**Environmental Economics and Resource Economics:**

Prior to 1980’s little attention was paid on the study of environmental economics. However, the theory that was popularized during that period was the theory of resource economics. Till the early 1950s natural resource supply and conservation had been neglected by modern economics. Orris C. Herfindahl was the first person to view natural and mineral resources as economic goods. Thus resource economics is mainly concerned with the production and use of natural and mineral resources of both renewable and non-renewable character. The enormous varieties of natural resources on our earth provide everything for the survival of all forms of life including human beings. On the other hand, environment economics is the study of impact of economy on the environment, the significance of the ecosystem in the economy and to maintain a balance between economic activities and environmental activities. It suggests various measures for regulating economic activity so that a balance is maintained in the society. The pollution aspect is not a concern of resource economics. Resource economics does not bother about the environmental impact of production and consumption, but environmental economics deals with this aspects. In order to maintain this balanced level of production and consumption, economists use different economic tools such as economic incentive or market based instruments and command and control measures. This is because environmental goods are public goods and the market fails to bring equilibrium in case of environmental goods. These aspects are covered in environmental economics and thus make it different from resource economics.