**transformative
social innovation
theory**

Transformative Social Innovation Narrative on the Impact Hub

A Summary

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About TRANSIT:

TRANSIT is an international research project that aims to develop a theory of Transformative Social Innovation that is useful to both research and practice. It is co-funded by the European Commission and runs for four years, from 2014 until 2017. The TRANSIT consortium consists of 12 partners across Europe and Latin America. For more information, please visit our website: http://www.transitsocialinnovation.eu/.

About this Document/ Disclaimer:

This document provides a very short summary of a full case-study that includes in-depth case-studies of (1) the global Impact Hub network, (2) the Impact Hub Amsterdam, (3) the Impact Hub Rotterdam, and (4) the Impact Hub São Paulo. Both the full case reports and this summary, were guided by four empirical research questions based on our preliminary conceptual heuristic. These questions concerned:

1. the overall development of the local cases and the transnational Impact Hub network;
2. how the Impact Hub network relate to different types of change and innovation (incl. social innovation, system innovation, game- changers, narratives of change and societal transformation);
3. how actors are empowered and/or disempowered in and by Impact Hub(s), including topics such as governance, learning, resourcing and monitoring;
4. what are other relevant emergent issues.

This summary document presents – in a highly reduced and generalised format – the interpretations of the researchers/authors, and does not necessarily reflect the views and nuances of the initiatives and respondents themselves.

For a full account of each case-study, including interview quotes, pictures and expressed nuances by respondents in each local case, we refer to the full case-study report, which is available via avelino@drift.eur.nl. Both the full report, as well as this summary document, will be used as input for future research activities and publications.

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1 (Development of) The Impact Hub

The Impact Hub (IH) is a 'locally active and globally connected' network of social entrepreneurs, combining elements from co-working spaces, innovation labs and business incubators. As the name "*Impact* Hub" indicates, there is an explicit aim to have a positive social impact. This impact is aimed for through 'the Hub Experience', which is carried by shared values and propositions:

Value Propositions Hub Experience

❖ an inspiring space
❖ a vibrant community
❖ meaningful content

Globally Shared Values

❖ trust
❖ courage
❖ collaboration

In 2005, the first 'Hub' was opened in London, followed by our local case-studies: Hubs in São Paulo, Rotterdam and Amsterdam. Many of the social entrepreneurs who founded these first Hubs, had met each other through international networks such as *AIESEC* and *Pioneers of Change*.

From 2010 onwards, the network and the amount of local hubs has "grown like wildfire". A global governance structure was set up, including a 'transition' period of contestation and reorganisation. In 2013, the original name of 'The Hub' was rebranded as 'Impact Hub'.

Today, there are a total of 63 local Impact Hubs across 5 continents and 20 Impact Hubs 'in the making'. All Hubs are members of a global Impact Hub Association and shared owners of the global Impact Hub Company. Combined, the Impact Hubs have over 11.000 members, mostly social entrepreneurs 'working on ideas for a radically better world'.

Figure 1: Overview of Impact Hub network and local cases under study
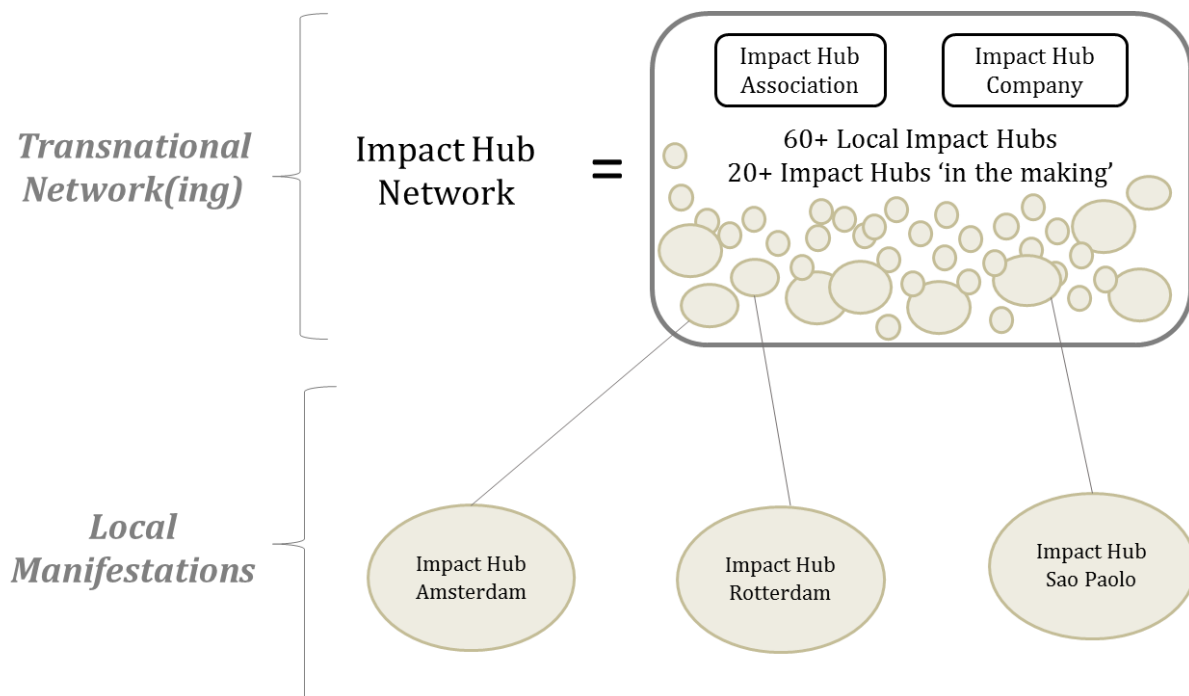
The time-line below gives a succinct, aggregated overview of the development of the Impact Hub network since the first Hub opened in 2005. Each 'box' and 'arrow' in this timeline includes a rich history of ideas, people and exchange. The 'disagreements', 'crisis meeting' and 'transition' that feature on the time-line between 2008 and 2011, refer to a complex process of collectively searching for ways to be globally connected while remaining locally rooted and responsive to one's own particular social context.

Figure 2: Timeline Development of the Impact Hub Network
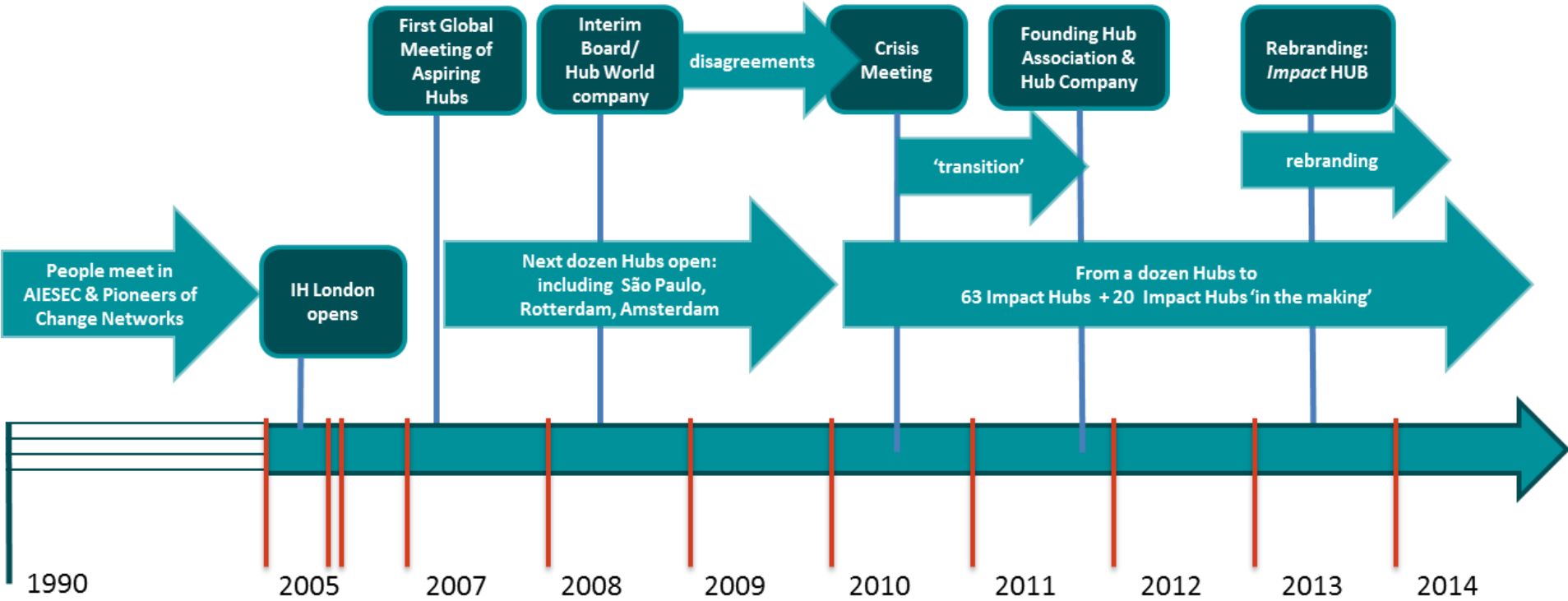
2 Change & Innovation by/at the Impact Hub

"Impact Hubs are where change goes to work", is a main slogan of the network. Its 'theory of change' focuses on collaborative entrepreneurial action as a driver of social impact. Initially, the focus was on individual social entrepreneurs and their (social) innovations. This has shifted towards the creation of 'ecosystems' as enabling environments for entrepreneurial action, including more systemic collaboration and collective impact. In the text below, we summarise our interpretation of the 'five shades of change and innovation' across the Impact Hub network.

To start with the first 'shade': social innovations are manifested in numerous forms and at various levels across the Impact Hub network:
  (1) Social innovations *by the Impact Hub*, both by the global organisations as well as the local teams. This includes new (working) spaces and practices, new relations and new forms of governance.
  (2) Social innovations by (the enterprises of) *individual* Impact Hub members, including new services and products.
  (3) Explicit discourses on social innovation, including the explicit use of the notion of 'social innovation' and 'social innovators'.

Besides the abovementioned discourses on 'social innovation', the Impact Hub network also engages with other narratives of change, including 'social entrepreneurship', 'sharing economy', 'ecosystems for innovation', 'impact makers', 'trust', 'collaboration', and so on. Not only does the Impact Hub network use these concepts, it seems to be an important player in co-*shaping* these discourses.

Globalisation – or 'transnationalisation' - seems to be a relevant macro-level game-changer, in the sense that the background of the Impact Hub lies in international and transnational networks where people meet with shared concerns about global and local challenges. Poverty, resource depletion and climate change feature as important background drivers and legitimations for many of the individual social enterprises services and products. The economic crisis also seems relevant for some local Impact Hub contexts, in the sense that the economic crisis has spurred a growing critique towards existing economic systems and corporate cultures and, in response, a search for alternatives, such as new forms of self-employment and socially responsive entrepreneurship.

There is a considerable variety across different local Impact Hubs, enterprises and individual members regarding the system innovations that they are aiming for (or not). Overall, the shared aim of creating 'ecosystems for innovation' can be argued to coalesce with the creation of local, (urban) *innovation systems* and new (co-)*working environments.* By doing so, we argue that Impact Hubs contribute to, and foster, new systems of employment and economic exchange in their local context. Moreover, many local Impact Hubs, as well as the participating enterprises and members, act both as producers and launching customers of more 'sustainable' products and services, thereby (aiming to) contribute to system innovations in various sectors (e.g. in food, construction, energy, material use, etc.).

The last and fifth 'shade of change and innovation' raises the question of how the Impact Hub (aims to) contribute to societal transformation. A commonality across the Impact Hubs that we have studied, is a striving for a new and different economy, i.e. a 'social impact economy', or in other words; an economy that has a positive impact on society and its environment. The interpretation and the language used to describe such positive impact, differs across Impact Hubs

in different local, national and regional contexts. Underlying such different interpretations, are the globally shared values and Hub Experience propositions as introduced earlier. So besides the vision of a different economy, there is also a shared sense of direction towards a society in which there is more 'trust', 'courage' and 'collaboration', and a shared vision of a future that harbours more inspiring spaces, more vibrant communities, and more meaningful content.

Figure 3: Five Shades of Change and Innovation by/at the Impact Hub

3 (Dis)empowerment by/at the Impact Hub

Across the Impact Hub network, (new) forms of governance at both the global and local level are consistently sought for and (re)considered. Currently, the global governance structure consists of an Association of which all Impact Hubs are members (one Hub, one vote), and a Company that is owned by the Association and mandated to provide services to local Impact Hubs. The relatively new governance structure of the global Impact Hub network aims to be 'decentralised', 'distributed' and 'bottom-up', where every Impact Hub 'is accountable for the whole'. There is an overall appreciation of the complexity and delicacy of finding a governance structure that works for over 11.000 local entrepreneurs across the globe.

The local Impact Hubs are differently organised, have different legal structures, and different relations with external partners. Some Impact Hubs, as well as the global Company, work with innovative facilitation and governance concepts such as 'Art of Hosting' and 'Holacracy'. A more common approach across the network is the idea of 'hosting': all Impact Hub spaces are 'hosted' by 'hosts' who are present throughout opening hours, responsible for both physical and social maintenance, receiving and connecting members and guests. The hosts have an important role in enabling the 'Hub Experience' by facilitating an 'inspiring space', a 'vibrant community' and 'meaningful content'.

All Impact Hubs facilitate a basic sharing of resources amongst entrepreneurs, including office space, coffee machines, printers and meeting rooms, as well as more intangible resources, such as

knowledge, information, competences and experiences. The main business model of the global Impact Hub Company is based on fees paid by local Impact Hubs for using the brand, the global HubNet (online community platform), and technological support. Many Impact Hubs and their members experiment with alternative business models, such as crowd-funding, complementary currencies, impact funds and cooperatives. The business models of local Impact Hubs differ across the globe, most common sources of income being: membership fees, the renting of spaces, the organisation of events, and sometimes training, education and consultancy.

It seems that the 'Hub Experience' is experienced as empowering, by members as well as by many visitors, customers and partners. We summarise the empowering dimensions of the Impact Hub, both at the local and the global level, in terms of people gaining a sense of:

(1) Being welcome and feeling at home at inspiring spaces in one's city and across the globe;
(2) Being locally active while also globally connected and working towards a common purpose;
(3) Belonging to a community and having the collective strength of a group of like-minded people;
(4) Gaining access to shared resources and a global and local pool of people with different sets of competences, knowledge and experiences,
(5) Legitimacy and visibility through a common brand, vision and network, which may help to profile one's own enterprise and mission;
(6) A podium for one's skills and one's enterprise through online and offline possibilities;
(7) Freedom and independence as a self-employed entrepreneur.

Figure 4 Visual Impression of Impact Hub spaces. On the left: Wall of Members/ 'Impactmakers' (Impact Hub Amsterdam). On the right: Co-working Space (Impact Hub Rotterdam). *Pictures by Tim Strasser.*
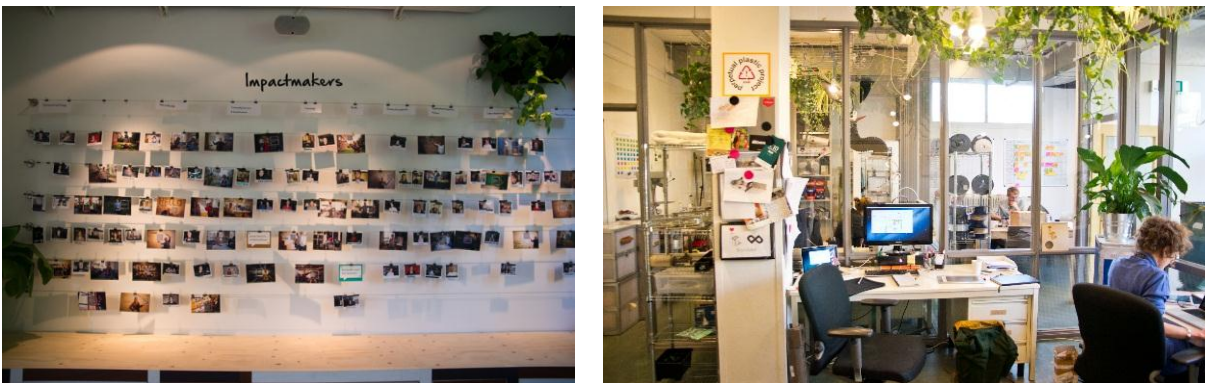
Having celebrated the empowering dimensions of the Impact Hub, we have also pondered on its (potential) disempowering affects and unintended consequences. An obvious theme lies in the universal paradoxes of inclusion versus exclusion and freedom versus compliance. Governance structures and formalisation processes often inherently come with exclusion and compliance mechanisms. The governance challenge of the Impact Hub network is no different, and some Impact Hub teams and members have felt disempowered by such processes of exclusion or compliance. There does seem to be some degree of awareness and conscious exchange about such processes, and a deliberate and continuous search to balance the paradoxes of a translocal global structure that is 'partly a movement, partly a business, and partly a network'.

Another issue of (dis)empowerment lies in the observation that the diversity of socio-economic backgrounds of the Impact Hub members is limited, and that the co-working environments are primarily attended by a certain type of highly educated and/or highly skilled people. This is related to the business models of most Impact Hubs which rely partly on membership fees, as well as to the skills required for operating as an independent social entrepreneur. Although the Impact Hub network and the enterprises of its members include programmes and initiatives that explicitly aim to increase opportunities for disadvantaged groups, the extent to which such groups are included 'inside' the existing Impact Hub spaces is limited. A critical question thus remains for whom vibrant communities of trust and collaboration are (not) available and to what extent such accessibility could be (further) increased.

A last and third critical issue concerns the unintended consequences of the interactions between Impact Hubs and their social and political contexts. For instance, in the European context, welfare states are retreating and public services are deteriorating. In that context, political discourses are displaying high expectations of 'social innovation' as a 'solution' for budget cuts, and of 'social entrepreneurs' being able to replace public services. Whether or not one (dis)agrees with such political position, it is important to question how Impact Hub ideas and practices are or may be used (or abused) to legitimise certain political discourses.

Such (self-) critical questions and contemplations are relevant in a context like the Impact Hub, which aims for positive impact and continuous learning on how to achieve that. All Impact Hubs have an explicit aim to breed a culture of social learning, through various channels:

(1) provision of space for encounters, including the informal 'coffee corner' and lunch table;
(2) sharing of questions and experiences via the virtual space *Hub-Net;*
(3) facilitate learning through extensive programming with a variety of events, courses, workshops;
(4) 'hosting' practices by Impact Hub teams, in which the 'hosts' explicitly have a task to connect individuals to learn from one another;
(5) (social) media via which stories and experiences are shared.

In terms of evaluating the development of the Impact Hub, there is a certain level of formalised monitoring at the global level, which focuses on (a) keeping track of the development of the network, (b) evaluating the needs of local Hubs and members, and (c) measuring the social impact by members. There is a global *Global Membership Survey* format, which can be adapted to local Hubs. However, in most Impact Hubs there is primarily an *informal* manner of (self-) monitoring and evaluation, which relates to the focus on learning and the principle of striving for 'meaningful content'.

In a context with such an explicit desire to have positive impact, it seems meaningful to (also) ask the question: what are or may be the (unintended) *negative* impacts of Impact Hub activities, and how can one deal with those?

This critical question is not only directed at the Impact Hub, but also at us as researchers, both within and beyond the TRANSIT research project: *How can we improve existing conceptual and evaluative frameworks to facilitate critical questions and meaningful conversations on both the positive and negative influence of social innovation initiatives?*