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TITLE: ECONOMETRIC INPUT-OUTPUT MODEL FOR EU COUNTRIES BASED ON SUPPLY & USE TABLES: PRIVATE CONSUMPTION

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ABSTRACT:

This paper presents the results of an econometric study on household private consumption in EU15 aiming at the estimation of a household demand system of equations including price and income parameters as well as other socio demographic explanatory variables. The econometric model is estimated by consistently combining a time series cross section dataset derived by the aggregated household expenditure data for EU15 countries, published by Eurostat as part of the national accounts, and a cross section dataset based on the household budget surveys of five European countries. The estimated household demand system of equations is integrated in an Input-Output model based on Supply and Use table, recently proposed by Kratena and Streicher, to have a better representation of the European household budget allocation behaviour in response to change in commodity price, total available income and household characteristics. A set of policies and socio-demographic scenarios is analysed through the resulting Econometric Input-Output modelling framework with a demonstrative purpose.