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Sector structure in macro economic models: A comment

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Considerations in the Danish model MAKRO

- Dynamic development in productivity and taste
 - Service
 - Manufacturing
 - Agriculture
- Competition and productivity
 - Construction
 - Home market service ('hair cut')
- Special sectors:
 - Housing (National account)
 - Construction (input to housing)
 - Sea transportation
 - Financial sector
 - Public sector
 - Energy

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Aggregation

- The current paradigm
 - Constant returns to scale (Scalability)
 - Imperfect competition
 - Representative agents

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Aggregation

- The future (maybe...)
 - S-shaped production functions (optimal firm size:
Scalability=NumberOfFirms)
 - Imperfect competition (still..)
 - Heterogeneity (productivity)
- Next step could be agent based models...
- ...or other more 'macro' ways to include heterogeneity

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Thank You!