

Alma Mater Studiorum Università di Bologna
Archivio istituzionale della ricerca

Practices of Citizenship and Real Estate Dynamics: Roberto Falanga and Chiara Pussetti in conversation with Vando Borghi and Davide Olori

This is the final peer-reviewed author's accepted manuscript (postprint) of the following publication:

Published Version:

Availability:

This version is available at: <https://hdl.handle.net/11585/679731> since: 2019-03-01

Published:

DOI: <http://doi.org/10.6092/issn.2612-0496/8860>

Terms of use:

Some rights reserved. The terms and conditions for the reuse of this version of the manuscript are specified in the publishing policy. For all terms of use and more information see the publisher's website.

This item was downloaded from IRIS Università di Bologna (<https://cris.unibo.it/>).
When citing, please refer to the published version.

(Article begins on next page)

Practices of Citizenship and Real Estate Dynamics: Roberto Falanga and Chiara Pussetti in conversation with Vando Borghi and Davide Olori

Vando Borghi — University of Bologna (Italy)

Roberto Falanga — University of Lisbon

ORCID <https://orcid.org/0000-0002-1059-5509>

Davide Olori — University of Bologna — davide.olori@unibo.it

Chiara Pussetti — University of Lisbon

ORCID <http://orcid.org/0000-0002-2146-3587>

Published: 2018-12-31

The Instituto de Ciências Sociais of the University of Lisbon and the Department of Sociology and Business Law of the University of Bologna, partners in the Horizon 2020 ROCK project <https://rockproject.eu> share research and action interests in the contemporary dynamics of the city and the ways in which urban value is created. In particular, their action is informed by the same interest in tourism and the tourism-led transformation of the historical centers of European cities. We have asked some questions to Chiara Pussetti and Roberto Falanga concerning the context of Lisbon, which is dramatically traversed by these transformations. We are convinced that the specificity of this case goes beyond local peculiarities and can stimulate comparisons capable of contributing to the creation of a broader interpretive frame.

If you had to briefly describe the main transformations of the urban centers observed in your research sites, what would you highlight?

If 1998, with the inauguration of the Expo, was possibly a unique opportunity for an international promotion of the city of Lisbon, with the 2007 economic crisis we have witnessed the most intense and rapid transformation of the Portuguese Capital. The austerity policies implemented by the center-right government as a response to the Troika between 2011 and 2014 had promoted a vertical growth of the real estate market and, at the same time, strong tax cuts for tourism, restaurants and hotel operators. In these years Easyjet and Ryanair started operating in the Lisbon airport (2009), transforming a city so far peripheral and expensive to reach in a low-cost tourist destination. In the same period, policies to attract foreign capitals were implemented through a series of agreements with third countries. These agreements include that retirees from several European countries settling in Portugal—even temporarily—can receive tax-free pensions for ten years. The intense flow of tourists in the low-cost regime was rapidly created in Lisbon by the attractiveness of its extreme economic accessibility compared to other European capitals—at least, until recently. The city became also a trendy destination because of the international publicity linked to the presence as residents of several movie stars and public figures in the Portuguese capital—such as Madonna, but also Monica Bellucci, Christian Louboutin, Michael Fassbender and John Malkovich who chose Lisbon as their place of residence. So in a few years many new foreign residents with a large real-estate purchase capacity settled in the city. The Golden Visa programme operated by Portugal—a residence permit for those who do not belong to the European Union or the Schengen area and decide to invest at least €500,000 in the Portuguese property, or to transfer at least €1 million, or to create jobs—has attracted many investors

from different countries, in particular China, Brazil, South Africa, Russia and Turkey. Investors do not even need to be residents. The only condition is that investors must spend at least 2 weeks in Portugal every 2 years. From 2012 to date, according to SEF data from 2018 (Serviço Estrangeiros and Fronteira), Portugal has already issued 5,876 Golden Visa for foreign investors and 9,861 for their family members.

Alongside these new “golden” residents and retirees of the bilateral agreements, the foreign population has intensified due to the presence of call centers that since the years of the crisis have mushroomed in the Portuguese territory because of the reduced cost of wages. These very rapid and intense changes had an impact not only on the lower availability of houses and on the exponential increase in rental and purchase prices, but also on the increase in transport, restaurant and supermarket prices without significant changes in the minimum Portuguese salary, which is around 580 euros. This also meant an intense redevelopment of the historic center and of all the urban territories that may have some kind of interest or tourist attraction. We have thus witnessed the “hipsterization” of the downtown districts, which are now the theater of theme restaurants, fado sell-out shows for tourists, endless rows of colored *tuktuks* (the picturesque three-wheeled taxis originally used in Southeast Asia, based on a Piaggio Vespa), *hotels de charme*—often in buildings of high patrimonial value—and “boutique” houses, often not taking into account the actual needs of the local population.

The renewal of the port area between Santa Apolónia and Terreiro do Paço, has allowed the landing of cruise ships directly in the city center, changing the skyline of the Tagus river and intensifying coastal tourism activities. The main negative effects have to do with the proliferation of tourist leases, the sale of public assets, the absurd increase in rents and the sale value of houses, the Airbnb-ification of the center and the precarization of the right to housing. These phenomena are linked to the massive purchase of properties by investment funds, the eviction of the resident population, the aggravation of previous socio-economic differences and existing forms of structural violence, the removal of disadvantaged sectors of the population, the proliferation of precarious working contracts in the tourism sector. The years of the so-called post-crisis period are marked by a massive investment in the regeneration and redevelopment of neighborhoods and structures for residential or commercial use.

How does these complex and multi-layered transformation manifest themselves in concrete forms in the physical structure of the city?

Lisbon is undoubtedly different today. It is difficult to define whether it was better back then or now. Some loved its past nostalgic tones of decadence, others like its shiny current version. Undoubtedly, these modifications have transformed squares and neighborhoods that used to have a bad reputation because of the population that lived and frequented them—associated to illegal actions, such as trafficking and prostitution—and previously characterised by the deteriorate conditions of houses and buildings. Since Lisbon has become within a few years a destination of international investment in real estate, as we have said previously, the rental and sale prices of restored properties are definitely out of reach for the average Portuguese.

The rehabilitation of the working-class neighborhoods of the center, of the areas alongside the river Tagus and of the neighborhoods linked to tourism has privileged the expansion of a recreational consumer market (souvenir and art shops) and luxury restaurants (gourmet hamburgerie, creatively revisited traditional cuisine, etc.), tourist accommodation or short-

term rent apartments. This happened at the expense of permanent rental houses and traditional local proximity shops (butchers, bakeries, fruit and vegetables stores, haberdashery, etc., run by local residents), in some cases replaced by new merchants coming mainly from India, Pakistan and China. Together with the tendency of a residential segregation in the suburbs, we are witnessing the direct or indirect removal of the original residents from the center, denying access to housing to the more economically vulnerable groups. In recent years, this process started affecting also the middle classes.

Other physical alterations are linked to the “brand” that Lisbon has constructed of itself to attract new touristic flows. There are countless concrete examples of branding through art and street performances. Lisbon is no longer just the city of light, but today it is defined as the city of arts, an open-air museum, through a process led by the municipality. In particular, the urban art gallery (GAU) manages and regulates every street performance and event organised by cultural or artistic associations, influencing their contents, artistic forms and languages through a system of awards or fines. At the same time, strong investments were made in the production of branding strategies linked to the cultural and symbolic specificities of the city: *azulejos*, fado and sardines, for instance, or the various patterns of the *calçada portuguesa*, Lisbon’s traditional street paving made by a mosaic of black and white stone tiles.

Branding campaigns often correspond to the transformations of the local commercial activities directed more to tourists rather than the local population. In the case of Lisbon, did private investments led the municipality to develop the city branding campaigns, or, on the contrary, it was the public action that planned the ideal conditions for the proliferation of private initiatives?

In the case of Lisbon, as we said earlier, during the so-called “post-crisis era,” private investments boomed and increased constantly. The increase of tourism, the Golden Visa program, negative Euribor taxes, tax easing and the opening of bank credits have contributed to attract foreign investments and to strongly boost the real-estate market. Portuguese government has and continue to strongly invest in the creation of an attractive image of the country and its main attraction poles (Lisbon, Porto, Nazaré and Algarve). Recently, it has extended this branding strategy to the countryside of Alentejo, where agricultural tourism residences are multiplying, in order to capture foreign investments. In the beginning, public bodies strongly invested in media visibility. The government contracted experts in the optimisation of search engines, whose only mission was to ensure that Portuguese beaches, golf courts, cathedrals, Douro vineyards, the giant waves of Nazaré or the mild hills of Alentejo appeared on top of every search, any time a tourist was looking for travel destinations.

Place branding was an important strategy to capture foreign investments. During the three years of the presidency of João Cotrim de Figueiredo (2013-2016), more than half of the whole budget of Turismo de Portugal was given to Google, in particular to buy keywords to guarantee the priority to national websites. During those years, a particular image of Lisbon and Portugal was created as privileged touristic destinations, an ideal place to live, invest, spend holidays or even to enjoy retirement.

Luís Araújo, who succeeded Cotrim in his office, opted for targeting advertisement to countries with high investment capacity, for example China, Brazil and Turkey, betting on Portugal’s pristine beaches, elegant palaces and castles, high cuisine, football and golf. One of

the most successful example was Revive, a joint program of the Economy, Finance and Culture ministries, in which the state, together with the municipalities, allowed private investors to exploit public historical buildings in exchange for their physical regeneration and economical valorization. The idea of the program is to sell to private companies important heritage buildings—not only for their high patrimonial value, but also for the historical, cultural and social identity of the country—to be regenerated and transformed in *hotel de charme* or in other profitable touristic activities.

The Câmara Municipal de Lisboa proudly leads a strategic plan to invest on projects and events in the creative and entrepreneurial sector, with a strong attention in freelance work and innovation. The promotion of the city of Lisbon and of the Portuguese territory in general was made, on the one hand, through the exploitation of the themes of well being, quality of life, natural beauties, good weather, light and the sea. On the other hand, branding the territory meant also valorizing cultural heritage—material and immaterial—and the realisation of artistic events, festivals and open-air exhibitions, in order to create the image of Lisbon as a new Berlin: the city of creative people, of artists, startups, co-working spaces, Fab Labs, according to a well-known narrative of creativity, innovation and technology.

What is the role in these processes of culture, seen not only as traditional cultural institutions such as museums, libraries, etc., but also the universe of everyday life experience and immaterial culture?

Cultural heritage is for sure an element for the attraction of “educated” tourists interested in visiting museums, monuments, palaces, monasteries and other historical buildings. The involvement of the department of heritage of the city council in the definition of tourism strategies testifies the interest of public authorities in the promotion of this kind of tourism. However, the main element of interest for tourists or investors are the climatic conditions and the proximity to natural amenities and seaside destinations (Cascais, Sintra). The cultural universe linked to the everyday life of Lisbon also plays a key role: *cafés*, *tascas* (small, family-led restaurants), food and typical products (*bacalhau*, *ginginha*, *pastel de belem*, to name a few), the small, really vintage trams running up and down the urban hills, gourmet markets and the Feira da Ladra (the hyper-touristic flea market), *azulejos*-clad palaces, the pervasive presence of urban art, the many *miradouros* (belvederes), *fado*, and the vibrant nightlife that thanks to the weather invests great part of the historic city centre and the Tagus riverfronts.

The strategy of extracting value from the “marks of distinction” and identity of places often produces a paradoxical homologation of the commercial and service landscape of cities. Often, urban transformation processes occur in those areas of the city in which the identity of the place is more marked, especially in terms of the presence of a working-class or alternative history. However, these transformations threaten the already fragile ecosystem in which they insist, and in some case they ultimately destroying it. Do you think that the destruction of the cognitive basis upon which these processes proliferate will eventually compromise their economical viability, or do you think that they will be able to trigger a self-generative process that will develop new opportunities?

The transformations, which in some areas of the center of Lisbon can be defined as radical, raise some doubts about the sustainability of the commercial operation that you just have described. Alfama is a good example of the social and demographic changes that are currently taking place. Alfama is a historical neighborhood in the heart of Lisbon. Until recently, it did not

have a good reputation because of the precarious living condition of the residents, mostly with low level of education and low rates of employment. In Alfama many of the phenomena that we have described earlier can be observed: small, family-led shops—*tascas* and small groceries stores—have been substituted by small shops managed by the members of the Pakistani community and new gourmet franchises. This substitution has been thought and realized by playing with the most typical elements of the Portuguese tradition, sometimes through the construction of a faux vintage atmosphere able to disorient the average tourists, unable to tell whether a place they visit to eat or to shop is original or not. The success of this operation is also based on one of the main element of Lisbon's rebranding, with the multiplication of *casas do fado*, restaurants and bars offering live music. The regeneration of buildings and their transformation into Aribnbs and tourist houses, as well as the transformation of the internal mobility of neighbourhoods, where the cumbersome presence of *tuktuks* turns the narrow streets into a theme-park amusement ride, complete the picture of the transformations that occurred in Alfama in the recent years.

Other places such as the central Mouraria and the neighbouring Largo do Intendente are experiencing these transformations with the same intensity and rapidity. In these areas the urban regeneration initiatives led by the city council are paralleled by a strong injection of foreign capitals, which have eradicated some important cultural and social inclusion experiences with local communities, pushing cultural animators and residents out of the neighbourhood to make space for a kind of tourism increasingly concerned with "traditions." Looking at the capillary transformation of the social, economic, territorial and demographic fabric in these neighbourhoods, we cannot help but doubting about the sustainability of such a massive and somehow aggressive operation on the city and its residents. What will remain of the Lisbon sought after by the tourists, if only tourists will be left in the city?

Especially in the Iberian peninsula movements of citizens and associations oppose these tourism-led processes of transformation. They demand the imposition of limits to the tourism industry, the de-touristification of the economy of cities, and the de-growth of tourism, accompanied by policies stimulating more socially and environmentally equitable forms of industry. What do you think is the role of academic institutions vis-à-vis these dynamics? Can academics contribute to the ongoing processes of political recomposition despite their ambiguous position, or on the contrary they have to openly act as a mediator and a filter between urban planners and social demands, trying to balance the strong power asymmetries that occur between them?

One of the most pressing themes in which the political debate is unfolding now is housing. The multiplication of tourist houses in the historic center has compromised the balance between tenants and owners that lasted for decades. It is worth stressing the fact that this balance allowed people with different economic capacities to live in the city. Besides the houses inhabited by those who, after the revolution, signed regulated rental agreements, which allowed access to affordable housing especially to the older part of the population, it was possible to find houses rented at market prices that were accessible for the average salary in Portugal. The boom of the tourism industry in the last years has turned this situation upside town, putting pressure on those people living on a pension or an average salary. In other words, the expulsion of the residents from the historic centre has affected not only the most economically vulnerable part of the population, but has also alarmed the middle classes. This phenomenon, which occurred more recently than the social marginalisation and segregation

processes in the peripheries, has triggered self-organised groups, platforms and mobilizations to claim the right to housing against commodification and financialisation.

There are today various groups mobilizing in this direction, which are receiving an international interest thanks to their determination to publicly expose the precarity in which great part of the local population lives. Take, for instance, the group Habita, one of the strongest in this scenario, based in Lisbon and Porto. Habita has a key role in the recently-constituted platform “Stop Despejos” (stop evictions), putting together the various groups that were self-organizing in the last months. In this groups, it is important to point out that the presence of several researchers has contributed to the problematization and the dissemination in the academic community of the issues at stake. One of the results of the recent mobilization was the creation in 2017 of an underministry of housing, which worked on the definition of a new national strategy which should grant new protections to tenants and increase the offer of public houses. It is an ongoing process whose effects cannot be predicted, although the government cuts in the budget for the implementation of the strategy in 2018 and 2019 has raised perplexity in those who hoped for a positive role of the state in these process.

Staring from a conception of the cultural dimension as a terrain for the elaboration of critical and emancipatory processes in urban contexts, would you like to suggest initiatives such as projects, activities or places that are worth knowing and monitoring?

Since the mid-2000s the Câmara Municipal (the city council) of Lisbon has developed a series of instruments to get the population involved in the making some decisions of public interest. One of the instruments which we think is particularly interesting in the context of this interview is an urban regeneration project providing a yearly budget €2 million to local association and other groups working as non-for-profit organizations proposing intervention strategies in urban territories that are defined as “priority” for the action of the local government. The program is called BipZip, which is active since 2011 in 67 areas of the city. The issues identified in these areas are very diverse, cutting across the infrastructural, planning, environmental, social and cultural dimensions. Similarly, the proposals that the local partnerships present to the city council and that hope to be financed through a public competition, can relate to the most diverse topics and address various targets. One of the pillars of this program is for sure the active participation of local communities for the realisation of the proposals, granting their sustainability. As a matter of fact, this program has allowed many associations to realize important activities with local communities, reinforcing their social capital as well as creating new social initiatives in the city. We still have to see how these actions—so rooted in their territories—relate to what is happening in the city, as we have described earlier. To what extent the involvement of local actors in the regeneration of fragile areas will not become an instrument which external actors will appropriate to carry on their aggressive action on the city? And how could one measure the “priority” and the need for action of areas located in a territory which is radically transforming its morphology and its social composition?

Copyright (c) 2018 Vando Borghi, Roberto Falanga, Davide Olori, Chiara Pussetti



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).