

Core-Periphery Structure in North America. A Qualitative Input & Output Analysis.

Topic: MRIO Innovations

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Qualitative Input-Output Analysis (QIOA) leads to loss of information and does not show conclusive (similar) results for the same period. This paper reconsiders the weaknesses of QIOA in finding a fundamental economic structure. Using the Core-Periphery Structure (CPS) concept, as defined in the social networks literature, we propose a method to find such structures. The method is applied to a trilateral I-O table for members of the North American Free Trade Agreement (NAFTA) using the OECD database. The expected empirical result is that at the member-country level, the structures of the center are of those branches related to trade, while in the context of NAFTA, the members of the structure of the center are greater in the case of the United States economy than its trading partners as well as the opposite case for members of the periphery.