

The role of markets in the worsening epidemiological environment

Abstract:

In their article, Daily and Ehrlich have discussed a number of important recent trends associated with development and global change that appear to be reducing health security. Besides their immediate epidemiological implications, most issues raised in the paper have economic implications. However, from the point of view of the methodology of economics, despite the paper's being illuminating on the issues discussed, the immediate notable aspect is the lack of a model or framework with/within which those issues are being analysed. Indeed, it is very hard to think of a single framework which would be all-encompassing enough to be applicable to the analysis of all the issues raised in the paper. But I submit that these issues can be adequately addressed and analysed using the rather simplistic model of production and consumption,¹ which is the core of all economic analysis. In what follows, I will pick only a few of the issues raised in the paper and put them within the context of this basic economic model, so as to examine their economic implications.