Social Incubators and Social Innovation in Cities:
A Qualitative Analysis

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Abstract

How do social incubators contribute to social innovation in cities? We wanted to understand what their role in the city and the neighborhoods is, how they position themselves in the process of providing answers to the local needs in the specific place they are located. The answers to these questions are built upon the identification of the processes, the organizations and the services provided by the social incubators. The relationships built and developed between social incubators and the social enterprises are identified to understand the role of these new typologies of organizations in urban neighborhoods. The analysis is performed by applying case study methodology involving four different social incubators in two cities: Brussels and Milan.

Keywords: Social Incubators, Cities, Social Innovation, Social Economy
1. Introduction

The creation and support of an ecosystem of social incubators has recently attracted attention in research on business models, financial performances evaluation and the business services provided by incubators. Interactions between institutions, local public and private actors resulted in the building of ecosystems dealing with economic, social and environmental issues. These ecosystems are not crystallized bodies but feature evolutions and continuous adaptations to the emerging local needs. Cities are indeed the most relevant expression of ecosystems, being founded on an organized multiplicity of social networks. The social network, however, is part of an ecosystem, deploying the connections between the involved institutions and the actors. The overall interaction between the environment, the infrastructures, the institutions, the public and private actors constitutes the broad urban ecosystem, which can be divided into several others dependent on the number of actors, the sectors and the relevant issues at stake in a single neighborhood of the city.

How do social incubators contribute to social innovation in cities? We wanted to understand what their role in the city and the neighborhoods is, how they position themselves in the process of providing answers to the local needs in the specific place they are located. The answers to these questions are built upon the identification of the processes, the organizations and the services provided by the social incubators. The relationships built and developed between social incubators and the firms supported are identified in order to understand the role of these new typologies of organization in urban neighborhoods. The analysis is performed by applying case study methodology involving four different social incubators in two cities in Belgium and Italy: Brussels and Milan.

The choice of these two cities is rooted in the relevance of the two geographical agglomerations as ecosystems of social innovation. Brussels is a very intense laboratory of social innovation practices along the different levels of policy making (“ commune” – Region – State – EU). Belgium has in its DNA a tradition of a corporatist mold with regard to employment and its sectoral categories, a characteristic reflected in the strength of the trade unions. Belgium is the only state in Europe in which the number of members of trade unions did not diminish in the decade 2000-2010 (Faniel & Vandaele, 2012). The choice of Milan derives from the fact that it represents an excellence in social innovation practices in Italy and Europe.

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5 It corresponds to the municipal level with 19 ‘communal’ entities in the city of Brussels.
The paper proceeds as follows: in Section 2, the main research question is presented and decomposed in order to present the cases in detail. Section 3 addresses the methodology with its theoretical framework and the presentation of the protocol of interviews to the incubators and the questionnaire submitted to firms. In Section 4, the four incubators are presented together with the results of the interviews with a summary. The discussion of the outcomes of the case studies is in Section 5, where the emerging relevant networks are introduced and discussed together. The policy implications and the different interpretative perspectives are therefore descanted. The Conclusions Section includes the limitations of the study and further research perspectives are proposed.

2. Social innovation, cities and social incubators

Innovation mostly takes place in cities for the relevance of interactions and networks amongst citizens, and public and private organizations, which generate and increase social capital (Putnam, 1993; Fukuyama, 1995). Incubators are mostly located in cities, close or incorporated into knowledge hubs such as universities or (for the social ones) in zones with relevant levels of inequalities. Incubators are those black boxes where innovation takes place. Innovation in economic activities is stimulated, according to the Schumpeterian view of economic change, by the creation of new outputs, the research of new inputs and the opening of new markets. The above is coupled with the evolutionary perspective of economic change, inspired by selection in industrial dynamics in local areas.

Regarding social innovation, we consider two main definitions: the first addresses social innovation as the satisfaction of unsatisfied or alienated human needs; the second addresses innovation in social relations between individuals and groups in their neighborhoods and the wider embedding territories (Moulaert, 2000). Even if not a top issue in theoretical debates until 2000’s, the concept of social innovation (SI) is particularly appealing in light of the difficulties facing traditional welfare systems and development models, which are essentially based on only two actors: the market and the state (Borzaga and Tortia, 2017). The increasing difficulty of the welfare state to meet the growing and diversifying needs of society is apparent (Tortia, 2010). The barriers and inequalities stimulated by globalization and urbanization trends are threats to social cohesion; thus social innovation works as a driver for the latter one and a complement of the former two. However, social innovation has relevant specifications differentiating it from the pure technological dimension, which is

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6 See also F. Moulaert, D. MacCallum, A. Mehmood and A. Hamdouch (eds.) (2013).
basic in business oriented firms. It usually is a participative process of dialogue between public bodies and social actors for the creation and support of micro enterprises, or the creation of nonprofit enterprises by single or organized stakeholders. The roles of public and private actors, be they associations, cooperatives and social enterprises themselves, is dependent on the social context and the local communities where actions deriving from the process of social innovation are going to take place (Tortia, Degavre and Poledrini, 2020).

The social innovation perspective is dedicated to understanding how local needs are relevant in the stimulation of innovative services, if relevant causal relations affect the motivation for innovation and the typology of the innovators’ host, be they rushing, wayfinding, rigid visionary or negotiating (Thomas, 2010). Innovative ideas are best created in cities (Glaeser and Gottlieb, 2009) through technology advancements in information and transportation in order to increase returns to innovation (Glaeser and Ponzetto, 2007). In the last three decades, the learning effect developed in cities allowed functional specialization, creating cities specialized in ideas (Duranton and Puga, 2014). Therefore, literature converges on affirming that agglomeration exists and is identified as externality, significantly affecting urban growth (Krugman, 1991), and creating substantial benefit to growth and development as well as relevant challenges to sustainability and social inclusion. To this effect, a relevant branch of economic theory on local and urban development is devoted to the study of the ecosystems of social interest (Amin, 1994; Moulaert et al., 2002; Defourny and Nyssens, 2013; Pinch and Sunley, 2016), focusing on the analysis of the third sector. New typologies of non-capitalist, socially oriented enterprises have been created to reply to those needs, which are left unanswered by both the market and the public actor (Galera and Borzaga, 2009; Tortia, 2010).

We defined social incubators as organizational black boxes supporting the development of innovative firms for answering social needs, preeminently located in cities and stimulated by local communities. Social incubators are indeed organizations aimed at supporting projects, firms and people with entrepreneurial ideas for social change (Aernoudt, 2004), aiming at producing their effects within precise territorial boundaries and trajectories. The typologies of social incubators can differ both in terms of objectives, territorial perspectives and firms incubated, as well as in terms of services provided. The creation of communities involving a growing number of creative workers stimulates the creation of innovative answers to needs in urban areas. Creative workers are bearers of extensive social involvement, intrinsic and social motivations, and can drive social movements in creating opportunities for community engagement. We can observe that the majority of social entrepreneurs are skilled workers with a medium to high level of education, producing a powerful pull effect in
creating opportunities for fighting inequalities and segregation in urban areas. However, social incubators have not been institutionalized as social enterprises have.

Local public institutions represent the State, for-profit enterprises represent the market and local stakeholders represent the communities. The market facilitates the matching of supply and demand, while redistribution represents the correction of the allocation of resources counterbalancing the inequality created by the market. Reciprocity represents complementarity and interdependency of actors as opposed to market exchange being an integral part of human relationships (Polanyi, 1944). Such view of the economy, according to the European tradition, helps us in the identification of the third sector, which is enlarged by the presence of social incubators in Figure 1. Social enterprises, as well as social incubators, are likely to be located in those connecting areas as they experience the tensions identified as blurring frontiers for the social economy landscape (Defourny and Nyssens, 2013). The need for social innovation is necessary for “unlocking” economic and social systems, which suffer from path dependency (Poledrini et al., 2018). This is much more relevant in the light of this research as the two main literature fields we tried to align to explain the phenomena of social incubators are particularly dependent on the local path deriving from policies, geography, industrial structure, etc. Social innovation emerged as element of “counter-counter” spreading in the western developed world in order to contest the establishment represented by older generations and middle class-bourgeoisie. The productive dimensions were also involved in this search for innovative typologies of representation and organization of economic development.

Social incubators are introduced as a new subject/actor in the play of the urban social and economic framework. They are “nurturing” the social economy landscape and adding elements to the growing interconnections between studies in economics, shared capitalism and organizational variety. One of the main aspects of the fundamental social structure is represented by reciprocity, which will also be presented in the following pages. Reciprocity plays a relevant role in explaining the contribution of social incubators in their objective of solving market failures in welfare. The earlier economic mechanisms were denoted by reciprocity and redistribution, with movements between correlative points of symmetrical groupings (Polanyi, 1944). The mechanisms highlighted by the qualitative analysis of the four incubators depict the reluctance in accepting mainstream economic assumptions, therefore looking for differentiated and community related identification of needs. The distance to the dynamic of gift in the economy (Mauss, 1990) needs to be stressed, as social incubators do not envisage gratuity and voluntary jobs in their organizations.
The main literature for identifying the territorial aspects of the social economy are those from the EMES network and the works by Defourny and Nyssens (2013), as they formalized a model of social enterprise which is included and discussed in the first chapter. We proceeded with the addition of social incubator processes of social innovation and their relations with the social environment to the model. We took into account the geographical relations between those incubators, their supported firms and the neighborhoods. Figure 1 is mutated by Pestoff (1998; Pestoff et al., 2006) and used by Nyssens and Defourny (2013). Social incubators, as social enterprises, are combinations of various actors, logics and resources. They construct an ecosystem while adding to those already in place in the territory of the city. The rationale and relevance of different resource types are developed by several streams of literature from Polanyi to Boulding. To this effect, following the deconstruction of Mauss (1990), the anti-utilitarian perspective involves the freedom of not reciprocating and the community answer is not configured (in this context) as a gift, it is not caught in the cycle of reciprocity. The altruistic component of social incubators is not in their actions, but in their concept as extension of the community in order to tackle the failures of markets.
3. Methods

3.1. Research approach

Case studies are a major methodological approach for tackling social problems in the fields of educational research (Pereira and Valance, 2006) as well as management and economics (Flyvbjerg, 2006). Case studies, which typically rely on unique or limited numbers of observations, have much to contribute to the representation of complex practices and the deconstruction and analysis of mechanisms and causal relations. However, case studies provide a context dependent knowledge contributing to the experience of the researcher, building experiences from which it is possible to learn (Miles, 2015). Case studies provide analysis of holistic representations of context-dependent knowledge in practice (Flyvbjerg, 2001). Non-generalizability is not a weakness in case study analysis, as we are dealing with context dependent investigation of practices. Understanding the social through statistical techniques based on generalization is problematic because of the contingent nature of social life and the necessary limitations of the kind and quantity of confirmatory evidence that can be disclosed (Thomas, 2010). We built a protocol for the semi-structured interviews done with the representatives of the social incubators, in order to have an assessed methodology for the realization of each one of our case studies.

The protocol followed the rules established by Flyvbjerg (2006) and Miles (2015) as well as previous practices in research literature. The protocol is composed of five main sections of enquiry 7: 1) Enquiry watch-outs and objectives; 2) Representation and place; 3) Examination of the case on available platforms; 4) Modelling practices; 5) Explaining causal relations. Each section is decomposed into defined objectives and specifications.

Enquiry watch-outs and objectives

Our case study analysis starts by identifying the subjects of enquiry, social incubators, which are identified through discussion with experts in the field, willingness to collaborate of the people to be interviewed and an analysis of the relevance in the urban environment. In particular, the subjects are identified through the analysis of social impacts on proximity systems, be they effects on local labor opportunities or on income variations in the local neighborhoods. Furthermore, the location and the tools adopted for the development of the ecosystems of social innovation are taken into account before the programs are

7 Sources: Miles (2015) and Flyvbjerg (2001).
adopted by the incubators, as well as before the tools are adopted and the services provided to the incubated firms. Additionally, the networks created or boosted concerning social involvement are considered. Finally, we enquired the presence of co-working, fab labs or common places and structures where activities are taking place.

*Representation and place*

We previously stated that a case study provides context dependent knowledge and accounts of practice drawn together from the voices, actions, interactions and creations of the carriers of practice in a site (Miles, 2015). The nature itself of the building and writing of a case study involves the construction of a representation, reducing immutable and mobile real facts into “really made up” (Anderson and Harrison, 2010).

The place of the representation must take into account the bundle of trajectories constituting the place, the “messy materiality” (Miles, 2015) existing outside the case study. The recognition of the complexity of the place is necessary in order to envisage the distinction from representationalist thinking and the construction of representations built from data and text used ad hoc for the purpose. Representationalist concept identifies the effect of the projection of social relations and cultural constructions on to material reality (Watson, 2003). Case studies are construed by crafting decisions on what is to put in and what to be left out of the representations, thus generating implications for the generation and survey of data and information.

This section of the protocol departs from the choice of the unit of analysis, which is the social incubator, which is the object of our research effort. The identification of the unit of analysis proceeded hand in hand with the definition of its boundaries, which came to coincide with the ecosystem of the cities, be they urban, metropolitan or peripheral areas. We enquired the definition of a timebound perspective identifying the relevant happenings in the history of the unit – a “snapshot practice” approach. Finally, we identified the typologies of contracts for covering and responding to innovative and emergent necessities and contingencies of the communities. Collective action, such as activities carried on together and with the support of the local communities as well as the statutory governance of typologies of firms (e.g. social enterprises) were identified by focusing on the effects and the impacts on specific services and the innovations performed as well as the organizational reflections at incubator or firm level.
Examination of the case on available platforms

The first step of the analysis was conducted mining information from the available platforms identified in websites, both official of the organizations and connected expressions (financing institutions, communications tools and public institutions, etc.). Communication materials such as flyers, reports, articles, papers and books, were analyzed together with documents of the organizations and connected firms and institutions. The on-desk analysis was conducted looking at eleven items used as check list for the completion of the examination of the main issues, which were strictly connected to the previous objectives of the representation: 1) the history of the social incubator; 2) the missions and the values, if they changed and why they are envisaged; 3) the relational framework, both internal and external; 4) the funding resources; 5) the collective action and the activities and services; 6) the innovative perspective; 7) the networks created in the local areas; 8) the stakeholders involved; 9) the eventual impacts of the organizations and their expressions; 10) the organizations involved and the role of the institutions.

Modelling practices

Practice theory attempts to understand the detailed features of everyday actions and interactions through the theorization and issuing of the significance of the theory. This theorization in the understanding of practice is wary of theoretical approaches explaining and delivering general statements and claims about social life as it is (Anderson and Harrison, 2010; Green, 2009; Kemmis and Mutton, 2012; Kemmis and Smith, 2008; Schatzki, 1996, 2002; Schatzki et al., 2001; Thrift, 1996, 2008). The generation of context dependent knowledge of practice in case studies embraces action and interactions pivotal in the building of routines and comprehension of everyday life (Miles, 2015). It is necessary to stress the fact that those accounts are bounded to both space and time elements.

Practice offers an account of activities involving actions and events organized dialogically and co-produced by the actors involved (Green, 2009). Practice theory offers an account of practicing of activities and actions, thus “how they are done and co-produced” with their integrated routines. In the end, practice is performed involving evolutions of physical interactive materials, bringing integral understanding of the complex and the involvement of the different arrays of activity of which the firm, in essence, is the nexus (Postill, 2010). Therefore, given the definitions provided, we proceeded in analyzing the key elements of the identified practices, dividing them into three accounts: activities, practicing and coordination.
The accounts of activities are the summary of the actual facts and happenings, grounded in what people do, orchestrate and co-produce. The accounts of practicing are devoted to identifying and detailing those activities of doing and saying, forming practices through repetition, habits and routines as well as integration of the most relevant ones. Coordination activities represent the last category of accounts. The process of coordination can be summarized as choreography of material objects and an array of activities of which the firm is the nexus. The coordination mechanisms between firms, incubators and local areas (vertical and horizontal, e.g. hierarchical vs cooperative) represent the last topic driving the interviews with the incubators. They concerned the steps for the firms in the incubation process and for the incubators; the persons in charge of the different phases of the process; and the influences on the locations and the identification of eventual causality links.

Explaining causal relations

Case studies provide the opportunity to explore different ways and different practices, as well as a context for deepening the understanding of specific rule-governed facts (Flyvbjerg, 2001) defined ex-ante by external institutions. Through the case study we have the opportunity to explore accounts of practices differently, based on different experiences, knowledge and activities of those participating to them. We therefore proceed to the inference to the best explanation (Thomas, 2010), looking to the case as a means to focus on a practice and create exemplary knowledge enabling the insight in behaviors and organizational processes.

The phronetic approach to inferential knowledge (Flyvbjerg, 2001, 2006; Thomas, 2010) is the practical and concrete knowledge-based experience, deriving from the Aristotelian school and described as being not concerned with universal in order to take into account particulars, as it is concerned with conducts and its sphere of particular circumstances (Flyvbjerg, 2001). We also add judgment, thus critical appraisal, to this mix of inference (Thomas, 2010), to complete the understanding of the accounts of experiences in the context of the case study.

Therefore, explaining of causal relations is reached though inference of the context dependent experiences and acquired knowledge, building new knowledge themselves.
3.2. Selection of cases

Case studies deal with the question of how a particular context generates the occurrence of the phenomenon we are interested in studying (Hamel, 1997); multiple case studies are indeed a standard research methodology in the field of research on social innovation (Bouchard et al., 2015). We use case studies to relate an occurrence to its context and consider it under that perspective. Multiple-case study is a methodology designed for the intensive analysis of a few (or relatively small) number of units among a broader set of potential units showing a particular complexity (Seawright and Gerring, 2008). To this effect, the multiple-case study approach is chosen over the single case approach in order to examine how an occurrence develops itself in different contexts (Stake, 2006). The multiple-case study approach is designed to be particularly suited for identifying contextual factors such as locational patterns, managerial styles, institutional influence and other drivers contributing to the emergence and dynamics of social innovation (Callorda Fossati et al., 2017). As specified by Callorda Fossati et al. (2017) with regards to the usual difficulty in shedding some light on the contentedness governing the scientific debate around the concept of social innovation, the research literature on the social economy usually fails in revealing its sampling procedures, which are usually referred to qualitative strategies or mixed methodologies. With regards to qualitative strategies, these are informed by theoretical choices involving case selection based on researchers’ expectations with regard to the potential knowledge input of each case.

Therefore, in order to identify the four case studies and the relevant experts, we proceeded according to the described references in the literature and praxis. However, due to the “contested” definition of the term incubator as connected to social innovation, we had to identify those institutions, which were the most representative in the two cities.

- With regards to Brussels, we exchanged information with academics and scholars on the topic of social innovation, participating to seminars and workshops organized by actors involved in strategic and relevant policies and applications. We issued requests for interviews with three main actors: Coopcity, Crédal and Sociale InnovatieFabriek. We asked for meeting and interviewing the relevant manager/expert/person in charge of the incubation processes. We decided to include Coopcity and Sociale InnovatieFabriek according to a principle of relevance to our objective and in accordance with previous and relevant researches, presented in this work. Coopcity incubation and development managers were interviewed for the first time in their venues in March 2018. A second scheduled appointment and occasion for discussion took place
in May 2018, when it was possible to meet and experience part of the incubation process during a meeting with the firms and entrepreneurs. Managers in Sociale InnovatieFabriek were contacted and interviewed in April 2018 at their venues. Both the incubators provided extensive material and disclosed non-confidential information, which could not be identified and processes as ground for knowledge.

- With regards to Milan, we proceeded following the same approach. However, it should be noted that both Make a Cube and FabriQ participated in previous studies by Politecnico di Milano (Mariotti et al., 2017). The persons interviewed were those in charge of the incubation programs. The article by Giordano et al. (2015) provided a comprehensive overview of social incubators in Italy. To this effect, Make a Cube and FabriQ emerged as the most relevant realities and provided a very good fit for our research, as they were coming from different experiences and backgrounds. In particular, they were located in very different areas of the city. Furthermore, the managers accepted to be available for the interview on different occasions. Following a first meeting in September 2017 with Make a Cube incubation and process manager, we had a further meeting in June 2018. In both occasions, it was possible to visit their venues. FabriQ was contacted in December 2017 and interviewed in August 2018, with an exhaustive visit at their venue.

The four incubators were identified in Coopcity and Sociale InnovatieFabriek in Brussels, FabriQ and Make a Cube in Milan. In order to reach our objectives, we asked the managers about the typology of social innovation (SI) sought at their incubator, what is the definition they apply (if any) and how strict they are in following it. We asked to describe the methodology they used and how they reached the fulfillment of social needs in their community. We asked if they refer to any legal definition of SI. As for the case of Coopcity we uncovered that they adhere to the EMES approach to social innovation, the one presented before, accepted and published in official documents by institutions such as the city of Brussels. The case of Sociale InnovatieFabriek is more peculiar as they are more business oriented in providing their services, with a more structured approach and business model definition. We asked for the typology of innovation, if it refers to products or services, and how it is related to the local necessities. It is interesting to stress the fact that most of the innovations in FabriQ regard products, while Make a Cube deals with services. The majority of firms incubated and accelerated by Sociale InnovatieFabriek deliver services and product support, while Coopcity is more dedicated to product development and sustainability in the local area. The social orientation of the incubators and how they do influence firms on the choice of their own orientation is also interesting,
as in the case of Coopcity and Sociale InnovatieFabriek, which do not ask the firms to be social enterprises. This approach to incubation is very similar to the one found in the incubators in Milan. The connections with local institutions differ: Coopcity is an emanation of different public institutions, in a way similar to FabriQ in Milan, while Sociale InnovatieFabriek is networked by private investors and foundations. Apart from the first stage of their life, institutions have been supportive of incubators. In the case of Coopcity public institutions are at its very root, while in the case of Milan, the municipality followed a trend that was just in place before it built the smart city office, which is in charge of social innovation and open innovation projects.

4. Case studies analysis

This section starts with the Brussels incubators, as they envisage more diversified and advanced methodologies for processing social innovation issues, with the Milan experience following. At the end of the analysis of each incubator, a table resumes the most relevant aspects of each of them according to qualitative criteria and dimensions selected in accordance with the methodology and protocol presented in the previous paragraphs. It identifies their levels (geographical, legal and according to the services and objectives) and policy focus: the drivers of the creation and action of the incubator; their identity (nature, objectives, geography); their localization (urban and policy scope); their provided services (social orientation, key values, programs and sources for financing start-ups); finally, their local effects are presented.

Case study analysis, per natura, does not lead to statistically relevant conclusions but should help developing a new framework of analysis. The starting point in building our framework is the identification of the drivers of incubators in line with our theoretical approach. We identify four dimensions: (i) the drivers for creation of social incubators, (ii) the identity of social incubators, (iii) the localization of social incubators and (iv) the services provided by social incubators. Finally, we designed the effects at local level emerging from the interaction of social incubators in the local ecosystem, leveraging on the identity, business model (nature) and incubation program (services provided).

4.1. Social incubators in Brussels

**Coopcity** stands for Cooperation in the City. Its objective is to exploit the potential of the social economy in the city of Brussels. It is an association of 7 private and public partners using both private and public resources, active since 2015. It is a partnership activated for this purpose. The majority of partners are directly involved in the third sector and in the search for innovative tools for
the development of the local socio-economic systems in the city of Brussels. The partnership benefits of a large network including different institutions working on the territory such as relevant foundations financing and letting social needs emerge in the different communities (e.g., the King Baudouin Foundation is one of them). It is located in the neighborhood of Saint Gilles, a very particular area, which is experiencing a strong wave of immigration as well as transformation. Coopcity is publicly funded through a social development fund of the EU, through the office for Smart City of the Brussels-Capital Region until 2021. Its mission is to sustain, through dedicated programs, the development of social entrepreneurship in the region of the city of Brussels. They pursued a very specific and important identification of local needs. Four million euros of funding are used for financing 5 employees and the co-working infrastructures as well as the accompanying processes of the incubated firms.

Table 1: Coopcity analytical framework table

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Level</th>
<th>Focus</th>
<th>Local effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drivers</strong></td>
<td>City</td>
<td>Municipal policies/EU</td>
<td>Analysis of local needs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Objectives</td>
<td>Decrease of local unemployment</td>
</tr>
<tr>
<td><strong>Identity</strong></td>
<td>Nature</td>
<td>Private, publicly funded</td>
<td>Creation of services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>through tenders</td>
<td>Community engagement</td>
</tr>
<tr>
<td></td>
<td>Objectives</td>
<td>Social innovation at city</td>
<td>re-engagement projects for unemployed</td>
</tr>
<tr>
<td></td>
<td>Geographical focus</td>
<td>City</td>
<td>Involvement of local citizens and institutions for joint programs</td>
</tr>
<tr>
<td><strong>Localization</strong></td>
<td>Urban</td>
<td>Close to infrastructures</td>
<td>Gentrification process slowed</td>
</tr>
<tr>
<td></td>
<td>Community engagement</td>
<td>Programs</td>
<td></td>
</tr>
<tr>
<td><strong>Services provided</strong></td>
<td>Social orientation</td>
<td>Cooperation but not exclusively</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Key values</td>
<td>Social innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Programs</td>
<td>Incubation, acceleration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financing</td>
<td>Coworking, incubation</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>tenders</td>
<td></td>
</tr>
</tbody>
</table>

Source: elaboration of the authors.

Sociale InnovatieFabriek stands for Social Innovation Factory. It is a Flemish organization located in a strongly different location, being close to the Brussels Central (train) Station for transport and mobility access ease. Sociale InnovatieFabriek objective is to promote social innovation and guidance to entrepreneurs and firms through a designed acceleration approach to achieve
societal innovative concepts and action. It is an association of 23 private and public active associations and entities in the field of social entrepreneurship, cohesion and support, but also local government agencies and businesses. The core objective, however, is to stimulate and focus on private partnerships. All partners are directly involved in the third sector and the search for innovative tools for the development of the local system is not exclusively for the city of Brussels. Sociale InnovatieFabriek is not publicly funded, but financially supported through the partners of the network of associations and the consultancy provided to remunerate its workers. Their services are freely provided to individual innovators.

**Sociale InnovatieFabriek** represents a dynamic and fashionable environment. Its services are provided for free, since they are directly financed by institutions, usually private, or in cooperation with other financial actors such as foundations or agencies for employment or business development. It developed a series of business models very much devoted to consultancy in mostly innovation for social purpose, including creation of employment. The endorsed definition of social innovation is the EMES one, but it is not applied in a very stringent way. It does not pursue searches for local social needs, but looks for identification of services through engagement occasions such as fairs and community fora.

**Table 2: Sociale InnovatieFabriek analytical framework table**

<table>
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<th>Local effects</th>
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<td><strong>Drivers</strong></td>
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<td>Community needs</td>
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<td></td>
<td>City</td>
<td>Municipal policies</td>
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<td></td>
<td>Objectives</td>
<td>Social innovation</td>
<td>Community engagement</td>
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<td></td>
<td>Geographical focus</td>
<td>City and Regions</td>
<td></td>
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<tr>
<td><strong>Localization</strong></td>
<td>Urban</td>
<td>Close to infrastructures, different areas</td>
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<td></td>
<td>Key values</td>
<td>Social innovation &amp; investment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Programs</td>
<td>Incubation, acceleration, commercialization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financing</td>
<td>Knowledge transfer programs, incubation tenders</td>
<td></td>
</tr>
</tbody>
</table>

Source: elaboration of the authors.
4.2. Social incubators in Milan

**Make a Cube** is one of the most relevant social incubators in Milan. It is a private incubator in the form of an anonymous, investor owned company (s.r.l.) founded in 2012 with the purpose of stimulating social change together with the public local institutions of the city of Milan. They co-design tenders and together with the municipalities (also other cities such as Turin are involved), they design the social innovation policies in these cities and participate in round tables, other divulgation events and programming. They do not pursue an active research of local social needs but they brainstorm about this issue together with the main representatives of the municipality. They are located in a well-served area close to the Statale University, and the metro services. The objective was to create an incubator where start-ups with a social underlying purpose were taken to the market, where investors could be easily met. Therefore, Make a Cube starts as a co-working and sharing experience for developing other innovative firms with the availability of a mix of competencies and knowledge deriving from the founding partners, all active in the third sector. Make a Cube finances its services through the delivery of results and contracts with private firms, public institutions, and third sector organizations.

**Table 3: Make a Cube analytical framework table**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Level</th>
<th>Focus</th>
<th>Local effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drivers</strong></td>
<td>Local</td>
<td>Community needs</td>
<td>Analysis of local needs</td>
</tr>
<tr>
<td></td>
<td>City</td>
<td>Municipal policies</td>
<td>Decrease of local unemployment</td>
</tr>
<tr>
<td><strong>Identity</strong></td>
<td>Nature</td>
<td>Private</td>
<td>Restoration of unused buildings</td>
</tr>
<tr>
<td></td>
<td>Objectives</td>
<td>Social innovation</td>
<td>Creation of services</td>
</tr>
<tr>
<td></td>
<td>Geographical</td>
<td>Parts of city</td>
<td>Community engagement</td>
</tr>
<tr>
<td></td>
<td>focus</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Localization</strong></td>
<td>Urban</td>
<td>Close to infrastructures</td>
<td>More focus on peripheral areas</td>
</tr>
<tr>
<td></td>
<td>Community</td>
<td>Directly by incubators or programs</td>
<td>re-engagement projects for unemployed</td>
</tr>
<tr>
<td></td>
<td>engagement</td>
<td></td>
<td>Involvement of local citizens and institutions for joint programs</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>Social orientation</td>
<td>Not specifically requested</td>
<td>De-segregation</td>
</tr>
<tr>
<td>provided</td>
<td>Key values</td>
<td>Social innovation &amp; knowledge transfer/investment</td>
<td>Gentrification process slowed</td>
</tr>
<tr>
<td></td>
<td>Programs</td>
<td>Incubation, acceleration, commercialization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financing</td>
<td>Coworking, knowledge transfer programs, incubation tenders</td>
<td></td>
</tr>
</tbody>
</table>

Source: elaboration of the authors.
**FabriQ** is an ATI - Associazione Temporanea di Impresa (temporary association of enterprises) with two private partners (Fondazione Giacomo Brodolini and Impact Hub Milano). Both founding partners have large experience and are knowledgeable about third sector innovation and governance. They derive from the merging of research and business based on co-working and social innovation activities. FabriQ is the social incubator of the Municipality of Milan, with its activities being driven by the department of policies for employment, production, commerce and human resources together with the directorates of welfare and urban policies. The first FabriQ tender was approved by the Municipality in 2014, in order to set up a node where social innovation was to be developed for the sake of the local development of the city and in particular the neighborhood of Quarto Oggiaro and the north-west part of Milan. FabriQ is funded by the Municipality of Milan through tenders for the organization and development of the incubator in the Quarto Oggiaro neighborhood. The venue of the incubator is the property of the Municipality.

**Table 4: FabriQ analytical framework table**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Level</th>
<th>Focus</th>
<th>Local effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drivers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Municipal policies</td>
<td></td>
<td>Decrease of local unemployment</td>
</tr>
<tr>
<td>Nature</td>
<td>Publicly funded through tenders</td>
<td></td>
<td>restoration of unused buildings</td>
</tr>
<tr>
<td>Objectives</td>
<td>Social innovation/Innovation</td>
<td></td>
<td>creation of services</td>
</tr>
<tr>
<td>Geographical focus</td>
<td>City and beyond</td>
<td></td>
<td>Community engagement</td>
</tr>
<tr>
<td><strong>Identity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>Different areas</td>
<td></td>
<td>More focus on peripheral areas</td>
</tr>
<tr>
<td>Community engagement</td>
<td>Directly by incubators or programs</td>
<td></td>
<td>re-engagement projects for unemployed</td>
</tr>
<tr>
<td><strong>Localization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social orientation</td>
<td>Not requested</td>
<td></td>
<td>Involvement of local citizens and institutions for joint programs</td>
</tr>
<tr>
<td>Key values</td>
<td>Social innovation &amp; investment</td>
<td></td>
<td>De-segregation</td>
</tr>
<tr>
<td>Programs</td>
<td>Incubation, acceleration, commercialization</td>
<td></td>
<td>Gentrification process slowed</td>
</tr>
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<td>Financing</td>
<td>Knowledge transfer programs, incubation tenders</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: elaboration of the authors.
5. Discussion of results

Starting from Tables 1 to 4, presented in the previous sections for each incubator, we develop the comparison of the different drivers and patterns to achieve a final identification of a common framework for analysis. The drivers for the creation of incubators can be local, therefore referring to a single neighborhood or multiple zones limited geographically, or at city level. The creation of the social incubator can derive from the emerging of community needs, especially in an area with poor infrastructures (it is the case of FabriQ) and social difficulties, or they can be driven by municipal policies. The two different drivers are related to two different approaches: the bottom-up approach, in case the social incubator is created by the impetus of the local communities’ emergent needs; the top-down approach, in case the social incubator is created by virtue of local institutions. In the case of FabriQ the starting focus was on the neighborhood of Quarto Oggiaro, and then it shifted towards the involvement of outer parts of the city of Milan, stimulated by the policies of the municipality. The approach is not antithetical, except for the initial phases of the elicitation of needs.

The identity of incubators is defined by their nature, usually private and funded by public money. Social incubators can be temporary associations of firms or consortia created to apply to a tender or call for proposals by a public entity or institution. The public “hand” is usually identified as the kick-starter of the program. The objectives of incubators seeking social innovation are predominantly local. The building of programs for incubation or acceleration is created in accordance with implicitly identified community social needs (in the case of FabriQ, Make a Cube and Sociale InnovatieFabriek) or previously identified needs in local areas affected by peculiar issues of unemployment, segregation, environmental degradation and isolation of ageing and vulnerable people (Coopcity). Again, the geographical perspective can be localized in one or more neighborhoods but with the aim of expansion towards outer areas.

The process of solution-seeking in social innovation can have two origins: the identification of a perceived social issue and the building of a network to tackle it; or, the institution of a network before the identification of specific issues (Maiolini, 2015). The localization dimension in which this process takes place differs from the drivers dimension previously illustrated. The localization dimension refers to the envisaged attraction zone of the incubator, therefore it can be city-wide, usually with closer distance to transport infrastructures and services of general collective interest or it can respond to specific community engagement needs. The network driving of the incubator is created anticipating the emergence of one specific set of needs: it answers miscellaneous necessities
to be addressed via community engagement governance driven network. The resulting network can create the incubator upon “agglomerating the perceived necessities” in order to identify them and programming solutions.

The last section of the new framework for analysing social incubators is dedicated to the services provided. The identification of these services provides insight into the role of incubators in protecting and supporting incubated enterprises. Several incubation, acceleration and commercialisation programmes are illustrated in the case studies. Four levels of objectives were detected: social orientation, key values, programs and financing. The incubators provide services to the incubated firms following these four levels, mentoring and coaching them in deciding their legal forms, identifying and devising their governance, the key values, the programmes to attend and the financing opportunities (Caroli, 2015).

The level of social orientation stands for the social vocation of the firms irrespective of their legal form, focussing not exclusively on cooperatives or associations or social enterprises. The decision of the legal forms that is best suited to achieve the social mission is driven by the relevant regulations and legislations in the two countries. While in the case of Coopcity a preference was found in favor of the non-profit forms, the other three social incubators did not provide specific indications steering the choice of the non-profit vs for-profits form. The choice of the best form is made during the first or secondary sessions of the incubation-start-up programs. The key values are strictly connected to the definition of social innovation referred to by the incubator. However, knowledge transfer is seen as a key value and tool in all the four incubators. This level addresses the relevance of knowledge creation and services its broader utilization in the community, thus making knowledge a social asset, which goes beyond dividend distribution. The financing level is more diversified. It takes into account the different possibilities of tenders, call for proposals and financing opportunities, which the incubators use and helps to familiarize with the incubated firms. As we illustrated when presenting the case studies, all incubators are typologies of private associations under different legal forms. All of them benefited from public funding in order to install and provide some of their services.

The last part of the framework is dedicated to the identified local effects (Figure 2). The local social needs identified by the community networks and the municipalities are different. The two experiences in Milan and Belgium differ from each other, dependent on the neighborhoods and their socio-economic conditions. This needs driven approach works on the re-engagement of excluded people, the restructuring of old and unused buildings left by the manufacturing
and service industry, as well as the general involvement of local institutions together with a renewed collective activity of people. Those needs are tackled through the incubated firms or, as it is the case at FabriQ also through the development of dedicated programs with the objective of local community involvement and infrastructure re-utilization. The location of the incubator and its peculiar way to fulfil social needs are transferred as a stimulus for the incubated firms (or ad-hoc programs of interaction incubator-firms-local community). They allow the selection and pursuit of an identity for the firms, the utilization and application of new suited business models, and the completion of the incubation program (Giordano et al., 2015).

Figure 2: Local effects deriving from social incubators in cities

![Figure 2: Local effects deriving from social incubators in cities](source: Own elaboration)

6. Conclusions

In this paper we analysed the question concerning how social incubators contribute to social innovation in cities. We strived to understand what their role in the city and neighborhoods is, how they position themselves in the process of providing answers to the local needs in the specific place they are located. With regards to the case studies, we processed all the available information both on desk and through the interviews, understanding what the models for the services and practices are, thus the institutionalization of the services they
provide. Finally, we tried to understand the causal mechanisms that link social innovation impacts and the role of the social incubators.

We confirmed through a qualitative approach that social incubators, as a new typology of organized cross-fertilising agglomeration in cities, are relevant actors in creating social innovation in cities thanks to their agglomeration externalities and diversification of approaches as well as sectors. The effects of social incubators, through the provided services and the coordinated programs of incubation, are multifold and involve re-engagement of excluded people, the restructuring of old and unused buildings left by the manufacturing and service industry, as well as the general involvement of local institutions and communities. Cities are confirmed to be the primary locations for innovation and local social needs are more relevant due to the powerful urban transition movements, inequality and gentrification effects. The localization patterns of the four incubators are different, as the variety of their services and business models is high.

The role of social incubators is shaped to answer the needs of local communities, thus it should have a higher magnitude in the areas in their proximities (Pellizzoni, 2014). This is not always true. The same nature of the incubators and their mandate in some cases identify the local impacts as secondary. In some cases (FabriQ), they must develop strengthened programs of engagement in addition to the incubation programs. The case of Sociale InnovatieFabriek is emblematic as they do not limit themselves to the city geographical area but they operate also in Flanders. However, they always adopt a local engagement approach to identify unique points of local reference to establish and develop their social networks of innovation. Coopcity and Make a Cube, even if they do not share a similar background, positioned themselves at the centre of the local ecosystem since the beginning of their initiative.

Finally, as said we tried to identify causal relations between the role of the social incubators and social innovation impacts. The research questions introduced in the first pages regarded the evolution and history of social incubators, the agglomeration and inclusion process, the perceived role of the incubators, and the role played in the ecosystem. The creation of the social ecosystem and the participation of the incubator as an organization with an active role is therefore put at the centre of the analysis.

The evolution and history of the social incubator and its relationship with the neighborhood follows two general patterns, differing if the social incubator is publicly or privately funded. In the case of Coopcity and Make a Cube, the two publicly funded social incubators, there is a solid background of cooperative and
social economy knowledge, put in place according to pre-defined and predefined and pre-organized sets of objectives, usually decided by the public institutions. With regards to privately funded social incubators, they usually start from a co-working experience coupled with a consulting background and are usually more business oriented but with defined tools and applied to solutions oriented issues.

The services provided in order to answer to local needs and the analyses of local social needs are not always pre-screened and defined. In many cases, it is simply a matter of flow management, where the process does not allow the planning of accurate ex-ante evaluations. Inputs to activities can derive from the will of a network of institutions, usually local government, with the intention of keeping an area of the city out of the dangers of exclusion and aggressive gentrification towards the poorest, or it can be case by case, like in the cases of Make a Cube and Sociale InnovatieFabriek.

The process of agglomeration is not usually present. Firms do not agglomerate in the incubators but they cooperate and position themselves in the venues if relevant externalities deriving from knowledge cooperation emerge. However, social incubators appear to work much better and bring about more positive results when close to creative hubs, with access to transport hubs. The case of FabriQ is emblematic, as the majority of the firms are not located in the incubator during and after the incubation phase; it is thus necessary to build ad hoc tenders for local neighborhood development.

The perceived role of the social incubators in the process of social innovation is always relevant. The incubator is at the centre of the process of networking for creating social values. The incubator is pivotal in product and service development and business plan, providing entrepreneurs with the necessary tools for managing their firms in a cooperative and ethical way, and serving innovative outcomes that produce new social value. The relation of the role social incubators play with the ecosystem of social innovation in the city must be deepened. The role of the incubator is not yet perceived as relevant by the local communities if not after years of presence on the territory and neighborhood.
References


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