

# The role of coproduction and social innovation in a cooperative organization: a case study

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**Abstract.** Social innovation and sustainable development are two core principles of the cooperative movement. Due to their local embeddedness and organizational hybridity cooperatives are in the best position to gather the needs of the local communities and implement services that respond in sustainable and innovative ways to the critical issues detected locally. The research question the paper intends to investigate is whether and how combining the cooperatives' local embeddedness with the adoption of strategies for the involvement of the beneficiaries as coproducers, can influence the success of local social innovation initiatives. The paper tries to answer this research question based on a single embedded case study concerning a multi-service Italian cooperative. More specifically, the paper discusses two initiatives that, in the development of innovative social housing projects, involved some of the beneficiaries in the delivery of various welfare services to the residents of the complex in which they also live and to the local community. Through interviews with key members of the cooperative and document analysis, we found that the adoption of a coproduction strategy played a positive role for the success of the cooperative's social innovation projects.

**Keywords:** cooperatives, social innovation, social housing, coproduction

## 1 Introduction

As actors of the Social and Solidarity Economy, cooperative enterprises are characterized by “collective ownership of institutions which aim to transform labor relations, promote participative democracy, and design new wealth-sharing arrangements” [1, p. 8]. They are organizations that “follow social solidarity principles of pursuing social, environmental and redistributive justice through cooperative, associative and solidarity relations” (ibidem). This is what makes cooperative different from typical profit-oriented organizations. However, cooperatives are enterprises and, as such, besides pursuing social goals, focusing on democratic values and principles such as solidarity, equality and inclusion [2], cooperatives also pursue business goals. This is what makes cooperative different from the non-for-profit organizations. By combining the social orientation of the Social and Solidarity Economy organizations

and the business orientation of enterprises, cooperatives are hybrid organizations and this property of cooperatives has relevant implications for their role as actors of social innovation and local sustainable development.

In organizational studies, hybridity refers to the coexistence within the same organization of different (sometimes even conflicting) institutional logics, typically related to the public, private or third-sector domain [3-5]. Organizational hybridity is one of the main characteristics of cooperatives that “pursue multiple goals rather than having a single purpose. In fact, their very *raison d’être* is to pursue both economic and social goals” [6, p. 85]. For cooperatives, the coexistence of plural logics is a permanent phenomenon [7-9]. It represents a positive aspect [10], since “operating in institutional interstices and combining multiple logics (i.e. considering and adhering to multiple prescriptions) might open up opportunities, as organizations can access broader sets of resources and expand their practices, which allows them to be innovative, to create new products and services and to pioneer new ways of organizing” [8, p. 715].

Social innovation and sustainable development are two core principles of the cooperative movement since, as value-based and principle driven organizations, cooperative enterprises are by nature a sustainable and participatory form of business [11]. According to principle 7 of the International Cooperative Alliance *Guidance Notes to the Co-operative Principles* [12], cooperatives “emerge from and are rooted in the communities in which they conduct their business operations. Their success is based on their ability to support those communities to develop in a sustainable way” (p. 85). The local embeddedness and the hybrid nature of cooperatives, make this specific type of enterprise particularly fit for understanding local needs and responding in a quick and dynamic way to the socio-economic and educational problems of their communities, which traditional public interventions struggle to solve. Hence, while maintaining a strong business orientation that makes them also a relevant economic actor, cooperatives can play a fundamental role for local sustainable development and social innovation.

Key to understanding and answering to local needs through innovative service solutions best suited to the local context is the direct involvement of the users in the design, implementation and evaluation of the services delivered. From this point of view, it is possible to hypothesize a virtuous cycle from listening to the local context, gathering the service needs of the local communities, identifying coproduction paths for services design, to the implementation of services that respond to the critical issues detected in sustainable and innovative ways.

The research question the paper intends to explore is whether and how combining the local embeddedness typical of the cooperative enterprises with the adoption of strategies for the involvement of the beneficiaries as coproducers, can influence the success of local social innovation initiatives.

To answer this research question, a single embedded case study was carried out through in-depth interviews with key members of the cooperative and the analysis of documents available on the cooperative website. The case study concerned a multi-service cooperative operating in the North of Italy that developed a local welfare model capable of satisfying social, economic and educational needs of the community in which it operates. More specifically, in the development of an innovative social housing project, the cooperative implemented a coproduction strategy to involve the

beneficiaries of the project in the delivery of various welfare services to the residents of the complex in which they also live and to the surrounding community as well.

The paper proceeds as follows. The next section presents a selective survey of the literature on social innovation and coproduction, with a specific focus on cooperative organizations. The section that follows describes the methodology used for the research that has been based on the triangulation between the information acquired during the interviews and the results of analysis of the documents describing the cooperative's projects. A detailed description of the case follows, with a specific focus on two initiatives implemented by the cooperative within its social housing projects: the "Conscious Students" (*studenti consapevoli* in Italian) and "Conscious Families" (*famiglie consapevoli*). These initiatives are discussed in detail with the aim of highlighting their peculiarities with respect to social innovation and coproduction. Finally, some general conclusions are drawn from the exemplar case, some limitations of the study are indicated as well as some future research directions.

## 2 Social innovation in cooperative enterprises

According to the United Nations Industrial Development Organization (UNIDO), social innovation "refers to a novel solution to a social problem that is more effective, efficient, sustainable, or just than current solutions. The value of social innovations accrues primarily to society rather than to individuals" [13, p. 13]. Mulgan, Ali, Halkett e Sanders define social innovation as "the development and implementation of new ideas (products, services and models) to meet social needs" [14, p. 9]. Social innovation amounts to a "complex process of introducing new products, processes or programs that profoundly change the basic routines, resource and authority flows, or beliefs of the social system in which the innovation occurs" [15, p. 2]. In more general terms, Moulaert and MacCallum [16] define social innovation as innovation in social relations based on values of solidarity, reciprocity and association and ethical practice for meeting needs, transforming social relations, and collectively empowering communities to shape the future.

At the local level, social innovation rests on two pillars: "institutional innovation (innovation in social relations, innovations in governance including empowerment dynamics) and innovation in the sense of the social economy – i.e. satisfaction of various needs in local communities" [17, p. 2071].

In a systematic review of the literature aimed at clarifying the inspiring but at the same time weakly conceptualized concept of social innovation, Voorberg, Bekkers and Tummers give a more comprehensive definition of social innovation. They define it as "the creation of long-lasting outcomes that aim to address societal needs by fundamentally changing the relationships, positions and rules between the involved stakeholders, through an open process of participation, exchange and collaboration with relevant stakeholders, including end-users, thereby crossing organizational boundaries and jurisdictions [19, p. 1334].

This definition highlights two critical aspects of social innovation. On the one hand, the need to develop collaborative relationships among a plurality of local actors, which is enabled by local embeddedness. In fact, local embeddedness has been discussed in the literature as relevant for both social innovation and social entrepreneurship [20, 21].

Embeddedness can be seen as a process of becoming part of local social structures, which allows understanding local rules, identify social problems and needs, increases the chances of attracting support from local decision makers, access local resource and create value [22, 23]. This gives cooperatives as typical local embedded and hybrid organizations a central role among the actors of social innovation. Indeed, scholars, policy-makers and other stakeholders more and more refer to social innovation as the most valuable outcome of the cooperative movement and, more generally, of the social and solidarity economy organizations [16, 18].

On the other hand, the Voorberg, Bekkers and Tummers' definition of social innovation highlights the need of an open process of participation, exchange and collaboration with relevant stakeholders, including end-users. This aspect has been stressed also by the Bureau of European Policy Advisers of the European Union according to which "social innovation mobilizes each citizen to become an active part of the innovation process" [24, p. 30]. Hence, coproduction plays a role in social innovation [25, 26]. In the public sector, coproduction is considered a form of partnership between those who are professionally responsible for the delivery of services and the end-users of the services delivered. In the public sector literature, "policy makers and politicians consider cocreation/coproduction with citizens as a necessary condition to create innovative public services that actually meet the needs of citizens, given a number of societal challenges, like ageing and urban regeneration (...) hence, cocreation/coproduction seems to be considered as a cornerstone for social innovation in the public sector" [19, p. 1346].

It is quite common to consider public service coproduction as a relation between citizens and public officials. However, in the modern welfare systems in which the delivery of services is often delegated to non-public actors on the basis of the principle of subsidiarity, it is more appropriate to consider coproduction as a relationship "between professionalized service providers (in any sector) and service users or other members of the community, where all parties make substantial resource contributions" [27, p. 847]. This more extensive definition of coproduction cover also cases in which citizens/end-users are actively involved in service delivery in partnership with non-public organizations, such as cooperatives and other social and solidarity economy organizations.

How these organizations can exploit users' coproduction to develop social innovation initiatives is the topic discussed in the following sections, with reference to an exemplar case concerning an Italian cooperative active in the social housing domain. What makes the case particularly interesting is that "housing is an area in which the active involvement of citizens in the provision of services has the potential to enrich individual lifestyles, local communities and the organizations providing housing, regardless of whether public, private for-profit or non-profit" [28, p. 1139].

### **3 Methodological approach**

The research reported in the paper is based on a qualitative exploratory single embedded case study [29] concerning two units of analysis each regarding a particular social innovation project (conscious families and conscious students) carried out by the

cooperative. This frame allows to identify and highlight the role of coproduction for the success of the cooperative's initiatives.

The exploratory study was carried out through in-depth interviews with key members of the cooperative (the chief executive officer, the manager of the facility and the social worker accountable for the projects investigated) and the analysis of documents available on the cooperative website. The interviews have been based on the methodology for semi-structured interviews described in [26] and have been designed with the aim of exploring subjective viewpoints and gather in-depth accounts from the interviewees [27].

The interviews, that lasted about one hour each, took place between January 2020 and June 2020 and have been made by phone by two researchers. At the end of the interviews, the two researchers jointly codified the answers, made them anonymous and analyzed them to elaborate an aggregated synthesis. The researchers then complemented the interviews with the analysis of documents published on the cooperative websites, e.g. the ethic code of the cooperative, the social responsibility reports (2018, 2019), and documents describing the cooperative's projects considered in the paper.

To answer the paper research question, the semi-structured interviews have been designed to investigate different issues:

- the cooperative's attitude toward social innovation
- the role of the cooperative's organizational hybridity to enable and support social innovation initiatives
- how the cooperative implemented a coproduction strategy in its social innovation projects.

Figure 1 below summarizes the sources of our study and some terminology.

## 4 The case study

The Cooperative is a social enterprise that has been active since 1989 in the Milan metropolitan area to offer low cost housing and hosting/tourism services to various categories of people: tourists, students, workers, families, foreigners, children, single parents with their children, and people with disabilities. The Cooperative offers hospitality, social support, education and housing or accommodation for short, medium, and long-term periods. The main mission of the cooperative is to provide temporary housing solutions for vulnerable categories and for the many people who transit through Milan and need accommodation at competitive prices.

The Cooperative defines itself as a hybrid organization. As a social enterprise, the Cooperative pursues social values (integration, relationships, welfare, etc.) but, at the same time, it operates as a genuine enterprise focusing on its capacity to work autonomously, to invest, to develop innovative solutions, to foster professionalism and to guarantee long-term economic sustainability.

Summary of the interviews			Description of recurring terms	
<b>Respondents</b>	Chief executive officer	Manager of the facility Social worker accountable for the projects investigated	<b>Conscious families</b>	Co-creators and co-producers of housing welfare services for the Casa alla Fontana complex
<b>Date of the interview</b>	01/30/2020	06/29/2020	<b>Conscious students</b>	Co-creators and co-producers of housing welfare services for the complex in via Zumbini 6
<b>Topics covered</b>	Hybrid organization of cooperatives Declination and role of social innovation, with a particular focus on co-production Identification of co-production projects within the cooperative	Operations of the "conscious families" and "conscious students" projects	<b>Conscious guests</b>	Co-creators and co-producers of housing welfare services for the two complexes; the term aware guests therefore refers to conscious families and conscious students
<b>Summary of the analysis of secondary sources</b>				
Web page of the La Cordata cooperative website dedicated to the "conscious students" project				
Web page of the La Cordata cooperative website dedicated to the "Zumbini 6" project				
Article of the newspaper "La Stampa" dedicated to the "Zumbini 6" project of the La Cordata cooperative				
Web page of the La Cordata cooperative website dedicated to the "Casa alla Fontana" project				
Web page of the La Cordata cooperative website dedicated to the 2018 Social Report				
Web page of the La Cordata cooperative website dedicated to the 2019 Social Report				
Web page of the La Cordata cooperative website dedicated to the Code of Ethics				
Web page of the La Cordata cooperative website dedicated to Social innovation services				
Web page of the La Cordata cooperative website dedicated to the "QuBi" project				

**Fig. 1.** The sources of the study

The Cooperative has been active in the social housing domain since its foundation in 1989. During the years, the Cooperative developed an innovative social housing model based on the strict interaction between the residents of the social housing complex and the local communities. The Cooperative's social housing initiatives can be considered as social innovation projects because through their implementation and diffusion benefits are obtained for the whole community, mainly in terms of the promotion of social cohesion in the territory and innovative forms of partnership between the public and the private sector on the theme of fair housing with a new social value.

All these elements are present in two recent Cooperative's social housing projects that are particularly interesting because they combine the answer to the community housing needs with the involvement of groups of residents of the social housing complex in the delivery of welfare services to the other residents and to the local communities as well. In implementing these projects, the Cooperative has developed a co-housing communities management model based on social empowerment: promoting housing environments that not only satisfy efficiency conditions but also allow better quality social relationships through the direct involvement of people living in the co-housing complex.

#### 4.1 Coproduction in the Cooperative's social housing projects

In recent years, there has been an increasingly frequent reference to social mix, especially with reference to new housing projects [30], including social housing initiatives, addressing mixed audiences at building level [31]. For urban policymakers,

the social mix, i.e. the proximity among different social groups, can stimulate encounters and interactions which can in turn foster social cohesion through the development of place attachment feelings and the emergence of common norm [32]. The Cooperative's social housing projects are based on a social mix approach both in terms of the variety of the functions included in the building complexes and the variety of the beneficiaries of the social housing projects [33].

Particularly interesting for the present discussion is the inclusion of the so-called "conscious families" and "conscious students" within the projects' target groups. These are beneficiaries of the social housing projects who, based on the co-housing principle considered as a shared conscious living project, decide to live in a supportive housing complex. These beneficiaries, on a voluntary basis, contribute their time, skills, and competences to activate social innovation activities within both the complex and the local communities in exchange for a reduced rent.

### **The "Conscious Families" and "Conscious Students" projects.**

The "Conscious Families" project has been implemented in the Casa la Fontana complex located in the Isola district, while the "Conscious Students" project has been implemented in the Via Zumbini complex in the Barona district. Both neighborhoods belong to the urban area of the Municipality of Milan and, although they differ in the economic-social fabric, both are characterized by very strong aggregative and associative local networks.

Both the complexes host people in situations of social fragility, families with housing needs and people who need accommodation, for longer or shorter periods (from three months to a few years for students, up to 8 years for families). Hence, on the one hand the Cooperative responds to typical market dynamics, while on the other hand it responds to a public/social need by providing accommodation for people in situations of difficulty.

Both the "Conscious Families" and the "Conscious Students" projects have been designed to satisfy two requirements. On the one hand, in line with the same idea of social housing and in coherence with the mission of the Cooperative, to give the guests the opportunity of being involved in an integration process to overcome social exclusion through exchange and mutual support among inhabitants of the same complex. On the other hand, to create a bridging role between the Cooperative's staff and the guests, so that the Cooperative can continuously collect the guests' needs to provide more timely and effective answers. This "hinge" role between the Cooperative and guests emerged spontaneously from the inhabitants of the accommodations and was then "institutionalized" through the formalization of roles and activities.

The "Conscious Families" project started spontaneously more than 10 years ago at the Casa alla Fontana complex, an integrated social condominium that houses both people with frailties who face a new path of independent life, and people with a housing need: families, students and young workers. In the complex, a "sense living" experience is proposed through an innovative model that enhances individuality and at the same time stimulates active sharing and participation.

The complex offers 9 beds reserved to guests with medium-light disabilities, 5 beds for students, a two-room and a three-room apartment hosting two conscious families at a reduced rent. The conscious families are involved by the Cooperative with a twofold

objective: (i) gathering feedbacks on the housing context and its dynamics and (ii) providing assistance to guests for the preparation of the meal on the weekend (during the week this task is performed by the Cooperative's staff)

Over time, the "Conscious Families" project was institutionalized to such an extent that now its principles are codified in a "Social Pact" attached to the rent contract that must be signed by families who decide to live the housing experience offered by the Cooperative. This documents explicitly define a minimum set of activities that families are required to contribute in exchange for a reduced rent, including participation in dinners and other gatherings, as well as participation in meetings with the Cooperative's staff. By providing only essential obligations, the Social Pact is flexible enough to allow the conscious families to codesign with the Cooperative's staff new and innovative activities tailored both to the skills and attitudes of the families (who collaborate as coproducers with the Cooperative's staff) and to the guests' needs and requirements.

The "Conscious Students" project also started spontaneously at the complex in via Zumbini 6, which since 2014 has been a residence for medium-short stays, aimed at tourists and workers, a pension for students and, at the same time, a light social housing solution offered to people and families in temporary difficulty or housing emergency. The complex in via Zumbini 6 offers 40 beds reserved for situations of social fragility and 80 places offered to the private market in a space where different people come and meet, living together in an open, multicultural, and inclusive environment. Before the launching of the project, one of the students hosted in the complex spontaneously took the role of animator of the community. This role was subsequently formalized through the "Conscious Students" project launched in 2017.

In the complex two conscious students operate, a male student and a female one. Different from the "Conscious Families" project, the two conscious students are identified through a selection procedure that considers the motivations and skills of each candidate.

As in the "Conscious Families" project, also in the "Conscious Students" project the formalization of the tasks to be fulfilled by the conscious students is minimal and provides space for codesigned initiatives tailored to both the skills and attitudes of the students (who collaborate as coproducers with the Cooperative's staff) and to the guests' needs and requirements.

## **4.2 Some evidences from the interviews**

During the interviews, some cocreated activities were mentioned that have been codesigned based on the personal skills of the people involved and implemented together with the Cooperative's staff to respond to the needs of the housing community. For instance, in the case of the "Conscious Students" project, the following initiatives have been reported by the interviewees:

1. a student from the conservatory organized a music workshop with a small final essay dedicated to the children of the resident families;
2. a student in language and cultural mediation provided language support to foreign families who did not yet have enough Italian proficiency;



3. some students carried out basic computer training courses and assisted the residents of the complex for online procedure (account creation, registration and/or access to public administration portals);
4. during the Covid19 outbreak, the conscious students supported the resident mothers and their children in distance learning, supported all the guests for shopping and provided information about the measures, obligations, and behaviors to be taken during the emergency.

Although some differences in the selection and involvement of the conscious guests emerged in the two projects, they present the same cocreation and coproduction characteristics. More specifically, in both cases the coproduction activities have been designed based on the skills and abilities of the subjects involved. The projects are therefore characterized by a significant flexibility and usability, allowing the Cooperative to provide coproduced services that respond to the actual and evolving needs of the guests.

Processes for evaluating the coproduction initiatives undertaken and the results achieved have been implemented in the two projects, which allows the Cooperative to monitor and detect any critical issue encountered by the conscious guests, the Cooperative's staff and the residents of the two complexes.

Based on the interviews with members of the Cooperative (but confirmed also in the secondary sources considered) a circularity in the coproduction (and cocreation) process of welfare services within the cooperative's social housing initiatives can be highlighted.

The conscious guests contribute to the coproduction of social-assistance and educational services in the residence complexes, supporting the Cooperative's staff in gathering and conveying the needs of the community and in directly providing the services needed. The residents of the complexes also contribute to the design of the coproduced services, since their needs are at the basis of a model of innovative, dynamic, and personalized welfare system centered on coproduction.

The interviewees highlighted that a certain degree of self-interest (reduced rent) played a role in motivating the conscious families and students to actively participate as coproducers in the Cooperative's social housing initiatives. However, this is not the only motivation. Although due to different proveniences, experiences and backgrounds of the guests involved it is not possible to identify another motivation common to all of them, the willingness and desire to contribute to the well-being of the community of the complex residents is a shared value. This confirms the general observation that appeal to mixed motives are the most sustainable for coproduction [28].

In all the interviews emerged with evidence the Cooperative's awareness of playing an active role in building and offering an innovative welfare model, capable of constantly renewing itself thanks to the circular coproduction relationships created with its guests. In particular, it emerged that the Cooperative strongly conceptualizes the "Conscious Families" and "Conscious Students" projects as coproduction initiatives, showing a high level of awareness regarding the issue and explaining, in its mission, the need to involve the user in the delivery of services. All the interviewees underlined the importance for the Cooperative's mission of making all the guests participate in the integrated housing model, seeing the logics of exchange and mutuality as fundamental elements of the coproduction process which takes on a circular form. As one of the

interviewees stated: “We ask everyone to be active and proactive, to be part of the housing community in a proactive way, not to receive only but to try to put something in circulation; even people who are in housing by social services and show some degree of fragility can be part of the services in some way and can be identify as resources”.

The interviews also highlighted the strict interaction with the territory and the permeability between what happens inside and outside the housing complexes. This allows the Cooperative to play a fundamental social innovation and sustainable local development role in the context in which it operates.

The interviewees mentioned two examples that show how coproduction and social innovation can promote integration, interaction, and "contamination" with the local community:

- the relationship with local institutions (parishes, consultants, aggregation centers, schools, municipalities etc.) for the development and implementation of projects in collaboration with local stakeholders. For instance, at the time of the interviews, the Cooperative plays the role of project-leader in the "Qubi" project promoted by the Cariplo Foundation and the Municipality of Milan to struggle against child poverty. In this project mothers and children in the two residential complexes of Zumbini 6 and Casa alla Fontana are involved.
- the garden of the Barona district, which is open to the local community, where residents of the area can meet and interact with the people who live in the Zumbini 6 complex.

## 5 Discussion

Innovation and experimentation are the guiding principles of the Cooperative's social entrepreneurial development. Based on these, the Cooperative has been able to open up new horizons of welfare, leveraging a strategy capable of listening to the needs of the territory and anticipating demands emerging from it, thanks to a strong focus on the analysis of the context and the interpretation of future scenarios with a view to social innovation, which the Cooperative considers as a cornerstone of its mission.

As exemplified by the two projects considered in the paper, the role of the Cooperative for social innovation can be seen at different levels. First, in the Cooperative's implementation of social housing projects that are social innovation initiatives by themselves since they address social needs of vulnerable people. Second, in the leveraging of the social mix in the Cooperative's social co-housing activities that, by fostering social inclusion and social cohesion, can determine social innovation outcomes within the local community. Third, in the involvement of the beneficiaries of the social housing projects as coproducers in the delivery of welfare services, transforming them from passive recipients of housing services to active and pro-active participants in social innovation initiatives.

Based on the evidences emerged from both the interviews and from the analysis of secondary sources (in particular the Cooperative's social report), it can be conclude that the social innovation results achieved by the Cooperative's social housing projects strictly depend on its organizational ambidexterity as a cooperative enterprise. In fact, acting as an enterprise, the Cooperative pursues a “private goal” (search for profit),

which is the condition for granting its long-term economic sustainability. At the same time, coherently with the cooperative movement inspiration, while fully maintaining its entrepreneurial dimension, the Cooperative also pursues public purposes, above all the well-being of both the guests of its social housing complexes and the local communities in which it operates. This purpose is implemented by responding to the needs emerging from the local communities and detected by the conscious guests (families and students), the community of the residents of the two complexes and also by neighborhood communities, thanks to the permeability between the social housing complexes and the external context. This social innovation and entrepreneurial strategy allows the Cooperative to offer services tailored to the needs of residents, based on a welfare system capable of renewing itself thanks to the circular relationship of cocreation and coproduction implemented with its guests.

A relevant aspect of the Cooperative's social innovation strategy, as implemented in the two social housing projects considered in the paper, concerns the development and implementation of initiatives capable of enhancing and mobilizing resources and skills already present in the local communities in which it operates. This allows the Cooperative to amplify its role as a key player also for sustainable local development through the involvement of local resources as coproducers in the Cooperative's initiatives. From the Cooperative's perspective, the local community appears as the *locus* in which to promote and implement the coproduction of the well-being of the people who live there. As showed by the two units of analysis considered in the paper, the Cooperative's embeddedness favored the development of coproduction exercises and the projects' positive outcomes.

Local integration is the central concept of the local welfare model developed by the Cooperative. In fact, in its social-housing projects, the Cooperative implements educational, social and welfare interventions to allow the guests to build a social identity and a conscious social positioning, so as to integrate them into the local community, thus contributing to both the empowerment of the guests themselves and the sustainable social development of the local communities. Thanks to this approach, the local communities are seen and experienced as the *locus* of the synthesis and integration of different social innovation initiatives, involving both public and private actors. The answer to specific needs is developed from an overall and transversal perspective that allows to promote and consolidate the social ties of the community as a whole, in a community welfare perspective in which the well-being of people is built starting from the socialization of needs and the integration of resources in the local community.

## **6 Conclusions, limitations of the study and further research directions**

In the paper two social-housing projects implemented by an Italian cooperative enterprise have been discussed as examples of social innovation based on the cooperative's embeddedness and a coproduction approach. Both the projects are based on the involvement of some guests as coproducers in the delivery of services to both the residents of the social-housing complexes and the local communities. In the implementation of the two projects, the Cooperative developed a circular relationship

with the beneficiaries and the local communities according to a local welfare model based on (i) listening to the needs emerging from the local context; (ii) codesigning initiatives based on the skills and competences available within the community; (iii) implementing the initiatives through coproduction; and (iv) anticipating the emergence of future needs in the local community.

The research results reinforce the relevance of local embeddedness for both social innovation and participation processes, already widely demonstrated in the literature. In addition, the research tries to bridge the gap on the type of object being analyzed: the literature tended to deal with enterprises in general while this study provides insights on a particular type of enterprise, i.e. the cooperative enterprises.

The case study analyzed can be considered an exemplary case since it shows some operations of a cooperative rooted for decades in the local context in which it operates, highlighting two particular projects where local embeddedness and coproduction play a fundamental role for the success of social innovation initiatives.

From this point of view, the case study gives a positive answer to the research question since it confirms that combining the local embeddedness typical of the cooperative enterprises with the adoption of strategies for the involvement of the beneficiaries as coproducers can amplify the role of cooperatives as fundamental actors for social innovation and sustainable local development.

The paper is based on the case study methodology: this is its main limitation that does not allow to generalize the conclusion that need much more evidence to be confirmed. Further research is needed, and a larger sample of cooperatives implementing coproduction projects must be considered to draw a general conclusion. However, preliminary and limited as it is, this case study represents a good starting point to investigate the use of coproduction to amplify the role of cooperatives as fundamental actors for social innovation and sustainable local development.

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