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2021-1-CZ01-KA220-HED-000031187

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Case Study

Responsible Tourism



Case Study – Municipality of Machico

Sustainable Development Goals and Territorial Management

Sustainable development is one of the main concerns and objectives of the territories, being a territorial necessity, in order to improve the quality of life of populations (SDG 9). In regions with socio-economic bases dependent on tourism, as is the case with Machico, studies that analyze the processes of spatial planning and planning with tourism are essential. In Machico there has been a growing number of tourists, with different levels of purchasing power, that have been stimulating the tourist accommodation market, leading to its diversification, expanding the increase in the supply of local accommodation. Local Accommodation (LA) appears as a new opportunity to enhance heritage, landscapes and culture, and should be expanded from the perspective of local initiative, management and local control (SDG 8 e 9) (Council of Europe, 2022).

The Impact of LA on the Sustainable Development of the Municipality of Machico

The impact that LA has on the Sustainable Development of the Municipality of Machico, with the general objective of evaluating the recognition by the resident population (SDG 11).

The theme is developed around tourism, as it plays a very relevant role in the world economy, having become a strong catalyst for economic development (Rodríguez-Anton, et al., 2012) and, as such, understood as a vital instrument for the sustainable development of any territory. Tourism, when well planned, contributes positively to generating employment and protecting the environment, however its growth could have negative consequences for society and the environment (Mihalič, 2000). Tourist consumption of resources such as energy, drinking water, soil and food is increasingly intense, doubling in 25-45 years (Gosling & Peeters, 2015).

The organization of this document will be carried out in two differentiated parts, the first will focus on the theoretical framework of the topic, where a general analysis will be carried out on the territory of Machico, its demography, tourism sector and sustainable development proposals with regard to LA in Machico and the second will address field research, encompassing questionnaires carried out among the local population. Finally, the results and conclusions related to this topic are presented.

Municipality of Machico

Framework – Territory, Demography and Tourism

The municipality of Machico is located on the westernmost tip of the island, extending from the sea to the northern mountains and ending at Ponta de São Lourenço, with a total area of 68.31 km². It is limited to the southwest by the municipality of Santa Cruz, to the west by Funchal through a small strip north of Santa Cruz and to the northwest by Santana. It has five parishes: Porto da Cruz, Caniçal, Machico, Santo António da Serra and Água de Pena (Wikipédia, 2021).

The resident population of the municipality of Machico has been decreasing throughout 2009 and 2020 (-9.2%). According to the latest data from the National Statistics Institute (INE), in 2020 the resident population was around 19,926 inhabitants (PORDATA. 2021). With around 287 inhabitants per km², the municipality of Machico has the fourth highest population density in the Autonomous Region of Madeira (PORDATA. 2021a).

As far as tourism is concerned, the municipality of Machico has great potential. However, according to INE data, the municipality has been losing tourist developments. In 2020, there were 13 tourist accommodations in the municipality of Machico, 9 less than in 2019. According to the data present in the address of Turismo de Portugal in 2021, there are only 9 tourist

accommodations, of which 7 are hotels, the rest are from type Agritourism and Country House. These include around 407 rooms corresponding to an overall number of beds of 813 (PORDATA. 2021b).

Regarding economic activity in Machico, according to the study present in the Local Development Plan, requested by the Association of People's Houses of Madeira, in all municipalities present in the study, the tertiary sector, where tourism is included, is what holds more weight on local economies, with the exception of the municipality of Machico. The loss of population, associated with a reduction in tourism in the municipality, means that Machico currently has a Net Bed Occupancy Rate (NBOR) of just 13.3%, being the lowest in RAM (PODERAM, 2020). Despite this reduction in the number of Tourist Enterprises, the opposite was true regarding LA, which in Machico has been increasing year after year. Currently, the Municipality has around 142 LA records according to Portuguese tourism data, spread across the 5 parishes of the Municipality, where 54% of these AL are located in the parish of Machico. These 142 records contain a total of 320 rooms corresponding to an overall number of beds of 460. In the municipality of Machico, AL represents around 44% of the total available rooms and 36% of the total available beds (PORDATA. 2021b).

Through these data, the importance of LA in the Municipality of Machico is verified as an opportunity to create jobs, revitalize the local economy and consequent development of complementary services to the activity, such as traditional commerce, crafts or gastronomy and even paper LA determining factor in urban rehabilitation and the survival of small and medium-sized farms, mainly in the interior areas of the parishes and on the North Coast, as opposed to options for tourist real estate centered in Machico. This sector presents itself, like any other, with advantages and disadvantages for the population and LA is no exception, now see what different authors say about this matter, in the different studies (SDG 8, 9 e 11) (United Nations, 2022).

The economic benefits of tourism for the population (Fredline & Faulkner, 2000; Waitt, 2003; Kim & Petrick, 2005), making reference to economic development in communities as a result of increased revenue from taxes, or the creation of jobs . The contribution of tourism to the creation and promotion of investments and the consequent increase in commercial activity is highlighted by Ritchie (1984) as a relevant benefit for the receiving communities. Sebastian and Rajagopalan (2009) consider tourism to be an instrument that makes it possible to improve the living conditions of residents, namely through the development of infrastructure and services, which serve not only tourists, but also these residents (Sharma, Dyer, Carter & Gursoy, 2008; Andereck, Valentine, Knoof & Vogt, 2005). Ritchie (1984) and Hall (1992) identified other positive impacts associated with tourism, such as strengthening community identity, tradition and values and increasing community participation. Finally, Stein and Anderson (1999) highlighted the contribution of tourism in terms of social cohesion, greater sharing of ideas and increased knowledge regarding the culture of the regions. The negative impacts according to Korca (1998), the increase in the cost of real estate (land and houses), also Brida, Osti and Faccioli (2011) reached the same conclusion about the impact of tourism at this level in the community of Folgaria in Italy. Diagne (2004) analyzed the rupture of the social structure, caused by tourism in Petite Cote, in Senegal, where the dominant position in society was replaced by elderly male leaders by young entrepreneurs with financial resources who began to have a role of decision in the decision-making process of community affairs. An intrinsic need then arises to manage this conflict of interests between the various interested parties.

Sustainable Development of the Municipality

The Machico City Council will play a fundamental role in the sustainable development of the Municipality, combined with Local Accommodation, where the creation of Areas with a Tourist Purpose (ATV) will have to be the starting point. The ATV will allow the valorization of Machico's tourist resources, through the delimitation of strategic areas of the territory dedicated to tourism that prioritizes sustainability, constituting operational units to be programmed within the scope of the execution of the new Machico Municipal Master Plan (MMMP). These ATV will also allow some control over the proliferation of LA in Machico. The evolution and proliferation of LA in the main world cities and the adoption of reactive measures that each of these cities has sought to

contain the proliferation of LA and the platforms that advertise them has generated some discussion, corroborated by several authors who point out that the LA movements social discontent registered in cities is mainly related to the loss of permanent housing quota, increase in housing rents, conflicts arising from the relationship between the local community and tourists, among many other negative externalities such as noise, congestion or loss of identity (Freytag & Bauder , 2018; Martins, 2018; McKinsey&Company, 2017; Novy, 2018; Pereira, 2018; Sanyal & Ferreri, 2018). Therefore, a minimum of six ATV is suggested according to the dispersion of LA in the municipality of Machico.

The first ATV to be created in the parish of Machico. This ATV must encompass at least the Urban Rehabilitation Area of Machico (URAM) and the Port of Recreation, prioritizing LA and Residential Tourism (Figure 1). This ATV will be one of the most important for the municipality since LA has revolutionized the way cities develop, presenting several advantages for urban rehabilitation. The increase in private investment in LA made it possible to revitalize areas with greater tourist pressure, because at the same time as it rehabilitated buildings that showed signs of degradation, it also contributed to the increase in commercial establishments, which were previously abandoned.

The Second ATV, in the parish of Santo António da Serra, would encompass the Golf Course and nearby areas, namely the Fonte Velha area and the Quinta do Major area (LA and Rural Tourism) (Figure 2). These are areas that show some desertification, where many isolated houses without a sanitation network are visible.

Figure 1: ATV – Urban Rehabilitation Area of Machico (URAM) and the Port of Recreation



Figure 2: ATV – Parish of Santo António da Serra (Golf Course and nearby areas)



Source: author, using QGIS, 2020

The Third and Fourth ATV, in the parish of Porto da Cruz, in the Portela Zone (LA and Rural Tourism) and in the Terra Baptista Zone (LA and Rural Tourism) (Figure 3). These are areas that show some desertification, with some vacant buildings in need of rehabilitation, where many isolated houses without a sanitation network are visible.

Figure 3: ATV – Parish of Porto da Cruz (Portela Zone and the Terra Baptista Zone)



Source: author, using QGIS, 2020

The last two ATV located in the parish of Caniçal, the fifth ATV covering the entire Ribeira do Natal zone, next to the sea (LA and Nautical Tourism – Beach) and the sixth ATV covering the

North Coast of Caniçal (LA and Nautical Tourism Nature) (Figure 4). Both situations would be ideal for promoting new construction.

Figure 4: ATV – Parish of Caniçal (Ribeira do Natal zone and the North Coast of Caniçal)



Source: author, using QGIS, 2020

Research Methodology

The research methodology is based on the fundamental question: how can LA value sustainable development in the municipality? According to Pinto (2015), research into the consequences of urban tourism has been developed through two types of studies: quantitative studies, usually related to economic and physical impacts, and studies of residents' perceptions and reactions. In this way, an analysis of LA in Machico was defined, which aimed to: a) deepen a better understanding of the LA theme in Machico and b) collect the opinion of different stakeholders. The stakeholders were essentially residents of the different parishes of Machico (ten people from each parish). There were several ways of contacting the interviewees, and the purpose of the entire process was previously explained.

Findings

After examining the research methodology, the main results are summarized:

- About 65% of the respondents consider the implementation of AVT pertinent as a means of "controlling" LA in the municipality.
- It is also mentioned that 80% suggest other areas such as Santo António da Serra, in the central area of Ribeira de Machico, since there is a large number of vacant buildings and the Center of Porto da Cruz, since there is an URA for that parish.
- Regarding each of the ATV, the one with the highest number of votes is the first ATV, located in Machico, with about 50% of the votes.

Thus, we began to understand the perceptions of the population residing in Machico regarding LA contribution to the sustainable development of this municipality, with the respondents' optimism being evident, with the majority recognizing relevant impacts arising from this activity. The results allow us to affirm the determining role of LA in the local economy, in the rehabilitation and survival of small and medium-sized farms and in the preservation and enhancement of the wealth of natural, cultural and historical resources.

It was possible to conclude that the population recognizes the economic advantages, such as improving the local economy in general, the creation of jobs, social advantages such as interaction with other people and different cultures and the dynamization of the region and improvement of living conditions in the region. general population and environmental advantages, in the valorization and protection of environmental and green areas (SDG 8, 9 and 11). This research also allows us to identify the importance of this stakeholder, in terms of valuing and adhering to the LA and its contribution to the sustainable development of the municipality of Machico. Since tourist developments are decreasing in the municipality, LA becomes relevant to boost tourism and thus there is a need for future studies to deepen research on this topic, particularly with regard to other possible virtuous relationships between LA and entrepreneurship, and LA and social capital (SDG 17).

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