

Evaluating the FLQ Formula for Estimating Regional Input Coefficients: Empirical Evidence for the Province of Córdoba, Argentina

Topic: Regional Analysis

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This paper uses survey-based data for the Argentinian province of Córdoba to carry out an empirical test of the performance of the FLQ formula for estimating regional input coefficients. Particular attention is paid to the problem of choosing a value for the unknown parameter θ in this formula. Two alternative approaches suggested in the literature are evaluated. A statistical test is also performed of differences between regional and national technology, and Round's "fabrication" formula is applied in an effort to make suitable adjustments for such differences. However, the FLQ formula, without any fabrication adjustments, is found to give the best overall results of the non-survey methods considered in the paper. Note: An earlier version of this paper was presented at the IIOA conference in Lisbon. It has since been revised extensively, in the light of referees' reports, for publication in *Economic Systems Research*.