



FALL 2005

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Newsletter

Editor: Katrin Millock. Email: millock@univ-paris1.fr

Please send your contributions to the Newsletter by email only and copy to the EAERE secretariat: eaere@eaere.org

The EAERE website: <http://www.eaere.org>

EAERE INSTITUTIONAL HIGHLIGHTS

LETTER FROM THE PRESIDENT

Final Commentary

Frank J. Convery, President, EAERE

This is my final Commentary as President.

It is easy to be portentous about the significance of ones term of office. Stephen Leacock put the case for his contribution as follows: *When I state that my lectures were followed almost immediately by the Union of South Africa, the banana riots in Trinidad and the Turco-Italian war, I think the reader can form some opinion of their importance.*

My two-year tenure as President of EAERE has taken place in interesting and disturbing times, with continuing and escalating conflicts around the world, suicide bombings and associated mayhem and murder, riots in France, all followed by a rise in police powers and erosion of rights for the individual, and a series of intense and very destructive weather-related events. But association is not causation.

Cardinal John Henry Newman was the founding President of my university – UCD Dublin. In Lead Kindly Light he sets out his modest ethos, and this also informs my view of how to make progress: *I do not ask to see the distant scene; one step enough for me.*

In advocating small steps, the following shaped my thinking, and contributed also to a sense of urgency:

The opportunity costs of time are increasing for most of us. Even minor academic stars today are like modern Opera singers – their talents may be modest enough, but the world is their stage, and time is their most precious resource. This means that, to keep attracting interest and engagement from people of capacity, EAERE has to keep improving what it does and how it does it.

Given that time is so scarce, it is easy to draw a conclusion that all business should be conducted electronically. In Ireland, most of us are only one generation away from the land and the cattle market, where face-to-face contact, the handshake and the shared conviviality of a drink together have been since early Celtic times pre-

requisites for successful business and social cohesion. I believe also in Woody Allen's dictum that *'80 per cent of success is showing up.'* And so your Council members showed up and met together from time to time to share ideas and move our agenda forward, in addition, of course to interacting electronically.

You can't get productively involved until you know what's going on. Communication is the first pre-requisite for commitment and action. And so we re-energised the Newsletter under Katrin Millock's leadership, I provided an occasional commentary, and our Secretary General Monica Eberle re-invented our web site as an effective voice, and kept in touch with you on administrative and managerial issues.

Most voluntary organisations eventually fail. This is not because what they do is not worth doing. It is because they fail to administer effectively, efficiently and persistently their governance, finances, their membership, their ever-increasing legal obligations, their fund raising, their activities and developments. The last Council made the decision to create a permanent Secretariat in FEEM, and this has provided all of these qualities that are so essential to sustainable organisational development. One example: it allowed us to apply successfully in 2005 to the European Commission for medium term (4 year) funding to support the Summer School; the latter is one of our adornments, and to have secured funding for a number of years is a great relief financially, and a great achievement in supporting the continued development of our field.

Centuries ago in Italy, the motto of an institution of learning known as the Accademia del Cimento, was *'provando e riprovando'* – reject that which cannot be maintained in the light of reason and experience. We must have good theory, but evidence is a necessary complement if theory is to develop productively, and if our profession is to have credibility with those who must make difficult decisions. And so we encouraged the submission



of evidence-based papers at our annual meeting in Bremen to give this strand of our profession more profile and status.

We have been inordinately shy in recognising outstanding achievement amongst our peers. And so we inaugurated the Outstanding Achievement Awards, which in Bremen were awarded to giants of our field – Jos Delbeke, Karl-Göran Mäler, and David Pearce. These recognitions were joyful occasions, made poignant and special now by the subsequent death of David Pearce. He has gone, but his benign intellectual and personal shadow will continue to provide many with continuing inspiration and support. Peter Bohm is another inspirational colleague who died in 2005 and leaves a space in our personal and professional lives that is very difficult to fill.

When we look ahead, we can see a Europe that faces great challenges. In many EU countries, rules and cultural reflexes still favour incumbents. Ireland is an interesting counter example. Since May 2004, about 100,000 Polish citizens have moved to Ireland, adding 2.5 per cent to the total resident population; a Polish newspaper is on the Newsstands, and a Polish radio station is about to start transmitting. These new entrants have already added tremendously to the economic and social life of the country, and are part of the explanation why the economy is expected to grow by about 5 per cent in 2005. Making a country economically and socially congenial to immigrants of quality is not a friction free process, and is helped in the Irish case by the fact that there is very little long-term unemployment. But is also clear that making it easy for new entrants has great benefits for all, and that 'incumbent bias' can be a very expensive and destructive asymmetry in social organisation.

The point is not to boast of the Irish success – we have had our own form of self inflicted economic nightmare, and no doubt will have again – but to argue that effective management of the macro economy is the essential pre-requisite for a successful continent and environment. With the introduction of the European Union emissions

trading scheme we have set out on an exciting journey that can show the way forward in addressing climate change. But its credibility and therefore its attractiveness to others will be weakened if Europe as a whole continues to flounder economically.

Günter Grass has told us that '*the job of the citizen is to keep his mouth open.*' We need to act on his admonition in regard to shaping the discourses on our European economy, and how important it is that considerations of environment be integrated in this debate.

A great Secretary General can make a President and Council look good by keeping all administrative matters in good order, by ensuring that alerts about upcoming events and challenges are timely and effective, by simultaneously identifying solutions to problems as they emerge, by being flexible in meeting crises, and by adding an imaginative impulse to the agenda and deliberations of Council. Monica Eberle has been a great Secretary General, and we are very grateful to her. I also thank: deputy President Nick Hanley and Council members for their support, endeavour and patience; Sandor Kerekes and Wolfgang Pfaffenberger who took the risks and delivered excellence in our annual conferences in Budapest and Bremen respectively; Michael Rauscher, who has helped on your behalf shape the upcoming World Congress in Kyoto in July 06; the editor of our journal, Ian Bateman, and Kerry Turner and their team for keeping this crucial strand of our intellectual life strong and growing; Katrin Millock who has revived this Newsletter to great effect; you our members who have contributed in numberless ways make us what we are, a vibrant, successful and enjoyable organisation.

Our field of environmental and resource economics can be likened to the stars of the sky, whose beauty increases when they are studied for a long time, and new stars are discovered. I would like finally to wish incoming President Tasos Xepapadeas and his incoming Council team the very best as they continue our reach for the stars.



ELECTION RESULTS FOR EAERE OFFICERS

EAERE is pleased to announce the results of this year's elections:

PRESIDENT 2008-2009	
Thomas STERNER (Sweden)	146
Henry TULKENS (Belgium)	80

COUNCIL MEMBERS 2006-2009	
Matti LISKI (Finland)	102
Santiago RUBIO (Spain)	113
Eftichios SARTZETAKIS (Greece)	70
Sjak SMULDERS (The Netherlands)	157

Votes received:	230 (39,2%)
Valid votes:	227
Non valid votes:	3

From January 1st, 2006, Thomas Sterner as President-Elect, and Santiago Rubio and Sjak Smulders as Council members, will join Frank Convery, Tasos Xepapadeas, Nick Hanley, Katrin Millock and Monica Eberle as members of the EAERE Council. EAERE wishes the new Council members the best success in their mandate!

EAERE thanks Henry Tulkens, Matti Liski and Eftichios Sartzetakis for their support to the Association. A sincere thanks for their valuable contribution also goes to Klaus Conrad, Cathrine Hagem and Johan Eyckmans, who will leave the Council at the end of this year.

Our President and Council give shape, style and leadership to our organisation and it is important that they have a real mandate from the membership. We are pleased that this year the number of voters was nearly double that of the previous elections. EAERE thanks those members who did vote for their active participation in our Association's life.

DISCUSSION FORUM: Regional outreach of EAERE

Tomasz Zyllicz, Warsaw University, Poland

The Bremen conference was enjoyable and rewarding, but I am afraid that it was the least successful one from the point of view of attracting participation from the EU New Member States (NMS). I think there were only two people from the 10 countries (Milan Scasny and myself). Despite the fact that Bremen is much easier accessible than Dublin, the 1994 annual conference was attended by many more participants from this area.

Of course, one may ask the question "why". I do not have a ready answer, but several explanations could be tried. I will confine myself to transition (i.e. "post-communist") economies, because their predicament is best known to me. First, economic analysis in the area is weak following 45 years of ban on scientific inquiry in the field. Second, the most talented young economists from the area avoid addressing

environmental economics questions. Third, an average Hungarian is genetically less clever than an average Austrian. One may go on and invent dozens of other hypotheses some of which deserve to be outright rejected, and some which deserve consideration.

Perhaps the Germans can appreciate what a disaster was the communist rule in economics departments. If my information is correct, only one professor of economics from the former DDR retained his chair. All the rest were either fired or resigned once they realised that their experience and expertise had no value. Professors from Rostock, Leipzig etc (who attend our conferences and/or teach Ph.D. students) come from Western Germany. Economics was the most carefully and thoroughly controlled of all social sciences, since the communists understood it as the foundation of their rule. Even sociology and philosophy were

not so protected from *bourgeois* impacts as economics was. As a result, it will take at least a generation before the academic community in the former Soviet bloc will be able to benefit from independence regained.

There are now enormous opportunities for young economists in transition economies that can speak English and demonstrate basic academic skills. Because of limited supply of well-educated economists and a large demand for their services revealed by foreign investors and public bodies, almost all top graduates can launch exciting professional careers in privatisation, banking, business, administration and related fields. It is less easy here than in mature market economies to attract the most talented young scholars to environmental economics.

There may be a number of other -- more or less evident -- reasons, but the fact we face is the lack of participation from the ten NMS. This questions our ability to promote environmental economics (one of the key elements of our mission), and poses practical problems, e.g. for EU services who expect to find competent counterparts in member countries. Thus the problem needs to be addressed seriously.

Let me start with our annual conferences, because this is what triggered my interest in the issue. The conferences are the most important forum for European environmental economists to meet each other, have their work reviewed, and learn about new problems and methods. Unfortunately, scholars from NMS do not benefit from this event. To some extent this is because there are only few of them who could, but my impression is that the number of participants is even smaller. This rebounds on the rest of Europe, because participants from Denmark, France etc. lose an opportunity to learn what environmental economic problems emerge e.g. in Lithuania or Slovenia, and to better address policy questions faced by the EU.

I am not to advocate to compromise the academic quality of papers accepted, but it seems to me that some moves can be made while keeping the high standards. As a profession, we have always argued that in order to maximise welfare we need to equate marginal benefits across all units/agents (subject to convexity constraints), and that creating subdivisions compromises the overall objective. Let us assume for the moment that all the

papers accepted represent the highest scientific excellence and all rejected ones are worse. Even if this were true, I doubt whether scientific excellence understood in this way is synonymous with the provision of highest benefits. It is not only my impression (I heard similar views from other colleagues) that some topics were over-represented in Bremen while others were absent. For instance, we had many excellent papers on very narrow technical topics on parameter estimation. At the same time, several themes closely linked to environmental economics -- such as e.g. poverty (in developed economies), migration, policy failures -- were virtually absent. I doubt whether this maximised any measure of "academic" welfare.

Now let me question the excellence assumption. We accept roughly 250 papers out of, say, 600 or so submitted. Of these perhaps 50 are publishable while the rest are interesting but far from perfect. Of the papers I listened to in parallel sessions (more than 30), very few could be considered "impeccable". In most cases there was something fundamentally wrong with the estimation technique, key literature references were overlooked, or an empirical part was missing. It was heartening to observe how even junior participants (perhaps Ph.D. students) could contribute to discussions and how presenters could benefit from them. In conclusion, I think that we all could have benefited from rejecting, say, some 50 accepted papers if they were poor in substance, and accepting instead 50 rejected papers that were evidence-based even if their methodology was less advanced.

Coming back to the main problem: why do we fail to attract participants from NMS? For various reasons the environmental economics community is weak there which translates into low acceptance rate. On top of that, however, I sense that many potential participants do not submit at all, because they rationally expect to be rejected. As explained above, we can remedy this situation -- without compromising the overall quality of conferences -- by establishing thematic areas to let even less perfect papers that are evidence-based be presented. Furthermore, EAERE may wish to take additional measures to increase submission rates aimed at less successful areas such as the ten NMS.

Everywhere in the world young scholars can be tempted to move into a professional community



that does not apply thorough academic standards. In the field of environmental economics I see international and domestic conferences (and publishing outlets) which fall very far from any scientific rigour. All too often one can be applauded having simply stated that "neoclassical economics serves interests of multinational corporations", "garbage should be segregated and recycled", "the rich pollute the poor", "children should be familiarised with ecological principles", "human life is invaluable", and so on, and so forth. While many of such statements are obviously correct, they fit political gatherings rather than scientific proceedings. I see a peculiar co-evolution of such communities and their successful outreach towards NMS. Their projects are truly international, but scholars from transition economies -- unlike in our conferences -- are over-represented there. While EAERE will not save the world nor eradicate superficial analyses everywhere, it can definitely try to attract more people from NMS who are likely to be attracted by less-demanding gremia otherwise. Once again, I do not advocate abandoning academic criteria and starting a "race to the bottom". I only claim that we can recruit more good professionals from the ten NMS if we acknowledge and address the challenge revealed at Bremen.

In addition to attracting more people to annual conferences (the most urgent priority), the EAERE can experiment with a number of other regional outreach projects. One idea that I discussed with some colleagues are short workshops and summer schools organised in Central and Eastern Europe where the travel and accommodation cost is still lower than in Venice or Gothenburg. Perhaps the subsistence could be paid from local sources while teachers' honoraria could be financed from international programmes (FP6?). This is something the EAERE Council could consider as an experiment for the next 2-3 years.

The recently launched idea of vitalising regional chapters and nominating country representatives could also serve similar purposes. To sum up, I think that the ten NMS represent an intellectual potential that has not yet been harnessed by us. It would be our great mistake if we let this potential go untapped or -- even worse -- be attracted to unprofessional environmental economics that is useless and damaging.

Warsaw, June 28, 2005

CALL FOR PROPOSALS: EAERE Regional Workshops

EAERE invites its membership to submit proposals for short regional workshops to be organised under the Association's umbrella. Submissions are to be sent to the EAERE Secretariat (eaere@eaere.org) at any time. The submission file should contain the following information:

- (i) title of the proposed regional workshop;
- (ii) workshop aims and description;
- (iii) suggested location;
- (iv) contact details of a local organiser to liaise with EAERE for logistical purposes;

(iv) any other information the submitter judges as relevant.

The EAERE Council will review proposals and seek funds to cover the organisation of proposals judged interesting.

EAERE encourages submitters to contact the EAERE Country Representatives for preliminary discussions about the proposed Regional Workshop. Their contact details are available in the EAERE Membership Directory, at <http://www.eaere.org/members/directory.html>.



EAERE Country Representatives:

Austria, Karl. W. Steininger
Belgium, Johan Eyckmans
Canada, Robert Cairns
Croatia, Sladjana Pavlinovic
Czech Republic, Milan Scasny
Denmark, Niels Vestergaard
Finland, Matti Liski
France, Philippe Quirion
Germany, Michael Rauscher
Greece, Anastasios Xepapadeas
Ireland, Frank Convery

Israel, Mordechai Shechter
Italy, Giovanni Signorello
Norway, Cathrine Hagem
Poland, Tomasz Zylicz
Portugal, Maria A. Cunha-e-Sa
Spain, Santiago Rubio
Sweden, Thomas Sterner
Switzerland, Lucas Bretschger
The Netherlands, Aart de Zeeuw
UK, Ian Bateman
USA, Scott Barrett

NOMINATIONS FOR THE ERIC KEMPE AWARD

Dear EAERE members,

On behalf of the Kempe Foundation and EAERE, we have the honour of inviting you to nominate candidates for **The Eric Kempe Award in Environmental and Resource Economics for 2006**.

The Award was instituted by the Kempe Foundation, Sweden, in 1996. It is awarded biannually for the best paper in the field of environmental and resource economics published in a refereed journal in the two calendar years preceding the Award year; at least one of the paper's author must be affiliated with a European research institution. The Award amount is 10,000 Euro.

The winner is selected by a Nominating committee comprised of three members. Two of them are appointed by the EAERE Council and the third one is appointed by the Rector of the Umeå University.

Nominations of papers published in calendar years 2004-2005 can be submitted by sending the papers complete reference to eaere@eaere.org by April 30th, 2006. We also encourage you to justify your choice. The quality and success of the process very much depend

on your active participation. Please take the time required to make your nomination.

The EAERE President will convey the Eric Kempe Award for 2006 during the Third World Congress of Environmental and Resource Economists (Kyoto – July 3-7, 2006). In the fall (October-November) of the same year the prize-winner(s) is (are) invited to Umeå University, where the formal prize ceremony takes place, and the prize-winner(s) delivers (deliver) the Eric Kempe lecture. This ceremony takes place during the annual celebration at Umeå University when new professors are appointed and honorary doctors installed.

We look forward to receiving your nominations for the Eric Kempe Award and to meeting you in Kyoto.

Best regards,

The Eric Kempe 2006 Nominating Committee

Thomas Aronsson - chair

Aart de Zeeuw

Michael Finus



CALL FOR MEMBERSHIP – January 1st – December 31st, 2006

EAERE invites you to renew your membership for calendar year 2006!
Renew online at <http://www.eaere.org/membership.html>

Membership benefits

For 2006, the European Association of Environmental and Resource Economists offers a number of individual and collective benefits for members.

Individual benefits

1. A reduced personal subscription rate for the association's official journal, Environmental and Resource Economics (ERE), published by Springer. EAERE members can choose between the paper and on-line version of the journal.
2. A reduced personal subscription rate for Resource and Energy Economics, Environment and Development Economics and Resources Policy.
3. A reduced registration fee for the Third World Congress of Environmental and Resource Economists (3-7 July 2006, Kyoto, Japan).
4. The possibility to apply for participation and scholarships in the EAERE-FEEM-VIU European Summer School in Resource and Environmental Economics (25 June – 1 July, 2006, Venice, Italy).
5. A 50% discount on dues for secondary membership in our sister associations AERE and ALEAR.
6. A newsletter in Spring and Autumn, which contains information on upcoming conferences and training courses, notices related to environmental research and policy, short articles on topics of current interest, and reports on new and developing EAERE programmes.
7. Access to the EAERE membership directory.
8. The right to vote in the EAERE General Assembly and in the EAERE President and Council elections.

Collective benefits:

Supporting EAERE in:

1. Lobbying for environmental and resource economics research funding from the European Commission and elsewhere.
2. Advancing the science of economics.

3. Advancing the application of environmental economics in the development and application of policy.

4. Advancing the application of environmental economics in business and commerce.

5. Advancing communication between scholars, teachers, students and practitioners.

Membership options and prices

EAERE is providing new and continuing Members with four mutually exclusive options:

1. EAERE membership bundled with the delivery of ERE (paper copy): € 115.50 (or € 86.50 for reduced membership fees)
2. EAERE membership bundled with electronic access to ERE: € 115.50 (or € 86.50 for reduced membership fees)
3. EAERE membership on its own (no journal): € 41.00 (or € 12.00 for reduced membership fees)
4. EAERE triennial membership on its own (January 1st, 2006 – December 31st, 2008, no journal): € 123.00 (or € 36 for reduced membership fees)

How to renew your membership

The renewal of EAERE membership is entirely on-line, through the EAERE website at <http://www.eaere.org/membership.html>. You will be requested to fill in a membership form and to choose the method of payment that caters for your preference. Payments can be done by credit card or bank transfer. If you choose to pay by credit card, you will be redirected to a separate and secure page. EAERE accepts Visa, Mastercard, American Express, Diners and JCB. From this year, EAERE is providing the option to be billed every year. It is also possible to apply for a secondary membership with AERE and/or ALEAR at a discounted rate. If you wish to do so, please download the membership forms available in the EAERE website and send them to the addresses indicated in the form.

We hope that you will enjoy your 2006 EAERE membership!

For further information: eaere@eaere.org

2005 EAERE SUPPORTERS

Prof. Frank Convery, University College Dublin, Ireland.
Prof. Thomas Sterner, Göteborg University, Sweden.
Prof. Anastasios Xepapadeas, University of Crete, Greece.

EAERE Supporters have successfully encouraged two or more new members to join the Association in the calendar year 2005.

NEWS FROM THE EU COMMISSION

UPDATE: The EU Thematic Strategy on Air Pollution

*Matti Vainio (Ph.D), European Commission,
Environment Directorate General, Clean Air and Transport Unit, matti.vainio@cec.eu.int*

The European Commission adopted a Thematic Strategy on Air Pollution on 21 September 2005 along with a proposal to revise European air quality legislation and a comprehensive impact assessment (see <http://europa.eu.int/comm/environment/air/cape/index.htm>).

The strategy establishes environmental and health objectives in the EU up to 2020 based on an extensive cost-benefit analysis. In 2020, the total annual costs of the strategy were estimated to be €7.1 billion while the annual health benefits alone were estimated to be between €42 and €135 billion. In other words, the health benefits alone were estimated to be between six and 19 times higher than the costs. The range in benefits stems from the different values that can be placed on health benefits. Benefits to the environment could not be monetised because of unavailability of values that could be used for acidification and eutrophication of ecosystems.

The general equilibrium analysis showed that the strategy would reduce the EU's GDP in 2020 by 0.05% and that different sectors would be affected differently. Some would lose while some (e.g. sectors producing equipment and services to reduce air pollution) would gain. Perhaps surprisingly, the net effect on employment was estimated to be neither positive nor negative.

The Air Pollution Strategy was based on a four-year long Clean Air for Europe (CAFE) Programme, which amassed the latest health and

environmental evidence, developed further the assessment tools and had them peer reviewed.

The latest values of life years lost and statistical life based on the recently completed EU-wide NewExt study, were used.

The tools used in the CAFE programme comprised

i) RAINS integrated assessment model (<http://www.iiasa.ac.at/rains>) which is used for assessing the cost-effectiveness of air pollution reduction options;

ii) TREMOVE transport model (<http://www.tremove.org>) which is used calculating the cost-effectiveness of transport measures;

iii) Cost-Benefit Analysis (<http://www.cafe-cba.org>), which included not only the monetising of benefits and comparing them with costs, but also an attempt to include non-monetised benefits in the assessment and which carried out rather extensive uncertainty analysis; and

iv) Computable general equilibrium analysis by using GEM-E3 model.

The impact assessment and all documents including the peer reviews of the RAINS model and the methodology of cost-benefit analysis as well as all reports of cost-effectiveness and cost-benefit analysis are available at <http://europa.eu.int/comm/environment/air/cape/general/keydocs.htm>.

MARIE CURIE ACTIONS: Excellence Promotion and Recognition

The European Commission, within the Marie Curie Actions - Human resources and mobility Programme, offers funding possibilities through two instruments: the Marie Curie Excellence Grants, and the Marie Curie Chairs. A short description of objectives and rules for application is reported below. All relevant documents are available and downloadable from Cordis web page at:

http://fp6.cordis.lu/fp6/calls_activity.cfm?ID_ACTIVITY=594 or <http://www.cordis.lu/mariecurie-actions/9>

Call for Proposals for Marie-Curie Excellence Grants

Objective: Marie Curie Excellence Grants (EXT) provide support for the creation and development of European research teams which are considered to have the potential to reach a high level of excellence, more particularly for leading edge or interdisciplinary research activities. The action aims at enhancing the careers of these promising researchers by helping them attain research independence more rapidly. In order to qualify as a team leader, the applicant should have a recognised potential to reach a high level of scientific excellence, as well as the ability to manage and inspire a research team that executes, in priority, a leading edge and/or interdisciplinary research programme.

EXT grants are open to deserving researchers from any country in the world. Prospective team leaders apply together with their host organisations - universities, research centres, or firms carrying out R&D - to the Commission directly for funding. Host organisations must be established in an EU Member State, Associated State or Candidate Country. It is up to the team leader to assemble the team of researchers, who can be of any nationality and level of experience.

Composition of the team: The team consists of a designated team leader and further team members, with a European dimension. The target group includes researchers returning from outside the Member States and the Associated States. The transnational character of the activity and of the team as a whole should be proven by the career profile of the team leader as well as by the envisaged balanced composition of the team. The team should conduct their research project in one of the Member States or Associated States. The team leader shall be a researcher who in the development of her/his career, is showing the potential to reach a high level of autonomy and excellence and the

potential capabilities to create or develop an excellence team. The team leader may be a national of any country. Proposals will not be eligible for financial support if, at the time of the relevant deadline for submission of proposals, the prospective team leader has already been working (under any form of recruitment) for 12 months or more over the last 3 years in the same host organisation where the team is proposed to be located; nor can the team consist of a majority of members who, at the time of their appointment, have worked (under any form of recruitment) for 12 months or more over the last 3 years in the organisation hosting the team. The Host organisation will appoint the leader along with other researchers recruited as members of the Team. There is no upper limit to the number of the Team members and they can have any level of experience.

Budget: 1-1.5 M euro for maximum 3 years. The overall budget of a Team depends on the number and levels of experience of the Team members and the costs related to the Team's project. At least 65% of the funding is for the benefit of the leader and the members of the Team (living, mobility and travel allowances). This is paid according to rates defined by the Commission. The remainder of the budget goes towards research costs along with overhead and management related expenses.

Deadline to submit a full proposal: 25.1.2006

Call for proposals for Marie Curie Chairs

Objective: These Chairs will be awarded for the purpose of making top-level appointments, in particular to attract world-class researchers and encourage them to resume their careers in Europe. This scheme may be developed in synergy with the host-driven actions. It supports world-class researchers for a period of research

and lecturing at a host institution in a Member State or Associated State.

This action should also attract European researchers of world reputation who are active outside the Member States or Associated States and to encourage them to resume or further develop their careers in Europe.

Chair holder: The chair holder shall be an experienced researcher of any nationality, with outstanding past achievements in international teaching and collaborative research wishing to carry out a transnational mobility or come back to a Member State, or Associated State.

The post should be full-time or comprise a minimum of 70% of a full-time position over the course of one academic year, of which at least

half should be spent on teaching and supervising thesis work. The other, remaining part should be spent on research. The Chairs can be funded for a period of normally three years but shorter periods (not less than one year) may be accepted.

Budget: indicatively, 600.000-700.000 euro for maximum 3 years. The EC funding includes components for the Chair holder and components for the Host. It pays for the monthly living allowance of the Chair holder, travel and mobility expenses as well as a portion of the research cost, management, overheads, and equipment in specific cases.

Deadline to submit a full proposal: 25.1.2006

ANNOUNCEMENTS

CONFERENCES, SUMMER SCHOOLS AND WORKSHOPS

EAERE-FEEM-VIU European Summer School in Resource and Environmental Economics Computable General Equilibrium Modeling and Resource Economics

Venice International University, Venice, Italy

25 June – 1 July 2006

<http://www.feem.it/ess06>



CALL FOR APPLICATIONS

Deadline for application: February 1st, 2006

The European Association of Environmental and Resources Economists (EAERE), the Fondazione Eni Enrico Mattei (FEEM) and the Venice International University (VIU) are pleased to announce their annual European Summer School in Resource and Environmental Economics for postgraduate students.

The 2006 Summer School will take place from the 25th of June to the 1st of July, at the VIU campus on the Island of San Servolo, in Venice, located just in front of St. Mark's Square. The

theme of this Summer School is **Computable General Equilibrium Modeling in Environmental and Resource Economics**.

Environmental policies are increasingly assessed not only on the basis of their environmental effectiveness but also depending on the associated economic impacts with respect to efficiency and incidence. These three dimensions of Sustainable Development, i.e. environmental quality, economic performance and equity concerns are intertwined and subject to tradeoffs. The quantification of tradeoffs requires the use of numerical model techniques. Computable general equilibrium models have meanwhile become an established analytical framework for evaluating the economy-wide and environmental implications of policy intervention on resource allocation and income of agents. In this context, the Summer School provides a comprehensive introduction to applied general equilibrium analysis of environmental policies by internationally renowned experts. After presenting the basic technique, the lecturers will discuss the theoretical background and illustrative applications to four key areas of environmental economics: (i) trade and environment, (ii) environmental regulation and technological change, (iii) double (triple) dividend

hypothesis of green taxation, and (iv) international environmental agreements. Practical instruction and hands-on training on how to develop and use CGE models on GAMS (General Algebraic Modeling System) will be provided.

LECTURERS

Prof. Christoph BÖHRINGER - School Coordinator, University of Heidelberg and ZEW Mannheim, Germany

Prof. Reyer GERLAGH, Institute for Environmental Studies, The Netherlands

Prof. Stef PROOST, Center for Economic Studies, KULeuven, Belgium

Prof. Roberto ROSON, University of Venice and Fondazione Eni Enrico Mattei, Italy

Prof. Thomas F. RUTHERFORD, ZEW Mannheim, Germany

Prof. M. Scott TAYLOR

University of Calgary, Canada

ADMISSION AND APPLICATION

The Summer School is targeted to PhD students. Admission is conditional on the presentation by each student of his/her doctoral work; therefore applicants normally need to be advanced in their PhD to have produced at least one substantive chapter, but not to have completely finished their thesis. Admission to the School is open to both European and non European citizens. Application is restricted to current EAERE members. Women are encouraged to apply. Given the highly interactive activities planned at the Summer School, the number of participants is limited to 20. There is no participation fee. Further information is available at the Summer School Website.

SCHOLARSHIPS

Scholarships covering living and travel expenses are available and will be awarded to successful applicants conforming to the combined criteria of merit and financial need.

For further information on application and funding please access the Summer School Website at <http://www.feem.it/ess06> or contact the Summer School Secretariat.

Summer School Secretariat

Ms. Angela Marigo

Fondazione Eni Enrico Mattei

tel. +39 041 2711468

fax +39 041 2711461

angela.marigo@feem.it

<http://www.feem.it/ess06>

Third World Congress of Environmental and Resource Economists

Kyoto International Conference Hall, Kyoto, Japan

July 3-7, 2006

<http://www.worldcongress3.org>



CALL FOR PAPERS

Deadline for submission: February 1st, 2006

The Third World Congress will be held at the Kyoto International Conference Hall in July 2006, organized by the Society of Environmental Economics and Policy Studies (SEEPS), The Association of Environmental and Resource Economists (AERE) and the European Association of Environmental and Resource Economists (EAERE), in cooperation with the Latin American and Caribbean Association of Environmental and Resource Economists (ALEAR).

We invite you to submit theoretical and empirical papers that focus on environmental and natural resource economics. The closing date for submission of papers is February 1, 2006. Authors will be notified of acceptance of their papers by early April, 2006. The number of submissions per person is unlimited, but the maximum number of presentation per person might be limited. Authors must register for the Congress in order for the paper to be included in the program (the web page for registration will be available later). Paper submission is electronic, and is done through the link at the conference web page.

We also welcome your contributions to organize sessions. Please send your proposals with detailed information on the aim and significance of the session and lists of possible speakers to wc3-info@congre.co.jp.

GENERAL INFORMATION ON PAPER SUBMISSION

Deadline: **February 1, 2006.**

- Authors will be notified whether or not papers have been accepted for presentation early April, 2006

- If a paper is accepted, one of the authors must attend the meeting and present it in person. The

presenting author of an accepted paper must register and pay the registration fee.

- Presentation will be made only by the oral presentation.
- All accepted papers will be released on the Internet and/or the CD-ROM as the proceedings.
- Only electronic submission via the Internet will be accepted.
- The number of submissions per person is unlimited, but the maximum number of presentation per person might be limited.

PAPER INSTRUCTIONS

1. Papers should be written in English.
2. The first page should contain the title of the article, name(s) of the author(s), and institutional affiliation(s), and an abstract (not exceeding 200 words). Underline the name of the presenting author.
3. Papers should not exceed 40 pages.
4. Papers should be submitted by PDF file. If you have any problems in sending it by PDF file, please contact the secretariat.
5. Choose two themes from the category list on the conference website and mark the paper application form.
6. The completed paper should be submitted online via our website.
7. Changes made after the submission will not be accepted.

INTERNATIONAL CONFERENCE ON ECONOMICS OF POVERTY, ENVIRONMENTAL AND NATURAL RESOURCE USE

Wageningen, The Netherlands

17-19 May 2006

<http://www.socialsciences.nl/enr/index.htm>

Organisers

Environmental Economics and Natural Resources Group of Wageningen University and FRONTIS Wageningen International Nucleus for Strategic Expertise in collaboration with the Research Programme 'Environment & Economics' of the Netherlands Organisation for Scientific Research (NWO)

Motivation and background

Abolishment of poverty is a tremendous challenge for the global community. Although everyone agrees on the goal of poverty reduction, policies often remain controversial or

ineffective. Given that livelihoods of millions are at stake, there is an urgent need to reconsider the causes and remedies of poverty. Poverty and its reduction are often linked to the natural resources base. Local commons, like communal lands, are difficult to manage and may be overused. The use of marine resources in international waters will not be properly controlled in the absence of binding international agreements. The state of the environment affects living conditions of the poor and poverty affects environmental quality. For instance, if firewood needs in poor rural areas contribute to deforestation. Properly managed resources and carefully designed institutions are of utmost importance. The conference contributes to the economic analysis of the relation between environmental and natural resource management and poverty alleviation.

Scope and objectives

The scope of the conference stretches from theoretical to empirical and policy studies, including cooperation for natural resource management, economics of property rights and institutions, bio-economic modelling, economics of agro-biodiversity and studies linking international trade, poverty and the environment. The objectives of the conference are threefold. *First*, the conference provides a forum for studies on the links between poverty and the environment. Micro level analysis will contribute to a better understanding of barriers to escape from poverty and resource depletion. Studies on the macro level will enhance our understanding of the relations between sustainability, growth, and poverty. *Second*, the conference facilitates discussions on North-South relations in international trade and environmental agreements. Insights from theoretical models and empirical studies will directly help to shape local and international policies to combat poverty and to improve natural resource management. The role of environmental policies for location choice of economic activities, for leakage of pollution from the industrialised countries to the developing countries and for trade in waste will be discussed. *Third*, poverty raises concerns about local and international justice and good governance. The conference offers opportunities for formulating policy responses and strategies for direct action and implementation.

Programme

The programme will consist of plenary sessions with keynote speakers and parallel sessions with

contributed papers. The conference opens with a reception on Wednesday, 17 May. The scientific programme starts on Thursday morning, 18 May, and closes on Friday evening, 19 May.

Keynote speakers

C. Barrett, Cornell University, USA
D. Bromley, University of Wisconsin, USA
P. Dasgupta, University of Cambridge, UK
S. Engel, University of Bonn, Germany
K.-G. Mäler, Stockholm University, Sweden
D. Zilberman, University of California, Berkeley, USA.

Call for papers

The programme committee invites contributed papers. You are kindly asked to submit your paper electronically as a pdf file attachment before **31 January 2006** and addressed to conference.enr@wur.nl. Papers from the NWO programme 'Environment & Economics' are especially invited. The following information should be included in the paper:

- (i) The title of the paper;
- (ii) Name(s) of author(s), with the surname of the paper presenter in capital letters;
- (iii) Institutional affiliation of all authors;
- (iv) Complete postal and e-mail address of the paper presenter.

Notification of acceptance for oral or poster presentation will be given before 1 March 2006. The deadline for submission of final papers to be included in a CD-rom is **1 April 2006**. Selected papers will be considered for publication in a special issue of *Environment and Development Economics* and in a book on this specific topic to be published in the Wageningen UR Frontis Series by Springer Press.

Topics

Suggested topics include:

A) Driving forces

- Economic analysis of poverty traps and remedies to escape them
- Analysis of impacts of demographic pressure on the resource base
- Resource use, economic growth and the environmental Kuznets curve
- Options to foster pro-poor growth from sustainable use of natural resources.

B) Institutional and policy aspects:

- Economics of Good Governance - fair access to the natural resource base as a means for production

- Options to support environmental governance in countries in crises
 - Resource conflicts involving and affecting indigenous people
 - Payments for environmental services to reduce poverty and to protect biodiversity
 - Impacts of environmental regulation and its enforcement on poverty
 - Environmental policies and food security.
- C) International issues and the role of technology transfer
- North-South technology transfers and, more specifically, the role of GM crops for food security and biodiversity
 - Greening foreign direct investments
 - Transition management and industrial transformation
 - Eco-efficient innovations
 - Trade, environment and poverty: relocation of polluting industries
 - Impacts of international agreements: trade bans, technology transfers, international fisheries conventions, WTO regulations (e.g. textile trade regulations)
 - Sharing rules for environmental costs and benefits for policy design.
- D) New developments in modelling
- Resource modelling and bio-economic modelling
 - Game theoretical modelling of resource conflicts
 - Modelling the impact of environmental policies.

Organisation

The conference is organised by the Environmental Economics and Natural Resources Group of Wageningen University, The Netherlands, and Frontis Wageningen International Nucleus for Strategic Expertise in collaboration with the Research Programme 'Environment & Economics' of the Netherlands Organisation for Scientific Research (NWO), and supported by the Wageningen Institute for Environmental and Climate Research (WIMEK/SENSE), Mansholt Graduate School and Social Sciences Group.

International scientific committee

E.C. van Ierland (chair), Wageningen University, The Netherlands

D. Bigman, Wageningen University, The Netherlands

E. Bulte, Tilburg University, The Netherlands

B. Copeland, The University of British Columbia, Canada
R. Dellink, Wageningen University, The Netherlands
J. Janmaat, Arcadia University, Canada
A. Kuyvenhoven, Wageningen University, The Netherlands
O. Morrissey, University of Nottingham, UK
J.B. Opschoor, ISS, The Hague, The Netherlands
P. Pingali, FAO, Rome, Italy
P. Pinstrup Andersen, Cornell University, USA
M. Rosegrant, IFPRI, Washington, DC, USA
R.M. Saleth, IWMI, Colombo, Sri Lanka
H. Verbruggen (co-chair), Free University Amsterdam, The Netherlands
H.-P. Weikard, Wageningen University, The Netherlands.

Local organising committee

Ekko van Ierland (chair), Harmen Verbruggen (co-chair), Rob Dellink, Hans-Peter Weikard, Marije Verschuur (NWO), Petra van Boetzelaer (Frontis), Wil den Hartog (secretariat).

Date and venue

The conference will be held from 17-19 May 2006. The venue will be Wageningen International Congress Center, Lawickse Allee 9 in the centre of the university town of Wageningen, The Netherlands. Wageningen is beautifully located on the banks of the river Rhine, some 80 kilometers east of Amsterdam. The area is a meeting point of various types of landscapes, providing a more diverse natural environment than other areas of the Netherlands. There are good train connections to Amsterdam and cities such as Arnhem, Utrecht and Nijmegen. The Kröller-Müller museum and its famous Van Gogh collection is located in the vicinity of Wageningen.

Important dates

31 January 2006: Deadline for submission of full papers

1 March 2006: Notification of acceptance of contributed papers

1 April 2006: Deadline for the submission of accepted full papers

1 April 2006: Deadline for early registration

1 May 2006: Deadline for registration

Secretariat

All correspondence should be sent to the Conference Secretariat:

Mrs Wil den Hartog
Environmental Economics and Natural Resources Group
Wageningen University
P.O. Box 8130
6700 EW Wageningen
The Netherlands
Phone: +31 317 484255
Fax: +31 317 484933
Email: conference.enr@wur.nl
Conference website:
<http://www.socialsciences.wur.nl/enr/>

Accommodation

Hotel accommodation is reserved until 1 April 2006 in the centre of Wageningen within walking distance of Wageningen International Congress Centre. Hotel rooms will be allocated on a first-come-first-served basis. For hotel reservations visit the conference website.

Registration and conference fees

The conference fee includes all materials and documentation, refreshments and lunches for the two days and the Conference dinner on 18 May. Hotel accommodation is not included in the fee.

The Conference fee is € 250 for those participants who pay their registration fee before 1 April 2006. Thereafter the fee will be € 320.

Students (PhDs) may participate for a reduced fee of € 200. (Please attach a copy of a valid student id-card.)

If cancellation is confirmed before 1 April 2006 fees will be refunded except for a cancellation fee of € 50. After 1 April 2006 no refund is possible.

To register please visit the conference website:
<http://www.socialsciences.wur.nl/enr/>

Further information

Further information about the programme, hotels and social events can be found on the conference website:

<http://www.socialsciences.wur.nl/enr/>

We gratefully acknowledge

the support of and collaboration with the Research Programme 'Environment & Economics' of the Netherlands Organisation for Scientific Research (NWO), Frontis, the Wageningen Institute for Environmental and Climate Research (WIMEK/SENSE), the Mansholt Graduate School and the Social Sciences Group.



EDUCATIONAL PROGRAMMES

PhD PROGRAMMES/RESEARCH OFFERS

University of Wyoming Department of Economics and Finance

We offer MS and PhD degree programs and research opportunities for students interested in economics and finance.

The UW economics program has a micro-economic emphasis. Both our MS and PhD programs provide you with a strong foundation in economic theory that can be applied in selected field courses. Our faculty and department are internationally recognized in the area of natural resources and environmental economics, ranking as one of the top ten U.S. programs in environmental economics. Wyoming is a natural laboratory for studying issues related to energy development and environmental regulation.

Our program is small by design with limited fields of specialization. Our small classes enhance student-faculty interaction, and our representation of students from a variety of countries gives you a unique opportunity for participating in seminar environments in your course work. As a graduate student in our department, you can get maximum individual attention from faculty members in their fields of interest. The department typically has around 40 students actively working on degrees. Nearly half our students are from the United States with the remainder of international students coming from countries such as Canada, India, Norway, Sweden, Turkey, Greece, Pakistan, Korea, France, Russia, China and Taiwan.

We currently have approximately 20 active faculty, including two chaired professors in economics, Dr. Jason Shogren and Dr. Edward Barbier and a third chaired professor in finance, Dr. Sherrill Shaffer. Our faculty have active research programs, receiving millions of dollars in research grants from organizations such as the National Science Foundation, Environmental Protection Agency and U.S. Department of Agriculture. They have also written a number of books and published in leading economic journals such as the American Economic Review and the Journal of Political Economy.

We offer competitive financial aid packages, providing tuition and fee waivers, as well as annual stipends between \$14,000 and \$20,000 for PhD students and \$5,000 for MS students. Students also receive the opportunity to actively

participate in the teaching and research missions of the university.

For additional information please visit our website <http://business.uwyo.edu/ECONFIN/> or mail your enquiries to us at:

Director of Graduate Studies
Department of Economics and Finance
1000 E. University Avenue
University of Wyoming
Laramie, WY 82072.

PhD PROGRAMMES/RESEARCH OFFERS

Two PhD research projects in environmental/evolutionary economics.

Faculty of Economics and Business Administration, & Institute for Environmental Studies, Free University, Amsterdam.

1. PhD research project "Evolutionary modeling of coevolving groups in collective action dilemmas"

This project is part of a larger project financed by NWO, the national science foundation of the Netherlands, in the context of the research program "Evolution and Behavior". The project aims to shed light on one of the central problems in the social and behavioral sciences, namely the dilemma of collective action. Whereas research up till now has focused on dilemmas within single groups, most real-world dilemmas involve interactions among multiple groups that compete for scarce resources. Using theories on coevolution and group selection within evolutionary biology, evolutionary models will be developed to address this problem in a setting of multiple coevolving groups. Although the emphasis will be on numerical multi-agent models with a spatial component, there will be some room for theoretical model analysis as well.

2. PhD research project "Evolutionary analysis of policies inducing a transition to sustainable development"

Currently, there is much attention on opportunities and barriers to make a transition to more sustainable systems in the areas of energy, agriculture, built environment and mobility. This project aims to model the interaction of microprocesses that cause, direct

or hamper transitions. Evolutionary economics serves as the starting point, as it is considered to be capable of describing processes of structural change on the basis of heterogeneous populations, variation, selection, innovation and retention. The approach will lead to a number of formal evolutionary models of transitions on the basis of multi-agent techniques. Specific attention will be given to lock-in and path-dependency, coevolution, and group formation and selection. The ultimate aim is to generate lessons for policy aimed at promoting and steering transitions.

Requirements:

- Background in econometrics or quantitative economics, and possibly in applied mathematics, informatics (evolutionary computation) or biology (evolution, modeling).
- Affinity with programming and modeling.
- Knowledge of simulation software (dynamic/evolutionary systems) is an advantage.

The salary range for PhD students (September 2005) is €1877-2407 (1st - 4th year). For more information contact Prof. dr. J.C.J.M. van den Bergh, Faculty of Economics and Business Administration, Free University; phone 31-(0)20-5986164/6090; email: jbergh@feweb.vu.nl. Applications can be sent until December 15th 2005 by email to van den Bergh. Include a CV, a list of university grades, names of two references (incl. phone and email address) and one publication (bachelor/master thesis or a research paper in electronic form).

PhD PROGRAMMES/RESEARCH OFFERS

PhD Program in Agricultural and Resource Economics at the University of Maryland

The University of Maryland's Department of Agricultural and Resource Economics is accepting applications for its graduate program

for Fall 2006. The internet site econphd.net, which ranks universities as a guide for prospective PhD students, has recently ranked the University of Maryland first in the world (among 168 universities) in the fields of "Resource and Agricultural Economics" and "Resource and Environmental Economics." Members of the department have won more major research awards from the American Agricultural Economics Association than any other department. And the host of national and international institutions of interest for agricultural, environmental, and resource economists in close proximity to the Department is unparalleled. For further information about the advantages of graduate study in the Department of Agricultural and Resource Economics at the University of Maryland, we invite all prospective graduate students to explore <http://www.arec.umd.edu/Academic/Gradprog/61Reasons.htm>.

The department offers both MS and PhD degrees. Excellent financial aid in the form of assistantships and fellowships is available for qualified students covering tuition, medical insurance, and generous monthly stipends. The program requires a good background in differential and integral calculus and microeconomics. The requirements of the program and the coursework available can be explored at the departmental website, <http://www.arec.umd.edu/academic/gradprog/>. Prospective students will also find all necessary information on the website to apply for our graduate program. Admissions are highly competitive. Decisions are made on a rolling basis and are based on applicants' overall qualifications. For best consideration, applications should be received early, particularly for those seeking financial assistance, but applications will be considered as late as February 1 for international students on F and J visas, and as late as May 15 for domestic students.



JOURNALS



EUROPEAN ENVIRONMENT

John Wiley & Sons, Ltd. and ERP Environment

<http://www.interscience.wiley.com/journal/leet>

European Environment is a leading academic journal in its field that provides an original, detailed and critical analysis of contemporary developments in European environmental policy.

Internationally double-blind refereed papers analyse the need for environmental policies in Europe, the nature of the European environmental policy process, the influence of the various governments, institutions and interest groups that affect the policy process and the nature of policy formulation, implementation and impact at the EU, national, regional and local levels.

Papers published are accessible to the multi-disciplinary readership of the journal that incorporates central and local government, regulatory agencies, non-governmental organizations and industry as well as academic institutions and research bodies.

CURRENT ISSUE

Volume 15, Issue 5 (September/October 2005)

Special Issue: Environment and Sustainable Regional Development

Articles in the Current Issue:

Editorial

Environment and sustainable regional development (p 263-265)

Keith Clement

Research Articles

The environmental dimension of sustainable regional development in the English regions: reflections upon the experience of North West England (p 266-281)

Sue Kidd

Regional sustainable development in France: assessing the environmental implications (p 282-293)

F. Bertrand, C. Larrue

Environment and sustainable development in the EU structural funds: a review of Nordic performance (p 294-312)

Keith Clement

Integrating sustainable development into structural funds programmes: an evaluation of the Scottish experience (p 313-331)

Calum Macleod



THE INTERNATIONAL REVIEW OF ENVIRONMENTAL AND RESOURCE ECONOMICS (IRERE)

The International Yearbook of Environmental and Resource Economics edited by Henk Folmer and Tom Tietenberg is being transformed into a journal called *The International Review of Environmental and Resource Economics* (IRERE) to be published by Now Publishers. Formerly published by Edward Elgar Publishing Ltd., the Yearbook is a leading source for high-quality review articles in environmental and resource economics.

The *Review* will be similar to the Yearbook in the sense that it will continue to publish comprehensive reviews of the main issues in environmental and resource economics written by leading international scholars. At the same time, it will introduce a new section of short communications and letters of no

more than five printed pages. In addition, the Review will be available both online and in print with articles published within 45 days from acceptance. The first issue of IRERE will be published in the first quarter of 2007.

Now Publishers has introduced a suite of reference journals in business and technology. These reference journals are entitled *Foundations and Trends* and in 2005 they started *FnT Econometrics* edited by William Greene (NYU) and *FnT Microeconomics* edited by Kip Viscusi (Harvard) to name a few. In addition, Now Publishers will launch the Quarterly Journal of Political Science edited by Keith Krehbiel (Stanford) and Nolan McCarty (Princeton) in 2006. You can find out more information about Now Publishers at <http://www.nowpublishers.com>.

NEW BOOKS BY EAERE MEMBERS

THE INSTITUTIONAL ECONOMICS OF MARKET BASED CLIMATE POLICY

A new book by Edwin Woerdman on the institutional barriers to implementing market-based climate policy, focusing on political transaction costs and path dependence. The evolution and possible lock-in of climate institutions are studied, including the role of equity perceptions, environmental politics and EC state aid law.

Woerdman, E. (2004), *The Institutional Economics of Market-Based Climate Policy*, Amsterdam: Elsevier, 326 pages, ISBN 0-444-51573-9
<http://www.elsevier.com/locate/isbn/0444515739>

THE HANDBOOK OF ENVIRONMENTAL VOLUNTARY AGREEMENTS - Design, Implementation and Evaluation Issues

The book provides a comprehensive economic theory of voluntary agreements, taking into account their variety of forms and application situations.

Case analysis from Europe, the US, China and Australia complements theory. Authors are economists and law scholars from universities, research centres, environmental agencies and international institutions.

Croci, E. (2005), *The Handbook of Environmental Voluntary Agreements*/Springer, 391 pages, ISBN: 1-4020-3355-9
<http://www.springer.com/sgw/cda/frontpage/0,11855,4-10027-72-40805209-0,00.html>



OBITUARIES

Professor Emeritus Peter Bohm died June 2005.

Peter made important contributions to various fields of economics. His work in environmental economics includes *External Economies in Production*, published already in the early sixties. Other well-known monographs are *The Economics of Environment* (which he edited with A.V. Kneese) and *Deposit-Refund Systems – Theory and Applications to Environmental Conservation and Consumer Policy*. Amongst the numerous articles he wrote one can mention “Pollution, Purification and the Theory of External Effects”, *Swedish Journal of Economics*, “Comparative Analysis of Alternative Policy Instruments” (with Clifford Russell) in *Handbook of Natural Resources and Energy Economics* vol. I (eds A.V. Kneese and J.L. Sweeney), “Experimental Evaluations of Policy Instruments” in *Handbook of Environmental Economics* vol. I (eds K-G Mäler and J. Vincent).

Peter also made numerous contributions to public economics; for instance “On the Theory of Second Best”, *Review of Economic Studies*. He was instrumental in introducing modern cost-benefit analysis to Swedish policy evaluation. And, in the early seventies he together with other researchers produced the book *Transportation Policy and Economics* that advocated the use of marginal-cost pricing in transportation, something that stirred the debate in Sweden – as strange as that may seem today. His textbook *Social Efficiency – A Concise Introduction to Welfare Economics* from 1974 is still in use.

Peter was often quick to approach a new topic or to take advantage of new tools. A good example of this might be his work on deposit-refund systems, which now stands out as a classical work. Another example is the use of experimental methods in economics. His experiments on practicable demand-revealing mechanisms for public goods – the first one conducted already in 1971 – are frequently cited. The same goes for his “preference-reversal” experiments. Since 1990 Peter devoted much of his time to analyse climate change policy, i.a. as one of the lead authors in

Working Group III of the Intergovernmental Panel on Climate Change. He was an active researcher on climate change policy and participated in the debate up to his decease.

Peter was influential for the research at the Department of Economics, Stockholm University. He was the advisor to more than ten Ph.D:s within various fields, mostly public economics and environmental economics.

A distinctive feature of Peter’s academic act is the high relevance his research had for real-world problems. To be clear, this was not a random event but the result of conscious choices of research topics as well as of methods. An example of the latter is the use of context in lab experiments to facilitate the subjects’ understanding of the decision problem posed to them.

Peter Bohm was born in 1935. He graduated in economics at Stockholm University in 1964. He was a visiting researcher/professor at University of California, Berkeley, Harvard University, University of Maryland and Resources for the Future, and the World Bank. He held academic positions at Stockholm School of Economics (1970-71) and Stockholm University (1971-2005). During 1969 -1973 he was the editor of the *Swedish Journal of Economics* (now the *Scandinavian Journal of Economics*).

Björn Carlén and Hans Wijkander

Professor David Pearce, OBE, died September 2005.

David Pearce cared passionately about the environment, but never let emotion override his powers of reason—a trait that could be irksome to those with less disciplined minds. His most provocative idea was that environmental harm was not caused by greed or indifference or malevolence. It was caused by the environment being under-priced.

To many people, the idea of pricing the environment seemed immoral. To Pearce, letting it be used for free was worse. When asked in a recent BBC interview how he justified



putting a price on the environment, Pearce replied that he lived “in the real world of real policy. I look at the forces that destroy nature, and I try to use those same forces to conserve nature.” And so he did.

It was the Cambridge economist, A.C. Pigou, who first thought of the idea of taxing pollution. Pearce’s contribution was to operationalise and, yes, market the idea. He argued that the value of environmental services could be calculated, and he reveled in showing politicians his numbers. This could be done, he told them. This should be done.

Pearce’s first chance to shape policy came in 1989, when he was appointed an advisor to the Secretary of State for the Environment, Chris Patten. How to reconcile the market principles of Thatcherism with the newly expressed concern for the environment? Pearce—though no Tory—gave an answer that appealed to Conservative ideology: use the market, he said.

Even before this appointment, Pearce took this idea directly to the public in the form of a book (coauthored with Ed Barbier and Anil Markandya). *Blueprint for a Green Economy*, also known as “The Pearce Report,” became something of a sensation. I believe it remains the biggest selling book on environmental economics ever published.

Patten failed to implement the book’s recommendations but Pearce’s ideas were more important than his connections, and he had wisely put them in the public domain, allowing them to be absorbed and developed by others. Slowly but steadily, thinking about environmental policy changed. The London congestion charge, the climate change levy, the European emissions trading scheme—all of these tools being used today are realizations of Pearce’s big idea.

In academia, sticking to a topic can be a wise move, or a poor one—and only hindsight can tell which. Pearce found his subject early, and never let go of it. His first paper on the subject of private and social values was published in 1966, when Pearce was a lecturer at Lancaster University, years before Earth Day let alone the Earth Summit. Later, at Southampton University in the late 1960s, Pearce formed an environmental economics study group, but was unable to attract more than seven participants. Undeterred, he persisted with his research agenda through a succession of appointments, at Leicester University, and then at Aberdeen, until finally joining University College London in

1983 to become Professor of Political Economy. When I came to know David Pearce in the mid-1980s, by which time he had become head of the Economics Department at UCL, he figured there were no more than five environmental economists in the whole country. Today, there are dozens. Every one has been touched one way or another by David Pearce.

Pearce was as influential outside the UK as within. When the World Bank was criticized for neglecting the environment, Pearce was asked to recommend changes. His advice? Include values for the environment in the Bank’s evaluations of projects and policies. When the OECD looked for a common rule to guide environmental policy, Pearce encouraged the organization to adopt the polluter pays principle. It did.

Pearce’s economics were conventional, but his clarity of expression sometimes got him into trouble. Protestors once gathered outside his office building, howling that, as a lead author of the Intergovernmental Panel on Climate Change, he had recommended attaching a lower value to the life of a Bangladeshi living in Bangladesh than a Bangladeshi living in the UK. How could that be justified?

Here is the way Pearce explained it to his sons, Corin and Daniel. If we valued the two individuals the same, then we should be willing to spend as much on the health, nutritional, and other needs of the Bangladeshi in Bangladesh as we do on his brother in the UK. We do not do this. To value these lives the same in climate policy but not in our other policies would be inconsistent. That is all Pearce’s calculations were saying. He certainly was not saying that we *should* value the lives of these people differently.

This story explains what may have seemed a contradiction in Pearce’s life. He cared more for the environment, more for the downtrodden than any activist I ever met, and yet he always kept his head. He understood as few others did that caring was not enough. To make a real difference it was essential to know why the current situation was bad. Only then would it be possible to propose ways that were sure to make it better. Making things better, not showing others he cared—that was Pearce’s sole ambition.

Pearce was a prolific writer, but unlike most academics, he did not write only for his peers. He wrote for students. He wrote for policy makers. In a sense, he compensated for the



narrowness of the academy. And by doing that, he brought recognition to the entire field. It is just one of the reasons he was awarded the first Lifetime Achievement Award by his European colleagues last June.

Another reason: he gave others his time, his encouragement, and his inspiration, cultivating a new generation of environmental economists. He established a research capability in the London Environmental Economics Centre, run jointly by UCL and the International Institute for Environment and Development, and the Centre for Social and Economic Research on the Global Environment, based both at UCL and the University of East Anglia. He also created an MSc in Environmental Economics at UCL—a program that spread the discipline to every part of the globe. Those whom Pearce touched: they are his greatest legacy.

It is interesting to know the spark that lights a fire in a person like this. A story Pearce told may hold the clue. Soon after he and Sue Pearce were married, a group of locals, hunting on their property, killed one of their cats. The hunters offered £12 to prevent a legal action, but with the help of the League Against Cruel Sports, the Pearces sued. The judge, who made it clear that it was somewhat improper to take the renowned Hambledon Hunt to court, ordered the group to pay exactly £12 compensation. This meant that the Pearces legal fees were not covered, but no matter: the judgment in their favour changed the law of trespass, and, to Pearce's delight, was cited in the *Reader's Digest Book of Law*. The incident inspired Pearce to investigate the connections between property rights and externalities,

between private and social values. It was to become his life's work.

Ten years ago, David Pearce moved with his wife, Sue, and their sons, Corin and Daniel, to a farm in Essex. He cherished this place, and after the move, the pace of his work slowed just a little, as he began making time for simpler pleasures. Sue has an enduring memory of her husband, sitting on his tractor, looking out over his fields, beaming a broad smile.

David Pearce died very suddenly of leukaemia, only hours after being diagnosed.

David William Pearce, economist: born Harrow, Middlesex 11 October 1941; Lecturer in Economics, Lancaster University 1964-67; Senior Lecturer in Economics, Southampton University 1967-74; Director, Public Sector Economics Research Centre 1974-77; Professor of Political Economy, Aberdeen University 1977-83; Professor of Economics, University College London 1983-2005, Emeritus Professor, 2004-2005; Director, UCL/IIED London Environmental Economics Centre 1988-1992; Personal Advisor, Secretary of State for the Environment 1989-1992; Director, Centre for Social and Economic Research on the Global Environment, University College London and University of East Anglia 1991-96, Associate Director 1996-2000; OBE 2000; married 1966 Susan Reynolds (two sons); died Cambridge 8 September 2005.

Scott Barrett

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