UCL seminar series: critiquing approaches to appraisal in transport planning

Transport appraisal and ethics

Bert van Wee

Delft University of Technology
Background

Part-time sabbatical 2010
CBA experience: ‘something is missing’: ethical perspective

‘Good’ policy? Effectiveness, Efficiency, Equity
This lecture

- Critics on CBA from ethical perspective
- Accessibility / social exclusion
- The Environment / intergenerational justice
- Safety
- Conclusions / epilogue

Aim: to make you aware of the relevance of ethics in transport policy making and evaluation
Contents of book

Chapter 1: Introduction
Chapter 2: The opinion of the target group
Chapter 3: How suitable is CBA for the ex-ante evaluation of transport projects and policies?
Chapter 4: Social exclusion
Chapter 5: Long term sustainability and transport evaluation
Chapter 6: Safety: indicators, pricing humans and democracy
Chapter 7: The ethics of doing transport research
Chapter 8: The use of models
Chapter 9: Epilogue and discussion
Point of departure CBA and ethics:

Quality of (research as input for) decision makers. *Not* welfare economics

Discussion: what is ‘quality of decision making’?
Book – point of departure:

Input to allow politicians to choose what they would have done if they:

- Would be aware of problem / challenge
- Would have overview of ‘solutions’ / options
- Would know pros and cons
- Would be able to evaluate pros and cons
CBA

- Pros and cons of policy options
- Quantified
- Monetary terms
- Final indicator: benefits minus costs, B/C ratio, return on investment
Mon - Fri Midnight - 7am
9pm - Midnight

Sat Midnight - 7am
1pm - Midnight

Sun At any time

Except permit holders

Congestion charging

Central ZONE

Mon - Fri 7am - 6pm

Red Route
Chapter 3: How suitable is CBA for the ex-ante evaluation of transport projects and policy?

Criticism on CBA

1. Utilitarianism could be useful for some evaluative purposes, but not for all. In other words, the area of application is limited. E.g. social exclusion
2. It is not without dispute to select the indicator to be maximized. This could be welfare, but other alternatives exist (Rawls: primary social goods. Sen: capabilities)

Chapter 3: How suitable is CBA for the ex-ante evaluation of transport projects and policy?

Critics on CBA

3. Distribution effects and equity are ignored.
4. Some effects are difficult to monetize (e.g. nature, quality of the environment).
5. There is more than utilitarianism. Other – in some cases: competitive – theories exist (e.g. egalitarian theories).
6. There is more to be evaluated than welfare. Other values may also be relevant (e.g. freedom to participate in activities).

7. Not only humans matter.

8. Poor people count less than rich people.

9. (Choices of people are not always based on reason).

10. CBA evaluates changes in welfare and ignores absolute levels.

11. Not only the outcomes of choice options matter, but also the process of selecting / defining / designing options.
**a checklist to include ethics in ex ante evaluations**

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the problem or the challenge?</td>
</tr>
<tr>
<td>Which are the choice options?</td>
</tr>
<tr>
<td>Which are all the important pros and cons of the choice options?</td>
</tr>
<tr>
<td>Who are winners and losers?</td>
</tr>
<tr>
<td>Can losers be compensated, and will they be compensated?</td>
</tr>
<tr>
<td>Do particular trade-offs exist?</td>
</tr>
<tr>
<td>Do irreplaceable things exist or not?</td>
</tr>
<tr>
<td>Should outcomes be maximized or not?</td>
</tr>
<tr>
<td>Does closed partiality occur?</td>
</tr>
<tr>
<td>Are additional values affected, and if so: which, for whom, and in which way?</td>
</tr>
<tr>
<td>Do (additional) considerations with respect to equity, justice or equality exist?</td>
</tr>
<tr>
<td>Are commitment or duties at stake?</td>
</tr>
<tr>
<td>Is a choice needed?</td>
</tr>
</tbody>
</table>
Definition:
The fact that some people or population groups are excluded from a certain minimum level of participation in location based activities, whereas they wish to participate, and need to do so in order to maintain a reasonable quality of life within the society in which they live.


Discussion:

CBA: Willingness to pay (WTP) of consumers

Is WTP suitable in case of social exclusion?
• CBA inadequate to evaluate social exclusion policies

• Attractive for evaluation: accessibility indicators

• Social exclusion policies versus income policies? Society benefits from participation of activities; democracy

• Egalitarianism: relative accessibility

• Sufficientarianism: minimum level. Weak sufficientarianism: priori for worse of. Strong: absolute priority for those
Chapter 5: Long term sustainability and transport evaluation

- Intergenerational justice
- Problem: discounting – long term hardly any value
- Theory: deontology, egalitarian theories
- Rawls: veil of ignorance
- Non-renewables: ‘Just’ saving rates
- Climate change: population size, technology, CBA versus moral principles
- Cap-and-trade: ‘bad’ for worse of. Trip into space?
- Infrastructure: also intergeneration effects
Safety

Discussion: is pricing risks OK?

Van Wee, B., P. Rietveld (2013), Using value of statistical life for the ex ante evaluation of transport policy options: a discussion based on ethical theory. Transportation 40 (2) 295-314

Chapter 6: Safety: indicators, pricing humans and democracy

• Is pricing OK? Answer depends on theory. Deontology versus utilitarianism.
• Behaviour related avoidance costs missing. Freedom of to move, to participate in activities
• Ethics: distribution effects. Utilitarianism, egalitarian theory, sufficientarianism
• Deontology: the doctrine of the double effect (intended versus unintende effects).
• Contractarianism
• VOSL versus QALY versus WTP for travel time changes
• Democracy: children, voluntary versus non-voluntary choice
Chapter 9: epilogue

CBA useful? Yes but not always. Social exclusion, intergenerational justice.

Importance of concept of accessibility

Limitations to ‘the market’

Transport ‘separate’ sector? Social exclusion, climate / energy
Importance of context

Quality of (research as input for) decision making
Questions?
<table>
<thead>
<tr>
<th></th>
<th>Fast bus</th>
<th>Slow bus</th>
<th>Bus service on demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs (Net present value)</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Willingness-to-pay</td>
<td>100</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>For high income groups</td>
<td>80</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>For low income groups</td>
<td>20</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>Benefits - costs</td>
<td>20</td>
<td>-30</td>
<td>-50</td>
</tr>
<tr>
<td>Potential accessibility of shops and basics services accessible</td>
<td>25</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>For high income groups</td>
<td>35</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>For low income groups</td>
<td>15</td>
<td>90</td>
<td>60</td>
</tr>
<tr>
<td>% of population below a certain threshold for potential accessibility of shops and basics services accessible</td>
<td>40</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>For high income groups</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>For low income groups</td>
<td>80</td>
<td>20</td>
<td>0</td>
</tr>
</tbody>
</table>
CBA: Fast bus only option
Egalitarian theory: slow bus
Sufficientarianism on demand