Intertemporal structural change of policy variable for USA economy

Topic: Methodological aspects of input-output analysis 4
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Economic fluctuations in the last ten years have been characterized by a high variability that emphasized the attention on the definition of economic policies able to mitigate negative effects of such transitory depressions. In particular, for what pertain to the power of policy maker's decisions in activating endogenous stimulus of the mechanisms of income generation, the study of economic policy especially relates to the problem of appropriate policy instruments definition. Indeed such instruments should be consistent with composite objectives emerging from the complexity of the modern economy. Contrary to the "final tuning" approach, the design of policy instrument can be based on the observation of endogenous structures reviled by the economic system itself. In this respect of huge importance is the possibility to take account of connections between the total amount of resources and the specific composition that the policy instrument can assume in order to activate the virtuously economic interdependencies within the processes of creation a distribution of income. Such approach needs to be applied into a proper framework where there is no possibility of structural breaks and there exists a set of endogenous structures for policy instrument from which the convenient policy has to be chosen. This paper aims to verify the stability of the USA economy through the use of the historical series of the Input-Output tables for the period 2000-2009 in order to prove how the composition of policy instrument has been far from the convenient endogenous structure suggested by the economy for each year. First we perform a quantitative analysis of the USA economy by means of the traditional leontevian multipliers. The stability of multipliers and technical coefficients can support the relevance of the policy instruments. In particular, it becomes crucial to understand how the policies modelled over the years have moved away from the convenient composition. Secondly we apply the MM approach that is able to reveal the set of endogenous structures for policy instruments hidden high by the structural matrix of the economy.