

A few notes on the spatial development of the tourism industry in Madeira

Introduction: This paper analysis the spatial dynamics of the development of tourism industry in a leading tourism destination in Portugal. Previous studies focused on the spatial dynamics of the tourism industry had shown that, at the very begin, hotels and tourism facilities are located in the main city and surrounding areas along the coast. Then, the hinterland is incorporated into the dynamics of economic development to sustain the development of mass tourism.

Method: Based on the Plantation Model proposed by Weaver (1993), we provide an illustrative description of the progressive spread of tourism facilities from Funchal to rural areas into the island rural areas in the North Coast. Despite all efforts to develop from scratch alternative market niches, rural areas face severe obstacles in developing the tourism industry. Rural areas are deprived of key tourism “raw materials” such as complementary services, an entrepreneurial attitude on the rural houses owners’ part, strongly linkages between the emerging tourism sector and agriculture and an “autonomous” image abroad. All this issues are well evident in Madeira and we show that intra-island imbalances in terms of the accommodation capacity and tourism receipts are still a pressing issue.

Conclusions: The aim of this paper is to apply the Weaver’ Plantation Model to the Madeira Island case study in order to conceptualize and understand recent developments in the tourism sector and to provide recommendations to bridging the gap between the South Coast and the North Coast. Based on the evidence provided, we highlight the importance of investments in infrastructure and increased levels of accessibility, and we argue for a comprehensive analysis of tourism benefits from a rural area point of view.

1-Introduction

The ‘development of the periphery’ is still a pressing issue in the European Union (EU) context, as it has been not possible to bridge the gap in terms of GDP per capita between the core and peripheral regions (Malecki, 2003; Kiiski and Pohjola, 2002). regional imbalances in terms of key socio-economics indicators remain a unresolved issue in most EU countries, especially concerning remote and peripheral areas such as the outermost regions (RUPs) (Valentine, 2001), which has prompted regional authorities to develop from scratch alternative sectors. However, in general, the future prospects are worrying for these regions in particular as the ‘old’ clientelist approach (heavily based on income transfers and neo-keynesian models) “is no longer available, while most key policy-makers, researchers, activists and pressure groups agree that the growth factors that have supported the model of development in place over the last 30 years are not valid any more, due to significant internal and external changes” With regards to the Outermost regions (ORs), the European Commission (2004:51) asserts that such regions, are in fact are well placed to become laboratories (“nurseries”) of experimentation and development of new growth factors, which amounts to a radical departure in terms of strategic thinking from the culture of dependency on support and easy access to Community funding. .

Under these new circumstances, most islands economies turn their attention to the tourism sector, as an “alternative” sector to foster economic growth and exports, despite the very fact that tourism is already the predominant economic sector. Given the limited number of options available to regions, extensively reported elsewhere, the (over) dependency on the tourism industry amounts to a necessity and not an option. As a consequence we saw a consolidation of the tendency towards the multiplication of the number of hotels and resorts as a result of the progressive incorporation of peripheral areas not yet touched by the tourism experience, despite the evidence available of widespread tourism related environmental drawbacks

(Sharpley, 2002). Past investments on the road network and easy access to EU funds have made it possible. This paper critically examines the spatial diffusion of tourism facilities through inland areas in one of the Portuguese archipelagos. This line of research has not received much scholarly attention in recent years, as it sounds a little odd to differentiate coastal from inland areas in confined geographical areas. The purpose of this paper, is to apply an integrative analysis of the Weaver's plantation model along with a close examination of Butler's life cycle model (stagnation phase) to depict the development of tourism in Madeira Island. This paper contributes to the literature on the field of tourism. Firstly, it provides further evidence to access the validity of geographically-related theories to explain the dynamics of tourism development. Secondly, it contributes to the discussion of the development of a European top tourism destination since the XIX century but overlooked in the literature. Thirdly, understanding the tourism development on islands provides further evidence to think strategically the tourism industry as an engine of growth, especially during the late phases of stagnation and re-orientation (Agarwal, 2002). In terms of structure, this paper is organized as follows. In the second section, we review the literature on the spatial dynamics of economic development through tourism and we briefly present the plantation model of Weaver. The third section discusses the development of tourism in Madeira and the fourth and last section concludes and gives provides some insights on how to promote sustainable tourism in Madeira.

2- The spatial dynamics of economic development through tourism on islands

The (over) dependence of islands on tourism, in terms of economic growth, employment and exports earnings, is quite common (Sharpley, 2003; Vanegas and Croes, 2003; Ghosh et al, 2003). Small islands economies are confined to maximize development opportunities in sectors not constrained by market proximity or . For the reasons briefly highlighted above the development of 'alternative' market niches axed on 'soft' and post-modernist approaches usually means, among other things, to expand tourism development through previously untouched areas and underdeveloped areas (Ball, 1996; Briednhann and Wickens, 2004). The basic principles behind such an approach relate to the so-called 'commoditisation' of rural intangible assets (antique traditions and folklore, unique landscapes, farming activities and historical assets), in line with the endogenous development approaches (Terluin, 2003). The development models so much praised in the 90s proposed an extensive identification and valorisation of untapped resources to attract high spending visitors' (MacLeod (2004; Chhetri et al, 2004; Cave et al, 2003; Garrod et al, 2006; Kastenholz et al, 1999). Tourism emerged as "one of the main pillars in rural development programs (Terluin, 2003, 338).) On the case of rural areas in Portugal, Dinis (2006) and Labrianidis (2006) proposed the exploitation of market niches aiming at urban markets based on the uniqueness and real competitive advantages in not easily explored/imitated products and services. The 'commoditisation' of the local culture based on a re-valorisation of places through its cultural identity would be particularly appropriate to develop the short-break market. Quite ironically, the under-development of the periphery favoured the maintenance of unique landscapes and environmental assets, and culture and traditions, locations that are now re-valued by post-modern societies (Ray, 1999). Therefore, the regeneration (development) of peripheral areas has been made possible through the 'underdevelopment' of specific areas.

However, the rather voluntaristic approach that impregnated the endogenous discourse approach fails to taken into account the specific problems of rural areas. First, there are reasons to suggest that we can't realistically expect alternative but undersized sectors to be the panacea for all rural areas economic ills. For example, Hospers (2002) alerts the reader for the lack of alternatives (based on post-modernist solutions such as eco-tourism) in Sardinia to mass tourism. The author admits that a full replacement of mass tourism by eco-

tourism solutions is unlikely. A similar point of view has been expressed by . In fact, economic development on islands is critically dependent on scale effect to create synergies and develop critical and . For that reason, Hospers (2002) only ascribes a complementary role to alternative market niches, which is to say we must not rely on the rural hinterland as the ultimate solution. In the same vein, Dinis (2006) recognised that the enthusiasm concerning the niche options was overtly optimistic owing to the unsurmountable disadvantages in key strategic growth factors availability of both tangible (factors of production) and intangible resources (knowledge infrastructure, institutional capital, entrepreneurial attitude, lack of inter-firm cooperation, etc).

Secondly, and in this regards a few reports/studies are very enlightening, it is quite complex to manage the “under-development of rural areas”. Further expansion is hampered by land scarcity, and concerns over the management of a fragile ecosystem.. Some popular destinations have already suffered from unplanned and uncontrolled development, especially in the late phases of the Butler life cycle model (*). Canary Islands and the Balearic Islands have experience an extraordinary pace of growth at expenses of overcrowding of key touristic attractions, absorption of extensive rural areas and farmland, overuse of water resources, unplanned urban growth and the multiplication of a large number of similar resorts. Even if most islands still conjures up images of a pristine environment, sandy beaches and areas of unspoilt beauty, the consequences of a tourism oriented economy are visible, in terms of waste management and environmental damage. For that reason, islands societies have to make choices and further research is needed to full understand the like impact, and whether it is worthwhile continuing to invest in the rural hinterland, of the inclusion of peripheral areas into the dynamics of economic growth lead by tourism. Third, tourism development demands adequate infrastructure (namely in terms of roads). A few regions succeed in built up a vast network of roads, which makes possible to go further.

Socio-temporal paradigms in tourism

We turn our attention to different spatio-temporal paradigms and related models that have been devised to understand the spatial dynamics of the tourism development. In particular we analyse two prominent models.—Butlers’ (1980) life cycle model is affiliated with the diffusionist paradigm and had a huge impact on the field of tourism. Based on the product life cycle concept, Butler asserts that tourism destinations progress through six stages of development from exploration to decline or rejuvenation. Implicit in the model is an understanding of tourism development from a biologic perspective, which has been subject to criticism, as it a phase of decline. The Butler’s life cycle model is the most influential and cited theory in the field of tourism, and provides some interesting theoretical insights to analyse tourism development, from a temporal perspective. Although the model is not specific regarding the spatial dimension, critical variables such as the number of tourists and facilities were included in the analysis to strength the model validity. The last stage (stagnation and decline) is especially important to understand the progressive incorporation of the non-tourism space in the industry dynamics.

Other authors also affiliated with the diffusionist paradigm, proposed models of tourism development through a number of stages, but with an explicit incorporation of a spatial dimension into the analysis. For example, Miossec (1977) provides a quite schematic description of the spatial dynamics of tourism development, based on 5 stages, and includes details about the number and location of resorts, transport issues in relation to tourism development, residents’ attitudes towards visitors and visitors’ preferences. Miossec (1977) depicts how a mature destination evolves from the very first days, based on single resort in a “empty” tourism space, to end up in a high density tourism areas (Prideaux, 1996). Several models have been developed over the years that specify tourism development in coastal and urban settings. One of the most interesting models outlining the coastal resort dynamics was

developed by Meyer-Arendt (1990) based on the Gulf of Mexico experience. Meyer-Arendt (1993) illustrates how the spatial dynamics of the tourism development leads to a T-shaped pattern, with the beach point of access as the main focus of urban development. Then a “recreational business district” (RBD) is developed and transformed in the focal point for further extension. After a while, new hotels and residential areas are build-up around the RBD, and the seaside resorts develops into a high density urban area populated with hotels. However, the most cited paper in this research area was developed by Weaver (1988). The author declared purpose was to describe the historical pattern of the development of the tourism industry on islands. Weaver (1988) places the “plantation model of tourism development”, within the dependency theory, based on the West Indies experience. According to Weaver tourism development takes place at first along the coast line and urban areas including the main city. The Weaver’s model assumes an “evolutionary or development stage” approach and admits unbalanced development and the existence of dual economy with an “elite space juxtaposed to an impoverished interior which functions as little more than a local labor reservoir” (Weaver, 1993:459; Oppermann and Chon,1997). Furthermore, 3 stages of tourism development to include the pre-tourism phase plus the transition stage and the tourism dominant phase. At first, the remote and interior areas of the country are not incorporated in the tourism economy, and the main city and the urban areas in the vicinity provides the bulk of the supply of hotels and other tourism infra-structure. The capital city is the starting point of the development of the tourism industry, in the early stages, due to its function as stopping points in the ocean travel routes. As described by Oppermann and Chon (1997:53), the initial focus of development in the main city is followed by tourism spreading to the coastal areas outside the capital, “which eventually form a coastal string of tourism development covering most of the island’s coastline”. Then, all the coastline is exposed to mass tourism and finally peripheral areas still untouched by previous tourism development, are also incorporated, via rural tourism and eco-activities. The validity of the Weaver model is obvious confined to islands but acknowledges the specific historical/spatial pattern of development of islands. Regarding urban tourism development, Weaver (1993), still based on the West Indies experience developed a model containing elements of both the von Thunen’s model and the T-shape pattern described and theorized by Meyer-Arendt. Weaver (1993) identifies 5 urban zones of tourism development - specialized tourist zone around the port, the central business district, the local neighborhoods, the resort strip and rural areas. According to Oppermann and Chon (1997), the similarity with the von Thunen model arises from the very fact that three of the zones develop into concentric rings around the seaport, the key touristic attraction and focal point of economic development in capital cities in the Caribbean.

Other models have been developed to incorporate environmental concerns over unplanned mass tourism development. Weaver (1993) proposes a model of Deliberate Alternative Tourism based on soft ecotourism, to offer insights to understand how to explore the unique biodiversity, historical assets and the relaxed pace of life of islands. Weaver (1993: 603) contends that a “slow pace of implementation” within a Deliberate Alternative Tourism strategy is key to avoid the negative effects of tourism and to. As the maintenance of “undisturbed or uncontaminated areas” (Weaver, 1993) is not possible, regulations to guarantee protected areas are required.

As reported above, the specific socioeconomic context of islands must be taken into account. Not every peripheral region is well endowed with tourism raw materials and with an acceptable network of transport infra-structure and other amenities to support tourism development. Further. Moreover, alternative development paths (such as the “deliberate alternative development” approach developed by Weaver) are not compatible with scale effects and islands have been constrained to explore ‘short term advantages’ and ‘economic

cycles' even if in a 'messy' and 'opportunistic' manner, like buccaneers seizing a window of opportunity.

Most geographical related theories share a similar spatio-temporal sequence of events: initial development along coastal areas or along the beachfront in key points along the coast without links with peripheral areas, leading to enclaves. Then, the surrounding areas are incorporated in the dynamics of growth and large urban areas with recreational districts and a high density of hotels and related facilities emerge. Development spreads from the coastal areas towards the hinterland as more and more open space and farmland is transformed into resorts, tourism facilities and residential areas. In the decline phase, several obstacles to further development emerge namely congestion and overcrowding of public infrastructures and picturesque places, plus over-construction of infra-structures and hotels along the coast line, and over-exploitation of scarce natural resources lead policy makers to engage in the sustainable agenda arena (Rodriguez et al, 2008). At this point, regional unbalances are a matter of concern and policy makers develop efforts to regenerate depressed areas. As the purpose of this study is to apply the Weaver's model to the Madeira Islands case study, we briefly describe the development of tourism in Madeira.

3-Madeira Island case study

While the recent spatial dynamics of tourism development in Madeira Island results mainly from events taking place since the 60s, the history of modern tourism can be traced back to the XIX century. With regards to the development of tourism in Madeira, it is worthwhile to distinguish the pre-modern tourism phase from the modern age. In the "pre-tourism phase", Madeira Island served as a stopping point for travellers and settlers on their way to Africa, America and Asia, and benefited from the strategic location in the middle of the Atlantic Ocean, leading to the development of a kind of "welcoming society" (Husbands, 1983). The pre-modern tourism phase runs until 1812, when the first hotel was opened in Funchal. During the XIX century Madeira excelled in the health tourism (Câmara, 2002). According to the Municipal Council of Funchal web site, the time period running from the XIX until the beginning of the XX century is appropriately termed as "therapeutic", owing to the high number of visitors eager to "confirm the climate's therapeutic qualities, especially in the South part, in Funchal by the sea". For the whole XIX century, Madeira ranked high in international medical guides as one of the ideal locations to cure pulmonary phthisis. The historical evidence available about the first three decades of the 20th century, demonstrates that the sector was heavily impacted by the major historical events of the XXth century. During World War Two many hotels close in Madeira.

In 1949 an additional link with the outside world was established via hydroplane. After 1964, the local tourism industry experienced rapid growth and the 1970s witnessed the development of modern hotels. The pattern of tourism development since 1964 mimics the development of tourism seen elsewhere in the Mediterranean islands: increasing levels of demand and a growing number of hotels openings in the 60s; then, the first signs of stagnation and environmental problems in the 1970s and 1980s; and the first attempts to rejuvenate the destination based on sustainable principles at the end of the 90's. Despite the early origins of tourism in Madeira, Madeira is still a popular destination in Europe attracting large number of visitors and is well known among European tourists for its natural landscapes, the New Year's Eve fireworks and *levadas* (walking paths).

Detailed data on hotel openings in Madeira, at the county level, is not available other than the more recent years. However, it is possible to provide a broader picture of the spatial pattern of the development of the tourism industry. Until the 70s most hotels were located in Funchal

and next to the town main center. The 1980s resulted to a change in the hotels location patterns and another “distinct” area emerge as the main focus of tourism development in Madeira: the Lido area. Until the 1980s, the number of hotels outside Funchal was insignificant and confined to the main villages. Several hotels were added to this area in the 1990s and also in recent years. As a consequence, Funchal’s share in terms of hotels and accommodation is still visible today

In order to understand the recent trends in the tourism sector, a key event in the history of Madeira occurred in 1986 (the date Portugal joined the European Union), must be recalled. Madeira joined the EU and benefited extensively from EU funding. Since, then a catch-up/convergence process was speeded up by the availability of funds, in accordance with the special status granted by the EU to the ORs, which lead to the development of top quality transport infra-structure. Until then, Madeira lacked an adequate road network, which one of the largest structural obstacles to rapid and evenly distributed development in the 1980s. The direct geographical distance between Funchal and Porto Moniz is less than 40 km. But up until the year 2000, the distance one had to travel was about 99 km, through sinuous roads, implying a 2-3 hour journey. Now, one of the new hotels located in Porto Moniz advertises that, despite being located in the northwest corner of Madeira Island, it is only 45 minutes drive from Madeira’s Airport, and 30 minutes from Funchal’s centre. The increased levels of accessibility lead investors to open new hotels in the West Coast and North Coast. Furthermore, the new road network offered the opportunity to adapt old classical architectural houses to rural tourism outside Funchal.

In the 70s most hotels were located at Funchal, the main capital, which is in line with the Weavers’s model. Further, most hotels were also located along the coastline and in the vicinity of Funchal. During the 80s and the 90s, a number of hotels outside Funchal started operations, and Funchal’s share of guests and overnights as suffered as a result. The data on accommodation supply at the county level, made available only very recently by the Madeira Statistical Office, covers a period of less than 10 years, but is quite interesting. Table 1 displays counties’ shares in terms of guests, total income in hotel establishments and overnights. Both indicators point to an increasing number visitors staying outside the Funchal. The municipalities outside the Funchal Metropolitan area improved its market share in 1,7% in terms of guest, and 4,2% in terms of overnights. Funchal lost 4,8% of its market share in terms of guests and 8% in terms of overnights, from 2002 to 2009, but a slowly recovery is well evident since 2010. (See Table 1). As a consequence, the net gains of “other” counties have been quite limited. One reason may lie in the lack of “business case” to open new hotels in recent years as growth rates in terms of demand lies within the range of -2%-2% since 2000.

Past studies focused on rural areas suggest other possible explanations for the lack of investment. Generally, speaking it was found that investments in accommodation facilities may not meet expectations by exceeding potential returns (Hjalager, 1996; Opperman, 1996), something that always drives investors away. As observed by Sharpley (2002), “not all rural areas are equally attractive to rural tourists and simply providing accommodation facilities does not guarantee demand”. Small investments, although in line with *, lead to small scale businesses targeting mainly seasonal markets, with low levels of profitability, excellence and innovation. The author touches on a number of important and interesting points. Firstly, the product being offered must be attractive to justify “suitable opportunities to spend”. Secondly, the rural hinterland may not be able to produce a number of entrepreneurs well equipped to design competitive products – in fact “developing and organising rural tourism may require a significant investment either beyond the means of the business owner or greater than justified by potential returns. As reported by Sharpley (2002), “individual rural tourism enterprises normally possess neither the skills nor the resources for effective

marketing, a prerequisite to success”. Under such circumstances, further investments are heavily dependent on government subsidies to ensure minimum levels of profitability and returns on investment. Thirdly, counties with long agricultural traditions may find it difficult to adapt to the servicing economy. Hajalager (1996) reported major difficulties faced by farmers in combining the ‘commodification of agricultural traditions’ through tourism with the industry of agriculture. Sharpely (2002) concludes that agricultural values and guest-service values may be incompatible. Fourthly, success depends critically in matching visitor’s demands. Fifthly, some packages may in fact be in direct competition with the traditional products, as found by Sharpley (2002) with regards to the rural tourism sector in Cyprus. Sixthly, small areas cannot succeed in conveying an image of spatial heterogeneity in visitors’ minds. Rural areas in small islands, are located close to all major urban areas and resorts, so travellers don’t have to travel long distances, which is why they can be confined to their hotels when touring. Therefore, it can be reasonably concluded that tourism, as describe in most development plans, may not always represent the most suitable development path, whilst the costs and other difficulties summarised above may limit the potential economic returns of investing in rural areas. In other words, “the notion that tourism is a ‘magic wand that will speed up economic progress’ (Hoggart, Butler, & Black, 1995, p. 36), should be treated with caution for the hinterland of the island” (Andriotis, 2006). It follows that a major overhaul of the current development approach to the rural hinterland may be necessary. Concentrate investments in traditional resort areas in order to offer additional amenities where there is evidence of business market may be highly recommended. A downward revision of the expectations in terms of economic benefits directly linked to tourism development in rural hinterland is also required. The region must aim at maximising revenue collection at an aggregated levels and then spread the benefits of an enlarged tax base by allowing new investmens. Notwithstanding that counties outside Funchal are attracting increasing numbers of visitors, the clearly dominance of coastal areas located close to Funchal is still evident in 2009. The tourism industry still shapes the landscape in the South Coast. Further, the impact of alternative tourism is still marginal. The data available on rural tourism indicates that the sector accounts for less than 1% in terms of visitors, overnights and receipts. Nevertheless, the North Coast was incorporated into the industry dynamics and island territory is now a full developed tourism space, however with low densities in counties outside Funchal..

Table 1: Key data by municipality

	Guest in hotel establishment			Total Income in Hotel Establishments			Overnights		
	2002	2008	Var.	2002	2008	Var.	2002	2008	Var.
Madeira	100%	100%		100%	100%		100%	100%	
Calheta	2,2%	2,8%	0,6%	1,8%	2,5%	0,7%	2%	3%	1,2%
Câmara de Lobos	0,5%	2,2%	1,7%	0,9%	1,9%	1,0%	0%	2%	2,0%
Funchal	70,7%	65,9%	-4,8%	76,6%	70,5%	-6,1%	75%	67%	-8,0%
Machico	2,6%	2,6%	0,0%	1,5%	1,7%	0,2%	2%	2%	0,5%
Ponta do Sol	0,8%	1,0%	0,3%	0,5%	0,9%	0,4%	1%	1%	0,5%
Porto Moniz	1,1%	1,4%	0,3%	0,3%	0,7%	0,4%	0%	1%	0,2%
Ribeira Brava	1,5%	1,4%	-0,1%	0,7%	0,8%	0,1%	1%	1%	0,1%
Santa Cruz	12,1%	13,5%	1,4%	12,4%	14,2%	1,8%	14%	16%	1,9%
Santana	1,7%	1,3%	-	1,2%	0,7%	-	1%	1%	-

			0,3%			0,5%			0,1%
São Vicente	1,7%	2,1%	0,4%	0,7%	1,3%	0,6%	1%	2%	0,9%
Porto Santo	1,7%	5,7%	4,0%	3,5%	4,9%	1,4%	4%	4%	0,9%

The plantation model of tourism shows that development dynamics of tourism is linked to the country's history, and acknowledges specific path dependencies, geographical constraints and the unique socio-economic structure of islands economies. The Weaver's model offers a useful analytical tool to describe the development of tourism from a geographical stance and offers useful insights about the prospects of development of the rural hinterland outside the main urban areas. First, the co-existence of a dual tourism space (core space versus peripheral space) is explicitly included into the analysis; secondly, uneven development in terms of the accommodation capacity and tourism receipts should be expected at least until. Tourism in Madeira is still concentrated in the South Coast (84% of the number of establishments) and along the coast line, which is in line with Weaver's model conclusions (See Table 3). The rural hinterland have been slowly incorporated in the tourism space since 1986, and the process appears to have reached its limits. The slow pace of diffusion towards the North Coast reflects essentially lack of business case, as suggested above.

Despite the early origins of tourism in Madeira, Madeira is still a popular destination in Europe attracting large number of visitors and is well known among European tourists for its natural landscapes, the New Year's Eve fireworks and *levadas* (walking paths). Concerning the question of further develop the sector, the initial expectations of developing the rural hinterland may not be fulfilled. As found by Andriotis (2006), "with a few exemptions", tourism expansion on islands occurs "only on or near the coast, and interior areas face inherent disadvantages in developing their tourism industry". Andriotis (2006) suggest that issues of "peripherality; rurality; limited infrastructure and facilities and the persistent preference for beach holidays indicates that holidays have shown that the "alternatives of hinterland areas for 'touristisation' and self-sustaining growth are limited". Moreover, the ongoing migration for major cities and coastal areas, "in the search for better life and employment opportunities" drains the rural areas of already scarce resources, namely entrepreneurs. Past studies proved that "an unequal distribution of tourists and accentuated regional imbalances in terms of the number of accommodation facilities because most hotels are located on the coast" is a matter of rule. Andriotis (2006) acknowledges a few advantages to the concentration of tourist supply in coastal areas, namely in terms of the confinement of tourism related problems to specific and restricted areas. More-over, only a few number of larger investments in precise locations are effectively required to sustain the tourism dynamics (and therefore only a few selected areas will sustain environmental damage, while most of the rural hinterland is spared), and advantages in terms of economies of scale by greater use of the existing infra-structure offers an opportunity to a more effective use of public spending.

4-Conclusion

The trajectory of development of the industry in Madeira Island mimics, to a certain degree, the model devised by Weaver. Still today, the majority of the economic activity/tourism is located in the main city, and maybe it could not be otherwise... In the end, the current state of affairs represents a compromise between the advantages emerging from avoiding the negative impacts of tourism (namely congestion and overcrowding of public infrastructures and picturesque places, plus over-construction of infra-structures and hotels along the coast line, and over-exploitation of scarce natural resources) and the urgent need to strength the local economy (Rodriguez et al, 2008). The Butler's model alerts the reader that the absence of careful and planned management leads to stagnation and decline. In fact, by some performance indicators usually applied in the field of tourism, Madeira Island is quite successful as a tourism destination. A number of examples shows the negative effects of unplanned and chaotic development resulting in an excessive expansion of the

accommodation capacity available (environmental damage, land speculation and loss of farmland, lower levels of visitors' satisfaction) and are difficult to reverse (Batle, 2000). Consequently, measures were taken to "cool down" the pace of development and to "rationalize" the industry by adopting stringent legislation (Batle, 2000: 524). On the other hand, alternative tourism that is currently proposed for small islands (Weaver, 1993), may be ineffective in boosting economic growth. García-Falcón and Medina-Muñoz (1999) argues that the consolidation of "mass sun-and-sand", the main market segment in most islands, is the key strategic issue to be taken into account. Sharpley (2003) also asserts that alternative market niches are inappropriate to promote sustainable development due to market reasons. Steps to reduce the negative impacts of mass tourism, based on effective standards of quality and effective policy implementation, can offer a way out. Most studies propose measures such as upgrading and diversifying the tourism product, attracting wealthy visitors and decreasing seasonality, as well as the built-up of facilities in rural areas and the revitalization of cultural and historical assets. Diversification from mass tourism may help the industry to keep attracting traditional visitors, based on new offerings in health tourism, culture and rural assets. However, the fragility of ecosystems on islands demands coherent and effective policy making by Coping with issues of sustainability and carrying capacity. Therefore, the "improvised interior" can be more helpful to "elite space" along the coastal areas (Weaver, 1993: 459), by maintain a pristine environment. For that reason the existence of a non-tourism space may be a key advantage in a mature destination.

To conclude, the regional development effect of tourism on islands is a complex process that should be further studied. Although, the results reported in this study for the island of Crete made it possible to identify the development gap between coast and hinterland and the necessity to bridge this gap, the results cannot be generalized but should be viewed as indicative rather than definite for all island settings. The findings of this study should be strengthened by a more thorough investigation of hinterland vs. coastal areas gap in order to identify whether development

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