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**Testing the Assumptions Made in
the Construction of Input-Output Tables**

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**Title: Testing the Assumptions Made in
the Construction of Input-Output Tables**

Abstract:

The recent revival of input-output analysis in trade, environmental, and productivity studies comes with a controversy on the construction and use of product versus industry tables. Product and industry tables co-exist and each type can be constructed according to a technology structure or a delivery structure. Most countries adhere to the UN (1993) sanctioned theory of Kop Jansen and ten Raa (1990) and construct product technology model based product tables, but a few hard to neglect countries dissent. This paper shifts attention from theory to empirics and provides encompassing formulas that admit econometric testing of the competing models both for product tables and industry tables. Data talk and provide us with acceptance and rejection regions for the competing models allowing a mixed technology model in which some secondary products are treated by one model and others by the other. Unfortunately, the way data are collected by statistical offices does not allow testing the competing models for industry tables.

Keywords: Input-output tables

Archives: Construction of input-output tables; Methods and mathematics

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