

COMPARING THE ECONOMIC IMPACT OF TOURISM USING DIFFERENT INPUT OUTPUT MODELS. AN APPLICATION FOR GALICIA.

Topic: Analyses of specific economic sectors

Author: Andre Carrascal

The main particularity of Tourism is to be defined from the demand side, instead from the supply side like the other economic activities. For this reason, Tourism impact studies are usually performed with demand models based on input output (IO) methodology.

In spite of this fact, the Leontief model presents some limitations such as: no assumption of supply constraints (even workers), constant return to scale, fixed commodity input structure or homogeneous sector output. In addition of the traditional ones, we also could consider that it only defines the behavior of the productive agents and it does not recognize all the interdependencies between regions.

Therefore, the aim of this paper is to compare the results obtained with the classic demand model (Leontief model) with other models that attempt to solve some of those limitations. For instance, we implement an expanded model considering the households (induced impacts model), a two-region model that allows us to estimate the spillover and the feedback effects (interregional model) and our own model based on the supply and use tables, in order to correct the possible obsolescence of the data offered by the Symmetric Table (rectangular model). For practical purposes, we will perform the analysis for a regional economy like Galicia.