

## ACTIVITY 2.2 Materials Economy

**Learning Goal:** Participants understand the functions of the mainstream economic system and its metabolism

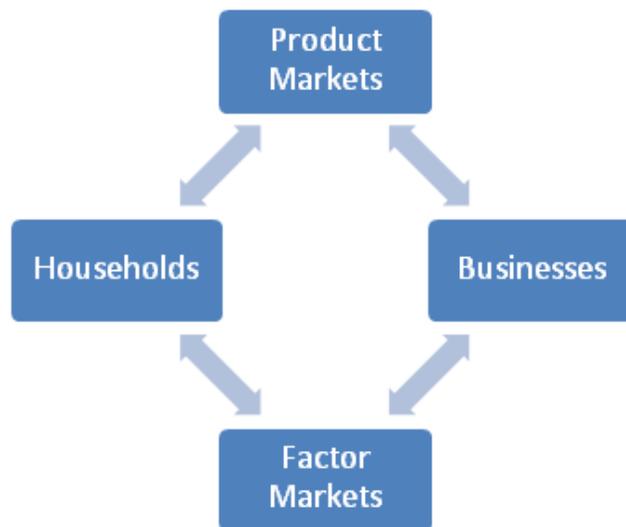
**Format:** Group work

**Materials:** Papers and pens

**Estimated Time:** 1h 30mins

**Level:** 3

**Description:** The facilitator divides participants in groups of 4, sharing with each group the graph below and making sure that all participants understand it. It represents a simple version of an economic model and involves 2 sectors (Households, Businesses) and 2 markets (Products, Factors).



At the first part of the activity, participants are asked to describe the sectors, the inflows and outflows using the graph. Then each group presents how all these elements are connected with each other in the plenary (40 mins). To simplify the process, the facilitator may provide the following key words to each group: goods, services, money flows, production inputs, labor, land, capital, entrepreneurship, wages, rent, interest, profits, income, revenues, spending (Level 2). The facilitator asks participants to think of additional elements that are not part of this given system but could affect or be affected by it (eg. the government, the banks, and the nature).

In the second part of the activity, after a 10 minutes break, the facilitator introduces the **Economic System Metabolism** by presenting the following graph and referring to the previous part of the exercise. Businesses use labor and materials to produce, while households consume what is produced by purchasing them while providing labor to the businesses to produce. The scope of this part is to go to the micro level of analysis and explore what is used for the production of goods and services, considering also the level of wastes generated through this process and also consumption.



The facilitator divides participants again into groups and asks each group to brainstorm on identifying inputs and outputs referred to production and consumption of a chosen good or service. For example, a nice choice is the production and consumption of a sandwich that includes food wastes, garbage, water overuse and pollution, as well as possible animal cruelty. One representative of each group will present the results in the plenary allowing some extra time to reflect on these results (40 mins).

*The facilitator can use this opportunity to refer to the tendency of economic studies to simplify economic models and disregard the level of importance of the interactions with the environment.*

#### Additional sources

For educational purposes only, you may use “The story of Stuff” series to get the full picture of what is the Materials Economy. The videos have been developed from The Story of Stuff Project which is an environmental nonprofit based in Berkeley, CA. They make weekly videos to educate you on the environmental impacts of the consumer culture.