

Assignment – XII Economics

Chapter: Environment and Sustainable Development

1. Account for current environmental crisis:

The current environmental crisis is the result of rapid industrialisation, population explosion and excessive use of natural resources. Economic activities produce waste, but the environment has limited absorptive capacity. When this capacity is crossed, pollution increases. Overuse of common property resources, deforestation, excessive use of fossil fuels and urbanisation have led to problems like global warming, ozone depletion, water scarcity and loss of biodiversity.

2. Supply–demand reversal of environmental resources:

Earlier, the supply of environmental resources like land, air and water was abundant, while demand was low. With growth and population rise, demand increased and supply reduced due to overuse and degradation. This reversal has intensified environmental problems.

3. Factors contributing to land degradation in India:

- Overgrazing
- Deforestation
- Improper agricultural practices
- Industrial and mining activities

4. Increased opportunity costs of the environmental crisis:

Environmental degradation increases opportunity costs because resources used to combat pollution could have been used for other productive purposes. Loss of agricultural land, increased health expenditure, and the need for restoration activities divert resources from education, development and infrastructure.

5. Definitions:

(i) Carrying capacity: The maximum population and level of economic activity that the environment can support without degradation.

(ii) Absorptive capacity: The ability of the environment to absorb and neutralise wastes without causing harm.

6. Role of bio-pesticides and bio-compost:

They reduce chemical pollution, maintain soil fertility, protect biodiversity and are eco-friendly. They help achieve growth without environmental damage.

7. Role of traditional knowledge in sustainable development:

Traditional practices like rainwater harvesting, organic farming, community forest management and use of natural materials conserve resources and maintain ecological balance.