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***ICEEM/03 – ENVIRONMENTAL MANAGEMENT
SECTION***

Sustainable Production and Consumption

**THE ROLE OF SOCIO - ECONOMIC ANALYSIS IN
ENVIRONMENTAL POLICY MAKING**

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Abstract

This paper gives examples of the importance of economic analyses as a complement to environmental information. One example of such an economic analysis is today's global attention on environment with respect to GHG (green house gases), especially carbon dioxide emissions. The GHG emissions continue to increase, despite the fact that there is an overwhelming consensus that they must be drastically reduced. The environmental information is mostly focused on the impacts in an inter-generational perspective. Economic analyses of intra-generational impacts would probably shift focus also for many third world countries. In these countries there are often important co-benefits of reduced CO₂ emissions due to reduced health damages and increased life expectancy. An example from China shows that the local health benefits from CO₂ abatement options could be 4-5 higher than the costs to reduce the emissions. If such socio-economic consequences are included in environmental information, decision makers will probably feel they have more support for a proactive environmental policy.

Keywords: socio-economic costs, impact-pathways, cost-benefit analysis, valuation
