able to capture, mobilize, and enhance local resources, while also contributing to the territory's socio-economic development. Secondly, adaptation refers to the capacity of territorial actors, both public and private, to adjust their policies, strategies, and practices in response to economic, social, environmental, or technological changes. It requires a continuous learning attitude and organizational responsiveness based on feedback mechanisms between signals emitted by entrepreneurs and responses provided by territorial mechanisms (regulations, financing, training, support). This adaptive logic is essential to ensure the resilience and relevance of entrepreneurial ecosystems amid environmental changes (Simmie & Martin, 2010).

Finally, differentiated trajectories refer to the idea that each territory develops its own unique entrepreneurial dynamic, resulting from a specific combination of historical, strategic, institutional, geographic, and cultural factors. Some territories evolve into hubs of technological innovation or specialized industrial clusters, while others focus on social and solidarity entrepreneurship, cultural and creative industries, or alternative models of productive relocation, circular economy, or ecological transition (Camagni & Capello, 2013). These trajectories are often shaped by implicit or explicit collective choices, structured by shared visions and actor coalitions.

These trajectories are neither linear nor fixed; they are constantly evolving due to interactions among ecosystem actors, entrepreneurs, policymakers, support institutions, and also due to technological shifts and societal transformations. They can be redirected, accelerated, or hindered depending on the territory's ability to read its environment, mobilize its resources, and coordinate its key players. It is this ability to co-evolve over time, by combining embeddedness, flexibility, and strategic vision, that enables a territory to forge its own development path based on its entrepreneurial and institutional capital while adapting to its specific challenges.

#### **4.3. Implications for territorial development policies**

Recognizing the co-evolution between territory and entrepreneurship calls for a profound rethinking of public policies for local development. It requires abandoning standardized, top-down, and technocratic approaches, often based on generic supply-side tools, in favor of more flexible, inclusive, and context-sensitive support strategies (Rodríguez-Pose, 2013).

The goal is no longer to merely multiply generic schemes (subsidies, start-up grants, standard training) but to support endogenous dynamics, i.e., transformation processes emerging from the territory itself. This implies fostering connections among local actors, encouraging intersectoral complementarities, and valuing grassroots initiatives, even those that do not fit into conventional public policy frameworks. The focus should be on the territory's ability to self-organize and innovate collectively, rather than solely on administrative efficiency.

In this perspective, territorial development policies should aim at several strategic objectives:

- Strengthening local governance, by creating multi-stakeholder dialogue spaces where project leaders, entrepreneurs, associations, and academics actively participate in shaping their territory's strategic direction. This enhances legitimacy, enriches territorial diagnostics, and grounds policies in lived realities.
- Adapting support instruments to the specificities of local sectors, available resources, and territorial configurations. An industrial territory in transition, an urban innovation

hub, or a rural ecosystem focused on the green economy will not require the same tools or intervention timelines.

- Fostering interactions and synergies between various ecosystem actors (local authorities, firms, support structures, universities, citizens), through collaborative projects, exchange platforms, or open innovation schemes. The goal is to create a fertile environment for experimentation, resource pooling, and cooperation.
- Recognizing and trusting territories' capacity to generate their own solutions, through a logic of active subsidiarity. This entails granting sufficient autonomy to local levels while ensuring a coherent and equitable national framework. Such an approach strengthens territorial empowerment, stimulates institutional innovation, and revitalizes place-based public action.

In this sense, entrepreneurship should no longer be viewed solely as a lever for economic growth, but also as a tool for territorial construction, a vector of institutional innovation, and a means of democratic revitalization. By mobilizing local skills, encouraging participation, and integrating social, cultural, and environmental dimensions of development, entrepreneurship helps transform territories into vibrant, resilient, and learning spaces.

## **5. Discussion and general implications**

Building on the previous analysis, this study formulates a set of theoretical propositions that synthesize the co-evolutionary relationship between entrepreneurship and territory.

Proposition 1. Entrepreneurship contributes to territorial development through the mobilization of local resources, the creation of employment, and the generation of innovation adapted to local contexts.

Proposition 2. Territorial characteristics, including institutional frameworks, infrastructure, and social capital, significantly influence entrepreneurial dynamics and outcomes.

Proposition 3. The interaction between entrepreneurship and territory follows a co-evolutionary process, characterized by reciprocal and dynamic influences over time.

Proposition 4. The development of localized entrepreneurial ecosystems enhances the capacity of territories to sustain innovation, resilience, and inclusive growth.

The analysis conducted throughout this article highlights the complexity and multidimensional nature of the relationship between entrepreneurship and territory, moving beyond fragmented and linear interpretations.

Rather than considering these two dimensions independently, this study emphasizes their interdependence within a co-evolutionary framework. This perspective provides a more abstract

understanding of how entrepreneurial dynamics and territorial structures mutually reinforce each other over time.

In this regard, the entrepreneur should no longer be viewed solely as an isolated economic actor, but as an embedded agent operating within a spatial, institutional, and social environment that both constrains and enables their actions. Conversely, territories are not passive contexts but active systems shaped by entrepreneurial initiatives, interactions, and innovations.

### **5.1. A dual transformation of entrepreneur and territory**

The findings from this conceptual review show that entrepreneurship can play a structuring and multidimensional role in territorial development trajectories. It acts as a lever for economic, social, and territorial transformation through several complementary mechanisms: the enhancement of endogenous resources (natural, human, cultural, or symbolic), the creation of sustainable and non-relocatable jobs, the development of contextualized innovations that meet local needs, and the activation of cooperative networks among public, private, and civil society actors. These contributions are not isolated; they fit within systemic dynamics where the firm becomes a full-fledged actor in the territorial project.

Simultaneously, territorial features, such as resource availability, dominant entrepreneurial culture, infrastructure quality, governance modes, and richness of social capital, significantly influence the ability of entrepreneurs to initiate, grow, and sustain their ventures. These factors shape perceived opportunities, strategic behavior, action timelines, and both individual and collective engagement logics.

However, this dual transformation, of entrepreneurship by the territory and of the territory by entrepreneurship, does not occur automatically. It depends on several key conditions. Chief among them is the level of articulation among local actors (firms, local governments, universities, associations), meaning their capacity to cooperate, share a common vision, and pool resources. It also depends on the quality of local institutions, in terms of stability, transparency, accessibility, and responsiveness to entrepreneurs' needs, and, finally, on the collective ability to build a shared strategic vision for development, grounded in territorial specificities and driven by participatory governance.

In this context, the issue is not merely to support local entrepreneurship, but rather to create the conditions for a vibrant, inclusive, and embedded entrepreneurial ecosystem, capable of generating lasting positive externalities for the territory as a whole.

## **5.2. Towards the territorialization of entrepreneurship support policies**

One of the main implications of this co-evolutionary approach is the need to rethink entrepreneurship support policies through a territorialized lens, that is, policies rooted in local realities and based on the specific characteristics of each ecosystem. The aim is no longer to apply top-down, standardized instruments, often designed with a universalist mindset, but rather to co-develop differentiated responses sensitive to the economic, social, institutional, and cultural dynamics specific to each territory (Moulaert & Nussbaumer, 2005).

This reconfiguration of public policy implies several major shifts. First, the implementation of in-depth territorial diagnostics that go beyond conventional macroeconomic indicators to include more qualitative dimensions, such as the level of local cooperation, social representations of entrepreneurship, or the historical development pathways of the territory. These diagnostics allow for a better understanding of the endogenous levers and constraints affecting entrepreneurial action (Camagni & Capello, 2002).

Second, the design of flexible and adaptable instruments, tailored to local conditions. These should integrate a mix of entrepreneurial support mechanisms, access to finance, training, mentoring, incubation, and networking. Their effectiveness lies in their ability to offer personalized interventions at each stage of the entrepreneurial journey, while promoting the inclusion of often marginalized populations (youth, women, rural communities).

Finally, fostering collaborative governance of public policy is essential. This involves closely involving entrepreneurs, support structures, local governments, universities, and civil society actors in the definition of strategic priorities. Such shared governance strengthens the legitimacy, relevance, and sustainability of the implemented actions (Capello & Lenzi, 2013).

An effective entrepreneurship support policy cannot ignore the territorial context in which it operates. It must be based on a nuanced reading of local dynamics, trust field actors, and prioritize complementarities over the standardization of practices.

## **5.3. Limitations of the approach and avenues for future research**

Although this analysis offers a structuring perspective on the relationship between entrepreneurship and territory, it also presents limitations that open interesting directions for future research.

First, the review adopts a predominantly theoretical and conceptual stance. While this helps clarify the underlying mechanisms and logics, it would benefit from being complemented by comparative empirical studies conducted in diverse territorial contexts, such as urban centers, remote rural areas, post-industrial transition zones, or emerging regions undergoing rapid

change. Such investigations would make it possible to test the validity and transferability of the theoretical frameworks used, while accounting for the diversity of local realities (Korsgaard & Tanvig, 2015; Stam, 2015).

Moreover, the absence of empirical validation constitutes an important limitation, as the proposed conceptual framework and theoretical propositions remain untested in real-world contexts.

Second, certain often-overlooked aspects in the literature deserve deeper exploration. This includes the role of informal dynamics, which are crucial yet hard to capture, particularly in entrepreneurial processes in developing countries (Webb et al., 2013). Likewise, actor conflicts, tensions between individual and collective logics, and power relations in local politics are dimensions rarely addressed in classical work, yet they significantly influence the trajectory and territorial embeddedness of entrepreneurial projects (Moulaert & Nussbaumer, 2005; Sotarauta & Pulkkinen, 2011).

In addition, the selection of the literature may involve a degree of subjectivity. Although the sources were chosen based on their relevance and theoretical contribution, the absence of a fully systematic selection protocol may introduce potential bias in the reviewed studies.

Finally, the temporal dimension remains largely underexplored. Local development and entrepreneurial dynamics are not linear or short-term, they unfold over long periods, are marked by historical ruptures, strategic turning points, and even path-dependent effects. Adopting a historical or institutionalist approach would help better understand how entrepreneurial ecosystems are built, transformed, or eroded over time (Mahoney, 2000).

These various limitations highlight the need to promote interdisciplinary approaches, combining insights from territorial economics, collective action sociology, economic geography, management sciences, and political science. Such disciplinary plurality is essential to grasp the complexity of local entrepreneurial configurations, as well as their evolution across time and space.

## Conclusion

The analysis developed throughout this article has highlighted the richness and complexity of the interactions between entrepreneurship and territory. Far from being two separate dynamics, they prove to be deeply interdependent, within a logic of continuous co-construction. When entrepreneurship is rooted in local resources and oriented toward solutions tailored to territorial specificities, it can contribute to strengthening economic resilience, stimulating social innovation, and generating non-relocatable jobs. It then becomes a strategic lever for territorial transformation, especially in struggling regions, rural areas, or mid-sized cities undergoing economic transition.

From a managerial perspective, these findings invite support structures (incubators, clusters, local authorities) to rethink their intervention models. It is no longer sufficient to offer standardized support; rather, tailor-made mechanisms should be developed that integrate the social, economic, and institutional realities of the territories concerned. Entrepreneurial management must therefore be contextualized, collaborative, and sensitive to local dynamics.

On the policy level, the results emphasize the need to reconfigure public support policies for entrepreneurship. Promoting business creation as an end in itself is no longer enough. It is crucial to foster territorialized ecosystems that mobilize local actors around shared projects, within a framework of participatory governance. This requires better coordination between innovation policies, training initiatives, spatial planning, and social cohesion strategies.

Moreover, this approach opens up major societal perspectives. By engaging citizens, entrepreneurs, and institutions in collective development dynamics, territorially anchored entrepreneurship can contribute to more inclusive, sustainable, and equitable growth. In a world facing ecological transitions, social divides, and territorial imbalances, the convergence between entrepreneurship and territorial embeddedness offers a promising path toward alternative development trajectories.

From a theoretical perspective, this study also makes a significant contribution by proposing an integrated conceptual framework of the co-evolution between entrepreneurship and territorial development, supported by a set of theoretical propositions. By moving beyond fragmented approaches, it offers a more systemic and structured interpretation of how entrepreneurial processes and territorial dynamics interact and co-develop over time, thus providing a solid foundation for future empirical research.

## BIBLIOGRAPHIE

- Aatif, Y., Oudgou, M., Bouarara, K., & Malainine, C. (2025). An Exploratory Approach to the Determinants of Students' Entrepreneurial Intention in Morocco. *Journal of Business and Management Studies*, 7(1), 227–245. <https://doi.org/10.32996/jbms>
- Acs, Z. J., & Armington, C. (2004). Employment growth and entrepreneurial activity in cities. *Regional Studies*, 38(8), 911–927. <https://doi.org/10.1080/0034340042000280938>
- Acs, Z. J., Braunerhjelm, P., Audretsch, D. B., & Carlsson, B. (2009). The knowledge spillover theory of entrepreneurship. *Small Business Economics*, 32(1), 15–30. <https://doi.org/10.1007/s11187-008-9157-3>
- Audretsch, D. B. (2007). Entrepreneurship capital and economic growth. *Oxford Review of Economic Policy*, 23(1), 63–78. <https://doi.org/10.1093/icb/grm001>
- Audretsch, D. B., & Feldman, M. P. (1996). R&D Spillovers and the Geography of Innovation and Production. *The American Economic Review*, 86(3), 630–640.
- Audretsch, D. B., & Keilbach, M. (2005). Entrepreneurship capital and regional growth. *Annals of Regional Science*, 39(3), 457–469. <https://doi.org/10.1007/s00168-005-0246-9>
- Benko, G., & Lipietz, A. (2000). *La richesse des régions : La nouvelle géographie socio-économique*. Paris : Presses Universitaires de France (PUF).
- Boschma, R. A. (2005). Proximity and innovation: A critical assessment. *Regional Studies*, 39(1), 61–74. <https://doi.org/10.1080/0034340052000320887>
- Bruyat, C., & Julien, P.-A. (2000). Defining the field of research in entrepreneurship. *Journal of Business Venturing*, 16, 165–180.
- Camagni, R., & Capello, R. (2002). Milieux innovateurs and collective learning: from concepts to measurement. In *The emergence of the knowledge economy: A regional perspective* (pp. 15–45). Berlin, Heidelberg: Springer.
- Camagni, R., & Capello, R. (2013). Regional Innovation Patterns and the EU Regional Policy Reform: Toward Smart Innovation Policies. *Growth and Change*, 44(2), 355–389.
- Camagni, R. P. (1995). The concept of innovative milieu and its relevance for public policies in European lagging regions. *Papers in Regional Science*, 74(4), 317–340.
- Capello, R., & Lenzi, C. (2013). Territorial patterns of innovation: A taxonomy of innovative regions in Europe. *Annals of Regional Science*, 51(1), 119–154. <https://doi.org/10.1007/s00168-012-0539-8>
- Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301–331.

- Defourny, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: Convergences and divergences. *Journal of Social Entrepreneurship*, 1(1), 32–53. <https://doi.org/10.1080/19420670903442053>
- Feldman, M. P. (2001). The entrepreneurial event revisited: firm formation in a regional context. *Industrial and Corporate Change*, 10(4), 861–891.
- Feldman, M. P., Francis, J., & Bercovitz, J. (2005). Creating a cluster while building a firm: Entrepreneurs and the formation of industrial clusters. *Regional Studies*, 39(1), 129–141. <https://doi.org/10.1080/0034340052000320888>
- Fritsch, M., & Mueller, P. (2004). Effects of new business formation on regional development over time. *Regional Studies*, 38(8), 961–975. <https://doi.org/10.1080/0034340042000280965>
- Galera, G., & Borzaga, C. (2009). Social enterprise: An international overview of its conceptual evolution and legal implementation. *Social Enterprise Journal*, 5(3), 210–228. <https://doi.org/10.1108/17508610911004313>
- Gartner, W. B. (1988). “Who is an entrepreneur ?” Is the Wrong Question. *Entrepreneurship Theory and Practice*.
- Granovetter, M. (1985). Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology*, 91(3), 481–510.
- Kirzner, Israel. M. (1973). *Competition and Entrepreneurship*. Chicago, IL: University of Chicago Press.
- Korsgaard, S., & Tanvig, H. W. (2015). Rural entrepreneurship or entrepreneurship in the rural – between place and space. *International Journal of Entrepreneurial Behaviour and Research*, 21(1), 5–26. <https://doi.org/10.1108/IJEBR-11-2013-0205>
- Liñán, F., & Chen, Y. W. (2009). Development and cross-cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneurship Theory and Practice*, 33(3), 593–617. <https://doi.org/10.1111/j.1540-6520.2009.00318.x>
- Mahoney, J. (2000). Path dependence in historical sociology. *Theory and Society*, 29, 507–548.
- Malecki, E. J. (2007). Cities and regions competing in the global economy: Knowledge and local development policies. *Environment and Planning C: Government and Policy*, 25(5), 638–654. <https://doi.org/10.1068/c0645>
- Malecki, E. J. (2018). Entrepreneurship and entrepreneurial ecosystems. *Geography Compass*, 12(3). <https://doi.org/10.1111/gec3.12359>
- Marshall, A. (1920). *Principles of Economics* (8<sup>e</sup> éd). London : Macmillan.

- Mason, C., & Brown, R. (2014). *Entrepreneurial ecosystems and growth oriented entrepreneurship. Final report to OECD, Paris, 30(1), 77-102.*
- Mason, C. M., & Harrison, R. T. (2003). Closing the regional equity gap? A critique of the Department of Trade and Industry's regional venture capital funds initiative. *Regional Studies, 37(8), 855–868.* <https://doi.org/10.1080/0034340032000128767>
- Moulaert, F., & Nussbaumer, J. (2005). The social region: Beyond the territorial dynamics of the learning economy. *European Urban and Regional Studies, 12(1), 45–64.* <https://doi.org/10.1177/0969776405048500>
- Naudé, W. (2010). Entrepreneurship, developing countries, and development economics: New approaches and insights. *Small Business Economics, 34(1), 1–12.* <https://doi.org/10.1007/s11187-009-9198-2>
- Neck, H. M., Meyer, G. D., Cohen, B., & Corbett, A. C. (2004). An entrepreneurial system view of new venture creation. *Journal of Small Business Management, 42(2), 190–208.*
- Rodríguez-Pose, A. (2013). Do Institutions Matter for Regional Development? *Regional Studies, 47(7), 1034–1047.* <https://doi.org/10.1080/00343404.2012.748978>
- Schumpeter, J. A. (1939). *Business cycles: A theoretical, historical and statistical analysis of the capitalist process.* New York: McGraw-Hill.
- Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review, 25(1), 217–226.*
- Simmie, J., & Martin, R. (2010). The economic resilience of regions: Towards an evolutionary approach. *Cambridge Journal of Regions, Economy and Society, 3(1), 27–43.* <https://doi.org/10.1093/cjres/rsp029>
- Sotarauta, M., & Pulkkinen, R. (2011). Institutional entrepreneurship for knowledge regions: In search of a fresh set of questions for regional innovation studies. *Environment and Planning C: Government and Policy, 29(1), 96–112.* <https://doi.org/10.1068/c1066r>
- Stam, E. (2015). Entrepreneurial Ecosystems and Regional Policy: A Sympathetic Critique. *European Planning Studies, 23(9), 1759–1769.* <https://doi.org/10.1080/09654313.2015.1061484>
- Thornberry, N. (2001). Corporate Entrepreneurship: Antidote or Oxymoron? *European Management Journal, 19(5), 526–533.*
- Torre, A. (2009). Retour sur la notion de proximité géographique. *Géographie, Économie, Société, 11(1), 63–75.* <https://doi.org/10.3166/ges.11.63-73>

- Torre, A., & Rallet, A. (2005). Proximity and localization. *Regional Studies*, 39(1), 47–59.  
<https://doi.org/10.1080/0034340052000320842>
- Webb, J. W., Bruton, G. D., Tihanyi, L., & Ireland, R. D. (2013). Research on entrepreneurship in the informal economy: Framing a research agenda. *Journal of Business Venturing*, 28(5), 598–614. <https://doi.org/10.1016/j.jbusvent.2012.05.003>
- Westlund, H., & Bolton, R. (2003). Local social capital and entrepreneurship. Small business economics. *Small Business Economics*, 21(2), 77–113.