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JOBS & SKILLS
IN THE LOCAL ECONOMY







The MARES DE MADRID project

The 2008 economic crisis has produced relevant and lasting impacts in Madrid. Social polarisation and spatial segregation dynamics have escalated, further strengthening the income divide between the north and the south/ southeast. The MARES DE MADRID initiative aims at promoting new urban-based social and solidarity economies able to effectively contribute to the fight against structural unemployment.

A comprehensive approach of actions is being deployed, based on four pillars:

- Activating recovery processes, prototyping and co-designing of decommissioned public spaces.
- Launching skills labs able to involve individuals, neighbourhoods and the civil society.
- Fostering territorial economic innovation processes through social economy formulas and improve the competitiveness and sustainability of the existing productive assets in the city.
- Encouraging the articulation of locally-based productive ecosystems allowing able to increase employment and employability at the local level.

The initiative involves four city districts, Centro, Villaverde, Vallecas and Vicálvaro, through the opening of four spaces called M.A.R.E.S. Every MAR will be specialised: M (mobility), A (food), R (recycling), E (energy) and S (social and care economy, shared by the four MAR). The MAR support new economic activity and the creation of stable jobs by deploying business models, principles and values of the social and solidarity economy. Furthermore, by recovering abandoned or disused public assets and making them available for the creation of new productive initiatives Mares de Madrid contributes also to the regeneration of neighbourhoods.

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Table of Contents

1.	Executive summary	5
2.	The project through numbers, three years later (and less than one year before)	6
3.	Balancing legacy and innovative policies: an interview with Jorge García- Castaño	9
4.	The opening of the Mar of Food and Care	13
5.	Moving towards the end of UIA funding: the challenge of the transition from experimentation to policy	16

1. Executive summary

Mares de Madrid, after the opening of the second Mar — the Mar of Food and Care - Mares de Madrid is now fully working at the development of the social and solidarity economy projects it has supported since its beginning while finalising the works on the other two Mar.

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

 the overall quantitative dimensions of the projects now that the end of the EU funding is looming ahead and that many economic projects are shifting from initial design to incubation and from incubation to marketization;

- the relationship between the Mares de Madrid initiative as key components of the social and solidarity economy strategy and the larger economic development framework promoted by the city of Madrid;
- the opening of the new Mar of Food and Care and its complex workings as first fully productive space inaugurated by the initiative.

2. The project through numbers, three years later (and less than one year before)

Almost three years have passed since the beginning of Mares de Madrid. And less than one year is due before the end of its existence as UIA initiative. So, what has been done up to now? How many projects have been created and are currently incubated in the spaces implanted by the project? And how many people have been involved, in one way or in another, in Mares' complex operations?

Of course, numbers only give one part of the story, but we think that they are a good starting point to later deepen some aspects of that will be at the core of this issue of the journal.

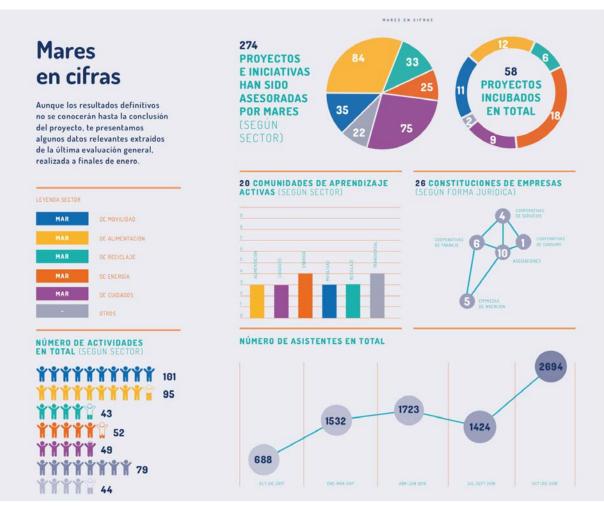
First, the fore and foremost measure of Mares' productivity: the creation of new economic projects. As of April 2019, a total of 274 projects have been supported in different ways by the the "specific services" of the initiative while 58 are currently incubated in one of the spaces currently available, that include two Mar in their definitive form – the Mar of Energy and Care and the Mar of Food and Care – and the provisional solutions that have been provided for Mobility and Recycling while their final spaces are made ready. If we look at the sectors in which these projects are active, we can detect interesting trends. By far, the sector with more projects is energy (see previous issues of the journal to look at some of the projects in this field) with 18, followed by food with 12, mobility with 11, care with 9, recycling with 5. This sectorial distribution changes a little bit if we give a look at the projects that are supported but not incubated: here what is striking is the very high number of projects – 75 – in the area of care that is second only to energy, with 84.

Overall, these figures can give us a sense of how the different sectors involved had a different degree of "maturity" and "readiness" in terms of business development and of how, according to this different degrees, Mares has operated within such reality. While Mares may have been accelerating and finalising processes of innovation in an area as energy where such processes related to the need of the post-carbon transition had been in the making for some years, it may have played a different role in the area of care where it seems that a strong demand for innovation had been seldom addressed in the city before Mares. And the impressive numbers of projects being activated in care, but that are comparatively less likely to be already at an incubation status, may represent well this uneven level of maturity but at the same time of high demand. Coming to projects that are ready to go to the market or that are already on the market, as of April 2019 26 new entities had been created. All entities, coherently with an overall goal of the project, belong to the profiles of the social and solidarity economy: 10 associations, 6 workers cooperatives, 5 insertion enterprises, 4 service cooperatives and 1 consumers cooperatives. These figures are projected to grow at a higher rate in the months to come, with many incubated projects ready to be finally and fully formalised as independent entities.

But Mares is not just economic projects. It is also a complex system of activities and services that allow projects to grow, economic ecosystems to be shaped, communities of practice to organize and, eventually, public policy to change. One of these key activities is the so-called "Learning communities" - "Comunidades de aprentizaje" (CAPs) – that gather projects and interested parties in a journey of self-learning training regarding different topics. Also in this field, energy leads the way – with 4 – while food, care, recycling and mobility have 3 with 4 more CAPs being active on issues that are transversal to all sectors such as, say, the CAP Manos a la Obra that focuses on different planning challenges and tools for the start-up of economic projects or the CAP Trabaja en tu Futuro that focus on how to strengthening abilities and skills for the insertion in the five sectors of Mares.

One more quantitative measure of the relevance of the project is surely also the overall amount of participants to its activities. The four Mar are supposed to play multiple roles in this regard: surely, that of a sectorial hub able to be relevant

for the respective communities of practices at a metropolitan if not regional scale but also that of a public infrastructure - aimed at the promotion of collective, social economy projects - relevant at the neighborhood scale. This double function is not necessarily easy to negotiate but, as far as it goes with the numbers, the mar has seen a surge in the numbers of people attending their premises. In October-December 2017 they were less than 700 while today in the same period of 2018 they have been almost 2700. Many of these people have spent time in the Mar because attending free education and sensibilization sessions on subjects related to the goals of each individual space, another line of work that have been growing fastly also in coincidence with the opening of the Mar of Energy and Cuidado. Just in the month of April 2018, 50 events of this sort had taken place, a figure that is likely to have grown since then. One of the main organisational challenges that the coordination of the spaces has to face is, in fact, the increasing community - or better, communities of different sorts - pressure to use the space for collective events, a good illustration of the sectorial but also of the local role that the Mar tend to play.



Mares though numbers

3. Balancing legacy and innovative policies: an interview with Jorge García- Castaño

The economy of Madrid has strongly bounced back since the end of the double-dip recession that started in 2008. A roughly 3% of annual GDP the creation more growth, 14.000 businesses a year, a 4% increase in employment and, finally, an approximately 30% growth of the foreign investments. But is it also changing from how it was before the recession? A strongly service-oriented economy with a strong real-estate and finance component and with a very little manufacturing sector was the legacy of over thirty years of post-transition economic growth. An economy that – for the new administration in place since 2015 - needed more diversification on the one side, and innovation on the other.

The launch of a social and solidarity economy strategy, finally approved less than a year ago, was one of the tools that the city has promoted in order to support this transition towards a possibly different economic development model and basis. Some of the elements of the strategy – of which Mares is an important component – had already come before the formal approval of the strategy: from the increase of funding reserved to the support of new or existing social economy projects to the further spread of the so-called "Oficinas de la Economia Social". In the meanwhile, initiatives as the opening of an Office for the attraction of foreign investments and the launch of so-called "Operation Chamberi", a large urban development plan in an area North of downtown, signal the centrality that the attraction of external investments has in the city economy. To put all these initiatives in perspective, and to better understand the role of Mares de Madrid in the wider framework of Madrid's economic policy we have met with Jorge Maria Castano, who is a representative of the district Centro and Deputy Mayor for economic development of the City of Madrid.

AC Mr Castano, it is almost a year now that the city launched its Social and Solidarity Economy in Madrid. How do you see its implementation and current developments?

JC We are in a moment of consolidation of a strategy that, even if approved only recently, whose main lines of development have been in place since the beginning of our mandate. Knowing that we are not in a region that, in terms of having a significant density of SSE enterprises, is among the most relevant in Spain. But I think that what we have done are important steps for changing such a situation. In particular what we have done is to put in place a series of tools that can act as catalysers: we have a city social economy committee that has been formed for the first time, we have different lines of financial support, we have changes in procurement. At the same time, I think that in this context Mares has played a special role, being a space where all communities involved in the SSE have put themselves in contact and in relation. Even if we know that we have had some problems with the opening of some of the spaces – as in the case of the Mar of Recycling, in the neighbourhood of Vallecas - we know from the ones that we have opened that they have been effective in putting the people in contact. I think that in these terms we can say that Mares is the linchpin of the entire strategy. Because we all know that we can do a whole lot of changes in procurement policies – putting in place social clauses and market reserves for SSE enterprises - but all these things will never have the communicative effectiveness of something like Mares that can represent a powerful symbol for the future of the EES in Madrid. This is also why we have committed to support Mares once the UIA funding will be over by putting in place funding and a governance model for its continuation.

AC Still complex projects as Mares de Madrid are not easy to be implemented for a wealth of reasons. What do you think are, in this regard, the main challenges and obstacles meet until now?

JC I think that one obstacle that is an inevitable part of reality is the administrative rhythms, something that of course we knew well but that from the point of view of the public is way less clear. We have done much in a mandate, but t is clear that we need a strongly supported strategy happening continuously across a long period of time to produce long-lasting results. What is important is that the EES becomes part of the landscape of the city and of its economy. We have some large cooperatives, we have some economic texture but we are not yet in a situation in which – like say in Euskadi – the SEE is perceived as part of the landscape. For this we need time, but we know that we are at a moment in which the different ways of support to the SSE - the agreements with credit institutions, procurement policies, the support to the capitalisation of SSE businesses, the grant support – have to converge in the visible development of new sizable economic projects able to send a clear message: the SSE is one of the forms in which economic development can take place in Madrid. This is not at all intuitive in Madrid. For this, we need the lines of public support – and we have them – but we also need elements of success that are able to send this message of change to the public. It is therefore key that the projects that are currently incubating in the Mar be effective and be communicated to the public.

ACWe know that the gigantic public procurement powers of a city administration the size of Madrid's can play a strong role in this endeavour. What have been the most recent initiatives of the administration in this regard, and what are going to be the next ones?

JC Procurement laws have changed in Spain and this allows us some more margin to introduce "contract reserves" for insertion enterprises and other forms of SSE enterprises. As of now, we are doing a quite realistic to take advantage of these opportunities, meaning that we do not go as far as reaching the maximum that is allowed by legislation because it would not be realistic considering the still embryonic level of development of the SSE. We want a plan that allows year by year to understand which are the sectors where we can have reserves with successful outcomes. I think that for example, at the regional level, the growth of insertion enterprises is linked to some of the reserves that the Comunidad de Madrid has made and that no and that the issue now is to develop more sectors. At the city level, we see sectors in which we clearly see a strong dynamic and sectors where we do not see this dynamic. For example, in all Madrid's districts, we have cultural and elderly centres, and we think that some contracts that involve information and catering services can be open to the SSE. Some of these activities are problematic because they are not very rentable and so we have for example quite a few cases of decommissioned spaces that, working on market reserves, can be made competitive and interesting for new SSE economic projects. In also think that the contracts that are managed by the districts themselves have a lot of potential and opportunities for SSE actors to enter. In general, the socio-cultural, the environmental and the educational are areas of interest, in these areas, 8% of these contracts can be reserved to SSE actors.

AC Despite recent progress, Madrid still has high unemployment. Unemployment, as precarization and low salaries, tend to hit especially vulnerable social groups in the city. One of the goals of the SSE strategy and of Mares, in particular, was the boost employment opportunities for these groups. We can see there is a very interesting dynamic of young people with high cultural capital that are being activated through Mares — and we know that the youth is over-exposed to unemployment risk - but the role of other disadvantaged groups is less clear. How do you see this challenge?

JC I think that the same localization of the four Mar in districts that are clearly disadvantaged is critical in this. The opening of the Mar de Alimentacion in Villaverde is telling, in this perspective. I think that in general, the success in terms of employment inclusion is going to depend a lot on the ability of the managers of each Mar to work with the community and with the local social fabric. The area of food and care are sectors in which we can do a lot in terms of employment for disadvantaged social groups. For example, we have a learning community (Comunidad de Aprentizaje, CAP) that focuses on the changes that can be introduced by school

canteens to deliver a healthier, more sustainable and more local diet to the children and that is broadly participated by parents, teachers and cooks of Villaverde. On our side, to respond to these proposals, we intend to change procurement so as to drop the rule of the lowest price. I'm confident that once these changes will be made new employment opportunities for the local population may be opened as well. Always in Vallecas, we have another economic project that seems promising in this regards. In the A Tres Calles project, you can see how it's the housekeeping workers themselves that are working on how to self-organize themselves in a cooperative. More, in general, I think that it is also an issue of time. In the case of energy-related economic projects, it is clear that at the beginning among their promoters you will have young people with high cultural capital that maybe live in central areas. But once companies will have been formed it will be possible to create employment also for different social groups.

AC What do you think is the role of Mares in the diversification of the city economy?

It's just at the beginning. To become a relevant part of Madrid's economy is not an easy task.

The city's economy has main trends that, in a way, go by themselves. Madrid is an important financial hub, besides being the national capital, and this comes with a high level of external capital fluxes. For example, we are going to have a very large foreign investment in urban development with the so-called Operation Chamartin, in the context of which new office and housing developments will be built. These kind of investments are massive and they come by themselves to the city, in a way. So what we can do for other forms of development is going to be anyway quantitatively limited. And this is the condition that several of the strategies we

promoted – the social economy but also the industrial development strategy – are inevitably facing. Strategies that intend to promote economic models and sectors that as of now have a very limited incidence on the city's economy. These things have to be in the landscape, in people's head, in order to really make a difference: our work is aimed at achieving that change as soon as possible.

AC The city administration has recently inaugurated a new office for the attraction of foreign investments. What are its goals? And in which sense can it be different from previous policies like that?

MC The new office is going to try to attract investments that do not come by themselves. As I said, regarding the attraction of company headquarters or of real estate investments, there is not so much to do. They just happen. The focus of the new office is to attract instead not too large enterprises not active in these sectors but in emerging, technologically-intensive sectors and that are potentially able to create new and good quality jobs. For this kind of investments, we did not have any specific tool and this is why we pushed this initiative and now we already have a list of companies that are interested in coming to Madrid. Of course, there is limited action for cities in this area, much power lays at the national scale and in fact, the state has launched new initiatives, such as Start-up Spain,

that prove to be important also for our scale of action. The areas in which we are most interested in attracting innovative companies are energy and ecological transition, an area in which we are promoting several initiatives, including the ones promoted in the framework of the social and solidarity economy. We have promoted legal changes, fiscal incentives and grants - we have just approved a 30 million fund to support social impact companies - and some of these funds will be invested in companies working on the energy transition. Companies that can be incubated in places like the Mar of Energy but also in other incubators, such as La Nave.



Jorge Maria Castano

4. The opening of the Mar of Food and Care

After the opening of the Mar of Energy, the last march It's been the turn of the Mar of Food to open in the neighbourhood of Villaverde. After this inauguration, two Mar are still to be open: the Mar of recycling in Vicalvaro and the Mar of Mobility in Vallecas. These two projects have both encountered implementation problems that have pushed the city administration to come-up with provisional solutions. Currently, both Mar are hosted in public buildings in the respective districts with the addition of other spaces located across the city and that serve specific purposes: a maker space connected to the Mar of Recycling in the neighborhood of Vicalcaro and a logistic hub used by several cooperative active in distribution and delivery and connected to the Mar of Mobility located in the neighborhood of Vallecas.

In this context, the Mar of Food represents a pivotal event. The overall goal of the Mar of Food is to support new SSE economic projects all along the entire food chain with an emphasis on local, sustainable, fair and healthy food. In the last months, the Mar has promoted a wealth of initiatives: from the already mentioned CAP focusing on school canteens to the creation of a second-degree cooperative gathering small cooperative agroecological initiatives. And, of course, it has supported with the collaboration of the "specific services" area several economic projects at a very different development stage. At times this has implied to push individual projects to become collective projects with a clear social and solidarity economy profile while other times,

as in all sectors, it has implied to nurture collaborations between different projects that were similar and that could, therefore, increase their scalability if included in a larger collaborative framework. All these activities and the Mar itself are to be understood as part of a wider food policy framework – the strategy for sustainable and healthy food - that the city administration has adopted by adhering to the so-called Milan's food policy pact. A strategy with which, as many city administrations in Europe currently do, the city intends to transition towards a more sustainable food production and distribution system, base on a higher ratio of local and organic production, the fight against waste, the spread of healthier diet habits aimed at fighting obesity and other diet-related problems.

The role of the Mar of Food in this wider strategy is absolutely key, being the first fully public productive facility aimed at supporting these goals having opened in the city. A space, more in particular, equipped with the first collective kitchen - the Gastrolab - in the entire city. Gastrolab covers 150 square meters and allows three lines of production: prepared plates, conserves and baking and pastry. As we have seen in the case of the Mar of Energy, these spaces imply a fairly complex although flexible management. It is the coordination of the Mar that gives the green light for the incubation of the projects and therefore their inclusion on the schedule of the use of the Gastrolab. Based on the inputs that arrive from the Mar of Food coordination and the specific services, it's the overall Mares de Madrid coordination that gives it a last say based on some essential criteria: the maturity the project, its social impact and its ability to strengthen the sectorial specialization patterns that have already been put up front by the Mar. projects that are selected can be groped on three main families: the pre-viveristas, i.e. activities that have not been formalized and have a very limited level of planning, the viveristas, i.e. activities that conversely are formalised and close to marketization, and finally district initiatives, i.e. any initiative that is aimed at the sensibilization of the area to the goals of the Mar strategy.

Overall, the role of the kitchen is to support scalability, making projects ready to go to the market and to create enough income also to support the creation of a space of production of their own. This at times includes a process of formalisation of economic activities that have developed informally, and that through this process may fulfil the ambition of becoming lawful economic activities. Thanks to the support they obtain and the actual use of the Gastrolab, projects can assess how sustainable are their projects and how feasible it is for them to scaleup going, for example, through all the cumbersome bureaucratic authorisation process that any new economic activity in the area of food has inevitably to face. Having access to the gastro-lab entails having access to a fairly organic training in different areas: from management procedures to health and safety rules, from marketing to the planning of the sustainability of productive processes. Of course, projects need to have some initial financial solvency and showing to be able to pay for all they need besides the

general management and the related costs of the kitchen that are instead covered by the Mar.

Besides the coordinator of the Mar, a key figure in this endeavour is the Gastrolab coordinator who is in charge of ensuring the proactive coordination of a process that encompasses many dimensions, some of them that are extremely technical and of high legal relevance. A look at the sizable guidelines every single project has to comply with gives an overall idea of the complexity of such process and, in particular, to open the use of a productive space with so many procedures to follow to a high number of revolving groups of workers.

The Gastrolab is of course not the only space in the Mar. Besides other technical spaces, such as spaces for storage reserved to every single economic project, there are co-working spaces similar to the ones of the Mar of Energy, a common meeting space and a terrace that besides producing solar energy for the entire building is also a free gathering space for the users of the building. But, of course, it is the kitchen that attracts the attention and curiosity of local residents. The strategic location of the Mar along the main street of Villaverde, its design and aesthetics - definitively different from that of the surroundings – and its transparency make it an easily detectable presence. A presence that, in a way, could also intimidate. This is also why open-house days are organised in order to inform local residents of what happens in the Mar and reach them regarding the opportunities that are delivered. The fact that the building where the Mar is hosts also traditional employment services is one more factor of attractiveness.



Urban logistics space connected to the Mar of Mobility



The provisional space of the Mar of Mobility



Mar Food and care



A meeting at the Mar of Food and Care



The roof of the Mar of Food and Care

5. Moving towards the end of UIA funding: the challenge of the transition from experimentation to policy

Now that Mares de Madrid is rapidly moving towards the end of the funding insured by UIA, the whole set of challenges that the project has faced and will be facing is becoming distinctively clear. One main challenge, broadly shared by projects of this kind in the EU, is the actual continuation of the initiative once that the EU support will be ended. All sorts of problems can appear at that critical juncture: a lack of funding can undermine the organisational effectiveness of the initiative or a change in bureaucratic or political leadership can threaten its survival. In this perspective, the city administration by being committed to the implementation of a wider social and solidarity economy strategy has put in place decisions that will ensure the transformation of the four Mar into stable city services in the framework of the Oficinas de la Economia Social (Social Economy hubs) and the contracting of their management to private subjects – either cooperatives, NGOs or companies - through a public procurement process. The procurement process is organised around seven different packages of services ranging from the management of every single Mar to wider coordination duties and should be open for bids soon. If this solution clearly embodies the will of the city administration to go ahead with the initiative the transition from the current model, i.e. a highly coordinated and collaborative management ensured by a coalition of actors

that has initially designed the initiative and managed it up to now, to the new one will surely present challenges that have to be anticipated as much as possible. Furthermore, this transition will happen at a time of transition also in terms of political leadership, considering the fact that local elections will be held at the end of May.

A related challenge is the ability of the post-UIA long-term management of the project to insure that its innovative character will be preserved and developed. Mares de Madrid has deeply innovated entrenched ways to frame and operationalise important public policies such as economic development and training by setting up new kinds of public facilities - the Mar - new kinds of practices - the learning communities and the specific services are a very good example of this - and new governance models. The continuity of these streams of innovation and possibly their institutionalisation could be among the most important outcomes of the project, an outcome that is understandably difficult to achieve in a context that is organised around inevitable path-dependencies of institutions, practices and routines. How the new management will try to preserve and institutionalise what has been experimented in the last three years is, therefore, another key challenge that will have to be tackled in the incoming years. Experimentalism creates opportunities to do new things in policymaking but is learning that ensures that these new things can actually affect and reform the ways in which policies are conceived and implemented, traditionally. And learning has to be organised since it does not happen spontaneously.

How will these challenges be tackled will be at the core of the next journal. Furthermore, considered the continuous development of the economic projects we will also be able to focus on the incremental development of economic ecosystems that are already taking place. Attention will also be given to economic projects developing in the area of care, one of the areas that have the most potential in terms of creating better employment opportunities for workers working informally or very precariously.

Challenge	Level	
1. Long term continuation of the initiative	Medium	
2. Preservation of innovativeness	Medium	
3. Wider institutional learning	Medium/High	
4. Social diversity of the beneficiaries	Medium	
5. Participative approach	Low	
6. Alignment with other policies	Medium	
7. Coherence between sectorial and place-based approaches	Medium/High	

Urban Innovative Actions (UIA) is an Initiative of the European Union that provides urban areas throughout Europe with resources to test new and unproven solutions to address urban challenges. Based on article 8 of ERDF, the Initiative has a total ERDF budget of EUR 372 million for 2014-2020.

UIA projects will produce a wealth of knowledge stemming from the implementation of the innovative solutions for sustainable urban development that are of interest for city practitioners and stakeholders across the EU. This journal is a paper written by a UIA Expert that captures and disseminates the lessons learnt from the project implementation and the good practices identified. The journals will be structured around the main challenges of implementation identified and faced at local level by UIA projects. They will be published on a regular basis on the UIA website.



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