

Developing synergies between social entrepreneurship and urban planning. Evidence from Six European Cities.

For more than two decades, entrepreneurship has been promoted as an effective means to advance the aims of urban development. Social entrepreneurship, more specifically, is seen as a driver of urban innovation and experimentation at the local level. Nevertheless, in-depth research about the opportunities that arise from the coordination of urban planning with social entrepreneurship policy at the local level is lacking. Inspired by this realization, the research presented in this paper investigates six European cities (Terrassa, Spain; Göteborg, Sweden; Torino, Italy; Lisbon, Portugal; Porto, Portugal; Hengelo, the Netherlands) that have adopted a coordinated approach to promote social entrepreneurship in their territory. We identify the developmental benefits sought by these cities in promoting social entrepreneurship, the ways in which urban planning supports social entrepreneurship policy and vice versa, and the key challenges that cities face in pursuing this effort. We conclude that the coordination of urban planning with social entrepreneurship policy is an emergent, interdisciplinary field with high growth potential given the current socio-economic challenges facing cities. However, the lack of awareness, know-how, actionable data and formal processes stand in the way of realizing this potential.

1. Introduction

Contemporary thinking about urban development emphasizes the need to develop more livable, adaptive and intelligent cities. In recent years, however, many European cities –especially the ones of northern Europe- have faced unprecedented challenges in providing qualitative services to society in a number of areas, including public administration, commerce, housing, education, public transportation, healthcare and others. The ongoing inadequacy of in-house financial and human resources, combined with the global reach of competitor cities to attract top talent and capital flows, are reducing the capability of cities to promote integrated development. As a result, in recent years we have increasingly witnessed the displacement and closing down of commercial activities, a decay of public spaces, poor housing stock maintenance,

insufficient public transport coverage, and many more (European Commission, 2011a).

Many commentators believe that the social economy is particularly well positioned to provide solutions to such urban challenges, by empowering citizens and communities to innovate and create solutions from the 'bottom-up'. These solutions are expected to be more equitable, responsive and better attuned to citizen needs, and as such they appear as more promising in terms of social and economic impact and viability (Glasmeier and Nebiolo, 2016; Luca Mora, Deakin, Reid, & Angelidou, 2018).

Existing research on the benefits of social entrepreneurship, however, focuses either on the larger scale (national and regional) or the entrepreneur as an individual (Kleinhans and Van Ham, 2016), alternatively referred to by Cajaiba-Santana (2014) as agentic and structuralist approaches. Although the broader concept of urban social innovation has attracted some interest in academia (Baker and Mehmood, 2015; Christiaens, Moulaert, & Bosmans, 2007; Granieri and Renda, 2012; Korosec and Berman, 2006; Longhurst et al., 2017; MacCallum, Moulaert, Hillier, & Vicari Haddock, 2009), little research has addressed how urban planning can support the development of social entrepreneurship ecosystems and vice versa.

The above developments could not have left local entrepreneurship policy untouched. Already an increasing number of cities in Europe are trying to capitalize the manifold benefits of social entrepreneurship at the territorial level. They see social entrepreneurship as a vehicle to produce better solutions for local problems, while simultaneously tackling phenomena such as urban decay, urban gentrification and ghettoization. Through this effort they aim to achieve both urban development aims (e.g. urban regeneration, production of more livable spaces), and social aims (e.g. reduction of unemployment rates, increase of social resilience and active citizenship).

The ultimate purpose of these efforts is to create local, self-sustained ecosystems of innovation and experimentation (Angelidou and Psaltoglou, 2017; Anttiroiko, 2016). In parallel, the concept of social business remains vague in many countries, preventing their institutionalization and access to financing (European Commission and OECD, 2016).

In consideration of these insights, the research presented in this paper aims to highlight how six of the most forward-looking European cities are supporting social entrepreneurship in their territory, especially focusing on the synergies that emerge at the intersection of social entrepreneurship policy and urban planning. It is important to remember, however, that although innovative, many of them are only at the beginning of this journey, as this is a relatively new phenomenon for cities altogether. Through this journey, they seek to develop the know-how, methodologies and tools that will allow them to successfully promote social entrepreneurship in their territory, and in the more advanced stages to combine it with urban planning and development policy.

The paper adopts the following structure. The next section presents current policies and published literature on the topic. The following section presents the research methodology used to conduct the presented research. After that, we present the analytical research findings of the performed research. The final sections offer the results of the analysis and the major conclusions about how synergies can be promoted at the intersection of social entrepreneurship policy and urban planning.

2. In Search for Socio-spatial Frameworks for Social Entrepreneurship

2.1 Concept and Current Policy Frameworks for Social Entrepreneurship

There is no internationally agreed definition of social entrepreneurship (European Commission and OECD, 2016). The current definitions vary significantly: they may adopt a broad or a narrow stance, they may place emphasis on individual ventures or the collective environment, and they may alternatively focus on non-profit or for-profit organizations (Casasnovas and Bruno, 2013). In analyzing recent social innovation literature, Douglas and Grant (2014) confirm that a host of approaches and terminologies are used, while there exist instances where social entrepreneurship is not defined at all. Due to this definitional deficit, an international common framework for understanding the structures, activities and needs of social businesses is lacking¹. Social entrepreneurship research is slow to develop advanced theories (Nicholls, 2010) and it is therefore difficult for policy makers to establish initiatives that allow for social businesses to be competitive (European Commission and OECD, 2013; Social Seeds Project, 2016).

At present, there are approximately 2 million social enterprises in Europe, corresponding to 10% of all businesses and 6% of employees in the European Union

¹ The European Commission (EC) has defined social enterprise as “*an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities*” (European Commission, 2011b).

(EU) (Social Seeds Project, 2016), operating in a broad range of economic sectors, including agriculture, construction, energy, commerce, education, culture and arts, Information and Communication Technology (ICT) services, healthcare services, tourism and transport (European Commission and OECD, 2013). These social enterprises may take the form of co-operatives, associations, mutuals and foundations. The growing number of social businesses renders them central to local and global economic systems, reflecting their potential to promote social, technological and business model innovation, support social cohesion and create new jobs (OECD, 2010). It is noteworthy, however, that the context-dependency and challenge-oriented nature of social entrepreneurship may hinder its scale-up (Zahra et al., 2009) and lead to precarious work (Lamy, 2019).

Nevertheless, social entrepreneurship in the EU is seen as fundamental to realizing the EU's Europe 2020 strategy for smart, sustainable and inclusive growth, with 75% of the currently existing social businesses on European grounds pursuing relevant goals (European Commission and OECD, 2013). Thus in recent years, the EC has been taking important policy measures to support the social economy by means of releasing strategic guidelines, promoting cooperation frameworks among EU member states and promoting the concept -especially among Small and Medium-Sized Enterprises (SMEs)- through financing and development programmes such as JEREMIE, JESSICA and the European Investment Fund (EIF). The importance of the social business sector for integrated development is highlighted in the EC's "Social Business Initiative" (European Commission, 2011b), which aims to raise awareness and introduce financial and legal regulations that will support the development of social entrepreneurship across the EU. Social entrepreneurship is also key to developing the envisioned Single Market, whereby SMEs and active citizenship are seen as essential

sources of economic diversification and competitiveness (European Commission, 2010).

2.2 Contextualising Social Entrepreneurship

The contextualization of social entrepreneurship is not new in entrepreneurship research. The discussion at the intersection of social entrepreneurship with space and society as contextual factors began in the late 1980s with studies such as the one of Johannisson and Nilsson (1989), which addressed community entrepreneurship as a collectively driven phenomenon taking place in particular spatial contexts. Over the last 30 years, parallel streams of research have focused on the socio-cultural, spatial and institutional context within which entrepreneurship appears and develops. For example, Phillips, Lee, Ghobadian, O'Regan, & James (2015) found that in recent years the literature has been increasingly placing attention to the positioning of social enterprises within innovation systems, with networks and systems playing a critical role in supporting social innovation and entrepreneurship. Moreover, recent research has confirmed that the success of social enterprises is positively associated with contexts of strong welfare policy and legislation and socially supportive and solidarity driven cultures (Stephan and Folmer, 2017).

Yet contexts can be seen either as assets or liabilities for entrepreneurship development, depending on the particular circumstances (Friederike Welter, 2011). The geography, scale and structure of space may assume a broad range of roles and effects in this process. For example, such attributes of space may provide source of inspiration, with social entrepreneurs seeking to solve a local challenge. They may also provide the broader frameworks where specific types of social entrepreneurship are applicable and have proven to be impactful. Finally, established spatial structures

might also provide a framework for reconstructive, transformational and systemic institutional change (Zahra, et al., 2009; Smith, et al., 2010).

In terms of space, entrepreneurial activity is largely determined by proximity to local contacts, customers and support networks. In many cases entrepreneurs seek to secure financing, source supplies and attract customers from their own particular territory of origin; in other words, they seek to achieve a certain degree of embeddedness in their context of operation (L. Trettin and Welter, 2011; F. Welter, et al., 2008).

Consequently, spatial elements, such as the characteristics of place and the availability of local networks and social support influence the entrepreneur's decision about where to establish their venture (Steyaert and Katz, 2004). Still, however, embeddedness in the social entrepreneurship domain has received little attention from recent research (Smith, et al., 2010). In contrast, policy makers have acknowledged since over a decade now that social enterprises are driven by local knowledge spillovers and institutional thickness as they are determined by the social, cultural qualities of space (European Commission and OECD, 2013, 2016; OECD, 2010).

2.3 Entrepreneurship, Urban Development and Urban Planning

For more than two decades now, urban policy makers have promoted local entrepreneurship as an effective tool to support urban regeneration activities (Potter and Noya, 2004). Following the seminal work on endogenous growth by Romer (1986) and Lucas (1988), a discussion started about how governments can support local economic growth. During the late 90s and early 00s, interdisciplinary research increasingly placed focus on the spatial effects of entrepreneurship development and vice versa, highlighting the role of networks as knowledge and value creators and transmitters (Allee, 2000; Malecki, 1997). Soon after that, however, the discussion broadened to include both exogenous and endogenous factors. The interest shifted to

the opportunities offered by cities as open incubators for innovative entrepreneurship, driven by local economies of density and the existence of cities within the broader network (Nijkamp, 2003). It was around that time that international policy making organizations also started to explore the role of entrepreneurship (and particularly SMEs and micro enterprises) in achieving local social and economic objectives, and suggested that local governments should support the development of entrepreneurship as part of their broader development policy (OECD, 2003).

At that time, urban development and planning research also started to explore more deeply the position of entrepreneurship clusters –specifically cultural industries– within urban contexts and as part of the global socioeconomic network (Florida, 2002; Scott, 2004). This stream of thinking emerged within the broader discussion on globalization driven by the rise of the Internet and the technology revolution of the era, combined by visions about urban futures (Angelidou, 2015; L Mora, Bolici, & Deakin, 2017). We have also increasingly come to understand more about the decisive role of cities (and urban agglomerations in general) in local, regional and national development: cities are hubs of economic activity and knowledge exchange; they exercise citizen-centric governance; they can experiment with innovative ideas; they have manageable sizes and more or less known problems; they are the place where ‘intelligence’ is born and cultivated (Angelidou and Psaltoglou, 2017). Altogether, social economy is transforming urban life in ways that have never been imagined before, and this trend is expected to increase in the future (OECD, 2010).

In parallel, from a practical planning point of view, after 2000 new firms are being established in locations that are well connected with their broader region by means of major roads or highways, rather than places where business and employment is clustered (Tianren Yang, Pan, Hewings, & Jin, 2019). This represents a shift in

previous theoretic assumptions that posit that Commercial Business Districts (CBDs) have a strong gravitational effect on new workplaces (Angel and Blei, 2016). Hence it is expected that in the foreseeable future connectivity, determined by the layout of transportation networks, will be the most important determinant of the place where firms chose to locate (Yang et al., 2019), and cities will need to cater for an increasing demand for commuting services, rather than simply providing access to central locations and employment subcenters (Angel and Blei, 2016).

In parallel, since 2010 the prevalence of neoliberal governance regimes and the repression of welfare financing have forced local governments across the EU to turn to active citizenship as a means to fill the gap in social services to citizens.

Entrepreneurship is not only seen as a driver of economic development on the country scale, but the city and local community scale, as well (Reuschke, Kleinhans, Syrett, Ham, & Mason, 2017). It is a common occurrence that local economic policy measures are drawn and adapted from regional frameworks, in order to develop strategies on the local territorial level (Neumann, Schmidt, & Trettin, 2011). One stream of action within this context is the support of bottom-up entrepreneurship and innovation, particularly in distressed urban areas, with the aim to induce local economic development, create new jobs and skills and enhance social cohesion (Kleinhans, 2017). In this emergent environment, the most forward-looking local administrations in Europe are experimenting with new support schemes and combining it with urban planning policy, seeking to capitalize on the currently untapped potential of the social business sector as a driver of urban development (Lutz Trettin, Welter, & Neumann, 2010; Van den Berg, Pol, & Van Winden, 2004).

3. Comparative Study Design

Although the contextuality of entrepreneurship is well documented (Phillips, et al., 2015; Steyaert and Katz, 2004; Lutz Trettin, et al., 2010; Friederike Welter, 2011; F Welter, et al., 2008) and some insights exist about how social entrepreneurship can become a driver of urban development (Baker and Mehmood, 2015; Christiaens, et al., 2007; Granieri and Renda, 2012; Korosec and Berman, 2006; Longhurst, et al., 2017; MacCallum, et al., 2009), current research is inconclusive about the particular ways in which social entrepreneurship can bring about social change (Nicholls, 2010). There is limited knowledge on how exactly the examined conceptual aspects apply, and particularly how social entrepreneurship and urban planning practices can create synergies. Under this lack of clarity, a series of Research Questions (RQ) arise:

- RQ1. What are the benefits sought by cities in supporting social entrepreneurship?
- RQ2. In what ways are cities pursuing synergies between urban planning and social entrepreneurship?
- RQ3. What challenges are encountered by cities in developing synergies between social entrepreneurship and urban planning?

Research theory posits that in cases where little is known about the research subject, an exploratory research design approach is more appropriate (Cresswell, 2014; Eisenhardt, 1989; Yin, 2003). In more detail, according to Cresswell (2014) exploratory qualitative research is suitable when a theory base has not been yet built and the variables are unknown. It is also appropriate when a concept is immature due to lack of previous research on the subject and when the aim is to build new theoretical constructs (Morse, 1991). Considering the exploratory nature of our research questions, as well as the lack of advanced theories in the research domain, in

this paper we follow Eisenhardt (1989)'s recommendations for 'building theory from cases'. In this qualitative research design a number of cases are analyzed first internally and then comparatively in order to identify emerging relationships and recurring patterns across the cases in an inductive way. The emerging theoretical constructs provide a base for the description of the observed phenomena and open the way for quantitative research in future studies.

In order to provide answers to the above questions, the conducted research was designed to take place in three distinct stages, as presented in Figure 1.

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In Stage 1 (September 2017-December 2017), the current literature was identified and reviewed. Published research sources, focusing on scientific journal papers and policy documents were used to map the state-of-play with regards to social entrepreneurship, its contribution to urban development, and current approaches and policies. Specific attention was also attributed to official publications, press releases and statistical data.

In Stage 2 (November 2017 to July 2018), the field research took place. It included the case selection, data collection and analysis phases, as explained in the following paragraphs.

More particularly, the case studies for this research were selected among the cities participating in Eurocities's 'Smart Social Inclusion' working group of the 'Forum of social affairs', financed through the European Commissions' EaSI programme (Eurocities, 2018b). This working group acts as a European-level knowledge exchange and policy formulation forum in matters related to more efficient public spending for innovation-driven local development and the role of cities in promoting social entrepreneurship. The members of the working group are nominated city representatives and experts of the subject at hand, altogether representing 83 cities.

Out of those 83 cities, we identified the 11 most active ones by means of their related contribution in the released policy reports (Eurocities, 2018a; Jeffrey, 2017). Initially, 81 experts/representatives from those 11 cities were identified and contacted with an invitation to participate in the current research. Positive responses were received from representatives of the following cities: Terrassa (Spain), Göteborg (Sweden), Torino (Italy), Lisbon (Portugal), Porto (Portugal) and Hengelo (the Netherlands). Before being selected for inclusion in the current research, and following the suggestions of Eisenhardt (1989) for the selection of case studies, these cities were screened for compliance with the following criteria: (i) the existence of an integrated approach or part of an approach to local social entrepreneurship promotion, pertaining to a related vision, strategy and initiatives, (ii) the degree of data availability and (iii) the degree of diversity in order to yield a wealth of information. All were found to be compliant. A map of the city locations is provided in Figure 2.

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During the data collection phase, primary and secondary data were collected for each of the above cities, in resonance with the areas of interest as they emerged from the literature review. The data collection sources include academic articles in journals and conferences, government and policy documents, as well as online platforms and websites addressing social entrepreneurship and/or urban planning in the selected cities. This wealth of secondary data was enriched by means of twenty-seven in-depth interviews with the above experts/city representatives. Based on a structured questionnaire with open ended questions, these interviews focused on understanding the broader context of social entrepreneurship policy in each city, but also the how social entrepreneurship supports, and is supported by, urban planning (either

intentionally or unintentionally) and what challenges exist to this end². This mix and breadth of information sources was deemed necessary for the collection of sufficient information that would enable the extraction of integrated conclusions.

During the data analysis phase, a cross-case comparative analysis was performed (Eisenhardt, 1989; Miles, Huberman, & Saldaña, 2013; Yin, 2003), which is a form of qualitative analysis that allows observation to be analyzed both individually and comparatively, allowing for the detection of patterns, clusters and disparities across those observations. The collected data are available in the form of cross-case matrices in Appendix A. Focusing on the details of this matrix, the collected information was repeatedly scanned vertically and horizontally with the aim to uncover hidden patterns and underlying relationships. The patterns that appeared more frequently were in turn used to create theoretical constructs which provide answers to the research questions of this study.

In Stage 3 the integration and interpretation of the findings took place. Conclusions were drawn with regards to major practices identified and overarching policy streams and intervention methods. Policy and research recommendations were developed based on current experience to promote the development of the social economy.

² During the interviews the broadly cited definition of social entrepreneurship by Nicholls (2006: 23) was utilized, whereby social entrepreneurship refers to “*innovative and effective activities that focus strategically on resolving social market failures and creating new opportunities to add social value systematically by using a range of resources and organizational formats to maximize social impact and bring about change*”.

4. Results

In the framework of the presented research, and driven by the research design, primary and secondary field research data was collected for the following European cities: Terrassa (Spain), Göteborg (Sweden), Torino (Italy), Lisbon (Portugal), Porto (Portugal), Hengelo (the Netherlands). In this section we present the findings of our research for each case.

4.1 Terrassa, Spain

Terrassa is the third-largest city in Catalonia and a former industrial center. Located in the northwest of Spain, it has a population of 215.121 (2016). The policy makers of Terrassa aim to create a stable economy and adopt a sustainable socio-economic operation model for the city, both in the short and long term. This model places specific priority to the social and solidarity economy. More specifically, the approach of the city of Terrassa to social entrepreneurship includes explicit social aims such as job creation, integration of people with disabilities in workspaces, the promotion of ecological and fair trade, and the provision of local services unmet by the State or the free market. In parallel, Terrassa City Council sees social entrepreneurship as a way to innovate when it comes to public and private services. For Terrassa, social entrepreneurship is a way of generating transformative social and environmental impact with the participation of the local community, enhancing social cohesion, identity and job satisfaction.

Regarding how social entrepreneurship supports and is supported by urban planning in Terrassa, there is no explicit coordination between the two local policy domains, but there is a deep understanding of the need of social entrepreneurship to be part of the effort to promote urban regeneration and prevent urban decay. In this sense, social entrepreneurs are urged to develop products, services and solutions that utilize and

enhance local physical assets (public spaces and buildings) and are invited to participate as stakeholders in the urban and transport planning design process. The city officials of the Urban Planning Department of Terrassa also acknowledge that social businesses would largely benefit by operating in safe, accessible and livable urban environments. Thus, the city's sectoral urban plans (mobility plan, green spaces plan) include specific measures to support social economy in the city.

4.2 Göteborg, Sweden

Göteborg's City's commitment to social entrepreneurship has a clear vision: to support community entrepreneurs that contribute sustainable solutions to common societal challenges. In 2008, the government decided on a national agreement with civil society and in 2012, the City of Göteborg acquired its own agreement, with which an effort was initiated to support the social economy. The officials of the city aspire to develop an aware, open and inclusive society. They also aspire to develop a local business ecosystem that includes all key players (regional authorities, trade unions, districts, companies, civil society and business) and allows businesses to develop at a fast pace. Moreover, in Göteborg this strategy is seen as a way for clarifying working methods that are expected to contribute to the achievement of goals to reduce unemployment.

Although the effort to support social entrepreneurship in Göteborg is well organised, it is not coordinated with the city's urban planning practices. However, in the desire to create an equal and sustainable Göteborg, the city officials view social entrepreneurship as an effective means to promote the objectives of social, ecological and economic sustainability. There is provision of dedicated spaces such as meeting places for social entrepreneurs and social entrepreneurship support locations. These

places are expected to create urban innovation clusters around them and benefit their entire neighborhoods in terms of local economic growth and social inclusion.

4.3 Torino, Italy

The city of Torino's primary goal is to promote the development of the local social innovation ecosystem, including social entrepreneurship, among others. The city started pursuing this goal in 2012, at a time when the potential of social innovators and entrepreneurs already operating in the city was not well known. In Torino's approach, the city is seen as an open innovation platform, whereby the local community is empowered to solve local problems in innovative ways. The objective is to develop more efficient, relevant and innovative products and solutions. As a result, support is open to everyone, and there are no specific target beneficiaries. Anyone with an innovative idea is welcome: social entrepreneurs, non-profit organisations, and even informal groups of citizens. The city's initiatives have attracted major interest from organizations and individuals across the world, who are keen to benefit from this collaborative model.

In Torino there is an advanced understanding of how social entrepreneurship can support and be supported by urban planning. It is well understood that social entrepreneurs can benefit from operating in accessible and livable environments, and that public spaces are places of social interaction, where ideas for innovative solutions are born. The city operates in an urban innovation ecosystem manner; it is seen as an open platform for experimentation and all urban stakeholders are seen as potential innovators. An explicit coordination between social entrepreneurship and urban planning practices is still lacking but is currently under review. To this end, a major concern of the city officials is the lack of georeferenced data, which would allow a

much more substantial and meaningful coordination with urban planning practice by revealing the characteristics of social businesses.

4.4 Lisbon, Portugal

The social entrepreneurship programme in Lisbon emerged out of local procurement practices. Whilst the City Hall was already providing support to commercial entrepreneurs, around 2012 it was realized that disadvantaged social groups in the city required more specific and tailored approaches. Following this realization, it was decided to develop new and bespoke programmes for social entrepreneurship. The new programmes addressed the needs of citizen groups, focusing on the long-term unemployed, unemployed women, unemployed migrants, and young people that want to contribute actively to local social causes. Today there is a very detailed map of the social and entrepreneurial nodes of the city. Most programmes are implemented in partnership with stakeholders such as technological incubators, university incubators and programmes for supporting entrepreneurs and other kinds of social programmes and state programmes, also banks and microcredit organisations.

Social entrepreneurship supports and is supported by urban planning and development practices in Lisbon. There is an effort to coordinate social entrepreneurship programmes with urban planning interventions, which is realized mainly by capitalizing on publicly owned properties (housing and commercial), rendering disposal and exploitation much easier. As a result, social business incubators are established in old public buildings at the historical center of the city. Social entrepreneurs are also called to experiment with the remaking/remodelling of old buildings in the context of the circular approach to urban metabolism. The expected benefits include urban regeneration and the development of urban innovation ecosystems around historical and social housing sites.

4.5 Porto, Portugal

The Municipality of Porto started supporting social innovation and entrepreneurship around 2010, through the need to increase social welfare in the context of the financial crisis in Portugal. To this end, the Municipality created the Center for Social Innovation (CIS) as an instrument for the promotion and enhancement of social innovation and entrepreneurship in the city. Today the city is in the process of expanding this network by including social incubators and local universities. They are trying to redefine their position in the network and explore new opportunities.

As social entrepreneurship policy in Porto is still at the development stage, there is a lack of existing knowledge on which to base decision making. There also exist limited human and financial resources to pursue this policy. As a result, higher-level issues, such as identifying and bringing social entrepreneurs into contact with their communities are considered as of high priority. An effort to coordinate social entrepreneurship programmes with urban planning interventions has not yet taken place.

4.6 Hengelo, the Netherlands

Hengelo is a medium sized city of 80.942 inhabitants in the eastern Netherlands. By supporting social entrepreneurship, the City Hall aspires to support the production of more efficient and relevant products and solutions, to spur economic growth and create new jobs, to promote social inclusion and cohesion, and ultimately advance active citizenship. There is extensive experimentation with existing and new financing instruments for social entrepreneurship, such as angel and public venture capital investing for social entrepreneurs. Extensive experience has also been acquired with social impact metrics, a system of public procurement that involves 5% Social Return on Investment (SROI) has been adopted.

According to the city officials, the social entrepreneurship policy in Hengelo is very much aligned with preventing urban decay and ghettoization. An explicit coordination between social entrepreneurship support and urban planning is lacking, but there exist instances of synergism. An example is the development of dedicated, cluster and neighbourhood-based incubators and co-working spaces that seek to bring together local innovation communities and social entrepreneurs.

5. Analysis

In this section we present the results of the comparative analysis that took place on the basis of the matrices of Appendix A. These matrices represent the urban development related benefits sought through the promotion of social entrepreneurship, the ways in which cities seek to create synergies between social entrepreneurship and urban planning, and the challenges encountered to this end.

5.1 Benefits Sought by Cities

Cities are promoting social entrepreneurship as a means to reap the multifarious benefits of urban development (Figure 3, Table A1). The major driver behind the promotion of social entrepreneurship by cities is social integration and cohesion. Supporting social entrepreneurship is part of the broader vision for an open and inclusive society, where discrimination does not exist and everyone's right to a good life is satisfied. In parallel, economic growth and new jobs are created. The creation of new jobs is seen as a means for the development of a more resilient economy against recent economic backdrops. Social entrepreneurs can create more stable employment opportunities because they have the flexibility to adapt to new economic situations, represented by higher wages and improved working conditions. It is believed that social entrepreneurship can produce more efficient, relevant and

innovative products and solutions, both in the public and the private sector, because social entrepreneurs are closer to society and have a good understanding of local needs. Some cities, such as Terrassa, also seek to promote active citizenship through social entrepreneurship. However, this is more of a long-term future objective, since social entrepreneurship remains at an experimental stage, but nonetheless it is envisioned to lead to a paradigm shift in how the city collaborates with the civil society. Other, less frequent reasons why cities promote social entrepreneurship, include savings in the cost of public expenditure through the employment of people in risk of social exclusion, environmental protection, and increased tax revenues for the municipalities.

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5.2 Combining Social Entrepreneurship with Urban Planning

5.2.1 Social Entrepreneurship in Support of Urban Planning and Development

The results of the research appear in Figure 4 and Table A2. Most cities promote social entrepreneurship as a means to revert urban decay by creating new jobs and increasing social inclusion. In these cases, social entrepreneurship is seen as a means to develop place-specific solutions from the bottom up, which will address urban problems while simultaneously nurturing active citizenship and promoting the development of the welfare community. The ownership of social housing, commercial properties and historical buildings by cities provides an advantage in deciding how these assets will be utilized, as cities can rent them to social entrepreneurs at affordable prices. For example, the city of Lisbon offers working spaces to social entrepreneurs in old buildings at the historical center of the city, aiming to enhance urban regeneration.

Moreover, in other cities (Terrassa, Torino), social entrepreneurs and innovators are encouraged to develop products, services and solutions that utilize and enhance local physical assets, such as public spaces or public buildings. They are also prompted to develop products, services and solutions that address local spatial challenges (e.g., design for the improvement of a pedestrian road). Through this process, cities aspire to involve the local community to solve local problems in innovative ways, and often their approach is calibrated in accordance to the profile of a specific community. The expected outcome from this approach is not only better solutions for local problems, but also in the ability the local community has to mobilize, self-organize and innovate –key traits of resilience.

None of the cities involved in this study experiment with innovative financing instruments (social impact bonds, crowdfunding, etc.) that include clauses for the promotion of spatial development, although they are of potential interest to them.

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5.2.2 Urban Planning in Support of Social Entrepreneurship

The results of the research into urban planning activities that support social entrepreneurship appear in Figure 5 and Table A3. In this area the situation is not very advanced. For example, the opportunities that appear through the improvement of accessibility and the provision of quality public spaces and services in the neighborhoods where social entrepreneurs operate are largely unexploited. It appears that although there exist efforts to better address social entrepreneurs' needs with respect to their environment of operation, including improved access and qualitative

surrounding public space³, such issues remain within the remit of urban planning departments and are subject to the mainstream bureaucratic processes, frustrating the opportunity for a dynamic response. An early engagement of social entrepreneurs in the public consultation for urban planning projects is pursued by some cities. An in-depth comparison is difficult because there exist differences in urban planning jurisdictions and legislations among different countries, and only general observations can be made to this end.

None of the cities involved in the study seem to pursue more advanced measures, such as i.) modifying land uses to create environments that promote synergies with social entrepreneurship activities (extension of the local value chain and development of local economies of density), ii.) developing land uses, urban infrastructure and physical design in a way that enhances safety and prevents crime (e.g. install land uses that operate 24/7, improvement of public lighting infrastructure) or iii.) modifying land uses in a way that enhances safety against natural hazards (e.g. floods) in areas where social entrepreneurs operate.

In contrast, the development of dedicated spaces (e.g. incubators and co-working spaces), within specific clusters and neighborhoods where social entrepreneurs can operate in an ecosystem manner is an objective pursued by most cities. These spaces are perceived as being able to act as centripetal nodes for the advancement of social cohesion and urban innovation; as places that will allow for the advancement of local

³ This was especially evident in the southern countries of Europe, where outdoor interaction was recognized as an integral part of daily life –in these countries, public spaces are considered as spaces where social interaction takes place, leading to the emergence of new ideas and spontaneous experiments and solutions from the bottom-up.

value chains, the enrichment of land uses and ultimately the development of more vibrant neighborhoods.

-insert Figure 5 here-

5.3. Challenges Faced by Cities in the Effort to Combine Urban Planning and Development with Social Entrepreneurship

The results of the research into these challenges appear in Figure 6 and Table A4. An important challenge is the lack of georeferenced data about commercial activities, and more specifically about the size and type of the businesses that exist in specific localities. In some cases, some data does exist, but they belong to different jurisdictions (e.g. Chambers of Commerce) and are not openly available. Usually, however, the only available data concerning cities' social businesses are the ones accrued by the city when social businesses seek their support or collaborate with the city in entrepreneurship support programmes and initiatives. The availability of detailed geo-spatial information about the specific environment, nature and extent of entrepreneurial activity would add significant value, as it would enable the drafting of highly targeted policy interventions.

Another important barrier is the lack of awareness about the benefits of social entrepreneurship. Surprisingly, this lack of awareness is not manifested throughout society, but inside the municipalities themselves, either on the political or the operational level.

It would appear that whilst the potential of combining local entrepreneurship policy with urban planning and development policy is extensive, and experts and civil representatives recognize the potential benefits, only a few of the researched cities include formal approaches to such a coordination. In most cases, the activities of the economic development and urban planning departments of the cities are individual

and project-based. Hence, a major reported challenge was the lack of coordination between urban planning policy and social entrepreneurship policy in municipalities.

Also, many cities were compelled to start supporting social entrepreneurship in the wake of the financial crisis, without prior experience of guidance. Some of them had previous experience with support to commercial businesses, and capitalized on this experience to develop new programmes for social ones; but most of them had to look for examples in cities outside their own country for best practice guidance.

As expected, one of the main challenges is the affordability of commercial property for social entrepreneurs, especially in cities with a real estate market distortion due to the changing economic and social conditions. When possible, cities address this challenge by providing city-owned properties to social entrepreneurs for a low rental fee.

-insert Figure 6 here-

6. Discussion

In this paper we studied, by means of comparative analysis in six European cities, the kinds of synergies that can be achieved at the intersection of social entrepreneurship and urban planning policy in cities, including the envisaged benefits and the most common challenges in such efforts. It appears that the coordination of urban planning with social entrepreneurship policy is an emergent, interdisciplinary field with significant growth potential, particularly in economically challenging contexts.

However, the lack of awareness, know-how, actionable data and formal processes stand in the way of realising this potential.

From a stakeholder perspective, there is an intuitive recognition that increased value could be generated through a structured coordination between social entrepreneurship and urban planning policy. The benefits translate into the increased efficiency of

socio-economic development programmes and initiatives and the opening up of new opportunities to advance urban innovation and promote social cohesion at the city level. Nevertheless, for the time being institutional and political barriers hinder the realization of such advances.

From an institutional perspective, more particularly, the major conclusion from the study is that how cities coordinate their social entrepreneurship and urban planning policy is largely unstructured and occasional by nature. This lack of formal coordination compels different city departments to experiment with a small number of methods and ideas, depending on the available resources at any given time. The potential alignment of urban planning and local entrepreneurship policy thus carries vast untapped potential that could lead to better results and more efficient solutions, but it is currently at a nascent stage. Further and up-to-date research and applied experimentation are required about the conditions that promote local institutional thickness, and how this relates to urban planning and local entrepreneurship. For example, research would be needed into the rules and processes under which urban stakeholders collaborate, communicate and exchange resources to promote social entrepreneurship, and whether these are successful in addressing urban challenges such as lack of jobs and skills, weak entrepreneurial dynamics, displacement of urban population, urban decline, etc..

In parallel, the prospects that social entrepreneurship can offer in promoting social cohesion and delivering economic competitiveness are frustrated by a lack of awareness at the political level. The expansion of this narrative to include the closer alignment of social entrepreneurship and urban planning is even less visible on the political radar. A possible explanation to this end is that the benefits that would rise from such a coordination are not immediately visible and hence do not resonate with

the typical short-term political goals of local administrations. Hands-on, case-driven evidence is required in this regard. Moreover, the development of tiered impact measurement methodologies (short, medium, long term) to measure and document the combined effects of social entrepreneurship and urban planning policies would serve as a practical tool for policy makers. A development and diffusion of collaboration and awareness networks among the included stakeholders might also prove helpful. These would allow for the delivery of tangible and actionable documentation to make the case for a coordination between social entrepreneurship and urban planning policy.

The landscape of opportunities rising from the coordination of urban planning with social entrepreneurship policy (and entrepreneurship policy, in general) is vast and largely unexplored. The cities that will grasp and experiment with these opportunities in an open and strategic way will be better positioned to become more inclusive, resilient and competitive at both the national and international level. In depth, hands-on research, a formalisation of integrated strategic and operational approaches and participation in knowledge exchange networks can provide the remedy.

Declaration of interest statement

The authors declare no conflict of interest.

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Appendix A. Analytical Research Findings

Table A1. Urban development related benefits sought through the promotion of social entrepreneurship (authors' elaboration).

| Benefit sought/city | Terrassa | Göteborg | Torino | Lisbon | Porto | Hengelo |
|--|-----------------|-----------------|---------------|---------------|--------------|----------------|
| Reduction of cost of public expenditure | ✓ | | | | | |
| Increased tax revenue for municipality | ✓ | | | | | |
| More efficient and relevant products and solutions | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Economic growth, creation of new jobs | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Social inclusion and cohesion | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Advancement of active citizenship | ✓ | ✓ | ✓ | | | ✓ |

Table A2. Ways in which cities seek to create synergies between social entrepreneurship and urban planning; social entrepreneurship in support of urban planning and development (authors' elaboration).

| Measure/city | Terrassa | Göteborg | Torino | Lisbon | Porto | Hengelo |
|---|---|-----------------|--|---|--|---|
| By promoting social entrepreneurship as a way to revert urban decay by creating new jobs, and promoting social inclusion | - creation of new jobs - promotion of social inclusion - reversion of urban decay | | - creation of new jobs - nurturing of active citizenship - development of welfare community - generation of innovative urban solutions - addressing urban problems (urban decay, gentrification) | - coordination of social entrepreneurship programmes with urban planning interventions - focus on urban innovation - focus on social housing areas - capitalisation of publicly owned properties (housing and commercial) that are managed by the city | | - creation of new jobs - promotion of social inclusion - reversion of urban decay |
| By encouraging social entrepreneurs to develop products, services and solutions that utilize and enhance local physical assets or address local urban challenges (e.g. for example design for the improvement of a pedestrian road) | - development of products, services and solutions that utilize and enhance local physical assets such as public spaces or buildings | | - co-management of urban public spaces, experimentation of social entrepreneurs and social innovators in those spaces (Urban Commons) - promotion of situation specific and neighbourhood based social entrepreneurship, including utilisation of local physical assets. - development of city as a platform | - development of social business incubators in old buildings at the historical center of the city - engagement of social entrepreneurs in remaking/remodelling old buildings - enhancement of urban regeneration | - opportunity has been identified but approach not existing due to operational silos | |
| By experimenting with financing instruments that include clauses for the promotion of urban development | | | - approach not existing yet but opportunity has been identified and is being considered - first step is to have georeferenced data about | | | - Development of system of public procurement that involves 5% Social Return on |

the characteristics of
social businesses

Investment
(SROI)

Table A3. Ways in which cities seek to create synergies between social entrepreneurship and urban planning; urban planning in support of social entrepreneurship (authors' elaboration).

| Measure/city | Terrassa | Göteborg | Torino | Lisbon | Porto | Hengelo |
|--|--|---|--|--|---|--|
| By improving accessibility to, mobility in and public space quality in neighborhoods where social entrepreneurs operate | - engagement of social entrepreneurs in urban and transport planning design process | | - improvement of accessibility and mobility within neighborhoods where social entrepreneurs operate - emphasis to public space quality because these are the places where social interaction starts | | | |
| By modifying land uses to create environments that promote synergies among urban functions | - inclusion of measures to support social economy in sectoral urban plans (mobility plan, green spaces plan) | | | | | |
| By developing land uses, urban infrastructure and physical design in a way that enhances safety (against crime, natural hazards, etc.) | | | | | | |
| Provisioning of dedicated spaces, clusters and neighborhoods where social entrepreneurs can operate in an ecosystem manner | | - meeting places for social entrepreneurs - centralised physical location where social entrepreneurs can receive guidance, counselling and training (Yesbox) | - agreement with co-working spaces throughout the city to house social enterprises on privileged terms | - disposal of historical buildings as work and maker spaces for social entrepreneurs | - opportunity has been identified but approach not existing | - development of dedicated, cluster and neighbourhood-based incubators and co-working spaces |

due to
operational
silos

Table A4. Challenges encountered (authors' elaboration).

| Challenge/ city | Terrassa | Göteborg | Torino | Lisbon | Porto | Hengelo |
|---|-----------------|--|---|--|---|--|
| Lack of coordination between urban planning policy and social entrepreneurship policy | | | - attempt to coordinate, but lack and improper form of social entrepreneurship data (Chamber of Commerce) is barrier | - attempt to coordinate, but challenges due to silo operation | - operational silos - project based approach by each city department | |
| Lack of awareness | | | | | | - generalised lack of awareness |
| Lack of previous experience and knowledge how to do it | | - service personnel lacking prior knowledge on social entrepreneurship | | | - service personnel lacking prior knowledge on social entrepreneurship | - service personnel lacking prior experience and knowledge |
| Lack of data at high granularity | | | - lack and improper form of social entrepreneurship data (Chamber of Commerce) - lack of georeferenced data about the characteristics of social businesses | | | |
| Gentrification: attract wealthier citizens with higher purchasing power | | | | -excess tourism creates pressures on the local real estate market (Airbnb), and urban infrastructure | | |

Figure captions

Figure 1. Research design and stages of research in the present research (authors' elaboration)

Figure 2. Map of locations of cities selected for comparative case study research (authors' elaboration)

Figure 3. Benefits sought by cities in promoting social entrepreneurship (authors' elaboration).

Figure 4. Ways in which social entrepreneurship policy can support urban planning and development (authors' elaboration).

Figure 5. Ways in which urban planning and development can support social entrepreneurship policy (authors' elaboration).

Figure 6. Challenges faced by cities in the effort to combine urban planning and development with social entrepreneurship policy (authors' elaboration)