SRMOD: development, applications and future plans

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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
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

  - Published: *International Journal of Microsimulation*, 2013
SRMOD: applications & publications

- Addressing Inequality and Poverty with Tax Instruments
  - Published: *Economic Annals*, 2013

  - Published: *Economic Annals*, 2013

  - Published: *Industry*, 2015

  - 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?

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