Midterm exam review

Econ 2505

Prof. S. MacDonald

**ECONOMICS**

**I. Readings and concepts to review for the midterm October 14, 2015. Links to all readings, PowerPoint presentations are posted on Open Lab.**

**1.** **William Emmons**, *Leverage Points for Accelerating Sustainable Growth,* Ch. 3Consumers: Changing the Terms of Engagement (pages 13 - 17 of article)

1. William Emmons suggests that American consumers may not be able to serve as the engine of economic growth that they did in the prosperous post-war era. What reasons does he cite for this? (paragraph 1)

* Emmons notes in the last paragraph on page 1 that “as consumer spending grew rapidly in the U.S., we imported consumer-oriented goods and services even more rapidly.” What problem does Emmons see with this trend?
* Take a look at the table on pg. 2 that compares the composition of GDP in the U.S. and Canada over time. Looking at the most recent period from 2001 – 2010, what differences do you notice in the percent share of the components of GDP between the two nations (Consumption, Investment, Net exports, Government expenditures)?

**2. Robert Atkinson and Darren Hackler**, "Economic Doctrines and Approaches to Climate Change Policy;

**On pages 1 through 9, the authors discuss their views of how Neoclassical economists, Neo-Keynesian economists, and Innovation Economists would design economic policies to address the issue of climate change. Think about the following questions related to this reading.**

* What do neoclassical economists view as the central issues to resolve in addressing the challenges of climate change? Which of the concepts (in the list above) are central to the neoclassical view? Summarize the neoclassical argument.
* What is **your assessment** of the neoclassical view? Are the assumptions about human economic behavior and about how to address environmental problems realistic? Explain.
* Describe two or three ways in which the **neo-Keynesia**n view differs from the neoclassical   perspective?  What would neo-Keynesian economists view as important in addressing the challenges of climate change? Explain
* What are the principal problems the authors have with both the neoclassical and neo-Keynesian approaches to addressing climate change issues? Clearly explain.
* The authors finally discuss what they term the **“Innovation Economics**” perspective. What are the three arguments the authors cite as to why neither the neoclassical nor the neo-Keynesian views offer an suitable policy framework for addressing the economic realities of the 21st century?
* What do you believe are the most important issues with respect to current environmental challenges and what if anything would you take from any of these three perspectives to explore those issues?

**3. The debate about cap and trade and a carbon tax and readings**

**a) “*The Coming Climate Crash: Lessons for Climate Change*”, Henry Paulson**

**b) “*The Big Green Test: Conservatives and Climate Change*”, Paul Krugman**

Think about the following questions:

* What remedy does **Henry Paulson** view as the most effective means to reduce carbon emissions from fossil fuels (i.e. sources such as coal fired power plants)? Why does he believe this to be the most effective remedy?
* Paulson also argues that attempting to do more than this now would not be advisable. What reasons does he make for taking this position? Do you agree/disagree?
* In his response to Paulson, **Paul Krugman** argues that "A carbon tax may be the best thing we could do, but we won’t actually do it". Explain why he make this argument.
* Krugman then argues that there are several other alternatives that can more easily be achieved if there is a willingness to do them. What are some of these alternatives and what benefit does he see in these alternatives?
* Finally, the **International Emissions Trading Association** argues that the most effective means of addressing the current carbon emissions crisis is the adoption of emissions trading. What is emissions trading?
* Which - if any - of these three proposals do you see as offering the most effective policy and why?

**SOCIOLOGY**

**1.** **Lecture 1: Introduction.** There were no assigned readings for the first class meeting, but we covered several important concepts. Make sure to review your notes (PowerPoint slides available on OpenLab) and answer the following questions:

* What is “sustainability” and where did the term come from?
* What is an overshoot day?
* What is community-supported agriculture?
* How is a “citizen-consumer” different from a “purchasing” consumer?
* How do you understand the term BAU (business as usual)?
* What is consumer deskilling?

**2.** Overview of Key Theories in Environmental Sociology. **David N. Pellow and Hollie Nyseth Brehm**. “An Environmental Sociology for the Twenty-First Century.” Notes are available in Lecture 3 PowerPoint. Be prepared to explain each of the following notions:

* Ecological modernization
* Treadmill of production
* World systems theory
* Environmental justice
* Deep ecology
* Ecological feminism
* Critical animal studies

**3**. Guest lecture and class discussion about the history of consumer society. **Susanne** **Freidberg** “The Triumph of the Egg” (Lecture 3 notes). Based on the reading and class discussion, be prepared to answer the following questions:

* What is “consumer society?” Why is it important to understand its history for understanding environmental footprint of contemporary societies?
* According to Freidberg’s article, why did American consumers not trust industrial refrigeration of eggs well into the 20th century?
* According to Freidberg’s article, how did the introduction of the technology for refrigerating large warehouses change the entire food system?
* What is a cultural lag?

**II. PowerPoints:**

* Economic Policy on reducing carbon emissions

**III. Class notes from class sessions and discussions**

**IV. Reflections on your field research and how specifically it will help to inform your research project.**