

The analysis of the redistributive effects of tourism on a regional economy

Topic: Regional input-output modeling 2

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The aim of this paper is to present the first social accounting matrix (SAM) of the Balearic Islands 2004. The only precedent that exists in this field of research in the community of the Balearic Islands is a regional accounting matrix of 1997 (Polo and Valle, 2007). The difference between social accounting matrix and regional accounting matrix is important conceptually and analytically. A social accounting matrix should include analysis of the structure of consumption and income of different types of households living in the autonomous region. It is, therefore, a much more ambitious project, which has been carried out for the first time in the Balearics. The disaggregated nature of a social accounting matrix provides the appropriate framework for studying the redistributive effects on income of institutions endogenous changes in income from one or more exogenous institutions. One could also analyze the impact of a fall in consumption of non-residents and their effects on different types of households in the Balearic economy.