



Department of Economics

Economics 381
(12084 - 381)
Environmental Economics
Public Economics
Institutional Economics

Environmental Economics
Sub-Module Outline
2021



THE MODULE FRAMEWORK

This information document contains important information about your module that you might need during the second semester. It should be read with the general module outline for Economics 381. Both documents are regarded as "contracts" between a lecturer and a student.

MODULE AIM

The module applies microeconomic theory to environmental issues. Economic analysis of resource use and environmental degradation provide an understanding of the economic causes of environmental degradation. Given this knowledge, policy approaches and instruments can be designed to reduce and prevent environmental degradation.

Valuing the environment, cost-benefit analysis, pollution control, fishery management, and human-wildlife conflict are the specific topics we will discuss in this module.

MODULE OUTCOMES

After the successful completion of this component of the module the student will be able to:

- Explain how the economic value of nature can be determined and apply it in cost-benefit analysis.
- Describe different policy instruments for controlling pollution.
- Explain how pollution taxes and marketable permits can be used to control pollution
- Explain the economic model of a fishery.
- Explain and discuss different fishery policies.
- Explain an economic model of human-wildlife conflict.

LANGUAGE OF INSTRUCTION

The general module outline contains information about the language option for Economics 381.

ADMINISTRATION

INFORMATION ABOUT THE LECTURER

Name	Office	E-mail address	Telephone number
Albert van der Merwe		avdm2@sun.ac.za	

RESOURCES

PRESCRIBED MATERIAL

A Reader is available on Sunlearn. It is compiled from the following sources:

Hanley, N, Shogren, JF & White, B. 2001. *Introduction to Environmental Economics*.

Oxford University Press.

Harris, JM. 2006. *Environmental and Natural Resource Economics. A contemporary approach*. Houghton Mifflin

Field, BC. 2001. *Natural Resource Economics*. An Introduction. McGraw Hill/Irwin

Forum for Economics and Environment (FEE). 2002. *Environmental Economics and Natural Resource Policy Analysis* (Training Manual). Module 7

Nyhus *et al.* 2005. Bearing the costs of human-wildlife conflict: the challenges of compensation schemes. In Woodroffe, R *et al.* 2005. *Conflict or Coexistence?* Cambridge University Press.

WORK PROGRAMME

The Reader is the prescribed reading for the sub-module. More references may be given to you. See the power point slides for more detail.

Theme 1: The economic value of the natural environment	
Weeks 1 and 2: 17-26 March Introduction Valuing the environment Cost-benefit analysis	Reader pp. 1-13
Theme 2: Controlling pollution	
Week 3, 4 and 5: 31 March – 16 April Policy instruments Pollution control target Pollution tax Marketable permits	Reader pp.16-35
Theme 3: Fisheries economics and policy	
Week 6: 21-23 April Fishery economic model Fishery policy	Reader pp.37-47
Theme 4: Human-Wildlife conflict	
Week 7: 28-30 April Economic modelling of conflict Managing conflict	Reader pp.49-60