

Optic – final meeting

External review

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Outline

- Topic & generalities
- Final product
- Remaining challenges

Topic & generalities

- Topic
 - Very relevant as many policy proposals fail or are suboptimal
 - but difficult
 - Context specific
 - Effects uncertain
 - » Global
 - » Individual effect
 - Process with many actors
 - » Stakeholders, public, agencies, different political levels
 - » No unified body of theory: political science, organization theory, economics, game theory
 - Objectives
 - » Conflicting
 - » Misses may have different costs

Stakeholders (own particular interests – lobbying)

General population

Policy initiative (agenda setter)

Agency (noise, own objectives, reduce alternatives)

Political decision level 1 (member state)

Political decision level 2 (EU)

Agency - implementation

Ex post follow up - remediation

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Final product 1

- “toolbox” for a policy initiative
- Nice – well thought and operational?
- Make very clear that you deal with process after political initiative
- Objectives are often not smart
 - More a mean than objective
 - 50% conventional cars
 - 30% modal shift etc..
- Is this specific to transport? – if no is it useful in other areas? If yes what is transport specific?

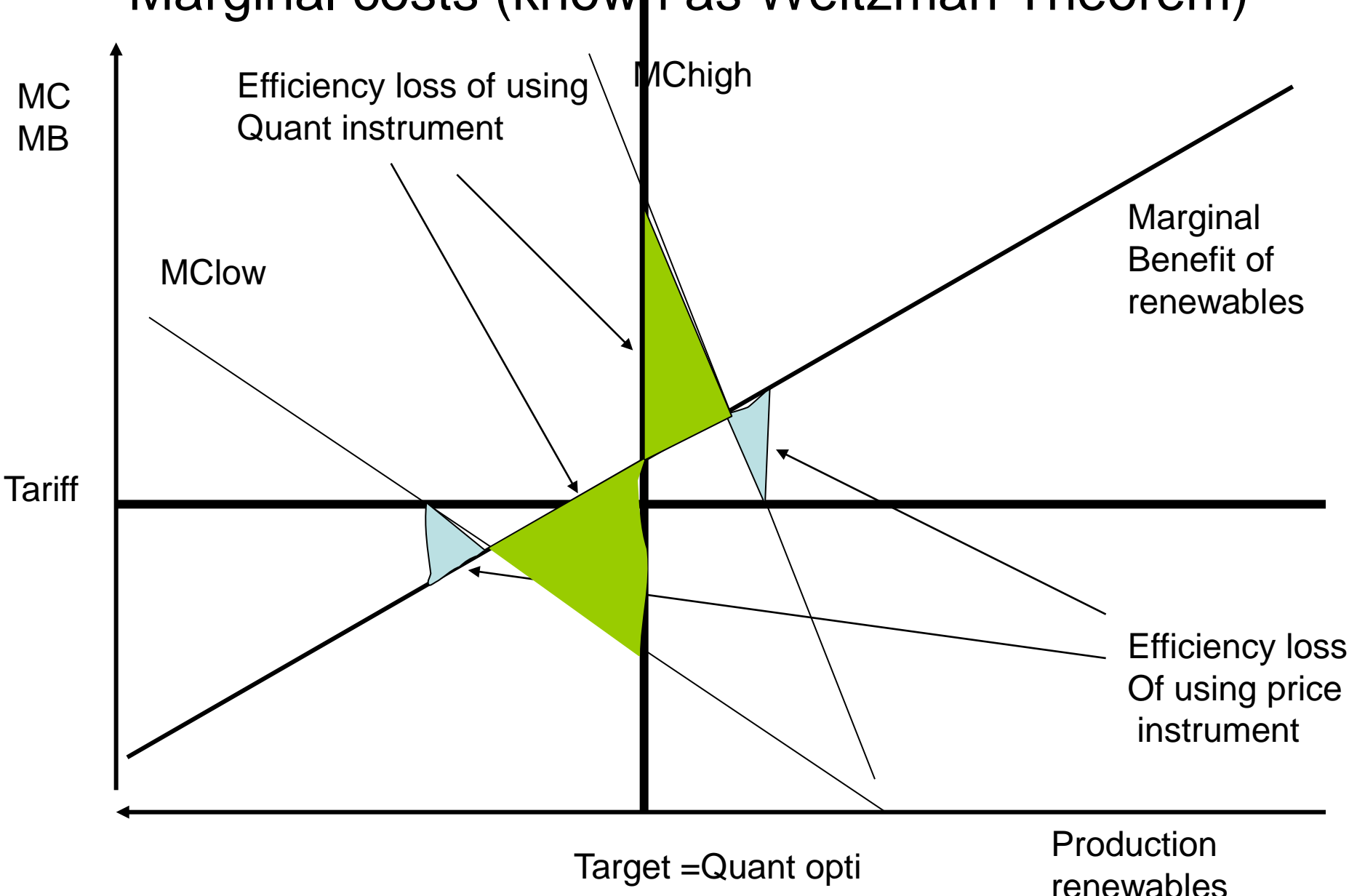
Final product 2

- **Acceptability – Effectiveness-Cost-effectiveness**
 - Acceptability is necessary condition
 - Effectiveness: put value on target overachievement and underachievement
 - Cost-effectiveness
- **EU policies have different political process than national policies**
 - May be good to be explicit on this
 - Within EU: different qualified majorities (unanimity for fiscal policies)

Challenges 1

- Integrate policy credibility
 - Promise 60% reduction in 2050 – although there are no benefits for current generations ...
 - Promise to use toll revenues for “good” projects
- Integrate uncertainty into the assessment of the objective
 - In a world of uncertainty, undershooting or overshooting the objective is normal
 - » How to assess under and overshooting is crucial
 - » How large is cost of too low reduction of CO₂ in transport sector? (if cost High go for Tradeable permits in transport, if low go for carbon pricing)

Price vs quantity regulation with uncertain Marginal costs (known as Weitzman Theorem)

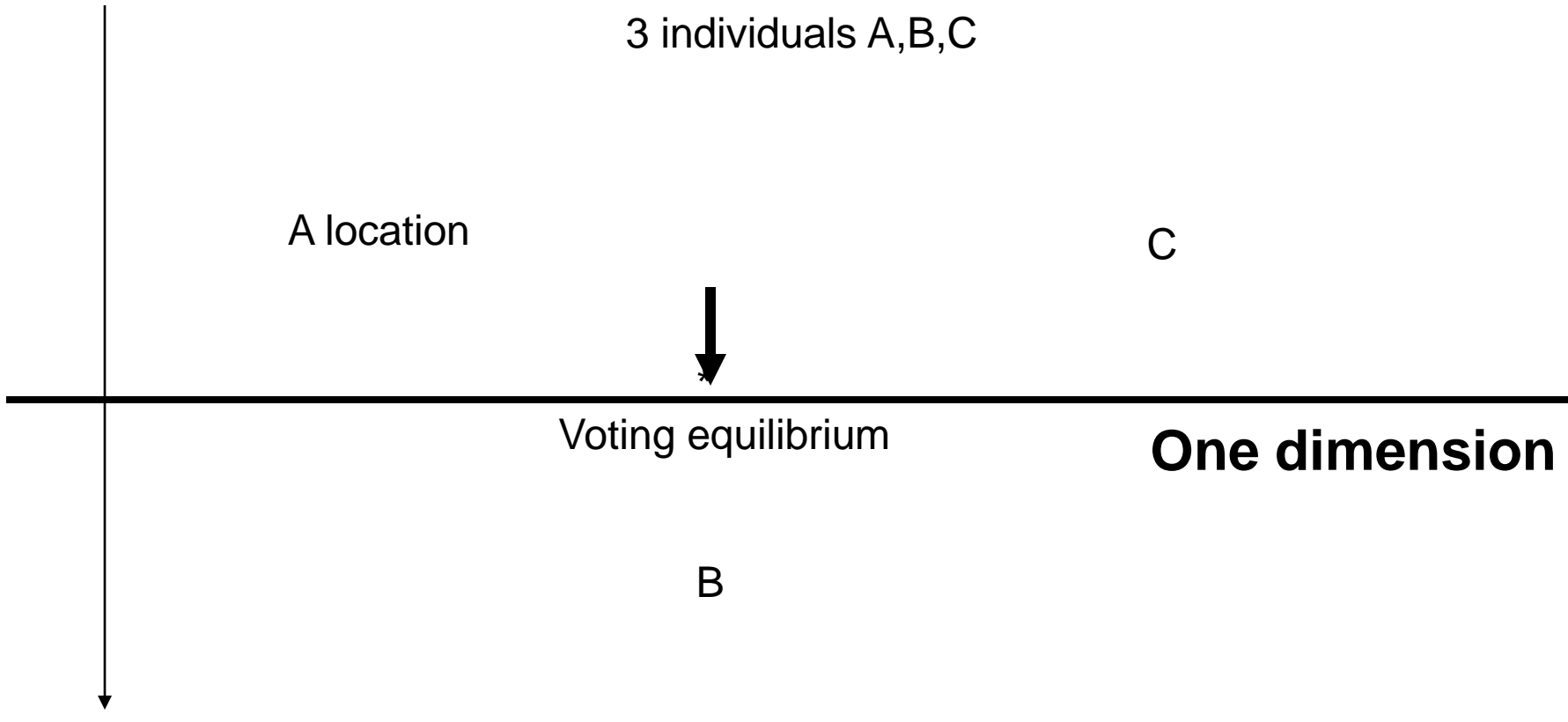


Challenges 2

- Individual uncertainty
- Political consistency
 - A package can be less stable over time

Policy packaging

example of water supply on a plane leading to vote cycling



Policy packaging

example of water supply on a plane leading to vote cycling

