

Structural changes in the Balearic Islands

Topic: Input-output studies on tourism issues I

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The main aim of this paper is to analyse the economic structure of the Balearic Islands over the last 20 years and, more specifically, the role that the tourist industry has played in it.

The said analysis is based on input-output tables for the Balearic economy, available at three points in time: firstly, the “1983 Input-Output Tables for the Autonomous Community of the Balearic Islands”, drawn up by a team of researchers from the University of the Balearic Islands and published by the Government of the Balearic Islands’ Treasury Department in 1988; secondly the “1997 Input-Output Tables for the Autonomous Community of the Balearic Islands”, drawn up by a team of researchers from the University of the Balearic Islands; and lastly the “2004 Input-Output Framework for the Balearic Islands”, published by the Government of the Balearic Islands’ Department for the Economy, Treasury and Innovation in 2007.

A uniform analysis could offer a global insight into the evolution of the Balearic tourist industry and its contribution to the Balearic economy from 1983 through until 2004. The analysis will be conducted in three separate stages. Firstly, an analysis of the percentage of wages and salaries, gross operating surplus, gross value added and output generated by sectors defined as tourist sectors (the tourist industry) and changes in these percentages during the three available points in time. Secondly, after analysing the origin of intermediate consumption by the tourist industry, output and uniform demand growth multipliers will be calculated. These facilitate the detection of those sectors with the highest capacity to have a ripple effect or strangle the Balearic economy in 2004. Finally, the main purpose of this paper is to provide an assessment of the weight of tourism in the Balearic Islands in 1997, 1983 and 2004 using input-output techniques and several alternative assumptions on endogeneity of final demand components.