*Q. What is the need of study of environmental economics? (5 marks, 2023, GU)*

Ans: Following are the needs or significance of study of environmental economics

1. **Resource Conservation**: Environmental economics provides the framework for promoting resource conservation and environmental protection. By valuing natural resources in economic terms, it can incentivize individuals, businesses, and government to adopt practices that reduce waste, improve efficiency and promote conservation.
2. **Economic growth and environmental balance**: Economics of growth is mainly related to economic welfare of the society and not general welfare of the society. Environmental economics is the study of implications of welfare economics in environmental concepts. In short, it studies how economic growth and environmental balance can be maintained.
3. **Economics of resource use**: Environment is one of the most important repository for development of mankind. Nature plays an important role in providing basic needs like food clothing and shelter. Moreover, agricultural activities also depend on soil, irrigation, humidity etc, which is the result of the nature. Industrial production is also impossible without the materials supplied by nature. In short, living on this earth is possible only with the help of the resources provided by the nature. These resources have become an important component of the study of environmental economics. Optimum use of resources and conservation of resources have become an important issue in environmental economics.
4. **Addressing global environmental issues**: Environmental economics is essential for addressing global environmental challenges, such as climate change, global warming, deforestation, and biodiversity loss. It can promote international cooperation and facilitate the development of effective global environmental policies.
5. **Sustainable development**: Environmental economics plays a vital role in implementing sustainable development strategies by providing insights into the economic implications of environmental policies and technologies. It aims to balance economic, social and environmental objectives.
6. **Pollution Control and Environment**: Environmental economics study about the cost of pollution control and its implications on the environment. The environmental economics deals with externality, pollution and other similar matters causing deviation from optimality. It is also a special branch of welfare economics which deals with the welfare maximization principle.