

## **Growth, employment and public spending in the Social Accounting Matrix of the Spanish economy for 2008**

Topic: Impact analysis: multipliers

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The aim of this paper is twofold: first to present the Social Accounting Matrix for the Spanish economy in 2008, with a high level of sectoral disaggregation. This is followed by an identification of those sectors with greater potential of the economy from different approaches that complement each other. The first of these approaches is a description of the economic structure of the country through multiplier analysis and identification of key sectors, to describe the behaviour of the Spanish economy activities. The second approach classifies industries according to their capacity to generate employment, both overall and disaggregated by different occupational categories or types of workers, seeking to discern where are the main sources of employment among the groups with the greatest difficulty accessing labour market.

Finally, this analysis is completed by evaluating for each branch of the Spanish economy the net impact of public spending with the idea of identifying those areas where it has a higher rate of return as well as those where reductions can have less impact . To do this, we discount the effect of the need to maintain a balanced budget (exogenous shocks with zero-sum expense) due to current economic policy aimed at reducing the deficit.

In this way, it extends and complements the traditional concept of key sector, empirically adapted to the needs of analysis in the current economic situation.

This work is a first step in a more detailed analysis of these and other related aspects that allows define and quantify the Spanish economic structure through multisectoral models.