

Appendix A

Nomenclature

The nomenclature in DREAM (the naming of sets, variables and parameters of the model) is intended to provide a logical and internally consistent system where all names should in principle be self-explanatory or at least give a reasonable mnemonic help when the basic principles are grasped. Another principle is that the description in the present written documentation should as far as possible be identical to the actual representation of the model in the GAMS computer program. This allows actual users of the computer version of the model to use the documentation as a direct reference manual.

Variables and parameters

The main rule is that variables and parameters begin with one or more letters denoting their class. A distinction is made between upper-case and lower-case letters so that there are the following classes:

A Assets, wealth

adj Adjustment factor (used for various purposes, e.g. government consumption)

b Pension benefits from pension funds

bonus Bonus from pension funds

C Consumption

d Dummy

g Growth rate

H	K-L aggregate in the production function
I	Investment
i	Interest rate
K	Capital stock
k	Correction factor resulting from calibration
L	Labour
M	Materials
N	Population
OR	Transfer (amount)
o	Transfer rate
P	Price (including user-cost)
Q	Shadow price
QR	Contributions, e.g. to pension funds (amount)
q	Contribution rate
r	Rate or share of population
SR	Subsidy (amount)
s	Subsidy rate
TR	Government revenue
t	Tax rate
V	Value of firm
W	Wage
w	weight/share/coefficient
X	Export

Y Production/income

For each variable the class is supplemented by one or more comma-separated top signs denoting (in the following order):

1. Sector
2. Type
3. Extended identification

Sectors

ATP ATP

F Foreign countries (the rest of the world)

EU European Union

Gr Greenland

FI Faroese Isles

G Government sector

H Households

LD LD

P Firms/producers

SP Special Pension

Z Pensions funds collectively (private and labour-market funds)

ZF Labour-market pensions funds

ZP Private pensions funds

Types

B Buildings

H Dwelling ("Housing")

- I Inventory Investments
- J Land
- M Machinery
- 1 Intermediate goods (second-lowest nest in classes I, M and C)
- 2 Finished goods (lowest nest in classes I, M and C)

Extended identification

To identify precisely a variable, an extended identification can be given. Upper-case letters are used in this case when the identification is an abbreviation. Otherwise, lower-case letters (but upper-case initial letter) are used. E.g.

Some variables do not fit into the above structure and are named individually following the principles mentioned under Extended identification. For example PrimBudg is the primary budget and CA is the current account.

Also a few variables are given the name of a Greek letter, typically when there is a strong tradition among economists to use the letter in question. For instance δ for depreciation rates or σ for substitution elasticities.

Sets

The indices in the foot signs of the variables refer to various sets and are always lower-case letters. The DREAM documentation uses the following indices:

- a Age
- b Transfers
- c Country of origin for goods
- e Good (or expenditure type) in consumption nest
- j Producing production sector
- k Delivering production sector

o (Ethnic) origin group for persons

s Sex

t Time

The sets themselves as well as their individual elements consists of one or more letters and start with an upper-case letter.

For individuals (when appropriate) the order is: o,s,a,t. For production the order is: j,i,c,t.

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