
Supplementary Table S1. Backward linkage multipliers, forward linkage multipliers
and employment multipliers

Employing a square social accounting matrix (SAM), the backward-linkage (BL) and forward-linkage (FL) multipliers are based on the Leontief inverse $M = (I - A)^{-1}$, where each element m_{ij} in M depicts the output requirements of account i to increase final demand of account j by one unit and employing the same logic, the input requirements of account i to produce one unit by account j . The aggregate multipliers by columns and rows are given by (Rasmussen, 1956):

$$M_{\bullet j} = \sum_{i=1}^n m_{ij} \quad \forall j = 1, 2, \dots, n \quad [\text{A.1}]$$

$$M_{i\bullet} = \sum_{j=1}^n m_{ij} \quad \forall i = 1, 2, \dots, n \quad [\text{A.2}]$$

where BL and FL multipliers are given as:

$$BL_{\bullet j} = \frac{\sum_{i=1}^n m_{ij}}{\frac{1}{n} \sum_{j=1}^n m_{ij}} \quad [\text{A.3}]$$

$$FL_{i\bullet} = \frac{\sum_{j=1}^n m_{ij}}{\frac{1}{n} \sum_{i=1}^n m_{ij}} \quad [\text{A.4}]$$

By normalizing both indices, it is possible to attain a relative measure of economic structure and influence and therefore directly compare between accounts and EU27 regions. If the multiplier exceeds unity, the generation of economic activity exceeds the average of the rest of the economic accounts i or j . From the BL and FL indicators, it is possible to determine the 'key sectors' of an economy (FL and BL exceed one).

The *employment multipliers* are the result of a new diagonal matrix called E containing priors on the ratio of the number of labour posts per million euros of output value. To populate this matrix, employment data on number of head are taken from Eurostat (2014a) (nama_nace60_e). In the case of agriculture, data on non-family labour force (number of

persons by type of farming – 2-digit, ef_olfftecs) are employed. Given the high degree of unpaid and family labour in this sector, this measure is considered to be a more accurate measure of potential paid labour changes in response to hypothetical increases in the output value of the sector. For most of the remaining sectors, Eurostat (2014b) national accounts data by (60) branches are employed (nama_nace60_e), except in the case of the UK, Austria and Malta, where due to lack of data availability, labour data are taken from the Structural business statistics (SBS), annual detailed enterprise statistics on industry, construction, trade and services (Eurostat 2014c). Finally, missing observations for the forestry sector are filled using Eurostat (2014b) data by Nace Rev 1.1 classification (for_emp_lfs1).

This matrix is multiplied by the part of the multiplicative decomposition called Ma that incorporates the rows and columns corresponding to the productive accounts plus endogenous accounts as labour, capital and households, in our case, and so, the multipliers are higher than only using productive accounts. When increasing the income of an endogenous account, one obtains the impact of said change on the corresponding column of Ma and, via the matrix E , this is converted into the number of jobs created (or lost). The expression of the employment multiplier, Me , is the following:

$$Me = E * Ma \quad [A.5]$$

Each element in Me is the increment in the number of employment of the account i when the account j receives a unitary exogenous injection. The sum of the columns gives the global effect on employment resulting from an exogenous increase in demand. The rows show the increment that the activity account in question experiences in its employment if the rest of the accounts receive an exogenous monetary unit, *i.e.*, the multipliers give the number of additional jobs per million of additional output from each activity.