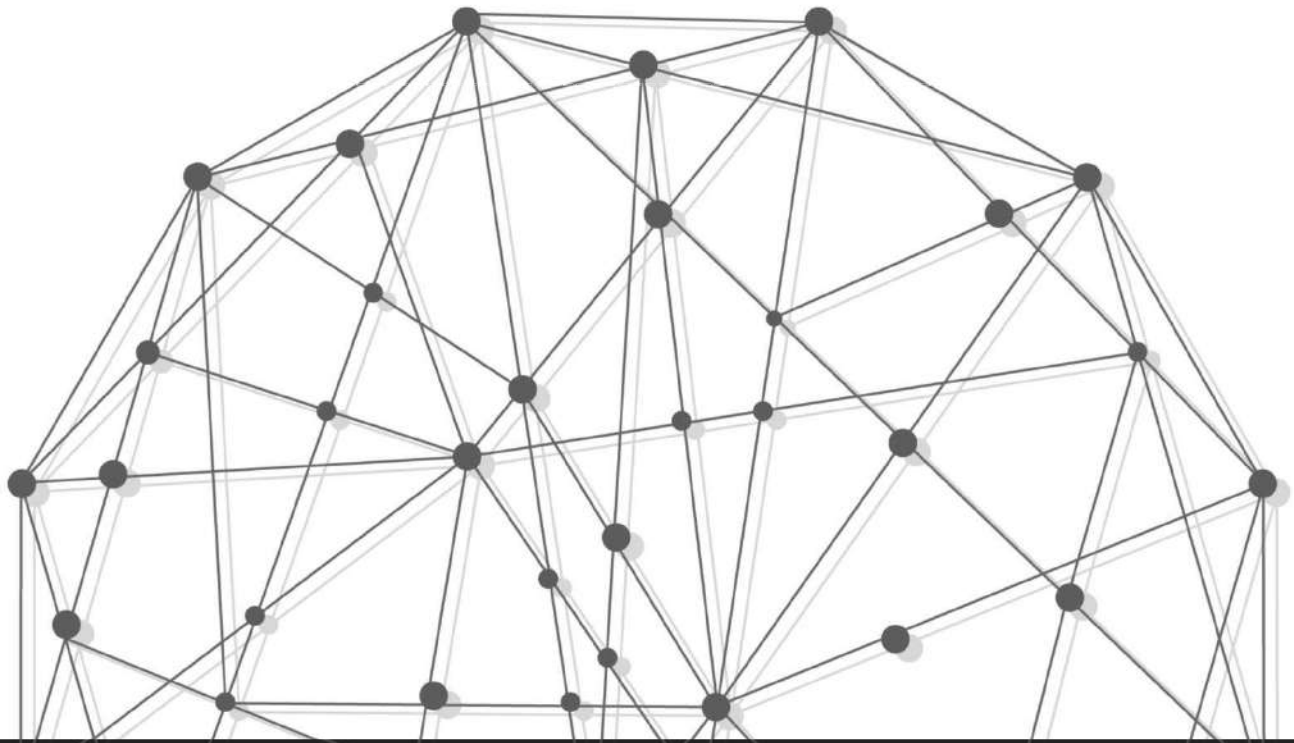


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METHODS AND APPLICATIONS IN SOCIAL NETWORKS ANALYSIS

Evidence from Collaborative,
Governance, Historical
and Mobility Networks



COMPUTATIONAL SOCIAL SCIENCE

FrancoAngeli

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*10. Innovative welfare networks.
Ego-network analysis of innovative startups
“with social vocation” (SIaVS)
in Piemonte and Campania*

by Massimo Del Forno*, Marco Di Gregorio**

1. The Network Europe and the challenge for social impact

The background for this paper is the social impact measurement challenge, conceived in the European Union as leverage to involve and steer the private sector in addressing the welfare crisis. We focus on a particular Italian initiative concerning the building of an innovative welfare network around a new kind of “social” enterprise, the *innovative startup with a social vocation* (SIaVS). Since 2015, SIaVSs are the first experimentation of a process of institution-building to apply the requirement of social impact measurement on private companies, according to the principle of subsidiarity. We call “the norm of social impact” the set of ideas, methods, and practices which regulate the activities of social impact-driven enterprises. Despite a hopeful launch and some rhetoric, attention on SIaVSs lowered soon. The debate about the social impact measurement otherwise is increasingly in the spotlight while the norm of social impact is being extended to other kinds of business. Observing what happens around the SIaVSs allows us to identify some factors which favor or hinder the building of *innovative welfare networks* “from below” and the assumption of shared responsibilities among the actors of welfare policies. This paper was conceived as an early step in a wider research effort to understand how the social impact-driven startupper perceive themselves in their networks and whether and how they relate with organizations of different nature sharing ideas and responsibilities. The par-

* Department of Political and Social Studies, University of Salerno, delforno@unisa.it.

** Department of Political and Social Studies, University of Salerno, mardigre@unisa.it.

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ticular context of Italy also requires taking into account regional disparities and the structural gap between the North and the South.

Since this is an ongoing process, it is not possible to control any hypotheses of change. Nevertheless, making use of ego-network analysis in a qualitative approach to social research, we can check if there are some conditions for a change in the way of social impact-driven startupper interpreter subsidiarity relations and social responsibilities. Before showing some findings from field research, it is useful to present in broad outline the background in which the issues of subsidiarity and social impact measurement lie that is the constituent process of the European Union and its rapid changes.

1.1. The first turn: the “Network Europe”

The first turning point dates back to 1992. Maastricht Treaty profoundly modifies the orientations to European integration, after dismissing of the old community myth that had inflamed the federalist vulgate. Carried by the wind of economic globalization, a new vision of *smart* and *mobile* Europe is emerging (Prodi, 2000; Castells, 2000a; Jansen & Richardson, 2004; Delanty & Rumford, 2005). A new form, which many call “Network Europe”, was born. It is “a networked polity able to stake its claim in a networked and globalizing world”, a fluid and flexible dispositive to promote the growth both of social and market exchanges (Delanty, 2005, p. 121). Network Europe is not a simple reaction to economic globalization but its most advanced expression. Network Europe and economic globalization share the same strategic objectives: the wellbeing culture, the globalization of markets, and advanced communication (Castells, 2000b). The network metaphor made any inter-governmental hypothesis inadequate, forcing Europe to renounce to become a new superpower or an extra-large nation and to pursue the experiment for the stateless government, working for agreements time and time again (Giddens, 2007). According to these assumptions, it is necessary to overcome the formal constitution of binding laws and norms, and re-thinking Europe as a polycentric structure, driven by a group of *inter pares*, with the aim of ensuring the economic and social cohesion of the Member States of the European Union. Any center is a node in a *competition-oriented space economy* (Richardson & Jensen, 2000). This is a relevant point to our research. This idea of Europe was methodically implemented using both the principle of subsidiarity (vertical and horizontal) and the new digital knowledge and technologies in order to stimulate the creation of a system of long networks connected with proximity networks. At the level of practices, these chang-

es were associated with the order-word “evaluation”. Meritocratic rules and procedures are established along with the development of many indicators to assess the performance of public policies and business operations to drive fundings across Europe. New organizations are needed to manage assessments, operations, and resources. A new organizational field is born.

1.2. The second turn: the European challenge

For a well-known rule that does not seem to admit exceptions, the emphasis on the means (efficiency) produces effects on the chain of ends (effectiveness). Primarily, the problems of the Network Europe emerged in the welfare arena. Despite the Lisbon Strategy – which would have wanted to make Europe “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” – even before the 2008 crisis, we were witnessing an increase in health and welfare costs, rising unemployment, and the widening of the gap between rich and poor. These problems become cross-cutting in Europe, along with the financial crisis, an increase in migration flows, demographic change, and the awareness of “global risks”. Europeans agreed that in the balance between the economy and society, more weight should be lent to the social. Investments, therefore, must be bound to the evaluation of both programs and projects, to the point of making it mandatory to measure their economic and social impact on the territories.

In the last decade, the European Commission, together with OECD, the World Bank, and United Nations, determined a change in the social enterprise’s world by dictating new rules and procedures to participate and access funds. Inspired by the themes of social economy, from one hand, and by the venture philanthropy, from the other, these new guidelines bind enterprises and investors to precise commitments: 1) undertaking to general interest; 2) measuring the social impact; 3) *being meritocratic*. Founds and incentives must reward virtuous and deserving enterprises that *build evidence* of added-value production. At the end of the *value chain*, the “social impact” shall address social inclusion, wellbeing, and sustainable development. Social responsibility and accountability concern both the economic and social effects of programs or activities. The emphasis on the “social”, however, should not be misleading as it does not require any radical change in the economic order.

1.3. The circular subsidiary: a new cultural turn?

In broad outline, the issue of social impact in Europe has been developed in the mainstream political-economic vision and addressed to the new frontiers of the financial capitalism, the *impact investing*, through the innovations brought by the venture philanthropy and *philanthrocapitalism* (Bishop & Green, 2008). Even if, alongside the financial bottom line, the social and the environmental bottom lines have been added, the concept of “impact” remains a variable dependent on the stability of financial markets and the capitalist economy. The guiding idea is the social and environmental crisis must not slow down the economic development, but on the contrary, risks and welfare problems must be seen as opportunities for stimulating entrepreneurship and doing business, with the support of the state, the international and local public authorities, the philanthropy, and the for-profit capital altogether. In this perspective on welfare, which from the political point of view originates in the Third Way, the notion of social impact, rather than guaranteeing the centrality of people’s well-being and health in the policy making, appears as an *effect-instrument* of the system centered on capital. In this process, public authorities and business organizations strictly preserve their respective spheres of competences, according to the vertical dimension of the principle of subsidiarity. However, this process seems to leave out the organized civil society, which is called at most as a residual function (precisely as Third Sector) to intervene in the spaces left uncovered by the State and the Market or to deal with their failures¹. For this very reason, the emerging paradigm of Civil Economy assumes absolute importance to us. While the mainstream Political Economy faces welfare problems by classical focusing on the delegation of authority and responsibility to maximize the efficiency – or the use of resources which are scarce by definition –, Civil Economy works for the evolution of the idea of welfare towards the *civil welfare* (Zamagni, 2016), based on the *circular subsidiarity*. According to this principle, public authorities, market and business community organizations, and the organized civil society must share resources and responsibilities to address

¹ Neoliberal thinking looks to the civil society organizations as a safety net to ensure minimum levels of social services to the fragile people otherwise left behind by the dismantling of the welfare state (Zamagni, 2018, p. 18; Mazzucato, 2013). With the *impact investing*, the for-profit business seeks a way to fill this niche of market. The criterion of “additionality” demands that impact investments should be directed precisely to undercapitalized areas where the state and the traditional investors back out, producing both financial and social returns (Calderini, 2019, p. 5). In the handover of care tasks from the welfare state to the social impact market, the proposals of civil society risk going unheeded, unless social impact orientation also means public participation in social planning and decisions on matters of general interest.

social problems without delegating, as a real community where the different functions of authority, economic rationality, and sociality give rise co-programming and co-projecting on territory (Moro, 2009). The new paradigm could have great transformative potential by its ability to create complex networks and circular links between people. To Civil economists, social impact means to bring change in the people's life by "civilizing" the market economy, while social impact assessment and measurement should be the leverage "to put the economy at the service of people" rather than the other way round, which translates into putting the people at the center of the "civil enterprises" activities.

1.4. Italy and the challenge of the social impact

Italy responds to the European challenge by offering social impact-oriented entrepreneurs support, tax breaks, or even just a qualification to add to the company name in exchange for their commitment to measuring the social impact generated. Having been a part of discussion panels set up by the government, Civil economists had a key role in the development of the norm of social impact in Italy. Nevertheless, due to the historical circumstances and the variety of positions on the field, the norm and its associated guidelines present many inconsistencies and unclear points. For the purpose of our research, this situation is very interesting because it leaves ample room for subjective interpretations for "social impact objectives" and the role of the enterprises in the innovative welfare network.

As a consequence of the application of the norm, SIaVSs have a *hybrid status*:

- startupper must renounce at the distribution of profit for at least five years;
- they must work in the "general interest" sector, as well as third sector enterprises do (but they can either be third sector organizations or not);
- they must measure and report the social impact.

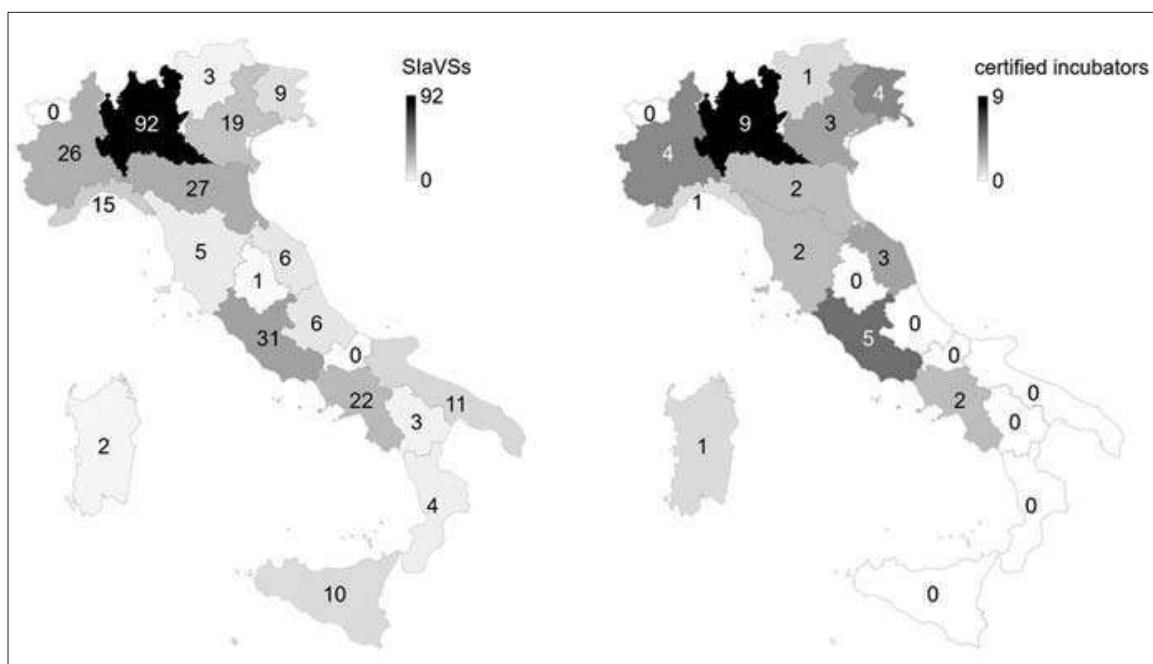
In return, startupper receive fiscal incentives, preferential financing channels, training, and support by incubators and accelerators. Moreover, the norm confers a special certification to those incubators that meet a series of requirements and makes them privileged interlocutors in the network. Thus, in Italy, the organizational field born around the evaluation, assessment, and measurement of social impact is enriched with new elements, rules, and prizes. The organizational field is not a neutral network where you only learn technical notions, but it is also a political space in which charismatic visions of social impact can flow and grow. Startupper can be fascinated by these

ideas and build important ties, included personal, informal, and effective relationships. If the Civil Economy perspective on social impact prevails, we expect social impact-oriented startupper to represent their networks as a community connecting different types of organizations and different institutional levels, where they share responsibilities, resources, projects, and activities for the well-being of persons on the territory.

2. The Italian network between SIaVSs and certified incubators

The register of companies shows 302 startups with “social vocation” from 1st January 2015 to the end of 2019; 215 are still active as SIaVS. We considered all the SIaVSs and certified incubators (from now on CIs) active between 01/01/2015 and 09/30/2019, for a total of 292 SIaVSs and 37 CI².

Fig. 1 – Distribution of SIaVS (on the left) and CIs (on the right) by region. Based on the head office, darker regions host more SIaVSs/CIs than the others



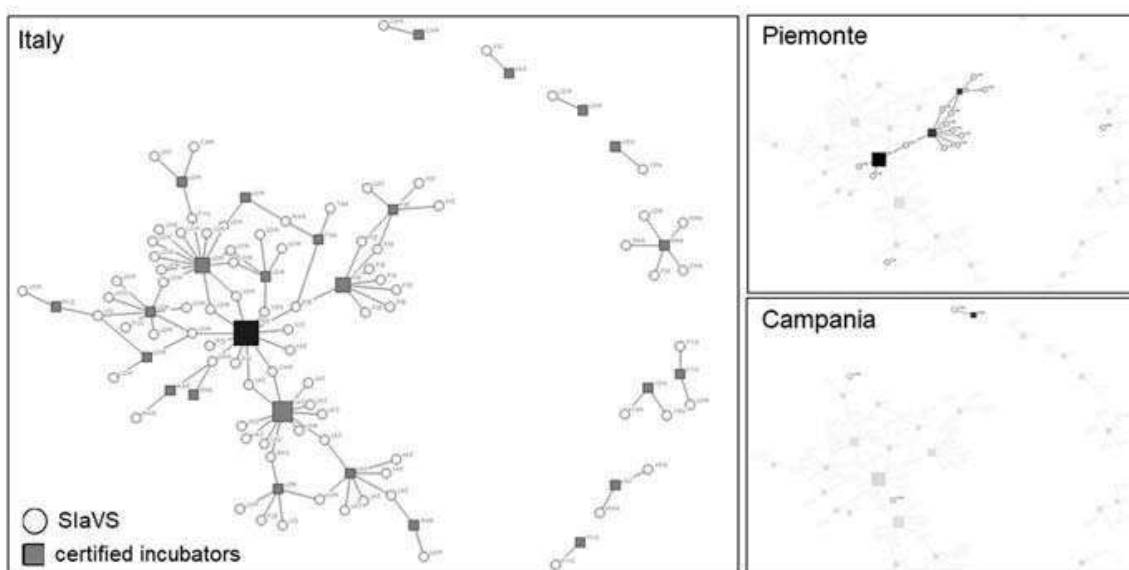
The distribution of both SIaVSs and CIs is very unbalanced in favor of Northern Italy with a strong concentration in Lombardia. The only region that hosts incubators in Southern Italy is Campania. Campania immediately follows Piemonte in the ranking by number of SIaVSs activated since 2015,

² An incubator from Lombardia obtained certification after 09/30/2019. Since it was very active even before, we included it in the analysis. The 38th, from Sardegna, is certified since 5/5/2020.

placing it as the first in the South. Fig. 2 shows the structure of the relationships between SIaVSs and CIs.

The largest of the 10 components in the Italian network includes about 80% of the nodes. The others are composed of a single CI and of one to five SIaVSs. The largest and darkest node is the CI with the highest *betweenness centrality*³. The comparison between Piemonte and Campania highlights how the companies from Piemonte are more active, more cohesive, and more central in the Italian network.

Fig. 2 – Two-mode network between CIs (grey squares) and SIaVSs (white circles)



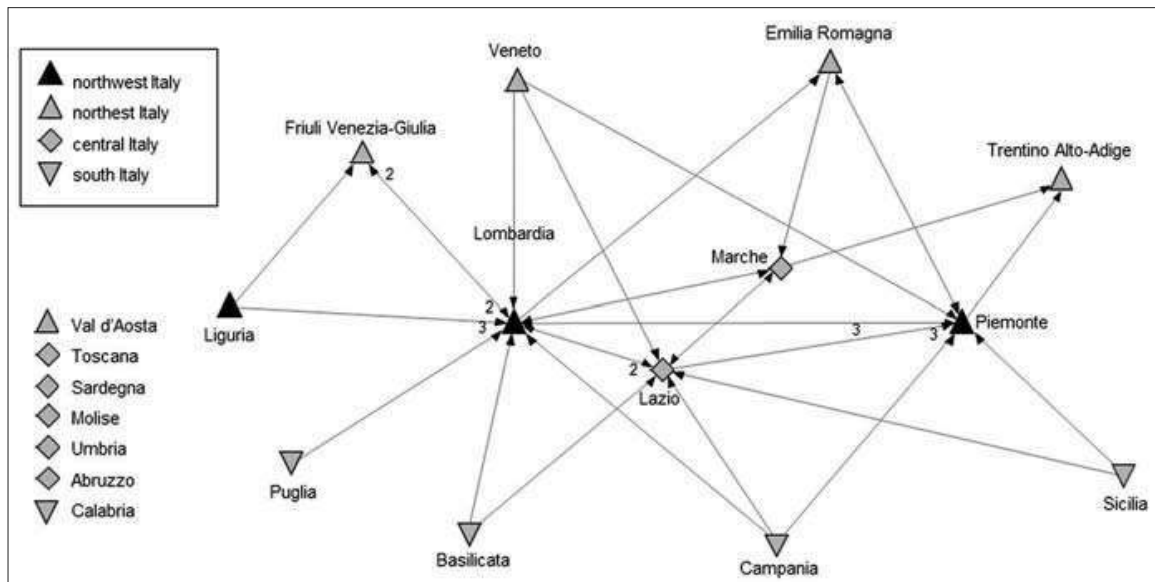
Nodes size is proportional to the betweenness centrality. Ties indicate the presence of at least one of these conditions: we found evidence of a formal relationship on the website or in official documents by the SIaVS or the incubator; economic relationship appears in a financial statement or in the register of companies. The two smaller boxes on the right highlight nodes from Piemonte (above) and Campania (below)

The structure of the ties between regions is an interesting issue because of the considerable autonomy of regional authorities to support SIaVSs and incubators. Likewise, incubators have different possibilities by region to offer services and resources for the growth of startups, networking with public and private institutions. In Fig. 3, nodes are the Italian regions, the weight and the direction of arcs indicate how many SIaVSs have been moving towards CIs in other regions.

³ It is Socialfare, specialized incubator for social enterprises and important node of the Torino Social Impact's network. By degree, Socialfare has one point less than Impact Hub Milano (13 vs 12).

The graph highlights the profound inequalities between areas of the country. Except for Val d’Aosta, there are no northern regions among the isolated nodes. No SIaVS moves to the CIs in Campania (the only two in the Southern Italy). The relations between SIaVSs from the South and CIs can be counted on two hands.

Fig. 3 – Mobility of SIaVSs between Italian regions. Nodes are the regions



Arcs illustrate the movement of one or more SIaVSs from the region that hosts its/their head office towards certified incubators located in another region

In Italy, 28% of SIaVSs have formal ties with CIs. On a regional basis, only in Lazio and Piemonte it exceeds 50%. In Campania, 3 out of 22 SIaVSs go to CIs. Except for Lombardia, the differences between regions in absolute terms are small. The case of Piemonte stands out for the higher proportion of SIaVSs which are linked to an incubator (54%) and for the attractiveness of its CIs measured with the in-strength of ties⁴. This situation could be explained by the presence of a shared plan in a network of organizations called “Torino Social Impact” to make the city of Turin the European capital of social impact. The phenomenon should be observed over time to understand the effectiveness of the plan in sustaining *social impact-oriented* societies, attracting funds, promoting virtuous relationships, and driving social change. All of this noticeably is lacking in the South.

⁴ With only 4 CIs, Piemonte attracts 10 SIaVSs from other regions. Lombardia attracts 12 SIaVSs but having 9 CIs.

Tab. 1 – Relationships between SlaVSs and certified incubators by region

	N. SlaVSs	N. SlaVSs linked to CI	Ratio of SlaVSs linked to CIs on SlaVSs	N. CIs	N. CIs linked to SlaVSs	Reflexivities	Deg ⁱⁿ	Str ⁱⁿ	Deg ^{out}	Str ^{out}
Lombardia	92	28	.30	9	8	28	9	12	5	9
Lazio	31	16	.52	5	4	14	6	7	3	5
Emilia Rom.	27	4	.15	2	2	4	2	2	2	2
Piemonte	26	14	.54	4	3	15	6	10	3	3
Campania	22	3	.14	2	1	1	0	0	3	3
Veneto	19	5	.26	3	2	3	0	0	3	3
Liguria	15	2	.13	1	0	0	0	0	2	4
Puglia	11	1	.09	0	0	0	0	0	1	1
Sicilia	10	2	.20	0	0	0	0	0	2	2
Friuli VG	9	3	.33	4	3	2	2	3	1	2
Marche	6	3	.50	3	2	1	3	3	3	3
Toscana	5	0	–	2	0	0	0	0	0	0
Calabria	4	0	–	0	0	0	0	0	0	0
Trentino AA	3	1	.33	1	1	1	2	2	0	0
Basilicata	3	1	.33	0	0	0	0	0	2	2
Abruzzo	6	0	–	0	0	0	0	0	0	0
Sardegna	2	0	–	1	0	0	0	0	0	0
Umbria	1	0	–	0	0	0	0	0	0	0
Molise	0	0	–	0	0	0	0	0	0	0
Val d'Aosta	0	0	–	0	0	0	0	0	0	0
Totals	292	83	.28	37	26	69	30	39	30	39

3. Methodological notes for the ego-network analysis

We conducted in-depth interviews with startupper “with social vocation” to bring out the strategies they activate in their ecosystem and reconstruct from below the organizational field. The study is conducted according to a qualitative approach where the interviewee’s words become *network narratives* which “provide an account of events and experiences and the ways in which they are connected together from an actor’s point of view” (Crossley *et al.*, 2015, p. 106). At an operational level, we wish to check through their perceptions:

- whether they weave relationships with organizations of different social nature;
- how they position themselves with respect to organizations and institutions on the different territorial levels;
- whether they define their companies as immersed in a dense network.

In other words, we wish to check if there were conditions for a change in the welfare system from the *vertical* and *horizontal* to the *circular subsidiarity*.

We stimulated the startupper to reconstruct their relationships with *relevant alters* such as supporters, trainers, partners in social impact activities, significant persons to whom they recognize the possession of specific skills concerning issues of social impact and social innovation, and/or a particular charisma. We used an *open-ended approach*, leaving them free to indicate how many names they prefer.

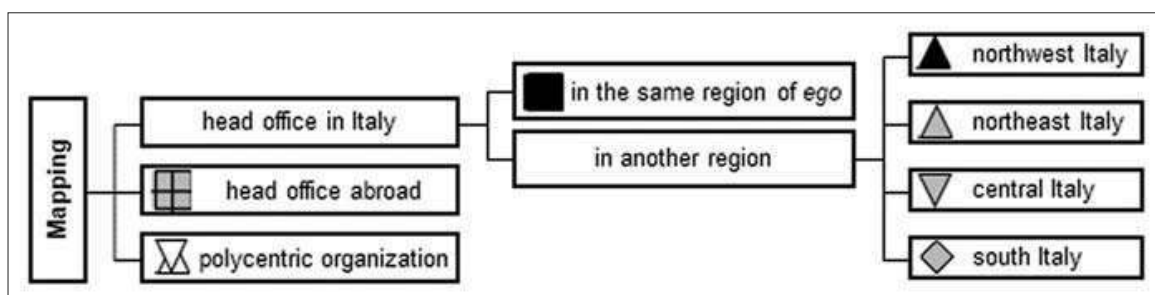
This approach “has the advantage of allowing the researcher an opportunity to derive a better sense of ego’s network size and may also reach further into ego’s network, beyond their immediate circle and towards weaker ties” (Crossley *et al.*, 2015, p. 51). The con is the difficulty in establishing boundaries which allow a better comparison between the different ego-networks. The depth of the analysis depends above all on the interviewee’s willingness to tell their experiences. Some of them are elusive and respond briefly, others (the vast majority) are more talkative. The interviewer’s skill is about being proficient in soliciting the former and stemming the latter, containing biases related to self-promotion and *social desirability*. The interview guide allowed us to distinguish, among the different types of relationships:

- the *strong ties* of *ego*, which are ties with those organizations or people without whom the startup would not have existed or, otherwise, would have difficulty remaining in business;
- the *problematic relationships*, due to either the negative judgment of *ego* against *alter* or to the interviewee’s perception of any prejudices of *alter* towards *ego*.

We have chosen not to indicate the direction of ties because of the peculiar fluidity of the interactions between *egos* and *alters* that emerged by field research. Once a contact has been established, startupper tend to enrich it with new content to build new opportunities. Furthermore, it could be that the entrepreneur’s social vocation is associated with a preference for personal rather than institutional relationships. From the quote of an interview, it is clear that this also depends on the size of the company “compared to when I was a manager in a large company, now I can be closer to people, in a more concrete way”. As with *ego-alter* ties, also with *alter-alter* ties, we are interested in detecting whether the interviewee represents, in his/her mental horizon, relationships in which he/she feels involved in pursuing social impact objectives. It may be that existing *alter-alter* relationships are not detected, either because they are considered irrelevant or because the interviewee is unaware of them⁵. However, we are not interested in the “objective” structure of the network. We want to know which place the startupper assigns to the SIaVS in the network constructed in the discursive process of the interview.

In the graphs, nodes are anonymous because we want to relate some attributes of the organizations and people involved in the network and not to reveal their identity. Anonymity also allows us to respect the interviewees’ privacy, protecting the interest to keep their value judgments confidential. We featured nodes by geographical location and by type of organization or person. The taxonomy in Fig. 4 illustrates the operational definition of the property “head office of the organization”. More detailed information, if required, are shown on the node label.

Fig. 4 – Geo-location of nodes



The other relevant characteristic of nodes is their attribution to one of the three *institutional spheres*, namely the *public authority* (PA), the *busi-*

⁵ If we had adopted a name generator in an orthodox way, we would certainly have obtained denser networks, but at the cost of forcing the interviewee mind towards an excessive consideration of formal ties.

ness community (BC), and the *organized civil society* (CS). The conceptual structure that allows us to attribute all the nodes to one of these three spheres is itself a result of the research, which will be discussed elsewhere. In the following graphs, node labels correspond to specific concepts at the bottom line of the conceptual structure. The complexity of the attribution derives from the hybrid nature of many of the organizations in the networks. How to place an institution like *Fondazione Con il Sud*, a non-profit entity “born from the alliance between foundations of banking origin and the world of the third sector and volunteering”? We define banking foundations as non-commercial bodies in the BC, while volunteering is the heart of CS. We resolved this case by considering the civilian vocation of the institution as a priority, but the issue is still open. SIAVSs, social enterprises, and benefit corporation belong to BC, as commercial entities whose primary purpose is not the profit but the generation of positive social impacts. We have chosen these categories of analysis because it seems suitable for the current change, also due to the reform process that Italy has started in responding to the European challenge for measuring social impact. These changes are throwing into crisis consolidated categories of analysis, such as the notion of ONLUS (non-profit organization of social utility) and, more generally, the distinction between profit and non-profit businesses. In the graphs, we trace a rectangle around nodes to indicate their belonging to the sphere of PA, an ellipse for BC, and a dashed ellipse for CS.

4. Ego-network analysis

In this essay, we focus on a few interviews which seem interesting to us both for their ability to illustrate the differences between networks in Campania and Piemonte, and for the issues emerging from network narratives.

C01 was born on the basis of the experiences of a small voluntary association founded by the interviewee with other companions of a master’s degree at the university. The influence of two professors engaged in regional social policies (“mentor” and “teacher”) allowed the original idea to mature in a business project with a social vocation.

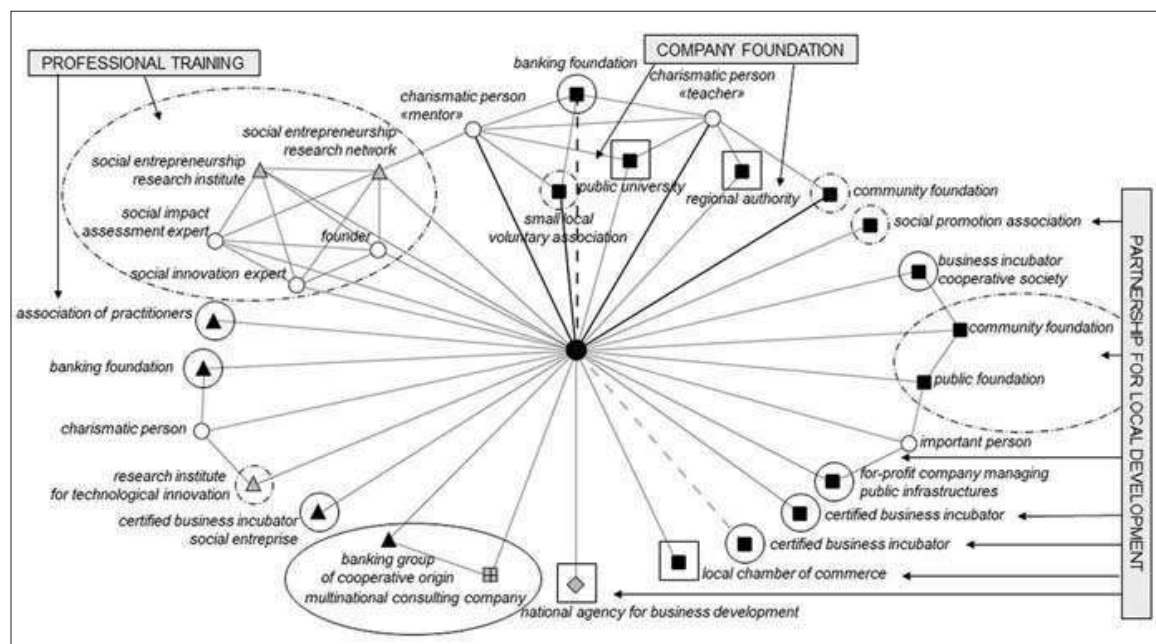
The startup was immediately acquired by a banking foundation and a community foundation, taking the first steps in a structure of ties consistent with the circular subsidiarity. C01 has never followed CIs acceleration paths, but it was at the center of a network involving incubators, accelerators and foundations from Campania and other regions. Despite the good results, the startup failed to be financially autonomous in short times. Activities were

stopped abruptly due to internal problems of the banking foundation. The interviewee interprets the closure of the company more as a missed opportunity for the whole local system rather than as a personal failure.

Tab. 2 – General information about the selected cases and relative ego-networks

Cases	Region	Interviewed	Sector	Size	Density	Components without ego	Homophily
C01	Campania	GM	ICT	22 org + 7.13 persons		4 + 7 isolates	BC 41% CS 41% PA 18%
C02	Campania	CEO; COO; social impact manager	ICT	25 org + 2.14 persons		3 + 7 isolates	BC 24% CS 56% PA 20%
P01	Piemonte	CEO	Education	16 org + 2.21 persons		2 + 5 isolates	BC 71% CS 24% PA 5%
P02	Piemonte	CEO; social media manager	Non-residential social assistance	23 org + 1.20 person		2 + 2 isolates	BC 48% CS 38% PA 14%

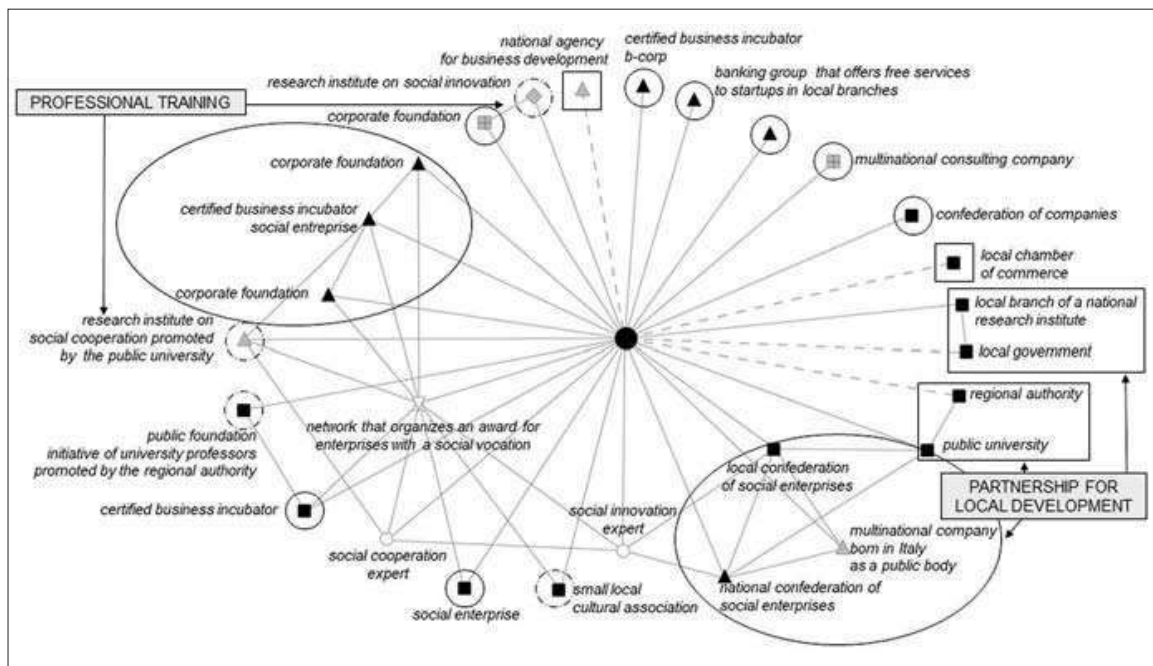
Fig. 5 – Network of C01



C02 is an *early-stage* startup run by men and women under 40. The startup was born from an idea of the CEO, who called with him young professionals experienced in different fields. One has a strong background in the Third Sector as a professional and as a volunteer, one is a freelance expert in innovative technologies, one is a “nerd” engaged in civic participation, the

CEO comes from experiences in for-profit companies in the Northern Italy and returned to his homeland in Campania to realize himself and his social vocation. C2 startupper reports no “strong ties” with alters. To the question “is there anyone who supported you in starting the business?”, the CEO replied promptly: “Yes, *in primis* out of our own pocket. Then we won some national prizes and competitions dedicated to social innovation”.

Fig. 6 – Network of C02



P01 is a predominantly female startup founded by entrepreneurs with a highly professional profile, who have left fairly stable and remunerative professions to devote themselves to their social vocation. The interviewee tells us that she “heard the classic call to arms” after significant experiences in the family and in voluntary associations which pushed her to her previous job “and all the related comforts”. P01 has a strong tie with a multinational company that owns the patent. They have undertaken to spread their activities both by promoting the birth of new startups and sharing the project with voluntary associations all over Italy.

Like C01, P02 arises from the encounter between a small voluntary association and a local banking foundation which decides to invest in the ideas of some young people for the development of the territory. P02 is immediately following acceleration paths with a CI specialized in social impact projects. While having some success, they do not feel very comfortable in the world of business and finance. They come, in fact, from educational, professional, and voluntary paths that bind them in a rather tight way to the world of the Third

Sector and civic participation. The CEO immediately explains: “I am a man from the Third Sector. And I think our startup is still from the Third Sector. It is a third sector that questions how to find new challenges”.

Fig. 7 – Network of P01

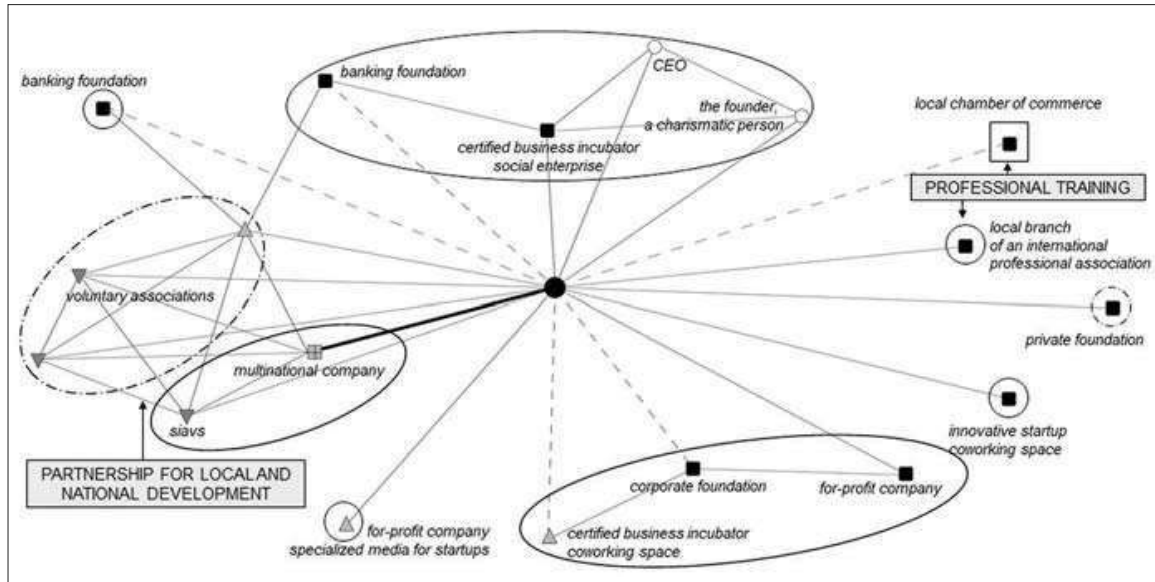
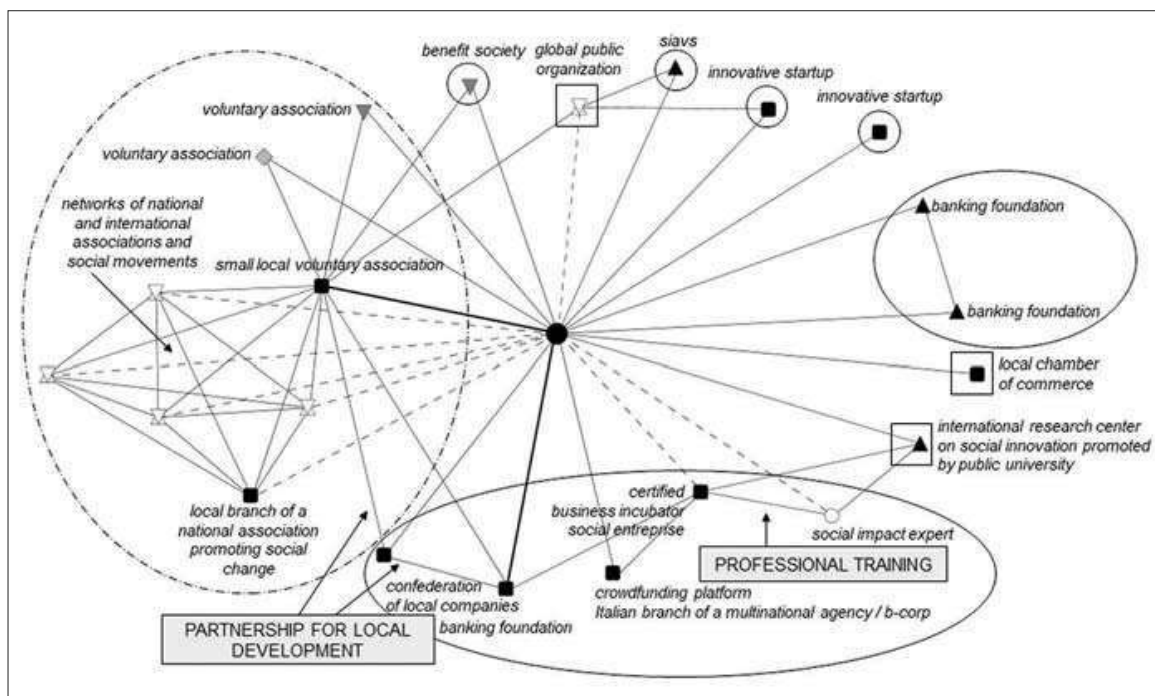


Fig. 8 – Network of P02



Despite the significant differences in individual stories, the structures of the two SIaVSs from Campania have elements in common; the same goes for the two from Piemonte. In Campania we find lower densities due to many

one-to-one relationships. Dropped ego, the nets are divided into 3 or 4 components and 7 isolated nodes. In both cases, the larger component holds onto a *cut point* that is a single person, not an organization. For C01 he is the “mentor”, a charismatic person with a great relational capital; for C02 he is a social innovation expert who is very active on the topics of social cooperation and social impact throughout Italy. The same person was nominated by both SIaVSs.

About the SIaVSs from Piemonte, their ego-nets have similar density but P02 has a larger size. Both show a clique where voluntary associations are involved. In the case of P02, they are large association networks and international movements in which wide-ranging public issues are debated, for P01, they are smaller associations that carry out the same project as the SIaVSs with voluntary activities. Both have more or less complicated relationships with the network of banking foundations and incubators. Two shared themes emerge strongly from the interviews and leave visible traces in the ego-networks. One is the *Southern question*, the other is the *hybrid nature* of SIaVSs which places startupperes in the complicated role of *mediator between PA, BC and CS*, each sphere with its own language and practices.

Southern startupperes perceive a profound inequality of opportunity between North and South. A first point is the lack of entities that make capital available to startups. C01 said: “there are 88 banking foundations in Italy, but they are almost all in the North”. C02 said: “here there are no big companies and big foundations capable of supporting innovation and startups”. We have seen that in the south there is also a lack of CIs that favor the meeting between startups and capitals (Figures 1-3). Both C01 and C02, which have no incubation ties with Northern CIs, have engaged relationships with some of them: “in Turin and Milan we met business accelerators specialized in social issues. There, we saw a whole network that based its development model precisely on the social impact” (C02).

Perceptions in Piemonte and Campania sound opposite. The CEO of P01 does not feel supported at all by foundations and accelerators. She says that her business partners in Campania have some advantages: “there are so many fundings dedicated to our business sector in Southern Italy. Here in the North there is an endemic lack of funds”. Many of the *alters* from P01 network are members of “Torino Social Impact”, but the CEO is unaware of it: “frankly, I don’t know of any local networks dealing with social impact. Maybe the Turin Chamber of Commerce, but they are all networks where you must be the one who continually solicits to participate. Being behind these interlocutors is a heavy and expensive job. SIaVSs are left totally alone, or at least we have left us totally alone”.

P02 knows this network and has a rather critical opinion on it: “In Turin, fascinating things are moving on social innovation. It’s okay if public authorities wonder about some social issues by dialoguing with other realities. However, they are not paths taken with the genuine will to be around a table. They are still not facilitating processes to discuss which direction to give to change by listening to everyone’s voice”. The criticism of the PA is common to all interviewees, who complain about the lack of long-term vision. “The theme is to understand how politics want to concretely support SIaVSs not only from an economic point of view, but also from a policy sensitive to certain issues. The social impact challenge lies precisely in creating opportunities in the territories” (C01). It is, therefore, not a mere lack of funds.

The problem is how to direct public and private resources to general interest objectives in the most appropriate way: “although many economic resources reward companies from the South (because everyone is concerned about southern Italy not growing), in the end, you are not supported in growth towards innovation and social impact” (C02). Southern interviewees blame the “cultural imprint of southern Italy”, primarily the permanence of personalities in dealing with the public administration: “often the interaction with the public sector is still mediated by relationships of direct acquaintance. This situation also hinders our interaction with social workers on the territory. In Milan, instead, the dialogue with the PA is promoted by foundations that help startups to grow, companies are increasingly open to the territory, and civic activism is experienced in a different and more proactive way. There is a continuous breath of interaction that is unfortunately lacking in Southern Italy. If we have to improve something, this is precisely networking” (C02). The criticism of C02 towards the PA is found in the graph by the dashed ties (Fig. 6).

There also are obstacles of a bureaucratic nature, which affect the whole national territory. The qualification of a company “with social vocation” “is not helpful until things change at bureaucratic level. If the municipality cannot work with SIaVSs on social problems, how do they act on a territory?” (C02); in fact, the qualification “still does not allow you to participate in many of the calls dedicated to social policies” (P02). “A public body is wrong to refuse to collaborate with a ‘for-profit’ company. A non-profit organization may act in a predatory way, while a ‘for-profit’ company may be impact-oriented” (C02). P01 often choose to work with voluntary associations, renouncing the possibility of economic feedback for their commitment: “we’re struggling just to break even. In fact, we act as a small ON-LUS. We provide an innovative service of general interest, which the public service is not prepared to offer at this time. We have to do it because we

don't want Italy to fall behind. Our startup was born with this vocation, with this spirit of bringing innovation and growth in society, but our commitment must combine with profit. I know that in Italy, in certain sectors, to make a profit appears blasphemy, but then there are thousands of operators who make profits dressed as ONLUS" (P01).

Dialogue with CS is also often complicated. Again, Campania startupper consider it a local problem. "In Milan there is a good feeling, while with the Naples office of the same association collaborating becomes more difficult" (C02). The social impact manager of C02 assumes: "perhaps, it's because of a prejudice they have. I come from the Third Sector. Often, they believe that the business, 'the profit' is a 'dirty thing'. Maybe they worry we will contact them to exploit their knowledge. I think not many people here know the difference between a traditional 'for-profit' and an impact-oriented company like us". The cleavage between CS and BC is evident in Figure 8. P02 is in a clique with the association from which it was born and a dense "network of network" of national and international associations. They too report that when they participate in meetings with CS as SIaVS they encounter resistance and prejudice: "If you are SRL and you talk about social impact finance there is an extreme distrust. We perceive an unwillingness to dialogue with 'strange beings' like us. They say, 'It was already difficult to talk among us, now we also bring those who are different from us and who want to make money'. As if finding economic sustainability strategies meant 'making money'".

On the BC side, they believe something new is being born around the social impact investing: "it's winking, it's interesting [...] something new is being created, but it is still another world from the social, too financialized. Money is powerful, pressures are strong and there is a high risk of leaving behind your social vision". Their hope is that the issue of social impact could be "a brake on certain dynamics, a tool of control and surveillance to not lose your values". For this purpose, circular relationships should be activated, involving the three institutional spheres and putting the person at the center, respecting the diversity of opinions and visions: "we believe that the processes of change, of collective learning, must be slow and participatory. I believe it. There is a beautiful world that is moving from below. In my opinion, social impact is a good engine, but processes take time. We have to network and find new languages". All interviewees declare that integrating different actors in a cooperative network is one of the main goals. "Our territory offers many opportunities, but the operators are all disconnected. Our startup already connects several operators and interacts with institutions. Networking could be a significant factor in economic and social development" (C02). Startupper are well aware that to generate social impact, understood as a radical change

in the community, their commitment is important but not sufficient: “a transversal change should be declined, starting from the institutions, precisely to re-evaluate the way we act in the social. A good idea can stimulate and make people participate. It’s from below that change can happen, but the institutions must do their part. There are beautiful ideas and a lot of commitment on the part of small businesses, precisely because it is hard to build something here. It is a pity that there is no vision by the institutions, above all: I mean by the regional administrations, the municipalities, the foundations”.

Comparing the structure of the four ego-networks shows us that those from Piemonte are denser. Dropper ego and alters who are not organizations, the nets from Campania do not have cliques made up of more than three nodes. P01 built around its project a clique of five organizations, both from CS and BC. They hope to make it grow over time, but they perceive that they do not have any support from the institutions. P02 is within dense CS networks thanks to the voluntary association from which it was born, and it is in impact finance circuits as a startup, but they perceive great difficulties in mediating between the two worlds, blaming the poor support from the PA. C01 had started in an ideal condition for *circular subsidiarity*, in a collaborative network between organizations of the three spheres, but problems internal to the main stakeholder led to early closure. The interviewee says: “now the network is frozen, but it would take little effort to get back together”. C02 is a young and vital enterprise. They take part in calls and have won some, thus entering relationships with BS and CS throughout Italy. They feel tough to mediate between these networks and local institutions, therefore building their own development space, yet they are working toward this impact goal looking for new opportunities.

5. Conclusion

This paper is intended to offer two kinds of contributions to the recently boomed field of research of social impact-oriented entrepreneurship. The first is thematic. Following some interesting suggestions from the recent Italian literature (Moro, 2009, 2020; Zamagni, 2016; Zamagni *et al.*, 2015), we connected the analysis of the innovative welfare networks to the issue of the change in the guiding idea of subsidiarity toward the circular subsidiarity. We adopt these categories to study a particular (and quite neglected) kind of innovative enterprise, the SIaVS, also presenting a brief overview of their development status and their relations with the equally new certified incubators. The second contribution is methodological. We adopt the ego-centric approach to social network analysis in support of the interpretative sociology and the qualitative

approach to social research. We drew our graphs as *network narratives* (Crossley *et al.*, 2015) starting from the images and representations that we have drawn from the hermeneutic interviews with the startupper “with a social vocation”, following a little structured guide. We are confident that the ego-centric approach may allow the social researcher to make visible the difference between the structure of social bonds based on circular subsidiarity and that of the “traditional” horizontal and vertical subsidiarity. Of course, there are improvements to be made. There is the need to include the temporal dimension, to better qualify the nature of the ties, to better define the boundaries of the networks. Further, it would be appropriate to broaden the inquiry to more SIaVSs (as we are doing) and to other kinds of social impact-oriented businesses (and non) to enable comparisons on a rigorous basis and with adequate techniques.

The mainly qualitative approach and the number of cases presented here do not allow us to make any generalization about the possibility of social change related to the development of innovative welfare networks. However, the research highlights some factors which may favor or hinder the orientation of startupper toward the circularity of social bonds.

Interviews and graphs give us a general picture of cultural resistance to the desired changes both from the perspective of the Civil Economy and from the perspective of the innovative welfare network promoted at the European level. If it is true that, as it seems in the early observations, the nodes that populate the networks around the SIaVSs tend to form a sort of corporative structure of ties among organizations of the same type, we should admit the persistence of the delegation requirements to the detriment of *circular subsidiarity*⁶. Compounding the problem is the fact that the overall mechanism of access to resources does not overcome the rigid dualism profit/non-profit. Actually, interviewees complain about the difficulties spotting in the cognitive maps of their interlocutors an arrangement consistent with both the social and entrepreneurial vocation. At the level of methods and practices, this contradiction could lead to putting competition for resources ahead of the general interest.

Having focused the observation on SIaVSs in Piemonte and Campania has allowed us to draw elements for future evaluation of the southern question. The matter seems to settle on this distinction: in the North, there is a greater concentration of social impact investors and business incubators; in the South, there seems to be more attention on the part of public funds for Third Sector social activities. Having to choose either one or the other path due to the geographical position certainly does not favor either the circular subsidiarity

⁶ The hypothesis of network homophily should be tested with specific techniques and an adequate sample.

network or the development of an innovative welfare network, or, by going to the bottom of the question, the achievement of economic and social cohesion.

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