0.2 Key Features of TIM

The Informetrica Model can be characterized as a general purpose disaggregated econometric model, using annual data and designed for medium-to-long term analysis. A major emphasis underlying both its initial specification and continuing development is on the generation of meaningful alternatives derived from changes in assumptions rather than on the simple forecasting of current trends. This has resulted in a model which incorporates a high degree of internal simultaneity, with extensive use of stocks, lags and non-linear specifications.

One important characteristic of the model is the careful choice of exogenous variables. For example, like its predecessor models, TIM incorporates an endogenous demographic calculator thus requiring only that fertility and survival rates and the level of net immigration be exogenous. Many exogenous variables are required for the extensive elaboration of the energy-related flows in the economy. Where possible, exogenous variables have been defined as applied to endogenous "base" variables. This is particularly important in the government sector and in a number of program-related rules, to ensure broad consistency of government expenditures and transfers with the whole economic environment.

The endogenization of the government sector which was a tradition of the CANDIDE family of models has assumed increasing importance with the evolution of indexed expenditure and transfer programs. These programs have been modelled in TIM at a level consistent with the derivation of full revenue and expenditure