Student worksheet – The 2018 Prize in Economic Sciences

Hi! Below you will find information and some questions about the 2018 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.

Vocabulary list

The slide show and the following text include some words that may be considered tricky. Underline the words that are new to you.

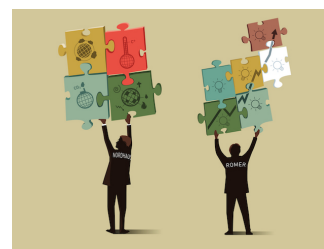**Economic growth** – An increase over time in the production of goods and services in a country.
Resources – Assets, things that are good to have – such as labour, time, money, raw materials or knowledge.
Monopoly – A situation where only one company sells a given product or service.
Regulations – Rules established by government to influence the economy in a desired direction, for example rent controls.

The 2018 Prize in Economic Sciences

Awarded to William D. Nordhaus "for integrating climate change into long-run macroeconomic analysis" and to Paul M. Romer "for integrating technological innovations into long-run macroeconomic analysis". This year's Laureates in Economic Sciences have analysed the interactions between innovation, climate change and the economy. At an early stage of his career, Romer became interested in why growth occurs. According to earlier economists, growth was due to technological change. But what drives technological change? Romer's research shows that the marketplace and how it is regulated influence such technological change. For example, he looked at how patents should be designed to ensure that they make things easier for inventors and innovations, while also enabling their ideas to spread. In the 1970s this year's other Laureate in Economic Sciences, William Nordhaus, became aware of global warming. He created a model for estimating various effects that the economy has on climate. His model enables us, for example, to calculate how high a tax on carbon dioxide emissions should be if we want to keep global temperatures from rising by more than 1.5 degrees Celsius.

Discussion questions

1. Imagine that you are asked to explain the work of the 2018 Laureates to a friend.
   - Why did they receive the Prize in Economic Sciences for their work?
   - What do you think was the most interesting thing about the 2018 Prize in Economic Sciences?

2. Alfred Nobel wanted the work of the Nobel Laureates to have "conferred the greatest benefit to humankind".
   - What do you believe the Laureates' contributions can lead to?
   - Can their contributions help other people in any way?