

**Economics of Tourism**

Code: 101206  
ECTS Credits: 6

Degree	Type	Year	Semester
2500894 Tourism	OB	2	1

The proposed teaching and assessment methodology that appear in the guide may be subject to changes as a result of the restrictions to face-to-face class attendance imposed by the health authorities.

**Contact**

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**Use of Languages**

Principal working language: spanish (spa)  
Some groups entirely in English: Yes  
Some groups entirely in Catalan: No  
Some groups entirely in Spanish: Yes

**Teachers**

Ferran Armada Ramírez

**Prerequisites**

Do not exist

**Objectives and Contextualisation**

The course of Tourism Economics provides an essential approach to the tourism sector from a macroeconomic point of view. The objective of the course is twofold: first, to study the economic impact and contribution of tourism at local, national and international level; and second, to understand the functioning of aggregate markets and how different economic circumstances affect the tourism sector to enhance students' skills to analyse and take decisions in the tourism business environment.

The course is organized in lectures, and guided and self-study activities, with a balance between theory and practice. In the theory sessions, different static models will be used to study, in a simplified manner the following questions:

- Definition and determinants of the main aggregate economic variables, such as the level of production of goods and services, employment, prices, interest rates, exchange rates.
- An introduction to the issues of growth and development economics in the tourism context.
- The impacts of the tourism industry on the economy in Spain and some neighbouring countries.
- The effects of the economic policies implemented by the government on the overall performance of the economy and on the tourism sector in particular.

After completing this course, students should be able to understand the functioning of current mixed economies, to be familiar with the most relevant statistics, to compare theoretical results with empirical evidence, to evaluate critically the relationship between tourism specialisation and economic growth, and to undertake empirical research in tourism economics.

These objectives involve developing two types of skills: *specific skills*, related to concepts, methods, tools and indicators used in macroeconomics, and *transversal skills*, such as ability to deductive analysis, graphical analysis and critical thinking, among others.

## Competences

- Analyse quantitative and qualitative information on the economic dimension of the tourism sector and its companies: characteristics of the companies, evolving weight of the sector, market research, etc.
- Develop a capacity for independent learning.
- Evaluate the economic dimension of tourism at different scales and analyse the interrelationship between them.
- Identify and evaluate the elements of a tourism system and how they interact with and impact the environment.
- Negotiate with different bodies on tourism development projects for particular areas and regions.
- Plan and manage activities on the basis of quality and sustainability.
- Plan, organise and coordinate a work team, creating synergies and showing empathy.
- Use communication techniques at all levels.
- Work in a team.

## Learning Outcomes

1. Analyse the effects of disturbances to supply and demand in closed and open economies.
2. Associate a business's technological structure with its costs structure and describe the transfer processes.
3. Describe the economic dimension of tourism at different levels: micro and macro, sub-sectors, flows and geographic areas segmented by level.
4. Develop a capacity for independent learning.
5. Evaluate the functioning and the current state of the Spanish economy.
6. Evaluate the impact of the government's taxation activity on the sector.
7. Identify international factor movements and analyse the corresponding markets.
8. Identify the patterns of tourism development in Spain, its institutional framework and its market evolution.
9. Plan and manage activities on the basis of quality and sustainability.
10. Plan, organise and coordinate a work team, creating synergies and showing empathy.
11. Single out the balancing effects in different competition regimes.
12. Use communication techniques at all levels.
13. Work in a team.

## Content

Introduction: Tourism and Macroeconomics in Spain

Topic 1. Main macroeconomic variables and issues

1. Introduction and objectives of macroeconomics and international context
2. Essential issues: economic cycles and growth, prices and unemployment
3. Basic concepts: nominal and real figures; aggregate production, labour force, employment and unemployment, public budget, balance of payments

Topic 2. Real Economy: Aggregate Production, National Accounts and Economic Growth

1. Economic aggregates: production and income, the circular flow of income and expenditures
2. Components and methods for calculating GDP and national income
3. Theories and stylized facts of economic growth: Tourism, growth and development
4. Tourism and the Keynesian multiplier

5. Tourism in the national accounts: Tourism Satellite Account

### Topic 3. Money and Financial Systems

1. Money and monetary aggregates
2. Creating and controlling money supply: monetary multiplier
3. Interest rate and money demand
4. Monetary policy and the European financial system
5. Multilateral Organisations: International Monetary Fund and the World Bank

### Topic 4. Prices and Inflation

1. The general price level: concepts and measures
2. Types and effects of inflation
3. Competitiveness and prices in the tourism sector
4. Effects of tourism on price level in destinations

### Topic 5. Labour market and unemployment

1. The labour market: supply and demand for labour
2. Unemployment: theories and policy
3. Labour market in the tourism sector: Profile of employment (temporality, seasonality, wage differentials) and unemployemen

### Topic 6. The Public Sector

1. The economic role of the state.
2. Public income and expenditures: budget deficit and the fiscal multiplier
3. Macroeconomic policy: effects and dilemmas
4. Government intervention in the tourism sector

### Topic 7. International Trade and Balance of Payments

1. International trade, Economic Integration and the European Union.
2. The Balance of Payments and the tourism sector
3. Currency markets and exchange rates: the Euro case.
4. Tourist flows: Competitiveness and real and effective exchange rates.

## Methodology

The master classes of the theory will be combined, with classes of directed activities and practices based on the theory. There will also be a part of self-learning, especially in the part of the syllabus that can be studied through the documentation and bibliography provided

## Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Theory	35	1.4	1, 2, 5, 6, 3, 11, 7, 8, 12, 9
Type: Supervised			
Tasks	20	0.8	4, 12, 9, 10, 13
Tutorship	25	1	4, 12, 9, 10, 13
Type: Autonomous			

Study	40	1.6	4, 9
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## Assessment

### Continuous assessment

Continuous assessment consists of:

- Two individual exams based on theory and exercises (50% of the final mark).
- Individual and group exercises developed through the semester (20% of the final mark)
- Applied work and public presentation (30 % of the final mark).

To get the final mark, an average of at least 4 out of 10 must be reached in each part being evaluated.

Those students who fail at the continuous assessment, will be evaluated by the second option (unique evaluation) and none of the grades obtained during the semester will be taken into account.

### Unique final evaluation

Students will be examined on all the topics taught in class and the result of this exam will count for a 100% of the final mark.

Re-evaluation: Only those students who present the final evaluation and obtain a grade equal or greater than 3.5 but less than 5.0 are allowed to present the re-evaluation. The highest mark of re-evaluation is 5.0.

## Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exam I	25	2	0.08	1, 2, 5, 6, 3, 11, 7, 8, 9
Exam II	25	2	0.08	1, 2, 5, 6, 3, 11, 7, 8, 9
Individual and group exercises	20	5	0.2	1, 2, 5, 6, 3, 4, 11, 7, 8, 12, 9, 10, 13
Research essay	30	21	0.84	1, 2, 5, 6, 3, 4, 11, 7, 8, 12, 9, 10, 13

## Bibliography

- Blanchard, O. (2017). *MAcroeconomics*. 7th Edition. Pearson
- Mankiw, N. G., & Taylor, M. P. (2014). *Macroeconomics*. London: Cengage Learning. Available online at the [UAB library](#).
- Mochón Morcillo, F. (2008). *Economía y turismo*. Mc Graw Hill.
- Turner, R. (2016) *Travel & Tourism Economic Impact 2015 WORLD*. World Travel & Tourism Council (WTTC). Available online at [WTTC webpage](#).
- Tribe, J. (2016). *The Economics of recreation, leisure and tourism*. London; New York: Routledge. Available at the [UAB library](#).
- UNWTO (2013). *Economic Crisis, International Tourism Decline and its Impact on the Poor*, World Tourism Organization (UNWTO) and International Labour Organization (ILO), Madrid, Spain. Available online at [ILO website](#).

