

JOURNAL

PROJECT

MARES - Resilient urban ecosystems for a sustainable economy (Closed)

Madrid, Spain

TOPIC

Jobs and skills in the local economy

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## MARES Journal 6: get an update about Madrid project

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UIA Expert Alessandro Coppola drives us through the knowledge stemming from the implementation of the innovative solution proposed by the City of Madrid regarding the development and strengthening of the social and solidarity economy in four neighbourhoods. In his 6th Journal, Alessandro discusses what has happened after the official closure of the project and its challenging transition at a time of political change in the city of Madrid. He updates us on what has happened to the spaces - the so-called Mar - opened by the project at a time in which the pandemic has posed additional challenges to their functioning. Then He moves to discuss the legacy of the initiative and its incoming development: in particular, the changes in the overall local policy framework in which the initiative was rooted - the development of the social and solidarity economy and the support of redistributive interventions towards poorer neighbourhoods - and the procurement processes that the city has launched for the management of the Mar and their activities. He finally shares some key lessons learnt from the projects also in the perspective of its potential replication and adaptation to other contexts.

### Executive summary

The Mares de Madrid initiative ended over a year ago in the context of a difficult and challenging local political transition. As a new administration has taken over the government of the city, the future of the policy has been redefined. The initiative's partners no longer manage the four Mar, and the many economic projects that have been developed are no longer supported by the many services they provided. On top of this transition, the pandemic - that has hit Madrid with particular violence - has made the adjustment to the new realities for both the spaces and the projects further problematic.

In this final issue of this journal, we intend to give the sense of and to offer insights into:

- what happened to the overall strategies - the social and solidarity economy development strategy and the territorial equalisation strategy - in the framework of which Mares de Madrid was rooted;
- what happened to the spaces, the ecosystems and the economic initiatives after the end of Mares de Madrid;
- what is the new city's overall agenda for the support of innovation and the circular economy and what is the place of

- Mares in this agenda;
- what are the contents and next steps in the city's new procurement processes for the management of the spaces and the activities that will have to take place;
- Mares de Madrid's key learnings and recommendations for city administrations that may want to replicate its approach.

## 1. What happened after the end of Mares de Madrid?

To make sense of what happened after the Mares de Madrid initiative's official closure, we have to look first at the local policy frameworks within which it was rooted. The "strategy for the development of the social and solidarity economy (SSE)" approved by the previous administration does not seem to be a priority of the new administration. The planned "Observatory of the Social and Solidarity Economy" was not put in place while the offices for the support of the social economy - the "Oficinas de la Economía social" - have been closed. However, financial support for SSE enterprises and several collaborations between long-established SSE associations and the city are still in place. Yet, Mares de Madrid's managing entities - cooperatives such as Tengente or Dynamia - no longer have collaboration standing with the city and therefore are not involved in Mares de Madrid's follow-up. Differently, the "Plan Strategico de Reequilibrio Territorial" - the spatial equalisation scheme aimed at supporting more impoverished neighbourhoods - has been kept in place with additional funding and more initiatives in the south and east of the city, included the area of Villaverde (where the Mar of Food and its Gastrolab are). This strengthening has been made possible by additional investments related to the financial compensations implied by Castellana Norte's implementation, an extensive urban transformation project.

Second, we have to look at the spaces. At the closure of the initiative a year ago, out of the four planned spaces two were open and active: the Mar of Energy, located in the neighbourhood of Centro, and the Mar of Food, located in the neighbourhood of Villaverde. The city is currently completing what was supposed to be the Mar of Recycling, in Vicalvaro. While the Mar of Mobility - that had to be located in a reclaimed historic building in Vallecas - will not be completed as archaeological findings made the achievement impossible. After the end of the initiative, the two available spaces have had to face a new situation in which the coordinators and staff put in place by Mares were no more in place while the temporary spaces where the Mar of Recycling and the one of Mobility were hosted were shut-off. In this interim phase, the two former stayed open to the economic projects previously using them - with the right to stay up to one year since - but of course with no support of the specific services previously insured by Mares consortium members. The Mar of Food stayed open, but the Gastrolab closed. The Mar of Energy kept hosting roughly 15 of the economic initiatives previously supported - although with a more limited opening schedule - and some projects supported by Madrid International, an internationalisation-focused start-up incubator. Of course, this interim phase was short-lived as Madrid was hit in March by the pandemic that also entailed the closure of all city buildings open to the public. The Gastrolab proved precious in such a moment as two NGOs used it to prepare roughly 1000 meals every day for people in need at the crisis's peak.

Of course, the end of the initiative did not impact only the spaces - that suddenly lacked a formalised and fully engaged management - but also the single economic initiatives and the overall ecosystems formed during the years of its implementation. By looking at the Mar of Mobility case, one can sense the resilience of what was created with Mares and the challenges that this difficult transition is posing. One of Mares' managing entities - the Vivero de Iniciativas Ciudadanas, to which belonged to the Mar of Mobility coordinator - has managed to keep ties with some projects. This also happened by making available the equipment acquired during the project and occasionally offering some informal support to both already known and new initiatives. Of course, some of the more mature initiatives - such as La Pajara and Transcop (see previous issues of this Journal) - were already completely self-reliant once the project closed, but others less mature were still in need of support. On the positive end, much of the knowledge on mobility innovation generated during the initiative is being used to create and support other projects, as in the Indimo Horizon 2020 project, which focuses on digitally interconnected transport systems. Also, some while some of the sector CAPs (the learning communities) are still active. However, the city will set up a Sustainable Mobility Hub focusing on electric mobility and logistics and freight transport innovation. Companies, national associations and the Polytechnic University of Madrid will participate to the project that will start operating at the end of 2021. Together with CIEC - the former Mar of Energy - the new hub is supposed to absorb the MARES project's mobility, energy, and recycling ecosystems.

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## 2. And what about the future?

As we have seen, the transition was not smooth: project management was suddenly interrupted and spaces lost a significant part of their functionality already before the pandemic. The city is now advancing both a new agenda and a new management strategy. Regarding the new agenda, the focus on the SSE will be abandoned as what

inherited by Mares de Madrid will be included in the wider city's policies supporting innovation. In such endeavour, the city plans to support start-ups by creating more traditional ecosystems involving larger business and universities. Therefore, the Mar will be made part of a larger set of 6 incubating spaces (Viveros de Empresas) of all sorts - including the mentioned Madrid International and the La Nave outlet (see previous issues of this Journal) - already existing in the city. They will also lose their sectoral focus as, besides the Mar of Food, they will be re-oriented towards an incubating function of any start-up regardless. However, there will be a focus on the circular economy and sustainability in Vicálvaro as the city plans to invest more than 4.5 million and a half to support this sector. In this area, the city has also established agreements with the Universidad Politecnica de Madrid and the Foro de Empresas de Madrid, a local trade organisation, for mentoring and acceleration programs.

Furthermore, all types of initiatives will be incubated, as only 25% will have to be part of the SSE if such a demand will exist. The management of these spaces will be decided by specific procurement processes open to all kinds of companies - no more necessarily EES actors - amounting to 1.5 million euros for the next two years. The new management model also includes a way more formalised governance, including a board encompassing the management entity, universities, and other economic actors such as the Foro de Empresas por Madrid. Among the activities required within the procurement, there will be practices promoted by Mares such as the Fablabs, the "Mesas Detonadoras", some of the lines of support experimented by the so-called "specific services", the national and international exchanges (see previous issues of this Journal). A good example of this transition's essential terms is the procurement process for managing the former Mar of Food, including the incubating kitchen, the Gastrolab. Some of the activities expected by the new managers will include what experimented with Mares - support for preincubation and incubation and training - and other new activities such as the attraction of investments and financing. However, it is unclear the future role of key Mares' legacies, such as the learning communities (CAP). Coherently with the new city's approach, the focus will be on establishing connections among incubated initiatives - as it was central in Mares - and among the latter and existing, larger companies or investors eager to support start-ups. Furthermore, there will not be a focus on organic and local food production but rather a focus on technology and innovation in food production processes. Attention on building links with the neighbourhood should be kept as well, both by supporting linkages between economic initiatives and other local actors - as, for example, by linking initiatives to the local municipal market - and by opening the space to uses proposed by local actors.

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### **3. Key lessons and recommendations for potential replication**

Mares de Madrid has been an extraordinarily ambitious and innovative initiative. Rooted in the legacy of social movement and civic initiatives in Madrid, it represents a model for any city that wants to bring transformation and innovation in entrenched understandings and practices of local development policies. Some critical learnings regarding the initiative's implementation can help cities eager to replicate it through reinterpretation and adaptation in the respective contexts.

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#### **1. BETTER INTEGRATION WITH FINANCIAL TOOLS AND INCOME SUPPORT SCHEMES**

One critical dimension of Mares de Madrid has been that of the financial support of projects and individuals participating in the initiative. It is essential to integrate operations with credit and financing forms for economic initiatives at different stages of their development. Projects at an early stage of development have indeed profited of a tremendous amount of high-quality support from Mares operations. But, it is also true that to have some autonomous financial space for these projects could have probably improved their performance. The city of Madrid made available forms of support, but this area could have been more aligned and strengthened. One more area where to explore opportunities for integration is income support. On the one hand, beneficiaries of forms of income support could be included as potential employees of the economic initiatives - or of course as promoters of them - and therefore involved at an appropriate developmental stage. On the other, proponents of economic initiatives should have the opportunity to be included in income support schemes. Many among the emerging entrepreneurs of Mares had to work multiple jobs, putting at risk the projects' development's consistency and effectiveness. In the post-pandemic environment, the integration of income support with local development policy will be of particular importance. And especially so in south-European cities, where the pandemic ravages on the labour market have been of particular virulence.

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#### **2. STRETCHING AND ARTICULATING THE TIMING OF THE OPERATIONS**

One more critical dimension of Mares' implementation is that it has done too much in too little time. More particularly, Mares has been supporting many economic initiatives at very different development stages all at the same time. If it is to become an established policy, forms of support, tutorship and mentoring to economic initiatives should be differentiated probably in terms of the staff involved. At the same time, it is also clear that activities that have been done on a one-time basis - for example the skills laboratories (Laboratorios de Competencias Ciudadanas) and the analysis of the "local value chains (Cadenas de Valores) - should be done on a periodic, revolving basis as to keep these sources of information and involvement continuously in place. Any city authority that would like to replicate the Mares' approach should pay attention to this issue by rooting some of the operations in offices able to sustain such activities in the long term, with a more cyclical process and the ability to differentiate the services' offering further. Mares was a pilot, learning and scaling from Mares means to build a system.

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### 3. ...AND RETHINK ITS SPATIAL AND TERRITORIAL DIMENSIONS

The integration between Mares' territorial and sectoral focuses has been the most challenging issue, for many reasons. The first reason is that to rapidly root new SSE economic sectoral ecosystems - the ones of Mares: food, mobility, recycling, energy and care - in specific and peripheral neighbourhoods was implausible as the initial specialisation level of those neighbourhoods was very limited. The second reason is that communities with different social compositions and challenges are also conducive to very different potentials in terms of familiarity with the social and solidarity economy and entrepreneurial skills. These reasons and other circumstances suggest changing the understanding of Mares' "territorial focus". Indeed, the idea to have spaces with a sectoral focus can be useful as it can be good to place them in specific neighbourhoods. But this has to be at least partially reframed: it may be helpful for the community not necessarily because this will bring endogenous development processes in that sector, instead because it will take relevant functions in peripheral areas. The idea of creating new employment in impoverished neighbourhoods as the primary target of the intervention is essential as well, but it may be reframed, at least both in terms of space and time. Actions such as skills laboratories and value chains analysis should be done at the city level and not just at the neighbourhood level. Equally, the expectation of creating jobs in specific neighbourhoods should be moved down the line considered the time that the development of economic initiative takes. Economic initiatives supported by Mares de Madrid have led to 244 jobs: this has happened in a short time and often starts from new projects with no initial ecosystem and no market. Still, this policy's employment potential has to be considered within a period that goes well beyond that of a UIA initiative. Also, the focus on neighbourhoods as platforms and testing beds for economic initiatives should be based on recognising that involved neighbourhoods can be very different. Some of them could be targeted because anchor institutions there could represent a demand potential for new services, some others could be targeted because they present some embryonic form of sectoral specialisation: the territorial focus has in this regard has to be further articulated and there is no possibility of a one size fits all solution.

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### 4. STRENGTHEN AND PREPARE THE INSTITUTIONAL CONTEXT

The grand strategic value of Mares de Madrid has been to prove that it is possible to build promising SSE ecosystems in a local context where there is a little legacy of them. On one side, this means that the deployment of its methodologies in contexts with more vital legacies of that kind may lead to faster results: partnerships with existing economic initiatives would be easier to establish, and markets for new products would be already available. On the other, it means that - especially in a context where this legacy is weaker - the construction of the market's demand side needs to be a structural part of the policy since its beginning. Public and private institutions with relevant purchasing power and an interest in changing their procurement policies should be part of the initiative's coalition since the beginning (see the fascinating example of the so-called Cleveland cooperatives in the United States, in this regard). And the city administration should have already in place a procurement strategy that will open opportunities for these new economic initiatives once they are ready to participate. Procurement opportunities opened by local markets, schools, and the city for the collection of clothing have been critical for some economic initiatives in Mares. Profound knowledge of the specific institutional and regulative characteristics of the markets the new initiatives want to enter is needed, also in the variety of their maturity and forms. Some markets may have to be created anew; some may have to be further developed or twisted. Some markets may rely on a very distributed demand - as in the market for innovative care services - and therefore need; some other markets may depend on just some large institutions - as in the case of used clothing - and relations with these institutions may be critical. In Mares, this issue was addressed by so-called sectoral strategies, value chains analysis, and some city's procurement innovation efforts. But this dimension should be further strengthened and anticipated at the beginning of a long-term policy trying to replicate Mares' approach.

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### 5. MAKE SURE THAT SPACES ARE AT LEAST ALMOST READY

This has been the greatest problem: city government procedures to refurbish and open new public facilities take a relatively long time and of course are subject to many unforeseen challenges. The positive impact that spaces as the Mar of Energy first and then the Mar of Food - with its Gastrolab - later have had on the project's success cannot be underestimated. In this regard, too, Mares has been very ambitious. It has intended to create entirely new spaces based on innovative co-design practices. But this has implied the risk of not having them at all, or to have them with significant delay. City administrations willing to start a policy based on the model of Mares may want to resume to a more diversified strategy: to pick some low hanging fruit - spaces ready to be used with little investment and still of high quality - while planning for the creation of new spaces with co-design procedures later also based on the learnings realises in the already activated spaces. It is essential to have a full synchronisation of the activities and the spaces where they are supposed to take place. At the same time, Mares has shown how a plurality of minor importance spaces - think for example to fab labs that often were located in spaces found on the market with little refurbishment - has quickly become essential, along with the main ones. Diversify and synchronise: this is the lesson learnt from Mares.

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