

Welfare effects of tourism consumption: A CGE model for the Galician economy

Topic: Regional input-output modeling VI

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When the poor are not involved in tourism (actively or passively), tourism activities will help to make social inequalities deeper and will enlarge the gap between those with access to capital (physical and human) and those who are on the threshold of subsistence. Additionally, the better way of determining the degree of participation of low-income population is not through disposable income measures, but from a welfare point of view. This takes into account not only revenues gained from tourism but also the access to tourism products and the subsequent utility generated. Therefore, the main aim of this paper is to calculate how an increase in tourism consumption affects to households welfare disaggregated by level of income, using a static regional CGE model calibrated with a 2008 Galician SAM.