



**MUNICIPALITY OF
MILAN**
Urban Economy and
Employment

Innovation + Inclusion

Milan's periphery as a
laboratory for Social and
Economic Innovation

AN INTEGRATED ACTION PLAN IN PERMANENT BETA

Foto: Chiara Conti

Boosting Social Innovation - BoostINNO



BoostINNO - Boosting Social Innovation

An Urbact Action Planning Network for Social Innovation

11/2015 – 05/2018

BoostINNO enables public administrations to play a new role as public booster and brokers/facilitators of social innovation activities/projects/policies, by driving social innovation in, through and out the public sector.

Three fundamental areas of work:

- the brokerage capacity within and outside the city administration
- the evolving nature of innovation spaces
- the appropriate curricula at all levels, producing measurable changes in mind-sets over a medium to long period of time

The partnership is composed of 10 cities: Gdansk (PL)-Lead partner, Paris (FR), Milan (IT), Turin (IT), Braga (PT), Barcelona (ES), Wroclaw (PL), Skane County (S), Baia Mare (RO), Strasbourg (FR)

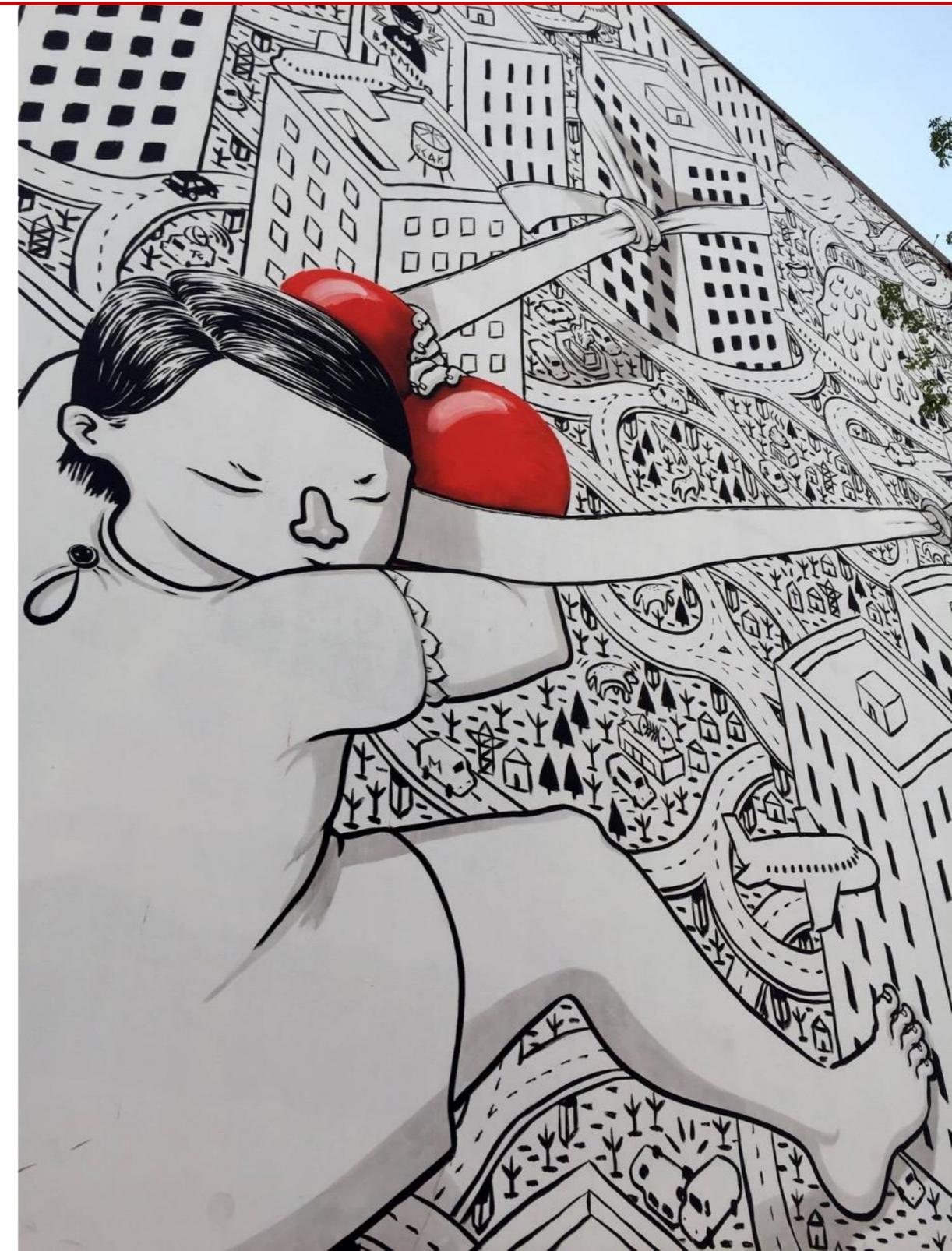
The context – Milan

► Summary statistics

- Population: about 1.400.000 inhabitants;
- Metropolitan area + 3.200.000 inhabitants (one of the most densely populated areas in Europe);
- Under 14: 13.8%; between 15 and 64: 63.8%, over 65: 22.5%;
- Foreigners: 8%, more numerous among young people (about 25%).

► Economy and labour

- Milan produces about 10% of the national GDP
- GDP per capita: 46.000 euros (average Italy 25.000);
- 300.000 companies, 50% services, 25% trade;
- Vocations: Agri-food, finance, manufacturing, life sciences, cultural and creative industries;
- Employed 68.4% (+ 10 compared to the Italian average);
- Unemployed 7.5% (Italian average 11%); 18.6% youth unemployment (28.4% Italian average).



The problem: a city at different paces



RUNNING AHEAD

The city recovered from the crisis thanks to innovation, growing tourism and investments



STAYING BEHIND

But the polarization between different parts of the city and society is likely to increase

The problem: a city at different paces

▶ THE CITY CENTRE AND “NEW CITY CENTRES”

- Local added value + 1.1%
- Number of companies + 1.5 (double the national average)
- Export + 4% (back at pre-crisis levels)
- University students + 13%
- Tourists 3 million (+ 13.1%)

▶ DEGRADED PERIPHERIES

- 20.000 families receive income support
- 20.000 minors in poverty
- average income of a single parent family is € 4.800
- one minor every 20 at risk of school dropouts
- 70 thousand NEET



RUNNING AHEAD

The city recovered from the crisis thanks to innovation, growing tourism and investments



STAYING BEHIND

But the polarization between different parts of the city and society is likely to increase

The method: an Integrated Action Plan in permanent beta

STRATEGY IS NOT A
LENGTHY ACTION PLAN.
IT IS THE EVOLUTION OF
A CENTRAL IDEA
THROUGH CONTINUALLY
CHANGING
CIRCUMSTANCES.

Jack Welch



Starting from 2011, the Municipality of Milan has implemented a series of activities **to combine the development of innovation and social inclusion** of the most fragile segments of the city.

This strategy is **constantly updated** to interpret new trends and seize new opportunities through past experiences and international exchanges (es. BoostINNO study visits and training sessions).

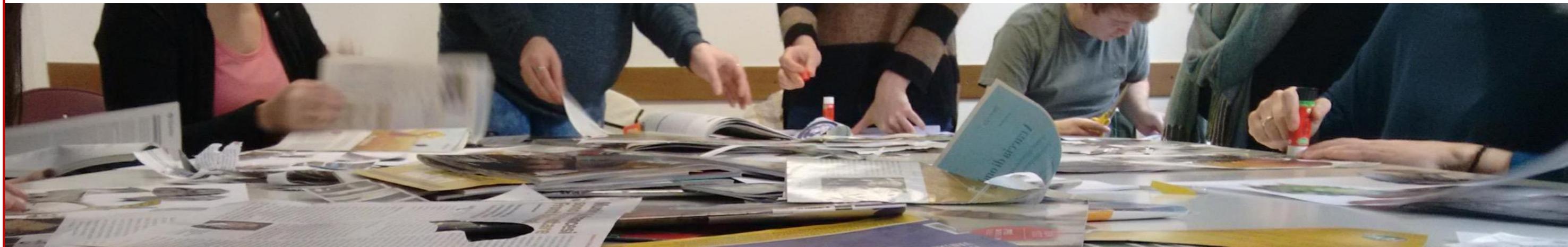
Promoters and stakeholders

▶ Milan Municipality Urban Economy and Employment Directorate

- Coordinates the city economic development functions: training and employment policies, trade and production activities, innovation and business support;
- The Action Plan is carried out in collaboration with other Council departments, in-house agencies and participated foundations.

▶ Main stakeholders involved in URBACT Local Group (ULP)

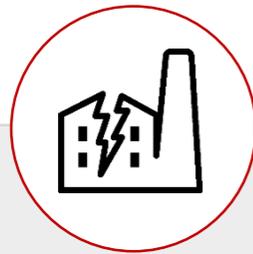
- 11 universities and research centres
- Chamber of Commerce
- Workers and businesses representatives
- Lombardy Region authorities for UE Funds
- Companies and NGOs registered in official lists of the Municipality
- (es. Sharing economy, fablab, coworking etc.)
- Independent experts and community leaders



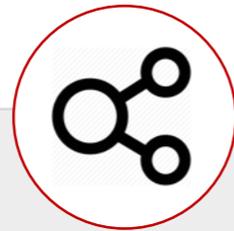
The actions: Municipality of Milan towards inclusive innovation

A series of activities, since 2011 aims to combine the development of innovation and new urban economies and the social inclusion of the most fragile segments of the city.

5 LINES OF ACTION



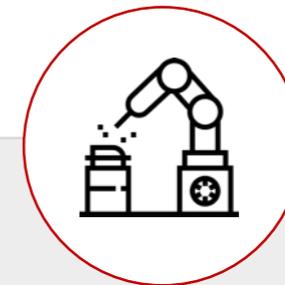
HYBRID
ENTERPRISES
& URBAN
REGENERATION



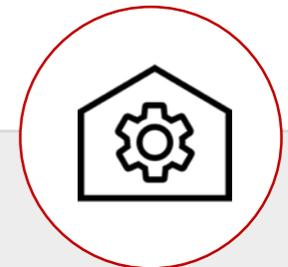
SHARING &
COLLABORATIVE
ECONOMY



STARTUP
& KNOWLEDGE
INTENSIVE
ECONOMY



NEW CRAFT
& URBAN
MANUFACTURING



SMART CITY
& SMART
CITIZENS

3 CROSS SECTORAL ACTIONS

PARTICIPATORY PLANNING
How to design policies?



IMPACT MEASUREMENT
How to evaluate policies?



IMPACT FINANCE
How to finance policies?





Hybrid Enterprises & urban regeneration

Hybrid Enterprises & urban regeneration

Bottom-up hybrid enterprises are mixing profit and nonprofit forms creating social impact by combining fields like trade, agriculture, food, volunteering, art and culture.

They use technology as a mean to increase efficiency and collaboration and are active stakeholders in urban regeneration processes.

The city of Milan supports hybrid enterprises as a driver for social cohesion





Hybrid Enterprises & urban regeneration



BASE - CULTURAL HUB:

- 12.000 TOTALS SQM REGENERATED
- Public-private partnership with a total of approx. €10.000.000 contribution.
- € 60.000 per year concession fee until 2033
- 50 events realized Over 500,000 participants at events

1° CIVIC CROWDFUNDING IN ITALY

- 54 candidate projects
- 16 winning projects reached the goal out of 18
- 60% projects presented by profit companies - 40% non-profit
- € 656.549 financing collected in total
- € 323.413 Milan Municipality co-financing

SUPPORT TO HYBRID ENTERPRISES

75 projects (from 2013-17)

€ 4.5 million euros financed by the Milan Municipality of + 305 new jobs created

OPEN AGRI – UIA FESR

Experimenting innovative urban agriculture districts

Milan lead partner with 16 total local partners

€ 6.246.000 total project budget (80% EU)

€ 3.040.000 contribution to Milan Municipality as lead





Hybrid Enterprises & urban regeneration



STRENGTHS

- ✓ *Milan has a strong tradition of civic mutualism and a rich local ecosystem of social economy*
- ✓ *There are many hybrid enterprise and bottom-up social innovation experiences, especially in the peripheries*
- ✓ *Growing interest in social innovation by national and European institutions, the third sector, impact finance and operators of the mainstream economy (real estate funds)*



WEAKNESSES

- ✓ *Cutting of public funding for the third sector*
- ✓ *Bottom-up realities struggle to consolidate economically*
- ✓ *Difficult relationship between third sector, bottom-up experiences and ethical finance*
- ✓ *Difficulty to innovate within the third sector*

POLICY CHALLENGE

- How to consolidate the experiences of social innovation and new hybrid economy?
- Which policies to bring together bottom-up practices, social impact finance and traditional economy operators?



Hybrid Enterprises & urban regeneration



MUNICIPAL POLICIES : MILESTONES AND RESOURCES

The Municipality is maturing experience in supporting hybrid forms of entrepreneurship for urban regeneration. The new financed actions will be supporting new companies with a social impact at the peripheries.

2013 > today

POLICIES FOR NEW HYBRID ECONOMIES

Microcredit, reuse of public buildings, social enterprise funding etc.

€ 5.340.000
Municipality & central government

2016

BASE MILANO

Ex Ansaldo industry space regenerated to become a Cultural Hub open to events, coworking spaces and creativity initiatives.

2016 > 2017

CIVIC CROWDFUNDING

First in Italy for social impact civic projects.

50% budget crowdfunding + 50%

Public administration

€ 656.549
Municipality

2017 > 2019

OPEN AGRI PROJECT

Experimentation of an urban agriculture district in the south area of Milan

€ 6.246.000 total
EU budget
FESR 2014-20 UIA program

2018 > 2022

INCLUSIVE INNOVATION HUB

Support for hybrid enterprises with a social impact at the periphery

€ 4.800.000
Pon Metro Milano
€ 1.200.000 POR
FESR Lombardy
€ 1.800.000
funding search



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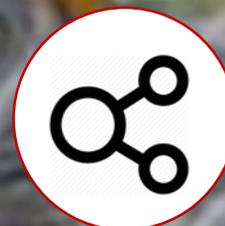


Sharing & Collaborative Economy

« The Sharing City is an ecosystem where the different actors are solution holders in a virtuous process of co-design, co-development and co-management of practices, spaces, goods and services. »

To make Milan a Sharing City it is therefore necessary to map, enhance, connect and eventually regulate those territorial initiatives linked to the sharing and collaboration economy »

Guide Lines «Milano Sharing City»





Sharing & Collaborative Economy



SHARING ECONOMY Register:

75 operators

44 experts

SHARING ECONOMY Platforms:

+ 30% of Italian sharing economy platforms are based in Milan

COWORKING Register:

70 spaces in the Qualified List

Financed:

- 201 coworkers
- 45 coworking spaces
- 92% funded spaces still active

VEHICLE SHARING:

4.650 shared bicycles in 280 BikeMI stations

+ 11.700 BikeMI sharing daily rentals on average

from 2017 free floating system bicycles - 2 operators (OfO/Mobike)

+14.400 daily rentals on average through 6 car sharing operators

30 Digital island for electric cars recharging + connectivity





Sharing & Collaborative Economy



STRENGTHS

- ✓ *The Sharing economy is affirming in Europe and in Italy, especially in cities*
- ✓ *New business models can lead to economic growth and increased social capital*
- ✓ *Milan is first in Italy for numbers of users and companies within the sharing economy*
- ✓ *Some social enterprises and bottom-up civic projects use collaborative methods and technologies*



WEAKNESSES

- The rise of large sharing platforms creates risks of:*
- ✓ *Market distortion and unfair competition*
 - ✓ *Tax iniquity and new monopolies*
 - ✓ *Possible negative impacts on local development*

POLICY CHALLENGE

- *What regulations and synergies can be implemented by local institutions for and with large sharing economy platforms?*
- *What imaginable urban policies to spread new practices and collaborative skills also in local companies and third sector organizations?*



Sharing & Collaborative Economy



MUNICIPAL POLICIES : MILESTONES AND RESOURCES

The Municipality of Milan was the first institution in Italy to support sharing economy. Today the sector is growing strongly. The new actions will aim at increasing the impact of the sharing economy in peripheral areas of the city.

2013 > 2017

POLICIES FOR COWORKING

Support for investments, vouchers for workers, support for the opening of coworking in the periphery

€ 700.000
municipality

2016

FIRST ACTION PLAN CODESIGN

Public hearing of stakeholders and experts, Focus groups, online collection of amendments

2016

MILANO SHARING CITY

Guidelines for the Sharing Economy development in Milano

2016 > 2018

POLICIES IMPLEMENTATION

Experts and operators register, social and training projects in collaboration with large platforms, opening of CoHub, a public hub focused on sharing economy

2018 > 2021

SHARING ECONOMY IN PERIPHERIES

Training, networking and capacity building for companies with a social impact operating in the suburbs.

€ 200.000
Funding search

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Startup & knowledge intensive economy

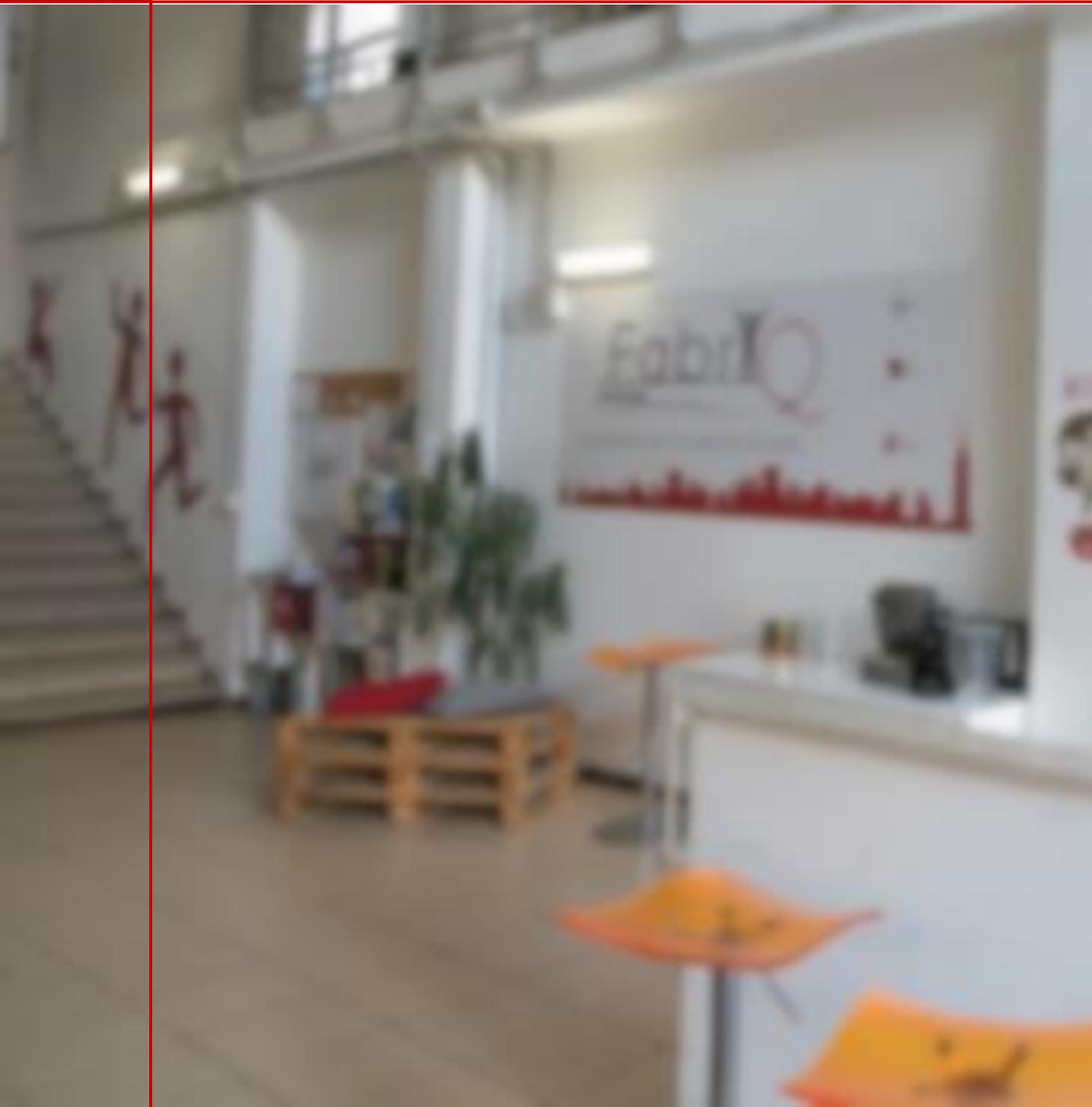
“ Generating work, especially for young people, must be Milan's obsession. In the coming years, the city must invest in new strategic clusters and create innovative entrepreneurship, favoring synergy with the system of universities, research centers, the world of culture and the third sector “

DCC 27 / 2016, “Programmatic lines related to projects and actions to be carried out during the mandate”





Startup & knowledge intensive economy



LOMBARDY

2.300 innovative startups out of 8.000 in Italy
1st region for innovative enterprises

MILAN

1.400 innovative startups
1st city in Italy

CITY OF MILAN FINANCING INNOVATIVE START UPS/ENTERPRISES

491 new companies set up with calls for tenders

FABRIQ - SOCIAL IMPACT STARTUP INCUBATOR

from 2014-17

+ 373.000 euros in grants by the Municipality of Milan
21 projects / startups incubated
+ 100 new jobs created

START UP INTERNATIONAL EXCHANGE PROJECTS – 2016 till now

2 bootcamps
7 Italian manufacturing startups involved
7 Dutch fashion startup involved
15 cities into SCALE network
1 startupcityalliance.eu web exchange portal





Startup & knowledge intensive economy



STRENGTHS

- ✓ *Milan (and Lombardy) hosts the highest concentration in Italy of innovative start-ups and incubators - innovative business accelerators*
- ✓ *Very rich knowledge ecosystem (universities of excellence, research centres, knowledge intensive enterprises)*
- ✓ *High number of innovative start-ups with a social vocation*



WEAKNESSES

- ✓ *Very weak Italian financial ecosystem*
- ✓ *Difficulty of start-up to scale up*
- ✓ *Little relationship between start-ups and SMEs*
- ✓ *Risk of losing of the most interesting innovative start-ups and entrepreneurs to more attractive ecosystems*

POLICY CHALLENGE

- How to support the growth of the start-up ecosystem?
- What policies need to be implemented to make the ecosystem more inclusive, sustainable and able to respond to the social needs of the city?



Startup & knowledge intensive economy

MUNICIPAL POLICIES : MILESTONES AND RESOURCES

The Municipality collaborates with universities, entrepreneurs' organisations and the Chamber of Commerce in supporting innovative start-ups. The goal of the new actions is to experiment with innovative services and increase social impact in the peripheries.

2013 > today

POLICIES FOR STARTUPS

Support for incubators and accelerators, partnership with Entrepreneurs' organisations and Chamber of Commerce

€ 803.500
municipality

2016

FABRIQ, SOCIAL STARTUP INCUBATOR

Opening of the first incubator for social start-ups, grant for starting up activities.

€ 585.000
municipality

2016

INTERNATIONAL EXCHANGES

Agreement with the Cities of Amsterdam and New York City for study visits and soft landing

2017

SCALING UP NETWORK

Joining the "Scale" European network to support the growth of start-ups

2018

SOCIAL IMPACT STARTUPS IN PERIPHERIES

Support for startups and experimentation of innovative services

€ 300.000
municipality
€ 700.000 funding search

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New Craft & Urban Manufacturing

Milan wishes to become an enabling ecosystem for the birth, establishment and growth of companies operating in the field of digital manufacturing and new crafts.

To create new jobs, regenerate the suburbs and promote social cohesion

Manifattura Milano Guidelines





New Craft & Urban Manufacturing



MANUFACTURE IN MILAN (metropolitan area)

36.000 manufacturing companies

330.000 jobs

13.000 craftsmen employed in manufacturing

25% of overall city sale revenues

FABLAB

12 Fablab financed

12 Fablab enrolled in the Qualified Register

100% of the financed spaces still open

MILAN LUISS HUB for Makers & Students

710 square meters redeveloped

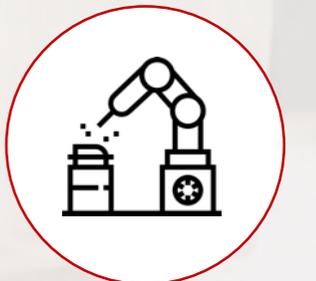
547.000 contribution from the Municipality of Milan

2.500.000 private investor contribution

3 education center with about 60 seats total

1 Fablab

1 Business accelerator with 80 workstations





New Craft & Urban Manufacturing



STRENGTHS

- ✓ *Milan has a great tradition of manufacturing, craftsmanship and design*
- ✓ *Today the first city in Italy for number of employees and employed in manufacturing and for the number of fablabs*
- ✓ *4.0: technology enables new production methods on a small scale and eco-sustainable*
- ✓ *Examples in Europe and the USA of manufacturing rebirth in cities using 4.0 technologies*
- ✓ *A negative Impact of 4.0 technologies on businesses and workers*
- ✓ *Opportunities in the long run but disruption in the short term*
- ✓ *Obsolescence of workers' skills*
- ✓ *Possible impacts on social cohesion Few relations between SMEs, design and technologies 4.0*



WEAKNESSES

POLICY CHALLENGE

- *How to exploit the opportunities of the 4th industrial revolution to create jobs, periphery regeneration, social biodiversity and sustainable urban development?*
- *What policies do we need to bring together 4.0 technologies, craftsmanship, design and open innovation?*



New Craft & Urban Manufacturing

MUNICIPAL POLICIES : MILESTONES AND RESOURCES

In 2017 the Municipality of Milan launched the "Manifattura Milano" Action Plan for the development of new crafts and digital manufacturing in the city. The new measures support investments of manufacturing enterprises in the suburbs.

2013 > today

POLICIES FOR FABLABS E MAKERSPACES

Investment support, collaboration for educational projects and creation of an official register
€ 265.000
municipality

2016 > 2017

ACTION PLAN CODESIGN

Participatory process and co-design sessions with more than 50 stakeholders

2016 > 2020

LAUNCH OF MANIFATTURA MILANO PLAN

6 intervention directions for the development of new craftsmanship and digital manufacturing

2018

OPENING OF MILANO LUISS HUB

New space in Private-Public Partnership for makers and students
€ 547.000
municipality
€2.500.000
private investors

2018 > 2021

MANUFACTURE IN PERIPHERIES

Investment support for new manufacturing companies that are located in the suburbs
€ 5.000.000
municipality
€ 5.000.000
funding search

WE ARE HERE



Smart city & Smart citizens

Becoming a smart city means innovating tangible and intangible infrastructures, behavioral habits, regeneration and planning processes of urban spaces and generally rethinking ways of producing economics, of dialoguing and managing complexity.

A smart city does not only cultivate only its technological component, but must combine economic development and social cohesion, innovation, training, research and participation.





Smart city & Smart citizens



OPEN WI-FI

46.000 average connections per day
More than 759 access points in 2017

OPEN DATA SET

More than 331 open data sets for citizens and businesses

PLATFORM E015

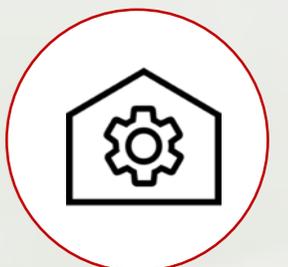
606 subscriptions

INTERACTIVE TOTEM WAYFINDING

94 totems equipped with beacons and NFC sensors to provide information on tourism and mobility

«SHARING CITIES» PROJECT HORIZON 2020

25.000 sqm private and public buildings energy redevelopment
14 new BIKE MI stations and 150 new bikes
10 mobility areas for electric charging
60 new electric vehicles in sharing
190 smart parking stalls
11 electric vehicles for goods logistics





Smart city & Smart citizens



STRENGTHS

- ✓ The Smart City paradigm has changed: not only technology for efficiency but also people-centred
- ✓ Milan is first in the ranking of smart cities in Italy
- ✓ Milan hosts are bottom-up experiences and digital social innovation projects to increase the active participation of citizens in the smart city



WEAKNESSES

- ✓ *Ethical and political problems related to the creation and use of data*
- ✓ *Risks of social and technological exclusion and creation of new monopolies*

POLICY CHALLENGE

- What intelligent infrastructures are needed to enable and grow innovative, inclusive and sustainable economies especially in peripheral areas?
- What policies must be implemented to make citizens co-authors and not merely users of the smart city?



Smart city & Smart citizens



MUNICIPAL POLICIES : MILESTONES AND RESOURCES

In 2014 the City of Milan, after a consultation process, approved the Milan Smart City guidelines. Today, projects and experiments are carried on in the neighbourhoods. The new actions aim to transform all the suburbs of the city in smart areas.

From 2013

MILANO SMART CITY GUIDELINES

Action in 7 points, creation of an organisation with institutional partners, coordination between sectors of the Municipality.

2016 > 2017

OPEN CARE PROJECT

Digital social innovation project on making, digital technologies and care processes.

€ 1.588.000
Horizon 2020
CAPSI

2016 > 2020

SHARING CITIES PROJECT

Creation of a "smart" neighbourhood in the periphery of Milan in partnership with Lisbon and London.

€ 8.600.000
Horizon 2020
Lighthouse

2016 > 2019

SMART CITY LAB

Opening of an incubator for companies specialized in smart technologies

€ 500.000
municipality funds
€ 5.000.000
government funds

2018

SMART PERIPHERIES

Support for the experimentation of smart city technologies in the suburbs

Funding search
€ 2.000.000

WE ARE HERE



Cross sectoral actions

PARTICIPATORY PLANNING

How to design policies?



The different parts of the Integrated Action Plan have been designed and implemented following three method principles:

- > **Tailor made model**, to respect the peculiarities and vocations of the city;
- > **Lean approach**, with "light" experimentation and trial and error learning;
- > **Open governance**, to develop solutions, attract resources, optimize efforts, define priorities and remove obstacles

Budget: € 69.375

Urbact BoostINNO 2015-2018

IMPACT MEASUREMENT

How to evaluate policies?



Through the resources of the European Social Fund, the Municipality of Milan has entrusted the Politecnico di Milano with a study for the definition of an impact assessment model of the policies that will be implemented within the Integrated Action Plan.

Budget: € 30.000

FSE Pon Metro 2014-2020

IMPACT FINANCE

How to finance policies?

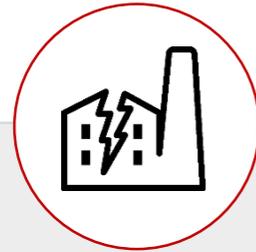


Milan Municipality is participating to the European RICE project to study how to set up urban development funds through partnerships with private investors. The funds can contribute to financing the activities of the Integrated Action Plan.

Budget: € 311.905

FESR

Summary of the financial requirement for IAP actions



HYBRID ENTERPRISES & URBAN REGENERATION

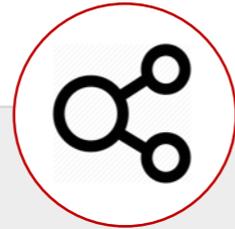
Support for hybrid enterprises with a social impact at the periphery

Available resources:

€ 4.800.000 PON
METRO FSE

€ 1.200.000 POR FESR
Lombardy Region,
V.3.c.1.2

Funding needed
€ 1.800.000



SHARING & COLLABORATIVE ECONOMY

Training, networking and capacity building for companies with a social impact operating in the suburbs.

Funding needed
€ 200.000



STARTUP & KNOWLEDGE INTENSIVE ECONOMY

Support for startups and experimentation of innovative services in the suburbs

Available resources:

€ 300.000 Municipality

Funding needed
€ 700.000



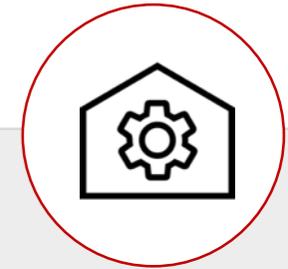
NEW CRAFT & URBAN MANUFACTURING

Investment support for new manufacturing companies that are located in the suburbs

Available resources:

€ 5.000.000
Municipality

Funding needed
€ 5.000.000



SMART CITY & SMART CITIZENS

Support for the experimentation of smart city technologies in the suburbs

Available resources:

€ 8.600.000 Horizon
2020

Funding needed
€ 2.000.000

Project example

Inclusive Innovation Hubs

A new action to transform the degraded

peripheries into a laboratory

for new hybrid enterprises

Project example : inclusive innovation hubs



STRENGTHENING SOCIAL COHESION AND CONSOLIDATING PROCESSES OF SOCIAL INNOVATION IN THE SUBURBS

DURATION

+ 4 years

AVAILABLE RESOURCES

+ 4.8M euro FSE (Pon Metro Milano)

COMPLEMENTARY PROJECTS

Support for social innovation enterprises

1.2M euro Fesr (Por Regione Lombardia)

TARGET AREAS

Peripheries characterized by persistent social, economic, cultural and environmental problems;

Priority district Lorenteggio Giambellino;

Other target areas defined by the Municipal Council (Piano Periferie)



STARTUP
& KNOWLEDGE
INTENSIVE ECONOMY



SMART CITY
& SMART CITIZENS



NEW CRAFT
& URBAN
MANUFACTURING



HYBRID ENTERPRISES
& URBAN
REGENERATION



SHARING &
COLLABORATIVE
ECONOMY

Inclusive innovation hubs: actions

MI
3.3.1.d

STUDY AND RESEARCH

New dynamics of the Milan area development and international benchmarks

MI
1.1.1.d

DIGITAL PLATFORM

Digital platform development for internal processes within the Administration

MI
3.3.1.d

COMMUNITY BUILDING AND CO-DESIGN

Giving birth to new ideas of social innovation starting from the neighborhoods vocations and needs

MI
3.3.1.d

COACHING (I)

Training meetings to go from idea to projects and capacity building sessions to launch innovative social enterprises

MI
3.3.1.e

SUPPORT TO SOCIAL INNOVATION PROJECTS

Microgrant to test projects, including civic crowdfunding

MI
3.3.1.d

COACHING (II)

Mentoring, training and peer learning, community building among beneficiaries

MI
4.2.1.d

SPACE RENOVATION

Renovation of urban spaces to accommodate social innovation projects and services

MI
3.3.1.d

LABORATORIES and COMMUNITY HUB ACTIVATION

Intrusting spaces to project managers through private public partnerships

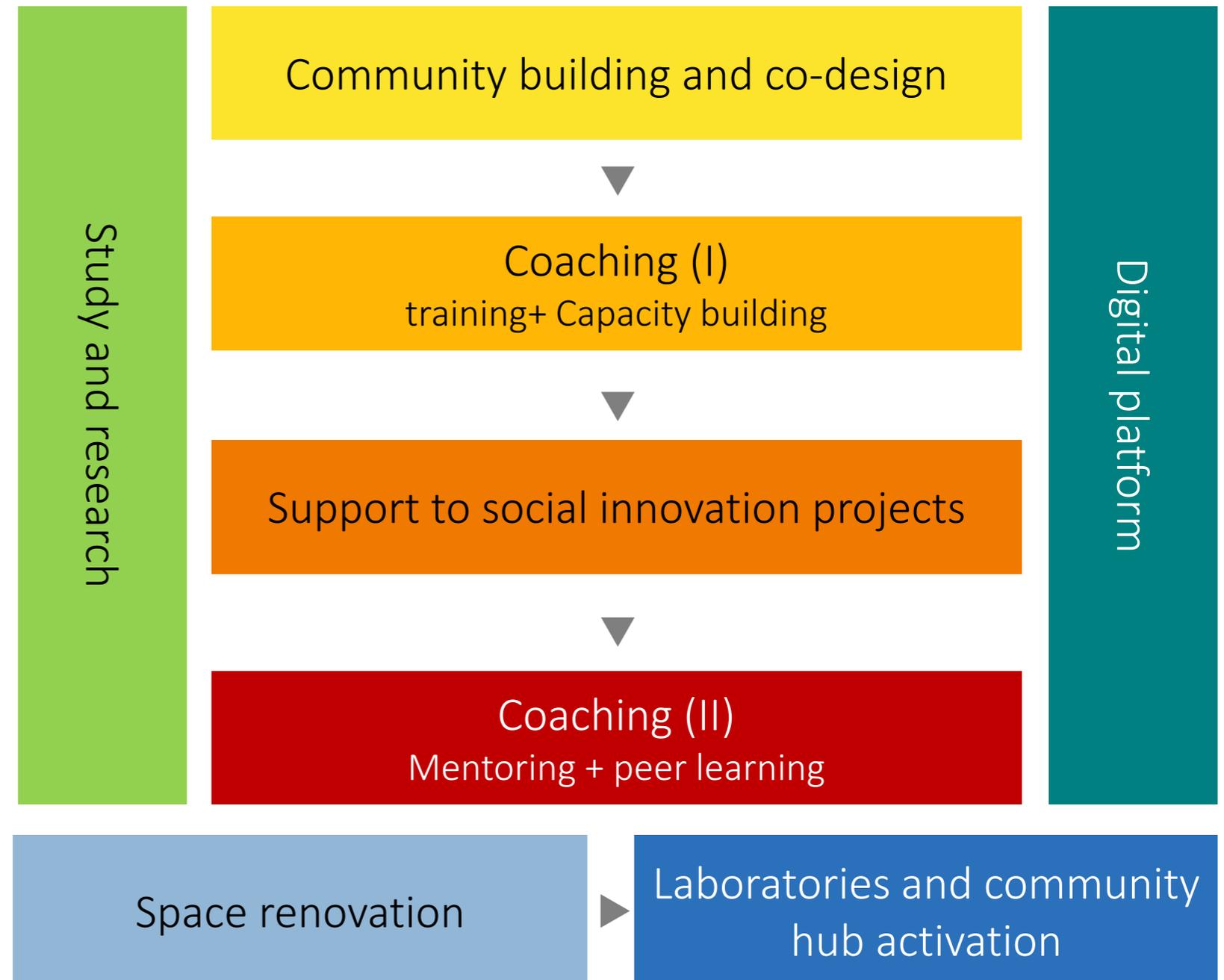
Inclusive innovation hubs: an overview

The project consists of a series of actions to sustain **local citizens entrepreneurship** growth.

The inclusive innovation hub aims to create a **vivid community** and spot the main stakeholders to involve in the process towards **ideas to improve the surroundings while creating new jobs**.

The best ideas will be given **economical support** and will be coached with an **open and collaborative approach**.

The action is supported by a **digital platform** and a **physical space**.





**MUNICIPALITY OF
MILAN**
Urban Economy and
Employment

Thank you!

Comune di Milano

Direzione Innovazione economica e sostegno all'impresa

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Foto: Chiara Conti