



## Dealing with Urban Diversity

### The Case of Milan

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This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement No. 319970. SSH.2012.2.2.2-1; Governance of cohesion and diversity in urban contexts.





# **DIVERCITIES: Dealing with Urban Diversity**

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Yuri Kazepov

**Governing Urban Diversity:**  
Creating Social Cohesion, Social Mobility and  
Economic Performance in Today's Hyper-diversified Cities

To be cited as: Eduardo Barberis, Alba Angelucci, Ryan Jepson, Yuri Kazepov (2017). DIVERCITIES: Dealing with Urban Diversity – The case of Milan. Utrecht: Utrecht University, Faculty of Geosciences.

This report has been put together by the authors, and revised on the basis of the valuable comments, suggestions, and contributions of all DIVERCITIES partners.

The views expressed in this report are the sole responsibility of the authors and do not necessarily reflect the views of the European Commission.

ISBN 978 90 6266 460 3

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Copy Editors: Melissa Lee and David Wills  
Cover Image: Michela Semperebon  
Design & Layout: C&M, Faculty of Geosciences, Utrecht University, The Netherlands  
Printed by: Xerox, The Netherlands

A digital version of this report is available on the DIVERCITIES website: <http://www.urbandivercities.eu>

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*In memory of Ronald van Kempen*



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# PREFACE

This book is one of the outcomes of the DIVERCITIES project. It focuses on the question of how to create social cohesion, social mobility and economic performance in today's hyper-diversified cities. The project's central hypothesis is that urban diversity is an asset; it can inspire creativity, innovation and make cities more liveable and harmonious. To ensure a more intelligent use of diversity's potential, a re-thinking of public policies and governance models is needed.

Headed by Utrecht University in the Netherlands, DIVERCITIES is a collaborative research project comprising 14 European teams. DIVERCITIES is financed by the European Commission under the 7th Framework Programme (Project No. 319970).

There are fourteen books in this series, one for each case study city. The cities are: Antwerp, Athens, Budapest, Copenhagen, Istanbul, Leipzig, London, Milan, Paris, Rotterdam, Tallinn, Toronto, Warsaw and Zurich.

This book is concerned with Milan. The texts in this book are based on a number of previously published DIVERCITIES reports.

Eduardo Barberis, Alba Angelucci, Ryan Jepson, Yuri Kazepov



# 1 DEALING WITH URBAN DIVERSITY: AN INTRODUCTION<sup>1</sup>

## 1.1 INTRODUCTION

By definition, cities are highly diverse. Many have existed for long periods of time and in the process developed large varieties of urban neighbourhoods influenced by government input and markets. These neighbourhoods may display a range of housing and environmental characteristics creating specific places that are enclaves for the rich, slums and ghettos for the very poor, thriving and deteriorating middle-class suburbs and inner city districts, gated communities, areas with shrinking populations and areas with growing populations due to increased immigration. Residential neighbourhoods can be inhabited by mostly rich or mostly poor; they can have a majority of immigrant groups or they can be heavily mixed with many different population groups. Neighbourhoods can be places of intense contact between groups, or areas of parallel lives where people pass each other like ships in the night, with little in common with each other. Areas may be mixed with respect to “hard” variables such as income, education, ethnicity, origin, household composition and age structure, but also on the basis of “softer” characteristics such as lifestyles, attitudes and activities. Some people may choose to live in certain areas, while others have little choice. In most urban areas residents live together practicing civility (Anderson, 2011), but in some areas underlying tensions can sometimes erupt into open conflicts between different groups.

Even in neighbourhoods with a homogeneous housing stock (in terms of tenure and type) the resident population may be quite diverse. In areas with expensive housing and a concentration of households with relatively high incomes, significant differences in terms of lifestyles may exist. Some may be more neighbourhood-oriented than others; some may go out every night; and others may always be at home in the evenings, leaving their place of residence only to go to work. Areas with relatively cheap housing will, in general, house people and households with (very) low incomes. However, the resident population may also be very diverse in terms of lifestyles, attitudes and behaviour; their wish to remain in the area or move on; along with their ethnic origin, household composition and age. In these areas the residents may happily live together: they take part in and enjoy activities; they may lead parallel lives where they greet each other but do not interact; or they may consciously avoid each other due to perceived behaviour or appearance. For many residents with low incomes the possibility to move to a different area of the city is limited due to living costs, but also spatial stigmatisation and discrimination.

Households with low incomes are generally concentrated in neighbourhoods with affordable housing. A number of these neighbourhoods may be characterised as dilapidated areas: the

quality of the housing and public spaces are in a poor state compared to other parts of the city; residents may feel unsafe in such areas; and unemployment and number of people on welfare benefits may be relatively high. In many of these areas throughout Europe and in the case study cities analysed in this project, we see concentrations of immigrants and their descendants, often originating from a range of countries, resulting in increasing ethnic diversity (Vertovec, 2007). There can be negative, intolerant, and discriminatory attitudes towards these areas and its residents. As a consequence, these areas may be viewed as neighbourhoods where nobody wants to live, where people want to leave as soon as possible, or even as “no-go” areas.

However, neighbourhoods with an affordable housing stock in our cities are not by definition bad places to live. Spatial discrimination from outside the neighbourhood may contrast significantly with the everyday experiences of residents and users of stigmatised neighbourhoods. In many cases, the residents of these areas see all kinds of advantages of living there: housing is relatively cheap, they feel comfortable among people of their own ethnic group and/or socio-economic status, their needs are often similar and they may share solutions and benefits from reciprocal relationships. They value the diversity of their neighbourhood and there may be opportunities to find work in the local, often diverse economy.

This book focuses on living with urban diversity in Milan. It demonstrates that, despite the existence of negative discourses, people living and working in such a hyper-diversifying city and its neighbourhoods often see the positive aspects of diversity and may even benefit from it. We are also aware of the negative consequences of living in diverse urban areas – especially when diversity goes hand-in-hand with inequality – but we want to specifically focus on the often neglected positive aspects residents and entrepreneurs see, feel and experience. Living positively with diversity may be experienced in neighbourhoods that – according to widespread public discourse – may not be the most attractive places to live in. Our report argues that those living (and working) in diverse urban areas see advantages and positive aspects of living in such areas, in terms of activities, social cohesion, socio-economic opportunities and the freedom to express minority lifestyles elsewhere discriminated against.

Milan, the focus of this book, currently has 3.2 million inhabitants in the metropolitan administrative area, and 1.3 million in the municipality. It is a highly diverse city in terms of population: 13.1% of residents in the metropolitan area and 17.4% in the municipality are non-Italian citizens originating from many different countries including the Philippines, Egypt, China, Peru, Sri Lanka, Ecuador, Ukraine and Morocco.

Over the past decade, the population composition of Milan both in terms of age structure and origin has changed significantly. Whilst the total population grew by 15%, there was a decrease in the number of young Italian adults and an increase in numbers of children, the elderly and foreign nationals.

Due to a concentration of high-income groups and its role in the advanced tertiary sector (e.g. fashion, design, finance and publishing), Milan is also the metropolitan area with the highest average income in Italy. At the same time, it is also the city with the highest Gini index:

10% of the population owns 40% of the city's wealth (D'Ovidio, 2009). The economic crisis has worsened the overall economic conditions of Milan's population (that nonetheless is still much better than the rest of Italy): the average income (as registered by individual tax returns) decreased during the crisis and is still lower than in 2006. The Gini index itself has been rising slightly (from 0.339 in 2006 to 0.353 in 2014)<sup>2</sup>. Some groups (foreigners and youngsters in particular) have been hit harder than others (Menonna & Blangiardo, 2014), increasing inequality in Milan.

Our research took place in the northern area of the city, an area which encompasses the administrative "*zone di decentramento*" [decentralisation areas] 2 and 9. This area has 335,000 residents (153,000 in district 2 and 182,000 in district 9) and can be considered as one of the most diversified areas of Milan in terms of population (26.2% of the population are foreign residents), household composition, age, and income. It underwent significant changes in the last decades: flows of in-migrants first arrived from the surrounding countryside and northern Italy, then from southern Italy (Foot, 1997) and in recent times, from abroad. The mix of old and newly-built environments and social mobility processes have created plural segments – in terms of social class, origin, age, identification and categorisation processes and duration of stay (Arrigoni, 2010; Ponti and Pozzi, 2012; Marzorati and Barberis, 2014) – within this broad area.

### *Brief definitions of the core concepts*

Diversity is defined as the presence or co-existence of a number of specific socio-economic, socio-demographic, ethnic and cultural groups within a certain spatial entity, such as a city or a neighbourhood. We want to pinpoint how diversity relates to social cohesion, social mobility and the performance of entrepreneurs. Social cohesion can, in a very general way, be defined as the internal bonding of a social system (Schuyt, 1997). Social mobility refers to the possibility of individuals or groups to move upwards or downwards in society, for example, with respect to jobs and income (and status and power), while economic performance is concerned with the way individuals and groups perform in the city as entrepreneurs. Governance is seen as shorthand for a diversity of partnerships on different spatial and policy levels to the end of achieving a certain goal.

## **1.2 THE PURPOSE OF THE BOOK**

Our aim is to find out whether diversity 'works'. Are there advantages for those directly confronted by it and those that live within it? An important part of the research is focused on the influence of policy instruments and governance arrangements: How are they formulated? How important is diversity in policies aimed at improving cities, neighbourhoods and people's living conditions (social and economic)? How do residents benefit from these policies and arrangements? On the basis of interviews with residents of diverse urban areas, we discover how they deal with living generally, and with diversity in particular. Do they see advantages of diversity in the places where they live or work? Do they encounter negative effects? And do

they care? Interviews with entrepreneurs in our research areas indicate why they started their enterprise there and whether diversity affected their decision to do so. We hope to learn whether they profit from diversity.

The research for this book is based on qualitative fieldwork. We interviewed policy-makers, key informants and stakeholders on both national and local levels, professionals and volunteers active in local initiatives, neighbourhood residents and entrepreneurs with businesses in the area.

The next chapter outlines the main theoretical starting points for the book.

### 1.3 DIVERSITY AND ITS EFFECTS: SOME KEY ARGUMENTS<sup>3</sup>

#### 1.3.1 From super-diversity to hyper-diversity

Coined by Steven Vertovec (2007), super-diversity refers specifically to western cities with increasing ethnic diversity, and to the demographic and socioeconomic diversity between and within these ethnic groups. Vertovec (2007, p. 1024) talks about "... the dynamic interplay of variables among an increased number of new, small and scattered, multiple-origin, transnationally connected, socio-economically differentiated and legally stratified immigrants who have arrived over the last decade". As such, Vertovec recognises the enormous diversity within categories of immigrants.

We go one step further, and will use the term *hyper-diversity*. With this term we argue that we should not only look at diversity in ethnic, demographic and socioeconomic terms, but also look at the differences that exist with respect to lifestyles, attitudes and activities. We will contend that such differences are important, for example, when explaining social cohesion or social mobility. People belonging to the same social or ethnic group, or labelled under a common category, may display quite different attitudes with respect to school, work, parents and gender differences in bonding and bridging relations within their own group and among different groups. They may have very different daily and life routines. Some inhabitants may exhibit extensive daily mobility patterns that stretch all over the city and beyond, while others may remain oriented within their own residential neighbourhood. Mobility patterns can be different according to social characteristics (we will focus in particular on age, gender, immigrant background, social class and their interaction) and different contexts (e.g. education, work, and leisure).

Hyper-diversity thus refers to an intense diversification of the population in socio-economic, social and ethnic terms, but also with respect to lifestyles, attitudes and activities (Tasan-Kok *et al.*, 2014). The term makes clear that we should look at urban diversity in a very open way. Hyper-diversity refers to a significantly more complex situation than super-diversity, because the concept contains more variables, which leads to more involved interactions between these variables. The term hyper-diversity takes into account the fact that a group of co-ethnics may

at first sight be considered as a very homogeneous group. But at closer range they may be very heterogeneous and mobility and lifestyles play a role in this. An interesting and recent example is an article published by *The Independent* in 2015<sup>4</sup> about “Italian Bengalis” (long-time residents of Italy with Italian-born children) who moved to London, and anyway have little in common with other Bangladeshi migrants, as they have a mixed Italian identity. Even within seemingly homogeneous groups, factors such as age, gender, social class, immigrant background, life experiences (e.g. discrimination or peer grouping) shape the course of a person’s life into more individualised paths, in turn, shaping attitudes towards diversity, lifestyles and activities.

Why should we pay attention to such immense diversification? In our opinion, the implications of hyper-diversity compel us to look differently at the possibilities of living together in a city or neighbourhood. Mixing groups – for example, in terms of income or ethnic descent – within a neighbourhood or a housing block may create physical proximity of these groups, however diversity in terms of lifestyles, attitudes and activities may cause avoidance of social interaction, if not conflict. Policies aimed at traditional categories such as ‘the poor’ or specific ethnic or age groups without taking into account the immense and complex diversity in such groups or categories, are probably doomed to fail. Policies aimed at improving the social cohesion in neighbourhoods will not work when the hyper-diversity of the population is not considered. Traditional policy frameworks often stick to stable and sharply delineated population categories or to specific neighbourhoods in a city and thus ignore the hyper-diversified social reality – the big effort needed to take into account and produce interactions between widely variable, overlapping, complex and apparently inconsistent constellations of grouping and labelling practices.

A hyper-diversified city contains increasingly changing forms of diversities. According to the literature, new forms of diversity are resulting from many factors including increasing net migration (Vertovec, 2007) and diversification of countries of origin, ethnic and national groups, religions, languages, migratory channels, and legal status (Faist, 2009); increased level of population mobility (Sepulveda and Syrett, 2007; Syrett and Sepulveda, 2011); the dynamic nature of global migration, new social formations in the city and changing conditions and positions of immigrant and ethnic minority groups in the urban society (Vertovec, 2010); new power and political structures, and dynamic identities (Cantle, 2012); the transformation of the youth condition and life courses (Leccardi and Ruspini, 2016; Walther *et al.*, 2016); and the role of gender and sexual orientation (Angelucci, 2016). Neoliberal deregulation, which has been feeding diversity in particular ways (economic globalisation, increasing income inequality, polarisation, segregation, etc.) for the last 30 years, contributes to the increasing complexities of the urban society.

In this book, we have chosen to define Milan as a hyper-diversifying city: on the one hand, to acknowledge the role of processes changing diversity and its manifestations; and on the other, to stress the recent (and in some cases still missing) public and policy acknowledgement of such ongoing processes.

### 1.3.2 Diversity and urban governance

Governance can be defined as a process of coordinating actors, social groups, and institutions to attain particular goals discussed and defined collectively in fragmented, uncertain environments (Le Galès, 2002). It is expected that the overall success of public policies will be more and more dependent on partnerships between the public and private sector and that individual citizens and communities will have to take greater responsibility for their own welfare. Traditional forms of government will no longer fulfil the needs of the present population in general, nor for of the increasing diversity of groups in society more particularly. Urban governance arrangements have to consolidate efforts in relation to physical condition, social and economic situations, and environmental amelioration to achieve a better quality of urban life.

Ostensibly, during the 2000s there was a convergence in urban policy and planning agendas in cities across the world with a move towards, what Beck (2002) has termed, the individualisation of society, or a 'sub-politics' characterised by less direct forms of state intervention and greater individual and community autonomy. The adversarial class politics of the post-WWII period has been replaced, it is argued, by a new 'post-politics' founded on consensus-building, collaboration, and a more powerful role for active individuals and communities. For authors such as Beck (2002), Giddens (1994; 2002; 2009) and Held (2010) changes are an inevitable consequence of structural social shifts in which individuals and communities no longer identify themselves through the restrictive prisms of class identities and adversarial left/right politics. Such changes are also supported by different, although to some extent converging political discourses, which on the one hand maintain that downscaling supports democratisation and effectiveness, and on the other hand maintain that downscaling improves efficiency and reduces onerous and redundant public expenditure.

This is particularly relevant in cosmopolitan, hyper-diverse EU cities with their outward-looking populations and economies. Questions of governance have become increasingly complex and governments look for possibilities to tackle the growing divisions between shrinking institutional capacities (partly as a consequence of deliberate austerity measures) and a growing diversity of the needs of an increasing diverse population. This is an especially demanding issue in a context like the Italian one, characterised by a strong fragmentation of the policy structure (among institutional levels; within institutional levels; between private and public actors; and among public actors).

In the aftermath of the 2008 financial crisis and the 2011 Euro crisis, governments across the EU have put in place austerity agendas seeking to reduce the size of the state and to make governance arrangements more flexible and diverse. This trend is not only to be found in cities and countries across the EU (see Peck, 2012). Austerity agendas are challenging long-standing governance processes in cities. Nevertheless, retrenchment is not the only necessary outcome, and in some cases governance is being re-invented as a participatory practice that opens up opportunities for policy-makers and citizens to engage in a process of policy co-production and mutual working (Mulgan, 2009; Oosterlynck and Swyngedouw, 2010).



And yet, little is known about the capacities and motivations of diverse urban communities to take on these new and expanded roles in cities and neighbourhoods across the EU. The shift to a post-political, communitarian approach to governance raises questions of equality and social justice, as it is by no means clear that reducing the role of the state and of government institutions, necessarily improves either the efficiency or the accountability of governance processes. Devolution and localism can all too easily open the door to new forms of privatisation that may bring more efficiency but at the cost of reduced democratic accountability and increases in socio-economic inequality (see Boyle, 2011; MacLeod and Jones, 2011; Raco, 2013). Moreover, the extent to which existing institutional structures no longer ‘work’ and need to be reformed is a claim that authors such as Swyngedouw (2009), Ranci re (2006) and izek (2011) have challenged as a political-ideological programme that seeks to attack welfare state systems across the EU and marginalise poorer and more diverse communities in cities under the discursive cloak of ‘empowerment’ and ‘devolution’ agendas (Mouffe, 2005; Crouch, 2011). In the Italian context, where recognition of diversity as a policy target is still limited, it is a matter of research to understand if and how the experience of diverse local communities are able to ‘scale up’ to larger decision-making bodies, to influence discourses on diversity and policy practices.

In short, urban governance is a contentious field where old and new interests and needs – enacted by actors at different scales – conflate, and this also involves the management of diversity. This is particularly relevant in Italy, where territorial governance has been undergoing a meaningful reframing process in the last two decades. This change opened the leeway to an institutional fragmentation as much as to new, evolving arrangements. At the same time, Italy has been hit very hard by the recent economic crisis, and this too affected scalar relations (Kazepov and Barberis, 2012). Thus, in this volume we will also explore if and how austerity and rescaling affect diversity as a new policy frame, which is not currently structured in Italian public and institutional agendas.

Indeed, a low prioritisation for diversity in the public and political agenda in an austerity frame and in a category-based welfare state (where the insiders are much more protected than the outsiders) could turn into a devaluation of diversity. Furthermore, the lack of a structural discourse on diversity means that the path-dependency of old answers to old needs is less effective. This leaves room for innovation and solutions that are suitable to current demands; creative experimentation at local level for fund-raising, functioning and targeting.

### 1.3.3 Diversity and social cohesion

In its most general sense, social cohesion refers to the glue that holds a society together (Maloutas and Malouta, 2004). The concept of social cohesion is not only applicable to society as a whole, but also to different scales (city, neighbourhood, street) or different types of social systems, e.g. a family or an organisation (Schuyt, 1997). Kearns and Forrest (2000) identify five domains of social cohesion: common values and a civic culture; social order and social control; social solidarity and reduction in wealth disparities; place attachment and shared identity; and

social networks and social capital (we will return to the concept of social capital in the next section). In this book the focus will mainly lie on common values, place attachment and social networks with reference to diversity.

In fact, there is fundamental disagreement among social scientists about the relationship between diversity and social cohesion – even more so at local level. Many maintain that, internal differences notwithstanding, mixed communities can live together in harmony – or at least enact “civility practices” to limit conflicts (Anderson, 2011). Finding the balance between diversity and solidarity is not easy, but it is not necessarily impossible, nor an undesirable mission (Amin, 2002; Amin, 2012). However, others like Putnam (2007), tend to see diversity and heterogeneity as a challenge or even an obstacle for social cohesion, since cultural homogeneity may be a fundamental source of social cohesion.

This distinction between optimists and pessimists is also reflected in the literature on social mixing policies (Van Kempen and Bolt, 2009). On the one hand, policy-makers in many European countries see the stimulation of greater mixing across income groups and between ethnic communities as a means to create stronger social cohesion (e.g. Graham *et al.*, 2009). On the other hand, many academic researchers tend to emphasise that diversity is often negatively related to cohesion. This conclusion is based on two types of empirical research. First, there are studies evaluating social mixing policies, which usually focus on a small number of neighbourhoods and which conclude that social mixing is more likely to weaken than to strengthen social cohesion in a neighbourhood (e.g. Bolt and Van Kempen, 2013; Bond *et al.*, 2011). There are hardly any interactions between social groups (e.g. Bretherton and Pleace, 2011; Joseph *et al.*, 2007). Second, there is a strong quantitative research tradition in which the compositional characteristics of neighbourhoods are related to social cohesion. Kearns and Mason (2007) found that a greater diversity of tenure (as proxy for social mix) is negatively related to social cohesion.

Although there are many different types of diversity, most attention has been focused on the effects of ethnic diversity. There are divergent theories on the association between ethnic concentration and social cohesion (Gijssberts *et al.*, 2011). According to the homogeneity theory, people prefer to associate with others who have similar characteristics. It is therefore expected that people in heterogeneous neighbourhoods tend to have fewer contacts with fellow residents than people in homogeneous neighbourhoods. According to group conflict theory, people feel threatened by the presence of other groups. There is more distrust towards the out-groups when the numerical presence of these groups is stronger.

Putnam's (2007) ‘constrict theory’ partly overlaps with conflict theory. He found that higher ethnic diversity in the neighbourhood goes hand-in-hand with less trust in local politicians. Ethnic heterogeneity can further negatively affect the number of friends and acquaintances and the willingness to do something for the neighbourhood or to work with voluntary organisations. Diversity does not only lead to less trust in the so-called ‘out-group’, but also to distrust in the ‘in-group’. Putnam (2007, p. 140) concludes: “Diversity seems to trigger not in-group/out-

group division, but anomie or social isolation. In colloquial language, people living in ethnically diverse settings appear to ‘hunker down’ – that is, to pull in like a turtle”. This idea relates to the notion of parallel society: people may live close to each other, but this does not necessarily mean that they have any contact with each other or take part in joint activities.

Although some of the academic literature tends to be pessimistic about the level of social cohesion in diverse areas, it should be stressed that there is no reason to assume that there is a mechanistic (negative) association between diversity and cohesion. Thus, besides looking at such associations, it is worth exploring under which conditions diversity and social cohesion can be positively related. Context matters in steering the effects of diversity. Delhay and Newton (2005) have shown that good governance at the regional and national level positively affects social cohesion and eliminates the (alleged) negative effects of diversity. The role of institutional frames is also underlined by Huddleston and Vink (2015). Elijah Anderson (2012) has stressed that some places within a diverse neighbourhood may play a part in creating peaceful zones, what he calls a ‘cosmopolitan canopy’. In this, place diversity is experienced in a positive way, social conflict is kept at a minimum level, and social cohesion is fostered by way of civility practices.

In this book, we will focus on the extent to which different social groups enact civility practices as a means of achieving peaceful and satisfactory living in the neighbourhood. At the same time, we will also look for evidence of place attachment related to the acknowledgement of diversity and to the amount; quality and type of time inhabitants spend in their neighbourhood. Is there a relationship between activities in the neighbourhood, place attachment and acknowledgement of diversity? What personal and social backgrounds (if any) enhance such relationships?

The effects of diversity may also differ from society to society based on difference in ‘ethnic boundary making’. In the literature on ‘ethnic boundary making’ ethnicity is “... not preconceived as a matter of relations between pre-defined, fixed groups...but rather as a process of constituting and reconfiguring groups by defining boundaries between them” (Wimmer, 2013, p. 1027). This literature aims to offer a more precise analysis of how and why cultural or ethnic diversity matters in some societies or contexts but not in others, and why it is sometimes associated with inequality and ‘thick identities’ and in other cases not. This is, among other things, dependent on the specific type of boundary making and the degree of ‘social closure’ along cultural-ethnic lines (e.g. Cornell and Hartmann, 1998; Wimmer, 2013).

This dimension should not be downplayed in the case of Italy, where the perceived ethnic homogeneity of the Nation has recently been challenged after decades of international migration and settlement – producing challenges also at local level (Pastore and Ponzo, 2012).

#### 1.3.4 Diversity and social mobility

Social mobility refers to the possibility of individuals or groups to move upwards or downwards in society, for example, with respect to jobs and income (status and power). Social mobility

has been defined in many ways, and in most of them the labour market plays a focal role. Individuals are socially mobile when they move from one job to another (better) job or from a situation of unemployment to a situation of employment.

In the context of social mobility, it is important to pay some attention to the concept of social capital. In its most simple sense, social capital refers to the possible profit of social contacts (Kleinhans, 2005). It thus provides a link between social cohesion and social mobility. To Bourdieu, social capital is a resource or a power relation that agents achieve through social networks and connections: “Social capital is the sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition” (Bourdieu and Wacquant, 1992, p. 119). This definition focuses on the actual network resources that individuals or groups possess that help them to achieve a given goal, for example, finding a job or a better home.

The question of how individuals can profit from their social contacts is crucial here. With respect to these contacts we can think of practical knowledge or important information. The literature makes an important distinction between bonding capital on the one hand and bridging capital on the other (Granovetter, 1973; Putnam, 2001). Bonding capital refers to the strong ties within one’s social circle (similar others), while bridging capital is about relations outside one’s social circle (weak ties). The latter type of connection is much more likely to deliver important information about opportunities, such as jobs (Granovetter, 1973). In this research project we see social capital as a resource for social mobility. In other words, this resource can be used as a means to reach social mobility. Social capital is therefore not seen as an equivalent of social mobility. The concept of social capital does have some overlap with the concept of social cohesion (see above), but while social cohesion can be seen as an outcome of social processes, social capital should be interpreted as a means to reach a goal, for example, having a good social network can help to find premises to start a small business.

Again, we will explore under which conditions and for whom a diverse set of social contacts can be profitable to achieve social mobility.

In studies of neighbourhood effects the relationship between neighbourhood characteristics and social mobility is central. In many of these studies, the effects of segregation (usually in terms of income or ethnic background) on social mobility have been key rather than the effects of diversity. Typical questions include: “Does living in a neighbourhood with a specific type of population limit social mobility? Does living in an ethnic neighbourhood limit integration and assimilation? Do impoverished neighbourhoods have fewer job opportunities for their residents?” (Friedrichs, 1998).

Over the last decades, numerous studies have tried to answer to these questions. For example, a study on the effects of income mix in neighbourhoods on adult earnings in Sweden (Galster

*et al.*, 2008) showed that neighbourhood effects do exist, but that they are small. Urban (2009) finds only a small effect on the neighbourhoods with children in relation to income and unemployment risks in Stockholm. Brännström and Rojas (2012) also found mixed results with respect to the effect of living in disadvantaged neighbourhoods on education outcomes in areas with a relatively large minority ethnic population. Gordon and Monastiriotis (2006) found small neighbourhood effects on educational outcomes for disadvantaged groups. At the same time, they found more substantial positive effects of segregation for middle-class households. Studies in Milan conclude similarly that the neighbourhood effect seems quite limited (Musterd, Murie and Kesteloot, 2006; Diappi and Bolchi, 2006) if not overrated in policy making (Bricocoli and Cucca, 2014). The general outcome of such studies is always that personal characteristics are much more important for social mobility than the characteristics of the neighbourhood, at least in European cities.

Why are neighbourhood effects on various aspects of social mobility so small? This can probably be attributed to the fact that the lives of people do not organise completely around the home and the neighbourhood of residence. With increased mobility, better transport and almost unlimited communication possibilities offered by the internet and mobile devices, people now take part in multiple networks, visiting several places and meeting many people physically and virtually (Van Kempen and Wissink, 2014). People may have contacts all over the city, (ethnic) groups may form communities all over the world (Zelinsky and Lee, 1998): in the neighbourhood where they are residents, in their home countries where still large parts of their families may live, and possibly in other regions where family members and friends have migrated to (Bolt and Van Kempen, 2013).

This does not mean that the neighbourhood is unimportant: spatial segregation and stigmatisation (Wacquant, 2008) play a role, but in a wider interactive context where individual social relations and mobility patterns have to be taken seriously into account. It is also pertinent to understand the relationship between mobility, place attachment and acknowledgement and appreciation of neighbourhood diversity: does being mobile (and hence able to access opportunities outside the neighbourhood) have an effect on place attachment and the perceived role of diversity in the neighbourhood?

### 1.3.5 Diversity and economic performance

When we consider urban studies we mainly find literature that links advantages of urban diversity to the economic competitiveness of the city. Fainstein (2005, p. 4), for example, argues that "... the competitive advantage of cities, and thus the most promising approach to attaining economic success, lies in enhancing diversity within the society, economic base, and built environment". From this widely-accepted point of view, urban diversity is seen as a vital resource for the prosperity of cities and a potential catalyst for socio-economic development by many others (Bodaar and Rath, 2005; Eraydin *et al.*, 2010; Tasan-Kok and Vranken, 2008). Although some successful entrepreneurs may live in homogenous neighbourhoods, some scholars hold a contrary view even arguing that diversity and economic performance are not

positively connected (Angrist and Kugler, 2003; Alesina and La Ferrara, 2005). The general opinion is that diversity has a positive influence on the economic development of cities. Inspired by similar ideas, urban diversity is seen as a characteristic feature of many policy-makers to realise a so-called 'diversity dividend', which will increase the competitive advantage of the city (Cully, 2009; Eraydin *et al.*, 2010).

All these perspectives provide a solid understanding of how diverse communities can contribute to the economic performance of cities. What is less clear is the impact of living/working in a hyper-diversified city or neighbourhood where economic performance affects the individuals and groups living in these areas. In fact, the link between diversity and economic performance should be placed side-by-side with the role played by inequality, as a cause and consequence of differences in the mobilisation of diversity and economic success. Our research focuses on the way individuals and groups perform in the city as entrepreneurs as we see the economic performance of people as an essential condition for the economic performance of a city and its neighbourhoods. We aim to underline that diverse forms of entrepreneurship positively affect urban economic performance, and the conditions under which diversity and entrepreneurship can be more effectively concatenated. Furthermore, increasing possibilities of building successful businesses (entrepreneurship) also contributes to the chances of social mobility in the city for diverse groups of people.

In this respect, we will also try to disentangle the relationships between social capital, social networks, place attachment, and socio-economic local embeddedness: which types of enterprises benefit more from urban diversity and how are they connected to the localised diversity available in specific neighbourhoods?

This is particularly relevant in the Italian case, where small businesses (often an entry door to social mobility for stigmatised minorities) are fundamental building blocks of the national economy, and where interaction and competition between natives and minorities are likely. Thus, it is interesting to explore how the dynamics of cooperation, competition and (possibly) substitution may be the source of inter-group production chains, but also confrontation or blame of minorities perceived as intruding the 'native space'.

However, as Bellini *et al.* (2008) argue, research on the urban level indicates the existence of positive correlations between diversity and economic performance and sees cultural diversity as an economic asset (Nathan, 2011). Some of the positive impacts of diversity can be highlighted here:

**Increasing productivity:** A study of Ottaviano and Peri (2006) shows that on average, US-born citizens are more productive (on the basis of wages and rents) in a culturally diverse environment. As Bellini *et al.* (2008) show, diversity is positively correlated with productivity as it may increase the variety of goods, services and skills available for consumption, production and innovation (Lazear, 1999; O'Reilly *et al.*, 1998; Ottaviano and Peri, 2006; Berliant and Fujita, 2004). In the same vein, Syrett and Sepulveda (2011) provide an overview of how the urban economy benefits from a diversity of the population.

- Increasing chances for networking: Some scholars (Alesina *et al.*, 2004; Demange and Wooders, 2005) point to the emerging literature on club formations, wherein ethnic networks grow from within. According to these researchers, a social mix brings about a wide range of abilities, experiences and cultures, which may be productive and may lead to innovation and creativity. Saunders (2011) argues that some city areas with high levels of social mix provide a better (easier) environment for starting small businesses for immigrants, especially to newcomers due to easy access to information through well-developed networks.
- Increasing competitive advantage: Emphasising the rising levels of population diversity, Syrett and Sepulveda (2011) suggest using population diversity as a source of competitive advantage. Other studies highlight diversity as an instrument for increasing the competitive advantage of cities, regions or places (Bellini *et al.*, 2008; Blumenthal *et al.*, 2009; Eraydin *et al.*, 2010; Nathan, 2011; Sepulveda *et al.*, 2011; Thomas and Darnton, 2006). The common argument of these studies is that areas that are open to diversity are able to attract a wider range of talent (nationality, race, ethnicity, and sexual orientation) than those that are relatively closed. As a result, they are more likely to have a dynamic economy due to their creative, innovative and entrepreneurial capacities compared to more homogenous cities (see also Scott, 2006).
- Increasing socio-economic well-being: A number of studies pinpoint the positive contribution of urban diversity to the socio-economic well-being of mixed neighbourhoods (Kloosterman and van der Leun, 1999; Kloosterman and Rath, 2001). In fact, proximity to mixed neighbourhoods seems to be a locus for networking and for the fostering of social capital (Kloosterman and Rath, 2001). 'Attractive' and safe living environments, 'good' and appealing amenities, pleasant dwellings and a 'nice' population composition can be crucial factors to attract and bind entrepreneurs to a city or neighbourhood (Van Kempen *et al.*, 2006).

#### 1.4 THE OUTLINE OF THIS BOOK

In the second chapter we show how the city of Milan is diverse with particular focus on decentralisation zones 2 and 9 (in northern Milan), and within them, specific neighbourhoods such as Via Padova (primarily) and Niguarda (secondarily). The chapter will provide context for the rest of the book by focusing on policies, residents and the entrepreneurs living and working in these areas.

Chapter 3 deals with policy discourses. We examine national policies on diversity with particular focus on migration policies, as well as local policies to outline the development of diversity-related policies over the past decades. The main emphasis is on current local policies: How does Milan's urban policies deal with diversity? Does Milan see diversity as something positive; as a threat to urban society; or is diversity treated as an irrelevant variable in governing the city? Does the city of Milan consider diversity as an asset or does it assume that it only creates problems? In addition to top-down policy discourses, we also examine bottom-up

initiatives. How do local projects and organisations view diversity? How do they profit from diversity?

Chapter 4 focuses on residents of the research areas. We examine why residents decided to move to the area and whether the area's diversity influenced their decision. It discusses the residents' views of diversity: How do residents use the neighbourhood? Do they use it intensively or do most of activities and social contact take place outside the area? Does living in such a diversified area help or hinder in terms of social mobility? Our view is that although residents engage in various activities and social interaction within their neighbourhood, in the current era of high mobility, residents also participate in activities and social contact outside their neighbourhood, making the residential area less important in daily life or future work opportunities. We assess which social groups (if any) mirror these expectations, and which ones are more 'stuck' in their neighbourhood.

In chapter 5 we focus on the entrepreneurs in the area. Was the area's diversity a motivating factor in starting an enterprise in the area? How do they profit from diversity? Do they have a diverse clientele? Is the enterprise successful and can it survive? Here, the basic premise is that entrepreneurs in diverse urban areas have deliberately set up their enterprises in a diverse urban area, because they believe they can benefit from its diverse clientele.

We conclude with chapter 6, where we answer the question of whether urban diversity can be seen as an asset, or whether it should be seen mainly as a liability. We formulate suggestions for policy-makers, politicians and other stakeholders who deal with diversity and diverse urban areas.



## 2 MILAN AS A DIVERSE CITY

### 2.1 LOCATING MILAN

Milan is located in the central Po Basin in northern Italy, flanked by the River Po to the South and the Alps to the North. Home to around 1.4 million inhabitants it is the second largest city in Italy and the largest metropolitan area (with 7.5 million inhabitants, according to Boffi and Palvarini, 2011) and serves as the regional capital of Lombardy.

An important city since the Late Antiquity, it has kept its focal point connecting trade and production throughout its history. Between the 19th and 20th centuries it became the economic capital of Italy as a major centre for the industrialisation and modernisation of the country, being both a blue- and a white-collar city (Barbagli and Pisati, 2012). Its expansion as a metropolitan area began in the aftermath of World War II, when its economy boomed and attracted significant internal immigration: the official regional internal net migration peaked to some 100,000 persons a year in 1961 (of which 58,000 were in the Municipality of Milan).



While being an important industrial centre, Milan was also the site of an early tertiarisation process: the headquarters of many important financial institutions (including the most important Italian stock exchange) operate in the city and has a strong status as the Italian capital of fashion, design and media industries – features that made its name world-famous, together with its cultural institutions such as the La Scala opera house.

Accordingly, the metropolitan area of Milan has continuously been the

**Figure 2.1** Map of the City of Milan, capital of the Lombardy region, located in northern Italy

wealthiest of the whole country: its per capita GDP is the highest in Italy. However, this does not mean that the distribution of wealth is equal. Compared to other Italian cities, Milan has an unbalanced income distribution: the richest 10% owns 40% of the income; their income is 22 times larger than that of the poorest 10% and equates to a Gini index of 0.51, by far the highest among the largest Italian metropolitan areas (D'Ovidio, 2009a). To sum up, there's a rich upper class – richer than in other Italian cities – and an uneven distribution of wealth.

Foreign residents now make up 19% of the total municipal population, a diversity more and more visible in the urban and social fabric: it is both a place where an upwelling of tensions have occurred (e.g. the riots in the area of Via Sarpi in 2007, known as a kind of Chinatown in Milan, cfr. Hatziprokopiou and Montagna, 2012), but also where the activism of new generations of hyphenated Milanese and Italians is more visible (e.g., with the role of the G2 network, see Chapter 3 in this book).

Within Milan, one interesting research focus is the area in the north of the city that administratively coincides with the zone di decentramento (decentralisation areas) 2 and 9. This area has 335,000 residents (some 153,000 in district 2 and 182,000 in district 9) and can be considered one of the most diversified areas in the city. Firstly, it has one of the highest shares of foreign residents: they account for 26.2% of inhabitants (mainly Egyptian, Chinese, Bangladeshi and Filipino citizens), and some areas have even higher concentrations. For example, among the 36,000 inhabitants of the Via Padova neighbourhood – one of the focal points in our research – non-Italian citizens comprise up to 34%, and as many as 49% among minors.<sup>5</sup>

Via Padova, the neighbourhood where most of our research took place, is an area developed around a 4km-long avenue (named Via Padova), located at the centre of a triangular-shaped urban section in the north-east of the city. Two big avenues, Viale Monza and Viale Palmanova, both of which converge at Piazzale Loreto, circumscribe this triangle. At present, the neighbourhood can be roughly divided into four sections according to different characteristics. The most southern section (close to the city centre) spans the Piazzale Loreto and Parco Trotter and is bounded by a railway bridge. It is the area where the share of immigrant population is highest and most visible (due to a number of 'ethnic' shops). The two central sections of Turro-Cimiano and Crescenzago include mixed housing and a social fabric that incorporates towns once autonomous and their respective local facilities (a public library, parks, etc.). The northern periphery is characterised by the high-rise apartment blocks of Quartiere Adriano, an unfinished, dilapidated area under permanent renewal.

The area of Via Padova was annexed by the city of Milan in the 1920s, and has traditionally been an area populated by migrants due to its proximity to many industrial plants in the northern area of the city. Initially, the neighbourhood attracted internal migrants from the countryside and other northern regions, then from southern Italy until the 1970s (internal migration flows continue to this day, although patterns have since changed). From the 1980s, international flows of migration have gained momentum.



Figure 2.2 Impressions of the research area: Via Padova. Source: Michela Semprebon (2014)

**Table 2.1** Key demographic indicators.

	<b>District 2</b>	<b>Milan</b>	<b>Lombardy</b>	<b>Italy</b>
Area (km <sup>2</sup> )	12.6	181.7	23,863.7	302,070.8
Total population <sup>6</sup>	154,026	1,366,409	9,794,525	59,685,227
Minors (%) <sup>7</sup>	14.7	15.0	16.8	16.9
Elderly (%)	21.0	23.7	20.1	20.3
Highest level of education completed <sup>8</sup>				
ISCED 1-2	30.4	29.4	40.4	43.1
ISCED 3-4	43.4	41.3	43.1	41.1
ISCED 5-6	26.2	29.3	16.5	15.7
Average per capita income <sup>9</sup>	30,500 <sup>10</sup>	35,751	25,823	23,241
Unemployment rate <sup>11</sup>	n.a.	7.0	7.6	10.8
Households <sup>12</sup>				
One-member households (%)	45.8	45.6	32.0	31.2
Large households (%)	3.1	3.0	4.4	5.7
Nationality of residents (%) <sup>13</sup>				
Italian	71.7	80.9	89.3	92.5
Non-Italian	28.3	19.1	10.7	7.5
Minors receiving social assistance (%) <sup>14</sup>	7.8	7.5	5.9	5.8

The neighbourhood has always been socially diverse (a mix of recent migrants and long-stayers; blue and white collars), even though micro-segregation processes limited social interaction. Nevertheless, until the 1970s it was basically characterised as a working class neighbourhood (Alietti and Agustoni, 2013). Recently, new middle class residents have entered – in addition to the existing middle class base – and the first signs of a new gentrification process are visible. Thus, the neighbourhood is characterised by a clear and renewed social and functional mix (Arrigoni, 2010).

Nowadays, however, Via Padova is often considered the most multi-ethnic neighbourhood in Milan, as shown by the large body of literature, the media attention and stigmatisation the area has experienced over the last decade (Verga, 2016).

A key episode affecting the public image of Via Padova took place in 2010, when a Dominican immigrant murdered a 19-year old Egyptian. The event propelled a range of law and order responses from the local administration, while neighbourhood activist groups tried to reverse the negative stigmatisation of the area through social participation.

In terms of housing, despite the unequal distribution of income in Milan, spatial segregation is not dramatic. The highest earners are concentrated in the city centre whilst surrounding neighbourhoods comprise by and large of diverse social groups (see figures 2.4 and 2.5.),

notwithstanding a serious issue with housing affordability. In Italy, just 4% of the housing stock is in public hands compared to 36% in the Netherlands, 22% in the UK and an average of 20% across the EU. The social housing stock in Milan makes up only 11%, resulting in very limited access to affordable housing (Bricocoli and Cucca, 2014).

Following the reorganisation of the territory in the mid-1990s, the Municipality of Milan is now administratively divided into nine “areas of decentralisation” (*zone di decentramento*). Politically, since the direct mayoral elections were introduced in 1993 in Italy, centre-right wing coalitions have governed the Municipality. Milan has experienced a change in political colour, however, with the victory of the centre-left coalition in the local election of June 2011, re-elected in summer 2016 for another five years.

A new reorganisation is underway, with the suppression of the ‘Provincial Tier’ and its place the so-called ‘Metropolitan City’, as well as an ongoing project aimed at increasing the autonomy of the “*zone di decentramento*” (which will now be called “*municipi*”).

## 2.2 DIVERSE-CITY MILAN

Milan is a highly diverse city in terms of population: 13.1% of the residents in the metropolitan area and 17.4% in the municipality are foreign citizens<sup>15</sup>, originating from many different countries. This migration-related diversity is changing rapidly: in 2013, more than 2,200 foreigners became Italian citizens – a number which has swiftly increased in recent years. 6% (approx. 3,500) of new foreign residents are actually Italian-born children whose parents do not have Italian citizenship and 45% of foreign residents have lived in Milan for ten years or more.<sup>16</sup>

Migration is not the only source of diversity in Milan. More than 45% of households are single-person, while the ‘traditional’ household consisting of a married couple with at least one child makes up just 12% of the total,<sup>17</sup> challenging the concept of family structures in Italy. Meanwhile, the age structure of the city has changed, with the increase of minors (from 12.7% according to the 2001 Census to 15.8% in 2014) and of the elderly (from 21.4% to 23.4%). The number of residents aged 80 plus years is the fastest growing group and now totals more than 100,000.<sup>18</sup>

This means that intra- and intergenerational cohort relations are changing: the intersection of gender, ethnicity, family compositions and age produce new assemblages that may affect the way in which people form groups. Identification may become more nuanced than simple categories (e.g. Italian/non-Italian). While the total population grew by 15% in the last decade, there was a decrease in young Italian adults, and an increase of children, elders and foreign nationals (see Table 2.2). Therefore, the population mix is particularly relevant, especially in our case study area, in terms of household structure, age and income. There, a predominantly young-to-adult immigrant population lives side-by-side with Italian elderly: the 65+ make up 21% of the

**Table 2.2** Population by age, sex and citizenship. Zone di decentramento 2, 9 (Milan North). Years 2003, 2013<sup>23</sup>

Age group	Males			Females		
	Italian	Non-Italian	% Non-Italian	Italian	Non-Italian	% Non-Italian
<b>2003</b>						
Minors (0-17)	16,924 (13.7)	3,351 (20.8)	16.5	15,889 (11.7)	3,246 (20.7)	17.0
Young adults (18-35)	26,960 (21.8)	8,588 (53.2)	24.2	24,577 (18.0)	7,674 (49.0)	23.8
Adults (36-64)	54,875 (44.5)	4,014 (24.9)	6.8	58,232 (42.7)	3,475 (22.2)	5.6
Elderly (65+)	24,637 (20.0)	188 (1.2)	0.8	37,656 (27.6)	1,255 (8.0)	3.2
Total	123,396 (100.0)	16,141 (100.0)	11.6	136,354 (100.0)	15,650 (100.0)	10.3
<b>2013</b>						
Minors (0-17)	17,384 (14.6)	8,969 (18.9)	34.0	16,022 (12.6)	8,390 (20.5)	34.4
Young adults (18-35)	20,113 (16.9)	18,373 (38.7)	47.7	17,887 (14.0)	13,815 (33.8)	43.6
Adults (36-64)	53,666 (45.1)	19,481 (41.0)	26.6	53,352 (41.9)	16,839 (41.2)	24.0
Elderly (65+)	27,792 (23.4)	674 (1.4)	2.4	40,138 (31.5)	1,812 (4.4)	4.3
Total	118,955 (100.0)	47,497 (100.0)	28.5	127,399 (100.0)	40,856 (100.0)	24.3

Source: own elaboration on data from [dati.comune.milano.it](http://dati.comune.milano.it).

population in the selected neighbourhood, while minors represent around 15%.<sup>19</sup> Furthermore, 45.7% of households are single-person.<sup>20</sup> This area includes the highest share of minors – implying a specific role in family formation, reproduction and the natural growth of the city.

Socio-economic conditions are diversifying, making the city more unequal: the unemployment rate was around 7.7% in 2013 – much lower than the national average, but still much higher than before the crisis (3.9% in 2007). Particular groups including migrants and youth have been hit hard by the crisis: the unemployment rate among foreigners was 6% in 2007, but grew to 20% in 2012-2013 (Menonna, Blangiardo 2014); and the youth unemployment rate skyrocketed to 34.5% in 2013 (previously well below 20% in the mid-2000s)<sup>21</sup>. At the same time, Milan is the region in Italy with the highest average income, due to a significant concentration of high-income groups compared to other Italian cities and to the role of Milan in the advanced tertiary economy. 40% of wealth is owned by 10% of the population, making up the highest Gini index among the largest Italian cities (D'Ovidio 2009a). The Gini index has also slightly increased (from 0.339 in 2006 to 0.353 in 2014).<sup>22</sup>

Regarding attitudes towards diversity, Italy ranks lower than average according to *Euro-barometer*,<sup>24</sup> meaning Italians are not very positive about diversity. Perceptions are slightly less negative among the younger generation when it comes to attitudes towards their neighbours (see Chapter 4). Nevertheless, due to Italy’s territorial fragmentation, it is difficult to make firm conclusions when scaling down to the local level – even harder when referring to one of Italy’s most international cities and a fast-evolving, hyper-diversifying population (Ambrosini, 2012a). Therefore, clearly defining perceptions of diversity in this specific socio-economic context is challenging.

### 2.3 ORIGINS AND CAUSES OF DIVERSITY IN MILAN

Milan is a diverse city, largely due to its role as the hub and economic capital of northern Italy, historically connected to continental Europe (as part of the Austro-Hungarian Empire prior to Italian Independence) and bridging it with the Mediterranean area. This made the city particularly attractive for internal and international migration processes during the 19th and 20th centuries. Besides long-lasting urbanisation processes from surrounding areas and the whole of northern Italy, it is worth noting that it was one of the first cities in Italy to attract international inhabitants – from business people from continental Europe to the first group of Chinese migrants (active in the silk trade and textile industry) during the 1920s (Cologna, 2005).



**Figure. 2.3** Resident population size in the Municipality and in the Province of Milan, 1961-2011 (at present-day boundaries). Source: own elaboration based on ISTAT – Census data.

This economic development fostered strong social interactions including the relatively rapid socio-economic inclusion of new social groups. Social, cultural and political innovation was particularly evident such as Cesare Beccaria's condemnation of torture and the death penalty in the 18th century, and Carlo Cattaneo's federalist political thought which played a central role in Italy's independence. More recently, in the 20th century, Milan has been one of Italy's prominent cradles of feminist and LGBT movements.

The 'miracle' of the post-war years (1950s-1960s) saw hundreds of thousands of Italians – from the Lombardy region, the south and the islands – arriving in Milan to work, largely in industrial production (Foot, 1997). This period of growth was interrupted in the 1980s by population decline, exacerbated by sprawl, suburbanisation and rapid de-industrialisation. The picture of integration during this period is contradictory: isolation, decline in neighbourly relations and class cleavages were matched with a relevant increase of wealth and socio-economic centrality of the city.

International migration has grown significantly over the last two decades. At the national level, foreign residents, non-resident regular stayers, and 400,000 undocumented migrants (as estimated by Ismu, 2015) make up the 6 million foreigners living in Italy today (9% of the population). This compares with 1.5 million in 2006, and less than 400,000 in 1991. Although the economic crisis has slowed down new entries, present-day numbers are still increasing. This growth has been paralleled by a swift change from a transient to a labour migration, and from labour to permanent settlement. These trends are also mirrored in Milan, being an important transportation and economic hub.

The specificity of migration trends at the local level is related to long-lasting and self-reinforcing spatial inequality and fragmentation. Such territorial dimensions also affect general socio-economic processes, which contributed to a diversification of modernisation paths in the 19th and 20th century – from family-making to labour participation of women. Regulatory arrangements and governance structures have contributed to shape the diversity of the populations in the post-War period (Kazepov, 2009).

We can see it in the trajectories of decentralisation in the last 40 years. In the 1970s, the establishment of 'Regions' and the devolution of administrative responsibilities to municipalities (e.g. in the area of social assistance) were balanced by centralised public expenditure and redistribution policies. Although the gap between disadvantaged and successful areas of the country was not reduced; a low degree of institutionalisation and institutional performance was coupled with a high degree of local variation.

This institutional fragmentation increased in the 1980s with another wave of decentralisation (e.g. in social and labour policies) from Regions to Local Authorities (Kazepov, 1996; Fargion, 1997). Weak coordination and contrasting regional priorities and policy-making styles contributed to enduring territorial divides (Burroni, 2001).

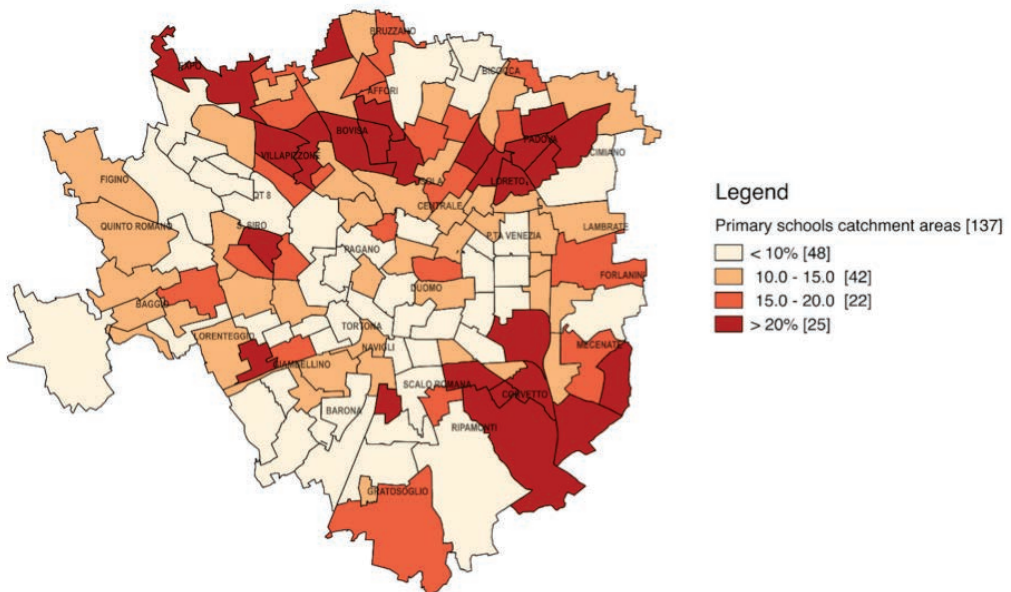


In recent years, there has been renewed attention on the coordination and concerns regarding territorial and institutional fragmentation and regional devolution. From 2011, the political agenda began prioritising the issue of territorial cohesion and national standards of service delivery. In this frame, Italy is characterised by lacking explicit diversity policies. An exception – addressing internal minorities – was the acknowledgement of five ‘special’ regions (Sicily, Sardinia, Valle d’Aosta, Trentino-Alto Adige, Friuli Venezia-Giulia) in the 1948 Constitution, recognising their cultural and/or linguistic specificity. The Italian Constitution also protects religious<sup>25</sup> and linguistic<sup>26</sup> minorities at a basic level.

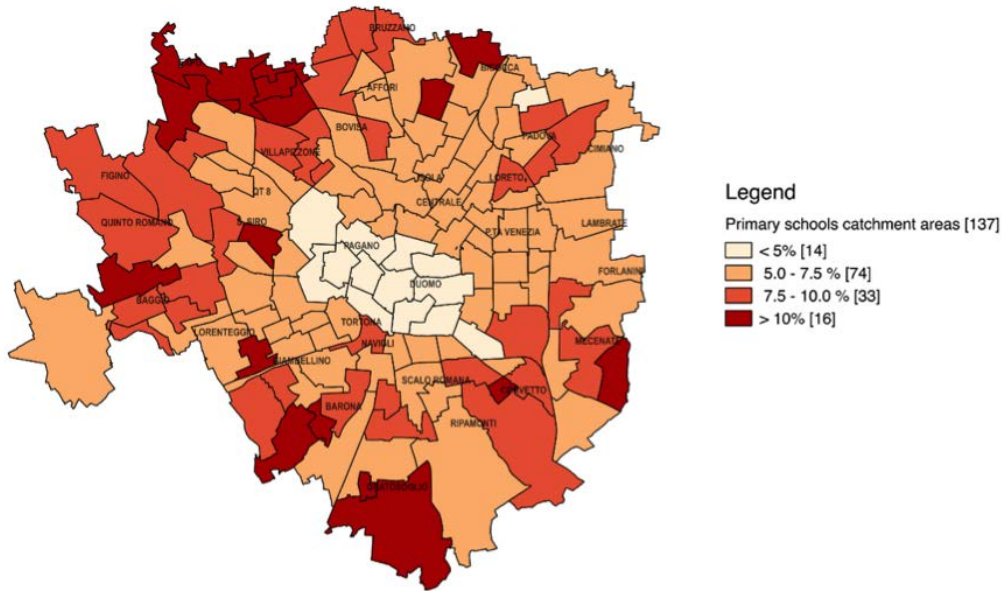
## 2.4 SOCIO-SPATIAL DYNAMICS OF DIVERSITY IN MILAN

In terms of wealth, Milan displays a strong concentric pattern of income distribution with the majority of the highest earners concentrated in the central city district, and the upper-middle, middle and lower income groups radiating out to the periphery.

When we look at population density across the city and the share of non-Italians per district (see Figure 2.5.), we can infer that the more ethnically diverse districts are found in the peripheral, generally less densely populated areas where average incomes are lower (although this correlation is unclear). Between 2004 and 2013, the number of foreign residents increased



**Figure 2.4** Percentage of foreign (non-Italian) residents in Milan based on school catchment areas (from less than 10% to more than 20%). Source: Social Policy Lab, Polytechnic of Milan. Calculations from Census 2011.



**Figure 2.5** Rates of unemployment in Milan based on school catchment areas (from less than 5% to more than 10%). Source: Social Policy Lab, Polytechnic of Milan. Calculations from Census 2011.

consistently by more than 0.1 million per year so that the immigrant population comprised 17.8% of the total population by the end of 2013<sup>27</sup> and around 19% in 2015<sup>28</sup>.

The change in population structure is further evidenced by the fact that despite the added contribution of immigrants to population size, the number of residents aged between 15-39 years old has been steadily decreasing annually since 2004. Fertility rates and the average number of children born per woman have been increasing since 2000, largely as the result of the migrant population, and the foreign population is younger than the native one (Costa and Sabatinelli, 2013). These factors along with others highlighted in the previous sections infer that we are likely to see considerable changes to the density and age structure in most of the zones of the city over the coming decades.

Milan has been a place of settlement for Romani (Roma) people over the last 30 years, albeit to a lesser extent than in other Italian cities such as Rome. Seven formal camps host around 630 Roma, including 205 children. The first camp, Bonfadini, was opened in 1987 and the most recent, Impastato, in 2005 (ERRC, 2013). Although formal settlements or camps are constructed and authorised by city authorities who are supposed to ensure that the camps do not segregate, marginalise or exclude the Romani community, they face significant obstacles in accessing their rights to education, employment, health care and social housing. Most of the camps are located far from public transport and isolated from other residential areas and are a target of intense stigmatisation.

## 2.5 DIVERSITY, ECONOMIC DYNAMICS AND ENTREPRENEURSHIP IN MILAN

The province of Milan is the richest city in Italy in terms of GDP per capita, however compared to the GDP-growth of similar-sized Eurozone cities (e.g. Amsterdam, Barcelona, Lyon, Munich), Milan's economy has stagnated due to the current economic crisis. Economic output decreased significantly in all sectors after 2008, especially in industry and manufacturing but also subsequently in the tertiary and retail sectors (Costa and Sabatinelli, 2013). The historic shrinking phase of Milan during the last 30 years has made the city dependent on its 'belt' and suburbs to provide affordable housing, employment and economic growth. For example, in Segrate, the south-east and the north-west (e.g., Stephenson district and EXPO 2015 area) is supported by a strategy of (re)development projects (Figure 2.6).

If we compare non-Italian nationals with the Italian population in Milan in terms of economic activity, they are similarly structured: more than half are occupied in the tertiary sector (although a higher percentage of non-Italians work in construction<sup>29</sup>). The prominent pattern



**Figure 2.6** Main ongoing redevelopment projects in Milan and Sesto San Giovanni. Source: Savini (2014).

of labour migration pertains to low-skilled, low-wage, labour-intensive jobs, with features that place it within a 'Mediterranean model' (King, 2000). Almost half of the migrant workforce is active in the tertiary sector, i.e. the transport and storage industry for males and cleaning and care for females.<sup>30</sup> However, "*Italy is in a more advanced phase of the migration transition*" (Baldwin-Edwards 2012, p. 150) than other southern European countries: immigrants are also employed in industrial sectors – reflecting Italy's specialisation in manufacturing. Notwithstanding the crisis, the employment rate of immigrants is still higher than that of the native population. The unemployment rate gap between foreigners and natives is among the lowest in the EU: in 2014, 11.8% for Italians and 15.6% for foreign-born, according to Eurostat data. However, Eurostat also shows that in 2014, Italy had the second highest share of adults at risk of poverty and social exclusion out of the EU-15 countries – for both nationals (25.8%) and foreigners (48.2%) and that the gap between the two groups is increasing. This implies that foreigners are the weakest group in an already weak labour market. Immigrants are also underrepresented in skilled jobs: in 2009, only 10.1% of immigrants occupied an intermediate or high-level position (Ambrosini, 2013).

Self-employment and entrepreneurship, on the other hand, is of special relevance in the Italian context and accounted for 22.7% of employees in Italy in 2010 compared to an EU-15 average of 14.1% (Eurostat, 2010). Almost 1 out of 10 inhabitants of Milan is an entrepreneur often managing very small or even micro-firms (OECD 2006). Around 50,000 non-Italians, relatively high compared to other provinces, registered a business or self-employment in Lombardy in 2010 (in Milan, Egyptians and Chinese are the top two nationalities in terms of numbers and are predominantly active in construction and commerce, see Caritas-Migrantes, 2011). Transnational migrant entrepreneurship, which has also been referred to as "globalization from below" (Ambrosini, 2012b), is also a notable trend in Milan. The growth of self-employment among immigrants can be partly explained as a way of seeking alternatives to scarce social mobility and in Milan, there is evidence of an 'ecological succession' of immigrants taking over business activities abandoned by aging Italian employers; a process which harks back to the last wave of migrants to the city from southern Italy and elsewhere (Ambrosini, 2013).

Enterprises run by foreigners constitute one of the main drivers of the Milanese economy; the propensity of entrepreneurs is higher among this group than the Italian population. This trend has become more pronounced during the economic recession<sup>31</sup>: foreign ownership of individual companies represents 23.4% of the total in Milan, with migrants from Egypt, China and Morocco figuring strongly (although this phenomenon is highly diffuse and covers groups from many different countries). This suggests a transformational process on a broad scale in the growth of the 'ethnic' economy. Aside from construction and commerce, other areas show a strong presence, notably, service activities such as accommodation and food (9%), rental, travel agencies, support services to companies (8.9%) and manufacturing (6.4%).

## 2.6 CHALLENGES AND OPPORTUNITIES OF MILAN AS A DIVERSE CITY

We can spot a number of challenges concerning Milan as a diverse city. We can frame most of them in general challenges related to scalar and multi-level governance relations – two pertaining more to the national context and two related to the local:

1. In Italy, a structured and articulated discourse on diversity is still missing (for details see Chapter 3 of this book). As a consequence, consistent policy goals and measures are poorly defined. This has to be framed within an emerging regionalisation and a re-emerging municipalisation of social welfare and urban policy (Kazepov, 2010). For Milan as a diverse city, this means that national resources and discourses perform poorly to support the development of social cohesion, social participation and recognition of diversity at the local level. This may be even more evident in a frame of decentralised penury and austerity urbanism (Peck, 2012) that sped up in the aftermath of the recent economic crisis (Grossmann *et al.*, 2015).
2. The influence of the (re-)structuring of the national welfare state may be a challenge for emerging, intersectional forms of diversity since the Mediterranean residual and category-based social welfare policies may be less able to identify and protect new social needs (Kazepov, 2010; Ranci, Brandsen and Sabatinelli, 2014) – such as those emerging from a hyper-diversifying context (e.g. new generations from immigrant backgrounds; the intersection of youth, gender and immigrant background as conditions of social vulnerability).
3. At the local level, a big challenge for Milan is related to its centre-periphery relations. The risk of coupling territorial marginality, diversity and inequality is tied to problems in the public recognition and/or upward social mobility for some social groups (e.g. immigrants, Roma, youth, women, LGBT, new family forms, etc. – see some examples in Chapter 4) whose diversity may become a signpost for disadvantage. With the relevant processes of urban restructuring that Milan has been undergoing in the last decades, this may be more and more related to processes of spatial segregation and stigmatisation (Mingione, Borlini and Vitale, 2008; Bricocoli and Cucca, 2014). The issues mentioned here and point (2) above, may have joint effects in compressing diversity and its value for social and economic innovation.
4. At the level of local institutions, the transformation of urban districts and connections with wider metropolitan areas show problems with regulation. The long-deplored lack of an effective governance arrangement for the metropolitan level at large (Mingione *et al.*, 2008a) is now challenged by the transformation of existing institutions. On the one hand, Provinces (a government tier in-between Regions and Municipalities) have been abolished, and replaced with large cities – including Milan – by the so-called “metropolitan city”, though the institution-building process is still in the making. On the other hand, in late 2015, the process to transform the “zone di decentramento” (the lower tiers of municipal government in Milan) to “municipi” with more autonomy was started. How the metropolitan city, the Municipality of Milan and the municipi within Milan will adapt their institutional tasks and represent the complexity of territorial challenges remains an open question.

As for the opportunities for Milan as a diverse city, these are related to the position of Milan in Italy: as a frontrunner in socio-economic development and international relations. This position perhaps grants Milan a good set of opportunities, including the following:

- a. Milan can enjoy a rich, plural and diverse fabric of civil society organisations, that may advocate for diverse social groups; be at the forefront of social innovation and identification of new social needs; and complementing (if not substituting) public action to create social cohesion, social mobility and economic opportunities for a diverse Milan. For example, according to some observers (e.g. Frangi, 2016), the management of recent migration flows – stopping over in Milan during their journey towards continental and northern Italy – proved to be more effective than in other Italian cities, precisely thanks to the activism of civil society and its collaboration with the local government.
- b. As the main hub of international (business) relations in Italy, Milan has historically and recently experienced an upper-class diversification, with at least a partially positive visibility and recognition of success stories for diverse persons and social groups (Mingione *et al.*, 2009). Obviously, it is an open question how certain forms of recognition can trickle down when referring to diversity in lower social classes.
- c. In this respect, compared to other Italian cities, Milan was the first in manifesting, identifying and recognising new sources of social diversity. Consequently, local institutions, civil society organisations and business communities have gained experience in dealing with diversity. This experience can support the recognition of new and/or intersecting forms of diversity.
- d. From a local context point of view, as a forerunner in Italy, Milan can enjoy the opportunities that diversity brings. However, as Italy, as the laggard of Europe, large areas of segregation are not (yet) visible as can be seen in other European metropolises. Although some micro-segregation and socio-economic tensions are visible, they exist side-by-side mixed areas that are not totally isolated (Benassi, 2002; Pratschke, 2007).

The lack of a structural discourse on diversity means that the tendency to rely on old answers to old needs is less compelling, leaving room for innovation and solutions that suit new needs.

In the following chapter we analyse how much the above-mentioned challenges structure policies and initiatives, and the views of residents and entrepreneurs. We also consider to what extent (if at all) these opportunities are actually exploited by relevant actors in the city.

# 3 POLICY DISCOURSES ON DIVERSITY

## 3.1 INTRODUCTION

To approach the issue of increasing diversification of the urban population in socio-economic, social and ethnic terms, but also with respect to lifestyles, attitudes and activities, we explore in this chapter the policy discourses surrounding the concept of 'diversity'. What are the main policies dealing with diversity in Italy? How are policy discourses framed? Do they perceive the diversification of the population as a positive or negative development? Are there significant differences between the state levels? And how are non-governmental actors addressing urban diversity?

The main objective of the present chapter is to explore the concepts and understanding of diversity while critically deconstructing and assessing the core policy strategies and programmes that are associated with the discourse on diversity at different state levels. Our research reflects on whether diversity is perceived in a positive or negative way; what aspects of diversity are highlighted or addressed; if there is a significant discrepancy between the different state levels regarding the use and perception of diversity; and what implications the understanding and interpretation of diversity have on the outcomes of the investigated policies. To complement the analysis on the prevalent discourses on diversity, this chapter also focuses on the perspectives of non-governmental actors and smaller initiatives dealing with urban diversity.

In presenting the Italian case we will provide a general overview of diversity discourses identified across a number of different groups and targets. Our main focus, however, will be on in-migrant diversity. This is due mainly to the fact that – as interviews and analysis of policy documents will show – there is no wide-scope, cross-sectoral, general and strategic discourse on diversity and its promotion in the Italian policy and public agenda. Analysing these fragmented targets and policy arenas would be a gruelling job.

In-migrant diversities are explicitly linked to urban policies as observed through interviews and documents and are a much-debated issue; a new and evolving challenge to Italy's political culture, national identity and welfare policy, thus more likely to influence diversity discourse in Italy in the future.

Some readers may be surprised by the lack of references to the recent migration crisis. This is due to two basic factors:

1. Timing: at local level, when our fieldwork was conducted the visibility of transient migrants was only just emerging. Hence, it was not yet an issue acknowledged as relevant by most interviewees.
2. Perceived characteristics of new flows: new migrations are mainly considered to be temporary and transient; a short-term crisis due to Italy being a stopover during journeys to continental and northern Europe. Thus, it is not considered to significantly affect the management of immigration-related diversity. New flows account for some 150,000 migrants, while foreigners resident in Italy are approximately six million. At the same time, it is worth mentioning that the public and media discourse is strongly dominated by these new flows, steering the debate on diversity in ways that are not possible to account for in this book.

*Which types of diversity are taken into account?*

We argue that perceptions of diversity and diversity policy usually include disadvantaged groups, indicating that overall there are negative attitudes towards diversity. This does not apply solely to groups undergoing negative politicisation and stigmatisation (e.g. in-migrants, Roma, and in some cases the LGBT community), but also to youth, particularly those categorised as NEETs, (i.e. those Not in Employment, Education or Training) and those having difficulties in the housing market.

On the other hand, our research has shown that presenting Milan as attractive city to mobile professionals is a key challenge<sup>32</sup>. Indeed, particular attention has been paid by local policy-makers on tertiary students, researchers and young professionals (i.e. the “creative class”) as a populace that can enrich the city with talent and international connections. The discourse implies that a more open city is needed to attract young people but, at the same time, that young people can help create a more open city.

More generally, age (and generational) diversity has not been so explicitly labelled as part of ‘diversity policy’, however it has featured in discourses and policy documents in relation to changes and challenges faced by the city:

*“It’s telling that Milan – while growing old – is losing the ability to settle some conflicts [...] we are taking into consideration the fact that new generations and groups can work, use and live in the city in a different way than the previous ones.”* (Respondent A1\_4)

Foreign immigrants not belonging to the creative class, on the other hand, are rarely seen by policy-makers we interviewed as bringing a potentially positive contribution to the city. Instead, this group is framed in terms of inequality, discrimination and threats to social cohesion. Nevertheless, there are also signs of a cultural shift taking place through several city-level initiatives, such as the City-World Forum.

The strongest challenge to the negative image of immigration-related cultural diversity is coming from the “second generations”<sup>33</sup>. A growing number of young people from immigrant



backgrounds, who grew-up and studied in Italy, are challenging the stereotypical image of in-migrant minorities as low-skilled temporary labourers. They are an interesting case because it shows how national and local issues conflate at the municipal level: the restrictive national citizenship law produces denizens, with social integration problems at the local level. As a result, local associations and administrations are lobbying for a change to the naturalisation law to support the “second generations”.

More recently, gender, sexual orientation and new families have received attention. Shortly after the 2011 election, the City Council created a Register for civil partnerships, thus recognising “different concepts of family, different lifestyles and wills” (Respondent A1\_5). The register has been open to same-sex couples, years before the approval of civil partnerships at national level in 2016.<sup>34</sup> A specific anti-discrimination policy is dedicated to this group, with the opening of the “House of Rights” (an anti-discrimination centre) and a city training programme to educate local civil servants about gender and sexual orientation issues. This hints, at least in part, at Richard Florida’s “creative class” argument, as can be seen in the response of a key official and policy-maker responsible for cultural policy in the municipality:

*“We should appreciate the economic value [of diversity]. For example, take the case of Festival Mix Milano,<sup>35</sup> the Lesbian Fuorisalone<sup>36</sup> or Milano Pride Week – all events that the Municipality supported. In response to the criticisms, cynically and ironically I would like to point out that travel guides always mention gay-friendly places. There is an economic element in this area, and it’s absurd to let it go.”* (Respondent A2\_1)

*“There’s a connection between local development and the LGBT community, since it’s a case that boosts gentrification and urban development through diversity.”* (Respondent A1\_2)

In some policy fields, diversity is not seen to require specific initiatives, even though certain types of diversity are considered over-represented in disadvantaged groups. On the other hand, diversity is not seen as a resource that needs special attention to deploy. Granting access (equal rights) is considered enough, while issues of accessibility – all social and individual conditions needed to enjoy equal rights – are underestimated. The hypothesis portrayed by (several) interviewees that “equal opportunities” already exist denies the evidence of that inequality clearly exists, and shows a poor awareness of the implications of diversity management.<sup>37</sup>

Finally, the Roma population has a specific dynamic in the Italian context. Discourses about this group reveals the negative politicisation of diversity and discourses focusing on oppression, threats to social cohesion and material deprivation. Poor attention is dedicated to recognising spaces of encounter. This issue is considered highly sensitive in the public discourse due to the conditions of authorised and spontaneous encampments and the voice of neighbourhood committees, political entrepreneurs of fear, and general opinions regarding the ‘dangerousness’ of this minority.

The coalition in office during our fieldwork campaigned to replace encampments with other solutions, involving Roma communities in the decision-making process. However, to date, evidence of any changes to policy has been very scant.

Although there is (limited) attention on redistribution, the effort to create spaces of encounter and recognition appears largely limited to projects and proposals coming from NGOs such as NAGA or *Casa della Carità* (House of Charity). However, this has yet to influence the current discourse and the documents and interviews analysed during this project.

We present four key findings in this chapter, summarised as follows:

- There is a plurality of fragmented discourses concerning specific groups and categories (e.g. in-migrants, Roma and in the Italian case, also the lesbian, gay, bisexual and transgender<sup>38</sup> communities, young people, women) that is reflected in institutional fragmentation. The resulting fragmented policy practice is reinforced by a weak inter-institutional coordination at the horizontal level between departments and policy-specific organisations, usually referred to as “departmentalism” or “silo-culture”.
- Governmental actors in particular mainly see diversity not as a resource but as a disadvantage that needs to be addressed through policies for equity and redistribution. Our main argument is that the lack of an explicit and shared policy strategy on diversity is partially (and imperfectly) due to the fact that new priorities and definitions are emerging. This process is taking place more implicitly and incrementally rather than by design.
- A similar fracture can also be found at the vertical level (between levels of government), and this may hinder the generalisation of good practices (bottom-up) and the effectiveness of national guidance (top-down). The funding and planning structures of diversity-related measures reinforce such weaknesses: they are usually short-term and unstable, thus hindering long-term visions.
- Social cohesion problems and the risks of ghettoisation – mentioned by almost every interviewee – are considered the outcomes of diversity and need to be addressed by an integrationist/intercultural approach. Diversity can find room in the public space, but mainly as an individual stance, while visibility of group diversity has to be attuned with the concerns (and cultural characteristics) of mainstream society. Diversity is, therefore, welcomed if it is subordinate to the majority.

This chapter is structured around six sections. Following this brief introduction, the second section presents the research methods. In the third section, approaches to diversity policy at national level are outlined, and the fourth section provides an analysis of governmental discourses and policy strategies related to diversity in the city of Milan. Section five reviews the non-governmental perspectives on integration policy and diversity – distinguishing between larger organisations and smaller bottom-up initiatives dealing with diversity in Milan. Finally, the conclusions are set out in section six.

## 3.2 METHODOLOGY

Our research is based on a qualitative approach and involves documentary analysis and semi-structured interviews. The documentary analysis drew on relevant legal documents, strategy papers, annual reports and results of earlier research. Interviews were conducted with selected relevant actors from different levels of public administration responsible for integration policy or other diversity-related matters, as well as representatives of non-governmental organisations and bottom-up initiatives in the field of diversity and integration policy<sup>39</sup>. Our analysis is based on interviews conducted with neighbourhood and city key informants (policy-makers, experts, members of NGOs) in 2013-2014.

## 3.3 NATIONAL POLICY APPROACHES TOWARDS DIVERSITY: STRUCTURE AND SHIFTS

Italy is characterised by lacking explicit diversity policies. An exception – addressing internal minorities – was the acknowledgement of five ‘special’ regions (Sicily, Sardinia, Valle d’Aosta, Trentino-Alto Adige, Friuli Venezia-Giulia) in the 1948 Constitution, recognising their cultural and/or linguistic specificity. The Constitution also protects religious<sup>40</sup> and linguistic<sup>41</sup> minorities at a basic level. In the case of Alto Adige/Südtirol, affirmative actions are promoted through a quota system granting multicultural rights to its three main groups of inhabitants (German, Italian, Ladin).

There is a plurality of fragmented discourses concerning specific groups and categories (e.g. in-migrants, Roma, LGBT, young people, women) that is reflected in an institutional fragmentation. The resulting fragmented policy practice is reinforced by a weak inter-institutional coordination at the horizontal level between departments and policy-specific organisations, usually referred to as “departmentalism” or “silo-culture”.

### *Immigration in Italy*

Historically, as an emigration country, immigration was never a strong issue in Italian political debate. For a long time, in-migration was regulated by very discretionary norms only, included in the Fascist consolidated law on public safety (1931). We can identify a turning point of this state of affairs in the 1980s, when immigrants clearly outnumbered emigrants. At that time, as in other Mediterranean countries, immigration flows took place “largely without planning and without a legal framework” (Peixoto *et al.*, 2012: 133).

The first structured immigration law was approved in 1990 (Table 3.1.). These initial laws had some liberal provisions (e.g. formal equal labour rights for those having a regular labour position) but were allocated inconsistent resources and weak implementation measures. This resulted in limited equal access to welfare provisions. Some of the changes aimed at reciprocity, i.e. to protect Italian expats abroad by implementing international agreements regarding the rights of

**Table 3.1** Summary of key shifts in national immigration policy since the 1980s.

Period	Main trends and laws	Discourses/approaches
Till 1985	No laws regulating in-migrant diversity, only a Consolidated Public Security Law (issued in 1931) and several international agreements	Non-policy
1986-1997	Setting the stage: first regulation and politicisation of diversity; focus on racism and security; seeds sowed for long-lasting trends: e.g. correlating immigration and integration with security discourses; crisis management; and mass regularisations of immigrants. 1986: first labour migration law 1990: first immigration policy law 1992: new citizenship law 1993: first anti-discrimination law 1995: decree on annual quotas and deportation of undocumented migrants	Mainly 'guest worker' policy, with nuances of integrationist/intercultural policy
1998-2001	Effort to build national integration model based on 'interculturality' 1998: Consolidated law with a more structured approach to dealing with immigration and immigrant policy 1999: Implementation of 1998 Consolidated law rules	Integrationist/intercultural policy, with nuances of 'guest worker' policy
2002-today	Ambivalence between exclusionary and intercultural policy 2002: New restrictive immigration law + large-scale regularisation (650,000 persons) 2003: National Anti-discrimination Office established (transposition of EU directive) 2004-2005: Decrees based on EU directives on asylum seekers and refugees 2006: Ministry document "The Italian Way for An Intercultural Education" 2008-2009: Security laws 2011: Appointed first Minister for Integration	Integrationist/intercultural policy, with strong nuances of 'guest worker' policy

migrants (Barberis, Cousin and Ragazzi, 2009). The legacy of Italy's 'emigration' background can be traced to the 1992 reform of the Citizenship Law – passed at a time when immigration was a hot political issue. In particular, its exclusionary character was even harsher than the law of 1912, which was largely based on "*jus sanguinis*". Aimed at easing the naturalisation process for Italian expats and their descendants living abroad, the revised law in 1992 eventually paved the way for the creation of large numbers of denizens<sup>42</sup> in Italy in recent years.

In-migration has grown significantly over the last two decades. Foreign residents, non-resident regular stayers and an estimated 400,000 undocumented migrants (Ismu, 2015) make up the 6 million foreigners that live in Italy today (9% of the population). This has risen from 1.5 million in 2006, and less than 400,000 in 1991. Although the economic crisis has been slowing down new entries, present-day numbers are still increasing. This growth is paralleled by a swift change from a transient to a labour migration, and from labour to permanent settlement. Immigration in Italy is also characterised by a notable plurality of origin countries,

mostly non-post-colonial. According to Istat,<sup>43</sup> Romanians account for 1/5<sup>th</sup> of foreign residents in Italy today, while the first five nationalities (Romania, Albania, Morocco, China, Ukraine) account for 50% of the total.

Prominently labour migrants, they work mainly in low skilled, low-wage, labour-intensive jobs, with features that place it within a “Mediterranean” model (King, 2000). Almost half of the migrant workforce is productive in the tertiary sector, i.e. the transport and storage industry for males and cleaning and care for females.<sup>44</sup> However, “*Italy is in a more advanced phase of the migration transition*” (Baldwin-Edwards, 2012: 150) than other southern European countries: immigrants are also employed in industrial sectors – reflecting Italy’s specialisation in manufacturing – and show rising figures even during the crisis. The employment rate for immigrants is higher than that of the native population, although this gap is among the smallest in the EU. According to Eurostat data, in 2014, 11.8% of Italians were unemployed vs. 15.6% of foreign-born. However, Eurostat also shows that in 2014, Italy had one of the highest shares of adults at risk of poverty and social exclusion out of all EU-15 countries – both for nationals (25.8%) and foreigners (48.2%), and that the gap is increasing between the two groups. This implies that foreigners are the weakest group in an already weak labour market.

In the past few years, the numbers of asylum seekers and refugees have grown significantly, creating one of the hottest and most divisive topics on both public and policy agendas. Between 2013 and 2015, an average of 120,000 migrants arrived on Italian shores each year, and consequently the number of applications for international protection increased to 65,000 annually (ISMU, 2015).

#### *Political discourse on immigration and integration*

From the 1980s, immigration became progressively more politicised, with contrasting positions focusing on security and humanitarian issues. After several hate crimes in Italy, the country’s first anti-discrimination law was passed in 1993, signalling signs of a change in the attention to diversity issues. In 1993, the debate also led to the development of a comprehensive immigration law (Einaudi, 2007). This law was approved in 1998 and had an explicit dual focus on security (restrictive immigration policy) and social integration (open immigrant policy), within an integrationist approach. The basic framework of this law is still in force today: the subsequent right-wing modifications in 2002 and 2008-2009 strengthened the restrictive side (reinforcing the guest-worker dimension, e.g. with shorter stay permits and tougher family reunification rules), without substantially changing the section on integration rights and obligations. Notwithstanding the worsening political climate and more restrictive immigration policies and practice that reduced access to social rights (e.g. the restrictive practice for enrolling in the municipal registry, see Gargiulo, 2011), the rules and regulations regarding integration remained almost unchanged.

Since the 1990s, Italian immigration policy has been vacillating between security concerns, human rights (expressed by NGOs, the Catholic Church and trade unions) and functionalist

perspectives (presented by pro-business social and political actors) (Zincone, 2011). Immigrant policies, in turn, have been negatively affected by the weak foundations of the Italian welfare state. An early formal definition of social rights (from the 1980s), that is, equalising access to the labour market, education, health and (contributory) subsidies by migrants and citizens alike, did not eventuate in practice. Scarce resources for social services, together with a territorially variable provision, detrimentally affected both natives and newcomers. In this respect, difficulties accessing welfare by migrants reflect the shortcomings of a residual, family- and category-based welfare state (Kazepov, 2010).

The political and media discourses on immigration have frequently seen negative politicisation, usually associated with media hype regarding undocumented migration and/or crime, influencing law enforcement and actual implementation of diversity and immigration policies. This demonstrates that policies for recognition – rather than policies for equity – are often limited by a “control agenda” (Grillo and Pratt, 2002). This was the case recently with migration flows resulting from the North-African and Syrian crises: the management of these cases showed that for several policy targets – e.g. asylum and refugee policy, voting rights and, in many respects, anti-discrimination policy – the Italian approach sat somewhere in between a ‘non-policy’ and a ‘guest worker’ policy.

The overall outcome of the last 20 plus years of immigration regulation is a system that considers migrants in temporary terms, whilst granting formal rights in many welfare areas, though with an inconsequential implementation and a very territorially fragmented policy-making (i.e. different regions implement different policies).

#### *Integration policy: Overview of the policy field*

The Italian social system considers migrants temporary in terms of immigration policy. Although migrants are granted formal rights in several welfare areas, these rights are not fully accessible, partly due to a territorially variable implementation of immigrant policies. Meanwhile, new challenges, including the increase of naturalisation rates (i.e. the growth of Italian citizens from an immigrant background) and the rise of new generations from immigrant backgrounds are now under debate – as they challenge a change in the public image of ‘Italianness’ – and this group does not yet have strong institutional recognition.<sup>45</sup>

Does this create an Italian model for integration? If we think about grand narratives dominating the European debate (e.g. race relations in the UK, the French *intégration républicaine*) the answer is probably no. However, we can see a ‘mode’ consistent with Italy’s political culture and welfare state-making – defined as indirect, implicit, subaltern (Ambrosini, 2001; Calavita, 2005; Caponio and Graziano, 2011) – developed more by chance than by design, with an accumulation of local practices, inconsistent national measures, accelerations due to EU influences and court judgments.

The continuity in policy-making throughout the years has been granted mainly by a “strange coalition” (Zincone, 2006) that was able to put forward an agenda both at national and local level, complementing security and control with social inclusion policies. This “strange

coalition” included both civil society (especially Catholic institutions) and social parties (both trade unions and employers)<sup>46</sup> and paved the way for areas of potential tensions emerging in particular from:

- a. the contradictions implicit in correlating security and control concerns with humanitarian claims (expressed by NGOs and Catholic stakeholders) and functionalist perspectives (promoted mainly by pro-business social and political parties);
- b. an emergency-based management of migration fluxes, that also characterises frequent recourse to ex-post regularisations;
- c. the strong politicisation of immigration issues, with a left-right cleavage, which has less impact on actual practices compared to public discourse;<sup>47</sup>
- d. the fundamental role played by civil society and local policy networks in lobbying, but also programming and managing integration measures (Caponio, 2006).

The lack of a proper institutional management underlies a ‘molecular’ integration process. Since the state has often left local authorities to their own devices to deal with migration-related challenges, local policy networks have acquired an active role (Campomori and Caponio, 2013).

This complex situation has resulted in a poorly defined ‘national model’, and significant delegation to local actors has prevented a more structured and coherent state discourse on diversity and integration. Incrementally, the policy puzzle has created a more (e.g. in educational policy) or less explicit policy line, grounded in the rejection of stereotypical integration models of other countries, such as France’s “*assimilationism*” or the UK’s “*multiculturalism*”. Italy has instead favoured an “*intercultural*” midway: an emerging integrationist model.

#### *National “intercultural” policy – a fragmented strategy*

Both the fragmentation of territorial policy in Italy<sup>48</sup> and the aforementioned silo-culture in departmentalism practices mean that there are different administrations responsible for dealing with diversity at the local level. As a consequence, it not possible to focus solely on urban policy departments at the national and municipal level. In considering in-migrant diversity, for example, the Ministry of Interior (responsible for the allocation of the 2007-2013 European Fund for the Integration of Migrants, along with the 2014-2020 Asylum, Migration and Integration Fund of the EU)<sup>49</sup> has issued calls for local projects on diversity management at the neighbourhood level.<sup>50</sup> These calls usually repeat European guidelines, without adding any national strategy or support structure for the guidance and coordination of local projects.

Moreover, since these projects usually have a short span (12 months, extended to 18 from 2015), the outcome of this deficient regulation is a mere list of short-lived good practices that never end up becoming building blocks for a comprehensive, national strategy. As a policy strategist working in a research agency critically underlines:

*“There’s rarely a strategic dimension – projects are (not by chance) funded by European funds, not Italian ones. Integration policy in Italy is created with money that doesn’t come from Italy. There can be a political discourse that praises diversity, but without actual effects.”* (Respondent A3\_1)

Nevertheless, an Italian model of diversity management is formally outlined in relevant policy documents; an integrationist model with various nuances commonly defined as “intercultural”. The most detailed description of this model has been released in a document by the Ministry of Education and drafted by the National Observatory for the Integration of Foreign Pupils and for the Intercultural Education in 2007, *The Italian Way for Intercultural Schools and the Integration of Foreign Pupils*.

*“Choosing an intercultural perspective means we do not limit ourselves to assimilation strategies, nor to offsetting measures for immigrant pupils. [...] The Italian way to intercultural means maintaining the ability to recognise and appreciate differences, the search for social cohesion, and a new form of citizenship that fits present-day pluralism, where special attention is given to build a convergence towards common values.”*

A more conservative view (rather oriented to a ‘law and order’ approach) of intercultural relations can be found in later documents, for example in the *Plan for Integration Within Security, Identity and Encounter*. Released in 2010 under the last Berlusconi government, it is the last general plan on migration-related diversity issues published by an Italian government. It is consistent with neo-assimilationist trends in present-day European policy-making on immigration issues, where the responsibility for integration is mainly individual, while the focus on systemic causes is considered ‘ideological’.

The oscillation between assimilation and pluralism in Italian interculturalism is precisely its weak point in national literature, being implicitly both multicultural (however, without recognition policies) and assimilationist (without granting equality), thus the process of integration is left to everyday, small-scale interactions (Bertolani and Perocco, 2013). The risk of this model is that it becomes a compromised midway, neither one nor the other, in its implementation. Assimilation requirements are not supported by appropriate policies that highlight inequality and support inclusion, and ethnicisation trends – strengthened by difficult access to citizenship – are not guided by policies that recognise minorities, thereby resulting in culturally-based inequalities.

Furthermore, discrimination and racism remain prominent issues, underestimated in the public arena. Likewise, institutional discrimination is rampant and encourages the rise of discriminatory policies, especially at municipal level (Ambrosini, 2013). The “security laws” passed in 2008 and 2009 strongly reinforced the institutional grounding of discriminatory practices (e.g. in the unequal access to social and civil rights for some groups, particularly undocumented migrants). However, these laws have been partially eroded in recent years thanks to judicial rulings and the adoption of EU rules.

As a consequence of the above-mentioned model of integration, we can state that Italy cannot be considered a latecomer to migration policy (having had 30 years of debate on the issue), but still a laggard in terms of defining a strategy. We maintained before that the local level



plays a significant role in defining the direction for national policy. However, this is more a *de facto* occurrence rather than a clear-cut strategy. At the local level, diversity is not specifically addressed in relevant local policy documents, as confirmed by key informants interviewed.

### 3.4 GOVERNMENTAL DISCOURSES AND THE GOVERNANCE OF DIVERSITY IN THE CITY OF MILAN

Mainstream policy-makers in Milan generally frame diversity as a problem rather than as a resource. The nuances of the discourse change according to the type of diversity taken into account, the most ‘problematic’ being when immigrant and ethnic diversities are considered. In general, equity and equal opportunity policies aimed at reducing disadvantages associated with diversity are framed more positively than policies for recognition or favouring encounter.

*“Diversity is a problem beyond certain thresholds. There’s an effort to look at immigration as an opportunity, but it causes problems that cannot be kept hidden.”* (Respondent A1\_3)

This state of affairs can be tied to the lack of an explicit discourse on diversity as a value in many policy areas. If we focus on urban policy, the link between urban and diversity policy is rarely explicit or systematic. The National Plan for the Cities and the preparatory documents for the definition of an Urban Agenda (Comitato Interministeriale per le Politiche Urbane, 2013) hardly mention diversity. The most used keywords are innovation, growth, renewal, housing, environment, knowledge economy, but these concepts are never associated with positive or negative effects of diversity. Only when disadvantaged neighbourhoods are considered<sup>51</sup> is diversity mentioned in passing.

Diversity was a heated issue in the last electoral campaign and was given significant attention in the electoral programme of the coalition ruling the city between June 2011 and June 2016 (Comitato Pisapiaxmilano, 2011). A chapter titled ‘*The City of Rights*’ focuses on children, non-standard families, immigrants, and animals. The heated political and media debate during the campaign was often connected to urban policy – for immigration (e.g. the management of high concentration areas); religion (e.g. the building and location of a mosque); and ethnic diversity (e.g. the Roma encampments).

No strategic document regarding diversity followed the elections, however in some fields, the change in policy orientation appears significant. This applies especially to the more contentious issues, along a left-right cleavage: LGBT and immigrant rights being a good case in point. In this respect, more politically committed interviewees underlined a radical shift in the approach to diversity:

*“In the new local government, diversity is not contrasted with normalcy. The multiplicity has a richness that plays a part in belonging to the urban community.”* (Respondent A2\_1)

*“We found a local administration that was not used to working on citizenship problems. In the previous legislature, immigration issues were classified under ‘disadvantaged adults!’ Disconnecting immigration and disadvantage changed the perspective inside the administration.”*  
(Respondent AI\_5)<sup>52</sup>

However, a change can also be acknowledged in less politicised arenas. For example, through a focus on children as citizens with their own rights, and on young people (students, early-career professionals and new couples).

The same is true for social cohesion. Perhaps we can refer to a shift occurring based on the impact of several initiatives: the framing of Expo 2015 by some policy-makers as a chance to change the discourse on diversity, and the stronger focus on social issues in Milan’s Smart City programme compared with other cities or European guidelines.

*“Smart City is not just a project for economic development, it’s a process that aims to include all actors that may be part of local development and liveliness [...] For example, Smart City pays attention to urban accessibility for those with various disadvantages – e.g. those with visual or motor impairments.”* (Respondent AI\_4)

Many interviewees also emphasised continuities. As far as the content of diversity policy is concerned, initiatives such as the participation in *Intercultural Cities* (which held its second meeting in Milan in 2007) and the *Milan for Co-development* programme (aimed at connecting immigrant communities with local and international organisations) were both signed off by the previous mayor. However, the shift in rhetoric has not always been matched with policy change – e.g. in the case of Roma, who remain stigmatised and marginalised. The pledge to build new places of worship – including mosques for the large Milanese Muslim community – has shown little progress.

#### *Integration policy in the city of Milan*

The ‘political shift’ indicated by the new administration may have included pluralist elements in a largely integrationist policy view, and in some cases a new activism in areas where non-policy or exclusionary policies have been in practice. Milan is no exception in territorialisation of immigrant and immigration policy. As the Italian city most integrated in globalised economic flows and serving as a hub, it is part of a model of regional competitiveness that attracts different types of migrations – both high-end mobile professionals and unskilled migrants.

Coherent with the national discourse, which has associated the concentration of immigrants in certain neighbourhoods with issues of safety, urban decay and the risk of petty crime, local public and policy agenda in Milan have not been promoting diversity nor endorsing the positive impact of immigrant presence in the city for a long time. Urban conflicts in Milan as in other Italian cities have followed a well-known script: in front of the feeling of loss of control related to urban transformations (social, demographic, commercial etc.), those who occupy a relatively

advantaged position and are able to ‘voice’ (Italian established residents in general) and invoke the intervention of public authorities to restore a social order that cannot be attained through endogenous and informal social processes.

Municipal authorities are generally requested to enact repressive and preventative measures to soothe conflict and restore a semblance of control over the urban environment, ‘neutralising’ the outsiders (Allasino *et al.*, 2000). In the last 15 years, Milanese local stakeholders have been committed to a parochial and ethnocentric vision, also missing the opportunity to promote diversity as an economic asset (Marzorati and Quassoli, 2012). Hesitant changes have been promoted in the last few years, with the aim to approach diversity as a normal and significant part of urban society and economy in a dynamic metropolis.

Overall, this model of integration may account for micro-segregation and ethnicisation processes: a subordinate integration into the labour market is intertwined with unequal housing markets, and the role played by informal and institutional barriers in accessing better opportunities and information; a reactive networking and the residual position in labour and housing markets may favour close-knit settlements in some housing blocks and estates.

The general problem of a lack of coordination between urban and social policy adds up to this condition. In Milan, it is partially managed via the subsidiary role of some important non-profit players, e.g. the Cariplo Foundation, which issues calls for community development (Semprebon, 2014). Nevertheless, diversity management is taken into account in this case but hardly as an explicit priority, and this becomes a problem in the continuity of actions addressing mixed communities.

The previously elucidated “silo culture” (departmentalism) in public administration makes it hard to link a transversal policy target – as “diversity” can be – to specific policy areas where our interviewees are committed. In general, diversity is rarely an explicit target for many branches of the local administration and enters only as a secondary argument in the normal procedures of their office. Not by chance, a key official from a minority background pointed out that the local government is trying to change the mandates of some offices, to include diversity management as a daily activity (Respondent AI\_5).

However, as an effect of the above-mentioned departmentalism, we can see different approaches to diversity. For example, a non-policy approach can be found in the case of *tourism*, mainly concerned with heritage, a concept that does not include so much the vibrant plurality of lifestyles and people’s backgrounds that make up the contemporary metropolis (Quassoli and Marzorati, 2012). On the contrary, the Department of Cultural Policy is the one closer to a pluralist approach to diversity, with an attempt to build policies for recognition and for democratic deliberation. The cultural programme associated with *Expo 2015* (the collaboration of migrant and minority associations to welcome visitors; the exhibition of artworks made by foreign artists working in Milan) and the re-use of historical places as symbols of urban

diversities – although implemented only partially – could help the construction of a pluralist tradition of the city.

This also pertains to the governance of diversity in terms of relations (and delegation) to non-governmental actors. Again, different offices portray different nuances of a common discourse: it was more about delegation and ‘big society’ ideas with the right-wing local government, and it is more about social participation driven by public institutions with the current left government. A slow change in practices can be connected to institutional inertia and to an unfavourable institutional frame (e.g. a limited legitimisation at national level). We can also identify the influence from political debates, where the anti-diversity discourse – particularly the one on anti-immigration – is considered relevant in electoral strategies. Therefore, it is considered ‘wise’ to not raise issues which can be used by populist and xenophobic movements – keeping a ‘low-profile’. A key official working on innovation and strategic planning reports this issue quite explicitly:

*“I worked in the strategic planning of [name of European capital], which was precisely based on the idea of diversity [...] This is an issue in Milan, too, but there’s no strategic plan based on these keywords [...] Making diversity an explicit issue is a political problem. If you draw a plan on diversity, on the other side there will instantly be someone telling you: ‘Mind normalcy! Why should you mind about marginal fringes?’ There’s a part that considers diversity as a negative value.”* (Respondent A1\_4)

However, the city of Milan has also been a trendsetter for the acknowledgement of diversity in different fields. For example, it is one of the 246 Italian municipalities to give honorary or *symbolic citizenship* to children of immigrants born or grown up in Italy,<sup>53</sup> to lobby and support the approval of a new citizenship bill in National Parliament – an action supported by Unicef Italy and the National Association of Municipalities (ANCI). Though contested as potentially raising expectations of naturalisation that cannot easily be met, the symbolic citizenship is an example of *bottom-up policy for diversity* and recognition that is targeting a larger audience and setting a national agenda.<sup>54</sup> The former mayor Pisapia has also been the national spokesperson for the campaign “I’m Italy too” for the reform of the citizenship law, “*and Milan is the city that collected the highest number of signatures in Italy to support this reform*” (Respondent A1\_5). The bill has since been passed by the Chamber and is to be debated in the Senate.

#### *Representation of diversity in neighbourhood policy*

Another case in which diversity is not solely seen as negative is ‘neighbourhood diversity’. Now we turn to consider different nuances that our interviews revealed with regards to the relationship between neighbourhoods and diversity in Milan. Here we suggest that the picture is not singularly negative.

In certain neighbourhood contexts with a high proportion of foreign immigrants, diversity is considered a challenge, with both risks and opportunities. The risky side is inequality, and the

concentration of disadvantaged groups in mono-functional districts. Opportunities are related to the appraisal of the contribution that diverse social groups can give to social cohesion and the local economy in mixed neighbourhoods. Policy-makers see retired elderly, young students and disabled people in the area of housing and development policy as groups whose role can be appreciated if they are supported in dedicating time and skills to the community and in activating reciprocal social relations.

In comparative terms, housing policy does share a more diversity-aware vision than other policy areas. The main focus here is on 'functional differentiation and diversity', taken into account for the risk of accumulation of disadvantages and of having poverty 'stuck' in potential ghettos. Though, again, diversity is often not a primary focus in social housing or neighbourhood renewal. Rather, it is seen as a disturbing element to be taken under control. In this sense, the attention paid to diversity is somehow 'reactive', and targets its potentially negative meanings in policy management. Positive aspects of diversity only refer to specific groups that the city should attract – not so much to existing cultural and social diversity. A quote from a key official in housing policy is a good example in this respect:

*“In the management of public housing, the main focus is on diversity as a problem: paying attention to ghettoisation risks; answering the demand of different targets. When we think about the public building stock at large, and the maximisation of its value, we think about another kind of diversity: creative, cultural, social (even antagonist) groups, and the non-profit sector.”*  
(Respondent A1\_3)

As a consequence, most interviews also show that when neighbourhood diversity is matched with the ethnicisation of public space, diversity is seen more as a danger than as a challenge. In this respect, our key informants predominantly and implicitly support an integrationist approach, where diversity is accepted but not encouraged. Pluralism should be tempered by an attention to social cohesion – and social cohesion usually and implicitly refers to the concerns of natives, and to the need to blend minority specificity by mixing with the majority (although usually not to the extent to support assimilation).

Ethnicisation is strongly associated to 'ghettoisation' (where the concept does not refer primarily to poverty and stigmatisation, but to separateness), while *mixité* and the promotion of dialogue are to be supported. This can be seen in some of the references and interviews made in Milan's 'Chinatown'.

*“A tribal drift is always dangerous [...] Urban spaces must be social spaces.”* (Respondent A2\_1)

#### *Diversity policies and public resources*

A clear view on resource allocation for diversity policy is far from easy in a context of high institutional fragmentation, where measures are often parcelled according to territorial levels, policy areas and targets. This may also be seen as a proxy that diversity is not a policy target in

itself or a priority, thus not enjoying an allocated budget.<sup>55</sup> We can nevertheless identify some trends that are also an issue for diversity-related policy in Milan – and apply them to public policy funding in general.

In general terms, policy makers at the regional and local level often express a dissatisfaction regarding the resources available for diversity policy. They consider national investment on this issue as inadequate, since many calls and measures are funded via European<sup>56</sup> or local funds, with a poor contribution from national resources to steer priorities.

*“We have seen a paradoxical situation: a constant growth of regular foreign stayers in Italy, matched with a simultaneous shrinkage of resources for integration policies. The Regions are not able to fully counterbalance these cuts.”<sup>57</sup>*

Where does this lack of resources come from? According to some of our interviewees it is indicative of hard times in the aftermath of the economic crisis. Policies targeting specific disadvantaged groups also experienced harsh cutbacks, although in Italy, this trend started well before the crisis (Einaudi, 2007; Arlotti, 2013) and therefore the crisis had a ‘more of the same’ effect.

It raises the question whether the crisis increased the perception that some targets of diversity policy are competing for scarce resources. Since diversity is mainly seen as a disadvantage, a discourse on the positive effects of an active investment in diversity could not equalise the negative views. In welfare policy, and in particular cultural diversity (Roma, people from an immigrant background) may be seen more and more as an undeserving target, strengthening the opposition to policies targeting specific stigmatised groups. Such negative politicisation seems limited in some cases – e.g. immigrant domestic workers – due to evidence indicating strong demand (van Hooren, 2010).

For others, it is simply a low priority due to political reasons (e.g. risk of negative politicisation; priority given to other targets). In this respect, the allocation of resources is in question. Regardless of the amount, there is evidence that diversity-related initiatives – like many other actions in recent policy-making – are mainly based on short-term projects with variable and unpredictable resources in the long-term. This also applies to a number of worthy, innovative initiatives mentioned by our interviewees that are mainly funded through one-off calls and measures (e.g. through EFI/AMIF or national earmarked funds).

For most of the policy-makers interviewed, this means the need for a new role for public actors: from distributing resources to facilitating and networking and from a hierarchical to a bargaining role – with pros and cons.

Networking (including intra-institutional, inter-institutional and public-private partnerships) is seen as the main resource to exploit, and one of the main tasks of local administrations. It is seen as a solution to the lack of resources and to the departmentalism of local administration.

Diversity is an issue in recent agreements with non-governmental organisations, such as the memorandum of understanding between the Municipality and the Third Sector Forum<sup>58</sup>, and the project *Sistema Milano* which aims to develop collaboration among public and private actors in policies targeting Roma. The case for this latter target shows – which we have already mentioned as particularly contentious – that networking can have a role in creating a supportive system, reducing isolation and negative politicisation.

Nevertheless, networking without resources and clear roles and responsibilities can have detrimental effects on the coordination and effectiveness of implemented actions.

### 3.5 NON-GOVERNMENTAL PERSPECTIVES ON THE GOVERNANCE OF DIVERSITY

Non-governmental organisations play a significant role in governing urban diversity in Italy. When it comes to immigration-related diversity there are some national think tanks (some based in Milan) that not only advocate for social inclusion, but also focus on their positive contribution to social and economic development of the country. At local level, Milan has a long tradition of advocacy groups and associations dealing with diversity, as part of its front-runner role in social, economic and political innovation in the country. This section presents the role and views of larger non-governmental organisations followed by a consideration of smaller bottom-up initiatives dealing with diversity and integration in section 3.6.

#### *Larger non-governmental organisations dealing with urban diversity*

In general, non-governmental actors – advocacy groups, associations, volunteers, social economy actors (e.g. social cooperatives) and investors – are not just mere implementers of governmental strategies. On the contrary, they contribute meaningfully to the planning and programming, both lobbying at national level and entering relevant policy networks at local level. In this respect, the main risk is an enduring subordination of public actors in relation to the activism of non-governmental organisations: public actors delegate responsibility (and poor resources) to civil society, while civil society actors complain that local administration is not proactive enough. To sum up, the risk is of *passive subsidiarity* (Kazepov, 2008)<sup>59</sup>, i.e. of delegation without coordination/collaboration of public actors.

Two of the most well-known associations of “second generations”, G2 Network and Associna, have developed their branch in Milan over the last decade. After starting informally they grew into associations advocating citizenship reform and recognition and are, in more recent times, actively engaged in diversity-related projects, also aiming at creating spaces of encounter.<sup>60</sup> The ‘second generation’ representatives we interviewed see themselves as a key actor in building a new representation of diversity in Italy. They challenge the idea that diversity is related to immigration, since – even though they are from an immigrant background – they are not immigrants themselves, having grown up in Italy. Therefore, they are dissatisfied with the label “second generations” and try to spread a new self-representation as “new Italians” or “first-generation Italians”.

Their pluralist concept of diversity nevertheless contains integrationist elements, trying to balance minority and majority identities and to focus on social cohesion through social contact. In this respect, the battle for citizenship reform is not just about rights, but also about belonging: “*Ius soli is necessary not because you are currently limiting my rights, but you are limiting my sense of belonging. The State doesn't allow you to feel Italian, it denies you*” (Respondent B2\_1).

There are other non-governmental actors based in Milan who play a national role in the migration debate, for instance Ismu and the local branch of Caritas. Their strong presence nationally is able to influence the local public debate on diversity, through public events, publications, and through a rich and complex network of solidarity that faces diversity. This occurs both, by contrasting the issues that disadvantage groups like immigrants, Roma, convicts and ex-convicts face, and by advocating on their behalf and promoting a culture of dialogue.<sup>61</sup>

This role is mainly covered by actors in the Catholic pillar, even though the effectiveness in the public arena seems stronger when the policy coalition keeps religious, secular and trade union groups all together. For example, in the late 1980s, such a transversal group was the first to promote an immigration bill not only focussed on security issues. Nowadays, a large coalition of NGOs and public institutions are campaigning for the reform of citizenship and electoral laws, with petitions that – as already mentioned above – have also witnessed strong support in Milan.

Among the most relevant local actors, the Cariplo Foundation<sup>62</sup>, funds initiatives and action plans in the fields of social cohesion and human capital formation. On the one hand, some of its most important initiatives are projects on *intercultural education* and *equal opportunity*, focusing on the impact of diversity on educational outcomes. Here, diversity is mainly seen as inequality: “*The Foundation aims at reducing diversity, to make school choices of Italians and foreigners more similar, to avoid a waste of human capital*” (Respondent B3\_1). On the other hand, housing projects (from shelter centres to social housing) to support groups that have difficulty accessing the market: ex-convicts, disabled, low-income families, young families and migrants.

The ability of the Foundation to steer discourses on diversity depends also on a wide set of partnerships with governmental and non-governmental actors – e.g. in the field of housing policy.<sup>63</sup> In this respect, it is one of the main actors in the renewal of social housing blocks and mixed residential solutions (together with a number of other actors such as the Dar-Casa cooperative society,<sup>64</sup> San Carlo Foundation, ABCittà – see Censis, 2005; Alietti and Agustoni, 2013).

These are examples of private actors structuring a complex housing policy that includes brokerage in the rental and mortgage markets, and management of small estates with a strong focus on social cohesion, social participation, community work and empowerment at neighbourhood level. In this respect, non-governmental actors collaborate with public



actors involved in housing and development policies who are keen about the approach to ‘neighbourhood diversity’ we mentioned in section 3.4.

In this respect, projects funded by these large players are not only meant as redistribution policies, addressing material deprivation and housing problems of disadvantaged groups, but also as spaces of encounter between different populations – Italians and immigrants, young and elderly, working and middle-class. Facing a governmental non-policy approach or integrationist view mainly focused on redistribution actions, these actors actually steer public discourses and practices towards a more pluralist vision, by promoting their own view or by supporting and complementing public views consistent with their aims with expertise and resources.

Besides the Cariplo Foundation, there are other NGOs holding an important social and economic position in supporting diversity, often in partnership with public actors. This refers in particular to those involved in diversity policies based on action-research – universities or private research centres, such as the above-mentioned Ismu (previously a branch of Cariplo Foundation), Centro Come (tied to Caritas, it aims at the inclusion of immigrant youth and “second generations” in education), and Codici Ricerche.

There is limited evidence of a focus on diversity by business organisations, besides the effort to attract a creative class in a city world-famous for its fashion and design industry. Employers’ associations and the Chamber of Commerce – particularly through its spin-off company for training, Formaper – regularly organise basis activities to support and boost entrepreneurship of specific target groups, mainly young people, women and immigrants. The delivery of services through projects, also in this case, is highly variable, in time, extent and goals of the activities.

### **3.6 GOVERNANCE ARRANGEMENTS AND INITIATIVES**

#### *Bottom-up initiatives dealing with urban diversity*

The analysis of policy strategies and of the governance structure of diversity-related urban policies showed that there is a wide scope for bottom-up action coming from civil society. Most of the initiatives identified and surveyed for this book – along with other primary focuses – are concerned with social cohesion.

Discourses on social mobility and economic performance are less present, and if referenced, are mostly subordinate to social cohesion concerns. The ten cases summarized in Table 3.2 – notwithstanding their different approaches, focus and targets – share some common trends. On the one hand, there’s an implicit and shared vision of an intercultural/integrationist approach among relevant stakeholders. As a consequence, their suggestions of good practices and innovations are framed within that discourse. On the other hand, consistencies among cases show the micro-level working of the Italian integrationist model, and at the same time its contradictions in actions and the efforts to overcome them.

The most successful cases seem able to reverse – or at least challenge – negative stigmatisation of diverse groups and areas through a vibrant networking of small-scale actors and actions, and with attention paid to intersecting plural groups, identities and needs. The long-term success of these arrangements may be jeopardised by a perceived lack of sustainability – first and foremost, but not exclusively, in financial terms.

The following trends and issues have emerged from the case studies on governance arrangements and bottom-up initiatives in Milan:

- a. the focus on social cohesion is more dominant than other discourses (social mobility and economic performance);
- b. this may be related to the implicit but dominant integrationist/intercultural discourse, that accepts diversity, but does not encourage recognition and emphasis on plural dimensions of society (Syrett and Sepulveda, 2012; Koopmans *et al.*, 2005);
- c. the ambiguity of an integrationist discourse in a country that has a weak policy strategy and focus on diversity results in an ambivalent position in-between, assimilationism, pluralism and segregation;
- d. as a consequence, local initiatives have to deal with a complexity of hyper-diversity not adequately mirrored and supported by policies (nor by funding opportunities);
- e. the main answer is the creation of spaces of interaction and encounter, in which attempts can be made to put social mix and interaction into practice.

The observed tendency to foster social cohesion via social contact and mix is not in itself a proxy integrationist discourse, although this may become the case given that in quite a number of cases the concept of diversity is ambiguously seen as both a resource and a problem, with a different balance between these two sides.

**Table 3.2** Contribution of local initiatives to diversity discourse in Milan.<sup>65</sup>

Non-governmental initiatives	Social cohesion	Social mobility	Economic performance
G.Lab – Citizenship Laboratory	***	*	
Peoples' Orchestra "Vittorio Baldoni"	***	**	
Cenni Changes	***	**	*
DAR=CASA	***	**	*
City of Sun – Friends of the trotter Park	***	*	
Milan World-City Forum	***		*
About Niguarda	***		
Diversity-at-work Career Forum	**	***	*
Italy China Career Day	**	***	*
Tira su la clèr		*	**

\* = low contribution; \*\* = medium contribution; \*\*\* = high contribution

This seems to imply that diversity should be kept under control, and social contact and mixed communities are a way to achieve this goal. These conclusions come from the responses of many interviewees who consider a specific targeting of minorities only as *ghettoising*, and creating too much separation at societal level. In some cases, fostering mixing and social contact seems to be connected with a fear of negative politicisation that may impact diversity policy and minority targeting, or with an implicit nativism that requires those classified as locals to be equally involved as policy targets. Many actors involved are sensitive to a pluralisation of diversity that cuts across different groups and categories in complex ways. This pluralisation is difficult to classify: this challenges the integrationist idea of a core ‘we-group’ to be selectively protected, with partial concessions. The ‘in-betweeners’ such as the “second generations” and other similarly disadvantaged groups (including middle class Italian citizens who experience difficulty accessing decent housing) require a more nuanced view of diversity. Some actors (e.g. DAR=CASA and the “Friends of the Trotter Park”) clearly changed their perspective on diversity over the years – from very clearly defined minority target groups, to an open-ended plurality of profiles sharing a place, and/or a need.

Interestingly, this often happens by boosting a micro-local identity. For example, a small portion of the city (e.g. Trotter Park, or a mixed housing project), enjoys a special status as “a place of diversity”, where encounters are possible thanks to the dedicated support of NGOs and local institutions that help create more positive representations of diversity.

Quite a number of initiatives treat diversity as a source of social disadvantage, but – within the frame of an awareness of hyper-diversity – with a growing focus on possible advantages that come from social variation, diversity-related complexity and new social profiles. For example, the employability of Sino-Italian educated youngsters with their transnational contacts and sensibilities, or the enriching experience of sharing stories and traditions in a city deliberative arena or neighbourhood park, where reciprocal exoticism does not create positive or negative stereotypes, but rather an appreciation of living in a vibrant, diverse city.

In some cases, we can see that diversity can be considered positive, acceptable and enriching when it is not too related to inequality. However, this is rarely an actual appreciation of (stigmatised) minorities. Minorities tend to be appreciated only when they are seen as ‘normal’, i.e. as parents active in the local community and educational environment, rent-paying tenants, or high-end transnational professionals. Therefore, the two discourses on inequality and recognition remain largely separated.

In cases where economic performance is specifically targeted, diversity is seen as positive; to enrich disadvantaged, stigmatised and mono-functional districts, a mix of new inhabitants can improve the economic performance of the area, and the circulation of resources, new ideas, and new activities can revitalise the area, with a positive effect on social cohesion.

The underlying premise seems to view (commercial) diversity as an engine for new and plural lifestyles that may positively affect the social and economic life of peripheral housing projects.

At the same time, this ‘positive’ diversity goes hand in hand with a ‘problematic’ one, i.e. the actual conditions of disadvantaged target neighbourhoods inhabited by families at risk (materially deprived, elderly, immigrants).

### 3.7 CONCLUSIONS

In Italy, the main discourse on diversity is primarily focused on reducing negative effects of diversity on *social cohesion* and secondly on reducing *inequality* and supporting social participation and inclusion. A discourse on *recognition and appreciation of diversity* and its potential positive role is much less present. This is clear from our analysis of national and local policy documents and from interviews with key informants in the city of Milan, particularly as far as in-migrant diversity is concerned. There is an ambivalent discourse on the role of *civil society*. On the one hand, we can find evidence of a “Big Society” discourse, often portrayed in national documents in which accommodations for diversity is considered a quasi-spontaneous, micro-level process.

On the other hand, non-governmental informants often invoke the role of public actors, to provide legitimation, standardisation and institutionalisation of spontaneous measures. In this respect, non-policy is seen as a risky option that can lead to the worsening of social problems, especially segregation, and concentration of disadvantage resulting in stigmatisation and open social conflict. Therefore, the legitimation of effective actions and general responsibility over policy processes by public actors are considered focal but, at the same time, are not considered able to cope with diversity. This is due, either to structural (e.g. separation from civil society; difficulty to define clear goals and priorities) or fortuitous reasons (e.g. lack of resources due to the economic crisis; early stage of immigration policy). Generally, low levels of trust in politics and institutions play a role in this and support discourses on the primacy of spontaneous sociability.

*“Italians have nothing to do with the State, they are welcoming people [...] unrelated with the demagogy that some institutions use”*. (Respondent B2\_1)

*“Local policies do not reflect reality, they are just declared [...] At the moment, politics seems to use a discourse open to diversity, but has no intention of putting their money where their mouth is”*. (Respondent A3\_1).

There are nevertheless signs of a changing discourse pertaining to in-migrant diversity. These are largely indicated through symbolic policies; not yet implemented into actual measures, but likely able to affect practices in the near future. Some neighbourhood renewal projects or the City-World Forum, for example, brought elements of a new pluralist idea, focusing on the positive, transnational contribution they can give to Milan. In this respect, even in a common integrationist frame, attention on diversity seems more marked in Milan than in national policy,

since in some areas diversity (or rather: specific targets within a diversity policy) is explicitly addressed.

Policy-makers should learn from these arrangements, their success and failure, the awareness of a rich diversity that cannot be reduced to standard macro-categories (an awareness that may also increase policy effectiveness by allowing better targeting), and the need for an explicit support and recognition of diversity. In this respect, for some target groups there has been a significant evolution in the local policy arena and in local initiatives: for example, “second generations” are more and more considered as members of Italian society despite their complex backgrounds – even though the road towards full recognition is still a long one (more at national than at local level). For others, the Roma, for instance, a working balance between recognition and participation is far from being realised.

To conclude, in terms of policy-making, it is important that:

- a. the shift from non-policy to a clear path to social participation is defined;
- b. that grand visions portrayed by some progressive actors are matched with daily policy practice: a big risk for policies and initiatives is to raise expectations that cannot be met. Symbolic investments are not enough, since disillusion and frustration can raise conflict.



## 4 RESIDENTS DEALING WITH DIVERSITY

### 4.1 INTRODUCTION

This chapter presents residents' experiences and perceptions with respect to diversity at the residential and neighbourhood level. We are interested in the following questions: why did people move to the diverse area they live in now? To what extent has the diversity of the area been a pull-factor? We are also interested in understanding how residents perceive the area in which they live: do residents see their neighbourhood's diversity as an asset or a disadvantage? What are the strengths and weaknesses that residents see in their neighbourhood's diversity? This research is focused on housing decision-making processes in relation to diversity.

We also try to understand if and how the integrationist discourse (which emerged in the previous chapter as quite consistent – although mostly implicit – at national and local level of public institutions and organised civil society) is also shared by the inhabitants, when referring to a neighbourhood's diversity. We also try to understand what relevance and visibility policies and initiatives (mentioned in the previous chapter) have for inhabitants.

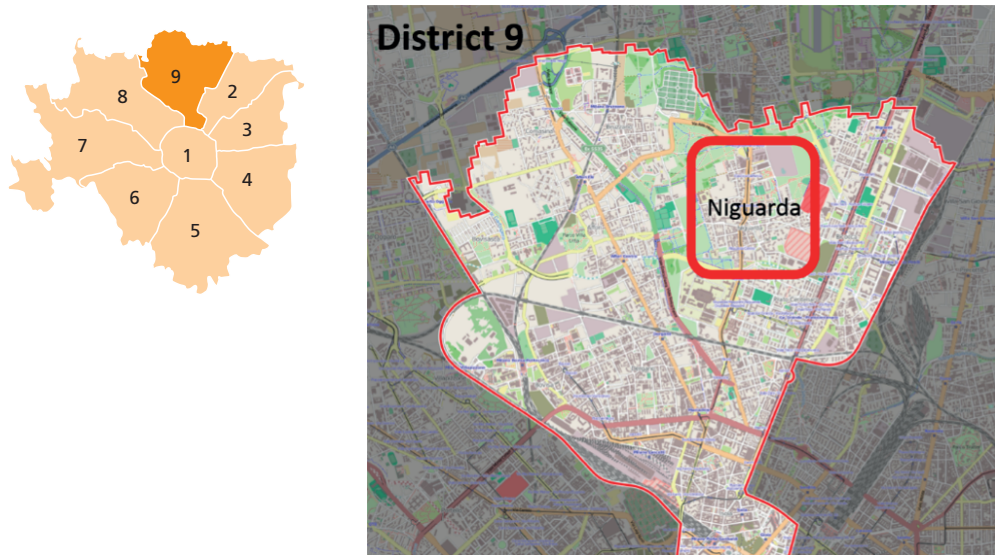
The main argument here is that the limited recognition of hyper-diversification processes taking place at the very local level may not lead to “scaling up” into actual policies, thus, opening a gap between policy targeting and inhabitants' actual experiences.

At the same time, social groups less in contact with hyper-diversification processes (e.g. middle classes living in homogeneous sections of the neighbourhood, and/or the elderly) can mirror the above-mentioned features of an integrationist discourse.

We also explore the relations between social contact (and activities in the neighbourhood as a proxy), place attachment and acknowledgement and appreciation of diversity. Is there a relationship between activities in the neighbourhood, place attachment and acknowledgement of diversity? What personal and social backgrounds (if any) enhance such connections?

As discussed in Chapter 2, Milan's population is rapidly diversifying. This is due in part to international migration. It is a social change that is not taking place evenly throughout the city.

For this reason, after a literature review and a discussion with relevant stakeholders (namely our Policy Platform and the interviewees contacted for the background policy analysis reported in Chapter 3), we decided to focus our fieldwork on a large case-study area in Northern Milan (see Chapter 2).



**Figure 4.1** Location of the case study neighbourhood of Niguarda in District (*zona di decentramento*) 9, Municipality of Milan.

The study area includes the neighbourhoods of Via Padova and Niguarda located in Districts (*zona di decentramento*) 2 and 9<sup>66</sup>, areas that underwent significant changes in recent decades. Different flows of migrants arrived during the last century and came from the surrounding countryside, northern Italy and southern Italy (Foot, 1997) and more recently, from abroad. The mix of new and old built environments and social mobility processes created mixed areas in terms of social class, origin, age, identification processes, length of stay (Arrigoni, 2010; Ponti and Pozzi, 2012; Marzorati and Barberis, 2014).

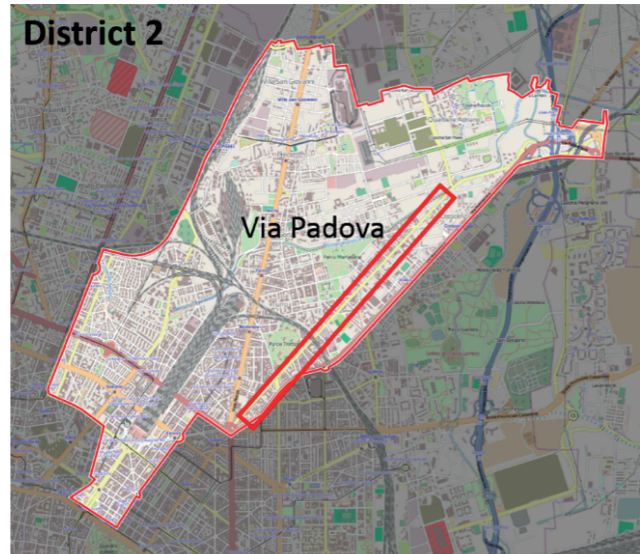
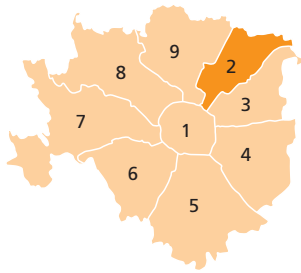
This area was occupied by a diverse population. Internal labour migration (first from northern Italy and later from the south) characterised the post-war period from the 1950s to 1970s.

Migration from abroad started in the 1980s. By the 2000s it was mostly family migration (due to reunification of spouses and children). Migrants from Asia (China, Bangladesh, Philippines), South America (Peru, Ecuador), and North Africa (Egypt, Morocco, Tunisia) settled in different parts of our study area. At the same time, native and long-term residents continued to live there, and new Italian households (especially new families) moved in thanks to the availability of affordable housing and good transportation in the area.

## 4.2 METHODOLOGY

Based on the recent history of the area, interviewees were selected to intersect different forms of diversity, mainly relating to the following characteristics:





**Figure 4.2** Location of the case study neighbourhood of Via Padova in District (*zone di decentramento*) 2, Municipality of Milan.

- ethnicity and cultural background;
- social class;
- length of stay (newcomers/old inhabitants);
- origin (national and international migration flows);
- age; and
- gender.

Age and gender are highlighted here as key features affecting cohort experience. Their intersection with the other characteristics identified above has consequences for the experience of diversity and for the lived experience within the neighbourhood. As Barberis *et al.*, (2014) and Angelucci *et al.* (2014) stress, the localised effects of specific configurations of interaction among diverse groups may affect social cohesion and determine whether there is a peaceful or conflictual neighbourhood co-existence. Relevant research conducted in the area (Pastore and Ponzo, 2012) shows that a lively and peaceful neighbourhood environment also depends on how gender and age intersect with other diversity factors. For example:

- the interaction between natives and immigrants also has an age dimension. Native Italian citizens growing older are side-by-side with a much younger immigrant population. This also means that younger cohorts (natives or not) have more experience of diversity related to international immigration backgrounds;
- some meeting spaces (schools, parks, markets...) play a role in the sociability of different groups, also along gender lines (e.g. schools and parks work as spaces of encounter for immigrant and native females and their children).

The relevance of area-specific meeting places for the intersection of diversity factors led to the selection of interviewees by identifying *foci* (i.e. places where we could contact gatekeepers), starting with potential interviewees with the desired characteristics, followed by a snowballing approach that utilised the loose social networks of our the first interviewees. *Foci* and gatekeepers were identified from personal networks of researchers and above-mentioned stakeholders, partly created during the previous phase of this research project (see Angelucci *et al.*, 2014). In particular, the following *foci* were selected:

- an intercultural association of parents and residents involved in the lively management of a school park (see Angelucci *et al.*, 2014). This allowed us access to native Italians and immigrants active in inter-group relations;
- a community centre attended by different age groups;
- a yoga gym (the yoga teacher as gatekeeper), to access middle-to-upper class interviewees, and their neighbours;
- some well-known meeting places (pubs, shops), attended by different social groups, including ‘neighbourhood users’<sup>67</sup>;
- a couple of apartment blocks in the area with different compositions (co-habiting youth; households) and housing histories in the neighbourhood, where we found gatekeepers.

Groups that are socially isolated are less accessible through snowball sampling are consequently under-represented in our sample. This applies in particular to two very different groups: immigrant newcomers (especially those with a precarious legal status) and the oldest Italian residents. There are just three interviewees from the first category and only one of our interviewees is over 75.

Access to interviews with immigrant newcomers (particularly the undocumented) was limited by trust and language issues. We dealt with this thanks to *foci* and gatekeepers close to this group as well as multilingual interviewers. Likewise, in order to reach elderly Italian residents, we relied on *foci*, gatekeepers and kinship ties among neighbours and relatives.

In the above-mentioned *foci*, we selected interviewees that mirror the heterogeneity of the local population: men and women belonging to different social classes and of different ages, immigrants and natives or internal migrants (typically from southern Italy), newcomers and long-term inhabitants. Since we focused on two main characteristics in relation to our research questions (gender and migration background), the control over the mix of other categories was less strict, allowing for different intersections of hyper-diversity, broadly balancing social class, age and length of stay in the neighbourhood.

In summary, the principal characteristics of the 52 interviewees are as follows:

- 30 females and 22 males
- 34 have Italian citizenship and among them 11 internal migrants
- among the 18 non-Italian citizens; two have European citizenship and the remaining are non-European (nationals from 13 countries)

- 23 have an international migration background and we can classify them on the basis of the length of their stay: three of them have been living in Italy for less than two years; four of them for 2-5 years; seven for 6-10 years; and nine for more than 10 years.
- 17 respondents are aged 18-30; 22 are aged 31-45; six are aged 46-60; and seven are aged 60+ (of which, five are over 70 years of age)
- 23 of the interviewees live together with their partner (among them both married and unmarried couples); 12 live with their family (or some of its members); eight share their apartment with one or more flatmates; and 10 live alone.
- Half of the group are married or in a stable relationship, while the rest are single or divorced.
- 30 of the respondents live in Via Padova; 12 live in other areas of the *zona di decentramento* 2; 10 live in the *zona di decentramento* 9 (in particular Niguarda its surroundings).

### 4.3 HOUSING CHOICE AND RESIDENTIAL MOBILITY

Interviews with residents revealed a wide set of intersecting motivations for choosing to live in our case study neighbourhoods. Their decision was rarely related to diversity – which was considered neither as a positive nor a negative factor by most interviewees in terms of their housing choice. In short, the following aspects were highlighted as being the most important:

- housing affordability
- accessibility and mobility
- job opportunities
- kinship networks
- place attachment – as an issue where diversity may play a role

*Housing affordability* was often mentioned by most of our interviewees. This area of the city has a cheaper housing stock than many other areas. Lower prices were explained differently by different age cohorts: for older inhabitants, the area was affordable because it is located at the periphery of the city, while for the younger ones, affordability was linked to the deterioration of the area. Nevertheless, this is not the only “cheap” neighbourhood in the metropolitan area.

A competitive advantage is attributed to low prices matched with *accessibility and mobility*. The area is well connected, being crossed by important metro lines, railway and road routes bridging the city centre with the north-eastern hinterland. Public transportation is well developed and heavily used. Accessibility is important for many reasons, but the most important is access to *job opportunities*. Residential areas in the neighbourhood are in the catchment area of a number of businesses. The kinds of job opportunities have changed over the years attracting different kinds of workers: large industries were common in the past decades, while tertiary firms are now more widespread.

*Job opportunities* are mentioned more frequently by older (internal) migrants: when they moved to the area, it was much more peripheral than it is now and close to big booming industries and service-sector businesses (Siemens and Pirelli had plants in the surroundings).

*Kinship networks* are a second motivation for seeking a home in this neighbourhood. In particular, it is mentioned by younger residents who have grown up in the area as well as by international migrants and newcomers – especially those less endowed with economic resources.

It is well known that Italian young adults leave their parents' nest less and later than many of their European peers. At the same time, many of those living alone live within walking distance of close relatives. Family relations help to cut down the cost of living alone, in a context where labour and housing integration of the youth is problematic. Kinship networks play a different role for international immigrant newcomers. For them, constraints in housing choices are particularly important: discrimination, limited resources and limited knowledge of housing chances in the city curb their chances to find an appropriate accommodation (for Milan, see for example, Ambrosini and Bonizzoni, 2012). Kinship networks help to overcome such difficulties. They act as a buffer, providing basic support both for travelling to and staying in Italy. Ties with compatriots, albeit loose, provide a minimum level of information.

Thirdly, *attachment to the place* is a motivation mentioned quite often. A share of our interviewees have lived in the area for decades, or grown up there. In many cases, they moved elsewhere to study or work. Later on, when they decided to change home again, they preferred a new house in their old area. This motivation is particularly strong for younger generations that appreciate the local atmosphere – including its diversity. Indeed, this is one of the few groups that mention diversity as a factor in their housing choice. For many young residents, diversity makes their neighbourhood special. Neighbourhood diversity allows more freedom, and it allows being both 'unique' (personal diversity as positive) and 'normal' (diversity as an accepted daily experience).

Place attachment is not limited to 'natives', and is also found among migrants (both older internal and recent international migrants) – especially those that have been upwardly mobile. The neighbourhood has been the first destination for generations of labour migrants and their families: old internal migrants from surrounding areas and southern Italy and (more recently) from all over the world. Its affordable housing, connections, and a succession of migrant groups made the area a key place for newcomers, an ideal place to start a housing career. This grounded a sort of place attachment that mixes intra-group solidarity, kinship networks and new socio-economic opportunities.

All in all, diversity is rarely mentioned as a pull-factor in housing choices. However, it comes to light as a 'second-level element', e.g. in pride and identification within the neighbourhood. Those showing *place attachment*, especially younger residents born and raised in the area, see diversity as a value and an asset. The diversity of the neighbourhood can also be considered an asset for those that chose to move into this area thanks to their *kinship networks*. In this case, respondents do not refer to 'diversity': they may praise the homogeneity of co-ethnic networks. Nonetheless, we can argue that the plurality of ethnic networks creates a welcoming environment for newcomers, allowing the development of services for them (e.g., cheap

housing and shops, opportunities in the secondary sector of the labour market) and daily weak social relations that tolerate diversity. Overall, then, we may also argue that diversity can be, on the one hand, a pull factor for newcomers (thanks to network effects), but it is also an ‘anti-push-factor’, i.e. a factor that actively operates to keep inhabitants in the neighbourhood once they have experienced it.

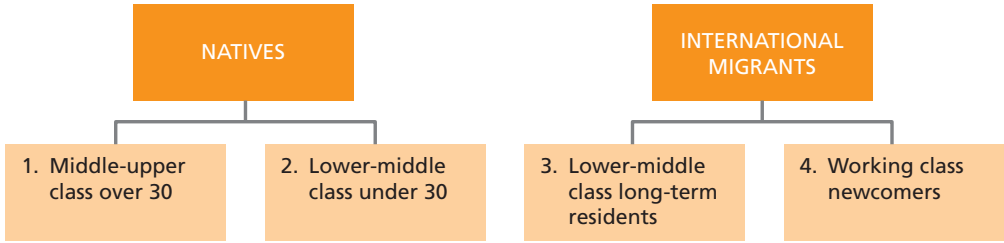
This may be less true for older inhabitants that may not appreciate the changes the neighbourhood experienced compared to the ‘romanticised’ version they provide. In our case – as we will see later (Paragraph 4.4) – this only applies to a limited number of elder interviewees, since some find also positive factors in the ‘re-population’ and diversification of the area (e.g. the reduction of abandoned lots, considered dangerous).

To place these findings into a wider context we further consider the importance of *national and local housing market patterns*, including the availability and accessibility of housing stock fitting different social, economic and housing needs are clearly framing factors. Social housing and other public or public-private housing policies may play an important role affecting individual decision-making processes. This role may be an open issue in the housing market of large cities in Italy that are characterised by weak public support and a lack of affordable housing. Social housing is a marginal sector of public action, in the frame of a fragmented and under-protecting Mediterranean welfare regime. In our case study, this is an issue particularly for certain groups such as migrants and youth (Ponzo, 2009; Agustoni and Alietti, 2010; Mencarini, 2008). The groups occupying lower economic and social positions are disproportionately affected by such a weak housing policy, and this is even more evident in the context of the economic crisis. Among disadvantaged groups, we can list migrants (also long-term ones, that started to achieve a sort of upward mobility – cfr. Ricucci, 2011), and other vulnerable groups in social transition (e.g. new, single parents, divorced households, and young adults leaving the nest) (Ranci *et al.*, 2014; Balducci, 2004; Savini, 2014).

In our case study neighbourhood, these risk profiles accumulate and intersect: the area is highly diversified in its structure, including buildings with various property values and functions. As a consequence, different populations living together in a neighbourhood with a very heterogeneous built environment can have very different housing careers – so that members of the same group or of different groups can live side-by-side in different housing contexts (in terms of prices and quality) – a hint to the relevance of micro-segregation processes in Milan (Benassi, 2002; Pratschke, 2007; Wood and Landry, 2008).

#### **4.4 PERCEPTIONS OF THE DIVERSITY IN THE NEIGHBOURHOOD**

Perceptions of neighbours in the case study area are generally positive and instrumental in maintaining peaceful and civil relations. Nonetheless we found that some significant deviations from this general trend occur by focusing on specific intersections of characteristics (such as



**Figure 4.3** Group selection for investigating the perceptions of neighbours.

origin, social class, age, and length of stay). We identified four different groups among our respondents and examined the way they perceive their neighbours.

The first finding is that, among those who we categorised as *natives*, the most meaningful differences in the perceptions of neighbours were observed along the two axes of social class and age group, while among the group of *international migrants* the main difference concerns the length of stay and, in the second place, social class.

The *first group (natives)* generally perceive neighbours in a formal, polite way: they profess tolerance and a good predisposition towards otherness, but rarely engage with neighbours and diversity in the neighbourhood. Their relationships with neighbours remain at the level of courtesy and aim to maintain a quiet and liveable environment. A more nuanced perception is expressed by those involved in associations engaged with the neighbourhood and the promotion of its diversity. Even in that case, however, their actual attention toward diversity stays at the level of civility and courtesy.

The *second group* grew up and was schooled in the area. They are used to diversity to such an extent that it becomes part of their personal identity and attitudes. Their perception of inhabitants is generally positive, but they also consider themselves pragmatic: i.e., able to appreciate (or not) people's background beyond populist intolerance and hypocrite tolerance. They avoid indiscriminate generalisations of diversity, and describe themselves as open to both accept and criticise the others. They are often involved in deeper and more stable daily relationships with their peers (from diverse backgrounds) in the neighbourhood, but their relationships with next-door neighbours is still mostly based on urban courtesy and kindness.

The *third group* – long-term resident migrants – declare a generally very positive opinion about neighbours. Often they emphasise the sense of community and of being welcome into the neighbourhood. This positive impression, however, is not confirmed by any consistent involvement in strong relationships with neighbours. Therefore, on the one hand, they stress the possibility of feeling at home among diverse people; on the other hand, they complain about the detachment of Italian people and about the difficulties in creating stable relationships due to the fast turnover of neighbouring inhabitants.

The *last group* has weaker social networks and poor socio-economic conditions. They generally have negative, if any, perceptions of the neighbourhood. Often their ideas arise from prevalent discourses outside the neighbourhood itself, or from the first – and tough – experiences they had on arrival. When they have an opinion about their neighbours, it is usually negative.

Limited command of the Italian language is a barrier to social relations. More isolated and vulnerable, they are less confident in their neighbours. This condition is strengthened by the fact that they consider their stay in the neighbourhood as transitory. Consequently, they do not invest energy and time in creating relationships with neighbours (probably as neighbours do not relate so much with them) and often they declare that they do not know anyone in the neighbourhood but their family unit or their flatmates.

Notwithstanding these differences, inhabitants share very similar perceptions about positive and negative aspects of the neighbourhood. We can cluster positive aspects they mentioned in two groups: infrastructural and social features. For the infrastructure, most respondents mention effective public transport, a number of different businesses with long opening times, low housing costs, and, above all, the existence of parks and meeting places (see also paragraph 4.5). As for social factors, diversity plays a very central role in perceptions of the neighbourhood. Diversity is generally perceived as a positive aspect, something that enriches inhabitants, though with different nuances, that can be connected to a generational gap.

Among older interviewees, some mention sociability as a positive aspect that develops from living in a diverse neighbourhood. Even if they also see some problematic aspects, it is quite often maintained as having a positive connotation. Interviewees in their 20s argue that the daily experience of diversity in all its aspects is always a positive factor: it helps to develop critical thinking; it gives the opportunity of meeting diverse cultures and lifestyles, and becoming familiar with otherness; it inspires creativity.

Diversity also plays a central role in the construction of the community narrative, and in the definition of personal identities strongly linked to the neighbourhood. Indeed, some of the interviewees mention the ‘sense of belonging’ as an effect of being part of a diverse neighbourhood, where their own diversity can be accepted and valorised as a constitutive part of the neighbourhood’s identity, and where everyone can find his or her own dimension and feel at home. Another important element connected to diversity is the ‘European’ character of the neighbourhood that inhabitants proudly perceive as much more intercultural and open-minded than the rest of the city. Furthermore, the positive opinion of the neighbourhood has also strengthened thanks to some general improvements that took place while the population in the area diversified (perceived decrease of drug-related petty crime, and an end to depopulation and deindustrialisation processes).

As for the negative aspects, inhabitants mainly complain about *aesthetic factors* and especially about the negligence that both inhabitants and local administration show in maintaining a

clean and beautiful environment. This state of neglect strengthens the impression of being in a deteriorated peripheral area, and keeps expectations low in terms of the role and attention of the local government. Still, even if they do not explicitly define *migrants* as a problem, often inhabitants complain about the lack of a shared culture regarding the management of public space: particularly Italians attribute a lack of respect by foreigners for streets and environment.

The opinions and perceptions expressed are not completely homogeneous. The most evident gap is a generational one: elderly and youngsters have very different attitudes toward diversity. The younger interviewees feel they can get the most out of their neighbourhoods thanks to intercultural capabilities. However, it is not just a matter of age: among young people, there is a share of new generations from an immigrant background, and of people that intersect many other forms of diversity (in terms of gender, cultural and professional identities, and household types). They are more part of a hyper-diversifying environment, and in their daily experience they develop intercultural capabilities and a positive pre-disposition towards diversity.

Despite this generational difference, however, a generally positive perception of the neighbourhood is shared among interviewees. A neighbourhood that is very dynamic and lively emerges from their narratives, even though neighbourly relationships remain on a courtesy level, keeping distance as a form of mutual respect and living peacefully together.

#### 4.5 ACTIVITIES IN AND OUTSIDE THE NEIGHBOURHOOD

How do residents make use of the diverse areas they live in, and to what extent is the area they live in more important than other areas in terms of their activities? Do they actively engage in diverse relations and activities in their neighbourhood?

Our interviewees show variable degrees of involvement in neighbourhood activities. The availability of a mix of functions and structures in the area allows the use of local spaces for a range of activities. We distinguish interviewees according to their 'use' of the neighbourhood for their daily activities. We also try to deconstruct how their activities are linked to neighbourhood diversity and to their socio-demographic characteristics.

We can start with the group of *heavy users* of the neighbourhood. It is a share of interviewees that conducts most of their activities in the area. This group is made up first by young adults (in their 20s and 30s), both from native and migrant backgrounds, in particular those that grew up in the neighbourhood. We can also add to them a share of long-term older residents, and families with children.

*Youngsters and young adults* are those benefiting from the neighbourhood, conducting a number of activities in the area, enjoying and exploring a range of possibilities available there. These activities may be classified as institution-led, market-led and network-led:



- as for *institutions*, they have used or still use education and training facilities in the area (for example: schools, language classes, training activities, libraries);
- as for *markets*, they enjoy going out in the neighbourhood for leisure, consuming in local bars, pubs and restaurants, and having other shops as important landmarks (e.g. music shops).<sup>68</sup> It is also worth noting that a *marketised* space does not necessarily imply a *privatised* space. Many of these places overlook passage areas and also use public spaces as part of their activities. They are perceived as landmarks.
- as for *networks*, interviewees gather with friends and acquaintances in group-specific meeting places, according to interests and sometimes ethnicity (inter-ethnic groups in particular involve natives from migrant backgrounds or young long-stayers, while among adults and more recent arrivals there are spaces of intergroup contact, but leisure is often co-ethnic).

The number of public spaces and meeting places (squares, pedestrian streets, sidewalks, parks, gardens, pubs looking over the street...), especially in some sections within our case study area, allows both separation and intergroup co-existence and contact (Ponti and Pozzo, 2012). Cultural consumers (those attending institution- or market-based cultural events) are over-represented among young adults with higher education and belonging to the middle classes. Diversity is a part of their activities, since intercultural events are mentioned as one of the social activities in the area.

In addition, *less wealthy young interviewees* can make wide use of the neighbourhood: there are a number of inexpensive or costless activities that can be carried out, from using public spaces to eating in (mostly immigrant-led) restaurants.

The other heavy users – *families and older long-term residents* – have a different balance of activities: market-led leisure is less mentioned (even though a coffee with friends at the bar around the corner is usual), while the use of public spaces and institution-led places (parks, schools, associations) is more frequent. This allows diversity to enter into their life: the involvement in after-school activities and in associations – as users, volunteers and organizers – allow for intergroup contacts, either spontaneously (e.g., parks are used by a number of groups by age, gender, origin, length of stay, social class) or as a goal of institutional activities, explicitly aimed to bridge social groups living in the neighbourhood.

In this sense, within the set of heavy users of the neighbourhood, we can identify a smaller subgroup of activists that not only conduct a large part of their activities in the area, but also proactively promote local initiatives. Thus, they add a political dimension to their activities, often promoting diversity as part of neighbourhood dynamism and regeneration.

With less intense activities in the area, we can find a group of *mild users*. This group is made up mainly of middle-aged or elderly who do not use institutions very often, who are not often involved in associations, but still keep a 'light' sociability within the neighbourhoods. Their activities often take place outside the neighbourhood because their networks span further for

different reasons: they attend workplaces or universities in other neighbourhoods for long hours; they moved into the neighbourhood relatively recently, so most of their social networks are located elsewhere. In this group we can find those that chose to live on the neighbourhood because of cheap housing and good transport connections. The availability of transit allows for quick and easy mobility to and from the area.

Mild users use public spaces for leisure (especially on the weekends): walking, jogging, sometimes going to a pub or a restaurant, walking the dog, playing with children, etc. These activities do not necessarily imply strong social contacts. However, interviewees also mention the social function these activities may have, consistent with the sentiment of urbanity and the civility practices we mentioned above. Some interviewees, for example, report that walking the dog in a park can be quite a social activity, implying a recursive relationship with other pet owners. In this case, chances for intergroup contact and experiencing neighbourhood diversity are more limited. Somehow, diversity can also be kept at a distance, relating only with those sharing similar interests (love for animals, playing football in the parks, etc.).

Finally, we can identify a group of people with very *limited activities* in the area. In general, this orientation is related to the lack of area-based social networks, or to job commitments. Firstly, we can include recent *international migrants*, who not only conduct few activities in the neighbourhood, but also often conduct few activities in general. Leisure is strongly compressed, activities are limited to contacts with co-ethnics or with few institutions providing services for migrants. This includes people working at a distance from the neighbourhood (thus mainly using it as a dormitory), but also the few that work at home: they spend many hours at home with social contacts limited to food shopping. Generally, those with limited activities in the area are also more isolated.

#### 4.6 SOCIAL COHESION

Interviewees create their own self-centred networks on the basis of common interests, common lifestyles and common life circumstances. The actual proximity with neighbours is perceived as a secondary factor in establishing and managing social contacts and friendship, while other factors pertaining to lifestyle are considered as the most important.

Even kinship networks are considered less important than the commonality of interests in creating and maintaining social relations. In this case, however, it has to be noted that very often relatives do not live in the same neighbourhood and sometimes not even in the same country. For this reason, even if interviewees consider their relatives as important in their life, they do not always perceive them as part of their daily life and their actual networks.

Ethnic communities seem to play a limited role in the construction of egocentric networks: ethnic networks are usually relevant in the first steps of migration, when people face difficulties

with the new language and new society and for marginalised segments of the immigrant communities and their children. Later, migrants usually create their networks outside close ethnic boundaries, or mixing different circles. Even if interviewees have their closer friends both inside and outside the neighbourhood, they generally use their neighbourhood as a place of encounter, and they display the construction and conservation of social relations into familiar public spaces. Even if not the whole neighbourhood, smaller parts of it assume a connective role, central to the management of inhabitants' egocentric networks.

Spaces such as parks, public libraries, and the street itself – as much as the rich public transport network – shape social relations providing people with places of encounter and sharing. These places are given group-specific meanings, creating identification and supporting social connections around them. Thus, they become focal points of social life within the neighbourhood. People feel a sense of belonging to certain places where they create separate communities based on interests and lifestyle commonalities. In these communities we can identify what Glick Schiller and Çağlar (2015) call *urban sociabilities*, namely those social bonds emerging from sharing the same disempowered space in the city, where personal differences play a secondary role. In these places, people share a domain of commonalities that makes them feel as part of a community. Again, we can try to group interviewees, this time according to meeting places and their link with different intergroup bonds.

Three main groups result from this classification:

1. The first group includes people over 30, middle and upper-middle class, both Italian and long-term resident migrants, with children (or grandchildren) in school age. The central point of this group is the child-caring role, therefore henceforth it will be called the *child-centred group*;
2. The second group is constituted by young people (teenagers, and people in their 20s) that do not have much more in common than their age and similar cohort experiences. This group will be called the *youngsters group*;
3. The last group includes international migrants, with difficulties in interaction with native residents due to their unfamiliarity with the host society. They will be called the *immigrant newcomers group*.

The *child-centred* group has its focus on school-related facilities – for example a park where a school is located, that also has a wide range of after-school activities managed by an association that was born as a parents' and teachers' association.

Having children at school seems to be the primary connective factor for cohesion and group identity: most of the parents' and grandparents' spare time is dedicated to activities for their children. Being part of this community gives people a sense of belonging and creates strong bonds between them. Within this group, forms of mutual support are frequent and mainly related to childcare.

The connection with the most active associations in the neighbourhood, the tight link between having children and being part of the group, and the importance of schools and parks, are

elements that clearly define their group identity. However, if these sharp community boundaries foster intragroup bonds, on the other hand they seem to constitute quite a thick entry barrier for others (i.e. people not having children). This strong community character also limits the association's activities challenging its efforts to expand its range of action.

The *youngsters group* is comprised of people who do not share particular characteristics besides their age. A distinctive character of this group is the heterogeneity and familiarity with diversity in all its aspects and intersections. Group identity is based on the use of the same spaces in the neighbourhood, even if their uses may differ from one person to another. In particular, schools and neighbourhood libraries, attended quite extensively by young people, are important reference points where relations are negotiated and maintained.

These connections are less strong than those of the previous group. There is a weaker sense of belonging and intragroup bonds are not so strong. This could be explained by two factors. The first one is that people share very few commonalities; very often, they have different backgrounds, interests, sexual orientations, lifestyles and this diversity may hinder the sedimentation of a strong sense of belonging. The second is the nature of the places involved: both schools and libraries are ambivalent places where social relations and isolation can easily co-exist, and are both socially legitimate. However, contrary to the first group, these weaker ties constitute a more permeable entry barrier. Nevertheless, this group often create contexts where deeper interpersonal and *multicultural* friendships occur, and where forms of mutual support appear.

The *immigrant newcomers group* is the one with the most evident difficulties in interaction with the neighbourhood's environment. These difficulties derive from limited language proficiency, but also from other factors such as economic vulnerability that exclude them from a number of activities. The isolation these people experience is sometimes overcome through ethnic networks. This may become a double-edge sword in their own way, because it can hinder the development of social skills necessary for inter-group interaction. In this sense, ethnic networks may be seen as a refuge that can also become a trap.

However, these networks ensure support that limits isolation. These people are unable to penetrate community boundaries of the first two groups, however they can find support in their ethnic networks. While within these groups strong ties exist, at the neighbourhood level, social relationships with neighbours are rather cold and characterised by weak, if any, ties. Very often people do not know their next-door neighbour or those living in the same building.

Nonetheless, a high level of courtesy characterises coexistence and people generally maintain satisfying connections based on mutual tolerance and respect of others' spaces. They view this lack of connection with neighbours as a space of freedom, not constraining their relationship choices. At the same time, these kinds of weak neighbour relations do not necessarily create a hostile environment: even if they do not consider neighbours as friends and do not rely on each

other, there is a satisfying degree of confidence based on the shared belief in *civility practice*. This means that, through these kind of civil relations, people keep the level of conflict among different groups with different needs at a ‘reasonable’ level.

From the accounts above, we can infer that social cohesion is influenced by two opposite trends both taking place in our research area. On the one hand, the opportunity to meet diverse neighbours daily enables people to develop forms of sociability that maintain civil relations and low levels of conflict, even if these kinds of relations produce weak bonds and feeble support networks. On the other hand, both formal and informal grassroots associations provide strong ties in close-knit bounded networks, where identity and belonging needs are satisfied and where often people find support. The balance between these two tendencies generally ensures the liveability of the neighbourhood and a satisfying level of social cohesion. Many interviewees have expressed that they feel like they live in a friendly and safe environment.

This is not the case for everyone in the neighbourhood, and in some cases, ethnic communities become places where the most vulnerable group (low-skilled international migrant newcomers) are trapped into a spiral of segregation. Indeed, bonding social capital can accentuate distrust of other groups, hinder the development of inter-group social skills and generate a sense of insecurity.

On the other hand, the balance between strong and weak bonds can vary considerably, and specific events (especially crimes, but also uncivil practices) can rapidly create schismogenetic processes among cleavages activated in boundary-making processes: ethnic and generational divides seeming easier to activate (Zajczyk *et al.*, 2005; Agustoni and Alietti, 2014).

#### 4.7 SOCIAL MOBILITY

This section addresses social mobility and its relationship with localised social capital. We analysed the role of area-based ties in enabling or constraining job and income opportunities, as such neighbourhood-level bonds will be nested in the institutional context and in the larger social networks individuals are part of. Our research asked: to what extent is the diversity of the neighbourhood important for social mobility? Which elements foster or hinder social mobility?

We specifically address the link between group boundaries and (strong or weak) ties in bridging social capital and mobility opportunities. To understand the relevance (if any) of localised diversity in social mobility processes, we analyse the difference between those in various positions in the labour market and – where possible – between those living in the area and working elsewhere, as well as those both living and working in the neighbourhood.

In short, neighbourhood diversity seems to play only a minor role in social mobility, and job and career opportunities for its residents. The main obstacle to social mobility is the frail economic condition of the neighbourhood and its inhabitants. Household incomes and

business profits are quite limited, thus reducing opportunities at the local level. However, the lack of opportunities in the neighbourhood is not a major obstacle for personal aspirations: the neighbourhood provides low living and housing costs; kinship networks; some (limited) job opportunities; good transport connections – enough to act as a buffer to limiting the social risks for its vulnerable inhabitants. According to some interviewees, the most positive dimension in fostering social mobility is related to social skills: residents able to *get along* with diversity may be more able to cope with different kinds of persons and unexpected situations.

The first group of respondents – those in the primary labour market including civil servants and older workers – are those ‘better off’. This also includes those already retired who often enjoyed permanent jobs in their past. Many chose this neighbourhood because of the short distance to their workplace.

In-between those better off and those in the secondary labour market, we can identify a subgroup employed in creative professions: web designers and illustrators are some examples we can find among our interviewees. They are not necessarily high-income workers and may have less consistent careers (some are underemployed). They live and work in the neighbourhood, though in jobs that are weakly related to proximity. In their cases, the choice of living (and working) in our case neighbourhood pertains to a mix of reasons: affordability of housing and a multicultural environment are ‘assets’ they look for. Neighbourhood diversity, its mix of different populations by origin, culture and social class is sought as part of an artsy and bohemian lifestyle.

In Italy – a country whose self-perception is still strongly mono-ethnic (Melotti, 1997; Calavita, 2005; Allevi, 2010) – the kind of multicultural environment that is our case neighbourhood is still quite unusual. Although it is becoming more and more usual, it is still and often considered at best ‘eccentric’. As a consequence, a multicultural neighbourhood is considered both eccentric compared to the Italian context and ‘European’ and modern in its plurality. Therefore, the mix of affordability and multiculturalism becomes attractive for some creative professionals. This subgroup is made mainly of upper-class natives or mobile foreigners from developed countries that enter a neighbourhood mostly inhabited by economic migrants and less well-off social classes. In this respect, they may start a gentrifying process (Simon, 2005): they are ‘users’ of neighbourhood cultural diversity, though risking to displace it by gentrifying the area and commercialising diversity.

Turning to those in non-standard labour careers, we can start with young adults. Their position is consistent with the characteristics of the Italian labour market that under-protects young workers and have a difficult transition from education and training to work (Barbieri and Scherer, 2009). Young adults we interviewed often have a weak job security. Even when inserted in market niches that may be quite profitable if and when a steady position is reached, they find it hard to make ends meet. For them, the neighbourhood is rarely a labour market opportunity:

thanks to housing affordability and good connections, it provides a good opportunity to be independent from their parents.

As for migrant newcomers, their situation is much worse. Spells of unemployment and underemployment may be long. Skill waste is not rare. Some have a second (often moonlight) job to piece together an income sufficient to make a living. For this group, the neighbourhood also does not provide so many job opportunities. The unemployed and underemployed (both young adults and migrants) can find informal buffers in the neighbourhood, that is: kinship networks (co-ethnic and family networks for both in-migrants and youth) and low housing and living costs help to avoid falling deep into poverty. In fact, those in this group rarely work in the neighbourhood, even though quite a number make the most of the connections and transport facilities available in the area: they work (rarely) in the centre or (more often) in the north-western periphery surrounding our research area.

Social capital among neighbours was very limited in helping gain access to employment and few interviewees mention neighbours as a source of job information or opportunity. In general, informal sources seem to play quite a limited role. Recent migrants are those more often mentioning kinship ties to find a job: relatives, fellow countrypersons and friends can provide information and guidance in the local labour market, and occasionally limited job opportunities.

The main problem seems to be the precarious economic condition of the neighbourhood: households have limited demands, because of their low income and firms have narrow profit margins. Therefore, even when there is demand from locals it does not provide adequate economic stability. In this respect, neighbourhood diversity is not very helpful for social mobility, but neither is it a barrier: it is not diversity but inequality and the concentration of poverty that hinders economic chances within the neighbourhood.

Finally, a neighbourhood's reputation is generally not seen as a positive or negative asset in upward social mobility, i.e. in finding a job or pursuing a career, even if some of the case areas experienced strong negative politicisation and stigmatisation. It is interesting to also understand the different points of view of those who do not consider the neighbourhood as an obstacle to social mobility. We identified two main features. First, some immigrants or persons from an immigrant background maintain that discrimination is much more based on ethnicity – expressed through a job applicant's name or citizenship, for example. Second, others stress that the neighbourhood is not isolated, has no clear-cut boundaries, and is well-connected – limiting ghettoisation and stigmatisation.

Those stressing positive aspects of the neighbourhood in supporting social mobility, often focus on the positive role of neighbourhood diversity. It does not strictly help in creating and finding jobs, but in producing an atmosphere providing specific and positive skills. In particular, being

‘street smart’, i.e., possessing social skills in dealing with different kinds of people; in accepting diversity and in being able to deal with unexpected situations.

#### 4.8 PERCEPTIONS OF PUBLIC POLICIES

Most evident and a common view shared by inhabitants regarding perceptions of public policies is the sense of neglect by institutions. They feel there is a large gap between the neighbourhood’s needs and public action. The inadequate lack of attention by public institutions is partially justified by the inhabitants themselves, as the neighbourhood’s position is perceived as peripheral: it is to some extent accepted as ‘normal’ that areas in the periphery of the city are less well cared for. For this reason, they perceive themselves and their neighbourhood as less legitimised to claim their rights to the place as urban citizens. It is worth noting that ‘peripherality’ does not actually refer – for many sections in our case areas – to a physical distance from the centre. The most multi-ethnic part of Via Padova is very close to the city centre and well connected. The perception of peripherality is specifically related to institutional neglect, spatial discrimination and ghettoisation processes (Bovone, 2014).

In this context, one of our politically committed interviewees argues that this is just a strategy of the local government to produce a sort of ‘cooling off’ effect on the expectations of the dwellers, legitimating the decreasing investment in public policies. Nevertheless, whether this is a guided strategy or not, this sense of neglect may be exploited by speculators: market-led renewal inducing gentrification can be seen as a positive development, while at the same time resulting in detriment for the most vulnerable groups in the neighbourhood.

The second element emerging from the interviews is a major concern regarding the aesthetic factors linked to the use of the public space. What is interesting here is that, even if people complain about the conditions of the streets, streets themselves exhibit high usage and are an important place where neighbourhood life occurs.

The perceived need for a better-structured and consistent programme of policies involving the neighbourhood and addressing its diversity is widely shared among residents. They appreciate the activism of associations but they feel that their initiatives are fragmented and, as a consequence, less effective. Public support for, and coordination of grassroots initiatives, is considered as a potential strategy in facing challenges tied to hyper-diversification of the area. Such an interpretation is strongly consistent with outcomes of interviews and focus groups conducted with local stakeholders (see Chapter 3).

The role of small grassroots associations is prominent in the Milan case in addressing diversity-related issues. Nonetheless, the impact of their activities is threatened by the fragmentation of the interventions and the absence of coordination among actors involved in their implementation (Angelucci *et al.*, 2014 – see also previous chapters).



Awareness of initiatives implemented by grassroots associations varies considerably among inhabitants depending on their involvement in the associations themselves. Many middle-class natives are involved in different ways in activities implemented by most active associations in the researched area. However, they also seem to acknowledge the difficulty in reaching those people they aim to target, and thus problems in the effectiveness and impact of their initiatives. Indeed, inhabitants who are not personally involved in the association are generally aware of the associations' existence, but know very little about their specific activities. Consequently, these activities may have a limited impact on the neighbourhood life, while they have a significant role in the lives of people involved into the association.

Generally, the targeted inhabitants have little awareness regarding diversity policies which have been implemented. This outcome was quite expected, given the low level of involvement and participation in the neighbourhood life of a significant part of inhabitants, and the fragmented organisation of many relevant policy fields (see Chapter 3). However, remarkable differences emerged among groups of inhabitants, above all, regarding the different perceptions these groups have of public policies and grassroots initiatives. With regard to the local administration, most interviewees reported a lack of action to meet neighbourhood's needs. The most frequently mentioned action was performed by the former local government prior to 2011: a huge investment in security forces in addressing criminality and in maintaining public order in the neighbourhood.

However, this policing practice was often seen as inappropriate, useless and counter-productive. They argue that crime in the neighbourhood was not at such high levels to justify a huge deployment of police officers, and they consider this measure as blatant propaganda by 'law and order' political parties. Some infrastructural initiatives, such as building cycling lanes, were viewed positively by inhabitants, but at the same time there is a widespread distrust in the effective development of wide-scope, coordinated actions positively affecting the neighbourhood.

#### **4.9 CONCLUSIONS**

Many interviewees do not consider diversity an asset or a problem. It is mostly perceived as a 'fact of life' that is important to go along with in order to live together with serenity. Nonetheless, some diversity-related aspects influence inhabitants' lives, their choices and their adaptive strategies, which favouring or opposing their wellbeing.

Some of the neighbourhoods within our research area have been subject to stigmatising media representations, associating diversity to urban decay, crime and dangerousness (Agustoni and Alietti, 2009). Targeted groups are usually stereotyped and stigmatised (like migrants or Roma). Squatters, unauthorised settlements, the concentration of migrants and their visibility (shops, gathering in squares and parks) receive negative media attention and negative politicisation by

those that Bigo (2002) calls “professional managers of unease” (politicians, administrators and professionals that gain power, legitimacy and resources by identifying threats and risks to the social order).

These representations may negatively affect the relations between a stigmatised neighbourhood (perceived from outside as ‘no-go areas’) and the rest of the city, and may also have mixed effects within the neighbourhood: negative discourses can prevent interaction between stigmatised groups and other residents; harsh and extreme representations of neighbourhood urban decay may contrast with everyday life experience – and also the interests of the residents – in building positive neighbourhood relations (Van Eijk, 2012).

On the other hand, the diversity experienced in everyday interaction in public spaces may differ significantly from media representations, and may cut through their oversimplifying categories (Pastore and Ponzio, 2013). In this sense, hyper-diversity as a daily experience of (and interaction with) diversity, challenges large and uncritical group categorisations by origin, ethnicity, age, gender. Contexts where intergroup interactions happen may be particularly important in the experience of diversity (Camina and Wood, 2009).

Diversity in the neighbourhood is perceived as one of the main factors that maintain housing costs lower than in other places. This is because diversity is often related to inequality, poverty, and discrimination, and these aspects work as a repulsive factor for most native upper classes that prefer more affluent, socially homogeneous, and well-kept areas. The low appeal of the area to a wealthy target of buyers lowers housing costs even in the case of housing stock of a certain quality. Most of the interviewees see this aspect as something to take advantage of, but also as a marginalising process, reproducing poverty and inequality concentration.

Actually, this concentration of poverty and inequality is the second diversity-related aspect that affects the lives of inhabitants. It is perceived as something that reduces job and career opportunities, limiting social mobility chances.

The perception of security is another important aspect influenced by neighbourhood diversity. Instead of creating a sense of danger, familiarity with diversity engenders trust and a sense of safety among neighbours. Indeed, the bad reputation of the neighbourhood as unsafe is perceived by inhabitants as undeserved and they try to reverse the stigma by promoting a different image of the neighbourhood, defining it as “better than Milan”, “European” and “liveable”. International immigrant newcomers are a partial exception to this general trend: they often feel out of place and also insecure.

The hyper-diversification of the neighbourhood (exemplified by the rise of new generations with mixed backgrounds, different lifestyles, and plural grouping mechanisms mentioned above) has a noticeable influence also on the creation of social relations and social ties. Living in such a context, indeed, seems to hinder the creation of strong bonds and clear group identities.

Instead, what seems to be fostered by hyper-diversity is the practice of ‘civility’, namely of polite and kind behaviour that always pays attention to not invade the other’s space. This kind of social attitude becomes a tool for both keeping contact with, and distance from, diversity. Thus, being a good neighbour, in the opinion of our respondents, means to be helpful for small daily needs without being too present (intrusive to the perceived private sphere) in the lives of others.

Diversity also affects the sense of freedom that people experience in the neighbourhood. Indeed, the most widespread advantage explicitly or implicitly mentioned by our interviewees is that living together with diversity means living with more freedom. This is because you are not required to follow a strict normative standard, whether you are member of a minority, or of the majority. However, it has to be observed that natives and immigrants or visible minorities perceive this freedom differently. The latter are more often the object of policing and therefore experience lower levels of freedom than natives do. Thus, immigrants contribute to the structuring of a *Stadtluft* that makes urbanites free through diversity, but less able to enjoy it themselves.

A neighbourhood’s hyper-diversity particularly affects part of the middle class living in the neighbourhood, that is: diversity is the main reason why they chose to go and live there. These people are mainly employed in cultural and creative jobs, often living in more well-off apartment buildings, and who chose diversity as the background for their lifestyle, and who may be the vanguards of gentrification.

Finally, diversity affects people differently on the basis of a generational divide. Older cohorts rarely experience diversity as an asset. They show a slightly prejudiced view based on the difficulty to understand and accept social change in the area. Younger cohorts (neighbourhood natives) have a different view: they grew up and were schooled in the area, building their peer group when the neighbourhood was already becoming very diverse. To them, diversity is customary, but should also be promoted since it is a relational asset in kinship networks.

The following suggestions and policy advice can be deduced from the interviewees’ responses. The awareness of these issues by policy-makers may be helpful in order to meet the needs and priorities of inhabitants:

- *Invert the perception of marginality*: the perception of being a ‘peripheral neighbourhood’ fuels a widespread sense of being abandoned among the interviewees, cooling off expectations on public intervention in the area, and reducing trust in local institutions. Policies acknowledging the value of diversity and contrasting negative aspects of inequality could restore trust in institutions and increase democratic participation;
- *Soft-control actions*: while law and order policies are considered detrimental because they increase stigmatisation and undermine social cohesion, on the other hand softer actions of control are solicited by inhabitants in order to ensure a quieter environment and, above all, to overturn stigmatisation. Measures addressing public safety should take this aspect into account;

- *Upgrade urban environment:* investment in cycling lanes, pedestrian paths, repaving roads, improving street furniture and provision of neighbourhood sporting complexes were the most common requests by interviewees;
- *Avoid actions that may foster gentrification processes:* attention to the market effect of improvements is needed: those that favour private interests and/or contribute to rising housing and living costs have gentrifying effects that may negatively affect diversity, in particular 'unmixing' class intergroup contacts.

# 5 ENTREPRENEURS DEALING WITH DIVERSITY

## 5.1 INTRODUCTION

High levels of economic growth and increasing the well-being of citizens, usually the main objectives of urban policies by cities, are closely connected to their levels of entrepreneurship and ability to create new enterprises. In the global era, cities compete to attract enterprises with high economic performance and talented entrepreneurs, and try to create the conditions necessary for new start-ups. The literature emphasises that cities open to diversity are able to attract a wider range of entrepreneurs than those that are relatively closed (Fainstein, 2005; Florida, 2002; Taşan-Kok and Vranken, 2008; Eraydin *et al.*, 2010). Empirical research on how economic competitiveness is connected to urban diversity, however, is quite limited and provides evidence usually only at macro level.

Diversity has been often linked to economic success. Classic European studies by Simmel and Sombart, 20<sup>th</sup> century American literature about middleman minorities (Bonacich, 1973) and more recent network studies on structural holes (Burt, 1992), maintain that some forms of marginality (even deviance) and peripherality with respect to core social networks and positions may boost innovation. This may take place because people located on the fringe can be in a good position to connect different markets, or even to create new niches to make a living in exclusionary contexts.

Likewise, there is a rich body of literature in business studies and economic sociology which also underlines the other side of the coin. For instance, Johanson and Vahlne (1977; 2009) talk about the “liability of foreignness” and the “liability of outsidership” – a set of cultural and institutional barriers limiting inter-group business collaboration and success. Thus, an effective *mixed embeddedness* (i.e. entrepreneurial minorities are positively related, from a social and economic point of view, to other members of the same minority as well as members of the majority, see Kloosterman and Rath, 2001) can develop only under specific conditions, that include a favourable institutional arena and chances of inter-group contact.

The cultural and social resources of minorities (an issue strongly emphasised in American literature on ethnic economies) are not enough to explain their market position, if not contextualised in intergroup social networks and in the national and local formal and informal regulation of the economy (Ambrosini, 2005; Panayiotopoulos, 2010). The characteristics of a market (e.g. its economic and institutional entry barriers) and the bridging among minorities and the majority may selectively define the importance of diversity – e.g. ethnicity, gender, and

age. The same ambivalence between diversity as *asset* and diversity as *liability* can also be found in studies focusing on the economic role of diversity in urban contexts (Tasan-Kok *et al.*, 2014).

In our case study, we will frame embeddedness as local embeddedness in order to analyse the relationship between both the social and economic embeddedness of entrepreneurs in the neighbourhood – in both cases considering the role played by diversity and economic performance.

This chapter analyses the role played by urban diversity (and by policies directly or indirectly affecting local diversity and economy) in defining the economic position of different social groups living in Milan. We focus on the *economic performance of enterprises* in deprived, dynamic and diverse neighbourhoods, and the conditions that support and sustain their competitiveness and longer term development. We aim to demonstrate the relationship between urban diversity and the success of entrepreneurs. More specifically, we explain and document how some neighbourhoods provide the right conditions for individuals or groups to strengthen their creative forces and enhance their economic performance.

The entrepreneurial economic success is analysed with a focus on both perceived outcomes (success factors; perceptions of economic performance; indicators of success, e.g. duration of the firm and employees), and the conditions that make this success (if any) possible. We also examine the role of neighbourhood diversity (e.g. definitions of ‘entrepreneurial opportunities’, products, markets and suppliers) and the demographics of entrepreneurs (age, gender, cultural background) and their networks. Finally, the relationships between entrepreneurs and institutions are explored, to analyse the role played by public institutions in positively linking urban diversity and economic performance.

The Italian national context is deserving of special attention as small entrepreneurship in Italy has a unique role. In many European countries, ‘small business’ usually refers to a narrow, low-profit segment of urban and national economies (OECD, 2010; Panayiotopoulos, 2010). This is not the case in Italy, where the number of employees and added value produced by micro enterprises are the highest in Europe (Eurostat, 2011), along with the entrepreneurship rate (Istat, 2015a). Since micro enterprises are the entry doors to self-employment for many minorities, and in Italy this means that they enter a field predominantly guarded by ‘core’ social groups (typically, native adult males). This does not necessarily mean that access to entrepreneurship is particularly difficult (sectors with low entry barriers, requiring poor capital and skills are usually accessible, even though success is far from guaranteed). However, this means that competition and cooperation with natives may be frequent. Thus, it is interesting to understand how the dynamics of cooperation, competition and (in some cases) substitution may root inter-group production chains or confrontation and blame of minorities perceived as ‘intrusive’.

This is even more relevant in the case of Milan, one of the liveliest economic contexts in the whole country – although hit (as other Italian local economies) by problems of competitiveness

well before the 2007 crisis (Cucca and Ranci, 2013). Nevertheless, the Italian society and economy were hit particularly hard by the recession (Bigos *et al.*, 2014; Gabos *et al.*, 2015), and Milan was no exception. Although the fabric of the local economy was equipped to deal with the crisis better than other areas (an average income among the highest in Italy supported the domestic demand; a good degree of internationalisation and innovation favoured a more evident resilience of the local economy), evidence of an economic recovery is unlikely and unpredictable.

Milan proves to be quite attractive to foreign entrepreneurs (see section 5.3) – and this includes both the high-end economic sectors like finance and fashion as well as the immigrant small business sector. In the period 1997-2013, Chinese, Egyptian, Bangladeshi, Moroccan and Peruvian entrepreneurs were the most active foreign businesspersons (Riva and Lucchini, 2014). Many of the new firms opened during these 15 years are located in the northern part of the city (Chinese, Egyptians) or in the north-eastern neighbourhoods (Bangladeshi, Peruvian), while Moroccan (as Romanian and Albanian) businesses are more evenly spread throughout the whole city. This is partly related to the settlement of immigrants in the city (the customer base for ethnic businesses and direct and/or network-related information regarding entry of local markets), but also to the local built environment that provides opportunities for relatively cheap facilities in frequented areas.

Recent studies from the Chamber of Commerce of Milan (Camera di Commercio di Milano, 2015a) nevertheless show that more than half of local entrepreneurs are dissatisfied with the performance of their business (the peak was reached in 2013, while in 2011 the level of dissatisfaction was less than 40%), although 1/3 of those believed that there would be improvement in the future (the share was 11% at the end of 2012).<sup>69</sup>

This chapter is structured as follows: first, entrepreneurs who start their businesses in diversified neighbourhoods are examined, alongside the factors that define their economic performance. It might be expected that factors such as the ethnic background of the entrepreneur, his/her age, family background, gender, education and previous experience are important variables in determining the success of their enterprises. These aspects mediate the influence of diversity on the neighbourhood and city level. Second, the main motivations of entrepreneurs are explored along with an assessment of whether neighbourhood diversity is important for starting their businesses in the respective location. Third, the market conditions that are important for the economic performance of entrepreneurs are evaluated. Fourth, the role of policies and measures at different levels are considered together with the institutionalisation of such policies.

## 5.2 METHODOLOGY

As already mentioned, the study areas we selected in the northern districts of the Municipality of Milan are characterised by a meaningful plurality of populations (by age, social class and

origin), with some relevant concentration areas of international immigration, and also some areas of high entrepreneurial development – in particular the *Loreto* and *Padova* neighbourhoods (in the decentralisation area 2, along the north-east direction) (Riva and Lucchini, 2014).

In northern Milan, we decided to focus on an area with a significant and dynamic business community and also a high share of immigrant residents and entrepreneurs (Via Padova) and a second area, mainly residential and more mixed in terms of business characteristics (Niguarda). This choice was made in order to connect results to previous studies on diversity, social cohesion and inhabitants, and to give a more nuanced view of Milan's business landscape. Neighbourhood diversity is a thread throughout this chapter, to analyse how (if) it is a relevant factor for the start-up of new businesses.

The interviews were balanced to cover a wide range of social and business characteristics in terms of sectors and entrepreneurs' demographics. We looked for: (a) traditional, long-established small businesses (e.g. grocery and stationery shops), possibly run by experienced Italian business people; (b) immigrant businesses, covering the main immigrant origins mentioned above, but also diverse generations and markets (in essence, ethnic products for co-ethnic customers or an Italian/mixed clientele; immigration-related services for immigrant customers; open-market products/services for a general customer base); (c) young entrepreneurs as a potentially weak (but also innovative) segment of the business population, that is not so common in Milan (as shown in Tables 5.1 and 5.2); (d) cultural entrepreneurs, as a specific form of innovative business possibly more sensitive to diversity (but also potentially challenging it due to gentrifying effects); (e) entrepreneurs active in the social economy, to analyse the economic role of non-profit organisations that may employ people familiar with diversity, being a potential target of their business.

The fieldwork was conducted between September and December 2015. The 41 interviewees were sampled in different ways. Initially, we utilised the contacts developed during the previous research phases: various local actors and stakeholders (inhabitants, associations, institutions) – including our policy platform. They provided an initial set of suggestions of potentially relevant economic actors that were later supplemented with information from two background interviews with a labour consultant and trade association.

Our knowledge of the study area allowed us to request interviews with entrepreneurs in selected sectors autonomously, and we had a high rate of acceptance. The final sample was confirmed using chain-referrals provided by previous interviewees.

### **5.3 THE ENTREPRENEURS AND THEIR BUSINESSES**

There is a growing literature on the link between diversity and entrepreneurship, in various scientific fields such as sociology, economy, management and geography (Alexandre-Leclair,



2014). The more recent literature, in particular, focuses on the link between economic performance of cities and regions and diversity (Nathan and Lee, 2013), where diversity can boost innovation and competitiveness (Fainstein, 2005; Eraydin *et al.*, 2010). In a hyper-diverse urban context, the intersection of a plurality of diversities located in different kinds of urban contexts may turn into competitive chances. Specific characteristics of the entrepreneurs in terms of ethnicity, nationality, gender, sexual orientation, social class, age, beliefs and lifestyles (Baycan-Levent *et al.*, 2003; Tasan-Kok *et al.*, 2013) can make room for creativity and lateral thinking, creating new market niches or transforming traditional ones.

As typical in many urban contexts – including Milan – tertiary businesses feature strongly, and these are particularly relevant among those we interviewed. Half of the interviewees are active in food catering (e.g. restaurants, bars, kebab and pizza shops) and various kinds of retail shops (grocery, bread, clothes, stationery). However, we also considered creative businesses in the cultural economy (e.g. theatres, publishing houses, artists and art galleries) and in social entrepreneurship (associations, cooperatives and individual professionals working in educational, housing and other social programmes).

The characteristics of the businesses are clearly influenced by our purposive sampling, which targeted various business niches in order to analyse the role of diversity. Re-aggregating main groups according to their economic sector, the conducted interviews may be grouped as follows:

Manufacturing and constructions:	4
Trade and other services alike:	22
Food services:	9
Social economy (education, human, social work and social housing):	7
Cultural industries <sup>70</sup> (arts, entertainment, publishing):	8

We can also try to classify these firms according to the role diversity plays in their market position, relating the characteristics of the entrepreneurs with the characteristics of products and clients – a classification, based on Ambrosini (2005), which we will explain in detail in section 5.5:

- a. A very limited number of interviewees focus on a specific ethnic or cultural niche (4): we include here 3 businesses activated by immigrants and directed to their ethnic community, and an ideology-based publishing house that produces books targeting a specific political/cultural community;
- b. 2 firms provide intermediation services for immigrants (money transfer and travel agency);
- c. 5 can be defined as extended ethnic businesses, where the ethnic catering is meant to have a mixed customer base (both ethnic and non-ethnic);
- d. 2 are proximity businesses, open by migrants, with no ethnicised products, attracting a mixed customer base (even though quite dependent on co-ethnic clients);
- e. 2 can be classified as exotic businesses, that use cultural elements from their national backgrounds to access local customers (in both cases, they are non-native artists using

cultural elements from their motherland in their artworks, that are targeted to a Western customer base);

- f. The other 26 firms can be defined as open businesses, targeting a mainstream client base with mainstream products – with some nuances. Most social enterprises, for example, with a goal to reach a wider public actually target specific disadvantaged groups; while others have a specific social class customer base (e.g. artists, craftspeople and professionals targeting high-spenders) or a more or less explicit gender orientation (e.g. a herbalist and a toy producer – both females – targeting mostly female clients).

This classification hints to some extent at the hyper-diversification of social and economic niches – that is in the specific intersection of diverse groups, categories and lifestyles (Tasan-Kok *et al.*, 2013). Quite a number of enterprises mirror a pluralisation of personal and social paths: e.g. the internal migrant from southern Italy who converted to Islam and operates a religion-based catering business; or the retired physician who turned his passion for woodwork into a business venture.

All 41 enterprises studied can be considered *micro-firms*: all have less than 15 employees, while some (mainly professionals in the cultural industries and small shops) have none. On average, the number of business partners, employees and family co-workers is lower than 3. This feature is consistent with the Italian and local business landscape, where more than 90% of firms are micro-businesses. Besides a large ethnic restaurant, firms with more collaborators operate on a non-profit basis (by law, cooperatives have to have at least three partners) in order to adhere to specific regulations.

At least five interviewees maintain that they had to cut the number of employees as a consequence of the crisis. Related to this, we also have to consider the use of a certain degree of informality. No less than six interviewees explicitly or implicitly mentioned resort to informal labour or other informal arrangements (e.g. avoiding the VAT registration). Furthermore, this practice seems enacted not just by low-skilled, poorly profitable firms in highly competitive markets, but also by quite successful businesses in the cultural and social economies, and in relatively high-end handicraft markets. Informality, and employment off the books, are meant to cut costs (taxes and social security in particular), but also to achieve a certain degree of flexibility (e.g. having faster and cheaper employment and dismissal).

In general, the post-2007 economic crisis is not clearly correlated with the share of informal labour arrangements (also due to the effect of large migrant regularisations that made hundreds of thousands of workers enter the official statistics), even though there's evidence of a recent slight growth. This is less the case for the Lombardy Region (that includes Milan), which shows an increase of informal labour arrangements especially at the beginning of the crisis (Istat, 2011). Females, migrant, young and elderly workers, self-employed, with limited cultural capital are more likely to be pushed in the underground economy (Istat, 2015d). The sectors where undeclared work are more common are family services (54.9% in 2013), art and

**Table 5.1** Share of informal labour arrangements on total employment in Italy and Region Lombardy.

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Employees	11.6	11.8	11.6	11.4	11.6	11.6	11.8	12.1	12.2
Self-employed	14.5	14.4	14.5	14.6	14.4	14.1	13.9	13.8	14.3
Total	12.4	12.5	12.4	12.2	12.3	12.3	12.4	12.6	12.8
Lombardy	9.8	10.4	10.8	10.7	10.0	9.2	9.1	9.5	9.6

Source: dati.istat.it – national accounts

entertainment (22.5%) agriculture (22.3%), hotels and restaurants (16.5%) and constructions (14.5%).

As for the duration of business operations, there are very young and very old firms: approximately one third opened three years ago or less (from young Italian skilled professionals to intermediation businesses), while a quarter have been open for more than ten years: this is particularly the case for Italian proximity shops or cultural enterprises (as for the latter, also with a significant change in the shareholders over the years). The other firms are in the middle and include very different types of businesses, from ethnic and exotic to open ones.

Besides those basic features, we can identify some preliminary characteristics of these firms that differentiate not only their market position, but also the role their business plays for our interviewed entrepreneurs. For example, for approximately one interviewee out of six, the respective business is not their main source of income.

It is either the formalisation of a hobby, personal interest or a complementary income on top of other personal or family revenues, often from dependent employment. This is to be taken into account because it implies a ‘way out’ in terms of economic and emotional investment with two directions: on the one hand, some are experimenting and have a safe way back in case of failure; others do have a job – which they are poorly attached to – whose revenues are invested in more risky but also more satisfying and engaging businesses.

Tables 5.1, 5.2, 5.3 and 5.4 portray some basic indicators on the business structure of Milan, compared to other territorial levels. Tables 5.1, 5.2 and 5.3 show that Milan is a context

**Table 5.2** Share of categories among self-employed in active enterprises, 2013

	Milan	Italy
Foreign citizens	9.9	6.4
Young (15-29)	5.1	5.9
Women	30.9	30.0

Source: Istat – Imprese – Struttura (dati.istat.it)

particularly positive for immigrant self-employment. Obviously, this is related to the highest share of foreigners resident in the area, but the analysis of the entrepreneurship rate<sup>71</sup> confirms it: in the province of Milan, foreigners' entrepreneurship rate is 9.3 (2014) vs. 7.9 at national level, which mirrors at a distance the rate of the population as a whole (13.2 vs. 11.2).

Table 5.3 also shows that Milan's economy is mostly tertiary, but that foreign entrepreneurs (Table 5.4) have some ethnic specialisations, especially in construction and trade. Those are the sectors where a 'survival' entrepreneurship may be more frequent, characterised by low-profit self-employment in cut-throat, competitive sectors.

The purposeful sampling of the interviewees was selected in order to have control over some basic features, reflect the diversity of business people in the city (as reported in the tables above) and in our study area, and to cover sectors likely to show differences related to neighbourhood diversity.

As for the characteristics of the entrepreneurs, we focused on age, gender, citizenship and ethnic background. Those are the main characteristics of diversity considered in national and local statistics and analyses, considered also as potentially vulnerable groups. At the same time, their position on the fringes of the local business structure (the young, the immigrants and the

**Table 5.3** Business indicators in Italy, Lombardy and Milan

	Italy	Lombardy	Milan
1) % of artisan business	26.5	31.0	23.4
2) % of businesses run by young entrepreneurs	9.8	8.8	8.0
3) % of businesses run by female entrepreneurs	22.3	18.8	17.4
4) % of businesses run by foreign entrepreneurs	9.4	11.1	13.9
5) % of individual businesses	60.0	50.0	40.0
6) % of manufacturing enterprises	10.3	12.8	10.9
7) % of construction enterprises	15.0	17.1	13.8
8) % of trade enterprises	27.5	24.1	25.1
9) % of service enterprises	32.5	40.3	48.9

Sources: indicators 1-5, Camera di Commercio, 2015a (data at 1<sup>st</sup> trimester 2015); indicators 6-9 Camera di Commercio, 2015b (data as of 2014).

**Table 5.4** Share of active enterprises per economic sectors – selected groups and sectors, year 2014

	Youth	Women	Foreigners
Manufacturing	4.7	14.0	8.1
Construction	11.9	5.6	25.7
Trade	10.0	18.8	16.4
Total	8.9	17.5	13.7

Source: Camera di Commercio, 2015b.

women are all under-represented among entrepreneurs if we consider their share in the whole population) can intertwine fragility with the exploration of innovative entrepreneurial strategies to break out and achieve a good market and social position.

Specifically, we interviewed 20 males and 21 females. All age groups were represented: 9 under 35 (we categorised this large age group as 'youth' since legally this is the age defined as youth in entrepreneurship programmes); 29 adults (aged 35-64); 3 elderly (65 or more), selected to provide a long-range view on the changes in the study area and its economy.

Among our interviewees, 19 are native Italians (including those with experience of internal migration), while five are naturalised Italians. The remaining 17 are foreign nationals – including naturalised Italians – and provide a good representation of the plurality of migration paths to Milan: 10 countries of origin, with a higher share of those from Egypt (3 Egyptian citizens and 3 naturalised Italians), Peru (5 Peruvian citizens) and China (3 PRC citizens). We have also included some interviewees from the EU (France and Germany) and other countries in the Global North (e.g. Japan and Switzerland). Finally, we also considered the business location, to provide a nuanced view of the business landscape in northern Milan: 28 interviewees are active in the *zona di decentramento* 2 (where the area of Via Padova is located), while 13 in the *zona di decentramento* 9 (where Niguarda is placed).

Generally, for most interviewees the opening of their business is the last step in a career (and/or passion for an activity) that started with the building of expertise in dependent employment (or, in a few cases, in education and training) and the accumulation of economic and social capital.

The few reporting more complex business careers – with the opening and closing down of at least a couple of other firms in different sectors – are international migrants. Failed attempts seem based on inadequate information and unrealistic business plans.

Some  $\frac{3}{4}$  of interviewees rent their business site. Since some work at home (artists and artisans) and some have no single location (e.g. a peddler and a singer/dancer that work in different clubs), the owners of their business sites are very limited (and all native Italians). Some  $\frac{3}{4}$  of them also live in the neighbourhood. At least ten entrepreneurs were not living in the neighbourhood when they began renting their business site, and half of them eventually moved to the area for convenience, to be closer to their work and minimise commuting. This is especially the case for immigrant entrepreneurs.

The choice of location is not strongly connected to a real business plan regarding potential customers. However, immigrant entrepreneurs living in another neighbourhood are less represented in open businesses and more in ethnic, proximity and intermediary businesses. For many interviewees, opening a business in our case area was a good deal due to moderately cheap rent and the availability of vacant facilities with desired features – both in terms of housing and business facilities. Nevertheless, ethnic networks may have worked in circulating information on such good deals.

Particularly for the area of Via Padova, a somewhat deteriorating area that attracts migrants and other vulnerable social groups (see Barberis and Angelucci, 2015) due to its cheap housing and good connections, business opportunities serving a new and growing population mix can partly revitalise the local economy. Vacant shops are reopened, and a share of entrepreneurs move into the area, itself becoming a consumer base for the local economy. A (cheap) economy develops and can ground future improvements.

The few that explicitly mention they have selected the area due to its characteristics are usually social entrepreneurs (working on urban blight out of choice or as winners of public tenders for urban renewal projects) and some cultural entrepreneurs that appreciate diversity as an inspiration for their creativity. So, often the latter also decided to live in the area to fully enjoy neighbourhood diversity.

#### **5.4 STARTING AN ENTERPRISE IN A DIVERSE URBAN AREA**

To provide an overview, the following conclusions can be made regarding starting an enterprise in our study areas:

1. Motivation to start an enterprise is diverse among interviewees, varying from the conversion of a passion (e.g. hobby) or an interest (e.g. social action) into a job, to the possibility to improve personal and economic conditions. Many of the enterprises being family-run businesses, the continuity of the family enterprise is also another important factor that motivates entrepreneurs.
2. Diversity can be a motivating factor to establish an enterprise into a specific neighbourhood, but this is mainly related to the business sector and market. It is important for those who started businesses in artistic and creative sectors and for those who had a specific interest in cultural diversity (such as enterprises working into the social sector or those who target ethnic and mixed customer bases).
3. Entrepreneurs generally find the starting capital and support from informal kinship networks, due to difficulty to accessing institutional financing channels. In particular, immigrant entrepreneurs may sometimes rely on transnational networks that ensure economic support, with the idea that a support in the start-up phase of a business abroad may produce high returns for those involved.

Small- and medium-sized entrepreneurship (and micro-businesses in particular) are the backbone of the national and local production model. Thus, unlike other countries where urban entrepreneurship is more marginal, establishing a business in Italy may mean entering the core of economic structure – that is, accessing a field controlled by mainstream economic actors. For example, Italy is one of the few countries with a high rate of both native and immigrant entrepreneurship (OECD, 2010). In a context with relatively limited chances of upward social mobility, external careers (i.e. opening an own business instead of gaining a promotion as employee) are a common way out (Barberis, 2008).

For marginal or disadvantaged social groups, this may be particularly relevant, since direct and indirect forms of discrimination can block upward mobility further. Their success may be predicated on the structuring of an adequate mixed embeddedness, for different reasons:

- a. the complex Italian bureaucracy may require a specific linking of social capital (see Woolcock, 2001) to comply with needed regulations;
- b. the downward assimilation of relevant disadvantaged groups (e.g. youth and immigrants) may not be enough for the sustainability of an in-group market niche, thus requiring extra targeting of mainstream or mixed customers and products/services;
- c. the strong presence of mainstream economic actors in small entrepreneurship is likely to require a good level of interaction with natives – from suppliers to landlords to competitors and other business partners;
- d. mixed markets – the breaking out from both in-group niches and open markets – may require a combination of networks, resources and expertise that may only take place with an intergroup contact.

Next, we will explore the motivation, localisation and choice of business activity by our interviewed entrepreneurs, analysing the sources of information, support and capital formation that may help to overcome asymmetries and disadvantages in the social and economic capitals needed to access the local business world.

### *Motivation*

The motivating factors behind the choice to start a business are quite plural among our interviewees. The stated motivations are related, among the other factors, to the nature of business they established, personal characteristics and kinship networks. We divided our interviewees into 4 main groups of motivation.

#### *(1) Passions and hobbies*

Many interviewees state that their passion for their job was the first motivation to start up a business. Some of them took the opportunity to transform their hobby into a job thanks to different forms of capital accumulation (retirement from paid work; in-work capital accumulation as employees in related sectors; or support from kinship networks).

This group of entrepreneurs is mainly made up of people working in creative businesses in culture, art and handicraft sectors. They are both native Italians and people from an immigrant background (especially “second generations”), across different ages: they all frequently use the word “passion” to refer to their business, which is actually how they experience their work. This means that their business is strongly connected to their personal and social identity; it does not just have an instrumental value (make a living in a profitable business). They feel a personal attachment that allows them to survive difficult situations and certain business risks.

#### *(2) Activism*

A specific subset of interviewees are motivated by their altruism and social activism. This is the case for entrepreneurs working in the social economy, whose personal interest for social activism

becomes a job that is aimed at being useful to the community. This motivation does not only affect the choice of sector they are engaged in, but also the way their business is structured: partnerships are very frequent, often within cooperative societies. In this case interviewees are mainly young Italian adults and, usually, this kind of business is started up by a group of friends who share their interest in social issues.

### *(3) Kinship networks and family legacy*

This group motivates their business with family history and kinship relations. At least five interviewees have taken over a business started from a relative (usually a parent). Some of them have replaced their relatives in business management, others started from an existing family business to create something new and different. Most of these businesses are family-run restaurants and bars, with a large representation of immigrant entrepreneurs.

As a motivation, kinship ties sometimes have tricky consequences: they can be seen not only as enabling (providing resources and skills) but also as constraining. The social pressure on the to-be entrepreneur may be particularly strong, motivating self-employment as a status symbol of success for relatives and other kin. The fear to disappoint familial expectations can be a source of stress. Therefore, the opportunity to take over the family business is not perceived from the entrepreneurs as an opportunity but as a trap, an inevitable destiny they cannot escape. Interviewees with this ‘motivation’ and its problems are both native Italians and (more likely) from an immigrant background. They are usually younger and likely pushed to accept what they essentially consider a trap due to hindered mobility and difficult access to the labour market for younger generations – particularly during the crisis.

### *(4) Self-fulfilment and income opportunities*

Some of the interviewees started their businesses, moved by the desire to improve their income and for a freer and more satisfying work experience. Although many of them consider self-employment as consistent with their personal attitudes, hurdles in upward social mobility and certain forms of discrimination (e.g. a labour entry as employees in low-wage, low-skilled and demanding jobs) may have pushed them towards a business venture. Not by chance, this motivation is expressed by numerous immigrant interviewees who worked in poorly profitable sectors.

### *Location*

The choice to commence an enterprise in a specific neighbourhood may be motivated by different reasons: from the availability of cheap commercial infrastructures to its accessibility; the distance between home and work or the availability of a potentially large and targeted customer base. Considering the role of neighbourhood diversity, it can be considered both as an element providing a plural customer base, and as a background for daily life (e.g. in the case of immigrant businesspeople living and working in ethnic economies, or for “diversity-seekers” in the cultural economy). At the same time, diversity – if linked to inequality – can be a background factor for other reasons: an impoverished neighbourhood can attract different



social groups (not rarely disadvantaged ones), but also restructure its business community thanks to succession processes and the availability of cheap commercial areas.

Whatever the reason to set-up shop in a neighbourhood or its relation to place-based diversity, it is worth underlining that diversity becomes relevant afterwards. Diversity influences the customer base (the characteristics of market demand) – notwithstanding the knowledge interviewed entrepreneurs had of the plurality of clients in the area. On the other hand, the change in the business community influences how diversity is deployed locally. For example, an ethnic business can increase the visibility of an ethnic community, and in some cases even ‘produce’ an ethnic community by exploiting, branding, if not inventing a specific tradition (e.g. food). Indeed, the exploitation and/or construction of diversity and the marketing of cultural identities may turn some businesses and market niches into landmarks for consumers looking for cultural-based experiences (either for exotic consumption or for the struggle to affirm a positive collective identity – e.g. for stigmatised minorities. See Storti, 2014).

As a matter of fact, a large number of interviewees describe their location choice as accidental, driven by contingent opportunities and short term evaluations. However, this is not the case for everyone. Therefore, we can first distinguish between those who consciously decided to commence their enterprise in a diversified neighbourhood and those who were motivated by other reasons.

Among the ‘conscious decisions’, we first have a group that considers neighbourhood diversity *inspiring* and *stimulating* for their job. These businesses are mostly in the creative and artistic sector, where entrepreneurs are active ‘diversity-seekers’, who wish to combine this plurality in their artwork, or convey a ‘bohemian’ attitude.

There are also other entrepreneurs that identified the multicultural character of the neighbourhood as the main reason to settle their business: because their business deals with diversity. This includes social entrepreneurship working with specific social groups, their interrelation, social mix and social cohesion. Obviously, this also includes a number of (extended) ethnic and intermediary businesses.

For these kinds of entrepreneurs, diversity is essential for their business, and, even if there is no direct correlation between diversity and income, they still perceive it as an element with a positive impact on their business activity.

Among the ‘unknown decisions’, we can include a number of businesspeople that did not focus on neighbourhood diversity when choosing their location. To them, diversity is at most a mere chance (without a clear strategy to target it), and the choice of location for their business mostly related to a number of other contingencies. These entrepreneurs did not consider the impact of diversity on their business, but they chose their location according to other factors, namely:

- the affordability of locations with desired features (e.g. availability of house and laboratory in the same building);

- the good connections with other areas of the city (easing work-home mobility or customer accessibility, for example);
- the familiarity with the neighbourhood, especially if their home is close-by;
- public subsidies.

In this group, diversity is usually perceived as non-influential on economic success. Rather, choosing a neighbourhood just for its affordability may turn out to be a negative factor for some firms targeting a more high-end customer base, since their target social class may not be particularly available in the area.

### *Choosing a business*

In some cases, the line of business is related to a long-term personal, social and/or family investment (in education, training, work experience...). When the selection of the line of business is not due to a passion or talent (as mentioned above for artistic and creative firms), interviewees often talk about fortuitous cases: e.g., an encounter or a particular event in their life that turned out to be decisive in selecting their business sector. In some cases the nature of the business for some interviewees changed and developed over time, as they tried to adapt it to the changes of market and supply and to cover empty market niches. This is particularly relevant for petty businesses (in particular in the retail sector) that suffer from cut-throat competition in market niches with low entry barriers and low profitability.

### *Start-up support*

Although we can identify a variety of channels for information, support and capital formation, our interviews indicate clear evidence that official and institutional channels have weak relevance (only one interviewee received money from banks, while a couple of others formed their capital by winning public or public-private competitions – in particular those active in the social economy). Social networks – especially kinship ones – provided most of the support necessary to start their businesses. This applies to both native Italian and immigrant interviewees, especially those with a lower cultural capital. In fact, one of the most frequent financing channels is that coming from parents or borrowed from friends.

However, most of the time people try to start their businesses through their own efforts, investing their savings and trying to cut costs as much as possible. Given the sector they operate in (e.g. petty retail or small artist/artisan production), many of the enterprises required little starting capital.

For quite a number of immigrant entrepreneurs, kinship networks are particularly relevant, and often assume a transnational dimension. In particular, they often receive financial help from their homeland (so called *reverse remittances*, see Mazzucato, 2011), while they receive relevant information from fellow country folk in Milan. This helps to connect distant social cliques and exploit new market niches.

When starting capital was not available, the most common option has been to share the risk by finding business partners – in some cases with a division of labour, with one partner putting in money and the other putting in labour. In these cases, our interviewees sold their expertise (human capital) in return for the necessary money (financial capital).

When not related to kinship networks, usually information necessary to open a business is based on previous education and training, or professional experiences. Often, part of the initial investment was dedicated to acquiring skills in opening small market niches.

## 5.5 ECONOMIC PERFORMANCE AND THE ROLE OF URBAN DIVERSITY

The perceptions of economic performance and success expressed by our interviewees are strongly influenced by the recent and lasting effects of the 2007 economic crisis, which coalesced with long-standing problems in the Italian socio-economic context (limited mobility and productivity, stagnation, poor levels of social and economic innovation). Italy showed a very limited resilience to the crisis and a slower recovery compared to other European countries (Bigos *et al.*, 2014). This trend is reflected in the words of our interviewees, and has to be contextualised in at least two ways.

First, the 2007 crisis hit hard an already declining economy, where structural weaknesses have been visible from some 15 years (Tridico, 2015). The limited competitiveness and profitability of certain parts of Italian petty capitalism has been an ongoing issue. Second, the strongest social consequences (on consumption and employment, for example) of the 2007 crisis were felt relatively late – more or less from 2011/2012 onwards. Due to high levels of private savings, Italians were able to survive the beginning of the crisis without reducing their consumption levels significantly (Sergi and Kazepov, 2014; Gabos *et al.*, 2015). According to the entrepreneurs interviewed, the overall consequences of the crisis are still fresh.

As a result, perceptions of the economic success of entrepreneurs interviewed in the northern districts of Milan are very negative – and have worsened during recent years. The evidence of a (slow) recovery is not shared among all respondents, since it appears clear that the hard times of the crisis have long-lasting effects – directly on their firm and indirectly on the socio-economic environment of the area. Even successful enterprises (see below) maintain that the recession affected them: among those that decided to disclose this information, the shrinkage of profits range from 10-40% in the last three years.

Furthermore, the crisis in sectors other than their own business has a generally negative effect on the economic performance in the area. For example, the deep crisis of the building industry is considered detrimental by the interviewees operating in the catering sector since construction workers were important clients.

The retrenchment of public expenditure was considered negative by many interviewees with a business in the cultural industry and social economy: even in cases where public administrations were not direct clients of our entrepreneurs, public expenditure formerly created some opportunities for them. Besides this general and broadly shared narrative, there are some other interesting and significant differences among entrepreneurs and firms. From our interviews, we can discern three groups: a) those that declare good success; b) those that find it hard to make ends meet; c) those that declare significant losses.

The following analyses presents the three groups according to their socio-demographic characteristics, business features (sector, experience, market niche), satisfaction with the situation and the reasons they identify with economic success (or failure).

#### *a) The successful*

Perceptions of good or sufficient success are reported by around a quarter of our interviewees. The successful firms are those that declare a good turnover, usually enough to guarantee a decent income for the interviewed entrepreneurs. Even when the economic turnover is not so positive, some consider their businesses successful when comparing certain issues, for example:

- the perception of being scarcely (if not at all) affected by the negative consequences of the crisis, and;
- the awareness of not being too dependent on the monthly turnover of their firm, thanks to savings or other family income (e.g. having parents or partners with good labour positions).

Despite this, some entrepreneurs also express some anxieties on the long-term sustainability of their good turnover, mainly due to the increase of a competition that is often perceived as unfair.

The successful entrepreneurs we interviewed include several old neighbourhood shops (stationery or dry-cleaning shops) and more recent activities targeting a middle-upper class clientele (a producer of handmade toys for babies, a naturopathy shop, a freelance cartoonist) led by native Italians or by immigrants from developed countries. Nevertheless, this group also includes other immigrant entrepreneurs that found a profitable niche in the ethnic, exotic or intermediation businesses (e.g. ethnic catering and music; travel agencies). They share a good position in the ethnic community, acquired via kinship networking or investments that qualify their ethnic niche over the co-ethnic competition, matched also by a wider and mainstream customer base that increase their profitability.

Aside from traditional neighbourhood shops, diversity and diversification are often relevant issues in the success of both Italian and immigrant entrepreneurs here. Many firms in this group target specific lifestyles in leisure and consumption that may guarantee access to quite affluent or unchallenged market niches.

#### *b) Making ends meet*

The second group includes entrepreneurs with a more limited turnover and riskier conditions for their business. These interviewees maintain they are not able to earn enough to make their

living from the present job. Most firms in this group are active in the cultural industry, in the social economy or in specific niches of the (ethnic or exotic) market economy they try to exploit (e.g. a barber's and beautician's shop, Arab bridal make-up, etc.). Even though they share common conditions of hardship, entrepreneurs in this group express quite different views: some consider themselves as satisfied despite the constraints. This subgroup includes:

- a. a handful of native and naturalised Italian entrepreneurs (usually relatively young) who chose to open a business for self-fulfilment, with a strong personal motivation towards their chosen sector, usually in the cultural industry or in the social economy. They expected to go through hard times, and the prospect of doing what they like helps them cope with their situation. Some of them have a safety net that can support them in case of failure, and this makes them less anxious about their situation.

Motivation, ideological and cultural attachments are relevant factors that help resist negative market pressures in a period of crisis and adversity for some sectors: an example is the associate of an anarchist publishing house that battles in a market monopolised by a handful of large suppliers and by bigger and bigger franchise retailers that limit the market visibility of independent productions. However, this is also particularly true for businesses active in the social and cultural economy, where profitability is sometimes not considered the primary factor in business choice and evolution, and has to be coupled with self-fulfilment. This is particularly relevant for younger entrepreneurs active in innovative activities, which can also rely on personal or family resources in case of failure.

- b. some native Italian and immigrant entrepreneurs that just embarked on a new business or resisted the crisis, and consider a period of stagnation as normal – if not positive, since they took into consideration to lose money at the beginning of this new venture.

On the other hand, there are quite a number of immigrants active in businesses with low entry barriers (i.e. needing limited investments and skills), but also low profitability (Rath, 2002; Panayiotopoulos, 2010) – often due to strong (co-ethnic) competition and critical effects of the crisis, such as small family-run businesses in the catering sector, corner shops with no specialisation, artisans, services for immigrants such as money transfers. Their debt load (with the humiliating experience of having to borrow money from kin), the dissatisfaction with the business they run (sometimes acquired from their parents) are all factors of great anxiety for them. They blame the general crisis for their economic situation. In this case, diversity does not become a resource: ethnic and immigrant markets are too fragile to allow businesses to have good turnovers, and the competition is very harsh due to low entry barriers in the chosen economic sector. Even though the amount of potential clients available in the area is high, it is dispersed among a high number of competitors.

*c) the unsuccessful*

The third group is constituted of those who cannot make a living from their present business, approximately one-fourth of our interviewees. These entrepreneurs are usually immigrants

active in retail, small shops with low profit margins, harshly hit by the (a) consequences of the crisis and (b) by the level and perceived unfairness of the competition. As for the first factor, some were prepared to cope with a short crisis (surviving thanks to savings and support from their kinship network), however they were unprepared and not equipped to deal with a persistent slowing down of consumption. As for the second factor, they are active in markets with low entry barriers and low profitability, where cut-throat competition and informalisation are more likely (Rath, 2002; Panayiotopoulos, 2010).

In this respect, some unsuccessful entrepreneurs see diversity as a problem, with an ethnicised blaming of competitors: we have no data to state that discriminatory attitudes tied to economic competition are increasing. Based on other research in Milan and elsewhere in Italy (Pastore and Ponso, 2012; Barberis and Angelucci, 2015; Angelucci *et al.*, 2014; Bracci, 2016), we assume that ethnicised blaming was stronger at the beginning of the crisis, while the evidence of more structural problems and limited success of ethnic economies is redirecting blame towards other targets (politicians, the EU, the banks, etc.). All in all, in some cases of diversity can also be considered a problem for businesses in an open market (exotic or generalist catering, retail) not able to attract the potential diverse clientele in the neighbourhood. This applies to entrepreneurs with weak intra- and inter-group social networks, reflected by their poor revenues.

#### *Local embeddedness*

Diversity plays a different role in the market position of local businesses according to their level of local embeddedness. With respect to immigrant entrepreneurship, it is interesting to note that bounded ethnic markets are quite rare. Usually the value chain of most immigrant firms include suppliers, clients and even employees from different backgrounds. In particular, it is interesting that ethnic caterers active in the exotic and extended ethnic markets usually emphasise that their suppliers and raw materials are Italian, as a quality guarantee and a way of gaining the trust of a diverse customer base.

In this respect their contribution to the local and national economy and to the market position of native Italians is larger than a superficial idea that an ethnic economy can support. Research has shown that ethnic economies are not isolated from local and national contexts, and are “economically emplaced” according to the political, economic and cultural positioning of cities (Mazzucato, 2008; Glick Schiller and Caglar, 2013). Ethnic entrepreneurs may find it convenient to use a local supplier (because of costs or of market positioning and to attract a mixed customer base) and sometimes being residents of the area, also consume locally. They contribute to the local real estate market by renting or buying properties, often from native owners who are losing money in deteriorating neighbourhoods; finally, they pay taxes locally (Fondazione Leone Moressa, 2015).

Based on studies regarding territorial embeddedness (Grabher 1993; Colletis *et al.* 1997; Dicken and Malmberg 2001; Rota 2012) we considered the relations between markets, the neighbourhood and diversity and divided our entrepreneurs into three groups. The *rooted*

group have a strong local socio-economic embeddedness: the neighbourhood is not just a place where their business is located; it is also a space for relationships that trickle down to economic performance and the market position of the firm. The *anchored* group have a more nuanced mixed embeddedness. The neighbourhood context is important for a number of features (that we will explore below: from social atmosphere to the number of clients), but it is not fundamental for the operations of the business or the life of the entrepreneur, so that at given conditions it is possible to disconnect the business from its location. The *stopping over* group have a very limited local embeddedness: the choice of the neighbourhood location is related to incidental events and the market position of the firm is weakly related with the local context. Their business could easily be located elsewhere without damaging their market position.

#### *a) the rooted*

Among our interviewees, the rooted are a small group of entrepreneurs whose location and market position is strongly connected to neighbourhood features. In this respect, diversity is basic to them, since they gained their market niche by servicing specific needs of the plural population of the area. Their socio-economic embeddedness also means that they are particularly attached to the neighbourhood, and actively involved in its social and economic promotion.

We can identify two main types of businesses here:

- ethnic, exotic and intermediation firms (usually led by young businesspeople from an immigrant background) that are trying to satisfy the needs of different groups – often localised in the neighbourhood – creating products that mix cultural backgrounds;
- activities in the social economy (usually led by young nationals) that praise local diversity as a relevant issue in the neighbourhood, and offer services explicitly or implicitly targeting diversity to increase social cohesion – from social housing to social animation. Not all these activities are tied to public resources, since some of them, in the commodification of social actions, have to rely on their turnover and revenues, managing strictly commercial activities side-by-side social ones.

#### *b) the anchored*

A large number of the anchored entrepreneurs is in some way connected to the neighbourhood, but does not strongly depend on it. To them neighbourhood diversity is somehow an element of profitability, but it is not a strong feature of their business. In a way, we can maintain that they exploit diversity, without contributing so much to its reproduction. Among the different types of anchored businesses, usually led by both native and immigrant, male and female middle-aged owners, we can identify:

- ethnic catering that mostly serves a specific group (well represented in the neighbourhood). They cannot be considered rooted, since the business can move in any neighbourhood with a specific concentration of the target clientele; though they are anchored since this neighbourhood provides a good customer base.
- corner shops with a long-term presence in the area but products that are not place-specific (e.g. stationers, dry-cleaners). Due to their long history, they have become local landmarks,

but did not adapt to the changed social conditions and they could find a new location without specific disadvantages for the firm. The present localisation has the advantage of public brand awareness.

- cultural businesses that operate in much larger markets (at city, national and international level) but try to keep contact with the local community with a reciprocal spill-over effect. The larger socio-economic networks these firms have occasionally find a place locally; the activities these firms conduct locally are traded to a larger customer base. They are not rooted since their link with the neighbourhood is relatively superficial and not particularly bounded. We may wonder whether their strategy might swing the door open to gentrification processes.
- activities in the social economy that found a space within the neighbourhood and try to revitalise the block they are working in. Different from the rooted ones, those businesses have a weaker relationship with the neighbourhood. The entrepreneurs usually have limited previous experience of the area; they access it because there are localised resources to exploit, and are sometimes part of larger entities with similar activities elsewhere in the city. In a way, their situation implies a long-term commitment to the area, but not necessarily with the area.

### *c) the stopping over*

This group includes quite a number of firms that chose our target area for a number of fortuitous events or market considerations that have not so much to do with the social and cultural specificity of the neighbourhood. They follow a trend concerning the housing choice: availability of commercial facilities and lower rental and purchase costs; position near transport facilities and in frequented streets. The entrepreneurs did not develop grand marketing strategies connected to the area. Often, their customers and suppliers are not related to the neighbourhood: they target a middle-to-upper class clientele who are also present in the neighbourhood, but usually live in other parts of the city or can be reached through e-commerce. Also, there are some ethnic businesses that are landmarks for immigrant communities at city-level, and do not specifically cater to neighbourhood clients. In this respect, neighbourhood diversity is not relevant; it is more important that the quality of the built environment and the stigmatisation of the neighbourhood make it a low-cost area. Our case neighbourhood is a relatively cheap place; the diversity of its population, intersecting with inequalities, helps keep costs low.

### *Competition or cooperation among entrepreneurs?*

Co-location in the same neighbourhood can have pros and cons: a sturdy business community can turn a neighbourhood into a commercial destination for different kinds of customers, thus benefiting businesses in different market niches. On the other hand, a high number of competitors within a short distance can reduce profitability, while the characteristics and changes of businesses in the local landscape can reposition its market position: the 'ethnicisation' of the business community in a neighbourhood, for example, may reduce its attractiveness for native entrepreneurs and customers. Building relationships with other local



entrepreneurs can be a way to share basic formal and informal rules, to lobby public institutions and other competitors. Equally, cut-throat price competition may be a way to kick out certain competitors.

Relationships among entrepreneurs in the researched area are usually quite weak, characterised by a civil coexistence that results in economic exchange and/or cooperation in quite a limited number of cases. When competition is mentioned, it is usually within a discourse regarding lack of fairness of competitors. This discourse – as mentioned above – is particularly relevant for businesses operating in markets with low access thresholds, low profitability and a degree of informalisation. In these sectors, the discontent frequently assumes ethnicised tones, blaming other socio-cultural groups for the worsening of their economic situation.

On the other hand, the level of local embeddedness and the sector both influence the perspective on cooperation. Not surprisingly, the interest for cooperation is higher in *rooted* and *anchored* firms than in *stopping-over* businesses.

If the role of networking is considered, it may stay at a social, relational level with limited or no trickle-down effect on the economic activity. The main role these relations have is to keep a peaceful living environment through courtesy, at most trying to establish reciprocity in the creation of trust among clients (e.g. 'I suggest your shop to my customers; you suggest my shop to yours') – even though few interviews report evidence of a positive economic effect of this process with the exception of a couple of cases where collaboration with neighbouring shops implies bartering goods. Establishing and maintaining a fair coexistence is particularly true for those entrepreneurs whose markets are not particularly place-related, even though they live in the neighbourhood.

A mix of cooperation and competition seems more likely in the case of ethnic and exotic firms owned by fellow country persons: they operate in the same sector (e.g. ethnic catering), and sometimes they can collaborate to start a new business, diversify incomes, share costs – even though this is not the rule, since co-ethnic relations can also be quite loose. Evidence of cooperation is also observable in businesses operating in economic niches targeting specific lifestyles (e.g. well-being and organic produce).

Neighbourhood cooperation has been undermined since a number of nearby firms closed as a consequence of the crisis. Also, interethnic cooperation can be hindered by perceived cultural distance and stereotypes. Derogatory classifications and stereotypes are (re-)produced also among migrant groups, and can engender segmented geographies of collaboration. Cultural and social distance among migrants, which is quite visible in the group-making at local level (see Pastore and Ponzo, 2012) can trickle down and find new shapes in the business collaboration-competition processes.

Entrepreneurs active in the social economy, especially those more firmly rooted in the neighbourhood, and partly in the cultural industry, are keener to develop collaborations, mixing

social and economic effects. They usually have higher cultural capital and given the specific niche they cover (from social housing to social cohesion initiatives) they do not consider other parties as competitors. Since they have strong social aims with their activities, developing social cohesion and networking diverse people is consistent with their goals.

In summary, the aftermath of the crisis still constitutes an important problem for the performances of most enterprises taken into consideration. Better performances are achieved by native Italian entrepreneurs and migrants (especially from developed countries) who have established businesses or activities targeting middle-upper class customers (a clientele less hit by the crisis).

Nevertheless, some immigrant entrepreneurs that have found a profitable niche in the ethnic, exotic or intermediation businesses (ethnic catering and music; travel agencies) show positive turnovers. The ability to reach a plural customer base in terms of origin and lifestyle – that is, the ability to profit from hyper-diversity – is a value added in the success of many interviewed entrepreneurs. Having a mixed customer base that relies on co-ethnic clients but is open to other groups provides a wider market niche.

On the other hand, the exploitation of exoticism and of neighbourhood diversity by cultural and social enterprises may help in reaching a high-end clientele: selling diversity can be fruitful for the individual entrepreneur, while it is far from clear if this is also good for the neighbourhood as a whole. This likely depends on, if and how diversity is reproduced, mainstreamed and promoted at local level (also) by these firms. If they just consume it, the overall neighbourhood effect could be negative. An awareness of social cohesion and diversity appears to be more developed among social enterprises than among cultural ones.

In general, given the largely deprived situation of different neighbourhoods in our case study area, the possibility of positive outcomes may be limited (Williams and Huggins, 2013). Many retail shops just survive in an unfavourable situation, with harsh competition and limited human, social and financial capital.

The relevance of diversity in different market niches is extremely variable according to local socio-economic embeddedness. Rooted firms are strongly related to neighbourhood inhabitants and features, and contribute to the reproduction and liveliness of local diversity, while anchored firms mainly exploit neighbourhood diversity. Other firms just stop over in the area, taking advantages of market conditions (e.g. low rental prices) in some slots in our target area.

Notwithstanding the importance of diversity in embeddedness and markets, it is worth noting that cooperation among entrepreneurs is quite limited (especially when considering its economic returns), with the partial exception of some ethnic niches and of enterprises in the social and cultural economy. The main explanation that can be provided is related to the link between diversity and inequality: a number of enterprises work in poor niches with low

profitability, high informality, low entry barriers and – consequently – harsh competition, all of which can undermine positive relations.

## 5.6 INSTITUTIONAL SUPPORT AND GOVERNMENT POLICIES

This section addresses the questions of how the entrepreneurs interviewed perceive local and national government support and how (if) they benefited from public or public and/or private programmes. Furthermore, a review of policy priorities to support the business community prioritised by our interviewees is elaborated.

Institutional support, according to our interviewees, is one of the most critical features negatively affecting the economic performance of selected businesses. Public support is perceived as scant and marginal and in many cases in part due to accessibility problems in existing measures. Since a number of our interviewees have a limited cultural and linking social capital and operate in precarious economic sectors, they find it difficult to get information on available opportunities; to access opportunities they know; and to be successful in the application for opportunities they wish to access.

As a consequence, most of the interviewees perceive public institutions as hostile to their venture. This sentiment is reinforced by inadequate support networks (in particular, trade associations are usually considered ineffective) and by the tax burden, considered particularly heavy especially in a context of crisis.

Neighbourhood diversity and the link with its entrepreneurial environment seem not considered enough by policy-makers: deregulation seems to negatively affect the local business structure, while support measures are not close enough to neighbourhood characteristics and needs. More devolution (giving responsibility for business support and economic zoning to *zone di decentramento* – the sub-municipal local government units) is sometimes considered useful.

A free and open market is not necessarily favourable for many entrepreneurs and for the business community of a neighbourhood. In particular, small entrepreneurs can suffer from the competition of larger players; minorities can be hit by direct and indirect discrimination affecting their market position; neighbourhood diversity can be coupled with inequality, hindering socio-economic mobility and opportunities – with a kind of ‘superstar effect’ favouring richest areas.

Institutions – by action or inaction – regulate the market ‘willy-nilly’ and influence the space different economic actors and areas can have in the local economy. Their actions may be supportive to some groups of businesspeople (e.g. with policies targeting specific categories: females, youth, immigrants...) or to some areas (e.g. with place-specific policies, e.g. urban renewal projects), with specific targeting strategies that do not help to understand

the intersection and plurality of urban diversity – thus *de facto* handicapping some groups (Syrett and Sepulveda, 2011). Moreover, different policies targeting diverse populations may be contradictory, on the one side, for example, trying to explicitly boost minority entrepreneurship, and on the other side – indirectly but pervasively – downplaying it (Collins, 2003; Syrett and Sepulveda, 2012).

The literature in this field shows some interesting evidence in this respect: first, formal arrangements are not enough. Informal institutions, too, play a relevant role (Kemeny, 2012). The connection between instituted processes and informal arrangements may increase accessibility of information and measures, and enhance the economic performance and the economic benefits of cultural diversity. The different sides of the coins (informal and instituted processes, both in in-group and inter-group networks) do contribute to the mixed embeddedness of minority businesses (Ram and Jones, 2007; OECD, 2010).

#### *Views on the effectiveness of business support provided by local and central governments*

At national level, a number of short-lived initiatives and laws have supported the access to entrepreneurship over the years – for youngsters, women, and other vulnerable groups (e.g., the disabled) – via training and tax credits for instance, particularly in certain fields (e.g., agriculture) and in certain areas (e.g., southern Italy). Two examples are the Legislative Decree 185/2000 (“Incentives for self-employment”); the Law 247/2007 (“Norms on social security, labour and competitiveness”), aimed to boost entrepreneurial innovation; the Law 99/2013 (“Extraordinary measures promoting employment and social cohesion”) (Fratto, 2013).

Actions targeting migrants and minorities have been more inconsistent and infrequent (Ambrosini, 2000), usually related to short-term local or regional projects, often not funded by the European Social Fund or the European Fund for the Integration of non-EU immigrants, and targeting specific groups (e.g. refugees).

Thus, Italy is often seen as a context which thwarts the entrepreneurial projects of minorities due to high taxes (which are often evaded, especially by the self-employed, see Torrini, 2005), a complex bureaucracy that pertains to both immigration laws (e.g. the permits of stay) and economic freedom (see Cnel, 2011).

At city level, the support provided in Milan is somewhat better. For example, Formaper, a public corporation owned by the Chamber of Commerce of Milan, aims to develop entrepreneurship (especially small businesses) through guidance, information, training, research and support. Over the years, they have provided dedicated support to projects concerning different targets, including migrants, youth and women.

Our analyses follow an interpretative perspective on the perception our interviewees have of the attitude and support public institutions holds towards entrepreneurship. Indeed, besides measures actually implemented, a negative perception may reduce the accessibility of available initiatives.

Only 1 respondent out of 8 expressed some sort of positive view on the support provided by public bodies. This includes only native Italian interviewees, in particular, several social enterprises that won public bids and/or have contracts with public administrations, along with few artisans that appreciated public projects in their sector.

We can group the criticisms in few categories:

- a good number of Italian interviewees, especially those operating in the social and cultural economy, see bureaucracy as a hindrance to their operations. Bureaucracy is perceived as too slow, not open enough to innovation, too focused on controlling compliance with norms and not enough on supporting new activities;
- connected to this, younger entrepreneurs in innovative businesses do not feel recognised and appreciated. They often work in professions and fields not clearly regulated in Italy (drama therapists, counsellors, social economy...);
- one of the most widespread criticisms (that we will also see in other paragraphs) refers to the costs of bureaucracy and taxes. Especially immigrant entrepreneurs that operate with limited margins consider the tax rate and the return on services of taxes paid inadequate. Some are worried by the limited welfare coverage the self-employed have, for example, in case of injury;
- a limited number of interviewees – especially Italians from an immigrant background – blame inappropriate public actions for damaging the local economy as well as causing indirect discrimination. For example, they maintain that austerity cuts to public order have hit the disadvantaged hard; law-and-order neighbourhood policies have emptied some (ethnic) commercial areas; and that civil servants are less helpful to migrants.

In this respect, many of the criticisms pertain to lack of support for the business environment, the outcomes of which affects certain groups and neighbourhoods harder than others, such as cases where diversity is coupled with socio-economic disadvantage.

#### *Wider awareness of organisations, programmes, and initiatives to support entrepreneurs*

Participation in associations and local initiatives seem irrelevant in terms of the performance of our case study enterprises. On the one hand, we have a share of entrepreneurs that declare no specific memberships, mostly claiming that their work absorbs all their time and therefore have no time for anything else. This is especially the case of small, poorly profitable businesses in mature sectors where the only way to increase productivity is increasing the number of worked hours.

On the other hand, one-third of interviewees are members of trade associations – usually native and naturalised Italians – and some others are active in other kinds of associations. However usually belonging to organised groups does not provide a specific economic advantage. Some of the interviewees even refuse explicitly to link their personal involvement with the promotion of their business, considering it questionable behaviour from a moral point of view.

The involvement in trade associations is also usually poorly rated, with a perceived limited economic outcome: trade associations are more seen as a consultant and used instrumentally to survive in the complexity of Italian regulations, with limited satisfaction in terms of their advocacy services.

The only exception appears to be trade associations in the cultural industry, which prove to be quite effective in networking, establishing collaborations and opening market opportunities. On the other hand, participation in municipal and neighbourhood-level initiatives seems more relevant, but poorly accessed by most interviewees.

The neighbourhood initiative more frequently quoted as a positive example of visibility and intercultural contact (though with no, or poor economic effect), is “Via Padova è meglio di Milano” [Via Padova is better than Milan – for details see Angelucci *et al.*, 2014; Barberis *et al.*, 2014], a neighbourhood festival celebrating local diversity.

Local and city-wide programmes are instead used by enterprises active in the cultural and social economy: on the one hand, for many of them public authorities are relevant clients; on the other hand, they seem to have a better cultural and linking social capital – as well as an organisational structure – to access information on funding opportunities, and adequate skills to write project proposals and gain funding.

As a matter of fact, most of the interviewees have a limited cultural capital and acquaintance with bureaucracy, thus being unable to access opportunities they consider too complex and time-consuming. Access requirements formally and informally cut out a large number of our interviewees. The weakest firms (that potentially may be more in need for support) do not access public benefits as they are worried about inspections: and their fear is well grounded, since they are more likely to use informal arrangements to survive. The lack of effective support and access to relevant measures seems a very central issue.

This applies especially to immigrant entrepreneurs, who mostly access inaccurate and incomplete information through personal networks. On the one hand, two-thirds of interviewees who have an international migration background are not aware of any opportunities, while four-fifths of those aware and successful making use of opportunities were native Italians.

#### *Policy priorities for entrepreneurship*

Based on the most frequent answer by our interviewees, this paragraph would be very short: cut taxes!

More than half of the respondents (both native Italians and immigrants, mostly operating in retail trade) consider the high level of direct and indirect taxation, costs of social insurance and the organisation of tax collection (advance payments, associated bureaucracy and controls) as

a threat to their business and as the main policy priority that can relieve their situation. In the frame of the economic crisis, for example, advance payments based on previous incomes are considered as particularly and unfairly affecting business turnover. Taxes are considered even less palatable due to a perceived lack of correlation between taxes paid and services received.

For example, some interviewees – especially but not only from an immigrant background – connect tax burden to the lack or costs of welfare services (e.g. housing; education and training; health and social insurance; costs of bureaucratic procedures for permits of stay and citizenship).

A few others, although not complaining about taxes, focus on bureaucracy that can hinder a successful business: with lacking support for start-ups, with too many controls and inspections, with too complex regulations.

We have a further two groups of respondents that pay attention to dimensions potentially related to neighbourhood diversity. The first group – made up mainly of native shopkeepers in the retail trade – underlines how the deregulation of retail trade (e.g. distance between shops in the same market segment; opening of large shopping malls owned by national and international chains) are negatively affecting neighbourhood corner shops.

This does not only change the local commercial landscape, but also community practices; if deregulation is meant to cut costs for the residents (by increasing competition), cut-throat competition jeopardizes the diversity of commercial offer and may impoverish the neighbourhood. Even though this opens a door for new trade businesses (e.g. migrants that accept less profitability and can access commercial rents and business sectors thanks to the reduction of competition and lower prices), the balance may not be positive.

This is related to another group of policy priorities, basically requiring investment in neighbourhoods in different ways to create a social and economic environment conducive to positive business performance. Few ask for a direct promotion of stigmatised neighbourhoods by municipal authorities; some respondents ask for a stronger devolution of projects and funds to smaller public bodies, supporting the principle of subsidiarity: local authorities are considered closest to neighbourhood's social needs and more accessible by inhabitants.

## 5.7 CONCLUSIONS

Analysing the link between diversity and economic performance in a country (and in a local context) still hit hard by the crisis, where there is limited attention to diversity policies and where inequality and diversity are often associated, is a challenge. Although the evidence collected in this chapter shows that there is progress, the situation is far from rosy.

To sum up the main evidence, we can underline that:

- the long-term effects of the 2007 crisis are undermining a positive link between economic success and neighbourhood diversity, since diversity is often coupled with inequality;
- nonetheless, neighbourhood diversity may be positively related to business innovation: a poor and diverse neighbourhood offers opportunities related to cheap facilities and a plural clientele;
- ethnic niches are often well embedded into complex intergroup networks with native suppliers, customers, and business partners. The ability to cater to different lifestyles and/or national groups is positively associated with profitability;
- local embeddedness is a particularly relevant issue to explore, since the reproduction and consumption of neighbourhood diversity, multicultural atmosphere and localised social networks are not necessarily coupled;
- public institutions and business organisations are not considered particularly supportive, having too high access barriers for the level of cultural capital most entrepreneurs have.

In Italy and in Milan, immigrant entrepreneurship is on the rise; though, this does not necessarily mean that there are new and fruitful market niches. Self-employment may be a shelter option resulting also from institutional, societal and economic constraints (e.g. the expulsion from labour market, the lack of upward mobility, problems with the permits of stay, etc.).

On the other hand, markets where diversity plays a role (in terms of entrepreneurs' backgrounds, suppliers, customers, and products) seem to be gaining some room, even though in many cases within frail niches with a limited profitability. If the concentration of some groups and categories (e.g. some immigrant groups in construction or youth in semi-dependent self-employment) is quite plainly the outcome of a disadvantaged position in the labour queue, there are hints of a positive association between diversity and economic performance – under specific conditions.

For example, there are a number of retailers and caterers active in niches, with low entry barriers and cut-throat competition. Nevertheless, some of them are able to achieve a more robust position. Besides a small number of first movers (that even achieved important ethnic market niches at supra-local level), in many cases the successful are those able to satisfy the needs of a mixed customer base – inventing or hybridising identities; exploiting the taste for exoticism; pluralising their products and services; building trust thanks to mixed networks and brands (e.g. the use of Italian supplies also in ethnic catering chains).

Also, in our case neighbourhoods, there are some rising market niches explicitly related to diversity: in the cultural and social sectors, for example, there is an entrepreneurship reflexively working with diversity to improve social cohesion, although it is an open issue how much some of them work with or for diversity. Thus, contributing to forms of oppression and exclusion (in different ways: categorising diversity as a disadvantage, or contributing to a gentrification that risks to expel some of those that are an active part of neighbourhood diversity).



For many, diversity is a matter of fact. It may or may not be important when opening a business, but diversity does become important afterwards; in their daily operations, influencing the customer base (the characteristics of market demand), changing the face of the local business community and the local deployment of diversity.

As a side consequence, the association with inequality can have a hyper-diversification effect: stigmatisations of the neighbourhood, the blighting of some of its parts, make available a number of cheap houses and premises. This attracts entrepreneurs that have limited capital, are investing in innovative and risky businesses, and/or are part of the different new social groups settling in the area. Many entrepreneurs do not only work in a diversified neighbourhood; sooner or later they eventually come and live there, contributing to its diversification.

Not by chance, our case study area is also home to businesses with low profitability, but strongly based on personal involvement, motivations, passions and activism, that would easily go through much harder times in more expensive neighbourhoods. Being a cheap and plural area, thus, also means laying the foundations to be a place for innovations.

Again, what kind of consequences this has on the individual business, on the neighbourhood diversity and on the neighbourhood as a whole depends basically on the balance of embeddedness that will be achieved in the mid-term. This is why we considered relations between markets, neighbourhood and diversity and divided our entrepreneurs in three groups, the rooted, the anchored and the stopping over (see 5.5). The rooted have a high socio-economic embeddedness and also contribute to the reproduction of neighbourhood diversity and liveliness; the anchored have a mid-level socio-economic embeddedness, that is mainly one-way, since they exploit diversity more than contributing to it; the stopping over have a limited socio-economic embeddedness.

At first sight, the rooted condition seems the best option, coupling social cohesion and economic success. Though, based on previous research on embeddedness and networks, we also know that a strong rooting may end up in a lock-in situation, where social bounds limit economic success.

In this respect, further explorations are needed to understand how the small path keeps liveliness together, social cohesion and social inclusion, and how bridging social capital and economic performance can be turned into a long-term, win-win situation. In our case study, the general climate of distrust towards the main economic and public institutions, the limited peer cooperation and the limited linking of social capital means our interviewees may have run the risk of producing short-term successes.

This links institutional contexts with *societal reception*: diversity may be connected to inequality and to discrimination. Thus, entrepreneurship can also be a defensive strategy against the lack of other chances: in this case, business activism is boosted, but the formal and informal barriers to access more profitable economic segments make diverse firms less successful.

Those features are to be taken into account in our case study, since Italy lacks most of the more positive features associated to a favourable economic outcome of diversity – e.g. easy upward mobility, clear regulations, skills match (Barberis and Violante, forthcoming). The recent growth of immigrant firms during the crisis, when native businesses shrunk (Idos, 2015), is not necessarily evidence of good market integration: independent employment may be due to processes of informalisation of dependent employment (Panayiotopoulos, 2010) (e.g. transforming an employee into a business partner/supplier can increase flexibility), or can be related to the lack of job opportunities – as a way to try an upward mobility not possible with internal careers as much as to obtain a permit of stay (that in Italy is strongly related to the labour position) in a period of unemployment.

It is an open issue if Milan, as a particularly dynamic context in Italy, can overturn negative factors in place-specific positive conditions.

# 6 CONCLUSIONS: DEALING WITH DIVERSITY

## 6.1 BRIEF SUMMARY OF THE BOOK

This book explored how diversity is turning into a relevant issue in one of the most important Italian urban metropolitan areas – Milan. It provided some evidence of ongoing processes of hyper-diversification, and how they relate to social cohesion, social mobility and economic performance – in particular in the north-eastern districts of the city.

First, there is evidence that hyper-diversification as a process is gaining momentum. The diversification of the city that took place in the 20<sup>th</sup> century probably had more massive forms (with urbanisation and industrialisation processes attracting new and plural populations to the city). As hinted in Chapter 1, hyper-diversification does not refer so much to a quantitative dimension, but to a qualitative change.

Traditional roles of social categories and groups are undergoing relevant transformations: in their labour market position, in their composition, in their rights; at the same times, new social actors are becoming more and more visible at a fast pace. As chapter 2 showed, Milan is characterised by a population growing significantly old, while at the same time attracting relevant shares of international migrants. The changes in family composition and generational roles increased the visibility and vulnerability of some groups (e.g. youth and families in relevant transitions: new couples, new parents, separated and divorced...), while social needs evolve. This affects boundary-making processes within and among traditional social groups. Diversity by age, gender, sexual orientation, household composition, origin (culture, ethnicity, nationality), mobility, settlement, profession and social class were all reported, with different nuances and intersections, as relevant in the transformation of the city.

So, while usual agencies of socialisation seem to lose their capacity for building a sense of belonging, protean, plural, intersecting affinities are experimented and developed – often in a place-based form – defining inter- and intra-group differences in lifestyles, social attitudes, life chances.

These processes are also mirrored in their spatial distribution and relations. Actually, Milan is mostly characterised by micro-segregation processes, a dynamic population and a transformation of neighbourhood composition in many parts of the city, also due to relevant redevelopment projects that have been taking place in the last 15 years or so. As a consequence, groups with different social, economic and cultural backgrounds can get in touch at neighbourhood levels

in different ways: e.g. ethnicisation of spaces in neighbourhood where immigration is relevant; gentrification in neighbourhoods where new upper classes settle – if not a combination of both processes in few hundred metres. This requires us to understand how policies and daily social relations work to create a comfortable environment where plural identities can coexist.

Chapter 3 focuses exactly on policies, underlining that in Italy diversity is taken into consideration basically to reduce its supposed negative effects, and secondarily to support social participation and inclusion against inequality. This national swing between a non-policy and an integrationist approach show some differences at local level, since in Milan some forms of diversity have been more explicitly addressed. Nevertheless, the analysis of discourses, policies and initiatives suggest a common view: that cultural difference should have a public visibility only in the context of *mixité*, and this may limit recognition and even compress diversity. Nevertheless, the rich fabric of civil society organisations, projects, initiatives, networks and public-private partnerships show that there is room for the recognition and appreciation of diversity and its contribution to the social and economic life of the city.

Chapter 4 focuses on daily relations: sharing spaces may lead to superficial contacts, to strategies of avoidance, to deep relations – to conflicts as well as to a peaceful, though dialectic approach to living together. This chapter does provide evidence of some of these relations, hinting at the possibility of a positive relationship between social cohesion and neighbourhood diversity. On the one hand, the opportunity to meet every day diverse neighbours enables people to develop forms of sociability that maintain civil relations and low levels of conflict, even if these kinds of relationships produce weak bonds and feeble support networks. On the other hand, a rich fabric of civic engagement provides strong ties in close-knit bounded networks, where identity and belonging needs are satisfied and where people often find support. The balance between these two tendencies – especially where there are plural, accessible and well-kept public spaces – generally ensures the liveability of the neighbourhood and a satisfying level of social cohesion. Hyper-diversity and cross-cutting identities help in keeping a good balance between bridging and bonding relations – unless it is intersected with inequality. This latter dimension opens some questions related to the chances of upward social mobility for minorities in diverse neighbourhoods.

Chapter 5 enriches this analysis trying to disentangle the role neighbourhood diversity plays in the economic performance of different kinds of entrepreneurs. Diversity can be considered both as an element providing a plural customer base, and as a background for the daily life of entrepreneurs. The ability to reach a plural customer base in terms of origin and lifestyles – that is the ability to profit from hyper-diversity – is a value added in the success of many interviewed entrepreneurs. Though, the aftermath of the crisis still constitutes an important problem for the performance of most enterprises taken into consideration.

On the other hand, the exploitation of exoticism and of neighbourhood diversity by cultural and social enterprises may help reaching a high-end clientele: selling diversity can be fruitful for

the individual entrepreneur, while it is far from clear if this is good also for the neighbourhood as a whole. Probably, it depends on if and how diversity is reproduced, mainstreamed and promoted at local level (also) by these firms. If they just consume it, the overall neighbourhood effect could be negative. This is why we stressed the importance of the relationship between diversity and local embeddedness, maintaining the rooted, anchored and stopping over firms to relate differently with both neighbourhood diversity and its reproduction.

## 6.2 URBAN DIVERSITY AS AN ASSET OR LIABILITY?

In the preface and introduction, we maintained that urban diversity is an asset, as it can inspire creativity, innovation and make cities more liveable and harmonious. Thus, we aimed to discover if and how diversity ‘works’, and to learn whether and how different social groups and institutions profit from diversity.

What we can state in the case of Milan is that – as a general trend – social cohesion, social mobility as well as economic performance are not negatively affected by diversity, and in some cases diversity even actively contributed to the quality of socio-economic life in Milan’s neighbourhoods – unless diversity is strongly associated with inequality. When diversity is associated durably and consistently with vulnerability and social exclusion, it is difficult for potentially positive assets to develop.

This does not refer just to international migrants, but to social groups that – under given conditions – can be leading actors of social and economic innovation. To mention cases emerging from our research: discrimination and stigmatisation of minorities; problems in work-life balance for families in transition – for women in particular; precarisation of youth labour market; are all factors that can intersect and negatively affect socio-economic participation of different groups.

This is particularly relevant in a country where social mobility is quite blocked – even though this may be less the case in Milan than elsewhere in Italy, thanks to its more dynamic labour market.

Chapter 5 shows that – even in the context of being deeply hit by the consequences of the 2007 economic crisis – under some conditions (breaking out in new markets; filling structural holes between niches in terms of products and customers; socio-economic localized embeddedness) diversity can be an asset for a hyper-diversifying city.

In general, diversity can be a local asset under a few conditions: the quality of housing and the built environment; diversity-awareness in public policies at large. As for the latter, Chapter 3 shows that under some conditions, even in quite an unfavourable policy environment, it is possible to have measures positively supporting diversity as an asset in hyper-diversifying urban areas. Among analysed initiatives, those particularly effective are often small-scale,

well-networked and sustainable measures that put together a number of tiny actions aimed at combining sociability and social mix. In taking into account the intersection of many diversities, and a peer-to-peer relationship among actors, they support successful horizontal intercultural social relations. In this way, the awareness of hyper-diversity limits stereotypes and exclusionary, oppressive forms of categorisation. Identifying common or complementary needs and interests helps building spaces of encounter boosting participation and bridging the gap between social cliques.

As for the issue of housing and the built environment, chapter 4 shows that diverse and hyper-diversifying areas of the city keep together spatial connections, cheap housing, social infrastructures, with a mix of advantages, disadvantages and ambiguities: connections, for example, cut the risk of ghettoisation, but also reduces the local embeddedness of a part of the population (as it may be hard to build attachment and belonging in a dormitory neighbourhood). Cheap housing favours the inclusion of vulnerable groups but raises issue on the maintenance and the risk of the concentration of disadvantage and stigmatisation in some blocks; the joint availability of infrastructure and cheap housing can boost gentrification, with the dilemma of keeping and renewing the hyper-diversifying social mix of a neighbourhood without expelling its most vulnerable residents.

Even still, hyper-diversification processes may also help to overcome structural problems in partly dilapidated areas, by blurring the boundaries between social groups, and increasing social contact in a positive way for place-based social participation. Forms of grassroots mobilisation that drive people together for common or complementary goals (e.g. refusing spatial stigmatisation, or increasing the liveability of an area) can increase inter-group social contact, without excluding (too much) some vulnerable groups.

Also, diversity is more easily an asset if the social, institutional and economic infrastructure of the neighbourhood mirrors its diversity: in monofunctional neighbourhoods (dormitory neighbourhoods as much as commercial ones) the coexistence of lifestyles, attitudes and social groups can be more difficult, because there is no space to express diversity itself. The quantity and quality of public spaces – that help both to have bridging and bonding areas – is an asset that makes diversity an asset itself.

Is this enough to consider diversity as an asset in Milan? Actually, chapter 4 shows that in the daily experience of inhabitants, diversity *per se* is rarely considered a liability: it becomes such when matched with stigmatisation, institutional inaction (e.g. for maintaining the aesthetic quality of peripheral neighbourhoods), and unregulated housing markets (that may produce concentrations of disadvantage). Thus, diversity becomes a liability if there is no mobilisation to support it.

Diversity does not seem to negatively affect housing choices and perceptions of life conditions. Diversity is often perceived as one of the main factors that maintain housing and living costs low: this is because diversity is often related to inequality, poverty, and discrimination, and

these aspects work as a repulsive factor for most native upper classes that prefer more affluent, socially homogeneous, and well-kept areas. The low appeal of the area to a wealthy target of buyers lowers housing costs even in the case of housing stock of a certain quality. This is both an opportunity (e.g. for social mobility by buying a house and having a safer life), but also as a marginalising process, reproducing poverty and inequality concentration. At the same time, the disequilibrium in the real estate market can easily convert sections of the neighbourhoods we focussed on to targets for gentrifiers. For them, diversity is an asset to sell to a clientele that appreciate a multicultural and lively *Stadtluft*; though, gentrification processes can lead to a predatory consumption of neighbourhood characteristics, destroying the conditions that favoured social mixes (Semi, 2015).

For young generations diversity is more likely to become an asset – a factor enriching the daily and social lives of people who accept it: diversity creates an enjoyable environment that becomes an asset able to overcome some hardship conditions. Youth is more likely to see diversity as a positive aspect and as a strength of the neighbourhood – a part of the local identity of transition and stigmatised areas.

Despite a relevant generational gap, however, a general positive perception of neighbourhood level diversity is evident when it is matched with local dynamism (new shops, revitalisation of depleted blocks, reuse of empty spaces) – not just in terms of gentrification: as we have hinted in chapter 5, corner shops revitalised by immigrants do benefit a large number of groups that are temporarily or steadily low-income.

Chapter 4 also reports two other ways diversity can be an asset under certain conditions:

- increasing the perception of safety, since familiarity with diversity engenders trust among neighbours – even though often in the limited form of civility relations (an issue that is not usually shared in the public images of neighbourhood diversity produced outside those neighbourhoods themselves);
- increasing the sense of freedom that people experience in the neighbourhood, since hyper-diversifying neighbourhoods do not require to follow a strict normative standard (even though this is less evident for policed stigmatised minorities).

Diversity in Milan seems much less an asset for social mobility than for social cohesion, the main obstacle being the frail economic conditions of most of our case study neighbourhoods. The concentration of poverty and inequality is perceived as something that reduces job and career opportunities, limiting social mobility chances (due to the limited opportunities in the area and the spatial stigmatisation when moving outside the area).

At the same time, it is hard to define it a liability, since a number of case study areas do provide opportunities to have limited living and housing costs, and even to acquire social skills that may be useful in the labour market (basically, being able to cope with different kinds of persons and unexpected situations).

This ambivalence is also mirrored when the relationship between economic performance and neighbourhood diversity in Milan is taken into account. The intersection between entrepreneurs' diversity, market diversity (in terms of customers and products/services) and neighbourhood diversity provides some room for manoeuvre for the economic valorisation of diversity. 'Breaking in' to mainstream, existing and consolidated (and in some cases shrinking) market niches, may ground a short-lived success; 'breaking out' into new market niches requires more risks, human, social and economic capitals: diverse markets – at least in the Italian case – are largely unexplored and their profitability is yet to be seen. In this respect, neighbourhood diversity can somehow cushion the risks by providing a plural potential customer base with different needs, and case-study areas also provided cheap facilities and lower living and opening costs, due to the above-mentioned association between diversity and inequality. When new populations succeed in an impoverishing and vacant neighbourhood, they can contribute to neighbourhood revitalisation: even though new social groups (migrants, families in transition) are not big spenders, their arrival and growth can still boost a new entrepreneurship catering for their needs – even in innovative ways.

New businesses can both target the diverse population and contribute to such diversity (when entrepreneurs live in/move to the neighbourhood), but also 'exploit' this diversity as a lively context for high-end ventures. Furthermore, neighbourhood diversity can be a context to experiment innovative services and products by providing low-cost facilities for new enterprises and by benefiting from public and private resources in renewal measures that may take into account neighbourhood diversity.

However, the relevance of diversity in local market niches is very variable according to their local socio-economic embeddedness. Rooted firms are strongly related to neighbourhood inhabitants and features, and contribute to the reproduction and liveliness of local diversity, while anchored firms mainly exploit neighbourhood diversity. Other firms just stop over in the area, taking advantages of some market conditions (e.g. low rental prices). Though, the aftermath of the crisis still casts a shadow on present and future perspectives.

### **6.3 SUGGESTIONS FOR POLICY: HOW TO USE THE RESULTS?**

According to the authors of this book, the evidence emerging from this book can provide useful suggestions to policy-makers, at least in the five following ways:

#### *Mainstreaming diversity and promoting recognition*

The awareness and recognition of diversity is still quite limited in the Italian public and policy arena. Mainstreaming diversity is a first, important step to show how it is part of contemporary urban life. The association of diversity to inequality, risks and dangers can frame a blaming and stigmatising social environment. It is thus the responsibility of institutions and civil society organisations to provide a more nuanced and plural image of diversity, providing a positive



public image of intersecting and in-between identities, including their social and economic achievements. Uniting the perceived connection between marginality and neighbourhood diversity could restore trust in institutions and increase democratic participation.

This also means that policing is far from effective in both coping with the needs of many social groups and – obviously – in supporting diversity as an asset, since it associates deviance and diversity, increasing stigmatisation and undermining social cohesion. Participated soft-control policies and making areas more lived and liveable (see below) may well play a more incisive role.

#### *Working on opportunities and outcomes*

More and more, policies and initiatives require an active participation and mobilisation from civil society and citizens: as a form of austerity, subsidiarisation and decentralisation often turns into the responsabilisation of actors at the micro-level. This may be quite risky when diversity intersects with inequality: groups and individuals with limited voice and agency (for different reasons: legal status, social and cultural capital...) can see their exclusion reinforced, and the neighbourhoods they live in may be misrepresented. In fact, discourses may be produced either outside the neighbourhood (potentially with a stigmatising discourse) or by self-legitimate inhabitants (middle-classes, natives) and conflict and exclusionary practices may rise.

Policies and initiatives should provide an opportunity of voice, encounter and sharing for different groups, to produce an effective participation and limits risks of nativism. Also, a specific attention should be paid on the outcomes of measures undertaken: if they are planned and implemented without adequate awareness of neighbourhood diversity, they can miss the target or create unequal opportunities and advantages.

#### *Supporting local initiatives*

In this respect, it is important to stress that recognition and policy prioritisation are not enough alone. A fragmented governance and austerity can curb the effectiveness of relevant initiatives. This is both part of a general problem of effectiveness of governance arrangements and their room of manoeuvre, and a specific issue related to diversity: as a new and blurred policy target, it may not enjoy neither the legal protection nor a supporting lobbying and constituency, thus succumbing to more structured and traditional policy targets.

Diversity should be included as a transversal issue, cutting through different policy targets, in order to provide a more nuanced understanding of social needs, and make policies more effective. To achieve an effective recognition of diversity through proper initiatives, inter- and intra-institutional networking, plus the coordination with civil society is strongly recommended: case studies analysed in chapter 3 show that especially NGOs are paying a growing attention to measures aimed to recognise multiple voices and create spaces of encounter. Policy makers should learn from these arrangements, their success and failure, the awareness of a rich diversity that cannot be reduced to standard categories.

Large networking and participation may also help prioritising – within a diversity discourse – policy areas particular sensitive to negative politicisation, and to overcome it. Though, evidence from chapter 3 shows also that resourceless networks prove to be ineffective. Networks should not be considered as such a gather-all solution, but an option to be problematised, and whose risks have to be taken into account. This does not mean that small initiatives are useless: ‘bombing’ a neighbourhood with a plurality of tiny, cheap, voluntary-based, low-threshold and accessible measures (a sort of ‘guerrilla policy-making’) increases the chance of reaching different target groups.

Though, there is a risk of long-term sustainability and generalised effects (a lack of institutionalisation, that would be useful to make innovations a permanent contribution to social cohesion, mobility and economic performance): to structurally reverse a negative view on diversity and disadvantage, scaling up and generalising good practices, initiatives need to be (a) realistic in their scope and means; (b) supported by public institutions in a consistent way.

As for (a), most successful innovations seemed to be those based on peer self-help, where public institutions may help in kicking off the initiative, but they are able to self-sustain themselves with limited resources. Designing initiatives with high expectations without having means to support them can have negative effects.

As for (b), this means that public institutions should promise only the support they can honour (unmet expectations may reduce civic commitment), and should support networking processes: with economic resources when possible, but also with endorsements (showing commitment and attention), coordination and expertise to support continuity of actions, actors and partnerships. Actually, Chapter 4 shows that residents appreciate the activism of associations but they feel their initiatives are fragmented if not isolated and, as a consequence, less effective. Public support for, and coordination of grassroots initiatives, is considered a potential strategy in facing challenges tied to hyper-diversification of the area.

### *Make neighbourhood liveable*

To take the most from diversity, neighbourhoods should be liveable: the quality and quantity of public and collective spaces (sport facilities, libraries, parks...), and the mix of functions (homes and commercial and productive facilities that support employability and socio-economic embeddedness) are important.

So it is the care for the public space (street paving, urban furniture...) that should be a joint effort of inhabitants, neighbourhood users and institutions: public spaces as bridging and bonding contexts are important for matching neighbourhood diversity and social cohesion. Since they are heavily used to bridge and bond, a heavy attention for public facilities should come side-by-side.

The perception of a sense of neglect by institutions is negative for a peaceful living together: blaming practices between groups become easier, and distrust fosters inaction. At the same

time, there should be an awareness of the expulsion risks some forms of ‘maintenance’ and renewal can bring about. If the renewal of a neighbourhood leads to evictions and/or rising housing costs, it could produce conflict, and reduce the pluralism of a neighbourhood (basically expelling the underprivileged and the stigmatised groups). Planning should be more aware of intercultural issues and unintended consequence of building transformations, trying to keep an eye on the plurality of inhabitants and their needs, through a proper housing and zoning policy (i.e. keeping housing and life conditions accessible also to low-income inhabitants).

Planners should be aware that diversity – often an asset in gentrifying contexts – needs to be reproduced and supported, not just consumed and used: measures that favour private interests and/or contribute to rising housing and living costs may negatively affect diversity, in particular unmixing class intergroup contacts.

#### *Make neighbourhoods economically lively*

In a blocked labour market, with limited chances of upward mobility, self-employment could be a way to give value to new ideas and innovations. At the same time, self-employment may reinforce a disadvantaged labour market position, due to its low margins of profitability. Policy-makers should support the collaboration among to-be entrepreneurs to share and promote business ideas, as much as to support solid and innovative business plans.

In this respect, it is necessary both to implement programmes targeting neighbourhood diversity, and to increase the accessibility of existing measures, that cannot be fully utilised by potential users because information hardly reaches them or practices are too complex to manage. Policy-makers should pay particular attention to the ways information is conveyed and to support entrepreneurs and to-be entrepreneurs with limited cultural and linking social capital.

Trade associations could strongly enhance their role by systematically investing in staff and communication tools able to relate with new entrepreneurs with a background far from their traditional mainstream target.

To make hyper-diversifying neighbourhoods economically lively it is also necessary to be aware of the relationship between economic performance and the characteristics of neighbourhood diversity when implementing measures with potential socio-economic impacts (from urban renewal programmes to deregulation measures). Since diversity is often associated with inequality at neighbourhood level, there is the risk of further impoverishing and stigmatising some areas. A larger involvement of neighbourhood-level institutional and informal actors in the definition and implementation of local programmes and initiatives may turn into an advantage by:

- a. recognising, accepting and promoting neighbourhood diversity as an asset;
- b. fine-tuning measures according to localised needs expressed by different actors;
- c. inserting economic measures in wider neighbourhood actions aimed at reversing stigmatisation processes and increasing social cohesion;

- d. creating mixed markets – breaking out from both in-group niches and open markets – by supporting inter-group networking.

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# APPENDIX

List of interviewees:

## *Municipality of Milan*

A1\_3 – Key official (Director, Housing policy)

A1\_4 – Key official (Director, Innovation)

A1\_5 – Key official (Officer, Social policy)

A2\_1 – Policy-maker (Aldersperson, Cultural policy)

## *Non-governmental organisations and bottom-up initiatives*

A3\_2 – Policy strategist (Founding partner, Architecture firm)

B3\_1 – Other NGOs (Head of department, Urban and Social policy)



# NOTES

- 1 This chapter is for a large part based on Tasan-Kok, T., R. van Kempen, M. Raco and G. Bolt (2014), *Towards Hyper-Diversified European Cities: A Critical Literature Review*. Utrecht: Utrecht University.
- 2 Own calculation of individual tax returns. Dataset available here: [http://www1.finanze.gov.it/finanze2/pagina\\_dichiarazioni/dichiarazioni.php](http://www1.finanze.gov.it/finanze2/pagina_dichiarazioni/dichiarazioni.php)
- 3 Large parts of this texts have been published earlier by Tasan-Kok *et al.* (2014)
- 4 Source: <http://www.independent.co.uk/news/uk/home-news/italian-bengalis-meet-londons-newest-ethnic-minority-a6753821.html>, accessed 20.08.2016.
- 5 Source: [http://dati.comune.milano.it/index.php?option=com\\_rd&view=item&id=29](http://dati.comune.milano.it/index.php?option=com_rd&view=item&id=29), 31st December 2013.
- 6 Municipal registry and Istat, 31/12/2012
- 7 Municipal registry and Istat, 31/12/2010
- 8 Labour Force Survey, 2012. For the neighbourhood level, estimation based on 2011 Census
- 9 Individual taxable income, Ministry of Economy and Finance, 2010
- 10 Estimation based on individual taxable income in 2004
- 11 Istat survey on labour force, 2012
- 12 Municipal registry (31/12/2012) and Census (2011)
- 13 Municipal registry (31/12/2012) and Istat (31/12/2010) – top 20 nationalities in Italy
- 14 Activities of professional social workers. Own calculation on Municipality of Milan – Family Policy Service, 2010 and Istat Survey on Municipal welfare, 2010
- 15 This share has to be increased with a further 2.5 and 3.5% respectively, if we include both undocumented stayers (some 27,000 in the municipality of Milan) and regular stayers not registered as residents (Menonna and Blangiardo 2014).
- 16 Source: [demo.istat.it](http://demo.istat.it); 31st December 2013.
- 17 Source: [http://dati.comune.milano.it/index.php?option=com\\_rd&view=item&id=136](http://dati.comune.milano.it/index.php?option=com_rd&view=item&id=136)
- 18 Source: [demo.istat.it](http://demo.istat.it) for data 1st January 2014; [http://dati.comune.milano.it/index.php?option=com\\_rd&view=item&id=300](http://dati.comune.milano.it/index.php?option=com_rd&view=item&id=300) for data from 2001 Census.
- 19 Source: [http://dati.comune.milano.it/index.php?option=com\\_rd&view=item&id=29](http://dati.comune.milano.it/index.php?option=com_rd&view=item&id=29), data 31 December 2013
- 20 Source: [http://dati.comune.milano.it/index.php?option=com\\_rd&view=item&id=136](http://dati.comune.milano.it/index.php?option=com_rd&view=item&id=136), data 31 December 2013
- 21 Source: [http://dati.comune.milano.it/component/rd/item/113-113-Lavoro-%20principali%20indicatori%20sull'occupazione%20giovane%20per%20genere%20\(2004-2013\).html](http://dati.comune.milano.it/component/rd/item/113-113-Lavoro-%20principali%20indicatori%20sull'occupazione%20giovane%20per%20genere%20(2004-2013).html)
- 22 Own calculation on data of individual tax returns. Dataset available here: Source: [http://dati.comune.milano.it/index.php?option=com\\_rd&view=item&id=29](http://dati.comune.milano.it/index.php?option=com_rd&view=item&id=29), data 31 December 2013 [http://www1.finanze.gov.it/finanze2/analisi\\_stat/index.php?opendata=yes](http://www1.finanze.gov.it/finanze2/analisi_stat/index.php?opendata=yes)
- 23 Absolute numbers per age, sex and citizenship; column percentages (in brackets); % non-Italian calculated as a share of total population (sum of Italian and Non Italian).

- 24 See Special Eurobarometers 296, 317, 393. [http://ec.europa.eu/public\\_opinion/archives/eb\\_special\\_399\\_380\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_special_399_380_en.htm)
- 25 Every denomination enjoys a set of constitutional rights. However, some religious groups enjoy multicultural rights according to specific agreements with the Italian State. The agreement with the Catholic Church (modified in 1984) is even mentioned in the Constitution. Between 1984 and 2007, the Italian State made agreements with the Waldensians, Seventh-Day Adventists, Jewish, Baptist, Lutheran, Orthodox, Mormon, Buddhist and Hindu groups and two Pentecostal national institutions. The agreement with the Jehovah's Witnesses has been signed but is yet to be approved.
- 26 Although the term used is "linguistic" minorities, the protection applies to ethno-cultural national minorities. At present (according to a 1999 law), there are 12 "historical" minorities under official protection: Albanian; Catalan; German; Greek; Slovenian; Croatian; French; French-Occitan; Occitan; Sardinian; Ladin; and Friulian. "Historical" means that not every person speaking one of these languages enjoys multicultural rights, but only those belonging to historically rooted groups (e.g. Albanian-speaking people are protected, but only those belonging to the Arbëreshë minority that settled in southern-Italy between the 15th and 17th centuries).
- 27 Source: Comune di Milano – Anagrafe (31/12/2013)
- 28 Own calculation based on 2015 data (can be downloaded here: <http://dati.comune.milano.it>)
- 29 Source: Chamber of Commerce, Milan, 2013 data.
- 30 The latter shows that immigrants contribute to the welfare system as a stop-gap solution to structural problems in the provision of services for children, families and the elderly (Tognetti-Bordogna and Ornaghi, 2012). Due to their socio-demographic characteristics, immigrants are also contributors to Italian welfare also in other terms: Italy is among the countries with the highest migratory net direct fiscal contribution (Oecd, 2013).
- 31 Source: Camera di Commercio Milano 2014/Infocamere; Between 2009-2013, the number of Italian companies fell by 2.6%. In the same period, the number owned by foreigners increased by 34.8% (23.4% of the total number in Milan). It should be noted that such a steep growth may not represent the actual dynamic: declaring to be "self-employed" makes it easier for an unemployed migrant to obtain a stay permit.
- 32 Milan is the main international gateway to Italy, accounting for 30% of Italy's international trade in services and 40% of foreign enterprises' headquarters (Mingione *et al.*, 2009).
- 33 In this book, we use "second generations", in plural and in inverted commas, since this is the more common use in scientific and public debates in Italy. Hence, we are using it as an emic concept. Different from the main strand of international literature, in Italy the concept is used in plural, to acknowledge its internal diversity. Without specification (none of our interviewees or policy document uses "second-generation immigrants" or "second generation of immigration") and in inverted commas it is used to acknowledge that the concept is contested and that "second generations" are not immigrants, but at the same time not fully included in other categories, like "New Italians" or "first-generation Italians", since many of them are excluded from citizenship. In this respect, the concept is also used by advocates of citizenship reform as a working concept, with caveat about its inaccuracy.
- 34 Same-sex couples represent 13% of registered partnerships, according to data released in mid-2013.
- 35 A LGBT Movie Festival, whose first edition dates back to 1986.
- 36 "Fuorisalone" is the name given to a section of Milan Design Week, an annual programme of events that usually takes place during the same period as the Furniture Exhibition. Initiatives taking place during other periods also use the "Fuorisalone" brand.

- 37 In particular, the need for the involvement of groups outside traditional targets is mentioned: ‘young people, younger elderly (300,000 in the city), university students (180,000 in the city), young professionals, young couples that leave the city as soon as they have children, separated persons, ‘puzzle families’...’. Aging, the changing role of families, multiculturalism, youth problems, and gender equality are among the issues most emphasised in the Welfare Plan. In this respect, the plan explicitly recognises the changing face of the city, and the need to adapt social policy to new challenges.
- 38 From now on: LGBT.
- 39 A list of the interviewees and the participants of the round-table talk are provided in the appendix.
- 40 See note 25
- 41 See note 26
- 42 We use the concept of denizenship in the wake of Hammar (1990): denizens are foreigners with a legal permit of stay but no access to citizenship rights.
- 43 Data can be downloaded at: [http://demo.istat.it/index\\_e.html](http://demo.istat.it/index_e.html)
- 44 The latter shows that immigrants contribute to the welfare system as a stop-gap solution to structural problems in the provision of services for children, families and the elderly (Tognetti-Bordogna and Ornaghi, 2012). Due to their socio-demographic characteristics, immigrants are also contributors to Italian welfare also in other terms: Italy is among the countries with the highest migratory net direct fiscal contribution (Oecd, 2013).
- 45 Access to citizenship is now an issue in the political debate. After a campaign called “L’Italia sono anch’io” [I’m Italy, too], aimed at easing naturalisation of new generations with an immigrant background, a naturalisation bill is currently debated in Parliament. The appointment of the first black Italian minister (2013-14), Cecile Kyenge (elected in 2014 as a European MP), boosted the attention on this issue – as the racist tones used to oppose intercultural policies (Ben-Ghiat and Hom 2016).
- 46 See Zincone, 2011 and also Cetin, 2012.
- 47 For example, the biggest regularisation was decided by a right-winged government, while tough controls on undocumented migrants have been started by left-wing ones (including migrants’ detention centres).
- 48 “*Actually, in our country we have a lot of policies in cities, but we haven’t got clear policies for the city*”. Carlo Trigilia, Minister for Territorial Cohesion, 23rd September 2013. Speech held at the Inter-ministry committee for urban policies.
- 49 From now on: EFI and AMIF.
- 50 See the report issued by Ernst & Young, Italian government’s Financial and Business Advisor for the use of the Fund for the Integration of Migrants, on *Libertà civili* (4/11), the journal of the Ministry of Interior about immigration issues.
- 51 A partial exception can be found in specific programmes, e.g. the attention on inequality and social class in urban renewal programmes, or the attention on gender and generations in some mobility programmes.
- 52 This turn is not uncontested, since this pluralist nuance of the Italian integrationist approach may be paternalistic: “*We have to avoid pushing migrants into the category of ‘beggars of rights’; this is homologating, and transforms people into problems. This is what the left in Milan is doing all the time*” (Respondent A3\_2).
- 53 Source: [www.redattosociale.it/Notiziario/Articolo/452226/Minori-stranieri-246-comuni-hanno-gia-assegnato-la-cittadinanza-onoraria](http://www.redattosociale.it/Notiziario/Articolo/452226/Minori-stranieri-246-comuni-hanno-gia-assegnato-la-cittadinanza-onoraria)
- 54 This event in Milan – as many others – was attended also by the Minister for Integration Cecile Kyenge, gaining visibility on national media.

- 55 Not by chance, at the national level, key ministers dealing with diversity and/or with urban policies often do so without a portfolio; for example, in the current cabinet, this applies, among others, to the Ministries of Integration, Youth Policy, Regional Affairs and Territorial Cohesion, whose Departments are branches within the Presidency of the Council of Ministers. An earmarked National Fund for Integration Policy existed shortly after the 1998 Immigration Law, but was annulled in the aftermath of the 2001 regionalist Constitutional Reform.
- 56 The above-mentioned EFI, that endowed Milan (through the municipality or NGOs) with approx. € 500,000 per year in the last five years, is an example.
- 57 Errani, 2010. Vasco Errani is President of Region-Emilia Romagna, and spokesperson of the Italian Regions.
- 58 August 2012.
- 59 This vision has been actively supported in some national documents issued by recent governments in the wake of a “big society” discourse: “*Our model is mainly subsidiary. In Western societies the State is often considered as the first interlocutor in these [integration] processes: nonetheless, welcoming and exchange can take place just where there is a lively actor, with an identity [...]. Overall, the State must attend to these actors.*” (Ministry of Economy and Finance, 2011)
- 60 For example, Associna recently participated in a project funded by EFI aimed at promoting social participation of Chinese adolescent newcomers, while G2 Network was involved in G.Lab, the municipal office targeting “second generations” and providing information and guidance on naturalisation, rights and opportunities.
- 61 To quote a couple of examples, Ismu produces a well-known annual report on immigration in Lombardy and many province- and city-level reports every year. The House of Charity initiates debates on inequality and diversity, to promote social and economic participation of stigmatised groups.
- 62 It is the largest Bank Foundation in Italy and manages a number of projects, calls and grants, allocating 200 million euro annually in charitable activities in Environment, Art and Culture, Research and Welfare. Owning 5% of Intesa Sanpaolo Bank, it is an important shareholder in the 16th largest banking group in Europe, the second in Italy.
- 63 Cariplo Foundation partnered with Region Lombardia and the National Association of Italian Municipalities in the Social Housing Foundation, but also organisations active in the social economy, like Polaris Real Estate, opened by Catholic groups to operate in the social housing market.
- 64 Founded in 1991, today it manages more than 200 flats with an integrated approach that is providing both housing and social participation tools.
- 65 The focus was on neighbourhood-based initiatives that were based in the northern part of Milan (more or less corresponding to districts 2, 9, and 8). To concentrate on ripple effects of new arrangements, we also accounted for city-level initiatives that may potentially and positively affect practices of living together in the case study neighbourhoods.
- 66 See Figures 4.1. and 4.2.
- 67 We focused on residents attending such places. We maintained that places of consumption attended by a number of different social groups from inside and outside the neighbourhood have a role in defining the perception of and relationship with diversity in the area.
- 68 Local open-air markets have not been mentioned by our interviewees. Ponti and Pozzi, (2012), studying a neighbourhood within our case study area, showed that markets are places of conflict and interaction among different social groups by age, gender, social class and ethnicity.

- 69 The firms that are more likely to close are micro enterprises (especial artisan businesses) with limited income that are active in the service industry (especially trade – see Camera di Commercio di Milano 2015b).
- 70 Cultural industries “include television, radio, the cinema, newspapers, magazine and book publishing, music recording and publishing industries, advertising and the performing arts. These are all activities the primary aim of which is to communicate to an audience, to create texts” (Hesmondhalgh, 2002)
- 71 Calculated as the share of self-employed in the resident population of working age (15-64).

## **Governing Urban Diversity:**

Creating Social Cohesion, Social Mobility and  
Economic Performance in Today's Hyper-diversified Cities

This book is one of the outcomes of the DIVERCITIES project. It focuses on the question of how to create social cohesion, social mobility and economic performance in today's hyper-diversified cities. The project's central hypothesis is that urban diversity is an asset; it can inspire creativity, innovation and make cities more liveable.

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