Team graded assignment on Tuesday 2/2/2016

Assignment:
Apply the definition of efficiency to water quality in Bangladesh
Write a one or two sentence explanation of why it would be economically efficient to improve water quality in Savar Bangladesh.

For full credit the answer must apply marginal concepts and refer to both benefits and costs. For example.

“We believe that improving water quality in Savar Bangladesh would be economically efficient. The benefits of such an improvement, improved health, school performance and many other environmental services for which people would be willing to pay, surely are greater than the costs of the improvement which are probably simple things like rerouting canals, or using basic water treatment.”

Common mistakes were:

• Not mentioning costs. Efficiency requires that benefits > costs. If you don’t mention costs you can’t make the claim that the benefits are greater than the costs.

• Not giving reasonable specific details. In questions like this I always want you to pull details from the article. It’s easy to simply restate general principles; what I want to see is your ability to apply those general concepts to the real world.

• Not being clear about the margins. The question asks about a change in the water quality – that’s a marginal concept. Always refer to changes.

Your grade: Graded team answers are attached to this pdf. Your daily grade is equal to the points awarded here + 10 points for the multiple-choice quiz at the start of class divided by 2. If you were absent or late on that day, you receive zero points for this exercise. The most recent daily grade is posted on eCampus.
It would economically efficient because there would be the marginal benefit (kids), workers health would outweight the cost of treating the water before putting it back into the canals.

Good attention to margins. No examples or evidence - 2
Improving water quality in Bangladesh would benefit the economy by improving quality of life for the workers in the region and increase education levels for children who return to school. It would also generate new businesses in the clean-up. People are willing to pay for at least a little bit of improvement in their water and air quality.

No discussion of costs -2
Group 3

It would be economically efficient to improve water quality in Savar, Bangladesh because the pollution is affecting the education and decreasing the agricultural output.

You need to talk about:
- Margins
- No attention to costs
It would be economically efficient to improve water quality because the marginal benefit of protecting natural resources among other things is greater than the marginal costs.

Good attention to economic margins.

No examples or details - 3
Team #5

The marginal costs associated with improving the water quality would be greatly lower than the marginal willingness to pay. This would result in a large, total net benefit overall.

- Good attention to margins
- No examples or details - 2
Team 6

It would be efficient to improve water quality in Bangladesh because it would improve the health of citizens in the community. This in turn would improve overall better working conditions which would be safer for workers as well as improve educational learning for the future of the nation.

It will be good for the industry despite higher cost because caring for environment makes the business sustainable in the future as well.

maybe but this is beyond the scope of the question
Increased water quality leads to improved quality of life, educational benefits, and would stimulate the economy. Also, increased water quality could lead to an increase in production agriculture.

'good' emphasis on margin, i.e. change.

No attention to costs or examples -2
Team G

It would be **economically efficient** to improve water quality in Bangladesh because it would be more efficient to pay for the marginal cost of treating waste water than the marginal cost of healthcare to a certain point.

Good attention to margins. Examples on both benefit & cost side.
It is not optimal because the society is missing out on the possible Net Benefits, if the water was to improve. There is still room for improvement in an economical way both through society and business stance.

- You miss marginal analysis, -2
- What benefits? -2
- What costs?
Bangladesh Pollution, Told in Colors and Smells- page 2 of 2

where wastewater is treated with chemicals in a series of concrete tanks. He
called for a worker to bring beakers with “before” and “after” samples — only to
be handed an “after” sample in which the water was light purple.

Asked about pollution at the nearby school, Mr. Hasan said his wastewater
flowed in the opposite direction, though that would mean it flowed uphill. “There
are some other factories around here,” he said. “The water might be from them.”

In February, environmental regulators fined Sunma Garments and four other
factories for illegally dumping pollution. Two years earlier, another factory near
the school, Anima Yarn Dyeing, was fined for dumping untreated waste, even
though it had a functioning effluent treatment plant. Local news accounts said
that Anima Yarn had been operating without an environmental clearance
certificate for 23 years.

The inspections were part of a highly
publicized antipollution enforcement
campaign led by Munir Chowdhury, a
senior official in the environment
ministry. Mr. Chowdhury raided factories,
often at night, finding that many were
saving money by dumping waste without
treating it. He imposed repeated fines
until he was transferred this year to run
the state dairy operation.

Mr. Kader, the acting mayor of Savar,
said there was only so much a single
official could do. “You should understand
the reality in Bangladesh,” he said.
“These people who are setting up
industries and factories here are much
more powerful than me. When a
government minister calls me and tells me
to give permission to someone to set up a
factory in Savar, I can’t refuse.”

For global brands that buy clothing from
Bangladeshi factories, pollution rarely
gets the same attention as workplace
conditions or fire safety. H &M has
sponsored some environmental programs,
but Bangladeshi environmentalists say
global buyers have done far too little.

“The buyers totally understand the
conditions of Bangladesh and they take
advantage of it,” said Ms. Hasan, the
environmental lawyer.

Julfikar Ali Manik contributed reporting.

Because the conditions are life threatening,
there would be a high MWIR.

What are the marginal benefits? - 1
What about costs? - 2

[Handwritten note: 11/2]