

# CONTENTS

<b>Chapter 1. INTRODUCTION</b> .....	9
1.1 OECD Project on Economic Instruments .....	9
1.2 Economic Instruments: Definition or Enumeration .....	11
1.3 Economic Instruments: Classification .....	14
1.4 Criteria for Description and Evaluation .....	16
1.4.1 Past and Present Applications: Descriptive Criteria .....	17
1.4.2 Evaluation Criteria .....	18
1.5 Structure of the Report .....	20
<b>Chapter 2. ENVIRONMENTAL POLICY CONTEXTS, POLICY PRINCIPLES AND CHOICE OF INSTRUMENTS</b> .....	21
2.1 Introduction .....	21
2.2 Context and Choice of Instruments .....	21
2.3 The Polluter-Pays Principle and Economic Instruments .....	27
2.4 Some Conclusions on the Polluter-Pays Principle .....	30
<b>Chapter 3. ECONOMIC INSTRUMENTS: A SURVEY</b> .....	31
3.1 Overview .....	31
3.2 Charge Systems .....	33
3.2.1 Effluent Charges .....	35
3.2.2 User Charges .....	50
3.2.3 Product Charges .....	55
3.2.4 Administrative Charges .....	67
3.2.5 Tax Differentiation .....	69
3.2.6 Some Concluding Remarks on the Role of Charges .....	73
3.3 Subsidies .....	74
3.3.1 General Overview .....	75
3.3.2 Economic Significance .....	76
3.3.3 Financial Aid Systems and their Relation to the Institutional Framework .....	76
3.3.4 General Conclusions on Subsidy Schemes .....	82
3.4 Deposit-refund Systems .....	82
3.5 Market Creation .....	88
3.5.1 Emissions Trading .....	88
3.5.2 Market Intervention .....	100
3.5.3 Liability Insurance .....	101
3.6 Enforcement Incentives .....	101

<b>Chapter 4. CHARACTERISTICS OF AND TRENDS IN THE APPLICATION OF ECONOMIC INSTRUMENTS</b> .....	<b>105</b>
4.1 France .....	105
4.2 Germany .....	106
4.3 Italy .....	107
4.4 The Netherlands .....	107
4.5 Sweden .....	108
4.6 United States .....	109
<b>Chapter 5. CONCLUSIONS</b> .....	<b>111</b>
5.1 Introduction .....	111
5.2 Evaluation of Currently Applied Economic Instruments .....	113
5.3 Policy Tendencies and Prospects .....	120
5.4 Summary and Recommendations .....	125
<b>REFERENCES</b> .....	<b>128</b>
<b>ANNEX</b> .....	<b>131</b>