

Interregional input–output modeling: spillover effects, feedback loops and intra-industry trade

Topic: Why Do Regions Matter? Recent Developments in Interregional I-O Analyses I

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This chapter will focus on ways in which the modeling of flows of goods and services can be handled, and how the outcomes of such models are different across countries and along the spatial hierarchy. To this end, Section 2 will give a brief overview of the data needed to model these processes. Section 3 will set the theoretical background, with an emphasis on how to model and measure interregional spillovers and feedbacks of one region on other regions and back on itself. Section 4 will give an overview of a series of applications of interregional and international input–output studies that concentrate on producing results relevant for our understanding of the above-sketched processes of the fragmentation of production processes and their reorganization into interregional and international supply chains. Section 5 gives a summary evaluation in terms of further modeling developments that are needed.