

Modeling of Russian Economy Structure with GE-IO Approach

Topic: Decomposition Analysis

Author: Vadim Manavirovich Gilmundinov

* The study has been funded by Grant for young Russian scientists of President of the Russian Federation, Grant Agreement №8470; MK-2148.2010.6

The study is devoted to identifying the main factors determined changes in the structure of Russian economy, which characterized by growing raw orientation. For this purpose we have developed I-O approach by synthesizing with the concept of general equilibrium. To assume macroeconomic restrictions in our I-O model we have developed the mathematical model of four quadrant of I-O table. This enabled us to simulate changes in the industrial structure of Russian economy, detect and estimate the most significant factors determining the structural changes, namely: international competition, limited finance resources, and dynamic of aggregated demand. Based on the results of the calculations, we could expect the growing role of intangible services sector in the Russian economy and the need for improved measures of state support of Russian manufacturing sector.