

Spaces that Create Impact: Exploring Deliberation Spaces in Social Impact Hubs

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Executive Summary

Aims

Impact-oriented shared spaces are emerging to bring together diverse interests and create local and regional social impact. This study seeks to understand how the internal deliberation systems of such spaces must be designed to enhance social impact creation.

The Study

The study investigated the Impact Hub Birmingham over a two-year period. Interviews were conducted with founders, employees, and entrepreneurs. Observations of events and every day activities were also recorded.

The Findings

The study shows that IOSSs can create greater impact when it meets three deliberation conditions. First, they should allow the inclusion of a wide range of interests and preferences. Second, they should enable authentic dialogue to occur. Third, they should support cooperative activities.

The study also finds the these three deliberation conditions would work if there are necessary accountability structures, communication structures, development structures and impact structures in place.

Conclusion

How can we design IOSS that foster social impact? IOSSs are an important recent development in the impact-oriented knowledge exchange space. Increasingly, entrepreneurs are attracted to such hubs and policy makers across the globe are supportive of such hubs. By establishing an effective deliberation system, IOSSs enable collectively learning necessary to address grand challenges. IOSSs are extremely understudied and given that they are growing, it is important that academics should direct their attention towards them.

Abstract

Social impact hubs are a novel innovation in the impact-oriented shared spaces (IOSS). They allow impact-oriented individuals from various backgrounds to come together, discuss and identify solutions for some of the pressing societal challenges. However, research on such spaces is at an early stage. Especially, we know very little about the deliberation conditions under which such spaces can create impact; and the factors that can nurture such deliberation conditions. We studied one such hub located in the UK. We conducted interviews with the founders, employees and entrepreneurs associated with the hub. We found that IOSSs can create social impact when its space enables diverse, genuine and cooperative deliberation. We also found four key structures and associated processes in place that support the identified deliberation conditions, namely accountability structures, communication structures, development structures and impact structures. We contribute to research on sustainable entrepreneurship.

Aims and Objectives

The study seeks to understand how the IOSS deliberation spaces must be designed to enable social impact creation.

The objectives of the study are:

- To understand the deliberation conditions that can enable IOSSs to bring together diverse actors for social impact creation;
- To understand the structures and processes that are necessary for the deliberation conditions to flourish;
- To offer recommendations to IOSSs and policy makers on how to design IOSSs to maximize social impact creation.

Background

The concept of sustainable entrepreneurship puts entrepreneurial contributions to the improvement of environmental and social wellbeing in front of market-based income generation, and views market-based income only as a conduit to realise these ends (Shepherd & Patzelt, 2010). Initial research on sustainable entrepreneurship has primarily focussed on developing a 'business case', which suggests considering the most important and urgent wellbeing needs of a group as an immediate source of profitable opportunities. Diverted from such narrow views, which limits the possibility of a wide range of entrepreneurial contributions to sustainable development, recent studies have begun to explore a range of topics including political activities of sustainable entrepreneurs (Pinske & Groot, 2015), and institutional influence on sustainable entrepreneurship (Meek et al. 2010). Despite the potential sustainable entrepreneurship holds, the academic discourse on sustainable entrepreneurship is still limited. Especially, we know very little about how sustainable entrepreneurs "discover and develop those 'opportunities' that lie beyond the pull of existing markets" – what Parrish (2010) refer to as a "black box".

To facilitate in the discovery and development of opportunities for social impact creation, impact-oriented shared spaces (IOSS) have recently emerged. IOSSs are nurturing spaces for entrepreneurs with high internal and external networking and knowledge sharing capabilities. These hubs act as innovation labs, business incubators and community centres and offer a unique ecosystem of resources, inspiration and collaboration opportunities for entrepreneurs to contribute to sustainable development. The global network of Impact Hubs is a noteworthy example.

IOSSs are increasingly creating impact in practice by offering what Kornish and Ulrich (2011) refer to as ‘opportunity spaces’ i.e. spaces where ideas and opportunities are identified, created and developed. However, it is surprising that there is no academic research yet on the deliberation environment of IOSSs. Given that IOSSs are rapidly growing as important ‘opportunity spaces’ across the world, it is timely and vital to understand the ecosystems and political landscape around the creation and utilization of opportunity spaces for social impact creation.

Deliberation can be defined as “debate and discussion aimed at producing reasonable, well-informed opinions in which participants are willing to revise preferences in light of discussion, new information, and claims made by fellow participants.” (Chambers 2003, p. 309). Deliberation is different from other forms of talks such as bargaining, as deliberation allows individuals to discuss, analyse and decide if a particular act of bargaining is fair and appropriate (Remer 2000). Research has suggested that deliberation-based approaches are more effective in achieving greater legitimacy, coping with deep divisions, increasing social learning and solving complex social problems (Dryzek, 2009).

Research questions

We address this gap, by investigating:

- What are the conditions under which IOSSs can be effective both in making democratic decisions and impact creation?
- How (i.e. structures and processes or mechanisms) do such conditions can be achieved?

Methodology

We address these questions by exploring the case of an IOSS in the UK called Impact Hub (henceforth I-Hub). I-Hubs emerged as a movement in London in 2005 against profit-oriented economic models and to create alternative modes of progress. Since its inception, they have undergone various structural changes from being just a movement to a hub organisation. They offer sustainable entrepreneurs flexible access to physical spaces where they can work, learn, share and collaborate with compatible others to gain access to knowledge, resources and networks required to convert sustainable entrepreneurial ideas into actual practice. Currently, there are around 80 hubs across the globe.

We explored the case of the 'I-Hub Birmingham' between 2016 and 2018 using multiple qualitative methods that can generate rich in-depth qualitative data required to unfold the meanings and motivations behind how the IOSSs can create 'opportunity spaces' for social impact creation. The importance and value of this project is that it studies the 'the lived experience' of impact hubs in action, which is also aligned to the Government's commitment to promote 'localised policy interventions' (HM Treasury, 2015).

We visited the I-Hub numerous times. During these visits, 25 interviews were conducted with the founders, partners, employees and entrepreneurs associated with the Impact Hub. Interviews were digitally recorded adhering to ethical considerations. In cases of no consent to record, detailed written notes were taken. These interviews offered insights on how the spaces are perceived, created and used by different actors in the ecosystem.

In addition to interviews, to further explore the politics around the creation and utilisation of deliberation spaces, a combination of non-participant and informal conversation were used. In terms of non-participant observation, we observed the first-hand day-to-day experiences, interactions and behaviour of different actors in the I-Hub. When possible we also participated in events, workshops and programs organised by the I-Hub. These events range from fun feasts to business clinics and are aimed at fostering collaborative learning and innovation. We recorded these observations as handwritten notes. The recorded data was transcribed verbatim, and notes were stored safely for coding.

We analysed the collected data using well-established thematic analysis method. It helped to understand the structures and processes of relationships between different actors, and the politics around how the I-Hub creates the deliberation spaces for social impact creation.

Findings

We show that IOSSs can create social impact when its space enables diverse, genuine and cooperative deliberation. The first component diversity in deliberation refers to the variety of interest and discourses that are present in the space. Much of the earlier research and practice on diversity has focused on fairness and representation. More recently however there is an increasing focus on understanding the positive consequences of diversity (Page, 2008). While the term diversity normally refers to identity-based differences such as age, gender, ethnicity and other cultural and demographical identities, we use the term to refer to cognition-based functional diversity. Functional diversity can be defined as “differences in how people represent problems and how they go about solving them” (Hong & Page, 2004: 16385). Although identity- and cognition-based diversities are conceptually different, there is ample evidence to prove the connection between the two. How individuals view problems and find solutions is driven by their values, interests, training, life experience and culture. Consistent with the increase in diverse workforce, and inter- and intra-organizational teams, considerable amount of empirical literature concurs that functionally diverse groups perform better than homogenous or less diverse groups.

The I-hub welcomes individuals from any background and for a variety of purposes. Some participants use it as an alternative workspace. Some use it as a space for business discussion. Some use it as a networking space. Additionally, the hub allows the space to be used for various purposes to bring together a wider audience. For example, once a week the hub invites anyone, including creatives, activists, entrepreneurs, dreamers, scientists, makers and doers, working on projects, ventures and ideas focused on a better Birmingham to come together in the same space to discuss their vision of a better Birmingham. The hub also allows local artists to showcase their piece of work. By encouraging diversity through multiple ways, the hub brings together diversity of interests and discourses.

The second component genuity refers to the extent to which the communicative processes induce reflection non-coercively and connect claims to more general principles. For a deliberation space to create social impact, it must allow individuals to candidly express their honest thoughts and options. Often participants restrict themselves from sharing such sincere views in order to appease other. However, without real views one cannot understand the others' actual problems and situations. This in turn restricts them to come together to develop robust solutions. In order to share such views, needless to say, participants must feel comfortable and must not in any ways feel threatened to conceal. This can be resolved if participants adequately know each other. Such adequate knowledge can be acquired by engaging in face-to-face formal and informal dialogue over time. The face-to-face aspect is critical for genuine dialogue. Face-to-face interaction allows stakeholders to gain familiarity. Especially, informal interactions develop social capital and make it challenging for participants to be insincere to each other. Such sincere interactions over time can also enable them to clearly assess each other's sincerity.

The I-hub enables non-coercive communication in various ways. They often organise lunches where participants gather around a table and talk openly. They have organised spaces for a chat, for formal discussions and for a private discussion. Individuals can select the kind of space they want to be in. They also have a coffee machine to enable open deliberation. The coffee machine requires training for a first time user. The trained participants are always open to help the first timers. This initiates conversations around topics ranging from coffee to social impact projects.

Such settings also enable participants to listen to each other. Listening creates a space for including discourses of the neglected participants in the dialogue process dominated by 'enlightened metanarrative'. It is fundamental to understanding others' situations and problems. The positive aspect of listening is that one can retain his/her viewpoints in the background while listening to others' situation. Such an activity creates an awareness of any dissensions and reveals the reasons underlying such dissensions. This however does not mean accumulating all voices and trying to find the lowest common denominator. It simply means authentically listening to realize how one can benefit by interacting with others.

Cooperation means the extent to which actors compromise their own self-interest for the collective wellbeing. Cooperation would emerge when interdependence among participants increase. Interdependence is defined as “mutually negotiated and accepted way of interacting among the parties with the recognition of each other’s perspective, interest, contribution and identity” (Bouwen & Taillieu, 2004: 147). Interdependence does not mean complete dependence or compromise. Rather, it is, “an actionable set of activities where actors can be part of so that their specificity in terms of contribution and identity can find an acceptable level of fitting together” (Bouwen & Taillieu, 2004: 147). This means that when interdependent participants face a disagreement, they do not have to engage in solving it, but can adapt to inconsistencies creating sustainable collaborative patterns. Interdependence allows participants to create a policy system that is flexible, agile, and adaptive, and that produces more robust and innovative solutions. By creating a space for genuine and diverse interaction, I-hub creates cooperation and interdependence among participants.

Enabling Structures and Processes

To achieve these conditions, there has to be at least four key structures and associated processes in place, namely accountability structures, communication structures, development structures and impact structures.

Accountability structures

The role of the accountability structures is to hold the manipulators and the deliberative system accountable. Through the accountability structures participants can ensure that IOSSs meet high level of deliberative capacity and that there are no strategic manipulators. Participants can use market-oriented mechanisms, activism-oriented mechanisms and procedure-oriented mechanisms. In terms of market-oriented mechanisms, participants can hold a deliberative system and manipulators accountable by refraining from using or funding the system. In terms of activism-oriented mechanisms, participants can hold the deliberative system and manipulators accountable by organizing and by engaging in naming and shaming activities. In terms

of procedure-oriented mechanisms, participants can hold manipulators accountable through sanctions in the form of seizing their license to participate.

Communication structures

The role of communication structures is to create channels for effective and transparent communication between participants (and in some cases non-participants) in a deliberative system. In fact, both market- and activism-oriented accountability mechanisms can work only when participants and non-participants have access to genuine information about the deliberative system and its participants. The communication structures include the space and place where the deliberation happens and the channels through which participants communicate with each other.

In terms of place, it must appreciate deliberative democratic approaches. Institutional conditions are important for deliberation. Some level of shared understanding of the value of settling disputes by deliberation and mutual accommodation rather than violence, is necessary. Places with characteristics like lower level of corruption and higher level of transparency are more conducive of deliberation.

In terms of the space, participants, especially the marginalised ones must feel comfortable in offering their candid opinions and avoid engaging in strategic manipulation. Some spaces may threaten participants from speaking out their mind. Chambers (2005), for example, suggests that public spaces or forums are prone to uninvited irrational intrusion that may hinder the deliberative process. The most appropriate space for deliberation is one that is at some distance away from the exercise of power.

The channels of communications must ensure that the meanings behind participants' words are not distorted. Also, Participants can skew the information based on own interests, So, there must be adequate procedures for accessing the validity of the information shared during deliberation such as seeking participant agreement on information sources, external peer review and expert assistance.

Development structures

The role of development structures is to develop the information processing and knowledge integration capabilities of participants to effectively participate in a deliberative system and improve its capacity. A great deal of diverse information will be shared during deliberation. The participants must be capable to process the information presented. Also, because of asymmetries, a deliberation could lead to a very unequal learning process. In such cases of unequal learning, resourceful participants must ensure that all participants have equal access to definitions and relevant scientific/lay information to understand and challenge the claims presented. The speed at which participants process information may also differ. The system must give participants enough time to resolve issues of comprehensibility, knowledge, and defend expressive claims.

After the processing of information, the resultant knowledge must be integrated into the participants' routines. Routines are repetitive, recognizable patterns of interdependent actions. If the integration of knowledge fails to occur, conflicts will continue without any focus and the deliberation cannot move forward to create impact on the social and environmental problems. Knowledge integration is the capability to integrate the knowledge gained from deliberation and translates it into routines overtime. Routinization of knowledge leads to participants developing sequential patterns of interaction which permit the integration of their specialised knowledge.

Impact structures

In order to ensure that the deliberative process produces an impact on social or environmental problems, impact structures must be integrated into the system. Impact structures include rules, procedures and processes for the creation of impact and the measurement of impact. We suggest that a deliberative system can create an impact on social or environmental problems through a combination of regulative mechanisms and incentive mechanisms designed through deliberation. Regulative mechanisms are "those aimed at restricting the range of possible courses of action available to those being regulated by attaching sanctions to some courses of action" (Koenig-Archibugi & MacDonald, 2013, 503). Regulative mechanisms include rules and procedures that propose and prohibit a range of actions during implementation of the

resultant collective decisions. They also include procedures for monitoring, conflict resolution, and sanctioning of defaulters during implementation. This is different from procedure-oriented accountability mechanism that governs only participation in a deliberative system.

In contrast to regulative mechanisms, incentive mechanisms are those aimed at expanding “the range of possible courses of action by providing resources (broadly defined) that can be employed for a range of purposes” (Koenig-Archibugi & MacDonald, 2013, 503). Incentives can include financial, skill development, education, healthcare and alternative livelihood options. Incentives can be directly allocated to the recipients or they can be channelled through participants who are more neutral and legitimate like civil society or development organizations. Both these mechanisms cannot create impact when they are deployed alone. Also, both these mechanisms must be designed in a way appropriate to the issue and the context.

The measurement of impact is necessary to analyse if the impact creation measures are yielding expected results. It is also important to hold the deliberative system and participants accountable. Resources and infrastructures must be in place to qualitatively and quantitatively measure the impact of a deliberatively designed governance mechanisms. The results must be feedback into the deliberative system for further deliberation.

Discussion

By exploring the case of I-hub, we investigated the conditions under which IOSSs can be effective both in making democratic decisions and impact creation; and how such conditions can be achieved. By using insights from deliberation theory, we show that IOSSs can create social impact when its space enables diverse, genuine and cooperative deliberation. We also show that to achieve these conditions, there has to be at least four key structures and associated processes in place, namely accountability structures, communication structures, development structures and impact structures.

When participants in IOSSs with diverse perspectives and heuristics engage in genuine dialogue, they learn from each other. They collectively learn to use different methods and tools appropriate to bring participants together when problem arises.

Such methods or tools include asking questions, challenging the status quo, story telling, brainstorming, and listening. Through such knowledge, they gain the ability to test facts and accuracy of statements made by others. Overtime, collective learning per se can also become a reason for participants to engage in more dialogue.

Through collective learning, participants also acquire emancipatory knowledge, which enables them to realize the values that they can create and obtain by seeing the problem in ways different from how they originally viewed it. They learn to see the importance of diversity and interdependence. They realize the limitation of conventional centrally controlled top-down governance mechanisms and replace them with collaborative dialogue-based governance mechanisms or joint fact-finding processes appropriate to all participants. Overtime, through more dialogue, participants begin to develop common meanings and mutual understandings and commence viewing the problems through a shared lens. Feedback to/from others then becomes more appropriate when all have similar understanding of an information making IOSSs organic.

The developed collective meaning and mutual understanding between participants also shape their identities. The identities of participants are always challenged when they interact with each other. This contestation between identities invokes more contestation making consensus and collaboration impossible. Through dialogue, participants can both discover their own roles and identities and those of others. They learn to stay unique and cooperative at the same time. As a result, collective identities are created similar to the ones in closely-knit groups like a family.

In placing an emphasis on the importance of collective identity to generate social impact, participants would be less likely to use power differentials to seek additional rents or create relationships that some might consider exploitative. They are more likely to not only consider the views of others, they will also want to make sure that the terms of the problems and solutions are likely to be understood and accepted – rather than coerced. Genuine dialogue, however, does not redistribute the power or influence participants to acts against their own will. Instead, it enables participants to understand the values that consensus can bring to their development without compromising their own identity or power.

All these lead to more creative and innovative solutions that contemporary complex and uncertain social issues require. With an understanding of different perspectives and heuristics, participants become more creative; and genuine dialogue converts such creativity into innovations such as new paradigms, institutions, and practices acceptable by and appropriate to every one.

Through these findings, we make novel contributions to the literature on sustainable entrepreneurship, hubs and social impact creation. First, research on sustainable entrepreneurship is emerging. But, there is little or no research on how hubs can contribute to sustainable entrepreneurship. By exploring the role of hubs in social impact creation, the study contributes to the literature on sustainable entrepreneurship, social impact creation and hubs. Second, research on hubs focus on enabling or developing entrepreneurs. We know very little about the micro processes and structures necessary to make hubs contribute to the social impact creation. Taking a deliberation approach, we explored the deliberation conditions necessary for hubs to create social impact creation.

Limitations, challenges and future research

The research focuses on one hub. Therefore, the findings cannot be generalised. We had challenges in interviewing participants and founders. Especially, the founders were busy travelling. So, it was quite difficult to set up a meeting with them. Nevertheless, we have developed a strong relationship with I-hub over the years. So, there will be more data collection opportunities and projects in the future. Also, due to personal circumstances of the researchers, there was a delay in the completion of the project. Future research can study other similar IOSSs to identify similarities and differences. Future research can also dig deeper into the micro-processes that enable IOSSs to create impact. There is also an opportunity to understand the external institutions and structures necessary to support the deliberation spaces inside IOSSs.

Policy and practice implications

The study has numerous practice and policy implications. Public institutions like combined authority collaborates with IOSSs to implement regional development projects. So, this project would help them to fine tune how IOSSs are designed to

enhance impact creation. The project will also benefit IOSSs to design their deliberation spaces. Having appropriate deliberation spaces is important for IOSSs to attract diverse membership. Only by attracting diverse membership, IOSSs can find solutions for complex social issues. IOSSs can also use the findings of the study to establish and develop the support structures and processes necessary for a effective deliberation system.

Specific Outcomes

Under preparation

Soundararajan, V. & Trehan, K. Spaces that Create Impact: Exploring Deliberation Spaces in Social Impact Hubs. Aimed at: Entrepreneurship, Theory & Practice.

Future outputs

A seminar at I-Hub Birmingham will be conducted to disseminate the project's findings.

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