

Firm size, age, industrial networking and firm growth: A case of the Korean manufacturing industry

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The role of small and young firms in the economic growth has been of critical interest to policy-makers for many decades. Numerous studies are inspired by Gibrat's "law of proportionate effect" (Gibrat, 1931) and find that smaller, younger firms are more likely to grow faster than larger, older firms in terms of the number of employees or amount of sales (Dunne and Hughes, 1994; Evans, 1987a, b; Geroski, 1995; Hall, 1987; Harhoff, et al., 1998; Hart and Oulton, 1996; Liu, et al., 1999; McPherson, 1996; Weiss, 1998; Yasuda, 2005). The second set of determinants of firm growth considered in the succeeding studies of Mansfield (1962) includes strategic behaviors of firms such as R&D and exporting activities (Doms et al., 1995; FitzRoy and Kraft, 1991; Hall, 1987; Yasuda, 2005).

The previous studies on firm growth, however, have paid relatively little attention to the effect of *industrial networking* and even fewer studies address the experience of newly industrialized economies (henceforth, NIEs).

Track: 10. New Venture Creation and SME Growth