

Hatch, Chris, ed. 2005. *Environmental Policymaking: Assessing the Use of Alternative Policy Instruments*. Albany, NY: SUNY Press.

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Are alternatives to “command and control” policy instruments more effective in addressing environmental problems? With the rise in the last decade of a wide range of private, market based, self-regulation, and public-private partnership approaches designed to eschew “top down” state-directed efforts that dominated 1970s policy choices, a great many scholars have explored this question. This volume is a welcome addition to this literature, providing the reader with nine historical analyses that trace the development and impacts of “alternative” instrument choices in a range of sectors that focus on policy instruments in the United States, Germany, and Japan, along with key global initiatives.

The collective expertise of the volume’s authors paves the way for a comprehensive overview of the mechanics and nuances of innovative policy instruments that are fundamental to understanding whether and how alternative approaches might be effective. Edda Müller (ch. 2) provides a fascinating account of the development of the Blue Angel eco-labeling program. Its role was not to change entire sectors, but to provide a mechanism for recognizing innovation, facilitating policy diffusion and, in some cases, preparing the way for more prescriptive governmental action. Ronnie Lipschutz (ch. 3) provides a review of nongovernmental initiatives in the forest sector, emphasizing what is arguably the most studied and analyzed of “nonstate” initiatives, forest certification. The world’s leading environmental groups decided to bypass failed domestic and intergovernmental processes by creating a system of forest standards that exists completely apart from governments. These groups turned to market demand (purchasers and consumers of forest products) to create compliance incentives. Eric Welch and Miranda Schreurs (ch. 4) hypothesize that institutional factors and a view that “being green pays” explain why Japanese firms, which historically have not had to face the same environmental pressures as their European and United States counterparts, embrace International Organisation for Standardisation (ISO) environmental management systems at a higher rate than firms in most other OECD countries.

Through Michael Hatch’s probing study (ch. 5) on the role of voluntary agreements in German climate change policy we learn that the role of German unification was important in the politics of setting “base line” years with which to measure emissions improvements. Unification also facilitated the adoption of the agreement itself, since a single East German firm’s decision to replace its old technologies accounted for “a substantial share” of the promised pollution reductions. Michael Kohlhaas and Bettina Meyer’s study (ch. 6) of Ecological Tax Reform in Germany reveals how economic globalization and domestic structures explain the adoption of complex “second best” approaches that satisfied no one, but nonetheless could be seen as an important component of

Germany's broader climate change policy. Andreas Oberheitmann (ch. 7) provides a comprehensive overview of the ability of the Kyoto Protocol's Joint Implementation and Clean Development Mechanisms, which are designed to facilitate and promote innovation in meeting climate change commitments. Gary Bryner's analysis (ch. 8) of the costs and benefits of emissions trading is a clear, analytical, and dispassionate account of when and how emissions trading might work, and the issues involved in implementation.

Walter Rosenbaum's analysis (ch. 9) of Environmental Impact Statements (EIS) in the United States highlights the need to understand the role of information and procedural requirements in influencing environmental policy. He argues that the National Environmental Policy Act's (NEPA) *procedural* requirements that an EIS or environmental assessment be undertaken for federal projects had an enduring and profound impact, creating access for natural scientists and previously marginalized groups. The empirical cases are nicely concluded by Daniel Cole and Peter Grossman (ch. 10) who challenge long-held assumptions in the economics literature that economic instruments are inherently more efficient than traditional command and control initiatives. They find that, when implementation and monitoring costs are taken into account, EPA officials were actually being rational, rather than uninformed, in their original pursuit of command and control efforts mandating technology changes. The shift to market-based efforts occurred only after changes in technology and associated reductions in pollution monitoring costs, reinforcing Bryner's conclusions about the types of necessary conditions that must exist before considering the use of market based emissions trading.

The book could have better developed its analytical framework. Five themes raised in the introduction are supposed to guide the various chapters but they are so broad that they fail to allow for significant comparisons across the cases. As a result, the chapters emphasize different definitions of "effectiveness," and provide varying degrees of empirical evidence to support their hypotheses. Similarly, the introduction does not draw on previous taxonomies of instruments, which Hatch describes as being "perhaps overly complex," emphasizing instead the distinction "between mandatory and voluntary policy instruments" (p. 5). Such a blunt distinction, however, does not fit well with existing work on policy instrument analysis, nor with the book's empirical cases. They reveal that a single policy instrument usually contains elements of voluntary and mandatory approaches. The lack of a well-developed analytical framework may explain both the limited integration of the generally well-researched empirical cases in the conclusion, as well as (with the exception of Bryner's chapter) the glossing over of the impacts of the policy instrument in question on the actual environmental problem for which it was created.

These criticisms do not diminish the important contribution this volume makes to the literature on policy instrument analysis. It provides well-written historical analyses on some of the most important innovations in recent years and, as such, will be highly valuable to students and teachers of natural resource and environmental policy analysis.