

THE GROUND-RENT OF ART AND EXCLUSION FROM THE CITY

The exemplary quality
of Venice's singularity

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Fig.1 Business: Theatres to tourist markets! Churches to galleries! Living rooms to tourist accommodations!
The re-dedication of the emptied city.

Venice is an instructive model for the—literally—exclusive re-dedication of urban space in accordance with a totalitarian rationality of revenue per square meter. The reason for this is its physically exposed location on the lagoon, which separates its historic center from its agglomeration on the mainland, thus revealing the two parts to be, by nature, quantitatively and qualitatively distinct.

What the prominent situation reveals is this: the running of the iconic art city is inimicable to the life of its inhabitants. Their exclusion from the city obeys the rationale of an exploitation that makes its own area of dominion uninhabitable.

The post-city city

Precisely what makes Venice exemplary as a place and hence an illuminating model for reflection on the city in general stands, paradoxically, in the way of any rational discourse, because what is happening in Venice is, at first glimpse, nothing extraordinary: it is just the regular routine of business taking its course. As always, this follows the principle—as common as it is unconditional—of property, its appropriation, and exploitation. However, to follow this generally uncontested rule in the ossified, pre-modern structures of *La Serenissima* wrecks, in a far shorter time, precisely those life-incapacitating processes of destruction, which, in usual cities that are capable of expansion and change, make themselves felt only slowly, and are mediated by compensatory factors. In Venice, displacement is necessarily, at one and the same time, exclusion. That expresses the process with all conceptual clarity. In contrast to developments in the “generic city” of the global economy, Venice’s metropolitan periphery, separated by a water barrier, has the effect that the historic center associated with it becomes, all of a sudden, an uninhabitable zone, a condition incompatible with living inside it. Because its growth cannot be directed outwards, it has to take place in the form of intensification: it is subject to the unconditional rationale of the optimization of turnover per square meter.

When it comes to Venice—a city unremittingly traded as a site of global yearning—any judgement on the effects of the profitable management of land in its designated form of real estate property immediately takes on a shrill, strident note. Because who wouldn’t, without the slightest hesitation, be prepared to espouse the cause that this place must be preserved for the uplifting and edification of

future generations? This very site, which John Ruskin held on any scale of appreciation to be the “paradise of cities,” and whose most important built monument he even dignified as the “central building of the world.” Passions for the preservation of Venice are two-a-penny. It leads customarily to hollow rhetoric—notably the epithet “fragile” for the allegedly endangered walls of this city. Unfortunately, all the indignation and outrage, expressed almost invariably in a tone of concerned pathos, disregards one thing—namely the universally acknowledged, and hence uncontested nature of the business whose methods of exploitation of real estate as the original incarnation of property encompass each and every thing. This business is spatially expansive and, in its fateful logic, encroaches not only on what constituted for centuries the specific vitality of this improbable urban ensemble on the lagoon. The ensemble is in the process of being reduced to its mere transfer copy—diminished into a theme park vaguely inspired by the atmosphere of its original spatial feel. This trivialization embodies a unique selling proposition, in which the essence of the brand seems to be captured, differentiating it from its rivals as a trading commodity fostering prosperity.

The idea is straightforward and therefore sounds orthodox: for as long as the laws of the *one* economic system are in force—a system that grounds all freedom for the exploitation of private property in the genuine freedom of owning realty—the soon-to-be-completed exodus of all everyday life from the waterside settlement will be an inevitability. Conversely, it would be as idealistic as it is senseless to demand that territorially limited special regulations should be established as an exclave in the otherwise hegemonic dominion of the private control of land, so that Venice is bracketed off as an island in the *mare magnum* of globalized capitalism in order to embalm it for posterity.

Equally absurd is the reverse argument: there are scant grounds for assuming that the norms of the world economy would be overthrown simply for the sake of the wellbeing of one idyllic little spot. After all, the latter is only one third of the size of Disneyland Paris and has a total population lower than the staff of Disney World in Orlando, Florida. That would hardly be grounds for a world revolution—even for its supporters.

Scandalization is a vicious circle, and intellectually improper since it is made up of consternation and affirmation, coating controversial political certainties in the plausibility of common sense. In scandal, it is easy to reach agreement. In what remains to be said here, therefore, one thing is always to be taken for granted: for Venice, it’s already “game over.”

Everything that persists in making life difficult for its last inhabitants is normal, “business as usual.” This sober fact—in contrast to the reasons for it—is thus not worth getting het up about. The arrival of this state of affairs is noted only by those final residents who are compelled to witness the death of a form of existence that was once the day-to-day life of a city. Until a few years ago, it was preserved in its autochthonous particularity as something that was as special as it was exemplary. Venice’s early medieval and Byzantine structures, which have remained preserved in its isolated, waterside position, simultaneously make this city into a both singular and general capital, into the very epitome of a “city.” Consequently, along with this epitome, the city as hitherto practiced in line with the mediaeval legal statute of the “city air that makes people free” must perish in

terms of being a concentration of interrelationships at the place in which a multiplicity of human beings have their dwelling. They do so in order to encounter one another, within the parameters of work and free time, in the spatial unity of a context that can be created only by a city neighborhood on its streets and squares. The former local residents now find the center of this unity disputed by real estate owners at every point where income can be expected in the form of a lucrative demand generated by massed and—in the literal sense—*ephemeral*, i.e. fleeting, consumers of tourist board and lodging offers.

Society will have to come to terms with a post-city city—and this holds true far beyond the paradigm of Venice, which has monument-like status in this regard. It holds true for every iconic form of urban life that—more because of its narrative and atmospheric marketing potential than because of its historic reputation—makes itself a compliant object of marketing dynamics by becoming a destination. The deregulatory forces concomitant with this dynamic inevitably set in motion a self-propelling regime of exclusion. The means of achieving this exclusion, which is always implicit in the concept of the owner's power of disposition over real estate property, is the price that is paid for the use of space.

Among the canonical conceptions of Venice is the conviction that its lagoon-side location is an ecosystem forever endangered by anthropogenic influences and which the ancient Republic, with great technical and political skill, took upon itself to preserve as a sacred good for the generality. This commonplace view is in need of correction. The lagoon should be considered less as a fixed geological formation than as a continuously liquid field of interaction between the forces of sedimentation and erosion. In a precarious system of movement and counter-movement, it is the ever-threatening poles of antagonistic development—silting up or opening up into a bay—that determine its constitution. Contrary to what environmentalists and nature-lovers believe, Venice's lagoon owes its continued existence to a social order. The wish to forever fix as such a geological state reached in the Middle Ages transforms the natural space into a cultural landscape created wilfully by the authorities—a landscape which is dependent on a strict policy of water-control, and which seeks to influence the natural water flow on a grand scale. The lagoon is therefore a highly artificial construct. It consequently requires a state power of utmost resolve which, in order to preserve its extraordinary physical location, has to resort to equally extraordinary societal efforts and to wondrous technological innovations.

When in the year 1152, following a prolonged period of rain, the Po broke its dykes in the *rotta di Ficarolo*, the ensuing flood not only depopulated the surrounding plain for a generation, but also deprived the powerful and wealthy Pomposa Abbey of its characteristic position as an island washed on all sides by diverse arms of a delta. Nervously watched by the ruling class in Venice, this catastrophic development ultimately laid the foundation for a momentous decision—the all-powerful resolution to preserve the lagoon situation of the island at all costs. In 1327, under the command of the already 100-year-old institution of the *Magistrato alle Acque*, the attempt began to stem and arrest natural changes—an attempt that reached its engineering culmination in 1488. Where they flowed into the bay with its promontories and sandbanks, the sediment- and gravel-bearing rivers were forced by an artificial bed to take a course which

made the utmost endeavors to petrify what was in fact a process of continuous flow.

Fortifications, fisheries and seafaring were subordinate elements in the geopolitical status of a Maritime Republic that was to be eternalized. For in the center of this development stood the doctrine of an identity-conferring topography. This dogma uses the island situation as a token that serves a solely political purpose—the endeavor to preserve in Venice's geographical exceptionalism the raw material for a naturalizing foundation myth for its state construct. Its exceptional physical situation continued to vouch for the patriciate's claim to power. Using its distinguished territorial situation as a symbolic magnitude, Venice was intent on the quality of an essentialized historical image. That is precisely what mystification achieves: turning history into nature so as to surround the hagiography of hegemonic authority with the nimbus of necessity and incontestability. In this way, dominion appears to be a given of Nature.

The resolve to reshape territorial formations on the scale of geological coastlines and the natural forces at work in them was necessary to preserve Venice's "urban alterity."¹ In its stylization of geographical exceptionalism, the stupendously singular location is a spatial legitimization of dominion fortified by despotism and hydrogeological measures. There is probably no better evidence for the analytical capacity of Henri Lefèbvre's idea of the politics of space (whose popularity has been rewarded by its dilution into a rhetorical husk) than the sovereignty narrative—derived from its isolation on the lagoon and reified into landscape—of Venice's long-enduring power. The incomparable location advantage has thus been speculated upon far longer than the formulae of the tourism industry lead one to expect. They just continue this destination's success story. Yet it can also be recognized that the authorities in this sea-bound city not only passively accepted the limitations imposed by topography but also actively intended them.

In *Der moderne Kapitalismus* [*Modern Capitalism*] (1902), his voluminous major work from the start of the twentieth century, Werner Sombart included something that he considered to be absent in academic work to date—a theory of the city.² In an attempt to supply the latter, he uses the special case of Venice as a fundamental pattern for his conceptualization. He sees the developed monetary economy and the emergence of merchant capital as originating in the municipal ground rent—the expression used by classical national economics for the yield from real estate property. Under the title "Ground Rent Theory" this has become the subject of major controversies, because, in contrast to the prevailing doctrine on Venice, Sombart does not explain the rise of a modern capitalist economy as resulting from the sudden inception of trade prosperity, which then grew until it had uncontested superiority in the Mediterranean area. It was, Sombart argues, precisely the other way around: it was not because it was a trading city that Venice grew rich, but rather because it was rich that it could become a profitable trading city. "In economic terms, the cities of the Middle Ages are the product of the recipients of ground rent; only through it can the 'merchants' exist."³ The use of land as the source of monetary wealth first generated the credit upon which trade was based—not *vice versa*, as Sombart's critics would have it.

Sombart understood not only the beginnings of bourgeois wealth-production but also the basis for the very existence of the city as motivated by the logic of ground rent, which he terms "primordial

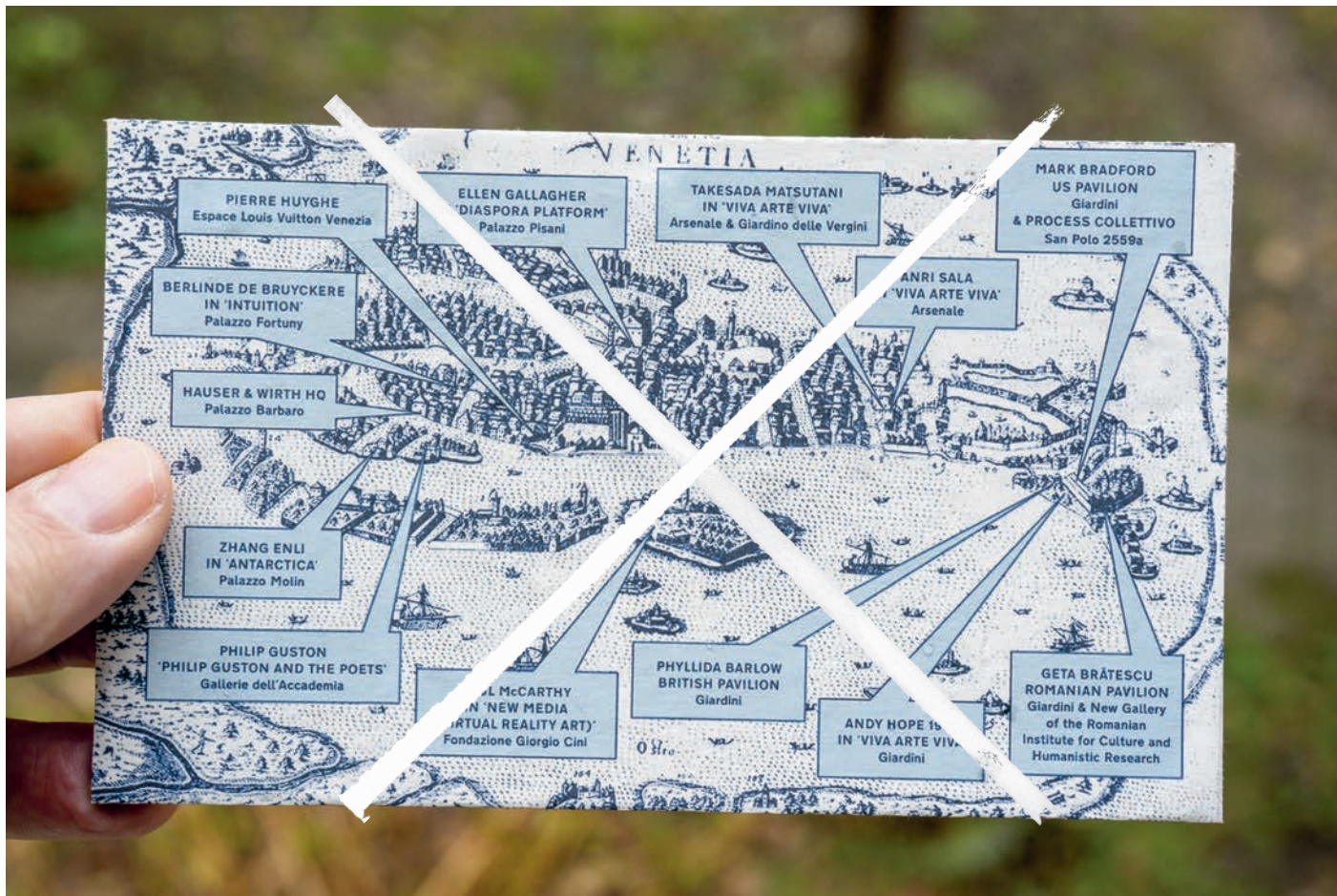


Fig. 2 The art market and its spatial requirements: battle plan for the capture of the city. Flyer of a globally operative gallery for the 2017 Biennale.

wealth.” Monetary riches, this line of thought argues, grow from the “development of city culture,” which occurs in the interest of a few land-owning families. They divided up among themselves the land bounded by the city’s perimeters—land which, with the enormous growth of the population after the eleventh century, experienced an extraordinary rise in value and brought its owners a corresponding increase in rent revenues. As accumulated capital, he argues, these latter formed a surplus that called for re-investment, which was provided in the form of credit granted for trade undertakings. With these additional funds they could subsequently cope with a continuing growth in large-scale and long-distance trade. Since the limited space available for building in the city area, together with a huge and unprecedented concentration of consumers, gave the small number of aristocratic families who had succeeded in transplanting liege conditions into the urbs the monopolist position of a likewise unprecedented increase in the value of their real property, Sombart sees ground rent as the “mother of the city.”⁴

With reference to Venice, Sombart concludes that a good deal depended on the special characteristics of the city’s location and its restriction: “The more cramped the space into which a population had to be squeezed, the higher the surplus value rate extracted from the population in the form of ground rent.”⁵ He identifies the city’s major landowners, who divided up the city among themselves, as the real creators of the city. Among the richest land-owning families in Venice were the Ziani family, several members of which held the office of Doge. There were at least 13 densely built city parishes in which they owned considerable land. In several of these, the entire

land surface was in their hands. In addition, the real estate empire of this long-dominant family included more than 80 salt works, but also vineyards, extensive and continually increasing agricultural lands on the mainland, and finally, extensive water rights in the lagoon.⁶

Therefore, with the rank of nobleman and privileged landowner, one could live from the rents yielded by the land on which all other city-dwellers depended. And not only that: when the feudal class began to derive revenue from the Republic’s colonial conquests in addition to the rents, this income was so high that the owners were often unable to consume it on their own. The surplus capital deriving from accumulated ground rent demanded to be utilized. Lending it on interest to those who required it to fund their businesses—among whom the state itself is to be numbered—constituted the credit industry, which first emerged in Venice and subsequently assumed institutional form there.⁷ With the entry of the aristocracy into the business transactions involved in trade, however, the reverse case, in which landed estates are used as security for the receipt of credits, emerged as the historically decisive form.⁸

In the dual meaning of the “ground of the city” inherent in the spatially concentrated management of ground rent by an elite with the privilege of levying it, two historical factors essential for the modern era need to be distinguished. On the one hand, the value of land comes into the hands of money owners by means of credit. Through the granting of loans feudal wealth was transformed into bourgeois wealth. This transfer of capital, in the form of mortgages from landowners to money merchants, functioned as a decisive precondition for capital accumulation in cities. While under the conditions



Fig. 3 The lower Castello: exclusion through the representational functions of state authority and art

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| 1 Arsenale [Biennale grounds since 1999] | 4 Giardini, Napoleonic Gardens [Biennale grounds since 1895] |
| 2 Rio Sant'Anna [Boulevard Via Eugenia, 1807; Via Garibaldi since 1866] | 5 Napoleonico Café, 1812 [British Pavilion since 1909] |
| 3 Riva dell'Impero, Mussolini, 1941 [Riva Sette Martiri since 1946] | 6 Arsenale policing jurisdiction, 1600 [Castello Basso] |

of feudalism (under which the urban aristocracy of the Venetian *Signoria* can be subsumed) land was firmly associated with the personal union of aristocracy and *dominium terrae*, in which hereditary nobility was like an *accidens*, an appendage, of landownership, and fiefdom and liege lord were thus inseparably bound together. Land lost this bond at the very moment in which it was transformed into a commodity. “This bartering away of land property, the transformation of land into a commodity, is the final overthrow of the old aristocracy and the final establishment of the monied aristocracy.”⁹ As the control of space became a banal matter of monetary demand, so it freed itself from ennobled landownership to be handed over to lords of money ownership. This appropriation, however, delivered the verdict on a dividing line that was destined henceforth to run right through society. With the criterion of the profitable possession of space it monopolized a foundation of life and livelihood that separated the proprietors from the unpropertied. The existential wish to make use of space forces some into the service of the others. The question “Who owns the city?” is thus not about reducing the land share for the many; it amounts to their essential expropriation.

Segregation

The distribution of estates, strata, and classes in the social geography that is always woven into the structure of any urban expanse finds its architectural reification in accordance with the economic laws prevalent there. The latter again owe their existence to the political regime the power of which guarantees them. The circumstances of Venice’s primordial society, for which scarcely any written documents survive—in contrast to the ensuing half millennium of the unbroken constitutional history of a patrician oligarchy and its excessive bureaucratization—remain recognizably inscribed in the particular spatial order and the walls of Venice right down to the present day. The social form prevalent in the early Middle Ages was dominated by an idea of community under the mantle of religion. This found its political expression in an inclusive sovereign: pre-eminence in all political decisions was enjoyed by the spontaneous institution of a gathering of the populace, known first as the *concio* and later as the *aren-go*. The proclamation of the will of the entire citizenry (which the coming together of all adult male members, or at least the heads of family, in the community understood itself to be) took place in turbulently conducted plenary sessions, in which the noise generated by

applause was the decisive factor for acclamation. Without any distinction, this assembly included all *maiores, mediocres et minores*, those of higher estate, those with average income and those of lower rank. Thus, the participation of persons equal in principle in the process of exerting political influence still resembled the archaic *polis* of the ancient world. For a period of four centuries, up to the election of Vitale II, the thirty-eighth Doge, in the year 1156, this popular assembly had the right to determine the incumbent from among its midst and to watch over his exercise of office.

With the increasing wealth of the Republic as it rose to be the leading trading metropolis, hegemonic political endeavors began, directed at the formation of a privileged political elite, whose noble rank was based on merchant success. Henceforth, Venetian historiography was to be the history of the increasing empowerment of a bio-politically rooted, and hence hereditary, patrician class in contradistinction to the former immediate plenary gathering, whose vote hitherto encompassed all sectors of the populace and which had the full right not only of the general election of the Doge from among its number but also of determining his mandate. On the one hand, this hereditary nobility strove to close itself off, refusing to admit socially mobile parvenus from among its fellow citizens and, on the other hand, it was increasingly concerned with reducing the office of Doge to a formal representational figure, whom it sought to keep under its control. In a protracted, conflict-ridden process, the ruling nobility managed to gain the sole supervision of policy, of the upper administration, of warfare and of command of the fleet. This occurred in the framework of a feudal, estates-based structure, which, without any distinction made, consigned both the well-to-do *cittadini* involved in trade and production and the majority of the population, known as *popolani*, to the class of those excluded from political influence. The latter were dependent on their labor as their sole source of wealth and maintained their livelihood as workers, sailors, or soldiers.

In 1172, the first Doge whose election required only formal assent from the disempowered council of citizens was the 39th Doge Sebastiano from the house of the Ziani. Their prosperity was founded in exemplary fashion on their outstanding land wealth, from which derived, alongside their credit business, their share in the pepper-handling trade monopolized in Venice. Sebastiano's inauguration, at which for the first time a specially installed council of aristocrats rose to its feet, was decreed to the populace with the laconic words, "This is the Lord Doge, whether you like it or not." The self-empowerment of the aristocracy to the exclusive exercise of political sovereignty reached its apogee in 1297 in the act of *serrata*, or lock-out, of the Grand Council, a body which combined the competences of the quorum of the community and the Doge. The demands of this leadership elite were codified in the *Golden Book*, the *libro d'oro*. As a birth register, it listed the legitimate descendants of the families who, with a seat and voting rights in the *maggior consiglio*, were henceforth exclusively to embody conciliar authority. With this caesura—the constitution of power in a plutocratic organ of Venetian *nobilhòmini*, which permanently excluded the populace from sharing power—the nomenclature of the city also underwent a remarkable change. It was no longer apostrophized as a *comune*, as something held in common, but now figured under the attribute of the circle of most elevated feudal representatives who held the presidential function over the council—the *Serenissima Signoria*, i.e. the superlative of most serene

majesty. Finally, in the plague year of 1423, as the conclusion of these constitutional developments, the popular assembly of the *arengo*, which had been reduced to a symbolic instance of appeal, was struck out of the constitution once and for all by force of law. The leading role of the aristocracy, which excluded the overwhelming part of the populace from all political decision-making, continued for 500 years, until the Republic fell to Napoleon.

It is revealing that the social strata in this mighty center of world trade, whose prosperity, in contrast to other Italian towns of this period, fed so much on imperialist land acquisition, colonial territories and representative real estate property and whose physical foundations rested at the same time on the unsecured, and thus especially treasured, situation of raised land, should be separated from one another in the political order, but not in terms of space and urban design.

Other towns have urban districts, *quartiers*, as the mediaeval Latinism has it that has been applied to the smallest administrative unit in the French capital since the late eighteenth century. Venice, on the other hand, was divided under the rule of precisely the first Doge (Ziani) not to be appointed by the direct consensus of communal will, into *sestieri*, or sixths. Since this was considered to be one secret of its preeminent prosperity, other Italian city-states even copied Venice's territorial numerological organisation—Ascoli Piceno, Rapallo, and even the arch-enemy Genoa arranged themselves likewise in sixths.

However, what characterizes Venice's six city districts is the absence of any socio-spatial structure determined by separation into functional spaces of societal rank or the singling out of class hierarchies in line with income level. The groups and strata that constituted the Republic's otherwise strict estate-based society were precisely not segregated from one another in terms of housing, but lived in a convergent proximity, which made families of note neighbors of the "little" people, the craftsmen and small tradesmen. Magnificent grand mansions stood cheek-to-cheek with workshops and wretched hovels. Cottagers lived in the immediate vicinity of city palaces built by merchants of renown. Rich beside poor, privileged beside lowly. Overlap was the principle behind the permanent propinquity of divergent typologies of buildings and inhabitants.

The contrast between good and bad areas did not exist. Even alignment to the canal and the presence of the ever-important water frontage was at first no evidence of an ennobling preferential situation. Almost every building in the urban ensemble, which only grew together slowly from the elevated areas of the marshlands, naturally bordered a water course. Within its walls, the city was constituted as a juxtaposition following the ideal of equality; if Ruskin is to be believed, this can be attributed to the lack of distinctions in the original, Christian-imbued spirituality that determined the cohesion of the settlement as a community of faith in ancient times. The original role of the popular assembly practiced in ostentatious social unanimity has been conserved within these walls precisely in the city's construction and design as a concerted endeavor to achieve the equality of its citizens. In line with its origins, Venice is architecturally a homogeneous heterogeneity, whose topographic conformance was emulated in self-assured manner. This is documented in many provisions elucidated in architectural history and the cultural sciences, beginning with the fact that the *palazzo* of the better-off was explicitly permitted to be called only *casa*, just like all the others, however much

pomp and showiness it exhibited in its facade, and that precisely for members of the upper class it was considered morally reprehensible right up into the fifteenth century to allow the roof ridge of one's own house to tower above others. And just as among all the *campi*, only the square of San Marco was allowed to be a *piazza*, so the honorific term "palace" is, strictly speaking, reserved for the seat of the Doge in the *Palazzo Ducale*.

Only with the foundation and development of the commercial and military "hothouse" of Venetian power—to use Nietzsche's term¹⁰ for the shipyards, naval base, and weapon store of the *Arsenale*, which had existed since the beginning of the twelfth century and was mushrooming into a huge bastion—did there develop in the shadow of its fortification walls a territorially separate zone for the lower orders. This was a ghetto reserved for those of inferior social status, a zone whose character of topographic segregation corresponded to the isolation of the Jewish minority in the late Middle Ages, for which the term was originally coined in the *veneziano* vocabulary. The Republic-owned factory of the *Arsenale* created the most colossal conglomeration of manpower in pre-modern European history, with tens of thousands of laborers employed in a machinery designed for their utilization. Many methods of modern production increase were anticipated here, from processes of serial production up to stages of production arranged in an assembly line. At the zenith of its output, this Moloch, which on today's measurements occupied one tenth of the city's total area, was capable of producing up to 50 warships or trading vessels within one week.

Beyond this facility, which spread out at the eastern periphery of the urban area, the army of inflowing workers that the state shipyards kept in its employ settled on sparse swampy islands and salt meadows scarcely above the water level. The productivity of these *arsenalotti* gave the Republic such a decisive engine for its dominion over the Mediterranean and the economic strength which this bestowed that they were granted privileges such as the exercise of self-administered policing powers, and even a limited competence for local jurisdiction. These two things, admittedly, served to reinforce the segregated character of the area, the architecture of which also bore traits of *venezia minore*, a form of building indicative of poverty. It was no coincidence that the territory became the trial site for what is likely to have been the first council dwellings and modular forms of construction in European architectural history—buildings that the city authorities arranged to be designed for deserving foremen and that are still preserved today, for example in the *Marinarezza* complex. To distinguish it from the *Sestiere Castello*, this remote district, which right up into the eighteenth century could only be reached on foot from the city center via a rarely functional drawbridge, was commonly known as the *Castello Basso* on account of its lower house numbers, but also its marginal social status.

This city planning policy of segregation based on the category of subdivision, which came about in the course of the architectural objectification of state power, was destined to be repeated, both for the urban structure of Venice as a whole and for the particular situation of the *Castello Basso* within it. After 1797, the programmatic construction measures of the Napoleonic administration reinforced the isolation of the district, making severe incursions into the autopoietic growth of the slum. These were city planning measures in the form of deictic gestures, for the sake of which part of the poor housing was

demolished to make way for the municipal park that was to become the *Biennale* grounds from 1895 onwards. Many of the almost 100 churches and monasteries that fell victim to the imperial masterplan for the secularization of Venice stood in this area. Their loss was customarily also the loss of the essential public space of the squares that lay in front of them. But the characteristic water economy of the peripheral living area was also endangered by the filling of canals to create showpiece boulevards. The former had been the vital arteries of day-to-day supplies. The reinforcement of the embankment promenade as a parade ground for Mussolini's regime followed a comparable propaganda purpose. Its destruction of the established customs of the local economy with their dependence on watercraft went one step further in the cessation of a traditional way of living.

The real historical revenant of urban segregation, however, must surely be the workers' city erected in the years of Italian fascism in Marghera on the lagoon's coastline. Inhabited by former agricultural workers from the expropriated land which Conte Volpi, Mussolini's finance minister, re-invented as Europe's largest industrial facility—the former agrarian population providing the necessary workforce, a submissive Catholic proletariat—in the 1970s it became the theatre of one of the largest environmental disasters of the post-war era. Synthetically held together by a centrally sited church—designed in the fascist *Razionalismo* style and dedicated to the "Jesus of the Workers"—the layout of the dormitory suburb is just a lifeless counterpart to the gigantic, life- and ecology-threatening factory site that it serves. While Marghera is itself already a monument erected to the social exclusion of population groups defined by precarious income and bestowing spatial marginalization upon them as the very condition of their existence, its urban area also includes a neighborhood in which the rationale of separation as objectified in city planning has been taken to an excess: a complex of social dwellings known as *Vaschette*, designed very much on the cheap, was so hermetically enclosed by the manufacturing plant of the petrochemical industry that it could be reached only through tunnels running underneath the cooling water basins that totally isolated the site. At the end of the past century, this housing, totally sealed off and lacking any structure of supply and utilities, became a flash-point of drug crime and drug-related sex work. The de-industrialization of the commercial surroundings also led to the removal of what the city authorities saw as a problem zone, a *banlieue* in need of upgrading.¹¹ In the jargon of the developers, this process is dubbed an opportunity for investment in so-called "urban re-qualification."

One of the representatives of this class of real estate developers is the current mayor of the municipality, which comprises not only the much-lauded old city but also the conurbations of Mestre and Marghera, with their far higher number of voters. In addition, however, the politician, who rules in an autocratic style in keeping with the times, is also president of the *area metropolitana* and has furthermore awarded himself the office of Municipal Culture Assessor, in which he arrogates every decision to himself. The man—who goes by the name of Luigi Brugnaro—has emerged as the runaway winner of competition in the private sector: exploiting all forms of clientele lobbyism, which is the commonly accepted course of events in Italy, he has established Italy's largest part-time and subcontract work company providing cheap and readily available labor for the national economy.

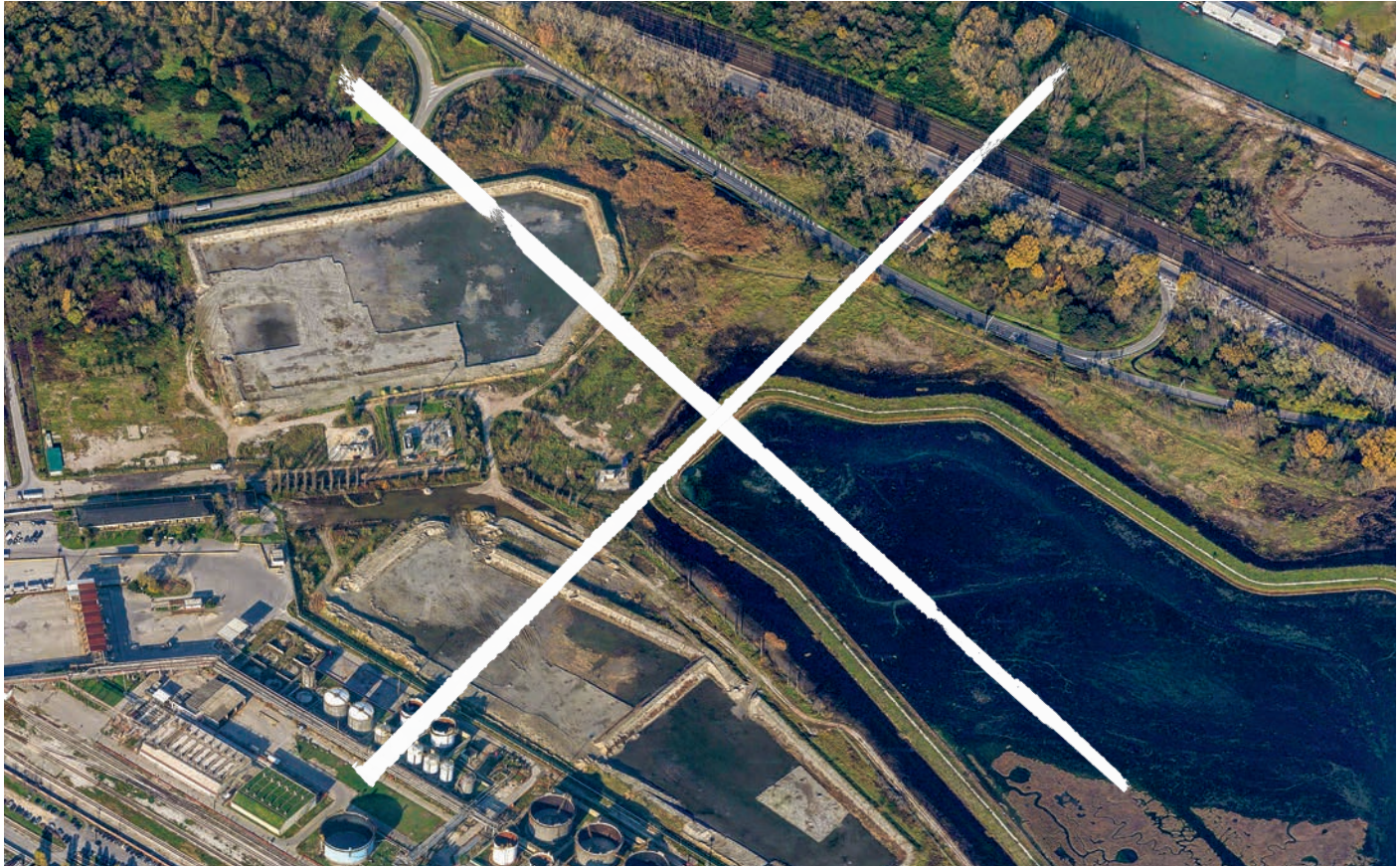


Fig. 4 Waste disposal site and “blind trust:” the development of a coastal facility through the personal union of real estate speculator and local politician.

More recently, his means of capital accumulation has been his skill in gaining possession, at the right time and under favorable conditions, of real estate whose strategic development was the subject of special speculative interest. One of these objects was by far the largest *scuola* in Venice—at some 26,000 cubic meters, the *Scuola nuova di Santa Maria della Misericordia* is a mighty piece of imposing architecture designed by the Renaissance architect Jacopo Sansovino—which for all its pomp, had served as the sports hall of the local basketball team during decades of neglect. Brugnaro acquired the lease of this impressive landmark for 40 years, solely on the assurance that he would restore its building substance in line with established principles of conservation. After the basketball team, of which he was now the owner, had left the field, he immediately proceeded (not entirely in the spirit of the contractual clauses) to market the property as an event location. Restoration work seems to have only started six years later, on the day before the mayoral elections. Among the luxurious functions for which the *Scuola*, was rented out were the extraordinarily expansive presence of the German car manufacturer Audi at the Architecture Biennale in 2010, but also the weddings of Indian princes and a commercial, entertainment-oriented exhibition on Giotto showing only reproductions of his works and—remarkably enough—advertised on the municipality’s own website. The show’s elegant homepages suggest its potent possibilities as a source of rich takings.

More ambitious is another foresighted investment of Brugnaro’s. He purchased from the state a 40-hectare piece of wasteland in the *Area dei Pili*, in order, as he announced, to protect the green belt the public was requesting from the grasp of a Roman speculator. The

favorable purchasing price of 12 euros per square meter was justified by the contractual package deal linking it to the concession of freeing the area from residual waste. In Greenpeace reports from the 1990s, the Brentella industrial canal, which joins up with the former illegal toxic waste disposal site, crops up as the most heavily contaminated body of water in the world. In its sludge, dioxins have been found up to two meters below ground level.¹² Up until today, the owner has yet to conduct any decontamination of the pollution in the land he purchased so favorably. However, the municipal council, dominated by Brugnaro’s party, is considering agreeing to a repurposing of the municipal planning so as to allow a futuristic mixed development of the former waste disposal site with a sports stadium, a marina, a casino, hotels, luxury apartments, multi-storey car parks, and high-end offices—all ideally located for traffic and transport at the foot of the bridge and enjoying a panoramic view over the lagoon-side city. The talk is of a development covering one million cubic meters. As if it had the power of the keys over access to the island city—access which it in point of fact does occupy topographically—the construction project presents itself under the visionary self-appellation of a gateway into Venice, as *Porta di Venezia* (so the corporate name of Brugnaro’s owner company).

As the financier of his project, with which the local press attempts to come to terms in the epithets “pharaonic” and “stratospheric”, Brugnaro was able to win the construction magnate Ching Chiat Kwong from Singapore, who has already achieved similar things with the Royal Wharf project in London, and who is himself an aggressive player on Venice’s real estate market with the transformation of municipal property into hotels. Implicitly conceding the conflict of

interests, Brugnaro—in an act similar to the endeavor of the US President to force legal incompatibilities into a juridical process—passed his business into the hands of a “blind trust”. As a legal institution unique to Anglo-Saxon jurisprudence, this trust is run by a New York law office. This safeguard will certainly allow him to vote unencumbered in favour of his own interests in the respective committees. Because, should the project come about, establishing a new city district on the water’s edge between Venice and Mestre, the rise in value of the land involved would be exorbitant. It would exceed every other business transaction that has ever been made with property along the lagoon.¹³

All of this is worth mentioning for only one reason: in the current constellation of political power, the prevailing standards of an—one is inclined to say: residue-free—exploitation of urban space have achieved exemplary clarity. They are present in naked conceptual form and hence give scant grounds for idealistic hopes. The city as a resource for the cultivation of tourism is a means to a different end from that of living in the city, and it is this other end that it exclusively serves. This exclusiveness has, unquestionably, congealed into a different quality and a different insistence than the classic segregation via expulsion into the *banlieue* was ever capable of.

The professional standpoint of the exploitation of land, which, beneath Brugnaro’s character mask, is prototypically the attitude held by politicians towards the city, is beginning to leave its tracks in the sand, which it considers city territory in its absolute availability and fluidity to be. It sounds grotesque, but the very world capital which John Ruskin, with good reason, valued as something of peerlessly exemplary nature has no representative with the rank of mayor responsible for its particular being. It is governed by an administrator who, from the mainland, sees the historic island ensemble as a unit of management for which actual living inhabitants are more harmful than useful. It is not only the case that he does not take their side: he contests their right to be there at all. A few weeks ago, the simulated regeneration of the carnival for the benefit of tourism—the carnival which Napoleon’s enlightened regime once abolished as decadent—again raised Venice’s filling level up to the pain threshold of its inhabitants. When the attempt to control the level broke the pain barrier, because inhabitants could no longer get to the front doors of their houses, he gave them the official viewpoint in the form of an imprecation: “If you live on the Rialto, you must be able to cope with tourists: those who don’t like it can move to the countryside.”¹⁴

It is the political authorities themselves who, while making the living space uninhabitable, suggest that the last remaining residents make an imperative change of position: they should withdraw completely to make way for a clientele with fatter wallets. The maxim whereby a qualitatively limited space should be utilized in a quantitatively unlimited manner calls for the unrestricted effectivization, intensification and maximization of the unit turnover per square meter.

Exploitation

On the real estate market, where the residential requirements of the normal populace also have to be met, equal deals with equal: the players are, exclusively, persons acting as proprietors. Some offer the use of the land to which they have legal title in exchange for a payment which they view as the interest on their invested capital. The

others present themselves equally as owners of money, which they are compelled to expend in order to cover the costs of their existential need for dwelling space. This formal equality, in which proprietors meet as freely acting subjects in a customary transaction, conceals the difference with which they enter into the latter.

For the one party, a dwelling is a comestible, a means of life. The protection offered by permanent housing serves not only to maintain body temperature against the inclemency of weather but is also the elementary precondition and necessity of bourgeois existence. The latter is forever distancing itself from the basic threat of homelessness, which consists in the loss of such protection. On the other hand, for the other party—that of the real estate owners—dwellings are profitable investments, which like every other investment, must be continually scrutinized as to their most lucrative utilization—not least for reasons of economic good sense. In the course of their pursuit, these two opposing interests—the freedom of some and the necessity of others—must collide. The process in which this systemic conflict is enacted changes and intensifies with the historic achievements of one side in expanding its business. Once again, the territory of Venice proves to be a paradigm of escalation, and here too the reason for this is that under the conditions of island-bound limitations of space, quantitative circumstances are carried to such an extreme that they reveal themselves to be qualitative in nature.

It is a commonly known fact that, in descending order, Paris, London, and Manhattan are the numerically largest fields of activity for the business model of the booking platform Airbnb, which began life as a “sharing community.” And it is equally known that its actions go hand in hand with a dramatic displacement, an ousting of the established resident population, which does irreparable harm to the urban substance of entire inner-city districts. And just as this is happening elsewhere, so too, as one might expect, it is occurring in Berlin, Germany’s largest market for short-term internet-brokered housing: increasingly, streets, shops, and infrastructural elements prove now to be nothing more than stage props addressing the transitory visitor and offering them a mix of products tailored to their needs. The “non-traditional hosting industry,” as these rivals to the hotel business are euphemistically labelled by sociologists and protagonists alike, has established a structurally consolidated and inescapable rack-rent system as a habitual condition of the market. In its sheer impact and speed, this method of pressing forward the mutation of the city outskirts by far the now customary business practices of real estate development known as “gentrification.”

Airbnb company data reveals the following: in the metropolitan region of Berlin, there are currently 20,576 Airbnb accommodation units, creating a 292 : 1 ratio of inhabitants to guest apartments, which conventionally sleep two. In Manhattan/New York this ratio is 85 : 1 and in Paris already 40 : 1. In Berlin, as in many other cities, the local authorities are countering the daily bookings and the massive loss of housing with new rules and regulations, whose strict enforcement is often assisted by controls and fines. In Venice, however, this test laboratory of mass tourism, where the foreign holidaymaker is considered the prime source of income, and the city with its diffuse promise of urban extraordinariness is held to be a consumer good to be marketed as a totality, legislative curbs seem to be an entirely unwanted restriction. At the present time, there are 6,027 Airbnb offers against only 54,000 inhabitants in the historic center. In this

particular place, therefore, the local statistics reveal the absurd ratio of 9:1. For every nine local inhabitants there is, on average, one holiday flat used by two people—and nobody doubts that this quotient can further deteriorate.

This figure, moreover, dissolves into an even more frightening surfeit if one replaces the bureaucratic, administrative, on-paper statistic of those formally registered as resident in Venice by the empiric number of apartments in the historic center on the island for which *de facto* electricity bills are paid and which are accordingly actually being used. If one subtracts from the 24,000 dwellings for which this is the case the more than 6,000 misappropriated via Airbnb for commercial offer, then this more realistic estimate gives the ratio of 3:1—for every three apartments remaining available for local inhabitants, there is now one whose rate of return is henceforth comparable with the daily yield of a hotel room. It is this yield that sets the yardstick of expectation for the profit margin of the few remaining dwellings which are currently tied to long since obsolete rental contracts and are now waiting for the leverage pressure of re-possession or termination of occupancy.

One look at the countless shop-window displays of the real estate agents, who plough every nook and cranny of the city, reveals this in absolutely unmistakable form: their offers are not directed at the

local inhabitants. For the latter's plight, for their attempt to find a roof to go over their heads, there is no mediator. Their predicament doesn't promise any business. Apart from the current rents there are no affordable offers to suit so-called average earners, i.e. the representatives of those typical income brackets who in the competitor-free and omnipresent tourism sector are employed as auxiliaries.

For the traditional majority of the city's population, especially the inhabitants in the previously proletarian and densely populated urban districts of Castello and Cannaregio, for students and for the many employees in subordinate positions in all trades associated with tourism, who in their own existential interest need to be close to their places of work, just living at an address in the island-bound *Centro Storico* has become a luxury. When one considers almost any of the offers available on the market, it is likely to prove unaffordable. In point of fact, however, the conflict has already led to a more radical elimination of bidders: the liberalization of the transformation of residential property into *pieds-à-terre* has brought about such colossal increases in possible rent revenues that offers are explicitly and on principle no longer directed to long-term renters.

This state of affairs does at least enjoy recognition as a "social problem"—under the honorific title of "housing shortage." Apart from the acknowledgement of the dilemma in political rhetoric, to

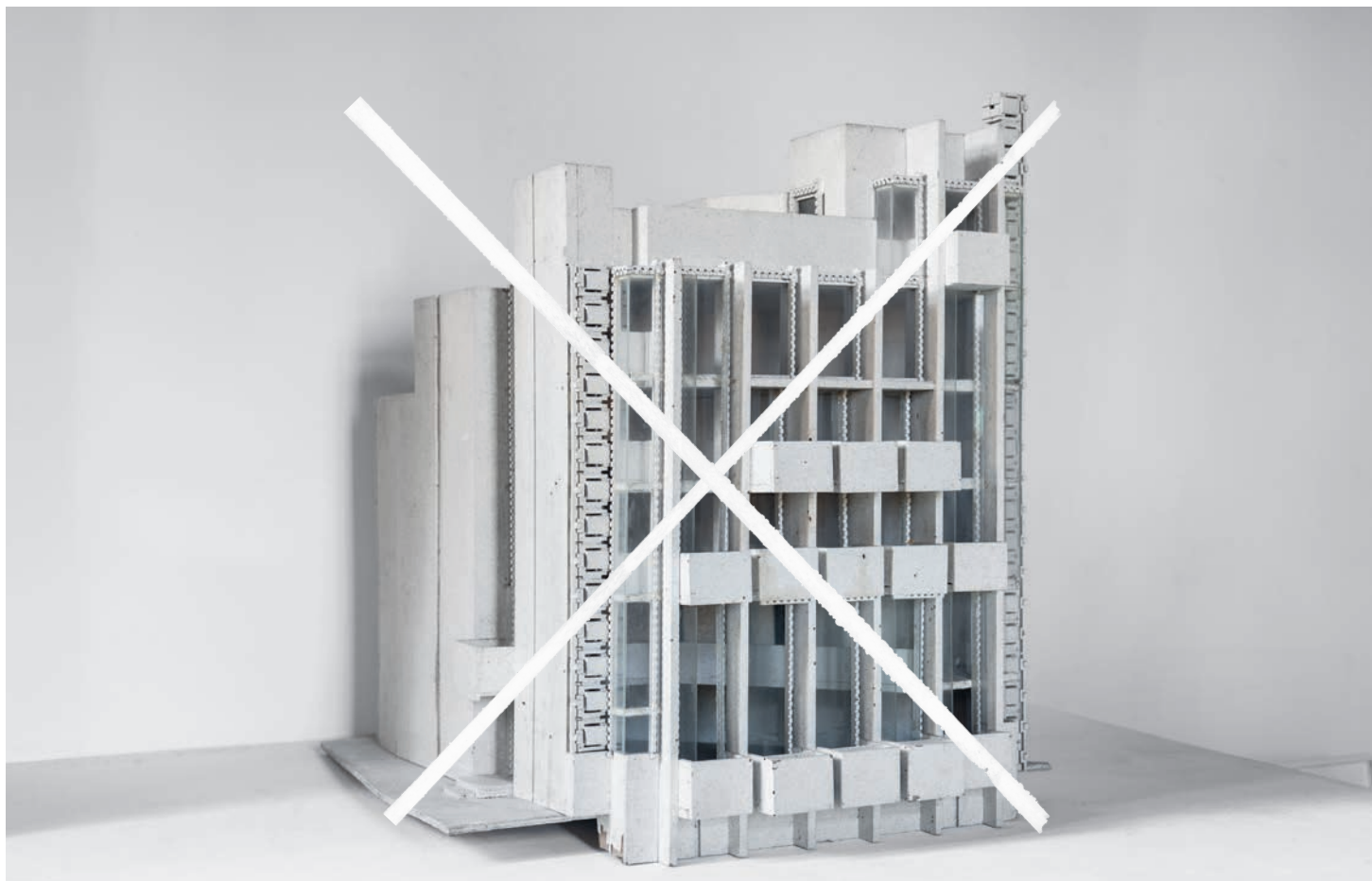


Fig. 5 Rejected as aesthetically incompatible: modernism as social housing by Frank Lloyd Wright – "Masieri Memorial," 1953.

the effect that “excessive financial demands on tenants due to disproportionate rent increases are to be avoided,”¹⁵ those affected receive no assistance. On the contrary: not only in Venice—but here to an escalating degree—the local authorities, as the agents of the escalation, continue to press on with the rededication of the use of the city, transferring municipal real estate to the international hotel industry and at the same time deregulating municipal land-use plans. It is as if all of Venice had room only for the one hotel, with which it would finally be coextensive. In view of the limitation of the territory, however, every local inhabitant is viewed as a deduction from the numbers of paying visitors.

Among those things in the world which come onto the market as commodities and come into existence only in that form—on account of their salability and realizable exchange value—land, the premise and substructure of all architecture and all dwelling, is the only product that itself is not produced. No one manufactured it. It can therefore belong to a proprietor as his real estate holding only in the legal form of the forcible exclusion of all others from using something that is, after all, the common condition of existence on Earth—spatial extension. Something that, like the air, is part of life and, like movement, is part of human nature. Something that in the philosophy of Immanuel Kant is discussed alongside time as the condition of empiricism altogether in the rank of a transcendental *a priori*, can become a traded commodity only by means of this exclusion. The exclusion denies access, so does opening up the opportunity of a business field by dint of the price that is set in front of the permission to use this fenced-in space. It is only the attribute of a barrier around his property thus accorded to the real estate owner—a barrier to the perpetuation of which all relations of force in state and society are directed—that temporarily and against payment allows the suspension of excluding and exclusive rights to cultivated or uncultivated land to be granted to a third party non-owner. This right takes the form of rent, lease or real estate transaction and its enactment takes the form of exchange. In emotional diction unusual in the work of his maturity, a renowned but little-appreciated nineteenth-century national economist calls this license to charge an entry fee for the space a “tributary right to exploit the preservation and development of life.”¹⁶

Although in this payment of tribute the natural resource of land seems to assume the character of a usual source of income, that is not what it is by nature. In contrast to all other commodities, which come into being as the result of production, land as a spatial particle of the Earth’s surface is a business resource that cannot be multiplied at will. This characteristic makes it stand out from all other traded articles—a distinctive commodity within a market economy rationale founded on ongoing quantitative increase. For the qualitative physical limits of this good are initially also those of its quantitative growth. The escalating process of building upwards, the skyscraper, is the still limited attempt to escape from this constraint. At least in the current historical phase of development, the legal restrictions imposed by heritage conservation in Venice stand in the way of any intention to increase the exploitation of ground-plan by tower-like above-ground construction. This has led to the fantasies of all the local governments that have held office over the past decades and their investors—the wish to expand the nearby mainland on the shore of the lagoon into a kind of futuristic skyline *à la* Dubai. Examples of this are Frank Gehry’s mammoth project *Venice Gateway*,

whose prospects came to nothing, and the monumental *Palais Lumière* of the couturier and real estate developer Pierre Cardin, which was likewise to be built on the lagoon shoreline. The latter’s hypertrophic design modelled on a flower vase of Murano glass blown up to gigantic proportions, would have smashed all superlatives—with more than 44,000 square meters of hanging gardens, lakes, swimming baths, five-star hotels with 500 rooms, restaurants with aircraft-like views over the historic city, a theatre seating 7,000, 10 cinemas as well as fitness and wellness centers, its own emergency services, bars, office spaces, and parking for 6,000 vehicles. In the 2015 price list, an average, medium-sized apartment was to cost two million euros. While these endeavors to cash in on Venice’s location advantage on an unprecedented scale were broken off, in part after massive investment (also on the side of the local authorities), many other large-scale projects in the agglomeration have actually been realized or, as the above-mentioned development of a new city district, are close to receiving planning permission.

Given that the extension of surface by means of growth in the vertical plane is not an option, the provisionally insurmountable limit to commercially usable ground in the historic center sets in motion a dynamic that must naturally be concerned with achieving maximum intensification in the utilization of the horizontal surface available.

Consequently, the management of the tourist masses takes the form of a calculation of the turnover per square meter, which then dominates all use of space. This computation became absolutely binding also for the public museums, which once held an educational remit in a Venice to which travelers came because it was supposedly a site of art. In one case, the public authorities simply place the entire management of exhibitions in the hands of private and commercial contractors, who independently work on the conception and realization of major crowd-pulling events and share the entrance money harvested with the municipal or state corporations.¹⁷ In another case, the former educational institutions are without further ado abandoned to commercial interests and serve directly as the showcase for their products. For 10 years, one of the most attractive buildings of the *Musei Civici*, the Palazzo Fortuny, was used as an exclusive showroom during every Art Biennale by an art and antiques dealer globally active as an interior decoration company. The both tasteful and much-admired object ensembles attracted common visitors, who in contrast to the targeted elite and moneyed clientele failed to notice the commercial character of this shop-window. Thus, this kind of space-use paid off for the organizer and at the same time pleased the city with its highly presentable attendance figures—a win-win constellation that soon found its emulators. A more subtle but no less general strategy is the involvement of the major galleries and auction houses in the exhibition policy of the public-sector institutions. This, however, follows the same basic pattern, providing evidence for the state of affairs in the privatization of their functionalization: public art events can now no longer do without the financial leverage and input of a handful of industry leaders among the galleries and can hence hardly conceal the impact of the galleries’ interests.

In order to best satisfy the standard requirement that art should at any event pay its way,¹⁸ should be promoted to achieve a high degree of resonance, and should appear attractive to high numbers of international visitors, the Venice authorities have liberated their municipal museum network from bureaucratic obstacles and deci-

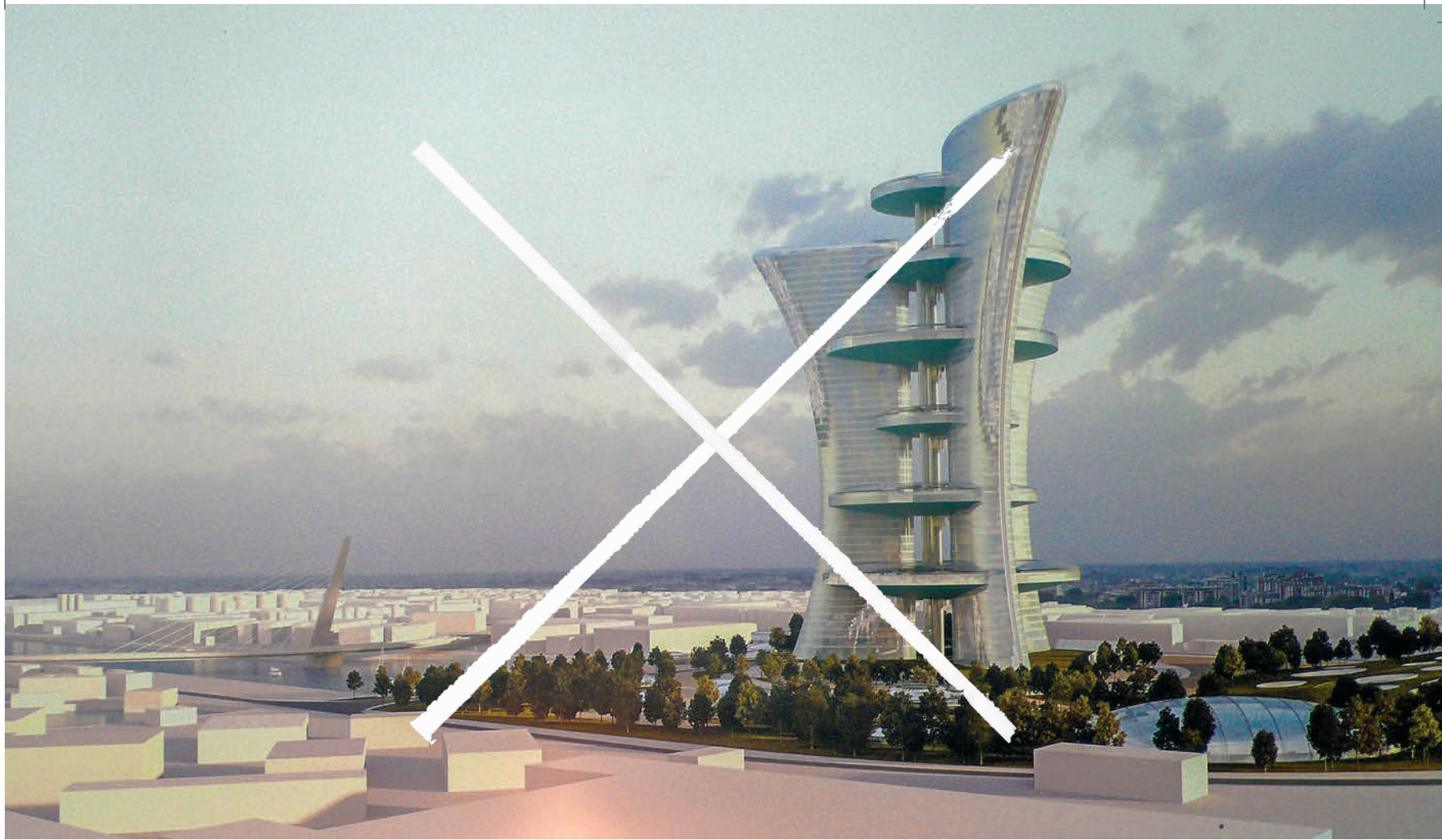


Fig. 6 Project aborted: 255 meters high and costing two billion euros. Palais Lumière by Pierre Cardin: “It should stand in Venice, or nowhere.”

sion processes and, in a contemporary act of outsourcing, placed it in the hands of a foundation that meets the standards of “lean management.” Regardless of this increase in the productivity of culture and regardless of the national successes of the past years, in which not only in Venice but all over Italy the sheer numbers of tourists flocking to behold the cultural heritage reached spectacular heights, the full data here reveal that attractions in the field of art history hold a surprising position on a comparative scale of civilizational relevance.

The 57th Art Biennale, held in 2017, attracted 615,152 visitors—a record that outstripped the previous event by more than 100,000. Since the first biennale of this millennium, the numbers of attendees have risen two-and-a-half-fold, but to date never with such a mighty difference from the foregoing occasion. The conclusions drawn by the real estate business from the presence of more than half a million guests and the economic activities involved in their servicing is impressive: the Biennale organizers maintain an internet platform known as a “noticeboard,” which offers facilities on lease for all the collateral events and fringe offers, tailored to the needs of the vast passing clientele. The scope of these offers, currently encompassing 247 individual advertisements, is mind-spinning: a total of 472,867 square meters, almost 50 hectares, and thus one sixth of the expanse of the historic heart of Venice is on offer. This means that, per head of the remaining population, there are some nine square meters being made available for activities that spread out alongside and beyond the actual Biennale, in the *Giardini* and the *Arsenale*. It comes as no surprise that the many small shops, *magazzini*, and workshops—redefined as display cases for the art market and hence

rendered unprofitable in their everyday purpose—have contributed to the ousting of the essential supply services for the resident population. Among the bargains on offer for the expansion of art, there are some that involve entire islands in the lagoon, but others are just tiny leftover bits and pieces, the dregs of the exploitation campaign. These latter are to be reckoned among the residues of the real estate market, which Gordon Matta-Clark’s 1970s project *Reality Properties* documented as “fake estates” and “gutterspaces,” so as to show how not even the slightest and most useless fragment can escape the notice of the property owners. In the up-valuing of land taken to its uttermost extreme, which is force-fed by the collision of the art market and the struggle for a share of the island’s volume, even the four square meters of embankment in front of a hotel have their price.

Symptomatically, the *Accademia* itself, one of the most important museums for Renaissance painting, crops up in this list of hirelings—albeit with no details of price and square meters. In the past year, it achieved an 83 percent increase in visitor figures up to 570,000—presumably also because of its cooperation with a leading gallery, which proved as strategic as extraneous to the *Accademia*’s real role. However, the crown for the most popular among the cultural sites goes to the *Palazzo Ducale*, which with its marketing mix made up of narrative motifs, such as Casanova’s lead chambers in the adjoining prison, its monumental feudal interiors, and its use as a function location, leaves all rivals far behind in absolute visitor figures. It consolidated its position at a level of 1.34 million tickets sold.

Although this quantitative success of the museums went hand in hand with all kinds of long since customary measures of privatization



Fig. 7 Città ideale: sightseeing 40 km away in the Noventa di Piave Outlet Centre. Venice's most popular attraction lies outside the city.

and liberalization of the formerly non-profitmaking educational ideal, it appears comparatively inconsequential when measured against its competition from the seemingly art-hostile field of consumerdom and commerce. What the real estate investor Benetton (among other things, the world's largest owner of motorway networks) did to the Old Post Office in the *Fondaco dei Tedeschi*, one of the formerly most-treasured incarnations of public space in Venice—namely, to turn its historic substance into the faceless anonymity of a shopping mall—attracts more than twice the number of interested parties as Ruskin's hallowed site, the Doge's Palace. As planned, more than three million consumers annually seek out the market-place of this luxury shopping center, most of them taking the shortest route directly from their own landing stages. They shun contact with the particularity of the *genius loci* even where it consists only of the indeterminate romanticism of the old townscape. That seems to be no loss: the completely interchangeable stock of goods from internationally ubiquitous brands cannot supply a specific, let alone a singular, reason and occasion for the trip anyway.

What, if anything, is noteworthy here is that even this storehouse of banalization cannot, for the sake of its self-justification, do without the celebration of art. Integrated into the shopping center is an indif-

ferently curated showroom for contemporary art, situated on the way to the viewing platform cut into the roof which opens up an ahistorical picture-postcard view of the Rialto Bridge. The connotation of higher significance supplied by the artistic and cultural context is something valued and appreciated. As a latent consensus of the presence of an always implicit sense it can be attributed to both—to the work of contemporary art and the fetishized brand-name article. Formal permission for the demolition of the cultural monument was acquired through the promise, pretentiously formulated in the rhetoric of social responsibility, to reintegrate culture and public space in an architectural conception. The one was reduced to a decorated corridor, the other to the supply of public toilets. Despite all the uncouthness of the economic purpose here, behind which the historic building substance including the ambitions of Rem Koolhaas' OMA disappeared in their entirety, the apogee of the alienation of the city itself in this manner of space utilization has not yet been reached.

Cast in the concrete of brutalist classicism, and surrounded by its own walls, the ideal city of the Noventa di Piave Outlet Centre specializes in the attraction of a few more million visitors. Part of the administrative unit of the metropolitan region, it stands some 40 km

away from Venice, directly beside a motorway exit in the midst of a soulless, abandoned provincial landscape. Given that there is no sight that attracts a larger horde of admirers, one must concede that this singular place, an intimate union of cheapness, fetishization, sale bargains and brand value in a *muzak*-permeated, oppressively unrelenting celebration atmosphere, embodies the real center, and the true foundation of Venice as a destination. If one subtracts all those things that have become matters of indifference in dealings with the city, then it is this that remains: lucrative selling space.

In four phases of expansion, the developer and proprietor *McArthurGlen*, the market leader in this sector, has expanded the Potemkin-like pseudo-village to a size of 32,000 square meters, with 200 stores, mostly taken by reputed luxury labels, and parking space for 3,100 vehicles, often filled to the last bay. In 2017, the concern operated 24 such shopping centers, whose “unique selling proposition” consists in the fact that they are illustrations of urban spatial feelings, customarily crudely built in the manner of an architectural city metaphor. The mini-sized historicizing facades fronting colossal sales halls mean that the latter weigh down on one with a leaden heaviness. The company rates the Venice outpost among its outstanding successes, not only because over the past three years turnover has increased by 70 per cent and this has gone hand in hand with almost a doubling of client inflow, but because the facility has been awarded the title “Best European Shopping Mall.”

Once again, the obligatory presence of art is remarkable—an established ingredient in a calculated entertainment mix accompanying the shopping experience and geared to a generic public. In this place too, it becomes fully evident that art and fashion have come to intermingle in their peculiar field of interference. Here, in this site of histrionic cheapness, the blend contains far less intellect and dignity than in the hallowed halls of ancient architecture along the *Canal Grande*, where the same producers and their private museums—Gucci, Prada, Louis Vuitton, etc.—line up side by side in the same formation and the same dutiful must-be-there presence as in the arcades of the consumer village. In this stage of their ambition for spirituality, cultural heritage, and commodity fetishes, work of art and handbag have together, presumably because of their cognate nature, groundlessly taken a liking to demanding from their admirers a veneration and solemnity which cannot get by without representational magic. To their mutual advantage they exploit the prestige of their reciprocal mirror image, in which performances copy fashion shows and fashion shows, performances.

Practiced as a co-operation between galleries and the Venice Opera House, the *Fenice* is the mélange of fashion and art, which here as elsewhere have become synonymous with an entertainment of higher significance. In the parlance of the designer outlet’s market-listed operator the reference sounds as follows: “We don’t just build shopping centers, we build architecturally designed retail environments strategically located near Europe’s most iconic city destinations that elevate the shopping experience, making art accessible to all our visitors.”¹⁹ Does this not concede, with welcome frankness, everything that remains to be said about Venice? Its highly charged literary and museum atmosphere accoutres commerce with the aura of cultivation, thus becoming a factor in sales promotion. It now seems significant only as an auxiliary topos in revenue growth. Venice as instrument is no more than the metaphor of its own self.

Exclusion

In the first two decades of the twenty-first century, the great majority of countries in the Western world pursued a money market policy of low interest rates. This produced credit available on the cheap and hence enormously proliferated amounts of money looking for investment opportunities and so in turn provoking a bloated array of complex derivative products on the part of the credit sector. When in 2008 this development led to the infamous financial crisis, the strategy of the central banks was paradoxically to respond with the supposed remedy of renewed interest rate cuts. Not only the American FED, but also its European counterpart, the ECB, reacted to a manifest over-accumulation of capital by, of all things, further expansion.

It is worth considering here the particular nature of the fictive economic goods on the finance markets that went into crisis. What was being speculatively traded here were derived paper titles that referred to liabilities, namely the mortgages held by high numbers of American home-buyers who—without being substantially able to afford it—had hoped to benefit from a political crediting scheme without co-payment launched under the Clinton and Bush administrations. From the point of view of finance capital and the banks issuing the titles, it was the interest in mortgages as a commodity for capital investment that had made these building loans available at all in the first place. Since potential profitability increases when risks are incurred, the logic of participating in market opportunities enables precisely questionable prospects to be certain of receiving risk capital on account of their leverage effect. Such securities, which went hand in hand with the acceptance of poor credit ratings, accordingly circulated under the condescending appellation “subprime.”

At precisely the moment, however, when it turned out that a large number of the underlying liabilities could not be met, the titles traded as financial capital lost their value. The rights of those who were no longer in a position to service their loans so as to cover their elementary need for a roof over their heads were unavoidably exhausted once they could no longer meet the financier’s interest demands, and compulsory eviction was the impending result. The fact that the capital market created financial products which sold the debts of home-buyers as a source of growth for wealth going out in search of profit means just that: there is no living space for some that is not a business for others. The former’s right to a home elapses when the contractor’s calculations no longer add up. In the crisis year 2008, it was just such a shortfall that brought the entire construction of a sphere of investment crashing down, without whose reckoning on debt as a source of profit many people were left without the necessity of a place to live.

The course of this crisis makes clear how things begin to blur when viewed under the aspect of being a form of investment: land now exists not only in the form of derivatives—the entire system of real estate speculation has turned it into a financial instrument. From the point of view of trading, land assets—or just the key indicators of land assets—looked in equal measure like underlying values whose price could be relied on. Ground rent commodities have become just that: an asset, one financial asset among others. In this way of dealing with real estate it becomes indistinguishable from the nature of stocks and shares and of the various modalities derived from them such as options and futures. Things were no different on the art market, whose historic boom correlated with the possibility of likewise offering itself to the flush of money on the market as one component in a

portfolio of speculative and high frequency shares. In this period of low interest rates, the management of real estate and the management of art and shares came together in the general principle of capital investment.

Before and after the crisis, cheap money—in its intended existence as accumulating capital—flowed into investment on the diversely specialized markets for real estate, art, and equities. There they are all, with no distinction between them, tradeable entitlements to future price hikes. In the abstract form of being themselves marketable and sellable future-oriented hopes for, and expectations of, potential profits, they became for all intents and purposes virtually interchangeable as forms of investment. On account of the sheer economic potency of the protagonists involved, this has consequences for the territory on which they are active.

First of all, in accordance with the law of economy of scale, it is only major economic figures who require correspondingly high investment volumes for their capital and who thus occupy positions here. Often there are fewer than a handful of players in the arenas which these sectors open up. To name only three of them who are prominently present in the Venice arena: firstly, the half-dozen galleries that have become industries, concentrating their turnover on two dozen artists, of whom one alone states sales of 330 million US dollars for his 2017 Venice exhibition,²⁰ are matched by a scarcely larger number of decisive, big-time collectors. Secondly, in the cruise-ship sector—which dominates the exposed, waterside city in many respects and to its detriment—four group holdings command more than 90 percent of the market; by far the largest among them, with its 110 ships, holds approximately half of the overall capacity of this entire line of business. And finally, there are just five globally active hotel companies whose market positions each assemble more than half a million rooms worldwide.

Just one decade ago, the number of hotel rooms now present in Venice and the number of takeovers of aristocratic palaces to provide more of the same would have seemed a far-fetched dystopia. This escalation of a requirement that is still continuing to rise has now exceeded the volume available in the old city. Consequently, even in the area around the Mestre railway station, a monstrous number of 16,000 rooms are said to be in the planning stage. Well above 1,000 of them have already been built over the past two years, above all in connection with major individual developments. The daily newspapers report that the saturation point in this development has yet to be reached and that consideration is being given to a further regional expansion of the provision of mass overnight accommodation.

The cruise industry also plays its part in this devouring of land, and does so in a complex manner: just like other powerful actors in the global tourist business, it is interested in achieving the vertical integration of its activities. The shipping companies are thus eager to concentrate within themselves all the components involved in the supply and value-creation chain of their particular profession. Recently, for example, the vast ship terminal jointly built a few years ago by the public authorities of the region, the City of Venice and the harbor authorities, passed into the hands of a consortium of those companies for whom it was originally intended as infrastructure. When the cruise lines themselves became owners of the harbor, however, they immediately gained a crucial involvement in the imminent political decisions concerning the rights of movement of the huge

ships that have become, in ecological terms, a question of the city's very survival. As landowners, the ship operators and their business interests now have a voice in the decision-making process.

Another effect of the concentration of capital in the acquisition of key functions that live parasitically from the profits of the cruise industry is not so visible. When it became noticeable that the turnover from trip bookings was lower than that from consumer spending over the duration of the voyage, the shipowners began not only to extend their onboard retail business but also to take over the sales points that they themselves recommended for shopping on land. For the port of Venice, the leading destination during “shore leave” is the aforementioned shopping center for luxury articles in Noventa di Piave. It necessarily matches the expansionist drive of the cruise lines more than the stores for glassware and China-produced carnival masks, in which they already have holdings. In every corner of the territory, one can see this process in action: the city as place is being shared out among a few—and always the same—major actors.

Unprecedented dimensions and magnitudes of invested capital have set out to divide up the physical, spatial area of the city among themselves. And even in the field of the seemingly small-time internet business of renting out accommodation—where one imagines a large number of small profit-takers—ways and means of merging the invested money can be observed: in the city, there are increasingly powerful providers of land who have many apartments on their books. Substantially more than two thirds of advertisers on the Airbnb transaction system have a multiple number of overnight places on offer. These pacemakers act as *multi-listing hosts* and despite their marketing practices, which are often in the black economy, are at times identical with big hotel operators. More than a dozen of the offers originate from real estate owners who have between 20 and 70 overnight options for clients to choose from. The largest among them, even with a modest occupancy rate, generates a monthly turnover of more than 100,000 euros.²¹

The fact that small-time activity, intensively practiced, can also be run as a major industry has led to a boom of new business models even in the prototypical use of Venice as a cultivation area for art—to which its exterior, rich in architectural history and manifold fictionalizations, lends itself *par excellence*. A particularly unpleasant example is a segment of the art market that has remained largely hidden from the public eye and caters for providing the sediment of artists living in precarious circumstances. This pitiable majority of art producers forms the structural substratum of the production of relevance, all the more so because the attributes of importance, significance and resonance logically require a level of mediocrity from which alone they can necessarily stand out. Here, consequently, is a reserve army of authorship and creativity, which bestows sublimity to the pedestal on which genius stands. The habitually disappointed career hopes of all these representatives of third-rate artistic activity are directed, in line with their expectations, to the magical aura of the place. They believe that with the status of Biennale participants they can ensure themselves the capital that grants them entry to the privilege of excellence—and hence to all the ostensibly associated market opportunities. For this hollow hope of acquiring the semblance of the chosen, the curated, without having been the object of curation, they are prepared to pay hard cash—presumably in the confident hope that it might pay off. No passerby, no idler among the



Fig. 8 Point of sale: traditional shops become galleries. The former electrical appliance shopkeeper George Kunstlinger and the new tenant, the gallerist Michele Maccarone, New York. Christian Jankowski, 2002.

day-to-day life of Venice can fail to note the presence of the impresarios who have milked from the management of this mass desire a further expansive industry in the artification of the city.

The three most agile representatives of this line of business, who present themselves in a respectable and semi-official light by means of self-awarded honorary titles, currently command at least 10 large city palaces or building complexes and three parks, in which, literally by the square meter, they “flog” a supposed warranty of cultural distinction for horrendous sums. Characteristically presenting themselves as European organizations with the stamp of being “non-profit” or even an “initiative,” these companies contact large numbers of artists, praise their work and gently hint at the possibility of an international breakthrough on the big stage. Only in an advanced stage of the correspondence with those interested is the unvarnished figure of the price dropped that is to be paid for their appearance: typically, it is a highish five-figure sum corresponding to a small exhibiting space—sometimes in the vicinity of the only showpiece of the one well-known figure in the field, the name of which one’s own name may appear alongside on the banner, sometimes in the context of an official collateral function of the world-famous art show, sometimes not. Whereas it used to be left to a conceptional decision of the leading curator whether a show applying for the status of an accompanying event suitably fitted the spirit of the whole, for many years now the sum to be paid for permission to use the logo has simply been an irreplaceable part of the fundraising, which none of the major events can do without.

When the curator of documenta 14 saw himself compelled to produce arguments against the reproach that his expenditure had brought the event to the brink of bankruptcy, he combined two remarkably incompatible platitudes: on the one hand, his provocative statement maintained that the “expectations of ever-increasing success and economic growth [...] jeopardize the possibility of the exhibition remaining a site of critical action and artistic experiment,” only to confirm in almost the following sentence that all the investments in art had paid off, since “the money flowing into the city through the making of documenta greatly exceeds the amount the city and region spend on the exhibition.”²² The idea that this has to be the case is thus familiar also the idealists of a practice of artistic freedom different from that of the art market. It is evidently uncontested.

The asset that is put to good account here, as in all other investment areas, is always the same: the sheer mass audience that frequents the spatially limited theatre of the artificial island, which is still identified as a city of art. The figure of one million visitors with appropriate interests who actually attended the Biennale spectacle and Damien Hirst’s populist one-man exhibition amounts, however, to at most a fraction of the entire audience—a fraction relevant to the pretention of being a *città d’arte*. The overwhelming majority of those who come to consume the city of Venice feed only in a highly distanced manner on culture as a good: culture is enjoyed at most as an omnipresent and hence extremely thin symbolism inherent in an atmospheric environment. Instead of education being drawn from the actually



Fig. 9 Unhappy consciousness: the last local in Venice – Martin Kippenberger, 1996, photographed by Elfie Semotan.

educative material, an educational character is merely imputed and assumed, in lapidary manner, as a characteristic of the walls.

Although it forms the basis of all economic calculations, the factual number of consumers of the city *qua* city remains a matter of speculation. Not without reason, the city refuses to put a figure to the number of day tourists—in contrast to the calculable number of overnight stays—and so the overall figure is considered to be unknowable. Yet it wouldn't be so difficult to arrive at; in order to get from the coach parks to the landing jetty on the *Riva*, the trippers are dependent on transfer boats, whose passenger capacity, number, and frequency of crossing are known. The therefore only estimated, obscene number of 40 million visitors on average per year who flood into the city center has become a taboo, which no one has any intention of confirming officially, because the authorities themselves set a limit years ago. An academic study conducted in 1998 by a research body engaged by the local authorities calculated a daily capacity limit for the inflow of visitors from outside the city, precise to the nearest 10. One wonders which academic disciplines and methods were behind the precision and conclusiveness of this determination. But, however that may be, the “objective” threshold limit for the daily influx was stated to be 20,750. There is no way this can be communicated alongside the real daily influx of 120,000 outside vis-

itors that has—with some certainty—now been reached.²³ On the other hand, it has long been beyond dispute that the profits from these throngs of people allow the beneficiaries to reap stately revenues. In 1993, then Mayor Massimo Cacciari, stated that the annual revenue generated by activities connected with mass tourism to Venice matched the entire gross national tourist product of Greece or was four times as high as the total assets of Fiat, at that time Italy's largest multicorporate enterprise. In 2017, the rate of foreign visitors coming to the seven square kilometers of Venice exceeded that of the entire holiday-oriented country beside the Aegean by well over a third.

It is scarcely any wonder that such a densely aggregated locational advantage enabled the market for the rent and purchase of real estate to emancipate itself from the national offer and to take its place alongside it as a wholly extra-national, globally traded real estate market. Its internationally advertised offers are totally immune to the crises and fluctuations of its domestic counterpart. Venice is, by a long way, Italy's most expensive city, not only because in Venice—in view of its historical building stock and iconic sites—purchase decisions are made that are quite singular in nature and hence comparable with the art market, based on incomparable individual goods whose price levels lie wholly outside any normal com-

petition, but above all because every single room offers the possibility of business with occupancy rates and profit levels guaranteed.

For this reason, this place of yearning's unusual terrain, advertised around the globe like a commodity brand, summons up an equally unusual demand for space that matches the solvency of the industrially operating companies who cultivate the clientele of mass pleasure travel as their line of business. It is their monetary power that vies with the habitual existential needs of the residents for possession of the place. It comes as no surprise that in this asymmetrical confrontation the latter are the losers. Their claim on space—in their case an existential need—is dismissed as a comparatively non-lucrative use. The fact that the local residents have no place in the old city any more expresses itself as a demographic change. It is tantamount to expulsion out beyond a demarcation line into the agglomeration. The enforced move into an anonymous conurbation often devoid of infrastructure amounts, however, to nothing less than contesting the right of a populace degraded to pariahs in terms of the politics of space to the historically evolved quality of city life. If global tourism—which has absolutely mushroomed over the past few decades with the emergence of new countries of origin—and the comparatively modest local housing market confront one another on the urban projection surface of Venice, then there are two characteristics which separate the unequal rivals for space in the heart of the city: the sheer dimensions of this demand and its well-moneyed readiness to pay.

The economic clout of these armies of visitors employed as a source of revenue for globally operative industries makes the living conditions of the remaining city-dwellers seem a negligible circumstance. Their mere presence impairs sales opportunities because they mean a reduction in the one profitable economic good—space. With their existential dependence on a place to live they thus fall victim to the utilization demands of real estate capital, which is able to take richer pickings from a better-off and more numerous alternative clientele.

Just as the old city made way for the staged *simulacrum* of itself, so its inhabitants have made way for the more profitably manageable figure of the spectator. The latter is available in abundance. This development, however, merely demonstrates again the nature of private appropriation of land; it is in its character to oust, to drive out, because in its rationale it is founded *per se* on exclusion.

Those who, in the performance of their everyday lives, are dependent on participating in land although they cannot call it their own, are consequently always in a tight corner: rivals emerge who are able to do more with this sphere of extension, real estate, than just to simply let someone live there. The productive use of a physical place for a utility interest that recruits its clients worldwide and *en masse*, always has the upper hand over the unproductive consumption of living space in which it is the mere user value of space that counts.

The city is the ground rent machine and has been so from the very beginning. Nobody wants to admit this necessary connection, and hence moral outrage over its unlovely consequences is a dime a dozen. The shelf life of its emotive effect is short. For it continues to be the case that, with the iron laws of bourgeois society, the utilization of land as a commodity remains inviolable.

"The bartered Earth is an Earth alienated from Man and hence encountering him in the form of a few major landlords."²⁴

Fig. 1 DeSpar supermarket, Teatro Italia
Photo: © Enrico Maria Verni, 2018

Fig. 2 Hauser & Wirth flyer, Venice 2017
Photo: © Eleonora Sovrani, 2018

Fig. 3 Map of Castello Basso, © the author
Fig. 4 © Google map data, 2018

Fig. 5 Recently re-discovered model by Carlo Scarpa, Courtesy Giorgio Mastinu, Venezia. Photo: © Eleonora Sovrani, 2018

Fig. 6 Rendering of Palais Lumière, © Unit Studio

Fig. 7 Courtesy Designer Outlet McArthurGlen

Fig. 8 © Point of Sale, Christian Jankowski, 2002

Fig. 9 © Elfie Semotan, Martin Kippenberger in Venice, 1996

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1 cf. Christian Mathieu, *Inselstadt Venedig: Umweltgeschichte eines Mythos in der Frühen Neuzeit* (Cologne/Weimar: Böhlau Verlag, 2007).

2 Werner Sombart, *Der Moderne Kapitalismus*, Vol. 1 (Munich/Leipzig: Duncker & Humblot, 1916) 124 ff.

3 *Ibid.*, 175; cf. also *ibid.*, Vol. 1, first edition, Leipzig 1902, 315 [translation: RH].

4 Thus paraphrased in Max Weber, *Wirtschaftsgeschichte* (1923; Berlin: Mohr Siebeck, 2011) 288.

5 Sombart 1916, 649 [translation: RH].

6 cf. Irmgard Fees, *Reichtum und Macht im mittelalterlichen Venedig: Die Familie Ziani* (Tübingen: Niemeyer, 1988). The author of this volume is one of Sombart's critics.

7 cf. Heinrich Kretschmayr, *Geschichte von Venedig*, Vol. 2: *Die Blüte* (Gotha, 1920), 462; "Without any difficulty, simply with the stroke of a pen, by commanding two lines to be written in their books, the banks can create large sums of money. If the banks had not granted credit, the merchants would not be well-disposed to them beyond the limits of their wealth, and the great sums would not be available with which, all over Europe, useful business transactions have been conducted." [translation: RH]

8 cf. Sombart 1916, 255.

9 Karl Marx, *Ökonomisch-philosophische Manuskripte aus dem Jahre 1844*, Marx Engels Werke (= MEW), Supplementary Volume, Part 1 (Berlin: Dietz Verlag 1968), 505 [translation: RH].

10 Friedrich Nietzsche, "Streifzüge eines Unzeitgemässen," in Nietzsche, *Zur Genealogie der Moral—Götzen-Dämmerung* (1889; Hamburg: Meiner 2013, § 38): 255 [translation: RH].

11 cf. Wolfgang Scheppe, *Migropolis* (Ostfildern: Hatje Cantz Verlag 2009), 1076 ff.

12 cf. Ufficio di Piano, *Rapporto Tematico, La gestione dei sedimenti contaminati nella Laguna di Venezia* (Venice, 2010).

13 cf. "Brugnaro, ecco tutti i conti", *Il Gazzettino*, February 2, 2018.

14 "Chi abita a Rialto deve fare i conti con i turisti: se non gli sta bene, si può trasferire in campagna," *Il Gazzettino*, January 30, 2018 [translation: RH].

15 See the Exploratory Paper for the Coalition Agreement between the CDU/CSU and the SPD, January 2018: www.epochtimes.de/politik/deutschland/sondierungspapier-von-union-und-spd-im-wortlaut-teil-2-a2319740.html (accessed February 28, 2018) [translation: RH].

16 Karl Marx, *Das Kapital. Kritik der politischen Ökonomie, Dritter Band, Der Gesamtprozeß der kapitalistischen Produktion*, MEW, Vol. 25, Berlin 1964, 782 [translation: RH].

17 cf. for example the exhibitions on Manet (2013) and "Douanier" Rousseau (2015) conceived by the media group Gruppo 24 ORE in the Doge's Palace, on Klimt (2012) and "Splendours of the Renaissance" (2015) in the Museo Correr etc.

18 Investment is put into museum shops and cafés. While longer opening times for the latter are under discussion, the exhibitions themselves are to close earlier, so as to facilitate the marketing of exclusive and highly-priced evening access, not least for corporate clients—cf. "Musei civici, visite fuori orario e ingressi esclusivi per aziende," *La Nuova di Venezia e Mestre*, November 16, 2017.

19 cf. www.mcarthurglengroup.com (accessed March 5, 2018).

20 These figures refer to revenue up to November 2017. See David Colman's interview with Damien Hirst, "Colossus of Rogues—Damien Hirst recaps his polarizing show," *New York Magazine*, December 11, 2017.

21 insideairbnb.com/venice (accessed March 5, 2018).

22 Statement by the Artistic Director and the curatorial team of documenta 14, September 14, 2017.

23 Paolo Costa, Jan van der Borg, "Un modello lineare per la programmazione del turismo. Sulla capacità massima di accoglienza turistica del Centro Storico di Venezia," *COSES informazioni*, No. 32–33, 1988.

24 Karl Marx, MEW Vol. 25, 505 [translation: RH].