

ECO501A: Environmental Economics & Policy / Instructor: Dr. Deep Mukherjee

Objective of the Course: Modern capitalism provides incentives to economic agents to create and accumulate wealth even at the cost of ecosystem. Hence, the proposed course will sensitize the students on the relationship between environment and economic development. This course explores the role of government in the better management of the environment. The students will also learn that market system can be harnessed to strike an optimal balance between economic forces and environmental quality. We will make use of microeconomics and econometrics at the undergraduate level and will learn from real-life examples and case studies.

Course Outline (Tentative, instructor may modify the content by 10%):

Topic	Number of lectures
Overview of environmental issues: Economy/environment interactions; Common property and public goods; Global climate change; Environmental Kuznets Curve; STIRPAT model; National income and environmental accounting; Productivity growth, technological change and environment; Sustainable development; Aims and scope of environmental economics, resource economics, and ecological economics	10
Essential Microeconomics: Willingness to pay and Willingness to accept; Economic efficiency; Market and welfare; Market failure (Public goods, Externalities); Efficient provision of public goods and bads; Coase theorem	10
Policy analysis: Command and control policy; Taxes on polluting activities; Tradable emission permits; Subsidy for pollution control; Decision-making with risk and uncertainty; Benefit-Cost Analysis	10
Non-market valuation: Revealed preference and stated preference approaches	10
Total number of lectures (Class time: 50 minutes)	40

Suggested textbooks and reference books:

- Bhattacharya, R. N. (Ed.) (2001). Environmental Economics: An Indian Perspective. OUP.
- Hanley, N., Shogren, J. F., & White, B. (2016). Environmental economics: in theory and practice. Macmillan.
- Kadekodi, G. K. (2004). Environmental economics in practice: case studies from India. Environmental economics in practice: case studies from India. OUP.
- Kolstad, C. (2011). Intermediate environmental economics: International edition. OUP.
- Managi, S. (Ed.) (2015). The Routledge handbook of environmental economics in Asia. Routledge.
- Russell, C. S. (2001). Applying economics to the environment. OUP.