

Faure, Michael and Goran Skogh. 2003. The Economic Analysis of Environmental Policy and Law: An Introduction. Edward Elgar Publishers Ltd. Cheltenham, U.K. and Northampton, MA, USA. Hardcover Price: Unknown. xiv + pp. 323. + index.

Just about every human institution is impacted enormously by economic reality. Institutions that most survive in today's world must balance their operations with local, national and international monetary orders. This book contains a lot of information about: (1) the economic analysis of law; (2) how economic tools could contribute to the clarification of environmental policy and how legal rules could be better utilized; and (3) how environmental law is primarily about different types of regulations, liability rules and enforcement.

After masterfully writing the introductory chapter, the authors: Michael Foure and Goran Skogh carefully divided the book into four parts:

1. "Rights and the environmental" policy contain three chapters about:
 - a. the principles of environmental policy
 - b. exploitation and protection of endangered species
 - c. property rights
2. The second part deals with resources, prices and sustainable growth which contains four chapters:
 - a. prices and markets
 - b. market failures
 - c. capital, investments, interests and risk; and
 - d. sustainable growth.
3. The third part titled "transaction costs and the law consists of the following chapters:
 - a. the role of laws
 - b. balancing benefits and costs
 - c. regulation of industry
 - d. land use control; and
 - e. tradeable permits, charges and deposit;
4. The fourth part is entitled: Risk and liability it contains the following chapters:
 - a. tort law
 - b. limits to liability
 - c. environmental crime; and
 - d. various instruments at various levels of government.

The deliberate attempt to protect the environment must be informed by regulations, policy and law. All through human history, regulatory policies have been coupled with requirements that demand changes in:

- a. the use of resources
- b. production methods; and
- c. consumption patterns
- d.

Societies have been able to control the rate of the environmental degradation which emanates as a result of human activities because environmental law “constitutes a major part of the mechanism or framework within which law abiding institutions and people must operate. This argument is made all through the book.

The highlight of the book is in the discussion of the environmental principles: (1) Sustainable development, (2) The polluter pays principle; and (3) The precautionary principle; but it must be emphasized that in reality there are five principles of environmental policy which in addition to the above those include: the prevention principle and the proximity principle. There is a very serious and succinct discussion of environmental economics in the book coupled with an overview of the concept of social cost-benefit analysis (CBA.) This book provides the reader with the theoretical, legal and policy implications of sustainable development, intergenerational equity (duty to future generations), social rights, private property, protection of scarce resources, zoning and land use, uncertainty issues, insurance and criminal sanctions, and nuisance law.

The only problem that this reviewer has with this volume is that the issue of “taking” and/or eminent domain was not properly discussed or explicitly mentioned. I would have also liked to see linkage of international matter to the global community. Otherwise this is a solid book and it is highly recommended for college use.

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