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The misallocation of tourism resources because markets are imperfect and policies are absent, both in the form of *overtourism* and *undertourism*, finds a possible interpretation also following the innovative vision of a sustainable pace of economic development that was designed by Raworth (2017). She conceptualizes the state of the global economy comparing it to a doughnut. Her theory can easily be declined into a vision of the development of a destination that combines both forms of unsustainable tourism development together with that of optimality in sustainability terms. The *doughnut destination* has, very much like the global economy, two boundaries: an external one and an internal one. The “external boundary” corresponds to the maximum tourist flow that a tourist destination can support before the impacts become unsustainable. The “internal boundary” of the doughnut represents the threshold below which the destination is not yet benefiting socially and economically from tourism. Sustainability according to Raworth means decisively overcoming the internal boundary, but at the same time respecting the external one. Pursuing sustainable tourism development for a destination therefore means, in Raworth words, both using tourism to “be able to satisfy the primary needs of people”, but without being so intensive “as to go beyond planetary boundaries”.

Venice is one of the world's iconic tourism destinations. It is still a UNESCO World Heritage Site. Photographs of the city can be found in the promotional materials of virtually all major tour operators (Van der Borg, 1994). In addition, the city provides the backdrop for numerous films while Venice serves as a sounding board for any event or demonstration. Some of its most prominent buildings have been rebuilt in full scale to add flavor to the casinos, exhibition areas and parks all over the world. The uniqueness of Venice, the incredibly strong brand it has, and its constant media exposure have turned it into an attraction that is successful like no other.

Not surprisingly, Venice is visited yearly by approximately 30 million people. Of these visitors, approximately 4.5 million have arrived in 2023 in official accommodation establishments, spending slightly more than 2 nights on average, generating thus almost 10 million overnight stays. Although the official data have not yet been published, the year 2024 promises to surpass the 2019 record year.

A *first indication* of the impact of tourism on local society is obtained by calculating the number of overnight stays per inhabitant of the historic center, an intensity indicator often used to evaluate

the tourist pressure on destinations, and comparing this indicator for various destinations of city travel. Hodes (2015) argued that Amsterdam is one of the most intensively visited cities in Europe, with 13.0 overnight stays per inhabitant. Lisbon follows closely behind with 12.6 overnight stays per inhabitant, while Prague (10.3), Zurich (9.7), Stockholm (7.5) and Athens (6.4) follow at a distance. The same indicator for the historic center of Venice and updated to 2023 amounts to 173.2 overnight stays per inhabitant, confirming the fact that Venice is the example that other urban destinations should never follow.

*Secondly*, an updated version the linear programming model of the TCC of Venice (see Costa and Van der Borg, 1988 and Bertocchi et al, 2020) clearly showed that the yearly number of visitors abundantly exceeded that indicator. Indeed, in 2018 the TCC of Venice had risen from 11 million visitors in 1988 to 17 million visitors per year, equally distributed in tourists and day visitors. This calculation was obtained by taking into account investments made in local public transport, improvements in the solid waste management system, and, in particular, the expansion of beds in accommodation facilities, including B&Bs. With respect to the TCC of 17 million visitors, in fact not only are the 30 million people per year that come to the Italian city of art (almost twice the TCC), but also the composition of the flow of visitors (in reality 20% tourists with 80% day trippers) and very far from a desirable one (optimally 50 % tourists with 50% day trippers).

The quantitative and qualitative imbalance between tourist supply and demand in Venice, together with the excessive pressure perceived by the hosts (expressed by the earlier mentioned ratio between overnight stays and inhabitants) are the reason why the collective costs that tourist flows generate are far higher than their collective benefits, which are mainly concentrated in the industry. In other words, those who pay this bill in many cases do not benefit from tourism at all or do so only in a very indirect way.

In places that possess economies dominated by tourism like Venice, tourism should be a fundamental ingredient in a strategic urban development strategy for economic and social development of the city. Before outlining how such a strategy could look like, it is necessary to consider that tourism in such a strategy does not survive in some sort of bubble. It is very important that the tourism interacts with many dimensions of life, and therefore the tourist strategy must also be strongly integrated into the overall development strategy. Creating a credible, integrated, and shared vision for the lagoon city is a necessary precondition for any tourism policy. A vision into which the tourism policies might be anchored is completely lacking in Venice today.

A sound and innovative tourism development strategy for Venice embraces two fundamental starting points. In the first place, it should be based on a new business model of this business and to replace the obsolete mass tourism business model. To do so, it should be focusing on the quality of tourism, by looking into the "*overall footprint*" of the visitors to Venice, maximizing, if possible, the added value tourism creates, not of tourism just generating income and jobs, but also considering its positive impacts on the society and the environment. Secondly, tourism development should not be a means on itself, but it should be a vehicle to generate welfare and wellbeing to the locals and the local firms that 'own' the tourism assets in the first place.

On a more tactical level, there have been some specific ideas circulating in Venice for some time that, embedded within this new strategy, finally deserve to be implemented:

- 1) Being Venice an island in a lagoon, a buffer zone can be created between the mainland and the center of the city to intercept the day visitors of Venice before entering the historical center. Separating the flow of visitors in dedicated hubs or terminals from the traffic of the commuters forms the basis of an innovative visitor management policy. Obviously, together with the terminals, intelligent transport infrastructures to and from the historic center will also have to be implemented.
- 2) In the second place, a reservation system would not only make all visitors, including day-trippers, aware of the limited availability and the sensitivity of Venice as a commodity, and may therefore nudge people to plan their visit to Venice rather than improvise it. It would definitely be unconstitutional according to European law to close all the accesses to Venice, or discriminate visitors on the basis of their socioeconomic profile. A reservation, however, should not be made mandatory, but it would make it more difficult and much more expensive to visit Venice without a reservation, thus making visitors more mindful. The idea of a reservation was tested between 2002 and 2005 with some success;
- 3) What should be avoided at all costs is to place further explicit limits on the development of tourist accommodation, including B&Bs, as they are currently doing in many overtouristic places in Europe. This was already attempted in Venice in the 80s and 90s and, instead of stopping the gentrification process, it simply incentivized day tourism and had no effect whatsoever on the yearly influx of visitors.
- 4) New ICT technologies can be used in various ways to reorganize the chaotic flows of all visitors to the center of the city. Security cameras present throughout Venice, together with the results of an analysis of the data collected through the cells that facilitate the use of mobile phones, credit card data, ticketing in public transport and attraction, and so forth,

might be aggregated in a sort of control room. This control room can suggest alternative modes of transport, terminals and routing in real time, and thus contribute to the anticipation of the problem of congestion and thus solve the problem before any crowding occurs;

- 5) Fifthly, the City of Venice has started very timidly to promote alternative routes that involve more peripheral attractions under the label "Detourism". This might help to foster a better distribution of tourist pressure on the historic center. Although the project has important limitations, not in the least place the lack of financial support, it could still help mitigate the negative impacts that this pressure entails;
- 6) Finally, it is important to note that fiscal policy schemes can be used to make tourism development more sustainable. After the establishment of an Area Restricted for Traffic (ZTL) for tourist busses in 2001, the Italian Government made it possible for tourist cities to reintroduce a 'classical' tourist tax that substantially affects those who spend the night in Venice. Together, the ZTL and the tourist tax generate revenues of over 50 million euros per year. In 2024 the City of Venice has started an experiment with an "access fee", originally designed to make the daily tourist contribute to the maintenance of the city and to act as a disincentive for those who visit Venice in an unaware and hasty fashion. Seen from this perspective, the first results are unsatisfactory. In fact, not only has the overall expenditure for communication and for the collection of this contribution be higher than the amount of taxes collected, but on the red (critical) days in which the complex system of collection of the "access contribution" was activated, the pressure of tourism even increased slightly with respect to 2023. In any case, the experiment was a partial success since it has achieved the main objective of Venice.

It is obviously that Venice might become a best practice for many other destinations that face the consequences of an excess of success. Not only has Venice be studied intensively and have many of these studies led to a major understanding of the factors that cause overtourism, some of the proposals that have been constructed for Venice the last 50 years deserve attention and even some careful following. Coping with their success, destinations should first change the dominating mass tourism business model in that based on footprints and quality. Moreover, they should realize themselves that tourism development policies that makes their citizens and the local entrepreneurs unhappy should be abandoned immediately and replaced with ones that are community based (Van der Borg (ed), 2022).

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