



SRMOD: development, applications and future plans

Saša Randelović, Jelena Žarković, Mihail Arandarenko

*University of Belgrade – Faculty of Economics &
Foundation for Advancement of Economics (FREN)*

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Building SRMOD: initiative

- SRMOD: The first tax and benefit microsimulation model in the Balkans
- Developed based on EUROMOD platform, with kind assistance from ISER
- Construction of SRMOD initiated in October 2009 by the Foundation for the Advancement of Economics (FREN), a research institute at the University of Belgrade – Faculty of Economics
- The EUROMOD idea promoted by the European Center for Social Welfare Policy and Research, Vienna
- Initiative came as a response to the growing need for *ex ante* public policy analyses in Serbia



SRMOD: key facts

- Simulated policies: direct (personal) taxes and cash benefits
 - Personal income tax, SSC, child benefits, monetary social assistance, etc.
- Policy years: 2007 and 2013
- Datasets:
 - 2007: Living Standard Measurement Survey
 - The World Bank methodology
 - 2013: Survey on Income and Living Conditions (SILC)
 - EU-SILC methodology
 - 2013: the first wave of SILC in Serbia
- Labour supply model developed and linked to SRMOD, to enable evaluation of behavioural effects



SRMOD & MKMOD: development

- Development of tax & benefit microsimulation model for Macedonia – MKMOD, based on the experience with development of SRMOD
 - Regional Research Promotion Program project, 2011-2013
 - Joint undertaking by FREN and UACS
 - Simulated direct taxes and cash transfers, using 2011 SILC dataset
 - Development of MKMOD, linking SRMOD and MKMOD to labour supply model and evaluation of effects of in-work benefits in Serbia and Macedonia



SRMOD: applications & publications

- Multiple focuses of applications: evaluation of baseline policies, tax reforms and benefits reforms
 - Policy and academic research
- Distributional and Poverty Effects of the draft Social Welfare Law in Serbia
 - Research project commissioned by the World Bank
 - Published: chapter in the book *Poverty and Exclusion in the Western Balkans – New Directions in Measurement and Policy*, Springer, the Netherlands, 2013
- Improving Working Incentives: Evaluation of Tax Policy Reform Using SRMOD
 - Published: *International Journal of Microsimulation*, 2013



SRMOD: applications & publications

- Addressing Inequality and Poverty with Tax Instruments
 - Published: *Economic Annals*, 2013
- The Estimation of Tax-Benefit Automatic Stabilizers in Serbia: a Combined Micro-Macro Approach
 - Published: *Economic Annals*, 2013
- Tax Design-Tax Evasion Relationship in Serbia: New Empirical Approach to Standard Theoretical Model
 - Published: *Industry*, 2015
- Estimating the Impact of Income Tax on Personal Savings in Serbia: the Two Channels Approach
 - Published: *Acta Oeconomica*, 2016



SRMOD: applications & publications

- Labour Market Effects of Social Security Contributions Reform in Serbia
 - Published: *Economic Annals*, 2016
- Reduction of child poverty in Serbia: benefit or employment strategy?
 - Partnership for Economic Policy (PEP) project, 2015-2017
 - Forthcoming in the journal *Economics of Transition* (2018)
- Social Welfare Effects of Progressive Income Taxation
 - Work in progress
- Making Work Pay in the Western Balkans: the case of Serbia and Macedonia
 - RRPP project



SRMOD: future

- To introduce the most recent SILC dataset (2017?) and to update policies accordingly
- To add indirect taxes into the model
- To add non-cash benefits into the model
- To actively participate in development of BALKAN-MOD network, in order to enable Balkans-wide comparative policy analyses
- To work on stronger integration with EUROMOD
- To work actively on outreach and promotion of use of SRMOD in academia and policy-making institutions



Questions or comments?

Contacts:

zarkovic@ekof.bg.ac.rs

randjelovic@ekof.bg.ac.rs