Macro Multipliers approach to output generation and income distribution in a Social Accounting framework

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Abstract

The aim of the paper is to analyze the features and the changes in the personal income distribution in a region of Italy within a structural framework.

In this paper the attempt is made to provide a method of analysis that can give a further insight into the interactions among industries and institutional sectors. An application that relies on a regional data base, inspired by the Social Accounting Matrix, illustrates how macro-multipliers ruling the multi-sector multi-industry interactions can be defined and evaluated. This feature greatly helps in showing the impact of the structure of macroeconomic variables since all the possible behavior of the economy are determined by those multipliers: either those patterns that have emerged, because have been activated by the actual shock, and those that have kept latent.

The identification of macro multipliers allows for the consistent definition of forward and backward dispersion, a tool especially efficient in the study of propagation since it is not confined to predetermined structures of macroeconomic variables and still allows for the determination of "summary" measures of dispersion through industries and sectors.

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