Panel Analysis of Tourism - Economic Growth Nexus

Adnan MUSLIJA, Elma SATROVIC, Cansu ÜNVER ERBAŞ

Özet

Over the past several decades, the relationship between tourism and economic growth, for both developing and developed countries, has been a popular issue of debate. Taking into account the fact that the tourism is an important sector in the world economy, the knowledge of the sign and size of the impact of tourism earnings on economic growth is of particular importance to policy makers. This paper aims to explore the impact of tourism earnings on economic growth. Panel data of 113 countries are used for the years that span from 1995 to 2015. The potential contribution of tourism to economic growth is analyzed within the conventional augmented Solow growth model. GMM method is employed to account for a dynamic phenomenon of economic growth. The obtained results indicate a significant positive impact of tourism on economic growth. Furthermore, the obtained results indicate that tourism-economic growth nexus differs among income disparity. The obtained findings imply that low-income countries should enhance their economic growth by strengthening their tourism industry.

Tam Metin:

The causality nexus show a bi-directional causation between tourism and capital per worker which supports the notion that tourism and investment activities are mutually reinforcing; and a unidirectional causation from output per worker to capital per worker indicating that economic growth spurs capital accumulation and productivity. Although our findings are not unique due to data constraints, the results nevertheless reveal that tourism has a long-run momentous effect on the economic growth of Malaysia and is a catalyst for boosting investment activities. In this regard, policy focus can be... The contribution of tourism development to economic growth in the Korean economy. Tourism Management 26, 39–44. Ozturk, I. and Acaravci, A. (2009). Tugcu, C. T.(2014). Tourism and economic growth nexus revisited: A panel causality analysis for the case of the Mediterranean Region. Tourism Management 42, 207-212. World Travel & Tourism Council (2015).