An Application of the Hybrid Approach to Constructing Regional Input-Output Tables: Case of Izmir, Turkey

Topic: Regional input-output modeling I
Author: Cagacan Deger
Co-Authors: Elif Tunali Caliskan, Gulcin Gurel Gunal, Osman Aydogus

Authors:
Osman Aydogus (Prof. Dr, Ege University, Department of Economics)
aydogus@yahoo.com OR osman.aydogus@ege.edu.tr

Cagacan Deger (Ass. Prof. Dr, Ege University, Department of Economics, corresponding author)
cagacan@gmail.com OR cagacan.deger@ege.edu.tr

Elif Tunali Caliskan (MSc, Ege University, Department of Economics)
eliftunalicaliskan@gmail.com OR elif.tunali@ege.edu.tr

Gulcin Gurel Gunal (MSc, Ege University, Department of Economics)
gulcngurel@gmail.com OR gulcin.gurel@ege.edu.tr

Topic: 4. Estimating Annual, Regional, and Multiregional Input-Output Accounts

ABSTRACT
An Application of the Hybrid Approach to Constructing Regional Input-Output Tables: Case of Izmir, Turkey

Regional Input-Output (I-O) tables provide considerable information on interactions of sectors within a region's economy. Despite their considerable contributions to analysis, regional input-output tables (IOTs) are relatively few in number compared to national tables, primarily due to difficulties related to preparing regional IOTs. Once can prepare a regional IOT by holding comprehensive interviews and questionnaires in the considered region. This approach has high time and money costs. Alternatively, a regional table can be derived from a national IOT through a set of assumptions. But the reliability of assumptions is a major concern. Third approach is the hybrid approach to preparing regional IOTs.

The hybrid approach to constructing regional IOTs is cost efficient and relatively reliable. Even though road maps as to how to prepare regional tables are available, it is important to share experiences. It is also necessary to consider whether additional information provided by regional IOTs is worth the effort. This study details the preparation of the 2008 IZKA Izmir Table, a regional IOT constructed for the Izmir region. The important sectors implied by the regional I-O table are compared to IZKA's (Izmir Regional Development Agency's) previous analysis of the region to reveal the contributions of the regional table to the understanding of the region. It is concluded that IZKAs analysis and the regional table's results are consistent. Regional table provides more systematic sectorial details and points to sectors that should be examined in more detail through field work. Region's unique characteristics are identified. And the relative importance of sectors is quantified.

Keywords: input-output models, regional planning, applied regional analysis, hybrid regional tables
JEL Codes: C67, C81, O21, R11, R15, R58