

Economics, Environment, and Sustainability

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1. Economics — Goods and services
2. Economic System — Social institution (*ex. socialism, communism, capitalism, etc.*)
3. Free-Market System — Based on supply and demand
4. Natural Capital — Resources provided by the Earth's natural processes
5. Human Capital — People's physical and mental talents
6. Manufactured Capital — Tools and materials
7. Economic Growth
 - Increased capacity to supply goods and services
 - Requires increased production and consumption
 - Requires more consumers
8. Economic Development
 - Improvement of living standards
9. Environmentally Sustainable Economic Development — Environmentally beneficial
10. Use resources more sustainably:
 - Full-cost Pricing — Includes estimated costs of harmful environmental and health effects of production
 - Subsidizing environmentally beneficial goods and services
 - Taxing pollution and waste instead of wages and profits
11. Cap-and-Trade — Incentive based; Used to reduce SO₂

- Cap on greenhouse gas emissions is a limit backed by science. Companies pay penalties if they exceed the cap, which gets stricter over time
- Trade is a market for companies to buy and sell allowances that permit them to emit only a certain amount. Trading gives companies a strong incentive to save money by cutting emissions

12. Poverty — People can not meet basic needs

- One-fifth of the world's population lives on less than \$1.25 per day

13. Reducing poverty helps reduce:

- Population growth
- Resource use
- Environmental degradation

14. Microlending

- Microloans give hope to the poor
- Microloans help more than direct aid. Why?
 - \$5 to \$500
 - Mostly to women