

THE EFFECTS OF ECONOMIC INCENTIVES IN CONTROLLING POLLUTION IN THE SOUTH AFRICAN LEATHER INDUSTRY

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Pollution of the environment is becoming an increasingly serious problem. A large contributor to this is industry which generates effluent as a by-product of its production process. Two methods of controlling the pollution generated by industry are the so-called "command and control" techniques and economic incentives. In theory, economic incentives promise a more economically efficient and equitable means of pollution control. This paper sets out to ascertain whether this would hold in practice by applying environmental economic theory to the practical problem of controlling the effluent generated by one particular industry, viz the South African leather industry.

DIE UITWERKING VAN EKONOMIESE INSENTIEWE OP DIE BEHEER VAN BESOEDELING IN DIE SUID-AFRIKAANSE LEERBEDRYF

Omgevingsbesoedeling word 'n toenemend ernstige probleem. Een groot bydraer is nywerhede wat afvalwater as 'n neuseprodukt van die produksieproses genereer. Twee metodes waardeur die besoedeling deur nywerhede gegeneer beheer kan word is die sogenaamde "beveel en beheer" tegniek en ekonomiese insentiewe. In teorie belooft ekonomiese insentiewe om ekonomies meer doeltreffend en ewewigtige metodes van besoedelingsbeheer te wees. Hierdie referaat poeg om te bepaal of dit in die praktyk waar sal wees deur omgevings-ekonomiese teorie toe te pas op die praktiese probleem van beheer van die afvalwater wat deur een besondere bedryf, nl. die Suid-Afrikaanse leerbedryf, gegeneer word.

1. INTRODUCTION

The leather industry is important to both the South African economy as a whole and to the agricultural sector in particular by utilising a by-product of livestock farming namely the skins and hides of slaughtered animals. However, a potential problem facing the South African leather industry, and one that has already confronted similar industries in the developed regions of Europe and the United States, is the threat of forced closure due to the environmental damage caused by the effluent generated by the leather

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