

Governance and U.S. Tourism Demand: The Role of Political Stability and Government Effectiveness

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Abstract

Our study investigates the influence of good governance on U.S. tourism demand from 2000-2024 using an empirical approach. Our findings reveal that two key governance dimensions—political stability and absence of violence/terrorism, as well as government effectiveness—significantly and positively impact U.S. tourism demand. Additionally, we observe that the political party in control of the White House plays a statistically significant role in shaping tourism trends. These insights offer valuable implications for improving demand forecasting and formulating sustainable tourism policies.

Keywords: Panel data, Tourism demand, Good Governance