

Economics, Politics and Sustainability
Chapters Twenty-Three and Twenty-Four and Supplement Five

Economic Resources

- An _____ is a system of production, distribution, and consumption of economic goods
- The kinds of capital that produce goods and services in an economy are called economic resources
 - _____ capital or natural resources
 - Manufactured capital: items made from earth capital
 - Human capital: people's physical and mental talents

Economic Systems

- In a pure _____ economic system, or centrally planned economy, all decisions are made by the government
- In a pure _____ economy, also known as pure capitalism, all economic decisions are made in markets (buyer and seller interactions)
- In reality, all countries have _____ economic systems

Economic Growth

- Economic growth is an increase in the capacity of the economy to provide goods and services
 - It is measured by a country's _____ (GDP), which is the market value of all goods and services produced within its borders, and its gross national product (GNP), which is the GDP plus the net income from external sources

Ecological Sustainable Development

- Ecological sustainable development occurs when the total human population size and resource use in a region are limited to a level that does not exceed the _____ of the existing natural capital

Internal and External Costs

- All economic goods and services have both internal and external costs
 - _____ costs are the direct costs incurred by the seller and buyer of an economic good, which includes the factory, raw materials, labor, marketing, and shipping
 - _____ costs are the harmful social effect of producing and using an economic good that is not included in the market price, such as waste, pollution, reduction of biodiversity, and depletion of nonrenewable resources

Full-Cost Pricing

- One way to deal with external costs of economic goods is full-cost pricing, which includes internal costs along with short- and long-term external costs

Solutions

- Converting to earth-sustaining economies would require several steps including
 - _____ earth-sustaining behavior
 - Include external costs in market price
 - Tax throughput of matter and energy
 - Reduce _____ of natural resources
 - Slow population growth

Environmental Law

- Environmental laws and regulations can be used to control pollution, set safety standards, encourage resource conservation, and protect species and ecosystems.
 - _____ laws are those developed and passed by legislative bodies such as the government
 - Administrative laws consist of rules and regulations related to the implementation and interpretation of statutory laws.
 - _____ law is a body of unwritten rules and principles derived from past legal decisions.

- Environmental lawsuits are difficult to win for several reasons
 - Plaintiffs must establish that they have the legal right (legal standing) to do so
 - Lawsuits are expensive and can take years to resolve
 - Public interest law firms cannot recover attorney's fees unless specifically authorized by _____
 - It can be difficult to isolate harm from environmental damage
 - Statutes of limitations limit how long a plaintiff can sue after the fact, and environmental damage may not be obvious within that time

GATT-WTO-FTA-NAFTA

- The General Agreement on Tariffs and Trade (GATT) was revised 1994 to establish the World Trade Organization (WTO) which has the status of a major international organization.
- The 1989 Free Trade Agreement (FTA) between Canada and the U.S. and the 1993 North American Free Trade Agreement (NAFTA) between Canada, the U.S. and Mexico, operate to remove trade barriers between countries. This will
 - Benefit _____ countries
 - Allow consumers more choice of goods and price
 - Raise overall levels of environmental _____

Influencing Politics

- In a democracy, decision makers must deal with pressure from many competing special interest groups. Each group advocates passing laws favorable to its position.
- Some special interest groups are profit-making organizations, such as corporations, and others are nonprofit, _____ organizations (NGOs)

Environmental Groups

- Mainstream environmental groups are active primarily at a national level
 - Some funnel funds to local activists and projects
 - (ex. Greenpeace)
 - Some focus on _____ actions
 - (ex. Environmental Defense Fund)
 - Some focus on specific issues
 - (ex. Zero Population Growth, Nature Conservancy, World Wildlife Fund)
 - Some focus on _____ and research
 - (ex. Worldwatch Institute)

Political Parties

- There are two major political parties in the United States (Democrats & Republicans), with a third having roughly 100 members holding political office at some level (Libertarians). The Green Party centers itself around issues of sustainability, but does not have an impact on U.S. politics.
- _____ Party - "Encourage _____-based solutions to environmental problems. A robust economy will be essential for dealing with the risk of climate change, and we will insist on reasonable policies that do not force Americans to sacrifice their way of life."
- _____ Party - "Invest in technology friendly to the Earth. We need comprehensive energy legislation that makes us more energy independent, reduces climate changing greenhouse gas emissions, and creates millions of green jobs."
- _____ Party - "Encourage _____ ownership of land and animals. Owners make better environmental guardians than renters. If the government sold its acreage to private ranchers, the new owners would make sure that they grazed the land sustainably to maximize profit and yield."
- _____ Party - "All human endeavors are situated within the dynamics of the _____. If we wish to have sustainable institutions and enterprises, they must fit well with the processes of the Earth."

Influencing Environmental Policy

- Individuals can influence and change government policies through several methods
 - _____ for candidates and ballot measures Contribute money and time to candidates
 - Contact legislators to _____ your point of view Educate, expose fraud, file lawsuits
 - _____ in grassroots activities