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Title: "Spillovers in Space: does Geography Matter"

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Abstract: We assess three measures of R&D spillovers simultaneously: geographic, technology and product–market proximity. To do this, we construct a new measure of geographic proximity that is based on the distribution of a firm’s inventor locations rather than its headquarters, and we report both parametric and semiparametric estimates of our geographic–distance functions. We find that: i) Geographic space matters even after conditioning on horizontal and technological spillovers; ii) Technological proximity matters; iii) Product–market proximity is less important; iv) Locations of researchers are more important than headquarters but both have explanatory power; and v) Geographic markets are very local.