

## New forms of employment

### Coworking, Spain

#### Case study 51: Utopic\_US

*The Utopic\_US coworking centres in Madrid and Zaragoza are models of their kind in terms of size, creative dynamism and facilities offered – these include a virtual coworking space, business consultancy, gallery and weekly art events.*

### Introduction

Coworking (in Spanish *Cotrabajo* or *Trabajo Cooperativo*) is defined as a form of work that allows independent professionals entrepreneurs and from different sectors to share a common work space, either physical or virtual, to develop their own projects while, at the same time, enhancing the possibilities for joint initiatives. The first Spanish coworking centres opened in 2007. Since then, the phenomenon has experienced rapid growth. In 2011, there were only 50 centres but, according to the Global Coworking Census 2013 (Deskwanted, 2013), there were 199 coworking centres in Spain, placing it third globally in this respect. It is estimated that, in 2013, around 7,000 self-employees, freelancers and micro companies participated in coworking centres (Coworking Spain, 2013). Moreover, according to the coworking website deskmag.com, Spain has witnessed the highest increase in Google searches for the word ‘coworking’. The increasing popularity of coworking centres in Spain has triggered various initiatives aimed at promoting the exchange of experience and ideas related to this form of employment. For instance, an annual conference on coworking where the managers, administrators and users of coworking spaces meet to discuss the latest developments in the sector, has been taking place in Spain since 2011. Also, in 2013 there were two coworking associations (the Spanish Association of Coworking Spaces (AECOWORKING) and the Spanish Coworking Association (Asociación Española de Coworking, AECW) established to help coworking centres in Spain with the provision of services, including legal, administrative, strategic and organisational support.

While the popularity of coworking is rising across the globe, its remarkable growth in Spain has led some analysts and professionals to believe that Spain is experiencing a coworking bubble as there are doubts over the real demand for such a rapid increase in coworking spaces (Coworking Spain, 2012). Firstly, it can be argued that one of the most important issues concerning coworking in Spain is not the quantity, but the quality of coworking spaces. Rapid proliferation of coworking centres since 2010 does not necessarily reflect improvements in their quality or capacity, because many of the smaller centres offer a limited number of spaces. At the same time it is important to note that smaller coworking centres have less likelihood of surviving as the fees paid by coworkers constitute their main source of income. Achieving a critical mass of coworkers/freelancers/ companies is not only important from a purely financial point of view, but also because, without it, coworking centres could not provide a rich environment for coworkers to share ideas.

Even though coworking is concentrated in larger cities, especially Madrid and Barcelona, the number of coworking centres in smaller cities is growing rapidly too. Most coworkers belong to the creative design, information and communication technologies, architecture, media and marketing industries. A typical coworker profile is that of a young person aged 25–35, with a university degree and a previous record of dependent employment or freelance experience. The gender distribution is balanced. In some sectors, including computing, there is a majority of male coworkers but in others, including creative design, there are more women. Coworkers are covered by the same social security regime as self-employed people. They usually work full-time but, as a result of the crisis, there seems to be an increase in the number of those having part-time dependent jobs while also being part-time self-employed.

There are two competing explanations for the recent upsurge in coworking spaces in Spain. One of the potential explanations is related to the economic downturn. According to this view, decreasing employment opportunities have led many of the unemployed, especially long-term unemployed people, to seek new opportunities and start their own businesses or become freelancers. In addition, there are also structural developments, such as the expansion of certain sectors of the economy where the exchange of ideas and synergies inherent to coworking are important. This is particularly the case for creative design, marketing and media among other sectors. Another factor in the rise in coworking may be the fact that the Spanish government has stepped up its support for self-employment and entrepreneurship in recent years to combat unemployment, which not only favours the expansion of self-employment, but has also led to the creation of public coworking spaces. (More specifically, in July 2013 the government approved Law 11/2013 including measures supporting entrepreneurship (*medidas de apoyo al emprendedor y de estímulo del crecimiento y de la creación de empleo*)).

The potential reasons cited above contrast with the views expressed by interviewees, however. According to them, the economic crisis has had negligible and indirect effects on the incentives for the self-employed and freelancers to join coworking centres, because these centres do not offer new job places. However, coworking centres significantly enhance the working conditions and improve the career prospects of the participating self-employed/freelancers. As a consequence, irrespective of the economic context of the crisis, they believe that coworking would have developed to a similar extent.

This case study is based on interviews with the management of the Utopic\_US coworking centre, as well as coworkers. Several additional sources have also been used to complement the information provided by the interviews, including scientific articles and web pages.

## **General characteristics of Utopic\_US**

Utopic\_US is one of the model coworking centres in Spain, both in terms of size and in the dynamism it exhibits in organising activities. It is a founder member of the Coworking Conference in Spain as well as of the Spanish Coworking Association. Utopic\_US has both a physical and a virtual coworking dimension. The physical centres are located in Madrid and Zaragoza. The centres in Madrid were established in 2010 and are situated close to each other in the city centre. The two centres in Madrid have a combined space of 2,200 m<sup>2</sup> with a capacity to host around 150 coworkers. The ‘Madrid Duque de Rivas’ centre has 1,000 m<sup>2</sup> shared between two floors, dedicated mostly to coworking (workstations for professionals and companies). It also has training rooms, several meeting rooms, relaxing spaces and a café. It has capacity for approximately 130 coworkers. This number varies considerably during the year, but it is estimated that, on average, 115 are actually working at any one time. The second ‘Madrid Colegiata’ centre has more space for small companies and start-ups and fewer coworking spaces. The space is divided into offices, coworking areas, training rooms, meeting rooms, a business lounge, a reprographics room and a conference room. It also has a small bar area. The centre in

Zaragoza opened in 2013 and is located close to the river Ebro. It is about 600 m<sup>2</sup> and holds capacity for around 80 coworkers.

The Utopic\_US staff comprises seven people, including the management team. There are also three trainees, two of them from countries where Utopic\_US has exchange programmes/agreements with coworking centres. The Utopic\_US management team is composed of the two founders and a managing director. There are two people in charge of logistical issues related to the two physical spaces in Madrid. One person is in charge of communication and marketing issues. Another is in charge of the virtual coworking space as well as of the general administration, including accounting. All coworkers using the physical spaces have access to the virtual platform. The virtual space of Utopic\_US (Utopic\_US Virtual) has around 300 participants mostly from Spain who have access only to the virtual platform at a reduced fee and do not use the physical space. Utopic\_US Virtual recreates the Utopic\_US model offline (coworking spaces) with the aim of generating a platform which provides a creative environment for suppliers, visitors and coworkers and facilitates their interaction. The 'virtual coworkers' also have free access to the 'Meeting Point' located in the Colegiata centre in Madrid.

Utopic\_US was founded in 2010 as a limited liability company (Utopicus Innovación Cultural SL). It finances its activities from the fees paid by coworkers and companies hosted, as well as other services, such as start-up consultancy, training and so on.

The participants in Utopic\_US are mostly coworkers and small companies. There is considerable variation among them in terms of tenure. In general, companies tend to stay longer in the coworking spaces while individuals have shorter terms. Some of the companies or coworkers have already been working in the space for two years, and a high percentage of them have been in the centre for more than a year. The coworking centre seeks to avoid a high turnover of coworkers and companies because this can reduce the sense of community and create a less favourable environment for the exchange of ideas and experience.

Companies and coworkers in the working spaces represent various sectors, including creative design, communication, travel, arts, architecture, music and entertainment, web design, programming and others. Although creative design professionals predominate, Utopic\_US seeks diversity in their profiles, skills, sectors, abilities and background. This diversity constitutes a necessary ingredient for coworking and, in particular, for the success of Utopic\_US. The two coworkers interviewed are aged between 35 and 40. The first coworker (self-employee) is in the communication and visual arts sector. She has been at Utopic\_US for almost two years and has a degree in public relations and marketing. The other coworker is part of a company that produces mobile apps for learning English. The company has grown and consolidated within Utopic\_US, having been there for two years. This coworker holds a degree in Business and Marketing. The two interviewees have occasionally used the virtual platform, with the company using it less than the self-employee.

## **Design and implementation process**

Utopic\_US was founded by Rafa de Ramón and Juan Nuñez, former freelancers in the creative design sector. They decided to create a common work space to facilitate self-employed people sharing experiences and ideas. According to the interviewees, in developing this project, the founders did not rely on pre-existing coworking centres or experiences. As a matter of fact, they did not know that the term 'coworking' existed and that in some countries coworking centres had been already created. Their initial idea was to create a space for 'free-working'; in other words the possibility for freelancers to develop their career while benefiting from an exchange of ideas with their peers. The main motivation for the founders was to find a mechanism to combat the isolation faced by a freelancer working from home. In this regard, the main objective of creating Utopic\_US was to help freelancers and the self-employed to improve their future prospects by

creating an innovative environment where they could develop new initiatives and ideas. The name Utopic\_US makes reference to the capacity of the group (US) to develop innovative and transformative projects or utopias (Utopic). The transformative mission is particularly important to the objectives of Utopic\_US. Thus they defined themselves as a 'new company of transformation'.<sup>1</sup> By transformative capacity, they refer to two aspects: First, transforming the work environment of the self-employed freelancer by sharing the working space. Secondly, the generation of new ideas through coworking that may help transform people's lives.

The objectives of Utopic\_US are very clearly laid out on its web page, and these founding objectives remain central in the management and operation of Utopic\_US according to the management. The main goals are to develop a new model of organisation/creative company; to create a network able to find resources to support new talent, launch new and transformative initiatives; to open a training and social transformation area that prompts people to generate sustainable projects that serve society.

In the words of the coworking centre management, the centre has developed a preference for the development of innovative ideas and start-ups with a strong transformative potential that follow the cooperative logic of coworking. In that vein, for example, they welcome initiatives aimed at promoting collaborative consumption. (Collaborative consumption describes the shift in consumer values from ownership to access. Together, entire communities and cities around the world are using network technologies to do more with less by renting, lending, swapping, bartering, gifting and sharing products on a scale never before possible (see [collaborativeconsumption.com](http://collaborativeconsumption.com).) Moreover, the management of the centre do not think that the economic crisis was an important factor behind the creation of Utopic\_US. This is because they did not see the centre as a mechanism to revitalise the local labour market or to create new jobs, but as a way to improve the position and prospects of self-employed workers/freelancers and small companies.

No feasibility study was made before the coworking centre was opened. The two founders had the general idea and looked for a place to open the centre, without a clear idea of the required size for it to be financially sustainable. As a matter of fact, in the preparation process, the founders sought assistance only from other self-employed/freelancers to help set up the centre. Thus the process of establishing Utopic\_US was rather informal, with little involvement of other stakeholders, to keep it as true as possible to their founders' ideas. To attract self-employed workers, freelancers and companies, Utopic\_US relies very strongly on social networks, but also on local social capital. The latter is considered to be the main source of attraction for new coworkers. As a strategic resource, this local social capital is built and maintained through the organisation of activities open to the public such as exhibitions, concerts and open seminars. In the words of the manager of Utopic\_US, it is very important that anybody wishing to use their facilities has had a previous contact with Utopic\_US and knows their values, mission and objectives. This allows a better fit between the expectations of the self-employed/ freelancer/ company and the outcomes.

The main motivation mentioned in interviews with companies and self-employed workers participating in Utopic\_US is the opportunity to find other freelancers in a favourable context for collaboration and exchange of ideas with peers. Another element that emerged very strongly in the interviews was the wide range of services provided. Some of the activities organised at the centre included joint breakfasts and other meals, start-up markets, conferences, table tennis matches and coffee breaks. The centre accommodates fluctuations in monthly revenue, allowing

---

<sup>1</sup> The formal objectives/mission of Utopic\_US is to develop/promote a social and organisational model based on coworking, creativity, individual responsibility and transparency that helps people and companies working with and in Utopic\_US to grow, improve and spread their transforming energy for a better world.

late payment, thus in a sense providing financing for the self-employed/freelancers in times of need. The interviewed company was rather informal in how it decided to join Utopic\_US – employees started discussing the possibility after attending seminars and training at the centre. They were looking for office space at the lowest possible cost given their limited financial resources. Working at Utopic\_US not only gave them office space for a reasonable fee (though this was not the main motivation for moving there) but, more importantly, gave them contact with other companies and self-employed workers in related sectors with complementary skills. The company interviewed also declared that choosing Utopic\_US was based on the possibilities it offered for networking and business development thanks to the support provided by the centre. This support consists of legal and administrative services, business consultancy, special rates and discounts for Utopic\_US coworkers in services such as health insurance, and car sharing.

There are no pre-established eligibility criteria for being hosted by Utopic\_US. The only requirement is an interview between the candidate and the management of Utopic\_US. The aim of the interview is to make sure that the person knows exactly what to expect from Utopic\_US, and to enable the coworking centre to assess whether that person (and the sector where they develop their activities, their ambitions and so on) could really benefit from using the facilities and services provided by Utopic\_US. Thus, as pointed out by the management of the coworking centre, the real objective of the interview is not to establish a filter (in fact, hardly anybody has been rejected after the interview), but to make sure the expectations of the applicant are realistic. For companies, selection criteria are related to size (because of space limitations only very small companies with up to 10 full-time employees can join Utopic\_US). Moreover, the centre has a preference for recently established companies as well as a loosely defined innovative character, although there is no sector preference.

The importance of local social capital in attracting self-employed workers, freelancers and companies becomes clear in the interviews with the users of Utopic\_US. In all cases, interviewees said they learned about Utopic\_US through friends or colleagues.

## **Working method, processes and procedures**

Utopic\_US offers a wide range of services to their members:

- bureau services: Wi-fi, printer, scanner, telephone, virtual coworking, networking, breakfasts;
- services for cCoworkers: personalised business consultancy (Asesor\_US (see below), printing services, training, workshops, meeting rooms;
- on demand services (Utopic\_US consulting): business internationalisation support and consultancy, mentoring, credit line, coaching, communication (on-offline), marketing, and management of coworking centres.

The place contains shared office spaces, meeting rooms, separate office space for small companies, relaxing rooms, and a canteen. Moreover, there is also a virtual coworking area ([utopicusvirtual.com](http://utopicusvirtual.com)). It is possible to pay only for the virtual coworking space and have access to a shared space (without desks) in the Madrid Colegiata space (the Madrid meeting point), a common area in one of the two Utopic\_US buildings. Members also have access to open events in Utopic\_US and community-only events such as the weekly breakfast and monthly networking event, as well as access to free internal training courses and coworkers' talks.

Coworkers have several possibilities regarding the physical space they use. A flexible work space (that is, the spaces are occupied on a first-come-first-served basis) is available at a lower rate. There are also fixed work spaces (which means the coworker will always be able to sit there) at a higher rate. This also applies to spaces available for companies. The rooms can be rented occasionally, but there external professionals use them periodically to provide training and courses.

After the two first years of operation Utopic\_US introduced three main additional services.

- Utopic\_School – training and courses on issues related to subjects such as creative design, marketing, communication;
- Utopic\_Gallery – a permanent space where artists can exhibit their work on a rotating basis;
- Utopic\_Bazaar – a weekly event where artists and craftspeople exhibit and sell avant-garde pieces of art as well as put forward innovative proposals in the fields of design, fashion, illustration, art and music.

More recently, Utopic\_US launched a new service for the self-employed, small companies and start-ups: Asesor\_US. The objective of Asesor\_US is to provide legal, administrative and strategic support to self-employed workers and small companies. This includes a labour consultation service, business accounting and results presentation, and strategic support. Some of these services are available free to all coworkers, while others (that is Asesor\_US, Utopic\_School) require coworkers to pay but at a 10% discount on the price of the course.

Finally, Utopic\_US has reached agreement with some companies to provide special discounts and rates to their coworkers and member companies. These agreements allow coworkers to benefit from lower rates in services like car sharing, health insurance, bike messenger service, printing, computer technical support and a virtual secretary. These services are provided by external companies.

There are no pre-established criteria for selecting members of the staff. However, all of them (except for the founders) were coworkers in Utopic\_US before joining the management team. The division of tasks among them corresponds closely to the professional profile developed when they were users. In this vein, Utopic\_US staff have acquired excellent knowledge of the organisational culture, modus operandi, work practices and the general objectives of the organisation. This creates a very horizontal structure, where it is sometimes difficult to know who are the coworkers and who are the staff. In fact, the management of the centre pointed out how some of the joint events and/or activities organised by the centre become also a source of interaction among the coworkers and the staff where some ideas and decisions about the management of the coworking centre are taken in a rather informal way.

Socialising and community are particularly important aspects within the Utopic\_US philosophy. There are several ways in which this is achieved, including weekly free breakfasts for all the coworkers, companies and staff; the so-called Speedmeeting, where the whole Utopic\_US community (coworkers as well as staff) meets to share ideas; and the monthly networking event, where all members of Utopic\_US, as well as other invited guests, meet in the evening.

According to the coworkers interviewed, socialising is very important for two reasons. First of all, because it contributes to overcoming the isolation that even coworkers participating in the centre may experience. They pointed out that, in spite of sharing the space, they felt isolated because of their working mode. In other words, sharing does not necessarily mean interaction. These moments of socialisation are therefore necessary in order to create a better working atmosphere. The interviewees also commented that sharing not only ideas, but also concerns and problems, with other coworkers contributed to reducing stress.

A second reason why these opportunities for socialisation were regarded as important was related to the role it plays in building trust between coworkers as a pre-condition for the development of a cooperative relationship and a fruitful exchange of ideas. In particular, it was pointed out in the interviews that cooperation on business aspects and the development of ideas among coworkers could happen only once a relationship of trust had been built between coworkers. This is because sharing ideas is always risky, and only happens once there is mutual knowledge and/or trust.

There are no guidelines that coworkers have to follow when joining Utopic\_US, except for the terms and conditions laid down in the online agreement they have to sign upon joining. The terms

and conditions contain the Working Post Assignment Contract, Behaviour Use and Responsibility Regulations as well as a legal notice on privacy and use of personal information. This agreement contains a detailed description of the services hired under the specified rate. There are different monthly fees, from €15 (excluding VAT) to become a member of the virtual space, to €250 (excluding VAT) for a permanent space and desk. There are also daily, weekly and monthly tariffs in case a person decides to stay for short periods of time. The online agreement also contains information on the coworker/company, starting and end date, relevant information about the activities carried out by the centre, as well as the expected advantages of joining Utopic\_US. Finally, by signing the agreement, the coworker/company accepts a series of norms and regulations regarding the working post (working post assignment contract). This includes issues such as which spaces and which equipment can be used. Secondly, there are a series of regulations on behaviour, use and responsibility for coworkers and companies related to the work space and the rest of the community. Finally, in the legal notice Utopic\_US guarantees privacy and the lawful treatment of data.

Companies using Utopic\_US premises do not have to adhere to any business code of conduct provided by the coworking space administration, and are informally governed by the centre's mission statement.

There is no need to give prior notice before leaving the coworking centre. However, some fees and plans establish a minimum period of residence at the centre. It is nonetheless recommended – especially for companies – to give at least one month's advance notice. As the coworking administration pointed out in the interview, they are well aware of the uncertainty some self-employed workers face, and the need to be flexible in this regard. If the coworker does not comply with some of the points laid down in the contract, the centre will cancel the agreement without any need for prior notice.

Utopic\_US is open from 9.00 to 21.00. The Utopic\_US community is expected to participate in the common events, although this is not obligatory, as these are particularly important in order to exchange ideas, socialise and create a community. As the interviewed company and the self-employed interviewees suggested, there is no point in paying the fee and having a passive stance in relation to the activities organised by the centre, as these are the advantages of joining the centre. Thus, as noted by the coworking manager, coworkers are highly involved in such activities.

There is no formal pre-established channel to coordinate the coworking centre and its members. Coordination takes place rather informally, allowing the coworking centre management to avoid the rigidity of a formal instrument that could hinder the development of a more effective and mutually beneficial spontaneous dialogue between the two sides.

There is also no formal procedure for dealing with conflicts among coworkers or between them and the coworking centre administration. The general policy followed by the Utopic\_US administration is to avoid interfering in the conflicts that may exist among coworkers. In the interview with one of the managers it came out that there had been a few conflicts among coworkers and that, in all cases, they were solved rapidly without the need for intermediaries. The only problems in this regard have been annoying behaviour by some of the workers such as talking too loudly on the phone in public spaces, or inappropriate use of common services (such as the telephone or fax).

The most common problems between coworkers and the coworkcentre administration are related to unpaid fees. In these cases, the coworking centre reminds the coworker to pay the fees due. If the coworker pleads a lack of cash, the centre will try to find a solution, including deferring the payment.

The dynamism of Utopic\_US in organising activities and developing new initiatives has contributed to creating a dense network of relationships with other actors at either local, national

or international level. At local level, Utopic\_US partners with some public agencies (including the public employment service) in Madrid, plus private companies as well as other coworking centres and foundations. The centre also cooperates with some national-level public agencies as well as other organisations related to coworking, such as the Spanish Coworking Conference or the Spanish Coworking Association. In fact, Utopic\_US is a founding member of these two organisations. Their objective is to promote coworking in Spain and increase its visibility. These organisations also provide some (though limited) services to coworking centres and coworkers, including consulting. This cooperation includes membership of these organisations, but also collaboration in organisation events (such as use of the premises, and participation of staff members in the conference).

Finally, Utopic\_US also has a strong international orientation. It maintains strong links with other European coworking centres and promotes the exchange of coworkers among them. There is also a training programme that allows students from other countries to spend some time at Utopic\_US and collaborate with the other members of the staff in managing the centre and organising activities. Utopic\_US also organises monthly meetings with foreign entrepreneurs called Guiripreneur whereby the centre invites foreign entrepreneurs to come to the centre and share their experience with coworkers. The objective of this meeting is twofold. One is to allow local coworkers and companies to get to know about business opportunities and meet potential partners from other countries. Another is that this meeting also allows foreign entrepreneurs to become more familiar with the local market.

## **External support**

The informal way in which Utopic\_US was started meant that the founders sought no support from other organisations or public agencies. The founders had a very clear idea of what they wanted from the centre. Moreover, as they were pioneers in introducing coworking in Spain, there was hardly anyone they could have approached for advice or support. The two founders relied upon their previous professional experience and expertise in developing Utopic\_US. Later they realised that what they had created was already in existence in the United States and other European countries under the name coworking. The management person interviewed confirmed that there had been no direct contact with managers from other coworking centres, and that the only knowledge they had came from information provided informally by friends/colleagues participating in centres abroad.

The management of the coworking centre argued that very little support existed for coworking in Spain and that they did not seek nor receive support in the start-up phase. However, they have received some financial support for supporting operations. In particular, they have signed agreements with some public agencies (including the regional employment agency) and have collaborated in some joint projects mostly related to training (courses for the unemployed) and the development of entrepreneurship. Moreover, Utopic\_US received a grant (general support, not specific to coworking centres) from the Ministry of Culture as well as from the Ministry of Economy. Additional financial support has been received for the development of some actions. In particular, they obtained a grant from the Ministry of Culture to develop the virtual coworking platform Utopic\_US Virtual (BOE, 2011). The Ministry of Economy also supported the Zinc Shower project, an exhibition for the creative and cultural industries organised by Utopic\_US. Finally, the coworking centre also pointed out that in early 2014 they presented proposals for competitive tenders related to the provision of training for the unemployed, but due to some irregularities in the selection process the founders at the time of the case study interview (April 2014) were still awaiting a definitive response.

An interesting point arising from the interview with the coworking centre management concerned the public promotion of coworking. In particular, they argue that the direct creation of publicly owned and managed coworking spaces accessible at a lower cost constitutes a mechanism of

unfair competition. Moreover, they argue that they create coworking spaces that lack the most important ingredient – a critical mass of coworkers sharing space, participating in joint activities and so on. In this regard, they think it would be more appropriate to follow the model of other countries, where public programmes for the promotion of coworking take the form of paying part of the fee to coworkers with a good project. This mechanism allows the coworker to choose the centre/space that fits best with their professional profile and expectations. But at the same time, the programme achieves its goal of allowing coworkers with limited financial capacity to gain access to a coworking space.

## Outcomes

The impact and effects of participation in the coworking centre have been assessed very positively by both the self-employed workers and the company interviewed. Even though they have different expectations due to their different sectors and legal status they both agreed that Utopic\_US allowed them to work in an environment where new ideas and initiatives arose very easily. Moreover, especially for the self-employed, cooperation with other self-employed people and job opportunities also occurred as expected, and soft skills could be improved. The coworker interviewed pointed out that he was very involved in all the activities organised by the centre, and this certainly increased his professional satisfaction. Finally, the self-employed person also raised the issue that working in such an environment rather than at home not only opened more job opportunities, but was also more efficient as working at home very often implied long hours with many distractions.

In the case of the company interviewed, the objectives were also realised. In particular, the founders of the company wanted first of all to consolidate and then try to expand. Even though they have not been able to recruit new employees, they acknowledge they have consolidated their position and increased their sales volume.

The management of the coworking centre is aware of the limited impact they may have on the local labour market in purely quantitative terms. In this regard, their objectives were less ambitious and focused on enhancing the opportunities for self-employed workers, freelancers and companies. Management feels that long tenure among some self-employed and freelancers is evidence of good performance for the centre. The fact that most of the companies using their premises have experienced expansion (including a growth in the number of employees) is taken as an indicator of a positive (though marginal) impact on the local labour market. The centre as of 2014 was not gathering data on this, so no concrete figures are available. However, they have helped self-employed people starting as coworkers to create their own businesses. In this vein, some of the most significant success stories of companies at Utopic\_US can be read on the web page ([utopics.es](http://utopics.es)).

The management of the coworking centre also gave a very positive assessment of the Zinc Shower project, organised by Utopic\_US, and the impact this may have on the development of innovative projects in the arts and creative design. The management of the coworking centre emphasised the importance of this event as it shows the commitment of the centre to help self-employed to develop innovative ideas and projects.

The management of the coworking centre think that the main impact they may have on the local labour market and the economy is mostly qualitative in the short term. In particular, they argue that the self-employed, freelancers and companies using Utopic\_US premises have experienced an improvement in their working conditions and job prospects. In some cases this has allowed them to create their own company or to move into other sectors. But better job quality is pointed out as the main effect.

Utopic\_US has played a role in helping young workers immediately after finishing their degree to integrate into the labour market by enhancing their employability. The high unemployment rate

for young workers on the Spanish labour market means that many of them face long spells of unemployment punctuated by a series of short-term jobs. Although some of them may opt to become self-employed, the failure rate is very high. The self-employed who become coworkers considerably improve their chances of consolidating their labour market position. According to both the management and some of the coworkers interviewed, the benefits of coworking by far exceed the financial cost it requires. The effects very much depend on whether the participant is self-employed or a company. In the former case, the main effect reported in the interview was access to a series of services as well as resources (including other professionals, but also skills, ideas and so on) that would otherwise be inaccessible when working at home. In particular, the coworker stressed that Utopic\_US not only facilitates access to other coworkers and provides an excellent working atmosphere, but it also provides a series of additional services that other coworking centres do not offer, such as consulting and training. This, together with the fact that there are several companies working at Utopic\_US, opens up additional job opportunities for them.

Moreover, it came out in the interview with the coworking management that the effects are most significant and important in the case of self-employed workers and companies in the field of cultural industries and creative design, as many of the coworkers are from this sector, thus facilitating more synergies and spill-over effects.

According to the company interviewed, the main effects are related to the favourable working environment as well as the services provided by the coworking centre. However, they also emphasise the good cost–benefit relationship of working at the centre. In other words, companies also think that participating in the coworking centre has a positive financial effect as they are paying a similar amount to what they would pay in case of renting a space out of the coworking centre, but they also benefit from other services and resources.

## **Strengths and weaknesses**

Two major strengths of Utopic\_US, compared with other coworking centres, emerged from the interviews. First of all, the size of the coworking centre is considered a strength as achieving a minimum critical mass of coworkers and companies is key to being financially sustainable and providing a favourable environment for participants. Utopic\_US is the largest coworking centre in Spain and this is probably one of the reasons why participants are very satisfied with the effects of their participation. This leads to the second strength – the wide range of services provided and activities organised. Even though this is certainly facilitated by the size of the coworking centre, it also derives from a certain orientation and awareness on the part of the management. In particular, creating a sense of community in order to promote socialisation and exchange of ideas is a top priority for the management, who devote a lot of time and effort to this goal. Moreover, opening some of the activities to non-participants has allowed them to maintain and expand the social capital of Utopic\_US, which is considered a key strategic asset.

In particular, community spirit and socialisation help coworkers to become more motivated as they overcome the traditional isolation of the self-employed/freelancer. The interviewees say this has a good impact on their performance. However, they do not think it has such a strong impact on reducing the degree of stress. According to the interviewees, the pressure self-employed/freelancers experience is similar irrespective of whether they work at home or in a coworking space. However, they acknowledge that sharing their experience and situation with colleagues in a similar situation has a therapeutic impact as they become aware they are not alone.

The management believes that the size of the centre is one of its strengths, with the presence of a large number of self-employed workers and freelancers in the creative design sector creating a favourable environment. This has not only allowed Utopic\_US to achieve rapid success in

attracting and retaining self-employed and freelancers, but has also provided them with the social capital necessary to maintain the vitality of the space.

Although there is no strong public support for the development of coworking centres in Spain, the low administrative burden has been put forward as one of the elements explaining the increase in the number of coworking spaces in the country. It is interesting to note that the management of Utopic\_US pointed out that they have had hardly any problems in creating and running the space.

Even though the general perception of participation in the coworking centre is positive, some of the problems linked to being self-employed and/or freelance are still there. These are mostly related to the uncertainty about the future workload (and hence the likelihood of being able to pay the fees for the coworking space) and the resulting stress. Coworkers agree that participating in the centre does not eliminate these problems, but offsets some of their negative implications whilst providing benefits that, in their view, more than outweigh the problems linked to being self-employed.

## **Future plans**

There are plans to expand geographically, although in the longer term. According to the coworking centre management, this issue has been on the agenda for a long time, but since early 2013 they have been taking some steps in this direction. In November 2013, the Utopic\_US Zaragoza centre was opened. However, the time frame expected for this particular expansion is very long. As a consequence, there are no plans to open other centres in 2015. The management explains the cautious pace of expansion by saying it wants to make sure it is compatible with keeping the identity and essence of the Utopic\_US model. They fear that opening new spaces in other cities will make the coordination and management more difficult whilst triggering a gradual erosion of the founding values and principles.

A second ambition is to enhance the tools and resources for participants in the coworking centre to develop their ideas and expand their businesses. This will consist of improving the existing services to coworkers and introducing new ones. According to the management, enhancing possibilities to access funding and financial resources for both coworkers looking to start their own companies or looking for additional resources to expand is a key issue. Some steps have been recently made in this direction. Thus for instance, the Zinc Shower project was conceived precisely as a mechanism to help self-employed and/or small companies to get in touch with potential sources of funding.

## **Commentary**

Coworking in Spain has expanded very rapidly in recent years as shown by the large number of coworking centres opened and the media attention they have attracted. However, there are growing concerns about this expansion. From a purely quantitative point of view, some analysts are doubtful about the real demand for coworking spaces and argue that the crisis may have led people to open spaces without having previous knowledge or experience of coworking, or considering the potential demand. From a qualitative point of view, this expansion is characterised by the small average size of coworking centres. This has two implications. On the one hand, the smaller the centre, the less financially sustainable it is in the short/medium term. This means that many of the recently opened centres are at risk of a very short life-cycle. On the other hand, and related to the previous point, the smaller the centre, the more difficult it will be to achieve a critical mass of coworkers necessary to generate a mutually beneficial environment characterised by a permanent exchange of ideas.

The analysis of Utopic\_US illustrates the importance of size in the case of coworking. To a large extent, thanks to the large number of coworkers, the centre has become a reference point in

Madrid and Spain in the field of creative arts and design, but also a source of innovative start-ups and projects in other fields.

Moreover, there are other characteristics of Utopic\_US underlying its success that may help to shed light on future developments in the sector. The first remarkable point about Utopic\_US is the secondary role attached to the pure business logic in both the management of the centre as well as in the attitudes towards coworkers. The management of the centre acknowledged that it did not deliver high profitability but, as that was not their primary goal when creating the centre, this is not a matter of concern. This does not mean financial sustainability is irrelevant. However, it is considered just a means to an end. The really important thing for Utopic\_US management is not just to provide a physical space and some services to coworkers, but to create a community sharing ideas, collaborating around innovative projects.

The main benefits for both self-employed workers and companies are higher motivation, potential opportunities to develop joint projects and to gain input/feedback from other professionals. The interviewees say that a pre-condition for these benefits to be realised is the existence of an environment where professionals not only share a work space but also socialise, interact and build trustful relationships. The traditional isolation of the self-employee and/or freelancer, working at home, was both a source of discontent and an obstacle for professional development, according to both the coworking centre management and the self-employed worker interviewed. Although working from home saves the cost of the fee paid for participation in the coworking centre, the opportunity costs of remaining isolated are high. Thus, in the short term the advantages of participation more than outweigh the financial costs incurred.

A final remark regarding the extremely positive views of both management and coworkers interviewed is necessary to fully interpret the findings in this report. On the one hand, the coworking centre analysed has built a strong reputation as an innovative and dynamic centre among coworkers, freelancers and micro companies in the creative design sectors. This means it attracts the most talented professionals: by definition, those who will face fewer problems in maintaining the necessary volume of work. This, together with the fact that the mobile telephone numbers of coworkers were facilitated by the management of the centre, helps to explain the positive views of interviewees. Moreover, as evidenced by the interview with the management, Utopic\_US has also a strong identity based on a good organisational culture.

## **Information sources**

### **Websites**

Utopic\_US, available at <http://www.utopicus.es>

Coworking Spain Conference, available at <http://coworkingspainconference.es/>

Comunidad Coworking, available at <http://www.comunidadcoworking.es>

AE Coworking, available at <http://www.aecoworking.org>

Coworking Spain, available at <http://www.coworkingspain.es>

Asociacion Coworking, available at <http://asociacioncoworking.es/>

Deskmag, available at <http://www.deskmag.com>

Todo startups, available at <http://www.todostartups.com>

### **Bibliography**

*Boletín Oficial del Estado* (BOE) (2011), ‘Otras disposiciones’ 5 September.

Coworking Spain (2012), 'Estado del Coworking en Espana'.

Coworking Spain (2012), *Existe una Burbuja Coworking?*

Coworking Spain (2013), *Resultados Estado del Coworking en España 2013: Post 1.*

Deskwanted (2013), *Global Coworking Census 2013*, available at <http://www.zonacoworking.es>.

Prieto, A. (2011), 'Cuando compartir es ganar: coworking: compartir oficina permite un ahorro del 60% de los costes fijos y mejora la imagen de tu actividad profesional', *Emprendedores: las claves de la economía y el éxito profesional*, No. Extra 168, pp. 48–51.

Ramos, J.M. (2012), 'Coworking nocturno para emprendedores', *Capital humano: revista para la integración y desarrollo de los recursos humanos*, Vol. 25, No. 262, p. 14.

Todo startups (2013), *En positivo: España es el 3 país con más espacios de Coworking.*

Oscar Molina, Institut d'Estudis del Treball, Universitat Autònoma de Barcelona