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WHY IS TOURISM DOING POORLY IN OVERSEAS FRANCE?

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Abstract: Overseas France, with its flattering economic indicators (per capita GDP, HDI, etc.), is undergoing uncompetitive growth, supported by transfer and tax exemption policies. In this context, tourism has fallen victim to Dutch disease, which is hindering its development. The diversity of statuses and varied degrees of autonomy only play a small role in distinguishing France's overseas territories according to the degree to which tourism has developed there. Rather, it is distance from Metropolitan (mainland) France and, correlatively, the share of tourists from Metropolitan France in overall tourist flows that make up the most distinguishing factor. Only three islands (Bora Bora, Saint Martin and Saint Barthelemy) follow the SITE model, whereas many archipelagos are good examples of the MIRAB model. **Keywords:** French overseas territories, small islands, Dutch disease, MIRAB, SITE.

INTRODUCTION

Overseas France has been little studied in international academic literature in English, the only book that gives an overview is fairly old (Aldrich & Connell, 1992), and there is only one fairly recent article (Mrgudovic, 2005). It should be said that even the French have limited knowledge of overseas France, often reduced to a vision of white sand beaches dominated by a few palm trees and equated with leisure and idleness, which overestimates its tourism potential.

Descended from France's vast colonial empire, this ensemble of islands and territories scattered across the three major oceans contains a total of 2.6 million inhabitants and covers 120,000 square kilometers (see Fig. 1 and Table 1). What was called the ''DOM-TOM'' (for Overseas Departments and Overseas Territories in French) until 2003 is made up of thirteen entities with differing statuses. First, there

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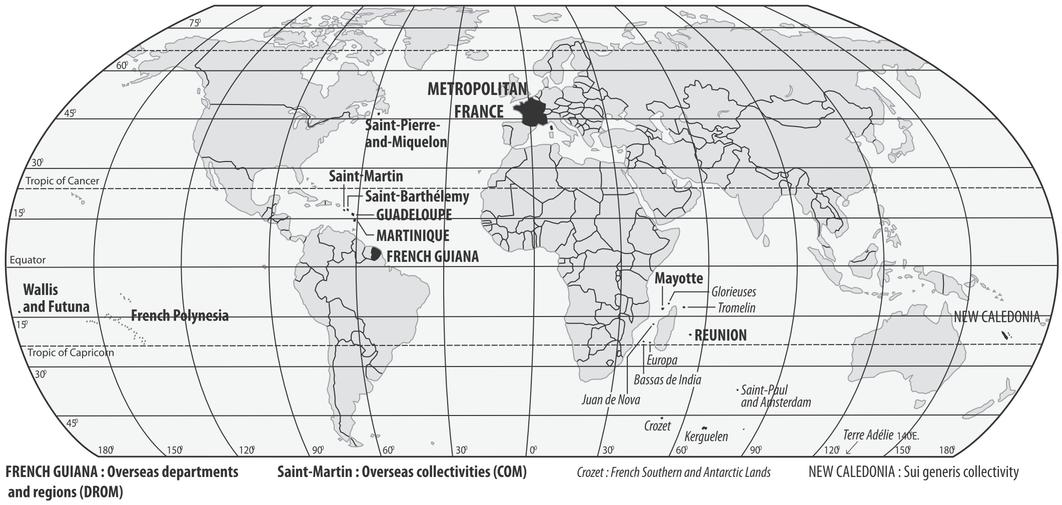

Figure 1. French Overseas Territories Worldwide

are the four Overseas Departments and Regions (DROM): Guadeloupe, French Guiana, Martinique, and Reunion Island. They share a common history, marked by slavery until 1848, and complete assimilation into Metropolitan (mainland) France in 1946. Thus, the laws applicable in Metropolitan France are also applicable in the Overseas Departments and Regions unless otherwise specified, and the 1.8 million inhabitants of Martinique, Reunion Island, French Guiana and Guadeloupe receive the same social benefits and have access to the same provisions to fight unemployment, poverty and precariousness as inhabitants of Metropolitan France. In regard to European law, the Overseas Departments and Regions are part of the Union's Outermost Regions (ORs), under its integration strategy, and are thus part of the European Union. This ensemble is completed by a series of diverse local collectivities in which the laws established in Metropolitan France only apply if their applicability is explicitly stated. Since 2003, they have been grouped under the heading of Overseas Collectivities (COM), with the exception of New Caledonia that, with the Noumea Agreement (1998) became a unique of its kind collectivity. Most of them have only associate status with the European Union (EU), which groups them together under the heading of Overseas Countries and Territories (OCTs). Finally, there are the islands that are uninhabited or do not have permanent populations, such as the French Southern and Antarctic Lands (abbreviated TAAF) and Clipperton.

Overseas France is a demographically dynamic area even though the population's behavior is tending to align itself with that of Metropolitan France with, in particular, a total fertility rate that has dropped considerably although the birth rate remains high due to the young age of the population. When this combines with high immigration—as is currently the case in Mayotte, Saint Martin and French Guiana—the result is a population explosion. With the exception of New Caledonia, wealthy from its nickel, overseas France is in a delicate economic situation. More than one quarter of the active population is unemployed in the Overseas Departments and Regions, compared to one

Table 1. Overseas France in 2010

	Status under French law	Status under EU law (European Union)	Degree of autonomy	Surface area (in sq. km)	Population
Guadeloupe	DROM	OR*	Medium	1 628	400 736 (census 2006)
French Guiana	DROM	OR	Medium	83 534	221 500 (estimation 2008)
Martinique	DROM	OR	Medium	1 128	397 732 (census 2006)
Reunion Island	DROM	OR	Medium	2 512	802 000 (estimation 2008)
Mayotte	COM	OCT**	Medium	374	186 000 (census 2007)
Saint Martin	COM	OR	Relatively high	56	35 263 (census 2006)
Saint Barthelemy	COM	OR	High	21	8 450 (census 2007)
French Polynesia	COM	OCT	High	3 814	260 700 (estimation 2008)
Wallis and Futuna	COM	OCT	Low	211	13 484 (census 2008)
Saint-Pierre and Miquelon	COM	OCT	Relatively high	242	6 125 (census 2006)
New Caledonia	*sui generis* collectivity	OCT	Very high	18 575	245 080 (census 2009)
French Southern and Antarctic Lands (TAAF)	Overseas territory	OCT	Low	7391	No permanent population
Clipperton	State-owned Public Domain	–	Nil	2	0
Totals				119 532	2 600 000 approx.

Sources: the Institut National de la Statistique et des Études Économiques (INSEE), the Institut de la Statistique et des Études Économiques (ISEE, New Caledonia), the Institut de la Statistique de la Polynésie Française (ISPF), and the Ministry of Overseas France; *Outermost Region; **Overseas Countries and Territories.

tenth in Metropolitan France. These overseas economies' trade balances have structural deficits, with extremely low coverage ratios that continue to worsen. Unlike the nearby small island states and territories, the Overseas Departments and Regions and the Overseas Collectivities have relatively closed economies, with modest export rates, very low levels of specialization, and very stable growth. Without competitiveness, this relies on a domestic market that is protected from foreign influences by high import duties and supported by transfer and tax exemption policies.

In such a context of introversion, vitality and dependency, tourism there has evolved in an original fashion and taken unique forms. Indeed, while reading the work of French authors who have addressed the issue, notably Poirine (1995, 1998, 2007), Blanchet (1989) and de Miras (1987), who evoke ''remittance economies,'' the similarities with the MIRAB model (MIgration, Remittances, Aid & Bureaucracy), developed by Bertram and Watters (1985) become obvious. One must then note that the shift in tourism over the past twenty years by numerous small island economies following this model and leading to the emergence of the SITE model—i.e. ''Small Island Tourist Economies'' (McElroy, 2006)—only rarely took place in overseas France, with tourist visitation stagnating or declining. The positive correlation between strong development of the tourism sector and rising per capita Gross Domestic Product (GDP) in island states (Prasad, 2003) cannot, therefore, be verified there.

This specificity of overseas France was not clearly perceived by the authors that conducted comparative analyses (Guthunz & von Krosigk, 1996; McElroy, 2003, 2006) in part because they used statistical indicators that were not always relevant and reliable for this ensemble, and in part because they analyzed an already old situation, based on figures from the early 1990s or 2000s, when the gap between small island economies and France's overseas territories began to widen when it came to tourism. The innovative central hypothesis of this work relies on the notion that the way in which these territories are administered by the French government, with a catch-up policy in place for half a century, is decisive in understanding tourism in overseas France. Central to our reflections is the issue of status, a subject already addressed by several authors (Armstrong & Read, 2000; Bertram, 2004), but one that we propose to reexamine. However, the present discussion would not be fully relevant without comparing the French case with British, American and Dutch overseas entities.

METHODOLOGY

Our analysis is based on a long presence throughout overseas France in the framework of numerous visits and long stays. This field knowledge of the socio-economic system in general (Gay, 2008) and tourism in particular (Gay, 2009) led us to qualitative rather than quantitative analysis and a careful use of statistics. Our caution comes first from the difficulty comparing tourism statistics from different overseas entities because the counting methods and reliability are variable. Only the Statistical Institute of French Polynesia (ISPF) has accurately tracked tourism. For instance, we have only approximate knowledge of total visits because small Overseas Collectivities (Wallis and Futuna and Saint Martin) do not keep count, and other areas do not always monitor tourist flows continuously.

In such a context, the quantitative studies comparing French overseas islands to other small islands suffer from several problems that we would like to address. Without calling into question the foundations of the Tourism Penetration Index (TPI) elaborated by McElroy and de Albuquerque (1998), some indicators used to calculate the TPI do not seem adequate. For instance, in addition to the insufficiencies in measuring the number of tourists, which has an effect on the quality of estimated visitor spending per resident population, we believe that the number of hotel rooms per square kilometer is not very relevant as an indicator for two reasons. First, starting in 1986, tax exemption measures artificially increased hotel capacity in all of overseas France with host capacity growing faster than actual visits. Second, a growing proportion of tourists stay with friends or family or in unofficial structures.

What is more, the demographic data found in the Central Intelligence Agency's (CIA) databases (2009) and on which numerous researchers rely are often false when it comes to overseas France, in particular the data on total population used, in addition, to calculate numerous indicators. Accordingly, we are far from satisfied with the rankings proposed by McElroy (2003, 2006) and by McElroy and McSorley (2007) when it comes to Overseas France.

TOURISM'S POOR PERFORMANCE

The tourism in overseas France that was launched relatively early by the French who introduced it in their colonial empire in the 19th century; but overseas France has, in recent years, lost the advance it once had over many of its neighbors. While they have rapidly entered the field of tourism, overseas France has been losing steam with, in recent years, less than two million tourists, half of which in the Antilles (Table 2).

In addition, we can see that overseas destinations have progressively been neglected. Their growth is considerably slower than their neighbors', which corresponds to lost market shares. French Polynesia and New Caledonia are among the Pacific states and territories that have had the slowest growth over the past three decades. The gap between Reunion Island and Mauritius increased starting at the end of the 1980s. The Maldives overtook and greatly passed Reunion Island starting in 1991 (Gay, 2001).

In addition to this ''stay-over tourism'' there is mainly cruise-ship tourism. The Caribbean is the largest cruise basin in the world, with 46.8% of world cruise berth allocation in 2004. There are more and more cruise passengers (3.8 million cruise passengers in 1980, 14.5 million in 2000, and more than 18 million in 2009), and they are catching up in number with stay-over tourists (19 million in 2009). Yet, in a context as favorable and dynamic as this, Guadeloupe and Martinique have, in the space of fifteen years, seen a net decline in this activity with an 85% drop in the number of cruise passengers (Caribbean Tourism Organization, 2007).

France's overseas destinations have lost international appeal in recent decades and their appeal is increasingly restricted to the na-

Table 2. A Few Tourism Indicators for the Year 2009

	Number of Tourists (in thousands)	Number of Tourists per Inhabitant per Year	Share of Tourists from Metropolitan France (in%)	Number of Cruise Passengers (in thousands)	Share of Tourism in the GDP (in%)
Martinique	411	1.06	80	69	4.2
Guadeloupe	412	1.03	94	111	4.9
Saint Martin	*	*	*	9	*
Saint Barthelemy**	84	10	48	42	*
French Guiana**	113	0.52	57	0	2
Reunion Island	421	0.52	82	46	3
French Polynesia	160	0.61	24	30	11
New Caledonia	99	0.40	28	131	4
Wallis and Futuna	*	*	*	0	*
Saint Pierre and Miquelon	11	1.92	15	3	*
Mayotte***	38	0.20	45	3	
OVERSEAS TOTAL****	1800	0.69	69	444	4.5

Sources: INSEE, IEDOM, IEOM, ISPF, ISEE, the Saint Pierre and Miquelon tourism committee, the Saint Barthelemy tourism office, and the Guadeloupe regional tourism observatory; *Data not available; **Data from 2007; ***Data from 2008; ****Estimated.

tional framework—which is a symptom of the greater competition from other nearby tropical destinations. In Guadeloupe, for example, North Americans accounted for 50% of ''stay-over tourists'' in 1967, and account for less than 5% today. The same decline can be seen in Martinique: 49% in 1970, and 1.9% in 2006! In abandoning the two Overseas Departments and Regions for other much more dynamic and competitive destinations in the Antilles, these tourists have left room for tourists from Metropolitan France, now in a majority, despite the distance to travel. The case of Reunion Island is similar to that of the Antilles. In 2006, South Africans accounted for 9% of the tourist clientele in Mauritius, whereas they were practically absent from Reunion Island. In both the French Antilles and Reunion Island, European tourists from places other than Metropolitan France are rare: 3.4% in Reunion Island and 5.4% in Martinique in 2006, whereas Europeans accounted for one-third of tourists in the Dominican Republic and two-thirds in Mauritius in 2009 (Gay, 2009).

Another way to grasp the low degree of international tourism in overseas France is to look at hotel companies. International groups are very little present, and while the French company Accor has sixteen establishments there, its presence in French Guiana and Reunion Island—with the Novotel and Mercure brands—is more oriented toward business travel than tourism. Foreign groups are absent, except in French Polynesia (with Starwood, Rezisor and Intercontinental), New Caledonia and Saint Martin. Large hotels that have been abandoned, vandalized, covered in graffiti and occupied by squatters in the most famous tourist spots (Pointe-du-Bout in Martinique, Saint François in Guadeloupe) symbolize the magnitude of the current crisis and the distrust of large hotel groups.

. . .DESPITE FAVORABLE ELEMENTS

Several authors admit that non-independent islands have a major advantage over sovereign islands when it comes to developing tourism (Armstrong & Read, 2000; Bertram, 2004; McElroy, 2003, 2006; Poirine, 2007), as J.L. McElroy's TPI shows (2006), since nine out of the top ten destinations are non-sovereign. The ease of travel, such as the lack of visas and the use of the same currency, is evoked, as is the scale of investment in transportation and telecommunication infrastructures. One should note, however, that overseas France is a spectacular counter-example. These mediocre results are all the more surprising given that these destinations enjoy conditions very conducive to the development of tourism, the first of which is their belonging to one of the wealthiest countries in the world that is, what is more, a member of the European Union.

First, like Metropolitan France, transportation infrastructures are high quality. Thanks to the European Regional Development Fund (ERDF), which served accessibility infrastructures in priority, the Overseas Departments and Regions have quality airports that can welcome all types of airplanes. The road network is excellent and better than on nearby islands. Tourist spots are, therefore, less confined to areas near airports, as is sometime still the case on some tropical islands (Gay, 2000). This is also an element that allows for more complete tourist exploration of territories (Khadaroo & Seetanah, 2007), and fosters autonomous practices thanks to car rental, a sector that has grown strongly, notably with tax exemption laws.

The water supply is generally satisfactory and tap water is usually potable, except in periods of heavy rain. Thanks to the desalination of sea water, tourist islands that have a chronic shortage of freshwater, such as Bora Bora, Saint Martin and Saint Barthelemy, have sufficient water resources, particularly since the opening of production plants using the reverse osmosis procedure.

Health conditions are another important argument in favor of the development of tourism in overseas France. Sanitary conditions are much better than in competing emerging countries. Overseas France's health care system is satisfactory, which guarantees tourists good care in the case of illness or accident. Emergency care is of good quality and hospitals are well equipped. Among other things, the warning and rescue systems for natural disasters rival those of the most developed countries.

The issue of safety is also part of the specifications for international tourist destinations. Despite a worrying rise in crimes and misdemeanors in overseas France, the competing destinations have a much worse record in this area. A World Bank report (2007) indicates that these islands, associated to paradises, are now very dangerous, having become major drug trafficking hubs. Rape, murder and kidnapping for ransom have become more common in Jamaica, the Dominican Republic, the Bahamas, and Trinidad and Tobago. This situation explains the growing entrenchment of tourist spots in the Caribbean, with the multiplication of tourist enclaves (Dehoorne, 2006). The French Antilles and the rest of overseas France offer only a few closed and secured sites that separate tourists from local society. The example of Pointe-du-Bout in Martinique is characteristic because, unlike what Guthunz and von Krosigk have written (1996), it is an open site, both a residential neighborhood and tourist station. Similarly, the political stability of overseas collectivities is an advantage over certain destinations where one is not safe from a coup or state of emergency, as in Fiji in recent years.

DUTCH DISEASE: THE CAUSE OF TOURISM'S POOR COMPETITIVENESS

Overseas France destinations are among the least competitive destinations in the inter-tropical zone. Accommodations, excursions and restaurants offer a poor quality/price ratio. Shopping is limited and expensive. Nightlife is nearly nonexistent and the activities available for tourists are limited. The reception tourists receive is far from always good, as the rare satisfaction surveys show. Competing neighboring islands have more recent hotels and offer more entertainment; they are also much less expensive. In addition to this, there are a large number of social conflicts, often intense, that paralyze these areas and sometimes take tourists and cruise passengers hostage. Furthermore, port and airport taxes are dissuasive, explaining the defiance of low cost airlines and the fact that large cruise companies have recently abandoned cruises to Martinique and Guadeloupe. All of these ills have one cause: Dutch disease.

''Dutch disease'' was identified by economists in regard to small economies (Corden & Neary, 1982) that suddenly receive a windfall. Economists gave it this name because the Netherlands was one of the first states afflicted when natural gas was discovered there. The exposed sectors (export, tourism, etc.) experience an increase in their inputs caused by the price hike due to rising incomes and domestic demand. The tourism sector is one of the main victims of this disease because it cannot be protected (except via subsidies and tax exemptions). It is therefore one of the first sectors subject to the reduction of its margins caused by rising costs and the impossibility of passing them on in its prices. It is also victim of another aspect of Dutch disease:

the high salaries in the civil service tend to become the baseline for all salaries (Poirine, 2007). Qualified labor is drawn to booming sectors where salaries are higher.

Even though, with the exception of New Caledonia that has 10% of world nickel reserves and accounts for 4% of world production, overseas France does not possess natural wealth whose exploitation has upset its economy, it can also be seen as a victim of this disease because it receives colossal public remittances in the form of salaries, with a hypertrophy of the public sector, multiple forms of aid, public investment and tax exemptions. Civil service jobs are the most sought after because they pay better than in Metropolitan France since a multiplying coefficient is applied to these salaries ranging from 1.4 in the French Antilles to more than two in Oceania. In this context, it is difficult to find qualified people motivated to work in tourism or the food service industry, given how drawn they are to state or territorial civil service, which guarantees good salaries and job security. As a result, vocational training in tourism has a very hard time attracting and motivating young people, and the quality of service suffers.

The other component of the problem is the issue of very high prices. Excessive salaries have spectacular inflationist effects, and tourists' first complaint about these destinations is the exorbitant cost of living. Tourism seems to be a much less interesting activity for investors than the import-distribution sector, which is given an edge by the high purchasing power of part of the population and the higher margins allowed by the customs protectionism consisting of import taxes and quotas. This explains the very different recent trajectories of Mauritius and Reunion Island. Mauritius's independence in 1968 pushed the new state to leave sugar single-cropping and diversify its economy by turning to tourism. Investment in tourism was largely done by the Mauritian descendents of French colonists that controlled the sugar sector (Pébarthe, 2003). In Reunion Island, the shift of land capital to tourism was much more limited since the sugar (and formerly slave-owner) oligarchy saw large-scale retail as less risky and more profitable.

Nevertheless, this public remittance economy does not make everyone happy. Overseas societies are much more inegalitarian than Metropolitan society, with well-paid people with job security on one side and people with much smaller salaries or the unemployed on the other. This explains a tense social climate, with often severe strikes, notably in the transportation sector and tourism industry. For instance, only one year after it was reopened after its renovation, the Club Med village in Martinique was blocked for several weeks in January 2007. Even more serious, criticism of the cost of living in overseas France took an explosive turn with the sharp rise of oil prices in 2008: Guadeloupe and Martinique were hit by a general strike that lasted several weeks in January–February 2009 in the middle of the high tourist season.

Since the 1960s, tourism has been seen by the successive French governments as one of the most effective tools to pull overseas France away from handouts, which do not make it possible to lessen social inequalities. In 1965, an inter-ministerial task force to develop tourism in the overseas departments and overseas territories was created. As part of the 6th Plan (1971–1975), it provided Martinique and Guadeloupe with hotel infrastructures that were up to international standards, but these destinations were rapidly out-competed by the neighboring islands. Parliamentary reports, studies by the French Central Bank of Overseas Departments and the Central Bank of Overseas Territories (IEDOM-IEOM, 1993; IEDOM, 2002, 2004), and opinions or reports by the Economic and Social Council (Felzines, 2007; Laventure, 1997), a consultative constitutional assembly located within the government, have on many occasions raised the authorities' awareness of the interest of developing tourism and alerted them to the difficulties encountered by this sector.

To fight the poor competitiveness of overseas France, the government authorities opted for a tax exemption policy. Instead of attacking the vicious circle of the high cost of living head-on by acting on price formation and lowering excessive salaries—which requires a degree of courage—tourism was one of the sectors in which investments were partially tax exempt, starting in 1986 (the Pons Act). In French Polynesia and New Caledonia, a local system was added to the national measures, and the combination made a tax exemption of up to 70% on investments! Far from countering Dutch disease, this policy had unintended effects and did not foster coherent development of tourism. The hotel supply found itself disconnected from demand, generally with host capacity growing much faster than attendance—making quantitative analyses based partially on host capacity obsolete. This is because the tax exempt capital was turned away from real investments in tourism to focus on hotel projects that masked real estate operations in a context of heavy urbanization, population growth and housing shortages. Because the end of tax exemptions was not controlled, private investors sought to sell their holdings at the end of the fiscally advantageous period (five to ten years). Built as condominiums, the hotels were turned into private residences, with the most spectacular case being Saint Martin where the number of hotel rooms fell from 3,500 in 1995 to 1,600 in 2007.

Particularly present in overseas France, semi-public companies (SPCs)—public limited companies whose capital is predominantly held by one or more public figures—have allowed French collectivities in the Pacific to be major players in tourism, but without challenging the economic foundations of overseas France, which lowers SPCs' chances of success. Air Tahiti Nui is an edifying example. This company, majoritarily owned by the collectivity of French Polynesia, has never turned a profit and was bailed out on several occasions by its primary shareholder, who made it the principal instrument for tourism development, pushing it to hastily expand its network with in particular the inauguration in 2005 of the Tahiti–New York line abandoned four years later. The same system of public subsidization of tourism can be found in New Caledonia where each province has its SPC, very present in the hotel sector.

The strong link between air travel and the development of island tourism (Wilkinson, 1989) can be verified in overseas France, but here again, in a particular way. Foreign airlines, faced with dwindling international visits, have slowly abandoned these destinations, especially American Airlines and Delta Airlines that have left the French Antilles. When it comes to French airlines, their strategy has not been to service locations where tourists come from, as airlines created by some small island states when they gained independence, such as Air Mauritius or Air Seychelles did (Gay, 2004), and conceived as tools to develop tourism. Instead, they have been content to exploit the much safer connection between Metropolitan France and each overseas collectivity. The failure of Air Tahiti Nui (see above) tends to confirm their choices. Overseas France's schema of air connections is but one form of Dutch disease and the administrative rent that makes the relationship between Metropolitan and overseas France a true umbilical cord.

MISLEADING STATUSES: OVERSEAS FRANCE VS. OTHER OVERSEAS ENTITIES

More politically autonomous than the Overseas Departments and Regions and having more international, better paying tourism, French Polynesia and New Caledonia raise questions as to what influence the degree of autonomy has on tourism. Generally, not having extensive knowledge of the subtleties of French administration, authors working on tourism have a tendency, in their comparative and quantitative methods, to place all of overseas France in the same bag. For instance, Bertram (2004) placed the eight overseas entities that he evoked in the ''Dependent'' category, alongside the categories of ''Independent'' and ''Associated'', and overseas France makes barely an appearance in the work of Baldacchino and Milne (2008). Yet, there is a wide variety of situations with the logic of status ''à la carte'' (Gay, 2008) that has prevailed for several decades but was made official by the constitutional revision of 2003. For instance, French Polynesia, which has had the status of local autonomy since 1984, and New Caledonia, which received with the Noumea Agreement of 1998 a major and irreversible devolution of powers, are now, to a large extent, both in charge of their own economic development. Responsibility for tourism, for instance, has been transferred by the national government to the local governments of both territories.

It is therefore tempting to view their performances in the field of tourism as proportional to their degree of autonomy. This is not the case, however, because for the moment their political autonomy has not been accompanied by economic autonomy—something that sets them apart from Britain's or Netherlands' overseas territories. For instance, one can note that tourism was developed in Anguilla starting in the 1980s when government aid and subsidies ended (Harrigan, 2005). The same is true of the British Virgin Islands where, one year before autonomy in 1967, a government commission issued a report stating that tourism was safest development option with a view to financial independence. High-end tourism was chosen, which in practice took the form of measures aiming to limit land speculation and ban large-scale projects (Cohen, 1995). Tourism training was included in school programs, as it was in the Cayman Islands (Shurland & Clark, 1998). The Turks and Caicos Islands and Bermuda are among the island territories where tourism is most developed, as are Aruba and Sint Maarten for the Dutch Antilles, that have a large degree of economic and political autonomy, unlike the French part (Saint Martin) of this island (Baldacchino & Dana, 2006) that the Dutch and French shared between themselves in the 17th century.

The 2007 changes to Saint Martin's status aimed specifically to make this destination more competitive because, detached from the overseas department of Guadeloupe and turned into an Overseas Collectivity, Saint Martin can now, in accordance with the French Law, set its own rules on taxation, land registry, foreigners' access to jobs, and tourism. The border is barely marked: there are no customs posts, no border control, and people and goods cross the border freely. Nevertheless, the two parts of the island have very dissimilar administrative systems: the Dutch Antilles are very liberal, whereas France's system is more directive. From the European standpoint, even with the change of status, Saint Martin is still an Outermost Region, whereas Sint Marteen is one of the EU's Overseas Countries and Territories. It is therefore a limit of the European Union, with the French side obliged to comply with EU standards, and the Dutch side not compelled to do so.

The French continuously decry Sint Marteen's laxism in the fight against immigration, counterfeiting, dubious capital and drug trafficking. Residents, investors, tourists and cruise ship passengers take advantage of all this, exploiting the myriad of contrasts, including currency exchange rate fluctuations in the dollar, used on the Dutch side, and the euro, used on the French side. The low salaries in Sint Marteen are a decisive advantage for Dutch accommodation structures. In becoming more autonomous, Saint Martin seeks to stop the slide of hotels and food service toward the Dutch side, forcing the French side to content itself with more and more day trippers (Gay, 2009). Until now, each side has attempted to externalize the inconveniences of unbridled tourism development to its neighbor and internalize its advantages. The Dutch side captures most of the profits through accommodations, casinos, nightlife and shopping, with the French side forced to be content with day tripper tourism and obliged to accept in its free schools and hospitals children and patients from both sides of the island. Will its new status be able to attenuate Saint Martin's competitive disadvantage?

The case of French Polynesia argues for circumspection because, despite its strengthened political autonomy, this overseas collectivity continues to live mainly from public remittances. With the definitive cessation of nuclear testing (1996), the government promised to maintain the level of financial flows that resulted from the activity of the Pacific Experimentation Center for ten years. A strategic program to strengthen the economic and financial autonomy of French Polynesia was approved by the Territorial Assembly, and an economic re-conversion fund for French Polynesia (the Economic Restructuring Fund for

French Polynesia or FREPF) was created. They were devoted above all to financing large infrastructure projects favorable to the development of tourism in particular. The goal was, in time, to make French Polynesia less dependent on public remittances. Then, in 2002, a new agreement replaced the 1996 agreement and the government committed to maintaining these financial flows, not for ten years but permanently. The atomic rent therefore continues to last, which Poirine (1995) has dubbed the ''ARABE'' system (Aid, Atomic Rent and State Bureaucracy in French).

If there are similarities between French collectivities and other overseas configurations, they are to be found with certain American territories in the Pacific. In the Federated States of Micronesia and the Marshall Islands, a system to exit economic dependency is at work with the Compact of Free Association, valid until 2023, that aims to end these territories' dependency on the United States (Friberg, Schaefer, & Holen, 2006) by developing tourism, currently quite low, among other things. The same holds for American Samoa where the civil service is the largest employer with one-third of all jobs (American Samoa Government, 2007) and where the population is not very interested in working in tourism (Choy, 1984). However, a military or atomic rent that prevents strong growth of tourism is not definitive, as Hawaii and Guam proved when they were able to re-orient their economies toward tourism, based on a strong military presence (Poirine, 1995, 2002). In Guam, starting in 1979, incentives favoring domestic or foreign (mainly Japanese) investment generated a real estate boom, in particular hotels (Doumenge, 1995).

In fact, the distance from Metropolitan France has a larger role than status in distinguishing between the four Overseas Departments and Regions and the two French collectivities in the Pacific since the element on which the distinction relies is the share of tourists from Metropolitan France. A large majority in the Overseas Departments and Regions, they account for less than one third of tourists in French Polynesia and New Caledonia, a twenty-four hour flight from Europe, a long-haul travel which encourages them to stay longer (18.3 days on average in French Polynesia, and 33.9 days in New Caledonia in 2007). These visitors from Metropolitan France usually have family or friendly ties with residents in overseas France, either because they come from there and are returning to visit family (Butler, 2003) or because friends or relatives have moved to overseas France and their presence there is an opportunity to visit. Friends or family play the roles of lodgers, guides, vehicle lenders. These residents are therefore major actors in tourism, prescribing visits and activities.

Reunion Island's annual visit survey distinguishes, among people staying less than one year on the island, between leisure tourists, connected tourists, and business tourists. The primary motivation of connected tourists is to visit relatives or friends, whereas leisure tourists seek relaxation and leisure activities. Establishing these categories reveals the scale of tourist flows, unique over such long distances and in the inter-tropical context. In 2009, this island counted 143,000 leisure tourists, whose average stay was two weeks, and 222,000 connected tourists, staying three weeks on average. Accordingly, hotels or tourist residences were the primary mode of accommodation for only 30% of tourists visiting Reunion Island, and hotels welcomed only 36% of tourists in Martinique the same year. The situation in American Samoa is comparable, with half of tourists coming to visit friends or family (American Samoa Government, 2007).

In all evidence, the Overseas Departments and Regions are a windfall destination for many tourists from Metropolitan France. But the scope of tourism generally avoiding commercial accommodations is also a sign of these overseas departments' integration in the national territory because it is not at all exceptional in Metropolitan France where non-commercial accommodations (second homes, family, friends) accounted for a total of 58% of residents' tourist beds in 2008 according to the National Institute of Statistics and Economic Studies (INSEE, 2009). This is therefore a national behavior that applies in the same way in Overseas Departments and Regions, confirming their advanced integration in France's tourist space.

Here we have a fundamental element of tourism in the Overseas Departments and Regions, whose poor economic performances cannot pass silently over its role in national unity, decidedly founded on the importance of mobility between Metropolitan France and the Overseas Departments and Regions, given the large number of people from the Overseas Departments and Regions living in Metropolitan France and of Europeans from Metropolitan France living or having lived in one of the Overseas Departments and Regions. Although counted as international tourism, this truly is domestic tourism, little affected by the international context (terrorism, wars, economic oil and global financial crises).

CONCLUSION

With the infusions from the government, France's overseas collectivities are the only tropical territories in the world whose high standards of living, with per capita GDPs and HDIs (Human Development Index) much higher than those of their neighbors, do not rely on tourism and/or financial services. France's massive redistributive solidarity, which also applies in its Metropolitan regions (Davezies, 2008) penalizes sectors exposed to international competition, such as tourism. However, the various aids, tax exemptions, under-billing of some services such as electricity in the Overseas Departments and Regions, social welfare, and artificially high salaries are progressively being threatened by the worsening of France's public finances. Hence, the issue of developing or reviving tourism in overseas France is becoming more and more pressing because, while deep cuts in the government budget have for the time being only moderately affected overseas France, it is becoming apparent that France no longer has the means to maintain such a high level of assistance. Faced with the risk of social upheaval if there is a sharp drop in public remittances, some politicians (even if they do not admit it) dream of developing tourism along the model followed in Mauritius, the Gold Coast, or Waikiki that by itself generates 8% of the state of Hawaii's GDP (State of Hawaii, 2003).

The high purchasing power of this overseas population explains that, alongside an international flow—the only one counted in the statistics—one must not omit domestic tourism, a major forgotten element in comparative studies on inter-tropical islands that has greatly gained in magnitude with the motorization of households, increase in free time, and multiplication of guest rooms and guesthouses frequented in particular by residents from Metropolitan France (Blondy, 2010; Thurmes, 2006). Better paid than in Europe, suffering sometimes from a degree of insular confinement, and drawn by shopping and wide horizons, part of the population of overseas France has great international mobility as tourists. For instance, Reunion Island is the largest source of tourists in the Indian Ocean, and the deficit in its tourism balance has clearly widened in recent years. New Caledonians made more than 130,000 trips outside their territory in 2010, for a population of 245,000 inhabitants.

As we can see, overseas France is atypical and general analyses have a hard time understanding these different collectivities. As proof, in his ranking of small island economies, G. Bertram (2006) places Martinique and Guadeloupe as following the Small Island Tourist Economies model and the MIRAB model whereas, following a questionable analysis by G. Baldacchino (2006) indicating that aid is dropping in French Polynesia, he places this Overseas Collectivity in the three models shown: MIRAB, SITE and PROFIT (People, Resource Management, Overseas Engagement and Para-Diplomacy, Finance and Transportation). In fact, to truly understand how tourism operates in these destinations, it is necessary to change scale because, while these three models are interesting to understand how island states and territories function economically, they are insufficient to grasp the variety of situations in different islands and archipelagos (Bardolet & Sheldon, 2008), where the development of tourism is largely conditioned by diffusion phenomena in which the issues of distance and periphery are fundamental (Gay, 2000).

In this way, we can say that there are clearly three islands that follow the Small Island Tourist Economies model: Saint Barthelemy, Saint Martin and Bora Bora, with considerable tourist visits, dominated by foreigners staying in international hotels. These three islands, with little tourism in the 1950s and sources of emigrants have become top ranking destinations in two or three decades. Their rapid mutation is not rare among inter-tropical islands (Bertram & Poirine, 2007), but their trajectory is surprising within the inhibiting context of overseas France. In French Polynesia, besides the island of Tahiti idealized since Bougainville, the almost-atoll of Bora Bora has acquired its status of mythical island with the American occupation during World War II and the tens of thousands of soldiers who stayed there. Saint Martin and Saint Barthelemy were paradoxically favored by the fact that they were dependencies attached to Guadeloupe until

2007. Indeed, they were long forgotten by the authorities, who closed their eyes to their illegal tax paradise nature. Their new status has institutionalized this situation (see above). Saint Barthelemy has become one of the most prosperous French territories with a per capita GDP greater than the national average. Upscale tourism has developed based on luxury hotels, in the hands of people from Metropolitan France, and the rental of luxury villas by the population of Saint Barthelemy. The island is one of the places visited by the world's wealthiest people, who appreciate its high degree of security, its prestigious accommodations, its small beaches allowing for discrete visits, and its ''French touch'' with luxury shopping and high quality restaurants.

On the contrary, Saint-Pierre-and-Miquelon, Mayotte, Wallis-and-Futuna and the Loyalty Islands (New Caledonia), the Marquesas Islands, the Austral Islands and Tuamotu (French Polynesia) are relatively little visited and follow the MIRAB model. However, it is in some of these outlying areas, such as the Marquesas Islands and the Loyalty Islands, that cruises—a marginal activity in overseas France—have had the largest effects, with the local population greatly involved in welcoming cruise passengers. On the island of Lifou (New Caledonia), for example, the Melanesian customary authorities have set up an organization to welcome these visitors for the day and mobilize from 100 to 200 people at each stopover.

The rest of overseas France falls along a dynamic continuum between these two extremities. The Overseas Departments and Regions, which seemed to evolve in the 1970s and 1980s from the MIRAB model to the Small Island Tourist Economies model, saw their trajectory interrupted by the increase in public remittances. As for the Society Islands (French Polynesia) and Grande Terre in New Caledonia, they follow the Small Island Tourist Economies model more closely than the MIRAB model but, here too, their development of tourism is hindered. This distinction, even within the collectivities of French Polynesia and New Caledonia, is furthermore taken into account by the government authorities who seek, in distant rural areas, to involve local populations by fostering the creation of guesthouses and small hotels. Even though they have not been widely applied, the Blueprint to Develop Tourism in New Caledonia (Clary & Daoulas, 1993) and the Concerted Tourism Development Plan for New Caledonia (KPMG, 2005) insisted on tourism's importance as a tool to develop the northeastern part of Grande Terre and the Loyalty Islands, lacking nickel reserves and losing their populations. In the distant archipelagos of French Polynesia, two specific funds notably aim to develop ecotourism and homestay so as to limit the exodus toward Tahiti.

Tourism is, therefore, in the eyes of the authorities, the only path to lead part of overseas France out of the MIRAB model, but the road is still long and the three islands that fully follow the Small Island Tourist Economies model may remain isolated cases for a long time to come. A

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