

Using *Global Issues in Context* for Econ 101

Examples of Economics in Action From Around the World

Econ 101 examines the microeconomics of capitalism — the behavior of households and businesses, the generation of prices and outputs in markets, and applications to public policy. Specific topics in Econ 101 include: supply and demand; the differences between competition and monopoly; environmental problems and policies; and international trade.

Environmental Economics

- The study of the economic effects of environmental policies. Particular issues include the costs and benefits of environmental policies to deal with air pollution, water quality and global warming.



Water Scarcity

- The scarcity of water around the world is a growing economic and humanitarian problem. *Global Issues in Context* gives instructors and students the opportunity to see how cultures around the world are dealing with the issue.

Global Warming

- The rise in global temperature and sealevel is having direct effects on government policy and global business. Using *Global Issues in Context* students can witness how global warming affects patterns of trade and economic power.

Oil

- No natural resource is tracked more closely than oil. While the search for alternative energies continues, oil remains a hot topic. *Global Issues in Context* makes understanding the history, business, and politics of oil easy for students.

Reference Content That Supports Student Learning

International Encyclopedia of the Social Sciences

Plain English explanations of economic concepts

Content that encourages economic thinking outside of the classroom

Water: Science and Issues

Reference content that makes sense of complex issues

Examines issues from multiple points of view

Encyclopedia of Population

Makes connections between social & economic issues easy for students to see

Bringing global ideas home

How Would You Teach Your Students About Emissions Trading?

Supply & Demand

Using a simple supply and demand model you can explain how an emissions trading system works and how the price of each unit would be determined.

The screenshot shows the 'Global Issues IN CONTEXT' website. The main navigation bar includes 'BASIC SEARCH', 'ADVANCED SEARCH', 'BROWSE ISSUES AND TOPICS', and 'COUNTRY FINDER'. The page title is 'Emissions Trading'. On the left, there is a 'Videos' section featuring a video thumbnail for 'The NEWS HOUR with Jim Lehrer' titled 'Carbon Offset Program Looks to Reduce Emissions / NewsHour'. Below this is a 'RELATED PORTALS' section with links to 'Air Pollution: Transborder', 'Aviation Emissions and Contrails', 'Greenhouse Gases', 'Kyoto Protocol', and 'United Nations Environment Programme (UNEP)'. The main content area has an 'OVERVIEW' section explaining emissions trading as an incentive system for controlling or reducing certain polluting emissions, mentioning the UNFCCC and the Kyoto Protocol. It states that industrialized countries agreed to reduce their greenhouse emissions to 5.2 percent below 1990 levels by 2012. Below the overview is a 'Global Perspectives' section with two links: 'Carbon plan a hostage to politics' and 'Double Or Nothing; GreenView: The Uncertain Future Of Emissions Trading'. On the right side, there is a 'TOOLS' section with a 'BOOK MARK' icon, a 'PODCASTS' section with two entries for 'NORTHEAST STATES TRADE CARBON EMISSION CREDITS', and a 'PRIMARY SOURCES' section with one entry: 'The Environmental and Economic Effects of European Emissions Trading (Excerpt)'. At the bottom right, there is a 'GET INVOLVED' section with a link to 'Carbon Trade Watch'.

Show students how basic economic concepts can be applied to real world issues using portal pages.

The Power of Incentives

Why do many economists believe that a carbon emissions trading system will play a role in solving global warming? Incentives, incentives, incentives. Firms respond to monetary incentives, but, under our current monitoring system there is no incentive for firms to reduce their carbon production. With an emissions trading system firms not only have an incentive to find cleaner methods of production, but they can also monetize their left over permits. This prospect of a profit is leading entrepreneurs to flock to the carbon market. **Learn more in our podcasts from NPR.**

Opportunity Costs

Economists are always concerned about the value of the next best alternative. So what is the next best option to a carbon emissions trading

system?

International Herald Tribune

Dec 10, 2008 p1

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From carbon into gold A sobering experience with emissions trading provides lessons for Europe - and Obama POLLUTERS' WINDFALL / An investigation. (News)

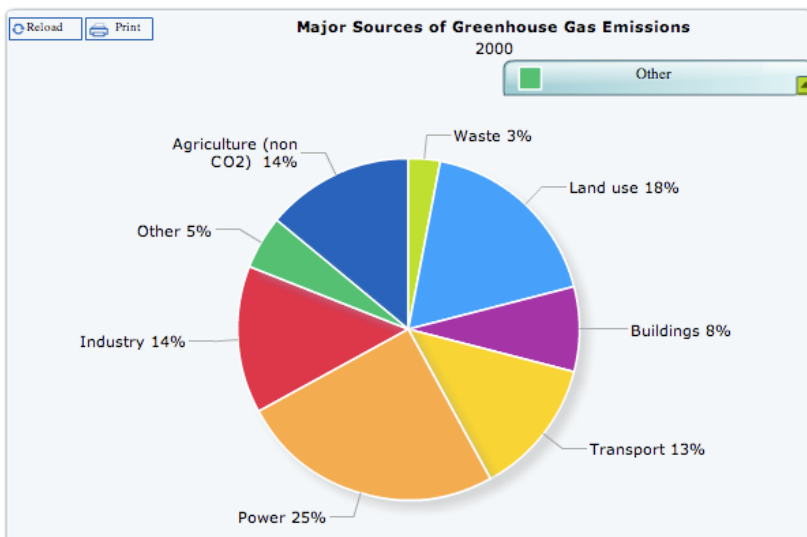
by James Kanter

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Byline: James Kanter

BRUSSELS -- Paul Geitner contributed reporting from Paris.* The European Union started with the most high-minded of ecological goals: to create a market that would encourage companies to reduce greenhouse gases

system, concluding in 2007 - more than any other company in Europe. In a confidential summary of its findings, obtained by the International Herald Tribune, the German cartel office in late 2006 accused RWE of engaging in "abusive pricing," piling on costs for industrial clients that were "completely out of proportion" with its own costs. It called for cuts of up to 75 percent. RWE settled the case last year while denying any wrongdoing. It says price



Statistics

No economist would make a decision without having the best data in front of her. Your students shouldn't either. *Global Issues in Context* contains the most up-to-date stats from respected sources such as: the United Nations, the Climate Cooperative, and US Federal Government Agencies.

Perspective from all of the World's Markets

Economic policies, such as carbon emissions trading, are crafted with the best of intentions. Yet even the most effective plans have unintended consequences. In economics we call these externalities. With *Global Issues in Context*, your students can find the positive and negative externalities associated with economic policies around the world. Students not only find the externality but get the local perspective on the impact that each policy is having.

