

Venice: a home for hours, days, weeks, months or years?

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This paper proposes a reflection on the political economy of tourism driven segregation. It takes inspiration from the exhibition at the British Pavilion of the Venice Architecture Biennale which under the title: “Home Economics: Five new models for domestic life” explored domestic life, economic conditions and interior design along the time scale evoked in the title. We propose to use the same time scale and apply it to the permanence of stay of residents and visitors in Venice. Defining bid rent curves by length of stay permits to understand, firstly, the transformation process of Venice into an archipelago for accommodation of tourists (a “distributed hotel”) and a mainland for residents earning money from it. Secondly, the unwillingness to implement proposed measures to invert the process (planning, quotas, pricing, rerouting of cruises) can be explained by the migration of the majority of the electorate of the municipality to the mainland, and the earning opportunities and the respective demand for amenities and public services of the different segments.

The paper starts by distinguishing five groups of users of space, i.e. the *daily visitors*, be they coming from the cruise ships, from the mainland or from farther away. This group stays for hours on the archipelago. The second group, staying for days, consists of the “*classical tourists*” spending one or more nights on the archipelago. The third group are the *second home owners* staying for weeks, while the fourth group, staying for months, is formed by the “*temporary dwellers*” (expats, exchange students, professionals n projects etc.). Finally, the fifth group represents the *permanent residents* living on the archipelago for years. Considering the archipelago of Venice as a monocentric city with San Marco as the center, a realistic assumption for the argument at hand, we hypothesize an order of simple linear bid rent curves for the use of space by the five groups. The steepest curve represents the users of Venice as a home, i.e. the daily visitors. Use of space for functions catering to these tourists (souvenir shops, luxury cafés and shops, fast food restaurants, brand stores etc.) will occupy the most central locations. This group is followed by use of space for accommodation hosting the classical tourists, i.e. hotels apartments, B&Bs. Follow in order the second home owners, the temporary dwellers and the permanent residents. Given the limited space on the archipelago, the groups with the lower bid rents risk to be displaced to the mainland.

The key feature of this argument rests in a high and increasing demand for tourism and secondary residences in Venice, which sustains the high bid rents compared to the permanent residents. While, since the fifties of the last century, tourism arrivals have been increasing and the number of permanent residents decreasing, two changes have permitted the current dramatic situation with more than one visitor per day per inhabitant on the archipelago. The first one is the 1978 inscription of Venice on the list of UNESCO World Heritage Sites (WHS). This signaled that Venice would be there for everyone, raising the attention of tour operators in the mass tourism market (including daily visits and cruises). At the same time, it made Venice more attractive for second home owners. More importantly and recently, the e-tourism revolution has permitted an easy market access of providers of apartments directly or via agencies like B&B, driving prices down and demand up. Consequently, the former equilibrium among relatively scarce and expensive hotel space, which kept out mass tourism, and permanent residents was substituted by the scheme described above. Permanent residents who are also home owners realized the important opportunity cost of living on the archipelago, and decided to either sell their property or rent it out and use part of the revenue to settle on the mainland. Current maps illustrate the density of apartments for rent and B&Bs following the gradients around San Marco that we would

expect to see. Similarly, commercial space was transformed in response to mass demand like anywhere in central urban and pedestrian shopping districts.

The political market side of this development consists in a decrease of demand for costly basic public services on the archipelago and increased demand on the mainland, supported by the tax revenue based on the tourism business on the archipelago. The conclusion is that the current situation is sustained by the majority of the electorate, represented by the emigrants from the archipelago. The paper will develop the theoretical argument proposed above and, as the few available data do not permit for a quantitative analysis, will illustrate the argument with available statistical evidence.