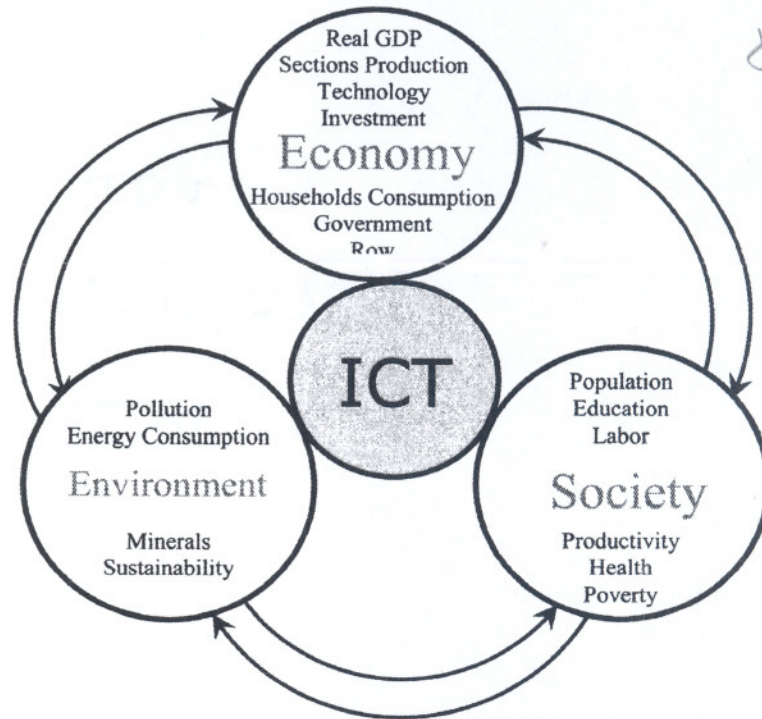


modules, and structural relations that interact with each other and with factors in the other parts.

Figure 4: Conceptual framework



In brief:

The Economy sub-system contains major production sectors (agriculture, oil, industry and services) as the supply side, which is characterized by Cobb-Douglas production functions with inputs of resources, labor, capital, and technology. Demand side (consumption, investment and government) is based on population and per capita income. The government sector generates taxes based on economic activity and allocates expenditures by major category, which then impacts the delivery of public services, subject to budget balances.

The Social sub-system contains detailed population dynamics; health and education challenges; and poverty levels. These recent sectors' effect in its turn determines