

Impact Factor: **3.6**

5-Year Impact Factor:

Contents

••• More

## Abstract

This paper empirically examines the relationship between economic growth of Greece by using causality analysis. The study uses quarterly data from 1960:1 to 2000:4 and international tourism earnings. A Multivariate Auto Regressive (VAR) model is applied for the period 1960:1-2000:4. The results of co-integration analysis suggest that there is one co-integrated vector among real gross domestic product, real effective exchange rate and international tourism earnings. Granger causality tests based on Error Correction Models (ECMs), have indicated that there is a 'strong Granger causal' relationship between international tourism earnings and economic growth, a 'strong causal' relationship between real exchange rate and economic growth, and simply 'causal' relationships between economic growth and international tourism earnings and between real exchange rate and international tourism earnings.

## References

Akaike H. (1974), 'A new look at the statistical model identification', *IEEE Transactions on Automatic Control*, AC-19, pp 716-723.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Balaguer J., Cantavella-Jorda M. (2002), 'Tourism as a long-run economic growth factor: The Spanish case', *Applied Economics*, Vol 34, pp 877-884.

[Crossref](#)

[Web of Science](#)

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Manage Cookies

Accept Non-Essential Cookies

Reject Non-Essential Cookies

[Google Scholar](#)

Bhagwati J., Srinivasan T. (1979), 'Trade policy and development', in Dornbunsh R., Frenkel J., eds, *International Economic Policy: Theory and Evidence*, Johns Hopkins University Press, Baltimore, MD, pp 1–35.

[Google Scholar](#)

Cooley T. F., LeRoy S. F. (1985), 'A theoretical macroeconomics: A critique', *Journal of Monetary Economics*, Vol 16, pp 283–308.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Dickey D.A., Fuller W.A. (1979), 'Distribution of the estimators for autoregressive time series with a unit root', *Journal of the American Statistical Association*, Vol 74, pp 427–431.

[Web of Science](#)

[Google Scholar](#)

Dickey D.A., Fuller W.A. (1981), 'Likelihood ratio statistics for autoregressive time series with a unit root', *Econometrica*, Vol 49, pp 1057–1072.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Dritsakis N., Athanasiadis S. (2000), 'An econometric model of tourist demand: The case of Greece', *Journal of Hospitality & Leisure Marketing*, Vol 2, pp 39–49.

[Crossref](#)

[Google Scholar](#)

Engle R. F., Granger C. W. J. (1987), 'Cointegration and error correction: Representation, estimation and testing', *Econometrica*, Vol 55, pp 251–276.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Engle R.F., Yoo B.S. (1987), 'Forecasting and testing in cointegrated systems', *Journal of Econometrics*, Vol 35, pp 143–159.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Granger C. (1988), 'Some recent developments in a concept of causality', *Journal of Econometrics*, Vol 39, pp 199–211.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Hazari B.R., Kaur C. (1995), 'Tourism and welfare in the presence of pure monopoly in the non-traded goods sector', *International Review of Economics and Finance*, Vol 4, pp 171–177.

[Crossref](#)

[Google Scholar](#)

Hazari B.R., Ng A. (1993), 'An analysis of tourists' consumption of non-traded goods and services on the welfare of the domestic consumers', *International Review of Economics and Finance*, Vol 2, pp 3–58.

[Crossref](#)

[Google Scholar](#)

Hazari B.R., Sgro P.M. (1995), 'Tourism and growth in a dynamic model of trade', *The Journal of International Trade and Economic Development*, Vol 4, pp 253–256.

[Google Scholar](#)

Helpman E., Krugman P. (1985), *Market Structure and Foreign Trade*, MIT Press, Cambridge.

[Google Scholar](#)

Johansen S. (1988), 'Statistical analysis of cointegration vectors', *Journal of Economic Dynamics and Control*, Vol 12, pp 231–254.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Johansen S., Juselius K. (1990), 'Maximum likelihood estimation and inference on cointegration with applications to the demand for the money', *Oxford Bulletin of Economics and Statistics*, Vol 52, pp 169–210.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Johansen S. (1995), *'Likelihood-based inference in cointegrated vector autoregressive models'*, Oxford University Press, Oxford.

[Crossref](#)

[Google Scholar](#)

Komiya R. (1967), 'Non-traded goods and the pure theory of international trade', *International Economic Review*, Vol 8, pp 132–152.

[Crossref](#)

[Google Scholar](#)

Krueger A. (1980), 'Trade policy as an input to development', *American Economic Review*, Vol 70, pp 188–292.

[Web of Science](#)

[Google Scholar](#)

Kwiatkowski D., Phillips P.C., Schmidt P., Shin Y. (1992), 'Testing the null hypothesis of stationarity against the alternative of a unit root', *Journal of Econometrics*, Vol 54, pp 159–178.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Lim C., McAleer M. (2000), 'A seasonal analysis of Asian tourist arrivals to Australia', *Applied Economics*, Vol 32, pp 499–509.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

McKinnon R. (1964), 'Foreign exchange constraints in economic development and efficient aid allocation', *Economic Journal*, Vol 74, pp 388–409.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Mackinnon J. (1991), 'Critical values for cointegration tests in long-run economic relationships', in Engle R. F., Granger C. W. J., eds, *Readings in Cointegration*, Oxford University Press, New York, pp 267–276.

[Google Scholar](#)

Nelson C.R., Plosser C.I. (1982), 'Trends and random walks in macroeconomic time series: Some evidence and implications', *Journal of Monetary Economics*, Vol 10, pp 139–162.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Newey W., West K. (1987), 'A simple, positive semi-definite, heteroskedasticity and autocorrelation consistent covariance matrix', *Econometrica*, Vol 55, pp 703–708.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Osterwald-Lenum M. (1992), 'A note with quantiles of the asymptotic distribution of the maximum likelihood cointegration rank test statistics', *Oxford Bulletin of Economics and Statistics*, Vol 54, pp 461–472.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Papatheodorou A. (1999), 'The demand for international tourism in the Mediterranean region', *Applied Economics*, Vol 31, pp 619–630.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Payne J., Mervar A. (2002), 'A note on modelling tourism revenues in Croatia', *Tourism Economics*, Vol 8, No 1, pp 103–109.

[Crossref](#)

[Google Scholar](#)

Phillips P.C. (1987), 'Time series regression with unit roots', *Econometrica*, Vol 2, pp 277–301.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Phillips P.C., Perron P. (1988), 'Testing for a unit root in time series regression', *Biometrika*, Vol 75, pp 335–346.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

Runkle D. (1987). 'Vector autoregressive and reality', *Journal of Economic and Business Statistics*, Vol 5, pp 437–454.

[Web of Science](#)

[Google Scholar](#)

Sims C. A. (1980), 'Macroeconomics and reality', *Econometrica*, Vol 48, pp 1–48.

[Crossref](#)

[Web of Science](#)

[Google Scholar](#)

#### Similar articles:

---



Free access

[Is the Tourism Sector Supportive of Economic Growth? Empirical Evidence on Romanian Tourism](#)

Show Details ▾

---



Free access

[Research Note: Re-Examining the Tourism-Led Growth Hypothesis for Turkey](#)

Show Details ▾

---



Free access

[An Empirical Analysis of the Nexus Between Inflation, Exchange Rate, Unemployment and Economic Growth in Ethiopia: A Granger Casualty Approach](#)

Show Details ▾

[View More](#)

Sage recommends:

**SAGE Knowledge**

[Exchange Rate](#)

Show Details ▾

**SAGE Knowledge**

Entry

[El Salvador](#)

Show Details ▾

**SAGE Knowledge**

Book chapter

[Tourism and Development](#)

Show Details ▾

[View More](#)

[Download PDF](#)

## Also from Sage

**CQ Library**

Elevating debate

**Sage Data**

Uncovering insight

**Sage Business Cases**

Shaping futures

**Sage Campus**

Unleashing potential

## Sage Knowledge

---

Multimedia learning resources

## Sage Research Methods

---

Supercharging research

## Sage Video

---

Streaming knowledge

## Technology from Sage

---

Library digital services