

Generic Elective (GE-20): Basic Environmental Economics

Semester	Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
			Lecture	Tutorial	Practical/ Practice		
IV/VI/VIII	Basic Environmental Economics – ECON070	4	3	1	0	Class 12th Pass	Introductory /Principles of Microeconomics

Course Objectives:

- The objective of this course is to provide basic knowledge of environmental economics, and its relationship between microeconomics and welfare economics.
- It covers the significance and application of Environmental Economics in the present environmental challenges in India. It describes and comprehends various environmental policies by deploying various policy instruments as well as measure the various market and non-market benefits of environmental policies.
- Finally, the course addresses the transboundary environmental problems, and challenges related to trade and the environment.

Course Learning Outcomes

- The students will be able to learn the basic factors influencing the environmental challenges faced by the present world.
- They will comprehend the functions of state and institution in mitigating such challenges.

Content (Unit-wise):

Unit 1 : Introduction to Environment Economics (9 hours)

What is environmental economics, Overview of environmental problems in India Unit 2 :

Welfare economics and inefficiencies (9 hours)

Pareto efficiency in consumption (Edgeworth Box), Pareto efficiency in Production, Theorems of welfare economics

Unit 3 : Externalities, property rights and Environmental Policy (9 hours)

Market Failure, externalities in Production and consumption, Externalities in property rights. Types of environmental goods (use and non-use value)

Unit 4 : Bargaining Solutions and Environmental Policies (9 hours)

Coase Theorem and its implications, Overview of regulatory policies related to environment, implementation of environmental policy

Unit 5 : International Environmental Problems (9 hours)

Environment and World Trade Organization, GATT, Multilateral Environmental Agreements, Transboundary environmental problems

Suggested Readings:

- Charles Kolstad. Intermediate Environmental Economics, Oxford University Press, 2nd edition (2012). [Indian reprint available.]

- Roger Perman, Yue Ma, James McGilvray and Michael Common. Natural Resource and Environmental Economics, Pearson Education/Addison Wesley, 4th edition(2011).
- Robert N. Stavins (ed.). Economics of the Environment: Selected Readings, W.W. Norton, 6th edition(2012).

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.