


Agent-based simulation
modelling for regional
ecological-economic
systems. A case study of the
Republic of Armenia

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Agenda

- 1. Introduction and related works**
 - 2. Simulation for Ecological Economics**
 - 3. Optimization problem and searching the Pareto optimal decisions**
 - 4. Review of the developed software**
 - 5. Some results of the simulation**
 - 6. Acknowledgements**
 - 7. Conclusion**
- 

Purpose, Tasks, Relevance

***The purpose of the research* is creating the simulation for Ecological Economics, which allows searching optimal decisions about the modernization of Armenian enterprises in order to transform them from the initial non-ecological state towards the finite state of the ecologically pure manufacturing.**

Main points:

- 1. Developing the simulation for Ecological Economics. A case study of the Republic of Armenia.**
- 2. Searching the Pareto optimal decisions for Ecological Sustainability**
- 3. Designing the software for support of decision making about the modernization of Arminian enterprises.**
- 4. Forming the “optimal” plan of the modernization of Arminian enterprises and other recommendations.**

Methodology and tools

The developed simulation is based on methods of *Agent-based modelling (ABM)* and the *system dynamics (SD)*, which are used jointly.

Main tools are the *AnyLogic and J2EE*. The AnyLogic is the first simulation platform, which brings together different methods of simulation modelling such as ABM, SD, Discrete-Event sim., etc.

The system core is the developed **Agent-based simulation** (AnyLogic), which is integrated with the suggested **Genetic Algorithm** (own implementation on Java) for searching the **Pareto optimal decisions** and the subsystem for a **visualization** (Maps, Graphs).

In addition, we applied different methods of an equilibrium computational economics, econometrics, data clustering, designing data bases, mathematical programming and other methods.

Related works

Main works

Costanza R., Cumberland J., Daly H., Goodland R., Norgaard R. An introduction to ecological economics. St. Lucie Press and ISEE. 1997.

S. F. Railsback and Volker Grimm. Agent-Based and Individual-Based Modeling: A Practical Introduction. Princeton Univ. Press 352 p., 2011.

Bleuer, S., Brack M., Thiele L. and Zitzler. E. Multiobjective genetic programming: Reducing bloat by using SPEA 2. In Congress on Evolutionary Computation (CES2001), 2001.

Grimm, V., E. Revilla, U. Berger, et al. 2005. Patternoriented modeling of agent-based complex systems: lessons from ecology. Science 310: 987–991.

Smajgl, A., Brown, D.G., Valbuena, D., and Huigen, M.G.A. Empirical characterisation of agent behaviours in socioecological systems. Environmental Modelling and Software, 26(7), 2011

State of the art

J. Forrester & Dennis L. Meadows (1961, 1972), DeAngelis D.L.&W.M. Mooij (2005), Tesfatsion,L.&K.Judd,Eds. (2006), Jørgensen SE & Fath BD (2011), Brown, D., R. Riolo, D.T. Robinson, (2005), Melkonyan Ani (2014), Johnston A.S.A., Hodson M.E. ., et al. (2014), Li S., Colson V., et al. (2015) and other works

Simulation for Ecological Economics

A conceptual model

Representative agents in the model:

- *Agent-enterprises* – 270 selected enterprises of Armenia, which are main stationary sources of emissions. Agent-enterprises monitor each other while forming its decisions.
- *Generalized consumer* – one agent, which is forming the demand for the production of agent-enterprises
- *The government* – one agent, which is forming parameter for ecological regulation (for example, fee rates for emissions, subsidies, penalties, etc.). These parameter are applied for all agent-enterprises simultaneously.

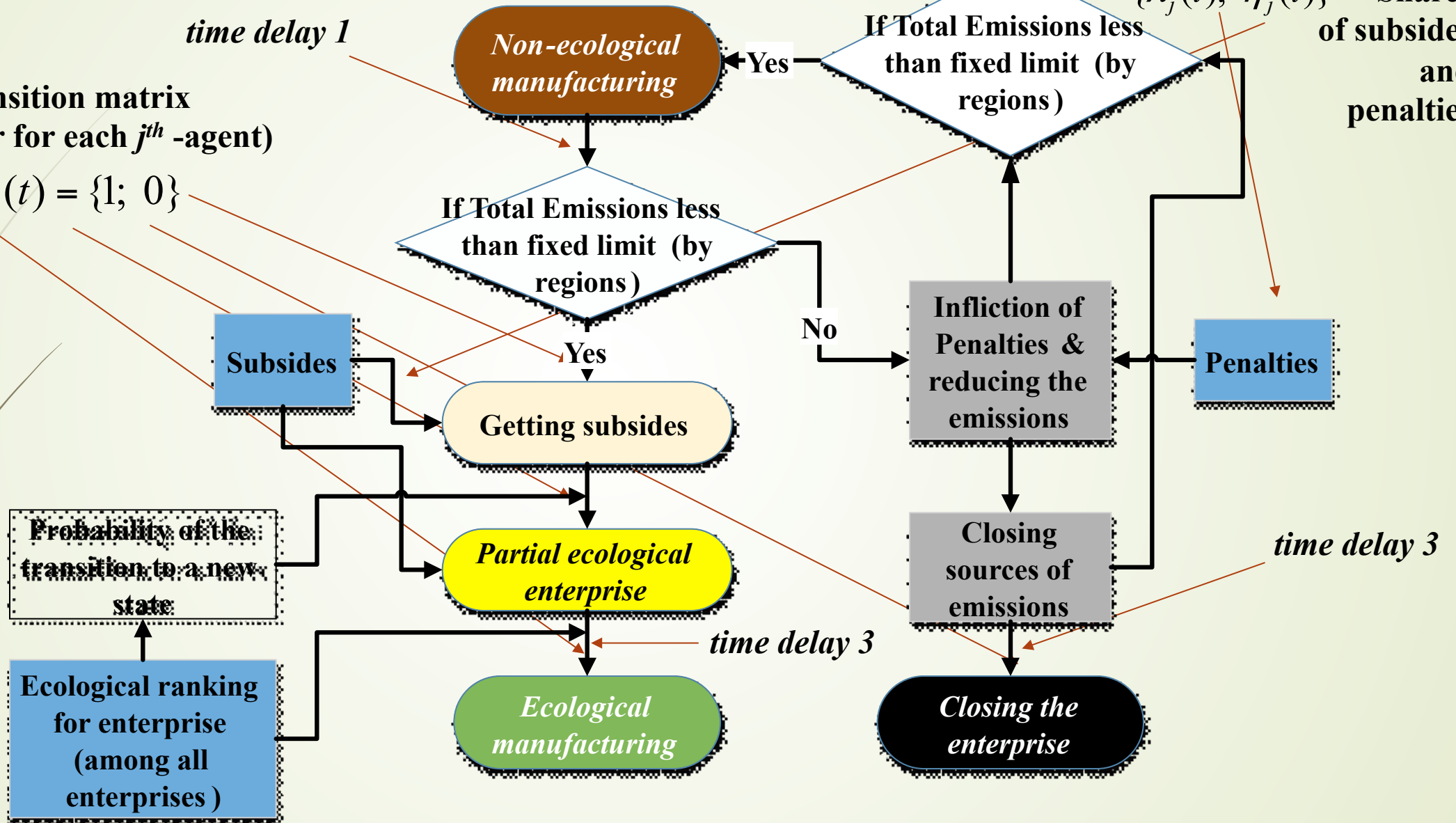
Possible states of agent-enterprises:

- *Non-ecological manufacturing* – enterprise saves own sources of emissions without changing.
- *Partial modernization* – enterprise reduces the emissions level through a partial modernization of emissions sources without their closing.
- *Ecological manufacturing* – enterprise stops being source of emissions.
- *Closing the enterprise* –enterprise is closed and all its sources of emissions are destroyed.

Control parameters of the Agent-government :
 $\{\lambda_j(t), \eta_j(t)\}$ – Shares of subsidies and penalties

The transition matrix (parameter for each j^{th} -agent)

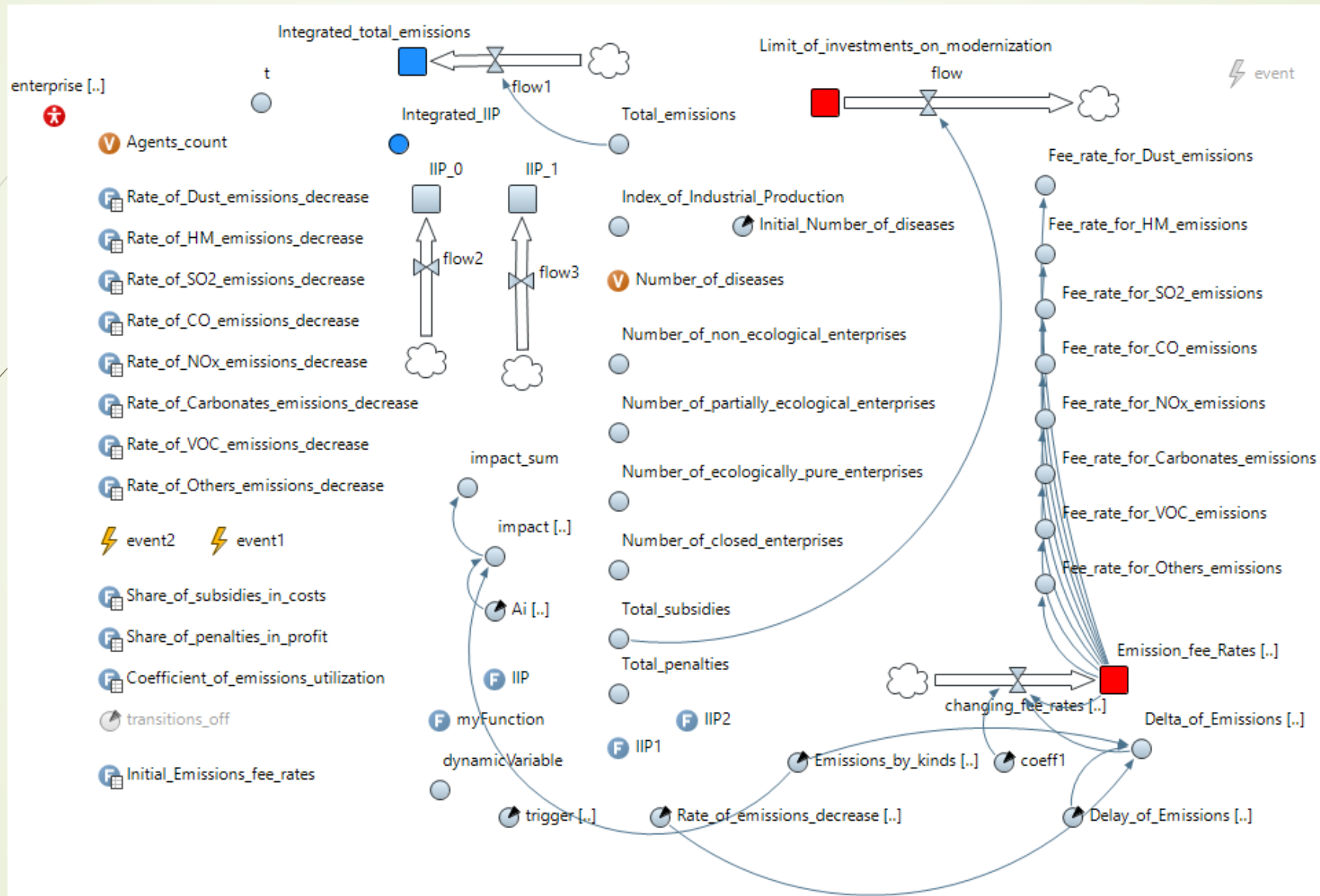
$$\delta_j(t) = \{1; 0\}$$



$\delta_j(t) = 1$ – the transition to a new state is allowed; $\delta_j(t) = 0$ – the transition to a new state is blocked

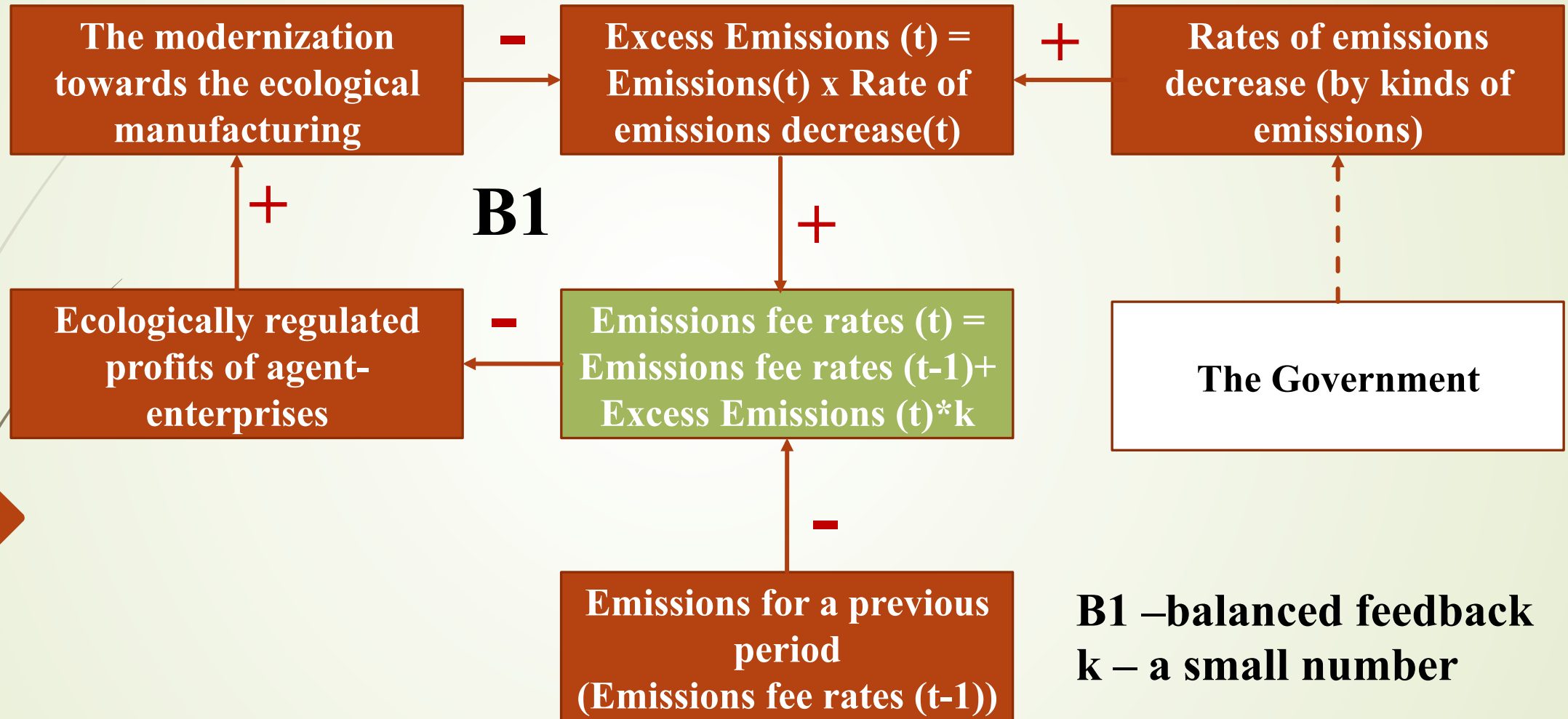
Simulation for Ecological Economics

The top-level model (environment for agents)



Simulation for Ecological Economics

Calculation of equilibrium emissions fee rates



Simulation for Ecological Economics

The dynamics of key characteristics

The output of j^{th} -agent

$$V_j(t) = \left(\sum_{s_j=1}^{S_j(t)} \left(\mu_{j,s_j}(t) K_{j,s_j}(t) \right) \right)^{\alpha_j(t)} \left(\sum_{s_j=1}^{S_j(t)} \omega_{s_j}(t) L_{j,s_j}(t) \right)^{\beta_j(t)}$$

$$\mu_{j,s_j}(t) = \begin{cases} 1, & \text{if } st_j(t) = 1, \\ 0.5, & \text{if } st_j(t) = 2, \\ 0.1, & \text{if } st_j(t) = 3, \\ 0, & \text{if } st_j(t) = 4 \text{ or } \omega_{s_j}(t) = 0. \end{cases}$$

$$\alpha_j(t) = \begin{cases} \alpha_1(t), & \text{if } st_j(t) = 1, \\ \alpha_2(t), & \text{if } st_j(t) = 2, \\ \alpha_3(t), & \text{if } st_j(t) = 3, \end{cases}$$

$$\alpha_1(t) < \alpha_2(t) = \alpha_3(t) < 1.$$

$$\beta_j(t) = 1 - \alpha_j(t), \quad 0 \leq \gamma_j(t) \leq 1,$$

$t \in \{t_0, t_0 + 1, \dots, t_0 + T\}$ – time by years,

$j \in \{1, 2, \dots, J(t)\}$ – index of agent-enterprises,

$s_j \in \{1, 2, \dots, S_j(t)\}$ – index of emissions sources of j^{th} - agent-enterprise,

$0 < \gamma_j(t) < 1$ – the known coefficient.

The total emissions of j^{th} -agent

$$E_j(t) = \left(\sum_{s_j=1}^{S_j(t)} \mu_{j,s_j}(t) K_{j,s_j}(t) \right)^{\gamma_j(t)}$$

$st_j(t) \in \{1, 2, 3, 4\}$ – possible states of j^{th} -agent-enterprise

$st_j(t) = 1$ – non-ecological manufacturing,

$st_j(t) = 2$ – partial ecological enterprise,

$st_j(t) = 3$ – pure ecologically enterprise,

$st_j(t) = 4$ – closed enterprise.

$K_{j,s_j}(t)$ – the fixed assets,

$L_{j,s_j}(t)$ – the manpower,

$\omega_{s_j} \in \{1, 0\}$ – possible states of s^{th} -emission source of j^{th} -agent-enterprise.

Simulation for Ecological Economics

The dynamics of key characteristics

Operation expenses of j^{th} -agent

$$OPEX_j(t) = W_j(t) \sum_{s_j} \left(\omega_{s_j}(t) L_{j,s_j}(t) \right) + V_j(t) * c_j(t) + \text{Constant}_j(t)$$

Capital expenditure of j^{th} -agent

$$CAPEX_j(t) = \sum_{s_j} \omega_{s_j}(t) \frac{h_j(t) K_{j,s_j}(t-1)}{h_j(t)} + M_j(t)$$

$$L_{j,s_j}(t) = \omega_{s_j}(t) \left[L_{j,s_j}(t-1) + In_j(t) L_{j,s_j}(t-1) - Out_j(t) L_{j,s_j}(t-1) \right], \quad K_{j,s_j}(t) = \omega_{s_j}(t) \left[K_{j,s_j}(t-1) + h_j(t) K_{j,s_j}(t-1) - Out_j(t) K_{j,s_j}(t-1) \right]$$

$$W_j(t) = W_j(t-1) \text{inflation}(t)$$

$$In_j(t) = D_j(t) / D_j(t-1), \quad h_j(t) = D_j(t) / D_j(t-1)$$

$$M_j(t) = \begin{cases} 0, & \text{if } st_j(t) = 1, \\ m_j(t), & \text{if } st_j(t) = 2, \\ \varphi_j(t), & \text{if } st_j(t) = 3, \\ 0, & \text{if } st_j(t) = 4. \end{cases} \quad 0 < h_j(t) \leq 1 \quad \text{– the known ratio of the production capacity to capital investments}$$

Revenue of j^{th} -agent

$$Rev_j(t) = \pi_j(t) V_j(t)$$

$\pi_j(t) = \pi_j(t-1) \text{inflation}(t)$ – average price on product of j^{th} -agent $In_j(t), Out_j(t)$ – expected rates of inflow and outflow of recourses

$V_j(t) \leq D_j(t)$ – the demand for production,
 $\text{inflation}(t)$ – index of agent-enterprises,

$M_j(t)$ – required expenses for a modernization

Simulation for Ecological Economics

The dynamics of key characteristics

Gross Profit of j^{th} -agent

$$P_j(t) = \text{Rev}_j(t) - \text{OPEX}_j(t) - \text{CAPEX}_j(t) + \lambda_j(t)M_j(t)$$

Ecologically regulated Gross Profit of j^{th} -agent

$$\hat{P}_j(t) = P_j(t) - \eta_j(t)P_j(t) - \sum_{i_j=1}^{I(t)} e_{i_j}(t)g_i(t)$$

$i \in \{1, 2, \dots, I(t)\}$ – index of emissions kinds: SO₂, NO_x, NMVOC, CH, etc.

$j \in \{1, 2, \dots, J(t)\}$ – index of agent-enterprises,

$g_i(t) = g_i(t-1) + \kappa \left(R_i(t) \sum_{j=1}^J e_i(t) - \sum_{j=1}^J e_i(t-1) \right)$ – (equilibrium) emissions fee rates,

$\{\lambda_j(t), \eta_j(t)\}$ – shares of subsidies and penalties, $0 \leq \lambda_j(t) \leq 1$, $0 \leq \eta_j(t) \leq 1$,

$R_i(t)$ – the regulated rate for i^{th} emission decrease, $R_i(t) \geq 1$,

$e_{i_j}(t) = a_{i_j}E_j(t)$ – emissions by kinds, $\sum_{i_j=1}^{I(t)} a_{i_j} = 1$, $j \in \{1, 2, \dots, J(t)\}$

Simulation for Ecological Economics

The logic of a transition towards new states for agents-enterprises

Possible states of j^{th} -agent

$$st_j(t) = \begin{cases} 1, & \text{if } t = t_0 \text{ or } st_j(t-1) \notin \{2, 3, 4\}, \\ 2, & \text{if } \delta_j(t - \tau_1) = 1 \text{ and } \left(P_j''(st_j(t) = 2) \geq P_j''(st_j(t) = 1) \text{ or } z_j(t) \geq p(t) \right) \text{ and } st_j(t-1) \in \{1, 2\}, \\ 3, & \text{if } \delta_j(t - \tau_2) = 1 \text{ and } \left(P_j'''(st_j(t) = 3) \geq P_j''(st_j(t) = 2) \text{ or } z_j(t) \geq p(t) \right) \text{ and } st_j(t-1) \in \{2, 3\}, \\ 4, & \text{if } \delta_j(t - \tau_3) = 1 \text{ and } \left(E_j(t) > \bar{E}(t) \text{ and } \omega_{s_j} = 0 \text{ for all } s_j \in \{1, 2, \dots, S_j(t)\} \right) \text{ and } st_j(t-1) \in \{1, 4\}. \end{cases}$$

$\delta_j(t) = \{1; 0\}$ – control parameters set by the Genetic Algorithm (GA),

$\tau_1, \tau_2, \tau_3 \in \{t_0, T\}$ – known time delays, $s_j \in \{1, 2, \dots, S_j(t)\}$ – sources of emissions,

P_j^0, P_j'', P_j''' – ecologically regulated gross profit estimated for three possible states (non-ecological, partial ecological, and pure ecological manufacturing)

– random value (from 0 to 1) $\bar{E}(t)$ – limit of total emissions

Interaction of agent-enterprises

$$z_j(t) = E_j(t) / \sum_{j=1}^{J(t)} E_j(t) - \text{ecological ranking for } j^{\text{th}}\text{-agent, } \sum_{j=1}^{J(t)} (\lambda_j(t) M_j(t)) \leq \bar{M} - \text{the limit for subsidies}$$

Optimization problem and searching the Pareto optimal decisions

The dynamics of main characteristics

Problem. *The need to maximize the Integrated Index of Industrial Production summed for all agent-enterprises and to minimize the Integrated Total Emissions, which will be accumulated for a period in order to search the Pareto optimal decisions*

$$\left\{ \begin{array}{l} \max_{\delta_j(t)} \sum_{t=t_0}^{t_0+T} \sum_{j=1}^{J(t)} \frac{V_j(t)}{V_j(t-1)}, \\ \min_{\delta_j(t)} \sum_{t=t_0}^{t_0+T} \sum_{j=1}^{J(t)} E_j(t), \end{array} \right.$$

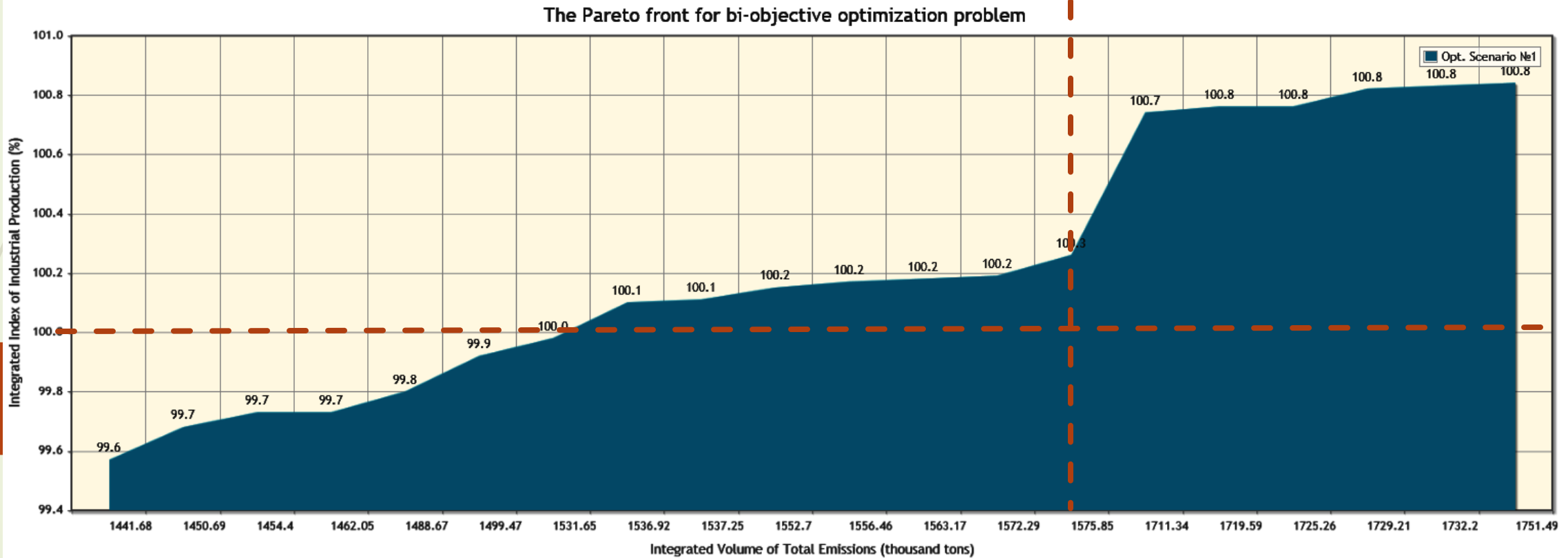
under constraints:

$$\delta_j(t) \in \{1; 0\}$$

Optimization problem and searching the Pareto optimal decisions

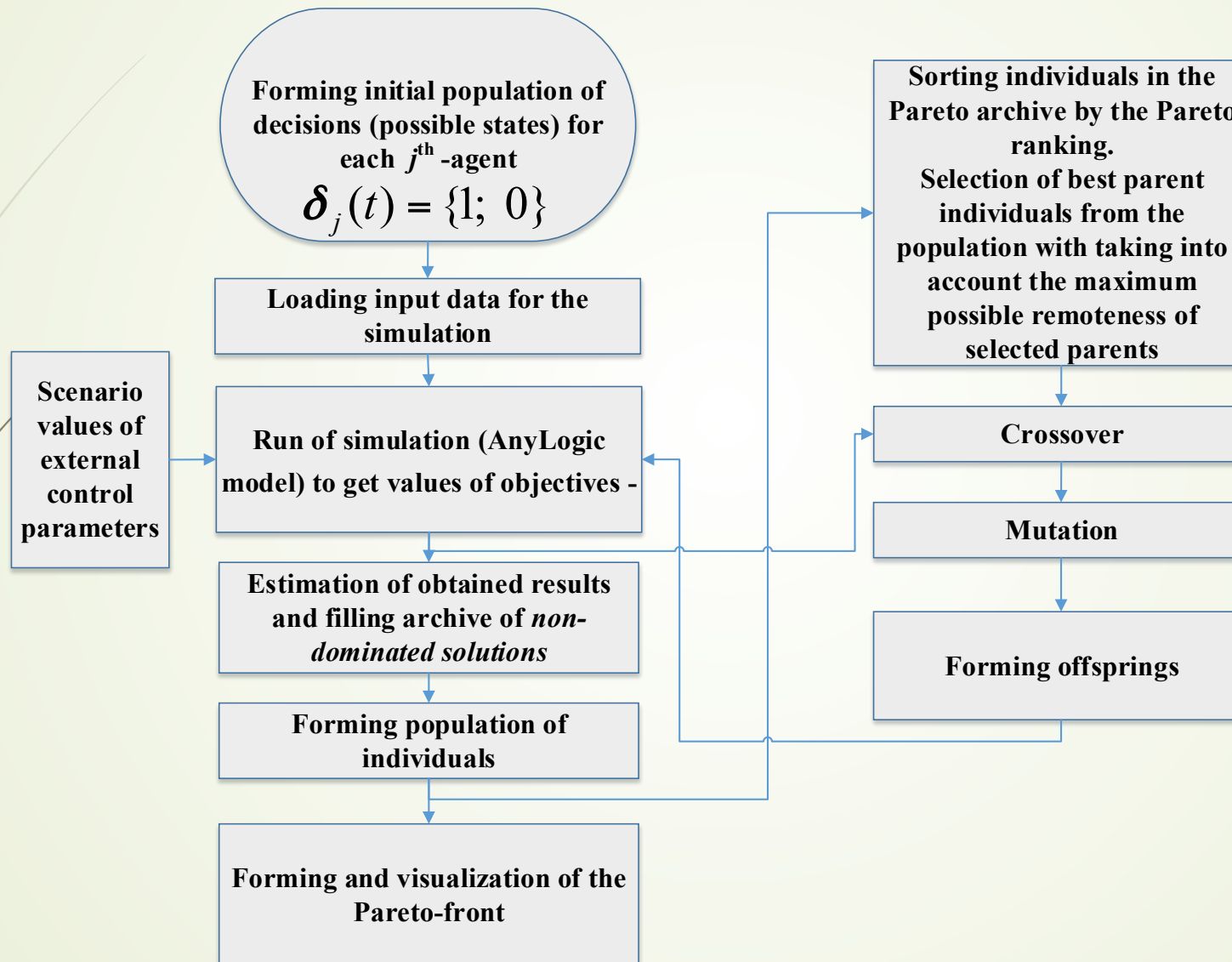
The example of the Pareto front

The results of the multicriteria optimization with the help of the GA



More acceptable decisions for the Ecological Economics of the RA, when the Index of Industrial Production $> 100\%$ and the Total Emissions $< 1\ 600$ th. tons for 10 years

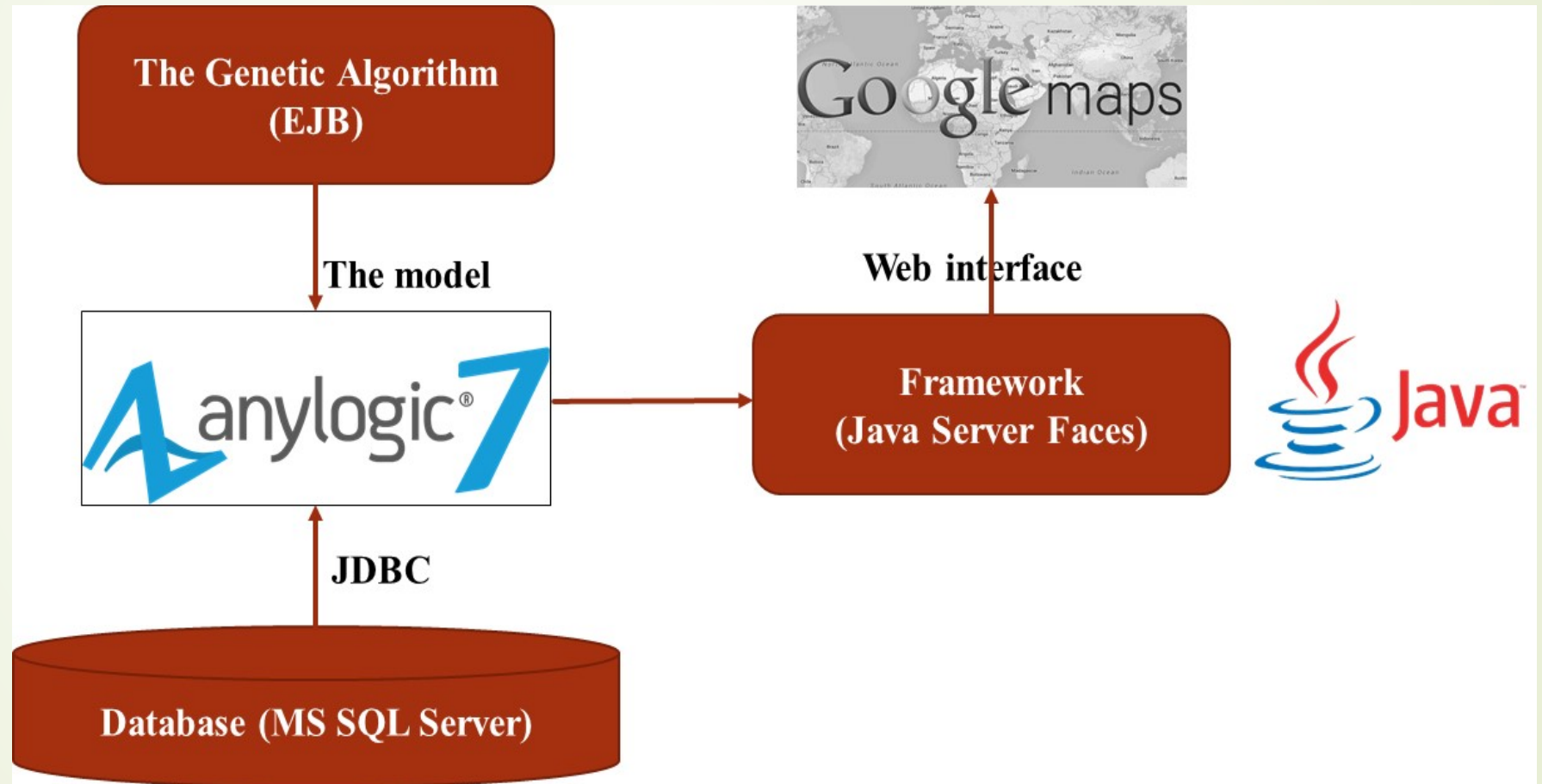
Optimization problem and searching the Pareto optimal decisions



Why the Genetic Algorithm was chosen?

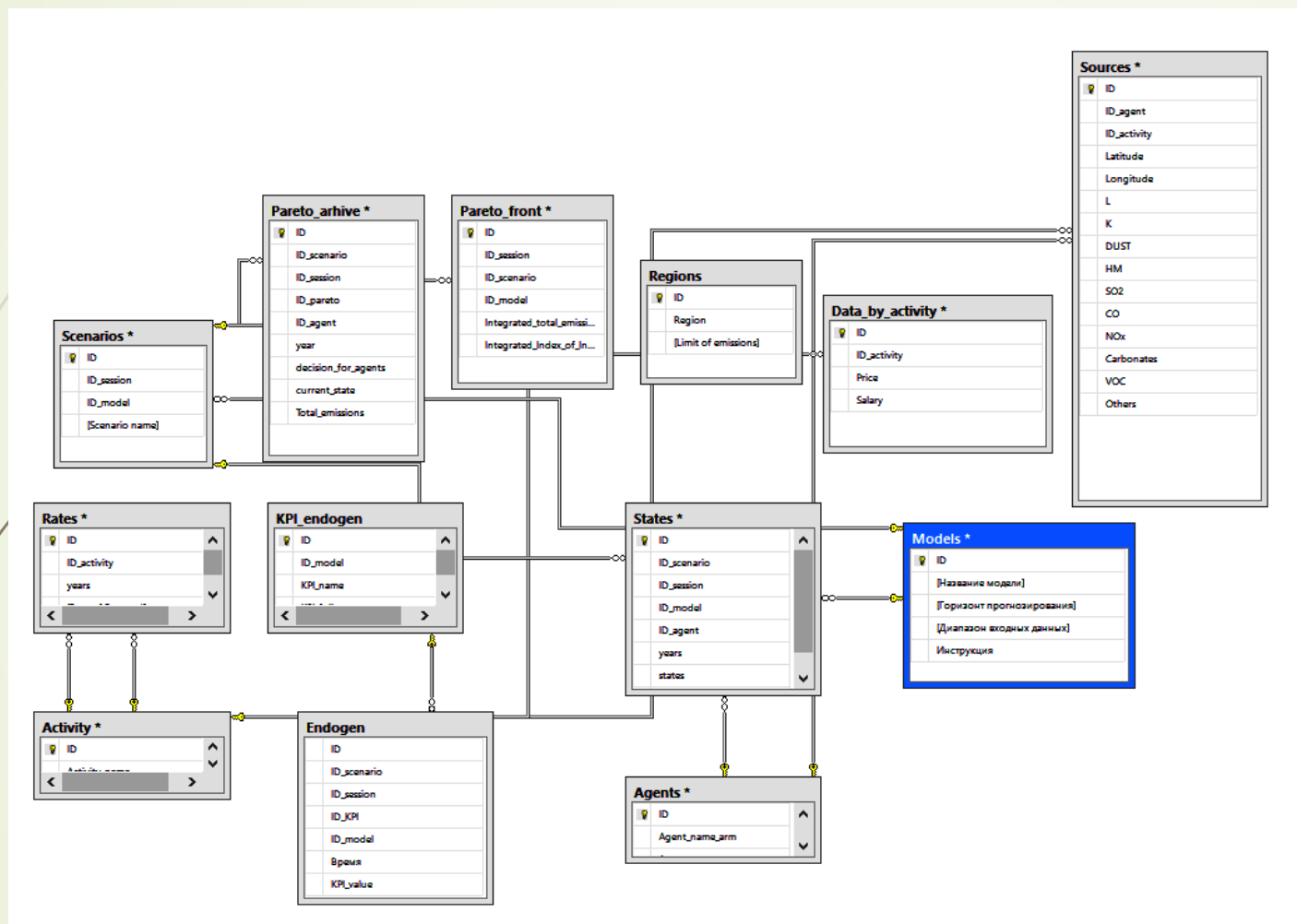
- 1. Large-scale of the decisions space (270 agents x 10 years)*
- 2. Multi-objective optimization when objectives are the results of the simulation*
- 3. High effectivity for the transitions control because the coding of potential decisions is not necessary*

Review of the Developed Software



Review of the Developed Software

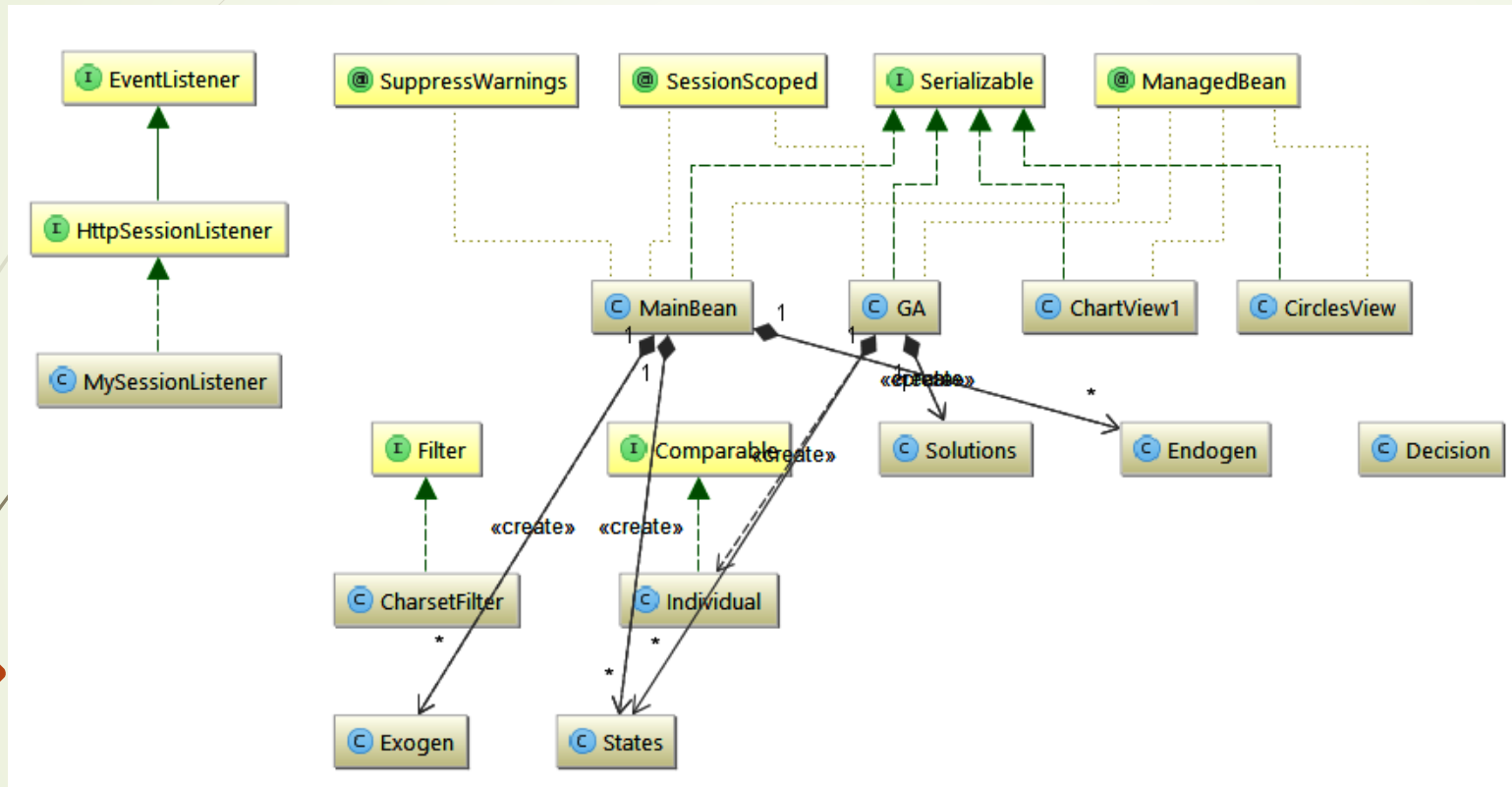
The designed database



- 13 main tables
- 1 Tb data
- 1 000 000 rerestarted records for the saving states of agents-enterprises
- Geo Data
- Scenario Data
- Results of the Optimization (the Pareto archive)

Review of the Developed Software

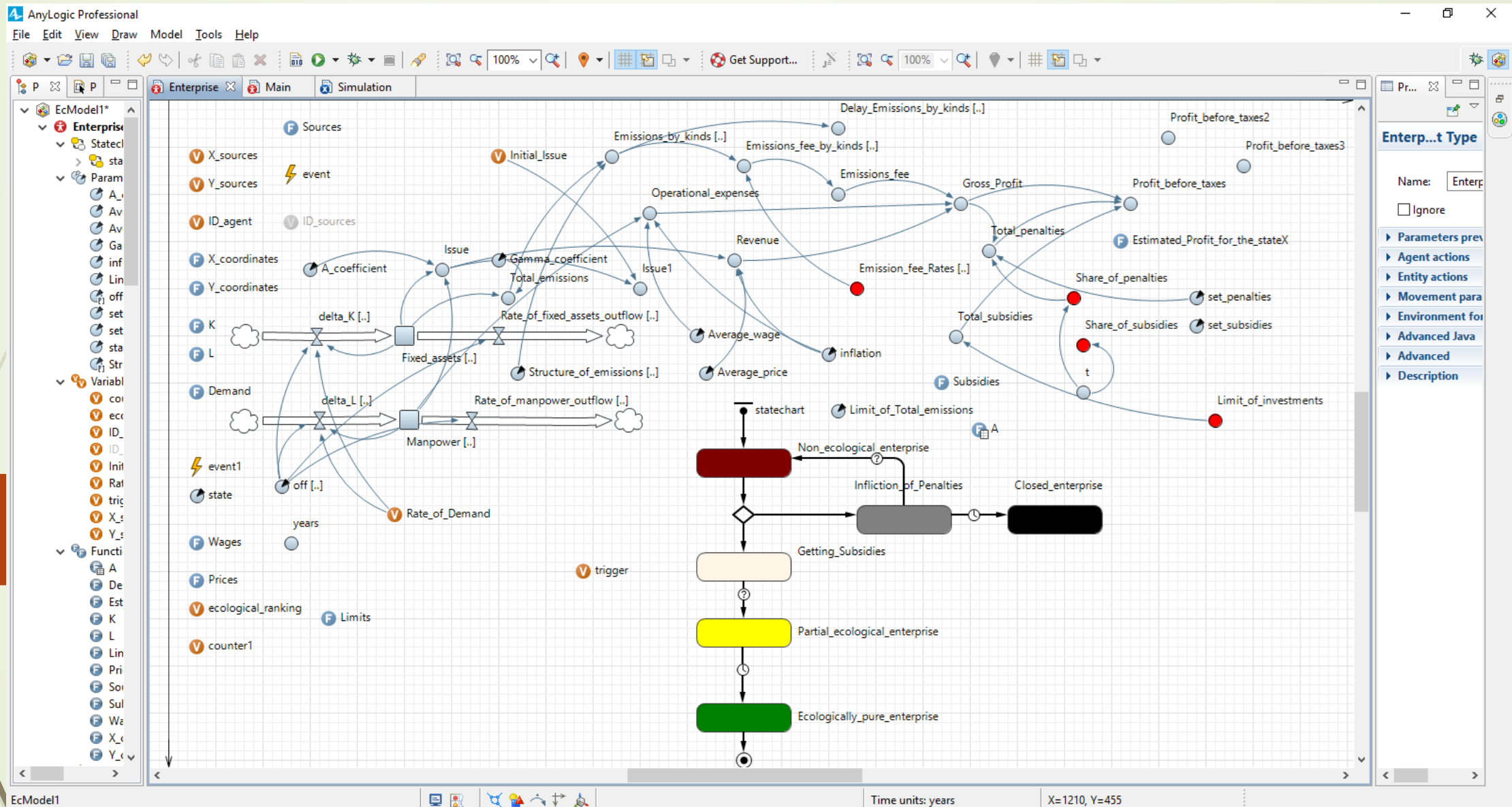
The designed Java classes



- 12 Java classes
- Own implementation of the GA
- Using the JSF
- Integration with AnyLogic
- Integration with Database (JDBC)
- Integration Agents with Goggle Maps

Review of the Developed Software

The agent simulation in AnyLogic



Review of the Developed Software

The Web Interface

http://localhost:5020/index1.xhtml

localhost

[Back to Models](#)

Agent-based modelling for ecological economics: A case study of the Republic of Armenia

What-if Experiments | Optimization experiments | Graphs | Maps | User Manual

Exogenous variables

(<http://www.smartersim.com/ecmodel>)

Limit of investments on subsidies (mln. dram)

Years (2016 - 2025)	Rate of Dust em. decr.	Rate of Heavy metals em. decr.	Rate of SO2 em. decr.	Rate of CO em. decr.	Rate of NOx em. decr.	Rate of Carbonates em. decr.	Rate of VOC em. decr.	Rate of Others em. decr.	Share of subsidies in costs (%)	Share of penalties in profit (%)	Emissions utilization coeff. (from 0 to 1)
0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	20.0	5.0	0.05
1	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	25.0	10.0	0.1
2	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	15.0	20.0	0.1
3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	10.0	30.0	0.15
4	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	5.0	40.0	0.15
5	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	5.0	50.0	0.2
6	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	5.0	60.0	0.2
7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	3.0	70.0	0.25
8	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	2.0	80.0	0.3
9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	90.0	0.3

Calculate | Restore | Save scenario | Name of scenario | **Instruction**

Calculation progress

0%

Review of the Developed Software

The What-if analysis

localhost http://localhost:5020/index1.xhtml

2025)						decr.				decr.	(%)			(%)
0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	20.0	5.0	0.05		
1	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	25.0	10.0	0.1		
2	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	15.0	20.0	0.1		
3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	10.0	30.0	0.15		
4	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	5.0	40.0	0.15		
5	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	5.0	50.0	0.2		
6	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	5.0	60.0	0.2		
7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	3.0	70.0	0.25		
8	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	2.0	80.0	0.3		
9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	90.0	0.3		

Calculate Restore Save scenario Name of scenario base Instruction

Calculation progress

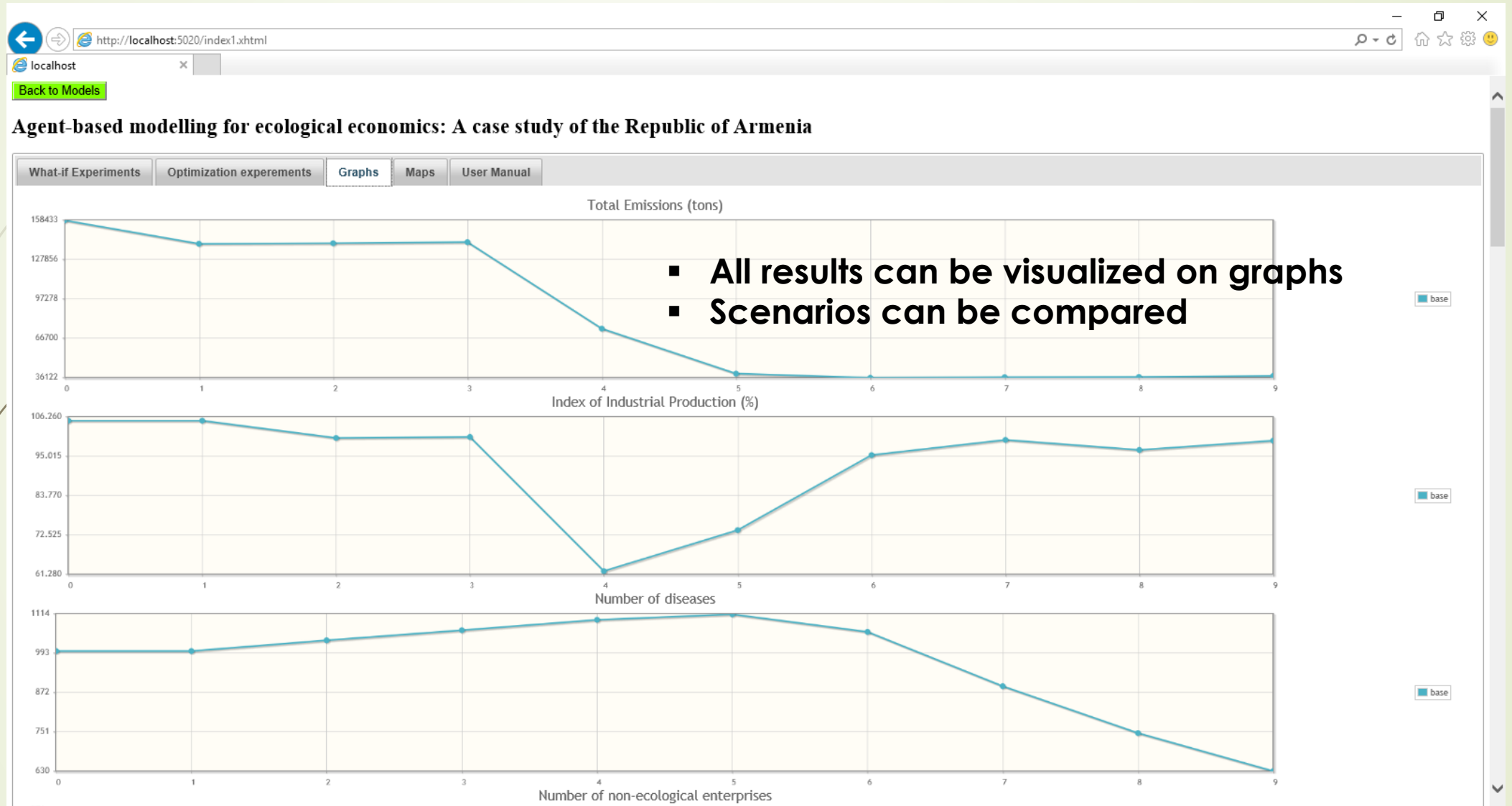
100%

A scenario can be fast calculated and saved

Endogenous variable

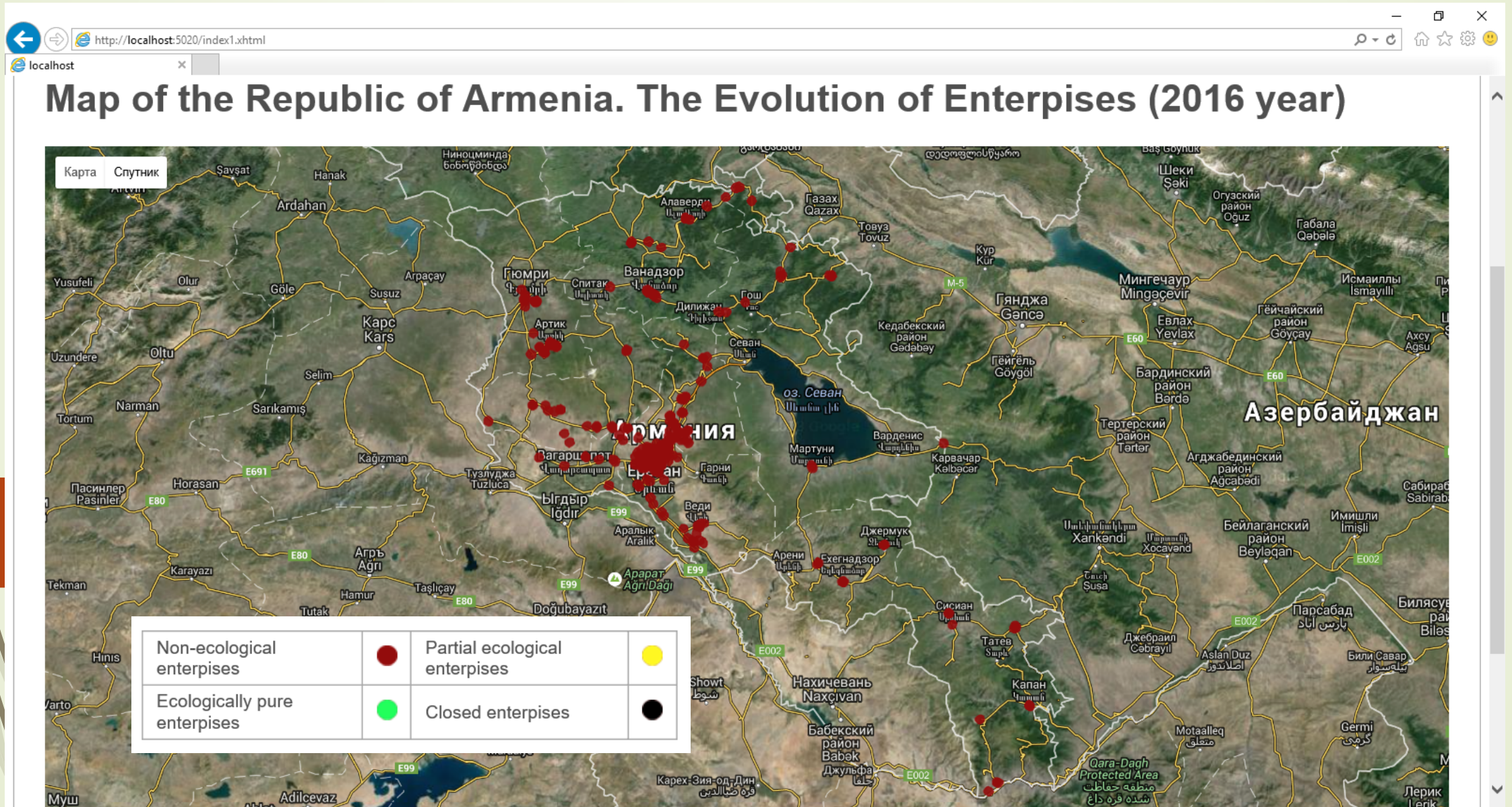
Years (2016 - 2025)	Total Emissions (tons)	Index of Industrial Production (%)	Number of diseases	Number of non-ecological enterprises	Number of partially ecological enterprises	Number of ecologically pure enterprises	Number of closed enterprises	Total penalties (mln. arm. dram)	Total subsidies (mln. arm. dram)	Fee rate for Dust emissions (dram/tonn)	Fee rate for HM emissions (dram/tonn)	Fee rate for SO2 emissions (dram/tonn)	Fee rate for CO emissions (dram/tonn)	Fee rate for NOx emissions (dram/tonn)	Fee rate for Carbon emissions (dram/tonn)
0	158432,465	105,263	1000,000	270,000	0,000	0,000	0,000	0,000	0,000	600,002	18957000,000	600,000	80,000	7400,000	1500,000
1	140244,959	105,263	1000,000	136,000	134,000	0,000	0,000	21409,450	0,000	616,840	18957000,010	602,416	80,905	7400,001	1500,000
2	140651,411	100,323	1033,000	124,000	146,000	0,000	0,000	43147,745	0,000	655,473	18957103,349	602,115	81,723	7408,938	1496,100
3	141518,136	100,602	1064,000	119,000	151,000	0,000	0,000	88898,440	0,000	775,320	18957354,284	605,611	84,991	7422,264	1529,300
4	74335,005	62,280	1096,000	89,000	50,000	111,000	20,000	26227,996	0,000	825,314	18957584,219	609,125	88,471	7436,109	1564,800
5	39353,240	73,990	1113,000	51,000	54,000	121,000	44,000	105,113	1,850	782,021	18957871,405	611,321	85,795	7447,222	1564,300
6	36122,975	95,429	1059,000	37,000	60,000	126,000	47,000	13,593	0,940	787,526	18958187,330	614,212	84,910	7456,736	1519,700
7	36607,531	99,767	892,000	19,000	76,000	128,000	47,000	12,447	0,000	802,613	18958205,818	615,313	84,685	7465,963	1530,000
8	36773,592	96,895	748,000	13,000	74,000	136,000	47,000	7,884	9,059	820,186	18958227,211	616,576	85,739	7473,794	1540,500
9	37547,212	99,550	631,000	8,000	73,000	141,000	48,000	0,000	21,381	841,934	18958250,999	617,951	86,942	7482,483	1552,000

Review of the Developed Software Graphs



Review of the Developed Software

The visualization of agents evolution on the Maps



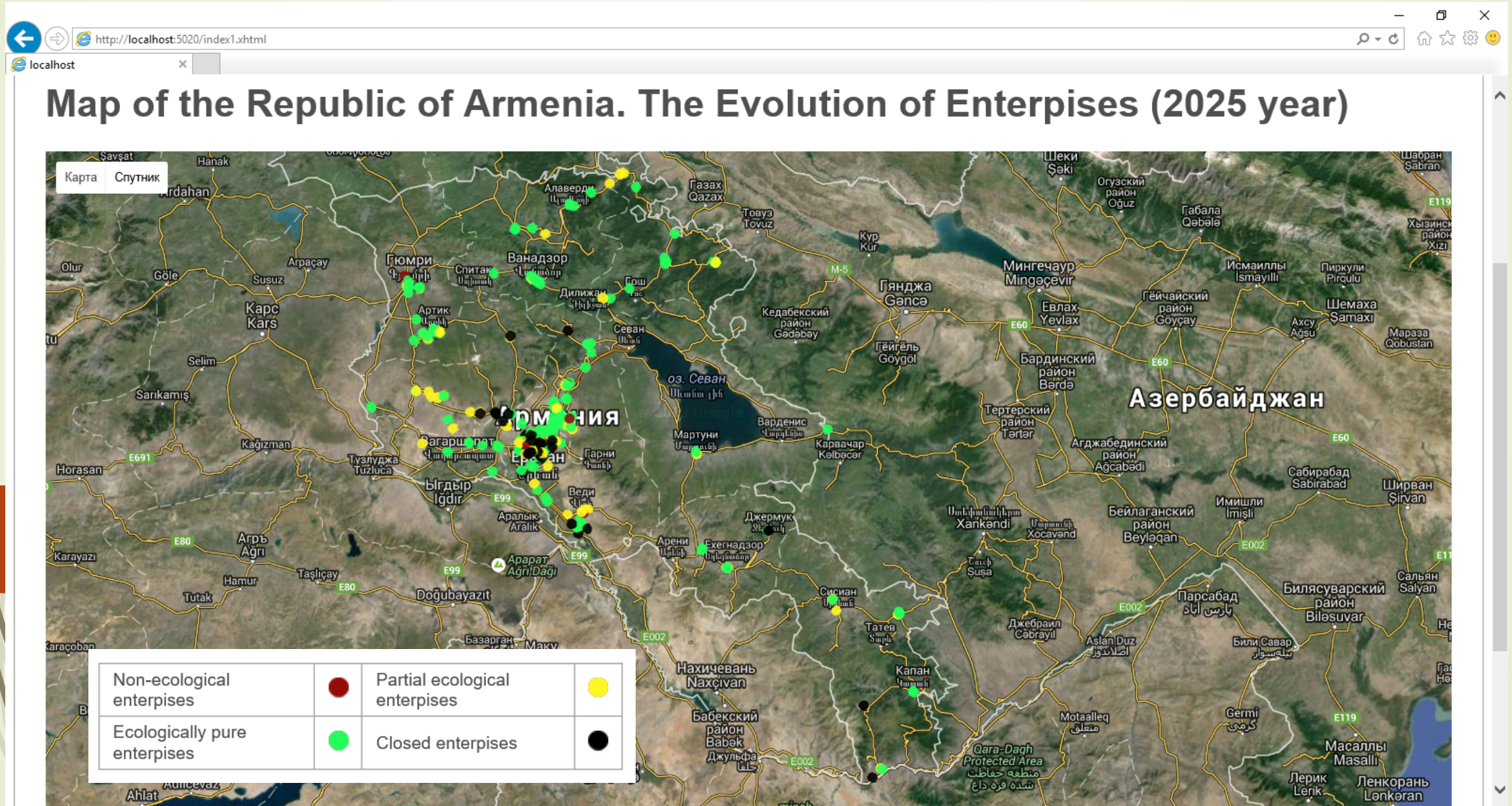
Review of the Developed Software

The visualization of agents evolution on the Maps

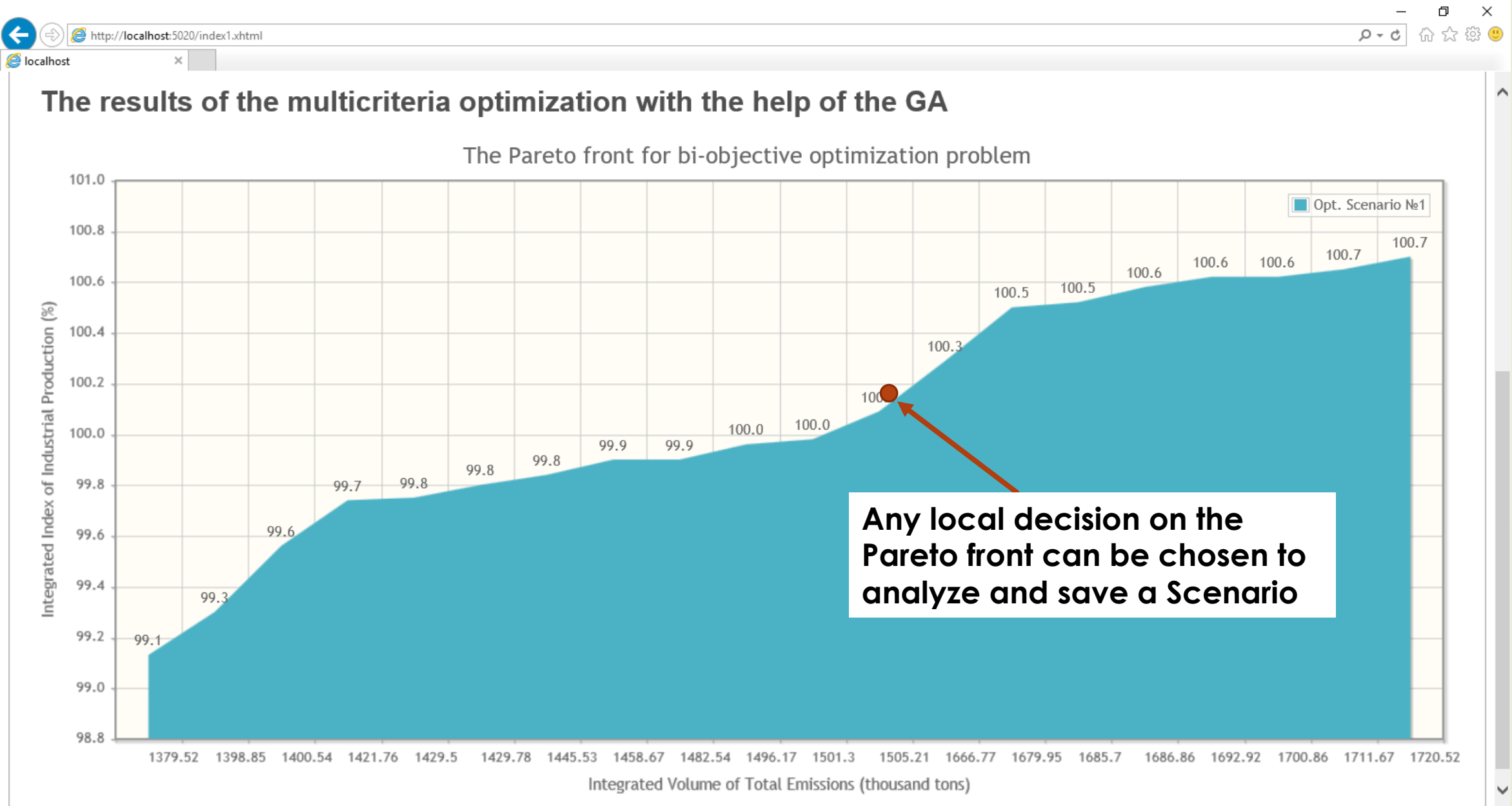


Review of the Developed Software

The visualization of agents evolution on the Maps



Review of the Developed Software Optimization experiments



Review of the Developed Software Optimization experiments

Genetic Algorithm Parameters

Maximum number of generations (from 100 to 10000)	<input type="text" value="100"/>	Number of parents (from 2 to 5)	<input type="text" value="2"/>
Minimum number of solutions on the Pareto front	<input type="text" value="20"/>	Probability of a mutation	<input type="text" value="0.01"/>

Optimization progress

19%

Decision

Integrated Volume of Total Emissions (thousand tons): 1505.21
Integrated Index of Industrial Production (%): 100.09

Name of scenario:

Calculation and saving progress

0%

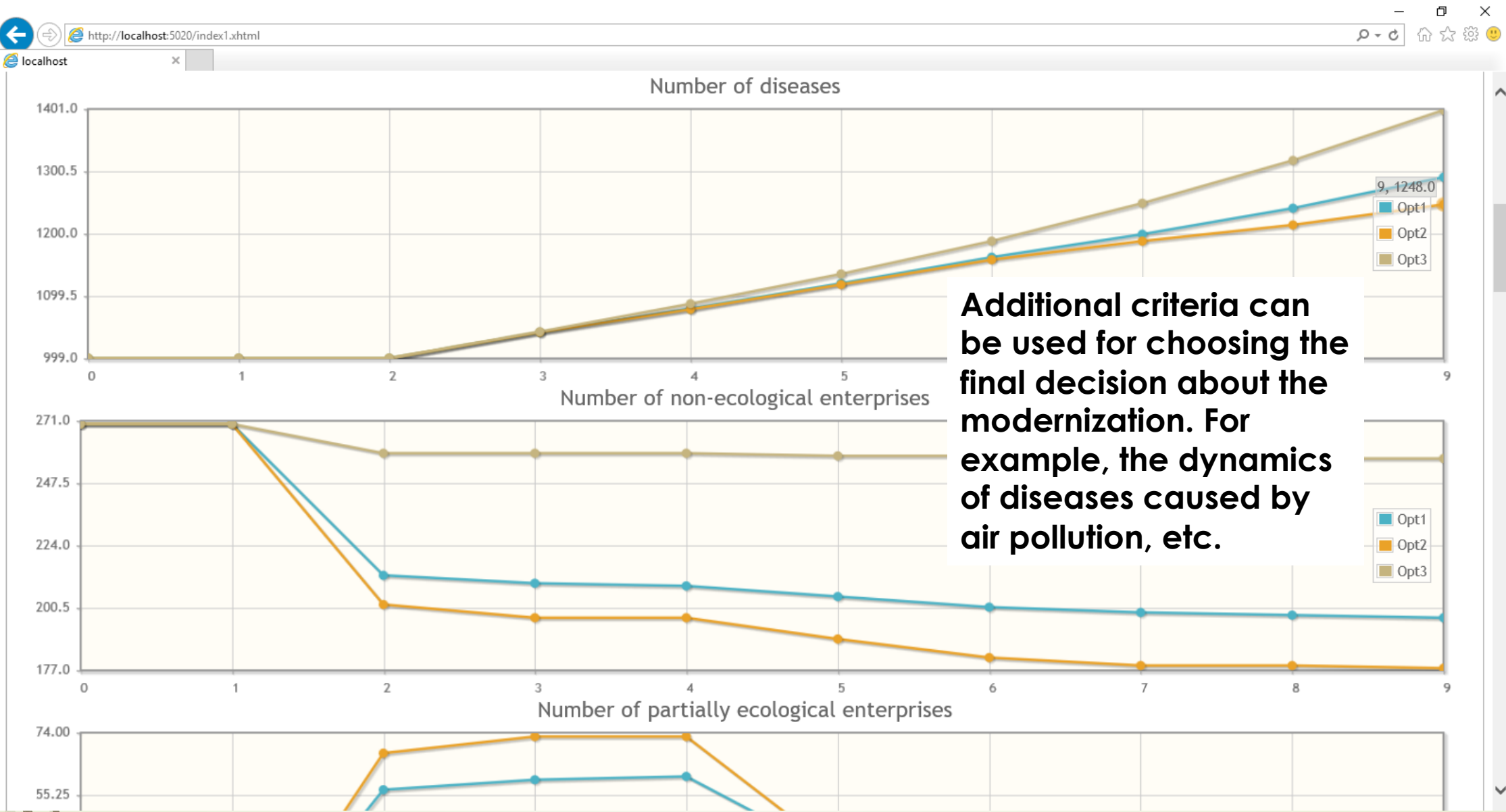
The transition matrix and related states for Agents-enterprises for the chosen Pareto-decision"

Agent name (arm)	Agent name (en)	2016	2017	2018
Ա ԵՎ Գ	A AND G	0	1	0
Ա. ՕՅԱՆՁԱՆՅԱՆ	A. OHANJANIAN	1	1	1
Ա.ՅԱԿՈԲՅԱՆ	A. HAKOBYAN	0	0	0
Ա.ՍՊԵՆԴԻԱՐՈՎԻ ԱԿԱԴԵՄԻԱՅԻ ԵՎ ՔԱՆԵՏԻ ՕՊԵՐԱ ԵՎ ԲԱԼԵՏԻ	A. n. a. AL. SPENDIAROV OPERA AND BALLET	1	0	0

The dynamics of the required modernization is being displayed for each agent-enterprise

Review of the Developed Software

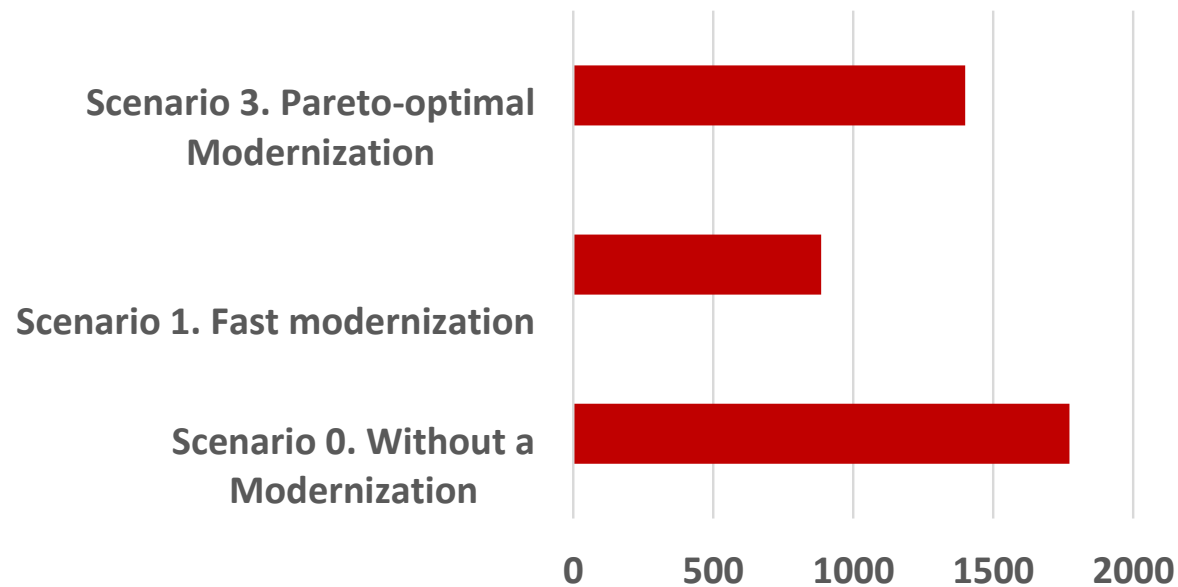
Optimization experiments



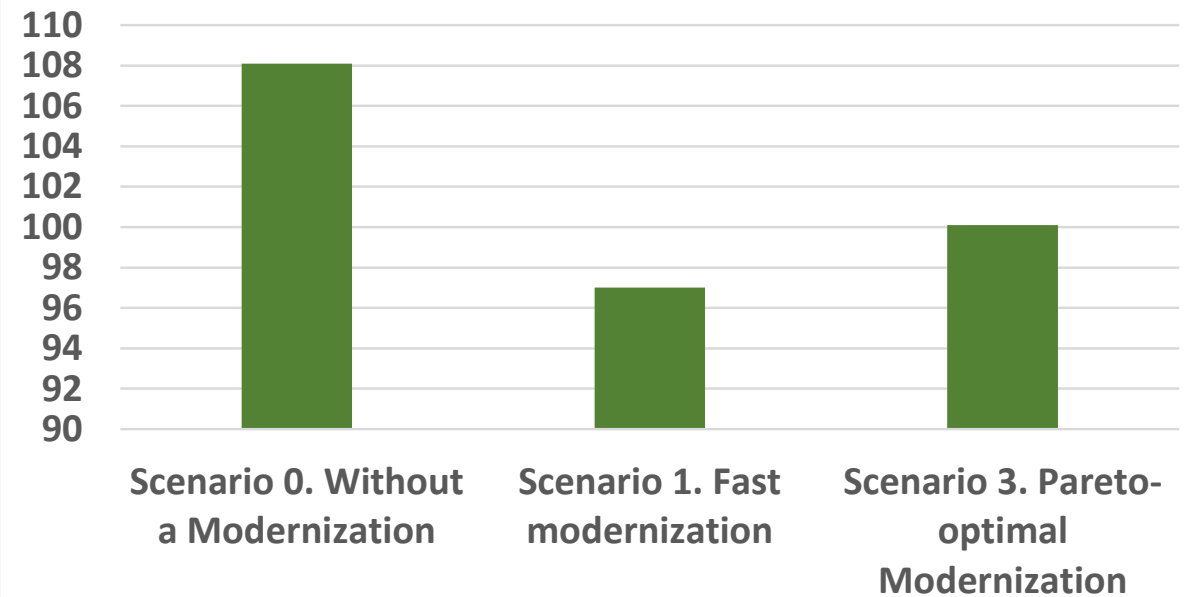
Some Results of the Simulation

- The “optimal” plan of the modernization of Armenian enterprises is suggested. The plan allows to reduce the Total Emission more than **25 %** for **10 years** under saving a positive dynamics of the industrial production (**IIP > 100%**).

Integrated Total Emissions (thousand tons)



Integrated Index of Industrial Production (%)



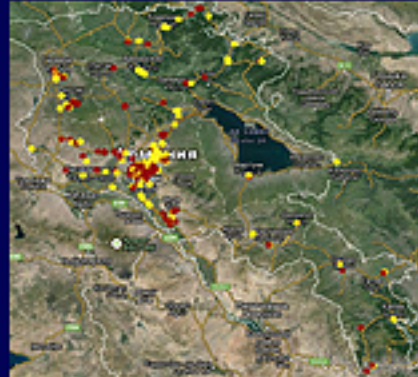
Some Results of the Simulation

Scenario 1. Fast Modernization

2016



2017



2019



2023



2025



Scenario 2. Pareto-optimal Modernization

2016



2017



2019



2023



2025



Some Results of the Simulation

Partially ecological enterprises by 2025 (41 from 270 agents)

Agent name (arm)	Agent name (en)	States
Ա.ՀԱԿՈՒԲՅԱՆ	A. HAKOBYAN	
ԱԳԱՐԱԿԻ ՀԷԿ	AGARAK HPP	
ԱԽ ՈՒՐԵՅԱՆԻ ԿՈՈՊԵՐԱԿ	ADIBEK	
ԱՌՈՂՁ ՍՈՒՆԿ	HEALTHY MUSHROOM	
ԱՎՏՈԳԱԶ	AUTOGAS	
ԱՐԱԳԱԾ ՊԵՐԼԻՏ	ARAGATS PERLITE	
ԱՐԱՐԱՏ ՑԵՄԵՆՏ	Ararat cement	
ԱՐՄԵՆԻԱ ՄԻՋԱԶԳԱՅԻՆ ՕԴԱՆԱՎԱԿԱՅԱՆՆԵՐ	INTERNATIONAL AIRPORTS-ARMENIA	
ԱՐՄԵՆԻԱ ՎԱՅՆ	ARMENIA WINE	
ԲԱԲԻԿ-90	ԲԱԲԻԿ-90	
ԲԱԼՍԱԶՆՎԻՏ-1	BALAHOVIT-1	
ԲԵՏՈՆԱԳՈՐԾ	BATANAGAR	
ԲԵՐՄԱ	The BERM	
ԲԵՐՅՈՋԿԱ	ԲԵՐՅՈՋԿԱ	
ԳԵՏԱՄԵՋԻ ԹՏԳ	GETAMECH ԹՏԳ	
ԴՈՍՏ ԻՆԹԵՐՆԵՏԸ ԵՎ ԼԻՎԵ	DOST TV LIVE ԻՆԹԵՐՆԵՏԸ ԵՎ ԼԻՎԵ	
ԴՈՒՍՏՐ ՄԱՐԻԱՆՆԱ	DAUGHTER MARIANNE	
ԵՐԵՎԱՆԻ ԿՈՆԵՅԱԿԻ ԳՈՐԾԱՐԱՆ	YEREVAN BRANDY FACTORY	
ՋԵ ՓՅՈՒՌ - ԵՐԵՔ	SEPUR - THREE	
ԷԿՈՊՐՈՏԵԿՏ	ԷԿՈՊՐՈՏԵԿՏ	
ԷՍ ԹԻՍԵՐՎԻՍ	MIKSHIN	

ԷՐԵՒՆԻ ԲՈՒՆԻ ԲԺՇԿԱԿԱՆ ԿԵՆՏՐՈՆ	EREBUNI MEDICAL CENTER	
ԻՋԵՎԱՆԻ ԲԵՆՏՈՆԻՏ ԿՈՄԲԻՆԱՏ	IJEVAN BENTONITE FACTORY	
Խ ԱՌՆԱՐԱՆ	The CRATER	
Կ.ԳՈՐՈՅԱՆ ԵՎ ԳՈՐԾԸՆԿԵՐՆԵՐ	K. GOROYAN AND PARTNERS	
ԿԱՐՏՈՆ-ՏԱՐԱ	CARTON PACKAGING	
ԿՈԿԱ-ԿՈԼԱ ՀԲՔԱՐՄԵՆԻԱ	COCA-COLA ՀԲՔ ARMENIA	
ԿՈՄՊՈԶԻՏ ՄԵՏԱԼ	COMPOSITE METAL	
ՀԱՅՈՒՌՄԳԱԶՍԻՐ	ARMROSGAZPROM	
ՀԱՅՈՒՌՄԳԱԶՍԻՐ ԳԳՄ	ARMROSGAZPROM YEREVAN ԳԳՄ	
ՀԱՏՈՒԿ ՑԵՄԵՆՏ	SPECIAL CEMENT	
ՃԱՆԱՊԱՐՀ	ROAD	
ՄԵԴՐԻ ԴԵՏ	MEGHRI DES	
ՄԻՐՈՅԱՆ ՏՈՒՖ	MIROYAN TUFF	
ՆՅՈՂԻԹԱ	CONNECTOR	
ՍԻՍԻԱՆ-ՇԻԿ	SISIAN-CHIC	
ՎԱՌՄԱՇ	ՎԱՌՄԱՇ	
ՎԱՐԴԱՇԵՆԻ ՀԱՆՔ	IN THE BUILDING PITCHING	
Վ-ՍԱՆԿ	V.-violently CAST	
ՏՈՒՖ-ՔԱՌՅԱԿ	THE TUFF QUARTET	
ՏՐԱՆՍԳԱԶ ՄԱՐՏՈՆԻ	TRANSGAZ MARTUNI ԳՇՄ	

Some Results of the Simulation

Pure ecologically enterprises by 2025 (31 from 270 agents)

Agent name (arm)	Agent name (en)	States
Ա.Կ ԹԱԼԱ ԱՅԻ ԼՅԿ	AKHTALA MINING	
Ա.ՆԱՇԻՆ	ANAKIN	
ԱՐԱԳՈՆԻՏ	ARAGONIT	
ԱՐՄԵՆԻԱՆ ՔԱՓԸՐ ՓՐՈԳՐԱՄ	THE ARMENIAN COPPER PROGRAM	
ԱՐՏԱԿ-ՏՈՒՖ	ARTAK-TUFF	
ԱՐՏԻԿ	ARTIK	
ԲԱԶԱԼՏ-Գ.Ա.Ռ.	BASALT-G. A. R.	
ԲԵՏՈՆ	CONCRETE	
ԳԱԼԻՔ	HAPPY	
ԳԱԶԵԳՈՐԾ	MMM	
ԳԵՈ ՊՐՈ ՄԱՅՆԻՆԳ ԳՈԼԴ ՎԵՅՎԻՆԳ	GEO PRO MINING GOLD WEAVING	
ՍՈՒՔԻ ՀԱՆՔ	PITCHING	
ԳՅՈՒՄՐԻ-ԳԱՐԵԶՈՒՐ	GYUMRI-BEER	
ԳՐԻԳ ԷԼ ՄԵՏ	GRIG EL MET	
ԵՐԵՎԱՆԻ ԿՈՆՅԱԿԻ ԳՈՐԾԱՐԱՆ ԱՅԳԱՎԱՆԻ ՄԱՍՆԱՃՅՈՒՂ	YEREVAN BRANDY FACTORY ARARAT BRANCH	
ԵՐԵՎԱՆԻ Մ. ՀԵՐԱՏՍԻ ԱՆՎ. ԺԵՏ. ԲԺՇԿ. ՀԱՄԱԼՍ.	YEREVAN M. HERATSI. ԺԵՏ. MEDICAL-grade PVC. UNIV.	
ԵՐԵՎԱՆԻ	YEREVAN	
ՋԵՐՄԱԷԼԵԿՏՐԱԿԵՆՏՐՈՆ	ՋԵՐՄԱԷԼԵԿՏՐԱԿԵՆՏՐՈՆ	

ԹԱԼԻՆԻ ԱՏՃ	TALINA ԱՏՃ
ԼԻԼԻԹ-87	LILITH-87
ԿԱՄՈՒՐ ԶՇԻՆ	ROAD worker
ԿԱՌՈՒՑՈՂ	BORN
ՀԱՅԿԱԿԱՆ ԱՏՈՄԱԿԱՅԱՆ ՀԱԷԿ	ARMENIAN NPP ARMENIAN NPP
ՀԱՅՌՈՒՄ ԳԱԶԱՐԴ	"ARMROSGAZPROM" ARARAT ԳԳՄ
ԱՐԱՐԱՏԻ ԳԳՄ	
ՄԱՏԻՆՅԱՆԻ ՆՇԽ ԱՐ	LORI TV
ՍԱԳԱՄԱՐ	SAGAMAR
ՎԱՍԻԼ	VASIL
ՏԻԳԱՐԲՈ	TIGARBO
ՏՐԱՆՍԳԱԶ ԱՖՈՎՅԱՆԻ ԳՇՄ	TRANSGAZ ABOVYAN ԳՇՄ
ՏՐԱՆՍԳԱԶ ԱՖՈՎՅԱՆԻ ԳՍՊԳ	TRANSGAZ ABOVYAN ԳՍ ՊԳ
ՏՐԱՆՍԳԱԶ ԴԻԼԻՋԱՆԻ ԳՇՄ	TRANSGAZ DILIJAN ԳՇՄ
ՏՐԱՆՍԳԱԶ ՎԱՆԱԶՈՐԻ ԳՇՄ	TRANSGAZ VANADZOR ԳՇՄ
ՕԶՖ ՊՐՈԴԱԿՇՆ	ՕԶՖ PRODUCTION

Some Results of the Simulation

Closed* enterprises by 2025 (12 from 270 agents)

Agent name (arm)	Agent name (en)	States
ԱՇՏԱՐԱԿԻ	TOWER FARM PIG	
Խ ՈՋԱԲ ՈՒԾԱԿԱՆ ՖԵՐՄԱ		
ԳԱՋ	ALABASTER	
ԳԵՈ ՊՐՈ ՄԱՅՆԻՆԳ ԳՈԼԴ	GEO PRO MINING GOLD	
ԱՐԱՐԱՏԻ ԳՈՐԾԱՐԱՆ	ARARAT PLANT	
ԳՐԱՆԴ ՏՈԲԱԿՈ	GRAND TOBACCO	
ԳՐԱՆԴ ՔԵՆԴԻ	GRAND CANDY	
ԳՐԻԱՐ	GREER	
ԵՎՐՈՊԱ	EUROPE	
ԵՐԵՎԱՆ ՋՈՒՐ	AS WATER	
ԶՊՄԿ	ZCMC	
ԿՈՐՍԱՆ ԿՈՐՎԻԱՄ	Corsan Corviam	
ԿՈՆՍՏՐՈՒԿՑԻՈՆ	STRUCTURAL ARAGATSOTN	
ԱՐԱԳԱԾՈՏՆ		
ՄԱՔՈՒՐ ԵՐԿԱԹ ԳՈՐԾԱՐԱՆ	PURE IRON PLANT	
ՇԻՆՖՈՐՈՒՄ	Parex-gas	

* Recommendation only

The Model Validation

1. The developed simulation was validated with the help of historical data. The forecast error is based on the following estimation (by Ordinary Least Squares):

$$\frac{\sum_{j=1}^{J(t)} \sqrt{\sum_{t=t_0-\tau}^{t_0} \left(\frac{E_j(t) - E'_j(t)}{E'_j(t)} \right)^2 + \left(\frac{IIP_j(t) - IIP'_j(t)}{IIP'_j(t)} \right)^2}}{J(t)} \leq \bar{\chi},$$

$j \in \{1, 2, \dots, J(t)\}$ - index of agent-enterprises

$$E_j(t) = \sum_{j=1}^{J(t)} \left(\sum_{s_j=1}^{S_j(t)} \mu_{j,s_j}(t) K_{j,s_j}(t) \right)^{\gamma_j(t)} \text{ - Total Emissions, } IIP_j(t) = \frac{V_j(t)}{V_j(t-1)} \text{ - Index of Industrial production}$$

$(E_j(t), E'_j(t)), (IIP_j(t), IIP'_j(t))$, - Simulated and actual values of the TE and the IIP appropriately.

$$\bar{\chi} \approx 12\% \text{ for } \tau = 10 \text{ (from 2005 to 2015)}$$

2. More than 100 experiments were completed for forming the Pareto front. All fronts are sustainable. The dispersion not more than 5 %.

Acknowledgements

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Conclusions

1. For the first, a novel **agent-based simulation for Ecological Economics** for the Republic of Armenia is developed. The features of the model are taking into account the government regulation systems through the emissions fee rates, subsidies, and penalties as well as the individual evolutions of agents-enterprises towards the ecological manufacturing.
2. The **modified genetic algorithm GA** was suggested for searching the Pareto optimal decisions in the formulated bi-objective optimization problem. The GA is based on the well-known SPEA2 with using a binary transition matrix of agents as the set of decision variables.
3. The **original software** was developed for the effective decision-making about the modernization Armenian enterprises. The system is based on different technologies such as *AnyLogic, Java, Google Maps, Databases, etc.*
4. The **Pareto optimal** decisions about the modernization of Armenian enterprises were obtained with the help of developed system. The modernization plan allows to reduce the Total Emission **more than 25%** for 10 years under saving a **positive dynamics of the industrial production** (IIP > 100%).



Thank you very much!

Any Questions?