

Argentina



Tourism Development Policy

PROGRAM

The Tourism Development Policy (TDP) implemented in the Argentinean province of Salta from 2003 to 2010, aimed at expanding the tourism sector as a key engine to boost economic development.



Intervention

Coordinated set of interventions meant to produce a structural change in the tourism industry. Three pillars: (i) construction and modernization of tourism and transport infrastructure; (ii) tax credits for construction, expansion and remodeling of hotels and other establishments; (iii) strengthening of the tourism governance.



Type of Evaluation

Synthetic control that allow to construct a “synthetic Salta” from a group of 19 non-affected provinces.



Database

The time series dataset used in this analysis is a monthly sector-level panel dataset at the provincial level for the period from 1996 to 2013. This data is collected by the Observatory of Employment and Entrepreneurial Dynamics at the Ministry of Labor, Employment, and Social Security in Argentina.

WHY ARE WE DOING THIS EVALUATION?

Do coordinated investments that aim to produce structural changes in the tourism sector increase employment?



RESULTS

Over the 2003-2013 period, compared to its synthetic control, we found that the province of Salta has perceived positive impacts in ...



Employment

Employment in the tourism sector increased by an average **11% per year**, for an **accumulated impact of 112%**.



Job Creation

Approximately **750 new formal jobs** generated in the hospitality industry.



Job Quality:

The ratio of the average wage in the tourism sector and other sectors increased. Providing evidence of an **improvement in the quality of tourism jobs**.

CONCLUSIONS

The findings provide strong evidence that structural interventions in the tourism sector can be effective tools to boost employment and enhance job creation.

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