Tourism interactions and redistribution effects in the Balearic Islands: A SAM analysis

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This paper presents the first social accounting matrix of the Balearic Islands with several households. It has 62 accounts and the information provided is used to specify numerically three alternative models. The models provide new estimates of the weight of tourism in the BI economy. They also shed new light on the interactions among tourism oriented sectors and the rest of sectors and allow to quantify the redistribution effects of tourists’ expenditure. The SAM has been constructed by the authors ‘closing’ the 2004 input-output table with data from the Regional Accounts and other statistical sources. The analytical part of the paper uses three linear models defined by the appropriate partition of the matrix into endogenous and exogenous accounts. The results of the paper clearly indicate that the more encompassing models provide a fairer picture of tourism effects.