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The German Manufacturing Sector is a Granular Economy

by Joachim Wagner

(November 2011)

published in: Applied Economics Letters, 2012, 19 (17), 1663-1665

Abstract:

Using the approach suggested by Gabaix (Econometrica 2011) this paper demonstrates that idiosyncratic shocks in the largest firms are important for an understanding of aggregate volatility in German manufacturing industries. The implications of this finding for theoretical and empirical research and for economic policy are discussed.

Text: See [Discussion Paper No. 6115](#)



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