

NEWSLETTER

3RD ISSUE
JUNE 2010

SUST-RUS – Spatial-economic-ecological model for the assessment of sustainability policies of the Russian Federation – is a sound scientific support for formulating sustainability policies with the focus on a balanced integration between social, economic and environmental policy objectives.



Eyjafjallajökull volcano did not prevent us from meeting in Ekaterinburg.

Dear Colleagues,

This is the third issue of the SUST-RUS Newsletter and it marks the mid-term of our project.

Content:

- **Meeting in Ekaterinburg**

SUST-RUS fourth internal meeting (IM4) took place in Ekaterinburg on April 22, 2010.

- **SUST-RUS academic seminar**

Sustainable growth of the regions: world experience and models for Russia.

- **Post-meeting results**

- CEFIR considered all comments of the data base construction and explicitly include interregional data in the system of regional social accounting matrices.
- Christophe used TML's methodology for balancing the interregional trade flows in the regional social accounting matrices.

- **News and events**

Contacts of coordinator:

CEFIR, Nakhimovsky pr., 47, office 720,
Moscow, Russia
Tel: +7 495 925 5002, Fax: +7 495 925 5003;
contact person – obuturlina@cefir.ru

Meeting in Ekaterinburg



Our fourth internal meeting (IM4) took place in Ekaterinburg (Ural region of the Russian Federation). Although the *Eyjafjallajokull* volcano's eruption has almost paralyzed the European airspace, SUST-RUS partners managed to meet in Ekaterinburg and Christophe Heyndrickx (TML) was also present via skype connection.

This was a very productive meeting: we discussed the work progress in WP2, data collection issues and constraints, and made important decisions regarding our next steps.

The outcome

- It was decided that regional trade data in the SUST-RUS data base will be changed according to the interregional trade database and the customs statistics.
- SUST-RUS model will not be a closed one – the Environmental module will be modeled separately without further link to the main CGE module.
- Preferred operation for testing of the model's sensitivity to functional parameters of the model is a large number of simulations on a randomized set of parameters (reminiscent of Monte-Carlo simulation method).
- Sustainability Indicators for SUST-RUS model will be developed on the basis of contribution from Russian partners taking into account reporting practices of the regional authorities.

SUST-RUS academic seminar

One of the goals of the SUST-RUS dissemination strategy is to involve regional stakeholders into discussion of project findings. Therefore, SUST-RUS partners organized an academic seminar on modelling techniques implemented in the SUST-RUS model.

On April 23-24, 2010 in Ekaterinburg (Ural Region, one of the most industrialized regions of the Russian Federation) the SUST-RUS consortium partner the Ural State University organized the VII International Scientific Conference on Problems of Economic Growth "*Sustainable Growth of the Russian Regions: Innovations, Institutes and New Technologies*". During this conference the SUST-RUS consortium hosted an open session "*Sustainable growth of the regions: world experience and models for Russia*".

SUST-RUS partners shared their knowledge about economic modeling and assessment of sustainable development policies.

Andreas Löschel (ZEW) gave a presentation on classical models – their structure, content, sources of data. He also explained the way General Equilibrium Models function and how they are being used in the Western Europe.



Natalia Tourdyeva (CEFIR) described the SUST-RUS model – its structure, data base construction and data collection constraints. Natalia gave a classification of indicators for the SUST-RUS model and an update on the international classification of indicators.

Valuable comments on modeling approach and data issues contributed other SUST-RUS partners.

All materials from this seminar and SUST-RUS IM4 meeting are available on <http://sust-rus.org>.

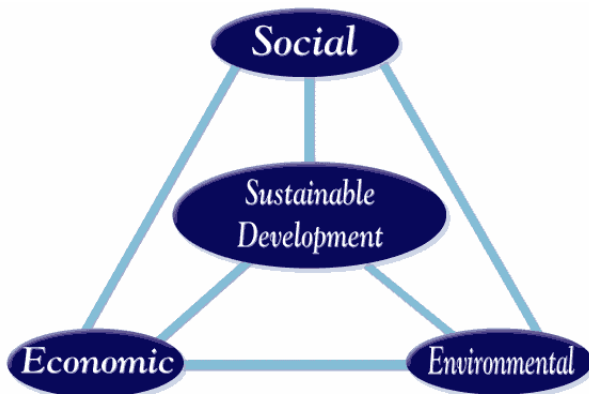
Post-meeting results

CEFIR considered all comments of the data base construction and built the base in the following way:

- The SUST-RUS database consists of the system of regional social accounting matrices, which are linked through interregional trade. The main comment from our Vladivostok partners was to include information from the interregional trade database. According to the research of the FECED's experts, Far East regions trade more with the rest of the world than with Russian regions. This peculiarity is present in the interregional trade data, and CEFIR's stuff was keen to introduce real-data features into the SUST-RUS database. The final calibration of the system of social accounting matrices was balanced with the help of Christophe Heyndrickx (TML).
- We used TML methodology for SAM and interregional trade balancing. This step concludes the long and exhausting work on the database construction. Though there would be changes in the database as the model develops, the core structure is ready to use.

News and events

Next steps



Three dimensions of sustainable development

Our major plan for the upcoming months – working on preparing D5 *Description of the environmental, international and social parts of the model*, which will be the result of three WPs:
WP5: Environmental dimension
WP6: International dimension
WP7: Social dimension

More details and results of this work we will share with you in our next issue.

Upcoming events

IM5 will be held **October, 2010**. More details about the meeting and its venue will be available in September 2010. At this meeting TML will present *D3:Description of the general structure of the spatial-economic-ecological model for Russia* and *D4:Description of a set of the sustainability indicators coupled with the constructed model*. ZEW and CEFIR will host the discussion of WP5, WP6 and WP7 progress.

We wish you success in your work and will come back to you in our next Newsletter issue!

SUST-RUS Consortium Partners



CEFIR, Russia, Moscow
Coordinator of the Consortium

Centre for Economic and Financial Research (CEFIR) was founded in 2000. It is one of the leading Russian independent economic policy think tanks.

Transport & Mobility Leuven NV, Belgium

Transport & Mobility Leuven (TML) clusters the knowledge of both research institutes and applies it to actual policy problems. TML has unique experience with building regional and European general equilibrium models.



Zentrum für Europäische
Wirtschaftsforschung GmbH
Centre for European
Economic Research

Zentrum fuer Europäische Wirtschaftsforschung GmbH, Germany

The Centre for European Economic Research (ZEW) in Mannheim is one of the leading economic research institutes in Germany. Work in the SUST-RUS project will be undertaken by the Department of Environmental and Resource Economics, Environmental Management at the ZEW. The department has acquired a reputation in expertise in Computable General Equilibrium model building and analysis at the national as well as international (global) level in the field of energy and environmental policies. It has furthermore developed methods for integrating bottom-up technological information into a CGE environment.

Institute For The Economy In Transition, Russia, Moscow

Institute For The Economy In Transition (IET) is an independent non-commercial research organization. The Institute conducts both theoretical and applied studies in the field of economics, consults the agencies of state power of the Russian Federation on issues concerning the problems of economic growth in economies in transition, public finance, monetary and currency exchange policies, privatization policies, corporate finances, restructuring and institutional reform.



Ural State University, Russia, Ekaterinburg

Ural State University (USU) was founded in 1920 in Ekaterinburg, the oldest city in the Middle Ural, situated on the border between Europe and Asia. During its existence more than 50 thousand experts have been prepared; the University is one of the first Russian institutions to prepare a number of holders of a master's degree. Today USU offers an opportunity to get a fundamental education and actively participates in the development of various sectors of the Ural region's economy, using its scientific potential in Natural sciences, social and humanitarian spheres.

Voronezh State University, Russia, Voronezh

Voronezh State University (VSU) has a well-established reputation for excellence in teaching and research and is consistently ranked amongst the top Russian Universities. In the SUST-RUS project the basic attention will be concentrated to problems of regional economy and influence FDI on innovative activity of regions.



Far Eastern Center For Economic Development, Russia, Vladivostok

Far Eastern Center For Economic Development (FECED) – is a non-government, non-profit organization. The general mission of the FECED is to provide assistance in promoting the effective economic policy on the Russian Far East, deepening of mutually advantageous trade and economic cooperation with the Pacific Rim countries, and developing the domestic and foreign businesses' activities in the region. FECED pays special attention to development of civil society on the regional and municipal levels as an essential condition of social, economical and political development of the Russian Far East.