



MANGALORE UNIVERSITY

DEPARTMENT OF ECONOMICS

MA ECONOMICS

EC503 (B) ENVIRONMENTAL ECONOMICS

Objectives and outcome

- Main aim of this paper is to introduce basic concepts of environmental economics and to impart knowledge on ecology economic relationship.
- By learning this students are expected to know about - Welfare Economics and Environment Measurement of Environmental Values The Theory of Environmental Policy Economics of Natural Resource Management and Sustainable Development, Environmental and Natural Resource Problems in India

Module I: Welfare Economics and Environment:

Pareto optimality and competitive equilibrium; Fundamental theorems of welfare economics-Externalities and market inefficiency-externalities as missing markets; property rights and externalities, non-convexities and externalities; Pareto optimal provision of public goods-Lindahl's equilibrium, preference revelation problem and impure and mixed public goods, common property resources.

Module II: Measurement of Environmental Values:

Use values;Option values and non-use values-Valuation methods-Methods based on observed market behaviour;Hedonic property values and household production models (travel cost method and household health production function), Methods based on response to hypothetical markets, contingent valuation methods.

Module III: The Theory of Environmental Policy:

Environmental externalities-Pigouvian taxes and subsidies, marketable pollution permits and mixed instruments (the charges and standards approach), Coase's bargaining solution and collective action; Informal regulation and the new model of pollution control, Monitoring and enforcement of environmental regulation, Environmental Institutions and

grass root movements; Global environmental externalities and climatic change-Tradable pollution permits and international carbon tax, Trade and environment in WTO regime.

Module IV: Economics of Natural Resource Management and Sustainable

Development :

Theories of optimal use of exhaustible and renewable resources; Environmental and development trade off and the concept of sustainable development; Integrated environmental and economic accounting and the measurement of environmentally corrected GDP; Macroeconomic policies and environment.

Module V: Environmental and Natural Resource Problems in India:

Mechanism for environment regulation in India; Environmental laws and their implementation; Policy instruments for controlling water and air pollution and forestry policy; People's participation in the management of common and forest lands; The institutions of joint forest management and the joint protected area management; Social forestry-rationale and benefits.

References:

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