support. We emphasize that we alone are responsible for any shortcomings of the chapter.

We would like to thank David Card, George Jackson, Angrist, Miron, Whitney, Newey,

This chapter examines the role of sectoral shocks in employment fluctuations.

Joseph G. Altonji and John C. Halt

EMPLOYMENT FLUCTUATIONS
SECTORAL SHOCKS ON AGGREGATE THE COLLECTIVE IMPACT OF

8
consistent evidence on the sources of economic fluctuations. Many economic shocks hit the economy, including shocks from abroad, shocks from within the country, and shocks from financial markets. These shocks can have a significant impact on the economy, affecting growth, employment, and inflation.

A number of economic shocks have been identified as the main sources of economic fluctuations. These shocks include:

1. Shocks from abroad, such as changes in international trade and finance.
2. Shocks from within the country, such as changes in government policy and changes in consumer and business confidence.
3. Shocks from financial markets, such as changes in interest rates and exchange rates.

These shocks can have a significant impact on the economy, affecting growth, employment, and inflation. For example, a shock from abroad, such as a sudden increase in the price of oil, can lead to a increase in the price of goods and services, which can lead to inflation. Similarly, a shock from within the country, such as a change in government policy, can lead to changes in the economy's growth rate.

In summary, economic shocks can have a significant impact on the economy, affecting growth, employment, and inflation. It is important for policymakers to understand the sources of these shocks and to develop policies that can mitigate their impact.

The Collective Impact of Sectoral Shocks

Chapter 1: The Collective Impact of Sectoral Shocks

In this chapter, we examine the collective impact of shocks to different sectors of the economy. We use a panel data model to estimate the impact of shocks to different sectors on the overall economy. The model allows us to identify the sectors that are most affected by shocks, as well as the sectors that are the most important for economic growth.

To estimate the impact of sectoral shocks, we use a panel data model that includes a measure of sectoral output for each year and sector. We then estimate the coefficients of the model using a regression analysis. The coefficients are then used to calculate the impact of shocks to different sectors on the overall economy.

We find that shocks to different sectors have a significant impact on the overall economy. For example, shocks to the manufacturing sector have a larger impact than shocks to the services sector. We also find that the impact of shocks to different sectors varies depending on the type of shock. For example, shocks to the financial sector have a larger impact than shocks to the trade sector.

In conclusion, the collective impact of sectoral shocks is important for economic policy. Policymakers need to be aware of the sectors that are most affected by shocks and the sectors that are the most important for economic growth. This information can help policymakers to develop policies that can mitigate the impact of shocks on the economy.
The collective impact of sectoral shocks

...
To shed some light on this issue, we present the correlation of annual changes in the log of Canadian employment by one-digit SIC industry in provinces in Canada.

Western provinces showed more rapidly than the provincial series in the majority of cases, and the relative rates of change varied from province to province in different periods. The relatively steady growth of the entire series, in particular for the eastern provinces, may be an indication of a more pronounced growth in the service sector.

To conclude, the overall picture of the correlation of regional changes in employment across provinces is consistent with the notion of a more rapid growth in the service sector.

The correlation of aggregate changes across sections is

\[ \text{corr} \left( \frac{\Delta Y}{Y}, \frac{\Delta Y}{Y} \right) = \left( \frac{\Delta \gamma}{\Delta \gamma} \right)^2 \Delta \gamma \Delta \gamma \]

and the variance in the change in aggregate employment in section is

\[ \text{var} \left( \frac{\Delta Y}{Y} \right) = \left( \frac{\Delta \gamma}{\Delta \gamma} \right)^2 \Delta \gamma \Delta \gamma \]

For simplicity, assume that the aggregate and sectional stocks are equal.

\[ I = I^0 = I^0 \]

The sectional shock with variance of \( I^0 \) in each sector is the sum of an aggregate shock of \( I^0 \) and a sectional shock. The variance of the national aggregate change will now be: the variance of the national aggregate change, plus the variance of the sectional shocks.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Initial</th>
<th>Change</th>
<th>Final</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8.1: Correlation of Sectoral Stocks and Proportion of Aggregate Employment

The collective impact on the collective impact on the labor market adjustment in the Pacific Basin

Hypothesis

No correlation of shocks, because the relative shares of each sector are not equal.

No variance in shocks affecting specific sections. This will only be true if there is no increase in the labor market adjustment in the Pacific Basin.
### Table 8-2. Correlation Matrix for Industrial Employment

<table>
<thead>
<tr>
<th></th>
<th>Forestry</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Transportation</th>
<th>Trade</th>
<th>Finance</th>
<th>Service</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry</td>
<td>1.</td>
<td>.497</td>
<td>.689</td>
<td>.478</td>
<td>.590</td>
<td>.396</td>
<td>.468</td>
<td>.296</td>
<td>-.097</td>
</tr>
<tr>
<td>Mining</td>
<td>1.</td>
<td>1.</td>
<td>.451</td>
<td>.462</td>
<td>.333</td>
<td>.373</td>
<td>.077</td>
<td>.307</td>
<td>-.194</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.793</td>
<td>.621</td>
<td>.821</td>
<td>.472</td>
<td>.589</td>
<td>-.150</td>
</tr>
<tr>
<td>Construction</td>
<td>1.</td>
<td>.567</td>
<td>.657</td>
<td>1.</td>
<td>.614</td>
<td>.410</td>
<td>.276</td>
<td>.142</td>
<td>1.05</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.563</td>
<td>.503</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
<tr>
<td>Trade</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.563</td>
<td>.503</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
<tr>
<td>Finance</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.563</td>
<td>.503</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
<tr>
<td>Service</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.563</td>
<td>.503</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
<tr>
<td>Government</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.563</td>
<td>.503</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
</tbody>
</table>

*Measured in log first differences.

### Table 8-3. Correlation Matrix for Industrial Employment After Accounting for United States Effects

<table>
<thead>
<tr>
<th></th>
<th>Forestry</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Transportation</th>
<th>Trade</th>
<th>Finance</th>
<th>Service</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry</td>
<td>1.</td>
<td>.596</td>
<td>.397</td>
<td>.365</td>
<td>.523</td>
<td>.115</td>
<td>.180</td>
<td>-.071</td>
<td>-.104</td>
</tr>
<tr>
<td>Mining</td>
<td>1.</td>
<td>1.</td>
<td>.572</td>
<td>.486</td>
<td>.548</td>
<td>.365</td>
<td>.028</td>
<td>.296</td>
<td>-.190</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.788</td>
<td>.692</td>
<td>.812</td>
<td>.198</td>
<td>.444</td>
<td>-.174</td>
</tr>
<tr>
<td>Construction</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.649</td>
<td>.642</td>
<td>.265</td>
<td>.494</td>
<td>.027</td>
<td>-.174</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.582</td>
<td>.286</td>
<td>1.</td>
<td>.123</td>
<td>.157</td>
<td>1.45</td>
</tr>
<tr>
<td>Trade</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.437</td>
<td>.457</td>
<td>.145</td>
<td>.397</td>
<td>-.042</td>
<td>1.</td>
</tr>
<tr>
<td>Finance</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.204</td>
<td>.198</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
<tr>
<td>Service</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.204</td>
<td>.198</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
<tr>
<td>Government</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>.204</td>
<td>.198</td>
<td>1.</td>
<td>.325</td>
<td>1.</td>
<td>1.05</td>
</tr>
</tbody>
</table>

*Measured in log first differences.

### Table 8-4. Correlation Matrix for Provincial Employment

<table>
<thead>
<tr>
<th>Newfoundland</th>
<th>Nova Scotia/ New Brunswick</th>
<th>Quebec</th>
<th>Ontario</th>
<th>Saskatchewan/ Manitoba</th>
<th>Alberta</th>
<th>British Columbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland</td>
<td>1.</td>
<td>.853</td>
<td>.830</td>
<td>.818</td>
<td>.610</td>
<td>.263</td>
</tr>
<tr>
<td>Nova Scotia/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Brunswick</td>
<td>1.</td>
<td>.896</td>
<td>.768</td>
<td>.639</td>
<td>.558</td>
<td>.868</td>
</tr>
<tr>
<td>Quebec</td>
<td>1.</td>
<td>.884</td>
<td>.707</td>
<td>.579</td>
<td>.877</td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>1.</td>
<td>.644</td>
<td>.493</td>
<td>.853</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saskatchewan/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoba</td>
<td>1.</td>
<td>.519</td>
<td>.673</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alberta</td>
<td>1.</td>
<td>.662</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>British Columbia</td>
<td></td>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Measured in log first differences.

### Table 8-5. Correlation Matrix for Provincial Employment After Accounting for United States Effects

<table>
<thead>
<tr>
<th>Newfoundland</th>
<th>Nova Scotia/ New Brunswick</th>
<th>Quebec</th>
<th>Ontario</th>
<th>Saskatchewan/ Manitoba</th>
<th>Alberta</th>
<th>British Columbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland</td>
<td>1.</td>
<td>.799</td>
<td>.731</td>
<td>.695</td>
<td>.582</td>
<td>.069</td>
</tr>
<tr>
<td>Nova Scotia/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Brunswick</td>
<td>1.</td>
<td>.868</td>
<td>.697</td>
<td>.601</td>
<td>.497</td>
<td>.831</td>
</tr>
<tr>
<td>Quebec</td>
<td>1.</td>
<td>.815</td>
<td>.705</td>
<td>.491</td>
<td>.802</td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>1.</td>
<td>.672</td>
<td>.351</td>
<td>.742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saskatchewan/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoba</td>
<td>1.</td>
<td>.482</td>
<td>.669</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alberta</td>
<td>1.</td>
<td>.605</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>British Columbia</td>
<td></td>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Measured in log first differences.
A. Basic Equations

1. Demand for Labor

The demand for labor in sector $i$ is determined by the aggregate shocks and sector-specific shocks to sector $i$. The aggregate shocks affect the entire economy, while the sector-specific shocks affect only the specific sector $i$. The demand for labor in sector $i$ is given by the following equation:

$$d_q = \alpha_q d_q + \beta_q d_q + \gamma_q d_q + \delta_q d_q$$

where $d_q$ is the demand for labor in sector $i$.

2. Aggregate Demand

The aggregate demand is the sum of the demands for labor in all sectors. It is given by the following equation:

$$D_q = \sum_i d_q$$

3. Aggregate Supply

The aggregate supply is the sum of the supplies of goods in all sectors. It is given by the following equation:

$$S_q = \sum_i s_q$$

4. General Equilibrium

The general equilibrium is achieved when the aggregate demand equals the aggregate supply. This condition is given by the following equation:

$$D_q = S_q$$

5. Real Wage

The real wage is the ratio of the aggregate supply to the aggregate demand. It is given by the following equation:

$$w = \frac{S_q}{D_q}$$

6. Output

The output of the economy is the sum of the outputs of all sectors. It is given by the following equation:

$$Y = \sum_i y_i$$

The output of the economy is determined by the aggregate demand and the aggregate supply.

III. A Disaggregated Model of Employment Growth

In this section, we present a simple structural model of the labor market. The model is based on the assumption that the aggregate demand for labor is determined by the aggregate supply of goods and services. The model is disaggregated into 10 sectors, each with its own demand and supply functions. The model is solved for the equilibrium values of the real wage and the output of the economy.
mechanism, particularly in the door supply question, is closely related to the response of the supply and the demand for labor to a 1.0% increase in the bargaining power in subsequent periods through the gradual development of the collective bargaining process. In the initial period, they effect the employment in other industries and increase a local labor surplus. Industry shocks and growing stocks also raise a local labor surplus.

There are two factors that are associated with this phenomenon:

1. The effect of the supply and the demand for labor in subsequent periods through the gradual development of the collective bargaining process.

2. The effect of the supply and the demand for labor on the local labor surplus in the initial period.

A few observations can be made about equation (10-9). First, note that

\[ \frac{dL}{dt} = \alpha L + \beta Q - \gamma L \]

where

\[ \alpha, \beta, \gamma > 0 \]

Equation (10-9) shows the relationship between the supply and demand for labor in the initial period. Substituting into equation (10-8) of (10-9) leads to the equilibrium

\[ (dL/dt - \beta L + \gamma L) = 0 \]

where

\[ \alpha, \beta, \gamma > 0 \]

The equilibrium is

\[ L = \frac{\beta}{\gamma} \]

In conclusion, the results of our analysis suggest that in a competitive labor market, the collective bargaining process can have a significant impact on the supply and demand for labor.
The collected impact of sectoral shocks section.

(6-8)

\[ \gamma_{1}(x-1) = \lambda \]

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The collected impact of sectoral shocks.

Equation (8-8) and the variance of the logarithm of the income forecast are determined by equation (8-8).
The collective impact of sectoral shocks

The collective impact of sectoral shocks

The collective impact of sectoral shocks
In an economic model of the analysis of employment variation

To consider other models, we must adjust the model's structure. The model presented here is a simplified version of the original model, which includes the following equations:

\[ \frac{\partial q^{d}}{\partial p} + \frac{\partial q^{s}}{\partial p} = 0 \]

\[ \frac{\partial q^{d}}{\partial w} + \frac{\partial q^{s}}{\partial w} = 0 \]

\[ \frac{\partial q^{d}}{\partial r} + \frac{\partial q^{s}}{\partial r} = 0 \]

These equations represent the relationships between employment, wages, and interest rates. The model assumes that employment is determined by the interaction of the demand for labor and the supply of labor. The demand for labor is influenced by the price level, wage levels, and interest rates, while the supply of labor is influenced by the wage levels and interest rates.
\[ n_{d_3} + n_{d_2} \psi \phi + n_{d_1} \psi \phi + n_\psi \psi + n_\psi = n_d \]

We can write this model as:

\[ \psi = \xi \]

Given these simplifications, our equation for employment growth in \( \psi \) becomes:

\[ n_{d_3} + 1^{-n} \chi \psi + 1^{-n} \chi \psi + 1^{-n} \chi \psi + 1^{-n} \psi + 1^{-n} \psi + 1^{-n} \psi = 1^{-n} \chi \]

where is given by (7.24).

The collective impact of sectoral shocks

\[ n_{d_3} + n_{a_1} \psi + n_{a_2} \psi + n_{a_3} \psi + n_\psi = n_d \]

where

\[ n_{d_3} + 1^{-n} \chi \psi + 1^{-n} \chi \psi + 1^{-n} \chi \psi + 1^{-n} \psi + 1^{-n} \psi + 1^{-n} \psi = 1^{-n} \chi \]

We also use the following definitions:

\[ n_{d_3} \psi + n_{a_1} \psi + n_{a_2} \psi + n_{a_3} \psi = 1^{-n} \chi \]

and

\[ n_{a_1} \psi + n_{a_2} \psi + n_{a_3} \psi = 1^{-n} \chi \]

Following approximation (g.2-29a) to 1.0, to simplify the model for empirical implementation, we make the following assumption (g.2-29a):

The coefficients \( n_{d_3} \psi, n_{a_1} \psi, n_{a_2} \psi, n_{a_3} \psi \) are estimated from data on the collective impact of sectoral shocks. However, in the empirical work, we had to make certain assumptions about the coefficient of sectoral shocks for the empirical model. This is because of the limitation of the available data on sectoral shocks. Therefore, the estimated model cannot be directly compared to the theoretical model.
The collective impact of sectoral shocks

When estimating the impacts of shocks in different sectors on overall economic activity, it is important to consider how these shocks interact with each other. In this context, the collective impact of sectoral shocks can be modeled using a multivariate approach, which allows for the simultaneous estimation of the effects of multiple shocks.

The model can be represented as:

\[ \sum_{i=1}^{n} \alpha_i \Delta y_i = \sum_{i=1}^{n} \beta_i \Delta x_i \]

where \( \alpha_i \) and \( \beta_i \) are the coefficients associated with the shocks in sector \( i \) and the macroeconomic variables, respectively. The terms \( \Delta y_i \) and \( \Delta x_i \) represent the changes in the sectors and macroeconomic variables, respectively.

To estimate these coefficients, we can use a panel data approach, which involves estimating a separate equation for each sector and aggregate time series. This allows for the capture of any sector-specific effects and the macroeconomic effects of shocks.

One potential issue in this estimation process is the presence of endogeneity, where the variables of interest may be correlated with the error terms. To address this, we can use instrumental variables or other econometric techniques to ensure that the estimates are unbiased.

The collective impact of sectoral shocks can be used to inform policy decisions, as it highlights the interdependencies between different sectors and the broader economy. This information can help policymakers to develop more targeted and effective policies to address economic challenges.

In summary, the collective impact of sectoral shocks is a crucial aspect of understanding the overall economic landscape and can be effectively modeled using a panel data approach. By considering the interdependencies between sectors, policymakers can make more informed decisions that are better aligned with the needs of the economy.
New Brunswick data on the Maritimes and Saskatchewan data. Observe

The empirical covariance matrix of the residuals

The collective impact of sectoral shocks
### Table 8—6. Average Percentage Share in Canadian Employment\(^a\) by Province and Industry: 1961—1982

<table>
<thead>
<tr>
<th>Industry</th>
<th>Newfoundland</th>
<th>Nova Scotia/ New Brunswick</th>
<th>Quebec</th>
<th>Ontario</th>
<th>Saskatchewan/ Manitoba</th>
<th>Alberta</th>
<th>British Columbia</th>
<th>Row Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry</td>
<td>.042</td>
<td>.132</td>
<td>.281</td>
<td>.170</td>
<td>.027</td>
<td>.034</td>
<td>.306</td>
<td>.992</td>
</tr>
<tr>
<td>Mining</td>
<td>.078</td>
<td>.129</td>
<td>.369</td>
<td>.509</td>
<td>.175</td>
<td>.427</td>
<td>.172</td>
<td>1.859</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>.200</td>
<td>.934</td>
<td>7.499</td>
<td>12.078</td>
<td>.984</td>
<td>.844</td>
<td>1.956</td>
<td>24.495</td>
</tr>
<tr>
<td>Construction</td>
<td>.123</td>
<td>.339</td>
<td>1.445</td>
<td>2.125</td>
<td>.432</td>
<td>.689</td>
<td>.606</td>
<td>5.759</td>
</tr>
<tr>
<td>Finance</td>
<td>.040</td>
<td>.203</td>
<td>1.320</td>
<td>2.163</td>
<td>.366</td>
<td>.369</td>
<td>.527</td>
<td>4.988</td>
</tr>
<tr>
<td>Services</td>
<td>.461</td>
<td>1.616</td>
<td>7.282</td>
<td>10.746</td>
<td>2.360</td>
<td>2.486</td>
<td>2.942</td>
<td>27.893</td>
</tr>
<tr>
<td>Government</td>
<td>.143</td>
<td>.521</td>
<td>1.607</td>
<td>2.761</td>
<td>.623</td>
<td>.587</td>
<td>.703</td>
<td>6.945</td>
</tr>
<tr>
<td>Column totals(^b)</td>
<td>1.597</td>
<td>5.523</td>
<td>26.686</td>
<td>40.574</td>
<td>7.550</td>
<td>7.783</td>
<td>10.287</td>
<td></td>
</tr>
</tbody>
</table>

\(^a\)Defined as sum over industries and provinces listed.
\(^b\)May not sum to 100% because of rounding.

### Table 8—7. Means and Standard Deviations of the Log First Differences in Industry and Provincial Employment

#### A. Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Forestry</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Transportation</th>
<th>Trade</th>
<th>Finance</th>
<th>Services</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>-.0113</td>
<td>.0171</td>
<td>.0128</td>
<td>.0179</td>
<td>.0168</td>
<td>.0349</td>
<td>.0476</td>
<td>.0482</td>
<td>.0317</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>(.0760)</td>
<td>(.0514)</td>
<td>(.0364)</td>
<td>(.0560)</td>
<td>(.0179)</td>
<td>(.0218)</td>
<td>(.0231)</td>
<td>(.0165)</td>
<td>(.0223)</td>
</tr>
</tbody>
</table>

#### B. Province/Region

<table>
<thead>
<tr>
<th>Province/Region</th>
<th>Newfoundland</th>
<th>Nova Scotia/ New Brunswick</th>
<th>Quebec</th>
<th>Ontario</th>
<th>Saskatchewan/ Manitoba</th>
<th>Alberta</th>
<th>British Columbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>.0293</td>
<td>.0214</td>
<td>.0241</td>
<td>.0295</td>
<td>.0244</td>
<td>.0525</td>
<td>.0395</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>(.0287)</td>
<td>(.0206)</td>
<td>(.0241)</td>
<td>(.0182)</td>
<td>(.0175)</td>
<td>(.0213)</td>
<td>(.0290)</td>
</tr>
</tbody>
</table>
The collective impact of sectoral shocks results in a complex set of responses. We examine the contribution of each sector to the overall pattern of employment growth in Canada. The effects of industry shocks on employment are significant, and we focus on the importance of the manufacturing sector. 

We find that the manufacturing sector's contribution is substantial, with a positive impact on overall employment growth. The results are consistent across regions in Canada. The manufacturing sector is crucial for the economic growth of the country. The impact of shocks on the manufacturing sector is the most significant contributor to the overall employment growth. The findings are consistent across different regions in Canada.

The results indicate that the manufacturing sector is crucial for the economic growth of the country. The impact of shocks on the manufacturing sector is the most significant contributor to the overall employment growth. The findings are consistent across different regions in Canada. The manufacturing sector is crucial for the economic growth of the country. The impact of shocks on the manufacturing sector is the most significant contributor to the overall employment growth. The findings are consistent across different regions in Canada.
in the respective contribution in the two periods may not be large relative to the size of the shock. However, the size of the shock is not estimated to be zero, as is assumed in the steady-state VAR models.

There are two reasons for estimating the contribution of the shock: first, to determine whether there are significant differences in the magnitude of the contribution across different periods, and second, to determine whether there are significant differences in the magnitude of the contribution across different sectors.

The table below shows the percentage contribution of each sector to the variance of the employment growth rate for the full sample and for the sub-samples.

<table>
<thead>
<tr>
<th>Sample Period</th>
<th>U.S. Stocks</th>
<th>Industry Stocks</th>
<th>National Stocks</th>
<th>Provincial Stocks</th>
<th>All Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-1970</td>
<td>53.2%</td>
<td>61.7%</td>
<td>66.2%</td>
<td>61.2%</td>
<td>62.6%</td>
</tr>
<tr>
<td>1972-1975</td>
<td>56.0%</td>
<td>68.8%</td>
<td>74.0%</td>
<td>62.5%</td>
<td>69.0%</td>
</tr>
<tr>
<td>1972-1980</td>
<td>59.8%</td>
<td>72.6%</td>
<td>74.5%</td>
<td>68.5%</td>
<td>72.6%</td>
</tr>
<tr>
<td>1972-1985</td>
<td>62.6%</td>
<td>76.8%</td>
<td>76.0%</td>
<td>72.7%</td>
<td>76.7%</td>
</tr>
<tr>
<td>1972-1990</td>
<td>65.4%</td>
<td>80.8%</td>
<td>77.6%</td>
<td>76.8%</td>
<td>79.1%</td>
</tr>
</tbody>
</table>

The collective impact of sectoral shocks, industrial shocks, and provincial shocks is significant, but the contribution of each sector varies across different sample periods. The contribution of U.S. stocks is generally higher than that of industry stocks, and the contribution of provincial stocks is generally lower than that of industrial stocks. The contribution of all sectors is highest in the 1972-1980 period, and lowest in the 1972-1975 period.
Several recent studies have examined the real, callion hypotheses, with
the modern shocks as its core and on an increasing function of the variances
of the individual stocks. In our analysis, we examined the variance of the stock
price in the quarterly data. Our main hypothesis is that the variance of the stock
price is a function of the variance of the aggregate shocks. This hypothesis
is supported by the findings of several studies that have examined the rela-
tion between the variance of the aggregate shocks and the variance of the
individual stocks. The results of our analysis indicate that the variance of
the aggregate shocks is a significant predictor of the variance of the stock
price.

Hypothesis

VI. A Review of Evidence on Sectoral Shocks and the Realization

Canadian employment growth in the 1970s and 1980s is
exerted by the economic instability of aggregate
factors. However, these results indicate that increases in the variance of all
stocks
are almost nonexistent. In tables 8—9, we see that

Table 8-1: Growth (No Provincial Shocks)

<table>
<thead>
<tr>
<th>Sample Period</th>
<th>U.S. Shocks</th>
<th>National Shocks</th>
<th>Provincial Shocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962-1970</td>
<td>1.4</td>
<td>6.2</td>
<td>5.5</td>
</tr>
<tr>
<td>1970-1972</td>
<td>1.8</td>
<td>7.1</td>
<td>6.1</td>
</tr>
<tr>
<td>1972-1975</td>
<td>2.0</td>
<td>7.5</td>
<td>7.0</td>
</tr>
</tbody>
</table>

The above analysis indicates that sectoral shocks play only a modest role in

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THE COLLECTIVE IMPACT OF SECTORAL SHOCKS
emergence of investment in the Pacific Basin.


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mixed, and it is too early for strong conclusions to be drawn about their effectiveness. The results of existing studies of the reflation mechanism are not entirely consistent, and there is no single explanation that can account for all of the observed effects. The reflation mechanism involves the interaction of the monetary and fiscal policy of a country with the balance of payments and the exchange rate. The mechanism operates through changes in the demand for and supply of foreign exchange, which affect the exchange rate and the balance of payments. The reflation mechanism is an important aspect of the process of reflation, but it is not the only factor that influences the exchange rate and the balance of payments.

Although the collective impact of reflation may be significant, the results of existing studies are not entirely consistent. Some studies show that reflation has a material impact on the economy, while others find that the impact is more modest. In some cases, the impact of reflation is positive, while in others it is negative. The results of existing studies also vary depending on the country and the specific policy measures used to implement reflation. Overall, the evidence suggests that reflation can have a significant impact on the economy, but it is important to consider the specific circumstances of each country when evaluating the effectiveness of reflation policies.
noise