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Conference Paper

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53rd Congress of the European Regional Science Association: "Regional Integration: Europe, the Mediterranean and the World Economy", 27-31 August 2013, Palermo, Italy

Provided in Cooperation with:

European Regional Science Association (ERSA)

Suggested Citation: Costa, Camilla; Turvani, Margherita (2013) : New industrial spaces as sustainable communities: the case of digital incubators, 53rd Congress of the European Regional Science Association: "Regional Integration: Europe, the Mediterranean and the World Economy", 27-31 August 2013, Palermo, Italy, European Regional Science Association (ERSA), Louvain-la-Neuve

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New industrial spaces as sustainable communities: the case of digital incubators ¹

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Abstract

The last decade has been marked by a debate on a “paradigm shift” of economic and territorial development, in transition toward a new economic and industrial system based on knowledge, “immateriality” and creativity. Against the background of an increased globalization and industrial restructuring, the links between innovation, creativity and economic practices have invited to a new vision of material and immaterial “industrial spaces”. This invites to a study of the hard and soft assets and of the relationships that are the constituents of a “place”, where such potentials can “materialize”. Elusive and yet pervasive ideas, such as regional competitiveness, creative class, and human capital need to inform planning in order to give shape to communities of innovators, new entrepreneurs, and creative people. In order to investigate this relationship between planning, new industrial spaces and community building, the paper focuses on the experience of H-Farm, a private venture incubator for digital start-ups. The case study shows how new industrial spaces develop building on emerging forms of digital entrepreneurship, and at the same time affecting the patterns of settlement in the territory. We find that, within the activation of territorial planning, the physical and social environment in which the entrepreneurial activity takes place closely influences the generation of creative and innovative thinking.

¹ The paper is part of IUAV Research Program founded by ESF (European Social Found) and Veneto Region “Sustainable planning and creative communities. The settlement of digital start ups in the Veneto Region between new entrepreneurship and social innovation” – Business Partner Ca’ Tron Real Estate Srl

1. Introduction

The aggregation of creative human capital in urban communities is rising as one of the key factors to promote economic growth and urban vitality thanks to its capability of creating and generating innovation. Such a trend reflects the increasing importance of knowledge in economic processes and it constitutes the key response to the crisis of the fordism logic of production and accumulation that assured the economic, social and urban development of the past.

A well-established literature sees the urban context as the ideal environment to seed ideas, creativity, innovation and last, but not least, wellbeing in terms of quality of life. The relationship between creative human capital and the processes of creating and sharing knowledge to pursue innovation has been extensively analyzed and its successful outcome has been connected to the urban condition, emphasizing the spatial dimensions of such processes (Porter, 2003; Panozzo, 2007; Potter and Miranda, 2009; Wolfe, 2009; Glaeser, 2011; Shearmur, 2012).

Our work stems from this line of urban studies that in the last decades have focused on cities as nodes of the knowledge economy (Amin and Thrift, 2002). In particular, the paper takes as a reference the deep-rooted concept of cities as the loci of knowledge capitalism, as the core nodes in the reticular organization of world economic geography, being the manifestations of the profound restructuring of the economy and society under the effect of globalization (Sassen, 1991; Amin, 1994; Storper, 1997; Castagnoli, 1998; Paddison, 2001; Detragiache, 2003; Gibson, 2003; Berger, 2007). Numerous and varying are the studies on cities as the “places” where the influences of globalization materialize and evolutions of economic and social dynamics of contemporary society find tangible manifestation: according to this strand of studies, the new “paradigms” of globalization and knowledge economy upgrade cities as places called to the localization of strategic functions (Clark, 2003; Chu, 2008). In the wake of their past, cities re-emerge as centres of attraction of financial flows, economic resources, skilled human capital, investments, and therefore, power; yet they are not just inserted into collaborative networks being, at the same time, in competition with each other, to acquire the necessary resources on the global market. The novelty lies in cities identified as new actors in the competitive struggle to gain the location of management functions and organizational prestige, which enable them to obtain greater visibility and more resources and attract them steadily, in terms of investments, technologies and qualified human capital (Lever, 1999; Camagni, 2000; Florida, 2002; Parkinson et al., 2003).

In this framework, the aim of the paper is to discuss those conditions that, at territorial level, can support or, conversely, hinder the formation and growth of those communities that are innovation-led and at the same time support the process of innovation, affecting local development.

This paper is the first output of a research project that aims to investigate the role of creative communities in giving a shape to new industrial spaces on the one side, and the role of planning in building “places” which fit such communities. “Digital incubators”, the settlements of digital start-ups, are chosen as the empirical field to analyse innovative forms of entrepreneurship and social innovation, with a focus on the role of territorial planning in supporting their development. Thanks to the collaboration with the business partner Ca’ Tron Real Estate Srl, the firm that manages H-Farm’s properties, we have the chance of participating in the process of business and territorial planning of the most important private incubator of digital start-ups in Italy.

On these premises, the paper is structured as follows: paragraph 2 describes interdependences between conditions that urban contexts can offer to the growth of creative communities and the role of those aggregations in producing innovation. Paragraph 3 introduces the potentialities of territorial planning, and in particular of the new urban entrepreneurial approach, in the process of making a “place” able to function as cradle for innovation. To analyse the modes of actions, paragraph 4 presents the “New industrial space” model that will be applied to our empirical case, H-Farm, illustrated in paragraph 5. The paper concludes by showing the preliminary results of the investigation and sketching the further development of the research.

2. On the virtuous circle between city and creative forces

Among the resources that cities hold, creativity and innovation emerged as primary assets, since they are supporting competition and growth in the era of globalization (Porter, 1990; DTI, 1999; Ache, 2000; Miles and Paddison, 2005; Lavanga, 2006). In the need of restructuring, agglomerations of creative forces have being increasingly acknowledged as one the key factors for urban development. The city itself provides a range of amenities and stimuli becoming the ideal cradle for the formation of creative communities, as combination of skilled individuals and entrepreneurship (Stolarick et al., 2011), which are identified as the trigger for innovation and a knowledge base growth. The virtuous circle between conditions that may help the formation and establishment of creative communities and actions to support

creative communities in producing innovation will be the object of the analysis in the next paragraphs.

2.1 Creative Capital in urban context

Creativity is prized as a source of competitive advantage, as a basic driver of attractiveness that leads to endogenous growth and highlights proactive strategies to maximize creative capital (Jeffcutt and Pratt, 2002). It is also identified as one of the crucial keys to enhance economic sustainable development specifically for metropolitan contexts, as it seems to perfectly embody the post-industrial paradigm (Markusen, 2006; Sacco and Blessi, 2005; Scott, 2006; Cooke and Schwartz, 2007; Santagata, 2007; Florida et al., 2008). Creativity has indeed been mobilized throughout the economy in a vast range of products, services and sectors, as a value-adding element.

In the same vein, creative capital is advocated as essential in the set of knowledge-based economic activities with a development dimension and crosscutting linkages at macro and micro levels to the overall economy (UNCTAD, 2010). By assessing intangible as the most precious resource, creativity is conceived as the new dynamic factor in world trade as the one that ensures the highest growth potential (Howkins, 2002; Cunningham, 2006; Boschma and Fritsch, 2009).

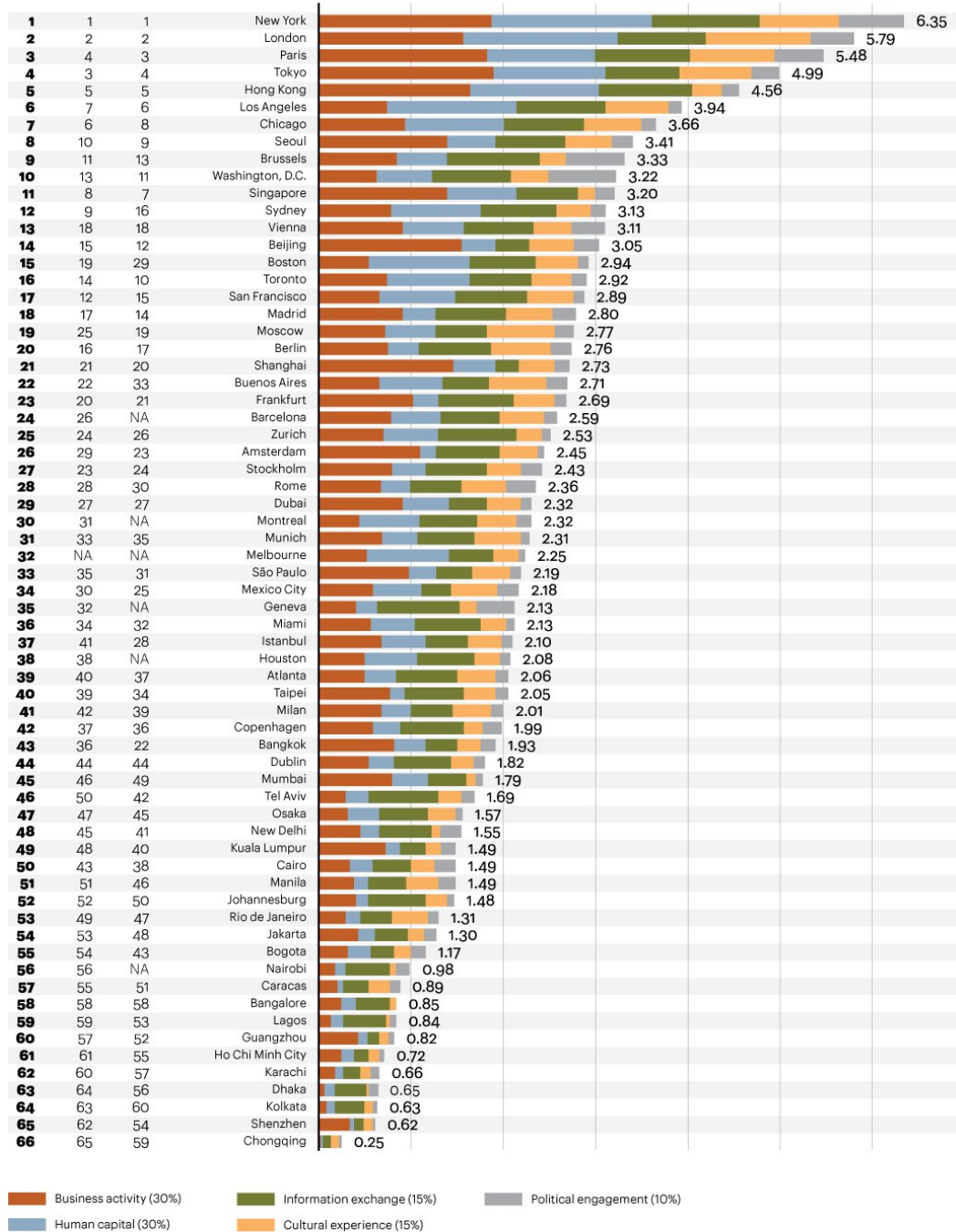
Alongside the idea that creativity regains an economic role, not only as growth booster but also as strategic factor to improve well being and prosperity both at individual and community level in an economic system (Bianchini and Parkinson, 1994; Hartley, 2005; Cooke and Lazzeretti, 2008; Henry, 2008), urban context is identified as the “milieu” that contains the necessary preconditions in terms of “hard” and “soft” infrastructure to generate a flow of ideas and inventions (Landry, 2000). It is in this perspective that human capital is preponderantly empowered by the capacity of effecting changes and promoting innovation thanks to the dynamic combination of non-material and material factors necessary in the revitalization of economies (Atkinson and Easthope, 2009). An example of the weigh of human capital in the creation of the overall value of cities is reported in the Global Cities Index 2012 in Figure 1:

Figure 1
A.T. Kearney Global Cities Index, 2012

Ranking

2012 2010 2008

Values calculated on a 0 to 10 scale



Source: 2012 Global Cities Index and Emerging Market Outlook study by A.T. Kearney and The Chicago Council on Global Affairs

Essentially, this ranking endorses the relevance of two factors (business activity and skilled human capital) as those most affecting cities' competitiveness and considers as impacting factors also information exchange, cultural experience and political engagement. In a broader

view, this example allows us introduce another level of reflection on the generation of innovation. As already told, in order to be successful in the global market, cities, in their post-industrial phase, must be innovative but it was demonstrated that the concept of innovation and the identification of producers have been re-articulated. Innovation is not merely the result of investments on R&D or creation of research centers. Innovative capacity also relies on the formation of a social environment able to promote knowledge production and circulation and on the talents that live that environment. Such an awareness of the weight and potential of creative capital has been captured and transformed in a global discourse by the diffusion of the notion of “*creative class*” (Florida, 2002). The creative class plays a strategic role because, in an economy increasingly driven by creativity and innovation, metropolitan areas with creative people will be those that succeed under the new principles of local economic development.

2.2 Creative capital and innovative communities

The physical presence of creative actors establishes the urban degree of creativity and, consequently, cities are invited to become attractive poles for those people “who think differently and who apply longer-term and holistic perspectives to regional development” (Kunzmann, 2004). Creative potentialities are made up of strategic vision capability and aptitude for daring. Creative actors are “who are capable of negotiating borders and of abandoning secure lines and inherited truths. Creative actors are able to co-operate with others, are open to the experiences of different cultures, and understand the “enemy” at the far end of the table. Indeed, creative actors explicitly invite the opposition to participate in the development of a solution to a problem, in a way hitherto unknown to the participants” (Ache, 2000).

Indeed, those that are identified as members of the creative class will be able to generate wealth, by fueling both economic and social progress, only if they can experience an atmosphere that meets their needs. At a micro level, the challenge for city and business leaders and urban planners thus becomes the one of providing the creative class with the proper environment to express their individual talent. The lifestyles and values of creative people and innovators can be incorporated as elements with the potential to impact on and lead the development of communities and cities. In order to nourish and cultivate skilled human resources, it is crucial to create ecologies able to support them: communities combining work, life and commercial activities. Establishing such social relationships is

advocated as facilitating the convergence of business, technology, culture and human development.

In this perspective, the notion of social sustainability and the related quality of life is re-articulated. Close to cluster theory benefits and place-base advantages (agglomerative benefits, overtaking barriers to competition using internal linkages, tacit knowledge transfer, local economic development), creative communities serve as important bearers of cultural meanings. They assure the ideal concentration level that stimulates business integration, activates cooperation as well competition and induces resources optimization. Facing these goals and challenges, one of the main questions that guide the research arises: how can planning intervene in making creative communities prosper and produce innovation?

3. Territorial planning in a globalizing knowledge era: the new urban entrepreneurialism

Cities raised as central places of organization and leadership of the processes of growth and economic development: they can make and assure exchanges, experience, energy, vitality, and initiative. The increased pace of change, the size of landscape that is affected, the complexity of dynamics, the plurality of actors and decision-makers that are involved, are all factors explaining metropolitan growth in the globalized market (Scott, 2001). Cities and city-regions, thanks to their attractive force, can revive as places of innovation and as laboratories where new lifestyle can be tested and experienced (Friedmann and Wolff, 1982; King, 1990; Sassen, 2001; UNCHS, 2004).

Within such globalized post-industrial urban scenario, the role of territorial planning is actually crucial in the establishment of frameworks and practices that should constitute the solid base for city facing new pressures arising from the complex coming of post-fordism (Bramley and Lambert, 2002; Verwijnen and Lehouvori, 2002; Healey, 2007; Sepe, 2010). Territorial planning can change and determine urban spatial structure in a way that promotes urban competitiveness: sustainable urban development, in broad terms, (Chengri, 2004; Wu and Yu, 2005) that can be translated into the unceasing production of knowledge, essential for the growth of the urban context. This function has grown in relevance since the new era is urging cities to hold sway over what happens beyond their own borders, influence on and integration with global markets, culture and innovation. Much debate has been developed around the concept of urban entrepreneurialism as an approach to support innovation in cities (Scott, 2006). Cities are hubs for the dynamic processes of transformation and transition

towards a knowledge economy thus favoring new forms of “urban entrepreneurialism” as possibly successful pattern for territorial development strategies. Entrepreneurship has emerged in urban contexts as an engine of economic growth and reinforced the idea that employment creation and competitiveness in global markets demands entrepreneurial attitudes from a variety of stakeholders (Jessop, 1997). For instance, the modes of urban intervention distinctly change: from exclusive public intervention, based on top-down “bureaucratic” principles to entrepreneurial models featuring private firms as partners of public regulators within networks of governances (Hall and Hubbard, 1998). Cities are called to show up their differential capacities to secure the conditions for economic dynamism (Storper, 1997), by generating effects that do not affect only economic space and activities but involve also social and environmental issues (Jessop and Sum, 2000). In this vision, cities are defined as new “national champions” in international competition, by becoming sites of struggle over economic and social restructuring and the political basis for new forms of growth or grant coalition and new forms of social alliance. The principal fields that are identified as the one in which a city, in order to achieve a sustainable development, can become entrepreneurial are the following (Jessop, 1997):

- The introduction of new types of urban place or space for living, working, producing, servicing, consuming, etc.
- New methods of space or place production to create location-specific advantages for producing goods/services or other urban activities (e.g. new physical, social, and cybernetic infrastructures, promoting agglomeration economies, technopoles, regulatory undercutting, re- skilling).
- Opening new markets, whether by place-marketing specific cities in new areas and/or modifying the spatial division of consumption through enhancing the quality of life for residents, commuters, or visitors (e.g., culture, entertainment, spectacles, new cityscapes, gay quarters, gentrification).

4. Planning for new industrial spaces: the case of digital incubators

As described in the second paragraph, creative capital and the role of cities as talent magnets interconnect urban planning around the concept of the power of place (Flew, 2012), since it has been theorized that creative people seek out places that are rich in amenity, has a vibrant and varied cultural “scene”, and offer a range of experiences and opportunities to meet with a diverse range of people (Florida, 2002). Consequently, concerning the new methods of space or place production to create location-specific advantages for producing goods/services or other urban activities, and close to the “amenable to serendipity” (Currid, 2007), planning can contribute to the need of organizational and organized forms for the action of creative talents with the purpose of maintaining the urban function supporting creativity and vice versa. The mode of action could be the entrepreneurial one in the approach of territorial action mode to promote innovation and the one centred on developing networks of proactive entrepreneurs.

Planning therefore should simultaneously activate two cycles:

- by intervening in the maintenance and extension of the urban function to be the basis for knowledge, creativity, and innovation, with the contribution of creative people in the place-making process;
- in the opposite but complementary direction, it can assist the creation of the conditions that from the city (and/or organization) address to the promotion of creativity.

In other words, the role of planning can be seen as the active generation of “New Industrial Spaces” (Storper and Scott, 1988) that include both agglomerated production systems and social regulation systems (Moulaert and Sekia, 2003) as summarized in the following table:

| <i>Features of innovation</i> | <i>New industrial spaces</i> |
|--|--|
| Core of innovation dynamics | A result of R&D and its implementation; application of new production methods (JIT, etc.) |
| Role of institutions | Social regulation for the coordination of inter-firm transactions and the dynamics of entrepreneurial activity |
| Regional development | Interaction between social regulation and agglomerated production systems |
| Culture | Culture of networking and social interaction |
| Types of relations among agents | Inter-firm transactions |
| Type of relations with the environment | The dynamics of community formation and social reproduction |

Table 1. Features of Innovation in New Industrial Space Model, (Moulaert and Sekia, 2003)

The empirical field to analyze such potentialities of planning is the one of digital incubators that are here studied as New industrial spaces. Rationales supporting our decisions are the following:

1. We found an interesting relationship between the role of cities as ideal space to incubate creativity and obviously the mission of incubators themselves to nurture start-ups.
2. A dual layer of entrepreneurship characterizes them: the entrepreneurial initiative in itself to create an agglomeration to support other business ideas and accompany them to go-to-market and, at the same time, the individual start-ups that are incubated.

Moreover, we delimited the field on digital incubators because:

1. It is one of the core sectors of the knowledge economy.
2. It is a phenomenon that has rapidly globally spread when just a decade ago the cases of incubators were very a few.
3. Although the core business is based on immateriality and one of the rhetorics of the digital economy was the dematerialization and the reduction of the importance of place, we assume that they need to be investigate because they are places where specific relationship systems and local growth dynamics emerge and that are often not analyzed in their communitarian and territorial dimensions if not in terms of the impact of the research they produce.

In order to bridge the gap of the analysis of the relationship between creative human capital, innovation processes and the environment that nurture them, the research analyses a specific case of digital incubator that show how the generation of creative and innovative thinking is influenced by the physical and social environment in which creative and entrepreneurial activity takes place.

5. H-Farm, a digital incubator in the Venice metropolitan area

H-Farm is the most important private incubator of digital start-ups in Italy. H-Farm, and its location, Tenuta Ca' Tron, is a case of concrete realization of a new form of entrepreneurial action that intervenes not only on the nature of businesses but also makes innovations in the forms of territorial settlement therefore influencing entrepreneurial interaction with its environment. The past and the future development of Tenuta Ca' Tron invites to an analysis of the operational implications of social and ecological innovation as key factors for entrepreneurial creativity and competitiveness. Our case study offers the opportunity to look

at how the strategic lines of the business model of H-Farm on the basis of its entrepreneurial identity, social context and the relationship with the territory are defined.

Regarding this last issue, it is important to briefly introduce the context in which H-Farm is integrated. It is located in the so-called Venice metropolitan area (OECD, 2010): one of the largest economies in Italy that includes 2.6 million inhabitants and accounted for 5% of the national value added in 2005. The city-region encompasses the Provinces of Venice, Padua, and Treviso. It is one of the most export-oriented manufacturing areas in the world: it accounts for 23% of all national exports and over 40% of Italian luxury goods sold abroad. Overall, it is evaluated as a successful OECD metropolitan region: high productivity rate, GDP per capita close to the average of OECD metropolitan regions, and low official unemployment rate (3.5% in 2008). However, although the strong tradition of entrepreneurship, especially of small and medium dimensions that characterized the regional development since the sixties, nowadays Venice metropolitan area scores low on innovation indicators: for instance, it was calculated a low share of the population of 25 years and older with a university degree (9.5%) and a low R&D expenditures (0.72% of GDP in 2003 vs. 1.97% EU average).

There have been numerous attempts to boost innovation in the region: one among all, as has already happened in other European countries, the creation of incubators, reproduced in several forms and locations in the region (e.g. Padua and Venice). Many of these attempts have proved to be not effective, mainly because they are often led by a traditional top-down approach of planning these new industrial space as scientific parks, strongly linked to the local governments and universities.

Distinctive is the case of H-Farm: it has taken benefits from the entrepreneurial vocation of the territory and managed to give its own contribution to innovation, by proving its abilities in multifaceted entrepreneurial spirit.

5.1 Description

H-Farm is the most important and celebrated private incubator of digital start-ups in Italy. It is a Venture Incubator and its mission is to support and accelerate the development of innovative projects in the web, digital and new media fields. One of the first peculiarities of H-Farm lies in its business model: H-Farm offers to start-ups, at the same time, two kinds of services: seed investment and incubation services. The result is a hybrid model that reflects a dual mission: the one of venture capitalist and the one of incubator. As a venture capitalist, H-Farm invests seed capital, granting the finance necessary for the early stage activities; as an

incubator, it provides a series of services to speed up the business development. For instance, H-Farm offers centralized general administration, press office, human resources, legal and financial consultancy during all the stages of incubation. It means that starting from the projects screening, H-Farm takes care of growth support, mentoring, strategies for a quick go-to-market, building strong business cases, exit toward a third investor, consolidation of the initiatives and network and visibility growth. Among all the services offered by H-Farm, there is one that makes H-Farm a unique company: the attention toward the supply of an inspiring workplace. This element profoundly marked the entrepreneurial project of Riccardo Donadon, the founder, since its birth in 2005, insomuch as it is incorporated in the project name. The H, indeed, stands for Human and it was chosen to underline not just the general objective which aims at developing initiatives that have in common the simplification of the interface, from the graphical point of view hence experience in use (the main objective is to make the internet easier to use and more accessible to the public) but also to emphasize the “Human Concept” that is extended to the people who work for the project who can enjoy an environment conceived and developed to suit the expectations of skilled human resources.

5.2 Location

H-Farm is present at international level with offices in four countries: Ca’ Tron (Italy), Seattle (USA), London (UK) and Mumbai (India). The head quarter is located in Ca’ Tron and this venue is the object of the research.

In the previous paragraph we explained the “H” that composes the incubator’s name, talking about the location the meaning of “Farm” becomes clear: H-Farm HQ is placed in the so-called *Tenuta Ca’ Tron*, one the biggest rural estate properties in Italy (it is about 1.200 hectares). The linkage with the agricultural environment is a component that characterizes all the history of H-Farm: the incubator set up in renovated rural houses and the future development projects, that will be described in the following paragraph, are inspired by the same business idea.

The map below shows Tenuta Ca’ Tron (the lightened section) and the venue of H-Farm HQ (marked with its logo, which is actually a tractor):

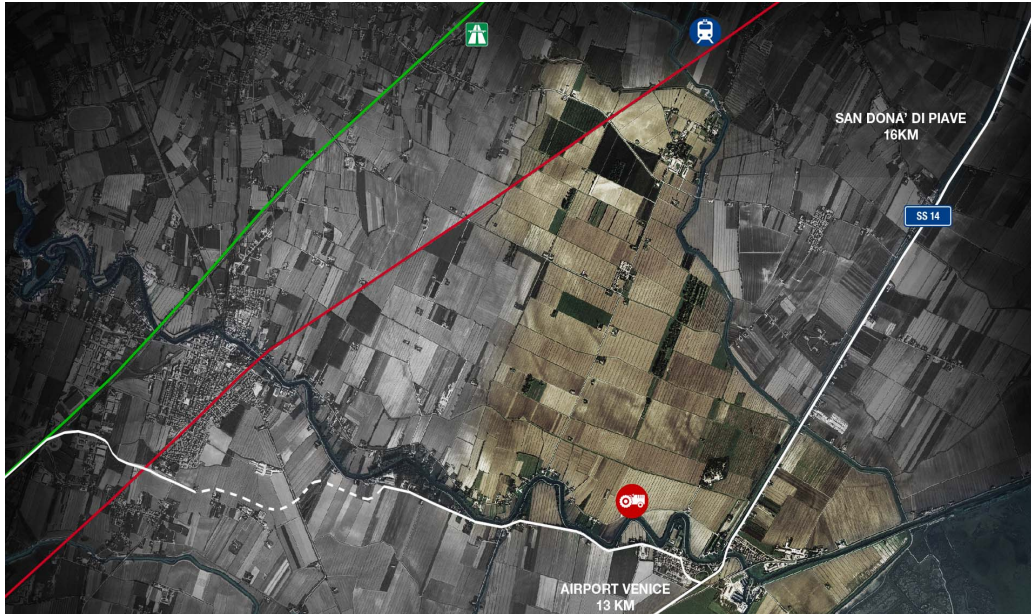


Figure 2. Tenuta Ca' Tron and H-Farm location (courtesy of Ca' Tron Real Estate Srl)

As already introduced, H-Farm is strategically located in Venice metropolitan area (red marker with letter A). As the map below shows, it is just 13 km far from Venice Airport (Tessera), it is connected to the most important regional and provincial road infrastructures and finally close to key nodal cities Venice, Padua and Treviso.

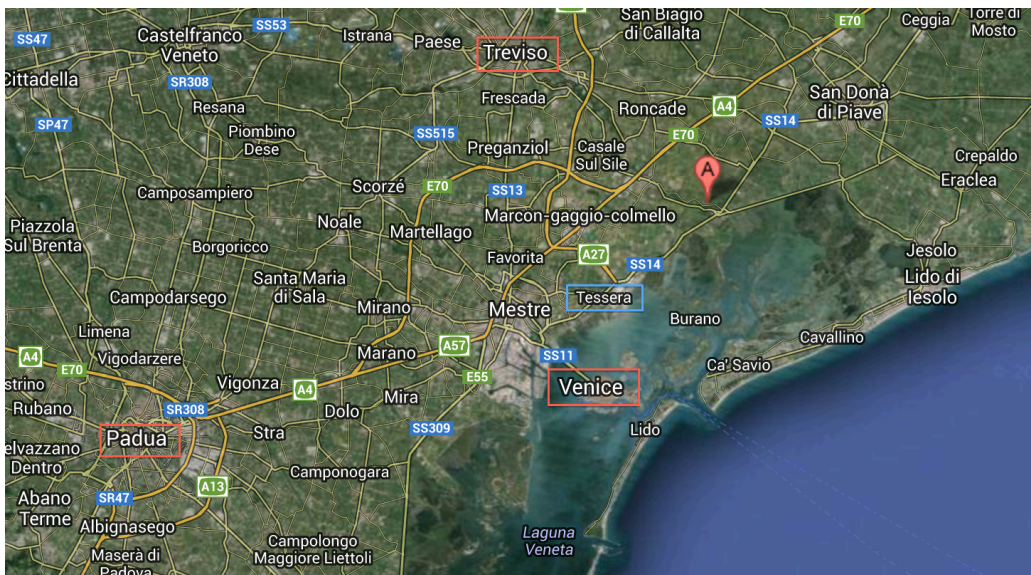


Figure 3. H-Farm location in Venice metropolitan area (Google Maps)

5.3 A vision for development

Let us introduce some elements that contributed to its success and fame of unique innovation environment. In the first 5 years, H-Farm invested about € 9 million of private capital in the development of new business activities and it closed some transactions with IRR consistently

above 100%, with counterparties of global relevance. An outstanding example is H-art, web agency founded with a seed investment of € 100.000 that was sold for € 5 million to the WPP Group, a global leader in the advertising market. In 2011, it was a reference point for the Internet sector in Italy with an expected turnover of about € 10 million. Other excellent exits are: Shicon Srl, established in February 2009, a creative online platform that allows users to compete in the design of original graphics for clothing. Shicon, a replica of some of the initiatives already active in the United States (Threadless), in the summer of 2010, was sold to a co-ownership in NewCo related to FDI and owned by H-Farm at 5%. Moreover, LOG607 Srl, established in May 2007, created with the goal of creating games, public and private events, software and entertainment format for the public through various media, was sold in June 2009, to Marsilio Editori (RCS).

To offer an overview of the dimensions reached by H-Farm, nowadays there are 32 start-ups and every year more than 400 projects are evaluated and selected. In front of the increasing number of submissions, H-Farm activated a new incubation project, called H-Camp: at its second edition, it is a program that offers to selected teams: seed investment (€ 15.000), working space (accommodation included), mentoring, financial and legal counseling.

Next to the core business, H-Farm has already expanded its activities portfolio, for example in the field of training: it founded Digital Academy, a society that organizes courses and masters on digital and creativity and that trained more than 600 people in 18 months. Following the educational business, H-Farm established a partnership with Big Rock, a training center at the forefront of the 3D scenery in Europe that can boast of the collaboration of many important customers and partners such as Adobe, Pixar, and Autodesk.

These are some data and information to unveil the entrepreneurial success both from the economic point of view both in the aim of creating a creative community that gravitated towards H-Farm and its activities (today there are currently about 300 people who work there).

Especially in relation to the creative community building, there are some gaps to fill and potentialities to explore. The quantitative and qualitative growth of talents that work in H-Farm and the rising demand for incubation led H-Farm to rethink its development vision.

H-Farm is planning to expand itself and intensifying its activities to combine the most advanced digital economy with the territorial dimension. The expansion will not only concern the core business activities but also affect the complementary activities to support the quality of life of those who work and live in Tenuta Ca' Tron. To achieve this goal, in collaboration with the main public and private stakeholders, H-Farm is working on a master plan which

aims to anticipate and create the conditions for the development of a new balance and integration between rural and settlement system, centred on the reuse of the existing building and sustainable development, characterized by strong innovation in all sectors of intervention (agricultural, digital, settlement construction, energy, environment, mobility, etc.) and a diversified socio-economic model (residence, work, study, research, culture, leisure, tourism, etc.), foreshadowing a new multifaceted, varied and melting pot community that will contribute to the growth in the overall attractiveness of the territory.

The keyword guiding the expansion project is *sustainability*, declined in:

- Economic sustainability: meaning the ability to generate income and employment for the people's livelihood.
- Social sustainability: meaning the ability to guarantee conditions of human well being (safety, health, education) equally distributed to classes and gender.
- Environmental sustainability: meaning the ability to maintain quality and reproducibility of natural resources.

6 Discussions and conclusions

The transition toward a new economic and industrial system based on knowledge imposes a “paradigm shift” for territorial development. The links between innovation, creativity and economic practices has been studied in urban spaces and cities have been identified as the ideal environment to seed ideas, creativity, innovation and human wellbeing. While cities struggle in the competition to gain the location of management functions and organizational prestige, they are also the “places” where technologies and qualified human capital come together, supporting the development of creative communities which may materialize in “new industrial spaces”. City planning has played an important role to structure material and immaterial “spaces” for those communities. Cities and network of cities constitute the territory that breed the community building and the territorial planning may play a major role in allowing the growth of such new industrial spaces.

The settlement and consolidation of creative communities are the core component of new industrial spaces. The physical and social environment in which the entrepreneurial activity takes place closely influences the generation of creative and innovative thinking; the experience of incubators is a case of such “creative construction”, to paraphrase Schumpeter, and we used digital incubators as an example, specifically H-Farm, the most important private incubator of digital start-ups in Italy. We conclude by applying the new industrial space

model (see Table 1) to the vision of development of H-Farm, as summarized in the following table:

Features of innovation

H-Farm as a new industrial space

| | | |
|--|--|---|
| Core of innovation dynamics | <ul style="list-style-type: none"> • Broad understanding of digital innovation across various business domains; • Adaptations of successful business ideas to the local context; • Vertical integration between startups; • Dynamics of “co-opetition” among incubated startups. | <p>Factors that are already strengths on which the master plan can rely upon</p> |
| Role of institutions | <ul style="list-style-type: none"> • Key role of entrepreneurial initiative in a field previously characterized by the sole presence of public incubators; • Policy makers adopt the case as best practice and incorporate it in policy documents. | |
| Regional development | <ul style="list-style-type: none"> • Territorial view based on entrepreneurship as trigger; • Contribution to the reinforcement of the new metropolitan identity of the regional territory. | |
| Culture | <ul style="list-style-type: none"> • Global businesses and investors network; • “Human” concept as an intuition in need for evolution towards social innovation. | <p>Factors on which the master plan has room for improvement</p> |
| Types of relations among agents | <ul style="list-style-type: none"> • Increasing relevance of the real estate business challenges the identity itself of the “incubator” by introducing new stakeholder and new business logics. | |
| Type of relations with the environment | <ul style="list-style-type: none"> • The communitarian effect currently based exclusively on work dynamics needs to be reinforced by more intense processes of social reproduction based on residence and leisure. | |

Table 2. Features of Innovation in New Industrial Space Model (Moulaert and Sekia, 2003), applied to H-Farm’s master plan project

The expansion project and the related master plan are at their initial stages and there are many strategic options that are still being evaluated, consequently the results showed in Table 2 are preliminary and needed of further investigations.

Nevertheless, studying the evolution of H-Farm, interesting insights have emerged. Firstly, H-Farm is one of the few Italian cases of real success in the digital economy, so that it becomes a benchmark in the design of policies to support entrepreneurship. The extent and intensity of its expansion plans suggests that it can be identified as a best practice in terms of territorial planning and community building as well.

The case of H-Farm is remarkable also because, despite its strategic location and inclusion in the Venetian metropolitan area, it draws strength from the rural environment in which it is embedded. This element challenges the idea of the city as the only potential centralizer of talent and creative capital. H-Farm can be studied as a special case in the geography of innovation (McCann, 2007). With respect to the tradition and vocations of the territory and thanks to a business model and idea that grants social proximities and the establishment of a system of global interaction, H-Farm has been able to organize innovation in non-urban region, and creating a hub that operates as a worldwide aggregator. We can affirm that H-Farm has managed to create a new urbanity, by acting as a context that provides talents with the necessary amenities and contemporaneously activating them within an entrepreneurial approach.

Further development of the research will centre on the presence and action of institutions (both public and private) that, taking advantage of the agglomeration of the new opportunities and challenges, may play a role in the stable maintenance of competitiveness of creativity and innovation and thus ensure the territorial progress. Always in the perspective of territorial planning as one potential way to setup these initiatives that partly arise spontaneously but partly should be promoted and supported in order to preserve the laboratories' conditions to experience new forms of aggregation, the research will be enriched by comparison with other two European cases of digital venture incubator: the first is *Cap Digital*, a cluster of companies in the digital sector with headquarters in Paris; the second is *East London Tech City Initiative*, a project launched in 2010 to transform the East London in an high technology intensive area. The cases will be analysed and in the framework of new industrial space model by focussing on economic and institutional factors (business models, public governance of territorial development, clusters, labour market, international networking), spatial environment (settlement and territorial dimension, large-scale planning, infrastructure, facilities, environment) and community (inclusion, participation, accountability).

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