

SENSITIVITY ANALYSIS OF PARAMETERS OF REGIONAL MODEL HERMIN IN CASE OF SLOVAKIA

Tomáš Miklošovič, Ivan Lichner, Marek Radvanský

Institute of Economic Research SAS

Abstract

This paper focus on sensitivity analysis of the main parameters which are necessary input into HERMIN methodology framework. One of the basic features of the general HERMIN model is the modelling of a small open economy. At the same time, the basic theoretical model considers the structure of Cohesion policy instruments. The sensitivity analysis was used for Slovak regions at NUTS 3 level. We focused on different parameters for CES production functions, spillovers effects and level of contributions of European Structural and Investment funds.

Keywords: *HERMIN model, sensitivity analysis, regional impact assessment model*

JEL Classification: C44, C54, E24, R58

AMS Classification: 62P20

Acknowledgement: This research was supported by projects: APVV-16-0630, VEGA 2/0135/17 and VEGA 2/0182/17.