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By:

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Abstract

This paper investigates the location patterns of coworking spaces, the effects of coworking spaces on the local and urban context, and coworking spaces potential opportunities for the creation of local economic development, issues that have been neglected in a Bolivian context by the existing literature. The focus of this paper is on La Paz, Bolivia's political capital and the city in Bolivia which host the largest number of coworking spaces. The paper addresses three main questions: (1) Where are the main locations of coworking spaces in La Paz? (2) to what extent do coworking spaces generate transformative effects on the local respectively the urban scale? (e.g. physical transformations, changes in practices, community building) (3) how do coworking spaces create potential opportunities for local economic development? Desk research demonstrated that location patterns of coworking spaces are concentrated to two main commercial areas of the city, as well as to the main infrastructural and transportation axes. Field research highlighted local and urban effects, such as local community initiatives and micro-urban transformations in both spaces and practices. Lastly, field research assessed coworking spaces role in the socio-economic ecosystem. Three main typologies have been identified: the first type of coworking spaces act as "social entrepreneurship and start-up incubators" with a supportive role and closer ties to social and urban issues, the second type of coworking spaces act as "coffee and cowork incubators" providing cafés with shared workspaces, the third type of coworking spaces act as "real estate business incubators" and are mainly a commercial product responding the demand for flexible office spaces. This paper, therefore, helps to fill the gap in the literature about the location patterns of these new working spaces and their effects at different scales both in terms of spaces and practices, as well as local economic development.

JEL Classification: D85, L84, O12, O31.
Keywords: Coworking spaces, sharing economy, location patterns, urban effects, local economic development, innovation.

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Resumen

El artículo investiga los patrones de ubicación, los efectos en el contexto local y urbano, y las oportunidades potenciales de los espacios de coworking para la creación de desarrollo económico local, temas que la literatura existente ha descuidado en el contexto boliviano. El foco de este artículo se centra en La Paz, capital política de Bolivia y ciudad que alberga la mayor cantidad de espacios de coworking. El documento aborda tres preguntas principales: (1) ¿Dónde están ubicados los espacios de coworking en La Paz? (2) ¿en qué medida los espacios de coworking generan efectos transformadores en la escala local y urbana? (por ejemplo, transformaciones físicas, cambios en las prácticas, construcción de comunidad) (3) ¿cómo los espacios de coworking crean oportunidades potenciales para el desarrollo económico local?
La investigación demostró que los patrones de ubicación de los espacios de coworking se concentran en dos áreas comerciales principales de la ciudad, así como en los ejes principales de infraestructura y transporte. Además, la investigación destacó los efectos locales y urbanos, como las iniciativas de la comunidad local y las transformaciones microurbanas en espacios y prácticas. Por último, la investigación evaluó el papel de los espacios de coworking en el ecosistema socioeconómico. Se han identificado tres tipologías principales: el primer tipo de espacios de coworking actúa como "incubadoras de emprendimiento y emprendimiento social" con un papel de apoyo y vínculos más estrechos con los problemas sociales y urbanos, el segundo tipo de espacios de coworking actúa como "incubadoras de café y coworking" proporcionando cafés con espacios de trabajo compartidos, el tercer tipo de espacios de coworking actúan como "incubadoras de negocios inmobiliarios" y son principalmente un producto comercial que responde a la demanda de espacios de oficina flexibles. Este documento, por lo tanto, ayuda a llenar el vacío en la literatura sobre los patrones de ubicación de estos nuevos espacios de trabajo y sus efectos a diferentes escalas tanto en términos de espacios y prácticas, como del desarrollo económico local.

Códigos JEL: D85, L84, O12, O31.
Palabras Clave: Espacios de coworking, compartir economía, patrones de ubicación, efectos urbanos, desarrollo económico local, innovación.

1. Introduction

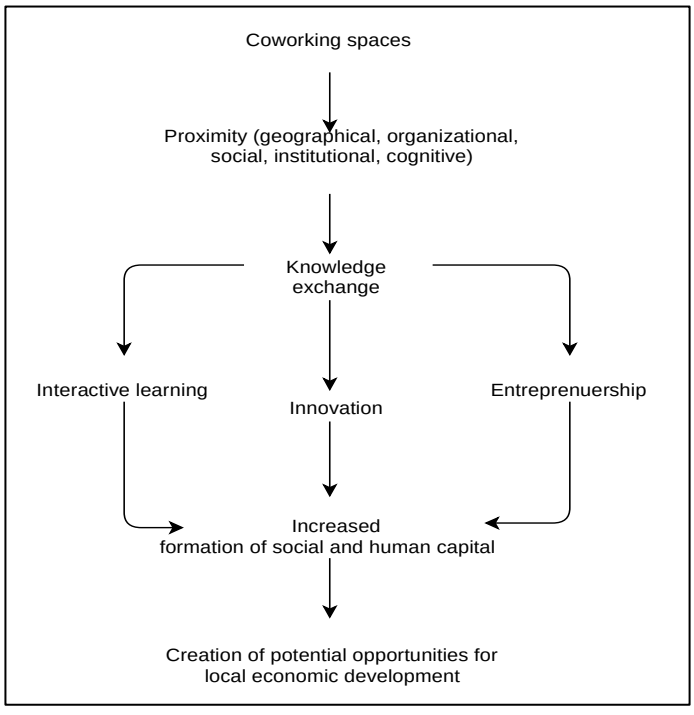
Economic activities have been subject to diffusion as well as concentration due to the emergence of digital economies (Mariotti et al., 2017). Information and communications technologies (ICTs) over the past decades have contributed to a dispersal of workers and traditionally fixed job locations. Despite this trend of diffusion, knowledge-based, digital, and creative jobs still tend to agglomerate within large urban areas (Florida, 2005). Libraries, cafés, restaurants, hotel lobbies and other so-called "third spaces" have previously been favored by ICT workers as value in high flexibility and hybridization of workplace is coveted (Oldenburg, 1989). Additionally, research suggests that self-employed and freelancers still need social and professional interaction in order to reduce the risks of isolation and to increase networking and meeting opportunities while also increasing productivity (Johns and Gratton, 2013; Moriset, 2013. As a result, the 2000s witnessed a proliferation of innovative workplaces named coworking spaces. The concept first emerged in San Francisco in 2005 and was founded by the computer engineer Brad Neuberg. The concept initially existed predominantly in the United States but has increased exponentially in recent years around the globe. By January 2020, *Coworker* (an online portal dedicated to coworking) reported the existence of over 13,000 verified spaces worldwide, located in 170 countries (Coworker, 2020).

Coworking spaces are regarded as "serendipity accelerators" (Moriset, 2013: 1); a social hub for creative entrepreneurs, freelancers, and self-employed designed to create a community of professionals with contrasting jobs but who want to break isolation — to find a convivial and social environment that fosters networking and collaboration. Coworking spaces offer a transversal office space and working community with less rigid hierarchies of incumbent and established firms (Bouncken and Reutschel, 2018. The less rigid structure of coworking spaces allow users to push ideas without hierarchical restrictions which in effect creates a professional community of learning and knowledge transfers (Gandini, 2015). More opportunities for interaction are provided by coworking spaces where shared physical space has the potential to facilitate collaborative creation; the relational component associated with a traditional corporate office therefore benefits coworking space workers. More so, proximity (cognitive, organizational, social, institutional, and geographical) has an impact on immaterial benefits such as learning, knowledge creation, and innovation. Proximity in a broad sense facilitates interactive learning, entrepreneurship, and innovation through knowledge spillovers and spin-off effects and has been well documented (Boschma, 2005).

There are risks, of course, in the search for new forms of businesses and way of working. The individualized jobs of entrepreneurs, freelancers, and the self-employed are often characterized by nonstandard, precarious and nomadic employment patterns and work life. Additionally, exploitation for branding, marketing, and business purposes is an obstacle for coworking space workers (Mariotti et al., 2017).

Although economic geography literature has put emphasis on the importance of geographical proximity for the knowledge economy, economic activities are embedded in social activities (Boschma, 2005; Bouncken and Reuschl, 2018). As Porter, (1998: 225) put it: "social glue binds clusters together." This is supported by research manifesting that significantly more collaboration takes place in communities which have stronger inter-personal networks (Grillitsch and Nilsson, 2015; Shearmur and Doloreux, 2016; Wear, 2008). Accordingly, coworking spaces, while fostering knowledge diffusion and facilitating innovation, have the potential to generate positive externalities in the form of urban effects (in terms of e.g. physical transformations, changes in practices, community building) and the potential creation of new opportunities for local economic development. In this view, while creating micro-economies for its users, the positive impact of coworking extends beyond the physical, absolute space of the coworking spaces to the local economy and greater society, contesting social, environmental and economic challenges in cities.

Figure 1. Sketch of flowchart



Source: Elaboration by author from Deijl (2009).

While the generation of new ideas and innovations is highly considered in developed countries where economic growth is constituted by technological progress, potential exists in less developed countries as well. Latin American metropolises perform relatively low in regard to their integration in the global economy and the production of science and technology. However, this stands in stark contrast with Latin Americans' eagerness to be connected and to be able to participate as citizens in the network and knowledge-based society (Fernández-Maldonado, 2004). The potential market for coworking spaces in Latin America is therefore implied and could prove an interesting source for the generation of innovation in the knowledge society. This is highlighted by the first Latin American summit of collaborative and coworking spaces, called LATAM Coworking Summit México 2019 which was held on March 14, 2019. The National Chamber of Commerce of Mexico City hosted industry leaders and operators from countries such as Brazil, Spain, Colombia, Bolivia, Peru, Ecuador, Guatemala and Mexico.

As such, as part of an internship at the Instituto de Estudios Avanzados en Desarrollo (Institute for Advanced Development Studies, INESAD) the location of La Paz, Bolivia, in which the research foundation is located, has been chosen as the area of study as it embodies Bolivia's political, financial and economic center, along with Santa Cruz. Additionally, La Paz represents one of the core creative, digital, sharing and knowledge-based economies in Bolivia.

Research from the International Monetary Fund (IMF) (Medina and Schneiderlin, 2019) notes that micro and small-scale enterprises in Bolivia, specifically informal one's, account for almost over 60 percent of the private sector workforce. As such, entrepreneurial start-ups, especially those engaged in productive micro and small-scale enterprises in technology research and development, might ultimately become responsible for a significant number of new jobs. However, appropriate support needs to be given to help these new ventures succeed. The belief that new ventures can support local and regional economic development has prompted a number of growths in entrepreneurial support worldwide, especially in the form of "startup communities" in coworking spaces. Initiatives that support innovation from (local) governments may therefore be desirable, in addition to private ingenuities.

2. Research Aims and Research Question(s).

Although there has been media attention to coworking spaces, there has been limited attention to this phenomenon of coworking spaces and its effects on the local and urban context (however, see Mariotti et al., 2017), nor subsequent potential for creating opportunities for local

economic development in the scientific literature (however, see Fiorentino, 2019). Attention to coworking spaces in the context of Latin America or Bolivia is inadequate. Accordingly, this paper has two aims. On the one hand, the investigation of coworking spaces location patterns in La Paz allows us to understand where they locate and why. On the other hand, the analysis of the urban and economic effects they potentially generate might highlight coworking spaces' role as facilitators of local economic development. The research questions driving this research are therefore specifically as follows and are motivated by two previous research papers by Mariotti et al. (2017) and Fiorentino (2019):

(1) Where are the main locations of coworking spaces in La Paz?

(2) To what extent do coworking spaces generate transformative effects on the local respectively the urban scale? (e.g. physical transformations, changes in practices, community building).

(3) How do coworking spaces create potential opportunities for local economic development?

The empirical analysis in this research consists of two research activities: desk research and field research. This paper is organized by following this introduction with a literature review that discusses the emergence of coworking spaces in juxtaposition to a broader context including the emergence of ICTs, the growing knowledge-based, creative, and digital economy, the role of proximity in cultivating immaterial benefits, and the rise of coworking spaces amid economic downturn and non-standard employment. This is followed by a brief section regarding the research methodology and its methods. The empirical context is subsequently presented with the analysis of the research questions succeeding. Lastly, I provide a conclusion and why this research matters.

3. Literature Review

Coworking spaces have been studied from different angles including scholars from sociology, anthropology (Jones et al., 2009; Gandini, 2015; Parrino, 2015), geography (Moriset, 2013), business and management (Capdevila, 2013), economics (Deijl, 2009), health studies (Servaty et al., 2018), and urban and planning studies (Mariotti et al., 2017; Fiorentino, 2019). Although there has certainly been media, and some scholarly attention to coworking spaces, this has exclusively been done in an European and North American context. There has not been much attention to this phenomenon of coworking spaces' effects in transforming the local nor urban

context in which they are situated nor its potential opportunity creation for local economic development in Latin America nor Bolivia.

3.1. The growth and development of ICTs

ICTs have developed rapidly over the past decades. Mobile telecommunications, for example, have developed at an astonishing pace and are an attractive medium for communication and socialization. At the same time, mobile telecommunications are an essential device for conducting business in small and micro enterprises (Fernández-Maldonado, 2012). Moreover, ICTs can be seen as significant drivers of spatial, economic, environmental, and social changes. ICTs, spurring the processes of globalization, has contributed "to fundamental shifts, from a place-based mass production towards a global, flexible and knowledge-based organization" (Fernández-Maldonado, 2012: 475).

In industrialized societies, there has been a shift from centralized models of resource management (from large-scale production centers to small-scale individual consumers) to distributed models in information society (connecting people with people, buildings with buildings, communities with communities) (Guallart, 2012). The challenge for cities in the twenty-first century, therefore, is the resumption of productivity, mixing manufacturing and services, now difficult to distinguish. For example, "new" innovative spaces such as hackerspaces/makerspaces/tech shops/fabrication labs (Fab-Labs), equipped with digital fabrication machines, convert digital data into physical objects (or vice versa). This process favors both the locally oriented development of specialized products and the empowerment of the users (Gershenfeld, 2012; Guallart, 2012) while at the same time "democratizing access to the modern means to make things" (Gershenfeld, 2012: 48). These spaces have created new interactions, communications, and collaborations with a subsequent boom in pooled production and consumption of commodities, services, ideas, dexterities, and time while the advances in ICTs over the past decades have fostered transmission of information and knowledge (Ratti and Claudel, 2012). In Europe and North America, the crisis of the traditional manufacturing in the 1970s, in juxtaposition with the processes of financial and global economic downturn of 2008-2009, have stimulated the growth of the knowledge economy. For the knowledge and innovative economy, ICTs are fundamental requirements (Rifkin, 2011; Mariotti et al., 2017). Predating computers and the Internet, the creative class convened and socialized in so-called "third spaces" — restaurants, coffee shops, hotel lobbies, barber shops — and are considered as "typical" third spaces. These "third spaces" are unique in the production of the urban social fabric (Oldenburg 1989). More recently, ICTs changed the way and where in which work is done

and has shifted these spaces away from traditional "third spaces" and into new spaces — coworking spaces.

3.2. The growing knowledge-based, creative and digital economy

The emergence of coworking spaces is embedded in two interlinked economic trends: the rise of the knowledge and learning economy (OECD, 1996; Lundvall and Johnson, 1994; Dolfsma and Soete, 2006; Neef, 1998; Cooke, 2002) and the subsequent digitization of the economy over the past few decades (Moriset, 2013). These two economic trends have led to "profound changes in the production and consumption of space and place dedicated to creative work" (Moriset, 2013: 2). The development of information and communication technologies have greatly increased our possibility to overcome space and thus reduced transaction costs massively (McCann, 2008). Some have therefore written about "digital capitalism" (Schiller, 1999) or "creative economy" (Florida, 2002). Florida's work about the "creative economy" and the creative class which included workers with artistic skills in content creation sectors, but also engineers, software professionals, and lawyers highlighted how the knowledge and digital economy transforms work, culture and everyday life.

The creative economy, in the words of Moriset (2013: 7), has become "an atmosphere, a spirit, even a lifestyle." While telecenters, incubators, and business centers provide coworking spaces, they are more reminiscent of "drop-in offices" where face-to-face professional interactions are relatively low and of "accidental" nature (Moriset, 2013). "Real" coworking spaces are dedicated to activities that offers openness, collaboration, accessibility, and community. It means that coworkers should aim to increase their business through nurturing of social relationships, temporary partnerships, and collaborations rather than just being (often precarious) professionals encountering 'accidental' coworking practices (Spinuzzi, 2012). The knowledge-based economy is characterized by the centrality of knowledge and the cognitive skills of workers (Parrino, 2015). As such, the contemporary economy, and coworking spaces in particular, are characterized by a new type of employment and organization — an open-source approach to working (Lange, 2011) — "based on the value production's socialization" (Mariotti et al., 2017: 50).

3.3. Proximity measures in fostering interactive learning and innovation

Relating to coworking spaces, permeating the contemporary literature within the field of economic geography, is the idea that proximity matters and that it "underpins the joint

production, circulation and sharing of knowledge" (Gertler, 2008: 203). According to this widely shared view regarding proximity, the geographical agglomeration of economic actors facilitates the exchange of knowledge. This exchange of knowledge can occur through market and non-market relations, be planned or spontaneous, formal or informal, but is made possible by spatial concentration. This literature contributes to a so-called "spatial turn" and focuses on different aspects of proximity (Amin and Cohendet, 2004). Lundvall (1988) and Gertler (1998) emphasized the connection and collaboration between suppliers and customers and the learning process that potentially takes places through these interactions. Porter (2000) focused rather on competition in geographical clusters of companies belonging to the same industry. In this view, firms have the ability to learn from each other through mutual observations and monitoring which generates a condition of innovative dynamism. Consequently, learning processes are inherently of social nature (Lorenzen and Foss, 2002). Facilitated by geographical proximity, these processes are more fluid among entrepreneurs situated in spatial concentrations as these local clusters favor face-to-face interactions and the sharing of information and experiences. These geographical clusters of local knowledge are often characterized as economically dynamic centers of innovation, and scholars sometimes define them as a "buzz" (Parrino, 2015: 262). The geographical proximity and co-location foster a local context in which frequent face-to-face interactions promote, but also "theoretically provide economic actors benefits in terms of knowledge acquired" (Parrino, 2015: 262).

Boschma (2005) and the evolutionary economic geography framework, has highlighted the impact of geographical proximity in relation to additional dimensions of proximity: cognitive, organizational, social, and institutional. As such, "the need for geographical proximity is rather weak when there is a clear division of precise tasks that are coordinated by a strong central authority (organizational proximity), and the partners share the same cognitive experience (cognitive proximity)" (Boschma, 2005: 69). In this view, the intersections of the proximity dimensions must be considered and are not to be viewed as mutually exclusive categories. All five dimensions of proximity are therefore fundamental for understanding the dynamics of knowledge exchange, innovation, and collaboration. While permanent co-location therefore is not necessary for face-to-face interactions and knowledge exchanges "geographical proximity may play a complementary role in building and strengthening social, organizational, institutional, and cognitive proximity" (Boschma, 2005: 70).

Before the interest in dimensions of proximity emerged, scholars expressed interest in distinguishing between different types of knowledge. Gertler (2003) refers to the seminal works

of Ryle (1949) and Polanyi (1958, 1966) in which they outlined a crucial distinction between codified knowledge — knowledge that can be "expressed using symbolic forms of representation" — and tacit knowledge which "defied such representations" (Gertler, 2003: 76). In other words, tacit knowledge is knowledge that is difficult to transfer by means of writing or verbalizing whereas codified knowledge is easier to store and access while at the same time easy to transmit to others. In the 1980s the concepts were extensively used further in Nelson and Winter's (1982) *An Evolutionary Theory of Economic Change* which revived the interest in the earlier works of Michael Polanyi. Furthermore, in the 1990s, Lundvall and Johnson (1994) distinguished between four different kinds of knowledge — know-what, know-why, know-who, and know-how. In this view, codified knowledge can generally be categorized into "know-what" and "know-why" as they are easier to codify and measure while "know-who" and "know-how" are more considered tacit knowledge. Nonaka and Takeuchi's *The Knowledge-Creating Company* (1995) dealt ever further with the distinction between codified and tacit knowledge and has been rendered as a source of great significance within various fields of study (Gertler, 2003). While codified knowledge (such as know-what and know-why) can be shared at a distance, the exchange of tacit knowledge (such as social and cultural components, know-who and know-how) requires face-to-face interaction in co-location (as in coworking spaces) or through periodic traveling. The exchange of tacit knowledge requires nevertheless an intimate trust between participants, which only can be achieved through close and direct contact among individuals (Mariotti et al., 2017). Furthermore, "face-to-face contacts support serendipitous knowledge, and most importantly, stimulate and strengthen other forms of proximity pivotal in enabling knowledge exchange within organizations" (Parrino, 2015: 263). As such, coworking spaces integrate entrepreneurs and innovators with both codified and tacit knowledge while at the same time offering a collaborative, open, and creative work environment.

3.4. The growth of coworking spaces: economic downturn and non-standard employment

In Europe and North America, the crisis of the traditional manufacturing in the 1970s in juxtaposition with the processes of financial and global economic downturn of 2008-2009 have stimulated the growth of innovative economies. For these innovative economies, ICTs are fundamental requirements (Rifki, 2011; Mariotti et al., 2017). In addition, the economic cost-cutting measure in outsourcing and subcontracting, associated with the economic downturn and the growth in ICTs (Moriset, 2013), support the growth of micro-enterprises consisting of entrepreneurs, self-employed and freelance workers. Most of the tasks performed by knowledge

workers are performed on computers, often without regard to geography. While the digital economy on the one hand is characterized by dispersion, knowledge-based workers primarily agglomerate in large urban areas (Florida, 2002).

Since the global economic crisis of 2008-2009, the development of coworking spaces has been particularly intense. In the United States, the exponential growth began in world metropolitan cities such as San Francisco, New York, Chicago and Boston; in Europe, cities such as London, Berlin, Paris, Amsterdam, and Barcelona soon saw a rapid growth as well (Mariotti et al., 2017). As Moriset (2013: 16) noted: "bankruptcies, massive layoffs, and cheap office space favor the coworking movement." However, 60 percent of known coworking spaces are not profitable due to low profit margins (Foertsch, 2011a); the largest coworking spaces are generally the most profitable (Foertsch, 2011b). Nevertheless, research regarding coworking spaces reveal that coworkers sustain productivity growth in coworking spaces and are able to earn more than the 'average' non-coworking entrepreneur (Deijl, 2009). Unable to re-scale existing coworking spaces, many coworking spaces survive thanks to additional resources such as local governmental support and subsidies, large firm sponsorships, or additional complementary services (Foertsch, 2011b). Nevertheless, knowledge-based, creative, and digital workers during the early coworking movement were primarily attracted to cities in advanced economies that were characterized by urban liveliness, vibrancy and a cosmopolitan milieu (Moriset, 2013). As such, "cities are the focal point of innovation" (Mariotti et al., 2017: 51) where creative companies, entrepreneurs, and freelancers enjoy the positive externalities of co-location and the exchange of formal and informal knowledge (Caragliu et al., 2016; Van Winden and Carvalho, 2016).

Today, coworking spaces have spread across the globe to countries and continents outside of Europe and North America. Today this includes at least 13,000 verified coworking spaces in 170 countries (Coworker, 2020).

Considering the possible effects of urban and local economic development of coworking spaces is not obvious nor risk-free. Beyond the rhetoric that coworking spaces fosters a community of openness and collaboration, there are issues that need to be considered. There is a risk that coworking spaces do not become places of real innovation and rather become a façade for the precariousness and low profitability inherent in knowledge, creative, and digital production (Moriset, 2013). Previous research has shown that precariousness and low profitability are considerably high for knowledge-based, creative, and digital workers (Gill and Pratt, 2008; Pratt, 2008; Grugulis and Stoyanova, 2011).

The above scholarship therefore questions the overenthusiasm about the creative class development (Florida, 2002). As a result, knowledge-based, creative, and digital workers have been labeled “office nomads” or “digital nomads,” and recently “lone eagles” (Moriset, 2013: 4), as they are not represented politically. In this view, the knowledge-based, creative and digital workers risk becoming an encircled community of high-skilled workers rather than open opportunities for urban and economic development. Furthermore, while coworking spaces have the potential in sparking community building, innovation and economic growth, observers have highlighted the risk of knowledge-based, creative, and digital workers being “cocooned” (Servaty et al., 2018), and cut off from the social and geographical context in which they are located. Additionally, while coworking spaces foster collaboration and cooperation on the one hand, they also increase competition for small businesses working within a small specialized field on the other (Gandini, 2015).

4. Methodology

This section will outline the research approach, the research methods applied, and the way in which collected data will be organized, processed and analyzed.

4.1. Research approach

Qualitative and quantitative research comprises the two categories for research. Both research approaches and strategies have their disadvantages and advantages in comparison to the other. Gray (2013) therefore suggests that there is generally no right or wrong in choosing a specific approach. Nevertheless, the nature of the research question or research philosophy can guide researchers to choose one, or a combination of the two approaches, as deemed suitable.

The theme of this project, coworking spaces, has been studied from different angles (see for example Jones et al., 2009; Gandini, 2015; Parrino, 2015; Moriset, 2013; Capdevila, 2013). However, there has not been much attention to this phenomenon of coworking spaces’ role as facilitators of urban and economic development. Even less so how this happens in the spatial context of La Paz, Bolivia. Therefore, a research approach which allows exploratory methods is suitable for the purpose of this project.

4.2. Research methods

Two parallel research activities will be carried out in this research. These parallel research activities share sources, contacts, data, and information. The first research activity is aimed at

understanding the characteristics and location factors of coworking spaces; the second aimed at exploring coworking spaces as urban and economic development facilitators. This analysis will include interviews with coworking space managers and/or owners to understand their original motivations and intentions for opening up a coworking space, their choices in terms of selection of location, and their choice in terms of selection of coworkers by a sector or another criterion. The focus on coworking space managers in La Paz will allow the researcher to gather information about their personal experiences and goals, their relationship with the local context, and their perception on the effects of their coworking space on the urban and economic fabric.

4.3. Interviews

Interviews are a useful and logical method for collecting qualitative data (Gray, 2013). Employers, psychologists, researchers, and journalists, amongst others, all use interviews as a preferred method. In academia, it has been suggested that interviews are a useful method to understand individual's complex experiences, differences, contradictions, and similarities; interviews combine individuals' standpoints, perspectives, and opinions into a broader picture (Bennet, 2001). In qualitative research, interviews are the most frequently used method as they are related to "talking and talking is natural" (Doody and Noonan, 2013: 28).

McQuirk and O'Neil (2016) distinguish two types of questions for data collection — closed and open questions. Closed questions often seek quantitative information about respondents' characteristics or attributes such as level of education, income level, and age. The benefits of closed questions, especially when dealing with a large number of data, are that the responses are fairly simple to code and analyze. On the other hand, closed questions are difficult and demanding to design since the researcher must have knowledge of the range of possible answers as to not limit his/her research. Open questions, in general, "have a greater potential to yield the in-depth responses which match the aspiration of qualitative research: to understand how meaning is attached to process and practice" (McGuirk and O'Neil, 2016: 249). Open questions, in opposition to closed questions, of course, offer less structured responses. This gives the respondent the option to provide information in their own style. In this sense, open questions "give voice" to respondents and provides both space and time for "free-form responses" (McGuirk and O'Neil, 2016: 249). Open questions therefore have the potential to provide valuable insights that may or not may not be anticipated. While open questions provide greater potential to in-depth responses, it also requires more effort from respondents while it is

also more time-consuming for both researcher and respondent. As such, open questions are more challenging and time-consuming to analyze than closed questions.

Likewise, in terms of interviews, Doody and Noonan (2013) differentiate three different types of interviews for data collection — structured interviews, unstructured interviews, and semi-structured interviews. Structured interviews contain closed questions that are used with the same wording, ideally with the same tone of voice, and questions are posed in the same order to all participants. The interaction between the interviewer and the respondent is kept to a minimum. As with closed questions, these types of interviews are suggested only to be used by quantitative researchers to collect data for quantitative analysis (Gray, 2013). Structured interviews are easy to code and analyze while it at the same time limits the researcher's subjectivity and bias. Unstructured interviews are suggested to collect data for qualitative analysis (Gray, 2013). Also known as non-directive interviews, they are not entirely devoid of structure; rather, the researcher follows an interview guide which compromises themes rather than specific questions. This provides the researcher to explore an issue or topic while the respondent is able to talk freely about the subject. An unstructured interview is therefore flexible and non-directive which has the potential to yield rich data. However, similar to open questions, unstructured interviews are difficult as it requires good communication and facilitation skills. Furthermore, processing data from unstructured interviews is both time-consuming and effort intensive. As structured and unstructured interviews have their advantages and disadvantages, semi-structured interviews construct an alternative that draws from both interview strategies outlined above. As such, semi-structured interviews are the most common type of interview in qualitative research. In this interview method, a predetermined interview guide is utilized by the researcher to collect similar types of data and to create a sense of order in the data collection. However, the researcher might not deal with all the questions in each interview. As such, researchers are able to seek clarification when needed, explore issues further that may arise spontaneously, or reconnoiter entirely new paths. These interviews are of a conversational or informal character and are therefore suitable for qualitative research that seeks to ascribe subjective meanings that respondents ascribe to concepts or events (Gray, 2013).

4.4. Participant Observation

It has been suggested that participant observation is a suitable method that complements interviews (Laurier, 2016). In essence, participant observation is an "easy" skill which we do as

part of our everyday lives. The skill consists of watching and participating in a specific phenomenon(s) in order to collect fieldnotes (and/or video notes). The fieldnotes encompass commentary, research data — empirical data — that needs to be analyzed in order to understand and make sense of more abstract problems (Laurier, 2016).

Laurier (2016) distinguishes between two types of observation methods: non-participant and participant observation. The former is a common mistake, even by well-qualified social researchers. It consists of observing social or cultural settings with a distance, without interacting. While non-participation ensures a higher degree of objectivity than participant observation, it runs the risk of not understanding complexity and the context of constructed realities. On the other hand, participant observation consists of being part of the phenomenon studied, actively participating in the researched activity. This imposes the risk of the researcher losing her degree of objectivity, while at the same time increasing potential to understand complex cultural and societal processes.

While observing social actors in the context of coworking spaces in La Paz, Bolivia, particular attention was given to themes covered during in the interview guideline. Participant observation has the potential to provide further insights into the social interaction, knowledge exchange, and various projects in the coworking space which might not have been directly articulated in the interviews. Additionally, observing and participating in the specific phenomenon researched might lead to the identification of additional attention-grabbing or key aspects to study which had not been initially considered. As suggested by Cresswell (2007: 138) I attempted to take *descriptive* and *reflective* field notes while participating with the object of study.

4.5. Informal conversations

The interviews and observations were complemented by informal conversations during my visits to coworking spaces. I did not record these conversations as to attempt to maintain the natural situation. Field notes were taken as soon as possible after the conversation in order to further gather empirical data. These informal talks and chats have proved to be valuable and useful in addition to the semi-structured and in-depth interviews. The use of an audio recorder during these informal talks might have distorted the conversation and impeded open, sincere talking.

4.6. Internet Data

Internet data was collected in order to understand and recognize relevant actors in the coworking community in La Paz, Bolivia. This included communication via e-mail, WhatsApp,

Facebook, and Instagram. The collection of internet data has been valuable, insightful, and useful for this project; relevant actors, coworking spaces, and events hosted by them are not always (ironically) accessible to the general public.

5. Empirical Context

Coworking spaces and the way in which they facilitate urban and social innovation with subsequent local economic externalities are explored in the spatial setting of La Paz, Bolivia. In order to understand this, the context of Bolivia and its political capital La Paz, is important.

5.1. Bolivia

Bolivia has a history of great social inequalities and poverty and is considered one of the poorest countries in South America with over a third of the population living below the national poverty line (Landguiden, 2019). The satisfaction of basic necessities has great individual and societal potential for production in that it increases people's capacity to satisfy their own necessities and contribute to Bolivia's economic growth. However, Bolivia has one of the strongest dependencies on commodity and primary goods exports which has led to low value added and little economic diversification. In rural areas, poverty is related to low agricultural productivity, lack of infrastructure and public services, and access to markets (Peñaranda, 2019). In urban areas on the other hand, poverty is related to low quality employment and reduced income levels (UNICEF Bolivia, 2003).

5.2. Bolivia's micro and small-scale enterprises

During the second half of the 1980s, the Bolivian economy introduced a structural reform program and experienced stable and moderate economic growth (Jemio and Choque, 2006). During this time period, previously main state enterprises were privatized. As a result of this process, public employment within the urban labor force decreased from 20 percent to 12 percent in less than fifteen years. This caused a reallocation of public labor into the private sphere (Jemio, 2000). As a consequence, micro and small-scale enterprises incorporated most released labor as entrepreneurs or employees. Today, micro and small-scale enterprises account for the vast majority of all enterprises in Bolivia (Vega, 2010).

However, Bolivia has one of the world's largest informal economies with a total of 62.3 percent of the private sector workforce in this category, according to a recent International Monetary Fund (IMF) report (Medina and Schneiderlin, 2019). However, the majority of micro and small-

scale enterprises in Bolivia are comprised of subsistence enterprises in the informal economy. These micro and small-scale enterprises have little chance of improving their productivity, its human capital, or access to credit and technology (Borda and Ramirez, 2006). However, these subsistence enterprises are an important tool in fighting unemployment and research suggests considering subsistence micro and small-scale enterprises as part of a poverty reduction strategy (Borda and Ramirez, 2006). Subsistence enterprises are labor intensive establishments and stand in contrast to productive micro and small-scale enterprises with growth potential (Jemio and Choque, 2006). As such, micro and small-scale productive enterprises should be considered as potential originators and engines of economic development and growth.

5.3. La Paz

La Paz is Bolivia's political, administrative, cultural and economic center contributing to nearly ½ of the country's Gross Domestic Product (GDP) together with Santa Cruz (Méndez, 2013). As is typical of the region, La Paz is highly unequal in terms of wealth. Socio-economic status with ethnicity and culture unofficially demarcates different neighborhoods in the city. The more affluent neighborhoods are found in Zona Sur which is located in the lower and southern part of the city, and therefore is a warmer area of the city. Zona Sur is predominantly a residential and commercial area, characterized by a tranquil environment. The business district, government offices, embassies and universities are mainly located in the center of the city. Here, various bohemian bars, cafés, brew pubs and upscale restaurants have opened alongside colonial buildings, towering modern apartments blocks and well-kept plazas. The slopes of the valley stretching up north of the city are characterized by informal urban sprawl as a result of the rural-urban migration La Paz and El Alto experienced in the 1980s and 1990s (Andersen, 2002). The north of La Paz is characterized as popular and informal, and the people living there are generally assumed to be of lower socio-economic status, generating the local axiom "the higher you live, the poorer you are" (Maclean, 2018: 715). However, these areas in the north of La Paz are also characterized by commerce — from huge markets for clothes in Garita, to fruit and vegetables markets in places such as Max Paredes, to contraband movies and imported electronics in Uyustus. While poverty and vulnerability are indeed prevalent in these areas, they harbor substantial wealth as well (Maclean, 2018).

Over the last decade, possible by relative political, economic and social stability in Bolivia, investments by government and municipal administrations in transportation connections have been developed across these vastly different areas of the city; connecting areas of the city not

only separated by distance, but also by significant altitude, affluence, and ethos. In 2014, the Government invested in a cable car system (Mi Teléferico) which connects from the high-altitude city of El Alto to Zona Sur via stations in the city center. The same year as the cable car system opened, the municipal administration of La Paz implemented the Puma Katari bus transit system which connects Zona Sur with the city center. The Puma Katari connections are limited, however, but the rapidity and mobility in which one can traverse the city has changed. The implementation of the cable car system and the public bus transit system has eased practical considerations when traveling the city. Furthermore, however, the realization of public transport has had even more far-reaching implications in the spaces in which people feel entitled to access (Maclean, 2018).

6. Empirical Findings

Interviews were conducted with 11 interviewees who hold significant positions at coworking spaces, either as the coworking space owner/founder or as the coworking space manager in charge of day-to-day activities. The interviews were conducted between October and November 2019. The shortest interview lasted 18 minutes while the longest lasted an hour and 10 minutes. On average, the interviews lasted 35 minutes. Interviews were conducted in both English and Spanish. All the interviews were recorded, transcribed, and in cases where the interviews were conducted in Spanish, transcripts were produced using a software program. These audio recordings were then listened to in conjunction with the transcripts to validate and self-edit errors or mistakes that might have been transcribed. Key sections of the transcripts were then translated to English for the usage in this paper.

Table 1. Interviewees and their related coworking space

Coworking Space	Name	Position	Language
Annex	Roxana Cronenbold	Manager	English
Bolivia National Chamber of Commerce of La Paz (CNC) Juan Valdés Café Cowork and Business Center	Galia Gonzales	Manager	Spanish
Co Marca Cowork	Carla Valencia Machado	Owner	Spanish
Cowork Café	Roberto Casanovas	Franchise owner	Spanish
Cowork Sopocachi	Romulo Vargas Betancourt	Owner	Spanish
Kilometro 0	Boris Alarcón	Owner	Spanish
Link Cowork	Andres Quintanilla	Owner	Spanish
Network	Luciana Cordova	Owner	English
Prowork	Carla de Salas	Owner	Spanish
Selina	Canela Ugalde	Manager	English
Squemas	Francisco Cerruti	Owner	Spanish

Source: Author.

Research question 1: *Where are the main locations of coworking spaces in La Paz?*

Coworking spaces in La Paz were identified by the author in their most comprehensive definition, that is: a shared workspace with easy in-out contractual conditions and that in some cases offer a set of relating facilities and amenities to its users such as meeting rooms, trainings, seminars, workshops, and acceleration and incubation programs for start-ups and entrepreneurs. In Bolivia, coworking spaces are specifically concentrated in large urban areas such as Santa Cruz, Cochabamba and La Paz. In this context, as interviews demonstrated, La Paz attracted coworking spaces because it is an urban area characterized by its dynamic socioeconomic and spatial system, particularly within the sector of knowledge-based, creative and digital industries which lacked affordable and conveniently located workspaces in the city. As confirmed by the interviews, nearly all coworking space owners or managers stressed the

importance of their space in satisfying a local need as well as a demand for affordable and flexible workspaces. “We work with many technology freelancers… we saw that there was no space for them” (Interview with Andres Quintanilla). “I wanted to start my own business… I had a lot of ideas with friends and we didn’t have a space to work them out… we spent a lot of time in cafés, at our homes, but it wasn’t the right place, you know?” (Interview with Luciana Cordova). “We were a group of initial friends who worked from home and it was very complicated… you don’t have the seriousness, formality or the environment” (Interview with Carla Valencia Machado). Or “everything is included, water, light, internet, everything that a customer needs is included in the price of the office or the workstation. That’s not the case in private offices” (Interview with Roxana Cronenbold). As such, the rise of coworking spaces in La Paz is recent. The first coworking spaces opened in 2014 (Cowork Café and Squemas) with a proliferation of coworking spaces opening up in 2018 (see Table 2). As of December 2019, 11 coworking spaces were identified in La Paz by the author based on the above definition.

As mapping showed, the coworking spaces are agglomerated in two different parts of the city. One agglomeration exists in the southern part of the city, in San Miguel, while the other agglomeration exists in the city center. The two main agglomerations are characterized by good public transport accessibility, particularly with the cable car system which has facilitated network creations and movements (Maclean 2019), availability and affordability of space, high urban density (both in terms of inhabitants and firms), a functional mix, and market size and potential. The location factors presented have been confirmed by the majority of the coworking space owners and managers who were interviewed during field research. “The center is very chaotic… [San Miguel] is very quiet and accessible… economically accessible” (Interview with Carla Valencia). “You have a lot of people in Zona Sur, you have a lot of young people in Zona Sur, and you have a lot of young people trying to begin with a start-up [in Zona Sur]” (Interview with Luciana Cordova). “San Miguel… is an area of medium to high income and we thought we were going to have an interesting market for entrepreneurs” (Interview with Roberto Casanovas). “In the center we are very close to ministries, the banks, for example… developer people… the idea is to have a space very close to the center of these institutions” (Interview with Andres Quintanilla). Or “we are in a geographical location by the cable car and it’s very easy to access. That is a very large competitive advantage” (Interview with Romulo Vargas Betancourt). Nevertheless, the location of coworking spaces in La Paz may also be related to convenient or opportune location factors such as the personal preferences of the coworking space founder for that specific neighborhood, proximity to where the owner currently lives, or access to space

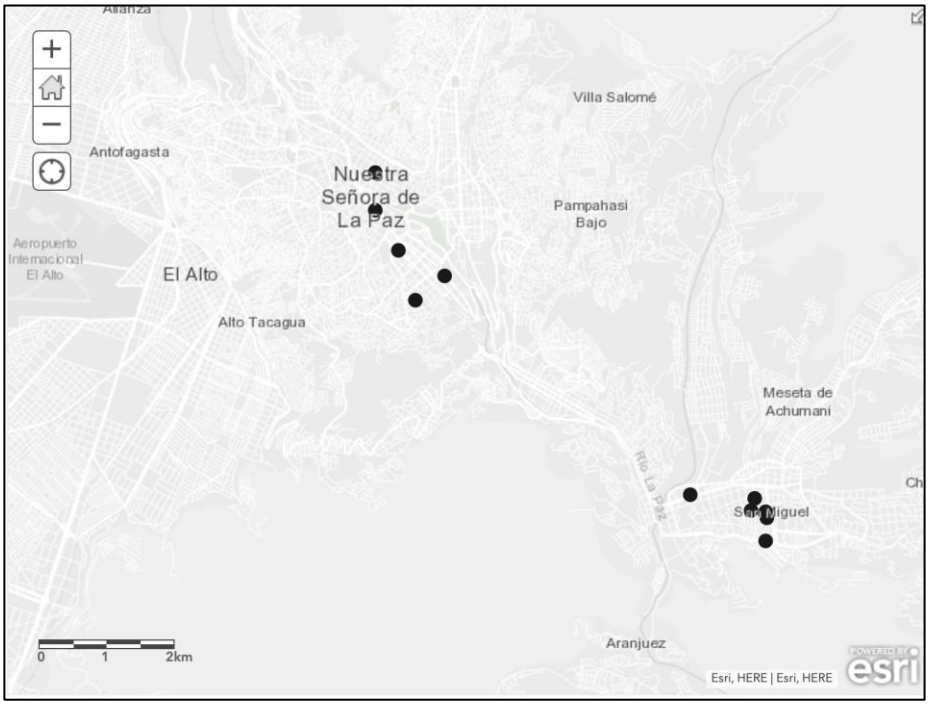
through family-ties as highlighted by the in-depth and semi-structured interviews with coworking space owners and managers.

Table 2. Coworking spaces and year opened in La Paz

Coworking Space	Year Opened
Cowork Café	2014
Squemas Cowork	2014
Annex Cowork	2018
Co Marca Cowork	2018
Cowork Sopocachi	2018
Link Cowork	2018
Network	2018
Selina	2018
Prowork	2018
Kilometro 0	2018
Business Center & Cowork (CNC – Bolivia)	2019
	TOTAL: **11**

Source: Author.

Figure 2. Map displaying the distribution of the coworking spaces in La Paz, Bolivia



Source: Author

The two areas of concentration are related to two main commercial areas of the city, San Miguel and the city center, as well as to the main infrastructural and transportation axes, specifically the cable car system that was implemented in La Paz in 2014.

In a city like La Paz where public transportation is a recent phenomenon (although still lacking), the coworking spaces follows the axes of the existing connections, specifically the cable car system.[1] However, the planning system is detached from the production and regulation of coworking spaces. At the moment in Bolivia, as in other countries (see 2Fiorentino 2019), there are no policies that formally acknowledge coworking spaces as any functional real estate typology. As such, different configurations, characteristics, and ownership solutions can be observed in the different coworking spaces in La Paz. The on-site-visits and in-depth semi-structured interviews with coworking space owners and managers has shown that there exist different ownership typologies of coworking spaces. The next section will identify the different solutions found in La Paz. This sheds light on the coworking spaces target users and the embeddedness of the coworking space in the surrounding local context.

As mentioned previously, the lack of regulations for coworking spaces has stimulated different typologies of coworking spaces in La Paz in terms of formal management arrangements and ownership solutions of the properties. 4 possible ownership scenarios have been identified which emerged from the interviews and on-site visits:

(1) Coworking space privately rented or owned by coworking space proprietor or manager; these spaces provide regular office equipment and offer educational or training programs, events, and workshops. These spaces typically offer complementary services such free coffee or tea as well as mailing services. One privately owned coworking space offered an in-house café and restaurant.

(2) Coworking space part of a larger coworking and hospitality chain; coworking space which exists as part of a global coworking and hospitality chain. This space provides regular office equipment in addition to co-living accommodation, a café and restaurant, a volunteering program, and leisure events such as yoga and dance classes.

(3) Coworking space set up as franchise; Coworking space as part of a franchise business model in which the franchise owner is entitled to the franchisor's proprietary knowledge,

[1] Public transportation here refers to public or privately-run transportation operations with a set route and a set timetable. This includes, for example, rail, metro, bus, tram and cable car networks. In La Paz the vast majority of transportation is collective passenger transport. This includes car-sharing or car-pooling with cars (trufis) and/or minibuses. Two modes of public transportation exist in La Paz. This includes the cable car system as well as a bus network known as the Puma Katari run by the municipal government.

activities, and trademarks in order to sell the product under the business' name. In the case of La Paz, the franchise offers an in-house café in addition to a coworking space.

(4) Coworking space rented or owned by local authority; Coworking space set up institutionally and, in La Paz, linked to the National Chamber of Commerce of La Paz and partnered with Juan Valdéz café which offers an in-house café.

The lack of regulations regarding coworking spaces in La Paz has stimulated a variety of different scenarios in terms of ownership of the space and formal management. A large majority of coworking spaces (≈ 82%) are funded privately and are owned by local private proprietors. This can be characterized as a bottom-up approach in terms of ownership solutions. Only in one case, the National Chamber of Commerce of La Paz, can a coworking space be characterized by a top-down approach. However, this array of ownership solutions (and private proprietors being a driving force in opening up coworking spaces) demonstrates a certain of degree of fragmentation within the coworking space organization in La Paz as well as a level of bottom-up initiatives. The coworking spaces, and thus also the start-up scene in La Paz, lacks cohesion.

Research question 2: To what extent do coworking spaces generate transformative effects on the local respectively the urban scale?

As mentioned previously, the knowledge-based, creative, and digital economy is precarious and is associated with high risks, low profitability, and unpredictable work security (Gandini, 2015; Gill and Pratt, 2008; Pratt, 2008; Grugulis and Stoyanova, 2011). As such, the proliferation and realization of coworking spaces related to the growth in the knowledge-based, creative, and digital economy should not be taken for granted. While benefits have been demonstrated to arise from coworking spaces, specifically in terms of proximity and its role in facilitating tacit knowledge, this is not automatically projected onto the local nor urban scale. However, following Mariotti et al. (2017) specific local and urban effects can be derived from the proliferation of coworking spaces.

Research has demonstrated that it is rather difficult to develop criteria from the literature on this analysis on knowledge-based, creative and digital economies and the city, or on the relationship between the cultural economy and urban spaces (Pratt, 2011; Scott, 2014), because, as Mariotti et al. (2014) pointed out, both authors and literatures adopt a much wider perspective on the matter. Nevertheless, urban effects can be defined as "the ability… [coworking spaces] may or may not have to positively affect the actual contexts in which they

are located, in terms of community building (not just within the workspaces), improvement of surrounding public space, and ultimately urban revitalization" (Mariotti et al. 2014: 57). As such, we can consider the different scales (local and urban) at which effects are palpable and the association between spatial context and developing practices. From the on-site and in-depth semi-structured interviews, three categorizations of coworking spaces emerged as distinct physical characteristics in La Paz:

(1) Large, complex and typically hybrid spaces; these spaces accommodate a variety of different spaces and seats (i.e. private offices, dedicated desks, meeting rooms) and in a majority of the cases additional facilities open to coworkers and the external community (i.e. kitchens, yoga studios, video conference rooms, podcasting rooms). Coworking spaces included here are Co Marca Cowork, Network, Annex, and Squemas.

(2) Smaller, "office-like" spaces; these coworking spaces offer a more limited amount of space, seats, and facilities. Coworking spaces included here are Cowork Sopocachi, CNC Juan Valdez Café Cowork and Business Center, and Prowork

(3) Mixed use spaces; these coworking spaces are more mixed spaces in terms of both spaces and practices housed in the space. (i.e. cafés, restaurants, co-living accommodation). Coworking spaces included here are Cowork Café, Selina, and Kilometro 0.

The fundamental goal of coworking spaces is to be transparent, open, accessible, and provide a collaborative working environment in order to foster a community (Moriset, 2013; Spinuzzi, 2012). This stands in stark contrast to "traditional" workspaces that usually are characterized as closed, exclusive, and to some extent, detached from the urban environment in which they are situated. As such, an inherent tension in La Paz has been distinguished: some coworking spaces, specifically the smaller "office-like" spaces, are closed and secluded from other urban spaces because they are generally devoted to a specific activity. "Coworking spaces are normally used by entrepreneurs, young people, millennials. Not this one. This cowork has been designed for executives… few people know it" (Interview with Carla de Salas). This leads to these coworking spaces being, to an extent, "invisible." Conversely, most larger coworking spaces and the one's characterized as more mixed spaces tend to be more open to interactions with both workers in the knowledge-based, creative, and digital economy and the urban context, both physically and in terms of use. This makes these larger coworking spaces more visible. On the one hand, the more visible coworking spaces are able to offer a variety of facilities to their coworkers and to the external community. These coworking spaces tend to organize events such as accelerator

and incubator programs, workshops, trainings, or cultural events open to the local and/or external community. In these coworking spaces, the benefits of proximity demonstrated potential spillover effects to a larger community. On the other hand, in the small "office-like" coworking spaces, the benefits of proximity tend to remain limited to those few who work in that specific workspace within a particular field of expertise.

One of the aims of the interviews with the coworking space owners and managers was intended at gaining a deeper understanding regarding the relationship between the coworking space and the local area in which they were situated. For example, had there been any explicit actions on their part to strengthen the relationship with the local community and to "root" their presence into the neighborhood? Or if the coworking space owners and managers had sensed any positive externalities as a result of their presence and actions? Here, the aim of the interviews was focused on social relations, as well as community building on the local level. At this local scale, the effects of coworking spaces are mainly related to their temporary transformation of public space through practices. For example, this includes the creation of "new" spaces for work, leisure, and cultural and creative activities such as workshops, trainings, accelerator and incubation programs hosted in the larger coworking spaces. This is the case of Network, Co Marca Cowork in San Miguel as well as Link Cowork and Squemas in the city center. Or specialty coffee, gastronomic experiences, and live music, for example, offered in the more mixed coworking spaces which are more articulated in both functions and services. This is the case of Cowork Café in San Miguel, as well as Selina and Kilometro 0 in the city center. As such, the proliferation of coworking spaces can in most cases be seen as micro-urban transformations in both spaces and practices. In terms of micro-urban transformations of space, coworking spaces have contributed on the local neighborhood through the revitalization of old, or empty buildings and spaces. In terms of micro-urban transformation of practices, coworking spaces also contributed on the local scale by adding to the daily and weekly cycles of use in the local area. This is done by the evening and night activities hosted by coworking spaces which previously had a limited occurrence in the local area. An example is Selina — a hospitality and coworking chain — which offers co-living accommodation in addition to hosting workshops, volunteer programs, and "cultural acts" aimed at their guests and the local community (Interview with Canela Ugalde). As such, the actor strengthens mini clusters of creative and cultural productions while also contributing and participating in the strengthening of community ties at the local, neighborhood level. As one coworking space owner put it: "[We have become] a place of reference to the neighbors" (Interview with Roberto Casanovas). Additional local effects that

have been observed by previous research included boosting traditional services (see Fiorentino, 2019) such as retail and commercial services through business discount schemes. However, these additional local effects through local business discount schemes do not exist at any larger scale in La Paz. Nevertheless, a limited number of coworking spaces have partnered with local cafés to provide their services in-house.

The other aim of the interviews was to question to what extent coworking spaces effect the urban scale. The effects of coworking spaces on the local scale are rather clear but are partially uncertain on the urban scale. The effects on the urban scale are difficult to be identified because of the complexity of other spatial and socioeconomic dynamics. However, spatial effects are documented in the location of coworking spaces in central commercial, business, and high urban density (both in terms of population and businesses) districts.

The effects of coworking spaces on the urban scale can also be related to their practices. In the case of La Paz, this is manifested in the organization of daily, weekly, monthly, or even yearly events and the dedication of one coworking space to the growth of an international coworking space network. However, these events and networks are almost exclusively dedicated to local urban communities, and often aimed at communities in the knowledge-based, creative, and digital economy. The contribution or dedication of coworking spaces to the development of innovative city services (see Maritotti et al., 2017), for example, has not been observed in La Paz.

Research question 3: *How do coworking spaces create potential opportunities for local economic development?*

As highlighted by the previous sections, different typologies of coworking spaces exist in terms of ownership solutions and in terms of physical space. Drawing on Fiorentino (2019: 1777-1778) the variety of typologies in terms of their role in the creation of new opportunities for local economic development can be related or categorized in terms of potential impact generated on local economic development.

The first type of coworking spaces can be defined as “social entrepreneurship and start-up incubators.” These spaces seek to support the knowledge-based, creative, and digital entrepreneurial class while also encouraging social innovative activities and social entrepreneurship. At the same time, these coworking spaces are attempting to make innovative spaces accessible to a larger segment of the population. These spaces tend to demonstrate a deeper concern for local and urban social issues, especially through activities and events as well as through their business philosophy which in turn attracts particular groups of coworkers,

businesses, or crowds from the external community. These spaces tend to host trainings, workshops, demo days and accelerator and incubation programs for entrepreneurs and start-ups. Accordingly, these coworking spaces play an educational and social role. Coworking spaces that can be categorized as "social entreprenuership and start-up incubators" include Co Marca Cowork, Network, Link Cowork, Squemas, and Selina.

The second type of coworking spaces can be defined as "coffee and cowork incubators." These coworking spaces have combined their coworking space with a café or coffee shop. While most coworking spaces offer coffee or tea to their users (often free of charge), these coworking spaces have specifically partnered with an external café, as in the case with the Bolivian National Chamber of Commerce of La Paz who has partnered with Juan Valdez Café, or have optioned to have their own in-house café such as Kilometro 0 and Café Cowork. These two latter coworking spaces offer a concept including specialty coffee and a gastronomic experience, in addition to shared workspaces. These coworking spaces have therefore done coworking slightly differently than the conventional or "traditional" interpretation of a coworking space; rather than a coworking space that offers coffee as a complementary service, these coworking spaces claim to be cafés with shared workspaces. These spaces cater specifically to people who need a space to work, without necessarily being exclusively an office nor a simple café. As far as cafés and restaurants are concerned, these coworking spaces contribute to local economic development in this particular industry. However, the risk with these coworking spaces is that they simply become "drop-in offices" where collaboration and the sharing of knowledge becomes "accidental." Nevertheless, as one coworking café owner put it: "we're contributing to a business environment" (Interview with Roberto Casanovas).

The third type of coworking spaces can be defined as "real estate business incubators." This is highlighted by one coworking space owner who said: "We have invested in an office space and we have allocated it to a cowork, but for us it is a real estate business" (Interview with Carla de Salas). These coworking spaces are more of a commercial product responding to the market demand for flexible office spaces. These spaces offer shared office spaces with available desks in order to cater to a particular niche in the local economy. This is a more flexible solution to short-term businesses and as such tend to be more expensive. While small, niche local companies utilize the spaces available at Cowork Sopocachi, for example, larger international brands tend to occupy the spaces at Annex Cowork and Prowork (e.g. Microsoft, PedidosYa or Gurusoft). Coworking spaces that can be categorized as "real estate business incubators" include Cowork Sopocachi, Annex Cowork, and Prowork.

As highlighted by these three different typologies of coworking spaces, the structure of network is imperative for coworking spaces to create potential opportunities for local economic development. In general, however, coworking spaces help contemporary entrepreneurs and freelancers to fight and overcome increased labor insecurities — self-employment and freelance work tends to be characterized by high risks of precariousness, low profitability, and unpredictable work (Moriset, 2013; Gandini, 2015). The average users in La Paz tend to be start-uppers and young professionals with university degrees and freelancers in the knowledge-based, creative, and digital industries. Their main reason for choosing a coworking space is the affordability of space, allowing room for flexibility, and increased productivity compared to working from home or in a café. Additionally, coworking spaces are facilitators of formalization of knowledge-based, creative, and digital businesses in La Paz by offering to register the business' fiscal address at the coworking space while also offering receiving and sending correspondence (Interview with Carla de Salas; Roxana Cronenbold). While bureaucratic obstacles still hinder Bolivian entrepreneurs to fully go through with formalizing their business legally, coworking spaces are an initial way to formalize businesses in La Paz by contributing to a professional environment in which professional addresses can be set up at the same time as meetings can be held outside of homes, coffee shops or hotel lobbies.

Furthermore, coworking spaces create potential opportunities for local development through the empowerment of women by providing available, accessible, and affordable workspaces as well as hosting accelerator and incubation programs, seminars, workshops, and trainings specifically targeted at female entrepreneurs and female-led start-ups. Co Marca Cowork, for example, has attempted to create "a community for women… accompanied with academic empowerment [and] business entrepreneurship" while they also "have launched a new product… an experimental methodology to be able to make an incubator and accelerator program for entrepreneurs" (Interview with Carla Valencia Machado). As another coworking space owner put it: "we started working with a lot of events… it's been good as well because it is moving other kind of social and economic things. And I think it [the coworking space] is already a point of reference for women, for businesswomen" (Interview with Luciana Cordova). Or "we really believe that they [women] can develop their ideas here" (Interview with Andres Quintanilla).

In Bolivia as a whole, women experience systematic disadvantages when it comes to work and employment. This is a result of historic values where women stayed at home to run the household and to raise children. According to the latest population census, conducted in 2012,

“the labor market participation rate is lower for women than for men in a large majority of Bolivian municipalities” (Andersen and Munk, 2019). Furthermore, data from household surveys demonstrate that women systematically earn less than men per hour worked, even when holding the same levels of education. However, facilitating and encouraging women to participate to a greater extent in the labor market is imperative for several reasons. First, the participation of women in the labor market contributes to higher economic growth of the country. However, this is largely because their work at home is not counted in GDP. Secondly, participating in the labor market empowers women’s decision-making power and empowers women to earn their own income. Third, participating in the labor market increases social and human capital which also helps empowering women (Andersen and Munk, 2019). As such, coworking spaces contribute to the building of social capital or “resources embedded in social networks and social relations” (Lin and Erickson, 2008: 4). That is, social capital incorporates developing and maintaining social relationships that form connections between or among individuals. These connections among individuals form social networks from which norms of reciprocity and trustworthiness arise (Putnam, 2000). Additionally, coworking spaces contribute to the formation of human capital or “the stock of skills that the labor force possesses” (Goldin, 2016: 55). As such, local investment in the formation of social and human capital, knowledge exchange, and innovation within coworking spaces has the potential to contribute to local economic development.

7. Conclusions

While reflecting on the coworking spaces in La Paz, we need to place them in perspective. As such, we need to read the effects of coworking spaces in La Paz against a wider background. The coworking spaces in La Paz are practically exclusively based on bottom-up initiatives and ownerships from locals who have a connection to the city. Only in one case — the Bolivian National Chamber of Commerce of La Paz— had a public local authority opened up or invested in a coworking space. Direct investments from large corporate actors were not found in La Paz. As such, coworking spaces have yet to become a well-recognizable structure of spaces within the cultural and socioeconomic dynamics of the city as they demonstrated a degree of fragmentation as well as a level of bottom-up initiatives. In the city, the coworking culture has yet to take off. “There are many people who come for the first time and ask, “what is a cowork space?” (interview with Francisco Cerruti). “Everyone in Bolivia wants to be in a private office” (Interview with Romulo Betancourt). Or “most people like to keep their ideas confidential”

(Interview with Galia Gonzales)." To this end, it is too early to evaluate whether this grassroot, bottom-up initiative, and small-scale dimension of coworking spaces will continue to be the characterizing element in the future. As the phenomenon has potential to grow, coworking spaces have the conceivable reality of becoming mainstream. This could change the dynamic which coworking spaces are currently experiencing. Nevertheless, the dynamic of coworking spaces in La Paz seems to be context specific. In other countries, especially in Europe and North America, but with growing interest and implementation in Latin America, large multinational corporations, real estate developers, and large international and national ICT corporations are investing money in coworking spaces. This is done to increase their public profile, experiment with open innovation, and attempting to tap into the local entrepreneurial ecosystem to enhance their feel for market needs as well as to monitor bottom up initiatives and innovations (Moriset, 2013).

Furthermore, the empirical analysis identified coworking spaces localization factors and their local and urban effects as well as their role in the creation of new opportunities for local economic development. Since the coworking culture has yet to take off and the existing coworking spaces are a recent phenomenon, location determinants were found to be transportation accessibility, availability and affordability of space, and market size and potential. In addition, convenient or opportune location factors such as "personal" considerations also played a role in the localization of coworking spaces in La Paz. Furthermore, the bottom-up initiative regarding coworking spaces experienced in La Paz has stimulated the emergence of a variety of ownership solutions. The first ownership solution is coworking spaces privately rented out or owned by coworking space proprietor or manager. Secondly, coworking space part of a larger coworking and hospitality chain. Third, coworking space set up as a franchise. Fourth, coworking space rented or owned by local authority.

Additionally, the semi-structured and in-depth face-to-face interviews with 11 coworking spaces owners or managers, in addition to participant observation, informal conversations and internet data, demonstrated that coworking spaces generate transformative practices on the local and urban scale. This was specifically established through the daily, weekly, or monthly cycles of use at different scales. In the La Paz case, the effects produced by coworking spaces in their local context are clearer than at the urban scale. The ability of these coworking spaces to influence the local and urban scale rests on their understanding that coworking spaces need to go beyond simply offering a desk, Wi-Fi, and coffee. The coworking spaces that influenced their neighborhoods and the city have taken it a step further and are characterized by life and activity.

This understanding attracts coworkers which creates micro-economies for the entrepreneurs who utilize the coworking space as well as micro-urban transformations in both spaces and practices.

Lastly, this paper analyzed the different typologies of coworking spaces in La Paz, focusing on their role in the creation of potential new opportunities in the local economy. The first typology is referred to as "social and start-up incubators." These coworking spaces put forwards claims for social entrepreneurship and social innovation, participating openly and actively to fight social inclusion issues and unemployment rates, for example. The second type of coworking spaces, "coffee and cowork incubators," may share concerns regarding local economic development and growth of the city and do so by attempting to offer a niche in the market for people who want a shared workspace that is not necessarily an office nor a simple café. However, there is a risk that these spaces specifically become "drop-in offices" where face-to-face professional interactions are relatively low and of general "accidental" nature (Moriset, 2013). The third type of coworking space, "real estate business incubators" are commercial products, merely responding to the market demand for flexible office spaces. These spaces do not participate as much in the socio-economic life of the city, but demonstrated that the knowledge-based, creative, and digital economy along with the entrepreneurial ecosystem is impacting real estate, and office property, market trends.

Yet, it is still too early to analyze the effects of these coworking spaces to any larger degree. This is because a longer time frame is needed for coworking spaces to form an inclusive and shared public space in La Paz. However, the development of hybrid, innovative, and independent spaces is a process in the making. The openness towards different users, cultural events (such as live music or yoga), and the mix of working with leisure activities presented in this paper are all part of this process. As such, this analysis of coworking spaces in La Paz has demonstrated that the growth in ICT and knowledge-based, creative and digital economy is affecting people's lives and their jobs. However, as pointed out by Mariotti et al. (2017: 62) "the actual relations between innovative technologies and new urban forms are still weak." However, because this research investigated a series of coworking spaces in La Paz, Bolivia, result may not be widely recognizable beyond the economic region in which they were studied. However, the coworking configuration in La Paz, Bolivia, is still so new that information generated should be of interest to multiple stakeholders, including local and regional economic policy makers. Additionally, the study results may be useful to all those who study entrepreneurship, innovation, local economic development, social networks, or the formation of social and human capital.

What's next? Looking beyond coworking spaces, this research suggests that the structure of network is influential for the locus of innovation and local economic development. However, no consensus exists whether the "locus of innovation" resides in individuals, firms, or networks, and if the network is key to innovation, especially a more "open source", collaborative network, what is the most appropriate "form" for this particular kind of network? (Ahuja, 2000; Chesbrough and Bogers, 2014; Powell, Koput and Smith-Doer, 1996). Further investigating coworking spaces and its collaborative approach to innovation or venture creation through case studies may further develop theory around this important question.

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