



Yves Mény

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“Parlare di Venezia è molto difficile. L’argomento è complesso, per gli aspetti tecnici che presenta e per i problemi di ordine economico e sociale che pone. Parlare di Venezia presenta molti rischi: il rischio di cadere nella retorica, quello dei propri ricordi personali e dei propri affetti familiari e quello di farsi prendere e imprigionare dal proprio bagaglio culturale”

Bruno Visentini in *Governo, Cultura, Venezia, Scritti scelti, 1969-1994*, Saggi Marsilio 2015, p.192

“It would be both vitally useful and a celebratory rite of passage for a similar conference (NB - to the one organized in 2003 in Cambridge) to take place in 2016, the year anniversary of the great flood and the year when we shall see the barriers hold back the floodwaters for the first time, if all goes well”

Anna Somers Cocks, *Venice: Devious and Destructive*, The New York Review of Books, sept. 2014, p. 34



Governing Venice: Beyond Survival

Managing and governing Venice is and has never been an easy task. Its very location and setting is a challenge to nature, geography and time. Its in-built fragility and the persistent need for special care are not new. But never as to-day, the lagoon city has been confronted to such contradictory trends which jeopardize its very existence and nature.

Like many other cities of the past Venice has tried to escape destruction and violence from its enemies by maximizing the natural protection provided by the environment. There are many examples on all continents of cities built up in incredible locations (mountains, lagoons) as a matter of security and safety. While many villages and cities prefer to locate far from the sea and on top of mountains in order to escape invasions by sailors and pirates, some deliberately decided to exploit the potentiality offered by the sea. It was the case of Venice which combined its maritime vocation with the search for protection by settling on the sea rather than on the mainland. The success story based both on markets and plain power is well known and does not need to be recalled. The successive decline and the blow inflicted by Napoleon contributed to the ambiguous fascination that the city has exerted on poets, painters, artists and, actually, everybody. The mix of beauty and decay as a symbol of passing time reflected in Thomas Mann's novel is still very much part of the collective imagination. Its fragility that every "acqua alta" illustrates several times a year and sometimes in a dramatic way is very much part of the fascination and attraction that the city has inspired over millions of tourists or potential



visitors. Not a single tourist from abroad can envisage to visit Italy without considering to spend a few days or a few hours in the laguna. Needless to say that this “fatal attraction” is a mixed blessing. The threats to the city are not only physical and environmental. They are not only constituted by the water floods. To these natural risks, new fluxes are jeopardizing the very existence of the city, its human and social fabric, its survival as living place beyond its use as artistic/touristic/recreational spot. The magnitude of this threat is illustrated by two contrasting trends: on one hand the historic city is plagued by a persistent and unstoppable decline of its population (from 174.808 inhabitants in 1951 to 56311 only in 2014), on the other hand the tourist flows are growing year after year contributing to an incremental but irreversible transformation of the city and creating new threats that the governing system of the city is badly equipped to deal with. Paradoxically the fate and future of the city is not designed mainly by those who have been democratically chosen for governing and managing the city but by its millions visitors who dictate the shape and the needs of the whole community: most public facilities have to address their needs with detrimental effects upon the minority, the residents.

This twin challenge, the natural one and the human-social one are well known and identified. Thousand of articles in newspapers across the world, hundreds of scientific papers and books have described, analyzed and exposed to the world audience the magnitude of the issues and advocated with no exception the urgent necessity to act. This conference will be one more stone in this Sisyphus ‘work, however at a symbolic juncture: 50 years ago, precisely at that time of the year Venice was facing one the worst flood ever. The poor state of the city, the destruction of some pieces of art triggered a national and international upsurge in favor of the Venice rescue. Since then and thanks to this mobilization,



many things have improved but the key question remains: is Venice better equipped and prepared to face again a major flood? Is the system of government and management of the city up to the stakes? At the time of writing (spring/summer 2016) and with in mind the terrible floods of the spring in Paris and in Germany, I am wondering: should a flood of extraordinary magnitude happen on November 5/6 2016, would the city better prepared to face the disaster? Would we need again a major catastrophe to speed up the works and insure that proper reforms be put in place in order to address the human, social, economic challenges which are at least as pressing as the natural ones? I am afraid, the answer is probably positive....As too often it is on the edge of the abyss that vested interests agree to recede in the face of higher values. In other words this contribution is without illusion. It will rejoin probably the cemetery of alarmist analyses and of hopeless proposals. However, pessimism should not stop the citizens of Venice and of the world to continue to fight for the safeguard of the city and even more. Actually, safeguard might give a wrong signal as the word might be understood as a rescue operation. It is not enough: if Venice has to remain a living reality and not only an open museum (or entertainment park?), the aim has to be more ambitious and address the human-societal dimension to avoid the syndrome of the dead city.

As a starting point, let's recall a few basic facts in order to better identify the past and present problems and search for improvement:

- 1- Following the 1966 flood and the international mobilization in favor of Venice, it took years to adopt a special Law for the city and even more time to put in place the institutional set up foreseen by the Italian authorities. In 1993, the UNESCO report noted that “ The whole process was extremely slow, to be sure - some seven years elapsed before the first special law was adopted, and problems of delays in implementation have

- been constant - but full time was allowed for it to come to a reasonable degree of maturity”¹ (sic!)
- 2- 50 years later the technological system designed for the control of the major tides is not yet in place. After years of delays and some major scandals, we are told that the so called “MOSE” system will be in place by 2018. Nobody should be taken by surprise if further delays are announced. In 1993, the UNESCO report mentioned that “Considerable preparatory work has been accomplished as regards the designing of physical defenses, and a time horizon which is now envisaged for the completion of concrete defenses is the year 2000”²
 - 3- Once in place, the system of water control will be rather costly given the environmental conditions of functioning. To date neither the maintenance costs nor the authority in charge of running the structure are known
 - 4- On the political/administrative side, the initial dilemmas related to the allocation of competences and resources between the many national and local actors have remained unsolved. Again the 1992 UNESCO report seems to have been written yesterday. Its observations and suggestions seem to fit perfectly well to the present situation. For instance, (par. 365) “ Problems of implementation, however, have remained predominant throughout the years, in many fields, and it is to be hoped (sic!) that factors favorable to an improvement in this respect will continue to gather strength”. This diplomatic language which barely hides some frustration and irritation goes on with the issue of the relationship between Venice and its environment. (par. 366) “ The type of relations to be established between Venice and the terra ferma remains to be

¹ International campaign for the safeguarding of Venice, Review of results (1966-1992) report prepared for UNESCO by Mrs Rolande Cuvillier and Mr Edward Thompson, Par.371, august 1993

² Ibid. Par. 383

- clarified as a matter of priority and this raises acute controversies judging by the criticism now being leveled at the recent law on “local autonomies” or the project of a metro that would link Venice and the Lido to the mainland, or by current appeals for Venice to be recognized, with its lagoon, as an autonomous city under international guarantee.” And last but not least the observation about the place of Venice in the future is as acute and unresolved as it was in 1992 “ A fundamental issue like the role which Venice should play in the modern world is still under discussion”.
- 5- Any attempt to contribute to the thinking and debate about Venice should keep in mind that, as stated by the program of this meeting, “Venice and its lagoon are an emblematic and special example of a local commons with a global value”. And the specific purpose of this paper is “ to explore what kind of sustainable development can be envisaged for a city like Venice and what legal and organizational instruments would be capable of guiding its evolution in the right direction in the face of the apparently inexorable primacy of market laws”³. No need to underline how difficult and challenging task this mission statement is....After so many years of failed attempts to identify the very best solution capable of tackling efficiently the Venice problems one can only be cautious and modest. The purpose of this paper is to offer the basis for a new start, a reflection based on past experiences and a realistic approach, avoiding to fall into the trap of “ la ricerca della lingua perfetta” to use Umberto Eco’s words.

This complex web of issues and problems results from what is at the center of this meeting, i.e. the tension and potential contradictions between the local (commons) and the global (value). However this

³ Position paper “ Sustainability of local commons with a global value: Venice and its lagoon”, p.2



is still a too simple presentation of the question. Actually, the “locals” are many (the historical city, the lagoon, the city of Venice including the “terra ferma”, the port, the hinterland, the region etc...) And the global is not less pluralistic in its manifestations: obviously there is the global value of Venice as part of the universal heritage but there is also the environment issues linked for instance to the global warming or the global flow of tourists , not to speak of the global markets which step in everywhere from the housing market to art market or industrial markets in the mainland etc...Opposing the Local to Global as two neat and distinct abstract concepts might drive us in an impasse. These concepts have to be understood in their complexity in order to make feasible a recovery strategy.

In addition, these various strands interact in a specific context, Italy. It would be foolish to conceive of some hypothetical reforms or solutions without considering the context they will be inserted. It is precisely this lack of “contextualization” which has in the past be responsible for some failures or drawbacks.

Let me consider first some characteristics of the Italian political and administrative system which might endanger any abstract proposal of reform. For the purpose of this analysis, my points might be considered as particularly critical or harsh. I do not intend through this analysis of a problematic context play the role of the foreigner ready to give lessons of good conduct. On the opposite, I wish to identify the points of pain in order to envisage proper solutions which work. For sure there is no miraculous recipe that we could borrow from a rather mythic foreign example but only experiences from which we can “draw lessons” in order to acclimate them to a specific an probably unique case.



I - THE CONTEXT OR, THE ITALIAN “ PLAGUES OF EGYPT”

Over the past 50 years, Italy has constantly tried to reform its institutional political system as well as its bureaucracy. Actually, the 1966 floods (in Venice as well as in Florence) come at the end of an extremely happy and optimistic period in the Peninsula. Economic growth, innovation, transformation of the country, artistic development in all fields at its apex contributed to create the imagery of a country embodying the “dolce vita”. 1966 gives a first signal that under that bright surface of things, a number of key issues have been forgotten or postponed, starting with the indifference to ecological problems, the lack of public investments related to the transformation of the country (urbanization, internal migrations etc..) and the absence of a culture of maintenance in a country blessed (and punished) by an extraordinary artistic heritage. The “earthquake” will occur only from 1968 on through the mobilization of the crowds , but 1966 is a first and violent warning from the Gods. Nature is unpredictable and require care. Unfortunately and in spite of huge efforts for reforming the country, many structural characteristics have remained immune to change illustrating the famous Gattopardo’s observation: Things must change in order to remain the same....

What are these seven “plagues of Egypt” which affect Italy and that no reformer should ignore?

- 1- The first one, probably the most serious because it affects and permeates all the others is the *lack of trust* vis-à-vis the public authorities (and sometimes the individuals vis-à-vis each other). It is not our task to search for the roots of this distrust in the history and culture -both in its popular and intellectual forms - but it is clear that this tradition permeates institutions, rules and behavior. On the side of the authorities there is a permanent attempt to regulate and

control in order to get the expected results of any policy while the citizens, as a kind of pass-time, use their talent and imagination to circumvent the “hands on” of their rulers : “Fatta la legge si trova l’inganno”...The people consider the governing elite as robbers (“Governo ladro”) while the rulers view the people as a crowd of cheaters. The paradoxes related to this basic relationship are many: for instance the governments have so little confidence in the capacity of their bureaucracy to run difficult policies that they systematically bypass those who should in principle be responsible for the implementation of policies. A clamorous case - among many - is the special law adopted in 1973 in order to address the Venice emergency. The government of the time was convinced that ordinary procedures would have been unable to address the magnitude of the problems revealed by the 1966 flood. We will never know if the application of ordinary rules and processes would have been a better option. What we know for sure after 50 years is that “special laws” have not been a sufficient instrument to deal properly with pressing issues which are not yet solved. In that context, trust is a relational quality reserved to small groups and under special circumstances: the family, the local church or charity associations, the industrial districts of small entrepreneurs etc... This lack of trust creates the conditions for suspicion, multiplication of protective rules, an appetite for litigation, an absence of cooperation which are observable daily in the running of administrative and political matters.

- 2- One direct consequence of this overall lack of trust can be observed in the organization, rules, codes of conduct et accountability principles which have been adopted over time within the public administration. The first feature which can be observed is the lack of discretionary powers granted to

the bureaucrats. The Parliament, the governments, the judiciary and the bureaucrats themselves have multiplied over time and everywhere mechanisms of control, checks and balances, veto points to such an extent that any Italian administrator is in the position of “Gulliver empêtré”. In parallel, the sanctions against the managers who might be condemned for the consequences of their errors have been greatly extended and hardened, not only from the administrative law standpoint but also on the penal and financial sides as well. The result is at best a considerable slow down of the procedures and in many occasions a complete stalemate whose consequences are sometimes dramatic. A striking example of this was offered in a case of floods in Genova (2011) which had caused big damages and many death casualties. The case has been studied by an Italian lawyer together with a group of researchers and it is remarkable that their analysis was not based only on the case law but on the actual implementation of norms in a topical case. ” Si prenda, ad esempio, il caso dei lavori per evitare lo straripamento del torrente Bisagno a Genova. L’aggiudicazione dei lavori è stata impugnata davanti al giudice amministrativo ((My own note: most of the tenders give rise to legal cases either as a legitimate complaint or in many instances as a blackmail tool in order to get some form of “unofficial” compensation) che però non ha sospeso il provvedimento, affermando espressamente che in quel caso doveva prevalere l’interesse pubblico a realizzare i lavori, rispetto all’interesse del privato a contestare la legittimità dell’aggiudicazione.

I lavori avrebbero appunto, quindi, proseguito. La causa del blocco - I lavori sono ripresi solo dopo la conclusione del giudizio in Consiglio di Stato con sentenza definitiva - non si trova nel ricorso al giudice, ma nel regime di responsabilità

dell'amministrazione e, nel caso di specie, del commissario straordinario responsabile per la realizzazione dei lavori. Il commissario rischiava di rispondere di danno erariale nel caso in cui, a lavori eseguiti, l'aggiudicazione fosse stata dichiarata illegittima e si fosse riconosciuto il diritto al risarcimento dell'impresa ricorrente"⁴ The rules adopted with good intentions (make sure that decision makers be responsible for their decisions) have become an additional impediment on the road of policy-making. Distrust has engendered a bureaucratic monster unable to act swiftly even in a case of extreme emergency and in spite of exceptional rules ("commissario straordinario")⁵

3- The inextricable web of competences.

Italy is not the only country characterized by complexity and confusion when it comes to take public decisions.... One could even say that the main characteristic of modern developed societies is the increasing "lourdeur" and complexity of bureaucratic systems. Again, as shown by the case of the European Union, distrust is one of the main cause of this situation: if there is no trust between partners about the capacity or the willingness of the actors to implement decisions correctly, timely and faithfully, the option left is to multiply the cautionary measures in order to guarantee

⁴ Luisa Torchia (a cura di) *I nodi della Pubblica amministrazione*, IRPA, Napoli, 2016, pp.19_20

⁵ Marco Cammelli, *Il mondo nuovo del diritto*, Per gli 80 anni di Sabino Cassese, Il suo contributo è stato pubblicato ulteriormente in Luisa Torchia (a cura di) *Attraversare I confini del diritto*; Giornata di studio dedicata a Sabino Cassese, Il Mulino, 2016. Cammelli underlines the multiple contradictions of the reforms and the successful by-passing of the new obligations by the bureaucracy often confronted to absurd requests or paying lip-service to the new obligations from a purely formal/legal point of view without caring about the substance.

that the rules will effectively be applied. Rules become extremely detailed, precise, submitted to uniform standards and fixed calendars for implementation etc...Agreeing on these rules is also very cumbersome as actually each actor disposes, de jure or de facto, of a veto power. Compromises and trade-offs are a necessity of the game and the implementation of the rules more difficult since good political compromises might make bad or very bad rules when it comes to implementation.

What prevails at the supra-national European level is “business as usual” when it comes to national settings. In particular in Italy, to the traditional autonomy of local governments which make often the central government powerless, must be added some specific features such as the instability of political coalitions at all levels and one of its subsequent consequence, the fragmentation and functional autonomy of ministers or “assessori” at the local level. Units of government at various levels not only fight each other for political or policy reasons but they are often deeply divided within between factions organized too along political, functional, ideological or interests lines. Vertical and/or horizontal coordination are often nightmares conducive to inaction. Some projects (let say for instance the extension of the run off of the Florence airport have been under discussion during several decades due to the fact that the airport area is located on the territory of two different communes (both run for ages by the former communist party) ...In the case of Venice, some powerful functional bodies such as the port authority or the “Magistrato alle acque” (a pluri-centennial institution - created in 1501 ! -, suppressed on 13 june 2014 by the Renzi government due to some major scandals related to the MoSE Project) are extremely powerful local actors. In the case of Venice for

instance, there is a vivid contrast between the repeated need to adopt an “holistic approach” and the actual fragmentation of competences, funding and decision-making. In a memo submitted in april 2016, the Venice Senator (and former magistrate) Felice Casson added his voice to the repeated complaints by emphasizing that the increase in the number of decision-makers was accompanied by the stalemate in decision-making! ⁶

- 4- The fourth plague is the inability to overcome fragmentation by setting up a credible system of coordination and decision. Fragmentation is a poisonous but universal phenomenon. Each political system tries its best to deal with the issue by putting in place institutional, procedural or financial instruments in order to overcome a seemingly unavoidable trend. Federal or decentralized systems suffer even more of the political preference for autonomy and division of powers, a well-known phenomenon in the United States for instance (a paradise for lawyers) or in Germany where social scientists (and not only) have heavily criticized the so-called “joint decision trap”. In Italy, the recent period has been characterized by the combination of the traditional defects of the public administration (rather inefficient and legalistic) with the new claims in favor of “federalism” brought by the populist movements of Northern Italy. Actually, rather than improvements, the rather confused and unfinished reform has made the system ever more complex without bringing the expected improvements.

⁶ Casson vilipends the “immobilismo decisionale “ and writes “ Non si decide nulla e il numero di soggetti che decidono è aumentato con la città metropolitana. Altro che semplificazione delle competenze, come predicava il decreto” (quoted in La Nuova di Venezia e Mestre, 23 aprile 2016

Coordinating in view of taking a final decision requires both a place where conflicting views can be addressed and a final decision taken. It requires also some discipline since, in principle, all should subscribe to the decision once taken by the legitimate authority. This ideal scheme cannot be found on the political side since the political forces are fragmented, both within the coalitions and each single party. In addition party factions and local interests can blur further the issues at stake undermining any attempt to discipline the many heterogeneous stake-holders.

The same division according to functional and territorial lines exist at the bureaucratic level and a law adopted in 1990 has attempted to tackle the problem by setting up the so-called “Conferenza dei servizi”, i.e. the meeting of all parties involved in the management of a project. In case of stalemate, it is possible to solicit the intervention of the Council of Ministers, a kind of solution of last resort. A part from the fact that it is rather ridiculous to involve the higher political authority of the country for problems often of minor importance, the deterrent does not work as it should be. Quite often, instead of speeding up the process, the actors involved prefer to delay the decision rather to push it at the highest level. As noted by Torchia, there is often a “fear to decide” as those advocating legalistic arguments can “*whitemail*” those in favor of going ahead. If something goes wrong the “guilty” persons will be immediately identified and will become the natural scapegoats of the process. It is easier to converge towards a consensus in favor of inaction than to take the leadership about a possible costly operation (in financial, criminal and career terms). Not deciding often appears as the best option.

- 5- The fifth issue related to decision making is the preference for consensus and the aversion for leadership. These features

are not entirely negative, in particular the search for consensus. In policy making reaching agreement is preferable to conflict if one wishes insure a smooth implementation and avoid the use and abuse of crossed vetoes. Actually, the desire to identify solutions acceptable to all is a deadly poison which paralyses the Italian political and administrative system. As Alice said in Wonderland “All should have prizes”. In other words the desperate attempt to satisfy everybody in one way or one another (from the Parliament adoption of the legal rules up to their implementation on the ground) is conducive to (often bad) compromises, trade-offs, clientelism, localism and sometimes corruption. To be brutal, acceptance has to be “bought” and the means are multiple from those ethically and legally correct (but bad in terms of coherence or feasibility) to those more debatable based on the old good recipes of “give and take” and log-rolling. Consensus too often becomes an agreement on the minimum common denominator and where resources are available, sharing of the “goodies” between all those sitting around the table (the so called “distribuzione a pioggia”), something which often happens with the “leggi speciali”. The aversion for leadership is the other side of the medal, a cultural trait inherited from the post-fascist period which tried to avoid the return of any form of “personal” power at all levels from the bottom to the top. Fortunately, there is more and more acceptance that leadership is a necessity of the democratic regimes with very few exceptions to the rule.

- 6- The sixth problem any policy-maker is confronted in Italy is the relationship to time. I have no explanation for this cultural trait which strikes the foreign observer living in Italy. Is it the peculiar relationship that Italians have with a long and brilliant past? Is their somewhat fatalistic

evaluation of the vanity of human enterprises? Is it the influence of the catholic church which emphasizes the aspiration to eternity? I must confess my ignorance but I am struck by the relative indifference to time when it comes to the adoption or implementation of projects or policies. How it is possible for instance that it took 7 years to adopt a law addressing the Venice emergency? How is it possible that the major investment for the control of the floods is not yet completed after 50 years of studies, debates and implementation? How is it possible that the UNESCO experts who were worrying in their 1993 report about the completion of the works for the control of the tides were reinsured that the system would be completed and working by the year 2000, while the present forecast foresees the completion by 2018 ? The same ambiguous relationship to time appears in the management of the financial resources made available by the Italian government. For instance, the first law (adopted in 1973) provided special funds to be spent between 1973 and 1977. This time limit is often used as a way of pressing the bureaucracies with the risk of losing the unspent resources but the trick does not work as most of the time the bureaucracies manage to get the authorization to postpone commitments and payments. For instance, in that case, postponement was authorized until 1982, i.e. twice as much time as initially foreseen. And this is just an example of “business as usual” which has been limited or interrupted only recently in the wake of the financial and budgetary crises after 2008.

- 7- Obviously, sometimes there are good reasons justifying distrust. The most obvious one is the endemic corruption, which seems to be a permanent feature of administrative routine. Unfortunately Venice has not escaped to this plague. The huge amount of money has triggered the

appetites of many decision-makers, companies and interest groups as shown by the prosecution of many of them in 20.. The well documented study by Ciavazzi⁷ and is an eloquent analysis of a too frequent problem in the country and not only in the South of the Peninsula. A shorter but devastating analysis was presented by Anna Somers Cocks in the NY Review of books where the author points out rightly to the mix of corruption and misbehavior which characterizes the Venice case (and actually, most of similar cases)⁸. One should be clear about this tremendous dimension of Italian mores: first it is not a Italian monopoly by far and secondly most of the civil servants are honest persons who do their job in a perfect ethical and professional way. Unfortunately, big money calls for corruption on a big scale...

II - CHALLENGING THE COMFORT ZONE

The issues that Venice has to face are complex and plenty. In addition, the situation is further complicated by the fact that too many policy attitudes or views are taken without much consideration for the facts or without enough debate about the possible alternatives or options. Too many proposals are inspired by a black or white options without much consideration for the many possibilities of the grey zone.

⁷ F. Giavazzi, *Corruzione a norma di legge*, Rizzoli, 2014

⁸ She writes about the action of the consorzio in charge of the MoSE project " The consorzio employed sons and daughters, financed research, topped up salaries, paid for holidays and lavish parties. Its influence made itself felt in every aspect of venetian life (...) Some of this was corruptin the strict sense;some was in the category of sponsorship, but all of it was misuse of taxpayer's moneyon a grand scale" op.cit., p. 34



With the risk of being myself schematic, let me list a few of these rather comfortable preferences which refuse any compromise at the price of imposing a stalemate.

1- The “free-lunch” paradigm

The first set of divergent options oppose those who claim that some form of control should be imposed on the number of visitors to those who reject fully that solution.

Many persons or institutions have raised their voice in favor of a “*numerus clausus*” in Venice. Some other cities have also considered ways of controlling the “flood” of people at certain points of time, for instance in Florence. Recently, cities such as Barcelona or Amsterdam have expressed concern about the “touristification” of their territory while some interest groups push in favor of attracting even more visitors. A good example of this “dialogue of deaf ” is the exchange of arguments between Anna Somers Cocks and the then Mayor of Venice Giorgio Orsoni (June 20, 2013). To the suggestion by Anna Somers Cocks to limit the number of tourists, Giorgio Orsoni adopted a rather reinsuring stance (“According to the World Trade Organization, by 2020, the relative importance of Europe as the primary tourist destination will decrease: crowds will continue to come, but the biblical scourge anticipated by Ms Somers Cocks may turn out to be more manageable than she seems to anticipate. The situation is closely monitored by the local institutions and progress is constantly being made”). Apart from the fact that the mayor does not elaborate about improvements which are objectively difficult to observe, this assessment is in sharp contrast with other projections. For instance, France who receives 2,5 millions Chinese visitors per year has published an estimate of 20 million visitors expected at horizon 2025. Another set of data show the inexorable development of the

middle-class in China shifting from around 5 million people in 2000 to 300 millions by 2020! Other data show that the number of international tourist grew from 50 millions in 1950 to 1 billion in 2015 and it is foreseen that it would climb to 2 billions by 2030! Even if the progression was slower than in the past 25 years, it is foolish to think of a stabilization and still less of a diminution of the touristic demand. To the proposal of a limitation of tourist visitors, former Mayor Orsoni declared "I strongly disagree... with Mrs Somers Cocks' ideas on limiting numbers, admission tickets, and so on. She compares Venice to MOMA to press her point and the comparison is illuminating: MOMA is a great museum, but Venice is not and never will be, for as far I will be able to muster authority, anything approaching a museum" to whom Mrs Somers Cocks replied "It is disappointing to read the old cliché repeated that to limit the tourists numbers by ticketing would turn Venice into a very disagreeable, badly presented sort of museum is the failure to manage tourist numbers, which is driving out the Venetians and killing off all but the tourist economy"⁹. Unfortunately, should not it be such a prestigious and rich cultural reality, the risk is less to turn Venice into a museum than in a "real", first-class touristic Park where people consume the landscape though their Iphones without even entering into a museum or a church. Actually as underlined by a excellent report on Florence published by the CESIFIN Alberto Predieri Foundation¹⁰, Piero Barucci underlines the vagueness and at the same time the complexity of the concept of "tourist". Statistics might be right in term of numbers but misleading when it comes to the

⁹ "The coming death of Venice?": An Exchange by Giorgio Orsoni, The New York Review of Books, June 20, 2013 issue

¹⁰ CESIFIN, Caratteri e Sostenibilità del Turismo Nelle Città d'Arte: il Caso di Firenze, www.cesifin.it Febbraio 2016



requests, demands and needs of “tourists”, a concept covering many kinds of very different typologies. He also underlines that some forms of tourist numbers control are easy for limited spaces such as museums or single buildings but much more difficult for cities. Venice is an in-between case. Its insularity makes easier a entrance control for the entire city.

Limits to access are not the monopoly of cultural sites such as Lascaux in France or Almamira in Spain where a total prohibition of tourists visits has been ordered. Other places, while open to public imposed a fee or tax, such as Mont Saint Michel in France for the use of public transportation between car parks and the monument or access to Ile de Ré by any vehicle. A levy has been imposed on cars at the outskirts of Inner London and many cities, starting with Italy have forbidden access of cars to their historical cities. Some forms of limitations adapted to place and time can be implemented with a bit of imagination and organization. Similar rules apply to museums where security and safety rules put a limit to the number of tickets available at any point of time. In all these different cases, physical congestion has imposed its own logic. Beyond a certain number of cars or people, the laws of physics have to be applied. Usually, everywhere, these limitations have triggered protests and resistance. In all cases, later on, the safeguard mechanisms have been considered as an absolute (and often not sufficient) necessity. One could work on various scenarios, from capping the number of entrances, creating incentives for winter visitors, charging at their real costs the use of public facilities not in order to penalize the tourists but to offer them a valuable and worth alternative to the present disaster. Even the present Minister in charge of Art and culture has admitted that some limits could be put on the number of people



crossing the Ponte-Vecchio in Florence where the situation has not yet reached the Venice climax...

How is it possible that such options are rejected for Venice in spite of the fact that the city is overcrowded, making life a hell for everybody and in particular for the residents or the commuters? There are obviously matter for short term considerations. "More is beautiful" for all those making a life of selling goods, renting rooms and offering fast food meals to the millions of visitors. It's big business and elected representatives speak up for these vested interests. Benefits are highly privatized while costs are externalized. However beyond these myopic considerations there is a subtle - and wrong - argument: since Venice belongs to the patrimony of humanity, access to the city becomes a kind of "universal human right". In other words everybody on earth is entitled to come to Venice... These absolute proclamations are particularly welcome in Italy and more generally in Europe where abstracts principles are often void of any preoccupation for their fulfillment and concrete implementation (right to a job, to a home, to a clean environment). In the real life we know that such a rosy world does not actually exists and that the exercise of rights is conditioned by the existence of other's rights, by the physical or financial restrictions etc...Refusing any restriction of access to Venice is already an impasse and a non-policy which jeopardizes the very nature and existence of Venice as a cultural and social reality. Time is more than ripe to consider that, like many other places of less artistic interest in the world, survival and development are conditioned by reasonable limits on the "consumption" of space.

It is not the place to list the available solutions but for sure there is much more to think about that a simple basic tax imposed on everybody. One has to consider first the diversity

of touristic demand and enlarge alternative offers: like in large European cities (London, Paris) many one-day visitors content themselves with a city bus tour which would become just a boat tour. Others privilege shopping like in Florence where fashion outlets are preferred to the Uffizi. Most crusaders are happy to limit their visit of Venice to a “room with a view” from the top of their gigantic monster. If nothing is done, in a few years time - if not already the case - Venice will be reduced to the state of an exceptional Luna-Park. Or even worse, as no Luna-Park business in the world would be authorized to accept visitors beyond an upper limit fixed by the regulatory authorities. It is more than time to consider that Venice is not “a free lunch” for all.

2- Negative and positive policy incentives

A policy based on negative incentives is a necessity. Some measures have to be taken to restrict the flows of visitors beyond some limits, to charge the costs that visitors externalize on residents and on public local, regional, central authorities, to limit the invasion of retail shops offering fake Venice products made in Asia, of fast food restaurants selling junk food in full contrast with the vocation of the city which has justified to be protected by UNESCO standards. However these negative instruments have their limits: first because, actually, there are not yet used in spite of the debates which have raged for many years. Secondly because the concerned cities (in Italy mainly Venice, Florence and Rome) are not exactly in the same situation (for instance in Rome, the ownership by the Vatican, the State and the embassies of a considerable patrimony alleviates the market pressures in a much larger city) . Thirdly because the instruments available to the local authorities wishing to resist the tide are like

wooden swords, both inefficient and sometimes ridiculous. For instance the attempt by Florence to circumscribe the proliferation of touristic shops to the detriment of traditional retailers trading the kind of goods that residents need are probably illegal (according to the existing higher regulations), certainly contorted and cumbersome and actually inefficient. They sometimes successfully delay the opening of undesired shops or fast-food delivery points but it is just a matter of time, the time of interests pressure or of judicial action. A legal framework more protective of the “substance” of the UNESCO sites is urgently needed and not only for Venice.

However, forbidding and prohibiting is not enough. When market interests and forces are so powerful and pressing, swifter and harder action is needed in particular in setting up mid-term and long-term strategies and active policies as for instance the case of Amsterdam demonstrates. This city has better balanced its touristic development in the inner part with the development of “normal” activities. Even if we accept that Amsterdam is less dependent of its glorious past, the physical conditions are not that different. By contrast with Venice which is becoming a beautiful “Potemkine city” admired from the boats in the way Catherine II was looking at the landscape from her boat on the Volga, Amsterdam has expanded and grown. The city had 750 000 inhabitants in 1945 and enjoy today a population of 800.000 while the greater Amsterdam have grown by one third between 1960 and 2013 (from 950 000 to 1 550 000). This growth has been supported by an active and constant policy in favor of housing.

In the case of Venice, it is more than urgent to develop a housing policy in favor of residents, to improve the transportation of commuters (among the worst of developed countries at time of the touristic peaks), of controlling the

rental market (Amsterdam¹¹, Barcelona and Paris are trying to limit the AirBnB phenomenon with some limited success for the time being). Like in other cities but at a higher degree, the housing market is deserted by normal buyers while the transformation of flats and houses into places for rent to tourists is booming. Residents of Venice are voting with their feet by moving on the “terra ferma”. If they are tenants, they find better and cheaper conditions, if there are owners they can make additional resources by moving out and renting their place to the tourists. What is striking is that the few new urban developments which have taken place are often of very bad architectural quality (for instance in the Giudecca), adding mediocrity to decay. The vicious circle is well in place and its movement accelerates.

Contrary to Amsterdam where the students community is well rooted in the fabric of the old city, making it lively and attractive at any time of the year, the Venice University is mainly made of buildings for representation and teaching but most of the students are forced to move in and out every day. Positive policies would suppose to bring back part of these expatriates by offering decent and affordable housing conditions.

More is needed if one wishes to avoid that the mono-industry of Venice, tourism, remains dominant given the trend of the past 70 years. At time of the digital economy, how is it possible that the city has been unable to attract soft

¹¹ The city of Amsterdam has signed an agreement with AirBnB in 2014 according to which tourists levy and taxes are raised by the platform and paid to the city. The company has also agreed to remove addresses in case of complaints and to inform the renters that the city imposes a 60 days' cap on the number of days permitted for rent. However, according to The Guardian (oct.6, 2016), a quarter of the hosts were found to have multiple listings with some identified as “more likely to be running a commercial business and to violate the rules”

industries by setting up a strategy, pooling the assets of public and private research, academic resources, start-ups development and industry compatible with the constraints and beauty of the city? Nothing will happen if public authorities from central to local authorities do not put in place coherent programs including fiscal facilities such as “zone franche” geared at fostering such initiatives (different from what exists at Maghera where these facilities favor the transformation of imported goods). Italy which has an international impressive record in the creation of largely spontaneous “industrial districts” in the field of mechanics, furniture, jewelry etc... has been unable to create the favorable environment for innovation and new technologies in a city where it could have reconciled history and future. Positive policies could also try to alleviate the pressure of the crowds by opting for an ambitious “dispersion strategy”. Today, everything, prestigious buildings, museums, luxury goods, hotels, retail trade are concentrated in a very narrow part of an already small historical city. Betting on the diversity of expectations, the saturation of some areas and the availability of alternatives, an active policy of “dispersion” should be considered: for instance the “isole minore” which for some of them are abandoned and in a state of total decay could host permanent exhibitions or accommodate some of the visitors; a true university campus able to host the students should be a priority and be linked to labs and startups in the field of digital economy. Shopping malls near by the station, the port and airport, offering mostly Italian and locally produced products could be challenging alternatives to the mediocrity of most shops in the inner part of the city. Pedagogic shows with artefacts and all options offered by modern technologies could prepare students and young people on a one day visit to better

understand Venice, its history and its art instead of a mere strolling in the *calle* etc...

Similar principles should guide the transportation policy: is it necessary that most of the transportation goes through the Grand Canal even when it brings back tourists to the station? Is it really necessary to multiply stops over on both sides of the Grand Canal at the cost of creating shock waves any time the boats stop and leave again? Is it possible that the technology for the construction of boats has made no progress over the past 80 years? Would it be unthinkable to differentiate (like in Paris or Amsterdam) the traffic for residents (who need many stops over) and for tourists (who might be happy for most of them to go through the Grand Canal once only but in better conditions of visibility and comfort)? In short, Venice might need grand projects, in particular when it comes to its protection against the tides. But in the day-to-day life of both residents and tourists, many positive actions of a smaller scale could considerably improve the “Venice experience”.

3- The Short and the Long View

Venice has a pluricentury history and is an extraordinary example of risk taking and long-term vision. Taking refuge on isolated islands was a kind of spontaneous reaction to invasions and wars. It could have been provisional, temporary and made of huts and tents. Instead, the Venetians build up during centuries a magnificent civilization both in engineering and artistic terms. Being aware of the fragility of their settlement in an hostile milieu, they knew that their survival was conditioned by a cautious and carefully managed water policy. A special and powerful technical/political body, the Magistrature delle acque had to supervise, control and manage the daily works necessary to the Venice well-being

and survival. One does not built up a such apparently foolish building such as the Salute church without a long term vision and a full knowledge of its implications in terms of construction.

This wisdom seems to have faded away. In spite of the dramatic evolution of both the environment and of the social and economic fabric of the city, very few documents tackle the future of the city in policy terms. For sure, many voices of individual and concerned groups have underlined the risks that the city could face if nothing was done. The UNESCO reports in particular have underlined the dangers of doing too little or too late. Some academic studies have done the same. Scholars or artists of international reputation have signed alarmist calls or petitions. Determined politicians such as Visentini have dedicated a life to advocate action. However in spite of these mobilizations, the actual reaction of the public authorities show a rather surprising indifference to the long term consequences of physical or social phenomena. Take for instance the case of tides which have increased both in numbers and impact and are caused by a complex combination of works on the terra ferma, pollution, extraction of water, lack of maintenance. Not only little was done up to the 70ies to limit the consequences of action or inaction but there was indifference to the potential negative consequences of development policy in the lagoon. The dramatic 1966 flood made clear to Italy and the entire world that the Venice 's survival was jeopardized by short-term and blind policies. So more attention was finally paid to the long-term consequences of inaction or wrong decisions and some measures were taken such as, after years of deliberation, stalemate and delay, the launching of the famous MoSE project supposed to be concluded by 2000 (and postponed to 2018 if we still believe it).

What is striking is that nearly everybody expects that the problems will be over once this major work will be in place. It is even more striking that there is no plan for the future not even in term of running costs and management. Who will be in charge of an investment whose costs will continue to be very high and whose effectiveness has still to face the truce of actual running? There is even worst: the mechanisms put in place have been conceived before the consequences of global warming were known and evaluated. The rise of the sea level will be dramatic for the small pacific islands which are barely over the sea-level. What will happen to Venice where the situation is similar and whose technological protections still to come have been conceived before this evolution was acknowledged?

This lack of long-term strategic planning in facing the flood issue (in sharp contrast with cities like Amsterdam, London or Paris) is striking and extends to all areas, including the evolution of the economic and social transformation of the cities in spite of dramatic indicators. Having the advantage of knowing the dramatic evolution which has taken place since the second world war it should not be too difficult to make projections for the next 50 or 100 years ago should no policy would attempt to redress the natural course of things. Alas! No action is taken and an attitude of denial or resignation predominates with the blessing of all those benefitting from this apparently unstoppable transformation.

In front of this unbelievable situation, UNESCO authorities had sent warning signals and envisaged to put Venice on the list of endangered sites in its july meeting 2016. Actually the media start to mention this possibility early july but nothing happen as the Italian authorities had exerted diplomatic pressure on UNESCO authorities and delegates to avoid the shame of such an international blame. Italy was given a

further year to apply the recommendations that UNESCO had listed such as the issue of navigation and construction in the lagoon, the cruising of big ships in the Giudecca canal, the absence of a sustainable tourist strategy and the lack of coordinated approach to the protection of Venice. In short, a long list of well-known and unresolved issues that local and national authorities seem unable and unwilling to address not only in the present but also for the future. The latest official program document (Piano di gestione) for the period 2012-2018 is a dramatic illustration of policy emptiness and political impotence.

III - THE DILEMMAS OF POLITICAL ACTION: THREE POSSIBLE OPTIONS.

Any public policy has to define both the many actors to be involved (acknowledging that many non-invited guests are keen to join the table) and the territorial dimension where decisions and implementation can be set up. With few exceptions, in western democratic systems, even functional bodies are bound by a territorial space defined by political authorities.

The Venice case is slightly more complicated (but far from being unique) by the fact that Venice's problems are tridimensional: Governing and managing this unique place is obviously a local issue; given its historical, cultural, artistic and economic importance it's also a national question of the highest importance; and for reasons that one does not need to elaborate further, Venice, is part of the Universal Heritage and belongs as such to the world community.



These three dimensions of Venice can serve as potential bases for a reassessment of the governing bodies of the city and of the setting up and implementation of public policies.

1- Venice as a world heritage: the supra-national temptation.

It is rather natural to think of a supra national solution in order to address forcefully and efficiently Venice's multifaceted problems. Indeed, it is not just a city with exceptional features. Up to 1797, the Republic of Venice has been one of the most powerful states of the Mediterranean and her wealth, her commercial and artistic achievements could match or dominate most of the rest of Italian or even European states. At the time, the Republic had built up an autonomous and original system of self-government while imposing her rules to many parts of the Mediterranean. The Republic had probably the most important, innovative and efficient "Arsenale" of the time. Craftsmen were jealously keeping the art and secrets of manufacturing some luxury goods such as mirrors and glasses. Her architects and painters were influencing most of Europe. Her engineers were mastering the technicalities of controlling the water movements thanks to a specially designed institution, "la magistratura delle acque" and to construct huge buildings on wet lands. In short, the brightest period of its long history can be identified with its independence and capacity to act as an autonomous actor.

However nostalgia would not be enough to fuel the claim that Venice must be governed independently from local or national authorities. Suggesting that Venice be governed by an international body stems from two different additional sources. The first one, quite common in Italy, is the rather diffuse mistrust and contempt by the Italian people and elites

of their domestic institutions. Having lost hope that these local or national institutions be able to face the difficult challenges that the country has to face, they take relief in the capacity of supra-national bodies to “clean the mess” and fix the problems with the risk sometimes to loose their illusions. A typical example is the exaggerated expectations that most Italian have put in the benefits of the European integration. Europe, for a long period of time has not been seen as the source of challenges but as THE solution to all Italian problems.

The same type of approach has sometimes prevailed in debates about the best way to tackle the difficult issues on the table, in particular after the 1966 flood. The world wide shock following the Florence and Venice 1966 floods triggered an immense movement of solidarity, the mobilization of UNESCO and the creation of a network of national committees with the aim to “Save Venice”. This mobilization was not only exemplary. It demonstrated its efficiency in spite of the modesty of its financial contribution if compared with the huge resources provided by the Italian State. This spontaneous manifestation of support was a concrete illustration that Venice was “belonging” not only to its inhabitants or Italy but that, in a certain way, “everybody was Venitian”. Probably the first to speak out about an kind of non-national solution was an authoritative journalist of the most influential newspaper at the time, Indro Montanelli in *Corriere della Sera*. He wrote two years after the catastrophe “ Venezia ha bisogno di un statuto speciale perchè è una città con speciali problemi che richiedono particolarissime competenze e urgentissime decisioni. Non siamo qui a dar consigli: non ne abbiamo la qualifica. Ma la costituzione di un organo dotato di ampissimi poteri non è un consiglio. È una inderogabile necessità, su cui siamo già in pericoloso ritardo. E siccome il

salvaggio di Venezia è un operazione - non nascondiamocelo - gigantesca, che forse va al di là delle nostre possibilità, c'è da chiedersi se quest'organo non vada ancorato a qualche autorità sovranazionale. Non ci sarebbe nulla di straordinario perchè Venezia non è patrimonio soltanto italiano, ma del mondo civile. E il mondo civile non si rifiuterebbe di aiutarci, se noi dimostrassimo di volerli e saperli aiutare"¹². This proposal was supported by a respected and influential minister, Bruno Visentini¹³ (actually he was in favor of the creation of an authority under the control of the Italian parliament and government) but actually the suggestion never materialized. More recently, a prestigious journalist, Anna Somers Cocks took up again the idea by stating in the NY Review of Books in 2014 that "It would not be a sign of weakness on the part of the Italian government if it entrusted the task to an EU organization on the model of CERN"¹⁴

Such a radical proposal did not take off in the late sixties at a time when Italy would have been more prone to accept such a suggestion either because of its European and international leanings or because of the weaknesses of the regional institutions.

To-day, the "internationalisation" of Venice governance is an impossible dream. No international body is candidate for such a job, no Italian government is ready to "farm out" the management of one of its artistic and touristic jewels, no national government across the world is prepared to spend money for a city, so admirable might it be, at a time of financial crisis and budgetary constraints. In addition, a

¹² - Indro Montanelli, Per Venezia, in " Corriere della Sera", 22,23,24 e 26 novembre 1968

¹³ Bruno Visentini Governo, Cultura, Venezia, Scritti scelti 1969-1994 a cura di Martino Ferrari Bravo e Pasquale Gagliardi, Saggi Marsilio editori, 2015, Venezia, pp

¹⁴ Anna Somer Cocks, op.cit, sept.2014, p.36



full-fleshed international body has to interact with its political, economic, bureaucratic environment on which it has to constantly rely upon. Decision-making would be pushed one floor up but the crucial issue of implementation would remain nearly entirely. Already, deciding about the territory submitted to such an international body would trigger a row lasting for ages!

However, the fact that there is no example in the world of a supranational body governing a city or a territory within a national State should not prevent us to think about the possible involvement of supranational/international institutions be they public or private. After all, the shift from the concept of “government” to the more appropriate term of “governance” is an indicator of the changes which have occurred over the past 25 years in relation to phenomena such as europeanisation, globalization, transnational movements.

The only examples of micro or city States in Europe are surviving remains of medieval times: Andorra, San Marino, Monaco are small States internationally recognized but with a limited sovereignty as the formal “suzerain” has been replaced by powerful States in which they are encapsulated. Modern micro-states in Asia are the by-product of decolonization. More interesting cases are the British Channel Islands who enjoy a large autonomy under the “light” umbrella of Great-Britain. In all cases the weight of history has been decisive in framing their legal status. Cases of local governments enjoying a large autonomy because of their international status in the past might offer more food for thought. Hamburg and Bremen, two city-states have managed in spite of their small size to maintain within the federal system of Germany a status that other cities, even of a larger size, have been unable to insure. In Italy a special treatment related to international relations (between Austria and Italy),



has been granted to the Bolzano province in order to settle the conflict between German-speaking and Italian-speaking populations. All these examples are interesting cases of special status related to international settlements or constitutional privileges related to history. Unfortunately, it's difficult to envisage any solution of that kind in the Venice case. Too much time has elapsed since the Republic collapsed out of its own decay and little or no political mobilization in favor of such an exceptional status has ever taken place. The simple delimitation of the territory to be run by an international body would trigger outrage given the divide and divergence of interests between the few remaining permanent residents in the lagoon and the majority of the commune living on "terra ferma". Every attempt to turn the historical city in a commune of its own by separating it from the "terra ferma" part has failed...

If the "international option" is an impasse, it does not mean that the international dimension of Venice as part of the universal heritage should not be considered and included.

First, as shown by the involvement of UNESCO since the 1966 flood, the moral, scientific, financial support of an international organization is crucial. It has provided expertise, advice, moral-suasion, pressure, resources, contributed to international mobilization and the UNESCO role has been and remains of great value. The Italian opinion is very sensitive to criticisms and suggestions coming from this UN organization. Its reports (notably the 1969 first report) are by far the very best available documents both in terms of assessment of the situation and of policy recommendations. It would be useful to build up a deeper involvement on the basis of the past experience. It would be also interesting to consider the creation under British or American law of an international Trust in order to collect more resources and to manage it in



an efficient way for targeted interventions. It would be wise to flank some Italian ad hoc institutions with prestigious and competent international boards set up more or less permanently rather than to rely in a rather opportunistic way upon a few international persons of prestige selected for their support to a political option. I will come back on the possible options to be considered but, there is one point beyond any doubt: Venice, an Italian treasure is not anymore only the property of Italy and Italians. An international contribution is needed combining respect of Italian sovereignty with an active involvement of private and public actors.

2 - Local commons? Management at the grass-roots.

A complete opposite option would give the power to manage Venice to those the most directly interested and concerned by the safeguard of Venice, i.e its inhabitants. This is the option which serves as a hypothesis for the position paper of this conference. It states “Perhaps the ideas launched by the late Nobel laureate in economics Elinor Ostrom can profitably be used by focusing on Venice and its lagoon as a local common pool resource with a global value. In these kinds of cases Ostrom suggests that a “polycentric approach” is needed, involving the integration of local government and communities, the national government and the international community”. At the same time Ostrom is well aware that there is no miraculous or “one fits all” solution. For instance, she writes “We know now that the earlier theories of rational but helpless, individuals who are trapped in social dilemmas are not supported by a large number of studies using diverse methods. On the other hand, we cannot be overly optimistic and presume that dilemmas will always be solved by those involved. Many groups have struggled and failed. Further,

simple policy prescriptions to turn over resources to government, to privatize or more recently to decentralize may also fail. We need to develop a better theoretical understanding of human behavior as well as of the impact of the diverse contexts that humans face”¹⁵

On paper, the polycentric approach is probably the most attractive as it tends to incorporate all the stakeholders in the decision-making and implementing processes. It is also a realistic approach as most social systems are polycentric, to variable extent however. The objective is to build up on consensus in order to reach agreements which will be then easier to put in place. It has also the advantage to fit well with the traditional Italian political and societal cultures aiming at including all the parties involved, to build up consensus and, on that basis to proceed. After all, for a long period, the government of Venice was an attempt to reconcile the manifold interests of the maritime city. However this ideal world is most of the time never attained since “consensus” is too often understood as a universal agreement between all the stakeholders, many of which have a long list of “non-negotiable” issues.

Instead of producing compromises, the process allows the multiplication of veto points. In many cases the process is frozen. It formally remains on the agenda but no decision is taken in spite of the dramatic need to address the issue. This stalemate then legitimizes, where the prestige and international reputation of the country is at stake, to by-pass all the normal procedures, to use exceptional legislative, bureaucratic and financial means in order to be ready at the last minute. The visible and invisible costs of this state of affairs are enormous and in many ways consolidate the bad

¹⁵ E. Ostrom, *Beyond Markets and States: Polycentric governance of complex economic systems*, December 8, 2009

functioning of the system when there is no emergency pressure. Under the Berlusconi governments, these practices were pushed to the extreme: many big public investments in particular those related to international summits were passed to the “Protezione Civile” a rather efficient body which can use ad hoc and speedy procedures with the excuse of managing major catastrophe such as floods, earthquakes etc...It became the managing vehicle for any large public investment to be realized swiftly and with a strict deadline... This rather extreme example has however one merit: it gives an idea of how much the processes are endless, cumbersome and ill adapted to big projects prone to the NIMBY syndrome. In the Italian case, polycentrism might just be a recipe for failure unless major institutional and procedural innovations be introduced.

Another difficulty related to the Ostrom model lies in its application from the original case studies to a situation such as Venice. Ostrom studied mostly small, isolated and cohesive communities confronted with environmental issues (fishermen communities, management of forests, local distribution of water). The case of Venice by contrast is of an immense complexity and the local communities are deeply divided about the diagnosis of the problems and the catalogue of solutions.

There is first the definition of what constitutes the “Venice territory”¹⁶. There is a rather wide agreement about the fact

¹⁶ - The recently adopted law creating the “Città metropolitane” includes 7 communes around the lagoon (one of them, Chioggia is not coterminous with the rest of the metropolis). This conurbation is 25 kms large and 120 kms long. For the time being the Venezia metropolis (chaired by the mayor of the largest city) does not seem to have taken off. The only studies presently available have been commissioned by the Camera di Commercio (S.Soriani, La città metropolitana di

that the problems go much beyond the historical city and that the entire lagoon has to be included as well as part of the “terra ferma” , its hydraulic system as well as its productive activities. But how much inland should be concerned? And what would be the implications in terms of policy planning and choices? Should local authorities as far away than Trieste should be involved given their interest in and their opposition to the construction of an off-shore harbor which would avoid the entry of large ships in the Canale della Giudecca? The mere designing of the area is source of conflicts between those who wish to be “in” in order to benefit of financial resources, those who want to remain “out” in order to export their negative externalities, those who complain that a too large extension of the territory neglects the specific and acute problems of the historical part etc...For instance it took 24 years to design the confines of the lagoon (linea di conterminazione) for the purposes of the interventions under the responsibility of the Ministry of Public Works under the special laws for Venice (Decree 8 feb. 1990). The 1993 Report commissioned by UNESCO underlines in its conclusions that money for the purpose of rescuing Venice was not a serious issue. Instead, “ the basic difficulty which had to be faced was that of ensuring satisfactory and administrative and political coordination”¹⁷.

What can we learn from Ostrom results and insights? First that in some circumstances and under specific conditions polycentric organizations might not be an impediment to the setting up of efficient policies. Secondly that the distinction between markets and public organizations might not be as

Venezia. Sviluppo economico, Territorio, Governance). The most important competence of the new institution is to prepare and adopt the “Piano Strategico”.

¹⁷ International Campaign for the Safeguarding of Venice – Review of Results (1966-1992), 376 ((CLT- 93/WS/7).

clear-cut as it may seem at the theoretical level. Ostrom actually suggests alternatives in particular in areas where local commons have a global value.

However, the application of Ostrom's theory to the case of Venice is doubtful for the cautious reasons that she herself underlines, i.e. the specificity of the case. First it is a much more complex and historically loaded case than those which served as cases to her empirical studies. Secondly because of the poor record of the Italian machinery in dealing with the polycentric nature of its public institutions (contrary to positive experiences in the private sector such as in the case of industrial districts).

One of the key issues when faced with a complex web of actors and institutions is the so-called transaction costs in politics that Furubotn and Richter¹⁸ define as the costs of supplying public goods by collective action. At the basis of political action there is an explicit (but most of the time implicit as well) contract that elected or not officials will deliver action or policies provided the citizens give their support to the proposed course of action. However the reality is far from this ideal scheme for many reasons: citizens have limited information (bounded rationality), the "contract" is often vague and full of contradictions, its realization is foreseen in the long term and there is practically no control or possibility of sanction except by ousting those previously elected. In addition, the fact that there is not a single agency but many elected or bureaucratic organizations, each of them with its own agenda and legitimacy makes difficult to attribute to a well identified physical or legal entity the responsibility for failures or successes. Impeding action, vetoing measures might be seen for a given institution or body

¹⁸ E.G. Furubotn and R. Richter, *Institutions and Economic Theory*, Ann Arbor, Michigan, Univ. of Michigan Press, 2000

much more legitimate and necessary than a positive contribution to action. It might be the case between two levels of government (national versus regional or local), between specific ministries (see for instance the role of the Sovvrintendenti) or between political actors and the judiciary. Given that these necessary interactions are marked by suspicion, competition and distrust, polycentric structures are increasing considerably the transaction costs. In the case of Venice, the “Piano di Gestione 2012-2018” list no less than 21 different authorities at the regional and local level to which must be added the local elements of the State apparatus. In 2007, on the basis of the law 77/2006 dealing with the sites recognized by UNESCO, an agreement between the various actors defined that the commune of Venezia would be the “soggetto referente” of the site and created a steering committee (comitato di pilotaggio) where every involved institution would be represented. The committee would be responsible for the setting up of the strategy and the programming of the works. On paper, this was representing a major effort to try to overcome the unavoidable tensions and divisions within the crowded world of public authorities. Unfortunately, what was foreseeable happened: the document is for the largest part a description of the well-known issues but there was no real strategy, no clear priorities. The “action” part is a mere “shopping list” of single projects, providing some satisfaction to each actor around the table but not offering a coherent vision for the medium and long term. The 135 pages-long document dedicates 15 lines (!) to a sub-chapter “Vision” characterized by its vacuity and emptiness (1- Fruizione sostenibile, 2- Conservazione e

rivitalizzazione, 3- Attualizzazione dei valori, 4 - Laguna archipelago della creatività e della ricerca....).¹⁹

In order to supersede these entrenched tensions, three ways have been used: money, corruption and authority. The first route is to provide sufficient resources and to distribute them “a pioggia” in order to make possibly everybody happy. It might work but it is both costly and very inefficient in terms of rational allocation of resources. The second option is corruption, most of the time a consequence of the excess of resources. In their extremely well documented book on corruption in Venice, Barbieri and Giavazzi²⁰ analyse the sophisticated mechanisms put in place in order to grab as much money as possible while making everybody happy by integrating all political stakeholders into the corrupted contract: first by setting up a monopolistic body (Consorzio Venezia Nuova) in charge of receiving and managing the public procurements, second by redistributing the cake to everybody according to sophisticated political measurements and balance.²¹ The phenomenon was already forcefully denounced by Visentini in 1983 in a letter to *Corriere della Sera* (I “progettini” rinviavano il salvataggio).²²

The third route is authority. Again, distrust is at the basis of this alternative strategy. Since there is little confidence in the actual capacity of the actors in charge to deliver the expected policies, the most “efficient” option seems to by-pass the authorities in charge. It is why an “international” option is appealing. It is also the rationale beyond a “national” regime, capable of overcome the intricacies of the local mess.

¹⁹ Piano di gestione 2012- 18, p. 106

²⁰ G.Barbieri and F. Giavazzi, *Corruzione a norma di legge, La lobby delle grandi opere che affonda l'Italia*, Rizzoli, Milano, 2014

²¹ Ibid. pp. 76-80

²² Published in B. Visentini, *Governo, Cultura, Venezia*, op.cit. p. 227

3 - The mirage of the “nationalization “.

Italian policy makers are squeezed between a rock and a hard place when it comes to manage complex and difficult cases such as Venice. The recurrent temptation in order to escape that dilemma would be to “externalize” the issue by farming out to trusty organizations such as an international organization. Being aware that it is just an unrealistic dream, the natural option would be to apply the normal administrative and financial rules, i.e to rely upon the array of central, regional and local institutions, to use the rules in place and to hope that things will proceed as well as one can expect. But two additional factors come to play a role: first the political elites know too well that processes are complex, cumbersome, subject to multiple veto points while the issue to be tackled is of major emergency. Secondly, in cases such as the Venice one, governments know that their action (or inaction) is under close and critical examination of the international media and of the millions of Venice passionate visitors. Local failures become immediately international scandals.

Failing to reach the dreamed international paradise and fearing the local mess and hell, the only way out left to national politicians (or local leaders in national positions) is to put in place national solutions under their control. The reasoning is not absurd and has good reasons to invoke. First of all there is the solemn public commitment to do things efficiently and swiftly by adopting special measures to cut the Gordian knots. Secondly this commitment is guaranteed by putting in places special fast track procedures under the control of high profile political monitoring committee. Third, generous financial commitments should contribute to erase difficulties. Money should not be a problem...Obviously, this

last point gets a strong support from all vested interests involved in the issue: local and regional governments, construction companies, touristic actors, business- groups and more generally the media and the public opinion which hope that, thanks to this basket of special measures the problem will be properly addressed and solved.

Venice is not a unique case: the Olympic games, the international sports competition, the “Giubilei” in Rome, the G7 and G8 meetings, the Universal exhibition in 2015, the so-called programs for “Roma Capitale” have been multiple excuses to apply the very same “exceptional rules”. The experience however is practically always identical: in spite of the exceptional means put in motion, there has been very few cases of full success. For instance, stadiums were ready for the competitions but many investments linked to the event were completed months or years later; in most cases financial resources contributed to a poor “value for money” outcome as the money was distributed “a pioggia”; and in practically all cases, including a rather successful one such as the 2015 universal exhibition in 2015, corruption has loomed large.

Venice is a case in point: two special laws were adopted by the Italian Parliament, monopolistic structures were put in place in order to smooth the “negative effects of competition” and a “comitato di regia” with superlative authority and competences (the so-called “Comitatone”) was put in place.

Even before the 1966 flood, a special law was adopted in 1963 in order to better control the water pollution in the lagoon. Then the 16 april 1973, six years after the disaster, the law 171 promotes Venice and its lagoon as a site of eminent national interest while in parallel the powers of the region in matter of pollution are reaffirmed. In 1975, the government adopted the national prescriptions in the matters of its

competence while the region regulations are put in place by a regional decree only in 1995!

In the meantime a new special Law (798/1984) “ Nuovi interventi per la salvaguardia di Venezia” confirms the “Yalta” division of competences between State (in charge of the hydro-geological equilibrium of the lagoon) and the region (in charge of combating the pollution of the lagoon) and sets up a special committee to overcome the fragmentation of public authorities, the “ Comitato interministeriale per Venezia” then called “il Comitatore” to underline its exceptional character and importance.

More laws were adopted afterwards (for instance Law 139/1992) , again and again with the intent of “safeguarding Venice”. Unfortunately most opinions converge towards a rather pessimistic and negative assessment. In spite of giving some impulse to administrative action and providing immense resources to the city and to the lagoon, the UNESCO Report (1993) pointed out to the problem of non-implementation or long delays in the implementation of existing legislation as well as the underutilization of the special funds. A special parliamentary report of the same period concurred and emphasized the coordination problems between public authorities and more recently, an Italian lawyer , Marco Dugato has underlined how much the so-called “special laws” might be a mixed blessing. Indeed, by construction, the special laws put in place norms and procedures which differ from the usual rules applied to the rest of the country. Every difference requires a set of new rules in order to fit in the normal fabric of administrative action. Not only this is a complex and time-consuming process but it is also a Penelope’s work as the general landscape is in a permanent motion. The present constitutional, institutional and legal present context has little to do with the one prevailing at the

time of the special laws' adoption. The relationship between the "normal" and the "special" is in a permanent situation of flux and contributes both to the slowness and complexity of the whole process. In its concluding observations, Dugato writes " Come leggi speciali di stretta tutela di Venezia (non della laguna, come spesso si dice), il risultato è stato che la città si è sviluppata in modo del tutto autonomo e disorganico: Venezia storica, da città "vera e viva", si è trasformata in museo o luogo di seconda residenza; Mestre è divenuta una quasi-metropoli senza avere la conformazione urbanistica per poterlo essere; Marghera è in un limbo di immobilità; le isole lagunari "minori" hanno perso la vecchia identità senza averne assunta una nuova. L'acqua era e resta un problema, nell'ottica dei più. Il MoSE, che ha cattalizzato l'attenzione e monopolizzato il dibattito, rappresenta l'emblema del fallimento della legislazione speciale. Da un lato, è risposta (corretta o sbagliata, saranno i competenti a dirlo) che non nasce dalla legge speciale di Venezia ma rappresenta semplicemente la vittoria dell'opera pubblica, dell'appalto, sulla pianificazione. Dall'altro, rimane aperta la domanda se, quando sarà ultimato, influenzerà il divenire della città. Qualunque sia il segno della risposta, sarà stata un' opera pubblica, per quanto imponente, ad aver cambiato o non cambiato le cose, non una legge speciale"²³

To sum up, it seems that the impasse is nearly complete: The international transfer of competences at the international level is an unrealistic dream; the full application of normal rules in a system characterized by slowness, complexity and poor "value for money" seems a recipe for despair; and, finally, the use of extraordinary and "special" rules has been

²³ M. Dugato, *Le leggi speciali per Venezia: luci ed ombre*, in *Atti dei convegni lincei*, Accademia Nazionale dei Lincei, Bardi edizioni, Roma, 2016, p. 121-122

disappointing in spite of the hopes created by these initiatives.

The “What to do then? “ question remains on the table as pressing as before or even more since the physical and human risks that Venice is facing are accelerating rather than diminishing.

IV MUDDLING THROUGH: PROPOSALS FOR IMPROVEMENT

In this attempt to suggest a new approach to the governing and managing issues of Venice I will not deal with one of the crucial problems on the agenda since centuries, the hydro-geological issue. Indeed too much time and money has been dedicated to a still unfinished work, the MoSE project whose completion is now announced for 2018, if one still believes it. Nothing can be said or proposed before this huge enterprise will show its benefits or failure and it will be the task of the experts to assess this considerable bet. However, as nothing has been decided yet about its management and the funding of its maintenance, it will be appropriate to consider this dimension together with the wider issue of the future of Venice.

Venice is unique when facing the danger of water. For sure many cities are subjected to the risks of exceptional floods (as it happens in 1966 in Florence) but no other Italian city is under the permanent jeopardy of destruction by the sea. By contrast, Venice is not unique when the social, economic and cultural fabric of the city is radically affected by the flood of tourists. At least two other UNESCO sites in Italy are facing the same risks, however to a lesser extent: Florence and Rome. Year after year the city centers of these three marvels of humanity are facing a deep process of transformation

affecting the population, the life style of its inhabitants, the commercial and cultural activities as well as the ratio between permanent residents and tourists. Dozens of reports and papers have been published on the issue and there is no need to remind the data except perhaps one, the most dramatic and telling about Venice: from 200.000 inhabitants after the second world war, the population of permanent residents has collapsed to 40.000 with all the related consequences in terms of population age structure, schooling, commercial activities etc.. Venice is becoming or is already an open air museum or more tragically a mausoleum of its past glory. Already in 1974, Visentini whose diagnosis remains one of the most acute and pertinent, was provocatively asking if the future of Venice would move “da museo a catacomba”....²⁴

It might be too late to act but if there is still a chance to redress the situation, there is urgency in taking and implementing swift solutions, taking into account the failures of past policies.

On the other hand any proposal has to take into account the democratic structure of the country, its political, legal and administrative structures. Like Umberto Eco searching for the “lingua perfetta”, one could dream of a perfect solution on paper but which would never been accepted or feasible. Some pragmatism is needed combined however with the necessity of breaking/changing present rules, included if necessary the Constitution. Time might come quickly when the choice will be between rescuing the city for future generations or accept its unstoppable decay in the name of legal immutability.

The reform could intervene on two levels/

²⁴ B. Visentini, op.cit., p.212

The first one at the national level would apply to the major Italian cities listed as part of the “World Heritage”. Rome, Firenze, Venezia share the privilege of being “world heritage” cities and the burden of facing huge problems related to the tourist overflow. While some problems are specific to Venice for instance, many issues (evoked ad nauseam by local and national newspapers) are shared by the three cities which are badly equipped to deal with issues related to their status (demography, housing, transport, local trade etc..;).

The second level of reform would apply to Venice only.

What could be the components of such a reform?

- 1- The new policy framework should be set up for the three UNESCO cities confronted with population decline, touristic invasion, restoration and protection of cultural heritage, housing and local transportation.
- 2- If successful, the rules could be extended to other large cities where tourism and artistic patrimony tend to conflict, however to a lesser degree. In other words, the purpose would not be to set up a special legislation for one city but to offer a legal framework adapted to this peculiar set of cities.
- 3- Regulations would be adopted and means allocated by a High Authority. The H-A would approve the strategic planning document prepared by each city. The H.A could prepare and draft legislation - when necessary - in its area of competences and submit it to the Government and Parliament. The H.A. could act on its own initiative or at the request of any local/regional authority of the UNESCO protected area.

- 4- The H.A. would be composed of 5 members²⁵ appointed by the Italian Authorities out of a list of public or private managers with national and international experience drawn up by an ad hoc committee set up jointly by UNESCO and OECD.
- 5- The H.A. would be assisted by one committee of national and international experts. The maximum number of members would be 10, half of which foreign experts. The committee would be consulted both on the planning documents as well as their implementation. They would produce an annual report to the government and the H.A.
- 6- The H.A. would be responsible for the preparation the drafting and the adoption of all by-laws needed for the protection and development of the UNESCO area. These rules, once approved, would replace any national or regional regulation previously adopted for the three world heritage cities
- 7- The H.A. would be responsible for the allocation, monitoring and control of the means and resources attributed for each respective area. In case of inaction or failure on the side of the competent local authorities, the HA could substitute itself to these authorities at the request of the government.
- 8- Each year, the H.A would produce a report analyzing the progress made and drawing attention on the failures to act swiftly and efficiently. Proposals for the modification of the legislation could be made.

However, in the case of Venice a further step should be taken given the specificity of the territory and the dramatic character of its transformation. If it is not too late, there is without any doubt a case for a radical emergency salvation. A major reform jump has to



be accepted in order to overcome the stalemate resulting from “politicization”, lack of coordination between multiple actors, innumerable veto points, inefficiency of public administration, risk of clientelism and corruption. It justifies the second level of reform applicable to Venice only.

Let start from a basic assumption: in spite of some improvements (notably in safeguarding and restoring historical buildings), the past fifty years is the story of a shared failure. The complex web of rules and institutions has been detrimental to efficient action and has even impeded the adoption of a clear and forward-looking strategy. Time is ripe for a more radical overhaul since the previous attempts have failed I have no much illusion: my proposal will be welcome with skepticism and the view that it is too difficult, demanding, contrary to the tradition, the Constitution, the established rules and conventions or even to democratic values etc...

My point of departure is that the conflicting interests which come to the fore in the Venice area are in a position to use and manipulate the vast array of institutions and veto points in the decision-making procedure. There is both too much complexity and not enough accountability as powers are disseminated between too many actors, none of which capable of overcoming the obstacles, none of them capable of taking the lead in favor of swift and efficient action. The recent creation of the “città metropolinane” is too new to draw conclusions but the first moves of this new local super-structure do not trigger much optimism. The Council which includes all representatives of the communes is chaired by the mayor of the most populous commune but as it happens in most cases (with the notable exception of Milan and Bologna), political majority at the central commune level and at the level of the aggregated communes is often ad odds. One can envisage without too much pessimism that many inner cities and their peripheries will be be paralyzed by constant conflicts which will impede the



launching and implementation of much needed local policies. Time has come to cut the Gordian knot.

The problem has to be tackled from a spatial, institutional, procedural point of view.

The first point is to redesign the area that the new institutional setting will have to govern: in my view it cannot be the “historical city” only given the intertwining of issues. The area should include not only Venice itself but the entire lagoon and its communes and include the port of Marghera and the airport in order to place under the umbrella of a single body most of the policies which affect the life and survival of the historical city itself: water policies, environment policies, urban planning, transportation, big infrastructures (port and airport), housing. This would be the responsibility of a new entity called “The Greater City of Venice”. The institution would be new by Italian standards but would imitate a model which can be found in other political environments, most of the time for political reasons: Washington State in the U.S, Hamburg or Bremen in Germany, Paris in France (both a city AND a province), Hong-Kong or Macao in China, the Bolzano province in Italy are examples of small territories combining the powers which are usually split between several levels of government. Critics might say that each of these cases is “special”. I will content myself to reply that if there is a “special” city it is Venice! This territory would be distinct from the present Veneto region and would be, by derogation, responsible of policies usually attributed to single communes or regions.

The Greater Venice would be governed by a Council of 25 members only, chaired by one President. The Council would approve the strategic plans, the programs and the budget prepared by the executive body. All documents would be considered as approved if by dec.31st of each year, the majority has failed to approve them



and that an alternative majority has not been able to emerge (German constructive censure type). The President would chair the Executive without the right to vote but would act as a facilitator (European President type).

The executive (Giunta) would be composed of 5 members chosen by the President among experts in management from the public and private sector with a proven record of success. The list of potential candidates will be drawn from a list set up by an international selection committee. The executive will draw regulations, set up policies and programs, appoint policy managers and directors, draft the budget and will allocate the resources. Each member of the Executive would be fully responsible for the policies of his/her portfolio but any policy proposal should be first approved by at least 3 members before being tabled to the Council. The Council might object to the proposals by a special majority of 18 out of 25. The Executive might be censured by the Council only and when an alternative majority of 18 could be substituted.

The Council will be supported by two international advisory boards, one responsible for Water issues and Transport, the second for the protection of the historical heritage and the revival of the historical city. They would express opinions either at the request of the Council or of the Executive or on any issue at their own initiative. When their opinions are adopted by a majority equal or higher than two thirds and that they object to a Council or Executive decision, the concerned body should deliberate again on the issue at stake. The work of the Council would be controlled according to the regulations of Italian law and by a special audit/assessment committee under the authority of an international audit firm. The report would be public.

Obviously, each of these specific suggestions can be challenged and modified. However the principles at the basis of these proposals



should be kept: the first one is the relative smallness of the Council (American/English option). The propensity is usually to try to represent any interest and to increase the number of representatives to match the many requests of each important or tiny group. The objective, on the opposite, is to avoid fragmentation and offer incentives for aggregation. The second aim is to favor expertise and stability. The Council would be of small size, with clear attributions and instruments, fixed deadlines and accountability. In case of incapacity or failure of one or several members of the Executive, the President, after having heard the Audit committee could request to the Council a vote of confidence on the concerned persons.

This proposal attempts to reconcile democracy and expertise, competence, efficiency and accountability. Obviously, it departs from the Italian traditions in matter of local government structures and organization but it is inspired of models and experiences in the US, in Great-Britain , France or Germany, all countries with prizes and defects but whose experiences can usefully borrowed for the Venice 's rescue.

Yves Mény