



Clean water



Clean air



Stable climate on planet

Clean sand



Heritage

**Externalities
now have
prices
\$\$\$\$\$**

These costs will rise



- ☒ **Cost of water**
- ☒ **Cost of *treating* water (effluents)**
- ☒ **Cost of waste disposal**
- ☒ **Cost of cleaning up contaminated land**
- ☒ **Cost of controlling air pollution**
- ☒ **Environmental fines**
- ☒ **Cost of indemnities to employees and customers**
- ☒ ***Number* of indemnities to employees and customers**
- ☒ **Damage caused by a campaign by an NGO**
- ☒ **Cost of emitting CO₂**



Assessing the externalities

- Who sets the price of these externalities?
 - Formal regulators
 - Government agencies
 - The informal regulators
 - NGOs, civil society organizations, unions, etc.
 - Press
 - Importers in the US, Europe
 - Competitors

