



**The Abdus Salam  
International Centre for Theoretical Physics**



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**Joint ICTP-IAEA Workshop on Uncovering Sustainable Development  
CLEWS; Modelling Climate, Land-use, Energy and Water (CLEW)  
Interactions**

*30 May - 3 June, 2011*

**The political economy**

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# POLITICAL ECONOMY

Uncovering Sustainable Development  
CLEWS

ICTP, June 1, 2011

Lucille Langlois

# The Plan

- What is political economic analysis?
- Why is it important today?
- How is it constrained in a single system model?
- How can extraneous factors and competing or impinging systems be considered

# What is political economy

- Definition
- History
  
- Relevance today – politics, projects and sustainable development
- Incorporating elements of impinging and competing systems to broaden your analysis.
- Your system model may be self-contained but in a larger context it is surely incomplete



# Why is it important?

- What if your boss wants to build an elephant?
- Complexity – substance (broad scope) vs. mechanics (tunnel vision)
- Prevents isolation in an integrated world
- Makes your analysis used and useful
- Relevant for guiding decision makers
- Substantive help in political negotiations

# Constraints in a single system model

- Boundaries: time horizons, territorial boundaries, technology choices
- Definitions – supply example
- Data and Statistics
- Assumptions
- Analytical goals

# Political economic analysis on a single system model

- Optimisation means compromise: explore and the consequences, trade-offs and benefits of different compromises for all parties
- Change some of your boundaries and assumptions
- You cannot model the world, but some extraneous variables can be incorporated into your model
- Make some extreme “what if” scenarios about some extraneous considerations



# How to broaden the scope

- Assume a can opener/ assume a different ROW
- Play around with incorporating competing demands in your model and try optimising your goals
- Try optimising someone else's goals in your model
- Broaden your research – teamwork
- Integrated analysis (Thursday) and CLEWS

# The benefits

- More informed decision making
- More politically effective and acceptable policy choices
- May pre-empt uninformed and unfortunate investments
- Makes your work relevant in analytical and political debates