

# Some thoughts on economic issues

Nick Hanley, Professor of Environmental  
Economics, University of Stirling.

# Two economic questions

- Cost-effectiveness of achieving water quality targets by different means, including plant biomass removal.
- Cost-benefit analysis of plant biomass removal in a series of lakes

# Cost-effectiveness

- Eg compare (a) mix of strategies for reducing external loads with (b) plant removals aimed at internal load, also designed to achieve given water quality target.
- Need to model farmer up-take of (a) and likely use of materials generated by (b).
- Fairly straightforward.

# Cost-benefit analysis

- Environmental/non-market benefits (and costs?) of plant removal
- Vary by types of recreational user:



- Construct benefits transfer model where benefits by site depend on (i) water quality parameters eg chlorophyll-a (ii) types of recreational user (iii) frequency of use.
- Estimate parameters using series of case study lakes?