

The Leontief Input-Output Model

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Abstract

Economist Wassily Leontief (1906-1999) developed an input-output model in order to answer the question: "What level of output should each of the n industries in an economy produce, in order that it will just be sufficient to satisfy the total demand for that product?" We shall give an overview of the mathematical derivation of this model, as well as the conceptual motivation behind it. This leads into a discussion of the practical use of this model today.