

Question 1

a.) Due to the environment getting worse in Thailand nowadays, it affects the economic in the country directly and indirectly. The air pollution is bad for people's health, and it may affect the birth rate. And there will be no new generation. So, Thailand may need to set carbon neutrality.

b.) Mitigation policy would fit for achieving carbon neutrality, because it slows the rise in fossil fuel. Government limits the level of emissions and collects tax. However, consumers also have a part by paying higher prices for products that were produced by using fossil fuel. There is also an adaptation policy. Adaptation policy can also seek help from the private sector.

Question 2

"A cost-effective allocation of a uniformly mixed pollutant is where marginal costs are equalized for all sources or firms." Do you agree with this statement? Explain the reasons supporting your answer.

In theory, it would be nice if it were equalized for all sources or firms. However, it is hard to do so. A uniformly mixed pollutant is focusing on sources to minimize the cost of reduction.