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1 INTRODUCTION

In today's increasingly interconnected global economy, the role of international business hubs as drivers of firms' success and innovation has come to the fore. These hubs, located in optimal strategic positions, are equipped with superior infrastructure and a business-friendly environment, making them vital nodes in the global network. They facilitate the flow of knowledge, resources, and economic activities. Research indicates that innovation hubs are integral to local innovation ecosystems. They offer companies a range of resources, actors, and an enabling environment within the local innovation ecosystem that fosters innovation and promotes economic growth. However, there is still a lack of clarity on how companies from a specific context can develop this mechanism when they expand abroad, for example, Italian business going abroad.

This study provides a comprehensive examination of how firms integrate through international hubs, with a particular focus on the Dubai Hub for Made in Italy experience. This initiative, managed by Italiacamp, is designed to assist Italian companies in entering new markets and exploring new business opportunities. This policy brief compares Dubai's model with other international hubs to identify patterns, best practices, and key factors influencing firm success in these settings. By examining Dubai as a practical case with interviews, it explores the drivers behind the adoption or avoidance of

international hubs, providing valuable insights into how these hubs can be leveraged to boost global competitiveness and foster economic development.

2 CROSS-COMPARATIVE STUDY OF FIRMS INTEGRATING THROUGH GLOBAL HUBS

The study commences with a focus on international hubs and firms' success, undertaking a comparative examination of the Dubai experience alongside global models to discern patterns and best practices (2.1). Additionally, employing interview-based analysis to capture firsthand perspectives in "Voices from the field," shedding light on the factors driving international hub adoption and avoidance (2.2). Through these investigations, it is possible to discuss the policy implications and strategic directions in fostering firm integration and global competitiveness (3.3).

2.1 International hubs and firm success: a comparative analysis of the Dubai experience and worldwide models

In the field of management and strategic studies, network theory stands out as a prominent concept. It is often depicted through graphs, illustrating connections between nodes. This theory explores the relationships among various social entities, such as groups, individuals, organizations, or even countries. By analyzing these structures, we gain invaluable insights into the dynamics and functioning of interconnected systems (Wasserman and Faust, 1994; Rainie, Wellman, 2012).

Expanding upon the network theory, it becomes evident that these structures are helpful to define the concept of a "hub" within a network. A hub is characterized as a node with a larger number of links compared to others within the network (Berlingerio et al, 2011; Ye, Wu and Goh, 2020). In essence, hubs serve as central points of connectivity, exerting significant influence and facilitating the flow of information, resources, or interactions within the network (Serrano-Ruiz et.al, 2024; Ye, Wu and Goh, 2020).

Understanding hubs within a network is crucial for grasping their structure and dynamics, revealing essential players that shape their behavior and effectiveness. Studies indicate that a hub firm, acting as

the network's primary actor, attains prominence and power through individual attributes. Then, they leverage this influence to lead and consolidating the dispersed resources and capabilities of network members (Ye, Wu, & Goh, 2020; Chuluun, Prevost and Upadhyay,2017).

The strategic positioning of a firm within innovation hubs significantly influences its international expansion. These hubs foster knowledge spillovers, where the proximity of firms catalyzes the exchange of ideas and expertise. Scholars have recognized the spatial dimension of knowledge creation, emphasizing the importance of location in driving innovation and technological advancements and economic growth (Henderson & Thisse, 2004; Crupi et al., 2020; Haukipuro et al.,2024). This perspective presents the hubs as proactive entities equipped with the ability to influence their results, like firms. These entities, comprised of firms and actors with diverse technical and managerial capabilities, wield significant influence (Malik et al., 2021). In this sense, knowledge is indeed a public good, but one which contains tacit elements, so that its transmission through written publications is not complete and requires to be supplemented by fact-to-face contacts (which are much easier to arrange or more likely to occur accidentally at short physical distances) (Henderson and Thisse,2004).

Understanding the mechanisms behind knowledge diffusion requires exploring why firms in these hubs are central to disseminating knowledge. Notably, firms' alliances and acquisitions play a crucial role.

2.1.1 The context

In this study, the analysis will focus on Dubai, located in the United Arab Emirates where entrepreneurs have access to and profit from the free zones. Free Zones in the UAE have been instrumental in fostering economic diversification, with 46 locations across the country, each tailored to specific industries and governed by unique regulations. The establishment of the Jebel Ali Free Zone in 1985 marked a turning point, setting the stage for subsequent zones designed to attract and nurture various sectors (UAE Embassy). It is a more liberal regulatory environment which not only included freedom of ownership and management without taxes, but also a simplified approach to documentation and government regulations (Matly and Dillon, 2007).

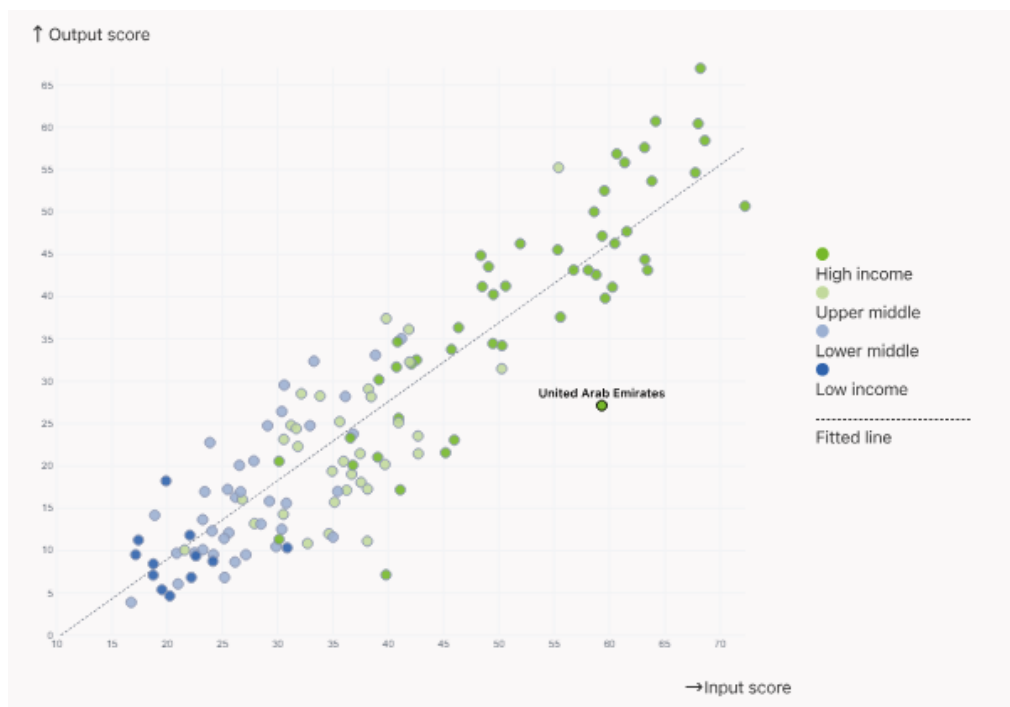
By fostering industry-specific innovation, attracting foreign investments, and facilitating seamless trade, the UAE's specialized Free Zones underscore the nation's commitment to cultivating a vibrant and diversified economy. This strategic approach reflects ongoing efforts to support diverse sectors and sustain economic growth.

In 1999, the Dubai Internet City, Dubai's first fusion business park/free zone, was announced. One year later the result was 30 square million feet of land with 4 buildings representing 1 million square feet of leasable space, which was leased by firms such as Microsoft, Oracle, IBM, Dell, Siemens, Canon, and Sony Ericsson (Matly and Dillon, 2007).

According to the Global Innovation Index 2023 (WIPO, 2023), the United Arab Emirates ranks 32nd among the 132 economies featured in the study and ranks 3rd among the 18 economies in Northern Africa and Western Asia.

Analyzing Figure 1, the investment made by the UAE, it is possible to verify that the comparison between the inputs and outputs is in a lower position on the graph according to the average of other countries. This could mean that the United Arab Emirates produces less innovation outputs relative to its level of innovation investments, but mainly because the investments being made now could generate one effect in the long term.

Figure 1 - Relationship between innovation inputs and outputs



The Italiacamp Dubai Hub for Made in Italy was opened in 2023. It is the bridge between Italian firms expanding in the Middle East, North Africa and Southeast Asia, leading local businesses and entrepreneurs. This strategic approach aims to bolster Italian exports, particularly considering the recent challenges evidenced by reductions in exports to major markets such as France (-12.5%), Germany (-11.8%), the United States (-5.3%), and China (-16.5%), as reported by ISTAT in 2024. However, there has been a notable increase in exports to the OPEC countries, including Saudi Arabia, Iran, Kuwait, Venezuela, Iraq, Algeria, Ecuador, Gabon, Indonesia, Libya, Nigeria, Qatar, and the United Arab Emirates, which saw a 26.5% rise.

2.1.2 Comparative Assessment

In this section, we present a comparative analysis of international business hubs, emphasizing the distinctive characteristics and strategies that differentiate them. Table 1 provides a comparison of the Dubai Made in Italy hub with its international counterparts, examining key aspects such as infrastructure, incubators, accelerators, business consulting, events, and educational services.

Table 1 - Hub's comparison

Name of the hub	Sector of firms	Infrastructure	Incubator	Accelerator	Business Consulting	Education	Events
Hub Made in Italy	All sectors - only Italian Firms	✓			✓	✓	✓
DIFC Innovation Hub	Fintech	✓	✓	✓	✓		
Dubai Multi Commodities (DMCC)	Commodities	✓	✓				✓
INNOVIT (Italian Innovation and Culture Hub)	All sectors - only Italian firms on USA (San Francisco)	✓	✓	✓	✓	✓	✓

The transition from the detailed exploration of Dubai's diverse hubs—including the Dubai Hub Made in Italy, the DIFC Innovation Hub, and the Dubai Multi Commodities Centre (DMCC)—to a broader analysis of the impact of international hubs on firms' success and global economic dynamics is relevant. Each hub in Dubai, with its unique focus and targeted services, exemplifies the multifaceted approach to fostering business growth, innovation, and internationalization. This comprehensive overview of Dubai's ecosystem provides a fundamental basis for analysing other worldwide centres. As we shift our focus towards the wider implications of international hubs, Dubai's experience becomes a microcosm for understanding how strategic locations, infrastructure, and regulatory environments contribute to creating competitive advantages and facilitating economic development on a global scale. This comparison not only highlights Dubai's distinctive position but also sets the stage for a deeper

investigation into the universal principles that underpin the success of international hubs worldwide, illustrating their critical role in shaping the contours of global commerce and industry innovation.

In the exploration of global economic dynamics, the narrative of international hubs and their role in firms' success presents a compelling comparative analysis, particularly when juxtaposing the Dubai experience with other worldwide models. International hubs, characterized by their strategic geographical locations, advanced infrastructure, and business-friendly regulations, serve as catalytic environments for firms' growth and internationalization. Dubai, renowned for its rapid transformation into a global business nexus (Breslow, 2021), offers a unique case study of how these hubs foster economic development, innovation, and competitive advantage on the world stage.

Contrastingly, other worldwide models of international hubs, such as Singapore, Hong Kong, and Silicon Valley, provide a broader spectrum of insights into the mechanisms through which internationalization and innovation propel firms' success. These models highlight the significance of factors such as government policy, industry specialization, and technological infrastructure in shaping the competitive landscape. For instance, Singapore (Olds & Yeung, 2004) and Hong Kong's (Lai, 2012) emphasis on trade liberalization and financial services create a conducive environment for firms to thrive in highly competitive international markets. Silicon Valley's model (Audretsch, 2021) underscores the importance of a robust ecosystem for innovation, where the proximity of high-tech firms, venture capital, and academic institutions spurs ground-breaking technological advancements and entrepreneurship.

The comparative analysis of Dubai alongside these worldwide models underscores the diversity of strategies and outcomes in the realm of international hubs (Wild, 2020). While Dubai's model exemplifies the impact of visionary leadership and strategic investments in infrastructure and tourism, other hubs emphasize the role of innovation, specialized industry focus, and policy frameworks in achieving firm success. This contrast not only enhances our comprehension of the complex and diverse characteristics of global economic integration but also emphasises the subtle interaction between local circumstances and global influences in determining the routes to enterprise success and economic expansion.

2.2 Voices from the field: interview-based analysis of international Hub adoption and avoidance

2.2.1 Data collection and analysis

In this qualitative study, we aim to explore the complex experiences of organizations as they navigate the process of integrating international hubs, with a specific focus on the Dubai Hub. Acknowledging the crucial importance of firsthand knowledge in enhancing our understanding of the theoretical frameworks explored previously, we have undertaken a bold initiative to directly interact with the individuals involved in this process.

To this end, we have reached out to 24 organizations (Table A1 appendix) that have established their presence in the Dubai Hub, spanning a diverse array of industries including technology, finance, trade, and logistics. These organizations were selected based on their varied sizes, scopes of operation, and the nature of their engagement with the international market, ensuring a comprehensive perspective on the dynamics at play within this vibrant economic ecosystem.

The methodology behind organizing the interviews is designed to capture a broad spectrum of experiences, challenges, and strategies associated with adopting or avoiding the Dubai Hub as a key element in firms' internationalization efforts. The interview guide is structured around several core themes: the strategic rationale behind choosing Dubai as an international hub, the operational and competitive advantages perceived, the challenges and hurdles encountered, and the impact of such a decision on innovation, productivity, and global competitiveness.

A customized set of questions will be provided to each participating organization, enabling a thorough examination of their individual experiences and enabling comparisons across various scenarios. This customized strategy not only recognizes the unique characteristics of each firm's path but also allows for the study of shared trends and differences in the acceptance and rejection of global centers.

2.2.2 Findings of the qualitative analysis

In this section, we present the findings from our qualitative analysis, which was conducted through in-depth interviews with key stakeholders from a diverse range of firms that have engaged with

international hubs, particularly the Dubai Hub. The objective of these interviews was to gain a deeper understanding of how these firms perceive and leverage international hubs to enhance their internationalization efforts and innovation capacities. Through a thematic analysis of the interview transcripts, we identified several key themes that emerged across the interviews, providing valuable insights into the strategic motivations, challenges, and opportunities associated with hub adoption. The themes discussed include expanding market presence, strategic partnerships, innovation and adaptation, expectations from the Dubai Hub, leveraging free zones¹, and the challenges and opportunities encountered. The results provide a detailed viewpoint on the impact of international hubs in promoting firm success worldwide and emphasize the important elements that make firms choose to include these hubs into their strategic plans.

Table 2: Exploratory interviews

	Firm	Length	Location	Role of the interviewee
1	Alpha	19'	Zoom interview	CEO
2	Beta	33'	Zoom interview	General Manager
3	Gamma	14'	Zoom interview	Chairman
4	Delta	20'	Teams interview	General Manager

¹ <https://www.moec.gov.ae/en/free-zones>

Table 3: Excerpts from the texts

<p>Expanding market presence</p>	<p><i>"Internationalization can only represent an opportunity for a firm and not a problem, given that to develop an internationalization project, the firm must be organized to do so."</i> (Interview 1)</p> <p><i>"We are in this area, the Middle East and North Africa, because it aligns with our strategic interests, and the development here is strong, making it an exciting area for expansion."</i> (Interview 2)</p> <p><i>"We have reached a market share in Italy where we do not see significant opportunities for further growth, so we needed a structure that could support us in an internationalization project, and we found this in Dubai."</i> (Interview 3)</p> <p><i>"We are thinking of opening a new office in Dubai, not only for the Middle Eastern market but also as a gateway to Asia."</i> (Interview 4)</p>
<p>Strategic partnerships</p>	<p><i>"Being able to work professionally alongside other firms can only stimulate curiosity [...] it will be important in terms of how the Hub will be able to connect us."</i> (Interview 1)</p> <p><i>"We were introduced to the Dubai Lab through personal contacts, which played a significant role in our decision to establish a presence there."</i> (Interview 2)</p> <p><i>There is a collaboration and partnership between us and the Dubai Hub, which I expect will lead to the beginning of concrete activities for my firm.."</i> (Interview 3)</p> <p><i>"We are working on partnerships with local firms to better understand the market and to establish a stronger presence."</i> (Interview 4)</p>
<p>Innovation and adaptation</p>	<p><i>"We are a very dynamic firm, and we need to adapt continuously to remain competitive in such a rapidly changing environment."</i> (Interview 1)</p> <p><i>"The Lab's idea is very interesting, providing a strategic location that represents Italian excellence, which is important for promoting 'Made in Italy' and adapting to local market demands."</i> (Interview 2)</p> <p><i>"The comparison within the Hub and with other firm is certainly an interesting and stimulating experience that allows us to constantly better direct our business model."</i> (Interview 3)</p> <p><i>"Innovation is essential, especially in adapting our products to the preferences and regulations of different markets."</i> (Interview 4)</p>
<p>Expectations from the Dubai Hub</p>	<p><i>"I expect that in response to specific questions about identifying big data, numbers, contacts, or entities, the Lab can provide support."</i> (Interview 1)</p> <p><i>"This Lab, in my opinion, is a very interesting idea... It's a space that represents Italianness, offering an opportunity to build a system-country."</i> (Interview 2)</p> <p><i>"I imagine that the Hub is a kind of structure that takes you by the hand and accompanies you up to a certain point. That said, I believe it will undoubtedly be useful to maintain medium-term communication and interaction with other firms and institutions."</i> (Interview 3)</p> <p><i>"The location of Italia Camp within the Dubai World Trade Center is strategic for us, given our focus on fairs and events."</i> (Interview 4)</p>

<p>Leveraging free zones</p>	<p><i>"Working within free zones can provide us with significant operational advantages, from regulatory flexibility to reduced costs, which are essential for our international strategy."</i> (Interview 1)</p> <p><i>"We have opened in the UAE, and specifically in a legal entity residing in the Abu Dhabi free zone, leveraging the benefits of this more liberal regulatory environment."</i> (Interview 2)</p> <p><i>"The knowledge of this market has saved us time, and we have been able to start administrative activities remotely for the new branch of the Italian group."</i> (Interview 3)</p> <p><i>"The free zones offer numerous advantages, including tax benefits and a simplified regulatory environment, which are crucial for our expansion strategy."</i> (Interview 4)</p>
<p>Challenges and opportunities</p>	<p><i>"The reasons that brought us here are obviously linked to market dynamics. Sustainability, which even in this region is becoming increasingly crucial."</i> (Interview 1)</p> <p><i>"The challenge is to understand whether this Hub will just remain a beautiful office or evolve into something that fosters business development and system-country initiatives."</i> (Interview 2)</p> <p><i>"Our experience has an advantage and a disadvantage. We are almost born together with the Hub, so on the one hand, I hope this means we are treated more attentively, but on the other hand, we are also experiencing the limits of learning the Arab market alongside the Hub."</i> (Interview 3)</p> <p><i>"The main challenge is understanding the local market dynamics, but the opportunities for growth and establishing a foothold in new markets far outweigh the difficulties."</i> (Interview 4)</p>

3 DISCUSSION AND POLICY IMPLICATIONS

The results of our study emphasize the critical role of international hubs in facilitating the internationalization and innovation capacities of firms. The varied impact of these hubs on business success and the broader economic landscape has been explained through a qualitative interview with key industry leaders. The purpose of this debate is to consolidate these findings and extract important consequences for policy and future study.

The Role of International Hubs in Firms' Internationalization and Innovation. The analysis conducted indicates that international hubs, especially those situated in important locations such as Dubai, play a crucial role in facilitating the expansion of firms' market presence and the improvement of their inventive skills. These hubs provide a combination of elements, including sophisticated infrastructure, commercially favorable legislative conditions, and access to worldwide networks, which together enable firms to enter and expand in foreign markets. The hubs serve as both a platform for increasing market presence and as accelerants for innovation by promoting cooperation, information sharing, and access to state-of-the-art technology.

Strategic Partnerships and the Synergistic Potential of Hubs. One of the central themes emerging from the qualitative interviews is the importance of strategic partnerships facilitated by international hubs. Collaborations of this nature are frequently the foundation of effective internationalization plans, since they enable firms to utilize local knowledge, share assets, and jointly create groundbreaking solutions. The synergies generated by such collaborations allow firms to not only penetrate new markets but also to adjust to the distinct requirements of these areas, therefore strengthening their competitive advantage.

Innovation as a Driver of Success in Global Hubs. The interviews also highlight the critical role of innovation in the success of firms operating within international hubs. Firms that actively engage in both digital and green innovation are better positioned to meet the evolving needs of global markets and to capitalize on the opportunities presented by international hubs. The ability to innovate and adapt rapidly is particularly crucial in hubs like Dubai, where the business environment is dynamic and highly competitive. These findings suggest that policies aimed at supporting innovation, particularly in the context of international hubs, could have a significant impact on enhancing firms' global competitiveness.

3.1 Policy Implications for Leveraging International Hubs

Given the demonstrated importance of international hubs in driving firms' success, policymakers must consider several key implications. First, there is a need to support the development of these hubs through investments in infrastructure, regulatory frameworks, and innovation ecosystems. Such support will ensure that these hubs continue to attract and retain firms that contribute to economic growth and competitiveness.

Second, policies should focus on facilitating the formation of strategic partnerships within these hubs. This could involve creating platforms for collaboration between local and international firms, providing incentives for joint ventures, and supporting networks that connect firms with relevant stakeholders.

Third, the role of free zones within these hubs cannot be overlooked. Free zones offer a unique regulatory environment that can significantly reduce the barriers to international trade and investment.

Policymakers should consider expanding the availability of free zones and ensuring that they are tailored to the needs of different industries to maximize their impact on firm performance.

3.2 Challenges and Opportunities in the Evolving Global Landscape

While international hubs offer significant advantages, the interviews also reveal several challenges that firms face when integrating into these hubs. They include navigating complex regulatory environments, dealing with cultural differences, and managing the risks associated with rapid market changes. Addressing these challenges requires a coordinated effort between firms and policymakers to create supportive environments that mitigate risks and enhance the benefits of hub integration.

Furthermore, the evolving global landscape presents both challenges and opportunities for firms operating within international hubs. As global markets become increasingly interconnected, the ability to quickly adapt to new trends and technologies will be essential for maintaining a competitive advantage. Policymakers should therefore prioritize the development of flexible regulatory frameworks that allow firms to innovate and adapt in response to changing market conditions.

3.3 Conclusion

This study emphasizes the fundamental role international business hubs play in facilitating firms' success through strategic partnerships, innovation, and global market expansion. A detailed comparative analysis of Dubai's experience demonstrates how such hubs can act as catalysts for economic development and firm growth. However, Dubai's success is just one example, and its model must be viewed alongside other global hubs like Singapore, Hong Kong, and Silicon Valley, which employ different approaches to internationalization and innovation.

The research findings highlight the importance of recognizing that hubs are not just geographic locations. They provide advanced infrastructure, regulatory benefits, and access to networks that are vital for firms aiming to expand globally. The presence of free zones, such as those in the UAE, further enhances these advantages by reducing barriers to entry and creating a more conducive environment for international trade and investment.

One key takeaway from the interviews is the importance of strategic partnerships. They provide firms with local knowledge and synergies that enable faster and more effective market penetration. Furthermore, firms can leverage innovation ecosystems within hubs to their advantage. Those that prioritize innovation, particularly in digital and green technologies, are well-positioned to capitalize on evolving global demands.

However, integration into these hubs presents a few challenges. Firms must navigate complex regulatory frameworks, cultural differences, and the fast-paced nature of global markets to succeed. The study indicates that policymakers should prioritize the enhancement of infrastructure, regulatory frameworks, and the fostering of strategic collaborations to optimize the effectiveness of international hubs.

In conclusion, while international hubs offer significant opportunities, ongoing support from both firms and policymakers will be essential to overcoming challenges and maximizing the long-term benefits of these centers for global economic growth and competitiveness.

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Appendix

Table A1: List of firms

Firm	Membership type	Description	Country
Org1	Education	An independent university with four Departments: Economics and Finance, Business and Management, Law, and Political Science.	Italy
Org2	Education	School of Business and Management dedicated to the development of individuals and enterprises.	Italy
Org3	Office	Firm operating in information technology and outsourcing services (CRM Customer Experience) at a global level.	Italy
Org4	Office	Executive recruitment agency that caters to the fast-moving construction & property industries in MENA region.	UAE
Org5	Office	Identity design and network	Italy
Org6	Office	Firm engaged in providing professional consulting services to the Hospitality Industry.	UAE
Org7	Office	Real estate agency	UK
Org8	Office	A fashion house that designs, produces and sells women's clothing, specialising in coats.	Italy
Org9	Office	Holding firm with a focus on Digital Transformation.	Italy
Org10	Office	Public bodies experienced in Immigration Services.	UAE
Org11	Office	Firm that finances conservative restorations of historical works and monuments and private buildings thanks to the contribution of Sponsor Firms	Italy
Org12	Virtual Office	Firm specialising in the production of veneers	Italy
Org13	Virtual Office	Firm operates in the Telco, Industry, Transport, Utilities and Public Administration sectors, designing and implementing highly innovative software solutions and robust, scalable and secure IT infrastructures.	Italy
Org14	Virtual Office	A digital agency that provides IT services.	Indonesia
Org15	Virtual Office	Digital solution provider focused on creating effective extended sales processes.	UAE
Org16	Virtual Office	International agency, focused on delivering high value consultant and management services to brands, professional clubs and football players all over the world.	Italy

Org17	Virtual Office	Consultant Firm aimed at the leadership of firms with a focus on transformation processes and their impact on Human Capital and Corporate Organisation.	Italy
Org18	Virtual Office	A professional media production firm with hands-on experience in artist management and Audio/Video production	UAE
Org19	Virtual Office	Cosmetic Products Manufacturer	UAE
Org20	Virtual Office	Firm active in the pharmaceutical field, specialized in marketing & distribution of medicine and pharmaceutical products.	UAE
Org21	Virtual Office	E-Commerce services	UAE
Org22	Virtual Office	Specializes in system conceptual design, supply, installation, commissioning and maintenance.	UAE
Org23	Virtual Office	Immigration Consultancy	UAE
Org24	Virtual Office	App developer, acts as a marketplace for partners offering discounts on their products and services, and the increase in brand visibility	UAE

Note: the response rate was 16%. Considering the short time available for interviews due to the deadline set by ministry research project.

Figure A1: Word cloud



Note: word cloud generated from the translated text of the interview, focusing on the main themes related to the research project.