

Subject Study guide “Tourism Economics”

1. IDENTIFICATION

- ✓ **Subject name:** Tourism Economics
- ✓ **Code:** 101206
- ✓ **Degree:** Degree in Tourism
- ✓ **Academic year:** 2018-2019
- ✓ **Subject type:** Compulsory
- ✓ **ECTS Credits (Hours):** 6 (150)
- ✓ **Teaching period:** 2nd year, 1st Semester
- ✓ **Teaching language:** English
- ✓ **Professor:** Ernesto Rodriguez
- ✓ **E-mail:** Ernesto.Rodriguez@uab.cat

2. PRESENTATION

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 subjects:

- 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.

3. EDUCATIONAL GOALS

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.

4. SKILLS AND LEARNING OUTCOMES

SPECIFIC SKILLS AND LEARNING OUTCOMES

COMPETENCE CE1. Demonstrating knowledge and understanding of the basic principles of tourism in all its dimensions and areas.

LEARNING OUTCOMES

CE1.2. Identifying the theoretical and conceptual basis of economic analysis of tourism, both from the microeconomic and the macroeconomic perspective.

COMPETENCE CE5. Identify and evaluate the elements of the tourism system and its interaction with the environment as well as their impact.

LEARNING OUTCOMES

CE5.1. Describing the demand and supply of tourism, cycles and economic growth, as well as international economic relations in the sector.

CE5.2. Determining the economic impact generated by tourism.

COMPETENCE CE15. Assessing the economic dimension of tourism at different scales and analysing the relationships between them.

LEARNING OUTCOMES

CE15.1. Relating the economic dimension of tourism through the analysis of demand and supply of tourist products in the context of markets and economic cycles, among other elements.

TRANSVERSAL SKILLS

CT1. Developing capacity for autonomous learning.

CT4. Managing communication skills at all levels.

CT5. Decision making under uncertain situations and being able to evaluate and predict the consequences of these decisions in the short, the medium and the long run.

CT10. Teamwork.

5. TOPICS AND CONTENTS

Introduction: Tourism and Macroeconomics in Spain

Topic 1. Main macroeconomic variables and issues

- I. Introduction and objectives of macroeconomics and international context
- II. Essential issues: economic cycles and growth, prices and unemployment
- III. 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

- I. Economic aggregates: production and income, the circular flow of income and expenditures

- II. Components and methods for calculating GDP and national income
- III. Theories and stylized facts of economic growth: Tourism, growth and development
- IV. Tourism and the Keynesian multiplier
- V. Tourism in the national accounts: Tourism Satellite Account

Topic 3. Money and Financial Systems

- I. Money and monetary aggregates
- II. Creating and controlling money supply: monetary multiplier
- III. Interest rate and money demand
- IV. Monetary policy and the European financial system
- V. Multilateral Organisations: International Monetary Fund and the World Bank

Topic 5. Prices and Inflation

- I. The general price level: concepts and measures
- II. Types and effects of inflation
- III. Competitiveness and prices in the tourism sector
- IV. Effects of tourism on price level in destinations

Topic 6. Labour market and unemployment

- I. The labour market: supply and demand for labour
- II. Unemployment: theories and policy
- III. Labour market in the tourism sector: Profile of employment (temporality, seasonality, wage differentials) and unemployment

Topic 7. The Public Sector

- I. The economic role of the state.
- II. Public income and expenditures: budget deficit and the fiscal multiplier
- III. Macroeconomic policy: effects and dilemmas
- IV. Government intervention in the tourism sector

Topic 8. International Trade and Balance of Payments

- I. International trade and the European Union.
- II. The Balance of Payments and the tourism sector
- III. Currency markets and exchange rates.
- IV. Tourist flows: Competitiveness and real and effective exchange rates.

6. RECOMMENDED BIBLIOGRAPHY

Ward, D., & Begg, D. (2016). *Economics for business*. McGraw-Hill. Candela, G., & Figini, P. (2012). *The Economics of Tourism Destinations*. Springer Berlin Heidelberg.

Dwyer, L., Forsyth, P., & Dwyer, W. (2010). *Tourism economics and policy* (Vol. 3). Channel View Publications.

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](#).

7. TEACHING METHODOLOGY

The course is organized in theory lectures, and self-learning and guided activities. In the theory sessions different static models will be used to study, in a simplified manner, each of the proposed topics.

Self-learning activities and guided sessions are designed to internalize and understand the mechanisms described by the models. Some of these activities require reading tourism-related case studies and visiting the websites of the leading producers of tourism statistics and reports on economic performance, so that students will be able to relate the acquired knowledge with the current macroeconomic context.

The Virtual Campus will be used as a complement and as an alternative means of communication between students and their instructor. All the relevant material of the course, examples and exercises will be attached there online.

TRAINING ACTIVITIES

Training activities	Teaching-learning methodology	Hours	ECTS	% ECTS	Learning goals
Oriented activities	Theoretical sessions with active participation of students in class.	40	1.6	27%	CE1.2 CE5.1. CE5.2. CE15.1. CT1, CT4, CT 5. CT 10
	Develop and discussion of exercises and case studies.	32	1.28	21%	
Supervised activities	Tutorship	20	0.8	13%	
Autonomous activities	Individual study and practical sessions	50	2	33%	CE1.2 CE5.1. CE5.2. CE15.1 CT1, CT4, CT 5. CT 10
Evaluation activities in class	Face-to-face assessment of the individual learning process.	8	0.32	5%	CE1.2 CE5.1. CE5.2. CE15.1 CT1, CT4, CT 5. CT 10

8. ASSESSMENT SYSTEM

Students may choose between a continuous assessment and direct access to the final examination (a unique final evaluation).

Continuous assessment

In order to follow continuous assessment, attendance to at least 80% of class sessions and to 100% of evaluation activities is mandatory. Continuous assessment consists of:

- a) Two individual exams based on theory and exercises (60% of the final mark, 30% each).
- b) Individual and group exercises developed throughout the semester (20% of the final mark).
- c) Country report and public presentation (20% 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.

ASSESSMENT ACTIVITIES

Activity	Weight	Hours	ECTS	Learning outcomes
Two individual exams	30 % + 30 %	4	0.16	CE1.2, CE5.1, CE5.2, CE15.1.
Individual and group exercises	20 %	30	1.20	CE1.2, CE5.1, CE5.2, CE15.1.
Country reports and short presentations	20 %	4	0.16	CE1.2, CE5.1, CE5.2, CE15.1.

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.

9. PLANNING

Weeks	Topic	Methodology	Hours
1	Presentation of the course and Introduction	Lecture	2
1	Topic 1. Main macroeconomic variables and issues	Lecture	1
		Guided activity	1
2 and 3	Topic 2. Real Economy: Aggregate Production, National Accounts and Growth	Lecture	6
		Guided activity	2
4 and 5	Topic 3. Money and Financial Systems	Lecture	6
		Guided activity	2
6	Topic 5. Prices and Inflation	Lecture	3
		Guided activity	1
	Midterm exam	Individual written exam	2
7 and 8	Topic 6. Labour market and unemployment	Lecture	3
		Autonomous activity	1
8 and 9	Topic 7. The Public Sector	Lecture	3
		Guided activity	1
9, 10 and 11	Topic 8. International Trade and Balance of Payments	Lecture	6
		Autonomous activity	4
12	Final Evaluation	Presentations	2
		Individual written exam	2

10. ENTREPRENEURSHIP AND INNOVATION

Entrepreneurship and innovation will be fostered through the reflections by the students about the topics studied in class. These reflections will be directed to observe what aspects of tourism are needed to be improved and to develop an entrepreneurial spirit by analysing opportunities of innovation in the sector during their professional activity. One way to do this is to analyse the reality of the tourism sector through the analytic reading of articles and papers about the current situation of the tourism industry and the impact of certain macroeconomic developments –in particular the contemporary crisis– on the sector economic performance.