

Teaching guide

Subject identification

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|--------------------------|--|
| Subject | 11495 - Analysis of Economic Impacts |
| Credits | 0.72 de presencials (18 hours) 2.28 de no presencials (57 hours) 3 de totals (75 hours). |
| Group | Group 1, 1S (Campus Extens) |
| Teaching period | First semester |
| Teaching language | English |

Professors

| Lecturers | Horari d'atenció als alumnes | | | | | |
|---|------------------------------|----------------|-----------|------------|-------------|--------|
| | Starting time | Finishing time | Day | Start date | Finish date | Office |
| Elisabeth Valle Valle elisabeth.valle@uib.es | 11:00 | 12:00 | Wednesday | 01/09/2015 | 31/07/2016 | DB258 |

Contextualisation

The importance of tourism to economies is now well recognised. As a result, when tourism changes or policy shifts are being considered, there is an interest in determining what impact on the economy they might have. Techniques such as input-output analysis and social accounting matrix analysis are very commonly used to make estimates of the economic impact of changes in tourism expenditure. Tourism Satellite Accounts (TSAs) measures the contribution of tourism to the economy. Computable General Equilibrium (CGE) models go much further than the previous models and are now extensively used to estimate economics impacts of a wide variety of changes and policies.

Requirements

There is no requirements

Skills

Specific

- * CE4 - To be able to contribute to the planning, monitoring and evaluation of policies, programmes and projects oriented towards the improvement of the competitiveness and sustainability of a tourism company, destination or region.
- * CE7 - To be able to collect, generate, process and analyse statistical data to support monitoring and evaluation activities.

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- * CE10 - To develop skills that facilitate integration into labour markets related to the tourism industry and, especially, to the companies and institutions that monitor and evaluate projects and programmes in the tourism environment.

Generic

- * CG2- To develop an innovative capacity by applying the acquired knowledge to the resolution of problems in new environments related to the tourism sector.
- * CG7- To acquire specialized knowledge about the tourism system to make it possible to face challenges and provide solutions.
- * CG8 - To know how to apply information and communications technology (ICT) in the context of tourism projects.

Basic

- * You may consult the basic competencies students will have to achieve by the end of the Master's degree at the following address: http://estudis.uib.cat/master/comp_basiques/

Content

Theme content

I. Introduction

- The growing role of tourism in the economy
- The economic impact of tourism

II. System of European National Accounts and Regional Accounts

- Introduction to the System of National Accounts
- Main aggregates
- Units of production and institutional units
- Production activities
- Distribution operations
- Basic identities

III. The Input-Output framework

- Concepts and structure of an I-O table
- Technical coefficients
- Determination of equilibrium quantities and economic impacts
- Measurement of impacts on prices, production and employment
- Measurement of impacts on profitability and productivity
- GAMS exercises

IV. Tourism Satellite Accounts

- Brief history of TSA
- Key concepts
- General compositions TSA

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V. Social Accounting matrix (SAM) and SAM models

Social accounting matrices

Accounting multipliers

Tourism multipliers

A comparison of input-output and SAM models

GAMS exercise

VI. An introduction to applied general equilibrium models

What's an AGE model

Design of an AGE model

Numerical specification

Policy simulations

GAMS exercises

Teaching methodology

In-class work activities

| Modality | Name | Typ. Grp. | Description | Hours |
|-------------------|----------------------------------|-----------------|---|-------|
| Theory classes | Theory | Large group (G) | Introduction. System of European National Accounts and Regional Accounts. The input-output framework. Tourism Satellite Accounts. Social accounting matrix (SAM) and SAM models. An introduction to applied general equilibrium models. | 10 |
| Practical classes | Software | Large group (G) | GAMS | 6 |
| Assessment | Simple general equilibrium model | Large group (G) | Introduce unemployment (GAMS) | 2 |

At the beginning of the semester a schedule of the subject will be made available to students through the UIBdigital platform. The schedule shall at least include the dates when the continuing assessment tests will be conducted and the hand-in dates for the assignments. In addition, the lecturer shall inform students as to whether the subject work plan will be carried out through the schedule or through another way included in the Campus Extens platform.

Distance education work activities

| Modality | Name | Description | Hours |
|-----------------------|-----------------|-------------------------------|-------|
| Individual self-study | Economic report | Report | 10 |
| Individual self-study | Functions | Maximization and minimization | 10 |

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| Modality | Name | Description | Hours |
|--------------------------------|-----------------|--|-------|
| Individual self-study | Main aggregates | Manipulation of a symmetric table to obtain the main aggregates (GAMS) | 10 |
| Individual self-study | Simulation | Demand simulation and rasmussen indexes (GAMS) | 10 |
| Group or individual self-study | Studying | Study | 17 |

Specific risks and protective measures

The learning activities of this course do not entail specific health or safety risks for the students and therefore no special protective measures are needed.

Student learning assessment

Simple general equilibrium model

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|---------------------|--|
| Modality | Assessment |
| Technique | Student internship dissertation (non-retrievable) |
| Description | Introduce unemployment (GAMS) |
| Assessment criteria | You have to introduce unemployment in a simple applied general equilibrium model |

Final grade percentage: 20%

Economic report

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|---------------------|--|
| Modality | Individual self-study |
| Technique | Objective tests (non-retrievable) |
| Description | Report |
| Assessment criteria | You have to elaborate and economic report |

Final grade percentage: 20%

Functions

| | |
|---------------------|--|
| Modality | Individual self-study |
| Technique | Objective tests (non-retrievable) |
| Description | Maximization and minimization |
| Assessment criteria | You have to maximize utility and minimize cost |

Final grade percentage: 20%

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Main aggregates

| | |
|---------------------|---|
| Modality | Individual self-study |
| Technique | Objective tests (non-retrievable) |
| Description | Manipulation of a symmetric table to obtain the main aggregates (GAMS) |
| Assessment criteria | You have to obtain value added, production, intermediate demand. You have to obtain an inverse matrix in GAMS |

Final grade percentage: 20%

Simulation

| | |
|---------------------|--|
| Modality | Individual self-study |
| Technique | Objective tests (non-retrievable) |
| Description | Demand simulation and Rasmussen indexes (GAMS) |
| Assessment criteria | You have to study what would be the consequences of a specific impact on the economy. You have to obtain Rasmussen indexes |

Final grade percentage: 20%

Resources, bibliography and additional documentation

Basic bibliography

Hara, Tadayuki (2008) "Quantitative tourism industry analysis: introduction to input-output, social accounting matrix modeling and tourism satellite accounts" Amsterdam: Butterworth-Heinemann.

Complementary bibliography

- * Dwyer, L., P. Forsyth and R. Spurr, 2004. "Evaluating tourism's economic effects: new and old approaches", *Tourism Management*, 25, 307-317
- * Polo, C. and E. Valle, 2008. "A general equilibrium assessment of the impact of a fall in tourism under alternative closure rules: the case of the Balearic Islands", *International Regional Science Review*, 31(1), 3-34.
- * Polo, C. and E. Valle, 2008. "An assessment of the impact of tourism in the Balearic Islands", *Tourism Economics*, 14 (3), 615-630.
- * Polo, C. and E. Valle, 2012. "Input-Output and SAM Models" in *Handbook of Research Methods in Tourism. Quantitative and Qualitative Approaches* L. Dwyer, A. Gill and N. Seetaram (eds.). pp: 227-260 (ISBN 9781781001288) Edward Elgar Publishing
- * Pyatt, G., 1998, "A SAM approach to modelling", *Journal of Policy Modelling*, 10(3), 327-352
- * Valle, E. and M. Yobesia, 2009: "Economic Contribution of Tourism in Kenya" *Tourism Analysis*, vol. 14, (3). 401-414
- * Wagner, J.E., 1997 "Estimating the economic impacts of tourism", *Annals of Tourism Research*, 24(3), 592-608

