What does Education for Sustainability have to do with Economics?

"We take economic decisions every day of our lives, and in turn are affected by the decisions of other people and institutions. Economics is the study of these decisions and actions. Studying the way economic processes work helps us to understand the society in which we live." (http://www.southampton.ac.uk/economics/undergraduate/index.page?)

The future will be shaped by the need to move to low-carbon economies. Topic areas of relevance to sustainability already in the Economics curriculum include:

- Microeconomics (individual/unit-level consumer behaviour):
    - resource distribution;
    - inclusion of all externalities (e.g. pollution – polluter pays principle, carbon emissions produced) and impact on consumer/producer choices;
    - economic modelling and resource scarcity e.g. do oil costs reflect its scarcity as a finite resource;
    - cost-benefit analysis – discounting rates and future generations e.g. Stern Review & CBA – calculated the cost of mitigating climate change was less than doing nothing
    - Relational contracting in institutions
- Macroeconomics (national level):
    - Elimination of poverty; Economic growth; Employment
    - Alternative measures to GDP e.g. Index of Sustainable Economic Welfare which aims to balance consumer expenditure with income distribution and costs such as pollution
    - National and international policy e.g. setting of carbon emissions reduction targets
    - International trade: how do these models change when we change our assumptions about resource scarcity etc.; impact of climate change on trade, imports and exports
- Scale: global, historical, personal issues e.g. demography and birth rates – do students plan to have children? Economics brings something unique to the sustainability debate through addressing individual behaviours
- Integrated reporting: including environmental, social as well as economic factors; triple bottom line
- Resource use: often introduced for economics students as grouping productive resources (land, labour and capital which equates to natural resources, human and manmade); efficiency of process to produce wealth; resource/wealth distribution

Key skills for economists which sustainability teaching cultivates: problem-based learning; informed decision-making; synthesis of different opinions, theory and data; interdisciplinarity; communication; critical thinking.

Find out more: Contact Julia Kendal (j.kendal@soton.ac.uk) for more information including case studies on teaching sustainability in this area.