

The Andalusian Tourism Sector during the Economic Crisis and its Impact on Regional Development

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Keywords: tourism, regional development, input-output tables, social accounting matrix (SAM), structural analysis.

The aim of this paper is to analyse the role of the Andalusian tourism sector as a factor driving regional economic development, if the effects of that activity, understood as production increases in other sectors and job creation, though also as reduced population inequalities, are positive in the territory under study. We intend to ascertain whether it was a key sector during the economic crisis and the eventual exit therefrom.

We shall proceed to measure that statement with the extension of input-output analysis to social accounting matrices (SAMs). They provide a greater wealth of information because they allow circular income flow to be closed (Raa, T., 2017). Once the accounts that reflect tourism's characteristic activities are identified, per the international definition established in the methods of the Tourism Satellite Account (CSTE) and endorsed by the UNWTO, OECD and EUROSTAT (Dwyer, L., et al., 2012), we shall use the methodology of key sectors, based on SAMs, to identify that potential and its development in the last five-year period, during the years of economic crisis and apparent recovery.

A structural analysis of the Andalusian economy will be carried out to detect which are the region's most important sectors owing to their ability to influence and be influenced by other sectors. We will also identify the most significant sectorial relationships, besides breaking down accounting multipliers and examining employment multipliers, which will enable the most active job-creating sectors to be detected. For that purpose, a methodology based on the Leontief models will be used, supported by the SAMs, databases that collect economic transactions in terms of income flows, thereby allowing information to be gathered about different economic players such as producers,

Revista de Estudios Andaluces, núm. 36 (2018) pp. 72-97. e-ISSN: 2340-2776

<http://dx.doi.org/10.12795/rea.2018.i36.04>



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consumers, public administration and the external sector, as well as on the behaviour of production factors.

The analysis is based on the combination of two kinds of inter-sectorial linkages, backward linkages (BLs) and forward linkages (FLs). The former supply information about the effect on the economy of increased demand in a sector, i.e. where the inputs that a sector needs to increase its production come from. The FLs in turn provide information about the effect on other sectors of changes in the value of the primary inputs, and hence in a specific sector's production, i.e. what the destination of a sector's production is and how much the variation in its value affects the rest (Karlsson, 2017). A parallel itemised analysis shows the role of tourism's characteristic activities in the regional economy. On the other hand, the structural path analysis methodology proposed by Sonis, Hewings and Sulistyowati (1997) allows us to study the sectorial inter-dependencies of an economy by calculating the multiplier product matrix (MPM). Based on them, a three-dimensional landscape of the economy (2010 and 2014) is built, whereby the sectors with dispersion power can be viewed, i.e. those able to generate an above-average impact on the economy due to changes within them. And we can detect, on the other hand, which sectors are sensitive to dispersion, or rather, those more influenced by changes in the rest of the system. We are also able to understand how they interact with other branches of the Andalusian regional economy.

To reflect the panorama of the situation of Andalusian tourism in this situation, we shall make parallel use of the information annually supplied by the Andalusian Public Enterprise for Management of Tourism and Sports (EPTA) (SAETA, 2016; SAETA, 2016b): its satellite accounts and annual balances provide us with a top-down view of the activity from the general to the most specific aspects, meaning that based on the explanation of the basic balance (supply-demand) different development alternatives can be considered. Its data has been used to work on four selective analysis elements: economic dimension, employment, spending and overnight stays and technological density. We hold that those elements are essential for the economic and territorial sustainability of tourism in Andalusia.

The methodologies used demonstrated to us in first place that modelling via SAMs is a valuable tool for deeper understanding of the importance of Andalusian tourism activity in exiting the crisis. We must point out that its labelling as a *key sector* is partly due to the behaviour of other sectors (in decline, such as construction) or with less presence (industrial). Even so, the analysis conducted indicates that the Andalusian tourism sector possesses a proven capacity to stimulate regional development of the economy. And furthermore, in the exit from the crisis it is behaving as usual in the key Andalusian sectors: extraordinarily pro-cyclical, i.e. with historic balances.

In this regard, calculation of the multiplier product matrix (MPM) and the three-dimensional landscapes of 2010 and 2014 allowed us to verify that in both years tourism was the sector with the greatest capacity to influence the economy, although the sectors with which it interacts underwent changes between both years. For 2010 the biggest interactions were between tourism and construction, while the smallest occurred with the trade branch. In 2014, for its part, the biggest interaction corresponded to the pair tourism and administrative activities, while the pair tourism and construction ranked last. The tourism sector's resilience during the central years of the

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economic crisis is thus evident. Besides being a key sector in the regional economy, its influence on the other sectors was maintained. That behaviour is diametrically opposed to the one followed by other sectors such as construction, which despite being a key sector lost the capacity to influence other activities during the crisis period, no longer appearing among the top ten sectors with dispersion power.

The region is very dependent on cyclical tourism movements at a dual speed affecting the regional space.

Andalusian tourism grew more slowly during the crisis compared to other national tourism spaces and moved faster when adjusting to the crisis than the aggregate means throughout Spain. It behaved like a defensive sector in Andalusia, above all given the sharp decline of the construction sector and hence of tourism real-estate.

The combined analysis of the employment multipliers and the data on tourism employment show an increasing need for more investment to obtain an employment unit in that sector in Andalusia, and that it has taken a partial, precarious and more temporary and even seasonal direction than before the crisis.

The adjustments in the tourism labour market are always more resounding in practice than in the labour markets of other sectors and the labour reforms applied are more notable. Tourism employment is structurally marked by seasonality and temporariness, with little technological impact. However, integral sustainability of tourism in semi-peripheral or relatively developed regions such as Andalusia basically depends on employment. A large part of territorial cohesion and social conflicts stem from the quantity and quality of Andalusian employment, both of which have notable shortcomings.

It is possible to venture that the increased number of tourists leads to a corresponding increase in demand for goods and services from the regional economy and therefore that tourism continues to be a key activity for Andalusia. That affirmation can be sustained, given the calculation by SAETA (2016a) that tourism income in 2015 was 17.700 million euros, accounting for 11.8% of regional GDP. If we add income from excursions to that, the participation stayed at around 13.1% of same. That positive-growth trend is 5.2% over the crisis years. The increased flow of tourists (8.2%) contributed to this positive behaviour; 2015 closed with 26 million visitors, nearly 2 million more than in 2014 (historic figure that for the first time during the crisis surpassed the level of tourists in 2007), and the increase of nearly three euros in average daily spending to an estimated 62.84 euros. However, the average stay stagnated at 8.7 days.

Andalusian tourism is not quality tourism if we spotlight tourism spending and average stays and overnight stays, and is otherwise extraordinarily concentrated on the Costa del Sol. The policy of boosting sustainable consumption of non-residents in Andalusia, whose clearest territorial expression is the distribution and production of overnight stays, should be at the vertex of the public policies that coordinate with economic players.

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