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Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Education, health, economics, India

Environmental Economics (HE63)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course focuses on economic causes of environmental problems. In particular, economic principles are applied to environmental questions viewed as externalities and their management through various economic institutions, economic incentives and other instruments and policies. Methods for analysing economic implications of environmental policy are also addressed as well as the valuation of environmental quality, assessment of environmental damages, and tools needed for the evaluation of projects such as cost-benefit analysis, and environmental impact assessments. Selected topics on international environmental issues are also discussed.

Course Learning Outcomes

The module aims to introduce students to the main theoretical and empirical concepts in environmental economics, equip students with a thorough analytical grasp of environmental policy theory, ranging from externalities to international environmental agreements, and familiarise students with the main issues in environmental valuation and with the basic features of the environmental policy tools. At the end of the module the students should be able to demonstrate their understanding of the economic concepts of environmental policy. In some models, the student will be required to deal with simple algebra problems that will help them to better understand these concepts, use diagrammatic analysis to demonstrate and compare the economic welfare effects of various environmental policy options, demonstrate their understanding of the usefulness and problems related to environmental valuation, and demonstrate their critical understanding of environmental policies.

Unit 1

Introduction: What is environmental economics? Review of microeconomics and welfare economics

Unit 2

The theory of externalities: Pareto optimality and market failure in the presence of externalities; property rights and the Coase theorem

Unit 3

The design and implementation of environmental policy: overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy

Unit 4

International environmental problems: trans-boundary environmental problems; economics of climate change; trade and environment

Unit 5

Measuring the benefits of environmental improvements: non-market values and measurement methods; risk assessment and perception

Unit 6

Sustainable development: concepts; measurement

References

1. Aldy, J. et al. (2010). Designing climate mitigation policy. *Journal of Economic Literature*, 48, 903-934.
2. Cropper, M., Oates, W. (1992). Environmental economics: A survey, *Journal of Economic Literature*, 30, 675-740.
3. Heal, G. (2012). Reflections – defining and measuring sustainability. *Review of Environmental Economics and Policy*, 6, 147-163.
4. Kolstad, C. (2010). *Intermediate environmental economics*, 2nd ed. Oxford University Press.
5. Newell, R., Pizer, W., Raimi, D. (2013). Carbon markets 15 years after Kyoto: Lessons learned, new challenges. *Journal of Economic Perspectives*, 27, 123-46.
6. Perman, R., Ma, Y., McGilvray, J., Common, M. (2011). *Natural resource and environmental economics*, 3rd ed. Pearson Education/Addison Wesley.
7. Stavins, R. (ed.) (2012). *Economics of the environment: Selected readings*, 5th ed. W. W. Norton.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Pollution, externalities, natural resources

Open Economy Macroeconomics (HE64)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course intends to emphasise on how a country's relations to the rest of the world influence aggregate economic activity, employment, exchange rate and inflation and