

## **Knowledge Creation and the Geographies of Real, Virtual, and Relational Space**

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A large part of the literature in economic geography leans toward the argument that local and regional contexts are decisive arenas for economic interaction. The “end-of-geography” metaphor of non-geographers is often rejected through some “space-matters” argument. As a result, many studies in geography assume that local or regional interaction is superior to non-local interaction. Criticism to this view is often not taken seriously, as if the role of proximity and regional agglomeration would be constitutive for the discipline per se. There is relatively little empirical evidence, however, to support strong claims about the predominance of proximate relations. We argue that the “local” cannot be seen in isolation from other spatial levels in that local knowledge and competencies are continuously and systematically enriched, fed and challenged by relationships and exchange with global agents and sources of information. Permanent co-location and face-to-face interaction might be efficient in some contexts but not in others. Especially, interaction in global production contexts or networks has become quite widespread. Even small and medium-sized firms engage in organizational configurations which span different locations, cultures and nation-states. New virtual spaces have become key in establishing these global networks of interaction. This paper aims to investigate systematically whether local interaction can still be a prime source of innovation, and under which conditions it is not. The argument will be developed that there are different spatial settings which can be structured in a way such as to enable efficient economic interaction, even over large distances.