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Discussion on Environmental Policy under Zero Emission Case in Taiwan

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Abstract

Because water is common goods, fixers-using firms will throw waste fixers away into the public sanitary sewer in their own benefits, and therefore will cause water pollution and make the public sick. The non-point pollution resource problem like waste fixers can not be solved by traditional economic incentive instruments and Coase Theorem. The waste is hazardous waste, so the social optimal level of emission is zero. This paper proposes a combination of performance bonds and reverse logistic system to guarantee zero emission achieve under Taiwan's situation. The combination of performance bonds and reverse logistic system has double effects: reverse logistic can guarantee firms properly return their waste fixers, and therefore no pollution happens. Performance bonds can induce the firms to monitor the Hazardous Waste Cleaning Agency make treatment in order to get the refunds back. And at last, the system could achieve the regulated target, social optimal zero emission.

Key words：Economic incentive; Zero emission; Social optimal level