



STRATEGIC STUDIES GROUP «DELPHI»

**INSTITUTE FOR COMPLEX
STRATEGIC STUDIES**



ABOUT ICSS

The Institute for Complex Strategic Studies (ICSS) is one of the leading Russian think-tanks focusing on issues of economic policy



Our mission is to contribute to the socio-economic development of Russia by carrying out policy-relevant research, providing policy advice to government and business, and facilitating dialogue between business, government, science and education

DIRECTOR



General Director ICSS

Doctor of Economics, Prof. Oleg S. Vikhansky,

Dean of Graduate School of Business Administration, Lomonosov Moscow State University, Visiting Professor at College of Business Administration, Northeastern University (Boston, the USA) and at Graduate School of International Management, Aoyama Gakuin University (Tokyo, Japan), author of textbooks on management and strategic management

ICSS MAIN AREAS OF ACTIVITY

- **RESEARCH AND CONSULTING**
- **HOLDING SEMINARS AND CONFERENCES**
- **TEACHING IN GRADUATE SCHOOL OF BUSINESS ADMINISTRATION, MOSCOW STATE UNIVERSITY**
- **PUBLISHING BOOKS**

RESEARCH AND CONSULTING

- **MONETARY POLICY**
- **TAX POLICY**
- **INDUSTRIAL POLICY**
- **PRODUCTION SYSTEMS**
- **ENVIRONMENT AND CLIMATE CHANGE**
- **FINANCIAL MARKETS**
- **SOCIAL POLICY**

MONETARY POLICY

Central Bank of Russia's Monetary Policy



New Exchange Rate Policy – New Rouble Rate (2004)

- Proposed bi-currency exchange rate of the rouble to use as the main indicator of exchange market



Comparative Analysis of Targets and Main Strategies of Central Bank of Russia's Monetary Policy in 2002-2004

- Failure to achieve inflation targets and lack of real effective rouble exchange rate policy was documented



Monitoring of Bi-currency Policy of the Bank of Russia

- Divergence of actual policy from the announced one in 2005-2006 is found and recommendations are made on currency weights in euro-dollar basket

Influence of Exchange Rate on Enterprises

(based on results of an enterprises' survey carried out by Gaidar Institute for Economic Policy)

Main questions:

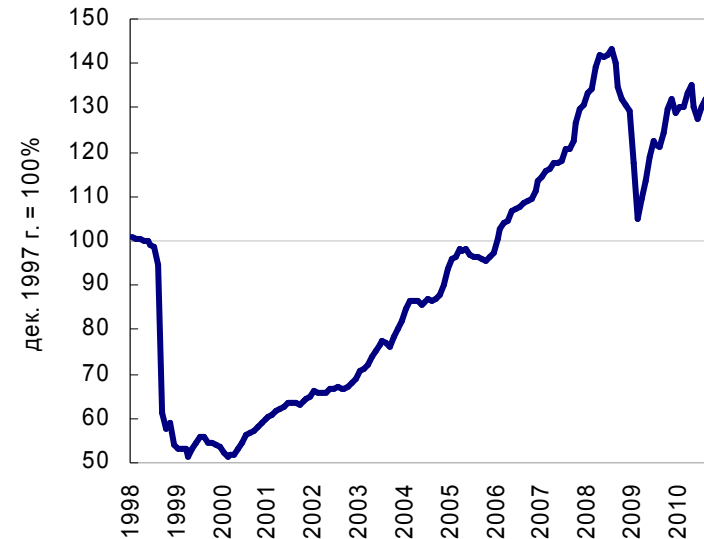
- Scale and structure of import expansion
- Effects of rouble appreciation on enterprises
- Enterprises' behaviour in conditions of rouble appreciation



The Exchange Rate and Economic Behavior of Russian Industrial Enterprises in 2005-2006

Moscow Public Scientific Fund (MPSF) Grant, 2006

Real exchange rate, rouble versus US dollar



Negative effects

- decline of price competitiveness against import
- loss of markets and worsening of financial position

Positive effects

- reduction of expenditures on imported equipment, materials and components
- cheapening of foreign debts servicing

Balance of effects determines the opportunity and the rate of modernization

TAX POLICY

Analysis of Discussed and Planned Tax System Reforms



Recent Russian Debate on Moving from VAT to Sales Taxes and Its Global Implications (NBER Working Paper Series, №15615, 2009)

- Main problems for taxpayers and tax authorities connected with administration of VAT in Russia are demonstrated
- The changes of tax burden for enterprises of different industries in case of move from VAT to Sales Taxes are estimated



Reform of Unified Social Tax in 2010-2011 and expenditures of companies-employers (ICSS Analytical Series, 2009)

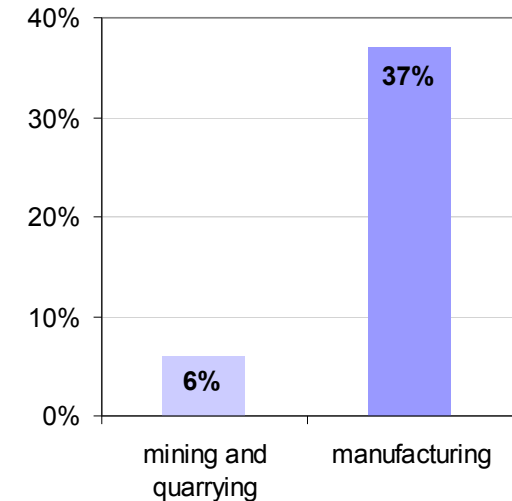
- Estimation of increase in insurance payments of employers as a result of Unified Social Tax reform depending on salary level of employees in 2010 and 2011



Planned Reform of Unified Social Tax and “social burden” for industries (ICSS Analytical Series, 2009)

- Changes in social payments of employers by industries as a result of Unified Social Tax reform are calculated

Ratio of VAT to profit of enterprise by industries in the first half-year period of 2009, %



Proposals for Tax Incentives for Manufacturing Industries



Tax Incentives for Automotive Industry (Industry and Energy Ministry of the Russian Federation Contract, 2006)

- Calculation of the economic effect of proposed stimulating measures for industry development



Microeconomic Valuation of Tax Reform Consequences with Account of Expected Response of Economic Agents (MPSF Grant, 2003)

- Microeconomic estimation of the influence of proposed reforms on tax burden

AUTOMOTIVE INDUSTRY

Passenger Car Market



Business-Diagnostics of Automotive Industry in Russia
Consulting project, 2009



Russian Automotive Market of Premium Brands
Consulting project, 2008



Forecast Scenarios for the Automotive Industry Development for 2006-2010
Project for the Russian Federation Ministry of Industry and Energy, 2005

Market of Automobile Components



Auto Component Industry in Crisis
ICSS Analytical Series, 2009



Analytical Support of Special-Purpose Program «Development of Production of Auto Components and Materials»
Project for the Russian Federation Ministry of Industry and Energy, 2006

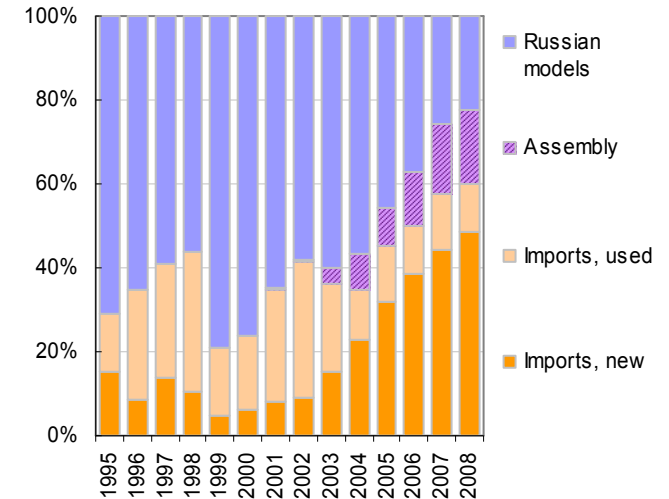
Publications



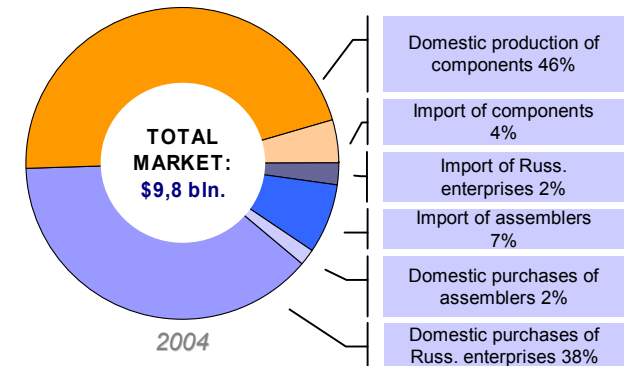
**Automotive Industry in Russia:
Current State and Prospects**

The book presents the estimate of prospects for the Russian automotive industry. The main feature of the research is that industry forecast (i.e. demand for automotive industry products) is based on consideration of various factors by market segment (individual travelling, passenger and freight transportation)

Structure of the Passenger Car Market in Russia



Structure of the Autocomponent's Market of the RF

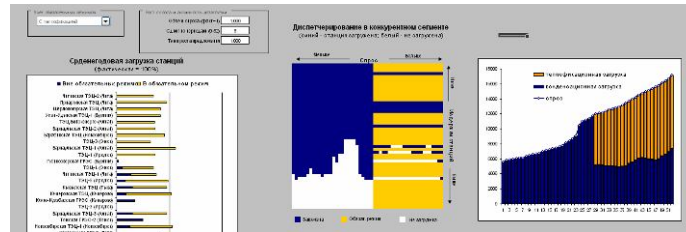


ELECTRIC-POWER INDUSTRY

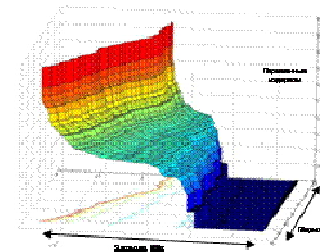
Competitive Market Model ICSS/Deutsche UFG

- Forecast model of prices and production control of the electric power stations on the competitive market
- Model was used for valuation of assets in power generation sector of Siberia United Power Grid (UPG)

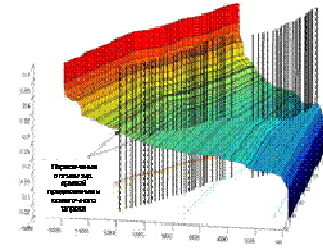
Panel of data visualization



Estimates of a competitive price within a year



Actual annual load of Siberia UPG



Estimation of a competing station bid price

Simulation Modeling of the Wholesale Electricity Market



Mathematical Models in Electric-Power Analysis, research seminar of the European Science Foundation, University Castilla-La Mancha (Spain), 2006

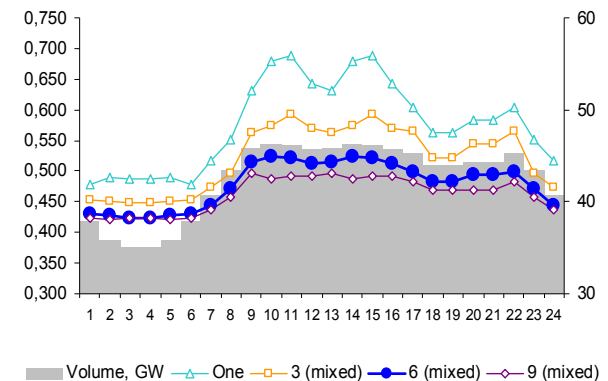


Analysis of the Russian Competitive Electricity Market and Measures for its Development, VI International Conference «Modernization of Economy and Institutions Development», State University Higher School of Economics, 2005



Analysis of the Russian Wholesale Electricity Market Using Computational Learning, INFORMS Annual Meeting, Denver 2004
Jointly with Derek Bunn, London Business School

Relation of prices and number of companies



EXPORT PROMOTION

Export and Economic Growth

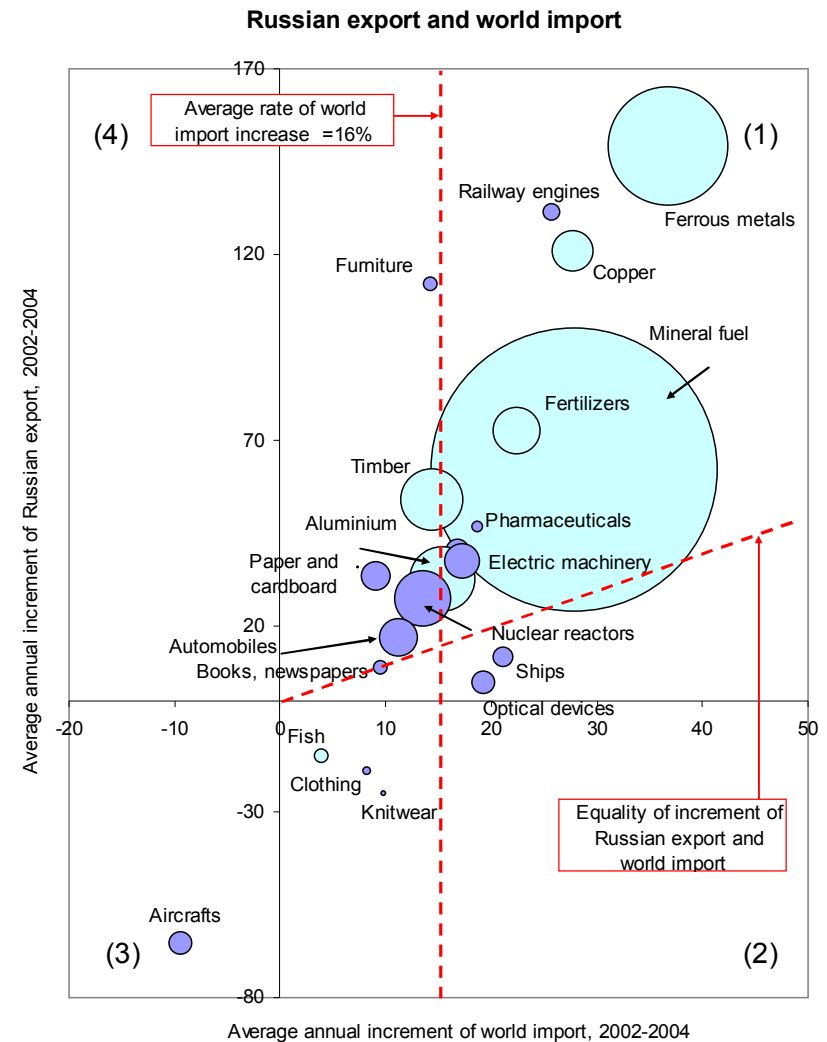


Use of Public-Private Partnerships for the Development of Foreign Economic Relationships and Export Support (World Bank Project, 2005)

- Evaluated proposals to form an organizational structure for state support of industrial export
- Identification of the prospects of public-private partnerships for industrial export development
- Proposed indicators of the efficiency of state programs to promote export

Proposals for Export Support

Principles of organization	Organizational changes
<ul style="list-style-type: none"> ▪ Use of management by objectives ▪ Responsibility of state bodies for program results 	<ul style="list-style-type: none"> ▪ Export support agency, coordinating program development activity ▪ Independent financial structure, attracting debt funds



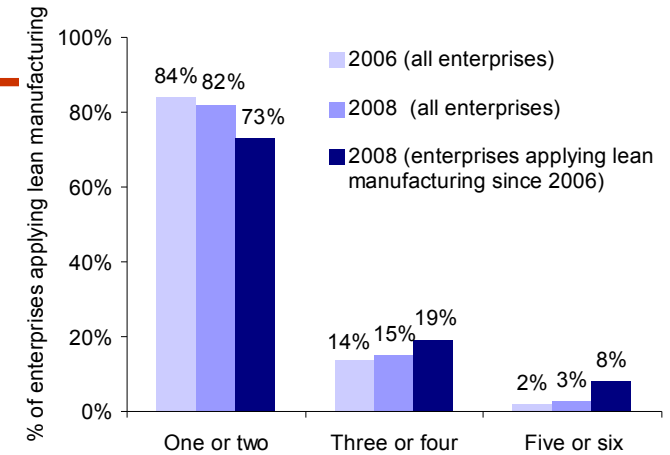
PRODUCTION SYSTEMS

Modernization of Production Systems (PS) in Russia



Application of Lean Manufacturing at Russian enterprises in 2006-2008 (The Third Russian Lean Forum, 2008)

- Carried out survey of industrial enterprises on modern PS expansion and PS influence on “bottlenecks” in enterprise operations
- Estimation of enterprise activity on PS modernization depending on size, industry and location of an enterprise

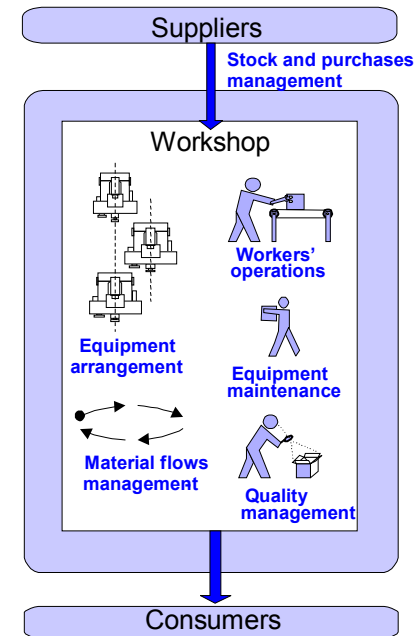


Modernization of Production Systems at Russian enterprises in 2006-2008 (International Conference “Modernization of Economy and Public Development”, Higher School of Economics, 2007)

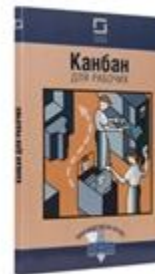


Paper «Gaining the Competitive Advantages through the Development of Production Systems» (Conference «The Future Competitiveness of the EU and its Eastern Neighbors», Turku (Finland), 2006)

Main elements of enterprise PS



Publishing Series of Books about PS Instruments



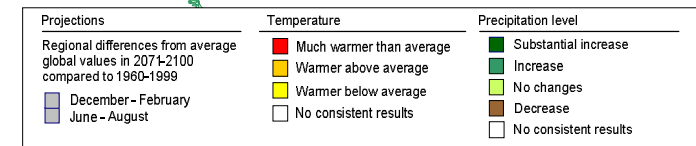
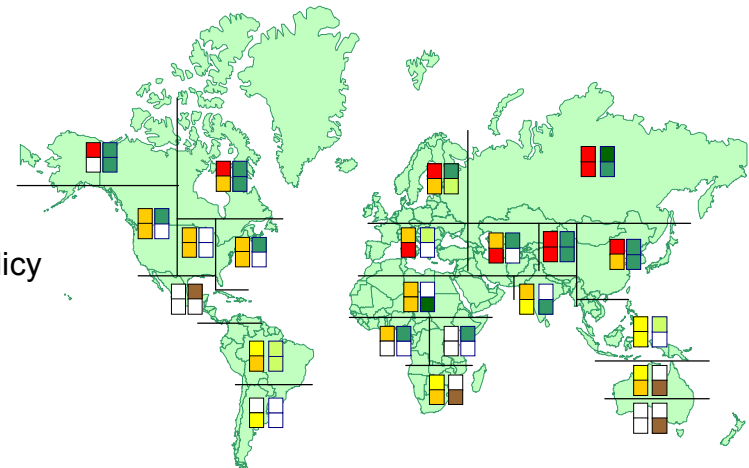
CLIMATE CHANGE AND ENVIRONMENT

Corporate Environmental Policy



Paper «Business Response to Environmental Challenges: Three Cases of Russian Industrial Companies» (Academy of Management Annual Meeting, Chicago (USA), 2009)

- Analysis of environmental policies of three Russian companies: UC RUSAL, GAZ Group and Baikalsk TsBK. On the basis of these cases government policy implications for emerging economies are suggested



Adaptation to Climate Change



Firms' Adaptation to Climate Change: What Does a Hotter World Mean for Business? (International Conference "Energy and Environmental Modeling", 2007)

- Analysis of industry-specific climate change impact with a focus on firm-level response strategies

Carbon Emissions Policy



Russia and Global Climate Negotiations (International Conference "International Climate Policy after Copenhagen", Warwick (UK), 2010)

- Main trends of Russian state policy on greenhouse gases emissions reduction and climate change mitigation are analyzed



Current and prospective Russian commitments on GHG emission reduction (ICSS Analytical Series)

- The consequences of the Kyoto Protocol and probable post-Kyoto agreements on GHG emissions reduction for Russia are estimated

SOCIAL POLICY

Unemployment and Inflation



“Misery Index”: Indicator of Socio-Economic Situation (ICSS Analytical Series, 2009)

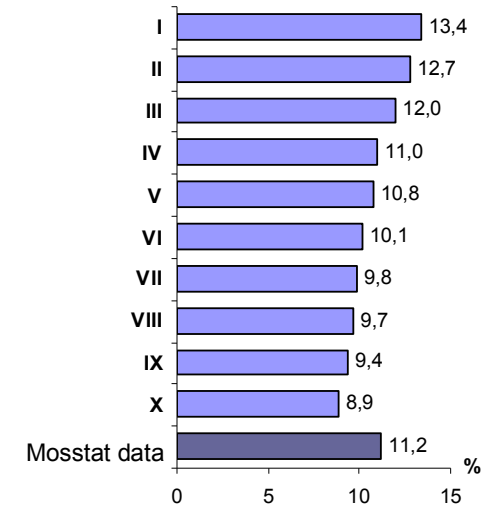
- Evaluation of “Misery Index” on the base of which Russia belongs to countries with the highest levels of inflation and unemployment



Estimation of Inflation for Different Income Groups in Moscow (Analytical Report, 2008)

- Differentiation of inflation for different income groups and its dependence on structure of consumer spending are demonstrated

Inflation for Different Income Groups in Moscow in Jan-Feb 2008



Housing Affordability



Interest Rates on Mortgage Loans (ICSS Analytical Series, 2009)

- “Affordable” interest rate on mortgage in case when monthly mortgage payments are equal to rent charges is calculated

Poverty and Economic Growth



Economic Growth in Russia: Pro-poor Growth?

(Report at the VII International Scientific Conference «Modernization of Economy and the State», State University Higher School of Economics, 2006)

- Estimated impact of economic growth on different income groups
- Policy advice on measures of social and economic policies aimed at poverty reduction

National Projects



Technology of Work within the Priority National Projects (the Presidential Experts` Directorate Contract, 2005)

- Proposed conceptual model for national projects
- Formulated operational norms for national projects based on comparative international experience

YOUTH AND ENTREPRENEURSHIP

Youth Attitude towards Entrepreneurship



“Youth and Small Business: Attitude towards Entrepreneurship and Creation of Conditions for Realization of Entrepreneurial Potential of Youth (case studies of large Russian cities)” (Public Planning Institute Grant, 2009)

- Main trends in small business development in Moscow, Saint-Petersburg, Krasnoyarsk, Yekaterinburg and Krasnodar are analyzed
- Survey of youth attitude towards entrepreneurship was conducted
- Focus-groups with universities’ lecturers about improvement of educational programs for development of entrepreneurial skills were held
- Interviews with representatives of institutes providing support for small business on issues of youth entrepreneurship development policy were conducted



The Role of Universities’ Educational Programs in Development of Entrepreneurial Potential among Young People (“Herald of the Moscow State University . Series 24. management”, #2, March 2010)

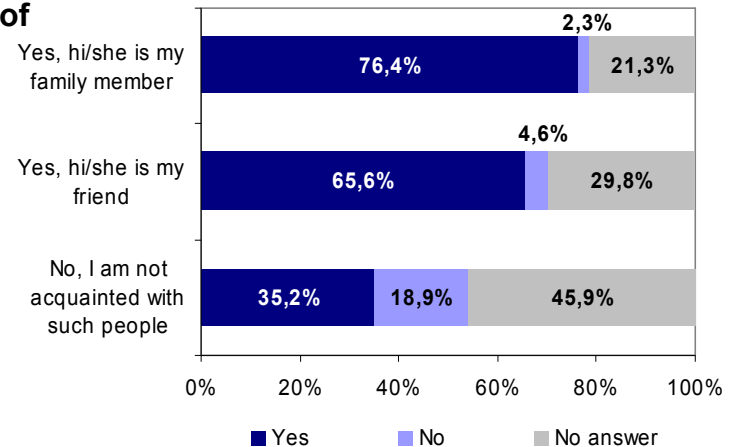
- Recommendations on improvement of educational programs to stimulate more active entrepreneurial behaviour of young people



Perceptions of Entrepreneurship among Young People. – “Herald of the Moscow State University. Series 24. Management” #1, September 2009)

- Perceptions associated with entrepreneurship and small business and opinions of young people about particular characteristics of entrepreneurship and advantages of self-employment as compared to hired work are considered
- Ideas of young people concerning successful entrepreneurship and conditions for developing small business are analyzed

“Do You Plan to set Up Your Own Business in Future?”*



* the answers are distributed depending on acquaintance of respondents with entrepreneurs

CULTURAL HERITAGE AND TOURISM DEVELOPMENT

Approaches to Cultural Heritage Preservation and Exploitation



Analysis of Current Socio-Economic Situation and Prospects for Cultural Heritage Preservation and Exploitation under the Public-Private Partnership (the case of Krasnodar region)

(Analytical report at the request of the Federal Agency for Culture and Cinematography, 2007)

- Survey of international experience in the exploitation of cultural heritage for tourism development
- Analysis on prospects for development of cultural tourism in Krasnodar region
- Estimate of tourism infrastructure development in specific areas of Krasnodar region (Sochi, Yeisk and Temryuk district)
- Analysis of environment, conditions and legal framework for public-private partnership implementation in culture sector

Tourism Development in Russia

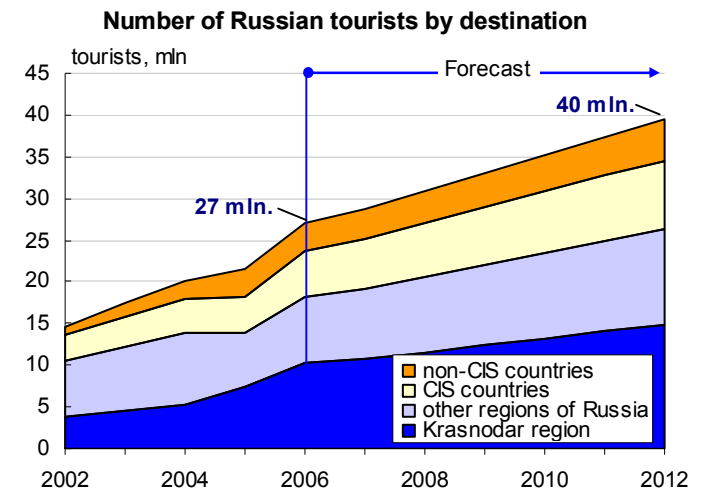


Forecasting of Inbound and Outbound Tourism in Russia
(Report at the International Conference “Problems of Economic Development”, Sochi, 2007)

- Estimates of tourist flows till the year 2012 are presented based on official forecast of socio-economic development of the Russian Federation, the dynamics of real disposable incomes and survey of consumption preferences

Teaching

- Course “Public-Private Partnership in Culture Sector and Tourism Development” (the Summer School of Strategic Studies Group “Delphi”, 2007)



UNITED NATIONS AND RUSSIA: DEVELOPMENT PRIORITIES

Millennium Development Goals and National Projects



The Millennium Development Goals and Russia's National Projects: Strategic Choices (the publication prepared at the request of the UN Office in the RF, 2006)

- Identified the possibilities of the Millennium Development Goals concept, adopted at the UN summit in 2000 and modified for Russia's context, for further improvement of the quality of National Projects.

Round Table «UN and Russia: Development Priorities» is organized jointly by the UN Office in the RF and the ICSS (October 25, 2006)



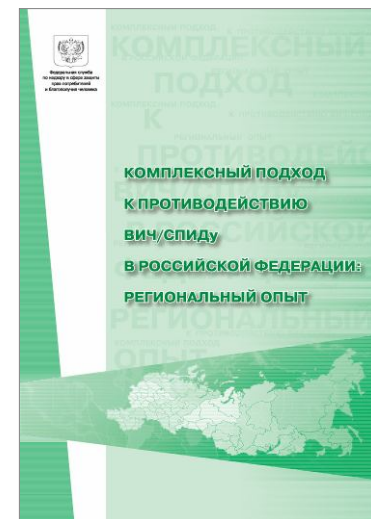
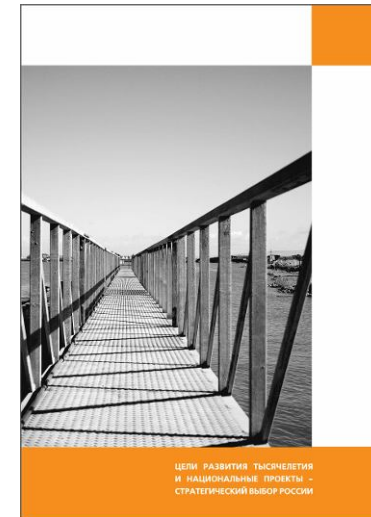
HIV/AIDS Prevention in Russia



Comprehensive approach for HIV/AIDS prevention in the RF: regional experience

(the publication prepared at the request of the UN Office in the RF, 2007)

- Presented a number of best practices related to various aspects of HIV/AIDS prevention in the pilot regions: Altaysky krai and Volgogradskaya oblast. Proposed brief recommendations for the elaborating the comprehensive approach for HIV/AIDS prevention at the regional and local level.



INTERNATIONAL PROJECTS



- **Strategy of Infrastructure Development: Lessons from Brazil Experience**

Jointly with the London School of Economics and J. Vargas Foundation (Brazil)



- **Analysis of Russian Wholesale Electricity Market Using Computational Learning**

Jointly with the London Business School



- **Analysis of Russian Healthcare System and Medical Equipment Market**

At the request of the Nomura Research Institute, Japan



- **Russia Day Workshop in the Centre on International Governance Innovation (Canada)**

SEMINAR «STRATEGY OF DEVELOPMENT»

This Seminar has been held on a regular basis since 2001. Seminar participants are leading economists, government and business representatives who meet to discuss priority questions of Russia's national development strategy



Topics of Some Seminars «Strategy of Development»:

- **Economic progress of Russia: “because of” or “regardless of”?**(P. Aven, President of “Alfa-bank”)
- **Prospects of nuclear power industry development in Russia** (P. Schedrovitsky, President of the All-Russia Research Institute for Nuclear Power Stations Maintenance)
- **Strategy of entry to the international markets based on the case of the company “Kaspersky Lab”** (N. Kasperskaya, Chairman of the Board of Directors of “Kaspersky Lab”)



«MEETINGS AT POLYANKA»



«Meetings at Polyanka» are frequent speeches and lectures of renowned researchers and representatives of official bodies, non-government organizations and the business community



Professor Grzegorz Kolodko, presentation of the book “World on the Move”



Dr. Raymond Meredith Belbin, “Evolution of human behaviour and its bearing on the future”



Akira Imamura, Head of Information Department of Japan Embassy, “Changes in the Japanese society and tasks for the future – perspectives of the Japanese-Russian partnership”



Valeriy Zubov, Deputy of the State Duma of the Russian Federation, “Strategy of the social-economic development”

TEACHING



**Graduate School of Business Administration,
Lomonosov Moscow State University**



Teaching of ICSS researches in 2009/2010:

Bachelors Program Courses:

- **Financial Markets** (S. Zaverskiy)
- **Methodology of Empirical Analysis** (S. Zaverskiy)
- **Macroeconomics** (V. Kononova)
- **Taxation** (V. Kononova)
- **Basics of Demography** (E. Kiseleva)
- **Macroeconomic Issues and Challenges in Russia** (V. Kononova, S. Zaverskiy, E. Kiseleva, N. Churkina, D. Plekhanov)

Masters and MBA Programs Courses:

- **Principles of Financial System** (S. Zaverskiy)
- **Financial Infrastructure** (S. Zaverskiy)
- **Economics** (V. Kononova)

PUBLISHING

ICSS publishes the books of well-known economists and business leaders



Particular series of publications is devoted to the practice of introducing production systems in industrial enterprises



CONFERENCE HALL «POLYANKA HALL»

for business negotiations, meetings and conferences



- seating capacity up to 70 people
- rear-projection screen 1,6x4,2 m
- conference system with possibility of electronic voting
- system of simultaneous interpreting
- equipment for holding of multipoint videoconferences
- Internet access for 25 users
- central conditioning
- reception hall

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