

Discussion of “Disaggregated Economic Accounts”

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Disaggregated Accounts: Why Bilateral Money Flows Matter

Research question: If we knew *who pays whom* at a disaggregated level, would that improve our understanding of shock propagation and fiscal policy multipliers?

Three contributions, framed as a “proof of concept”:

- A. **Measurement.** Bilaterally complete, internally consistent system of accounts at the cell level ($\sim 2,700$ consumer \times 2,600 producer cells in Denmark), satisfying all national accounting identities.
- B. **Facts.** Spending intensities are assortative, some demographic segments “leak” more abroad.
- C. **Model and policy evaluation.** In a multi-sector NK model (building on Acemoglu et al., 2012; Baqaee and Farhi, 2019; La’O and Tahbaz-Salehi, 2022; Rubbo, 2023), fiscal multipliers are larger when transfers target cells whose spending reaches *slack cells*.
 - ▶ Key object: the *factor demand matrix* M , tracing income shocks through the full circular flow.
 - ▶ Multipliers range across cells: below 1 (cells that “leak” abroad) to above 2 (cells with high domestic spending intensity).

This is an important and exciting paper! It opens a new data frontier and it demonstrates it matters for a pressing policy question.

Beyond the proof of concept:

1. **Extending the agenda:** “*Cellular composition*” of spending shapes aggregate transmission.
 - ▶ Andreolli, Rickard, and Surico (2025): *what* consumers buy matters — non-essential sectors are more cyclical, employ more hand-to-mouth workers.
 - ▶ Rubbo et al. (2026): *where slack opens* through supply-side propagation in the production network
→ I will illustrate the complementarity with today’s paper.
Incidentally: These papers were developed within the ESCB ChaMP Research Network.
2. **The next frontier?** The missing matrix: who lends to whom?

Extending the Agenda: an EA Dataset and Complementary Model

A feasible euro-area dataset with similar flavour

- ▶ Cells: for each country: 62 industries, 10 occupations, 10 capital types, 4 household types.
- ▶ We recover the key objects — IO tables, factor shares, consumption baskets — from harmonised EA data, but lack the bilateral consumer–producer spending matrix A .

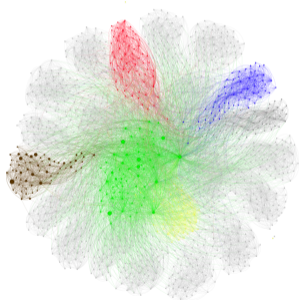
A complementary model (Rubbo, 2026; Rubbo et al., 2026)

- ▶ Andersen et al.: effectiveness of transfers → **stimulate cells that spend on slack cells**. Multiplier analysis takes the slackness vector φ as *given* (it depends on wage rigidity in the model).
- ▶ Our model: more detail on supply-side propagation → **which cells “become slack”** after a shock.
We *endogenise* φ via nominal rigidities, factor supply elasticities, and network position.
- ▶ Natural application: **energy price shock (2021–23)**.

How Do the Euro Area Data “Look” and Where Does the Gap Open?

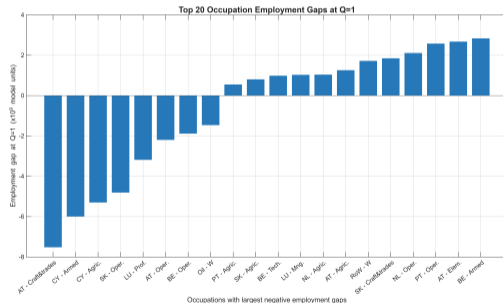
The EA-RoW intermediates network

- ▶ Industry nodes sized by Domar weights.
- ▶ Oil-producing countries in brown, RoW in green, DE in red, FR in blue



Where employment gap shows up at impact

- ▶ Employment gaps from the model after energy shock (NB: tentative and illustrative only!)



Mechanism: Shock exposure + network amplification + Phillips curve slope (nominal rigidity + factor supply elasticity).

The Next Frontier: Who Lends to Whom

The bank–borrower network: next frontier?

- ▶ The *capital accumulation cell* is a single node by design.
- ▶ Finance appears as a production sector, but the *from-whom-to-whom credit matrix* is the natural next disaggregation.

Why it matters — assortativity as a mechanism?

- ▶ If MFIs have *concentrated exposures* to specific cells, a shock to those cells reduces lending capacity → tightens credit for other borrowers → second-round amplification.
- ▶ Two dimensions:
 - ▶ *Within-country*: Sectorally specialised banks → a sectoral shock hits borrowers *and* their lenders.
 - ▶ *Across countries*: Geographically concentrated credit. Cross-border bank lending remains limited in the euro area, with 85% domestic share of bank loan values (Chițu, Gori, and Gürkaynak, 2025).

Are the hit cells financed by lenders that will *absorb* the shock, or *amplify* it?

What the paper achieves:

- ▶ The “bang for the buck” of fiscal transfers depends on who spends on whom — not only on (aggregate or disaggregate) propensities to consume.
- ▶ Multiplier range < 1 to > 2 : In aggregate models this very policy-relevant finding will wash out!
- ▶ A clear reason for statistical institutes to invest in disaggregated bilateral accounts!

Three extensions from this discussion:

1. **Scalability.** The data requirements are formidable! Can we still learn from coarser datasets?
2. **Richer supply-side mechanisms.** Combining the paper’s insight on demand-side multipliers with a richer supply-side structure gives policymakers a more complete toolkit.
3. **Financial layer is a promising next step.** Banks can amplify or dampen the cross-sectional incidence of shocks and policies.

The forecasting implication: Exposure and composition matter, not just aggregate shock size and type. The challenge is to embed knowledge of that granular state into forecasting models.

Does this neglected structure contribute to the parameter instability Barbara discussed in her keynote?

Read it!

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