

Monetary Policy Shocks and Input-Output Characteristics of Production Networks in OECD Economies

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The production network's function in spreading monetary policy shocks is reviewed in this research. The paper analyzes GDP's time-varying impulse response functions to monetary shocks using macroeconomic data for several OECD economies. The study examines metrics from the input-output literature, such as average propagation length or domains of effect, in contrast to modern macroeconomics documents concentrating on upstream or downstream. metrics such as average propagation length or the fields of influence of rows increase the negative effects of monetary policy shocks. In contrast, forward linkage reduces them, according to the association between production network metrics and the impact of monetary policy shocks on GDP.

Keywords: Monetary policy, Production Network, Monetary policy shocks, OECD economics