

MODEST
international working group on
MODelling of Economies and Societies in Transition

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Newsletter

sent out irregularly, mainly on the basis of what's new

Edited etc. by Jan Owsinski

Issue no. 14, Autumn/Winter 2010/2011

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1. Recent publications

Two publications, directly “affiliated” with MODEST, have recently appeared, as, anyway, announced in the Newsletter previously, resulting from the MODEST 2008 Workshop, which took place on September 19th-20th, 2008, in Rembertów by Warsaw, within the campus of the National Defence Academy.

One is a special issue of the *Journal of Organisational Transformation and Social Change* (volume 7, issue 2) published by Intellect in the United Kingdom, bearing the title “Corruption and Good Governance”. This issue is guest edited by Jan W. Owsinski, and the authors of the finally accepted papers are: Maurice Yolles and Ousanee Savagvudcharee (paper on generic theory of corruption with a case illustration from Thailand), Jan W. Owsinski (a remake of an old paper on the “Herring Barrel Metaphor”, being a very telling model of the communist, or the real-socialist system, based on institutionalised corruption), Helena Lindskog, Staffan Brege and Per-Olof Brehmer (on public procurement process, as distinct from private purchasing, and the inherent risks of corruption), Irena Woroniecka-Leciejewicz (on the game between the government and the central bank and the cases when coordination is necessary and when it is not necessary), Krzysztof Cichocki (describing a model for managing local authority finance, with special emphasis on debt management, and the use of this model), and Andrzej P. Wierzbicki (on the perspectives for and the challenges to the systems and operational sciences in the era of knowledge economy and knowledge civilisation). Publication of this

issue was quite delayed, due to the lengthy editorial process, but, finally, a bit more than two years after the meeting, here it is.

The other is a special, English-language issue of the Polish journal *Badania Operacyjne i Decyzje (Operations Research and Decisions)*, published by the University of Technology in Wrocław. The title of this issue is "Decisions in Politics, Economics and Business", and the guest editor is, again, Jan W. Owsinski. This issue, no. 4/2009, is composed of papers, dealing with game theory, optimisation, stochastic models and various operations research methods in decision making in political bodies (F. Turnovec for the European level and J. Mercik for the veto power of the Polish President, H. Bury and D. Wagner for group decisions), in production and pricing (papers by S. Bylka, I. Żółtowska and E. Toczyłowski, and by M. Kaleta and E. Toczyłowski), in environmental issues – related to greenhouse gases and the respective emission market (papers by P. Nowak and M. Romaniuk and by J. Stańczak), as well as simulation of customer behaviour (A. Kowalska-Styczeń).

2. MODEST 2010 meeting in Bydgoszcz and publication therefrom

The consecutive MODEST Workshop took place affiliated with the bi-annual BOS conference, BOS 2010, on September 20-22 (Monday through Wednesday) 2010 in Bydgoszcz, an important city in central-northern Poland (some 200 km to the North of Warsaw). This (broader) meeting was organised jointly with the Systems Research Institute of the Polish Academy of Sciences and the University of Technical and Natural Sciences in Bydgoszcz. The themes, envisaged for the MODEST meeting were:

- "ICT and (local) development" - largely based on the already existing bilateral Polish-French cooperation, but, of course, all of those interested are cordially invited to join in!
- "Banking & finance: trust, connectivity and resilience" - against the background of the recent and the currently looming international crises, but not only...
- "Environment & economy: getting rid of paradoxes, political agenda and the dirt?" - have we learned anything new as of late?

The Workshop brought very interesting presentations and discussions, which extended well beyond the very location in Bydgoszcz into the trains between Bydgoszcz and Warsaw. In particular, the idea of trying to set up an international project was considered as a serious undertaking for MODEST. It should be added that discussions during the Workshop, besides the three themes above, concentrated also on the subject of culture as the essential condition for the character and quality of the development and transition paths.

The publication from the meeting appeared as an English language issue of a Polish periodical *Studies and Proceedings – Polish Association for Knowledge Management*, no. 34, guest-edited by Jan W. Owsinski, under the title of: MODEST: MODelling of Economies & Societies in Transition – ICT and its impacts – economy – environment – patterns in management, 2010, 118 pages. ISSN 1732-324X. The issue contains the following papers:

Amel Attour and Christian Longhi: *Local innovation policies in services: the role of municipalities in the implementation of e-government*

Jan W. Owsinski, Aneta M. Pielak, Krzysztof Sęp and Rafał Ponichtera: *TIROLS: local Web-based networks centred on self-governmental websites vs. local activity – a project outline*

Helena Lindskog, Staffan Brege and Per Olof Brehmer: *Consequences of electronic public procurement*

Ken Morita and Yun Chen: *Transition, disparity and efficiency: on the Yangtze River Delta models of transition*

Jan Gadowski and Zbigniew Nahorski: *Impact of the emission limiting policy on technological conversion and macroeconomic structure*

Piotr Wojewnik and Kamil Zarychto: *The impact of happiness capital on economic growth*

Wojciech Kozłowski and Piotr Piękoś: *Identification of simple monetary policy rules with the use of heuristic methods of data analysis*

Artur Płuska and Przemysław Szufel: *Determinants of the maturity structure of the public securities issuance*

Agnieszka Główska, Justyna Jodis and Tomasz Szapiro: *Generation of decision rules binding managers' remuneration and firms' financial efficiency*

3. Plans for a book

Plans have been forwarded, concerning publishing a book with an international publishing house, based on the content of the MODEST 2010 Workshop, but with some additional, invited contributors. Negotiations are underway, concerning first of all the outline of content and the focus of the potential book. If we have any success with this undertaking, you shall be notified. Please, be also aware of the possibility of being invited to contribute!

4. Proposals and suggestions

In the previous Newsletters we forwarded some suggestions concerning the potential fields of collaboration, e.g. within the framework of bilateral or European projects. We now return to these ideas, with additional information and one more domain of potential joint work. Let us emphasise that in all those fields not only definite research work is, of course, being carried out, but, actually, some collaborative work is, as well, underway.

These activities, and the related ideas, concentrate around the following four themes (which, of course, do by no means limit the potential scope of concepts for future collaborative work):

- modeling for the evaluation of the consequences of and design of changes in the Common Agricultural Policy; there are already a number of models that supposedly do the job, but what virtually all of them lack is the micro- or landscape, or community dimension (or, at a bare minimum – the one of a municipality); on the other hand there is also a gap on the real macro scale meaning aggregate effects for the EU and the world; in conditions of the current crisis the knowledge of potential consequences of various policies and instruments at the scale of the real processes, and not only somewhat abstract aggregates, becomes even more important;
- assessing and modeling the role of ICT in development (place and role in the feedback loop), especially in terms of development dynamics from various starting points, and the possibility of short-cuts; here, as well, the local and regional dimension is of importance; again, this applies equally to the macro- and the real micro- dimensions, in economic and spatial terms;
- modeling the consequences of policies related to the “green paths”, and the possibility of making (or leaving open and effectively available) the truly “optimum” choices and avoiding the “green paradoxes”, without bearing too much of economic and social costs that would impair short- and medium-term competitiveness; this involves an intricate interplay of time horizons, investment and risk, mainly associated with energy; the recent events on the world scene, oil prices and global-warming-related undertakings included, show it very clearly that the respective models are indeed necessary, and, at that, a variety of them, that could grasp the different aspects and perspectives on these issues;
- development of the methodologies related to decision making under uncertainty in situations of emergency, with the use of decision rules, decision trees, fuzzy and intuitionistic logic, and respective linguistic representations; this set of methodological tools might be of high value in devising decision support systems for the high-risk operations with limited information and high uncertainty.

Should you be interested in collaboration on these themes, or in coining other ones of potential interest to members of MODEST, please, contact us about it.