ILO's Structural Model for Sustainable Development: some applications on SSA countries

Topic: Assessing Employment Impacts Using Simulation Models: Some Sub-Saharan African

Experiences

Author: Massimiliano LA MARCA

Co-Authors: Xiao JIANG

This paper presents an economy-wide structural simulation model that fucus on capturing the role of given structural characteristics of the economy in the short-run and longer-term structural change and development dynamics. The model is based on a SAM that by products, industries, and institutional sectors, covering the full sequence of production and income accounts in the system of national accounts (SNA). It may include industry and labour breakdowns based on the System of Environmental-Economic Accounting (SEEA), the classification of occupation and of status in employment and other international standard classifications. The model works allowing for the composition of different adjustment channels that bring product supply and demand into equality, and determine the different sets of prices, the functional distribution between primary factors of production and the personal distribution between households. These adjustment mechanisms allow capturing the characteristic features of significantly different economic sectors. Some applications to some sub-Saharan African economies illustrate how the model can adapt to a variety of country-specific socioeconomic characteristics and data availability by closely reflecting the national accounting structure and adopting parsimonious specifications.