

purchased by each sector. The payments to government row represents the purchases by each sector of government services. The depreciation allowances row approximates the cost of plant and other equipment used up in the production of goods. Finally the household row can be expressed as the value-added portion in each sector, such as wages, salaries, interest; in other words, it can be thought of as the payments of labour input by the economic sectors.

The fourth, bottom right-hand quadrant expresses the level of primary inputs used by final demand. This quadrant shows the links between the exogenous sectors so defined because they are not determined by the local economy. This fourth quadrant is usually utilized as a balancing element to equal total output to total inputs. For this reason it does not hold an important role in input-output analysis.

A tool of this type is helpful as a regional analytical framework but also at an urban level to calculate income and employment effects of a new injection of investment. For instance, the measurement of the economic effects expected to be generated by the Integrated Mediterranean Programme of Calabria, in Southern Italy, has been calculated using an input-output analysis.²⁴ The Programme, a five-year project, came into force on 1 January 1988 and ended on 31 December 1992. The European Union financed 40.37 per cent of the total investment and the Italian State 59.63 per cent of the total budgetary resources. The Integrated Mediterranean Programme for Calabria comprises five sub-programmes: agriculture, industry, tourism, fisheries and programme implementation. The main purpose of the analysis was to assess how far the programme's economic effects benefit the more deprived areas of the Region at the construction stage. The analysis has shown that the direct, indirect and induced income to be produced in the more deprived inland areas was far less than that produced in the relatively wealthier areas where most of the urban renewal projects were located. This was mainly because the investment was channelled towards those economic sectors which

did not represent the larger income multipliers and which could cause greater economic effects locally.

The main limitations in using an input-output analysis are due to the high costs in building survey-based input-output tables and the overestimation of multipliers in non-survey-based tables.

Nevertheless, Batey *et al.* have utilized an input-output analysis to assess the socio-economic impacts of the construction of an airport upon a local economy.²⁵ Since the use of input-output analysis is a costly operation, it is probably best reserved for large-scale projects.

CONCLUSION

The assessment of alternative urban design projects or of a single project requires the investigation of numerous aspects of projects' impacts, from a cost-benefit analysis to a complete environmental impact assessment of the project. The attention was focused on the use of techniques and methods which allow such an assessment. The results of these assessments support decision makers as any project requires a trade-off between economic, environmental and social impacts. An important element is the involvement of the public as soon as possible in the assessment process. Since the project will affect those who live in the area where the project is to be implemented, it is essential to involve the public at an early stage of the assessment process, and to give them the opportunity to trade-off between alternatives.

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