**Chapter 20: Sustainability, Economics and Equity**

**Reading Guide**

**Vocabulary**

Learn the definition of each term. The **bold** words require you to know more than just the definition. For example, GPI: you should what it stands for, what it measures and how it is different from the HDI, the HPI and the GDP. All words must be defined on a separate sheet of paper. This will be worth a separate grade!

**command-and-control approach**

Demand

DOE - Department of Energy

ecological economics

environmental economics

EPA - Environmental Protection Agency

**Externalities**

**GDP - Gross Domestic Product**

**GPI- genuine progress indicator**

**green tax**

**HDI - Human Development Index**

**HPI - Human Poverty Index**

human capital

**incentive-based approach**

leapfrogging

manufactured capital

market failure

MEP - Market Equilibrium Price

**microlending**

natural capital

OSHA - Occupational Safety and Health Administration

**Precautionary principle**

Supply

Technology transfer

triple bottom line

UN - United Nations

UNDP - United Nations Development Programme

UNEP - United Nations Environment Programme

valuation

WHO- World Health Organization

World Bank

**Reading Outline**

Assembly Plants, Free Trade and Sustainable Systems

1. **List the benefits of the *maquiladora* system.**
2. **List the costs of the *maquiladora* system.**
3. **Describe one way to improve the *maquiladora* system by reducing a cost.**

20.1 Sustainability is the ultimate goal of sound environmental science and policy

1. **Define sustainability in terms of environmental science.**

20.2 Economics studies how scarce resources are allocated

1. **Look at Figure 20.1,** 
   1. **what happens to the number of units SUPPLIED as price increases?**
   2. **what happens to the number of units DEMANDED as price increases?**
   3. **Does that make sense? Why or why not.**
2. **What is the Market Equilibrium Price?**
3. **How is solar energy an example of leapfrogging?**
4. **How does microlending help poor populations?**

20.3 Economic health depends on the availability of natural capital and basic human welfare

1. **Give three examples of market failures from an environmental perspective.**
2. **List multiple ways to valuate natural capital.**
3. **What is a cradle to grave system? What happens to the outputs of this kind of system?**

20.4 Agencies, laws, and regulations are designed to protect our natural and human capital

1. **You need to memorize the laws in Table 20.1. Figure out how you are going to do that.**
2. **Differentiate between a command-and-control approach and an incentive-based approach. Give an example of each.**

20.5 There are several approaches to measuring and achieving sustainability

1. **Vocabulary only**

20.6 Two major challenges of our time are reducing poverty and stewarding the environment

1. **Why is poverty an environmental problem?**
2. **What are the goals of the UN Millennium Development Resolution?**
3. **Who is most likely to bear the brunt of environmental hazards?**
4. **Give 2 examples of environmental justice situations.**
5. **Briefly describe Nike’s Cradle to Grave program. Do you think this program is environmentally sound? Why or why not.**

Additional Work:

Answer the MC questions and the Measuring Your Impact question at the end of Ch 20.