



Testing the Moderating Effect of Tourism Revenue and Globalization on the Economic Growth: Empirical Evidence from Mediterranean Countries

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Article History

Received: 17.02.2022

Accepted: 25.03.2022

Keywords

Tourism

Globalization

Economic growth

Solow growth model

Mediterranean countries

Abstract

Globalization is a multifaceted phenomenon that creates the conditions for the expansion and development of tourism activities around the world. This study uses an augmented Solow growth model to experimentally evaluate the impact of globalization and tourism on economic growth from 2009 to 2018. This study also investigates the impact of globalization in regulating economic growth as a moderating factor. In this study, two separate models were used for this consideration: (1) the main effects model and (2) the interaction effects model. For the Mediterranean countries, dynamic panel regression models are used to examine this impact. The influence of tourism revenues on economic growth is determined to be highly substantial and favourable; nevertheless, a negative and significant direct effect on economic growth can be detected due to globalization. On the other hand, the current study found that globalization has a considerable moderating influence on the impact of tourism revenue on economic growth in Mediterranean Countries.

Article Type

Research Article

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DOI:10.21325/jotags.2022.977