

Preface

This monograph is an “offspring” of an earlier textbook on *Environmental Economics* which was published in 2002. It is, however, not just an update or a simple translation of the former German version. Rather, this book includes topics, which played no significant role in public opinion some 10 years ago.

Climate change is one of the cross-border environmental issues which has substantially gained importance and public attention over the last decade. From a theoretical point of view, tackling this issue amounts to solving the *allocation problems* for a global environmental commodity. As long as there are no straightforward and functioning “global” allocation mechanisms, this will remain a challenge for international environmental policy. The text addresses this issue in various chapters and sections, which each have a different focus. Of course, international efforts to curb *greenhouse gas emissions*, the various *cap and trade policies*, for example, are included in this analysis together with critical assessments.

Overfishing has been on the agenda of national and international organizations for decades. However, the increasing *globalization* accompanied by technological innovations and rising demand seems to exacerbate the alarmingly poor state of the world’s marine stocks. As is the case for climate change, there is no promising multinational policy on the horizon to date. The text therefore retains this issue from the former book with some additional information and analysis related to the international context.

Integrated approaches to environmental policy such as *integrated waste management* in general and policies for *waste electrical and electronic equipment* in particular consider “waste” as part of the allocation problems. Therefore, the three “R”s, reducing waste, reusing or recycling discarded commodities, have to be *reasonably* implemented in a practical context. This requires a *holistic* approach, integrating appropriate signals from all stages of a product’s life span, including design and the post-consumption phase. *Extended producer responsibility* is meant to provide incentives for a *design for environment*, and is introduced into the text together with integrated waste management and policies for waste electrical and electronic equipment.

Holistic environmental policy is also used for promoting *renewable energy sources*. These approaches rely upon appropriate framework conditions by opening investment opportunities for private business – a special public-private partnership with the public authorities establishing the required framework conditions. The book addresses this issue and discusses examples of this kind of a *Private Finance Initiative*.

Of course, the monograph presents and analyzes the standard theoretical tools which are required for *environmental economics*, although *resource economics* is not included in the text, beyond the issue of overfishing. Classical instruments of *environmental policy* are also discussed, always with a link to theory.

It is, generally speaking, one of the characteristics of this monograph to thoroughly analyze practical environmental issues with theoretical tools which are often taken from *equilibrium analysis*, although in various situations, especially in an international context, the market mechanism has to be replaced by some other allocation mechanism – negotiations, for example. These two hallmarks then justify the title of the monograph: “Environmental Economics – Theory and Policy in Equilibrium”, and the text was written with this concept in mind.

This textbook is suitable for undergraduate and graduate courses on theoretical and applied *environmental economics*. The material in Part II and Part IV is, however, more demanding from a formal point of view, and addresses readers, who are familiar with microeconomics on at least an intermediate level. The various cases included in the text provide sufficient material for discussions in class.

This textbook owes a great deal to many people. Undergraduate and graduate students, and research associates at *Dresden University of Technology*, *Hanoi University of Science* and *International School of Economics at Tbilisi State University* have played an important part in the development and further development of this text. I am indebted to my colleagues Bernd Bilitewski from *Dresden University of Technology* and Martin Wittmaier from *Bremen University of Applied Sciences*, who introduced me to the exciting world of waste management and drew my interest to many policy issues in this area. The editors at Springer, Barbara Fess and Marion Kreisel, were quite helpful in providing technical assistance. Finally, I am very grateful to my former colleague, Judith Marquardt, who, as native speaker, proofread and provided further helpful advice regarding international aspects.

Dresden,
September 2011

Hans Wiesmeth



<http://www.springer.com/978-3-642-24513-8>

Environmental Economics
Theory and Policy in Equilibrium
Wiesmeth, H.
2012, XX, 308 p., Hardcover
ISBN: 978-3-642-24513-8