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MEDIUM AND LONG TERM PROJECTIONS OF PUBLIC EXPENDITURES OF SPANISH REGIONS: A TWO-STEP METHODOLOGY

Abstract:

This paper presents a two-step projection method of the main expenditures of the Spanish regions: health, education and long term care. In the first phase, with a demographic approach, we estimate and project the regional spending for each region (Autonomous Communities), and in the second stage a projection of spending is offered up to 2021 taking into account other factors, and not only the demographics, such as the wealth of the region or the effect of technology. The results indicate that, according to the demographic approach, we expect a deceleration in the evolution of the expenditure. However, the second step projection indicates an increase in spending similar to those growth values existing before the crisis.

Keywords:

Public expenditure, ageing, projections

JEL Classification: H51, J11