LINKING TOURISM SATELLITE ACCOUNT AND
ECONOMIC DEVELOPMENT:
*THE ROLE OF SOCIAL, LABOUR AND CAPITAL
ACCOUNTING*

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Important Economic Development Factors

- Investment in physical capital (GFCF; FDI)
- Human capital & Innovation (Education, Total Factor Productivity)
- Social development (Poverty, Inequality, Governance)

Issues with TSA & Understanding Development

- Only a current (1 year) account that excludes (usually) capital investment
- Does not reveal leakages – e.g. profit repatriation – that might be important for development outcomes
- Table 7 (Employment) does not cover **quality** of labour or enable 'pro-poor' analysis

Developing the TSA for Better Intelligence

- Experimental update/extension of Wales' Regional TSA to base year 2013

- Two key improvements;

1. Subdivision of tourism industry into 'locally owned' and 'FDI' (here including the rest of the UK)

2. Addition of Tourism Social Accounting Matrix (SAM) revealing tourism industries' use of human capital (see also Kotsovos, 2014 & Canada TSA)

Key Results: Wales TSA 2013

- Tourism Gross Value Added is created fairly equally between regionally owned and non-regional businesses (4.5%:4.2%)

- Employment is divided 64.2%:35.8% between the two ownership types

- Non regional businesses typically have higher GVA/FTE but this may be because they are larger plants (e.g. chain hotels) or operate different 'functions' within the same industry (e.g. local taxi drivers versus foreign excursion coach companies in Road Transport Industry)

- 90.7% of tourism-dependent workers have a qualification compared to 92.1% of all-industries. 67% of the workers in tourism industries claim benefits, while only 32% of all industries.

- 40% of tourism-dependent workers are migrants compared to 33% of all-industries

To Summarize

- TSA table 5, additional columns for products supplied by the domestic and foreign businesses
- TSA table 7, extended, labour employed in domestic and foreign businesses, the productivity in terms of GVA/FTE, Output/FTE
- TSA table 11, financial account details, education obtained by labour, income equality impact of tourism industry are considered
- TSA table 12, foreign domination in terms of the foreign resident employed and foreign purchasing account.

To Summarize

- **TSA can be further developed and adapted to bring useful intelligence to the sustainable economic development debate**
- The structures and approaches can be an important part of measuring sustainable tourism toward the UN 2030 social goals
- These developments should also make the building of models (e.g. Tourism CGE models) more accurate and easier
- The data requirements are large, but not significantly more than for the TSA itself – in our case the data largely exist already