

Multiregion macroeconometric models: 100 years of forecasting geographical dispersion of economic growth

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This draft: Jan. 12, 2026

Abstract

This paper presents a critical discussion of the way regional growth models have been evolving in social sciences over the past century. I discuss five main classes of models: (i.) Input-Output assessments; (ii.) Single-equation macroeconometric regional growth models; (iii.) Multi-equation macroeconometric regional growth models; (iv.) Spatial Computable General Equilibrium models; and (v.) Regional Agent-Based growth models.

For each class of model the main advantages and disadvantages are illustrated. I conclude with the state of the art of this branch of the literature, and with some guidelines for its evolution in the close future.

Keywords: Input-Output tables, Single-equation macroeconometric regional growth models, Multi-equation macroeconometric regional growth models, Spatial Computable General Equilibrium models, Agent-Based models.

JEL classification codes: B41, C01, C15, C53, D57, O18, O41, R15

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