



## Critical review

# Re-making urban economic geography. Start-ups, entrepreneurial support and the Makers Movement: A critical assessment of policy mobility in Rome



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## ABSTRACT

A new type of urban economy is emerging in many cities of the world based on innovation and soft-technology among micro and small enterprises. This movement back to the city has been promoted by both bottom-up and top-down interventions. The Maker Movement, start-ups tailored policy agendas and shared service accommodations set ups are all different facets of business regulations oriented to promoting entrepreneurial ventures as a way to trigger new economic growth in lagging urban environments. This paper looks at the case of Rome and compares it with other cases and policy interventions around the world. The results raise concerns about the efficacy of policy mobility in this connection. The planning system still fails to address the impact these activities might have settling on an existing urban fabric and giving new life to derelict areas of the city. The few implemented regeneration strategies that exist have mainly emulated past experiences of creative cities and clusters. Yet, from an economic point of view, start-ups have become the new panacea in neo-liberalised job markets. The remaking of new urban economies is influencing contemporary processes of regeneration in cities of both developed and developing world and a better understanding of its dynamics is needed to inform future policy making processes.

## 1. Introduction

A new type of urban economy is emerging in many cities of the world. Its development is largely exemplified by the dissemination of the Makers Movement, born in the Bay area in 2006 as a community of hobbyists and then grown and exported as a new entrepreneurial style. Its diffusion worldwide has corresponded to both an increasing interest in start-ups and new entrepreneurial activities from many world business institutions going through the necessity of facing a general downturn and a shortage of traditional job offers. Since then, digital entrepreneurs have spread in many countries of the world creating in exchange a network of new professional figures, intermediaries and facilities associated with a new conception of innovation led from the bottom up by very small firms or individuals.

As a result in last decade, the start-up panacea has therefore invested both developing countries and traditional capitalist contexts, such as Italy or even cities like Detroit, USA, are struggling to find an economic vocation after a general downturn (cf. [Phelps and Wijaya, 2016](#)). Under the economic point of view, the problem has been assessed as one of adapting innovation policy agendas to foster new job creation by supporting new ways of mobilizing venture capital and regional funding or granting fiscal benefits to new activities and even educational tools for new entrepreneurs. However, despite ‘start-ups’

and ‘entrepreneurialism’ becoming the watch words to promote and re-instil economic growth in large urban areas, very little has been done with respect to these processes from the planning side. Most of the relating policies are mainly the result of copy-paste approaches of policy mobility that pick upon policies coming for the previous wave of creative and tech cluster experiences and translating them into a more technology-oriented language.

In other words, an investigation of the planning dimension targeting specifically makers or the new sector they represent is missing. How, then, do we address this economy that is establishing itself on already existing urban fabrics? Are there real repercussions for the built environment coming from “*start-up urbanism*” ([Rossi and Di Bella, 2017](#))? If so which ones and how can we use them to regenerate urban areas and maximize growth as well as their social value? Answering these questions means finding new ways through which planning policies could really address the issue and developing new tools to tackle those urban changes. Shared service accommodation, international fairs and events dedicated to start-ups and the Makers Movement are all elements of this potential story – a tale made of the emergence of new urban economies but also a story of socio-economic struggles in the city.

This article examines the seeds of this new urban economy looking at the city of Rome and the measures in place there. The Italian city has undergone some deep socio-political tension in the last few years as

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well as experiencing the emergence of a promising community of makers and related facilities and events. In particular, the impressive institutional support granted to major international events dedicated to the exhibition of new enterprises and innovation – such as “the European Edition” of the Maker Faire or the biggest out of the US, home country of this branded series of events – has to be read as a top-down strategy to rebrand and relocate the economy of the city towards new sectors.

## 2. The Maker Movement: Democratization of innovation or institutional “make-over” of the urban labour market?

The Maker Movement is the expression of a new class of innovators, they represent a changing labour market in which skills and knowledge tend to be more and more cross-fertilized design is mixed with software coding and everything can be easily shared and accessible to all because of new means of communication (Anderson, 2012). Everyone can be a maker as strongly argued by the founder Dougherty (2012). The democratization of innovation and small-scale manufacturing is in fact one of key characteristic of the movement. The resulting social innovation manifesto has often been likened to grassroots political movements. While standing-alone it might represent a temporary phenomenon, if connected to the bigger picture of cities’ economic development and job creation opportunities, the Makers Movement offers plenty of material to reflect on policy implementation.

In the US context, the reintroduction of manufacturing within the educational system was a key objective under Obama’s government and makers played an important role in setting up fab-labs into schools (Kalil and Rodriguez, 2015). This ultimately was an attempt to boost entrepreneurialism and to reintroduce small-scale manufacturing in the economic offer of cities. For sure it has at least contributed to its global visibility, spread and export in the rest of the world. The initiative was rooted not only in cities traditionally holding a certain creative potential like Portland or San Francisco, but it became relevant especially in declining former manufacturing cities like Detroit, Philadelphia, or Pittsburgh. Studies led in the American framework have demonstrated that there are different typologies of makers in relation to their scale of operation and the scope of their operational network. However, all of them generate multiplier effects at the local scale of the urban areas in which they settle, mostly by inducing the emergence on the job market of requests for intermediary firms and organizations defined as “Maker Enabler Entrepreneurs”, active in supporting the related new urban economy, e.g. accelerators, incubators, shared service accommodation managers, etc. (Wolf-Powers et al., 2017; Van Holm, 2017). Each American city has diversified its “making” offer according to its historical socio-economic background.

The same variations apply to the export of the making phenomenon abroad. Under the US influence, the European Union is also encouraging its member states to craft policies encouraging new enterprises and innovation to emerge from start-ups and the digital sector. The main policy agendas setting the guidelines to address this sector are the *New Entrepreneurship Action Plan 2020* and the *Smart Specialization Strategy (RIS3)*. The first one mainly gives directions on the allocation of funding and microfinance covering the different phases of the entrepreneurial journey (from educational purposes to more practical reasons, such as setting up a business plan and dealing with administration issues). The second is a place-based policy agenda that each region is required to deliver defining priorities to enhance economic growth and innovation leveraging on local potentials.

The start-up panacea has also hit Italy and its main metropolitan centres. New entrepreneurial ventures seem to have become the magic solution for any economic issue and therefore, despite the absence of data on their actual economic performances and weight, most of the measures in place at different scale are meant to address their needs. A special registry of *innovative start-ups* has been created by the Chamber of Commerce, complemented by a system of fiscal benefits and

microfinance opportunities for new activities. Besides the allocation of funding, the initiatives in place are twofold addressing either the spatial dimension and therefore granting premises and spaces or creating facilities to consolidate the professional network.

In the specific case of the Lazio region of Rome its RIS3 strategy focuses on the economic relocation of the region, prioritizing enterprises active in the innovative field and related enabling activities. In addition to that, since 2012 at the national scale, a register for “innovative start-ups”, which is central to the granting of fiscal benefits to new enterprises matching some pre-set innovation criteria has been established in Italy. In the Roman innovative ecosystem knowledge *spillovers* are still mostly relying on social capital and trust relationships influencing the choice of the working spaces.

In this framework and mainly following an imitational trend under the American influence, the Roman institutions have bet on the Maker Faire as a leading event to try to re-brand the city and giving exposure to emerging small and very small innovative enterprises. Whilst the first Maker Faire, organized in the Bay area, had been conceived as a reproducible brand all over the world, its characteristics and the typology of people it attracts are different depending from the context in which the event is organized. In Europe and in particular in Italy, institutions have used it as a tool to expose and relocate urban economies towards more technological sectors. This attitude explains the institutional involvement in their set up, which was further backed up by the organization in Brussels of the *First-Ever EU Institutional Maker Faire* in May 2016 featured by the European Commission and the Maker Faire Rome organizational committee. Overall, makers have played an important role by importing in Italy those foreign experiences but, despite their social innovation manifesto, most of them are currently contracted in Rome by public authorities for educational reasons e.g. training or initiatives like *Fab City* bringing fab-labs into schools. Like in the US, among the institutional authorities the educational approach is believed as the first step in shaping a new professional class of entrepreneurs.

Makers appear to be associated with the emergence of the contemporary urban labour pool. To a certain extent the story of the Makers Movement is similar to that of the New Argonauts and then the creative class (Saxenian, 2006; Florida, 2002). They are a product of the general economic downturn after the financial crisis of 2008. Very often makers hold higher education degrees but cannot access a job market with insufficient qualified jobs on offer, therefore they tend to export or import back home experiences they have made abroad. Already Moretti (2012) had suggested a geographical shift in the redistribution of innovative capacities and therefore jobs in the US, expressing instead concerns for those areas, which do not hold a hub position, such as Silicon Valley. In the last decade, the institutional response to addressing this inequality of job distribution has resided in policies oriented in the support of start-ups and new entrepreneurs. Rossi and Di Bella (2017) have labelled this approach as “start-up urbanism” and in particular Rossi (2017) has talked about the “*entrepreneurialization of the self*” while criticizing the neo-liberal approach of institutions marketing start-ups as the new “*policy panacea*” (cf. Martin and Sunley, 2003).

These recent market evolutions suggest that the bigger picture of the job market is a lot more complicated. In some parts of the world traditional jobs and social security systems are simply missing. Therefore, the only solution is to set up one’s own enterprise or to work free-lance. Ultimately the excessive attention towards the creation of new entrepreneurs masks a neo-liberal approach of institutions towards the contemporary job market and it works in either way in developing countries and in decaying economies favouring a neo-colonial attitude of big corporations granting venture capital to then acquire start ups’ ideas.

## 3. The policy mobility issue in Rome and the lack of tailor-made strategies

The issue of policy mobility to trigger economic regeneration by

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